DO & CO Restaurants & Catering AG

First half year of 2010/2011

RESTAURANTS
H O T E L
L O U N G E S
C A T E R I N G

CONTENT

Group Management Report for the First Half of 2010/2011

Highlights

Sales increased and margins improved
Sales, EBITDA, EBIT and consolidated result were all improved on a year-on-year basis. The Group managed to achieve an EBITDA margin of 10.7% (against 10.4% in the first six months of the previous business year) and an EBIT margin of 6.8% (compared to 5.8%). Earnings per share were € 1.00 (versus € 0.71 in the previous year).

Start-up of airline catering for Emirates at London Heathrow successfully completed
Starting in July 2010, all Emirates flights out of London Heathrow to Dubai operated on A-380 and B-777 wide-bodied aircraft are having their catering provided by DO & CO.

A good performance at Turkish DO & CO
In Turkey, Turkish Airlines and other third-party customers continue to grow dynamically. "DO & CO flying chefs" will be increasingly assigned to long-distance flights operated by Turkish Airlines, with a view to covering all its long-distance destinations. In the first quarter of the business year DO & CO opened the first lounge for Turkish Airlines in Adana.

ATP Tennis Masters Series in Madrid again catered by DO & CO
DO & CO once again ensured that over 35,000 VIP guests were treated to the greatest culinary delights at the ATP Tennis Masters Series in Madrid.

DO & CO at the UEFA 2010 Champions League Finals in Madrid
Same as in the previous years, more than 5,000 VIP guests were indulged by DO & CO's superior catering.

Start-up of event catering in Turkey
Our event catering service, launched in Turkey in this business year, experienced its first highlight in the second quarter of 2010/2011 when it handled the catering for the basketball world championship finals in Istanbul.

First event organised jointly with Fortnum & Mason
A notable milestone of our new partnership with Fortnum & Mason was the first joint catering of the Tatton Flower Show organised in July 2010.

Emirates lounge contract for London Heathrow awarded to DO & CO
Emirates, the quality-focused carrier from Dubai, opted for DO & CO's tender for its lounge at London Heathrow. As of October 2010, DO & CO will handle the culinary treats for Emirates' premium passengers.

Excellent stock price performance
DO & CO shares went up 20.6% in the first half of the business year 2010/2011, closing at EUR 19.29 on 30 September 2010.

Key Figures of the DO & CO Group by IFRS

The abbreviations and calculations are explained in the Glossary of Key Figures

		Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Sales	in m €	120.59	96.14	222.72	184.47
EBITDA	in m €	14.94	11.62	23.92	19.14
EBITDA margin	in %	12.4%	12.1%	10.7%	10.4%
EBIT	in m €	10.41	7.34	15.22	10.78
EBIT margin	in %	8.6%	7.6%	6.8%	5.8%
Profit before taxes	in m €	11.05	7.74	16.31	11.30
Consolidated result	in m €	5.32	3.62	7.67	5.47
Employees		3,951	3,756	3,794	3,623
Equity [1]	in m €	98.12	82.44	98.12	82.44
Equity ratio [1]	in %	45.4%	48.1%	45.4%	48.1%
Net debts	in m €	-57.29	-16.76	-57.29	-16.76
Net gearing	in %	-58.4%	-20.6%	-58.4%	-20.6%
Working Capital	in m €	27.63	10.11	27.63	10.11
Operational cash-flow	in m €	24.50	13.04	40.65	25.23
Depreciation/amortization	in m €	-4.54	-4.28	-8.70	-8.36
Free cash-flow	in m €	18.63	10.09	31.19	18.95
ROS	in %	9.2%	8.1%	7.3%	6.1%
Capital Employed	in m €	56.23	78.65	56.23	78.65
ROCE	in %	12.0%	5.9%	16.0%	8.7%
ROE	in %	5.6%	4.5%	8.3%	7.0%

1 … Adjusted to take bookvalue of goodwill into account

Key Figures Per Share
(calculated with the weighted number of issued shares)

		Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
EBITDA per share	in €	1.95	1.50	3.12	2.47
EBIT per share	in €	1.36	0.95	1.99	1.39
Earnings per share	in €	0.70	0.47	1.00	0.71
Equity (book entry) [1]	in €	12.83	10.48	12.82	10.47
High [2]	in €	19.50	11.20	19.75	11.20
Low [2]	in €	17.79	8.28	15.00	7.70
Price at the end of the period [2]	in €	19.29	10.70	19.29	10.70
Weighted number of shares [3]	in TPie	7,650	7,754	7,655	7,761
Number of shares at the end of the period	in TPie	7,648	7,748	7,648	7,748
Market capitalization at the end of the period	in m €	147.53	82.91	147.53	82.91

1 … Adjusted to take bookvalue of goodwill into account
2 … Closing price
3 … Adjusted by own shares hold

Economic Climate

The global economy continued on its course of recovery in the second quarter of the 2010/2011 business year, fuelled, in particular, by monetary and fiscal stimuli as well as growing confidence among consumers and the business community. Nevertheless, the business year started off with unexpected hurdles: in April 2010, air traffic had to be suspended repeatedly for several days in major parts of Northern and Central Europe, due to the eruption of Iceland's volcano Eyjafjallajökull, an impairment of European air traffic unprecedented in scale.

The upswing experienced in the second quarter of the 2010/2011 business year was carried along mostly by the emerging economies in Latin America and Asia, the consequence of a strong demand for exports, the positive effect of national recovery packages and a growth in domestic demand.

The US also managed to sustain its economic recovery, propelled by a rise in private consumption and growth in investment, but still held back by the development of overall state expenditures and investments and an import rate that rises faster than its export rate.

Africa and the Near East continue to profit from higher raw material prices and accelerated demand for exports.

Europe, on the other hand, started the year fighting off unusually cold weather, the effects of the volcano eruption and a credit crisis in some of its countries. By spring, however, the economy began to take off, profiting mostly from the global upswing, brisk exports to Asia and the recent shifts in the international currency structure.

Growing worries about the debt situation of some countries in the euro zone caused the euro to give way to the US dollar: from US$ 1.43 at the start of the year, the exchange rate dropped to US$ 1.22 by June, only to rally again, to a closing price of US$ 1.36 by the end of September.

The oil price recovered, fuelled by the rapidly growing demand of the emerging economies.

For the remaining months of 2010, experts assume that the global economic situation will stay on its course of improvement. Economists predict a global growth rate of 4.6% for 2010 and of 4.3% for 2011. According to forecasts by the Austrian National Bank, Austria's real economy is set to grow by about 1.6% in 2010, compared to a negative growth rate of 3.4% in 2009. For 2011 and 2012, growth is projected to be 1.8% and 2.1% respectively.

Risk Management

DO & CO is exposed to widely varying risks because it conducts business globally in three different segments: 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 utilizing 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 standardized, group-wide planning and control processes and on intercompany guidelines and reporting systems that adhere to the principles of risk management and the risk structures according to COSO[1].

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 utilizing 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 minimize the probability of them occurring while increasing opportunities for earnings and the possibilities for realizing profits.

Diversification plays a significant role in this process. The Group conducts business worldwide in three divisions, thus alleviating specific threats in individual markets. In other words, the business model of DO & CO 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.

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 first Half Year of 2010/2011:

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, Niki, Emirates, Etihad and British Airways, therefore to some extent exists 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 negative effects of the airline industry on the DO & CO Group. The Group participates

[1] COSO (Committee of Sponsoring Organizations of the Tradeway Commission) is an independent private business organization sponsored by the five largest financial reporting associations.

in tenders worldwide that fit the group strategy. Acquiring new customers in the course of tenders which are in line with the Group strategy helps to 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 behavior. 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 by region in seven different countries and by sector in three different market segments. Prompt reporting of business results includes analysis and forecasts on current operating business in each reporting entity (e.g. the group companies are divided into units comparable to profit centers for internal reporting purposes). These efforts ensure that capacity is adjusted immediately. The economic situation has successively improved in recent months, so sales growth is expected again.

Risks Pertaining to Terrorism and Political Unrest
High-level international security precautions have stabilized the risks of terrorism in the year under review 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. The DO & CO Group constantly monitors the political situation to be prepared to take appropriate action where required.

Risks Pertaining to Force Majeure and Epidemics
Risks which 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.

The specific risk of long-term closing of large parts of the air space and associated large-scale cancellation of flights by the Group's partners is counteracted by 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. It has implemented group-wide hygienic guidelines to control and minimize risks based on these analyses. An internationally active quality control team constantly monitors the effectiveness of these actions and further develops them in accordance with the latest international findings.

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 enlarging its management resources.

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

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 rapidly respond 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 damage claims that can put a heavy burden on the company. The Group has set up a central legal department to counter this risk. Specific insurance policies are taken out throughout the Group as the main means of minimizing liability risks from damage that has proven unpreventable despite damage avoidance efforts.

Foreign Currency Risks
DO & CO is highly vulnerable to exchange rate fluctuations due to the international nature of its business segments, especially Airline Catering and International Event Catering. The major foreign currencies involved are YTL, USD and GBP.

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 about 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. No derivatives were in use at the reporting date.

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.

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 are reported weekly. That means the Group monitors customer default risks promptly and is able to respond quickly if the situation changes.

It 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.

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 quarterly. The Group does not currently face any material risk from interest rate fluctuations.

In summary, 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 (Item 4 Accounts receivable and Item 25 Financial instruments).

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 thus to ensure financial statements that comply with the regulations. This system also ensures that the processes are appropriate and efficient and that all regulations (legal and otherwise) are obeyed.

