





The **“Emperor”**, illustrating the cover of this magazine is a subject from a six-part **Epicure Series** which Erich Sokol † created exclusively for DO & CO. Pay particularly close attention to the details. Even if you have followed this well-known Austrian caricaturist’s work for years, you will always discover something new. This is a principle by which we also apply our corporate philosophy. As one of the first to accompany DO & CO along its way, Erich Sokol showed us what quality living is all about. As a visionary he helped shape the company in important ways throughout its formative years. He was the one who composed the unmistakable DO & CO logo – a symbol for “a fantastic grocer who makes you question, where this place had been all your life?” We shall be forever in his debt.

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2017/18

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## DO & CO GROUP

REVENUE: EUR 861.41 MIO

EBITDA: EUR 83.41 MIO

EBITDA-MARGIN: 9.7 %

EBIT: EUR 50.64 MIO

EBIT-MARGIN: 5.9 %

## RESTAURANTS, LOUNGES & HOTEL

REVENUE: EUR 164.30 MIO

EBITDA: EUR 10.70 MIO

EBITDA-MARGIN: 6.5 %

EBIT: EUR 7.07 MIO

EBIT-MARGIN: 4.3 %

The Restaurants, Lounges & Hotel division is the heart of the DO & CO Group and serves as the Group's marketing instrument and standard bearer. This division is made up of the units Restaurants, Demel Cafés, Lounges, Hotel, Employee Restaurants, Retail, Airport Dining, and Rail Catering.

Over 4.4 million passengers were served at the 29 lounges around the world during the financial year. The joint venture between DO & CO and Nespresso was expanded with an additional Nespresso Café in London. Following Cheapside, fresh products from the gourmet kitchen in London are now also being sold in Soho.

At the DO & CO Restaurant Stephansplatz, the DO & CO Restaurant Albertina, the two restaurants at the Olympic Park in Munich, Restaurant 181, and Restaurant Olympiasee, the DO & CO team was once again able to demonstrate its passion for outstanding hospitality.

|       |        |
|-------|--------|
| 17/18 | 861.41 |
| 16/17 | 913.44 |
| 15/16 | 916.47 |
| 14/15 | 798.92 |
| 13/14 | 636.14 |

Revenue in m€

|       |        |
|-------|--------|
| 17/18 | 164.30 |
| 16/17 | 169.66 |
| 15/16 | 167.52 |
| 14/15 | 163.96 |
| 13/14 | 125.16 |

Revenue in m€

## INTERNATIONAL EVENT CATERING

REVENUE: EUR 123.00 MIO

EBITDA: EUR 12.10 MIO

EBITDA-MARGIN: 9.8 %

EBIT: EUR 7.24 MIO

EBIT-MARGIN: 5.9 %

DO & CO has been responsible for catering the Formula 1 for 26 seasons now and serves the VIP guests of the Paddock Club in 17 countries. The VIP hospitality infrastructure is also provided by DO & CO. This includes services such as tents, furniture, security, decorations, and entertainment. In 2017, the Italian football club Juventus Turin was won as a new customer. Juventus Turin is now the fourth football club being catered by DO & CO in addition to FC Bayern Munich, Red Bull Salzburg, and Austria Wien. DO & CO handled 35 football games and various sports and business events at Allianz Arena. The Olympic Park also served as the venue for numerous major events. The event team kicked off the spring season with the ATP Tennis Masters in Madrid, where DO & CO was again responsible for the exclusive catering of VIP guests and the competitors. This was followed by the Champions League finale, the CHIO Aachen spring equestrian tournament, the world beach volleyball championships in Vienna, and the competitions in Fort Lauderdale and Porec. Annual events like the Hahnenkamm Races, the night slalom in Schladming, and the Film Festival at Rathausplatz in Vienna were also on the event calendar again.

|       |        |
|-------|--------|
| 17/18 | 123.00 |
| 16/17 | 146.33 |
| 15/16 | 117.68 |
| 14/15 | 101.06 |
| 13/14 | 60.79  |

Revenue in m€

## AIRLINE CATERING

REVENUE: EUR 574.11 MIO

EBITDA: EUR 60.62 MIO

EBITDA-MARGIN: 10.6 %

EBIT: EUR 36.33 MIO

EBIT-MARGIN: 6.3 %

By expanding its positioning as “the” premium airline catering provider and with an unmistakable innovative and competitive product portfolio, the Airline Catering division still generates the lion's share of revenue and sets new standards in the premium airline catering segment. The 31 DO & CO gourmet kitchens pampered over 114 million passengers on more than 681 thousand flights around the world in the 2017/18 financial year. The gourmet kitchen in Los Angeles opened for business. With up to 85 million passengers a year, Los Angeles International Airport is the second largest airport in the USA and the fifth largest airport in the world. Emirates with one long-haul flight per day and Cathay Pacific with 3–4 flights per day are served at this location. After New York John F. Kennedy Airport and Chicago O'Hare, this is already the third DO & CO location in the USA. At London Heathrow, Oman Air came on board as a new customer. The development of a new dishes and service concept for British Airways Club World was brought to a successful conclusion. Thai Airways was won as a customer in Germany and Italy. DO & CO has over 60 airlines in its customer portfolio.

|       |        |
|-------|--------|
| 17/18 | 574.11 |
| 16/17 | 597.46 |
| 15/16 | 631.26 |
| 14/15 | 533.90 |
| 13/14 | 450.19 |

Revenue in m€



# OUR BRANDS

**DO & CO is committed to international gourmet entertainment.** This means that our customers at the restaurant, events or on a plane are always served a high-quality product that is highly recognisable as the DO & CO brand. These premium products are handmade from the best ingredients and are always freshly prepared. We make no compromises in our pledge to provide quality and to persistently improve our services. This is the cornerstone of our corporate success.

The expansion of the brand portfolio in recent years has helped us tap into new areas of business and appeal to a wider clientele. Two things that all the brands have in common is a high standard of service and high-quality products. This is what has made the positive growth of the DO & CO brand possible.



DO & CO is the Group’s premium brand. It represents the **best flavours from the international spectrum** and offers a culinary journey around the world. As a premium brand it is associated with emotions, culture and enjoyment, providing high-class gourmet entertainment, flawless service and an unrivalled all-round service package.



The Demel brand stands for **artisan cakes and confectionary** made to perfection. Centuries-old traditions are carefully preserved whilst embodying a modern touch. Demel specialises in high-quality handcraft and the finest confectionary. As an exclusive patisserie brand, it is the ideal accompaniment to the premium DO & CO brand. The brand has already undergone a successful expansion overseas and we plan to press ahead with this in the future.



Hédiard, a French **chain of luxury food stores**, is the latest brand to join the group portfolio. Hédiard was founded in 1854 and is a leading name in the luxury delicatessen and traiteur segment. Its main shop is located at Place de la Madeleine in Paris.



Henry offers a **broad range of to-go products** – from salads, fruit and sandwiches to desserts. Henry meets our customer’s needs and expectations thanks to a high proportion of organic foods, which are displayed in recyclable and innovative packaging.



Henry am Zug is a follow-up to Henry – the art of living, and is available **exclusively on board of ÖBB (Austrian Federal Railways) trains**. This innovative service concept for passengers entails using only the best ingredients, preparing food freshly every day and offering value for money.



**Casual and Mediterranean** – the Aioli brand embodies southern-European flair and Mediterranean cuisine. Its young, dynamic image and flexible pricing enables the brand to attract a broad audience.



**“DO & CO à la carte” meals** can be ordered together with the AUA flight ticket via the online booking system or up to 36 hours before the flight. The menu ranges from Viennese classics, mezze platters and Spanish tapas to children’s meals and bento boxes.



# THE WORLD OF DO & CO

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## THE SECRET OF OUR SUCCESS

**MORE THAN 11.000 PERSONALITIES**  
ONE GLOBAL TEAM



THE SECRET OF OUR SUCCESS

All our staff members are passionate hosts. They ensure that you feel comfortable – no matter when and where in the world. Our main task is being there for our customers and guests. The DO & CO team are renowned for their high level of flexibility, personal service and great sensibility when it comes to product quality.

Exceptional commitment and love for detail is what makes the DO & CO brand unique and unmistakeable. Every employee follows the company’s service-oriented principles, enabling us to stand out from the crowd in this market.

Our biggest assets are our corporate culture and our invaluable staff, who make ourbrand so special and unique.



HOSPITALITY SERVICES



INHOUSE MEDIA PRODUCTION



INDUSTRIAL DESIGN

VARIOUS CAREER OPPORTUNITIES

DO & CO offers its customers in all divisions a comprehensive and innovative product in the sense of a “one-stop shop”. To this end, it needs an international team with members from many different fields to create tailored solutions:

Head Chef | Catering Manager | Pastry Chef | 3D Designer  
Controlling | Purchase | Chef de Rang | Flying Chef | Legal  
Human Resources | Staff Travel | Quality Assurance | Production  
Service Academy | Graphic Design | Industrial Design | Accounting  
Restaurant Manager | Front Desk | Event Catering | Planning  
Technical Operations | Customer Relations | Crew Control | Lounge  
Operation | Cash Management | Investor Relations | Steward on  
Train | Dispatch | Billing Analyst | Shop Manager | Logistics | Service  
etc.

From idea to concept and finally implementation – a one-stop-shop. DO & CO – the Gourmet Entertainment Company.



MANAGEMENT BOARD



Attila Dogudan  
Chairman of the  
Management Board



Mag. Gottfried Neumeister  
Member of the  
Management Board

SUPERVISORY BOARD



† Waldemar Jud  
Chairman of the  
Supervisory Board



Andreas Bierwirth  
Chairman of the  
Supervisory Board



Peter Hoffmann-Ostenhof  
1st Deputy Chair-  
man of the Supervi-  
sory Board



Cem Kozlu  
2nd Deputy Chair-  
man of the  
Supervisory Board



Christian Konrad  
Member of the  
Supervisory Board



Georg Thurn-Vrints  
Member of the  
Supervisory Board





# 31 GOURMET KITCHENS WORLDWIDE

In the 31 DO & CO Gourmet kitchens in 11 countries on 3 continents, we keep our promise of only the freshest products and highest quality. Whether for private events, large sport spectacles or on board of our partner airlines – our high standards for quality and attention to detail remain unchanged.

11 countries  
3 continents

New York  
Chicago  
Los Angeles  
London  
Paris  
Milan  
Seoul  
Frankfurt  
Berlin  
Munich  
Dusseldorf  
Vienna  
Istanbul  
Warsaw  
Kiev  
Malta  
Salzburg  
Graz  
Linz  
Krakow  
Gdansk  
Poznan  
Katowice  
Ankara  
Izmir  
Antalya  
Kurtköy  
Bodrum  
Dalaman  
Adana  
Trabzon





01

## RESTAURANTS, LOUNGES, HOTEL

**DO & CO RESTAURANT**  
STEPHANSPLATZ, VIENNA





HOSTS OF PASSION



**ONYX BAR**  
STEPHANSPLATZ, VIENNA



**DO & CO RESTAURANT**  
STEPHANSPLATZ, VIENNA



THE ART OF ENJOYING ...



**DO & CO RESTAURANT**  
ALBERTINA, VIENNA



... is certainly no difficulty for visitors of the Albertina museum in Vienna. Within the walls that house the world's largest & most valuable graphic collection, one also finds masterpieces of the culinary art. At DO & CO restaurant, selected classics of the Viennese cuisine and a foray through the world's spectrum of delicacies harmoniously fuse into an exquisite synthesis of art.

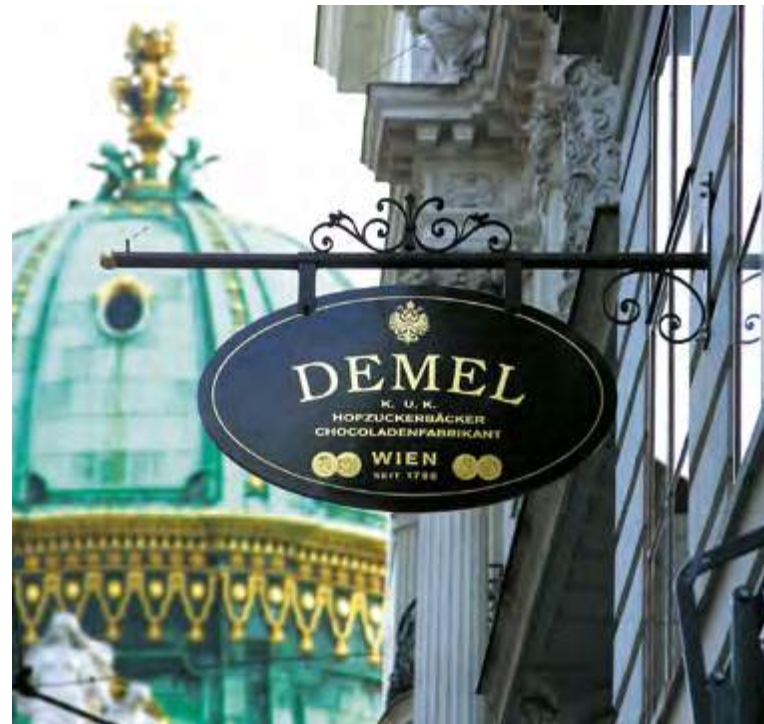
**COCONUT-PASSIONFRUIT**  
PANNA COTTA







## VIENNESE CONFECTIONARY ART



## DELICACIES FROM AROUND THE WORLD





WORLDWIDE AWARDED LOUNGES

OVERVIEW

**HOTEL**

DO & CO Hotel  
*Vienna*

**RESTAURANTS, CAFÉS &  
DELICACIES**

DO & CO Restaurant Stephansplatz  
*Vienna*

K. u. K. Hofzuckerbäckerei Demel  
*Vienna*

DO & CO Albertina  
*Vienna*

Hédiard  
*Paris*

Restaurant 181  
*Munich*

**RETAIL**

Henry – the art of living  
*Vienna*

Café Nespresso  
*London*

**LOUNGES**

Lufthansa First  
Class Lounges  
*Frankfurt*

Lufthansa Business &  
Senator Lounges  
*London*

Turkish Airlines Lounges  
*Istanbul, Adana, Bodrum,  
Trabzon, Dalaman*

Emirates Lounges  
*New York, London, Milan,  
Munich, Frankfurt, Dusseldorf*

Austrian Airlines Lounges  
*Vienna*

Airport Lounges  
*Vienna*

**LUFTHANSA FIRST CLASS LOUNGE  
FRANKFURT**



**TURKISH AIRLINES  
LOUNGE ISTANBUL**







CAFÉ NESPRESSO  
LONDON, SOHO

Extraordinary indulgence – full-bodied aromas, exquisite snacks and an elegant ambience.

Café Nespresso captivates by combining high class coffee making and top quality cuisine. A culinary experience for coffee enthusiasts far beyond simple enjoyment. 13 different Grand Cru types reinterpreted into 25 refined, barista approved creations. The innovative recipes can be enjoyed alongside sweet



HOMEMADE  
DELICACIES



CREATIVE  
COFFEE-COCKTAILS



CAFÉ NESPRESSO  
LONDON, CHEAPSIDE

and savoury delicacies from DO & CO's London-based gourmet kitchen. The culinary offer varies from morning to late afternoon and is composed of international specialities such as French quiches, Italian paninis or Oriental Meze. All meals, as well as beverages can either be enjoyed in the cosy atmosphere of Café Nespresso or as take-away.



# FRESHLY PREPARED FROM THE BEST INGREDIENTS EVERY DAY



# FULL ENJOYMENT ON RAIL





02

## INTERNATIONAL EVENT CATERING

**FORMULA 1**  
GRAND PRIX MONACO





# FORMULA 1 PADDOCK CLUB



## AROUND THE WORLD

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

Pole position for good taste. Whether in Bahrain's desert, the world's most prestigious racing track in Silverstone or the sea of houses in Monaco – when the world's best Formula 1 racing teams start their engines, the DO & CO teams are also prepared to deliver culinary peak performances at 17 Grands Prix around the world.





# UEFA CHAMPIONS LEAGUE FINAL



**CHAMPIONS LEAGUE FINAL**  
CARDIFF, WALES

The football highlight of the year in Cardiff!  
A unique athletic and culinary experience for any football fan. The DO & CO team is catering the VIP area at a Champions League finale game for the 13th time, and is also handling the hospitality infrastructure. Teamwork perfected.



**FOOTBALL**  
VILLAGE





# FC BAYERN MUNICH



Two companies that have the same goal.  
A unique experience for the football fan. DO & CO has been responsible for the entire VIP and public areas for championship and qualifying games since 2014.





JUVENTUS TURIN



#ForzaJuve  
The DO & CO event team was admitted to the top league of Italian football in August 2017. When record football champion Juventus Turin takes to the pitch, DO & CO is also ready and provides a fitting culinary backdrop.





INTERNATIONAL EVENT CATERING

**FOOTBALL**

UEFA Champions League Final 2017  
*Cardiff*

FC Bayern  
*Munich*

Allianz Arena  
*Munich*

Juventus  
*Turin*

**FORMULA 1**

*Shanghai, Bahrain, Sotschi, Barcelona,  
Monaco, Montreal, Baku, Spielberg, Silverstone,  
Budapest, Spa, Monza, Sepang, Suzuka, Austin,  
Mexiko, Abu Dhabi*

**EQUESTRIAN**

Show Jumping Tournament CHIO Aachen  
*Aachen*

**TENNIS**

ATP Masters Series  
*Madrid*

**BEACHVOLLEYBALL**

Beach Volleyball Major  
*Vienna*

FIVB Major  
*Porec*

Fort Lauderdale Major  
*Miami*

**WINTER SPORTS**

Downhill Race  
*Kitzbühel*

Night Slalom  
*Schladming*

Four Hills Tournament  
*Bergisel & Bischofshofen*

**SPECIAL EVENTS**

Film Festival at Rathausplatz  
*Vienna*

GOURMET ENTERTAINMENT  
AT THE HIGHEST LEVEL



**CHIO AACHEN**  
SHOW JUMPING TOURNAMENT



**SKISPORT**  
DOWNHILL RACE, KITZBÜHEL



**TENNIS**  
ATP MASTERS MADRID



**BEACHVOLLEYBALL**  
VIENNA



# NO DAY ON WHICH WE DO NOT THINK OF FESTIVITIES ...

... and about making sure our guests are happy. The international DO & CO events- and creative team develop individual concepts and themes for private parties and sporting events, holding more than 250,000 guests. By combining careful planning, design, creativity and a clear passion for detail, our team turns innovative ideas into unique experiences along with carefully themed decoration and tailored furnishing.

Thanks to extensive experience and know-how, the DO & CO staff gives every event exactly the right ambience and set-up to ensure omnipresent success. In 2016/17, DO & CO once again had the pleasure of providing its services and a unique 'made by DO & CO' experience at numerous major international events.



**WEDDING EVENT**  
VIENNA, BELVEDERE



## EUROPE'S LARGEST OPEN AIR FILM & GOURMET FESTIVAL

Featuring classic concerts and modern masterpieces, the film festival on the square in front of the City Hall is an exciting summer hotspot in Vienna, attracting up to 15,000 spectators every day from all over the world. Visitors may enjoy the various delicious food stands serving more than 20 different cuisines. The overall director of the event is DO & CO who has been responsible for the

overall culinary organisation of the open air festival for more than 20 years as general contractor for the city of Vienna. In this capacity, it has shown that the task requires a company that is masterful not only at coordinating gastronomic partners and handling back office logistics, but also at creating a unique atmosphere.





03

## AIRLINE CATERING

**GOOD TASTE**  
KNOWS NO BOUNDARIES



- Air China
- Air France
- Air India
- Air Malta
- Asiana Airlines
- Austrian Airlines
- British Airways
- Cathay Pacific
- China Airlines
- Egypt Air
- Emirates
- Etihad Airways
- Eurowings
- EVA Air
- Finnair
- Gulf Air
- Iran Air
- KLM Royal Dutch Airlines
- Korean Air
- Kuwait Airways
- LOT Polish Airlines
- Lufthansa
- NIKI
- Oman Air
- OpenSkies
- Pegasus Airlines
- Qatar Airways
- Royal Jordanian
- SAS Scandinavian Airlines
- Singapore Airlines
- South African Airways
- TAP Air Portugal
- Thai Airways
- Turkish Airlines
- Ukraine International Airlines
- Windrose

# THE BEST RESTAURANTS AT 39.000 FEET



DO & CO's restaurant know-how, which has since been lifted to the skies, and the influence of international event catering have given the classic DO & CO airline product that incomparable character which makes it so unique. Thanks to an innovate service concept, high and uncompromising quality standards and an unmistakeable onboard product range that leaves no wish unfulfilled; DO & CO, together with its partner airlines, has been a benchmark in the airline industry for many years. Today, DO & CO has 30 sites worldwide and offers its partners a comprehensive and premium range of in-flight solutions to meet all needs and expectations.





EMIRATES



LUFTHANSA



CATHAY  
PACIFIC



TURKISH  
AIRLINES



QATAR  
AIRWAYS





# BRITISH AIRWAYS

restaurant style dining in Club World



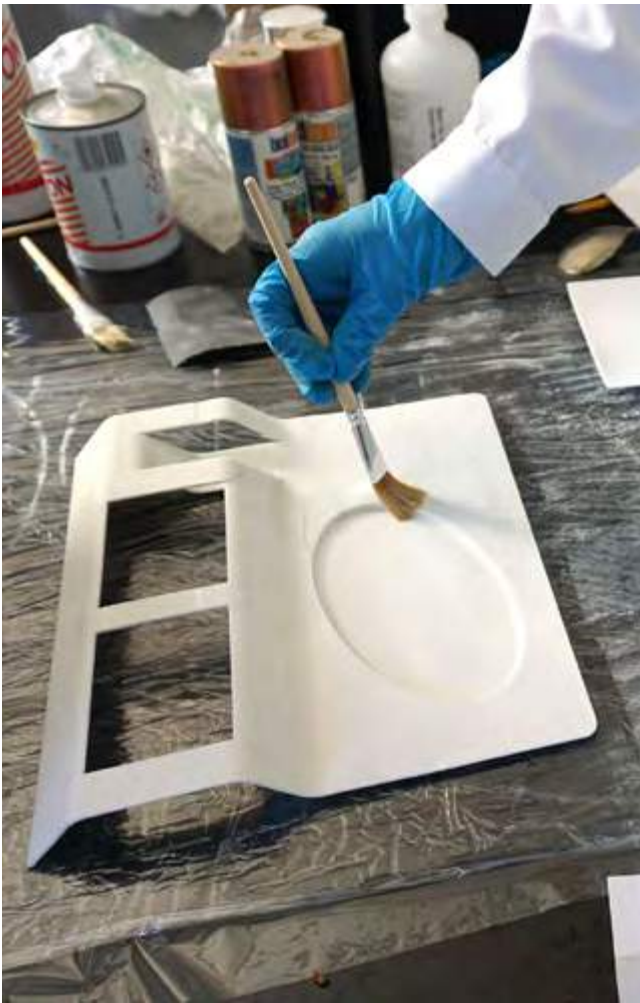
# BRITISH AIRWAYS

new dining concept launched on LHR – JFK route





# CUSTOMIZED ONBOARD CONCEPTS



Creative design solutions for packaging, dishes, and equipment from the DO & CO Design Department.





# OUR RESPONSIBILITY FOR THE FUTURE

## FOOD SAFETY AND HYGIENE

Ensuring food safety is the basis of all quality assurance efforts at DO & CO. With interdivisional and globally valid food safety standards, the company not only reacts to changes in food law but also meets the highest product and customer requirements.

DO & CO relies on its own team of experienced experts, who draw upon their knowledge in the fields of food technology, nutritional science, biology, and chemistry.

The DO & CO Food Safety Standard is based on the principles of the Hazard Analysis and Critical Control Point (HACCP) system laid out in the FAO/WHO Codex Alimentarius as well as the rules for Good Hygienic Practices and is structured according to the international standard ISO 22000:2005. Preventative programmes have been introduced in accord-

ance with the standard Prerequisite Programmes ISO/TS 22002 Part 2, Catering. In addition, we are required to comply with the IFSA / IFCA / AEA and WHO World Food Safety Guidelines in the Airline Catering division.

DO & CO operates two microbiological analysis labs in which more than 20,000 food samples are analysed each year in order to validate the company's production processes. Thanks to the measures listed above, DO & CO is able to not only provide safe food of the highest quality, but also to meet the most stringent hygiene standards.

## SUSTAINABILITY

"Consistent adherence to the strictest hygiene regulations and cautions dealing with the environment."

Because the company is aware of its responsibility as a consumer of raw material reserves and a generator of waste, the continuous optimisation of the use of resources and the implementation of waste prevention measures have been an integral part of the company's environmental policy for years.

We have seen that successful business practices and responsible, environmentally oriented actions often complement one another ideally and ultimately prove to be a competitive advantage.

DO & CO generally buys directly from producers and focuses on regional or organic products. DO & CO Vienna is the first DO & CO site to be certified according to EU Regulation (EC) No. 843/2007 on organic farming.

Thanks to our experience, we are able to precisely plan the quantity of food to be produced and thus reduce waste to a minimum. We believe in "waste prevention" before "reusability" before "recycling" before "landfilling".

»»» MORE INFORMATION ONLINE UNDER:  
[DOCO.COM/EN/INVESTOR\\_RELATIONS](http://DOCO.COM/EN/INVESTOR_RELATIONS)



# Annual Financial Report

## 2017 / 2018



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# Group Management Report for 2017 / 2018



## 1. HIGHLIGHTS

### Outstanding net result despite decrease in revenue due to consistent positioning in the premium segment and further diversification

Innovative products, new customers, a good performance with existing customers and numerous measures to improve efficiency have once again produced an outstanding result in this business year: revenue (€ 861.41m / -5.7%), net result (€ 24.37m / +17.0%). Earnings per share thus amount to € 2.50 (PY: € 2.14). The Management Board will propose a dividend of € 0.85 per share to the General Meeting of Shareholders.

### New airline catering location in Los Angeles

In the second quarter of the business year 2017/2018, a state-of-the-art gourmet kitchen was successfully opened in Los Angeles. Reporting up to 85 million passengers, Los Angeles International Airport is the second-largest airport in the US and the fifth-largest airport in the world. Since the beginning of September 2017, catering services have been provided at this location on a daily long-distance flight for first customer Emirates, immediately followed by Cathay Pacific on 1 October 2017, operating 3 to 4 flights per day from Los Angeles to Hong Kong. In addition to the New York John F. Kennedy Airport and Chicago O'Hare locations, this is now the third DO & CO location in the US.

### Major new airline catering customers in 2017/2018

- Emirates and Cathay Pacific ex Los Angeles
- Oman Air ex London Heathrow
- Qatar Airways ex Chicago O'Hare and Incheon
- Thai Airways ex Frankfurt, Munich, Milan Malpensa and Vienna

### Taking over the stadium catering of the traditional Turin football club Juventus

At the beginning of the business year 2017/2018, DO & CO was successful in winning Juventus Turin Football Club as a new customer. As of mid-August 2017, DO & CO took over the stadium catering of the traditional Turin football club, marking a significant and important step in the expansion of this business unit. In addition to Bayern Munich, Red Bull Salzburg and Austria Vienna, Juventus Turin is the fourth football club to enjoy the culinary treats of DO & CO.

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

In the business year 2017/2018, DO & CO completed its already 26th season of catering for Formula 1 grand prix races, handling a total of 17 races in 17 different countries. Further highlights of the business year were the tennis tournament at the ATP Tennis Masters Series in Madrid and the UEFA Champions League final in Cardiff. In the business year 2017/2018, DO & CO organised the catering of 35 football matches at the Allianz Arena in Munich in addition to the organisation of numerous events in the sports and business fields.

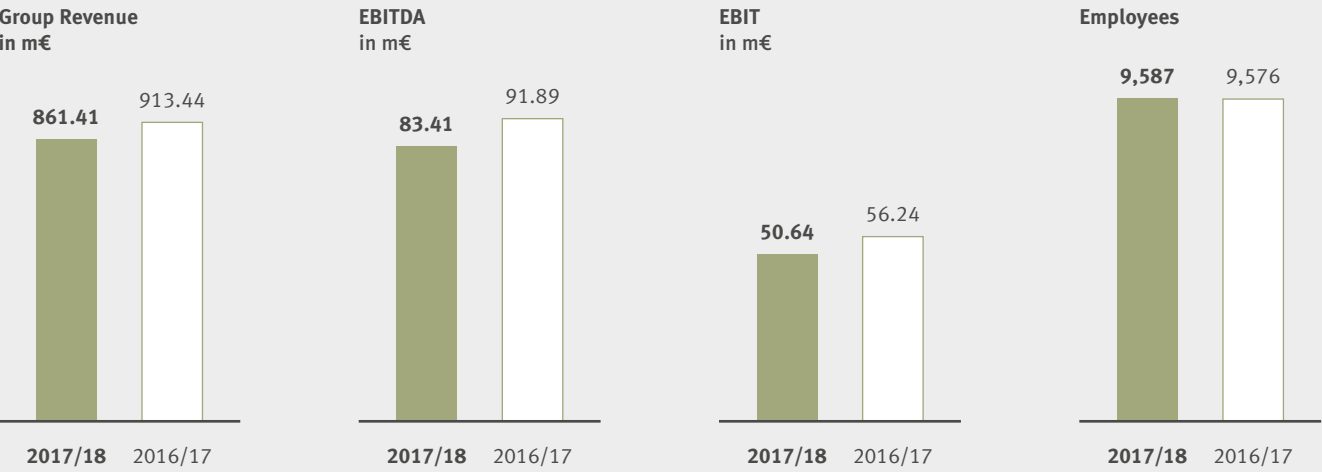
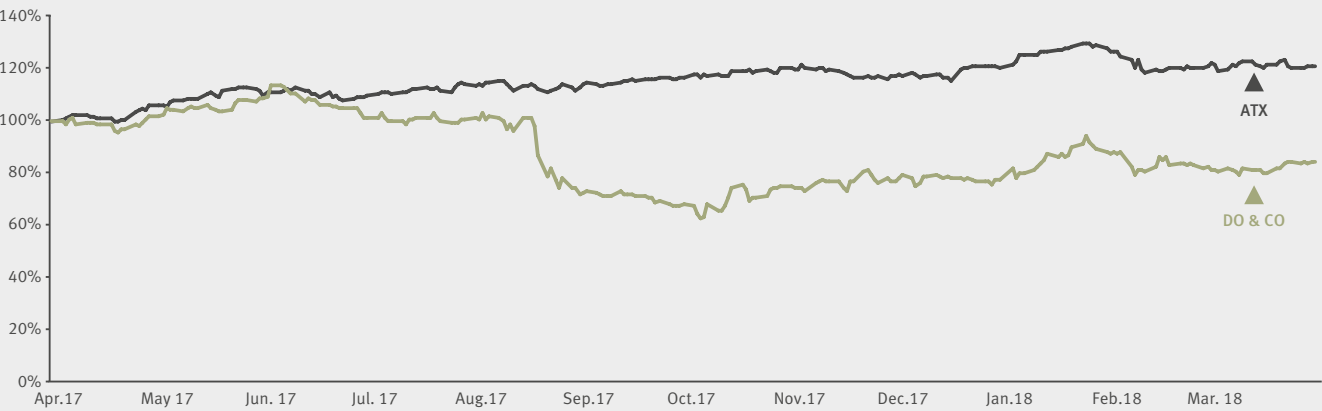
### Opening of the second Nespresso Café in London

Under their joint venture, DO & CO and Nespresso opened their second Nespresso Café in London at the end of June 2017. Fresh products from the London-based DO & CO gourmet kitchen and Nespresso coffee are served in Soho.



