



THE GOURMET  
ENTERTAINMENT  
COMPANY

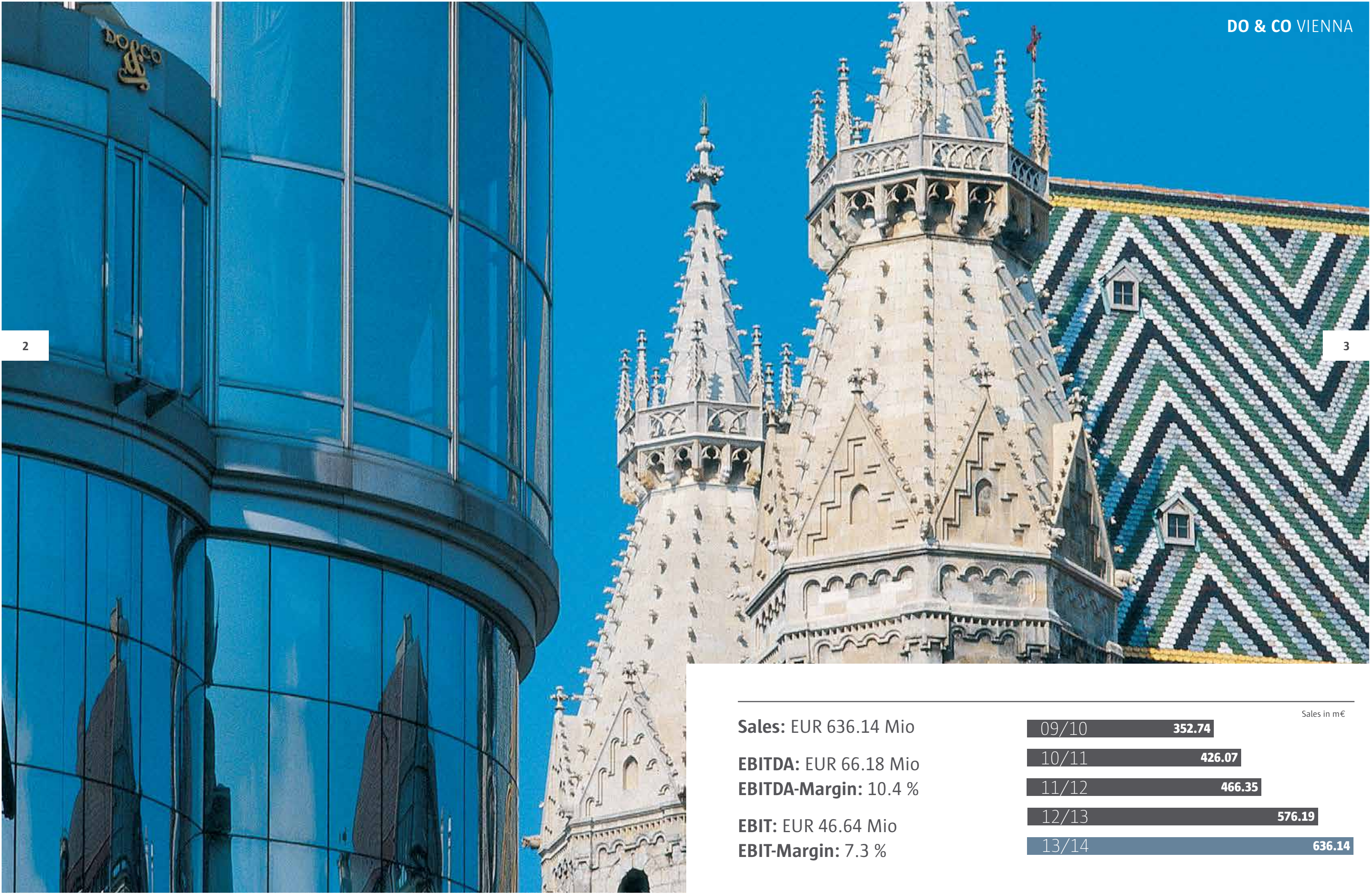




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<b>Sales:</b> EUR 636.14 Mio	09/10	352.74
	10/11	426.07
	11/12	466.35
	12/13	576.19
	13/14	636.14
<b>EBITDA:</b> EUR 66.18 Mio		
<b>EBITDA-Margin:</b> 10.4 %		
<b>EBIT:</b> EUR 46.64 Mio		
<b>EBIT-Margin:</b> 7.3 %		

Sales in m€



# AIRLINE CATERING

The 25 gourmet DO & CO kitchens in New York, London, Istanbul, Frankfurt, Munich, Berlin, Milan, Malta, Warsaw, Kiev, Vienna and in other locations around Austria, Turkey and Poland have set new standards in the global premium airline catering segment and generated the highest share of the DO & CO Corporation's turnover thanks to an unmistakable, innovative and competitive product portfolio.

In total, more than 84 million passengers on over 550,000 flights worldwide were served meals that came from DO & CO Group's gourmet kitchens.

In 2013, Turkish Airlines, whose catering partner is DO & CO, was awarded the prize for 'Best Business Class Catering' at SKYTRAX 2013. Another two top-five places were won in the classes "Premium Economy Catering" and "Economy Catering".

Sales:	EUR 450.19 Mio
EBITDA:	EUR 51.24 Mio
EBITDA-Margin:	11.4 %
EBIT:	EUR 37.23 Mio
EBIT-Margin:	8.3 %

Sales in m€	
09/10	258.56
10/11	327.18
11/12	349.81
12/13	400.23
13/14	450.19

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# INTERNATIONAL EVENT CATERING

DO & CO has now been providing the catering service at the Formula 1 for 22 seasons. Food was served to 70,000 VIP guests in the Paddock Club at 16 Grands Prix in 16 different countries. The highlight from this racing competition was the Abu Dhabi Grand Prix, with 15,000 guests in one weekend. The season began with the annual tennis tournament ATP Masters Madrid Open with exclusive DO & CO catering that was enjoyed by 32,000 guests plus the tennis players. At the UEFA Champions League Final in Wembley, 7,000 guests were treated to culinary delights. This was already the eighth Champions League Final where DO & CO had been one of UEFA's suppliers. This was also the 15th year in a row that the DO & CO events team has provided the catering at the CHIO Aachen equestrian festival – with more than 4,500 VIP guests on this occasion. In addition, the beach volleyball tournament in Klagenfurt was again catered by DO & CO, along with the Hahnenkammrennen (downhillrace Kitzbühel), the Four Hills Tournament and the night slalom in Schladming.

Following the acquisition of Arena One, DO & CO has now signed an agreement to provide the catering at the Allianz Arena, the stadium of football clubs FC Bayern München and TSV 1860 München.

Sales:	EUR 60.79 Mio
EBITDA:	EUR 7.53 Mio
EBITDA-Margin:	12.4 %
EBIT:	EUR 5.18 Mio
EBIT-Margin:	8.5 %

Sales in m€	
09/10	34.00
10/11	36.65
11/12	46.01
12/13	71.09
13/14	60.79

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# RESTAURANTS, LOUNGES & HOTEL

This division has gained an increase in turnover thanks to expansions in the fields of retail, railway catering, airport gastronomy and airport lounges. Catering contracts for Emirates lounges were extended in two locations. The Turkish Airlines lounge in Istanbul Atatürk doubled in size to 6,000 sqm following high-level success and a constant rise in visitor numbers. The positive development at Henry continued; another branch was opened in central Vienna that seats 60 people.

The airport gastronomy field is also gathering momentum, partly thanks to the opening of Henry shops at Kiev Airport and the increasing turnover at Bodrum Airport.

New restaurants were built at the Olympiapark in Munich following the acquisition of Arena One. The staff restaurants sector was also continually expanded.

Sales:	EUR 125.16 Mio
EBITDA:	EUR 7.41 Mio
EBITDA-Margin:	5.9 %
EBIT:	EUR 4.23 Mio
EBIT-Margin:	3.4 %

Sales in m€	
09/10	60.19
10/11	62.24
11/12	70.54
12/13	104.87
13/14	125.16

INTERNATIONAL  
EVENT & AIRLINE CATERING

Austria

- DO & CO Event Austria GmbH

DO & CO Airline Catering Austria GmbH

AIOLI Airline Catering Austria GmbH

DO & CO Airport Hospitality GmbH

DO & CO Salzburg Restaurants & Betriebs GmbH

Sky Gourmet – airline catering and logistics GmbH

DO & CO Catering-Consult & Beteiligungs GmbH

DO & CO Procurement GmbH
- DO & CO Pastry GmbH

DO & CO Facility Management GmbH

DO & CO Facility Management GmbH

DO & CO Airline Logistics GmbH

DO & CO Gourmet Kitchen Hot GmbH

DO & CO Gourmet Kitchen Cold GmbH

DO & CO Catering & Logistics Austria GmbH

Germany

- DO & CO Frankfurt GmbH

DO & CO München GmbH

DO & CO Berlin GmbH

Arena One GmbH

Great Britain / USA

- DO & CO International Catering Ltd.

DO & CO Event & Airline Catering Ltd.

DO & CO New York Catering Inc.

Italy / Spain / Malta

- DO & CO Italy S.r.l.

DO & CO Restauración & Catering España, S.L.

Sky Gourmet Malta

Turkey

- DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San. A.S.

THY DO & CO Ikram Hizmetleri A.S.

Ukraine / Poland

- DO & CO Kyiv LLC

DO & CO Ukraine LLC

DO & CO Poland Sp. z o.o.

Lotniczy Catering Service Sp. z o.o.

Austria

- DO & CO im Haas Haus Restaurantbetriebs GmbH

DO & CO Albertina GmbH

K.u.K. Hofzuckerbäcker Ch. DEMEL’S Söhne GmbH

DO & CO im PLATINUM Restaurantbetriebs GmbH

B & B Betriebsrestaurant GmbH

AIOLI Restaurants & Party-Service GmbH (Henry)

HENRY am Zug GmbH

Germany / USA

- DO & CO Lounge GmbH

DEMEL New York Inc.

Hungary

- HENRY am Zug Hungary Kft.

RESTAURANTS,  
LOUNGES & HOTEL

# THE MANAGEMENT

## Attila Dogudan

Chairman of the  
Management Board



## Haig Asenbauer

Member of the  
Management Board



## Gottfried Neumeister

Member of the  
Management Board



## Klaus Petermann

Member of the  
Management Board



## Jaap Roukens

Member of the  
Management Board\*



\*since 5 May 2014

## Waldemar Jud

Chairman of the  
Supervisory Board



## Werner Sporn

Deputy Chairman of the  
Supervisory Board



## Georg Thurn-Vrints

Member of the  
Supervisory Board



## Christian Konrad

Member of the  
Supervisory Board







# THE SECRET OF OUR SUCCESS

MORE THAN **8,500** PERSONALITIES  
**ONE GLOBAL TEAM**

16 NATIONS | ALL CONTINENTS

**Our staff are passionate hosts.** They ensure that you feel comfortable – no matter when and where in the world. Our only 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 are what makes the DO & CO brand different and unmistakable. Every employee follows

the company's service-oriented principles and this enables us to stand out from the crowd in the market. Our staff and the corporate culture they live out are our biggest asset.

What makes the brand special and unique? The staff of the DO & CO Gourmet Entertainment Company.



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THE WORLD  
OF DO & CO

doco.com  
demel.com  
enjoyhenry.com  
henryamzug.com  
alacarte.doco.com





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DO & CO

DO & CO is the Group's premium brand. It represents the best flavours on earth and offers a culinary journey around the world. As a premium brand it provides high-class gourmet entertainment, flawless service and an unrivalled all-round service package. It is also associated with emotions, culture and enjoyment.

DO & CO *à la carte*

"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.



Aioli

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



Henry  
the art of living

Henry is the newest brand in the company portfolio. It 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, and which are displayed in recyclable and innovative packaging.



DEMEL  
K. U. K. HOFZUCKERBÄCKER  
WIEN

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.



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Henry  
am Zug

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

# 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 constantly improve our services. This is the cornerstone of our corporate success.

The expansion of the brand portfolio in recent years has helped us to 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.





# ONE FOR ALL ALL FOR ONE

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## AIRLINE CATERING

Over the years, DO & CO's restaurant know-how, which is written in the stars, 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 innovative service concept, high and uncompromising quality standards and an unmistakable onboard product range that leaves no wish unfulfilled; DO & CO, together with its partner airlines, has been a benchmark of the airline industry for many years. Today, DO & CO has 25 sites worldwide and offers its partners a comprehensive and premium range of in-flight solutions to meet all needs and expectations.

INNOVATION | HIGHEST QUALITY | TAILORED SOLUTIONS

Turkish Airlines | Austrian Airlines | Emirates | Etihad Airways | Qatar Airways  
British Airways | Cathay Pacific | Singapore Airlines | Oman Air | NIKI  
Gulf Air | Pegasus Airlines | Royal Air Maroc | Asiana Airlines | Eva Air  
Air Malta | Korean Air | Cyprus Airways | Tap Air Portugal | Egypt Air  
Royal Jordanian | China Airlines | Air France | China Southern Airlines  
KLM Royal Dutch Airlines | South African Airways | LOT Polish Airlines









# WORLD CHAMPIONS

UEFA CHAMPIONS LEAGUE FINALE  
WEMBLEY STADION LONDON

## INTERNATIONAL EVENT CATERING

ONE-STOP PARTNER | GOURMET ENTERTAINMENT BY DO & CO

**No day goes by when we don't 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. Based on a single idea and using planning, creative and design expertise, they bring to an event catering that exhibits a clear love for detail along with themed decorations and appropriate furnishings. Thanks to extensive experience and know-how, DO & CO staff give every event exactly the right ambience and set-up to ensure it is an even greater success. In 2013/2014, DO & CO once again had the pleasure of providing its services and a unique “made by DO & CO” experience at numerous major international events.

**FOOTBALL** UEFA Champions League Final, Wembley | UEFA Supercup Final, Prague  
FC Bayern München | Allianz Arena **BEACHVOLLEYBALL** European Championship, Klagenfurt  
**FORMULA 1** Shanghai | Bahrain | Barcelona | Monaco | Montreal | Silverstone | Nürburgring  
Budapest | Spa | Monza | Yeongam | Suzuka | New Delhi | Abu Dhabi | Austin | Sepang  
**TENNIS** ATP Masters Series Madrid **WINTER SPORTS** Downhillrace Kitzbühel  
Night Slalom Race Schladming | Four Hills Tournament Bergisel & Bischofshofen  
**EQUESTRIAN** CHIO Aachen, World Equestrian Festival | GLOCK Dressage & Jumping Competition  
**SPECIAL EVENTS** Film Festival Vienna | Chelsea Flower Show London





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**CHELSEA FLOWER SHOW**  
LONDON



**HAHNENKAMM**  
DOWNHILL RACE KITZBÜHEL



**ATP MASTERS**  
MADRID



**CHIO**  
AACHEN

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**FC BAYERN MÜNCHEN**  
ALLIANZ ARENA



**FORMULA 1**



# BEST HOSPITALITY

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## RESTAURANTS LOUNGES & HOTEL

As the Group's oldest segment and creative core, this division stands for an innovative all-round culinary experience. The restaurants act as flagship stores and show the entire breadth of the product range. Expansions in the fields of retail, railway catering, airport gastronomy and airport lounges have brought about an increase in turnover. The Turkish Airlines lounge in Istanbul Atatürk doubled in size to 6,000 sqm following high-level success and a constant rise in visitor numbers. The positive development at Henry continued. The airport gastronomy field is also gathering momentum, partly thanks to the opening of Henry shops at Kiev Airport and the increasing turnover at Bodrum Airport. New restaurants were built following the acquisition of Arena One in Munich.

BEST TASTES OF THE WORLD

HOTEL DO & CO Hotel Vienna RESTAURANTS & CAFÉS DO & CO Stephansplatz  
K. u. K. Hofzuckerbäcker Demel | DO & CO Albertina | Café Griensteidl  
LOUNGES Lufthansa First Class Lounges Frankfurt | Turkish Airlines Lounges  
Istanbul | Adana | Bodrum | Trabzon | Dalaman | Emirates Lounges New York  
London | Mailand | Austrian Airlines Lounges Vienna RETAIL Henry – the art  
of living RAILWAY Henry am Zug AIRPORT GASTRONOMY | STAFF RESTAURANTS





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HENRY  
VIENNA



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TURKISH AIRLINES  
LOUNGE ISTANBUL



DO & CO RESTAURANT  
VIENNA



DO & CO HOTEL  
VIENNA





# 2013/2014

Management Report  
Corporate Governance Report  
Report of Supervisory Board  
Glossary of Key Figures  
Consolidated Financial Statements  
Auditor's Report  
Financial Statements of  
DO & CO Aktiengesellschaft  
Management Statements Pursuant  
to Section 82 (4) 3 Austrian Stock Exchange Act



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# GROUP MANAGEMENT REPORT FOR 2013/2014

## 1. Highlights

### Top performance through international growth and consistent positioning in the premium segment

Innovative products, a spate of new customers, excellent relations with our existing customers and a large range of measures to improve efficiency have once again produced excellent results. Sales: (€ 636.14m / +10.4%); (EBITDA: € 66.18m / +12.8%); (EBIT: € 46.64m / +12.3%); Net result (€ 26.07m / +14.3%). Earnings per share reached € 2.68 (PY: € 2.34). The Management Board will suggest a dividend payment of € 0.85 per share to the General Meeting of Shareholders.

### Acquisition of Arena One GmbH

Effective 1 January 2014, DO & CO acquired all the shares of Arena One GmbH. The Munich-based company employs more than 450 staff and handles the catering for all divisions of the Allianz Arena, the home stadium of FC Bayern Munich and TSV 1860 Munich, as well as acting as the exclusive catering partner for the Munich Olympic Park since 1972.

### Major new customers in 2013/2014 in the Airline Catering division

- Qatar Airways ex Warsaw
- Emirates Airline ex Kiev-Boryspil
- British Airways ex London City
- South African Airways ex London Heathrow, Frankfurt and Munich
- China Southern Airlines and KLM Royal Dutch Airlines ex Istanbul Atatürk

Of particular note is the new business relationship built with premium carrier South African Airways at three of DO & CO's locations. Starting in 1 March 2014, four daily long-distance flights, two of them from London Heathrow and one each from Frankfurt and Munich, have had their two passenger classes supplied exclusively with DO & CO premium quality food.

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

During its 2013/2014 business year, DO & CO, in its 22<sup>nd</sup> season as a caterer to Formula 1 served altogether 16 Formula 1 grands prix races in 16 countries, delighting 70,000 VIP guests with its fare in the exclusive Paddock Club. Additional highlights of the business year were the tennis tournament of the ATP Tennis Masters Series in Madrid (32,000 VIP guests), the UEFA Champions League Final in London (7,000 VIP guests) and the UEFA Supercup Final in Prague. Added to this were the “staples” such as the Hahnenkamm race at Kitzbühel, the prestigious horse show CHIO Aachen and the beach volleyball tournament at the Wörthersee.

### DO & CO bond 2014 – 2021

In the fourth quarter of its 2013/2014 business year, DO & CO Aktiengesellschaft placed a bond of € 150m on the market. With a term of seven years and a fixed-interest coupon of 3.125% p.a., the bond was accepted for regulated OTC trading on the Vienna Stock Exchange. The first listing was on 4 March 2014. Its successful placement was evidenced by strong demand from institutional as well as private investors. Interest was greatest among Austrian investors.

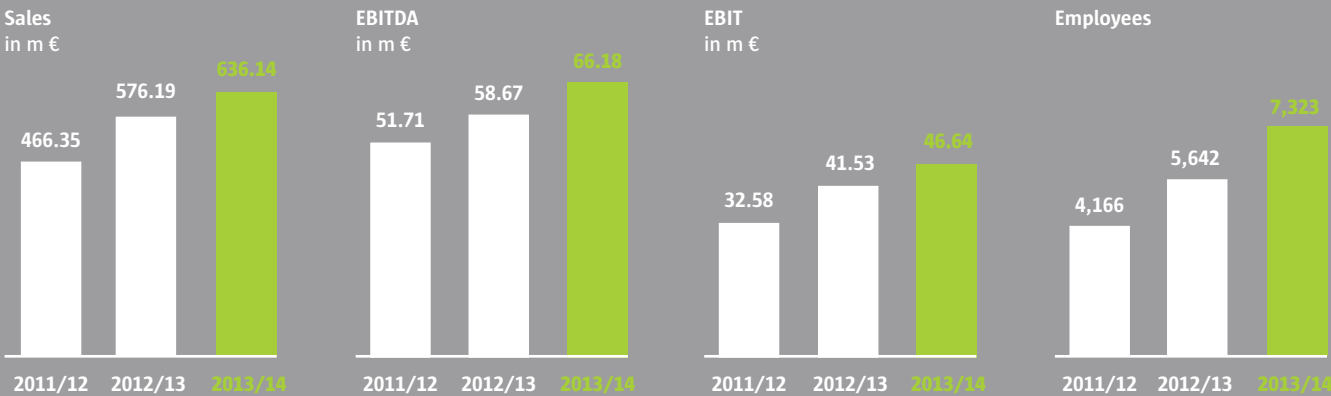
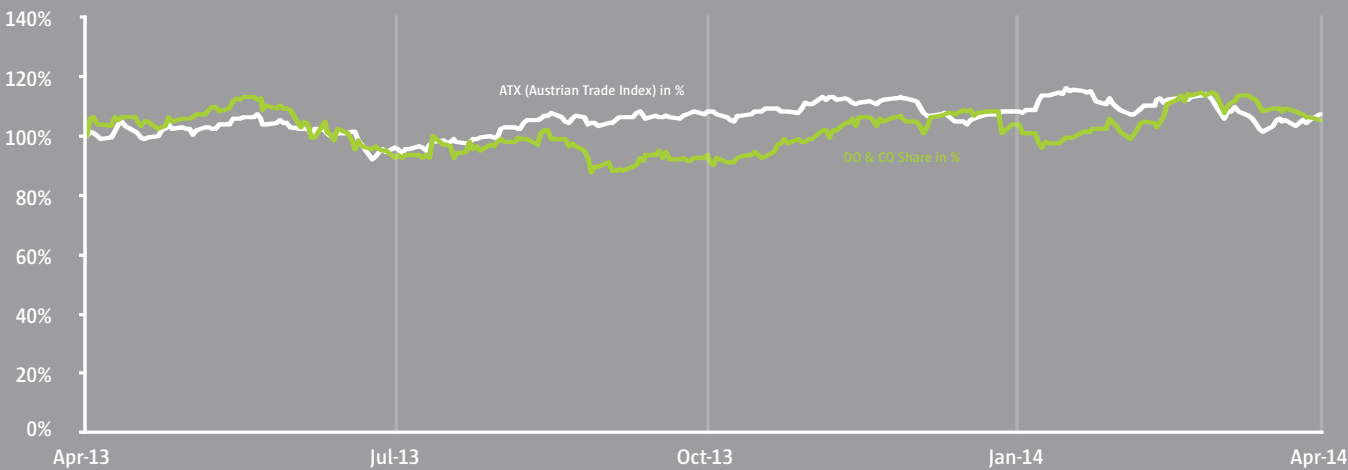
### Excellent performance on the Istanbul and Vienna stock exchanges

During 2013/2014, DO & CO's shares did well on each of the stock exchanges in Istanbul and Vienna. On the Istanbul stock exchange the share price rose by 25.6%, compared to a decline by 18.8% of the exchange's leading share index BIST 100. In Vienna, the share price gained 5.3%, as against a rise of 7.3% by the ATX. On 31 March 2014, the DO & CO share price closed at TRY 113.00 in Istanbul and € 37.61 in Vienna.



# KEY FIGURES

Development DO & CO Share in EUR



### 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 Dec 2010 (BIST)

### Relevant Information on the Capital Market

T: +43 (1) 74000-0  
F: +43 (1) 74000-1029  
E: investor.relations@doco.com

Reuters Code: DOCO.VI, DOCO.IS  
Bloomberg Code: DOC AV, DOCO.TI  
Homepage of Vienna Stock Exchange: [www.wienerboerse.at](http://www.wienerboerse.at)  
Homepage of Istanbul Stock Exchange: [www.borsaistanbul.com](http://www.borsaistanbul.com)

## 2. Key Figures of the DO & CO Group under IFRS

The abbreviations and calculations are explained in the glossary of key figures.

		Business Year 2013/2014	Business Year 2012/2013	Business Year 2011/2012
Sales	m €	636.14	576.19	466.35
EBITDA	m €	66.18	58.67	51.71
EBITDA margin	%	10.4 %	10.2 %	11.1 %
EBIT	m €	46.64	41.53	32.58
EBIT margin	%	7.3 %	7.2 %	7.0 %
Profit before taxes	m €	44.88	42.26	35.58
Net result	m €	26.07	22.81	19.33
Net result margin	%	4.1 %	4.0 %	4.1 %
Employees		7,323	5,642	4,166
Equity <sup>1</sup>	m €	189.48	184.84	161.64
Equity ratio <sup>1</sup>	%	37.3 %	53.3 %	56.8 %
Net debts	m €	-27.98	-56.77	-85.04
Net gearing	%	-14.8 %	-30.7 %	-52.6 %
Working Capital	m €	179.15	75.17	92.39
Cash-flow from operating activities	m €	42.19	36.03	45.67
Cash-flow from investing activities	m €	-58.05	-30.41	-62.55
Free cash-flow	m €	-15.87	5.62	-16.88
ROS	%	7.1 %	7.3 %	7.6 %

<sup>1</sup> Adjusted by bookvalue of goodwill and designated dividend payments

## Key Figures per share

		Business Year 2013/2014	Business Year 2012/2013	Business Year 2011/2012
EBITDA per share	€	6.79	6.02	5.31
EBIT per share	€	4.79	4.26	3.34
Earnings per share	€	2.68	2.34	1.98
Equity (book entry) <sup>1</sup>	€	19.45	18.97	16.59
High <sup>2</sup>	€	41.00	37.50	35.30
Low <sup>2</sup>	€	31.39	26.55	23.50
Price at the end of the period <sup>2</sup>	€	37.61	35.71	29.18
Number of shares at the end of the period	TPie	9,744	9,744	9,744
Market capitalization at the end of the period	m €	366.47	347.91	284.33

<sup>1</sup> Adjusted by bookvalue of goodwill and designated dividend payments

<sup>2</sup> Closing price



3. Economic Environment<sup>1</sup>

Global economic growth in 2013 did not change much from 2012. In spite of the ongoing debt crisis in the euro zone, which put a heavy dampener on growth, progress was achieved with the financial consolidation of state budgets. However, with emerging countries growing significantly less than expected, global trade continued to show only a modest growth rate. Moreover, public and private sectors were restrictive in their investment. Still, emerging countries’ prospects improved over the year, which in turn brightened the climate for investors. Nevertheless, the risk of another crisis in the making is not yet over, even though acute risks abated.

For the world economy, the International Monetary Fund (IMF) calculated a growth rate of 3.0% for 2013, after 3.2% in the previous year. For 2014 it expects global growth to be at 3.6%. For 2015 IMF experts foresee a definite acceleration to 3.9%, fuelled by the US, emerging markets in Asia and the countries to the south of the Sahara, which are expected to grow by 5.4%.

In 2013, the US economy grew by 1.9%, after growing 2.8% in 2012. It is expected to increase by 2.8% again in 2014. The lower growth in 2013 was ascribed to the sovereign debt crisis in the euro zone, slack growth in China and automatic budget cuts in the US. Nevertheless, consumer spending, which accounts for about 70% of the economic output in the US, was up again in the last quarter. The labour market similarly brightened and exports outran imports. In response to the good news, the Federal Reserve intends substantially to reduce its acquisition of long-term state and property bonds in 2014. The benchmark interest rate has remained unchanged at 0.00% to 0.25% since the end of 2008.