The responsibilities for the internal control system were adapted 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 analyzing 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 protect 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 report 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.

Sales

In the first six months of the 2010/2011 business year, the DO & CO Group recorded sales of EUR 222.72 million – a substantial increase of 20.7% or EUR 38.25 million in year-on-year terms.

Sales		Second Quarter				First Half Year			
		2010/2011	2009/2010	Change	Change in %	2010/2011	2009/2010	Change	Change in %
Airline Catering	in m €	94.82	72.68	22.13	30.5%	170.56	134.08	36.49	27.2%
International Event Catering	in m €	11.20	8.91	2.29	25.7%	22.57	20.85	1.72	8.2%
Restaurants, Lounges & Hotel	in m €	14.57	14.55	0.03	0.2%	29.58	29.54	0.04	0.1%
Group Sales		**120.59**	**96.14**	**24.45**	**25.4%**	**222.72**	**184.47**	**38.25**	**20.7%**

Share of Group Sales		Second Quarter		First Half Year	
		2010/2011	2009/2010	2010/2011	2009/2010
Airline Catering	in %	78.6%	75.6%	76.6%	72.7%
International Event Catering	in %	9.3%	9.3%	10.1%	11.3%
Restaurants, Lounges & Hotel	in %	12.1%	15.1%	13.3%	16.0%
Group Sales		**100.0%**	**100.0%**	**100.0%**	**100.0%**

Sales at Airline Catering increased by EUR 36.49 million, from EUR 134.08 million to EUR 170.56 million, in spite of the division facing a problematic market in the first half of the 2010/2011 business year. With this performance, the division's contribution to Group sales rose from 72.7% to 76.6%.

The Airline Catering division achieved its higher sales mostly at its international locations, especially Turkey. At the latter, sales involving Turkish Airlines and other airlines made an equally positive contribution. Growing sales at the other international locations were fuelled chiefly by the acquisition of numerous new customers. Here, particular attention is due to the London Heathrow location where the start-up phase for Emirates could be successfully completed in the second quarter. On the Austrian market, business has stabilised in the first six months of the 2010/2011 business year. A major positive impetus came from NIKI which expanded its network of destinations.

In the period under review, the International Event Catering division recorded a rise in sales to EUR 22.57 million from EUR 20.85 million in the previous reference period. Its share of the Group's sales made up 10.1%.

This increase over the reference period was driven by the multitude of major athletic events handled by the division and its excellent performance in the classic events segment on the national market. Another contributing factor was the Tatton Flower Show which was first handled within the scope of a new joint venture with Fortnum & Mason in the United Kingdom.

The Restaurants, Lounges & Hotel division posted sales of EUR 29.58 million, about the same as in the previous year's reference period (EUR 29.54 million). Its share of the Group's sales made up 13.3%.

Earnings

Consolidated earnings before interest and taxes (EBIT) for the DO & CO Group amounted to EUR 15.22 million for the first half of 2010/2011, higher by EUR 4.44 million than in the first six months of the previous business year.

EBITDA for the DO & CO Group was EUR 23.92 million, an increase of EUR 4.78 million over the figure for the previous year's half term.

Group		Second Quarter				First Half Year			
		2010/2011	2009/2010	Change	Change in %	2010/2011	2009/2010	Change	Change in %
Sales	in m €	120.59	96.14	24.45	25.4%	222.72	184.47	38.25	20.7%
EBITDA	in m €	14.94	11.62	3.33	28.6%	23.92	19.14	4.78	25.0%
Depreciation/amortization	in m €	-4.54	-4.28	0.26	6.1%	-8.70	-8.36	0.34	4.1%
EBIT	in m €	10.41	7.34	3.07	41.8%	15.22	10.78	4.44	41.2%
EBITDA margin	in %	12.4%	12.1%			10.7%	10.4%		
EBIT margin	in %	8.6%	7.6%			6.8%	5.8%		
Employees		3,951	3,756	195	5.2%	3,794	3,623	171	4.7%

Costs of materials and services as a proportion to sales rose to 41.5% from 39.8% in the previous period. In absolute figures, this increase made up EUR 19.05 million (25.9%) at a sales growth rate of 20.7%.

Personnel expenses in terms of sales could be cut from 33.2% to 30.8%. In absolute figures, they rose from EUR 61.24 million to EUR 68.68 million.

Depreciation and amortization increased from EUR 8.36 million in the first half of 2009/2010 to EUR 8.70 million in year-on-year terms.

Other operating expenses grew by EUR 4.77 million or 13.5%, fuelled mainly by higher rentals, operating costs and travel expenses.

The tax ratio (taxes as a proportion of the untaxed income) was 31.2% in the first half of 2010/2011 (compared to 31.7% in the previous year's half).

For the first half of 2010/2011, the Group achieved a profit of EUR 7.67 million, a plus of EUR 2.19 million in year-on-year terms. Earnings per share thus are EUR 1.00.

Statement of Financial Position

Current assets rised by EUR 43.33 million compared to the balance sheet day of 31 March 2010, driven by a substantial increase in liquid funds as well as a seasonal rise in accounts receivable.

Consolidated equity (adjusted by goodwill book values) recorded a rise by EUR 10.79 million, from EUR 87.34 million as of 31 March 2010 (additionally adjusted by scheduled dividend payments) to EUR 98.12 million as of 30 September 2010, essentially a consequence of the Group earnings.

The equity ratio (after adjustment by goodwill book values) is set at 45.4% compared to 50.9% on 31 March 2010 (additionally adjusted by scheduled dividend payments).

Current liabilities showed a substantial increase rising by EUR 35.08 million to EUR 100.45 as a consequence mainly of an expansion of business activities.

Cash Flow

At EUR 40.65 million, the cash flow from operating activities was higher by EUR 15.42 million than in the previous year's period. This results mainly by the strong increase of the profit for the period. It also benefited from an increase in accounts payable for goods and services and a rise in short-term provisions.

Cash flow from investment rose to EUR –9.46 million (compared to EUR –6.28 million in the previous reference period), consequent to an increase in investment.

The cash flow from financing activities totaled EUR -3.47 million (PY: EUR -15.96 million). During the first half of 2009/2010, financial liabilities had been paid off.

Employees

The average number of employees increased from 3.623 to 3.794 in year-on-year terms. This change was due mostly to the enlargement of business volume in Turkey.

Airline Catering

Through its consistent focus on supreme quality and service, Airline Catering as the largest of DO & CO's divisions has been able to follow up on the strong growth rate in terms of sales and profits it achieved in the first quarter of the business year.

Globally, DO & CO is setting new standards in the premium segment of airline catering at its 19 gourmet kitchens in New York, London, Frankfurt, Munich, Milan, Malta, Salzburg, Vienna, Linz, Graz and at nine further locations in Turkey.

DO & CO has built up a customer portfolio consisting of more than 60 airlines. This clientele includes important domestic customers such as the Austrian Airlines Group and NIKI as well as a number of renowned international airlines such as Turkish Airlines, British Airways, Singapore Airlines, Oman Air, Cathay Pacific, Emirates Airlines, Etihad Airways, Qatar Airways, Royal Air Maroc, South African Airways, KLM, Iberia and Air France.

Airline Catering		Second Quarter				First Half Year			
		2010/2011	2009/2010	Change	Change in %	2010/2011	2009/2010	Change	Change in %
Sales	in m €	94.82	72.68	22.13	30.5%	170.56	134.08	36.49	27.2%
EBITDA	in m €	12.47	9.39	3.08	32.9%	19.19	14.79	4.40	29.7%
Depreciation/amortization	in m €	-3.91	-3.51	0.40	11.5%	-7.32	-6.97	0.36	5.2%
EBIT	in m €	8.56	5.88	2.68	45.6%	11.86	7.83	4.04	51.6%
EBITDA margin	in %	13.2%	13.1%			11.3%	11.1%		
EBIT margin	in %	9.0%	8.1%			7.0%	5.8%		
Share of Group Sales	in %	78.6%	75.6%			76.6%	72.7%		

EBITDA and EBIT showed a considerable improvement over the results of the first six months of the previous business year: at EUR 19.19 million, EBITDA increased by EUR 4.40 million (29.7%), and EBIT rose from EUR 7.83 million to EUR 11.86 million. The EBIT margin for the Airline Catering division was boosted to 7.0% from 5.8% in the first half of 2009/2010.

In the second quarter of 2010/2011, the division continued to push up its margins. All its key markets reported growth rates. Turkey and its other international locations performed especially well.

As to Turkey, the division gained considerable ground both with third-party customers and with its main customer Turkish Airlines. Growth at the latter is due to a drive by Turkish Airlines to expand its fleet as well as a rise in return catering on short-haul flights. An added factor was the expansion of services rendered for Turkish Airlines: DO & CO is not just handling global equipment and beverage management for its client but has also set up a modern training centre for Turkish Airlines cabin crews. Moreover, DO & CO Flying Chefs have been employed since the start of the business year to ensure that first and business class passengers are treated to culinary delights on long-distance flights operated by Turkish Airlines.

Almost all of our international locations recorded growth rates in their sales. This results mainly from acquisition efforts that attracted many new customers.

In this connection, particular mention needs to be made of the London Heathrow location, where the catering start-up process for Emirates has been successfully completed. As of the second quarter of 2010/2011, DO & CO has been supplying the catering for Emirates' five daily flights out of Heathrow to Dubai. Emirates passengers in first, business and economy class flying on i.g. modern Airbus A380 wide-bodied craft are treated to freshly prepared meals of supreme DO & CO quality.