Key Figures

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



Details on DO & CO Stock

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

Relevant Information on the Capital Market

T: +43 (1) 74000-0  
F: +43 (1) 74000-1089  
E: investor.relations@doco.com  
  
Reuters Code: DOCO.VI, DOCO.IS  
Bloomberg Code: DOC AV, DOCO TI  
Homepage of Vienna Stock Exchange: www.wienerboerse.at  
Homepage of Istanbul Stock Exchange: www.borsaistanbul.com

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

The calculations of the key figures is explained in the Glossary of Key Figures.

|                                     |    | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|-------------------------------------|----|----------------------------|----------------------------|
| Revenue                             | m€ | 861.41                     | 913.44                     |
| EBITDA                              | m€ | 83.41                      | 91.89                      |
| EBITDA margin                       | %  | 9.7%                       | 10.1%                      |
| EBIT                                | m€ | 50.64                      | 56.24                      |
| EBIT margin                         | %  | 5.9%                       | 6.2%                       |
| Profit before income tax            | m€ | 46.17                      | 49.86                      |
| Net result                          | m€ | 24.37                      | 20.83                      |
| Net result margin                   | %  | 2.8%                       | 2.3%                       |
| Cash flow from operating activities | m€ | 42.40                      | 56.36                      |
| Cash flow from investing activities | m€ | -86.15                     | -65.17                     |
| Free cash flow                      | m€ | -43.75                     | -8.81                      |
| EBITDA per share                    | €  | 8.56                       | 9.43                       |
| EBIT per share                      | €  | 5.20                       | 5.77                       |
| Earnings per share                  | €  | 2.50                       | 2.14                       |
| ROS                                 | %  | 5.4%                       | 5.5%                       |

|  |      | 31 March 2018 | 31 March 2017 |
|--|------|---------------|---------------|
| Equity <sup>1</sup>                            | m€   | 240.11        | 247.56        |
| Equity ratio <sup>1</sup>                      | %    | 41.9%         | 39.8%         |
| Net debt (net financial liabilities)           | m€   | 75.16         | 10.08         |
| Net debt to EBITDA                             |      | 0.90          | 0.11          |
| Net gearing                                    | %    | 31.3%         | 4.1%          |
| Working capital                                | m€   | 41.26         | -8.22         |
| Equity per share (book entry) <sup>1</sup>     | €    | 19.76         | 20.18         |
| High <sup>2</sup>                              | €    | 69.44         | 107.60        |
| Low <sup>2</sup>                               | €    | 38.22         | 52.42         |
| Price at the end of the period <sup>2</sup>    | €    | 51.50         | 60.89         |
| Number of shares at the end of the period      | TPie | 9,744         | 9,744         |
| Market capitalization at the end of the period | m€   | 501.82        | 593.31        |
| Employees                                      |      | 9,587         | 9,576         |

1... Adjusted by proposed dividend payments  
2... Closing rate



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

In 2017, the global economy grew compared to 2016. In autumn 2017, the International Monetary Fund (IMF) already corrected the growth rate of 3.5% expected at the beginning of the year upward to a rate of 3.6%. In January 2018, the estimated economic growth amounted to 3.7% for 2017 and was thus above the rate of the previous year of 3.2%. The positive development particularly results from an increased growth in the euro zone, the US and Asia.

These developments are also reflected in the expectations for the coming years. The economists of the International Monetary Fund expect the global economy to grow by 3.9% in 2018 and 2019.

However, the IMF regards the nature of these developments as short-term. According to the IMF, reforms will be required in the medium term to boost productivity and investments. An increase in raw material prices caused European inflation rates to rise in 2017. Another increase in raw material prices is expected for 2018. According to the IMF, political uncertainties as well as the growing nationalist tendencies in European countries and the US continue to put the global growth at risk.

In 2017, the IMF forecasts a growth of 2.4% for the euro zone compared to 1.8% in the previous year. While economic growth in Great Britain slowed down due to uncertainties concerning Great Britain’s scheduled withdrawal from the European Union, many European countries reported a strong growth. The economy in the euro zone is expected to keep growing in the following two years.

In 2017, the Austrian economy grew by 2.9%, representing a significantly higher rate than in the previous year (1.5%). Austria’s economic development, therefore, performed much better than the rest of the euro zone. Investments as well as public sector and private consumption contributed to economic growth. The contribution of foreign trade also increased compared to the previous year. At 5.6% (Eurostat definition), unemployment dropped for the first time in a while in 2017. Average unemployment within the EU further declined, but at 7.8% clearly exceeds the Austrian rate. Compared to the previous year, the domestic inflation rate (Harmonised Index of Consumer Prices) increased by 1.0% to 2.2% and is therefore (as in the previous year) still higher than the rate of the European Union which reports an annual inflation of 1.7% in 2017 (PY: 0.3%). The Austrian Economic Chamber (Economic Situation Report and Forecast of March 2018) also forecasts an economic growth of 3.2% for 2018 which is therefore higher by 0.3% than the growth expected for 2017.

In Turkey, the economy is expected to grow by 5.1% in 2017, thus significantly exceeding the rate of the previous year (3.2%). The economic growth in Turkey exceeded expectations. The main drivers of the economic growth were the increase in exports and the expansive fiscal policy. A further growth of 3.5% is expected for 2018.

At 2.3%, economic growth in the US in 2017 was above the previous year’s rate of 1.5%. Private consumption and investments were the key drivers of the growth. The IMF expects the economy to grow by 2.7% in 2018, with investments continuing to increase due to the tax concessions.

At 2.0%, Ukraine once again shows growth in 2017 but remains below the previous year’s level of 2.3%. A growth increase is expected for 2018 and a GDP growth of 3.2% is forecast.

South Korea, Asia’s fourth largest national economy, reported a growth of 3.0% in 2017, thus exceeding the 2016 rate of 2.8%.

<sup>1</sup> Source of economic data:  
<https://www.imf.org/en/Publications/WEO/Issues/2018/01/11/world-economic-outlook-update-january-2018>  
<https://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017>

With interest rates low, earnings from overnight money and fixed-term deposits were markedly below the historic average also in 2017, which led to a lively demand for more profitable investment opportunities in the financial markets. The European Central Bank (ECB) left the base rate in the euro zone unchanged at the record low of 0.0%. In contrast, the American Federal Reserve (FED) increased the base rate once again in March 2018, with the interest rate now ranging between 1.5% and 1.75% due to positive economic data and a low unemployment rate.

Between 1 April 2017 and 31 March 2018, the Austrian leading index ATX was up by some 21% and the Turkish BIST 100 index rose by more than 29%.

In the business year 2017/2018, the US dollar varied between 1.09 and 1.25 against the euro. As of 31 March 2018, the exchange rate stood at 1.23 EUR/USD, meaning that the euro was able to gain against the US dollar during the reporting year (PY: 1.07 EUR/USD on 1 April 2017). The Turkish lira lost on the euro, falling from 3.89 EUR/TRY on 1 April 2017 to 4.88 on 31 March 2018. The exchange rate of the British pound stood at 0.88 EUR/GBP as at 31 March 2018 compared to 0.86 EUR/GBP as at 1 April 2017. After the Swiss National Bank discontinued the minimum exchange rate of 1.20 Swiss francs per euro in 2015, the EUR/CHF rate was 1.18 on 31 March 2018 compared to 1.07 in the previous year. The Ukrainian hryvnia reported a depreciation during the reporting period, showing a EUR/UAH exchange rate of 32.70 on 31 March 2018 (compared to UAH 28.96 for the EUR on 1 April 2017).



## 4. BUSINESS DEVELOPMENT

| Group   |           | Business Year<br>2017/2018 | Business Year<br>2016/2017 | Change        | Change<br>in % |
|---|-----------|----------------------------|----------------------------|---------------|----------------|
| <b>Revenue</b>  | <b>m€</b> | <b>861.41</b>              | <b>913.44</b>              | <b>-52.03</b> | <b>-5.7%</b>   |
| Other operating income  | m€        | 23.31                      | 28.72                      | -5.41         | -18.8%         |
| Cost of materials   | m€        | -369.12                    | -383.50                    | 14.38         | 3.7%           |
| Personnel expenses  | m€        | -288.33                    | -315.13                    | 26.80         | 8.5%           |
| Other operating expenses  | m€        | -143.25                    | -149.55                    | 6.30          | 4.2%           |
| Result of equity investments accounted for using the equity method                                    | m€        | -0.61                      | -2.09                      | 1.48          | 70.9%          |
| <b>EBITDA - Operating result before amortisation / depreciation and effects from impairment tests</b> | <b>m€</b> | <b>83.41</b>               | <b>91.89</b>               | <b>-8.48</b>  | <b>-9.2%</b>   |
| Amortisation / depreciation and effects from impairment tests   | m€        | -32.77                     | -35.66                     | 2.88          | 8.1%           |
| <b>EBIT - Operating result</b>  | <b>m€</b> | <b>50.64</b>               | <b>56.24</b>               | <b>-5.59</b>  | <b>-9.9%</b>   |
| Financial result  | m€        | -4.47                      | -6.38                      | 1.90          | 29.8%          |
| <b>Profit before income tax</b>   | <b>m€</b> | <b>46.17</b>               | <b>49.86</b>               | <b>-3.69</b>  | <b>-7.4%</b>   |
| Income tax  | m€        | -12.80                     | -16.06                     | 3.25          | 20.3%          |
| <b>Profit after tax</b>   | <b>m€</b> | <b>33.37</b>               | <b>33.80</b>               | <b>-0.44</b>  | <b>-1.3%</b>   |
| Therof net profit attributable to non-controlling interests   | m€        | -8.99                      | -12.97                     | 3.98          | 30.7%          |
| <b>Therof net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b>  | <b>m€</b> | <b>24.37</b>               | <b>20.83</b>               | <b>3.54</b>   | <b>17.0%</b>   |
| EBITDA margin   | %         | 9.7%                       | 10.1%                      |               |                |
| EBIT margin   | %         | 5.9%                       | 6.2%                       |               |                |
| Employees   |           | 9,587                      | 9,576                      | 11            | 0.1%           |

### 4.1. Revenue

In its business year 2017/2018, the DO & CO Group recorded revenue in the amount of € 861.41m, representing a decline of -5.7% or € -52.03m on the same period of the previous year.

This decline in revenue was particularly due to negative currency effects in the amount of approx. € 67m, cost-cutting measures in Airline Catering in Turkey amounting to approx. € 32m, an amount of approx. € 29m due to the European football championship not taking place, as well as a significant reduction in business volume amounting to approx. € 16m at the airline customer NIKI in Austria. These negative effects on revenue amount to a total of approx. € 144m. Adjusted for these effects, the Group would report a growth in revenue of approx. +10%.

| Revenue                      |    | Business Year<br>2017/2018 | Business Year<br>2016/2017 | Change        | Change<br>in % |
|------------------------------|----|----------------------------|----------------------------|---------------|----------------|
| Airline Catering             | m€ | 574.11                     | 597.46                     | -23.34        | -3.9%          |
| International Event Catering | m€ | 123.00                     | 146.33                     | -23.33        | -15.9%         |
| Restaurants, Lounges & Hotel | m€ | 164.30                     | 169.66                     | -5.36         | -3.2%          |
| <b>Group Revenue</b>         |    | <b>861.41</b>              | <b>913.44</b>              | <b>-52.03</b> | <b>-5.7%</b>   |

| Share of Group Revenue       |   | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|------------------------------|---|----------------------------|----------------------------|
| Airline Catering             | % | 66.6%                      | 65.4%                      |
| International Event Catering | % | 14.3%                      | 16.0%                      |
| Restaurants, Lounges & Hotel | % | 19.1%                      | 18.6%                      |
| <b>Group Revenue</b>         |   | <b>100.0%</b>              | <b>100.0%</b>              |

In the business year 2017/2018, revenue of the **Airline Catering division** fell by € -23.34m from € 597.46m to € 574.11m. This represents a decrease of -3.9%. The Airline Catering division's revenue produced 66.6% of the Group's overall revenue (PY: 65.4%).

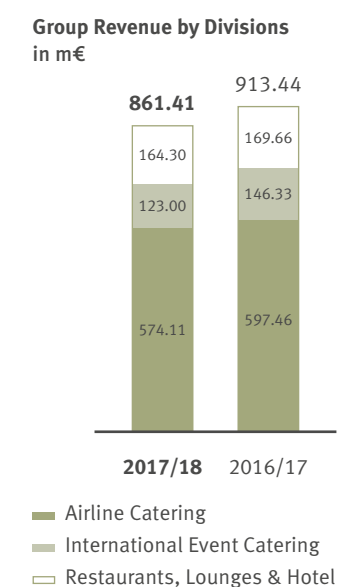
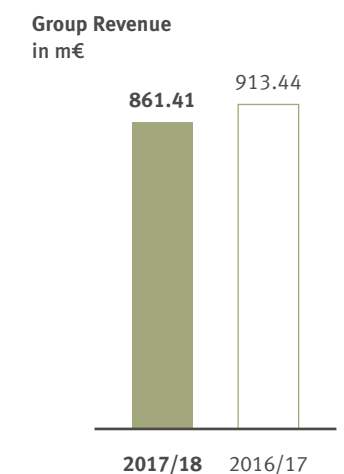
With regard to the decline in revenue reported by the Airline Catering division, the significant depreciation of the Turkish lira, the US dollar as well as the British pound against the euro is particularly worth mentioning. Based on the historic average rates of the previous business year 2016/2017, the Airline Catering division would report an increase in revenue of approximately +7% on the same period of the previous year.

In the business year 2017/2018, revenue of the **International Event Catering division** fell by € -23.33m from € 146.33m to € 123.00m. This represents a decrease of -15.9%. The International Event Catering division's revenue produced 14.3% of the Group's overall revenue (PY: 16.0%).

The strong decline in revenue in this division is due to the missing activities during the European football championship compared to the previous year. Adjusted for this special event, the division International Event Catering would report a revenue increase of approximately +4%.

In the business year 2017/2018, revenue of the **Restaurants, Lounges & Hotel division** decreased by € -5.36m from € 169.66m to € 164.30m. This represents a decrease of -3.2%. The Restaurants, Lounges & Hotel division's revenue produced 19.1% of the Group's overall revenue (PY: 18.6%).

In the Restaurants, Lounges & Hotel division, particularly the Lounges business unit contributes to this revenue reduction. It should be noted in this context that the contracts relating to the Emirates lounges in Milan and New York John F. Kennedy were terminated. DO & CO continued to operate these two lounges until the beginning of July and the end of August 2017, respectively.





4.2. Result

Other operating income amounts to € 23.31m (PY: € 28.72m), representing a decrease of € -5.41m.

In absolute figures, cost of materials fell by € -14.38m (-3.7%), from € 383.50m to € 369.12m, at a revenue reduction rate of -5.7%. Cost of materials as a proportion of revenue thus increased slightly from 42.0% to 42.9%.

Personnel expenses in absolute figures declined from € 315.13m to € 288.33m (-8.5%) in the business year 2017/2018. In relation to revenue, personnel expenses thus decreased from 34.5% to 33.5%.

Other operating expenses fell by € -6.30m or -4.2%. Accordingly, other operating expenses made up 16.6% of revenue (PY: 16.4%).

The result of investments accounted for using the equity method amounts to € -0.61m in the business year 2017/2018 (PY: € -2.09m). The significant decrease on the same period of the previous year is due to the joint venture with Nespresso and Versilia.

The EBITDA margin was 9.7% in the business year 2017/2018 (PY: 10.1%).

In the business year 2017/2018, amortisation/depreciation and effects from impairment tests amounted to € 32.77m, representing a decrease of € -2.88m on the previous year (PY: € 35.66m). This decline is mainly due to the investments made in previous business years which are now written down.

The EBIT margin is 5.9% in the business year 2017/2018 (PY: 6.2%).

The financial result for the business year 2017/2018 declined from € -6.38m to € -4.47m and mainly comprises interest for the corporate bond placed at the beginning of 2014. The improvement on the previous year is mainly due to higher interest income from high-interest countries.

Income tax amounts to € 12.80m for the business year 2017/2018 (PY: € 16.06m), representing a decrease by € -3.25m. The tax ratio (taxes as a proportion of untaxed income) was 27.7% in the business year 2017/2018 (PY: 32.2%). The tax ratio of the business year 2017/2018 mainly rose due to the evaluation of deferred taxes relating to the current and the previous years as well as due to one-off effects from current taxes.

For the business year 2017/2018, the Group achieved a profit after income tax of € 33.37m, a decrease of € -0.44m (-1.3%) on the same period of the previous year.

€ 8.99m (PY: € 12.97m) of the profit after income tax is attributable to non-controlling interests. This represents a decline of -30.7% as compared to the previous year and mainly results from the decrease in Turkish DO & CO's profit before income tax due to the depreciation of the Turkish lira.

The net profit attributable to the shareholders of DO & CO Aktiengesellschaft (net result) therefore amounts to € 24.37m (PY: € 20.83m). Earnings per share thus amount to € 2.50 (PY: € 2.14).

4.3. Statement of financial position

The decline in cash and cash equivalents as compared to the reporting date 31 March 2017 is due to the investment activities in the US, in France and Turkey.

The Group's equity (adjusted for the designated dividends) amounts to € 240.11m as of 31 March 2018. The equity ratio thus is 41.9% as of 31 March 2018.

The decrease in current other financial liabilities is mainly due to the settlement of obligations with regard to, among others, the purchase of a property near Paris.

4.4. Employees

The average number of staff (full-time equivalent) in the business year 2017/2018 was 9,587 (PY: 9,576 employees). The decline in the number of staff in Turkey was compensated by the expansion of business activities at the German locations and the new location in Los Angeles.

4.5. Non-financial performance indicators

Pursuant to the Austrian Sustainability and Diversity Improvement Act (NaDiVeG), DO & CO is required to publish a non-financial report for the business year 2017/2018. This report is available at the website ([www.doco.com](http://www.doco.com)).





01

## AIRLINE CATERING

Air China  
Air France  
Air India  
Air Malta  
Asiana Airlines  
Austrian Airlines  
British Airways  
Cathay Pacific  
China Airlines  
Egypt Air  
Emirates  
Etihad Airways  
Eurowings  
EVA Air  
Finnair  
Gulf Air  
Iran Air  
KLM Royal Dutch Airlines  
Korean Air

Kuwait Airways  
LOT Polish Airlines  
Lufthansa  
NIKI  
Oman Air  
OpenSkies  
Pegasus Airlines  
Qatar Airways  
Royal Jordanian  
SAS Scandinavian Airlines  
Singapore Airlines  
South African Airways  
TAP Air Portugal  
Thai Airways  
Turkish Airlines  
Ukraine International Airlines  
Windrose



4.6. Airline Catering

With its unique, innovative and competitive product portfolio, the Airline Catering division generates the largest share of the DO & CO Group’s revenue.

On a global scale, the 31 DO & CO gourmet kitchens in New York, Chicago, Los Angeles, London, Istanbul, Frankfurt, Munich, Milan, Malta, Warsaw, Kiev, Seoul, Vienna and other locations in Austria, Germany, Turkey and Poland are setting new standards in the premium segment of the airline catering business.

DO & CO’s customer portfolio includes a large number of airlines. This clientele includes major players such as Austrian Airlines, Asiana Airlines, Air France, British Airways, Cathay Pacific, China Airlines, Emirates, Etihad Airways, EVA Air, Egypt Air, Korean Air, Lufthansa, LOT Polish Airlines, Oman Air, Pegasus Airlines, Qatar Airways, Singapore Airlines, South African Airways, Turkish Airlines, Thai Airways, Ukraine International Airlines and Royal Jordanian.

| Airline Catering              |    | Business Year<br>2017/2018 | Business Year<br>2016/2017 | Change | Change<br>in % |
|-------------------------------|----|----------------------------|----------------------------|--------|----------------|
| Revenue                       | m€ | 574.11                     | 597.46                     | -23.34 | -3.9%          |
| EBITDA                        | m€ | 60.62                      | 70.63                      | -10.02 | -14.2%         |
| Depreciation/amortisation     | m€ | -23.14                     | -25.20                     | 2.06   | 8.2%           |
| Effects from impairment tests | m€ | -1.14                      | -0.49                      | -0.65  | -132.5%        |
| EBIT                          | m€ | 36.33                      | 44.94                      | -8.61  | -19.2%         |
| EBITDA margin                 | %  | 10.6%                      | 11.8%                      |        |                |
| EBIT margin                   | %  | 6.3%                       | 7.5%                       |        |                |
| Share of Group Revenue        | %  | 66.6%                      | 65.4%                      |        |                |

In the business year 2017/2018, the Airline Catering division rang up revenue of € 574.11m (PY: € 597.46m), meaning a decrease of -3.9% on the prior year. The Airline Catering division’s revenue represents 66.6% of the Group’s revenue (PY: 65.4%). Altogether, the 31 gourmet kitchens operated by the DO & CO Group around the globe catered for more than 114 million passengers on over 681,000 flights.

EBITDA and EBIT decreased during the business year 2017/2018 compared to the same period of the previous year due to the decline in revenue. At € 60.62m, EBITDA thus is below the figure of the same period of the previous year by € -10.02m respectively -14.2%. EBIT fell from € 44.94m to € 36.33m (-19.2%). The EBITDA margin was 10.6% in the business year 2017/2018 (PY: 11.8%). The EBIT margin is 6.3% (PY: 7.5%).

Throughout the business year 2017/2018, the Airline Catering division again faced a highly competitive and volatile market environment.

With regard to the development of the international locations, the following is worth noting.

TURKEY

The cost-cutting programme for the main customer Turkish Airlines initiated in autumn 2016 was continued in the current business year and affects profit or loss for a whole business year for the first time. In the course of the business year 2017/2018, a significant decline of the Turkish lira against the euro was reported. While 1 euro still amounted to 3.89 Turkish lira at the beginning of the business year 2017/2018, the exchange rate of the euro at the end of March 2018 only amounted to 4.88 Turkish lira

and had thus fallen by -25.4%. Since the main portion of costs is incurred in the local currency, the margins remain largely unaffected by this development.

In Turkey, revenue rose by +1.9% in the local currency (Turkish lira). The decrease in revenue translates to an overall decline by -16.9% in the consolidated income statement of DO & CO due to the depreciation of the Turkish lira against the euro.

AUSTRIA

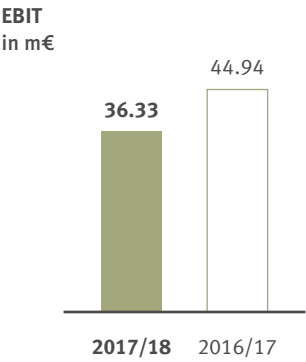
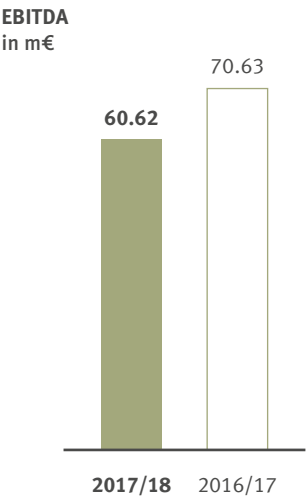
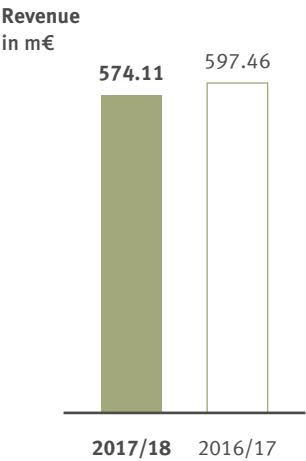
NIKI caused a decline in revenue in Austria. In the summer flight plan 2017, only 5 of previously 22 airplanes were based in Austria. Additionally, a buy-on-board concept designed by Versilia Solutions Ltd. - a joint venture founded by DO & CO and partners - was introduced. Due to the insolvency of NIKI’s parent company Air Berlin, catering services for NIKI were discontinued at the end of 2017.

US

The New York John F. Kennedy location reported increased revenue. This development mainly results from the new customer Lufthansa with one daily flight to Munich and two daily flights to Frankfurt since March 2017. DO & CO has therefore substantially improved its market position at this strategically important location. Existing customers such as Emirates and Egypt Air also contributed to the increase in revenue. Furthermore, investments for conversion and expansion works have been made at the site since January 2017 with a view to enable further growth. Works are scheduled to be completed by the middle of the business year 2018/2019.

Business at the second location in North America, Chicago O’Hare, remained at the previous year’s level. This continuity in revenue is solely due to the depreciation of the US dollar against the reporting currency. Reported in local currency, revenue rose by +6.8% (USD 1.4m). A favourable development is that Qatar Airways intensified its cooperation with DO & CO and became a new customer at the Chicago O’Hare location at the end of the business year 2017/2018. Starting in March 2018, catering services were provided for Qatar Airways for one daily flight. With its catering for Emirates, British Airways, Cathay Pacific, Turkish Airlines, Austrian Airlines, Finnair, Etihad Airways, EVA Air and Qatar Airways, DO & CO now has nine customers at this location.

In the second quarter of the business year 2017/2018, a state-of-the-art gourmet kitchen was successfully opened in Los Angeles. Reporting up to 85 million passengers, Los Angeles International Airport is the second-largest airport in the US and the fifth-largest airport in the world. Since the beginning of September 2017, catering services have been provided at this location on a daily long-distance flight for first customer Emirates, immediately followed by Cathay Pacific on 1 October 2017, operating 3 to 4 flights per day from Los Angeles to Hong Kong. In addition to the New York John F. Kennedy Airport and Chicago O’Hare locations, this is now the third DO & CO location in the US.





GREAT BRITAIN

At the London Heathrow location, revenue rose as a result of an expansion of DO & CO’s business activities with existing customers and the acquisition of new customers. It should be reported in this context that catering has been provided to the new customer Oman Air at London Heathrow since July 2017. Investments in conversion and expansion works were carried out for the existing gourmet kitchen and completed in the business year 2017/2018, with a view to achieve further growth also in the future. Furthermore, the development of a new tableware and service concept for the business class of British Airways was successfully completed in the business year 2017/2018. During a six-month test phase on the route between London Heathrow and New York John F. Kennedy Airport, DO & CO also prepared the meals for first and business class. Of particular note is the increase in customer satisfaction during and after the test phase.

The joint venture Versilia Solutions Ltd. which exclusively focuses on the development of buy-on-board solutions for airline catering, already rendered services to three customers – NIKI, JetSmart and Stobart Air – in the business year 2017/2018.

GERMANY

At the German locations (Frankfurt, Munich, Düsseldorf and Berlin), revenue rose as a result of an expansion of DO & CO’s business activities with existing customers and the acquisition of new customers which were already acquired at the end of the business year 2016/2017. In this context, it should be reported that Thai Airways became a new customer for the Frankfurt and Munich locations towards the end of the business year 2016/2017. Since April 2017, DO & CO has performed catering services for Thai Airways for a daily flight ex Munich and two daily flights ex Frankfurt.

POLAND

The Polish airline catering locations reported revenue increases as a result of expanded business activities with existing customers and the acquisition of new customers. It should be highlighted that DO & CO has been catering for Air China as new customer in Warsaw since September 2016.

ITALY

At the Milan Malpensa location, the business volume was further increased which is particularly due to the new customer Thai Airways since April 2017 as well as the existing customers Oman Air and Qatar Airways.

UKRAINE

With regard to the airline catering location in Kiev, a downward trend in the business development was reported, particularly due to the loss of the most important customer who now does its own catering.

*DO & CO strategy*

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

*Outlook on the business year 2018/2019*

- Participation in numerous tenders for existing and/or new customers
- Establishment of a new gourmet kitchen at the airport Paris-Charles-de-Gaulle in France
- Completion of the expansion investments in the location New York (John F. Kennedy Airport)
- Expansion of the buy-on-board business with Versilia Solutions Ltd., a joint venture founded by DO & CO and partners
- Evaluation of takeover goals and expansion possibilities

*Competitive edge of DO & CO*

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



# 02

## INTERNATIONAL EVENT CATERING

### FOOTBALL

UEFA Champions League Final 2017  
*Cardiff*

FC Bayern  
*Munich*

Allianz Arena  
*Munich*

Juventus  
*Turin*

### FORMULA 1

*Bahrain, Shanghai, Sotschi, Barcelona,  
Monaco, Montreal, Baku, Spielberg, Silverstone,  
Budapest, Hockenheim, Spa, Monza, Sepang,  
Suzuka, Austin, Mexico, Abu Dhabi*

### EQUESTRIAN

Equestrian Tournament CHIO Aachen  
*Aachen*

### TENNIS

ATP Masters Series  
*Madrid*

### BEACHVOLLEYBALL

Beach Volleyball Major  
*Vienna*

FIVB Major  
*Porec*

Fort Lauderdale Major  
*Miami*

### WINTER SPORTS

Downhillrace  
*Kitzbühel*

Night Slalom  
*Schladming*

Four Hills Tournament  
*Bergisel & Bischofshofen*

### SPECIAL EVENTS

Film Festival at the Rathausplatz  
*Vienna*



4.7. International Event Catering

The International Event Catering division generated revenue of € 123.00m (PY: € 146.33m) in the business year 2017/2018. In the business year 2017/2018, the International Event Catering division's EBITDA stands at € 12.10m (PY: € 11.79m). The EBITDA margin is 9.8% (PY: 8.1%). EBIT is € 7.24m in the business year 2017/2018 (PY: € 6.72m). The EBIT margin is 5.9% (PY: 4.6%).

| International Event Catering |    | Business Year<br>2017/2018 | Business Year<br>2016/2017 | Change | Change<br>in % |
|------------------------------|----|----------------------------|----------------------------|--------|----------------|
| Revenue                      | m€ | 123.00                     | 146.33                     | -23.33 | -15.9%         |
| EBITDA                       | m€ | 12.10                      | 11.79                      | 0.31   | 2.6%           |
| Depreciation/amortisation    | m€ | -4.86                      | -5.07                      | 0.21   | 4.2%           |
| EBIT                         | m€ | 7.24                       | 6.72                       | 0.53   | 7.8%           |
| EBITDA margin                | %  | 9.8%                       | 8.1%                       |        |                |
| EBIT margin                  | %  | 5.9%                       | 4.6%                       |        |                |
| Share of Group Revenue       | %  | 14.3%                      | 16.0%                      |        |                |

The strong decline in revenue in this division is due to the missing activities during the European football championship compared to the previous year.