With the exception of Brazil, all BRICS states<sup>2</sup> reported lower growth rates than in the previous year. In addition to a slowdown in demand from Europe in 2013, they were affected by declining investment and lower prices for raw materials. Moreover, BRICS countries are currently in the middle of progressing towards more sustainable growth models, searching for a new price policy or approaches to solve their sovereign debt crisis. China intends to meet its structural challenges by reducing the influence of state-owned enterprises, increasing competition, introducing a market-oriented prices policy and opening its financial markets to private banks. The world’s second largest economy, China achieved a growth rate of 7.7% in 2013, the same as in the previous year. At the same time, Russia saw its global competitiveness deteriorate, achieving a growth of just 1.3% in 2013, after 3.4% in 2012.

After growing by 1.4% in 2012, Japan managed a rate of 1.5% in 2013. Over the year, its economy continued on the road to recovery at a modest pace, hampered by the downswing in China. It was expected that the weak yen would boost exports, a hope that was not fulfilled, since imports are usually settled in dollars.

In contrast to the euro zone, which reported a decline in output by 0.5% in 2013, the European Union, following a drop in its performance of 0.3% in 2012, managed to grow by 0.2% in the next year, a recovery driven mostly by its exports. According to the IMF, for a recovery to be sustainable it requires a boost in domestic demand as well. Yet the need to consolidate public households dampened any further growth. Held down by the ongoing weak economic performance, the benchmark interest rate in the euro zone was reduced to a record low of 0.25% in November 2013.

In 2013, the growth rate of 0.4% reported by Austria was markedly below the rates of the previous years: 0.9% for 2012 and 2.8% for 2011. Stagnating real wages and the vagaries of the job market caused private households to hold back on consumption. Businesses were similarly cautious in their investments. After losing its AAA rating in January 2012, Austria had its AA+ rating affirmed by S&P thanks to its stable outlook in 2013. The affirmation reflects the consistent conduct of its government and its predictable and growth-promoting economic policy. For 2014, growth is expected to rise to 1.7%, as the global economy is about to recover and domestic demand is set to grow. In spite of higher unemployment (4.9% on the Eurostat definition) in 2013, Austria still has the lowest jobless rate of all EU member states – the EU average was 10.9%. Inflation was down to 2.1% in 2013, from 2.4% in 2012. Average inflation in the European Union was 1.5% in 2013.

Germany’s economy grew by 0.5% in 2013, after 0.9% in 2012, propelled once again by robust demand in and outside Germany and a drop in unemployment. Germany was, moreover, the only euro country that reported a budget surplus, of 0.01% of GDP.

In Turkey, the economy grew by 2.1 percentage points to 4.3% in 2013. Drivers were state investments as well as private consumption. However, as the Turkish lira suffered a substantial loss in its value, Turkish companies found themselves with a significant increase in their foreign debt. Combined with rising interest rates and a decline in domestic demand, the country’s economic dynamics experienced a severe check. For 2014, IMF economists expect a growth rate of just 2.3%.

Tensions in Ukraine had the financial markets and Europe in a worry. Business in Ukraine is still suffering from the consequences of the massive contraction in 2009, when output fell by 15%. In 2013, the country’s 2% growth rate was achieved mostly by exports. The balance on the current account was once again negative in 2013, a situation inadequately compensated by the inflow of foreign direct investment and funds from international financial institutions. Future growth will depend on economic policy reforms, consolidation of public finances and an improvement of the business and investment climate.

With the phase of low interest rates still prevailing, yields from overnight and fixed-term deposits were usually below inflation, which caused a significant rise in demand for higher-yielding investments in the money markets. Measures taken by the ECB to contain the debt crisis decreased the systemic risk, with the result that more capital was invested in equities. The German share index rose by 24%, a strong increase over an already high-performing previous year. The Austrian ATX gained 6% and the Dow Jones rose by 27%. The Turkish BIST 100 index, on the other hand, declined by 9%.

The EUR/USD exchange rate rose continuously, with some intermittent pullbacks, throughout 2013, towards a rate of \$ 1.40 to the euro. Even though the economy was more dynamic in the US and the European benchmark interest rate was reduced, the euro was still in catch-up mode. The exchange rate on 31 March 2014 was USD 1.3788 to the euro. Also of note is the development of the Turkish lira, which devalued from TRY 2.3212 to TRY 2.9693 to the euro during the reporting period (source: Austrian National Bank).

<sup>1</sup> Economic data source: <http://www.imf.org/external/pubs/ft/weo/2014/01/pdf/text.pdf>  
<sup>2</sup> Association of emerging national economies: Brazil, Russia, India, China and South Africa



4. Risk Management

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

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

The risk and opportunity management system is based on standardised, group-wide planning and control processes and on intercompany guidelines and reporting systems that adhere to the principles of risk management and risk structures according to COSO<sup>3</sup>.

Coordinated by the Corporate Risk Manager, risk and opportunity management is considered a core management task and an integral part of all business processes. The Group therefore identifies risks more quickly but also opportunities. Reporting is done on an ongoing basis, so all managers and decision-makers are personally involved in risk management.

Identified risks and opportunities are grouped into risk and opportunity categories and assigned by the Corporate Risk Manager to the managers responsible for the given area for further action. Strategies for coping with the identified risks and utilising the identified opportunities are then devised and subsequently pursued on site by local management. The aim of these actions is to reduce possible damage from risks and minimise 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 efforts are supported by a multitude of regulations and activities, including those of the Central Administration, Controlling, Legal Compliance and Internal Auditing departments.

The Group’s risk management system closely cooperates with insurers to ensure that proper coverage is provided for those risks that are insurable.

The following risk categories were identified as material for the business year of 2013/2014.

Risks and Trends Specific to the Airline Industry

The airline industry is heavily dependent on cyclical economic trends that act both globally and in the respective regions. Specific problems facing the aviation industry also impact both directly and indirectly on DO & CO’s Airline Catering division. Airline performance in turn depends on developments in fuel prices, tax rates and airport and security charges. With DO & CO achieving large parts of its sales from a handful of key customers, such as Turkish Airlines, Austrian Airlines Group, NIKI, Emirates Airline, Etihad Airways, LOT Polish Airlines, Cathay Pacific, British Airways and Pegasus Airlines, the Group therefore to some extent runs a “cluster risk”.

The company has thus instituted a course of permanent monitoring of the macroeconomic situation combined with ensuring that its key account managers are in constant contact with airline clients, so it can react quickly to any changes in their economic situation and promptly counter any negative effects of conditions in the airline industry on the DO & CO Group. The acquisition of new customers obtained from participating in tenders worldwide helps the Group to further diversify risks.

Economic Developments

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

To counter economic risk 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 on 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

High-level international security precautions have stabilised the risks of terrorism in the last years in areas where the DO & CO Group conducts business, but negative ramifications for the airline industry from this problem can be expected at any time. The constant adjustment of security standards to incorporate the latest findings has cut the danger of terrorist attacks. Nevertheless, the DO & CO Group constantly monitors the political situation to be prepared to take appropriate action where required.

In particular, the processes in the Ukraine are permanently monitored and evaluated. In case of impact on the business appropriate counter-measures are initiated and implemented immediately.

<sup>3</sup> COSO (Committee of Sponsoring Organisations of the Tradeway Commission) is an independent private business organisation sponsored by the five largest financial reporting associations.



Risks Pertaining to Force Majeure and Epidemics

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 or Severe Acute Respiratory Syndrome (SARS). This risk category also includes natural disasters such as the eruption of the Icelandic volcano Eyjafjallajökull in April 2010, which repeatedly brought air traffic in large parts of Northern and Central Europe to a complete or partial standstill for several days in a row, and the tsunami-related nuclear incident and radioactive contamination in Japan in March 2011.

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.

Hygiene Risks

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

The ongoing expansion of the DO & CO Group is accompanied by a mirroring drive to enlarge its management resources.

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

Procurement Risks

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

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

Risk of Production Plant Failure

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

Information Technology Risks

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

Legal Risks

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

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



Acquisition and Integration of Business Units

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

Foreign Currency Risks

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

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

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

Liquidity Risks

Precise financial planning updated daily is the key to controlling liquidity and to avoiding liquidity risk. If expansion and other projects are undertaken, a meticulous analysis of their impact on Group liquidity must be conducted.

All Austrian DO & CO companies are integrated in a single cash-pooling system so that liquidity can be controlled centrally.

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

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

Default Risks

DO & CO keeps the risk of default to a minimum by closely monitoring outstanding debts as part of receivables management. The outstanding items of all legal entities in the Group are reported weekly. That means the Group monitors customer default 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. Investments are made only at banks with first-class ratings. No material default risks are expected from the other original financial instruments. Any residual risks are covered by adequate allocations to reserves.

Interest Risks

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

Balancing Risks

The use of estimates and discretionary margins when it comes to, inter alia, non-financial assets, deferred tax liabilities, evaluating stocks and receivables, provisions for pension, severance and anniversary bonus payments has a direct effect on how assets and earnings are shown.

The inclusion of acquisitions in the balance sheet and their attendant assessment may give rise to valuation risks. Matching up different accounting practices may lead to a reporting risk. A Group manual that defines the balance sheet recognition and valuation principles applied by DO & CO ensures that the process is standardised and reduces the risk of approaches varying within the Group.

The accounting process has an integrated internal control system which is tailored to the needs of the Group and includes features such as functional division and the four-eyes principle. Regular audits by the internal audit department and the official auditor ensure that the processes undergo permanent improvement and optimisation.

In sum, DO & CO is confident it can manage and offset its risks with the risk management system it has put in place.

These risks do not impair the continued successful existence of the Group.

The Notes contain additional details on currency, liquidity, default and interest risk (Section 4.10. Trade accounts receivable and Section 7.1. Additional disclosures on financial instruments).



5. Report on Essential Features of the Internal Control and Risk Management System in Connection with the Preparation of the Consolidated Financial Statements

The Management Board meets its responsibility for organizing an internal control system and risk management system, for accounting and for legal compliance. The internal control system for accounting ensures that financial information and data processing systems are complete and reliable. The system likewise ensures that business facts are recorded, compiled, processed and entered in the accounts in accordance with proper financial procedures. The objective of the internal control system is to guarantee effective and constantly improving internal controls for accounting and thereby ensuring 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 organizational 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 organizing and monitoring financial reporting in the Group.

Compliance with the processes for recording, making account entries and balancing the accounts for transactions is regularly monitored as part of appropriate organizational actions. All monitoring actions apply to the entire business process. Monitoring can constitute anything from management examining results for various periods, to transferring 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 optimized. Close attention is paid to IT security in this context. With respect to the financial systems used, pertinent authorization arrangements are employed to guard access to corporate data. Restrictive authorization allows sensitive activities to be separated from non-sensitive ones.

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

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

The accounting process and financial reporting are systematically examined for possible risks and regularly evaluated by the Corporate Risk Manager. If a need arises, action to optimize the situation is launched and carried out quickly to counter any risks as effectively as possible.

6. Sales

In its 2013/2014 business year, the DO & CO Group recorded sales of € 636.14m, an increase of 10.4% or € 59.95m over the previous year.

Sales		Business Year 2013/2014	Business Year 2012/2013	Change	Change in %	Business Year 2011/2012
Airline Catering	m €	450.19	400.23	49.96	12.5 %	349.81
International Event Catering	m €	60.79	71.09	-10.30	-14.5 %	46.01
Restaurants, Lounges & Hotel	m €	125.16	104.87	20.29	19.3 %	70.54
Group Sales		636.14	576.19	59.95	10.4 %	466.35

Share of Group Sales		Business Year 2013/2014	Business Year 2012/2013
Airline Catering	%	70.8 %	69.5 %
International Event Catering	%	9.6 %	12.3 %
Restaurants, Lounges & Hotel	%	19.7 %	18.2 %
Group Sales		100.0 %	100.0 %

Sales at the **Airline Catering division** rose by € 49.96m in the business year of 2013/2014, from € 400.23m to € 450.19m in spite of a difficult market. The division contributes 70.8% (PY: 69.5%) to Group sales.

Sales growth for the Airline Catering division was particularly strong at the international locations.

Turkish DO & CO continued its growth path in the 2013/2014 business year, both with Turkish Airlines and with third-party customers. The “Flying Chefs” concept was further expanded to include, in addition to passengers on long-haul flights, those on international short-haul flights. Altogether more than 500 DO & CO “Flying Chefs” are already deployed with Turkish Airlines. Third-party clients now include China Southern Airlines and KLM Royal Dutch Airlines.

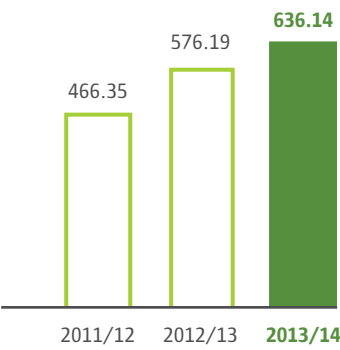
Sales figures grew substantially at DO & CO location at New York’s John F. Kennedy Airport, driven chiefly by Emirates Airline, which has three daily outgoing flights catered by DO & CO, and British Airways, with up to ten long-haul flights to London Heathrow and London City. Added to this, Turkish Airlines has extended its schedule by one daily flight out of New York’s John F. Kennedy Airport.

From London Heathrow, DO & CO reports two new startups: since November 2013, DO & CO has been in charge of the catering for two daily “Business Class Only” flights operated by British Airways ex London City to New York John F. Kennedy. On 1 March 2014, South African Airways became part of DO & CO’s portfolio with two daily long-distance flights. In addition, sales to existing customers were increased.

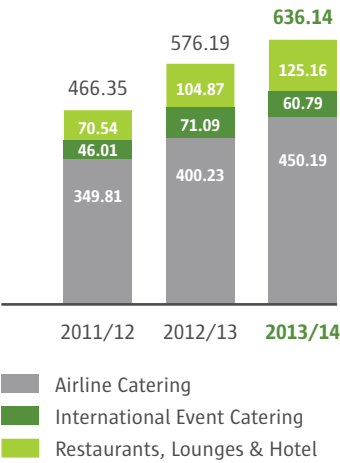
In its German market, the Airline Catering division, located in Frankfurt, Munich and Berlin, boosted sales by extending its business with existing customers. Additional sales in Frankfurt were generated from Emirates Airline and Etihad Airways. Of particular note is the acquisition of South African Airways by the Frankfurt and Munich locations, which have been catering for one daily outgoing flight each since 1 March 2014.



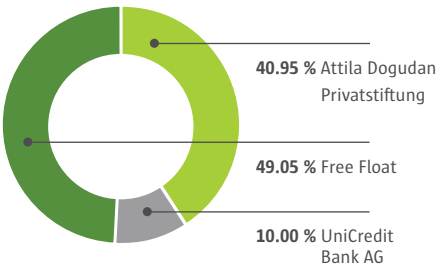
Group Sales  
in m €



Sales by Divisions  
in m €



Shareholders' structure



In 2013/2014, sales by DO & CO Poland Sp. z o.o. were included for the first time in a full business year. Sales decreased due to ongoing restructuring at its main customer, LOT Polish Airlines. Also of note is the startup of Qatar Airways in September 2013.

The Austrian location reported stable sales for 2013/2014, in contrast to the Kiev and Milan locations where sales were reduced.

The **International Event Catering division** saw its sales fall from € 71.09m, by € 10.30m, to € 60.79m. The division's share in overall sales was 9.6% (PY: 12.3%).

The decline was due solely to the fact that DO & CO had handled the catering for the UEFA EURO 2012 football championship in Poland and Ukraine in the 2012/2013 business year. Adjusted for the once-only effect of UEFA EURO 2012, the division reported a highly satisfactory increase of 20.4%.

As to its Major Events, a highlight of the division is its catering to Formula 1 races: altogether 16 races were handled in 16 countries, and 70,000 VIP guests were served in the exclusive Paddock Club. Also notable were the ATP Tennis Masters in Madrid (32,000 VIP guests), the UEFA Champions League final in London's Wembley Stadium (7,000 VIP guests) and the UEFA Super Cup final in Prague. In the summer of 2013, work focused on the catering for VIP guests at the traditional horse show jumping tournament CHIO Aachen, two major horse shows at Lake Ossiach/Carinthia and the beach volleyball grand slam at the Wörthersee. Winter "staples" included the Hahnenkamm race at Kitzbühel, the Bergisel and Bischofshofen legs of the Four Hills Tournament and the night slalom at Schladming.

The Classic Events unit had a similarly busy year. DO & CO furnished premium catering services for numerous events organised by business, politics and sports organisations.

Effective 1 January 2014, DO & CO purchased 100% of the shares of Arena One GmbH, based in Munich, from E.ON Facility Management GmbH. Accordingly, the sales of Arena One GmbH were included in the reporting of the DO & CO Group from 1 January 2014. Arena One is responsible for the catering for all events at the Allianz Arena, the home stadium of FC Bayern Munich and TSV 1860 Munich. Since 1972, the company has also been the exclusive caterer for the Munich Olympia Park. Since joining the DO & CO Group Arena One has acted as the culinary host for numerous sports and business events, including eleven football games at the Allianz Arena, and the handling of the entire VIP hospitality at the Bolshoi Ice Palace during the 2014 Olympic Winter Games in Sochi.

The **Restaurants, Lounges & Hotel division** reported sales of € 125.16m in the 2013/2014 business year, an increase of 19.3% over the previous year's level (€ 104.87m). The division contributed 19.7% to the Group's sales (PY: 18.2%).

The rise was due mostly to the new addition of Arena One GmbH, as well as higher sales by the Lounges, Airport Catering, Retail and Railway Catering units.

All of the 23 lounges operated around the world by DO & CO – comprising the Austrian Airlines and Vienna Airport lounges in Vienna, Lufthansa lounges in Frankfurt, Emirates lounges at London Heathrow, New York John F. Kennedy and Milan Malpensa, and the Turkish Airlines lounges in Istanbul Atatürk, Dalaman, Trabzon, Adana and Bodrum – reported satisfactory growth in their sales in 2013/2014. A new addition to the DO & CO catering service is the Turkish Airlines arrivals lounge at Atatürk Airport in Istanbul, opened in September 2013.

DO & CO is also expanding its airport catering services. It launched its Henry shops at Kiev-Boryspil Airport in July 2013, which rang up satisfactory sales rates in spite of a difficult environment.

The positive retail trend is continuing as well. Another Henry shop was opened at "The Mall" in central Vienna at the start of the 2013/2014 business year.

The Railway Catering unit similarly increased its sales figures, providing snacks and meals to over 3.5m passengers during the 2013/2014 business year.

Growth was also reported by the staff restaurants. The acquisition of Arena One GmbH added 24 staff restaurants to the total figure covered by the DO & CO unit, spread over all of Germany.

DO & CO restaurants again performed well in 2013/2014. The addition of Arena One GmbH added locations at the Munich Olympic Park to the portfolio. From the end of 2013, DO & CO withdrew from the Casino Baden location.

7. Earnings

Consolidated earnings before interest and taxes (EBIT) for the DO & CO Group amounted to € 46.64m for the 2013/2014 business year, € 5.11m higher than in the previous year. The EBIT margin increased from 7.2% in the previous business year to 7.3% in 2013/2014.

EBITDA for the DO & CO Group was € 66.18m, an increase of € 7.52m over the EBITDA figure for the previous year. The EBITDA margin was 10.4% (compared to 10.2% in the previous business year).

Group		Business Year 2013/2014	Business Year 2012/2013	Change	Change in %	Business Year 2011/2012
Sales	m €	636.14	576.19	59.95	10.4 %	466.35
EBITDA	m €	66.18	58.67	7.52	12.8 %	51.71
Depreciation/amortization	m €	-19.36	-17.11	-2.24	-13.1 %	-16.09
Impairment	m €	-0.18	-0.02	-0.16	-838.3 %	-3.04
EBIT	m €	46.64	41.53	5.11	12.3 %	32.58
Profit before taxes	m €	44.88	42.26	2.62	6.2 %	35.58
Net result	m €	26.07	22.81	3.27	14.3 %	19.33
EBITDA margin	%	10.4 %	10.2 %			11.1 %
EBIT margin	%	7.3 %	7.2 %			7.0 %
Employees		7,323	5,642	1,681	29.8 %	4,166



Costs of materials and services as a proportion of sales remained at 41.7%, same as in the previous year. In absolute figures, expenditure on materials rose by € 25.19m (+10.5%) compared with a sales growth rate of 10.4%.

Personnel expenses in terms of sales increased slightly from 33.1% to 33.2% in the 2013/2014 business year. In absolute figures, they rose from € 190.71m to € 211.44m.

Depreciation/amortisation and Impairment amounted to € 19.54m, or € 2.41m over the previous year (€ 17.13m).

Other operating expenses grew by € 12.47m or 12.1%.

The tax ratio (taxes as a proportion of untaxed income) was 22.6% in the 2013/2014 business year (compared to 25.4% in the previous year).

For the overall business year of 2013/2014, the Group achieved a profit after taxes of € 34.73m, an increase of € 3.20m over the previous year.

The part of the profit due to the shareholders of DO & CO Aktiengesellschaft (Net result) is € 26.07m (PY: € 22.81m). Earnings per share reached € 2.68 (PY: € 2.34).

8. Statement of Financial Position

Non-current assets increased by € 40.38m to € 196.91m, caused mostly by an increase in both intangible and tangible assets.

With regard to the increase of intangible assets, notable events were the first consolidation of:

- Arena One GmbH,
- Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş.

Factors contributing to the increase of property, plant and equipment were investments in the Istanbul hotel project, investments in Turkish airline catering locations and the above highlighted other acquisitions consolidated for the first time.

Current assets rose by € 120.70m, from € 195.72m to € 316.42m. The rise was due chiefly to an increase in liquid funds consequent to issuing the DO & CO bond. The increase in inventories and receivables was the result of an expansion of business activities and the newly consolidated acquisitions.

Consolidated equity (adjusted for prospective dividend payments and goodwill book values) recorded a rise by € 4.64m, from € 184.84m on 31 March 2013 to € 189.48m on Statement of Financial Position 31 March 2014.

The equity ratio (after adjustment by prospective dividend payments and goodwill book values) as of 31 March 2014 fell to 37.3%, compared to 53.3% on 31 March 2013, the result mostly of an increase in the balance sheet consequent on the issuance of the bond.

Long-term provisions and liabilities grew from € 41.24m to € 180.95m, driven mostly by the issuance of the DO & CO bond. In the fourth quarter of its 2013/2014 business year, DO & CO Aktiengesellschaft issued a bond with a volume of € 150m and a fixed-interest coupon of 3.125% p.a. The bond has a term of seven years.

Short-term provisions and liabilities rose by € 13.31m to € 128.99m compared to the previous year’s balance sheet date. Again, the increase was due to the expansion of business activities and, primarily, the newly consolidated acquisitions.

9. Employees

The average number of employees increased from 5,642 to 7,323 year-on-year. This rise was due mostly to the inclusion of Arena One GmbH, the incorporation of DO & CO Poland Sp. z o.o. for one full business year and an expansion of business in Turkey and the US.



- TURKISH AIRLINES
- AUSTRIAN AIRLINES
- EMIRATES
- ETIHAD AIRWAYS
- QATAR AIRWAYS
- BRITISH AIRWAYS
- CATHAY PACIFIC
- SINGAPORE AIRLINES
- OMAN AIR
- GULF AIR
- NIKI
- PEGASUS AIRLINES
- ROYAL AIR MAROC
- ASIANA AIRLINES
- AIR MALTA
- KOREAN AIR
- CYPRUS AIRWAYS
- TAP AIR PORTUGAL
- EVA AIR
- ROYAL JORDANIAN
- EGYPT AIR
- CHINA AIRLINES
- AIR FRANCE
- CHINA SOUTHERN AIRLINES
- KLM ROYAL DUTCH AIRLINES
- SOUTH AFRICAN AIRWAYS
- LOT POLISH AIRLINES

# AIRLINE CATERING

THE WORLD’S BEST RESTAURANTS AT 36,000 FEET



DO & CO FLYING CHEFS

We spoil our guests in the DO & CO gourmet restaurants in the clouds. Because when you can smell the delicious aroma of fresh baking and you are served a fried egg for breakfast and the sole is fresh from the grill and the steak is cooked just right – it goes without saying that the first asparagus of the season will be on the menu too. The best flavours from all around the world, including diverse Oriental and Far-Eastern dishes, a whistle-stop tour of the Mediterranean and Austrian delights – all this awaits

the guests onboard. All these dishes have one thing in common – unique DO & CO quality. More than 60 airlines have entrusted the internationally unique gourmet airplane catering brand with the task of providing their passengers with an incomparable experience in the sky.

Welcome aboard – we and our partner airlines look forward to meeting you.

MANAGEMENT  
REPORT

CORPORATE  
GOVERNANCE REPORT

REPORT OF THE  
SUPERVISORY BOARD

CONSOLIDATED  
FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENT



10. Airline Catering

Having established a unique, innovative and competitive product portfolio, the Airline Catering division generates in nine countries the largest share of the overall sales of the DO & CO Group.

On a global scale, the 25 DO & CO gourmet kitchens in New York, London, Istanbul, Frankfurt, Munich, Berlin, Milan, Malta, Warsaw, Kiev, Vienna and other locations in Austria, Turkey and Poland are setting new standards in the premium segment of the airline catering business.

DO & CO has built up a customer portfolio consisting of more than 60 airlines. This clientele includes major players such as the Austrian Airlines Group, NIKI, Turkish Airlines, British Airways, Emirates Airline, Etihad Airways, Qatar Airways, Cathay Pacific, Singapore Airlines, South African Airlines, LOT Polish Airlines, Oman Air, Royal Air Maroc, EVA Air, China Southern Airlines, Royal Jordanian, China Airlines, Pegasus Airlines and Asiana Airlines.

Airline Catering		Business Year 2013/2014	Business Year 2012/2013	Change	Change in %	Business Year 2011/2012
Sales	m €	450.19	400.23	49.96	12.5 %	349.81
EBITDA	m €	51.24	43.45	7.79	17.9 %	40.75
Depreciation/amortization	m €	-13.87	-12.81	-1.06	-8.3 %	-14.25
Impairment	m €	-0.14	0.00	-0.14	100.0 %	-1.70
EBIT	m €	37.23	30.64	6.59	21.5 %	24.80
EBITDA margin	%	11.4 %	10.9 %			11.7 %
EBIT margin	%	8.3 %	7.7 %			7.1 %
Share of Group Sales	%	70.8 %	69.5 %			75.0 %

During 2013/2014, the Airline Catering division rang up sales of € 450.19m (PY: € 400.23m), a growth rate of 12.5% over the last business year. The division contributed 70.8% of the Group’s overall sales (PY: 69.5%). Altogether, the gourmet kitchens of the DO & CO Group provided culinary treats to more than 84 million passengers on more than 550,000 flights worldwide.

EBITDA and EBIT increased once again: at € 51.24m, EBITDA improved by € 7.79m (+17.9%) over the previous year. EBIT rose from € 30.64m to € 37.23m (+21.5%). The EBITDA margin was 11.4% compared to 10.9% in the previous year. The EBIT margin was raised to 8.3% (PY: 7.7%).

Throughout the 2013/2014 business year, the Airline Catering division faced a highly competitive and volatile market environment. In spite of challenging conditions, DO & CO achieved satisfactory growth rates and gained new customers in the premium segment.