During the first half of 2010/2011, DO & CO Italy managed to acquire Cathay Pacific and Singapore Airlines as new customers, thus surpassing by far its previous year's sales. At the German DO & CO locations in Frankfurt and Munich, Oman Air and Qatar Airways contributed to the Group's growing sales figures.

Nationally, DO & CO's key customer Austrian Airlines showed a stable development curve during the first half of 2010/2011. Third-party customers, and in particular NIKI, managed an excellent performance, fuelled mostly by an expansion of their destinations and fleets.

International Event Catering

The International Event Catering division reported EUR 22.57 million in sales in the first half of 2010/2011, a clear increase over the previous year's period (EUR 20.85 million).

International Event Catering		Second Quarter				First Half Year			
		2010/2011	2009/2010	Change	Change in %	2010/2011	2009/2010	Change	Change in %
Sales	in m €	11.20	8.91	2.29	25.7%	22.57	20.85	1.72	8.2%
EBITDA	in m €	1.32	1.13	0.19	16.6%	2.43	2.12	0.31	14.8%
Depreciation/amortization	in m €	-0.25	-0.28	-0.04	-12.6%	-0.51	-0.37	0.14	36.6%
EBIT	in m €	1.07	0.85	0.22	26.4%	1.92	1.75	0.18	10.1%
EBITDA margin	in %	11.8%	12.7%			10.8%	10.2%		
EBIT margin	in %	9.6%	9.5%			8.5%	8.4%		
Share of Group Sales	in %	9.3%	9.3%			10.1%	11.3%		

After a slight decline in the first quarter of 2010/2011, caused by changes in Formula 1 calendar, major events and classic events once again posted growth rates in the second quarter.

The positive development in the major events segment is the result chiefly of numerous large-scale sporting contests.

These include the UEFA 2010 Champions League finals in Madrid, held in the first quarter of the 2010/2011 business year. Over 5,000 VIP guests were able to enjoy DO & CO catering at this most important European sporting event of the year.

Another milestone was the annual ATP Tennis Masters Series in Madrid where more than 35,000 VIP guests were treated to top catering services.

This business year also saw the launching of event catering in Turkey whose first highlight was coverage of the basketball world championship finals in Istanbul. There the home team of DO & CO, assisted by know-how and practical services from Austria, provided both the memorable ambience and the outstanding food to go with it.

At the core of the International Event Catering division continues to be its culinary catering for the formula one grand prix races. In the first half of 2010/2011, DO & CO provided the culinary treats for altogether 34,000 VIP guests at 12 grand prix races, proving once again that top-level motor sports can be harmoniously matched with superior DO & CO catering.

The growth rate reported by classic events is mostly due mostly to the good business performance achieved by the national event catering segment. DO & CO handled numerous events organised for clients from business, politics and sports as well as private customers. First-class quality and full customer satisfaction are the ruling principles that our clients in all segments appreciate most and that provide the underpinning for our ongoing success.

Outside Austria, the first event organised within the scope of our new partnership with Fortnum & Mason in Great Britain merits particular mention. The catering service rendered at the Tatton Flower Show in July is the launching point for expansion in the United Kingdom.

EBITDA in International Event Catering in the first half of 2010/2011 amounted to EUR 2.43 million, slightly above the previous year's figure (EUR 2.12 million). The EBITDA margin could be boosted from 10.2% to 10.8% in year-on-year terms. EBIT rose from EUR 1.75 million to EUR 1.92 million. At 8.5%, the EBIT margin remained at the previous year's level (8.4%).

Restaurants, Lounges & Hotel

Restaurants, Lounges & Hotel		Second Quarter				First Half Year			
		2010/2011	2009/2010	Change	Change in %	2010/2011	2009/2010	Change	Change in %
Sales	in m €	14.57	14.55	0.03	0.2%	29.58	29.54	0.04	0.1%
EBITDA	in m €	1.15	1.10	0.05	4.8%	2.30	2.22	0.07	3.3%
Depreciation/amortization	in m €	-0.38	-0.49	-0.11	-21.9%	-0.87	-1.02	-0.15	-15.0%
EBIT	in m €	0.77	0.61	0.16	25.9%	1.43	1.20	0.23	18.8%
EBITDA margin	in %	7.9%	7.6%			7.8%	7.5%		
EBIT margin	in %	5.3%	4.2%			4.8%	4.1%		
Share of Group Sales	in %	12.1%	15.1%			13.3%	16.0%		

In the first half of the 2010/2011 business year, the Restaurants, Lounges & Hotel division posted sales of EUR 29.58 million, reflecting the previous year's performance.

Business continued to flourish at classic DO & CO restaurant locations such as DO & CO Stephansplatz and DO & CO Albertina. Their sales in the first half of 2010/2011 surpassed figures for the previous year, whereas sales at the Casino Baden location slowed down. Segment figures for the first half of the 2010/2011 business year no longer include sales for Swarovski Kristallwelten at Wattens because this location was closed.

Lounge performance also took a satisfactory course. Guest figures were substantially increased at the lounges in New York. In Turkey, expansion was continued with the opening of the Turkish Airlines lounge at Adana Airport. The first class lounges operated for Lufthansa in Frankfurt served about the same number of guests as in the previous year's term, whereas business was down at the Austrian Airline lounges in Vienna.

The Demel Cafés in Vienna and Salzburg managed to substantially boost their sales: their growth rates were better than the overall figure for the Restaurants, Lounges & Hotel division.

Performance was also highly satisfactory at the DO & CO Hotel in Vienna, which achieved better capacity utilisation and higher revenues in the first half of the 2010/2011 business year.

Staff restaurants reported a stable course of business.

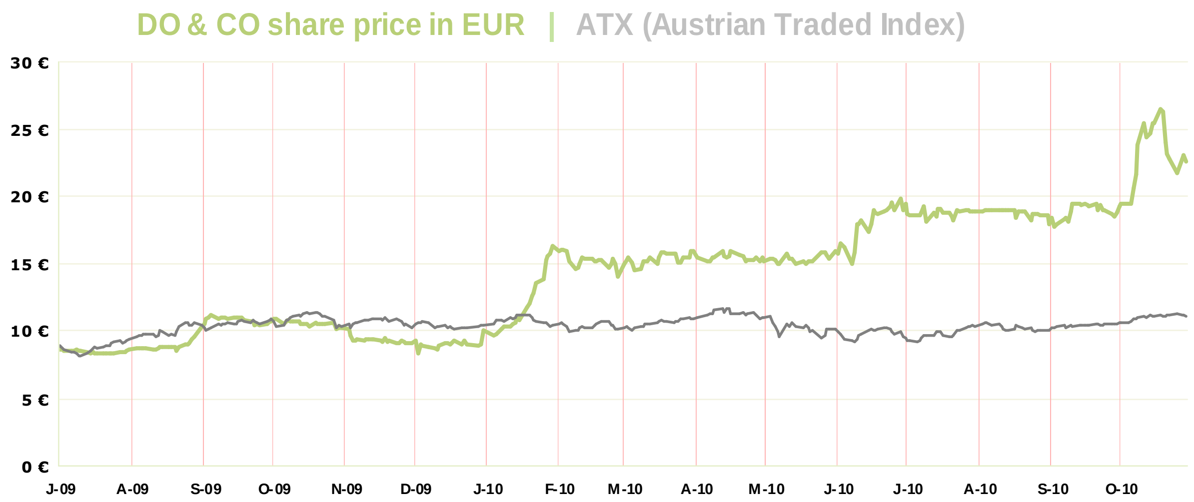
At EUR 2.30 million, EBITDA was slightly above the previous half year's figure (EUR 2.22 million), as was EBIT (1.43 million). Both the EBITDA margin and the EBIT margin could be raised: to 7.8% (vs. 7.5%) and 4.8% (vs. 4.1%) respectively.

DO & CO Stock / Investor Relations

For the first half of 2010, stock markets were impacted by the oil spill in the Gulf of Mexico, the financial crisis in Greece and the downgrading of credit ratings for European debtor countries. In the reporting period, the ATX declined by 3.5%, closing at 2,542 points on 30 September 2010 (31 March 2010: 2,634 points).

DO & CO Stock

In this same period, the price of DO & CO stock rose by 20.6%, closing at a price of EUR 19.29 on 30 September 2010. This price represents a market capitalization of EUR 147.53 million (taking into account the shares bought back as of the reporting date).



The share buy-back programme, which was based on a resolution of 14 October 2008, was discontinued as of 23 September 2010. In connection with the share buy-back programme, the Company acquired 147,078 of its own shares. That corresponds to 1.89% of the share capital.

DO & CO Restaurants & Catering AG, which is listed on the prime market of the Vienna Stock Exchange, applied to the Turkish Capital Markets Board to have its shares registered in Turkey, envisaging its stock to be traded not just at the Vienna Stock Exchange but also at its equivalent in Istanbul. There are also deliberations to carry out a capital increase of up to 25% of its approved share capital, with the funds thus raised to be dedicated to strengthen the company's investment capacity, improving its market presence and to cover possible acquisitions. In order to raise the quantity of free floating shares, considerations are taken by the core shareholders to sell stock held by them to the amount of just below 13% of the share capital (prior to the capital increase), and for the company to sell the stock acquired by it through the share buy-back programme. Once the capital rise and sales have gone through, this would increase the free-floating shares to about 47%.