For DO & CO's International Event Catering division, the business year 2017/2018 was already its 26th season of catering for Formula 1 grand prix races. Altogether, it handled 17 Formula 1 grand prix races in 17 different countries. Moreover, DO & CO was also put in charge of the Formula 1 VIP hospitality infrastructure segment in its business year 2014/2015, a responsibility that involves the provision of non-catering items such as tents, furniture, security, decoration and entertainment. In addition, DO & CO has provided the catering for the Mercedes Motorhome for all Formula 1 grand prix races since the business year 2016/2017.

At the beginning of the business year 2017/2018, DO & CO was successful in winning Juventus Turin Football Club as a new customer. Starting in mid-August 2017, DO & CO was responsible for the stadium catering of this traditional Turin football club, including 16 Serie A matches (the top division in Italian professional football), four Champions League matches as well as three matches of the national cup competition. An average of approximately 4,100 VIP guests as well as 36,000 further stadium visitors enjoyed the catering of DO & CO on these occasions. Additionally, numerous events took place on non-match days. Taking over the stadium catering marks a significant and important step in the expansion of this business segment. In addition to Bayern Munich, Red Bull Salzburg and Austria Vienna, Juventus Turin is the fourth football club to enjoy the culinary treats of DO & CO.

In the business year 2017/2018, DO & CO handled the catering for a total of 35 football matches at the Allianz Arena. Its services comprised full-scale catering for the VIP and public areas for all games of FC Bayern Munich, five games of TSV 1860 Munich, as well as organising numerous sporting and business events at the Allianz Arena. A particular highlight among the events at the Allianz Arena was the Audi Cup that took place across two days in August 2017. Additionally, numerous events at the Munich Olympic Park were also hosted by DO & CO.

The annual tennis tournament in the course of the ATP Tennis Masters Series in Madrid marked the beginning of early summer. DO & CO was in charge of the exclusive catering to VIP guests and the tennis players. Additionally, DO & CO was the host at the UEFA Champions League final held at the national stadium of Wales in Cardiff – already the twelfth Champions League final catered for by DO & CO for UEFA.

Aachen hosted the equestrian tournament CHIO in July 2017, with DO & CO being again responsible for the catering for the VIP guests.

The highlight of the summer was once again the Beach Volleyball World Championships held in Vienna at the end of July and the beginning of August 2017, where for ten days VIP guests tasted the very best of DO & CO's catering.

For the second time, DO & CO was responsible for the catering for the VIP guests at the Miami Major beach volleyball tournament end of February beginning of March 2018 in Fort Lauderdale in the US.

A further noteworthy event is the annual Film Festival at the Rathausplatz in Vienna held from the end of June until the beginning of September 2017. Since 1992, DO & CO has been responsible for the planning, organisation, set-up and gastronomic logistics of the gourmet food market, an event that is unique in Europe.

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

Since the start of the 2016/2017 season of the Austrian Bundesliga, DO & CO has also been responsible for the VIP catering of the long-established club Austria Vienna at the Ernst Happel Stadium.

The highlight of the winter season in January 2018 was once again the annual Hahnenkamm ski race in Kitzbühel. DO & CO also provided a unique atmosphere and catering at the highest level at the Bergisel and Bischofshofen legs of the Four Hills Tournament and the night slalom in Schladming.

DO & CO strategy

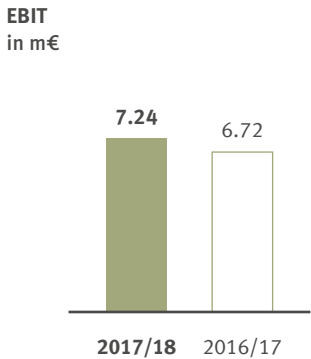
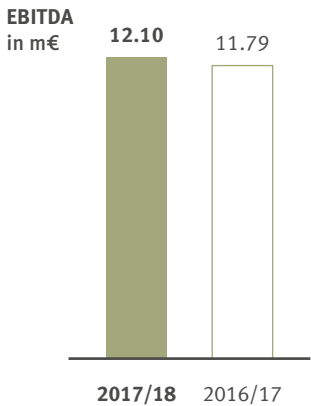
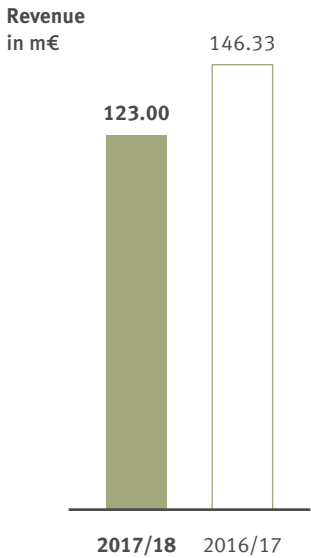
- Strengthening our core competence as a premium caterer
- Pushing our position as a “general contractor for gourmet entertainment” with “ready-made” creative solutions
- Enhancing the premium event brand established by DO & CO
- Establishing DO & CO as a strong and reliable partner

Outlook on the business year 2018/2019

- ATP Tennis Masters in Madrid
- UEFA Champions League final 2018 at the NSK Olimpijskyj stadium in Kiev
- Beach Volleyball Major Series in Poreč
- Catering and management of VIP hospitality infrastructure for Formula 1 grand prix races
- Catering for football games of FC Bayern Munich at the Allianz Arena
- Participation in tender for the European Football Championship 2020

Competitive edge of DO & CO

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





**HOTEL**

DO & CO Hotel  
*Vienna*

**RESTAURANTS, CAFÉS  
& DELICACIES**

DO & CO Restaurant Stephansplatz  
*Vienna*

K. u. K. Hofzuckerbäckerei Demel  
*Vienna*

DO & CO Albertina  
*Vienna*

Hédiard  
*Paris*

Restaurant 181  
*Munich*

**RETAIL**

Henry – the art of living  
*Vienna*

Café Nespresso  
*London*

**LOUNGES**

Lufthansa First  
Class Lounges  
*Frankfurt*

Lufthansa Business &  
Senator Lounges  
*London*

Turkish Airlines Lounges  
*Istanbul, Adana, Bodrum,  
Trabzon, Dalaman*

Emirates Lounges  
*New York, London, Milan,  
Munich, Frankfurt, Düsseldorf*

Austrian Airlines Lounges  
*Vienna*

Airport Lounges  
*Vienna*





4.8. Restaurants, Lounges & Hotel

In the business year 2017/2018, the Restaurants, Lounges & Hotel division accounted for revenue of € 164.30m (PY: € 169.66m), which translates into a revenue decline of -3.2%. EBITDA is € 10.70m (PY: € 9.47m). The EBITDA margin is 6.5% (PY: 5.6%). At € 7.07m, EBIT exceeds the previous year's level (PY: € 4.58m). The EBIT margin is 4.3% (PY: 2.7%).

| Restaurants, Lounges & Hotel  |    | Business Year<br>2017/2018 | Business Year<br>2016/2017 | Change | Change<br>in % |
|-------------------------------|----|----------------------------|----------------------------|--------|----------------|
| Revenue                       | m€ | 164.30                     | 169.66                     | -5.36  | -3.2%          |
| EBITDA                        | m€ | 10.70                      | 9.47                       | 1.23   | 13.0%          |
| Depreciation/amortisation     | m€ | -3.39                      | -3.59                      | 0.20   | 5.7%           |
| Effects from impairment tests | m€ | -0.24                      | -1.30                      | 1.06   | 81.4%          |
| EBIT                          | m€ | 7.07                       | 4.58                       | 2.49   | 54.4%          |
| EBITDA margin                 | %  | 6.5%                       | 5.6%                       |        |                |
| EBIT margin                   | %  | 4.3%                       | 2.7%                       |        |                |
| Share of Group Revenue        | %  | 19.1%                      | 18.6%                      |        |                |

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

The staff restaurants unit, located in various parts of Austria and Germany, reported revenue increases in the business year 2017/2018.

Restaurants reported a slight decline in revenue development in the business year 2017/2018. The DO & CO flagship restaurant at Vienna's Stephansplatz, the DO & CO restaurant at the Albertina as well as the two restaurants located at the Munich Olympic Park, Restaurant 181 and Restaurant Olympiasee, generated satisfactory revenue figures.

In mid-June 2017, DO & CO opened the first gourmet shop under the Henry brand in Kiev.

Under their joint venture, DO & CO and Nespresso opened their second Nespresso Café in London at the end of June 2017. Fresh products from the London-based DO & CO gourmet kitchen and Nespresso coffee are served in Soho.

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

The 29 lounges operated around the world by DO & CO served culinary delights to over 4.4m passengers in the business year 2017/2018. The contracts relating to the Emirates lounges in Milan and New York John F. Kennedy were terminated. DO & CO continued to operate these two lounges until the beginning of July and the end of August 2017, respectively.

As reported, the rendering of train catering services for the Austrian federal railways (ÖBB) ended on 31 March 2018.

DO & CO strategy

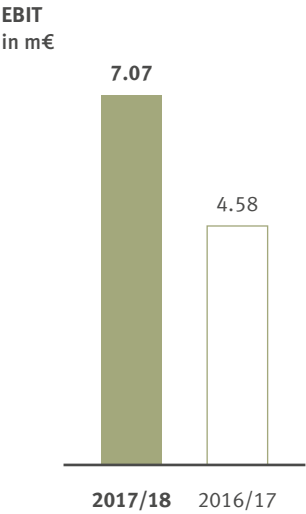
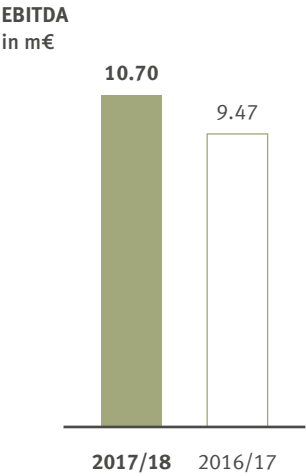
- Creative core of the DO & CO Group
- Marketing tool and image projector of the Group and brand development

Outlook on the business year 2018/2019

- Continued expansion in the retail segment with the opening of new locations of Nespresso Cafés and “Henry – the art of living” shops
- Continued expansion in the lounges, airport gastronomy and staff restaurants units

Competitive edge of DO & CO

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





4.9. Share / Investor Relations / Information Pursuant to Section 243a UGB

Stock market overview

During the reporting period, the overall European stock index EuroStoxx 50 fell by -4.0%. The DAX also reported a reduction by -1.8%. The US stock index Dow Jones Industrial, however, rose by 16.6%.

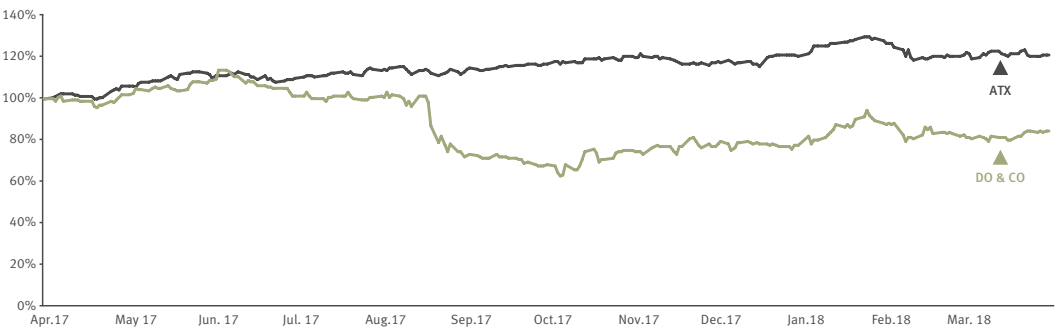
The Vienna Stock Exchange index ATX continued to move upwards. Altogether, the ATX rose by 21.2% from 2,828.79 points on 31 March 2017 to 3,428.53 points on 30 March 2018.

The Istanbul Stock Exchange also continued to move upwards in the reporting period. The Turkish BIST 100 rose by 29.2% during the reporting period, closing at 114,930.20 points on 30 March 2018.

DO & CO shares

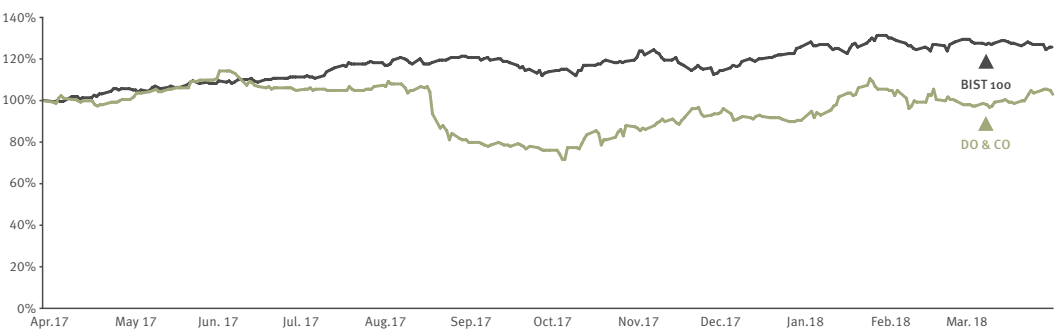
On the Vienna Stock Exchange, DO & CO's share fell by -15.4% in the business year 2017/2018, reporting a closing rate of € 51.50 on 30 March 2018.

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



On the Istanbul Stock Exchange, the DO & CO share rose by 3.9%, closing at TRY 245.10 on 30 March 2018.

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



Dividend

The Management Board of DO & CO Aktiengesellschaft will propose the distribution of a dividend amounting to € 0.85 per share to the General Meeting of Shareholders on 12 July 2018. The dividend thus amounts to the dividend distributed in the previous business year. The distribution ratio is 34.0%.

Trading volumes

On the Vienna Stock Exchange, an average of € 1,139k in DO & CO shares was traded daily during the business year 2017/2018, compared to an average daily trading volume of € 615k on the Istanbul

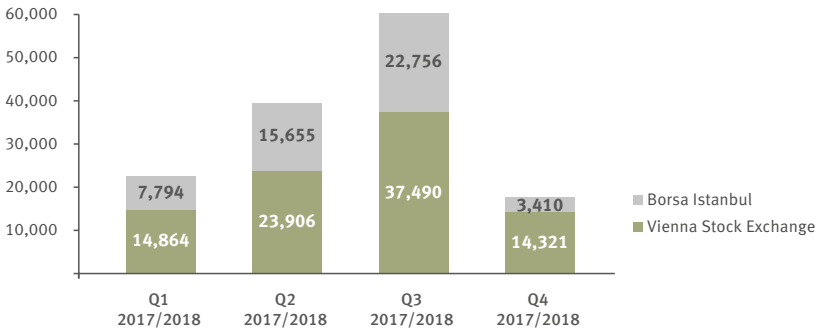
Stock Exchange. The trading volume in Vienna thus was higher than the one on the Istanbul Stock Exchange. Together, the two stock exchanges traded € 1,754k or 35,116 shares as a daily average. The daily trading volume thus increased on the previous year in number.

|                   | Vienna Stock Exchange   |                         | Istanbul Stock Exchange |                         | Total                   |                         |
|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                   | Business Year 2017/2018 | Business Year 2016/2017 | Business Year 2017/2018 | Business Year 2016/2017 | Business Year 2017/2018 | Business Year 2016/2017 |
| Volume in shares* | 22,677                  | 21,413                  | 12,439                  | 9,684                   | 35,116                  | 31,097                  |
| Turnover in k€*   | 1,139                   | 1,452                   | 615                     | 684                     | 1,754                   | 2,136                   |

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



Daily average traded volume\*

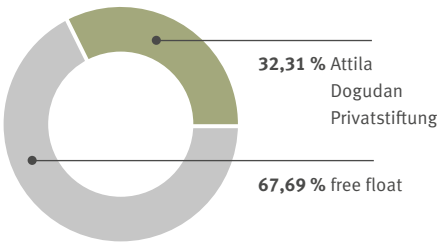


\* Volume in shares

Share indices

| Key Figures per share                             |      | Business Year 2017/2018 | Business Year 2016/2017 |
|---|------|-------------------------|-------------------------|
| High <sup>1</sup>                                 | €    | 69.44                   | 107.60                  |
| Low <sup>1</sup>                                  | €    | 38.22                   | 52.42                   |
| Share price at the end of the period <sup>1</sup> | €    | 51.50                   | 60.89                   |
| Number of shares at the end of the period         | TPie | 9,744                   | 9,744                   |
| Market capitalisation at the end of the period    | m€   | 501.82                  | 593.31                  |

<sup>1</sup> Closing price



Shareholder structure of DO & CO Aktiengesellschaft

On 31 March 2018, 67.69% of the shares are in free float. The remaining share of 32.31% is held by the private foundation Attila Dogudan Privatstiftung. This figure includes a stake of 1.59% provided for management and staff participation.

Information on the DO & CO shares

|                |                                      |
|----------------|--------------------------------------|
| ISIN           | AT0000818802                         |
| Reuters Code   | DOCO.VI, DOCO.IS                     |
| Bloomberg Code | DOC AV, DOCO. TI                     |
| Indices        | ATX Prime, ATX CPS, ATX GP, BIST ALL |
| WKN            | 081880                               |
| Listed in      | Vienna, Istanbul                     |
| Currency       | EUR, TRY                             |

Financial calendar

|                  |   |
|------------------|---|
| 2 July 2018      | Record date for the General Meeting of Shareholders for the business year 2017/2018 |
| 12 July 2018     | General Meeting of Shareholders for the business year 2017/2018                     |
| 16 July 2018     | Dividend ex day   |
| 17 July 2018     | Record date for dividends   |
| 30 July 2018     | Dividend payment date   |
| 14 August 2018   | Results for the first quarter of 2018/2019  |
| 15 November 2018 | Results for the first half year of 2018/2019  |
| 14 February 2019 | Results for the first three quarters of 2018/2019                                   |

Investor relations

In the business year 2017/2018, the management of DO & CO Aktiengesellschaft held talks with numerous institutional investors and financial analysts.

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

- Kepler Cheuvreux
- Renaissance Capital
- Wood & Company
- Erste Bank
- HSBC
- Raiffeisen Centrobank
- İş Investment
- Ünlü & Co
- Garanti Securities (until 16 November 2017)
- GSC Research
- Global Menkul Degerler

Analysts have an average price target of € 48.91 (status: 31 March 2018).

All published materials, the Corporate Governance Report and information on DO & CO's share are posted under Investor Relations on the DO & CO website at [www.doco.com](http://www.doco.com).

For more information please contact:

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



Disclosures pursuant to Section 243a Austrian Commercial Code (UGB)

- 1. The share capital amounts to € 19,488,000.00 and is divided into 9,744,000 no-par value bearer shares. Only shares of this class are issued.
- 2. The Management Board is currently not aware of any limitations to the voting rights or to the transfer of DO & CO shares, even for those contained in agreements between shareholders.
- 3. With a stake of 32.31%, Attila Dogudan Privatstiftung holds at least 10% of the share capital of the Company at the reporting date.
- 4. There are currently no shares endowed with special control rights.
- 5. DO & CO staff owning Company shares can exercise their voting rights directly at the General Meeting of Shareholders.
- 6. The Company has no provisions on appointing and dismissing members of the Management Board that are not derived directly from the pertinent law on this matter. The General Meeting of Shareholders is entitled to remove a member of the Supervisory Board with a simple majority of the votes cast (instead of the statutory majority of 75%). A simple majority of the share capital represented in the vote of a resolution suffices to make a change in the Articles of Association (as opposed to the statutory majority of 75%), unless that change pertains to a conditional capital increase, authorised capital or an ordinary or simplified capital reduction.
- 7. The share capital of the Company is increased pursuant to Section 159 (2) 1 Austrian Stock Corporation Act (AktG) by up to € 7,795,200.00 through the issuance of up to 3,897,600 new no-par value bearer shares for issuing to creditors of financial instruments as described in the resolutions of the General Meeting of Shareholders of 10 July 2008 and of 4 July 2013. The capital increase may only be carried out to the extent that the creditors of financial instruments exercise their warrant or conversion rights to Company shares. Per resolution of the General Meeting of Shareholders dated 27 July 2017, the Management Board was authorised, for a duration of 30 months as of 27 July 2017, to acquire own shares up to the statutory maximum amount.
- 8. Agreements have been made with clients of the DO & CO Group that entitle them to cancel the contractual relationship in full or in part if there is a change of control in the Company. These agreements are not further specified here owing to the considerable damage this disclosure would do to the Company.
- 9. No agreements have been made between the Company and the members of its Management or Supervisory Boards or its employees regarding any compensation in the event of a public takeover bid.

4.10. Significant events after the reporting period

No significant events or developments occurred after 31 March 2018 that would be of importance with regard to the DO & CO Group’s financial situation and performance.

5. OUTLOOK

With its diverse distribution facilities, a broad brand portfolio and activities in numerous regions, DO & CO is in an excellent position to face challenging market conditions and expects good development opportunities also in the future.

EXTENSION OF THE CATERING CONTRACT WITH AUSTRIAN AIRLINES

DO & CO and Austrian Airlines will continue their long-standing partnership. Once again, DO & CO emerged as the best bidder among six international participants in a tendering procedure and is proud to be able to offer business class, premium economy and economy class catering services on all Austrian Airlines flights also in the future.

Additionally, each passenger can order his or her individual menu of choice via the online ordering service “DO & CO à la carte”.

Having closely cooperated since 2007, both partners intend to continue developing innovative products together and offering “Gourmet Entertainment by DO & CO” to the passengers. In doing so, a special focus will be put on fulfilling individual customer requests (“customisation”).

The new contract commences on 1 January 2019 and was concluded for a period of three years, including an option to extend the contract for a further three years.

EXTENSION OF THE CATERING CONTRACT WITH LOT POLISH AIRLINES

In the first quarter of the business year 2018/2019, DO & CO successfully extended the catering contract with LOT Polish Airlines at the Polish locations by a further five years and nine months.

EXTENSION OF THE COOPERATION WITH THE LUFTHANSA GROUP – SWISS NEW CUSTOMER IN LOS ANGELES

After Lufthansa at New York JFK and the extension of the cooperation with Austrian Airlines, SWISS was acquired as a customer for the first time as well. Starting at the beginning of July 2018, daily catering services will be provided to SWISS on one daily flight from Los Angeles to Zurich. Cooperation with the Lufthansa Group is therefore being further intensified. With Emirates, Cathay Pacific and SWISS, DO & CO now has three customers at the newly opened location in Los Angeles.

EXTENSION OF THE CONTRACT WITH OLYMPIAPARK MÜNCHEN GMBH

The Olympic Park in Munich and Arena One Gastronomie GmbH, a company pertaining to the DO & CO Group, are continuing their successful cooperation.

In a tendering procedure, the bidding consortium “Arena One Gastronomie GmbH and DO & CO München GmbH” was awarded the contract to cater for guests and visitors at the Munich Olympic Park. The Munich team will therefore continue to be the exclusive catering services provider at the Olympic Park, the Restaurant Olympiasee and the Restaurant 181 at the Olympic Tower.

The new contract commences on 1 January 2019 and was concluded for a minimum period of five years.

DO & CO IS BUILDING ONE OF THE LARGEST EUROPEAN GOURMET KITCHENS IN LONDON

A further building is being added to the existing DO & CO gourmet kitchen at London Heathrow. With an area of more than 30,000 sqm, one of the most modern gourmet kitchens in Europe is being built. Completion is scheduled for the end of 2019.

LARGE INTERNATIONAL TENDERS

In addition to DO & CO regularly participating in tenders for individual customers at various locations, two large international tenders for “homebase caterers” are currently in progress. Both British Airways



and Iberia are tendering the catering at the London Heathrow and London Gatwick as well as Madrid Barajas locations as of 2020.

The tender for British Airways is one of the largest individual accounts in Europe, including all catering services for all short-haul and long-haul flights ex London Heathrow and London Gatwick for a period of ten years.

The Iberia tender includes all catering services for all short-haul and long-haul flights at Iberia as well as Iberia Express ex Madrid-Barajas for a period of ten years as well.

In both tendering procedures, DO & CO has been short-listed and a decision is expected within the coming weeks.

Also noteworthy is the IAG North America tender, comprising all catering services for all British Airways, Iberia and Aer Lingus flights ex North America. In North America, DO & CO provides catering services at the New York John F. Kennedy Airport, Chicago O’Hare and Los Angeles locations. A decision is expected to be made in autumn 2018.

EXPANSION OF BUY-ON-BOARD BUSINESS IN AIRLINE CATERING

Together with its joint venture Versilia Solutions Ltd. founded in 2016, DO & CO will keep its focus on developing buy-on-board solutions for airline catering, with the expansion continuing to go forward. A favourable development is the re-acquisition of Laudamotion ex Vienna (former NIKI) as of 1 June 2018. In the winter flight plan, up to 8 airplanes will be based in Vienna. Additionally, Vueling was acquired as a new customer, with catering services ex Vienna commencing in mid-August.

OPENING OF THE NEW GOURMET KITCHEN IN PARIS & OPENING OF HEDIARD PARIS

Delayed by a few months due to construction issues, the new gourmet kitchen in Paris will also commence operations by the end of 2018. The airport Paris-Charles-de-Gaulle is the second largest airport in Europe with some 69 million passengers and serves as a destination for most DO & CO customers – sometimes several times a day. Additionally, the Hediard flagship at the Place de la Madeleine will be opened before the end of the year.

TURKEY

Negotiations with Turkish Airlines to terminate the cooperation at Turkish DO & CO are currently taking place in good spirit. Negotiations are currently still ongoing, with completion expected in a few weeks.

TAKEOVER OF CATERING FOR THE LONG-ESTABLISHED CLUB FK AUSTRIA VIENNA

Since the start of the 2016/2017 season of the Austrian Bundesliga, DO & CO has been responsible for the VIP catering of the long-established club Austria Vienna at the Ernst Happel Stadium. Starting in June 2018, DO & CO will take over the entire catering when the club has moved back to the Generali Arena after its conversion and makeover. The services comprise the full-scale catering for the VIP and public areas for all games of Austria Vienna. Once converted, the football stadium will hold 17,500 spectators. DO & CO will also design the look and the entire equipment of the VIP lounges. At the Viola Sports Bar, DO & CO will additionally cater to the team and the staff members of Austria Vienna on non-match days. Events at Generali Arena are also planned to be held on non-match days.

In addition to FC Bayern Munich, Juventus Football Club and FC Red Bull Salzburg, Austria Vienna now is the fourth football club enjoying the catering services of DO & CO.

FURTHER INTERNATIONAL TENDERS IN FOOTBALL

DO & CO is currently participating in tendering procedures for the UEFA Champions League finals in 2019, 2020 and 2021 as well as in a tendering procedure for parts of UEFA EURO 2020 with regard to hospitality services and catering. A decision is also expected to be made in the coming weeks.

NEW ACQUISITIONS

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

As a result of general circumstances not caused by DO & CO and of individual events that are not repeated every year, DO & CO suffered a decline in revenue and income in individual markets for the first time. Currently, management not only focuses on adjusting the costs to the new circumstances but at the same time on pursuing sustainable growth at stable margins.

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



6. RISK AND OPPORTUNITY MANAGEMENT

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

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

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

The applied risk and opportunity management system is based on standardised, group-wide planning and control processes laid down in the risk and opportunity policy and on inter-company guidelines and reporting systems that adhere to the principles of risk management and risk structures according to COSO (Committee of Sponsoring Organizations of the Treadway Commission).

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

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

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

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

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

The close cooperation with insurers ensures that proper coverage is provided for those risks that are insurable.

In particular, the following risk categories were identified as material for the business year 2017/2018:

Risks and trends specific to the airline industry

The airline industry is heavily dependent on economic developments that act both globally and in the respective regions. Specific problems the aviation industry faces also have an impact both directly and indirectly on DO & CO’s Airline Catering division.

Political crises and terrorist attacks led to changes in travel and leisure patterns. Terrorist attacks that directly target airlines also threaten the safety of aviation and resulted in additional costs to improve security.

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

The Company has thus instituted a course of permanent monitoring of the security situation combined with ensuring that its key account managers are in constant contact with airline clients, so that it can react quickly to any changes and promptly counter any negative effects on the DO & CO Group.

Economic developments

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

From DO & CO’s point of view, ongoing expansion may be at risk from the permanent worldwide terrorist threat, political unrest and the changing global political landscape.

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

Risks pertaining to terrorism and political unrest

Time and again, terrorist attacks and terrorist threats put safety at risk, both directly in the aviation industry and indirectly as a result of corresponding changes in travel behaviour. Additionally, major events may need to be cancelled at short notice whenever a concrete terror alert is issued.

DO & CO has an active monitoring in place, allowing advance assessment of developments in certain parts of the world and setting up preventive scenarios to combat possible problems. Necessary security measures are developed depending on the probability and impact of loss-causing events.

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

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

Risks pertaining to natural disasters and epidemics

Risks may appear out of the blue, as events in the past have demonstrated time and again. Such events cannot be influenced and may completely or partially interrupt air traffic in an entire region.



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

Risks that are beyond the control of DO & CO but which heavily impact on the airline and tourism industries include the outbreak of epidemics such as avian flu, Severe Acute Respiratory Syndrome (SARS) or Ebola fever. In these times, experts estimate that people on all continents may become infected by pathogens within just a few weeks. Travel restrictions imposed by health care authorities may impact on the travel and leisure-time behaviour of people, leading to short-notice cancellations of flights and events alike.