Below a short description is given of benchmark developments at the Airline Catering division in Turkey, other international locations and Austria.

Turkish DO & CO performed well during 2013/2014, both with its third-party customers and with Turkish Airlines.

An event of particular note was the award by Skytrax 2013<sup>4</sup> of the prestigious distinction of “Best Business Class Catering” to Turkish Airlines with DO & CO as its catering partner. Two more places among the top five in the “Premium Economy Catering” and “Economy Catering” categories add further highlights to the division’s performance.

<sup>4</sup> Source: [http://www.worldairlineawards.com/Awards\\_2013/jcatering.html](http://www.worldairlineawards.com/Awards_2013/jcatering.html)

The “Flying Chefs” concept was further expanded to include, in addition to the long-haul flights, passengers on international short-haul flights. Altogether more than 500 DO & CO “Flying Chefs” are already being deployed with Turkish Airlines. Moreover, Turkish DO & CO designed and implemented the new airline catering equipment for all passenger categories of Turkish Airlines, proving once again that DO & CO is a competent partner for total solutions in the airline catering business.

At the same time, business with third-party customers prospered in the 2013/2014 business year. The DO & CO location at Istanbul Atatürk Airport gained the carriers China Southern Airlines and KLM Royal Dutch Airlines as new customers.

In order to provide the underpinnings for further growth, major investments are ongoing at both locations in Istanbul (Atatürk and Sabiha Gökçen airports). At Atatürk Airport, over 4,500 square metres were adapted and the existing unit in Sabiha Gökçen is to be extended by more than 15,000 square metres. In addition, the gourmet kitchen in Ankara is to get an extension of another 2,000 square metres.

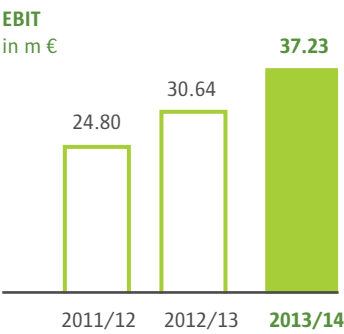
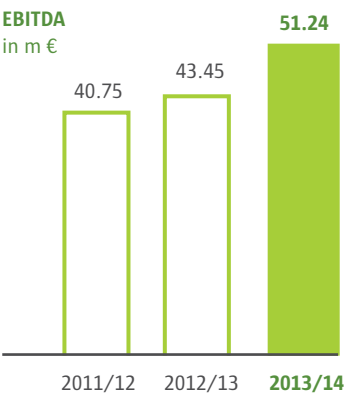
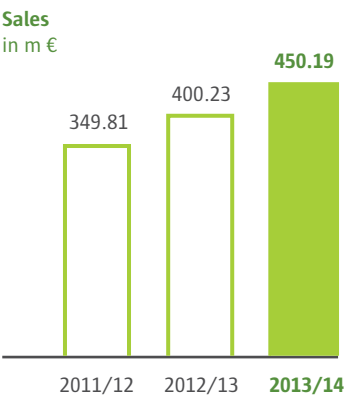
DO & CO at New York John F. Kennedy Airport reported substantial growth, fuelled mostly by Emirates Airline, which now runs three daily outbound flights, and British Airways, which operates up to ten long-distance flights to London Heathrow and London City. Furthermore Turkish Airlines added a daily flight ex New York John F. Kennedy Airport to its schedule.

London Heathrow reported two successful startups. Since November 2013, DO & CO has been in charge of catering for two daily “Business Class Only” flights run by British Airways from London City to New York John F. Kennedy. On 1 March 2014, DO & CO, after a very short preparatory period, successfully launched its catering for two daily long-haul flights operated by South African Airways out of London Heathrow. In addition, DO & CO increased its sales to existing customers and further strengthened its market position at this highly strategic location. As the unit is reaching the limits of its capacity, it is planned to expand the gourmet kitchen in the next business year.

In its German market, the Airline Catering division, located in Frankfurt, Munich and Berlin, boosted sales by extending its business with existing customers. Additional sales in Frankfurt were generated from Emirates Airline and Etihad Airways. Of particular note is the acquisition of South African Airways by the Frankfurt and Munich locations, which have been catering for one daily outgoing flight each since 1 March 2014.

Sales were down at the DO & CO locations at Kiev and Milan.

In Ukraine, the setback was due mostly to the bankruptcy in January 2013 of Aerosvit Airlines, which at the time had been the foremost customer of DO & CO Kiev. In the course of the 2013/2014 business year, the unit managed largely to make up for the loss by boosting its business with existing customers and gaining new clients. Specifically, business with Ukraine International Airlines was greatly enhanced and Emirates Airline was included in the client base of the Kiev location.





Ever since the autumn of 2013, Ukraine has been facing an economic and social instable situation. As a result, its currency devalued vis-à-vis the Euro and US-Dollar. The consequent risk for DO & CO is alleviated by the fact that most of its airline catering contracts are based on USD and Euro. It is difficult to assess at this point in time how the situation will develop and affect the business and revenues of DO & CO Kiev. DO & CO management is closely monitoring events in Ukraine in order to be able to respond quickly and effectively to every new development.

The slip in Milan was due to the loss of a charter airline contract. The customer underwent a strategic reorientation in the course of a merger and consequently saw no further need for freshly made food and premium catering. On the positive side, DO & CO Italy was awarded the distinction of being the best regional caterer by Etihad Airways.

The integration of DO & CO Poland, a subsidiary acquired in December 2012, was successfully continued. Business in Poland declined in 2013/2014, due to the restructuring carried out by LOT Polish Airlines, DO & CO’s chief customer. Also of note is the startup of Qatar Airways in September 2013.

The Austrian locations reported steady sales figures for 2013/2014. Negotiations with NIKI were successfully concluded and its catering contract extended by another three years to the end of 2016.

The offer of “DO & CO à la carte meals” to Austrian Airlines passengers, introduced with the Austrian carrier in 2012, shows a satisfactory take-up rate. It allows passengers to order a “DO & CO à la carte meal” when buying tickets on the internet or up to one hour prior to departure (at Vienna Airport).

During its 2013/2014 business year, DO & CO added another acquisition to its Airline Catering division: at the end of 2013/2014 it expanded vertically in Turkey by acquiring a 51% stake in a packaging company of 100 staff, based in Turkey some 100 km to the west of Istanbul. The company produces innovative packaging systems for airlines, retailers and caterers, so supplementing DO & CO’s product range with integrated solutions. The new addition was first included in the DO & CO Group balance sheet on 31 March 2014.

DO & CO strategy

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

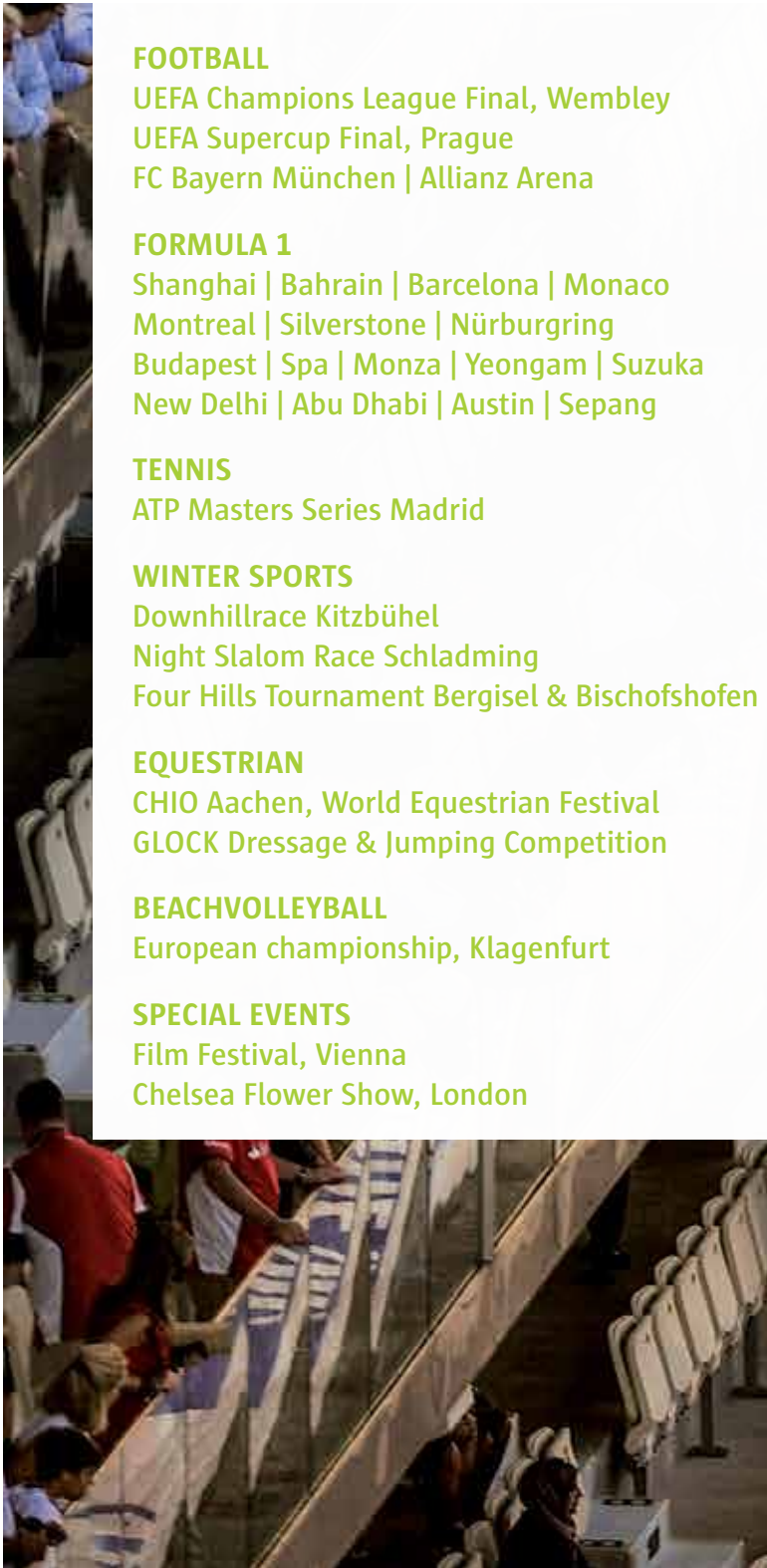
Outlook on the 2014/2015 business year

- Evaluation of targets for acquisition and opportunities for expansion
- Participation in tenders and acquisitions of more customers at all locations
- Opening of a new gourmet kitchen at Chicago O’Hare International Airport
- Increasing capacity by expanding the locations in Istanbul (Atatürk and Sabiha Gökçen airports), Ankara, London Heathrow and New York John F. Kennedy

Competitive edge for DO & CO

- “The” airline caterer in the premium segment
- Product creativity and innovation
- Supplier of one-stop solutions for DO & CO customers





- FOOTBALL**  
UEFA Champions League Final, Wembley  
UEFA Supercup Final, Prague  
FC Bayern München | Allianz Arena
- FORMULA 1**  
Shanghai | Bahrain | Barcelona | Monaco  
Montreal | Silverstone | Nürburgring  
Budapest | Spa | Monza | Yeongam | Suzuka  
New Delhi | Abu Dhabi | Austin | Sepang
- TENNIS**  
ATP Masters Series Madrid
- WINTER SPORTS**  
Downhillrace Kitzbühel  
Night Slalom Race Schladming  
Four Hills Tournament Bergisel & Bischofshofen
- EQUESTRIAN**  
CHIO Aachen, World Equestrian Festival  
GLOCK Dressage & Jumping Competition
- BEACHVOLLEYBALL**  
European championship, Klagenfurt
- SPECIAL EVENTS**  
Film Festival, Vienna  
Chelsea Flower Show, London



FORMULA 1 GRAND PRIX ABU DHABI

# INTERNATIONAL EVENT CATERING

AROUND THE WORLD | GOURMET ENTERTAINMENT BY DO & CO

Sporting events, corporate events and private parties – the DO & CO International Event Catering division offers a comprehensive package for festivities of between two and 250,000 guests. Alongside the core product, catering; ideas, themes and concepts are also designed and brought to life. In 2013/2014, international partners continued to enlist the services of their one-stop partner, DO & CO at, for example: 16 Formula 1 Grands Prix;

the ATP Masters Series in Madrid; CHIO Aachen, the world’s biggest equestrian festival; the European Beach Volleyball Championships and many winter sports events such as the Hahnenkammrennen, the Four Hills Tournament and the night slalom in Schladming. These longstanding partnerships attest to the consistent quality of DO & CO.



11. International Event Catering

The International Event Catering division saw its sales fall in the 2013/2014 business year, due solely to the fact that DO & CO had handled the catering for the UEFA EURO 2012 football championship in Poland and Ukraine in the 2012/2013 business year.

Annual sales amounted to € 60.79m (PY: € 71.09m), a minus of 14.5%. Adjusted for the one-off effect produced by the UEFA EURO 2012, the division reported a highly satisfactory increase of 20.4%.

For the 2013/2014 business year, the division reported an EBITDA of € 7.53m that was lower in absolute terms than in the previous year (€ 8.53m). The EBITDA margin, on the other hand, was slightly increased to 12.4% (PY: 12.0%). EBIT fell from € 6.57m to € 5.18m. At 8.5%, the EBIT margin was lower than in the previous year (9.2%).

International Event Catering		Business Year 2013/2014	Business Year 2012/2013	Change	Change in %	Business Year 2011/2012
Sales	m €	60.79	71.09	-10.30	-14.5 %	46.01
EBITDA	m €	7.53	8.53	-1.00	-11.8 %	5.53
Depreciation/amortization	m €	-2.35	-1.96	-0.38	-19.6 %	-0.60
Impairment	m €	0.00	0.00	0.00	0.0 %	-0.75
EBIT	m €	5.18	6.57	-1.39	-21.1 %	4.18
EBITDA margin	%	12.4 %	12.0 %			12.0 %
EBIT margin	%	8.5 %	9.2 %			9.1 %
Share of Group Sales	%	9.6 %	12.3 %			9.9 %

Among sports events of international standing, the division’s highlights certainly include the culinary side of the Formula 1 races. DO & CO already conducted its 22<sup>nd</sup> season of catering for the motor-racing sport. Altogether 16 Formula 1 grands prix races were handled in 16 countries, and 70,000 VIP guests were served in the exclusive Paddock Club, culminating in the Abu Dhabi grand prix where 15,000 VIP guests enjoyed the exquisite DO & CO service on three consecutive days.

The summer of 2013 was launched with the annual ATP Tennis Masters tournament in Madrid where DO & CO was in charge of the exclusive catering to 32,000 VIP guests and the tennis players themselves. At the UEFA Champions League Final at London’s Wembley Stadium, DO & CO provided the culinary treats for 7,000 VIP guests in the eighth Champions League Final. The division’s schedule included two major horse shows at Lake Ossiach/Carinthia in May and July 2013, where DO & CO served 4,300 visitors in the Riders Lounge.

As in the past, DO & CO was again in charge of the catering for the 4,500 VIP guests at the horse jump tournament CHIO Aachen, a fixed item on DO & CO’s itinerary since 1998. Another highlight of the summer was once again the annual beach volleyball tournament at the Wörthersee, which involved catering for 6,500 VIPs in four days.

The special event marking August 2013 was the UEFA Super Cup final in Prague where DO & CO handled the catering for 1,400 VIP guests and provided the entire requisite infrastructure.

DO & CO also did the catering for all international matches organised by the Austrian Football Association ÖFB at Vienna’s Ernst Happel Stadium, as well as the home matches of FC Red Bull Salzburg at their local Red Bull Arena.

Winter highlights included the annual Hahnenkamm race at Kitzbühel, the Bergisel and Bischofshofen legs of the Four Hills Tournament and the night slalom at Schladming, events for which DO & CO once again furnished a unique atmosphere combined with its superior catering.

In the United Kingdom, the event of the 2013/2014 business year was the catering for the Chelsea Flower Show jointly with Fortnum & Mason, an opportunity for Queen Elizabeth II, amongst other guests, to enjoy the delights of DO & CO catering.

Moreover, DO & CO operated as a premium caterer to many events of the economic, political and sports scenes, thereby achieving further growth in its sales.

The contract with the City of Vienna to organise the annual film festival held at the Rathausplatz adjacent to Vienna City Hall was extended until 2016. Since 1992, DO & CO has been responsible for planning, organisation, setup and gastronomic logistics of the attendant gourmet food market, which is Europe’s largest ‘foody’ event, handling 22 gastronomic operations and many business partners. This time it involved 65 days of catering to over 750,000 customers.

Effective 1 January 2014, DO & CO purchased 100% of the shares of Arena One GmbH, based in Munich, from E.ON Facility Management GmbH. Arena One employs over 450 staff and is in charge of the catering for all events at Allianz Arena, the home stadium of FC Bayern Munich and TSV 1860 Munich. Since 1972, the company has also been the exclusive caterer for the Munich Olympia Park. Included in the DO & CO Group from 1 January 2014, it has since handled numerous sports and business events, the catering for eleven football matches at the Allianz Arena and the entire VIP hospitality at the Bolshoi Ice Palace during the 2014 Olympic Winter Games in Sochi.

DO & CO strategy

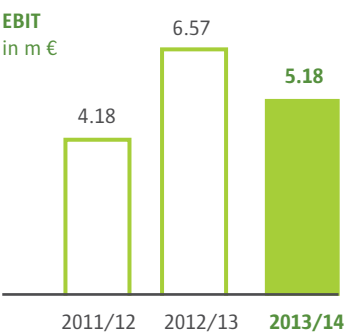
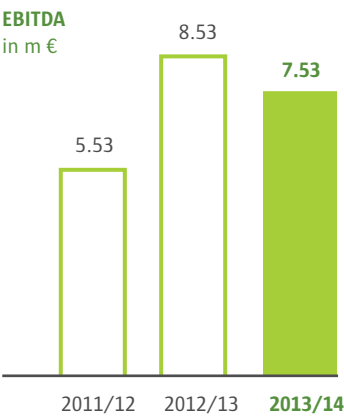
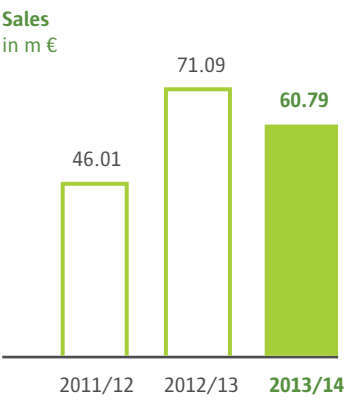
- Strengthening the core competence as a premium caterer
- Pushing the position as a “general contractor for gourmet entertainment” with ready-made solutions
- Enhancing the premium event brand “DO & CO”
- Establishing DO & CO as a strong and reliable partner

Outlook on the 2014/2015 business year

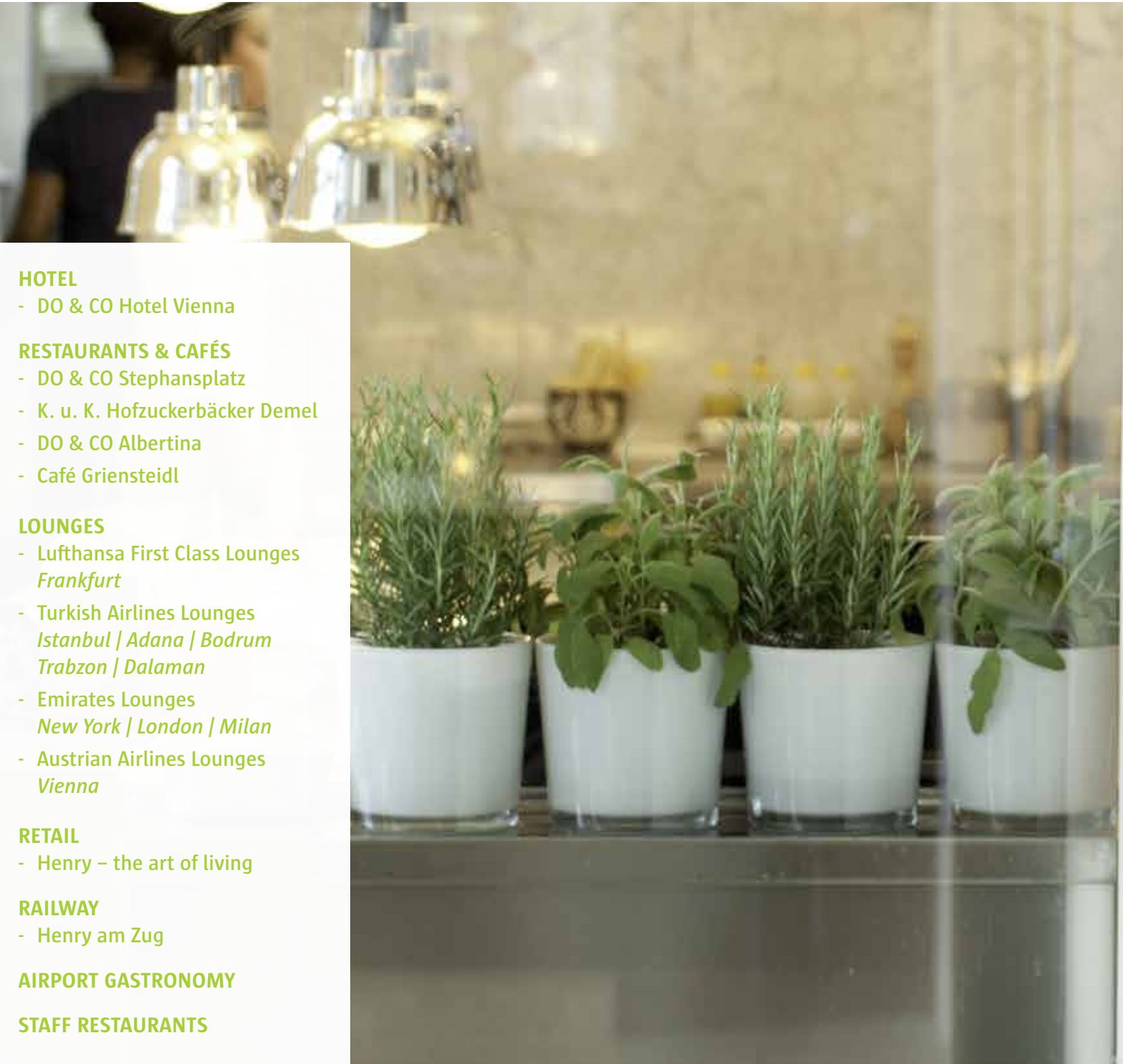
- UEFA Champions League Final 2014 in Lisbon, successfully continuing the series after Gelsenkirchen in 2004, Istanbul in 2005, Paris in 2006, Rome in 2009, Madrid in 2010, London in 2011, Munich in 2012 and London in 2013
- ATP Masters in Madrid
- Catering for Formula 1 grands prix
- Cooperation with Fortnum & Mason: Chelsea Flower Show
- Catering for 44 football games at the Allianz Arena

Competitive edge for DO & CO

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



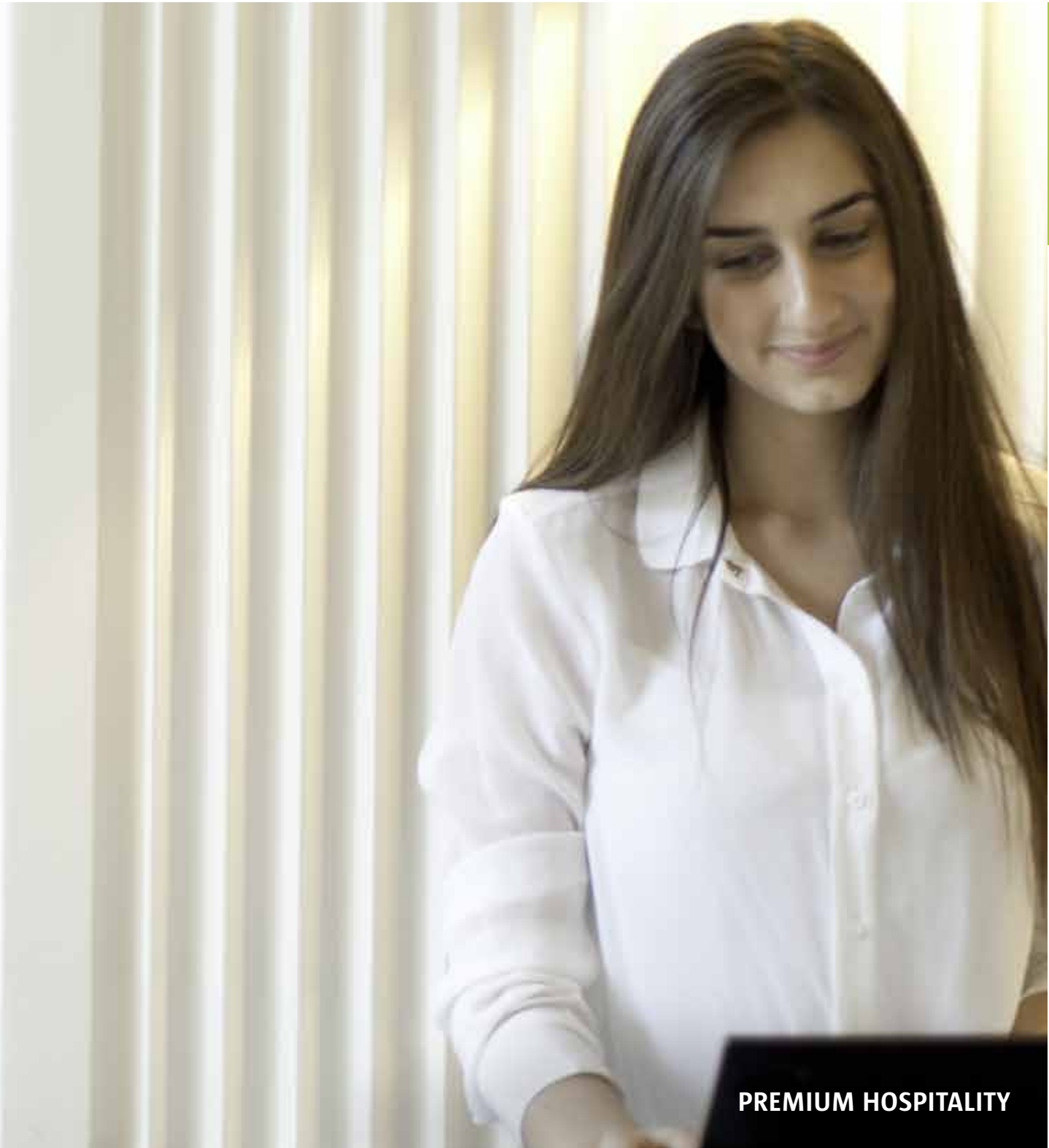




- HOTEL**
  - DO & CO Hotel Vienna
- RESTAURANTS & CAFÉS**
  - DO & CO Stephansplatz
  - K. u. K. Hofzuckerbäcker Demel
  - DO & CO Albertina
  - Café Griensteidl
- LOUNGES**
  - Lufthansa First Class Lounges *Frankfurt*
  - Turkish Airlines Lounges *Istanbul | Adana | Bodrum Trabzon | Dalaman*
  - Emirates Lounges *New York | London | Milan*
  - Austrian Airlines Lounges *Vienna*
- RETAIL**
  - Henry – the art of living
- RAILWAY**
  - Henry am Zug
- AIRPORT GASTRONOMY**
- STAFF RESTAURANTS**

# RESTAURANTS LOUNGES & HOTEL

A CULINARY JOURNEY AROUND THE GLOBE



PREMIUM HOSPITALITY

A selection of the freshest oysters and prawns. The finest French foie gras and Belgian chocolate. The best flavours in the world originated in a small delicatessen shop in the centre of Vienna. What began in 1981 has become an extraordinary part of gourmet history – the story of DO & CO. For over 30 years, DO & CO has brought the best from all over the world into its restaurants and takes Austrian products and high-quality service to all corners of the earth. The restaurants, lounges and hotel division is

the corporation’s oldest segment. It forms the Group’s creative core, impacts greatly on the corporate image and is the basis for successful brand development. The opening of the DO & CO hotel has enabled the company to significantly expand its clientele and portfolio. Thanks to a distinctive product, innovative service concepts and the customary DO & CO quality, the guest can look forward to an extraordinary experience when staying in the hotel.