Shareholders' Structure

The private foundation Attila Dogudan Privatstiftung is the majority shareholder of DO & CO Restaurants & Catering Aktiengesellschaft with a stake of 55.45%. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 25.22%. The remaining shares are in free float (all ownership figures refer to the reporting date of 30 September 2010 and take into account the shares repurchased at that time).

Financial Calendar

4 November 2010	Business results for the first half of 2010/2011
10 February 2011	Business results for the first three quarters of 2010/2011

Investor Relations

DO & CO is committed to clear-cut communications with all target groups in the financial community. To this end, it announced consolidated business results at regular intervals throughout the business year and disclosed relevant events in press releases.

All published materials and information of interest on DO & CO stock are posted under Investor Relations on the DO & CO homepage at www.doco.com.

Outlook

For the Airline Catering division, market volatility has further abated and recovery from the economic and financial crisis is set to continue. In the first months of the new business year, DO & CO noticed an increase in airline passengers. It can be assumed that the trend will continue, at least at a moderate pace, over the next months.

In Turkey, Turkish Airlines and other airlines continue to grow at a brisk rate. Over the coming months "DO & CO flying chefs" will be increasingly assigned to long-distance flights operated by Turkish Airlines, with a view to covering all its international destinations. Since mid-October of the current business year, eight long-distance routes are being served by "DO & CO flying chefs".

At London Heathrow, the start-up phase at Emirates could be successfully completed. Currently, DO & CO provides its well-known quality catering to five flights a day from Heathrow to Dubai. Emirates deploy, i.a., modern Airbus 380 wide-bodied aircraft on this route. Over the next months, the division will focus on optimising its process flows.

The International Event Catering division will again cover both national and international events held by private and corporate clients, among them the highlights of the next months: the formula 1 grand prix races in South Korea and Abu Dhabi. The latter is expected to draw 15,000 VIPs who want to be pampered with culinary delights by DO & CO. Moreover, initial preparations have already started on the EURO 2012 to be held in Ukraine and Poland, which will be intensified over the coming months. DO & CO is also bidding in international tenders for major international events.

With the opening of the worlds first HENRY gourmet shop a new segment is founded within the Restaurants, Lounges & Hotel division. This gourmet shop -located in the Billa Corso at Neuer Markt in the Inner City of Vienna- was opened at the end of October. The shop, "Henry – The Art of Living" is an innovative gourmet concept that stands for healthy and authentic food that goes easy on cooking – a useful party service for home and office events or for spontaneous snacking. The combination of retail and catering competence represents an innovative gourmet concept. If successfully implemented this concept will be rolled out to further high frequency locations.

Our well-established DO & CO restaurant locations and the DO & CO Hotel in Vienna are expected to continue their previous growth performance.

The lounges segment managed to gain Emirates as a new customer for its London Heathrow location. As of October 2010 it will provide the culinary care for Emirates' premium passengers flying out of London Heathrow. The focus will be on optimising process flows to ensure that customers will receive a service that excels in all respects. On a global scale, DO & CO operates twelve lounges.

DO & CO is also bidding in international tenders for major international events.

Generally, the DO & CO management is highly confident that it can continue the successful performance of the past years. A focus on innovation, superior product and service standards and excellently trained and motivated staff provide the underpinnings for making the best possible use of all growth potentials.

Barring unexpected events beyond the control of DO & CO, results should be solidly within the plan figures for the second half of the 2010/2011 business year.

Vienna, 3 November 2010

The Management Board:

Attila DOGUDAN mp Chairman	Michael DOBERSBERGER mp Member

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

Capital employed
Equity after dividend payments less the book values of goodwill plus interest-incurring borrowed capital and net debts and less financial investments

ROCE – Return on capital employed
Shows return on capital invested by juxtaposing EBIT before amortization of goodwill less adjusted taxes with the average capital employed

ROE – Return on equity
The ratio of taxed earnings (before amortization of goodwill) to average equity after dividend distribution and deduction of the book values of goodwill

Consolidated Financial Statements for the First Half Year of 2010/2011

of the DO & CO Group according to IFRS

Statement of the Financial Position for the Group as of 30 September 2010

Assets in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Intangible assets	23,379	27,020	25,352	28,733
Tangible assets	61,547	55,444	59,143	57,548
Financial assets	2,004	1,971	1,645	1,536
Fixed assets	**86,930**	**84,434**	**86,140**	**87,817**
Other long-term assets	1,201	947	1,770	1,046
Long-term assets	**88,131**	**85,381**	**87,910**	**88,863**
Inventories	12,393	11,767	10,333	11,238
Trade accounts receivable	42,060	36,424	31,213	31,875
Other Short-term accounts receivable and assets	16,324	18,249	14,026	18,022
Cash and cash equivalents	57,294	17,676	29,171	15,132
Current assets	**128,071**	**84,115**	**84,742**	**76,267**
Deferred taxes	3,830	5,952	3,116	4,227
Total assets	**220,033**	**175,448**	**175,768**	**169,357**

Liabilities and shareholders' equity in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Nominal capital	15,590	15,590	15,590	15,590
Capital reserves	34,066	34,464	34,464	34,464
Revenue reserves	31,787	24,043	24,043	23,124
Foreign currency translation reserve	-4,708	-6,951	-5,636	-6,502
Own shares	-1,495	-439	-1,221	-162
Consolidated result	7,667	5,474	9,659	2,084
Equity attributable to the shareholders of the parent	**82,908**	**72,181**	**76,898**	**68,598**
Minority interests	19,270	14,320	16,442	12,075
Shareholders' equity	**102,177**	**86,501**	**93,340**	**80,672**
Long-term provisions	17,410	15,896	16,805	14,771
Long-term financial liabilities	0	0	0	8,503
Other long-term liabilities	0	214	257	225
Long-term liabilities	**17,410**	**16,109**	**17,062**	**23,499**
Short-term provisions	56,633	44,044	36,185	31,767
Short-term financial liabilities	0	916	0	6,699
Trade accounts payable	31,853	20,736	21,625	17,979
Other short-term liabilities	11,960	7,142	7,555	8,740
Current liabilities	**100,445**	**72,838**	**65,366**	**65,185**
Total liabilities and shareholders' equity	**220,033**	**175,448**	**175,768**	**169,357**

Income Statement for the Group

for the first half year of 2010/2011

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Sales	**120,590**	**96,139**	**222,717**	**184,467**
Other operating income	445	2,546	2,437	4,640
Costs of materials and services	-50,051	-38,845	-92,488	-73,435
Personnel expenses	-35,383	-30,512	-68,684	-61,242
Depreciation of tangible fixed assets and amortization of intangible fixed assets	-4,536	-4,276	-8,700	-8,358
Other operating expenses	-20,660	-17,712	-40,063	-35,294
EBIT - Operating result	**10,406**	**7,341**	**15,217**	**10,779**
Financial result	642	404	1,089	524
thereof from associated companies	222	321	359	435
Profit before taxes	**11,048**	**7,744**	**16,306**	**11,303**
Taxes on income and earnings	-3,190	-2,639	-5,088	-3,586
Profit for the Year	**7,858**	**5,105**	**11,218**	**7,717**
Minority interests	-2,534	-1,488	-3,550	-2,243
Consolidated result	**5,324**	**3,617**	**7,667**	**5,474**

	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Issued shares (in Pie)	7,648,122	7,748,180	7,648,122	7,748,180
Weighted shares (in Pie)	7,650,477	7,753,670	7,655,119	7,761,453
Earnings per share	**0.70**	**0.47**	**1.00**	**0.71**

Statement of Cash Flows for the Group

for the first half year of 2010/2011

	in TEUR	First half Year 2010 / 2011	First half Year 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
	Profit before taxes	**16,306**	**11,303**	**19,257**	**8,835**
+	Depreciation / amortization & impairment	8,706	8,358	17,460	20,220
-/+	Gains / losses from disposals of fixed assets	-65	-3	374	432
+/-	Earnings from associated companies	-359	-435	-110	-78
-/+	Other non cash income/expense	0	0	0	-838
	Cash-flow from result	**24,589**	**19,223**	**36,982**	**28,570**
-/+	Increase / decrease in inventories and short-term accounts receivable	-13,127	-5,346	2,092	4,944
+/-	Increase / decrease in provisions	16,442	11,395	9,781	5,644
+/-	Increase / decrease in trade accounts payable and other liabilities	15,315	2,157	2,804	-11,843
+/-	Currency-related changes in non fund assets	-760	1,136	-1,383	-422
+/-	Change in adjustment items from debt consolidation	373	-901	242	761
-	Income tax payments and changes in deferred taxes	-2,179	-2,438	-4,662	-2,991
	Cash-flow from operating activities	**40,652**	**25,227**	**45,854**	**24,662**
+/-	Income from disposals of tangible and intangible fixed assets	129	3	104	211
-	Outgoing payments from additions to tangible and intangible fixed assets	-9,553	-5,556	-13,544	-24,234
-/+	Increase / decrease in long-term receivables	-36	-725	-944	112
	Cash-flow from investing activities	**-9,461**	**-6,279**	**-14,385**	**-23,912**
-	Dividend payment to shareholders	-1,914	-1,165	-1,165	-1,169
-	Dividend payment to minority shareholder	-1,278	-233	-233	0
+/-	Cash-flow from purchase of own shares	-274	-277	-1,059	-162
+/-	Increase / decrease in financial liabilities	0	-14,285	-15,202	-10,522
	Cash-flow from financing activities	**-3,466**	**-15,960**	**-17,659**	**-11,853**
	Total cash-flow	**27,725**	**2,988**	**13,811**	**-11,103**
	Cash and cash equivalents at the beginning of the year	29,171	15,132	15,132	26,069
	Effects of exchange rate changes on cash and cash equivalents	399	-443	228	166
	Cash and cash equivalents at the end of the year	57,294	17,676	29,171	15,132
	Change in funds	**27,725**	**2,988**	**13,811**	**-11,103**