Reputation risks

Anything that might harm the DO & CO brand and its reputation is combated by a rule book that sets out a uniform standard for identifying, assessing and controlling such risks. Each and every staff member is personally charged with guarding the reputation of DO & CO. The overall responsibility for identifying, assessing, controlling, monitoring and reporting hazards rests with the national and international management units. If a potential risk to the Company’s reputation is discovered, this triggers a centrally controlled risk management process which includes all activities required to ward off any harm to the Company’s image and possible losses for DO & CO.

Hygiene risks

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

Loss risks

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

Personnel risks

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

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

Procurement risks

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

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

Risk of production plant failure

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

Information technology risks

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

Legal risks

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

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

Acquisition and integration of business units

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

Foreign currency risks

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

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

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



Liquidity risks

Precise financial planning is the key to control liquidity and avoid liquidity risks. If expansion and other projects are undertaken, an accurate analysis of their impact on Group liquidity must be conducted.

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

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

Credit risks

DO & CO keeps the risk of default as low as possible by closely monitoring outstanding debts as part of receivables management. The outstanding items are reported weekly, meaning that the Group monitors customer credit risks promptly and is able to respond quickly if the situation changes.

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

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

Interest risk

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

Additional detailed information on foreign currency, liquidity, default and interest risks is provided in the notes (Section 4.6. Trade receivables and Section 7.1. Additional disclosures on financial instruments).

7. INTERNAL CONTROL SYSTEM

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

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

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

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

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

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

The Group accounting department is the central contact for all accounting issues at the level of individual companies as well as at Group level. It is also responsible for the preparation of the consolidated financial statements by using an accepted consolidation software. Transferring the financial statements into the system and preparing the consolidated financial statements including the disclosures in the notes is supported by numerous controls to ensure the completeness and accuracy of the data. A Group accounting manual, which states the accounting and measurement approaches used by DO & CO and which is regularly updated, ensures the standardised processing of business transactions, reducing the risk of variations in the procedures within the Group. Ongoing staff training ensures that the accounts are kept in line with current law. In presenting complex facts, DO & CO obtains the support of external service providers in order to ensure that they will be properly presented in the separate financial statements and in the consolidated financial statements. This applies to transactions such as the acquisition of companies which carry risks from the integration of different bookkeeping systems and measurement risks. For some measurements (such as pensions and severance payment obligations), the company draws on the know-how of experts.

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



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



# Consolidated Corporate Governance Report



## 1. COMMITMENT TO THE CODE OF CORPORATE GOVERNANCE

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

DO & CO has been committed to full compliance with the rules of the Austrian Code of Corporate Governance (available for perusal at [www.corporate-governance.at](http://www.corporate-governance.at)) since February 2007. It satisfies all the legal requirements (“L Rules”) and confirms that it will not deviate from the comply-or-explain requirements (“C Rules”).

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

DO & CO has had an independent external institution conduct regular and voluntary evaluations of its compliance with the Austrian Code of Corporate Governance since the business year 2007/2008 in accordance with Rule 62 of this Code. The evaluation for the business year 2017/2018 was performed by Ullrich Saurer, a lawyer with Held Berdnik Astner & Partner Rechtsanwälte GmbH. The report on this external evaluation is available on DO & CO’s website at [www.doco.com](http://www.doco.com).

## 2. THE MANAGEMENT BOARD

### Attila DOGUDAN

Chairman, born in 1959

First appointed to the Board on 3 June 1997

End of the current term of office: 31 July 2020

No seats on supervisory boards or comparable positions

### Mag. Gottfried NEUMEISTER

Member of the Board, born in 1977

First appointed to the Board on 16 July 2012

End of the current term of office: 31 July 2020

No seats on supervisory boards or comparable positions

### Workings of the Management Board

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

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

The Chairman of the Management Board, Attila Dogudan, is responsible for the strategy and organisation of the Group, the central units, personnel and procurement, M & A, legal issues, IT and he takes the lead in all matters related to the operational business.

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



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

Shares held by Members of the Management Board

At the reporting date 31 March 2018, Gottfried Neumeister held 10,000 no-par value shares of DO & CO Aktiengesellschaft.

3. THE SUPERVISORY BOARD

Waldemar JUD

Chairman until 1 August 2017, then member until 12 March 2018, independent, born in 1943  
First appointed to the Board on 20 March 1997  
No further seats on supervisory boards of listed companies

Werner SPORN

Deputy Chairman until 27 July 2017, independent, born in 1935  
Representative of shareholders holding shares in free float until 27 July 2017  
First appointed to the Board on 20 March 1997  
No further seats on supervisory boards of listed companies

Georg THURN-VRINTS

Member, independent, born in 1956  
Current term runs until the 21st Ordinary General Meeting of Shareholders (2019),  
First appointed to the Board on 20 March 1997  
No further seats on supervisory boards of listed companies

Christian KONRAD

Member, independent, born in 1943  
Representative of shareholders holding shares in free float  
Current term runs until the 21st Ordinary General Meeting of Shareholders (2019),  
First appointed to the Board on 10 July 2002  
No further seats on supervisory boards of listed companies

Andreas BIERWIRTH

Chairman since 1 August 2017, independent, born in 1971  
Current term runs until the 23rd Ordinary General Meeting of Shareholders (2021),  
First appointed to the Board on 21 July 2016  
Seats on supervisory boards or comparable positions at non-Group listed companies:

- Member of the Board of Directors of EasyJet PLC, Great Britain

Peter HOFFMANN-OSTENHOF

First Deputy Chairman since 1 August 2017, independent, born in 1955  
Current term runs until the 24th Ordinary General Meeting of Shareholders (2022),  
First appointed to the Board on 27 July 2017  
Seats on supervisory boards or comparable positions at non-Group listed companies:

- Deputy Chairman of the Supervisory Board at Österreichische Staatsdruckerei Holding AG, Austria

Cem KOZLU

Second Deputy Chairman, independent, born in 1946  
Representative of shareholders holding shares in free float

Current term runs until the 23rd Ordinary General Meeting of Shareholders (2021),  
First appointed to the Board on 21 July 2016

Seats on supervisory boards or comparable positions at non-Group listed companies:

- Member of the Board of Directors of Pegasus Hava Tasimaciligi A.Ş., Turkey
- Member of the Board of Directors of Anadolu Efes Biracilik ve Malt Sanayi A.Ş., Turkey
- Member of the Board of Directors of Yazicilar Holding A.Ş., Turkey
- Member of the Board of Directors of Coca-Cola Icecek A.Ş., Turkey
- Member of the Board of Directors of Sisecam A.Ş., Turkey

Workings of the Supervisory Board

The legal basis for the actions of the Supervisory Board are the Austrian Stock Corporation Act (AktG), the Articles of Association as well as the Internal Rules of Procedure of the Supervisory Board and the Austrian Corporate Governance Code to which the Supervisory Board is expressly committed to complying.

In the business year 2017/2018, the Supervisory Board performed its duties under the law and the Articles of Association in four meetings. They focused on deliberations regarding the Company’s strategic approach, the acquisition of stakes, extension of the distribution network (such as the opening of the newest gourmet kitchen at the Los Angeles airport), the organic and geographical expansion opportunities and ongoing business, especially the extension of the contract with Austrian Airlines, the relations to the key customer in Turkey, as well as Nespresso-DO & CO Cafés.  
A member of the Supervisory Board did not participate in person in over half of the meetings of the Supervisory Board due to illness.

Shares held by Members of the Supervisory Board

At the reporting date 31 March 2018, Andreas Bierwirth held 450 no-par value shares in DO & CO Aktiengesellschaft. Cem Kozlu held 14,215 no-par values shares in DO & CO Aktiengesellschaft at the reporting date 31 March 2018.

Independence

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

Adhering to Rules 39 and 53 and Annex 1 of the Austrian Code of Corporate Governance, the Supervisory Board in its meeting of 14 February 2007 adopted the following criteria for assessing the independence of its members and committee members:  
A member of the Supervisory Board shall be deemed independent if said member does not have any business or personal relations with the Company or its Management Board that constitute a material conflict of interests and are therefore likely to influence the member’s conduct.

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

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



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

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

Composition and workings of the Committees

AUDIT COMMITTEE:

Waldemar JUD: Chairman until 1 August 2017, member until 12 March 2018  
Werner SPORN: Deputy Chairman until 27 July 2017  
Georg THURN-VRINTS: Member  
Christian KONRAD: Member  
Andreas BIERWIRTH: Chairman since 1 August 2017  
Peter HOFFMANN-OSTENHOF: First Deputy Chairman since 1 August 2017  
Cem KOZLU: Second Deputy Chairman since 1 August 2017

The Audit Committee’s brief includes supervising the reporting process, monitoring the effectiveness of the Company’s internal control, internal audit and risk management systems, supervising the audit of the Company’s and Group’s financial statements, investigating and monitoring the auditor’s (Group auditor’s) independence, especially with regard to additional services rendered for the audited company, submitting a report on the audit findings to the supervisory board and explaining how the audit contributed to the reliability of the financial reporting including the role of the audit committee in this process, checking the separate financial statements and preparing their approval, considering the proposal for the appropriation of profit, management report, consolidated corporate governance report and consolidated sustainability report, as well as reporting the audit findings to the Supervisory Board, examining the consolidated financial statements and the group management report, submitting the report on the audit findings to the Supervisory Board, and preparing a proposal by the Supervisory Board for appointing the auditor (Group auditor).

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

In the business year 2017/2018, the Audit Committee met twice with the auditor present as well as discussing issues with the auditor in the absence of the Management Board. During these meetings, it concentrated on discussing measures of the internal control system and the performance of risk management, as well as implementation of an internal audit and other audit activities to be performed under Para 4a of Section 92 Austrian Stock Corporation Act.

COMMITTEE OF THE CHAIRMAN:

Waldemar JUD: Chairman until 1 August 2017  
Werner SPORN: Deputy Chairman until 27 July 2017  
Andreas BIERWIRTH: Chairman since 1 August 2017  
Peter HOFFMANN-OSTENHOF: Deputy Chairman since 1 August 2017  
The Committee of the Chairman is made up of the Chairman and the First Deputy Chairman.

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

In its capacity of nominating committee, the Committee of the Chairman submits proposals to the Supervisory Board for filling vacant seats on the Management Board and deals with issues of succession planning. During the business year 2017/2018, the nominating committee did not meet.

In its capacity of remuneration committee, the Committee of the Chairman discusses matters concerning relationships to the Company and the members of the Management Board, remuneration of members of the Management Board and the content of employment contracts with members of the Management Board. The remuneration committee met once in the business year 2017/2018, deliberating on the granting of variable salary components to members of the Management Board in the business year 2016/2017.

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

4. REMUNERATION REPORT

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

Remuneration of the Management Board

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

For the business year 2017/2018, the variable remuneration was calculated in particular on the basis of the EBITDA margin and EBIT margin, combined with the performance in terms of strategic company targets as well as personal performance targets.

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

Remuneration of the business year 2017/2018 was as follows:

| Remuneration Management Board 2017/2018 | in k€ | Fixed<br>Remuneration | Variable<br>Remuneration | Total |
|---|-------|-----------------------|--------------------------|-------|
| Attila Dogudan *                        |       | 766                   | 0                        | 766   |
| Mag. Gottfried Neumeister **            |       | 631                   | 0                        | 631   |
| Total                                   |       | 1,397                 | 0                        | 1,397 |

\* Including remuneration in kind and including € 32k for activities as deputy chairman of the Board of Directors and CEO of THY DO & CO Ikram Hizmetleri A.Ş.  
\*\* Including € 29k for activities as member of the Board of Directors of THY DO & CO Ikram Hizmetleri A.Ş.

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



terminated for a cause that is within such member’s control. No further claims are due to a member of the Management Board upon retirement.  
Furthermore, no arrangements have been made so far in the event of a change of control.

Remuneration of the Supervisory Board

By resolution of the General Meeting of Shareholders of 27 July 2017 applying to the business year 2016/2017, a remuneration totalling € 140k was paid to the Supervisory Board members, distributed as shown in the table below.

| Remuneration Supervisory Board 2016/2017* | in k€ |
|---|-------|
| Waldemar JUD                              | 35    |
| Werner SPORN                              | 25    |
| Georg THURN - VRINTS                      | 20    |
| Christian KONRAD                          | 20    |
| Andreas BIERWIRTH                         | 20    |
| Cem KOZLU                                 | 20    |
| Total                                     | 140   |

\* No meeting attendance fees were paid

Companies in which former Supervisory Board member Werner SPORN had a considerable economic interest charged professional fees of € 635,107.10 in the business year 2017/2018 for legal counsel given outside their officer’s function.

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

5. DIVERSITY CONCEPT

In selecting the members of the Supervisory Board, expert qualifications, personal competence and commitment as well as many years of experience in leading positions are paramount. Additionally, aspects of diversity, of member internationality and age structure are taken into account. The members of the Supervisory Board are between 47 and 75 years of age, with one member not being an Austrian citizen and having many years of experience in the Turkish market.

In appointing the Management Board and the Supervisory Board, Company-specific requirements as well as the quality of members of the Management Board and Supervisory Board should be considered. DO & CO Aktiengesellschaft’s boards should consist of personalities who have the necessary knowledge of the business segments relevant to DO & CO, meet the personal requirements and have the experience that is required by and ensures the management and monitoring of a globally active and publicly traded group. No women are currently part of the Management Board and the Supervisory Board. However, a great number of women are in leading positions at the executive level of the DO & CO Group (see also Section 6 in this respect).

6. MEASURES TO PROMOTE WOMEN TO THE MANAGEMENT BOARD,  
SUPERVISORY BOARD AND IN EXECUTIVE POSITIONS

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

Vienna, 12 June 2018

Attila DOGUDAN  
Chairman of the Management Board

Mag. Gottfried NEUMEISTER  
Member of the Management Board



# Report of the Supervisory Board



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

At the 19th Ordinary General Meeting of Shareholders held on 27 July 2017, Peter Hoffmann-Ostenhof was appointed to the Supervisory Board of DO & CO Aktiengesellschaft. At the same time, Werner Sporn left the Supervisory Board after the 19th Ordinary General Meeting of Shareholders was concluded. On this occasion, the Supervisory Board would like to thank him for his long-standing extraordinary commitment and the excellent cooperation. With deep regret it is reported that Waldemar Jud, long-time chairman of DO & CO’s Supervisory Board who helped shape DO & CO’s corporate history in his many years of service as chairman, passed away on 12 March 2018. Therefore, the Supervisory Board currently consists of 5 members.

In the business year 2017/2018, the Supervisory Board performed its duties under the law and the Articles of Association in four meetings. They focused on deliberations regarding the Company’s strategic approach, the acquisition of stakes, extension of the distribution network (such as the opening of the newest gourmet kitchen at the Los Angeles airport), the organic and geographical expansion opportunities and ongoing business, especially the extension of the contract with Austrian Airlines, the relations to the key customer in Turkey, as well as Nespresso-DO & CO Cafés.

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

At its meeting on 13 June 2018, the Audit Committee examined the separate financial statements of DO & CO Aktiengesellschaft and the preparation of its approval, the proposal for the appropriation of profit, the management report, the Consolidated Corporate Governance Report as well as the Consolidated Sustainability Report, the Consolidated Financial Statements and the Group Management Report and proposed to select PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as auditor of the separate financial statements and the consolidated financial statements for the business year 2018/2019.

The Audit Committee met twice in the business year 2017/2018, monitoring the accounting system, the implementation of steps to optimise the internal control system, as well as the functionality of the risk management system and the internal audit system.

The remuneration committee met once in the business year 2017/2018, deliberating on the granting of variable salary components to members of the Management Board in the business year 2016/2017.

The separate financial statements plus notes of DO & CO Aktiengesellschaft as of 31 March 2018 along with the management report were prepared in accordance with Austrian accounting regulations and audited by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH, which issued an unqualified auditor’s report on these documents. The auditor submitted the additional report to the Audit Committee pursuant to Article 11 Audit Regulation, providing a written report on the findings of the audit. The Supervisory Board concurred with the Management Board in the latter’s report on the audit findings and approved the financial statements for 2017/2018. They are thus adopted in accordance with Section 96 (4) of the Austrian Corporation Act (AktG).

The consolidated financial statements as of 31 March 2018 plus notes were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union and were audited, along with the Group management report, by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH. In the auditor’s opinion, the consolidated financial statements present fairly, in all material respects,



the actual assets and financial position of the DO & CO Aktiengesellschaft Group as of 31 March 2018 and the results of its operations and its cash flows for the business year 2017/2018 in conformity with International Financial Reporting Standards (IFRS) as adopted in the European Union and additional requirements under Section 245a Austrian Commercial Code (UGB). The Supervisory Board concurred with the findings of the audit.

Furthermore, the Supervisory Board examined the proposal from the Management Board for the appropriation of profit of DO & CO Aktiengesellschaft. A proposal will be made to the General Meeting of Shareholders on 12 July 2018 to distribute the entire net profit of € 8,282,400.00 for a dividend payout of € 0.85 on each share entitled to a dividend.

The compliance review within the scope of the Consolidated Corporate Governance Report as provided for in Section 243b UGB and an evaluation of compliance by DO & CO Aktiengesellschaft with the rules of the Austrian Corporate Governance Code (ÖCGK) during the business year 2017/2018 were carried out by Ullrich Saurer, lawyer at Held Berdnik Astner & Partner Rechtsanwälte GmbH, and found that DO & CO has complied with the rules of the Austrian Corporate Governance Code in its business year 2017/2018.

The Supervisory Board also conducted a self-evaluation of its activities, the results of which were extensively discussed in the Supervisory Board meeting on 12 February 2018.

The Supervisory Board proposes to appoint PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as the auditor of the (separate and consolidated) financial statements for the business year 2018/2019.

The Supervisory Board thanks the Company’s management and its staff members for their dedicated work in a still very challenging economic environment.

Vienna, 13 June 2018

Dr. Andreas Bierwirth  
Chairman of the Supervisory Board



# Consolidated Financial Statements 2017 / 2018

of DO & CO Aktiengesellschaft  
pursuant to IFRS



## 1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Notes | ASSETS  | in m€ | 31 March 2018 | 31 March 2017 |
|-------|---|-------|---------------|---------------|
| 4.1.  | Intangible assets                                 |       | 53.36         | 59.90         |
| 4.2.  | Property, plant and equipment                     |       | 232.66        | 220.12        |
|       | Investment property                               |       | 2.04          | 1.55          |
| 4.3.  | Investments accounted for using the equity method |       | 7.28          | 8.55          |
| 4.4.  | Other financial assets                            |       | 4.43          | 3.73          |
| 4.12. | Deferred tax assets                               |       | 6.64          | 7.13          |
|       | Other non-current assets                          |       | 13.98         | 13.00         |
|       | <b>Non-current assets</b>                         |       | <b>320.40</b> | <b>313.98</b> |
| 4.5.  | Inventories                                       |       | 25.71         | 24.58         |
| 4.6.  | Trade receivables                                 |       | 112.42        | 99.33         |
|       | Other financial assets                            |       | 14.39         | 16.21         |
| 4.12. | Income tax receivables                            |       | 2.27          | 5.90          |
| 4.7.  | Other non-financial assets                        |       | 21.44         | 17.88         |
| 4.8.  | Cash and cash equivalents                         |       | 76.47         | 143.53        |
|       | <b>Current assets</b>                             |       | <b>252.71</b> | <b>307.43</b> |
|       | <b>Total assets</b>                               |       | <b>573.10</b> | <b>621.41</b> |

| Notes | Shareholders' equity and liabilities   | in m€ | 31 March 2018 | 31 March 2017 |
|-------|--|-------|---------------|---------------|
|       | Share capital  |       | 19.49         | 19.49         |
|       | Capital reserves   |       | 70.51         | 70.51         |
|       | Retained earnings  |       | 168.91        | 152.83        |
|       | Other comprehensive income   |       | -57.27        | -37.58        |
|       | Special item from transactions with non-controlling interests                    |       | -0.86         | -0.32         |
|       | <b>Equity attributable to the shareholders of DO &amp; CO Aktiengesellschaft</b> |       | <b>200.78</b> | <b>204.93</b> |
|       | Non-controlling interests  |       | 47.61         | 50.91         |
| 4.9.  | <b>Shareholders' equity</b>  |       | <b>248.39</b> | <b>255.84</b> |
| 4.10. | Bond   |       | 149.06        | 148.76        |
| 4.11. | Provisions   |       | 20.49         | 23.24         |
|       | Other non-current liabilities  |       | 0.04          | 0.00          |
| 4.12. | Deferred tax liabilities   |       | 2.91          | 3.18          |
|       | <b>Non-current liabilities</b>   |       | <b>172.50</b> | <b>175.18</b> |
| 4.13. | Other financial liabilities  |       | 27.58         | 49.87         |
| 4.14. | Trade payables   |       | 76.65         | 73.72         |
| 4.15. | Provisions   |       | 22.63         | 37.19         |
| 4.12. | Income tax liabilities   |       | 12.11         | 11.15         |
| 4.16. | Other liabilities  |       | 13.24         | 18.47         |
|       | <b>Current liabilities</b>   |       | <b>152.21</b> | <b>190.39</b> |
|       | <b>Total shareholders' equity and liabilities</b>                                |       | <b>573.10</b> | <b>621.41</b> |



## 2. CONSOLIDATED INCOME STATEMENT

| Notes   | in m€ | Business Year<br>2017/2018         | Business Year<br>2016/2017         |
|---|-------|------------------------------------|------------------------------------|
| <b>5.1. Revenue</b>   |       | <b>861.41</b>                      | <b>913.44</b>                      |
| 5.2. Other operating income   |       | 23.31                              | 28.72                              |
| 5.3. Cost of materials  |       | -369.12                            | -383.50                            |
| 5.4. Personnel expenses   |       | -288.33                            | -315.13                            |
| 5.5. Other operating expenses   |       | -143.25                            | -149.55                            |
| Result of equity investments accounted for using the equity method                                    |       | -0.61                              | -2.09                              |
| <b>EBITDA – Operating result before amortisation / depreciation and effects from impairment tests</b> |       | <b>83.41</b>                       | <b>91.89</b>                       |
| 5.6. Amortisation / depreciation and effects from impairment tests                                    |       | -32.77                             | -35.66                             |
| <b>EBIT – Operating result</b>  |       | <b>50.64</b>                       | <b>56.24</b>                       |
| Financing income  |       | 3.58                               | 2.34                               |
| Financing expenses  |       | -6.37                              | -6.62                              |
| Other financial result  |       | -1.68                              | -2.09                              |
| <b>5.7. Financial result</b>  |       | <b>-4.47</b>                       | <b>-6.38</b>                       |
| <b>Profit before income tax</b>   |       | <b>46.17</b>                       | <b>49.86</b>                       |
| 5.8. Income tax   |       | -12.80                             | -16.06                             |
| <b>Profit after income tax</b>  |       | <b>33.37</b>                       | <b>33.80</b>                       |
| Thereof net profit attributable to non-controlling interests  |       | -8.99                              | -12.97                             |
| <b>Thereof net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b> |       | <b>24.37</b>                       | <b>20.83</b>                       |
|   |       | <b>Business Year<br/>2017/2018</b> | <b>Business Year<br/>2016/2017</b> |
| <b>Net result in m€</b>   |       | <b>24.37</b>                       | <b>20.83</b>                       |
| Number of shares at the end of the period (in Pie)  |       | 9,744,000                          | 9,744,000                          |
| <b>5.9. Basic/diluted earnings per share (in €)</b>   |       | <b>2.50</b>                        | <b>2.14</b>                        |

## 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| in m€  | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|--|----------------------------|----------------------------|
| <b>Profit after income tax</b>   | <b>33.37</b>               | <b>33.80</b>               |
| Differences of currency translation  | -33.62                     | -19.01                     |
| Income tax   | 1.92                       | -0.60                      |
| <b>Total of items that will be reclassified subsequently to the income statement</b>     | <b>-31.70</b>              | <b>-19.61</b>              |
| Termination benefits and pension payments obligations                                    | 1.90                       | -2.87                      |
| Income tax   | -0.40                      | 0.56                       |
| <b>Total of items that will not be reclassified subsequently to the income statement</b> | <b>1.50</b>                | <b>-2.31</b>               |
| <b>Other comprehensive income after income tax</b>                                       | <b>-30.21</b>              | <b>-21.92</b>              |
| <b>Total comprehensive income for the period</b>   | <b>3.15</b>                | <b>11.89</b>               |
| Thereof attributable to non-controlling interests  | -1.52                      | 2.76                       |
| <b>Attributable to DO &amp; CO Aktiengesellschaft (Total result)</b>                     | <b>4.68</b>                | <b>9.13</b>                |



## 4. CONSOLIDATED STATEMENT OF CASH FLOWS

|  | in m€ | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|--|-------|----------------------------|----------------------------|
| <b>Profit before income tax</b>  |       | <b>46.17</b>               | <b>49.86</b>               |
| +/- Amortisation / depreciation and effects from impairment tests                        |       | 32.77                      | 35.66                      |
| -/+ Gains / losses from disposals of non-current assets                                  |       | 0.27                       | 0.42                       |
| -/+ Gains / losses from associated companies measured at equity without cash effect      |       | 0.61                       | 2.09                       |
| +/- Other non-cash expenses / income   |       | 5.31                       | 0.18                       |
| +/- Interest result  |       | 2.79                       | 4.32                       |
| +/- Dividends  |       | -0.03                      | 0.00                       |
| <b>Gross cash flow</b>   |       | <b>87.88</b>               | <b>92.52</b>               |
| -/+ Increase / decrease in inventories and other current assets                          |       | -34.05                     | -1.09                      |
| +/- Increase / decrease in provisions  |       | -14.69                     | 6.64                       |
| +/- Increase / decrease in trade payables and other liabilities                          |       | 11.93                      | -26.05                     |
| - Income tax payments  |       | -8.67                      | -15.66                     |
| <b>Cash flow from operating activities (net cash flow)</b>                               |       | <b>42.40</b>               | <b>56.36</b>               |
| + Payments received for disposals of property, plant and equipment and intangible assets |       | 0.66                       | 0.08                       |
| + Payments received for the disposal of other financial assets                           |       | 0.19                       | 0.73                       |
| - Additions to property, plant and equipment   |       | -75.13                     | -58.57                     |
| - Additions to intangible assets   |       | -0.64                      | -1.84                      |
| - Additions to associated companies measured at equity                                   |       | 0.00                       | -6.39                      |
| - Additions to other financial assets  |       | -13.95                     | -1.93                      |
| + Dividends received   |       | 0.03                       | 0.44                       |
| + Interest received  |       | 2.68                       | 2.30                       |
| <b>Cash flow from investing activities</b>   |       | <b>-86.15</b>              | <b>-65.17</b>              |
| - Dividend payment to shareholders of DO & CO Aktiengesellschaft                         |       | -8.28                      | -8.28                      |
| - Dividend payment to non-controlling interests  |       | -2.32                      | -2.29                      |
| - Repayment of financial liabilities   |       | -1.80                      | 0.00                       |
| - Interest paid  |       | -4.69                      | -5.38                      |
| <b>Cash flow from financing activities</b>   |       | <b>-17.10</b>              | <b>-15.96</b>              |
| <b>Net increase/decrease in cash and cash equivalents</b>                                |       | <b>-60.85</b>              | <b>-24.75</b>              |
| Cash and cash equivalents at the beginning of the period                                 |       | 143.53                     | 171.91                     |
| Effects of exchange rate changes on cash and cash equivalents (opening balance)          |       | -6.01                      | -2.71                      |
| Effects of exchange rate changes on cash and cash equivalents (movement)                 |       | -0.20                      | -0.66                      |
| Cash and cash equivalents at the end of the period                                       |       | 76.47                      | 143.53                     |
| <b>Net increase/decrease in cash and cash equivalents</b>                                |       | <b>-60.85</b>              | <b>-24.75</b>              |

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

## 5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EQUITY OF THE SHAREHOLDERS OF DO & CO AKTIENGESELLSCHAFT |               |                  |                   |                                  |                    |   |        |                           |              |
|--|---------------|------------------|-------------------|----------------------------------|--------------------|---|--------|---------------------------|--------------|
|  |               |                  |                   | Other comprehensive income       |                    |   |        |                           |              |
| in m€  | Share capital | Capital reserves | Retained earnings | Currency translation differences | Revaluation IAS 19 | Special item from transactions with non-controlling interests | Total  | Non-controlling interests | Total equity |
| As of 1 April 2017                                       | 19.49         | 70.51            | 152.83            | -34.84                           | -2.74              | -0.32   | 204.93 | 50.91                     | 255.84       |
| Dividend payments 2016/2017                              |               |                  | -8.28             |                                  |                    |   | -8.28  | -2.32                     | -10.60       |
| Total result   |               |                  | 24.37             | -20.44                           | 0.75               |   | 4.68   | -1.52                     | 3.15         |
| Transactions with non-controlling interests              |               |                  |                   |                                  |                    | -0.54   | -0.54  | 0.54                      | 0.00         |
| As of 31 March 2018                                      | 19.49         | 70.51            | 168.91            | -55.27                           | -1.99              | -0.86   | 200.78 | 47.61                     | 248.39       |
| As of 1 April 2016                                       | 19.49         | 70.51            | 140.28            | -24.50                           | -1.37              | -0.27   | 204.13 | 50.24                     | 254.37       |
| Dividend payments 2015/2016                              |               |                  | -8.28             |                                  |                    |   | -8.28  | -2.13                     | -10.42       |
| Total result   |               |                  | 20.83             | -10.33                           | -1.37              |   | 9.13   | 2.76                      | 11.89        |
| Transactions with non-controlling interests              |               |                  |                   |                                  |                    | -0.05   | -0.05  | 0.05                      | 0.00         |
| As of 31 March 2017                                      | 19.49         | 70.51            | 152.83            | -34.84                           | -2.74              | -0.32   | 204.93 | 50.91                     | 255.84       |

Information on shareholders' equity is provided in Section 4.9.



6. SEGMENT REPORTING

The Management Board of DO & CO is the chief decision-maker to allocate resources to the business segments as well as to measure their profitability. It controls the Group based on financial data calculated in line with IFRS. The accounting and valuation principles of the segments subject to mandatory reporting correspond to the accounting and valuation principles described in the Notes to the consolidated Financial Statements.