12. Restaurants, Lounges & Hotel

In the 2013/2014 business year, the Restaurants, Lounges & Hotel division accounted for sales of € 125.16m, increasing its contribution to Group sales from 18.2% in the previous year to 19.7%. The growth of € 20.29m (+19.3%) over the previous year can be attributed to the growth by the Retail, Railway Catering, Airport Catering and Lounges units as well as to the acquisition of Arena One GmbH.

The division’s EBITDA increased from € 6.68m in the previous year to € 7.41m. The EBITDA margin was 5.9% (PY: 6.4%). EBIT, amounting to € 4.23m, was slightly below the previous year. The EBIT margin was 3.4% (PY: 4.1%).

Restaurants, Lounges & Hotel		Business Year 2013/2014	Business Year 2012/2013	Change	Change in %	Business Year 2011/2012
Sales	m €	125.16	104.87	20.29	19.3 %	70.54
EBITDA	m €	7.41	6.68	0.73	10.9 %	5.43
Depreciation/amortization	m €	-3.14	-2.34	-0.80	-34.1 %	-1.24
Impairment	m €	-0.05	-0.02	-0.03	-131.3 %	-0.59
EBIT	m €	4.23	4.32	-0.09	-2.2 %	3.60
EBITDA margin	%	5.9 %	6.4 %			7.7 %
EBIT margin	%	3.4 %	4.1 %			5.1 %
Share of Group Sales	%	19.7 %	18.2 %			15.1 %

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

The Lounges unit again performed well in 2013/2014. The catering contracts with Emirates were extended by two years for its lounges at London Heathrow and by three years for New York John F. Kennedy. Satisfactory news comes from the Turkish Airlines lounge in Istanbul Atatürk: in response to its great popularity and a constantly growing flow of guests it was doubled in size from 3,000 square metres to 6,000 square metres. DO & CO was in charge of architectural planning, the design of the conversion and construction supervision. After its conversion it now holds up to 1,000 guests. In September 2013, an additional arrivals lounge was opened for Turkish Airlines at Istanbul Atatürk Airport. The 23 lounges operated around the world by DO & CO – comprising the Austrian Airlines and Vienna Airport lounges in Vienna, Lufthansa lounges in Frankfurt, Emirates lounges at London Heathrow, New York John F. Kennedy and Milan, and the Turkish Airlines lounges in Istanbul, Dalaman, Trabzon, Adana and Bodrum – served culinary treats to over 2.7m passengers in 2013/2014.

The Retail unit continued its positive performance. At the start of the 2013/2014 business year, another “Henry” was opened on the first floor of “The Mall” in Central Vienna, where guests can relax and enjoy the healthy and fresh products of DO & CO’s gourmet cuisine on a floor space of 240 square metres with seats for 60. Other locations have already been found and contracted for in Vienna and will be opened over the course of the 2014/2015 business year.

A similar expansion is under way for DO & CO’s Airport Gastronomy unit. In July 2013, DO & CO opened “Henry” shops at Kiev-Boryspil Airport, where sales were good in spite of a difficult market. The unit also reported continually growing sales for its Bodrum Airport outlet.

DO & CO restaurants also did well in the 2013/2014 business year. The DO & CO flagship restaurant at Vienna’s Stephansplatz produced its customary good sales figures. With the takeover of Arena One GmbH, the restaurant portfolio was enlarged by locations at the Munich Olympic Park. Also of note is the prolongation of the successful cooperation between Albertina and DO & CO by another ten years. As of the end of 2013, DO & CO terminated its Casino Baden location.

At the same time, construction work for the Istanbul hotel continued apace. In addition to a hundred “casual luxury” rooms, the hotel is to include a restaurant, a bar, a Demel shop and an event location for up to 1,000 guests.

More growth is reported by the staff restaurants. The acquisition of Arena One GmbH made for 24 additional staff restaurants, in all parts of Germany, to be handled by the unit. In the second quarter of 2013/2014, the staff restaurant of the Office of the Presidency in Istanbul was added to the DO & CO portfolio. Expansion continued in Austria similarly, where DO & CO was awarded the contract for another staff restaurant in Vienna in August 2013.

Sales figures also increased for the railway catering unit. Now that the business is integrated in the DO & CO Group, Henry am Zug reported improvements on an ongoing basis.

DO & CO strategy

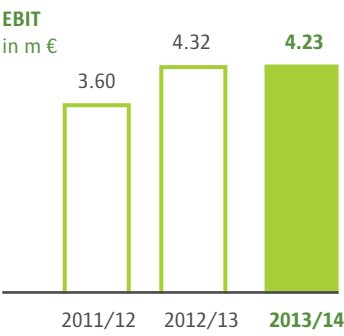
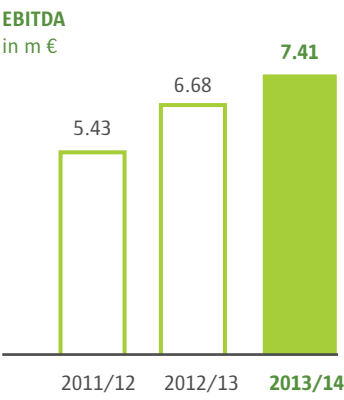
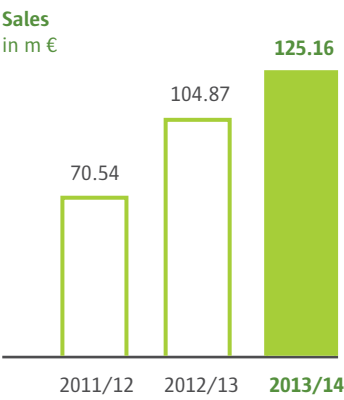
- Creative core of the DO & CO Group
- Marketing tool and image projector of the Group, together with brand development

Outlook on the 2014/2015 business year

- Reopening of the newly designed DO & CO restaurant at Albertina
- Launch of another DO & CO staff restaurant in Vienna, from May 2014
- Opening of the Lufthansa lounges at London Heathrow in October 2014
- Hotel and restaurant in Istanbul at the Bosphorus: construction works to be continued, restaurant opening scheduled for autumn 2014
- Planned expansion of airport gastronomy at Vienna Airport (Pier West / C Gates) with a new food court
- Continued retail expansion with more “Henry – the Art of Living” shops

Competitive edge for DO & CO

- Pioneer in product innovation and takeup of new trends
- Strong brand that guarantees supreme quality
- Wide spectrum within the division: lounges, retail, airport gastronomy, restaurants and Demel, hotel, staff restaurants and railway catering
- Unique locations: Stephansplatz, Kohlmarkt, Albertina, Michaelerplatz, Neuer Markt, Istanbul Ortaköy





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

Stock market overview

During the period under review, global financial markets were, with a few exceptions, clearly on the upswing. Even though political and economic vagaries led to wild variations over the course of the year, prices rose substantially on many of the international stock markets, driven by an expansive monetary policy by central banks, improved economic prospects and sustained low interest rates. The Euro Stoxx 50, an index of eurozone stocks, added 20.5% over the year. In the US, the Dow Jones Industrial grew by 12.9%; the DAX rose by 22.6%.

At the Vienna Stock Exchange, prices remained markedly below international benchmarks. The ATX rose from 2,352.01 on 28 March 2013 to 2,523.82 on 31 March 2014, an increase of 7.3%.

In the same period, the Istanbul Stock Exchange was on a losing streak. Following substantial gains in early 2012, analysts expected corrective action, which set in early in May 2013. Added to this a weak Turkish lira, leaving investors uncertain. The Turkish BIST 100 declined by 18.8%, closing at 69,736.34.

The policy pursued by the major central banks also put its mark on the currency markets during the 2013/2014 business year. Over the year, the euro gained on the US dollar. On 31 March 2014, the exchange rate was USD 1.3788 to the euro (PY: USD 1.2805 to the euro).

Also of note is the development undergone by the Turkish lira, which devalued from 2.3212 to 2.9693 to the euro during the reporting period, a loss of 27.9% against the euro.

Stock exchange listing

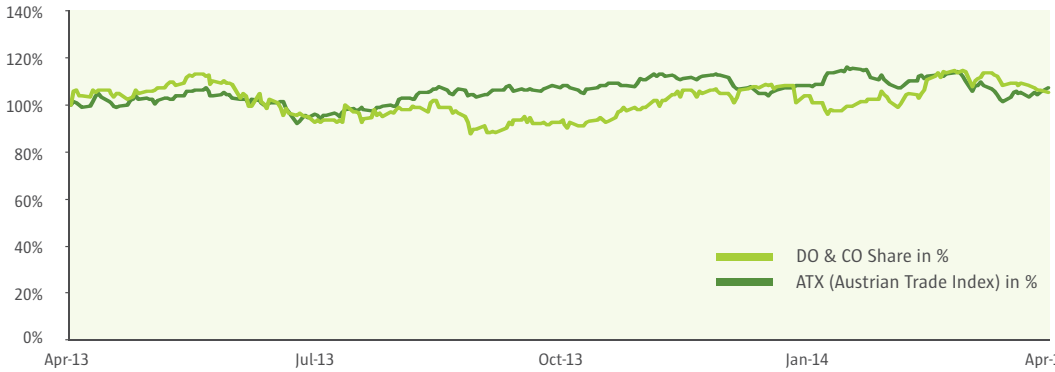
DO & CO’s share has been listed on the prime market of the Vienna Stock Exchange since 1998. They are also included in the ATX Global Players handled by the Vienna Stock Exchange. DO & CO’s share is also listed on the Istanbul Stock Exchange since 2011. In addition DO & CO’s share is OTC-traded in Frankfurt, Munich, Stuttgart and Berlin.

Performance of DO & CO shares

During the 2013/2014 business year, DO & CO shares put in an excellent performance on the stock exchanges of both Vienna and Istanbul.

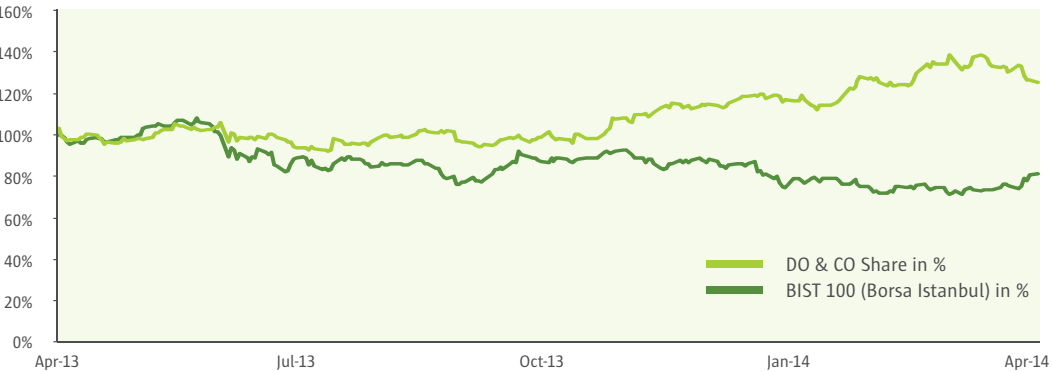
On the Vienna Stock Exchange, DO & CO shares rose by 5.3%, closing at € 37.61 on 31 March 2014. The leading ATX index for the same period rose by 7.3%.

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



On the Istanbul Stock Exchange, DO & CO shares rose by 25.6%, closing at TRY 113.00 on 31 March 2014. It should be noted that the BIST 100, the leading index of the Istanbul Stock Exchange, declined by 18.8% over the same period.

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



Dividend

The Management Board will suggest a dividend payment of € 0.85 per share to the General Meeting of Shareholders. Therefore, the dividend payment raises by € 0.35 per share compared to the previous business year. This amounts to a distribution ratio of 31.8%.

Trading volumes

The average daily trading volume for DO & CO shares on the Vienna and Istanbul Stock Exchanges increased by altogether T€ 92, an increase of 18.5% over the previous year.

On the Vienna Stock Exchange, the average daily trading volume for DO & CO shares amounted to T€ 251 or 7,031 shares, during 2013/2014, more than double the previous year (business year 2012/2013: 3,368 shares).

On the Istanbul Stock Exchange, the average daily trading volume for DO & CO shares amounted to T€ 339, or 9,427 shares (business year 2012/2013: 12,308 shares). As in previous years, trading in Istanbul was again clearly higher than the level of the Vienna Stock Exchange.

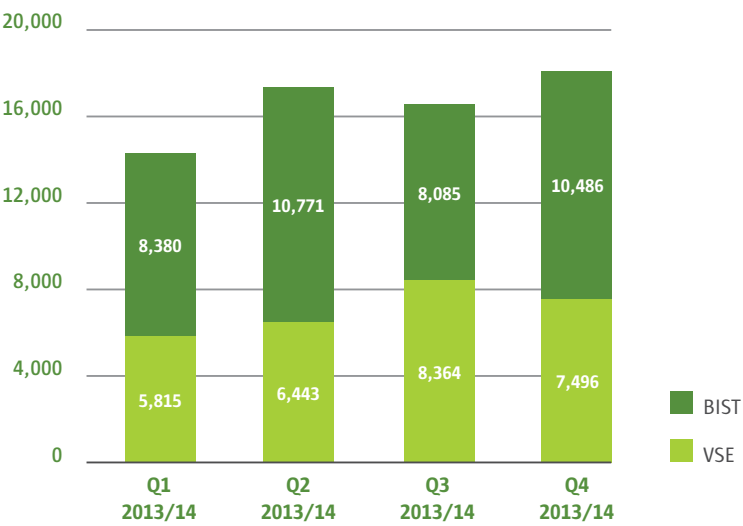
	Vienna Stock Exchange		Istanbul Stock Exchange		Total	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Volume in stocks*	7,031	3,368	9,427	12,308	16,458	15,676
Turnover in T€*	251	108	339	390	590	498

\* Daily average traded volume



Average daily trading grew in the 2013/2014 business year, a development found both in Vienna and in Istanbul.

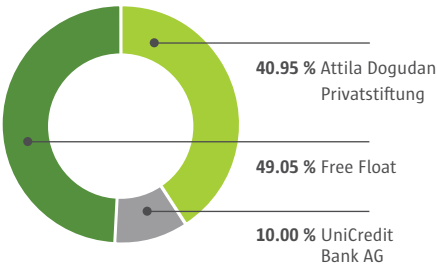
Daily average traded volume in stocks



Share indices		Business Year 2013/2014	Business Year 2012/2013	Business Year 2011/2012
High <sup>1</sup>	€	41.00	37.50	35.30
Low <sup>1</sup>	€	31.39	26.55	23.50
Price at the end of the period <sup>1</sup>	€	37.61	35.71	29.18
Number of shares at the end of the period	TPie	9,744	9,744	9,744
Market capitalization at the end of the period	m €	366.47	347.91	284.33

<sup>1</sup> Closing price

Shareholder structure of DO & CO Aktiengesellschaft



The private foundation Attila Dogudan Privatstiftung holds a stake of 40.95% (31 March 2013: 40.95%) in DO & CO Aktiengesellschaft. The stake of DZR Immobilien und Beteiligungs GmbH (an indirectly wholly owned company of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registered cooperative with limited liability) was reduced to 0.00% during this business year (31 March 2013: 12.00%). The stake held by Munich-based UniCredit Bank AG (a group company of UniCredit SpA domiciled in Rome) is 10.00% (31 March 2013: 0.00%). The remaining shares (49.05%, vs. 47.05% on 31 March 2013) are in free float. This figure includes the 1.68% dedicated to management and staff investments and managed by Attila Dogudan Privatstiftung.

Information on the DO & CO shares

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

Financial calendar

3 July 2014	General Meeting of Shareholders
7 July 2014	Ex dividend date
21 July 2014	Dividend payment date
14 August 2014	Results for the first quarter of 2014/2015
20 November 2014	Results for the first half year of 2014/2015
12 February 2015	Results for the first three quarters of 2014/2015

Communication with institutional investors and financial analysts

In the 2013/2014 business year, the management of DO & CO Aktiengesellschaft held talks with many institutional investors and financial analysts, mostly in the course of investor conferences and road shows. These talks took place in New York, Frankfurt, London, Zurich, Tallinn, Stockholm, Helsinki, Copenhagen, Prague, Vienna and Stegersbach. Moreover, telephone conference calls were held in regular intervals, chiefly at the end of each quarter, with analysts and investors.

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

- Erste Bank
- Wood & Company
- Renaissance Capital
- İş Investment
- Finansinvest
- Kepler Chevreux
- BGC Partners
- Global

Analysts on average have an upside target of € 42.41 (status: as at 30 April 2014).

All published materials and information on DO & CO’s shares are posted under Investor Relations on the DO & CO homepage at [www.doco.com](http://www.doco.com).

For more information please contact:  
Investor Relations  
E: [investor.relations@doco.com](mailto:investor.relations@doco.com)



DO & CO Bond 2014–2021

In the fourth quarter of its 2013/2014 business year, DO & CO Aktiengesellschaft placed a bond of € 150m on the market. With a term of seven years and a fixed-interest coupon of 3.125% p.a., the bond was accepted for regulated OTC trading on the Vienna Stock Exchange. The first listing was on 4 March 2014. Its successful placement was evidenced by strong demand from institutional as well as private investors. Interest was greatest among Austrian investors.

The transaction was conducted by Erste Group Bank AG, Raiffeisen Bank International AG and UniCredit Bank Austria AG as joint lead managers.

Information on the DO & CO Bond

ISIN	AT0000A15HF7
Listed at	Vienna
Listed for	regulated over-the-counter trading
WKN	A1ZD8U
Currency	€

Notes in Accordance with § 243a Austrian Business Enterprise Code (UGB)

1. The share capital totals € 19,488,000.00 and is divided into 9,744,000 individual bearer shares. Only shares of this class are issued.
2. The Management Board knows of no limitations to the voting rights or to the transfer of DO & CO shares, even for those contained in agreements between shareholders.
3. The shareholders holding at least 10% of the share capital at the reporting date are Attila Dogudan Privatstiftung (40.95%) and Munich-based UniCredit Bank AG (10.00%).
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.
6. The Company has no provisions on naming and dismissing members of the Management Board that are not derived directly from the pertinent law on this matter. The General Meeting is entitled to remove a member of the Supervisory Board with a simple majority of the votes cast (instead of the statutory majority of 75%). A simple majority of the share capital represented in the vote of a resolution suffices to make a change in the Articles of Association (as opposed to the statutory majority of 75%) unless that change pertains to a conditional capital increase, authorised capital or an ordinary or simplified capital reduction.
7. The Management Board is authorised until 30 June 2017:
  - a) subject to the Supervisory Board’s consent, to increase the share capital from, at present, € 19,488,000.00 by up to a further € 9,744,000.00 through the issuance of up to 4,872,000 shares in the form of new ordinary bearer shares in exchange for cash contributions and/or contributions in kind, if required in several tranches, and to specify the details of this capital increase by agreement with the Supervisory Board;
  - b) subject to the Supervisory Board’s consent, to exclude the subscription rights of shareholders:
    - (i) if and when the capital is increased against contributions in kind, or
    - (ii) in order to exclude residual amounts from the shareholders’ subscription rights, or
    - (iii) in order to service a greenshoe option granted to offering banks.The share capital of the Company is increased pursuant to Section 159 (2) 1 Austrian Corporation Act by up to € 7,795,200.00 through the issuance of up to 3,897,600 new no-par bearer shares for issuing to creditors of financial instruments as described in the resolutions of the General Meeting of 10 July 2008 and of 4 July 2013. The capital increase may only be carried out to the extent that the creditors of financial instruments exercise their warrant or conversion rights to Company shares.
8. Agreements have been made with service providers 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.



14. Outlook

The **Airline Catering division** will continue to concentrate its sales activities at DO & CO locations on expanding business with its customer stock as much as on acquiring new customers.

In Turkey, the focus in the months to come will be on renewing and extending the gourmet kitchens in Istanbul (Atatürk and Sabiha Gökçen airports). Moreover, the “Flying Chefs” concept will be further expanded to include ever more long-haul and international short-haul flights operated by Turkish Airlines.

For the coming months, conversions and extensions are scheduled to be carried out in New York in order to increase the unit’s capacity. Starting in July 2014, Austrian Airlines flights out of Newark will receive their catering from DO & CO.

Of particular note is the planned development by DO & CO of a new 10,000 square metre gourmet kitchen directly adjacent to Chicago O’Hare International Airport. DO & CO has already acquired four customers for the location: Emirates Airline, Austrian Airlines, Turkish Airlines and British Airways. With this new location at the world’s fourth largest airport, DO & CO has taken a major step in its North American expansion drive.

At London Heathrow, DO & CO is similarly set to expand in order to create new capacity for further growth.

Economic instability in the eastern Ukraine continued in April and May of the new 2014/2015 business year. At present it is very difficult to assess the development and how this will affect the business and profit of DO & CO Kiev. The DO & CO management is therefore monitoring political and economic events in Ukraine on an ongoing basis, in order to respond quickly and effectively to any new developments.

On 1 April 2014, the catering contract for flights by Emirates Airlines ex Milan Malpensa was terminated following a subsidiary of the Emirates Group’s takeover of the Italian locations operated by Servair, an airline catering business, which will in future do the catering for Emirates Airline at Milan Malpensa. As a piece of satisfactory news, an daily flight ex Milan Malpensa run by Qatar Airways will be catered for by DO & CO as of 1 June 2014. With this new addition, Qatar Airways will be served by DO & CO in seven locations.

The **International Event Catering division** has once again several major international events on its schedule. In the first quarter of the 2014/2015 business year, DO & CO furnished culinary delights to VIP guests at the ATP Masters in Madrid and the Champions League final in Lisbon. The schedule for the next months also includes the prestigious horse jumping tournament CHIO Aachen, the Chelsea Flower Show in London and the beach volleyball tournament at the Wörthersee.

Over the upcoming months, the division will also concentrate on further integrating Arena One GmbH into the DO & CO Group. For the 2014/2015 business year, Arena One GmbH is set to handle 44 football matches at the Allianz Arena and numerous events in the political, sports and business spheres.

The **Restaurants, Lounges & Hotel division** will be kept extremely busy by a range of activities in 2014/2015. In addition to extending its retail and airport gastronomy segments, it will focus on launching the restaurant in Istanbul.

The retail segment will continue on its expansion course. Several new locations were already contracted for in Vienna in the 2013/2014 business year and will be opened in the course of the new business year.

Construction works for the hotel in Istanbul are continuing. In addition to a hundred rooms, the hotel is to include a restaurant, bar, Demel and event location for up to 1,500 guests. The restaurant is set to open in the autumn of 2014, and the hotel and event location are envisaged to open in the first half of 2015.

Newcomers to the DO & CO lounge portfolio in 2014/2015 will be two Lufthansa lounges at London Heathrow.

DO & CO continues on its course of expansion in the airport gastronomy segment. In addition to existing outlets at Vienna Airport Check-In 3 (Skylink / G Gates), a food court at Check-In 1 (Pier West / C Gates) will be opened in October 2014. DO & CO is already present in this sector with a Henry pop-up store. Additionally, the airport gastronomy at Kiev-Boryspil Airport will be further enlarged.

Mention should also be made of the launch of a new DO & CO staff restaurant, scheduled for May 2014.

Overall, DO & CO management is highly 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 provide the underpinnings for DO & CO to make the best possible use of all its growth potential.



# CORPORATE GOVERNANCE REPORT

## 1. Commitment to the Code of Corporate Governance

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

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

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

DO & CO has had an independent external institution conduct regular and voluntary evaluations of its compliance with the Austrian Code of Corporate Governance since the 2007/2008 business year in accordance with Rule 62 of this Code. The evaluation for the 2013/2014 business year was performed by Ullrich Saurer, a lawyer in Graz. The report on this external evaluation can be viewed on DO & CO’s website.

## 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 2015  
Holds no other memberships of supervisory boards or comparable positions

### Haig ASENBAUER

Member of the Board, born in 1967  
First appointed to the Board on 16 July 2012  
End of the current term of office: 31 July 2015  
Membership of supervisory boards or comparable positions in non-Group companies:

- Member of the Supervisory Board of MOUVI Holding AG

### Gottfried NEUMEISTER

Member of the Board, born in 1977  
First appointed to the Board on 16 July 2012  
End of the current term of office: 31 July 2015  
Membership of supervisory boards or comparable positions in non-Group companies:

- Member of the Board of Directors of HESUS FX Trading AG

### Klaus PETERMANN

Member of the Board, born in 1966  
First appointed to the Board on 16 July 2012  
End of the current term of office: 31 July 2015  
Memberships in supervisory boards or comparable positions in non-Group companies:

- Member of the Board of Directors of Indivis S.A., Luxembourg
- Member of the Board of Directors of Libidama International S.A. SPF, Luxembourg
- Member of the Board of Directors of Immobilière Kockelscheurer S.A., Luxembourg

Subsequent to the end of the reporting period, Jaap Roukens (born in 1965) was appointed to the Management Board on 5 May 2014, with a term of office ending on 30 April 2017.

Workings of the Management Board

Business responsibilities and powers are laid down in the Articles of Association and the Internal Rules of Procedure, as is the nature of collaboration within the Management Board.

The chairman is responsible for the overall management of the company and for coordinating the work of the Management Board. All members of the Management Board must report to the chairman and each other on all important business events that occur in their assigned area of business. Chairman Attila Dogudan is responsible for the strategy and organisation of the company, the central units, personnel and procurement, and he takes the lead in all of the operative business. Board Member Haig Asenbauer is in charge of M&A, legal, IT, the regional business of Ukraine and Poland. Haig Asenbauer takes the lead in growth and development of the retail business and airport gastronomy, and moreover supports the Chairman of the Management Board in developing the Group’s strategy and organisation. Board Member Gottfried Neumeister is responsible for all production locations worldwide and in Austria, airline catering distribution and railway catering, and moreover supports the Chairman of the Management Board in developing the Group’s strategy and organisation. Board member Klaus Petermann is in charge of finances, controlling and investor relations, and moreover supports the Chairman of the Management Board in developing the Group’s strategy and organisation.

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

Shares Held by Members of the Management Board:

On 31 March 2014, Haig Asenbauer and Gottfried Neumeister each held 10,000 ordinary shares of DO & CO Aktiengesellschaft. On the same date, Klaus Petermann held 13,800 ordinary shares of DO & CO Aktiengesellschaft.