Changes in Shareholders’ Equity for the Group

for the first half year of 2010/2011

in TEUR	The imputable share to shareholders of the DO & CO AG										
					Other comprehensive income						
	Nominal capital	Capital reserves	Revenue reserves	Consolidated Result	Currency translation differences of subsidiaries	Effect of Net Investment Approach	Deferred Taxes	Own shares	Total	Minority interests	Shareholders´ equity
As of 31 March 2009	**15,590**	**34,464**	**23,124**	**2,084**	**-120**	**-8,720**	**2,338**	**-162**	**68,598**	**12,075**	**80,672**
Dividend payment 2008/2009			-1,165						**-1,165**	-233	-1,398
Profit carried forward 2008/2009			2,084	-2,084					**0**		0
Total result				5,474	452	-1,180	278		**5,025**	2,478	7,504
Changes in own shares								-277	**-277**		-277
As of 30 September 2009	**15,590**	**34,464**	**24,043**	**5,474**	**332**	**-9,899**	**2,617**	**-439**	**72,181**	**14,320**	**86,501**
As of 31 March 2010	**15,590**	**34,464**	**24,043**	**9,659**	**503**	**-8,346**	**2,207**	**-1,221**	**76,898**	**16,442**	**93,340**
Dividend payment 2009/20010			-1,914						**-1,914**	-1,278	-3,192
Equity transaction costs		-398							**-398**		-398
Profit carried forward 2009/2010			9,659	-9,659					**0**		0
Total result				7,667	555	575	-202		**8,595**	4,106	12,701
Changes in own shares								-274	**-274**		-274
As of 30 September 2010	**15,590**	**34,066**	**31,787**	**7,667**	**1,059**	**-7,771**	**2,005**	**-1,495**	**82,908**	**19,270**	**102,177**

Statement of Comprehensive Income for the Group

for the first half year of 2010/2011

	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Profit for the Year	**7,858**	**5,105**	**11,218**	**7,717**
Differences of Currency translation	60	6	1,110	687
Effect of Net Investment Approach	-2,419	-1,110	575	-1,180
Income Tax of other comprehensive income and expensive	615	291	-202	278
Other comprehensive income after taxes	**-1,744**	**-813**	**1,483**	**-214**
Total comprehensive income for the period	**6,114**	**4,292**	**12,701**	**7,503**
Attributable to minority interests	2,153	1,395	4,106	2,478
Attributable to shareholders of parent company	3,961	2,897	8,595	5,025

Subsidiaries

of DO & CO Restaurants & Catering AG as of 30 September 2010

Company	Place of registration	Country	Share of stock in %	Controlling Company[1]	Currency	Nominal Capital inTDC[2]	
Companies included in full in the consolidated accounts							
DO & CO Party-Service & Catering GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
DO & CO Catering-Consult & Beteiligungs GmbH	Vienna	A	100.0	DINV	EUR	36	
DO & CO - Salzburg Restaurants & Betriebs GmbH	Salzburg	A	100.0	DCAG	EUR	36	3)
DO & CO - Baden Restaurants & Veranstaltungs GmbH	Baden	A	100.0	DCAG	EUR	36	3)
DO & CO Albertina GmbH	Vienna	A	100.0	DCAG	EUR	35	3)
AIOLI Airline Catering Austria GmbH	Vienna-Airport	A	100.0	DCAG	EUR	36	3)
AIOLI Restaurants & Party-Service GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH	Vienna	A	100.0	DCCC	EUR	799	4)
Demel Salzburg Café-Restaurant Betriebs GmbH	Salzburg	A	100.0	DCAG	EUR	35	3)
B & B Betriebsrestaurants GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
Cafe-Restaurant & Catering im Casino Wien GmbH	Vienna	A	100.0	DCCC	EUR	35	4)
DO & CO im PLATINUM Restaurantbetriebs GmbH	Vienna	A	90.0	DCCC	EUR	35	
DO & CO Airline Catering Austria GmbH	Vienna	A	100.0	DCAG	EUR	150	3)
Sky Gourmet - airline catering and logistics GmbH	Vienna-Airport	A	100.0	DCCC	EUR	800	4)
DO & CO (Deutschland) Holding GmbH	Kelsterbach	D	100.0	DINV	EUR	25	
DO & CO München GmbH	Schwaig/Oberding	D	100.0	DDHO	EUR	25	5)
DO & CO Frankfurt GmbH	Kelsterbach	D	100.0	DDHO	EUR	25	5)
DO & CO Berlin GmbH	Berlin	D	100.0	DDHO	EUR	25	5)
DO & CO Lounge GmbH	Frankfurt	D	100.0	DDHO	EUR	25	5)
DO & CO Italy S.r.l.	Vizzola Ticino	I	100.0	DCAG	EUR	1,275	
DO & CO Restauración & Catering Espana, S.L.	Barcelona	E	100.0	DINV	EUR	3	
DO & CO International Catering Ltd.	Feltham	GB	100.0	DINV	EUR	30	6)
DO & CO Event & Airline Catering Ltd.	Feltham	GB	100.0	DINV	GBP	0	
DO & CO International Investments Ltd.	London	GB	100.0	DCAG	EUR	0	6)
Total Inflight Solution GmbH	Vienna	A	100.0	DCCC	EUR	35	4)
DO & CO Museum Catering Ltd.	London	GB	100.0	DINV	GBP	0	
DO & CO Holdings USA, Inc.	Wilmington	USA	100.0	DINV	USD	100	
DO & CO Miami Catering, Inc.	Miami	USA	100.0	DHOL	USD	1	
DO & CO New York Catering, Inc.	New York	USA	100.0	DHOL	USD	1	
DO & CO – Restauração e Catering, Sociedade Unipessoal, Lda	Lissabon	P	100.0	DINV	EUR	5	
DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San. A.S.	Istanbul	TK	100.0	DINV	TL	750	
THY DO&CO Ikram Hizmetleri A.S.	Istanbul	TK	50.0	DIST	TL	30,000	
DO & CO Event Austria GmbH	Vienna	A	100.0	DCAG	EUR	100	3)
DO & CO Catering & Logistics Austria GmbH	Vienna	A	100.0	DCAG	EUR	100	3)
DO & CO International Event AG	Zug	CH	100.0	DINV	CHF	100	
DO & CO International Catering & Logistics AG	Zurich	CH	100.0	DINV	CHF	100	
Sky Gourmet Slovensko s.r.o.	Bratislava	SK	100.0	DSKY	EUR	63	7)
DO & CO Olympiapark München Restaurant GmbH	Munich	D	100.0	DDHO	EUR	25	5)
DO & CO Olympiapark München Catering GmbH	Munich	D	100.0	DDHO	EUR	25	5)
DEMEL New York Inc.	New York	USA	100.0	DHOL	USD	1	
Companies included at equity in the consolidated accounts							
Sky Gourmet Malta Ltd.	Fgura	MAL	40.0	DSKY	EUR	1	8)
Sky Gourmet Malta Inflight Services Ltd.	Fgura	MAL	40.0	DSKY	EUR	1	8)
Giava Demel S.r.l.	Milano	I	100.0	DCCC	EUR	30	
ISS Ground Services GmbH	Vienna	A	49.0	DTIS	EUR	218	
In the course of incorporation							
Fortnum & Mason Events Ltd.	London	GB	50.0	DLHR	GBP	0	

1) DCAG = DO & CO Restaurants & Catering Aktiengesellschaft
DCCC = DO & CO Catering-Consult & Beteiligungs GmbH
DHOL = DO & CO Holdings USA, Inc.
DINV = DO & CO International Investments Ltd.
DDHO = DO & CO (Deutschland) Holding GmbH
DSKY = Sky Gourmet - airline catering and logistics GmbH
DIST = DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San A.S.
DTIS = Total Inflight Solution GmbH

2) TDC = in thousands of domestic currency units
3) There is a profit transfer agreement between these companies and the DO & CO Restaurants & Catering 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.

Notes to the Consolidated Financial Statements for the First Half Year of 2010/2011

In application of § 245a of the Austrian Business Enterprise Code (UGB), the consolidated financial statements of DO & CO Restaurants & Catering AG as of 30 September 2010 were prepared in conformity with the provisions of the pertinent guidelines of the International Financial Reporting Standards (IFRS) in force on the reporting date and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they are to be applied in the European Union (EU).

I. General Information

I.1. Principles

I.1.1. General

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

The interim financial statements of all domestic and foreign companies included in full in the consolidated accounts were audited by independent auditors who issued unqualified opinions on them in each case. The only exceptions were companies immaterial to presenting a fair picture of the assets, earnings and financial situation of the group. The interim financial statements of all subsidiaries included here were properly prepared in accordance with the International Financial Reporting Standards (IFRS) valid for the business year 2010/2011 as applied in the EU and in application of the parent's standard group-wide accounting and valuation principles.

The consolidated financial statements for the first half year of 2010/2011 conform to the International Financial Reporting Standards (IFRS) valid for business year 2010/2011, as applicable in the European Union (EU).