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

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

Both earnings figures, EBIT and EBITDA, are of relevance for the management with regard to control. Management predominantly focuses on EBIT in respect of resource allocation; EBIT therefore is the segment result within the meaning of IFRS 8. To the extent that overheads cannot be allocated to the individual segments based on the causation principle, the overheads are basically allocated in proportion to revenue. The values used for segment reporting comply with the accounting and valuation methods applied in the IFRS consolidated financial statements. The operating result (EBIT) is reported as segment result. The transfer prices are defined in line with the OECD Guidelines.

The Group centrally controls the financial result and the tax expense.

The segment result mainly comprises property and buildings, including buildings on third party land, assets in the course of construction and any advance payments made in their regard, goodwill and other rights, the Hédiard brand in the Restaurant, Lounges & Hotel segment as well as other non-current assets in the International Event Catering segment.

Financial liabilities are not allocated for internal reporting purposes.

The major part of revenue in the DO & CO Group is generated by the Airline Catering division on three continents with its unique innovative and competitive product portfolio. The core of the Airline Catering segment consists of 31 gourmet kitchens at international airports (among which Istanbul, London, New York, Vienna, Frankfurt, Warsaw, Milan), offering culinary treats to 114 million passengers on more than 681,000 flights in the business year 2017/2018. DO & CO has a customer portfolio consisting of numerous airlines, such as Austrian Airlines, Asiana Airlines, Air France, British Airways, Cathay Pacific, China Airlines, Emirates, Etihad Airways, EVA Air, Egypt Air, Korean Air, Lufthansa, LOT Polish Airlines, Oman Air, Pegasus Airlines, Qatar Airways, Singapore Airlines, South African Airways, Turkish Airlines, Thai Airways, Ukraine International Airlines und Royal Jordanian.

The DO & CO Group operates with the International Event Catering segment on a global scale and offers one-stop solutions at events that include logistics, decoration, furniture, tents, music, entertainment and lighting in addition to traditional catering. Here, references include, amongst others, the catering for 17 Formula 1 grand prix races, UEFA Champions League finals, the catering at Allianz Arena and the Olympic Park in Munich, as well as the catering for Juventus Turin Football Club. In the previous year, the catering at the UEFA EURO 2016 was included in this segment. Long-standing partnerships confirm: national and international organisers trust DO & CO as host and one-stop shop with regard to hospitality solutions.

The Group has its origins in the Restaurants, Lounges & Hotel segment. This segment comprises a number of different areas, such as lounges, retail, airport catering, restaurants and Demel café, hotel, staff restaurants and railway catering.

DO & CO has one customer whose share in the Group's overall revenue exceeds 10%, with the share amounting to € 238.47m in the business year 2017/2018. The revenue with this customer is particularly included in the segments Airline Catering and Restaurants, Lounges & Hotel.

Segment reporting by division for the business year 2017/2018 and the business year 2016/2017 is as follows:

| Business Year 2017/2018       |    | Airline Catering | International Event Catering | Restaurants. Lounges & Hotel | Total  |
|-------------------------------|----|------------------|------------------------------|------------------------------|--------|
| Revenue                       | m€ | 574.11           | 123.00                       | 164.30                       | 861.41 |
| EBITDA                        | m€ | 60.62            | 12.10                        | 10.70                        | 83.41  |
| Depreciation/amortisation     | m€ | -23.14           | -4.86                        | -3.39                        | -31.39 |
| Effects from impairment tests | m€ | -1.14            | 0.00                         | -0.24                        | -1.38  |
| EBIT                          | m€ | 36.33            | 7.24                         | 7.07                         | 50.64  |
| EBITDA margin                 | %  | 10.6%            | 9.8%                         | 6.5%                         | 9.7%   |
| EBIT margin                   | %  | 6.3%             | 5.9%                         | 4.3%                         | 5.9%   |
| Share of Group Revenue        | %  | 66.6%            | 14.3%                        | 19.1%                        | 100.0% |
| Total investments             | m€ | 52.72            | 3.52                         | 15.26                        | 71.49  |

| Business Year 2016/2017       |    | Airline Catering | International Event Catering | Restaurants, Lounges & Hotel | Total  |
|-------------------------------|----|------------------|------------------------------|------------------------------|--------|
| Revenue                       | m€ | 597.46           | 146.33                       | 169.66                       | 913.44 |
| EBITDA                        | m€ | 70.63            | 11.79                        | 9.47                         | 91.89  |
| Depreciation/amortisation     | m€ | -25.20           | -5.07                        | -3.59                        | -33.87 |
| Effects from impairment tests | m€ | -0.49            | 0.00                         | -1.30                        | -1.79  |
| EBIT                          | m€ | 44.94            | 6.72                         | 4.58                         | 56.24  |
| EBITDA margin                 | %  | 11.8%            | 8.1%                         | 5.6%                         | 10.1%  |
| EBIT margin                   | %  | 7.5%             | 4.6%                         | 2.7%                         | 6.2%   |
| Share of Group Revenue        | %  | 65.4%            | 16.0%                        | 18.6%                        | 100.0% |
| Total investments             | m€ | 38.66            | 2.50                         | 16.42                        | 57.59  |



**External revenue** of the DO & CO Group can be broken down by **geographical regions** according to the location of the service-rendering subsidiary as follows:

| Business Year 2017/2018 |    | Austria | Turkey | USA   | Germany | Other Countries | Total  |
|-------------------------|----|---------|--------|-------|---------|-----------------|--------|
| Sales                   | m€ | 193.40  | 253.98 | 94.60 | 138.38  | 181.06          | 861.41 |
| Share of Group Revenue  | %  | 22.5%   | 29.5%  | 11.0% | 16.1%   | 21.0%           | 100.0% |

| Business Year 2016/2017 |    | Austria | Turkey | USA   | Germany | Other Countries | Total  |
|-------------------------|----|---------|--------|-------|---------|-----------------|--------|
| Sales                   | m€ | 196.79  | 305.10 | 87.72 | 129.27  | 194.56          | 913.44 |
| Share of Group Revenue  | %  | 21.5%   | 33.4%  | 9.6%  | 14.2%   | 21.3%           | 100.0% |

**Non-current assets pursuant to IFRS 8 by geographical regions** (excl. income tax receivables and deferred taxes) as of 31 March 2018 and 31 March 2017 are presented below:

| Business Year 2017/2018 |  | Austria | Turkey | USA   | Germany | Other Countries | Total  |
|-------------------------|--|---------|--------|-------|---------|-----------------|--------|
| m€                      |  | 31.46   | 81.66  | 61.40 | 43.33   | 95.89           | 313.76 |
| in %                    |  | 10.0%   | 26.0%  | 19.6% | 13.8%   | 30.6%           | 100.0% |

| Business Year 2016/2017 |  | Austria | Turkey | USA   | Germany | Other Countries | Total  |
|-------------------------|--|---------|--------|-------|---------|-----------------|--------|
| m€                      |  | 32.40   | 99.77  | 42.06 | 44.64   | 87.99           | 306.85 |
| in %                    |  | 10.6%   | 32.5%  | 13.7% | 14.5%   | 28.7%           | 100.0% |



DO & CO  
Aktiengesellschaft, Vienna

# Notes to the Consolidated Financial Statements 2017 / 2018



## 1. GENERAL INFORMATION

DO & CO Aktiengesellschaft (DO & CO, the Company), domiciled in 1010 Vienna, Stephansplatz 12, is the parent company of an international catering group. It conducts business in the three divisions Airline Catering, International Event Catering, and Restaurants, Lounges & Hotel. The shares of DO & CO Aktiengesellschaft are listed on the Vienna Stock Exchange and the Istanbul Stock Exchange.

The consolidated financial statements of DO & CO Aktiengesellschaft for the business year from 1 April 2017 to 31 March 2018 (2017/2018) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union for capital market-oriented entities as well as pursuant to the supplementary provisions of Section 245a of the Austrian Commercial Code (UGB).

DO & CO has fully complied with these provisions. The consolidated financial statements present a true and fair view of the DO & CO Group's financial situation and performance. The financial statements of all material domestic and foreign entities that are fully included in the consolidated financial statements have been audited.

In accordance with IAS 1, the consolidated statement of financial position is to be structured according to maturities. Assets and liabilities are classified as current if they are expected to be realised (assets) or settled (liabilities) within 12 months after the reporting date. The income statement is prepared using the total expenditure format.

The consolidated financial statements are prepared in euros, the functional currency of the holding company. Unless otherwise stated, the figures in the consolidated financial statements are presented in millions of euros (m€). Both individual figures and total amounts represent the smallest rounding difference. When the reported individual figures are aggregated, slight differences to the reported total amounts may therefore arise.

The preparation of the consolidated financial statements in accordance with the generally accepted accounting methods under IFRS as adopted in the European Union requires assumptions and estimates that affect the amount and presentation of recognised assets and liabilities, as well as income and expenses during the reporting period. Although these estimates are made by the Management Board on the members' best knowledge by drawing on experience gained in similar transactions, the actual values may differ from these estimates.

On 12 June 2018, the Management Board of DO & CO approved the consolidated financial statements for the business year 2017/2018 for publication and released for disclosure to the Supervisory Board. On 13 June 2018, the Company's Supervisory Board will approve the consolidated financial statements.



2. EFFECTS OF NEW AND/OR AMENDED IFRS

In the reporting period 2017/2018, the first-time mandatory application of the following standards and interpretations newly issued or amended by the IASB or the IFRS Interpretations Committee and adopted by the European Union did not have an impact or did not have a material impact on the presentation of DO & CO's assets, financial situation and performance or results.

| Standard / Interpretation<br>(First application in the business year 2017/2018) |   | Publication<br>(EU Endorsement)      | Mandatory<br>effective date<br>for DO & CO | Impact on<br>consolidated<br>financial<br>statements |
|---|---|--------------------------------------|--|--|
| IAS 7   | Amendments to IAS 7:<br>Disclosure Initiative –<br>Cash Flow Statement  | 29 January 2016<br>(6 November 2017) | 1 April 2017                               | additional<br>disclosures<br>in the notes            |
| IAS 12  | Amendments to IAS 12:<br>Recognition of Deferred Tax Assets for<br>Unrealized Losses  | 19 January 2016<br>(6 November 2017) | 1 April 2017                               | no impact  |
| IFRS 12   | Annual Improvements to IFRS Standards<br>2014–2016 Cycle<br>Amendments to IFRS 12: Clarification to<br>Disclosures of Interests in Other Entities | 8 December 2016<br>(7 February 2018) | 1 April 2017                               | no impact  |

The amendments to IAS 7 Statement of Cash Flows require additional disclosures with regard to the changes in liabilities arising from financing activities. DO & CO presents these disclosures in a reconciliation of the balance of financial liabilities at the beginning and end of the period.

The amendments to IAS 12 on the recognition of deferred tax assets for unrealised losses and to IFRS 12 on disclosures of interests in other entities mainly include clarifications and do not have an impact or have no material impact on the consolidated financial statements.

The following standards and interpretations newly issued or amended by the IASB or the IFRS Interpretations Committee were not yet applied in the reporting period 2017/2018 as they either have not been endorsed by the EU yet or were not yet effective. The option of the voluntary early application is not used by DO & CO.

| Standard / Interpretation<br>(until 31 March 2018) |   | Endorsed<br>and effective<br>from beginning<br>of | Mandatory<br>effective date<br>for DO & CO | Expected impact<br>on consolidated<br>financial<br>statements |
|--|---|---|--|---|
| IFRS 9   | Financial Instruments   | January 2018                                      | 1 April 2018                               | in evaluation   |
| IFRS 15  | Revenues from Contracts with Customers  | January 2018                                      | 1 April 2018                               | no material impact  |
| IFRS 16  | Leases  | January 2019                                      | 1 April 2019                               | material impact<br>expected                                   |
| IFRS 4   | Amendments to IFRS 4:<br>Applying IFRS 9 Financial Instruments<br>with IFRS 4 Insurance contracts       | January 2018                                      | 1 April 2018                               | no impact   |
| IFRS 15  | Clarifications to IFRS 15: Revenue from<br>Contracts with Customers                                     | January 2018                                      | 1 April 2018                               | no material impact  |
| IFRS 1   | Annual Improvements of<br>IFRSs 2014–2016 Cycle<br>Amendments to IFRS 1:<br>First-time Adoption of IFRS | January 2018                                      | 1 April 2018                               | no impact   |

| Standard / Interpretation<br>(until 31 March 2018) |   | Endorsed<br>and effective<br>from beginning<br>of | Mandatory<br>effective date<br>for DO & CO | Expected impact<br>on consolidated<br>financial<br>statements |
|--|---|---|--|---|
| IAS 28   | Annual Improvements of IFRSs<br>2014–2016 Cycle<br>Clarifications to IAS28: Investments in<br>Associates and Joint Ventures | January 2018                                      | 1 April 2018                               | no impact   |
| IFRS 2   | Amendments to IFRS 2: Classification and<br>Measurement of Share-based Payment<br>Transactions                              | January 2018                                      | 1 April 2018                               | no impact   |
| IAS 40   | Amendments: Transfers of Investment<br>property   | January 2018                                      | 1 April 2018                               | no impact   |
| IFRS 9   | Amendments to IFRS 9:<br>Prepayment Features with Negative<br>Compensation  | January 2019                                      | 1 April 2019                               | in evaluation   |
| IFRIC 22   | Foreign Currency Transactions and<br>Advance Considerations   | January 2018                                      | 1 April 2018                               | in evaluation   |

| Standard / Interpretation<br>(until 31 March 2018) |   | Not yet<br>endorsed and<br>effective from<br>beginning of | Mandatory<br>effective date<br>for DO & CO | Expected impact<br>on consolidated<br>financial<br>statements |
|--|---|---|--|---|
| IFRS 14  | Rate-regulated Activities   | January 2016  | not adopted by<br>the EU                   | no impact   |
| IFRS 10<br>IFRS 12<br>IAS 28                       | Investments in Associates /<br>Consolidated Financial Statements:<br>Sale or Contribution of Assets between an<br>Investor and its Associate or Joint Venture | effective to be<br>determined                             | deferred<br>indefinitely                   | no impact   |
| IFRS 17  | Insurance Contracts   | January 2021  | preliminary<br>1 April 2021                | no impact   |
| IFRIC 23   | Tax risk positions from income taxes  | January 2019  | preliminary<br>1 April 2019                | in evaluation   |
| IAS 28   | Amendments: Long-term Interests in<br>Associates and Joint Ventures   | January 2019  | preliminary<br>1 April 2019                | in evaluation   |
| IFRS 3   | Annual Improvements of IFRSs<br>2015 – 2017 Cycle<br>Amendments: Business Combinations  | January 2019  | preliminary<br>1 April 2019                | in evaluation   |
| IFRS 11  | Annual Improvements of<br>IFRSs 2015 – 2017 Cycle<br>Amendments: Joint Arrangements   | January 2019  | preliminary<br>1 April 2019                | in evaluation   |
| IAS 12   | Annual Improvements of<br>IFRSs 2015–2017 Cycle<br>Amendments: Income Taxes   | January 2019  | preliminary<br>1 April 2019                | in evaluation   |
| IAS 23   | Annual Improvements of<br>IFRSs 2015–2017 Cycle<br>Amendments: Borrowing Costs  | January 2019  | preliminary<br>1 April 2019                | in evaluation   |
| IAS 19   | Amendments: Employee Benefits   | January 2019  | preliminary<br>1 April 2019                | in evaluation   |



A brief explanation is provided below for the new effective standards IFRS 9, IFRS 15 and IFRS 16:

**IFRS 9 Financial Instruments**

IFRS 9 “Financial Instruments” addresses the classification, recognition and measurement of financial assets and financial liabilities. The final version of IFRS 9 was published in July 2014. This standard replaces those sections of IAS 39 “Financial Instruments: Recognition and Measurement” dealing with the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and creates three measurement categories for financial assets: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classifications depend on the entity’s business model and the characteristics of the contractual cash flows of the financial asset. As a rule, investments in equity instruments have to be measured at fair value through profit or loss. Here, the irrevocable option to recognise changes in the fair value in other comprehensive income is only applicable at initial recognition. Also, this standard introduces a new impairment model based on expected losses that replaces the IAS 39 incurred loss model. With regard to financial liabilities, the classification and measurement has basically remained unchanged, the only exception being liabilities designated as “at fair value through profit or loss” as the changes in the own credit risk have to be recognised in other comprehensive income. IFRS 9 facilitates the provisions on measuring hedge effectiveness because the quantitative effectiveness test is on principle omitted. An economic relationship between the underlying transaction and the hedging instrument is required. Moreover, the hedge relationship must be compliant with the hedge relationship actually used by management for risk management purposes. A concurrent documentation remains a requirement, but differs from the documentation currently prepared under IAS 39.

With regard to IFRS 9, the existing financial instruments were analysed to determine whether a material implementation effect could result from the classification. The Group does not expect a material impact as it holds equity investments in other entities only to a minor extent. These investments will have to be exclusively measured at fair value in the future. The Group prepared a model to systematically record expected impairment losses. Applying this model, the expected impairment losses for the business year 2017/2018 amounted to € 0.28m (actual impairment losses in 2017/2018: € 3.86m). This demonstrates that the required adjustments are still estimated as minor.

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 “Revenue from Contracts with Customers” establishes uniform principles on revenue recognition applying to all contracts with customers and thus replaces IAS 18 “Revenue” and IAS 11 “Construction Contracts” as well as the corresponding interpretations. The core of IFRS 15 is an extensive model providing information as to how revenue from contracts with customers is to be recognised. In line with this model, an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides for a five-step model to calculate the revenue to be realised. The decisive criterion for the recognition of revenue is no longer the transfer of significant risks and rewards but the point in time the customer gains control over the agreed goods and services and obtains benefits from them.

DO & CO assessed the impact the application of IFRS 15 may have on its financial situation and performance. The main customer contracts from all business segments and divisions were analysed with regard to separate performance obligations and to the possible later recognition of revenue. The Airline Catering, International Event Catering and Restaurants, Lounges & Hotel divisions are not expected to be significantly affected by the separating of performance obligations. Contrary to the Airline Catering and Restaurant, Lounges & Hotel divisions, more than one performance obligation was identified in the International Event Catering division: (1.) catering services, and (2.) infrastructure services. In this division, the contract for providing services at several motor sport races was additionally analysed in detail with the quantitative impact in mind. Due to pricing, no allocations are required. It was determined that due to the timing of the race days and the subsequent incoming payments, contract assets can only arise in the first half of the business year of the DO & CO Group. During the

year, they amounted to € 0.38m (Q2) and € 0.54m (Q3) at the respective quarter reporting dates. As there would be no more contract assets at the end of the business year, from the DO & CO Group’s perspective no material implementation effects arising from IFRS 15 exist.

**IFRS 16 Leases**

The accounting standard IFRS 16 “Leases”, issued in January 2016, replaces the previous IAS 17 “Leases” as well as the corresponding interpretations. It introduces a single lease accounting model for lessees that will no longer differentiate between operating lease and finance lease but requires right-of-use assets and lease liabilities to be recognised for all lease agreements. IFRS 16 provides exceptions for short-term leases and assets of low value. There will only be minor changes for lessors compared to the accounting under IAS 17 as they still differentiate between operating leases and finance leases.

With regard to IFRS 16, the evaluation and analysis of the contracts pertaining to all Group companies has been completed and a Group-wide overview of all lease agreements prepared. Based on the analysed contracts, the main focus will be on real estate leasing and subleases, if any, including the corresponding issues (determining the term of the lease, treatment of leased fixtures, determining the underlying interest rate). As regards the possibility of capitalising a right-of-use asset due to short-term leases or leases where the underlying asset is of low value, performing an analysis is still under way. DO & CO currently deals with the technical implementation of the new leases standard into the system. Since the minimum lease payments due on the reporting date under uncancellable operating leases amount to € 158.79m (see Section 7.2. Contingencies and financial liabilities), a material extension of the statement of financial position with regard to assets and liabilities is expected as a result of the first-time application of IFRS 16. At present, no information can be provided as to the amount. Rental and lease expenses from operating leases are shown under *Other operating expenses* in the consolidated income statement. When applying IFRS 16, the rights of use are capitalised and recognised in the item *Amortisation / depreciation and effects from impairment tests* over the respective useful life. In addition, part of the cash flow from operating activities is now shown under the cash flow from financing activities in the consolidated statement of cash flows, since the redemption of lease liabilities is to be reported as cash flow from financing activities.

DO & CO plans to apply IFRS 16 for the first time at 1 April 2019, using the modified retrospective approach.

**IFRS 4, Improvements to IFRSs 2014-2016 Cycle, IFRS 2, IAS 40, IFRIC 22**

No or no material impact on the consolidated financial statements is expected when applying the new or amended standards IFRS 4 (Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts), the amendments and clarifications issued in the course of the Annual Improvements to IFRSs 2014 – 2016 Cycle with regard to IFRS 1 (First Time Adoption of IFRS) and IAS 28 (Investments in Associates and Joint Ventures), as well as the amendments to IFRS 2 (Classification and Measurement of Share-based Payment Transactions), to IAS 40 (Transfers of Investment Property) and IFRIC 22 Foreign Currency Transactions and Advance Considerations.



3. SIGNIFICANT ACCOUNTING PRINCIPLES

3.1. Consolidation

3.1.1. Scope of consolidation

The consolidated financial statements as of 31 March 2018 comprise, in addition to DO & CO, all material subsidiaries which the Company directly or indirectly controls. An entity is controlled when DO & CO or one of its subsidiaries is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. For subsidiaries of DO & CO, such control normally results from the ownership of the majority of voting rights.

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

With regard to the disclosure requirements for investments in subsidiaries pursuant to IFRS 12, refer to Section 4.9.

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

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

Disclosures on joint ventures and associates are provided in Section 4.3.

3.1.2. Changes in the scope of consolidation

In the business year 2017/2018, the following newly established subsidiaries were consolidated for the first time:

- Hédiard Foncière SAS (100%)
- Hédiard Restauration en Vol SAS (100%)

3.1.3. Consolidation principles

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

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

DO & CO uses the equity method to account for investments in joint ventures and associates. Acquired investments are initially recognised at cost at the time of their acquisition, inclusive of transaction costs. If the acquisition costs incurred for the investment exceed the acquired interest in the fair values of the assets and liabilities, goodwill is recognised. Goodwill is part of the carrying amount of the investment and is not tested separately for impairment. Any negative difference is recognised immediately in profit or loss. The carrying amount of the investment is subsequently measured taking into account DO & CO’s proportionate share of the changes in the net assets of the investment. Any losses carried forward by an associate or a joint venture that exceed the carrying amount of the investment held by DO & CO are only recognised to the extent that DO & CO has incurred legal or constructive obligations to cover any losses. DO & CO tests investments accounted for using the equity method for impairment if there is indication of such impairment.

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

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



3.2. Currency translation

The euro is DO & CO Group’s presentation currency. The functional currency of foreign entities partly differs from the Group’s presentation currency. Financial statements of subsidiaries, joint ventures and associates that do not have the euro as functional currency are translated in accordance with IAS 21 using the modified reporting date method. Assets and liabilities of the financial statements of the entities to be included are translated using the average spot exchange rate as of 31 March 2018, income and expenses are translated using the average annual exchange rate.

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

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

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

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

| 1 Euro corresponds to: | Reporting Date Rate |               | Average Rate  |               |
|------------------------|---------------------|---------------|---------------|---------------|
|                        | 31 March 2018       | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| US Dollar              | 1.2324              | 1.0691        | 1.1708        | 1.0973        |
| British Pound          | 0.8791              | 0.8555        | 0.8823        | 0.8414        |
| Turkish Lira           | 4.8772              | 3.8894        | 4.3105        | 3.5165        |
| Swiss Franc            | 1.1754              | 1.0696        | 1.1358        | 1.0836        |
| Polish Zloty           | 4.2126              | 4.2265        | 4.2213        | 4.3518        |
| Ukrainian Hryvnia      | 32.7042             | 28.9642       | 31.2179       | 28.4022       |
| Mexican Peso           | 22.4075             | 20.0175       | 21.6866       | 21.0985       |
| South Korean Won       | 1,309.4300          | 1,194.5400    | 1,298.9000    | 1,260.2100    |

3.3. Accounting methods

General measurement principle

The consolidated financial statements are prepared under the historical cost convention, excluding assets and liabilities recognised at fair value.

Intangible assets

DO & CO particularly recognises goodwill as well as acquired customer agreements, licenses, trademarks and rights of use under the item Intangible assets in the consolidated statement of financial position. Research and development expenses are not incurred at DO & CO. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. DO & CO charges amortisation for intangible assets with definite useful lives on a straight-line basis over a useful life of 2 to 17 years. Amortisation is recognised in the income statement under *Amortisation / depreciation and effects from impairment tests*. Goodwill and other intangible assets with an indefinite useful life are not subject to amortisation. If evidence exists that intangible assets are impaired, DO & CO tests the respective assets for impairment. Irrespective of such evidence, DO & CO tests goodwill and other intangible assets with an indefinite useful life annually for impairment. With regard to the determination and recognition of impairment, reference is made to Section *Impairment of non-financial assets*.

Property, plant and equipment

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

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

|                                      |      |    |            |
|--------------------------------------|------|----|------------|
| Land and buildings                   | 25.0 | to | 40.0 years |
| Buildings on land owned by others    | 2.0  | to | 25.0 years |
| Plant and machinery                  | 2.0  | to | 20.0 years |
| Other equipment and office equipment | 2.0  | to | 10.0 years |

Depreciation is recognised in the income statement under *Amortisation / depreciation and effects from impairment tests*.

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

Gains and losses arising from the disposal of property, plant and equipment are determined at the time when the assets are derecognised by comparing the net disposal proceeds with the carrying amount of the asset to be disposed and are recognised within *Other operating income* or *Other operating expenses*.

Investment property

DO & CO treats developed property held for an undetermined future use as investment property. Investment property was initially recognised at cost including associated costs incurred and subsequently measured at cost less accumulated depreciation. Property is subsequently measured at cost less accumulated depreciation since commissioning and accumulated impairment losses.



Leases

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

Impairment of non-financial assets

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

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

Impairment losses are recognised in the income statement of DO & CO under *Amortisation / depreciation and effects from impairment tests*.

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

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

Financial assets

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

At the time of acquisition, DO & CO classifies financial assets in one of the following measurement categories: loans and receivables or available for sale. The classification depends on the type of the financial asset and the purpose for which the financial asset was acquired. It is reviewed at the end of every reporting period.

- **Loans and receivables** (LaR) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They result from the provision of financial assets, goods or services to a debtor unless it is intended to trade these receivables. They are classified as current assets, provided that these assets are due within less than 12 months after the end of the reporting

period. If this is not the case, they are classified as non-current assets. Loans and receivables are initially measured at fair value plus directly attributable transaction costs. Subsequently, DO & CO measures trade receivables at amortised cost using the effective interest method.

- **Available-for-sale financial assets** (AfS) are non-derivative financial assets which, based on their objective characteristics, are not classified in any of the other categories or which, based on the decision of the management, were designated in this category at the time of acquisition. If it is expected to dispose of these assets within 12 months, they are included in current assets; if this is not the case, these assets are recognised as non-current assets. DO & CO initially recognises available-for-sale financial assets at their fair value plus directly attributable transaction costs. Subsequent measurement is based on their fair value at the reporting date. Equity instruments of other companies whose fair value cannot be reliably estimated are excluded. These instruments are measured at cost.

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

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

Inventories

Inventories are stated at the lower of cost or net realisable value on the reporting date. DO & CO determines cost primarily by using the average price method. The net realisable value is the estimated selling price in the ordinary course of business, less estimated costs until completion and selling expenses still to be incurred.

Cash and cash equivalents

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

Shareholders' equity

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

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

With the initial recognition of a business combination, the non-controlling interests are recorded in equity as a separate item. This item is subsequently adjusted for any changes in the net assets of the non-controlling interests (prorated allocation of profit or loss and distributions). Correspondingly, DO & CO recognised a non-current derivative financial liability with regard to the obligation resulting from the put option. The liability was recognised in equity and offset against a special item from transactions with non-controlling interests in equity. Based on the assumption that DO & CO acquires the current balance of the respective investment of the non-controlling interests, the Company derecognises the amount reported in equity for the non-controlling interests at the end of every reporting



period. Differences between the derecognised equity amounts and the amounts at which the derivative financial liability is recognised and amortised are taken into account by DO & CO in accordance with the provisions on the presentation of transactions between shareholder groups as adjustment of the parent company’s equity.

Employee benefits

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

With regard to defined benefit pension plans, DO & CO is under an obligation to provide the agreed benefits to employees after termination of employment. Employees whose employment is subject to Austrian law and commenced prior to 1 January 2003 are entitled to termination benefits after three years of uninterrupted employment in case employment is terminated by the employer or if employment was terminated for compelling reasons. The same holds true if the employee reaches the pensionable age after 3 years of uninterrupted employment with the company. Furthermore, DO & CO undertook to pay lifelong annuity to a former employee. In this case, DO & CO bears the investment risk and the risk that higher expenses than expected may be incurred (actuarial risk). The amounts recognised under *Non-current provisions* on the liabilities side correspond to the present value of the vested amounts (“*defined benefit obligation*”, DBO). They are calculated annually based on the *projected unit credit method* and take into account annuities known at the reporting date and acquired pension entitlements, as well as estimated future increases in remuneration and pensions, taking into account the staff turnover rate depending on the years of service. The present value of the obligation is based on the return of the senior fixed-interest corporate bonds of the relevant currency area. In the business year 2017/2018 the benefits expected to be provided were calculated using a discount rate of 1.30% p.a. (PY: 1.30% p.a.), taking into account expected wage and salary increases of 1.80% p.a. (PY: 1.80% p.a.) and applying an expected statutory pensionable age of 65 years for women and 65 years for men (PY: 65/65). The average maturities amount to 10.9 years for termination benefits, 8.8 years for anniversary bonuses and 4.9 years for pensions. Termination benefits from foreign companies were calculated on the basis of comparable methods and recognised on the liabilities side, unless defined benefit pension plans are in place. Termination benefits vis-à-vis employees in Turkish group companies are calculated using a discount rate of 15.07% p.a. (PY: 12.92%) and expected inflation-related wage and salary increases of 10.23% p.a. (PY: 11.29%). Under Turkish law, each employee is entitled to this benefit if his employment is terminated with no compelling cause after one year of employment, if he faces military conscription, if he passes away, as well as if a male employee has been with the company for 25 years upon retirement (20 years for female employees) and reaches a pensionable age of 60 years (58 years for female employees). Management is of the opinion that defined benefit obligations do not result in extraordinary risks or risk concentrations. Any gains and losses resulting from adjustments of and changes in financial and demographic assumptions are recognised without affecting profit or loss in Other comprehensive income in the period in which they arise. Past-service costs are recognised under *Personnel expenses* in the income statement in the year in which they are incurred.