3. The Supervisory Board

Waldemar JUD

Chairman, independent, born in 1943  
Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997  
Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of Ottakringer Getränke AG, Vienna
- Member of the Supervisory Board of Bank für Tirol und Vorarlberg AG
- Member of the Supervisory Board of BKS Bank AG
- Member of the Supervisory Board of CA Immobilien Anlagen AG
- Member of the Supervisory Board of Oberbank AG

Werner SPORN

Deputy Chairman, independent, born in 1935  
Representative of stockholders holding shares in free float  
Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997  
No further seats on supervisory boards of listed companies

Georg THURN-VRINTS

Member, independent, born in 1956  
Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997  
No further seats on supervisory boards of listed companies

Christian KONRAD

Member, independent, born in 1943  
Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 10 July 2002  
Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of AGRANA-Beteiligungs AG, Vienna (until 4 June 2013)
- Deputy Chairman of the Supervisory Board of BAYWA AG, Munich
- Deputy Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Workings of the Supervisory Board

The actions of the Supervisory Board have their legal basis in the Austrian Corporation Act (AktG), the Articles of Association, the Internal Rules of Procedure for the Supervisory Board and the Austrian Code of Corporate Governance, to which the Supervisory Board has expressly committed itself.

In the 2013/2014 business year, the Supervisory Board performed all its responsibilities under the law and Articles of Association within the scope of four meetings and adopted two resolutions in writing by a circulation procedure. Its discussions focused on deliberating on the strategic direction to be taken by the Company and acquisitions, expansion of the distribution network and development of new business fields, especially the acquisition of Arena One GmbH in Munich, the issuance of a bond, expansion in New York, London and Chicago. The chairmen of the Supervisory Board and Management Board regularly met to discuss key issues of the Company’s development.

One member of the Supervisory Board did not personally attend more than half of the Supervisory Board meetings but delegated his voting right to the Chairman of the Supervisory Board for such meetings.

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

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

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



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

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

Composition and Workings of the Committees

AUDIT COMMITTEE:

Waldemar JUD: Chairman  
Werner SPORN: Deputy Chairman  
Georg THURN-VRINTS: member  
Christian KONRAD: member

The Audit Committee’s brief includes supervising the reporting process, monitoring the effectiveness of the Company’s internal control system and risk management system, supervising the audit of the Company’s and Group’s annual accounts, investigating and monitoring the auditor’s (Group auditor’s) independence, especially with regards to additional services rendered for the audited company, checking the annual financial statements and preparing their approval, considering the proposal for profit distribution, review of the annual report and corporate governance report, and reporting the audit findings to the Supervisory Board, examining the consolidated financial statements and consolidated annual report, submitting the report on the audit findings to the Supervisory Board, and preparing a proposal by the Supervisory Board for appointing the (Group) auditor.

The 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 Chairman of the Supervisory Board also serves as Deputy Chairman of the Audit Committee.

In the 2013/2014 business year, the Audit Committee met twice with the auditor present as well as discussing issues with the auditor in the absence of the Management Board. During these meetings, it concentrated on discussing measures of the internal control system and the performance of risk management, as well as implementation of an internal audit and other audit activities to be performed under Para 4a of Section 92 Austrian Corporation Act.

EXECUTIVE COMMITTEE:

Waldemar JUD: Chairman  
Werner SPORN: Deputy Chairman

The Committee of the Chairman is made up of the Chairman and Deputy Chairman.

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

In its capacity of nominating committee, the Committee of the Chairman submits proposals to the Supervisory Board for filling vacant seats on the Management Board and deals with issues of succession planning.

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

In its capacity of remuneration committee, the Committee of the Chairman discusses matters concerning relationships to the Company and members of the Management Board, remuneration of members of the Management Board and the content of employment contracts with members of the Management Board.

The Committee of the Chairman met once in its capacity of remuneration committee, reviewing the Company’s remuneration policy and deliberating on the granting of variable salary components to members of the Management Board.

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

4. Remuneration Report

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

Remuneration of the Management Board

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

For the business years of 2012/2013 and 2013/2014, the variable remuneration is calculated on the basis of the average EBIT margin over the past three years, combined with the performance in terms of strategic company targets (acquisition of stakes such as, i.a., Arena One GmbH in Germany and LOT Catering in Poland, issue of a bond, expansion in the USA, growth of market share and strategic business units) as well as personal performance targets.

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

Remuneration for the 2013/2014 business year was as follows:

Remuneration Management Board 2013/2014 in TEUR	Fixed Remuneration	Variable Remuneration	Total
Attila Dogudan*	748	443	1,190
Haig Asenbauer**	515	368	883
Gottfried Neumeister	400	292	692
Klaus Petermann**	425	292	718
Total	2,089	1,395	3,484

\* Including remuneration in kind and including TEUR 25 for activities as deputy chairman of the Board of Directors and CEO of THY DO & CO Ikram Hizmetleri A.Ş.  
\*\* Including TEUR 25 for activities as member of the Board of Directors of THY DO & CO Ikram Hizmetleri A.Ş.

As already reported in the previous year, the DO & CO Group structure underwent large-scale reorganisation in the 2012/2013 business year. This involved enlarging the Management Board from two to four members and rearranging their respective remits and responsibilities, so that the criteria applicable to their variable remuneration components had not been finally defined but, in accordance with their contracts, had to meet the requirements of Rule 27 of the ÖCGK. The reorganisation was completed in the past business year, and the variable components for the remuneration of the Management Board were thus decided as follows:

Variable Remuneration Management Board 2012/2013	in TEUR
Attila Dogudan	300
Haig Asenbauer	261
Gottfried Neumeister	197
Klaus Petermann	197
Total	954

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

Remuneration of the Supervisory Board

The remuneration scheme for the Supervisory Board provides that the Chairman’s remuneration is 60% more than that of a member of the Supervisory Board and that the Deputy Chairman’s remuneration is 40% higher than that of a member of the Supervisory Board. In accordance with a resolution of the General Meeting of Shareholders of 4 July 2013 applying to the 2012/2013 business year, a remuneration totaling TEUR 55 (PY: TEUR 55) was paid to the Supervisory Board members, distributed as shown in the table below.

Remuneration Supervisory Board 2012/2013	in TEUR
Waldemar JUD	18
Werner SPORN	16
Georg THURN-VRINTS	11
Christian KONRAD	11
Total	55

Firms in which Supervisory Board members Waldemar JUD and Werner SPORN have a considerable economic interest charged professional fees of TEUR 765 in the 2013/2014 business year for legal counsel given outside their officer’s function.

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

5. Measures to Promote Women to the Management Board, Supervisory Board and in Executive Positions

The Company puts considerable emphasis on ensuring equal treatment of men and women in posting candidates to executive positions and paying equal wages and salaries. Management positions at DO & CO Aktiengesellschaft and its subsidiaries are appointed without consideration of gender, with the result that the Group boasts a high share of women in executive positions within the companies and in a senior executive capacity at Group level.

Of particular note is the Company’s position in creating an appropriate framework for returning women into senior management positions after maternity and parental leave. A number of part-time models allow women to re-enter their original management positions and continue to serve in an executive position.

Vienna, 20 May 2014

The Management Board



Attila DOGUDAN  
Chairman of the Management Board



Haig ASENBAUER  
Member of the Management Board



Gottfried NEUMEISTER  
Member of the Management Board



Jaap ROUKENS  
Member of the Management Board



Klaus PETERMANN  
Member of the Management Board



# REPORT OF THE SUPERVISORY BOARD

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

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

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

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

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

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

The annual financial statements and notes to the financial statements of DO & CO Aktiengesellschaft as of 31 March 2014 along with the Management Report were prepared in accordance with Austrian accounting regulations and audited by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH, which issued an unqualified opinion on these documents. The Supervisory Board concurred with the Management Board in the latter’s report on the audit findings and approved the financial statements for 2013/2014. They are thus adopted in accordance with § 96 (4) of the Austrian Corporation Act (AktG).

The consolidated financial statements and notes to the financial statements as of 31 March 2014 plus notes were prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU and were audited, along with the Management Report on the Group, by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH. In the auditor’s opinion, the consolidated financial statements present fairly, in all material respects, the actual assets and financial position of the DO & CO Aktiengesellschaft Group as of 31 March 2014 and the results of its operations and its cash flows for the business year of 2013/2014 in conformity with the International Financial Reporting Standards (IFRS) as applied in the EU. The Supervisory Board concurred with the findings of the audit.

Furthermore, the Supervisory Board examined the proposal from the Management Board for the appropriation of profit of DO & CO Aktiengesellschaft. A proposal will be made to the General Meeting of Shareholders on 3 July 2014 to distribute the entire net profit of € 8,282,400 for a dividend payout of € 0.85 on each share entitled to a dividend.

The compliance review within the scope of the Corporate Governance Report as provided for in Section 243b UGB (Business Enterprise Code) and an evaluation of compliance by DO & CO Aktiengesellschaft with the rules of the Austrian Corporate Governance Code ÖCGK during the 2013/2014 business year were carried out by Ullrich Saurer, lawyer in Graz, and found that DO & CO has complied with the rules in its 2013/2014 business year.

The Supervisory Board proposes to appoint PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as the auditor of the (annual and Group) financial statements for the 2014/2015 business year.

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

Vienna, 21 May 2014

Waldemar Jud mp  
Chairman of the Supervisory Board

# GLOSSARY OF KEY FIGURES

**EBITDA margin**

Ratio of EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) to sales

**EBIT margin**

Ratio of EBIT (Earnings before Interest and Taxes) to sales

**Equity ratio**

Shows the relationship of equity capital, adjusted by dividend payments and book values for goodwill, to total capital

**Net debts**

Financial liabilities less cash and cash equivalents and marketable securities listed under current assets

**Gearing ratio**

Financial management expressed as the ratio of net debts to equity (adjusted by dividend payments and book values for goodwill)

**Working capital**

The surplus of current assets above and beyond short-term borrowed capital

**Free cash flow**

Cash flow from operating activities plus cash flow from investing activities

**ROS – Return on sales**

Return on sales, i.e. the ratio of the result on ordinary activities to sales



# CONSOLIDATED FINANCIAL STATEMENTS 2013/2014

OF DO & CO AKTIENGESELLSCHAFT  
IN ACCORDANCE WITH IFRS

1. Consolidated Statement of Financial Position as of 31 March 2014

Note	Assets	in m€	31 March 2014	31 March 2013
4.1.	Intangible assets		46.09	15.55
4.2.	Property, plant and equipment		131.49	123.19
4.3.	Investment Property		3.57	3.60
4.5.	Investments accounted for using the equity method		2.18	1.88
4.6.	Other financial assets		0.32	0.23
4.7.	Other assets		1.37	1.34
4.8.	Effective income tax receivables		3.79	5.36
4.17.	Deferred tax assets		8.11	5.39
	<b>Non-current assets</b>		<b>196.91</b>	<b>156.54</b>
4.9.	Inventories		22.16	18.32
4.10.	Trade accounts receivable		79.84	56.02
4.8.	Effective income tax receivables		8.40	3.87
4.11.	Other assets		26.69	44.32
4.12.	Cash and cash equivalents		179.33	73.18
	<b>Current assets</b>		<b>316.42</b>	<b>195.72</b>
	<b>Total Assets</b>		<b>513.34</b>	<b>352.26</b>

Note	Shareholders' equity and liabilities	in m€	31 March 2014	31 March 2013
	Nominal capital		19.49	19.49
	Capital reserves		70.60	70.60
	Retained earnings		76.48	58.75
	Other comprehensive income		-21.65	-8.92
	Special item		1.32	2.42
	Consolidated result		26.07	22.81
	<b>Equity attributable to the shareholders of DO &amp; CO AG</b>		<b>172.31</b>	<b>165.15</b>
	Minority interests		31.08	30.19
4.13.	<b>Shareholders' Equity</b>		<b>203.39</b>	<b>195.33</b>
4.14.	Personnel provisions		21.86	22.16
	Other current provisions		0.00	0.04
4.15.	Bond issued		147.92	0.00
4.16.	Non-current financial liabilities		4.05	16.41
4.17.	Deferred tax liabilities		7.13	2.63
	<b>Non-current provisions and liabilities</b>		<b>180.95</b>	<b>41.24</b>
4.18.	Other provisions		58.77	57.87
	Current financial liabilities		0.51	0.00
	Trade accounts payable		46.53	41.73
4.19.	Other current liabilities		23.19	16.08
	<b>Current provisions and liabilities</b>		<b>128.99</b>	<b>115.68</b>
	<b>Total shareholders' equity and liabilities</b>		<b>513.34</b>	<b>352.26</b>

2. Consolidated Income Statement  
for the business year 2013/2014

Note	in m€	Business Year 2013/2014	Business Year 2012/2013
5.1.	<b>Sales</b>	<b>636.14</b>	<b>576.19</b>
5.2.	Other operating income	22.28	16.60
5.3.	Cost of materials and cost of purchased services	-265.50	-240.31
5.4.	Personnel expenses	-211.44	-190.71
5.5.	Depreciation of tangible fixed assets and amortization of intangible fixed assets	-19.36	-17.11
5.5.	Impairment of tangible and intangible fixed assets	-0.18	-0.02
5.6.	Other operating expenses	-115.80	-103.32
5.7.	Result of equity investments accounted for using the equity method	0.50	0.23
	<b>EBIT - Operating result</b>	<b>46.64</b>	<b>41.53</b>
5.8.	Financial income	1.97	2.57
5.8.	Financial expenses	-3.74	-1.85
	<b>Profit before income tax</b>	<b>44.88</b>	<b>42.26</b>
5.9.	Income tax	-10.14	-10.72
	<b>Profit after taxes</b>	<b>34.73</b>	<b>31.53</b>
	Minority interests	-8.66	-8.73
	<b>Net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b>	<b>26.07</b>	<b>22.81</b>
		<b>Business Year 2013/2014</b>	<b>Business Year 2012/2013</b>
	Net result	26.07	22.81
	Issued shares (in Pie)	9,744,000	9,744,000
5.10.	<b>Earnings per share (in EUR)</b>	<b>2.68</b>	<b>2.34</b>

3. Consolidated Statement of Other Comprehensive Income

in m€	Business Year 2013/2014	Business Year 2012/2013
<b>Profit after taxes</b>	<b>34.73</b>	<b>31.53</b>
Differences of Currency translation	-15.59	-0.06
Effect of Net Investment Approach	-6.26	0.72
Deferred Taxes	1.32	-0.24
<b>Total of items that will be reclassified subsequently to the income statement</b>	<b>-20.53</b>	<b>0.43</b>
Revaluation IAS 19	-0.71	-2.40
Deferred Taxes	0.14	0.58
<b>Total of items that will not be reclassified subsequently to the income statement</b>	<b>-0.58</b>	<b>-1.82</b>
<b>Other comprehensive income after taxes</b>	<b>-21.10</b>	<b>-1.39</b>
<b>Total comprehensive income for the period</b>	<b>13.63</b>	<b>30.14</b>
Attributable to minority interests	0.47	8.92
<b>Attributable to shareholders of DO &amp; CO Aktiengesellschaft</b>	<b>13.16</b>	<b>21.22</b>



4. Consolidated Statement of Cash Flows

in m€		Business Year 2013/2014	Business Year 2012/2013
	Profit before taxes	44.88	42.26
+	Depreciation / amortization and impairment	19.54	17.13
-/+	Gains / losses from disposals of fixed assets	6.33	-0.30
+/-	Earnings from associated companies without cash effect	-0.31	-0.23
-/+	Other non cash income/expense	-0.77	-0.14
	Cashflow from result	69.67	58.73
-/+	Increase / decrease in inventories and other current assets	-4.64	-17.74
+/-	Increase / decrease in provisions	-6.18	4.64
+/-	Increase / decrease in trade accounts payable and other liabilities	-2.46	0.54
-	Income tax payments	-14.20	-10.13
	Cashflow from operating activities	42.19	36.03
+/-	Income from disposals of tangible and intangible fixed assets	0.26	0.43
+/-	Changes in cash and cash equivalents arising from changes to the scope of consolidation	-22.16	4.69
-	Additions to tangible and intangible fixed assets	-43.64	-35.40
-	Additions to long-term investments and other current assets	7.52	-0.02
-/+	Increase / decrease in long-term receivables	-0.03	-0.11
	Cashflow from investing activities	-58.05	-30.41
-	Dividend payment to shareholders of DO & CO Aktiengesellschaft	-4.87	-4.38
-	Dividend payment to minority shareholder	-3.11	-3.26
+	Bond issuance	147.92	0.00
+/-	Increase / decrease in financial liabilities	-10.23	-10.20
	Cashflow from financing activities	129.71	-17.84
	Total Cashflow	113.85	-12.22
	Cash and cash equivalents at the beginning of the year	73.18	85.04
	Effects of exchange rate changes on cash and cash equivalents	-7.70	0.36
	Cash and cash equivalents at the end of the year	179.33	73.18
	Change in funds	113.85	-12.22

For explanations see Section 6.

5. Consolidated Statement of Changes in Equity

THE IMPUTABLE SHARE TO SHAREHOLDERS OF THE DO & CO AKTIENGESELLSCHAFT											
in m€	Nominal capitall	Capital reserves	Retained earnings	Net Result	Other comprehensive income				Total	Minority interests	Share- holders' Equity
					Currency translation differences	Effect of Net Investment Approach	Revalua- tion IAS 19	Special Item Minority			
As of 1 April 2012	19.49	70.60	43.80	19.33	-1.41	-5.93	0.00	0.00	145.89	24.19	170.08
Additions to minority interests									0.00	3.78	3.78
Dividend payment 2011/2012			-4.38						-4.38	-3.26	-7.64
Profit carried forward 2011/2012			19.33	-19.33					0.00		0.00
Total result				22.81	-0.43	0.49	-1.65		21.22	8.92	30.14
Changes in acquisition of minority interests								2.42	2.42	-3.45	-1.03
As of 31 March 2013	19.49	70.60	58.75	22.81	-1.83	-5.44	-1.65	2.42	165.15	30.19	195.33
As of 1 April 2013	19.49	70.60	58.75	22.81	-1.83	-5.44	-1.65	2.42	165.15	30.19	195.33
Restatement IAS 19*	0.00	0.00	0.00	-0.19	0.00	0.00	0.19	0.00	0.00	0.00	0.00
As of 1 April 2013 - restated	19.49	70.60	58.75	22.62	-1.83	-5.44	-1.46	2.42	165.15	30.19	195.33
Additions to minority interests									0.00	0.07	0.07
Dividend payment 2012/2013			-4.87						-4.87	-3.11	-7.99
Profit carried forward 2012/2013			22.62	-22.62					0.00		0.00
Total result				26.07	-7.69	-4.94	-0.29		13.16	0.47	13.63
Changes in acquisition of minority interests								-1.10	-1.10	3.46	2.36
As of 31 March 2014	19.49	70.60	76.48	26.07	-9.52	-10.38	-1.75	1.32	172.31	31.08	203.39

\* For explanations see table in Section 4.14.

DO & CO AKTIENGESELLSCHAFT, VIENNA

NOTES TO THE  
CONSOLIDATED  
FINANCIAL  
STATEMENTS FOR  
2013/2014

1. General Information

DO & CO Aktiengesellschaft (DO & CO, the Company), domiciled in 1010 Vienna, Stephansplatz 12, is the parent company of an international catering group. It conducts business in the three segments Airline Catering, International Event Catering, and Restaurants, Lounges & Hotel.

The consolidated financial statements of DO & CO Aktiengesellschaft for the business year 2013/2014 have been prepared in accordance with the International Reporting Standards (IFRS) as adopted in the European Union for capital market-oriented entities and published by the International Accounting Standards Board (IASB), as well as pursuant to the supplementary provisions of Section 245a of the Austrian Commercial Code (UGB) that have been complied with in full by DO & CO. The consolidated financial statements present a true and fair view of the DO & CO Group’s financial performance and financial situation. The financial statements of all material domestic and foreign entities that are fully included in the consolidated financial statements have been audited and issued with an unqualified auditor’s report.

The income statement was prepared using the total expenditure format.

Unless otherwise stated, the figures in the consolidated financial statements are presented in millions of euros (m€). Both individual and sums represent the smallest rounding difference. When individual items are added, it is therefore possible that slight differences to the sums may arise.

The Management Board of DO & CO will release the consolidated financial statements for the business year 2013/14 on 21 May 2014 for publication. The Company’s Supervisory Board will approve the consolidated financial statements on the same day.

The statement concerning the Austrian Code of Corporate Governance (ÖCGK) is presented on page 72 in the annual financial report 2013/14.

2. Effects of new and amended IFRS

The following standards and interpretations newly issued and/or amended by the IASB and effective in the European Union have been applied for the first time by DO & CO:

Standard / Interpretation (First Adoption in the Financial Year 2013/2014)		Impact on consolidated financial statements
IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time adopters	No
IFRS 1	Government loans	No
IFRS 7	Offsetting Financial Assets and Financial Liabilities	No
IFRS 13	Fair Value Measurement	Yes
IAS 1	Presentation of Items of Other Comprehensive Income	Yes
IAS 12	Recovery of Underlying Assets	No
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	Yes
Divers	Amendment of International Financial Reporting Standards 2011	No
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	No



IFRS 13, “Fair value measurement”, contains provisions applicable for all standards with regard to the determination and definition of the fair value of assets and liabilities as well as obligations for additional explanations. Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The first-time application does not have any material impact on the presentation of the financial situation and performance. The first-time application of this standard resulted in additional disclosures in the notes to the consolidated financial statements, which most notably refer to the method applied to the fair values used and/or reported and their classification within the fair value hierarchy with regard to assets and liabilities.

The revised standard IAS 1, “Presentation of financial statements”, requires that the expenses and income not affecting profit or loss and recognised in other comprehensive income be grouped on the basis as to whether they are reclassified to profit or loss at a later point in time. The changed presentation of the statement of comprehensive income does not have any effect on the amount of comprehensive income.

The IASB published amendments to IAS 36 in May 2013. These amendments limit the disclosures relating to the recoverable amount of assets and cash-generating units which, contrary to the intention of the IASB, had previously been too broad. According to this amendment, the recoverable amount is only to be reported for impaired assets and/or cash-generating units. It has also to be reported if this amount was calculated as fair value less costs to sell or as value in use. In the first case the fair value hierarchy of the value measure too has to be stated pursuant to IFRS 13 and if the recoverable amount was measured within the second and third hierarchy level, the measurement method applied (including the discount rate used) has to be stated as well. The new standards have to be applied to the business years beginning on or after 1 January 2014. DO & CO early adopts these standards in the business year 2013/2014.

The new or amended pronouncements stated below have already been adopted in part by the European Union. These become only effective for future financial statements, provided that these pronouncements are subsequently adopted by the European Union. The option of the voluntary early application is not used by DO & CO.

Standard / Interpretation (until 31.03.2014)		Mandatory adoption by DO & CO	Adopted by EU (until 31.03.2014)	Expected impact on consolidated financial notes
IFRS 9	Financial Instruments: Classification and Measurement	preliminary 01. 04. 2018	No	Under evaluation
IFRS 9	Financial Instruments: Hedge Accounting	preliminary 01. 04. 2018	No	No impact
IFRS 7 / IFRS 9	Financial Instruments: Mandatory Effective Date and Transition Disclosures	preliminary 01. 04. 2018	No	Enlargement of notes disclosures
IFRS 10	Consolidated Financial Statements	01. 04. 2014	Yes	No material impact
IFRS 11	Joint Arrangements	01. 04. 2014	Yes	No material impact
IFRS 12	Disclosure of Interests in Other Entities	01. 04. 2014	Yes	Enlargement of notes disclosures about interests in other entities
Divers	Transition Guidance for IFRS 10, IFRS 11, IFRS 12	01. 04. 2014	Yes	No impact
Divers	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	01. 04. 2014	Yes	No impact
IFRS 14	Regulatory Deferral Accounts	01. 04. 2016	No	No impact
IAS 19	Employee Benefits: Defined Benefit Plans – Employee Contributions	01. 04. 2015	No	No impact
IAS 27	Separate Financial Statements	01. 04. 2014	Yes	No impact
IAS 28	Investments in Associates and Joint Ventures	01. 04. 2014	Yes	No impact
IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	01. 04. 2014	Yes	No material impact
IAS 39	Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting	01. 04. 2014	Yes	No impact
Divers	Amendment of International Financial Reporting Standards 2012	01. 04. 2015	No	No material impact
Divers	Amendment of International Financial Reporting Standards 2013	01. 04. 2015	No	No material impact
IFRIC 21	Levies	01. 04. 2014	No	No Impact

3. Significant accounting principles

3.1. Changes in accounting methods

The accounting methods applied to these consolidated financial statements comply with those used in the consolidated financial statements as of 31 March 2013. The new or amended accounting standards, which are applied for the first time, are exempt. Moreover, DO & CO changed the way the result of equity investments accounted for using the equity method is recognised in the income statement. In the consolidated financial statements as of 31 March 2014, this result is no longer reported in the financial result but in the operating result (EBIT). DO & CO participates in associates and joint ventures for strategic reasons, i.e. to promote its own operating business. The change in presentation highlights this character of investments better than the previous presentation.

Prior-year figures have been adjusted. The change in presentation results in an increase in EBIT by € 0.23m compared to the previous year. Profit before and after taxes are not affected.

3.2. Consolidation

3.2.1. Scope of consolidation

The consolidated financial statements as of 31 March 2014 comprise, in addition to DO & CO, all material subsidiaries which the Company directly or indirectly controls. The controlling influence usually results from the ownership of the majority of voting rights. In one case controlling influence without the majority of voting rights being held is partly based on the possibility to fill corporate positions that have decision-making powers over the company.

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

DO & CO has significant influence over two foreign companies 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 to power to participate in financial and operating policy decisions (associates). These companies are included at equity in the consolidated financial statements.

A list of investments of DO & CO is included in Section 7.6.

Compared to 31 March 2013, the scope of consolidation has been expanded by the newly founded companies

- DO & CO Foodproduction Limited,
- DO & CO Airport Gastronomy Limited,
- DO & CO Airport Gastronomy LLC

and by the newly acquired subsidiaries

- Arena One GmbH and
- Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş.

Three further subsidiaries that were newly founded and/or acquired in the business year are not included in the consolidated financial statements due to materiality reasons.

DO & CO acquired 100% of the shares in **Arena One GmbH**, seated in Munich/Germany, with effect from 1 January 2014. The operating activities of Arena One GmbH comprise catering within stadiums, event catering as well as staff restaurants and restaurants. The acquisition particularly serves to strengthen and expand the operating activities of DO & CO in the International Event Catering segment.

The purchase price allocation based on the fair values at 1 January 2014 is presented below:

in m€	
Purchase price paid in cash	15.33
minus net assets	7.57
Goodwill	7.76

A loan amounting to € 12.50m granted by a previous shareholder to the acquiree was taken over.

Goodwill arising from this acquisition mainly includes staff expertise, and benefits from synergies and market expansion. It cannot be used for tax purposes.

Net assets acquired can be broken down as shown below based on the fair values at the time of acquisition:

in m€	
<b>Non-current assets</b>	<b>21.34</b>
Intangible assets	18.12
Property, plant, equipment	3.22
<b>Current assets</b>	<b>18.42</b>
Inventories	1.48
Trade receivables	8.09
Other current assets	3.44
Cash and cash equivalents	5.42
<b>Non-current liabilities</b>	<b>3.89</b>
Non-current provisions	0.21
Deferred tax liabilities	3.68
<b>Current liabilities</b>	<b>28.30</b>
Other current liabilities	12.50
Current provisions	7.68
Tax provisions	0.04
Trade payables	5.71
Other current liabilities	2.37
<b>Net assets</b>	<b>7.57</b>
Goodwill	7.76
<b>Consideration transferred</b>	<b>15.33</b>

Trade accounts receivable assumed have a gross value of € 8.29m. Impairment with regard to trade accounts receivable that are expected to be uncollectible is € 0.20m.