I.1.2 Effects of New and Modified Standards

New standards enacted by the IASB are applied from the date they take effect as long as they have been published in the Official Journal of the European Union by 30 September 2010 and are in force by that date. They affect the consolidated financial statements of the DO & CO Group as follows:

The rules in IFRS 1 revised (first-time adoption of International Financial Reporting Standards), IFRS 2 (cash-settled share-based payment), IFRS 3 revised (business combinations – comprehensive revision with regard to applying the acquisition method) as well as the follow-up changes of IAS 27, 28 and 31, of IAS 32 (classification of subscription rights) and the amendments to IAS 39 (financial instruments: recognition and measurement regarding exposures qualifying for hedge accounting, embedded derivatives), to be mandatorily applied as of this business year (2010/2011) were of little or no significance for the Group.

The impact of IAS 24 revised (related party disclosures), for the first time adopted in the business year 2011/2012, cannot yet be determined with sufficient certainty or will be of negligible importance for the Group.

The regulations of IFRIC 18 (transfers of assets from customers) whose application becomes mandatory starting in the business year of 2010/2011, of IFRIC 19 (extinguishing financial liabilities with equity instruments) and amendments of IFRIC 14 (limit on a defined benefit asset) all cover subjects unrelated to the DO & CO Group.

I.2. Consolidation Principles

I.2.1. Scope of Consolidation

The scope of consolidation was determined in accordance with the principles of IAS 27 (consolidated financial statements). In accordance with this standard, 17 domestic and 22 foreign subsidiaries were included in the consolidated accounts as of 30 September 2010 in addition to DO & CO Restaurants & Catering AG. All the above subsidiaries are wholly-owned directly or indirectly by the latter company, with the exception of one domestic company in which the Group has a 90% stake, and one foreign company in which the Group has a 50% stake which is fully consolidated because the stake constitutes a controlling interest.

One foreign company in which the company has an indirect stake of 100% was included at equity in the consolidated accounts, as were two further foreign companies, in each of which DO & CO Restaurants & Catering AG indirectly holds a 40% stake, and a domestic company in which it indirectly holds a 49% stake.

The scope of consolidation (including DO & CO Restaurants & Catering AG) did not change in the first half of the 2010/2011 business year in relation to 31 March 2010.

I.2.2. Consolidation Methods

The initial consolidation in the accounts was carried out on 1 April 1997 or at the later date of acquisition or at the nearest reporting date if the effects thereof were immaterial as compared with the date of acquisition. The capital of fully consolidated associated companies was consolidated in accordance with the acquisition method. In the process, the purchase costs were offset against the revalued equity of the subsidiary at the time of purchase ("purchase method"). The positive sums on consolidation were recognized as goodwill unless allocable to the revalued assets. In accordance with IFRS 3 Business Combinations, goodwill arising from acquisitions is not subject to scheduled amortization but only to an annual impairment test on its value and is written down only in the case of an impairment in value.

The capital of the associated companies included in the accounts at equity was likewise consolidated on the basis of the same equity accounting method as with full inclusion in the consolidated accounts. Any national valuation methods were either retained or no adjustment was made if the effects on the annual profit/loss included proportionally in the consolidated financial statements were immaterial.

Loans, receivables and payables between companies included in the consolidated accounts were offset against each other in the course of debt consolidation. Moreover, sales revenues and other income (largely from deliveries and services) between the fully consolidated companies were offset against the corresponding expense items. Any interim results in fixed and current assets from deliveries and services within the group were eliminated unless of negligible significance. Discounts applied to determine the current value of future payments and other one-sided entries affecting profit/loss were adjusted in the consolidated financial statements. Income tax effects were taken into account in consolidation operations affecting profit and loss and deferred tax was recognized.

I.2.3. Business Segments

DO & CO manages business according to divisional criteria. Based on the internal reporting structure, DO & CO makes a distinction between the divisions Airline Catering, International Event Catering, and Restaurants, Lounges & Hotel. The division into business segments and the presentation of segmental business results is presented in accordance with IFRS 8 (management approach). It follows the internal reports to the Management Board as the key operating decision maker determining the allocation of resources among the business segments.

DO & CO has customers who account for more than 10% of consolidated sales each. Sales with these customers are contained in all divisions and together amount to less than half of total sales.

I.2.4. Currency Translation

The interim financial statements of the foreign subsidiaries were translated in accordance with the functional currency principle as outlined in IAS 21 (The effects of changes in foreign exchange rates). The functional currency of the foreign companies, with the exception of two British companies, is the national currency of their country of registration since the subsidiaries are financially, economically and organizationally independent in their conduct of business.

The interim financial statements of eight foreign subsidiaries with registered offices outside the Community Territory of the Member States of the European Union and two subsidiaries with registered offices in Great Britain were translated in accordance with the principles of the modified current rate method. The balance sheet items were valued at the mean rate on the reporting date of 30 September 2010. Income and expenses on the income statement were translated at the first half year average rate.

Translation differences on the reporting date arising from the balance sheet were allocated to shareholders' equity without affecting profit and loss. Translation differences between the reporting date rate within the balance sheet and the average rate in the income statement were offset in shareholders' equity. Negative translation differences of TEUR 1.371 were recognized in equity in the year under review with no effect on profit and loss.

The movements in fixed assets were presented at average rates. Changes in the mean of the buying and selling price of foreign exchange as of the balance sheet date compared with that of the previous year and differences arising from the application of average rates were separately recorded in the consolidated assets schedule as "translation adjustments."

Non-realized translation adjustments in conjunction with monetary items economically allocable to a share in an associated company, particularly borrowings under company loans issued to Turkish, British and American subsidiaries, were recognized with no effect on profit or loss in an adjustment item from currency translation and offset in shareholders' equity.

The exchange rates applied in currency conversion for significant currencies developed as follows:

in EUR	Reporting Date Rate 30 Sep 2010	30 Sep 2009	Cum. Average Rate 30 Sep 2010	30 Sep 2009
1 US Dollar	0.732708	0.682920	0.777906	0.710173
1 British Pound	1.162858	1.099747	1.187289	1.140283
1 Turkish Lira	0.504898	0.460109	0.511127	0.466741
1 Swiss Franc	0.752615	0.663218	0.736182	0.659206

I.3. Seasonality

Fluctuations in business volume are significant in Airline Catering and International Event Catering. The larger volume of flights and passengers among airline customers especially in the first and second quarters of the business year due to the holiday and charter season have a major influence on Airline Catering whereas for International Event Catering the main factor is the changing dates of large-scale sports events.

I.4. Accounting and Valuation Principles

The accounting and valuation principles were the same as those applied in the previous year's consolidated financial statements.

Intangible Fixed Assets

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

Intangible fixed assets with a calculable service life are recognized at acquisition cost and subject to scheduled straight-line amortization over their economic service life. If there is an indication that an asset may be impaired and if its recoverable amount (the higher of its fair value less costs to sell and its value in use) is less than the book value, then an impairment loss will be recognized in accordance with IAS 36.

The acquisition cost of goodwill obtained in connection with company acquisitions is valued at the time of acquisition as the surplus of expenses for the acquisition over the fair value of the acquired assets less debts and contingent liabilities.

Goodwill is not subject to scheduled amortization but tested for impairment loss based on the amount recoverable for the cash-generating unit to which the goodwill is allocated ("impairment-only approach"). A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This impairment test is conducted annually or whenever there are signs that the cash-generating unit is impaired. If the book value of the cash-generating unit exceeds the recoverable amount for the unit, then goodwill must be reduced by the difference. An impairment loss recognized for goodwill is not permitted to be reversed in subsequent years when the reason for it is eliminated. If the impairment loss of the cash-generating unit exceeds the book value of the goodwill allocated to that unit, the excess amount of the loss is recognized through proportional reduction of the book values of the assets allocated to the cash-generating unit.

The recoverable amount of the cash-generating unit is determined by calculating its value in use according to the discounted cash flow (DCF) method. This calculation is based on financial plans for five years approved by the management and a perpetuity. The discount factors are geared to the weighted average cost of capital (WACC). A WACC of 8% was applied for the first half of the 2010/2011 business year.

When subsidiaries are sold, the goodwill allocable to them is proportionally written off in a manner affecting profit and loss.

The goodwill on capital consolidation carried forward as of 30 September 2010 was as follows:

in TEUR	30 Sep 2010	31 March 2010
Capitalized goodwill	4,056	4,056

No amortization of goodwill in accordance with IAS 36 was undertaken in the year under review.

Tangible Fixed Assets

Tangible fixed assets are recorded at their cost of acquisition less scheduled, allocated depreciation or less unscheduled and continued depreciation. Assets showing signs of impairment and having future cash flows with fair values less than the carrying amount were written down in accordance with IAS 36 (impairment of assets) to their value in use or a value obtainable if they were sold singly or liquidated.

Scheduled depreciation was effected on a straight-line basis. Assets added in the first half of the business year were written down at the full annual rate of depreciation; those added after 30 September 2009 were subjected to half of the annual rate or written down pro rata temporis.

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

a) Intangible fixed assets	2,0	to	25,0 years
b) Land and buildings	25,0	and	40,0 years
c) Buildings on land owned by others	2,0	to	10,0 years
d) Plant and machinery	2,0	to	10,0 years
e) Other equipment and office equipment	2,0	to	10,0 years

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

Government grants and third-party building cost subsidies (investment grants) were recorded under liabilities and written down in a way affecting profit/loss in accordance with the useful life of the subsidized asset.

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

Shares in Affiliated Companies

Shares in affiliated companies were valued at the cost of acquisition. The recorded shares in affiliated companies had an unchanged book value of TEUR 0.00 on the reporting date.