The measurement of other long-term employee benefits (most notably anniversary bonuses for employees employed with Austrian companies) is based on the principles outlined with regard to defined benefit obligation plans. The present values of these obligations calculated based on expert opinions take into account the staff turnover rate depending on the years of service. In contrast, actuarial gains and losses arising from other long-term employee benefits are not recognised in Other comprehensive income but are immediately recognised under *Personnel expenses* in the income statement having an effect profit or loss.

Other provisions

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

Financial liabilities

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

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

Deferred taxes

Deferred tax assets are recognised on deductible temporary differences arising between the carrying amounts of assets and liabilities and their tax bases, on tax loss carry-forwards and tax credits, to the extent that it is probable that future taxable profit will be available. Deferred tax liabilities are recognised at DO & CO for taxable temporary differences arising between the carrying amounts and the tax bases of assets and liabilities. In both cases assumptions are made with regard to the estimated future tax effect that results from the reversal of temporary differences or from the use of the loss carry-forwards or from tax credits. The tax rate applicable at the reporting date serves as the basis to calculate deferred income tax. This tax rate, however, is only applied if no deviating tax rate has already been agreed upon with regard to the point in time when temporary differences are expected to reverse or a tax loss carry-forward or a tax credit is expected to be used.

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

Revenue recognition

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

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

Earnings per share

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



3.4. Significant discretionary decisions and estimates

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

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

- The initial recognition of intangible assets and property, plant and equipment arising from business combinations requires estimates with regard to the determination of the fair value. The same applies to acquisitions of shareholdings in associates and joint ventures with regard to the net assets represented by the share acquired.
- A material assessment relates to the accounting treatment of a forward for the acquisition of non-controlling interests. On the basis of the agreement, DO & CO considers the current state of the investments of non-controlling interests at each reporting date to have been acquired (see also the comments on *Shareholders’ equity* in Section 4.9.). This treatment of non-controlling interests has an influence on the equity structure.
- For the purpose of the subsequent measurement, estimates and assumptions have to be made to determine amortisation and depreciation – particularly to determine the useful lives, the methods of depreciation and amortisation, and the residual values – of intangible assets, property, plant and equipment and investment property subject to amortisation and depreciation. These estimates are based on historical experience and assessments of the management.
- Mandatory and event-related impairment tests of non-current assets require measurements and estimates in several respects. In particular, such measurements and estimates include the identification of internal and external evidence indicating potential impairment. In this regard, management particularly takes into account changes in current competitive conditions, significant deviations from the expected results, the loss of a key customer, suspension of services, detrimental developments of the political and economic environment as well as significant changes in exchange rate parities and interest rate levels. As far as investments in associates and joint ventures are concerned, management measures the existence of impairment by using criteria which indicate possible economic difficulties of the companies. Uncertainties associated with this test concern the timing of the recognition of an impairment. The calculation of the recoverable amounts of the individual objects to be measured is also based on estimates and assumptions. To the extent that these are based on present value calculations, DO & CO assesses the estimated cash inflows and outflows based on approved financing plans for a five-year detailed planning period and a depreciation or amortisation period corresponding to the probable useful life of the object to be measured. The cash flow estimate is based on the Company’s ability to continue as a going concern and relies on planning taking into account experiences and assumptions with regard to the macro-economic environment and developments of the respective industry. Remaining uncertainties are taken into account appropriately. The interest rates used to determine the present value are based on the Company’s costs of capital.
- Post-employment benefits are measured based on actuarial principles which require in particular assumptions on discount rates, estimated remuneration and pension trends, turnover rates and mortality. DO & CO uses the return of senior industrial bonds with a similar term to maturity as the corresponding measured liability to calculate appropriate country-specific discount rates. Estimates

on the mortality risk are based on publicly available, country-specific reference guidelines. The remuneration and pension increases taken into account rely on estimated country-specific inflation rates as well as operational experience. Defined benefit obligations are highly sensitive to changes in these assumptions. The future development may indeed deviate from the estimates included in the measurement owing to changing market, economic and social conditions. Amounts reported are mainly based on expert opinions. The underlying assumptions are reviewed by DO & CO on an annual basis.

- Estimation uncertainties exist with regard to the recognition and measurement of other provisions. These uncertainties relate to the question if such obligations exist and when they arise, as well as to the question of the amount of the outflow potentially required to settle the uncertain liabilities.
- Accounting of deferred taxes requires an estimate with regard to the extent to which it is probable that the relating future tax benefit can be realised. This requires a prognosis as to the extent that it is probable that taxable profits will be available to make use of tax reducing effects. This prognosis has to take into account the effects from the reversal of taxable temporary differences, budgeted operating results as well as tax planning opportunities. The future tax result and the point of time when deferred tax assets may be realised have to be estimated.

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



4. COMMENTS ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.1. Intangible assets

Intangible assets comprise goodwill, the Hédiard brand and acquired rights and licenses in such rights. The rights and licences particularly include customer agreements, trademark titles, and rights of use and software licenses. With the exception of goodwill and the Hédiard brand, all intangible assets have definite useful lives.

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

| in m€   | Goodwill | Right-of-use assets and contracts with customers | Trademark Hédiard | Total  |
|---|----------|--|-------------------|--------|
| Cost at 31 March 2017   | 24.55    | 74.87  | 9.94              | 109.36 |
| Changes in the scope of consolidation and reclassifications     | 15.59    | -15.59   | 0.00              | 0.00   |
| Currency translation  | -3.08    | -0.49  | 0.00              | -3.58  |
| Additions   | 0.00     | 0.64   | 0.00              | 0.64   |
| Disposals   | -1.42    | -0.25  | 0.00              | -1.67  |
| At 31 March 2018  | 35.64    | 59.18  | 9.94              | 104.76 |
| Accumulated depreciation and impairment losses at 31 March 2017 | 0.09     | 49.36  | 0.00              | 49.46  |
| Changes in the scope of consolidation and reclassifications     | 15.59    | -15.59   | 0.00              | 0.00   |
| Currency translation  | -2.93    | -0.26  | 0.00              | -3.19  |
| Additions (amortisation)  | 0.00     | 5.12   | 0.00              | 5.12   |
| Additions (impairment)  | 1.64     | 0.03   | 0.00              | 1.67   |
| Disposals   | -1.42    | -0.22  | 0.00              | -1.65  |
| Reclassifications   | 0.00     | -0.02  | 0.00              | -0.02  |
| At 31 March 2018  | 12.97    | 38.42  | 0.00              | 51.39  |
| Carrying amounts at 31 March 2018                               | 22.67    | 20.75  | 9.94              | 53.36  |

| in m€   | Goodwill | Right-of-use assets and contracts with customers | Trademark Hédiard | Total  |
|---|----------|--|-------------------|--------|
| Cost at 31 March 2016   | 25.00    | 78.45  | 9.94              | 113.39 |
| Currency translation  | -0.44    | -3.63  | 0.00              | -4.07  |
| Additions   | 0.00     | 1.83   | 0.00              | 1.83   |
| Disposals   | -0.01    | -3.11  | 0.00              | -3.12  |
| Reclassifications   | 0.00     | 1.33   | 0.00              | 1.33   |
| At 31 March 2017  | 24.55    | 74.87  | 9.94              | 109.36 |
| Accumulated depreciation and impairment losses at 31 March 2016 | 0.09     | 47.00  | 0.00              | 47.09  |
| Currency translation  | 0.00     | -3.01  | 0.00              | -3.01  |
| Additions (amortisation)  | 0.00     | 7.38   | 0.00              | 7.38   |
| Disposals   | 0.00     | -3.11  | 0.00              | -3.11  |
| Reclassifications   | 0.00     | 1.11   | 0.00              | 1.11   |
| At 31 March 2017  | 0.09     | 49.36  | 0.00              | 49.46  |
| Carrying amounts at 31 March 2017                               | 24.46    | 25.50  | 9.94              | 59.90  |

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

DO & CO did not test the goodwill of Sky Gourmet (31 March 2018: € 4.06m / 31 March 2017: € 4.06m) attributable to the Airline Catering division for impairment. There were no significant changes in the composition of assets and liabilities, with the most recent calculation of the recoverable amount being significantly above the carrying amounts of the CGU’s assets. Due to the previous developments, an impairment loss on goodwill can virtually be excluded.



The table below presents an overview of goodwill tested for impairment in the business year 2017/2018 and the material assumptions made with regard to the relevant impairment tests.

| Cash-generating unit   | Airline Catering<br>DO & CO Poland | Arena One Allianz<br>Arena      | Hédiard                         | Oleander Group AG /<br>Lasting Impressions |
|--|------------------------------------|---------------------------------|---------------------------------|--|
| Segment  | Airline Catering                   | International<br>Event Catering | Restaurants,<br>Lounges & Hotel | Airline Catering                           |
| Carrying amount of goodwill in m€                                  | 1.25                               | 7.76                            | 8.66                            | 0.94                                       |
| Length of detailed planning period in years                        | 5                                  | 10                              | 10                              | 5  |
| Cash flow growth after detailed resp. general planning period in % | 2%                                 | 1 %*                            | 1.3 %                           | 2%   |
| Pre-tax discount rate  | 8.75%                              | 8.18 – 9.07 %                   | 10.18%                          | 7.86%                                      |
| After-tax discount rate  | 7.12%                              | 5.48 – 6.19%                    | 7.61%                           | 6.43%                                      |
| Approach   | value in use                       | value in use                    | fair value less cost to sell    | value in use                               |

\*Two scenarios in total, of which only one scenario assumes a projection beyond the general planning period

Cash flow projections used to determine the value in use are generally based on forecasts which, in turn, are based on financial plans approved by management. The calculation of the fair value less costs to sell is also based on approved financial plans as well as expectations on the future development of the cash-generating unit’s business model that are customary in the industry, without taking into account company-specific synergy effects. The fair values are to be allocated to level 3 given the planning assumptions used. To the extent that the stable business outlook necessary for calculating the perpetual annuity is not guaranteed at the end of the detailed planning period, DO & CO includes a general planning phase in this planning. The extension of the detailed planning period at Arena One Allianz Arena is due to the underlying term of the contract. The growth assumptions used for impairment testing are based on adapted past experiences. They also take into account assumptions with regard to the loyalty of major customers as well as with regard to the attracting of such customers and the expected developments in the relevant markets. The development of the cost structure also reflects past experiences, measures implemented to improve efficiency and expected developments of the individual cost factors.

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

Also, if the discount rate had increased by 0.5 percentage points, the recoverable amounts of the cash-generating units (to which goodwill was allocated) tested for impairment would have exceeded the respective carrying amounts. The same holds true if the growth rates applied to perpetual annuity had decreased by 0.5 percentage points or profitability had been reduced by 10%.

Due to business operations having been stopped temporarily at Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş., an impairment test via the fair value less cost to sell was performed. The determined fair values which are allocated to level 3, were based on the observable inputs and expected values for cash flows. The result was an impairment loss amounting to the goodwill of € 1.64m. The impairment loss is included in the Airline Catering division and was recognised in the consolidated income statement under *Amortisation/depreciation and effects from impairment tests*.

Customer contracts acquired in the course of business acquisitions were capitalised at the fair value applicable at the acquisition date and amortised on a straight-line basis over their estimated useful

lives of up to 17 years. They are recognised at a carrying amount of € 10.15m (PY: € 11.77m) under the item *Intangible assets*.

4.2. Property, plant and equipment

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

| in m€  | Land and buildings<br>including buildings<br>on third party land | Plant and<br>machinery | Other equipment<br>and office<br>equipment | Payments in<br>advance and assets<br>in course of<br>construction | Total         |
|--|--|------------------------|--|---|---------------|
| <b>Cost<br/>at 31 March 2017</b>   | <b>150.91</b>  | <b>46.90</b>           | <b>102.85</b>                              | <b>81.31</b>  | <b>381.97</b> |
| Currency translation   | -13.29   | -4.49                  | -9.24                                      | -14.85  | -41.87        |
| Additions  | 14.10  | 3.93                   | 11.34                                      | 41.47   | 70.85         |
| Reclassifications  | -2.84  | -1.10                  | -3.19                                      | -2.69   | -9.82         |
| Disposals  | 19.19  | 0.52                   | 2.50                                       | -22.15  | 0.07          |
| <b>At 31 March 2018</b>  | <b>168.09</b>  | <b>45.77</b>           | <b>104.27</b>                              | <b>83.08</b>  | <b>401.20</b> |
| <b>Accumulated depreciation and<br/>impairment losses<br/>at 31 March 2017</b> | <b>64.58</b>   | <b>27.38</b>           | <b>69.30</b>                               | <b>0.58</b>   | <b>161.85</b> |
| Currency translation   | -6.01  | -1.91                  | -5.73                                      | -0.12   | -13.76        |
| Additions (depreciation)   | 10.58  | 3.99                   | 11.69                                      | 0.00  | 26.26         |
| Additions (impairment)   | -0.06  | 0.05                   | 0.22                                       | 0.00  | 0.21          |
| Appreciation   | 0.00   | 0.00                   | 0.00                                       | -0.01   | -0.01         |
| Disposals  | -2.20  | -1.04                  | -2.77                                      | 0.00  | -6.01         |
| <b>At 31 March 2018</b>  | <b>66.88</b>   | <b>28.47</b>           | <b>72.72</b>                               | <b>0.46</b>   | <b>168.54</b> |
| <b>Carrying amounts at<br/>31 March 2018</b>                                   | <b>101.20</b>  | <b>17.29</b>           | <b>31.55</b>                               | <b>82.62</b>  | <b>232.66</b> |



| in m€  | Land and buildings including buildings on third party land | Plant and machinery | Other equipment and office equipment | Payments in advance and assets in course of construction | Total         |
|--|--|---------------------|--------------------------------------|--|---------------|
| <b>Cost at 31 March 2016</b>   | <b>142.84</b>  | <b>46.66</b>        | <b>104.04</b>                        | <b>61.88</b>   | <b>355.43</b> |
| Currency translation   | -3.96  | -3.62               | -5.94                                | -11.09   | -24.61        |
| Additions  | 1.84   | 1.83                | 5.45                                 | 46.63  | 55.76         |
| Reclassifications  | -0.48  | -0.91               | -2.84                                | -0.10  | -4.34         |
| Disposals  | 10.67  | 2.93                | 2.15                                 | -16.02   | -0.27         |
| <b>At 31 March 2017</b>  | <b>150.91</b>  | <b>46.90</b>        | <b>102.85</b>                        | <b>81.31</b>   | <b>381.97</b> |
| <b>Accumulated depreciation and impairment losses at 31 March 2016</b> | <b>56.80</b>   | <b>25.50</b>        | <b>62.77</b>                         | <b>0.00</b>  | <b>145.06</b> |
| Currency translation   | -2.78  | -1.32               | -3.48                                | -0.06  | -7.65         |
| Additions (depreciation)   | 9.92   | 4.06                | 12.52                                | 0.00   | 26.49         |
| Additions (impairment)   | 1.10   | 0.00                | 0.09                                 | 0.64   | 1.84          |
| Appreciation   | 0.00   | -0.01               | -0.04                                | 0.00   | -0.05         |
| Disposals  | -0.46  | -0.85               | -2.54                                | 0.00   | -3.84         |
| <b>At 31 March 2017</b>  | <b>64.58</b>   | <b>27.38</b>        | <b>69.30</b>                         | <b>0.58</b>  | <b>161.85</b> |
| <b>Carrying amounts at 31 March 2017</b>                               | <b>86.33</b>   | <b>19.52</b>        | <b>33.55</b>                         | <b>80.72</b>   | <b>220.12</b> |

Additions in the business year 2017/2018 mainly result from the expansions or establishment of gourmet kitchens at the New York JFK, Los Angeles, Paris and London Heathrow locations in the Airline Catering division as well as the continued construction of the hotel in Istanbul and the conversion of the Hédiard flagship store at the Place de la Madeleine in Paris in the Restaurants, Lounges & Hotel division. In the International Event Catering division, investments made in the course of taking over the stadium catering at Juventus Turin Football Club are recognised.

In the business year 2016/2017, the expansions of the gourmet kitchens at the locations New York JFK and London Heathrow (Airline Catering division) as well as the continued construction of the hotel in Istanbul (Restaurants, Lounges & Hotel division) were recognised under the item buildings under construction. Additions in the business year 2016/2017 mainly result from Airline Catering investments made in Turkey, Austria, France, Germany, Great Britain and the US, as well as from investments in the Restaurants, Lounges & Hotel segment in Turkey and in the International Event Catering segment in Germany and Austria.

In the business year 2016/2017 in the course of impairment tests which were done for CGUs due to triggering events, impairments amounting to € 1.84m arose. These are allocated to the Airline Catering and Restaurant, Lounges & Hotel divisions.

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

Investments in joint ventures relate to strategic partnerships in the Airline Catering and Restaurants, Lounges & Hotel divisions.

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

| in m€                                | Business Year 2017/2018 |                | Business Year 2016/2017 |                |
|--------------------------------------|-------------------------|----------------|-------------------------|----------------|
|                                      | Associated companies    | Joint ventures | Associated companies    | Joint ventures |
| <b>As of 1 April</b>                 | <b>2.25</b>             | <b>6.30</b>    | <b>1.99</b>             | <b>2.29</b>    |
| Attributable net result              | 0.91                    | -1.49          | 0.67                    | -2.76          |
| Additions                            | 0.00                    | 0.00           | 0.00                    | 6.39           |
| Currency translation                 | 0.00                    | -0.28          | 0.00                    | 0.38           |
| Shares of other comprehensive income | 0.00                    | -0.03          | 0.00                    | 0.00           |
| Attributable dividend payment        | -0.38                   | 0.00           | -0.41                   | 0.00           |
| <b>As of 31 March</b>                | <b>2.78</b>             | <b>4.50</b>    | <b>2.25</b>             | <b>6.30</b>    |

The change of the attributable net result of the Joint ventures compared to the same period in the previous year is due to the investments Versilia Solutions Ltd. (€ -0.46m / PY: € -0.91m) and Nespresso-DO & CO SA (€ 0.00m / € -0.78m). In the business year 2017/2018, € 1.00m (PY: € 0.33m) of pro-rated losses was recorded off-balance sheet.

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

The carrying amounts of the investments accounted for using the equity method reported in the consolidated financial statements with regard to joint ventures and associates are shown in the table below:

| in m€                                | 31 March 2018        |                | 31 March 2017        |                |
|--------------------------------------|----------------------|----------------|----------------------|----------------|
|                                      | Associated companies | Joint ventures | Associated companies | Joint ventures |
| Carrying amounts                     | 2.78                 | 4.50           | 2.25                 | 6.30           |
| Shares of other comprehensive income | 0.00                 | -0.03          | 0.00                 | 0.00           |



4.4. Other financial assets (non-current)

Other financial assets (non-current) mainly include securities and investments as well as loans.

Section 7.1. provides additional information on these financial assets.

4.5. Inventories

DO & CO’s inventories break down as follows at the reporting dates:

| in m€                      | 31 March 2018 | 31 March 2017 |
|----------------------------|---------------|---------------|
| Raw materials and supplies | 14.51         | 14.32         |
| Goods                      | 11.20         | 10.26         |
| <b>Total</b>               | <b>25.71</b>  | <b>24.58</b>  |

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

4.6. Trade receivables

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

The development of trade receivables is as follows:

| in m€                          | 31 March 2018 | 31 March 2017 |
|--------------------------------|---------------|---------------|
| Trade receivables              | 115.95        | 102.28        |
| Impairments                    | -3.56         | -2.96         |
| <b>Trade receivables (net)</b> | <b>112.40</b> | <b>99.33</b>  |

The following risk concentrations exist with regard to trade receivables: At 31 March 2018, trade receivables from one customer amount to € 23.77m (31 March 2017: € 28.57m), of which € 9.42m (PY: € 14.21m) was still outstanding in mid-May 2018. No evidence exists that these receivables are uncollectible.

Of the total amount of trade receivables as of 31 March 2018, € 56.46m (31 March 2017: € 55.39m) are neither impaired nor past due.

Impairment of trade receivables mainly relate to receivables more than 80 days past due and has developed as follows:

| in m€                        | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|------------------------------|----------------------------|----------------------------|
| <b>As of 1 April</b>         | <b>2.96</b>                | <b>3.11</b>                |
| Allocation                   | 2.16                       | 0.58                       |
| Reclassification/ FX effects | -0.22                      | -0.14                      |
| Consumption                  | -0.68                      | -0.42                      |
| Release                      | -0.65                      | -0.18                      |
| <b>As of 31 March</b>        | <b>3.56</b>                | <b>2.96</b>                |

An impairment test of trade receivables resulted in an impairment loss in the amount of € 2.00m.

At 31 March 2018 and 31 March 2017, unimpaired trade receivables have the following past due periods:

| in m€                  | 31 March 2018 | 31 March 2017 |
|------------------------|---------------|---------------|
| undue                  | 56.46         | 55.39         |
| up to 20 days due      | 23.12         | 26.39         |
| 21 to 40 days due      | 9.06          | 5.21          |
| 41 days to 80 days due | 5.78          | 7.52          |
| more than 80 days due  | 17.97         | 4.74          |
| <b>Total</b>           | <b>112.40</b> | <b>99.25</b>  |

€ 3.56m of valuation allowances was recognised for trade receivables totalling € 3.56m.

4.7. Other non-financial assets (current)

Other non-financial assets (current) include the following assets:

| in m€                        | 31 March 2018 | 31 March 2017 |
|------------------------------|---------------|---------------|
| Prepaid expenses             | 5.65          | 4.53          |
| Other receivables and assets | 15.80         | 13.35         |
| <b>Total</b>                 | <b>21.44</b>  | <b>17.88</b>  |



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

| in m€          | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|----------------|----------------------------|----------------------------|
| As of 1 April  | 0.60                       | 0.74                       |
| Allocation     | 0.00                       | 0.33                       |
| Consumption    | -0.34                      | -0.15                      |
| Release        | -0.12                      | -0.32                      |
| As of 31 March | 0.14                       | 0.60                       |

4.8. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit and cash at banks with a maturity of less than 3 months. They are recognised at the most recent amount at the reporting date. € 76.47m (31 March 2017: € 143.53m) was recognised in the statement of financial position at the reporting date. The decline in cash and cash equivalents is mainly due to investment activities.

Cash and cash equivalents include foreign currencies such as:

|      | 31 March 2018 | 31 March 2017 |
|------|---------------|---------------|
| mUSD | 16.40         | 22.33         |
| mTRY | 82.66         | 65.47         |
| mUAH | 110.88        | 225.92        |
| mGBP | 3.24          | 2.07          |
| mPLN | 5.03          | 3.74          |

With regard to restrictions of availability of cash, please refer to Section 4.9.

4.9. Shareholders' equity

The share of DO & CO has been listed in the prime market of the Vienna Stock Exchange since March 2007 and at the Istanbul Stock Exchange since December 2010. As of 31 March 2018, 67.69% of the shares are in free float. The remaining share of 32.31% is held by the private foundation Attila Dogudan Privatstiftung. This figure includes a stake of 1.59% provided for management and employee participation programmes.

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

At the 19th Ordinary General Meeting of Shareholders of DO & CO Aktiengesellschaft held on 27 July 2017, it was resolved to pay a dividend of € 0.85 per dividend-bearing share for the business year 2016/2017. On 14 August 2017, DO & CO Aktiengesellschaft paid a dividend in the total amount of € 8,282,400.00 to its shareholders.

The capital reserve mainly includes amounts from past capital increases that were made in excess of the nominal capital less capital procurement costs, net of tax.

The accumulated remaining equity includes the currency translation reserve, the differences from the translation of financial statements prepared in foreign currencies that were recognised directly in

equity in the business year under review and in previous years, as well as net investment effects and the IAS 19 reserve, as well as actuarial gains and losses from defined benefit plans, net of income tax.

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

Per resolution of the General Meeting of Shareholders dated 27 July 2017, the Management Board was authorised, for a duration of 30 months as of 27 July 2017, to acquire own shares up to the statutory maximum amount (on exchange/off exchange).

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

The shares of other shareholders include the direct non-controlling interests in the equity of the fully consolidated THY DO & CO İkrām Hizmetleri A.Ş. amounting to 50%, the fully consolidated Lasting Impressions Food Company Ltd amounting to 15%, the fully consolidated Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş. amounting to 49% and the fully consolidated DO & CO Netherlands Holding B.V. amounting to 49%. Moreover, this item included the non-controlling interests in DO & CO im PLATINUM Restaurantbetriebs GmbH amounting to 10%.



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

| Subsidiary                        | Place of business | Voting rights | 31 March 2018        |                           | 31 March 2017        |                           |
|-----------------------------------|-------------------|---------------|----------------------|---------------------------|----------------------|---------------------------|
|                                   |                   |               | Net result NCI in m€ | Carrying amount NCI in m€ | Net result NCI in m€ | Carrying amount NCI in m€ |
| THY DO & CO Ikram Hizmetleri A.Ş. | Turkey            | 50%           | 11.15                | 48.54                     | 13.55                | 50.25                     |

| Subsidiary                        | Revenue | Expenses | Business Year 2017/2018<br>Income statement – result |       |       | Other com-<br>prehensive<br>income | Dividends to<br>NCI |
|-----------------------------------|---------|----------|--|-------|-------|------------------------------------|---------------------|
|                                   |         |          | Parent   | NCI   | Total |                                    |                     |
| THY DO & CO Ikram Hizmetleri A.Ş. | 250.88  | 228.58   | 11.15  | 11.15 | 22.31 | -10.54                             | 2.32                |

| Subsidiary                        | Revenue | Expenses | Business Year 2016/2017<br>Income statement – result |       |       | Other com-<br>prehensive<br>income | Dividends to<br>NCI |
|-----------------------------------|---------|----------|--|-------|-------|------------------------------------|---------------------|
|                                   |         |          | Parent   | NCI   | Total |                                    |                     |
| THY DO & CO Ikram Hizmetleri A.Ş. | 293.51  | 266.42   | 13.55  | 13.55 | 27.09 | -10.54                             | 2.29                |

| Subsidiary                        | 31 March 2018 |             |             |             |        |                     |
|-----------------------------------|---------------|-------------|-------------|-------------|--------|---------------------|
|                                   | Assets        |             | Liabilities |             | Equity |                     |
|                                   | Current       | Non-current | Current     | Non-current | Parent | Other share-holders |
| THY DO & CO Ikram Hizmetleri A.Ş. | 62.77         | 81.26       | 39.59       | 7.35        | 48.54  | 48.54               |

| Subsidiary                        | 31 March 2017 |             |             |             |        |                     |
|-----------------------------------|---------------|-------------|-------------|-------------|--------|---------------------|
|                                   | Assets        |             | Liabilities |             | Equity |                     |
|                                   | Current       | Non-current | Current     | Non-current | Parent | Other share-holders |
| THY DO & CO Ikram Hizmetleri A.Ş. | 63.00         | 95.92       | 51.17       | 7.25        | 50.25  | 50.25               |

The foreign exchange provisions of Resolution No 140 of the Ukrainian National Bank dated 5 March 2016 were replaced by the provisions of Resolution No 19 of the Ukrainian National Bank dated 1 March 2018. Distributions of dividends abroad are admissible up to a monthly amount of \$ 7m for the periods until and including 2017. Furthermore, early repayment of the foreign exchange loans granted by non-residents is permitted up to an amount of \$ 2m. Until 13 June 2018, foreign currencies attributed to the loan agreements are not subject to a forced conversion if these funds are utilised to repay loan liabilities under other loan agreements.

4.10. Bond

At the beginning of March 2014, DO & CO placed a corporate bond at a notional amount of € 150.00m. The bond falls due on 4 March 2021 and has an interest rate of 3.125% per annum. The interest expense according to the effective interest method amounts to € 4.99m in the business year 2017/2018 (business year 2016/2017: € 4.98m). Payments are made annually on 4 March.

4.11. Non-current provisions

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

| in m€  | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| Provisions for severance payments DBO                | 15.40         | 17.99         |
| Provisions for long-service anniversary payments DBO | 4.09          | 4.65          |
| Provisions for pension payments DBO                  | 0.58          | 0.59          |
| Other provisions                                     | 0.41          | 0.00          |
| <b>Total</b>   | <b>20.49</b>  | <b>23.24</b>  |

€ 2.20m of the total amount of non-current provisions is due in the short term.



The projected unit credits of the defined benefit obligations and the anniversary bonuses have developed as follows in the business year 2017/2018:

| in m€   | Termination benefits |              | Pensions    |             | Anniversary bonuses |             |
|---|----------------------|--------------|-------------|-------------|---------------------|-------------|
|   | 2017/2018            | 2016/2017    | 2017/2018   | 2016/2017   | 2017/2018           | 2016/2017   |
| <b>Present value of obligations (DBO) on 1 April</b>    | <b>17.99</b>         | <b>16.98</b> | <b>0.59</b> | <b>0.61</b> | <b>4.65</b>         | <b>4.86</b> |
| Currency changes  | -1.50                | -1.44        | 0.00        | 0.00        | 0.00                | 0.00        |
| Current service cost*                                   | 1.61                 | 1.49         | 0.01        | 0.02        | 0.29                | 0.48        |
| Interest cost   | 1.12                 | 0.88         | 0.01        | 0.01        | 0.06                | 0.06        |
| Benefit payments  | -1.76                | -2.75        | -0.08       | -0.08       | -0.36               | -0.32       |
| Settlements / curtailments*                             | -0.16                | 0.00         | 0.00        | 0.00        | -0.14               | 0.00        |
| Actuarial gains and losses**                            | -1.90                | 2.83         | 0.05        | 0.04        | -0.40               | -0.43       |
| thereof arising from experienced based adjustments      | -0.03                | 0.00         | 0.04        | 0.04        | 0.05                | -0.05       |
| thereof arising from changes in financial assumptions   | -1.87                | 2.45         | 0.00        | 0.00        | 0.00                | 0.04        |
| thereof arising from changes in demographic assumptions | 0.00                 | 0.38         | 0.00        | 0.00        | -0.45               | -0.42       |
| <b>Present value of obligations (DBO) on 31 March</b>   | <b>15.40</b>         | <b>17.99</b> | <b>0.58</b> | <b>0.59</b> | <b>4.09</b>         | <b>4.65</b> |

\* These items are included in the Personnel expenses  
\*\* This item is for long-service anniversary included in the Personnel expenses

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

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

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

| in m€                | Income statement position | Termination benefits |             | Pensions    |             |
|----------------------|---------------------------|----------------------|-------------|-------------|-------------|
|                      |                           | 2017/2018            | 2016/2017   | 2017/2018   | 2016/2017   |
| Current service cost | Personnel expenses        | 1.61                 | 1.49        | 0.01        | 0.02        |
| Past service cost    | Personnel expenses        | 0.00                 | 0.00        | 0.00        | 0.00        |
| Interest cost        | Financial expenses        | 1.12                 | 0.88        | 0.01        | 0.01        |
| <b>Total</b>         |                           | <b>2.72</b>          | <b>2.37</b> | <b>0.02</b> | <b>0.03</b> |

4.12. Income tax

Effective income tax receivables result from tax advances. Income tax receivables for which a legally enforceable right to offset against income tax liabilities exists, were offset.