The acquired subsidiary has contributed € 17.94m to the revenue and € 1.01m to the total comprehensive income in the current business year.

If the shares had been acquired on 1 April 2013, the consolidated income statement and earnings per share of DO & CO would have been affected as follows:

in m€	Business Year 2013/2014 pro forma	Business Year 2013/2014 stated
Sales	692.11	636.14
Net profit attributable to shareholders of DO & CO Aktiengesellschaft	29.20	26.07
Earnings per share in €	3.00	2.68

DO & CO acquired 51% of the voting shares in **Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş.**, domiciled in Tekirdag/Turkey, with effect from 31 March 2014. The acquisition serves the purpose to complement the product portfolio of DO & CO with regard to holistic packaging solutions for airlines, trade and the catering industry.

The purchase price allocation based on the fair values determined on a preliminary basis is as follows at 31 March 2014:

in m€	
Consideration transferred (fair value)	2.39
minus attributable net assets	0.07
Goodwill	2.32

DO & CO waived a receivable from the acquired company in the amount of € 0.93m as consideration to obtain control. Furthermore, DO & CO made a cash contribution of € 1.46m.

Goodwill resulting from the acquisition mainly includes staff expertise, and benefits from synergies and from market expansion. It cannot be used for tax purposes. The share of other shareholders (minority interests) to be recognised in the consolidated financial statements that is determined on the basis of the net assets of the subsidiary amounts to € 0.07m at the acquisition date.

The purchase price allocation is completed once all measurement-relevant factors to calculate the fair value have been analysed in detail.

The purchase price allocation based on the fair values on a preliminary basis is as follows at 31 March 2014:

in m€	
Non-current assets	4.49
Current assets	5.49
Non-current liabilities	5.90
Current liabilities	3.93
<b>Net assets</b>	<b>0.15</b>
<b>Attributable net assets</b>	<b>0.07</b>
Goodwill	2.32
<b>Consideration transferred</b>	<b>2.39</b>

Sales and the total comprehensive income of the business year do not include a contribution to income resulting out of the acquisition of the subsidiary. By balance sheet date the pro-forma consequences on the consolidated income statement and on the earnings per share assuming the acquisition of the subsidiary as of 1 April 2013 cannot be determined reliably or at reasonable expense.

3.2.2. 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 stipulates a measurement of by the parent company acquired assets and the liabilities assumed at their fair values at the acquisition date. The acquisition costs of the acquisition are the fair values 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 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 scheduled amortisation, but is tested for impairment annually (impairment test) and is written down to its lower recoverable value in the case of impairment.

DO & CO uses the equity method to account for investments in associates and joint ventures. Acquired investments are initially recognised at cost at the time of their acquisition. Any goodwill is included in the carrying amount of the investments. If the acquisition costs of the investments are lower than the net assets of the respective entity that were measured at fair value at the date of the acquisition, DO & CO recognises the difference as income in the income statement. They are subsequently measured taking into account DO & CO’s proportionate share of the changes in the net assets of the investment. DO & CO tests investments measured at equity for impairment if there is evidence of such impairment. If the carrying amount of the investments exceeds their recoverable amount, an impairment loss has to be recognised in the amount of this difference. The recoverable amount is the higher of the investments’ selling price and their value in use.

Investments are measured at equity if the joint venture or the associate is acquired at the reporting date of DO & CO. 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 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.

3.3. Business segments

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

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

The Management Board of DO & CO is the chief decision-maker to allocate resources to the business segments as well as to measure their profitability (management approach). The business segments are described in detail in Section 7.3.

DO & CO has a customer whose share in the Group’s sales exceeds 10%. Sales with this customer are contained especially in the segments airline catering and restaurants, lounges and hotels and amount in total to less than half of total sales.

3.4. Currency translation

The Euro is DO & CO’s functional and presentation currency. The functional currency of foreign entities partly differs from the Group’s functional currency.

Foreign currency transactions are translated into the respective functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items (most notably receivables and liabilities) are subsequently translated at the respective closing rates. Currency translation differences are immediately recognised in comprehensive income. 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 Turkish, British, American and Ukrainian subsidiaries of which the repayment is neither planned nor probable for the near future.

The translation of assets and liabilities of foreign operations into a functional currency other than the euro is made at the average spot exchange rate at 31 March 2014. Income and expenses are translated at the average annual exchange rate.

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

Translation differences resulting from the use of different closing rates for items in the financial position or from rate differences between the closing rates applied to the translation of expenses and sales in the income statement and associated changes in net assets in the statement of financial position are directly recognised in currency translation differences within equity. Currency translation differences recognized 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 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
US Dollar	1.378800	1.280500	1.344442	1.288414
British Pound	0.828200	0.845600	0.842592	0.816355
Turkish Lira	2.969300	2.321200	2.737367	2.315357
Swiss Franc	1.219400	1.219500	1.227567	1.209311
Polish Zloty	4.171900	4.180400	4.218600	4.169112
Ukrainische Hrywnja	15.750100	10.581500	11.732358	10.588598

3.5. Accounting principles

General measurement principles

The consolidated financial statements are prepared under the historical cost convention, excluding assets and liabilities recognised at fair value. This particularly pertains to financial assets at fair value through profit or loss as well as to financial assets available for sale.

Intangible assets

DO & CO particularly recognises goodwill as well as acquired customer agreements, licenses, trademarks and rights of use under intangible asset. Research and development expenses are not incurred at DO & CO. Intangible assets are stated at cost less accumulated scheduled amortisation and accumulated impairment losses. DO & CO charges scheduled amortisation for intangible assets with definite useful lives on a straight-line basis over a useful life of 2 to 25 years. Scheduled amortisation is recognised in the income statement under *depreciation and amortisation of property, plant and equipment and intangible assets*. Goodwill is not subject to scheduled 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 annually for impairment. With regard to the determination and recognition of impairment, reference is in Section *Impairment of non-financial assets*.

If divisions are sold, allocated goodwill is derecognised proportionally in a manner affecting profit or loss.

Property, plant and equipment

Property, plant and equipment is recognised at cost less accumulated depreciation and 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, expenses also includes the estimated costs for a possible obligation for dismantling and removing the asset and for restoring the site at which the asset is located.



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:

Buildings on land owned by DO & CO	25.0	to	40.0 years
Buildings on land owned by others	2.0	to	10.0 years
Plant and machinery	2.0	to	20.0 years
Other equipment and office equipment	2.0	to	10.0 years

Depreciation is recognised in the income statement under *depreciation and amortisation of property, plant and equipment and intangible assets*.

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 Section 3.5. *Impairment of non-financial assets*.

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

Investment property

DO & CO treats a property held for an indeterminated future use as investment property. This property was initially recognised at cost including associated costs incurred and subsequently measured at cost less accumulated depreciation (see Section *Impairment of non-financial assets*) in line with the cost model.

Leases

DO & CO, as lessee, entered into lease agreements for the temporary use of property, plant and equipment against payment of single or recurring lease payments. Agreements under which substantially all the risks and rewards of ownership of the leased assets are transferred to the Company are treated as finance leases. Since, under such agreements, purchases of property, plant and equipment are economically deemed asset purchases based on long-term financing, the respective leased assets are capitalised at the present value of the minimum lease payments; the maximum amount to be capitalised, however, is the fair value deemed to be the purchase cost. Depreciation policies for depreciable leased assets comply with the policies applicable to assets of property, plant and equipment legally owned by DO & CO. If the transition of the legal property of the asset at the end of the lease is not sufficiently certain, the leased asset is depreciated over its useful life or the term of the lease, whichever is shorter. Annual impairment testing is performed in accordance with the principles set forth in below Section *Impairment of non-financial assets*. At the time of acquisition, DO & CO recognises a leasing liability under *Other financial liabilities* in the amount of the present value of future minimum lease payments. Consequently, every lease payment is allocated between the interest and redemption portion taking into account a constant interest rate of the respective remaining leasing liability. The interest portion of the lease payment is recognised as *interest expense* in the income statement.

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

Impairment of non-financial assets

DO & CO tests capitalised goodwill annually for impairment. 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 recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the discounted net cash inflow from future use of the asset (value in use). If separately identifiable cash flows cannot be allocated to individual assets, 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 allocated goodwill. Any remaining amount reduces non-current assets in proportion to their carrying amounts, whereas the impairment is limited by a value of zero and – if determinable – by the net selling price or the value in use of the relevant asset.

Impairment losses are recognised in the income statement under *Impairment of non-current tangible and intangible assets* at DO & CO.

If objective evidence exists that an asset subject to scheduled 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 an impairment loss has to be recognised.

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

Financial assets

DO & CO recognises financial assets, if the company becomes 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 charged off on the settlement day.

At the time of acquisition, DO & CO classifies financial assets in the following measurement categories: financial assets at fair value through profit or loss, loans and receivables, as well as available-for-sale financial assets. The classification depends on the type of the financial asset and the purpose for which the financial assets were acquired. It is reviewed at the end of every reporting period.

- DO & CO recognises financial assets held for trading as **financial assets at fair value through profit or loss (FAaFVtP&L)** including in particular derivatives not designated as hedging instruments. These financial instruments are initially and subsequently measured at fair value. Gains and losses from changes in the fair value are recognised in the income statement under *Interest income* or *Interest expenses*.
- **Loans and receivables (LaR)** are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They result from the provision of financial assets, goods or services to a debtor unless it is intended to trade these receivables. They are classified as current assets provided that these assets are due within less than 12 months of the end of the reporting period. If this is not the case, they are classified as non-current assets. Loans and receivables are initially measured at fair value plus directly attributable transaction costs. Subsequently DO & CO measures trade accounts receivables at amortised cost using the effective interest method.
- **Available-for-sale financial assets (AfS)** are non-derivative financial assets which, based on their objective characteristics, are not classified in any of the other categories or which, based on the decision of the management, were designated in this category at the time of acquisition. If it is expected to dispose of these assets within twelve months, they are included in current assets; if this is not the case, these assets are recognised as non-current assets. DO & CO initially recognises available-for-sale financial assets at their fair value plus directly attributable transaction costs. Subsequent measurement is based on their fair value at the reporting date. Equity instruments of other companies whose fair value cannot be reliably estimated are excluded. These instruments are measured at cost.

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

Available-for-sale financial assets also include cash and cash equivalents, which comprise all highly liquid assets with a remaining maturity of less than three months at the time of acquisition.

DO & CO assesses at the end of every reporting period whether the carrying amounts of the financial assets not measured at fair value are impaired. A financial asset is impaired if an event occurred after the initial recognition of the asset and this event has a negative impact on the estimated future cash flows of the asset. The Company considers evidence for potential impairment to be in particular the significant deterioration of the creditworthiness, an increased probability of insolvency of the debtor, non-compliance of contractual obligations concerning interest payments and redemption, changes in economic conditions that correlate with defaults, and the disappearance of an active market for a security. With regard to equity instruments of other companies, a significant or prolonged decline in the fair value below its cost is also objective evidence of impairment.

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

Impairment of available-for-sale financial assets also leads to a value adjustment affecting profit or loss in the amount of the difference between the (net of any principal payment and amortisation) acquisition costs and the fair value at the balance sheet date less any impairment loss recognised in previous periods. In this case, any expense resulting from the decline in fair value and recognised in other comprehensive income has to be reclassified to the income statement. Impairment of available-for-sale equity instruments may – contrary to debt instruments – not be reversed through profit or loss. The income from the increase in the fair value is instead to be recognised in other comprehensive income.

DO & CO assesses impairment also with regard to investments in associates based on the criteria set forth for equity instruments. Potential impairment of these investments is assessed in line with the principles applying to non-financial assets (see Section *Impairment of non-financial assets*).

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

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

**Equity**  
Equity is the residual value of the Group’s assets after deducting all its liabilities. Equity is reported in the consolidated statement of financial position showing equity attributable to the shareholders of the parent company and 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 the shareholders of the acquisition target. This transaction is presented in the consolidated financial statements as follows:  
With the initial accounting for a business combination the share of other shareholders is recorded in equity. This item is subsequently adjusted for changes in the net assets of the other shareholders (prorated allocation of profit or loss and distributions). Correspondingly DO & CO recognised a non-current derivative financial liability with regard to the obligation resulting from the put option. The liability was recognised directly in equity and offset against a special item resulting from shareholder transaction in equity. On the assumption that DO & CO acquires the current balance of the respective investment of the other shareholders, the Company derecognises the amount reported in equity which were recorded for the other shareholders at the end of every reporting period. Differences between the derecognised equity amounts and the amounts at which the derivative financial liability is recognised and amortised are taken into account by DO & CO in accordance with the provisions on the presentation of transactions between shareholder groups as adjustment of the parent company’s equity.



Employee benefits

DO & CO committed itself to grant employees post-employment benefits. The obligation is limited to a contribution to be paid to an external provider under defined benefit 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. 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 *Personnel 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. The present value of the obligation is based on the return of the senior fixed-interest corporate bonds of the relevant currency area. The calculation is based on actuarial assumptions (see Section 4.14.). Any gains and losses resulting from adjustments of and changes in financial and demographic assumptions are recognised 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) is based on the principles outlined with regard to defined benefit obligation plans. Different to these, actuarial gains and losses are not recognised in other comprehensive income but are immediately recognised under *Personnel expenses* in the income statement.

Other provisions

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

Financial liabilities

Original financial liabilities are recognised on the liabilities side of the consolidated statement of financial position, if DO & CO is under a contractual obligation to transfer cash or other financial assets to a third party. The liability is initially measured at its fair value and is subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised if they are settled, cancelled or expired. Financial liabilities are classified as current if the Group does not have the unconditional right to delay the settlement of the liability by at least twelve months after the reporting period. In all other cases they will be classified as non-current liabilities.

Deferred taxes

Deferred tax assets are recognised on deductible temporary differences arising between 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 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 affect on profit or loss.

Revenue recognition

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

Earnings per share

*Earnings per share* reported in the income statement is 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.

3.6. Significant discretionary decisions and estimates

The preparation of the consolidated financial statements is for discretionary decisions and estimates 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 estimates and assumptions may have a material impact on DO & CO’s financial situation and performance.

Significant estimates and assumptions as well as with accounting policies selected by management 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 for acquisitions of shareholdings in associated companies and joint ventures with regard to the net assets represented by the share acquired.
- A material assessment relates to the accounting treatment of a forward for the acquisition of the shares of other shareholders. On the basis of the agreement DO & CO considers the current state of the investments of the other shareholders at each balance sheet date to have been acquired (see also notes to the equity in section 4.13). This treatment of the other shareholders has an influence on the equity structure.

- For the purpose of subsequent measurement, estimates and assumptions have to be made to determine scheduled 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. These, for example, include the identification of internal and external evidence indicating potential impairment. In this regard, management particularly takes into account changes in current competitive conditions, forecasts with regard to the respective industry, increases in capital costs, changes with regard to the future availability of funding, technological obsolescence, suspension of services, current replacement costs and purchase prices paid in comparable transactions. As far as shares of associated companies and joint ventures are concerned, management measures the existence of impairment by using criteria which indicate possible economic difficulties of the companies. Associated with this measurement there are uncertainties as far as the timing of the recognition of an impairment is concerned. The calculation of the recoverable amounts of the individual valuation objects is 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 planning period and a depreciation or amortisation period corresponding to the probable useful life of the valuation object. The cash flow estimate is based on the Company's ability to continue as a going concern and relies on planning taking into account experiences and assumptions with regard to the macro-economic environment and developments of the respective industry. Remaining uncertainties are taken into account appropriately. The interest rates used to determine the present value are based on the Company's costs of capital.
- The fair values of financial assets are partly determined using discounted cash flow models. The use of such models requires estimates of the cash flows to be discounted and the respective discount rates. For further information please refer to Section 7.1.
- Allowances for doubtful accounts receivable require the assessment of the creditworthiness of the customer in question taking into account the respective economic environment.
- The measurement of inventories requires estimates in respect of the recoverable selling prices and the distribution costs to be incurred.
- 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 corporate bonds with a similar term to maturity as the corresponding measured liability to calculate appropriate discount rates. Estimates on the mortality risk are based on publicly available, country-specific reference guidelines. The remuneration and pension increases as well as operational experience taken into account rely on estimated country-specific inflation rates. 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 current and deferred taxes requires an estimate to the extent that 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. Notes to the Consolidated Statement of Financial Position

4.1. Intangible assets

Intangible assets comprise goodwill and acquired rights and licenses in such rights with determinable useful lives. The rights and licences particularly include customer agreements, trademark titles, and rights of use and software licenses. DO & CO did not capitalise any internally generated intangible assets. The development of intangible assets in the business year compared to the previous business year is presented below:

in m€	Industrial property rights and similar rights and benefits including deriving from them	Goodwill	Payments in advance	Total
Cost at 31 March 2013	42.59	5.62	0.00	48.20
Changes in the composition of the Group and reclassifications	18.42	10.08	0.00	28.50
Currency translation	-5.17	0.00	0.00	-5.17
Additions	5.26	0.00	1.90	7.16
Disposals	0.28	0.00	0.00	0.28
At 31 March 2014	60.81	15.70	1.90	78.41
Accumulated amortisation at 31 March 2013	32.65	0.00	0.00	32.65
Changes in the composition of the Group and reclassifications	0.52	0.00	0.00	0.52
Currency translation	-4.11	0.00	0.00	-4.11
Additions (amortisation)	3.54	0.00	0.00	3.54
Disposals	0.27	0.00	0.00	0.27
At 31 March 2014	32.32	0.00	0.00	32.32
Net book value at 31 March 2014	28.49	15.70	1.90	46.09



in m€	Industrial property rights and similar rights and benefits including deriving from them	Goodwill	Payments in advance	Total
Cost at 31 March 2012	40.16	4.06	0.00	44.22
Changes in the composition of the Group and reclassifications	1.32	1.56	0.00	2.87
Currency translation	0.54	0.00	0.00	0.54
Additions	0.73	0.00	0.00	0.73
Disposals	0.16	0.00	0.00	0.16
At 31 March 2013	42.59	5.62	0.00	48.20
Accumulated amortisation at 31 March 2012	29.54	0.00	0.00	29.54
Changes in the composition of the Group and reclassifications	0.17	0.00	0.00	0.17
Currency translation	0.40	0.00	0.00	0.40
Additions (amortisation)	2.71	0.00	0.00	2.71
Disposals	0.16	0.00	0.00	0.16
At 31 March 2013	32.65	0.00	0.00	32.65
Net book value at 31 March 2013	9.93	5.62	0.00	15.55

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. The table below presents an overview of goodwill tested for impairment in the business year 2013/2014 and the material assumptions made with regard to the relevant impairment tests. For information on the economic situation in the respective countries as well as the expected development, reference is also made to the comments in the management report for the Group.

Cash-generating unit	Sky Gourmet - airline catering and logistics GmbH	DO & CO Poland Sp. z o.o.
Segment	Airline Catering	Airline Catering
Carrying amount of Goodwill in m€	4.06	1.29
Impairment	–	–
Length of detailed planning period	5 years	5 years
Annual growth in sales in detailed planning period	2% – 4%	2% – 3%
Annual growth in sales after detailed planning period	2.4 %	2.3 %
Pre-tax discount rate	6.9 %	9.1 %

Sales growth assumptions used for impairment testing are based on adjusted past experience. These assumptions take into account further expected developments in the respective markets. The development of the cost structure reflects past experience, measures initiated to improve efficiency, and the expected developments with regard to specific cost factors.

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

As in the previous year, it was not necessary to recognise impairment with regard to goodwill. Also if the discount rate had increased by 1 percentage point, 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.

4.2. Property, plant and equipment

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

in m€	Land and buildings including buildings on third party land	Plant and machinery	Other equipment and office equipment	Payments on account and assets in course of construction	Total
Cost at 31 March 2013	96.56	30.36	68.35	27.34	222.61
Changes in the composition of the Group and reclassifications	2.29	5.49	6.71	0.19	14.67
Currency translation	-9.87	-2.80	-5.85	-6.62	-25.13
Additions	8.76	3.08	7.43	17.42	36.69
Reclassifications	0.58	0.15	0.21	-0.94	0.00
Disposals	1.62	2.02	5.34	0.01	8.99
At 31 March 2014	96.71	34.26	71.51	37.38	239.86
Accumulated amortisation and impairment losses at 31 March 2013	38.34	20.45	40.63	0.00	99.43
Changes in the composition of the Group and reclassifications	1.39	1.75	4.34	0.00	7.48
Currency translation	-2.86	-0.99	-2.73	0.00	-6.58
Additions (amortisation)	5.19	2.25	8.36	0.00	15.80
Additions (impairment)	0.15	0.00	0.00	0.00	0.15
Disposals	1.36	1.91	4.64	0.00	7.91
At 31 March 2014	40.85	21.56	45.96	0.00	108.37
Net book value at 31 March 2014	55.85	12.71	25.55	37.38	131.49

in m€	Land and buildings including buildings on third party land	Plant and machinery	Other equipment and office equipment	Payments on account and assets in course of construction	Total
Cost at 31 March 2012	57.75	23.40	52.62	18.62	152.38
Changes in the composition of the Group and reclassifications	31.96	6.90	8.27	-6.24	40.88
Currency translation	-0.21	-0.06	0.22	0.35	0.30
Additions	7.33	2.49	12.59	14.63	37.05
Disposals	0.27	2.36	5.34	0.02	8.00
At 31 March 2013	96.56	30.36	68.35	27.34	222.61
Accumulated amortisation and impairment losses at 31 March 2012	32.36	18.12	34.43	0.00	84.91
Changes in the composition of the Group and reclassifications	1.51	2.22	3.61	0.00	7.34
Currency translation	0.34	0.09	0.19	0.00	0.62
Additions (amortisation)	4.40	2.35	7.64	0.00	14.40
Additions (impairment)	0.00	0.00	0.02	0.00	0.02
Revaluation	0.00	-0.01	-0.19	0.00	-0.20
Disposals	0.27	2.33	5.07	0.00	7.67
At 31 March 2013	38.34	20.45	40.63	0.00	99.43
Net book value at 31 March 2013	58.21	9.91	27.72	27.34	123.19

Due to the tense situation in Ukraine, non-current assets used in this market environment were tested for impairment as at 31 March 2014. No impairment loss had to be recognised. The review of the estimates made with regard to useful life, method of depreciation and residual values too did not result in any need to make adjustments.

In the previous year, DO & CO reported impairment of property, plant and equipment in the income statement under *Impairment of non-current tangible and intangible assets* in the amount of € 0.02m.

4.3. Investment property

With regard to the Airline Catering segment, DO & CO holds undeveloped land for undetermined future use. This property, measured using the cost model, has developed as follows in the business year:

in m€	Business Year 2013/2014
Cost	3.60
Book value at 1 April 2013	3.60
Impairment (-)	-0.03
Book value at 31 March 2014	3.57

In the business year 2013/2014, current expenses for the property were incurred only to a minor extent. The fair value of this investment property, which was determined by an external expert, amounts to € 3.57m at 31 March 2014 (31 March 2013: € 3.60m). This amount corresponds to the recoverable amount of the property as selling costs are negligible. The fair value was determined based on transactions with similar properties in a comparable market environment and considers individual the valuation influencing factors of the property (e.g. position and size). The fair value has to classified as level 3 and is decisive influenced by the realisable sale price of the property. DO & CO recognised an impairment loss equalling the difference between the carrying amount and the recoverable amount (€ 0.03m (business year 2012/2013: € 0.00m)) under *Impairment of non-current tangible and intangible assets in the income statement*.

4.4. Leases

Group companies are lessees. Finance leases, i.e. leases in which DO & CO (as lessee) retains substantially all the risks and rewards, are capitalised at the commencement of the lease at the fair value or the lower present value of the future minimum lease payments. As in the previous year, finance lease agreements with regard to motor vehicles are in place only to a minor extent at the end of the business year and are reported under *Property, plant and equipment*.

Operating leases, where the economic property is left to the lessor, most notably cover business premises as well as furniture and equipment, and – to a minor extent – vehicles and other assets. These lease agreements do not include any purchase option. The minimum lease payments resulting out of these contracts are described in Section 7.2.

DO & CO, as lessor, only rented out a part of the property in the US. The agreement terminates on 31 July 2014. DO & CO expects lease income of € 0.03m for the remainder of the lease.



4.5. Investments measured at equity

Investments in joint ventures and associates are measured at equity at DO & CO. The total carrying amount of these investments at 31 March 2014 and 31 March 2013, respectively, relates to the following non-listed companies:

in m€	31 March 2014	31 March 2013
Sky Gourmet Malta Ltd.	0.42	0.24
Sky Gourmet Malta Inflight Services Ltd.	0.26	0.22
ISS Ground Services GmbH	1.50	1.43
Fortnum & Mason Events Ltd.	0.00	0.00
<b>Total</b>	<b>2.18</b>	<b>1.88</b>

Investments measured at equity have developed as follows in the current and the previous business year:

in m€	Business Year 2013/2014	Business Year 2012/2013
<b>At 1 April</b>	<b>1.88</b>	<b>1.67</b>
Attributable net result	0.50	0.30
Attributable dividend payment	-0.19	-0.09
<b>At 31 March</b>	<b>2.18</b>	<b>1.88</b>

Material financial information with regard to associates and joint ventures is presented on an aggregate basis in the table below. The values relate to the financial statements of the associates as well as joint ventures as a whole rather than to the proportion of DO & CO’s investment in the respective entities.

in m€	31 March 2014		31 March 2013	
	Associated companies	Joint ventures	Associated companies	Joint ventures
Assets	7.59	1.81	7.64	1.58
Liabilities	5.21	2.35	6.04	2.16
Sales	26.66	1.33	24.83	1.47
Net result	1.02	0.02	0.54	-0.12

At 31 March 2014, DO & CO recognised a provision in the amount of € 0.28m (31 March 2013: € 0.28m) in an amount equal to the proportion of the loss assumed in a joint venture not taken into account under the equity method which is included in *current liabilities*.

4.6. Other financial assets

DO & CO reports the following non-current financial assets under *Other financial assets*:

in m€	31 March 2014	31 March 2013
Loans	0.02	0.02
Securities	0.21	0.21
Shares in non-consolidated group companies	0.09	0.00
<b>Total</b>	<b>0.32</b>	<b>0.23</b>

Further information on these financial instruments is provided in Section 7.1.

4.7. Other non-current assets

Other non-current assets particularly include deposits for rented buildings and furniture and equipment. These are payments that have been made in favor of the lessor by the company and are subject to long-term restrictions on the availability.

4.8. Income tax receivables

At 31 March 2014 and 31 March 2013, DO & CO reports the following current income tax receivables:

in m€	31 March 2014	31 March 2013
Effective income tax - long term	3.79	5.36
Effective income tax - short term	8.40	3.87
<b>Total</b>	<b>12.19</b>	<b>9.23</b>

Income tax receivables result from tax advances. It is not expected to receive non-current effective income tax receivables within twelve months after the reporting period, which is particularly due to taxable periods that deviate from the business year.

4.9. Inventories

DO & CO’s inventories break down as follows at 31 March 2014 and 31 March 2013, respectively:

in m€	31 March 2014	31 March 2013
Raw materials and supplies	10.64	9.51
Goods	11.52	8.81
<b>Total</b>	<b>22.16</b>	<b>18.32</b>

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

4.10. Trade accounts receivable

Trade accounts receivable have a remaining period of a maximum of 12 months after the reporting period. With regard to impairment of trade accounts receivable, creditworthiness is assessed on an ongoing basis. The development of trade accounts receivable is as follows:

in m€	31 March 2014	31 March 2013
Trade receivables	82.51	58.30
Impairments	2.67	2.28
Trade receivables (net)	79.84	56.02

The following risk exists with regard to trade accounts receivable: at 31 March 2014, trade accounts receivable from one customer amount to € 28.16m (PY: € 18.97m), of which € 10.73m (PY: € 1.67m) is still outstanding at the time these consolidated financial statements were released for publication. No evidence exists that these receivables are uncollectible.