Shares in Associated Companies and other Financial Assets

The shares in associated companies were valued at equity.

Securities were valued at the time of addition at their cost of acquisition and valued in subsequent periods at the currently applicable market value as quoted on the stock exchange. Fluctuations in market value are recognized in the financial result in a manner affecting profit/loss.

Inventories

Inventories were valued at cost of acquisition or the lower market value on the reporting date. The cost of acquisition was determined primarily using the moving average price method as well as the FIFO method. The quantities were determined by physical stock-taking conducted close to the balance sheet date.

Trade Accounts Receivable and Other Assets

Accounts receivable and other assets were carried as assets at their nominal value unless, in the case of discernible specific risks, suitable value adjustments were made and the lower applicable value was to be applied. Non-interest or non-interest-bearing long-term receivables were recorded at their discounted present value. Foreign-currency receivables from the financial statements of individual companies included in the consolidated accounts were valued at the foreign-exchange buying rate as of the reporting date.

Current Financial Assets

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

Deferred Taxes

Deferred tax liabilities were recognized in accordance with IAS 12 (income taxes) for all temporary valuation and accounting differences between the values applied in the individual companies' balance sheets under IFRS and under tax law. The value adjustments were calculated on the basis of the usual national income tax rate of the given group company at the time of the reversal of the value difference. Deferred tax assets were recognized for unused tax loss carryforwards to the extent that there will be sufficient future taxable profit against which the loss carryforwards can be utilized in the foreseeable future.

Prepaid Expenses and Deferred Income

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

Provisions for Termination Benefits and Similar Types of Payments

The projected benefit obligation (PBO) method was applied in calculating Austrian group companies' obligations to employees under the law or under collective agreements to set up a one-time termination benefit to be paid out on dismissal or retirement. In the process, the projected benefits were calculated based on an imputed rate of increase of 5% p.a. (31 March 2010: 5.0% p.a.) and based on expected pay raises of 3.0% p.a. (31 March 2010: 3.0% p.a.), with 60 assumed to be the retirement age for female employees and 65 for male employees.

A provision for long-service anniversaries for employees at Austrian companies was recorded under liabilities as an obligation similar to the termination benefit. This provision was determined on the basis of the same calculation factors applied to termination benefit provisions. The present value of these provisions was determined in an expertise and recorded under liabilities taking into account a discount for age-related fluctuation.

As in years past, actuarial gains and losses were immediately offset under personnel expenses in the year of occurrence in a manner affecting profit and loss. Provisions were made for benefit-based termination pay obligations of foreign companies in accordance with comparable methods unless contribution-based provision systems were involved.

Termination payment obligations to employees at a Turkish group company were calculated (the same way as on 31 March 2010) based on an imputed interest rate of 14.25% p.a. and expected inflation-related pay raises of 11.0% p.a.

Obligations arising from pension commitments granted to a former employee were determined on the basis of the same calculation factors used for the termination pay provisions at Austrian group companies.

Other Provisions

Other long-term and short-term provisions were recognized for all legal or constructive obligations to third parties arising from a past event if payment was probable, i.e. if an outflow of cash for them was more likely than not. The amounts recognized as provisions were the best estimates of the expenditures required to settle the present obligations at the balance sheet date.

Trade Accounts Payable

Liabilities were carried at the written-down cost of acquisition applying the effective interest method. Foreign currency liabilities were valued at the foreign-exchange selling rate applicable on the reporting date.

Estimates and Discretionary Practices

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

These assumptions and estimates are applied primarily to determine the useful service life of customer agreements and tangible fixed assets and to impute the expected discount factor, salary and pension increases and fluctuation rates in the actuarial valuation of pension plans, termination benefits and similar claims. Furthermore, management assesses whether all deferred tax is realizable.

Management is called on to make estimates and future-related assumptions about expected discounted net cash flows and cost of capital particularly when assessing the impairment of goodwill and other assets. The managers make these estimates to the best of their knowledge based on experience and the going concern principle. Any remaining uncertainty is therefore adequately considered.

Earnings Per Share

Earnings per share are calculated by dividing the consolidated profit/loss after minority interests by the weighted number of shares issued.

Changes in Valuation and Accounting Methods

No changes were made in accounting and valuation methods in the half year under review.

II. Notes to the Statement of Financial Position and Income Statement for the Group

II.1. Statement of Financial Position for the Group as of 30 September 2010

(1) Fixed Assets

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Intangible assets	23,379	27,020	25,352	28,733
Tangible assets	61,547	55,444	59,143	57,548
Financial assets	2,004	1,971	1,645	1,536
Total	**86,930**	**84,434**	**86,140**	**87,817**

The attached assets schedule shows a breakdown of the fixed asset items summarized in the consolidated balance sheet and changes in them during the first half year of 2010/2011 and in the previous year. Recognized translation adjustments are the amounts resulting from the translation of assets of foreign subsidiaries at the different reporting date rates prevailing at the beginning and end of the pertinent year and from the use of average rates for movements during the year. In the first half year of the 2010/2011 business year, Airline Catering equipment of a book value of TEUR 884 held by a Turkish subsidiary was shifted from fixed assets to inventories.

The intangible fixed assets recorded pertain solely to goodwill and other rights, in particular customer contracts, licenses, trademark titles, rights of use, and software licenses. The Group had no company-produced intangible fixed assets eligible for capitalization in the period under review.

The land included under tangible fixed assets has a value of TEUR 667 (31 March 2010: TEUR 675).

Purchase order commitments for assets ordered but not yet delivered as of 30 September 2010 amounted to TEUR 2,377 (31 March 2010: TEUR 1,119).

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

in TEUR	30 Sep 2010	31 Mar 2010
Acquisition costs	2,299	2,299
Accumulated depreciation	2,299	2,299
Book value	0	0

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

in TEUR	30 Sep 2010	31 Mar 2010
in the following 12 months	23,773	20,822
in the next five business years	118,871	104,720

An obligation of TEUR 91,423 (31 March 2010: TEUR 93,879) also exists based on a long-term lease (waiver of termination until 2035 at most).

Other production plant and office equipment include standard values of TEUR 956 (31 March 2010: TEUR 956) for tableware, cutlery, table linen and containers. The standard values were carried under assets largely at the companies producing sales in the Restaurants, Lounges & Hotel Division.

Financial Assets

The **associated companies** were all included on the balance sheet at equity and developed as follows:

in TEUR	First half Year 2010/2011	First half Year 2009/2010
As of 1.4	1,432	1,322
Dividend payments	0	0
Proportional periodic results	359	435
Total	**1,790**	**1,757**

The associated companies, all non-listed companies, appeared on the Statement of Financial Position as follows:

in TEUR	First half Year 2010/2011	First half Year 2009/2010
Sky Gourmet Malta Ltd.	318	382
Sky Gourmet Malta Inflight Services Ltd.	114	94
Giava Demel S.r.l.	0	0
ISS Ground Services GmbH	1,358	1,282
Total	**1,790**	**1,757**

Other securities carried under fixed assets were valued at the lower of acquisition cost or applicable trading prices.

(2) Other Long-term Assets

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Other long-term assets	1,201	947	1,770	1,046
Total	**1,201**	**947**	**1,770**	**1,046**

The other long-term assets of subsidiaries included in the consolidated accounts pertain primarily to long-term capitalized advance income tax payments by DO & CO Restaurants & Catering AG due to the latter having a business year ending on 31 March 2010 and thus diverging from the calendar year and due to deposit payments put down for leased facilities.

(3) Inventories

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Raw materials and supplies	5,886	5,193	4,931	5,460
Goods	6,507	6,574	5,402	5,778
Total	**12,393**	**11,767**	**10,333**	**11,238**

The sub-item “Goods” includes TEUR 2,442 (31 March 2010: TEUR 2,427) in standard-value items for tableware, cutlery, table linen, serving aids and containers as well as for other work aids, with account taken of future usefulness.

(4) Trade Accounts Receivable and Other Current Accounts Receivable and Assets

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

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Trade accounts receivable	**42,060**	**36,424**	**31,213**	**31,875**
Accounts receivable from companies with distributed ownership	720	631	697	631
Other accounts receivable and assets	13,829	16,158	12,653	16,509
Prepaid expenses and deferred charges	1,776	1,460	676	882
Total of other current accounts receivable and other current assets	**16,324**	**18,249**	**14,026**	**18,022**
Total	**58,385**	**54,673**	**45,239**	**49,897**

The following value adjustments were undertaken on trade accounts receivable to account for any default risks and for interest rate losses:

in TEUR	First half Year 2010/2011	Business Year 2009/2010
As of 1.4.	1,498	1,663
Allocation	247	551
Reclassification/ FX effects	9	12
Consumption	-72	-569
Release	-56	-159
Total	**1,627**	**1,498**

Trade accounts receivable had the following maturity structure:

in TEUR	30 Sep 2010	31 Mar 2010
undue for payment	31,015	20,480
less than 20 days due	4,296	4,239
more than 20 days but less than 40 days due	3,145	2,688
more than 40 days but less than 80 days due	1,513	1,897
more than 80 days due	1,620	1,419
Total	**41,590**	**30,723**

The following value adjustment was undertaken on other current accounts receivable:

in TEUR	First half Year 2010/2011	Business Year 2009/2010
As of 1.4.	130	86
Allocation	0	48
Reclassification/ FX effects	0	0
Consumption	0	-4
Release	0	0
Total	**130**	**130**

The trade accounts receivable at 30 September 2010 contained TEUR 16,318 (31 March 2010: TEUR 7,841) in accounts receivable from individual customers that make up more than 20% of the total outstanding accounts receivable at the reporting date of 30 September 2010. Nearly all these receivables had been settled by end-October 2010. There is no information suggesting any concrete risks of default at the reporting date.