Deferred taxes as of 31 March 2018 result from temporary differences arising between the carrying amounts and the tax bases of assets and liabilities as well as tax loss carry-forwards. Deferred taxes primarily result from the following:

| in m€   | 31 March 2018       |                          | 31 March 2017       |                          |
|---|---------------------|--------------------------|---------------------|--------------------------|
|   | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Intangible assets                                       | 0.04                | -2.64                    | 0.07                | -6.97                    |
| Property, plant and equipment and investment property   | 0.53                | -6.38                    | 0.39                | -8.27                    |
| Inventories   | 0.00                | -0.77                    | 0.00                | 0.00                     |
| Current financial assets and other current assets       | 2.62                | -4.69                    | 0.40                | -3.64                    |
| Provisions  | 7.89                | -2.37                    | 10.00               | -0.03                    |
| Liabilities   | 1.43                | -0.16                    | 7.81                | -0.23                    |
| <b>Total temporary differences</b>                      | <b>12.52</b>        | <b>-17.01</b>            | <b>18.68</b>        | <b>-19.12</b>            |
| Tax losses carried forward                              | 8.04                | 0.00                     | 6.12                | 0.00                     |
| Valuation discount for deferred tax assets              | 0.18                | 0.00                     | 0.46                | 0.00                     |
| Offsetting of differences with the same tax authorities | -14.10              | 14.10                    | -18.13              | 15.94                    |
| <b>Total</b>  | <b>6.64</b>         | <b>-2.91</b>             | <b>7.13</b>         | <b>-3.18</b>             |

In the business year 2017/2018 a tax expense of € -1.52m (31 March 2017: € 0.04m) was directly recognised in equity arising from the revaluation of provisions for pensions and termination benefits and net investments. The book value of deferred tax reserve recognised in other comprehensive income amounts to € 2.25m (31 March 2017: € 0.54m). The book value of the non-controlling interests was € 0.29m (31 March 2017: € 0.39m).

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

| in m€   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Loss carry-forwards – capitalised                                   | 28.37         | 20.48         |
| Loss carry-forwards – not capitalised                               | 137.11        | 108.39        |
| of which loss carry-forwards forfeitable between two and five years | 0.00          | 0.20          |
| Non-forfeitable loss carry-forwards                                 | 137.11        | 108.19        |
| <b>Total unused loss carry-forwards</b>                             | <b>165.48</b> | <b>128.87</b> |

In the business year, DO & CO recognised deferred taxes in the amount of € 0.72m (31 March 2017: € 0.00m) for loss carry-forwards previously not taken into account. For tax loss carry-forwards in the



amount of € 137.11m (31 March 2017: € 108.39m) no deferred tax assets were recognised since the realisation of potential tax benefits within the planning period is not sufficiently secured.

Deferred tax liabilities are not recognised for temporary differences resulting from shares in subsidiaries, joint ventures or associated companies (outside-basis differences) in cases where their reversal can be controlled by DO & CO and is not probable in the foreseeable future.

#### 4.13. Other financial liabilities (current)

| in m€   | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Loan  | 2.57          | 4.85          |
| Provision for interest on bonds                     | 0.35          | 0.35          |
| Miscellaneous other financial liabilities (current) | 24.67         | 44.68         |
| <b>Other financial liabilities (current)</b>        | <b>27.58</b>  | <b>49.87</b>  |

Miscellaneous other financial liabilities (current) mainly pertain to prorated special payments in the amount of € 3.17m (31 March 2017: € 3.14m) that result from having a business year not coinciding with the calendar year, and provisions for a prorated number of vacation days not yet used by the end of the reporting period in the amount of € 10.50m (31 March 2017: € 11.31m).

In the business year 2016/2017, this item included, among others, a liability in the amount of € 7.57m arising from the purchase of a property near Paris to build a gourmet kitchen.

#### 4.14. Trade payables

The table below shows the development of trade payables:

| in m€                                    | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| Trade payables                           | 70.53         | 65.20         |
| Deliveries and services not yet invoiced | 6.12          | 8.51          |
| <b>Trade payables</b>                    | <b>76.65</b>  | <b>73.72</b>  |

#### 4.15. Current provisions

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

| in m€                      | As of<br>1 April<br>2017 | Currency<br>changes | Consump-<br>tion | Release       | Allocation   | Transfer     | As of<br>31 March<br>2018 |
|----------------------------|--------------------------|---------------------|------------------|---------------|--------------|--------------|---------------------------|
| Other personnel provisions | 5.31                     | -0.39               | -1.93            | -5.02         | 5.10         | 0.00         | 3.07                      |
| Other provisions           | 31.88                    | -2.09               | -15.81           | -6.53         | 12.52        | -0.42        | 19.56                     |
| <b>Total</b>               | <b>37.19</b>             | <b>-2.48</b>        | <b>-17.74</b>    | <b>-11.55</b> | <b>17.62</b> | <b>-0.42</b> | <b>22.63</b>              |

Other personnel provisions pertain to provisions for performance-based remuneration components in the amount of € 3.07m (31 March 2017: € 5.31m). Other provisions mainly include provisions resulting from sales obligations, audit and consulting expenses, legal fees as well as other current obligations and deferrals/accruals.

The decrease in other provisions mainly results from the utilisation of the provision for the social plan at a French subsidiary set up in the previous year, the reversal of a provision for impending penalties payable for exceeding the maximum working time and possible violations of the Posting of Workers Directive concerning the employment of Hungarian staff and the reversal of provisions for customer bonuses in Turkey.

#### 4.16. Other liabilities (current)

Other liabilities (current) break down as follows:

| in m€                                | 31 March 2018 | 31 March 2017 |
|--------------------------------------|---------------|---------------|
| Advanced payments received on orders | 0.87          | 2.38          |
| Other liabilities                    | 11.22         | 13.85         |
| Deferred income                      | 1.15          | 2.23          |
| <b>Total</b>                         | <b>13.24</b>  | <b>18.47</b>  |

It is expected that these obligations will be settled within 12 months after the end of the reporting period. Other liabilities mainly pertain to VAT liabilities and liabilities to social insurance funds as well as to liabilities to employees for recurring remuneration payments.



## 5. COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

### 5.1. Revenue

Information on revenue generated by the individual business segments and geographical regions is presented in Section Segment reporting.

### 5.2. Other operating income

In the business year 2017/2018 and in the previous year, other operating income pertains to:

| in m€                                 | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|---------------------------------------|----------------------------|----------------------------|
| Income from the release of provisions | 11.10                      | 8.86                       |
| Foreign exchange gains                | 3.01                       | 3.94                       |
| Miscellaneous other operating income  | 9.20                       | 15.92                      |
| <b>Total</b>                          | <b>23.31</b>               | <b>28.72</b>               |

Miscellaneous other operating income comprised, among others, compensation payments making up for additional costs in railway catering as well as income in connection with the completion of insolvency proceedings.

### 5.3. Cost of materials

In the business year 2017/2018 and the previous year, cost of materials and purchased services amounted to:

| in m€                      | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|----------------------------|----------------------------|----------------------------|
| Cost of materials          | -277.32                    | -282.27                    |
| Cost of purchased services | -91.80                     | -101.23                    |
| <b>Total</b>               | <b>-369.12</b>             | <b>-383.50</b>             |

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

### 5.4. Personnel expenses

The DO & CO Group employed an average of 9,587 staff (PY: 9,576 staff) in the business year 2017/2018.

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

| in m€   | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|---|----------------------------|----------------------------|
| Wages and salaries  | -227.67                    | -242.19                    |
| Expenses for termination benefits, pensions and contribution based payments | -5.70                      | -11.84                     |
| Compulsary social security contribution and payroll-related taxes           | -43.39                     | -45.24                     |
| Other employee-related expenses   | -11.57                     | -15.86                     |
| <b>Total</b>  | <b>-288.33</b>             | <b>-315.13</b>             |

The decrease in personnel expenses is mainly due to the compensation claimed in Turkish courts in response to redundancies as well as expenses incurred due to a social plan in France which were included in the item in the business year 2016/2017 (see Section 4.15. Current provisions).

An amount of € 0.77m was paid to staff provision funds in Austria.

### 5.5. Other operating expenses

Other operating expenses pertain to:

| in m€   | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|---|----------------------------|----------------------------|
| Rentals, leases and operating expenses (including airport fees) | -69.79                     | -72.03                     |
| Travel and communication expenses                               | -15.15                     | -17.46                     |
| Transport, vehicle and maintenance expenses                     | -21.91                     | -22.66                     |
| Insurance premiums  | -1.76                      | -1.48                      |
| Legal, auditing and consulting expenses                         | -7.26                      | -8.44                      |
| Bad debts, impairments of receivables and other claims          | -4.65                      | -1.52                      |
| Foreign exchange losses   | -3.75                      | -2.97                      |
| Losses on disposal of non-current assets                        | -0.35                      | -0.49                      |
| Other taxes   | -4.68                      | -4.03                      |
| Miscellaneous other operating expenses                          | -13.95                     | -18.47                     |
| <b>Total</b>  | <b>-143.25</b>             | <b>-149.55</b>             |

Rentals, leases and operating expenses include fixed rents in the amount of € 28.63m (PY: € 21.54m) and sales-based payments in the amount of € 11.26m (PY: € 16.60m).

Expenses for the auditor and all members of the auditor's Austrian network amounted to € 0.50m (PY: € 0.46m) for the audit of the consolidated financial statements and the financial statements in the reporting period as well as to € 0.02m (PY: € 0.14m) for other consulting services.



### 5.6. Amortisation/depreciation and effects from impairment tests

Amortisation/depreciation and effects from impairments tests recorded in the income statement include:

| in m€                         | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|-------------------------------|----------------------------|----------------------------|
| Amortisation and depreciation | -31.39                     | -33.87                     |
| Effects from impairment tests | -1.38                      | -1.79                      |
| <b>Total</b>                  | <b>-32.77</b>              | <b>-35.66</b>              |

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

### 5.7. Financial result

The table below shows the breakdown of the financial result:

| in m€                                      | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|--|----------------------------|----------------------------|
| Income from non-current securities         | 0.71                       | 0.04                       |
| Interest and similar income                | 2.87                       | 2.30                       |
| Income from investments                    | -0.01                      | 0.00                       |
| Expenses from securities of current assets | -0.01                      | 0.00                       |
| Interest and similar expenses              | -6.36                      | -6.62                      |
| Other financial result                     | -1.68                      | -2.09                      |
| <b>Total</b>                               | <b>-4.47</b>               | <b>-6.38</b>               |

Interests and similar income are interest income resulting from cash equivalents in Turkey and Ukraine. Interest and similar expenses include interest expenses incurred for the corporate bond in the amount of € 4.99m (PY: € 4.98m) and from the discounting of termination benefit obligations and other non-current obligations in the amount of € 1.18m (PY: € 0.94m). The other financial result includes Foreign exchanges differences resulting from group financing in foreign currencies.

### 5.8. Income tax

The item income tax comprises current and deferred income taxes as presented in the table below:

| in m€                | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|----------------------|----------------------------|----------------------------|
| Current income taxes | -11.92                     | -16.45                     |
| Deferred taxes       | -0.88                      | 0.39                       |
| <b>Total</b>         | <b>-12.80</b>              | <b>-16.06</b>              |

€ -10.96m (PY: € -14.02m) of current income tax expenses pertains to the current year. Income tax expenses in the amount of € -0.96m (PY: € -2.42m) relate to adjustments of income tax expenses incurred in previous years.

The income tax reported in the business year 2017/2018 is derived as follows from the expected income tax expense that would have resulted from applying DO & CO's income tax rate to the Group's profit before income tax:

| in m€                                      | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|--|----------------------------|----------------------------|
| Profit before income tax                   | 46.17                      | 49.86                      |
| <b>Expected tax expense 25% (PY: 25%)</b>  | <b>-11.54</b>              | <b>-12.47</b>              |
| +/- Tax differences non-domestic countries | 1.63                       | 1.83                       |
| <b>Calculated income tax expense</b>       | <b>-9.91</b>               | <b>-10.63</b>              |
| Reconciliation item                        | -2.89                      | -5.42                      |
| <b>Accounted income tax expense</b>        | <b>-12.80</b>              | <b>-16.06</b>              |
| <b>Effective tax rate</b>                  | <b>27.7%</b>               | <b>32.2%</b>               |

The effective tax burden of the DO & CO Group, i.e. the reported tax expense in relation to the profit before income tax, is 27.7% (PY: 32.2%). The tax ratio of the business year 2017/2018 mainly rose due to the evaluation of deferred taxes relating to the current and the previous years as well as due to one-off effects from current taxes.

### 5.9. Earnings per share

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

|  | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|--|----------------------------|----------------------------|
| <b>Net result in m€</b>                            | <b>24.37</b>               | <b>20.83</b>               |
| Number of shares at the end of the period (in Pie) | 9,744,000                  | 9,744,000                  |
| <b>Basic/diluted earnings per share (in €)</b>     | <b>2.50</b>                | <b>2.14</b>                |

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

### 5.10. Proposed appropriation of profit

Under the provisions of the Austrian Stock Corporation Act, the financial statements of DO & CO as of 31 March 2018, prepared in accordance with the Austrian financial reporting requirements, provide the basis for the distribution of a dividend. These financial statements show a net profit for the year of € 8.28m. The Management Board proposes to the General Meeting of Shareholders to distribute the entire net profit for the year. This allows for a dividend of € 0.85 per dividend-bearing share. The proposed dividend has no tax effects for DO & CO in case of the dividend being paid.



6. COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS (CASHFLOW STATEMENT)

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

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

The gross cash flow amounts to € 87.88m, meaning a decrease of € -4.64m compared to the same period in the previous year. Taking into account the changes in the working capital and the income tax payments, the cash flow from operating activities amounts to € 42.40m (business year 2016/2017: € 56.36m). The decline in the cash flow from operating activities mainly results from the decrease in provisions and the increase of receivables.

The cash flow from investing activities amounts to € -86.15m (business year 2016/2017: € -65.17m). Cash-effective investments in property, plant and equipment and in intangible assets are € -75.77m (business year 2016/2017: € -60.41m).

The cash flow from financing activities is € -17.10m (business year 2016/2017: € -15.96m).

| in m€  | Retained Earnings | Non-controlling interests | Loans | Bond   | Total  |
|--|-------------------|---------------------------|-------|--------|--------|
| 1. April 2017  | 131.99            | 50.91                     | 4.85  | 148.76 | 336.52 |
| Dividend payment to shareholders of DO & CO Aktiengesellschaft | -8.28             | 0.00                      | 0.00  | 0.00   | -8.28  |
| Dividend payment to non-controlling interests                  | 0.00              | -2.32                     | 0.00  | 0.00   | -2.32  |
| Repayment of financial liabilities                             | 0.00              | 0.00                      | -1.80 | 0.00   | -1.80  |
| Interest paid  | 0.00              | 0.00                      | 0.00  | -4.69  | -4.69  |
| Total change of cash flow from financing activities            | -8.28             | -2.32                     | -1.80 | -4.69  | -17.10 |
| Currency translation differences                               | 0.00              | -10.62                    | -0.48 | 0.00   | -11.09 |
| Interest Expense   | 0.00              | 0.00                      | 0.00  | 4.99   | 4.99   |
| Other changes related to equity                                | 20.83             | 9.64                      | 0.00  | 0.00   | 30.47  |
| 31 March 2018  | 144.54            | 47.61                     | 2.57  | 149.06 | 343.79 |

7. ADDITIONAL DISCLOSURES

7.1. Additional disclosures on financial instruments

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

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

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

| in m€   | Carrying amount 31 March 2018 | Measurement category according to IAS 39 | Fair Value | Level |
|---|-------------------------------|--|------------|-------|
| Other financial assets (non-current) <sup>1</sup> | 4.43                          |  |            |       |
| Investments and securities                        | 0.38                          | AfS                                      |            |       |
| Other non-current assets                          | 4.05                          | AfS                                      |            |       |
| Trade receivables                                 | 112.42                        | LaR                                      |            |       |
| Other financial assets (current)                  | 14.39                         | LaR                                      |            |       |
| Cash and cash equivalents                         | 76.47                         | AfS                                      |            |       |
| Total assets                                      | 207.71                        |  |            |       |
| Bond  | 149.06                        | FLAC                                     | 157.88     | 1     |
| Other financial liabilities (current)             | 27.58                         | FLAC                                     |            |       |
| Loan  | 2.57                          | FLAC                                     | 2.37       | 3     |
| Miscellaneous other current financial liabilities | 25.01                         | FLAC                                     |            |       |
| Trade payables                                    | 76.65                         | FLAC                                     |            |       |
| Total liabilities                                 | 253.29                        |  |            |       |

<sup>1</sup> Measured at cost pursuant to IAS 39

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



| in m€   | Carrying amount<br>31 March<br>2017 | Measurement category<br>according to<br>IAS 39 | Fair Value | Level |
|---|-------------------------------------|--|------------|-------|
| Other financial assets (non-current) <sup>1</sup> | 3.73                                |  |            |       |
| Investments and securities                        | 0.47                                | AfS  |            |       |
| Other non-current assets                          | 3.25                                | AfS  |            |       |
| Trade receivables                                 | 99.33                               | LaR  |            |       |
| Other financial assets (current)                  | 16.21                               | LaR  |            |       |
| Cash and cash equivalents                         | 143.53                              | AfS  |            |       |
| <b>Total assets</b>                               | <b>262.80</b>                       |  |            |       |
| Bond  | 148.76                              | FLAC   | 162.33     | 1     |
| Other financial liabilities (current)             | 49.87                               | FLAC   |            |       |
| Loans   | 4.85                                | FLAC   | 4.23       | 3     |
| Miscellaneous other current financial liabilities | 45.02                               | FLAC   |            |       |
| Trade payables                                    | 73.72                               | FLAC   |            |       |
| <b>Total liabilities</b>                          | <b>272.35</b>                       |  |            |       |

<sup>1</sup> Measured at cost pursuant to IAS 39

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

With regard to *Cash and cash equivalents*, *Trade receivables* as well as *Other current financial assets*, the carrying amounts represent an adequate estimate of the fair values as the remaining maturities are short. The same applies to *Trade payables*, *Other liabilities* and *Current financial liabilities*. The fair value is not disclosed in accordance with the exemption provision set forth under IFRS 7.29(a).

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

The fair value of *Other current financial liabilities* is calculated by discounting the future cash flows. The appropriate discount rate is 8.3%. Individual characteristics of the financial instruments are taken into account applying a creditworthiness and/or liquidity spread in line with the market. The financial liability arising from the obligation to acquire shares of other shareholders in the future (see Section 4.9. Shareholders' equity) is measured at fair value. The fair value is calculated as the present value of the difference between the purchase price paid by DO & CO for the acquisition of 51% of the shares less the contractually agreed purchase price for all shares in the subsidiary. Changes in value are directly offset against the Group's equity, which is why this liability cannot be classified to any of the measurement categories pursuant to IAS 39. As of 31 March 2018, the carrying amount of the liability arising from the acquisition of the non-controlling interests was € 0.00m (31 March 2017: € 0.00m).

Currency risk

DO & CO's elevated currency risk arises from possible changes in foreign exchange rates due to the international nature of its business. This risk particularly relates to the following currencies: Turkish lira (TRY), British pound (GBP), Ukrainian hryvnia (UAH), US dollar (USD) and Polish zloty (PLN).

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

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

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

As of 31 March 2018, the exchange rates applied by DO & CO with regard to the translation of significant currencies into euros are as follows:

| Currency  | USD    | GBP    | TRY    | PLN    | UAH     | CHF    |
|---|--------|--------|--------|--------|---------|--------|
| Period-end exchange rate as of<br>31 March 2018 (Foreign currency in<br>relation to the euro) | 1.2324 | 0.8791 | 4.8772 | 4.2126 | 32.7043 | 1.1754 |

Based on the result of the sensitivity analyses, an appreciation (depreciation) by 10% of the main foreign currencies for DO & CO against the respective functional currency of the group companies led to the following theoretical impacts on the profit before income tax in the business year 2017/2018 and/ or on equity as of 31 March 2018:

| Impact on profit before income tax<br>(m€)                        | USD   | GBP   | TRY   | PLN   | UAH   | CHF   |
|---|-------|-------|-------|-------|-------|-------|
| Revaluation of foreign currency in<br>relation to the euro by 10% | 1.04  | 0.31  | 0.44  | -0.19 | 0.18  | 0.01  |
| Devaluation of foreign currency in<br>relation to the euro by 10% | -0.85 | -0.19 | -0.45 | 0.19  | -0.18 | -0.01 |

| Impact on equity (m€)   | USD   | GBP   | TRY | PLN | UAH   | CHF |
|---|-------|-------|-----|-----|-------|-----|
| Revaluation of foreign currency in<br>relation to the euro by 10% | 5.06  | 1.47  | -   | -   | 1.26  | -   |
| Devaluation of foreign currency in<br>relation to the euro by 10% | -4.14 | -1.20 | -   | -   | -1.03 | -   |

Liquidity risk

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

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

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

DO & CO keeps the default risk to a minimum with the help of timely monitoring as part of its debtor management.

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

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

| in m€  | 31 March 2018   |   |  |                         |
|--|-----------------|---|--|-------------------------|
|  | Carrying amount | Cash outflow in the next reporting period | Cash outflow for the next but one reporting period | Subsequent cash outflow |
| Cash outflow issued bond                                   | 149.06          | 4.69                                      | 4.69   | 159.38                  |
| Cash outflow trade payables                                | 76.65           | 76.65                                     |  |                         |
| Cash outflow other current financial liabilities           | 27.58           | 27.58                                     |  |                         |
| Cash outflow liabilities within application area of IFRS 7 | 253.29          | 108.92                                    | 4.69   | 159.38                  |

| in m€  | 31 March 2017   |   |  |                         |
|--|-----------------|---|--|-------------------------|
|  | Carrying amount | Cash outflow in the next reporting period | Cash outflow for the next but one reporting period | Subsequent cash outflow |
| Cash outflow issued bond                                   | 148.76          | 4.69                                      | 4.69   | 159.38                  |
| Cash outflow trade payables                                | 73.72           | 73.72                                     |  |                         |
| Cash outflow other current financial liabilities           | 49.87           | 49.87                                     |  |                         |
| Cash outflow liabilities within application area of IFRS 7 | 272.35          | 128.27                                    | 4.69   | 159.38                  |

Interest risk

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

An increase (a decrease) of 100 basis points in the average interest rate at 31 March 2018 would therefore have increased (decreased) the profit before income tax by € 0.76m (€ 0.26m). DO & CO thus is at present not exposed to a significant interest rate risk. The calculation is based on the assumption that DO & CO's deposits do not have a negative interest rate.

Default risk

The maximum default risk is mostly determined by the carrying amounts of the financial assets. At the reporting date 31 March 2018, DO & CO did not take out any credit insurance. Investments are made only at banks with first-class ratings. No material default risks are expected from the other original financial instruments. Any residual risk is covered by adequate provisions recognised in the statement of financial position.

Capital management

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

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

|                                      | Business Year 2017/2018 | Business Year 2016/2017 |
|--------------------------------------|-------------------------|-------------------------|
| EBITDA                               | m€ 83.41                | 91.89                   |
| EBITDA margin                        | % 9.7%                  | 10.1%                   |
| EBIT                                 | m€ 50.64                | 56.24                   |
| EBIT margin                          | % 5.9%                  | 6.2%                    |
| Equity ratio <sup>1</sup>            | % 41.9%                 | 39.8%                   |
| Net debt (net financial liabilities) | m€ 75.16                | 10.08                   |
| Net debt to EBITDA                   | 0.90                    | 0.11                    |
| Net gearing                          | % 31.3%                 | 4.1%                    |

<sup>1</sup> Adjusted by proposed dividend payments



(For calculation of the KPIs refer to the Glossary)

A dividend policy in line with the net result serves to maintain the capital structure. The Management Board will thus propose to the General Meeting of Shareholders to distribute a dividend in the amount of € 0.85 per dividend-bearing share. The low interest level was already used to issue a bond with a volume of € 150m in 2014. The bond has a maturity of 7 years and a fixed-interest coupon of 3.125%.

7.2. Contingencies and financial liabilities

The contingent liabilities of the DO & CO Group amount to € 34.58m at 31 March 2018 (31 March 2017: € 22.14m) and comprise:

| in m€                         | 31 March 2018 | 31 March 2017 |
|-------------------------------|---------------|---------------|
| Guarantees                    | 34.47         | 21.24         |
| Other contractual obligations | 0.11          | 0.90          |
| <b>Total</b>                  | <b>34.58</b>  | <b>22.14</b>  |

All matters reported under contingent liabilities relate to potential future obligations which are uncertain as of 31 March 2018 and that would create an obligation for DO & CO only upon the occurrence of uncertain future events.

For reasons of practicability, the disclosures pursuant to IAS 37.86 and IAS 37.89 are omitted in accordance with IAS 37.91.

At 31 March 2018, executory contracts exist on the purchase of property, plant and equipment in the amount of € 3.64m (31 March 2017: € 31.23m).

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

Future operating lease payments to be made under uncancellable operating lease agreements amount to:

| in m€                | 31 March 2018 | 31 March 2017 |
|----------------------|---------------|---------------|
| Up to one year       | 27.17         | 23.93         |
| Two to five years    | 50.91         | 55.89         |
| More than five years | 80.72         | 99.63         |
| <b>Total</b>         | <b>158.79</b> | <b>179.45</b> |

Further lease payments of up to € 13.91m (31 March 2017: € 16.60m) may have to be paid in relation to lease payments depending on revenue.

7.3. Significant events after the reporting period (subsequent report)

No significant events or developments occurred after 31 March 2018 that would be of importance with regard to the Group’s financial situation and performance.

7.4. Related party disclosures

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

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

| in m€                                   | Business Year 2017/2018 |                      |                |                               | Business Year 2016/2017 |                      |                |                               |
|---|-------------------------|----------------------|----------------|-------------------------------|-------------------------|----------------------|----------------|-------------------------------|
|   | Other related party     | Associated companies | Joint ventures | Non-consolidated subsidiaries | Other related party     | Associated companies | Joint ventures | Non-consolidated subsidiaries |
| Performed deliveries and services       | 2.70                    | 0.42                 | 6.61           | 0.37                          | 0.00                    | 0.25                 | 0.85           | 1.12                          |
| Supplies received and services rendered | 6.13                    | 9.59                 | 0.05           | 1.95                          | 6.54                    | 11.27                | 0.03           | 4.08                          |

| in m€         | 31 March 2018       |                      |                |                               | 31 March 2017       |                      |                |                               |
|---------------|---------------------|----------------------|----------------|-------------------------------|---------------------|----------------------|----------------|-------------------------------|
|               | Other related party | Associated companies | Joint ventures | Non-consolidated subsidiaries | Other related party | Associated companies | Joint ventures | Non-consolidated subsidiaries |
| Receivables   | 3.65                | 0.03                 | 3.02           | 0.54                          | 0.95                | 0.01                 | 1.47           | 1.37                          |
| Payables      | 0.35                | 0.86                 | 0.41           | 0.58                          | 0.47                | 1.11                 | 0.02           | 0.86                          |
| Granted loans | 0.00                | 0.00                 | 4.05           | 0.00                          | 0.00                | 0.00                 | 2.40           | 0.00                          |

In the business year 2017/2018, receivables in the amount of € 0.17m (31 March 2017: € 0.36m) are subject to value adjustments. The Company reports receivables from loans granted to joint ventures with an average remaining maturity of 1.68 years and an average interest of 2.64% per annum.

DO & CO provided guarantees and rental agreements for joint ventures and associates in the amount of € 15.62m (PY: € 7.40m) to serve as a collateral for loans. No cash outflow is expected.

Transactions with related parties are carried out at arm’s length. No guarantees for loans or group company loans were extended to members of the Management Board and of the Supervisory Board.

See Section 7.6. for the remuneration of board members.