Of the total amount of trade accounts receivable as at 31 March 2014 € 53.80m (31 March 2013: € 31.75m) are neither impaired nor overdue.

Impairment of trade accounts receivable has developed as follows:

in m€	Business Year 2013/2014	Business Year 2012/2013
As of 1 April	2.28	1.71
Changes in consolidation	0.32	0.53
Allocation	0.73	0.92
Reclassification/ FX effects	-0.37	0.00
Consumption	-0.06	-0.69
Release	-0.21	-0.20
As of 31 March	2.67	2.28

At 31 March 2014 and 31 March 2013, unimpaired trade accounts receivable have the following maturities:

in m€	31 March 2014	31 March 2013
undue	53.80	31.75
less than 20 days due	12.90	6.88
more than 20 days but less than 40 days due	6.63	7.22
more than 40 days but less than 80 days due	1.11	3.60
more than 80 days due	2.18	1.93
Total	76.62	51.38

4.11. Other current assets

At the end of the current and the previous business year, other current assets include the following:

in m€	31 March 2014	31 March 2013
Accounts receivable from other equity investments	0.00	0.30
Prepaid expenses	2.94	1.48
Derivative financial instrument	1.12	0.00
Other receivables and assets	22.63	42.55
Total of other receivables and other assets	26.69	44.32

Sundry other assets particularly include VAT receivables. With regard to derivative financial instruments, reference is made to Section 7.1.

Impairment of other current assets has developed as follows in the business year and in the previous business year:

in m€	Business Year 2013/2014	Business Year 2012/2013
As of 1 April	0.18	0.09
FX effects	-0.01	0.00
Allocation	0.06	0.09
Consumption	-0.04	0.00
As of 31 March	0.20	0.18

4.12. Cash and cash equivalents

Cash and cash equivalents include:

in m€	31 March 2014	31 March 2013
Cash, checks	1.10	0.35
Cash at banks	178.23	72.83
Total	179.33	73.18

The major part of cash at banks is made up of deposits held at call with banks. Cash at banks also include time deposits with an original maturity of less than three months. At 31 March 2014, cash and cash equivalents comprise foreign exchange assets in the amount of TRY 20.05m, USD 10.46m, as well as GBP 5.51m. Cash at banks bore average interest of 1.9% (PY: 3.0%) in the business year 2013/2014.

4.13. Shareholders’ equity

The share of DO & CO has been listed in the prime market of the Vienna Stock Exchange since March 2007 and in addition on the Istanbul Stock Exchange since December 2010. At 31 March 2014, Attila Dogudan Privatstiftung holds a share of 40.95% (31 March 2013: 40.95%) in DO & CO. UniCredit Bank AG, domiciled in Munich, a subsidiary of UniCredit SpA, Rome, holds a share of 10.00% (31 March 2013: 0.00%). The remaining shareholding of 49.05% (31 March 2013: 47.05%) is in free float and includes a share of 1.68% reserved for management and employee participation program managed by Attila Dogudan Privatstiftung.



At 31 March 2014 and at 31 March 2013, DO & CO’s equity included the following:

in m€	31 March 2014	31 March 2013
Nominal Capital	19.49	19.49
Capital reserves	70.60	70.60
Retained earnings	76.48	58.75
Other comprehensive income	-21.65	-8.92
Special item	1.32	2.42
Consolidated result	26.07	22.81
Equity attributable to the shareholders of DO & CO Aktiengesellschaft	172.31	165.15
Minority interests	31.08	30.19
Shareholders’ Equity	203.39	195.33

The share 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 is entitled to one vote.

The capital reserve includes amounts from past capital increases that were made in excess of the share capital less capital procurement costs, net of tax. The capital reserve remained unchanged on the previous business year.

The retained earnings include undistributed earnings and consist of the statutory reserve which amounts to € 0.12m (PY: € 0.12m) and other retained earnings which amount to € 76.36m (PY: € 58.63m). A profit distribution is restricted to amount of the statutory reserve. Under Austrian securities law, DO & CO share-holders may receive distributions from the balance sheet profit as respectively reported in accordance with the Austrian Commercial Code.

Accumulated other comprehensive income includes differences from the translation of financial statements prepared in foreign currencies that were recognised directly in equity in the business year and in previous years, as well as net investment effects and actuarial gains and losses from defined benefit plans, net of income tax. In the current business year, expenses or income recognised directly in equity did not have to be reclassified to the income statement.

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

The Management Board was authorised at the General Meeting of Shareholders, subject to the consent of the Supervisory Board, to increase the nominal capital by issuing shares based on the following conditions (approved capital): At the General Meeting of Shareholders dated 5 July 2012, the Management Board was authorised, subject to the consent of the Supervisory Board, to increase the nominal capital by up to further € 9,744,000.00 through the issuance of up to 4,872,000 shares in the form of new no-par bearer shares in exchange for cash contributions and/or contributions in kind. This authorisation expires on 30 June 2017.

By resolution of the General Meeting of Shareholders dated 4 July 2013, the Management Board was authorised, subject to the consent of the Supervisory Board, to issue financial instruments within the meaning of Section 174 AktG, most notably convertible bonds, warrant bonds, profit-sharing bonds, hybrid bonds, jouissance rights of up to € 200,000,000 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. The authorisation expires on 3 July 2018.

The shares of other shareholders include the direct minority interests in the equity of the fully consoli-dated THY DO & CO İkrām Hizmetleri A.Ş. amounting to 50%, in the fully consolidated Lotniczy Catering Service Sp. z o.o. amounting to 49%, and in the fully consolidated Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş. amounting to 49%. Moreover, the shares of other shareholders in DO & CO im PLATINUM Restaurantbe-triebs GmbH amounting to 10% were reported under the item *Minority interests*. With regard to the legally involved other shareholders that hold 49% in DO AND CO KYIV LLC and due to the anticipated acquisition, no item is recognised under equity.

4.14. Personnel provisions

The breakdown and development of non-current provisions resulting from employment relationships are at the end of the reporting period as follows:

in m€	As of 1 April 2013	Currency changes	Changes in scope of consolidation	Consumed	Release	Allocation	As of 31 March 2014
Provisions for severance payments DBO	15.97	-1.58	0.26	1.55	0.18	3.00	15.92
Provisions for pension payments DBO	0.67	0.00	0.00	0.05	0.01	0.02	0.63
Provisions for long-service anniversary payments DBO	5.53	0.00	0.00	0.25	0.57	0.61	5.32
Personnel provisions	22.16	-1.58	0.26	1.85	0.76	3.64	21.86

Employees whose employment is subject to Austrian law and has been established prior to January 1<sup>st</sup> 2003, have in the event of termination by the employer or a termination of employment for cause entitlement to severance payments if the employment relationship has existed uninterruptedly for three years. The same applies to reaching retirement age after a continuous period of service of ten years.

The projected unit credit method was applied to calculate legal or collective obligations vis-à-vis employees of Austrian group companies with regard to the payment of a one-off termination benefit upon termination or if the pensionable age is reached. In doing so, the expected benefit obligations are determined based on a discount rate of 3.50% per annum (PY: 3.75% per annum) and taking into account expected pay increases of 3.50% per annum (PY: 3.50% per annum), assuming the pensionable age to be 60 years for women and 65 years for men (PY: 60 and 65 years, respectively).

DO & CO granted a former employee a lifelong pension which was determined on the basis of the same calculation factors used for the provisions set up for termination benefits at Austrian group companies.

Termination benefits of foreign companies were determined based on comparable methods and recognised on the liabilities side unless defined contribution plans are in place. The calculation of termination benefit obligations for employees in Turkish group companies is made by taking into account a discount rate of 10.00% (PY: 10.00%) and expected inflation-related pay increases of 6.50% (PY: 6.50%).

The weighted average duration of termination benefits amounts to 12.8 years. According to management’s opinion no extraordinary risks or risk concentrations result from performance based benefits.

For staff employed with Austrian companies, a provision was set up for anniversary bonuses and recognised on the liabilities side as an obligation similar to termination benefits. It is measured by applying the principles for termination benefits accordingly. The present values of these obligations, established by an expert, take into account an age-related turnover rate.

in m€	Severances		Pensions		Long-service anniversary	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Present value of obligations (DBO) on 1 April	15.97	13.06	0.67	0.56	5.53	3.97
Currency changes	-1.47	0.13	0.00	0.00	0.00	-0.01
Changes in scope of consolidation	0.01	0.06	0.00	0.09	0.00	0.74
Current service cost*	1.60	1.75	0.00	0.00	0.79	0.28
Interest cost	0.58	0.56	0.02	0.03	0.18	0.17
Benefit payments	-1.20	-1.33	-0.08	-0.06	-0.29	-0.22
Settlements / curtailments*	0.00	0.00	0.00	0.00	-0.44	0.00
Actuarial gain**	0.43	1.74	0.03	0.06	-0.45	0.60
Present value of obligations (DBO) on 31 March	15.92	15.97	0.63	0.67	5.32	5.53

\* 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 assumptions on which the measurement was based due to changing market, economic and social conditions. The resulting value adjustments are shown in the above table 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.

A change in the actuarial parameters affects the present value of the provisions for severances calculated at balance sheet date 31 March 2014:

in m€	Change in percentage points	Impact of DBO	
		Decrease in assumption	Increase in assumptions
Interest rate	0.50	0.89	-0.81
Remuneration increases	1.00	-1.56	1.83

DO & CO adjusted the valuation of personnel provisions in two respects with regard to the comparative figures. The first adjustment relates to the termination benefit provision. Contrary to the requirements of the early adopted IAS 19, the actuarial gains totalling € 0.66m were recognised in profit or loss in *Personnel expenses* for two Turkish companies. This amount is recognised in *Revaluation IAS 19* in the prior-year figures. Deferred taxes thus had to be adjusted as well.

In the previous year, DO & CO also recognised actuarial losses relating to anniversary bonuses in the amount of € 0.60m under *Revaluation IAS 19* without being taken through profit or loss. The expenses arising from the change in valuation assumptions should have been recognised under *Personnel expenses* in the income statement.

The two adjustments have the following impact on the prior-year figures compared to the published figures:

Adjustments to the statement of financial position (in m€)	31 March 2013 before adjustment	Adjustment Severance Payments	Adjustment Anniversary bonuses	31 March 2013 after adjustment
Other comprehensive income	-8.92	-0.26	0.45	-8.74
Consolidated result	22.81	0.26	-0.45	22.62

Adjustments to the income statement (in m€)	31 March 2013 before adjustment	Adjustment Severance Payments	Adjustment Anniversary bonuses	31 March 2013 after adjustment
Personnel expenses	-190.71	0.66	-0.60	-190.65
EBIT - Operating result	41.31	0.66	-0.60	41.37
Profit before taxes	42.26	0.66	-0.60	42.32
Income tax	-10.72	-0.13	0.15	-10.70
Profit after taxes	31.53	0.53	-0.45	31.61
Minority interests	-8.73	0.26	0.00	-8.46
Net profit attributable to shareholders of DO & CO Aktiengesellschaft (Net result)	22.81	0.26	-0.45	22.62

Adjustments to the statement of comprehensive income (in m€)	31 March 2013 before adjustment	Adjustment Severance Payments	Adjustment Anniversary bonuses	31 March 2013 after adjustment
Revaluation IAS 19	-2.40	-0.66	0.60	-2.46
Income Tax of other comprehensive income and expense	0.34	0.13	-0.15	0.32
Other comprehensive income after taxes	-1.39	-0.53	0.45	-1.47
Attributable to minority interests	8.92	-0.26	0.00	8.66
Attributable to shareholders of DO & CO Aktiengesellschaft	21.22	0.00	0.00	21.22

As the consequences of these two adjustments to a large extent compensate each other, DO & CO has decided not to restate comparative figures in the consolidated balance sheet as of March 31, 2014 and the consolidated income statement and the consolidated statement of comprehensive income for the business year 2013/2014.

Earnings per share for the business year 2012/2013 decreased from € 2.34 per share by € 0.02 per share to € 2.32 per share as a result of the valuation adjustment.



4.15. Bond issued

At the beginning of March 2014, DO & CO issued a corporate bond at a notional amount of € 150m. The bond has a term to maturity of seven years and an interest rate of 3.125% per annum.

4.16. Other non-current financial liabilities

Other non-current financial liabilities include long-term loans granted to the Company with a remaining maturity of three years at 31 March 2014 (31 March 2013: 4 years). No new loans were taken out in the business year. Further information with regard to financial liabilities is provided in Section 7.1.

4.17. Deferred taxes

At 31 March 2014 deferred taxes result from temporary differences arising between the carrying amounts of assets and liabilities and the tax bases as well as tax loss carry-forwards. Deferred taxes primarily result from the following:

in m€	31 March 2014		31 March 2013	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	0.01	-4.30	0.00	-1.90
Property, plant and equipment	0.95	-3.30	1.05	-2.29
Financial assets	0.00	-2.16	0.06	-1.42
Inventories	0.00	0.00	0.01	-0.01
Accounts receivable	0.49	-0.23	0.42	0.00
Prepaid expenses	0.00	-0.27	0.00	-0.01
Net investment	3.61	0.00	2.35	0.00
Provisions	7.53	-0.88	6.79	-0.87
Liabilities	0.02	-0.63	0.02	-0.04
Total temporary differences	12.62	-11.78	10.70	-6.55
Tax losses carried forward	8.04	0.00	5.60	0.00
Valuation discount for capitalized deferred tax	-7.90	0.00	-6.99	0.00
Offsetting of differences with the same tax authorities	-4.65	4.65	-3.92	3.92
Total	8.11	-7.13	5.39	-2.63

In the business year 2013/2014, deferred taxes for DO & CO and its consolidated subsidiaries domiciled in Austria are calculated using a tax rate of 25.0% (PY: 25.0%). Deferred taxes for consolidated companies outside of Austria are calculated based on the applicable local tax rate.

Deductible temporary differences in the amount of € 0.51m (PY: € 0.45m) and taxable temporary differences in the amount of € 0.86m (PY: € 0.05m) are expected to be reversed within 12 months after the reporting period.

In the business year 2013 / 2014 deferred tax assets in the amount of € 1.46m (PY: € 0.34m) were recognised directly in equity.

In the business year, deferred taxes in the amount of € 0.92m were recognised for previously unused loss carry-forwards of € 6.40m. The use of these loss carryforwards is expected in the amount of € 0.49m within twelve months after the reporting date. Deferred taxes were not capitalised for deductible temporary differences amounting to € 2.39m (31 March 2013: € 4.99m) and for tax loss carry-forwards amounting to € 22.95m (31 March 2013: € 16.62m), as it cannot be reliably established that these potential tax benefits may be realised within the planning period.

4.18. Other current provisions

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

in m€	As of 1 April 2013	Currency changes	Changes in scope of consolidation	Consumed	Release	Allocation	As of 31 March 2014
Provision for taxation	13.02	-0.49	0.00	3.98	0.21	5.85	14.20
Other personnel provisions	17.23	-0.52	1.72	14.21	0.52	17.96	21.67
Deliveries and services not yet invoiced	27.62	-2.99	3.23	9.77	4.30	9.12	22.90
Total	57.87	-3.99	4.95	27.96	5.03	32.93	58.77

DO & CO reports provisions for income tax liabilities under the item *Provision for taxation*.

Other personnel provisions mainly pertain to prorated special payments in the amount of € 2.16m (PY: € 2.49m) due to having a business year not coinciding with the calendar year, to provisions for a prorated number of vacation days not yet used by the end of the reporting period in the amount of € 9.38m (PY: € 8.99m), as well as other provisions for performance-based remuneration components in the amount of € 8.43m (PY: € 5.12m).

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

4.19. Other current liabilities

Other current liabilities break down as follows:

in m€	31 March 2014	31 March 2013
Advanced payments received on orders	1.93	1.69
Other liabilities	19.66	13.75
Deferred income	1.59	0.63
Total	23.19	16.08

It is expected to settle these obligations within twelve months after the reporting period. Sundry other liabilities mainly pertain to VAT liabilities, liabilities to social insurance funds, to liabilities to employees in an amount equal to current remuneration payments as well as to obligations to a previous shareholder of an acquired company.

5. Comments on the consolidated income statement

5.1. Sales

Information on sales generated by division and geographical region is presented in Section 7.3. Segment reporting.

5.2. Other operating income

In the business year 2013/2014 and the previous year, other operating income pertains to:

in m€	Business Year 2013/2014	Business Year 2012/2013
Income from the disposal of fixed assets	0.26	0.50
Income from the release of provisions	5.40	4.79
Reversal of write downs on receivables	0.21	0.20
Insurance payments	0.20	0.55
Rent income	0.20	0.09
Foreign exchange gains	14.06	6.23
Miscellaneous other operating income	1.93	4.23
Total	22.28	16.60

5.3. Cost of materials and purchased services

In the business year 2013/2014 and the previous year, cost of materials and purchased services amounted to:

in m€	Business Year 2013/2014	Business Year 2012/2013
Cost of materials (including goods for resale)	219.14	195.67
Cost of services	46.36	44.64
Total	265.50	240.31

Reported cost of materials mainly includes the carrying amounts of the goods sold in the respective period and the raw materials and supplies used.

5.4. Personnel expenses

The DO & CO Group employed an average of 7,323 staff (PY: 5,642) in the business year 2013/2014.

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

in m€	Business Year 2013/2014	Business Year 2012/2013
Wages and salaries	166.73	150.26
Expenses for severance payments, pensions and contribution based payments	3.45	3.07
Compulsary social security contribution and payroll-related taxes	32.14	29.81
Other employee-related expenses	9.13	7.57
Total	211.44	190.71

For prior-year figures see the information provided in Section 4.14.

5.5. Impairment of non-current property, plant and equipment and intangible assets

Impairment recognised in the income statement pertains to property, plant and equipment in the amount of € 0.15m (PY: € 0.02m) and to investment property in the amount of € 0.03m (PY: € 0,00m).

Information on the allocation of recognised impairment with regard to divisions is presented in Section 7.3.

5.6. Other operating expenses

Other operating expenses pertain to:

in m€	Business Year 2013/2014	Business Year 2012/2013
Other taxes (excluding income taxes)	3.14	1.96
Rentals, leases and operating costs (including airport fees)	48.37	49.81
Travel and communication expenses	11.29	15.10
Transport, vehicle and maintenance expenses	15.07	14.11
Insurance premiums	1.12	0.98
Legal, auditing and consulting expenses	4.20	4.99
Miscellaneous operating expenses	7.68	4.88
Value adjustments, write-off of receivables and other claims	7.13	2.40
Foreign exchange losses	13.44	5.44
Losses on disposal of fixed assets	1.09	0.20
Other administrative expenses	3.26	3.45
Total	115.80	103.32

Sales of other assets in the business year 2013/2014 resulted in losses in the amount of € 5.54m which are included in the item *value adjustments, write-off receivables and other claims*.

The expenses for the auditor and all members of the network of the auditor for the audit of the consolidated financial statements and the individual financial statements in the reporting period amounted to € 0.45m (PY: € 0.44m) as well as € 0.36m (PY: € 0.25m) for other consulting services.



5.7. Gains or losses arising from investments measured at equity

Gains or losses arising from investments measured at equity are presented in the operating result (EBIT) as from the business year 2013/2014. The prior-year figures were adjusted accordingly. Further information with regard to this change of presentation is included in Section 3.1.

5.8. Financial result

In the business year, interest income and interest expenses led to a financial result of € -1.77m. The table below presents the breakdown of the financial result:

in m€	Business Year 2013/2014	Business Year 2012/2013
Income from other securities	0.01	0.01
Other interest and similar income	1.97	2.57
Other interest and similar expenses	-4.63	-1.85
Other financial result	0.89	0.00
Total	-1.77	0.72

Interest and similar expenses include interest expenses from the discounting of termination benefit obligations and other non-current obligations in the amount of € 0.74m. The result from other financial activities pertains to effects from the recognition of derivatives with regard to the total return equity swap entered into with UniCredit.

5.9. Income taxes

Income taxes pertain to:

in m€	Business Year 2013/2014	Business Year 2012/2013
Income tax expense	10.82	11.14
Deferred tax income (-)/ -expenses (+)	-0.68	-0.42
Total	10.14	10.72

For the prior-year income taxes figure see the information presented in Section 4.14.

From the effective income tax expenses € 10.78m account for the current year (PY: € 11.14m). Income tax expense in the amount of € 0.04m (PY: € 0.00m) relate to adjustments of in prior years incurred taxes.

The income taxes reported in the business year 2013/2014 are derived as follows from an expected income tax expense that would result from applying the statutory income tax rate of DO & CO on Group earnings before taxes:

in m€	Business Year 2013/2014	Business Year 2012/2013
Consolidated result before tax	44.88	42.26
Tax expense at tax rate of 25% (previous year: 25%)	11.22	10.57
Permanent differences, and tax expenses and income from prior periods	-0.46	0.43
Change of value adjustments on capitalized deferred tax assets as well as losses for which no deferred tax provisions were created	0.76	0.68
Change in tax rates and different corporate income tax rates	-1.38	-0.95
Effective income tax expense	10.14	10.73
Effective tax rate in %	22.6	25.4

The effective tax burden of the DO & CO Group, i.e. the reported tax expenses in relation to the operating result, is 22.6% (PY: 25.4%). In the business year 2013/2014, the decrease of the tax ratio was particularly due to tax rate differences within foreign entities.

5.10. Earnings per share

Basic earnings per share are calculated by dividing total comprehensive income for the period attributable to the shareholders of DO & CO by the average number of ordinary shares issued during the business year.

	Business Year 2013/2014	Business Year 2012/2013
Average number of Issued shares (in Pie)	9,744,000	9,744,000
Undiluted Earnings per share (in EUR)	2.68	2.34

Basic earnings per share based on the profit or loss attributable to the shareholders of DO & CO Aktiengesellschaft in the amount of € 26.07m (PY: € 22.81m) is € 2.68 (PY: € 2.34).

Diluted earnings per share for the business year 2012/2013 decreased due to revaluation (see Section 4.14.) from € 2.34 per share by € 0.02 per share to € 2.32 per share.

5.11. Proposed appropriation of profits

Under the provisions of the Austrian Stock Corporation Act, the individual financial statements of DO & CO Aktiengesellschaft as of 31 March 2014, 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 a dividend of € 0.85 per dividend-bearing share.

## 6. Comments on the consolidated statement of cash flows

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 on hand, cheques and cash at banks.

Income tax payments are reported separately under the cash flow from operating activities. Interests paid in the amount of € 0.75m and received in the amount of € 1.51m are also allocated to operating activities. The dividend payments to shareholders of DO & CO Aktiengesellschaft were recorded under financing activities.

The gross cash flow amounts to € 69.67m, representing an increase of € 10.94m from the previous year. Taking into account changes of working capital and income tax payments, the cash flow from operating activities amounts to € 42.19m (PY: € 36.03m).

The cash flow from investing activities is negative, amounting to € -58.05m (PY: € -30.41m). Investments in property, plant and equipment and intangible assets are € -43.64m plus effects from changes in cash and cash equivalents related to changes in the scope of consolidation in the amount of € -22.16m.

The cash flow from financing activities is € 129.71m (PY: € -17.84m), which mainly results from the bond issuance in the fourth quarter of the 2013/2014 business year.

## 7. Additional disclosures

### 7.1. Additional disclosures on financial instruments

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

in m€	Carrying amount 31.3.2014	thereof application area of IFRS 7	Measurement category according to IAS 39	Fair Value of finan- cial instruments within application area of IFRS 7	Level
Other financial assets <sup>1</sup>	0.32	0.32			
Share of affiliated companies	0.09	0.09	AfS	-	
Securities	0.21	0.21	AfS	-	
Loans	0.02	0.02	LaR	-	
Other non-current assets	1.37	1.37	LaR	-	
Trade accounts receivable	79.84	79.84	LaR	-	
Other current assets	26.69	4.06			
Derivatives	1.12	1.12	HfT	1.12	3
Other miscellaneous current assets	25.57	2.94	LaR	-	
Cash and cash equivalents	179.33	179.33	AfS	-	
<b>Total assets</b>	<b>287.55</b>	<b>264.92</b>			
Trade accounts payable	46.53	46.53	FLAC	-	
Issued Bond	147.92	147.92	FLAC	151.02	1
Other non-current liabilities	23.19	7.20	FLAC	-	
Non-current financial liabilities	4.05	4.05			
Other financial liabilities	4.05	4.05	FLAC	3.86	3
Current financial liabilities	0.51	0.51	FLAC	-	
<b>Total liabilities</b>	<b>222.19</b>	<b>206.20</b>			

<sup>1</sup> the fair value measurement recognition directly in equity was not valued due to materiality



in m€	Carrying amount 31.3.2013	thereof application area of IFRS 7	Measurement category according to IAS 39	Fair Value of finan- cial instruments within application area of IFRS 7	Level
Other financial assets	0.23	0.23			
Loans	0.02	0.02	LaR	-	
Securities	0.21	0.21	AfS	-	
Other non-current assets	1.34	1.34	LaR	-	
Trade accounts receivable	56.02	56.02	LaR	-	
Other current assets	44.32	1.48			
Other miscellaneous current assets	1.48	1.48	LaR	-	
Cash and cash equivalents	73.18	73.18	AfS	-	
<b>Total assets</b>	<b>175.10</b>	<b>132.25</b>			
Trade accounts payable	41.73	41.73	FLAC	-	
Other liabilities	16.08	1.49	FLAC	-	
Non-current financial liabilities	16.41	16.41			
Financial liability arising from put option	2.16	2.16	n/a	2.16	3
Other financial liabilities	14.25	14.25	FLAC	-	
<b>Total liabilities</b>	<b>74.22</b>	<b>59.63</b>			

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 accounts receivable as well as other current and non-current assets, the carrying amounts represent an adequate estimate of the fair values as the remaining maturities are short. The same applies to trade accounts payable, 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).

The derivative reported under current assets pertains to a total return equity swap entered into on 20 December 2013 DO & CO with UniCredit Bank AG (HypoVereinsbank, Munich) with 974,400 shares in DO & CO as an underlying asset. During its expected maximum life of 12 months, the agreement allows for a swap of the profit as well as for a swap of the share price performance of the underlying asset against a floating rate. Over the swap’s life, DO & CO is entitled to require a settlement by way of a physical delivery of the underlying asset or by cash settlement. This enables the Company to use its own shares for additional acquisitions. DO & CO treats the agreement as a derivative financial instrument of the category “Held for Trading”. Changes in the fair value are recognised directly in the consolidated income statement. The fair value of the derivative is determined using a measurement model taking into account the changes of the value of the mutual claims arising from the swap at the respective reporting date. The performance of the underlying asset is determined by DO & CO on the basis of a weighted average stock price of its share by taking into account a block discount derived from the transaction price of the share package at the time of the acquisition of the derivative. At 31 March 2014, an unrealized profit is recognised at fair value of € 1.12m which is recognised in the income statement as financial income. If the block discount had been higher (lower) by 10%, the fair value of the financial instrument at the reporting date would have been by € 0.02m lower (higher).