7.5. Investments

As of 31 March 2018, DO & CO reports the following investments:

| Company   | Place of registration | Country | Consolidation <sup>1</sup> | Share of stock in % | Currency | Nominal Capital in TDC <sup>2</sup> |
|---|-----------------------|---------|----------------------------|---------------------|----------|-------------------------------------|
| AIOLI Airline Catering Austria GmbH             | Vienna-Airport        | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| B & B Betriebsrestaurants GmbH                  | Vienna                | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| Demel Salzburg Cafe-Restaurant Betriebs GmbH    | Salzburg              | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO - Salzburg Restaurants & Betriebs GmbH  | Salzburg              | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| DO & CO Airline Catering Austria GmbH           | Vienna                | A       | F                          | 100.0               | EUR      | 150 <sup>3)</sup>                   |
| DO & CO Airline Logistics GmbH                  | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO Airport Hospitality GmbH                | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>4)</sup>                    |
| DO & CO Albertina GmbH                          | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO Catering & Logistics Austria GmbH       | Vienna                | A       | F                          | 100.0               | EUR      | 100 <sup>3)</sup>                   |
| DO & CO Catering-Consult & Beteiligungs GmbH    | Vienna                | A       | F                          | 100.0               | EUR      | 36                                  |
| DO & CO Event Austria GmbH                      | Vienna                | A       | F                          | 100.0               | EUR      | 100 <sup>3)</sup>                   |
| DO & CO Facility Management GmbH                | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO Gourmet Kitchen Cold GmbH               | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO Gourmet Kitchen Hot GmbH                | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO im Haas Haus Restaurantbetriebs GmbH    | Vienna                | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| DO & CO im PLATINUM Restaurantbetriebs GmbH     | Vienna                | A       | F                          | 90.0                | EUR      | 35                                  |
| DO & CO Immobilien GmbH                         | Vienna                | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| DO & CO Party-Service & Catering GmbH           | Vienna                | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| DO & CO Pastry GmbH                             | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO Procurement GmbH                        | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| DO & CO Special Hospitality Services GmbH       | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>3)</sup>                    |
| Henry - the art of living GmbH                  | Vienna                | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| Henry am Zug GmbH                               | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>4)</sup>                    |
| Ibrahim Halil Dogudan Gesellschaft m.b.H.       | Vienna                | A       | F                          | 100.0               | EUR      | 36 <sup>3)</sup>                    |
| ISS Ground Services GmbH                        | Vienna                | A       | E                          | 49.0                | EUR      | 218 <sup>14)</sup>                  |
| K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH   | Vienna                | A       | F                          | 100.0               | EUR      | 799 <sup>4)</sup>                   |
| Sky Gourmet-airline catering and logistics GmbH | Vienna-Airport        | A       | F                          | 100.0               | EUR      | 800 <sup>4)</sup>                   |
| Total Inflight Solution GmbH                    | Vienna                | A       | F                          | 100.0               | EUR      | 35 <sup>4)</sup>                    |
| WASH & GO Logistics GmbH                        | Vienna                | A       | N                          | 0.0                 | EUR      | 36 <sup>14)</sup>                   |
| DO & CO International Event AG                  | Zug                   | CH      | F                          | 100.0               | CHF      | 100                                 |
| Nespresso - DO & CO SA                          | Lausanne              | CH      | E                          | 50.0                | CHF      | 1,000 <sup>13)</sup>                |
| Oleander Group AG                               | Zug                   | CH      | F                          | 100.0               | GBP      | 67 <sup>10)</sup>                   |
| Arena One Gastronomie GmbH                      | Munich                | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| DO & CO München GmbH                            | Munich                | D       | F                          | 100.0               | EUR      | 100 <sup>5)</sup>                   |
| Arena One Mitarbeiterrestaurants GmbH           | Munich                | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| Arena One Service GmbH                          | Munich                | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| DO & CO (Deutschland) Holding GmbH              | Kelsterbach           | D       | F                          | 100.0               | EUR      | 25                                  |
| DO & CO Berlin GmbH                             | Berlin                | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| DO & CO Deutschland Catering GmbH               | Munich                | D       | F                          | 100.0               | EUR      | 25                                  |
| DO & CO Düsseldorf GmbH                         | Düsseldorf            | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| DO & CO Frankfurt GmbH                          | Kelsterbach           | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| DO & CO Kelsterbach GmbH                        | Kelsterbach           | D       | N                          | 100.0               | EUR      | 25                                  |
| DO & CO Lounge Deutschland GmbH                 | Munich                | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| DO & CO Lounge GmbH                             | Frankfurt             | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |

| Company   | Place of registration | Country | Consolidation <sup>1</sup> | Share of stock in % | Currency | Nominal Capital in TDC <sup>2</sup> |
|---|-----------------------|---------|----------------------------|---------------------|----------|-------------------------------------|
| DO & CO Catering München GmbH                               | Munich-Airport        | D       | F                          | 100.0               | EUR      | 25 <sup>5)</sup>                    |
| DO & CO Restauración & Catering España, S.L.                | Barcelona             | E       | F                          | 100.0               | EUR      | 3                                   |
| Financière Hédiard SA                                       | Colombes              | F       | F                          | 100.0               | EUR      | 5,094                               |
| Hédiard Events SAS  | Paris                 | F       | F                          | 100.0               | EUR      | 100                                 |
| Hédiard SA  | Paris                 | F       | F                          | 100.0               | EUR      | 310                                 |
| Hédiard Traiteur SAS  | Colombes              | F       | F                          | 100.0               | EUR      | 40                                  |
| Hédiard restauration en vol SAS                             | Argenteuil            | F       | F                          | 100.0               | EUR      | 100                                 |
| Hédiard Fonciere SAS  | Argenteuil            | F       | F                          | 100.0               | EUR      | 100                                 |
| DO & CO AIRPORT GASTRONOMY LIMITED                          | Feltham               | GB      | F                          | 100.0               | EUR      | 0 <sup>6)</sup>                     |
| DO & CO Airport Hospitality UK Ltd.                         | Feltham               | GB      | F                          | 100.0               | GBP      | 0                                   |
| DO & CO Event & Airline Catering Ltd.                       | Feltham               | GB      | F                          | 100.0               | GBP      | 0                                   |
| DO & CO International Catering Ltd.                         | Feltham               | GB      | F                          | 100.0               | EUR      | 30 <sup>6)</sup>                    |
| DO & CO International Investments Ltd.                      | London                | GB      | F                          | 100.0               | EUR      | 5,000 <sup>6)</sup>                 |
| Henry - The Art of Living Ltd.                              | Feltham               | GB      | F                          | 100.0               | GBP      | 0                                   |
| Fortnum & Mason Events Ltd.                                 | London                | GB      | E                          | 50.0                | GBP      | 0                                   |
| Lasting Impressions Food Co. Ltd                            | Feltham               | GB      | F                          | 85.0                | GBP      | 0                                   |
| Versilia Solutions Ltd.                                     | Northampton           | GB      | E                          | 50.0                | GBP      | 0                                   |
| Henry am Zug Hungary Kft.                                   | Budapest              | HU      | N                          | 100.0               | EUR      | 10 <sup>9)</sup>                    |
| DO & CO Italy S.r.l.  | Vizzola Ticino        | I       | F                          | 100.0               | EUR      | 2,900                               |
| Sky Gourmet Malta Inflight Services Ltd.                    | Fgura                 | MT      | E                          | 40.0                | EUR      | 1 <sup>8)</sup>                     |
| Sky Gourmet Malta Ltd.                                      | Fgura                 | MT      | E                          | 40.0                | EUR      | 1 <sup>8)</sup>                     |
| DO & CO México, S. de R.L. de C.V.                          | Mexico City           | MX      | F                          | 100.0               | MXN      | 50 <sup>12)</sup>                   |
| DO & CO Netherlands Holding B.V.                            | The Hague             | NL      | F                          | 51.0                | EUR      | 20                                  |
| DO & CO – Restauração e Catering, Sociedade Unipessoal, Lda | Lisbon                | P       | F                          | 100.0               | EUR      | 5                                   |
| DO & CO Poland Sp. z o.o.                                   | Warsaw                | PL      | F                          | 100.0               | PLN      | 7,447                               |
| DO & CO Real Estate Poland Sp. Z o.o.                       | Warsaw                | PL      | F                          | 100.0               | PLN      | 55                                  |
| Sharp DO & CO Korea LLC                                     | Seoul                 | ROK     | E                          | 50.0                | KRW      | 7,000,000                           |
| Sky Gourmet Slovensko s.r.o.                                | Bratislava            | SK      | F                          | 100.0               | EUR      | 63 <sup>7)</sup>                    |
| DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San. A.S. | Istanbul              | TK      | F                          | 100.0               | TRY      | 750                                 |
| MAZLUM AMBALAJ SANAYİ VE DIŞ TİCARET A.Ş                    | Tekirdag              | TK      | F                          | 51.0                | TRY      | 3,523                               |
| THY DO & CO Ikram Hizmetleri A.S.                           | Istanbul              | TK      | F                          | 50.0                | TRY      | 30,000                              |
| DO & CO AIRPORT GASTRONOMY LLC                              | Kiew-Boryspil         | UA      | F                          | 100.0               | UAH      | 5,055                               |
| DO & CO Ukraine LLC   | Kiew-Boryspil         | UA      | F                          | 100.0               | UAH      | 521 <sup>11)</sup>                  |
| DO AND CO KYIV LLC  | Kiew-Boryspil         | UA      | F                          | 51.0                | UAH      | 2,400                               |
| DEMEL New York Inc.   | New York              | USA     | F                          | 100.0               | USD      | 1                                   |
| DO & CO CHICAGO CATERING, INC.                              | Wilmington            | USA     | F                          | 100.0               | USD      | 1                                   |
| DO & CO Holdings USA, Inc.                                  | Wilmington            | USA     | F                          | 100.0               | USD      | 100                                 |
| DO & CO Los Angeles, Inc.                                   | Wilmington            | USA     | F                          | 100.0               | USD      | 1                                   |
| DO & CO Miami Catering, Inc.                                | Miami                 | USA     | F                          | 100.0               | USD      | 1                                   |
| DO & CO NEW JERSEY CATERING, INC.                           | Wilmington            | USA     | N                          | 100.0               | USD      | 0                                   |
| DO & CO New York Catering, Inc.                             | New York              | USA     | F                          | 100.0               | USD      | 1                                   |

1) F= Fully consolidated, E= at equity, N= no consolidation  
2) TDC = in thousands of domestic currency units  
3) There is a profit transfer agreement between these companies and the DO & CO Aktiengesellschaft  
4) There is a profit transfer agreement between these companies and the DO & CO Catering-Consult & Beteiligungs GmbH  
5) There is a profit transfer agreement between these companies and the DO & CO (Deutschland) Holding GmbH  
6) The nominal capital was initially paid in GBP  
7) The nominal capital was initially paid in SKK  
8) The nominal capital was initially paid in MTL  
9) The nominal capital was initially paid in HUF  
10) The nominal capital was initially paid in CHF  
11) 1 % of each is held by DO & CO Event Austria GmbH  
12) 1 % of each is held DO & CO Holdings USA Inc.  
13) A joint venture company of DO & CO Aktiengesellschaft with 3 subsidiaries  
14) Balance Sheet Date WASH & GO Logistics GmbH 30.11.2017, Balance Sheet Date ISS Ground Services GmbH 31.12.2017



7.6. Corporate boards

In the business year 2017/2018, the corporate boards of DO & CO Aktiengesellschaft consisted of the following members:

Management Board:

Attila DOGUDAN

Chairman, born in 1959  
First appointed to the Board on 3 June 1997  
End of the current term of office: 31 July 2020  
No seats on supervisory boards or comparable positions

Gottfried NEUMEISTER

Member of the Board, born in 1977  
First appointed to the Board on 16 July 2012  
End of the current term of office: 31 July 2020  
No seats on supervisory boards or comparable positions

Remuneration of the Management Board in the business year 2017/2018 was as follows:

| Remuneration Management Board 2017/2018 | in k€ | Fixed<br>Remuneration | Variable<br>Remuneration | Total |
|---|-------|-----------------------|--------------------------|-------|
| Attila Dogudan *                        |       | 766                   | 0                        | 766   |
| Gottfried Neumeister **                 |       | 631                   | 0                        | 631   |
| Total                                   |       | 1,397                 | 0                        | 1,397 |

\* Including remuneration in kind and including € 32k for activities as deputy chairman of the Board of Directors and CEO of THY DO & CO Ikram Hizmetleri A.Ş.  
\*\* Including € 29k for activities as member of the Board of Directors of THY DO & CO Ikram Hizmetleri A.Ş.

Currently, no arrangements have been made regarding any in-house retirement provision for the Management Board. The chairman of the Management Board is entitled to severance pay analogously to the Salaried Employees Act. The employment contracts of the members of the Management Board provide for a gratuity of three monthly salaries in the event that their membership in the Board is terminated early without compelling cause. No such claim is due if a Management Board contract is terminated for a cause that is within such member’s control. No further claims are due to a member of the Management Board upon retirement. Furthermore, no arrangements have been made so far in the event of a change of control.

Supervisory Board:

Waldemar JUD

Chairman until 1 August 2017, then member until 12 March 2018;  
independent, born in 1943  
First appointed to the Board on 20 March 1997  
No further seats on supervisory boards of listed companies

Werner SPORN

Deputy Chairman until 27 July 2017, independent, born in 1935  
Representative of shareholders holding shares in free float until 27 July 2017  
First appointed to the Board on 20 March 1997  
No further seats on supervisory boards of listed companies

Georg THURN-VRINTS

Member, independent, born in 1956  
Current term runs until the 21st Ordinary General Meeting of Shareholders (2019),  
First appointed to the Board on 20 March 1997  
No further seats on supervisory boards of listed companies

Christian KONRAD

Member, independent, born in 1943  
Representative of shareholders holding shares in free float  
Current term runs until the 21st Ordinary General Meeting of Shareholders (2019),  
First appointed to the Board on 10 July 2002  
No further seats on supervisory boards of listed companies

Andreas BIERWIRTH

Chairman since 1 August 2017, independent, born in 1971  
Current term runs until the 23rd Ordinary General Meeting of Shareholders (2021),  
First appointed to the Board on 21 July 2016  
Seats on supervisory boards or comparable positions at non-Group listed companies:  
• Member of the Board of Directors of EasyJet PLC, Great Britain

Dr. Peter HOFFMANN-OSTENHOF

First Deputy Chairman since 1 August 2017, independent, born in 1955  
Current term runs until the 24th Ordinary General Meeting of Shareholders (2022),  
First appointed to the Board on 27 July 2017  
Seats on supervisory boards or comparable positions at non-Group listed companies:  
• Deputy Chairman of the Supervisory Board at Österreichische Staatsdruckerei Holding AG, Austria

Cem KOZLU

Second Deputy Chairman, independent, born in 1946  
Representative of shareholders holding shares in free float  
Current term runs until the 23rd Ordinary General Meeting of Shareholders (2021),  
First appointed to the Board on 21 July 2016  
Seats on supervisory boards or comparable positions at non-Group listed companies:  
• Member of the Board of Directors of Pegasus Hava Tasimaciligi A.Ş., Turkey  
• Member of the Board of Directors of Anadolu Efes Biracilik ve Malt Sanayi A.Ş., Turkey  
• Member of the Board of Directors of Yazicilar Holding A.Ş., Turkey  
• Member of the Board of Directors of Coca-Cola Icecek A.Ş., Turkey  
• Member of the Board of Directors of Sisecam A.Ş., Turkey

By resolution of the General Meeting of Shareholders dated 27 July 2017, the members of the Supervisory Board received remuneration in the amount of € 0.14m (PY: € 0.10m) for the business year 2016/2017.

Vienna, 12 June 2018

The Management Board:

Attila DOGUDAN  
Chairman of the Management Board

Gottfried NEUMEISTER  
Member of the Management Board

We draw attention to the fact that the English translation of this auditor’s report according to Section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

AUDITOR’S REPORT  
Report on the Consolidated Financial Statements

Audit Opinion  
We have audited the consolidated financial statements of

DO & CO Aktiengesellschaft, Vienna,

and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2018, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 31 March 2018, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 245a Austrian Commercial Code.

Basis for Opinion  
We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian generally accepted auditing standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters  
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement and presentation of income tax items

Description  
DO & CO Aktiengesellschaft is an internationally operating Group carrying out its activities in a great number of countries in different geographical regions. The DO & CO Group is therefore exposed to various tax legislations, with the calculation of income taxes as well as deferred taxes thus subject to increased complexity under IAS 12. Additionally, the extensive regulations of IAS 12 require forward-looking estimates, and changes to tax rates enacted by the tax legislators may have a significant impact on the measurement of current and deferred tax assets.

The consolidated financial statements of DO & CO Aktiengesellschaft thus include the risk that the corresponding tax risks are not recorded and the current and deferred taxes have not been calculated and measured to the required extent. This may lead to an overstatement of recorded tax credits and deferred taxes, or to an insufficient recognition of tax liabilities or provisions.

We refer to the notes to the consolidated financial statements in Section 4.12.

Our Audit Approach  
Using samples, we tested whether the recognition and measurement of income tax items in the consolidated financial statements, at Group level and in the separate financial statements, was complete and accurate. Additionally, we obtained external confirmations on the tax situation of DO & CO Aktiengesellschaft and its significant subsidiaries from the respective tax representatives or advisors, and we assessed whether the information was accordingly taken into account in the tax-relevant items. We critically assessed the recognition and measurement of deferred taxes using the tax planning as well as the assumptions and forward-looking estimates upon which the tax planning is based. Moreover, we examined the adjustment of tax rates resulting from changes enacted by the tax legislators in individual countries.

Impairment of property, plant and equipment and intangible assets, including goodwill

Description  
In its consolidated financial statements as at 31 March 2018, DO & CO Aktiengesellschaft reports goodwill and intangible assets with indefinite useful lives at a carrying amount of EUR 32.61m, property, plant and equipment in the amount of EUR 232.66m, as well as other intangible assets in the amount of EUR 20.75m.

In accordance with IFRSs as adopted by the EU, an entity is required to test goodwill and intangible assets with indefinite useful lives annually for impairment. In addition for intangible assets with definite useful lives as well as property, plant and equipment, it is required to asses on each balance sheet date whether impairment indicators exist.

A subsidiary of DO & CO Aktiengesellschaft in Turkey renders services to a key customer based on a temporary contract ending in 2018 and including an extension option for a further year (thus until the end of 2019). Since the subsidiary is to be regarded as significant, the termination of the catering contract would have a significant impact on the consolidated financial statements of DO & CO Aktiengesellschaft, and an indication for impairment might therefore exist.

Moreover, goodwill and intangible assets with indefinite useful lives include an amount of EUR 18.60m that is allocated to a cash-generating unit in France that is currently closed and being refurbished.

Testing intangible assets and property, plant and equipment for impairment requires significant estimates by the Management Board on the future development of revenue and profit margins, transaction prices (fair value less cost to sell) and the resulting net cash inflows as well as assumptions with regard to the definition of the discount rates used. Such estimates are therefore subject to a significant uncertainty. For the consolidated financial statements, this leads to the risk of intangible assets and property, plant and equipment being overstated.

We refer to the notes to the consolidated financial statements in Sections 4.1 and 4.2.

Our Audit Approach  
We evaluated the design of the Company’s process for impairment testing.

We reconciled the budgeted revenue, results and investments with the existing business plans and critically assessed the material planning parameters (revenue, expenses, investments and changes in working capital). In addition, we evaluated whether the current forecast of the net cash inflows corresponds to the past actual results in order to verify the accuracy of the business plan.

We also simulated the calculation process used for the determination of the discount rate, performed plausibility checks for the parameters used with the help of database enquiries and analysed the



consequences of parameter changes on valuation results involving our own valuation expert. Additionally, we obtained external evidence from the Management Board confirming recoverability in order to verify the statements made by the Management Board.

**Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements**  
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the EU, and the additional requirements under Section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group’s financial reporting process.

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**  
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian generally accepted auditing standards, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

- We also:
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**  
**Comments on the Group Management Report**

Pursuant to the Austrian Commercial Code, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the Group management report was prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the Group management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group management report.

**Opinion**  
In our opinion, the Group management report was prepared in accordance with the applicable legal requirements, includes accurate disclosures pursuant to Section 243a UGB and is consistent with the consolidated financial statements.

**Statement**  
Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the Group management report came to our attention.

**Other Information**  
Management is responsible for the other information. The other information comprises the information included in the non-financial report that we received until the date of our auditor’s report, as well as in the annual report, but does not include the consolidated financial statements, the Group management report and the auditor’s report. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**Additional Information in Accordance with Article 10 of the EU Regulation**

We were appointed as statutory auditor at the ordinary general meeting dated 27 July 2017. We were engaged by the supervisory board on 27 July 2017. We have audited the Company for an uninterrupted period since the fiscal year 1998/99.

We confirm that the audit opinion in the “Report on the Consolidated Financial Statements” section is consistent with the additional report to the audit committee referred to in Article 11 of the EU Regulation.

We declare that we did not provide any prohibited non-audit services (Article 5 (1) of the EU Regulation) and that we remained independent of the audited company in conducting the audit.

**Responsible Engagement Partner**

Responsible for the proper performance of the engagement is Andreas Staribacher, Austrian Certified Public Accountant.

Vienna, 12 June 2018

**PKF CENTURION**  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH

Andreas Staribacher m.p.  
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor’s opinion is only allowed if the consolidated financial statements and the Group management report are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the Group management report. For deviating versions, the provisions of Section 281 (2) UGB apply.



# Statements by all Legal Representatives Pursuant to Section 124 Austrian Stock Exchange Act



## STATEMENTS BY ALL LEGAL REPRESENTATIVES PURSUANT TO SECTION 124 AUSTRIAN STOCK EXCHANGE ACT

We herewith certify to the best of our knowledge:

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

We herewith certify to the best of our knowledge:

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

Vienna, 12 June 2018

The Management Board:

Attila DOGUDAN  
Chairman of the Management Board

Mag. Gottfried NEUMEISTER  
Member of the Management Board

# Glossary



|  |   |      |        | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|--|---|------|--------|----------------------------|----------------------------|
| EBITDA margin in %                               | EBITDA                                      | m€   | 83.41  | 9.7%                       | 10.1%                      |
|  | External revenue                            | m€   | 861.41 |                            |                            |
| EBIT margin in %                                 | EBIT  | m€   | 50.64  | 5.9%                       | 6.2%                       |
|  | External revenue                            | m€   | 861.41 |                            |                            |
| Return on Sales in %                             | Profit before income tax                    | m€   | 46.17  | 5.4%                       | 5.5%                       |
|  | External revenue                            | m€   | 861.41 |                            |                            |
| Adjusted equity in m€                            | + Shareholders' equity                      | m€   | 248.39 | 240.11                     | 247.56                     |
|  | - (proposed) dividend payment               | m€   | 8.28   |                            |                            |
| Equity ratio in %                                | Adjusted equity                             | m€   | 240.11 | 41.9%                      | 39.8%                      |
|  | Total capital                               | m€   | 573.10 |                            |                            |
| Return on equity (ROE) in %                      | Profit after income taxes                   | m€   | 33.37  | 13.6%                      | 13.4%                      |
|  | Ø adjusted equity <sup>1</sup>              | m€   | 245.84 |                            |                            |
| Debt (financial liabilities)<br>in m€            | + Bond                                      | m€   | 149.06 | 151.63                     | 153.61                     |
|  | + Other financial liabilities (non-current) | m€   | 0.00   |                            |                            |
|  | + Current loans                             | m€   | 2.57   |                            |                            |
| Net debt<br>(net financial liabilities)<br>in m€ | + Debt                                      | m€   | 151.63 | 75.16                      | 10.08                      |
|  | - Cash and cash equivalents                 | m€   | 76.47  |                            |                            |
| Net debt to EBITDA                               | Net Debt                                    | m€   | 75.16  | 0.90                       | 0.11                       |
|  | EBITDA                                      | m€   | 83.41  |                            |                            |
| Net gearing in %                                 | Net Debt                                    | m€   | 75.16  | 31.3%                      | 4.1%                       |
|  | Adjusted equity                             | m€   | 240.11 |                            |                            |
| Surplus cash in m€                               | + Cash and cash equivalents                 | m€   | 76.47  | 50.96                      | 116.98                     |
|  | - 2% of revenue                             | m€   | 17.23  |                            |                            |
|  | - (proposed) dividend payment               | m€   | 8.28   |                            |                            |
| Working capital in m€                            | + Current assets                            | m€   | 252.71 | 41.26                      | -8.22                      |
|  | - Current provisions and liabilities        | m€   | 152.21 |                            |                            |
|  | - Surplus cash                              | m€   | 50.96  |                            |                            |
|  | - (proposed) dividend payment               | m€   | 8.28   |                            |                            |
| Free cash flow in m€                             | + Cash flow from operating activities       | m€   | 42.40  | -43.75                     | -8.81                      |
|  | + Cash flow from investing activities       | m€   | -86.15 |                            |                            |
| EPS (Earnings per Share) in €                    | Net result                                  | m€   | 24.37  | 2.50                       | 2.14                       |
|  | Number of shares                            | Mpie | 9.74   |                            |                            |
| Price/Earnings ratio                             | Share price at the end of the period        | €    | 51.50  | 20.59                      | 28.48                      |
|  | EPS   | €    | 2.50   |                            |                            |
| Tax ratio in %                                   | Income tax                                  | m€   | 12.80  | 27.7%                      | 32.2%                      |
|  | Profit before income tax                    | m€   | 46.17  |                            |                            |
| Adjusted EBIT in m€                              | EBIT  | m€   | 50.64  | 50.64                      | 56.24                      |
|  | - Rent income from investment property      | m€   | 0.00   |                            |                            |
|  | + Cost from investment property             | m€   | 0.00   |                            |                            |
| Capital employed in m€                           | + Adjusted equity                           | m€   | 240.11 | 334.10                     | 277.66                     |
|  | + Non-current provisions and liabilities    | m€   | 172.50 |                            |                            |
|  | - Cash and cash equivalents                 | m€   | 76.47  |                            |                            |
|  | - Investment property                       | m€   | 2.04   |                            |                            |
| Return on capital employed<br>(ROCE) in %        | + Adjusted EBIT                             | m€   | 50.64  | 16.5%                      | 20.5%                      |
|  | Ø Capital employed <sup>1</sup>             | m€   | 306.84 |                            |                            |

<sup>1</sup> Calculated as the average amount by the end of the past four quarters and the amount at the beginning of the period under review





BALANCE SHEET AS OF 31 MARCH 2018  
of DO & CO Aktiengesellschaft

| ASSETS                                       | in m€ | 31 March 2018 | 31 March 2017 |
|--|-------|---------------|---------------|
| Intangible assets                            |       | 0.62          | 0.67          |
| Tangible assets                              |       | 8.99          | 7.72          |
| Financial assets                             |       | 208.15        | 176.08        |
| <b>Fixed assets</b>                          |       | <b>217.76</b> | <b>184.47</b> |
| Trade receivables                            |       | 1.25          | 0.66          |
| Receivables from affiliated companies        |       | 154.27        | 81.33         |
| Other receivables and assets                 |       | 14.21         | 14.72         |
| <b>Receivables and other assets</b>          |       | <b>169.72</b> | <b>96.71</b>  |
| <b>Cash and cash equivalents</b>             |       | <b>10.55</b>  | <b>77.78</b>  |
| <b>Current assets</b>                        |       | <b>180.28</b> | <b>174.48</b> |
| <b>Prepaid expenses and deferred charges</b> |       | <b>0.73</b>   | <b>0.95</b>   |
| <b>Deferred tax assets</b>                   |       | <b>1.58</b>   | <b>2.63</b>   |
| <b>Total assets</b>                          |       | <b>400.35</b> | <b>362.53</b> |

| Shareholders' equity and liabilities              | in m€ | 31 March 2018 | 31 March 2017 |
|---|-------|---------------|---------------|
| Share capital                                     |       | 19.49         | 19.49         |
| Capital reserves                                  |       | 74.71         | 74.71         |
| Revenue reserves                                  |       | 86.96         | 41.21         |
| Unappropriated retained earnings                  |       | 8.28          | 8.28          |
| <b>Shareholders' equity</b>                       |       | <b>189.44</b> | <b>143.69</b> |
| Provisions for severance payments                 |       | 2.40          | 2.59          |
| Provisions for taxes                              |       | 8.26          | 8.13          |
| Other provisions                                  |       | 4.05          | 8.58          |
| <b>Provisions</b>                                 |       | <b>14.71</b>  | <b>19.31</b>  |
| Bonds   |       | 150.00        | 150.00        |
| Trade liabilities                                 |       | 1.27          | 1.14          |
| Liabilities with affiliated companies             |       | 40.73         | 41.26         |
| Other liabilities                                 |       | 1.48          | 3.53          |
| <b>Liabilities</b>                                |       | <b>193.49</b> | <b>195.93</b> |
| <b>Deferred income</b>                            |       | <b>2.71</b>   | <b>3.60</b>   |
| <b>Total Shareholders' equity and liabilities</b> |       | <b>400.35</b> | <b>362.53</b> |
| <b>Contingent liabilities</b>                     |       | <b>34.34</b>  | <b>19.89</b>  |

INCOME STATEMENT FOR BUSINESS YEAR 2017/2018  
of DO & CO Aktiengesellschaft

| in m€  | Business Year<br>2017/2018 | Business Year<br>2016/2017 |
|--|----------------------------|----------------------------|
| <b>Revenue</b>                               | <b>27.32</b>               | <b>41.52</b>               |
| Other operating income                       | 2.86                       | 0.90                       |
| Cost of materials and purchased services     | -4.18                      | -5.84                      |
| Personnel expenses                           | -13.93                     | -18.95                     |
| Amortisation and depreciation                | -1.16                      | -1.29                      |
| Other operating expenses                     | -10.95                     | -15.82                     |
| <b>Operating result</b>                      | <b>-0.04</b>               | <b>0.51</b>                |
| Income from investments                      | 62.77                      | 11.94                      |
| Interest and similar income                  | 3.31                       | 2.92                       |
| Income from appreciation of financial assets | 0.74                       | 0.39                       |
| Expenses on financial assets                 | -3.96                      | -6.26                      |
| Interest and similar expenses                | -6.01                      | -5.18                      |
| <b>Financial result</b>                      | <b>56.85</b>               | <b>3.82</b>                |
| <b>Net operating income</b>                  | <b>56.81</b>               | <b>4.33</b>                |
| Taxes on income                              | -2.78                      | -0.91                      |
| <b>Net income for the year</b>               | <b>54.03</b>               | <b>3.43</b>                |
| Release of revenue reserves                  | 0.00                       | 4.86                       |
| Allocation to revenue reserves               | -45.75                     | 0.00                       |
| <b>Profit for the year</b>                   | <b>8.28</b>                | <b>8.28</b>                |
| Retained earnings                            | 0.00                       | 0.00                       |
| <b>Unappropriated retained earnings</b>      | <b>8.28</b>                | <b>8.28</b>                |

Simplified presentation excluding details to affiliated companies

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

**Proposal for Appropriation of Profit**

Under the provisions of the Austrian Corporation Act, the individual financial statement for DO & CO Aktiengesellschaft as of 31 March 2018, prepared in accordance with the Austrian reporting regulations, provides the basis for distributing a dividend. This annual financial statement shows a net profit for the year of 8.282.400 €.The Management Board proposes to the General Meeting of Shareholders to distribute the entire net profit for the year. This allows for a dividend of 0.85 € per dividend-bearing share.

Vienna, 12 June 2018

The Management Board of DO & CO Aktiengesellschaft



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