The fair value of other financial liabilities is calculated by discounting the future cash flows. The discounting appropriate to the term of other financial liabilities is 9.4%. Individual characteristics of the financial instruments are taken into account applying a creditworthiness and/or liquidity spread in line with the market. In the previous business year the fair value of financial liabilities basically corresponds to their book value. The financial liability arising from the put option of the obligation for the future acquisition of the minorities of the other shareholders (see Section 4.13) is measured at fair value. 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.

For the period 1 April 2013 until 31 March 2014 the development of the carrying amounts of the financial instruments measured at fair values (level 3) is derived from the table below:

in m€	Derivative financial instrument	Financial liability arising from put option
As of 1 April 2013	0.00	2.16
Additions	-	-
Disposals	-	-
Profit /Loss income statement	1.12	-
Special item equity	-	-2.16
<b>As of 31 March 2014</b>	<b>1.12</b>	<b>0.00</b>

Currency risk

DO & CO is highly vulnerable to exchange rate fluctuations due to the international nature of its business. This risk particularly relates to the following currencies: Turkish lira (TRY), Ukrainian hryvnia (UAH), US dollar (USD), British pound (GBP) 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 aims at transferring currency risks as far as possible to customers and suppliers with the help of agreements.

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

Sensitivity analyses are required under IFRS 7 to highlight the dependency of currency risks from monetary financial instruments denominated in a currency other than the functional currency. Currency translation effects on gains and losses determined on the basis of these analyses mainly result from trade accounts receivable 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.

At 31 March 2014, 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
Period-end exchange rate by 31 March 2014 (Foreign currency in relation to Euro)	1.3788	0.8282	2.9693	4.1719	15.7501

Based on the sensitivity analysis, an appreciation (depreciation) of DO & CO’s significant currencies by 10% on the euro would have had the following effects on the operating result or equity:

Impact on profit before taxes (m€)	USD	GBP	TRY	PLN	UAH
Revaluation of foreign currency in relation to € by 10%	-0.09	1.07	0.44	0.96	0.61
Devaluation of foreign currency in relation to € by 10%	0.09	-1.07	-0.44	-0.96	-0.61

Impact on equity (m€)	USD	GBP	TRY	PLN	UAH
Revaluation of foreign currency in relation to € by 10%	3.30	0.61	0.41	-	0.80
Devaluation of foreign currency in relation to € by 10%	-3.30	-0.61	-0.41	-	-0.80

Liquidity risk

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

All Austrian 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 counter-measures can be initiated quickly.

Since DO & CO reported a significant cash inflow following the bond issuance, the liquidity risk of the DO & CO Group is currently negligible.

DO & CO keeps the default risk to a minimum with the help of timely monitoring as part of its debtor management. The outstanding items of all legal entities are reported weekly, which helps to timely monitor the credit risk of customers and enables the Company to quickly respond to a changed situation.

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

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

in m€	31 March 2014			
	Carrying amount	Cash outflow in the next reporting period	Cash outflow for the next but one reporting period	Subsequent cash outflow
Cash outflow financial liabilities	4.05	0.36	0.36	4.44
Cash outflow issued bond	147.92	4.96	4.97	174.97
Cash outflow trade accounts payable	46.53	46.53		
Cash outflow other liabilities	7.20	7.20		
Cash outflow liabilities within application area of IFRS 7	205.69	59.05	5.33	179.41

Interest risk

Financing activities always have maturities that correspond to terms of the commitment with regard to the project to be financed. Financing is done at usual market conditions. The effects of a change in interest rates are monitored in sensitivity analyses conducted every six months. These analyses represent the effects that changes in market interest rates have on interest payments, interest income and interest expenses as well as on equity, if any. Thus, interest rate risks do not exist for financial instruments measured at amortised cost. Changes in market interest rates, however, affect the financial result of variable-interest financial assets and liabilities. At DO & CO, this pertains in particular to money invested with regard to the issued bond as well as payments in respect of the total return equity swap entered into with UniCredit. 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 2014 would therefore have increased (decreased) the operating result by € 1.49m (€ 0.84m). DO & CO thus is at present not exposed to a significant interest rate risk.

Default risk

The maximum default risk is determined by the carrying amount of the financial assets. The risk increases because DO & CO entered into a total return equity swap with UniCredit. Under this swap, DO & CO is obligated to bear all losses with regard to the value of the underlying asset during the term of the derivative. The maximum default risks resulting from this obligation amount to € 29.6m.

DO & CO does 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 objective is to maintain a strong capital structure to ensure the trust of investors, creditors and the industry and to guarantee a solid capital base for the future development of its business.

Net debt is governed centrally by the financial management (Group Treasury). For the main characteristics of the internal control and risk management, reference is made to the notes in the management report for the Group. DO & CO monitors capital on the basis of the gearing ratio (defined as the ratio between net debt and equity) as well as on the basis of the equity ratio. The Group aims an equity ratio of more than 30% as long-term orientation. Net debt covers current and non-current financial assets and cash as well as current and non-current financial liabilities. Equity corresponds to the reported equity in accordance with IFRS adjusted by goodwill and expected dividend payments.

A dividend policy in line with the consolidated 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. Other financial liabilities

The contingent liabilities of the DO & CO Group amount to € 19.43m at 31 March 2014 (31 March 2013: € 12.89m) and comprise of:

in m€	31 March 2014	31 March 2013
Guarantees	13.34	12.89
Other contractual agreements	6.09	0.00
Total	19.43	12.89

All matters reported under contingent liabilities relate to potential future obligations which are completely uncertain at the balance sheet date 31 March 2014 yet and that would result to obligations in the occurrence of future events.

At 31 March 2014, executory contracts on the purchase of property, plant and equipment in the amount of € 27.09m (31 March 2013: € 10.92m) as well as on the purchase of inventories in the amount of € 0.01m (31 March 2013: € 0.00).

There are uncancellable operating lease agreements from the rental of business premises and equipment and furniture as well as – to a minor extent – of vehicles and other assets. The future operating lease payments from uncancellable lease agreements amount to:

in m€	31 March 2014	31 March 2013
Up to one year	26.26	27.58
Two to five years	89.14	95.86
More than five years	67.16	70.07

Further lease payments of up to € 9.94m (PY: € 0.90m) may have to be paid in relation to lease payments depending on revenue.

7.3. Segment reporting

Segment reporting is made in a manner consistent with the internal reporting provided to the Management Board of DO & CO with regard to the segments

- Airline Catering
- International Event Catering and
- Restaurants, Lounges & Hotel

The Management Board of DO & CO is the chief decision-maker to allocate resources to the divisions as well as to measure their profitability (management approach). It manages on the basis of financials determined in accordance with IFRS.

The Airline Catering segment generates the largest share of sales in the DO & CO Group in nine countries having established a unique, innovative and competitive product portfolio. The core of the Airline Catering segment consists of 25 gourmet kitchens at international airports (for example in Istanbul, London, New York, Vienna, Frankfurt, Warsaw, Milan and Kiev); these kitchens provided culinary treats to more than 84 million passengers on over 550,000 flights in 2013/2014. DO & CO has a customer portfolio consisting of more than 60 airlines, such as Turkish Airlines, British Airways, Emirate Airline, Etihad Airways, Cathay Pacific, Singapore Airlines and South African Airlines.

The International Event Catering segment is the smallest of the three business segments of the DO & CO Group. The DO & CO Group operates with this segment on a global scale and offers its customers also one-stop solutions at events that include logistics, decoration, furniture, tents, music, entertainment and lighting in addition to traditional catering. Here, references included and include, amongst others, the catering for 16 Formula 1 grands prix, UEFA Champions League Finals as well as the catering for VIP guests at the EURO 2012. Long-standing partnerships confirm: National and international organisers trust DO & CO as host and one-stop shop with regard to hospitality solutions.

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

Segment reporting by divisions for the business years 2013/2014 and 2012/2013 is as follows:

Business Year 2013/2014		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	m €	450.19	60.79	125.16	636.14
EBITDA	m €	51.24	7.53	7.41	66.18
Depreciation/amortization	m €	-13.87	-2.35	-3.14	-19.36
Impairment	m €	-0.14	0.00	-0.05	-0.18
EBIT	m €	37.23	5.18	4.23	46.64
EBITDA margin	%	11.4 %	12.4 %	5.9 %	10.4 %
EBIT margin	%	8.3 %	8.5 %	3.4 %	7.3 %
Share of Group Sales	%	70.8 %	9.6 %	19.7 %	100.0 %
Investments	m €	30.56	0.69	12.60	43.85

Business Year 2012/2013		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	m €	400.23	71.09	104.87	576.19
EBITDA	m €	43.45	8.53	6.68	58.67
Depreciation/amortization	m €	-12.81	-1.96	-2.34	-17.11
Impairment	m €	0.00	0.00	-0.02	-0.02
EBIT	m €	30.64	6.57	4.32	41.53
EBITDA margin	%	10.9 %	12.0 %	6.4 %	10.2 %
EBIT margin	%	7.7 %	9.2 %	4.1 %	7.2 %
Share of Group Sales	%	69.5 %	12.3 %	18.2 %	100.0 %
Investments	m €	21.55	2.81	13.42	37.77

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.

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

Business Year 2013/2014		Austria	Turkey	Other Countries	Total
Sales	m €	180.29	248.29	207.57	636.14
Share of Group Sales	%	28.3 %	39.0 %	32.6 %	100.0 %

Business Year 2012/2013		Austria	Turkey	Other Countries	Total
Sales	m €	181.02	204.98	190.20	576.19
Share of Group Sales	%	31.4 %	35.6 %	33.0 %	100.0 %

**Non-current assets by geographical regions** were as follows at 31 March 2014 and 31 March 2013:

31 March 2014		Austria	Turkey	Other Countries	Total
Non current assets	m €	31.26	62.51	89.88	183.65

31 March 2013		Austria	Turkey	Other Countries	Total
Non current assets	m €	27.20	48.21	69.04	144.44

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

Effective 5 May 2014, DO & CO has another board member. Mr. Jaap Roukens will be responsible for sales.

No further significant events or developments occurred after 31 March 2014 that would be of importance with regard to the Group’s financial situation and performance.

7.5. Related party disclosures

Business relationships exist with companies and/or private foundations in which Supervisory or Management Board members of DO & CO Aktiengesellschaft hold key positions or from which they receive economic advantages.

A rental agreement is in place with Raiffeisenlandesbank Niederösterreich-Wien AG, which is a related party through the Supervisory Board member Christian KONRAD, in the course of which rental expenses in the amount of € 0.63m (PY: € 0.83m) were incurred. Business relationships also exist with UNIQA, which is also a related party through the Supervisory Board member Christian KONRAD, in the course of which rental expenses in the amount of € 1.18m (PY: € 1.16m) were incurred. In addition, liabilities in the amount of € 0.68m (31 March 2013: € 0.28m) had to be recorded at 31 March 2014. Companies in which the Supervisory Board members Waldemar JUD and Werner SPORN, as well as the Management Board member Haig ASEN-BAUER have minorities charged legal advisory fees in the amount of € 0.76m (PY: € 1.06m) in the business year 2013/2014. This leads to liabilities amounting to € 0.16m (31 March 2013: € 0.37m). There are rental agreements with and other expenses relating to private foundations under the economic control of Attila DOGUDAN in the amount of € 1.69m in the business year 2013/2014 (PY: € 2.23m). Furthermore, liabilities in the amount of € 0.01m (31 March 2013: € 0.05m) and receivables in the amount of € 0.72m (31 March 2013: € 0.00m) as well as an advance payment for investments in buildings in the amount of € 2.00m (31 March 2013: € 2.00m) were recognised at 31 March 2014.

The Group has a 50% stake in THY DO & CO İkrām Hizmetleri A.Ş. The remaining 50% in the company are held by Turkish Airlines (Türk Hava Yolları A.O.). THY DO & CO İkrām Hizmetleri A.Ş. provides airline catering services to Turkish Airlines. All business transactions were carried out at arm’s length. Trade receivables from Turkish Airlines in the amount of € 25.61m (31 March 2013: € 4.80m) result from this business relationship.

In the business year 2013/2014, DO & CO received services from ISS Ground Services GmbH, in which it holds a stake of 49% (associate), in the value of € 9.93m (PY: € 8.46m). Under this business relationship, liabilities in the amount of € 1.52m (31 March 2013: € 0.72m) to ISS Ground Services GmbH were recognised on the liabilities’ side as of 31 March 2014.

DO & CO has business relationships with another shareholder of a subsidiary. Under this business relationship, a loan (including interest) was granted in the amount of € 4.02m (31 March 2013: € 4.03m) as of 31 March 2014. Expenses in the amount of € 0.91m (PY: € 0.43m) were incurred that resulted in liabilities in the amount of € 0.09m (31 March 2013: € 0.06m) recorded on the liabilities side.

DO & CO has business relationships with non-consolidated subsidiaries. Expenses in the amount of € 0.70m (PY: € 0.00m) and income in the amount of € 9.09m (PY: € 0.00m) were incurred that resulted in liabilities in the amount of € 7.49m (31 March 2013: € 0.00m) and in receivables in the amount of € 0.78m (31 March 2013 € 0.00m)

With regard to the remuneration of board members, reference is made to Section 7.7.



7.6. Investments

At 31 March 2014, DO & CO Aktiengesellschaft held the following investments:

Company	Place of registration	Country	Share of stock in %	Consolidation <sup>1</sup>	Currency	Nominal Capital inTDC <sup>2</sup>
DO & CO Party-Service & Catering GmbH	Vienna	A	100.0	F	EUR	36 <sup>3)</sup>
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna	A	100.0	F	EUR	36 <sup>3)</sup>
DO & CO Catering-Consult & Beteiligungs GmbH	Vienna	A	100.0	F	EUR	36
DO & CO - Salzburg Restaurants & Betriebs GmbH	Salzburg	A	100.0	F	EUR	36 <sup>3)</sup>
DO & CO - Baden Restaurants & Veranstaltungen GmbH	Baden	A	100.0	F	EUR	36 <sup>3)</sup>
DO & CO Albertina GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
AIOLI Airline Catering Austria GmbH	Vienna-Airport	A	100.0	F	EUR	36 <sup>3)</sup>
AIOLI Restaurants & Party-Service GmbH	Vienna	A	100.0	F	EUR	36 <sup>3)</sup>
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH	Vienna	A	100.0	F	EUR	799 <sup>4)</sup>
Demel Salzburg Cafe-Restaurant Betriebs GmbH	Salzburg	A	100.0	F	EUR	35 <sup>3)</sup>
B & B Betriebsrestaurants GmbH	Vienna	A	100.0	F	EUR	36 <sup>3)</sup>
DO & CO Airport Hospitality GmbH	Vienna	A	100.0	F	EUR	35 <sup>4)</sup>
DO & CO im PLATINUM Restaurantbetriebs GmbH	Vienna	A	90.0	F	EUR	35
DO & CO Airline Catering Austria GmbH	Vienna	A	100.0	F	EUR	150 <sup>3)</sup>
Sky Gourmet-airline catering and logistics GmbH	Vienna-Airport	A	100.0	F	EUR	800 <sup>4)</sup>
Total Inflight Solution GmbH	Vienna	A	100.0	F	EUR	35 <sup>4)</sup>
DO & CO Event Austria GmbH	Vienna	A	100.0	F	EUR	100 <sup>3)</sup>
DO & CO Catering & Logistics Austria GmbH	Vienna	A	100.0	F	EUR	100 <sup>3)</sup>
Do & Co Restaurantbetriebsgesellschaft m.b.H.	Vienna	A	100.0	F	EUR	36 <sup>3)</sup>
Ibrahim Halil Dogudan Gesellschaft m.b.H.	Vienna	A	100.0	F	EUR	36 <sup>3)</sup>
DO & CO Procurement GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
DO & CO Gourmet Kitchen Cold GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
DO & CO Gourmet Kitchen Hot GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
DO & CO Pastry GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
DO & CO Airline Logistics GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
DO & CO Facility Management GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
DO & CO Special Hospitality Services GmbH	Vienna	A	100.0	F	EUR	35 <sup>3)</sup>
Henry am Zug GmbH	Vienna	A	100.0	F	EUR	35 <sup>4)</sup>
ISS Ground Services GmbH	Vienna	A	49.0	E	EUR	218
DO & CO International Event AG	Zug	CH	100.0	F	CHF	100
DO & CO International Catering & Logistics AG	Zurich	CH	100.0	F	CHF	100
Oleander Group AG	Zug	CH	100.0	N	GBP	67
DO & CO (Deutschland) Holding GmbH	Kelsterbach	D	100.0	F	EUR	25
DO & CO München GmbH	Schwaig/Oberding	D	100.0	F	EUR	25 <sup>5)</sup>
DO & CO Frankfurt GmbH	Kelsterbach	D	100.0	F	EUR	25 <sup>5)</sup>
DO & CO Berlin GmbH	Berlin	D	100.0	F	EUR	25 <sup>5)</sup>
DO & CO Lounge GmbH	Frankfurt	D	100.0	F	EUR	25 <sup>5)</sup>
DO & CO Olympiapark München Restaurant GmbH	Munich	D	100.0	F	EUR	25 <sup>5)</sup>
DO & CO Olympiapark München Catering GmbH	Munich	D	100.0	F	EUR	25 <sup>5)</sup>
Arena One GmbH	Munich	D	100.0	F	EUR	100 <sup>5)</sup>
DO & CO Restauración & Catering España, S.L.	Barcelona	E	100.0	F	EUR	3
DO & CO International Catering Ltd.	Feltham	GB	100.0	F	EUR	30 <sup>6)</sup>
DO & CO Event & Airline Catering Ltd.	Feltham	GB	100.0	F	GBP	0
DO & CO International Investments Ltd.	London	GB	100.0	F	EUR	5,000 <sup>6)</sup>
DO & CO Museum Catering Ltd.	Feltham	GB	100.0	F	GBP	0

Company	Place of registration	Country	Share of stock in %	Consolidation <sup>1</sup>	Currency	Nominal Capital inTDC <sup>2</sup>
DO & CO FOODPRODUCTION LIMITED	Feltham	GB	100.0	F	GBP	0
DO & CO AIRPORT GASTRONOMY LIMITED	Feltham	GB	100.0	F	EUR	0 <sup>6)</sup>
Fortnum & Mason Events Ltd.	London	GB	50.0	E	GBP	0
Henry am Zug Hungary Kft.	Budapest	HU	100.0	F	EUR	2 <sup>10)</sup>
DO & CO Italy S.r.l.	Vizzola Ticino	I	100.0	F	EUR	2,900
Sky Gourmet Malta Ltd.	Fgura	MT	40.0	E	EUR	1 <sup>8)</sup>
Sky Gourmet Malta Inflight Services Ltd.	Fgura	MT	40.0	E	EUR	1 <sup>8)</sup>
DO & CO Netherlands Holding B.V.	The Hague	NL	51.0	F	EUR	20
DO & CO – Restauração e Catering, Sociedade Unipessoal, Lda	Lissabon	P	100.0	F	EUR	5
DO & CO Hospitality Management Poland Sp. z o.o.	Warsaw	PL	100.0	F	PLN	5 <sup>9)</sup>
DO & CO Events Poland Sp. z o.o.	Warsaw	PL	100.0	F	PLN	5 <sup>9)</sup>
DO & CO Poland Sp. z o.o.	Warsaw	PL	100.0	F	PLN	20,095
Lotniczy Catering Service Sp. z o.o.	Katowice	PL	51.0	F	PLN	1,928
Sky Gourmet Slovensko s.r.o.	Bratislava	SK	100.0	F	EUR	63 <sup>7)</sup>
DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San. A.S.	Istanbul	TK	100.0	F	TRY	750
THY DO & CO İkrâm Hizmetleri A.S.	Istanbul	TK	50.0	F	TRY	30,000
MAZLUM AMBALAJ SANAYI VE DIŞ TICARET A.Ş.	Tekirdag	TK	51.0	F	TRY	3,523
DO & CO Ukraine LLC	Kiev-Boryspil	UA	100.0	F	UAH	521 <sup>9)</sup>
DO AND CO KYIV LLC (vormals: Kyiv Catering LLC)	Kiev-Boryspil	UA	51.0	F	UAH	2,400
DO & CO AIRPORT GASTRONOMY LLC	Kiev-Boryspil	UA	100.0	F	UAH	6,958
DO & CO Holdings USA, Inc.	Wilmington	USA	100.0	F	USD	100
DO & CO Miami Catering, Inc.	Miami	USA	100.0	F	USD	1
DO & CO New York Catering, Inc.	New York	USA	100.0	F	USD	1
DEMEL New York Inc.	New York	USA	100.0	F	USD	1
DO & CO CHICAGO CATERING, INC.	Wilmington	USA	100.0	N	USD	1
DO & CO NEW JERSEY CATERING, INC.	Wilmington	USA	100.0	N	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) 1% of each is held by DO & CO Event Austria GmbH
- 10) The nominal capital was initially paid in HUF.

7.7. Corporate boards

In the business year 2013/2014, the corporate boards of DO & CO Aktiengesellschaft consisted of the following members:

Management Board:

Attila DOGUDAN

Chairman

No other supervisory board mandates or similar functions

Haig ASENBAUER

Member of the Management Board (since 16 July 2012)

Supervisory board mandates or similar functions in companies outside the Group:

- Supervisory Board of MOUVI Holding AG

Gottfried NEUMEISTER

Member of the Management Board (since 16 July 2012)

Supervisory board mandates or similar functions in companies outside the Group:

- Board of Directors of HESUS FX Trading AG

Klaus PETERMANN

Member of the Management Board (since 16 July 2012)

Supervisory board mandates or similar functions in companies outside the Group:

- Board of Directors of Indivis S.A., Luxembourg
- Board of Directors of Libidama International S.A. SPF, Luxembourg
- Board of Directors of Immobilière Kockelscheurer S.A., Luxembourg

Remuneration of the management board in the business year 2013/2014 was as follows:

Remuneration Management Board 2013/2014 in TEUR	Fixed Remuneration	Variable Remuneration	Total
Attila Dogudan	748	443	1.190
Haig Asenbauer	515	368	883
Gottfried Neumeister	400	292	692
Klaus Petermann	425	292	718
Total	2.089	1.395	3.484

DO & CO has another Management Board member as of 5 May 2014. Mr Jaap Roukens will be responsible for sales and distribution.

Currently, no arrangements have yet been made regarding any company pension for the Management Board. The Chairman of the Management Board is entitled to termination benefits similar to the Austrian Salaried Employees Act (Angestelltengesetz). The employment contracts of the Management Board members include compensation of three monthly salaries if they are terminated early for reasons other than good cause. No such compensation is due in the event that a contract is terminated before expiry for a cause within the control of the Management Board member. There are no further claims in the event that a member of the Management Board resigns.

Furthermore, no arrangements have so far been made in the event of a change of control.

Supervisory Board:

Waldemar JUD

Chairman;

Further supervisory board mandates in listed companies:

- Chairman of the Supervisory Board of Ottakringer Getränke AG, Vienna
- Member of the Supervisory Board of Bank für Tirol und Vorarlberg Aktiengesellschaft
- Member of the Supervisory Board of BKS Bank AG
- Member of the Supervisory Board of CA Immobilien Anlagen Aktiengesellschaft
- Member of the Supervisory Board of Oberbank AG

Werner SPORN

Deputy Chairman;

No other supervisory board mandates in listed companies

Georg THURN-VRINTS

Member;

No other supervisory board mandates in listed companies

Christian KONRAD

Member;

Further supervisory board mandates in listed companies:


- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Deputy Chairman of the Supervisory Board of BAYWA AG, Munich (until 4 June 2013)
- Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim


The members of the Supervisory Board received a remuneration totalling TEUR 55 for the business year 2012/2013 (PY: TEUR 55) in accordance with the resolution adopted by the General Meeting of Shareholders on 4 July 2013.


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


Vienna, 20 May 2014


The Management Board:

  
Haig ASENBAUER  
Member of the Management Board

  
Attila DOGUDAN  
Chairman of the Management Board

  
Gottfried NEUMEISTER  
Member of the Management Board

  
Jaap ROUKENS  
Member of the Management Board

  
Klaus PETERMANN  
Member of the Management Board



This report is a translation of the original report in German, which is solely valid. Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Business Enterprise Code) applies.

Balance Sheet as of 31 March 2014  
of DO & CO Aktiengesellschaft

ASSETS	in m€	31 March 2014	31 March 2013
Intangible assets		1.16	0.32
Tangible assets		3.87	3.37
Financial assets		60.84	63.56
Fixed assets		65.88	67.25
Trade accounts receivable		0.26	0.26
Accounts receivable from affiliated companies		140.42	89.45
Other accounts receivable and assets		10.57	29.15
Receivables and other assets		151.25	118.86
Securities and Shares		0.15	0.00
Cash and cash equivalents		141.41	16.33
Current assets		292.80	135.18
Prepaid expenses and deferred charges		1.34	0.14
Total assets		360.02	202.57
SHAREHOLDERS' EQUITY AND LIABILITIES	in m€	31 March 2014	31 March 2013
Nominal capital		19.49	19.49
Capital reserves		74.71	74.71
Earnings reserves		39.72	37.70
Unappropriated retained earnings		8.28	4.87
Shareholders' equity		142.20	136.77
Accruals for severance payments		2.01	1.86
Tax accruals		8.47	7.21
Other accruals		9.58	7.40
Accruals		20.06	16.46
Bonds		150.00	0.00
Trade payables		1.02	0.81
Payables to affiliated companies		44.26	45.76
Other liabilities		2.33	2.62
Accounts payable		197.62	49.19
Deferred income		0.15	0.15
Total Shareholders' equity and liabilities		360.02	202.57
Contingent Liabilities		11.40	6.68

Income Statement  
for Business Year 2013/2014 of DO & CO Aktiengesellschaft

	Business Year 2013/2014	Business Year 2012/2013
in m€		
Net Sales	26.84	25.60
Other operating income	0.99	4.30
Cost of materials and purchased services	-4.02	-7.42
Personnel expenses	-16.58	-16.52
Amortisation and depreciation	-0.69	-0.50
Other operating expenses	-14.11	-10.40
Operating result	-7.57	-4.95
Income from investments	22.47	16.02
Interest and similar income	2.28	2.26
Income from the disposal and write-up of fixed financial assets	0.13	0.83
Expenses on fixed financial assets	-5.11	-2.25
Income from derivative transactions	-0.08	0.00
Interest and similar expenses	-0.56	-0.15
Financial result	19.13	16.72
Net operating income	11.56	11.76
Taxes on income	-1.26	-3.08
Net income for the year	10.30	8.68
Appropriation to revenue reserves	-2.02	-3.81
Profit for the year	8.28	4.87
Retained earnings	0.00	0.00
Unappropriated retained earnings	8.28	4.87

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 2014, produced in accordance with the Austrian reporting regulations, provides the basis for distributing a dividend. This annual financial statement shows a net profit for the year of EUR 8,282,400.00. 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 EUR 0.85 per dividend-bearing share.

Vienna, 20 May 2014

The Management Board of DO & CO Aktiengesellschaft



Statements by all Legal Representatives  
Pursuant to Section 82 (4) 3 of the Austrian Stock Exchange Act

We herewith certify to the best of our knowledge:

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

We herewith certify to the best of our knowledge:

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

Vienna, 20 May 2014

The Management Board



Attila DOGUDAN  
Chairman of the Management Board



Haig ASENBAUER  
Member of the Management Board



Gottfried NEUMEISTER  
Member of the Management Board



Jaap ROUKENS  
Member of the Management Board



Klaus PETERMANN  
Member of the Management Board

## Notes





more about DO & CO ...



DO & CO

THE GOURMET ENTERTAINMENT COMPANY