Other current accounts receivable and assets contain TEUR 10,332 in receivables from domestic and foreign tax authorities, which are credited on an ongoing basis. There is no information suggesting any concrete risks of default at the reporting date.

(5) Cash and Cash Equivalents

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Cash, checks	317	641	888	499
Cash at banks	56,977	17,035	28,282	14,633
Total	**57,294**	**17,676**	**29,171**	**15,132**

Interest on balances at banks in the first half of the 2010/2011 business year averaged 1.1% (31 March 2010: 1.1%).

(6) Deferred Taxes

Deferred tax assets and liabilities resulted from the following temporary accounting and valuation differences between the amounts carried in the consolidated financial statements under IFRS and the corresponding bases of assessment for taxation:

in TEUR	30 Sep 2010		31 Mar 2010	
	Assets	Liabilities	Assets	Liabilities
Intangible fixed assets	11	-3,053	16	-2,711
Property, plant and equipment	647	-1,171	332	-1,019
Financial assets	0	-977	0	-931
Inventories	0	-35	9	0
Accounts receivable	99	-53	107	-44
Consolidation entries	2,021	0	2,280	0
Provisions	6,639	-3	4,720	-3
Liabilities	1,035	0	198	0
Prepaid expenses or deferred income	0	-34	0	-21
Total deviations in balance sheet	**10,452**	**-5,325**	**7,662**	**-4,730**
Tax losses carried forward	6,631	0	6,047	0
Valuation discount for capitalized deferred tax	-7,934	0	-6,040	0
Offsetting of differences with the same tax authorities	-5,319	5,319	-4,553	4,553
Total	**3,830**	**-6**	**3,116**	**-176**

No deferred taxes were capitalized in these consolidated financial statements for differences on the asset side and for tax loss carry-forwards totaling TEUR 7,934 (31 March 2010: TEUR 6,040), because the company is not yet sufficiently certain that these deferred tax assets can be realized as future tax relief.

(7) Shareholders’ Equity

In the first half year of 2010/2011, the consolidated shareholders’ equity developed as follows against previous periods:

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Capital stock	15,590	15,590	15,590	15,590
Capital reserves	34,066	34,464	34,464	34,464
Revenue reserves	31,787	24,043	24,043	23,124
Foreign currency translation reserve	-4,708	-6,951	-5,636	-6,502
Own shares	-1,495	-439	-1,221	-162
Consolidated result	7,667	5,474	9,659	2,084
Total	**82,908**	**72,181**	**76,898**	**68,598**
Minority interests	19,270	14,320	16,442	12,075
Total	**102,177**	**86,501**	**93,340**	**80,672**

The share capital (referred to above as capital stock) of DO & CO Restaurants & Catering AG totals EUR 15,590,400.00 and is divided into 7,795,200 individual bearer shares endowed with voting rights.

The General Meeting of Shareholders on 5 July 2007 gave the Management Board the right until 30 June 2012 to increase the share capital on approval by the Supervisory Board by up to a further EUR 7,795,200.00 in exchange for cash contributions and/or contributions in kind through the issuance of up to 3,897,600 new shares of ordinary stock (authorized capital).

The share capital of the company is increased pursuant to § 159 (2) 1 Austrian Corporation Act by up to EUR 7,795,200.00 through the issue of up to 3,897,600 new no-par bearer shares for issuing to creditors of financial instruments based on the resolution of the General Meeting of 10 July 2008. 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 (conditional capital).

The stock buy-back programme, based on a resolution of 14 October 2008, was completed on 23 September 2010. It involved the buy-back of altogether 147,078 shares, corresponding to 1.89% of the company’s capital stock.

The shares of DO & CO Restaurants & Catering AG have been listed in the Prime Market of the Vienna Stock Exchange since 19 March 2007. The private foundation Attila Dogudan Privatstiftung is the majority shareholder in DO & CO Restaurants & Catering Aktiengesellschaft with a stake of 55.45%. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 25.22%. The remaining shares are in free float (all ownership figures refer to the reporting date and take into account the shares repurchased at that time).

Besides earnings allocated to reserves, the revenue reserves item contains revenue reserves in the amount of the tax investment allowances taken advantage of, as recorded in the individual financial statements of domestic companies. No deferred tax provision was formed for these untaxed reserves. In addition to legally stipulated revenue reserves of various individual companies included in the consolidated accounts, this item contains all revenue reserves at subsidiaries not eliminated in the course of capital consolidation.

Minority interests include the direct 50% minority interest in the equity of the fully consolidated THY DO&CO İkram Hizmetleri A.Ş. This item also includes the 10% minority interest in DO & CO im PLATINUM Restaurantbetriebs GmbH.

The General Meeting of Shareholders of 8 July 2010 approved the motion submitted by the Management Board of DO & CO Restaurants & Catering Aktiengesellschaft to pay a dividend of EUR 0.25 per share for the business year of 2009/2010. In terms of the closing price of EUR 16.00 on 31 March 2010 this corresponds to a dividend yield of 1.56% (2008/2009: 1.85%).

(8) Long-term Provisions

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

in TEUR	As of 31 March 2010	Curreny changes	Consumed	Release	Allocation	As of 30 Sep 2010
Provisions for severance payments PBO	11,863	204	611	0	1,091	12,547
Provisions for pension payments PBO	549	0	15	0	8	542
Provisions for long-service anniversary payments PBO	3,185	0	108	0	248	3,325
Provisons for deferred tax	176	71	402	1	162	6
Other provisions	1,032	-1	41	0	0	990
Total	**16,805**	**274**	**1,178**	**1**	**1,510**	**17,410**

The values of provisions for termination benefits (referred to above as severance payments), pensions and long-service anniversary payments were calculated as of the reporting date along actuarial lines in expert opinions applying the projected benefit obligation method. The valuation was based on an imputed interest rate of 5.0% (31 March 2010: 5.0%), on imputed pay increases of 3.0% (31 March 2010: 3.0%) and on imputed pension increases of 3.0% (31 March 2010: 3.0%).

Termination payment obligations to employees at a Turkish group company were calculated based on an imputed interest rate of 14.25% p.a. (31 March 2010: 14.25%) and expected inflation-related pay raises of 11.0% p.a. (31 March 2010: 11.0%).

in TEUR	Severances		Pensions		Long-service anniversary	
	First half Year		First half Year		First half Year	
	2010 / 2011	2009 / 2010	2010 / 2011	2009 / 2010	2010 / 2011	2009 / 2010
Present value of obligations (PBO) on 1 April	11,863	9,744	549	533	3,185	2,824
Currency changes	208	194	0	0	0	0
Current service cost*	869	1,170	0	0	270	197
Interest cost*	296	272	13	29	72	76
Benefit payments	-611	-1,001	-25	-25	-108	-105
Settlements / curtailments*	0	0	0	0	0	0
Actuarial gain*	-79	159	6	-3	-94	-21
Present value of obligations (PBO) on 30 September	**12,547**	**10,538**	**542**	**534**	**3,325**	**2,970**

* These items are included in the Personnel expenses

As before, actuarial gains and losses were immediately recognized in the year of occurrence in a manner affecting profit and loss.

Other long-term provisions at the reporting date consisted of provisions for process risks and for agreements on an option for older employees to go part-time.

(9) Long-term Financial Liabilities

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Liabilities to banks	0	0	0	8,503
Total	**0**	**0**	**0**	**8,503**

Long-term financial liabilities amounting to EUR 7.00 million were to be reported offset against the balance at a bank owing to an offsetting agreement (IAS 32.42). Both items were therefore reported reduced by this amount.

(10) Other Long-term Liabilities

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Other liabilities	0	214	257	225
Total	**0**	**214**	**257**	**225**

(11) Short-term Provisions

in TEUR	As of 31 March 2010	Curreny changes	Consumed	Release	Allocation	As of 30 Sep 2010
Provision for taxation	5,553	-19	311	0	4,713	9,936
Other personnel provisions	10,558	23	2,350	0	5,380	13,612
Deliveries and services not yet invoiced	1,778	19	1,612	134	5,171	5,222
Other provisions	18,296	349	2,306	148	11,672	27,863
Total	**36,185**	**372**	**6,579**	**282**	**26,936**	**56,633**

Provisions for personnel expenses pertain largely to the following three sets of provisions. The first totals TEUR 1,943 (31 March 2010: TEUR 1,676) and relates to pro rata special payments due to having a business year not coinciding with the calendar year. The second comprises provisions of TEUR 6,191 (31 March 2010: TEUR 5,878) for vacation not yet taken as of the reporting date. The third relates to other provisions totaling TEUR 5,478 (31 March 2010: TEUR 2,781) for performance-linked components of pay. The item designated as other provisions consists largely of period-linked value adjustments.

(12) Short-term Financial Liabilities

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
EUR cash advances	0	916	0	6,699
Total	**0**	**916**	**0**	**6,699**

(13) Trade Accounts Payable and Other Short-term Liabilities

in TEUR	30 Sep 2010	30 Sep 2009	31 Mar 2010	31 Mar 2009
Trade accounts payable	**31,853**	**20,736**	**21,625**	**17,979**
Advance payments received on orders	2,014	1,595	350	989
Other liabilities	9,468	5,298	7,054	7,655
Deferred income	479	249	151	96
Total other short-term liabilities	**11,960**	**7,142**	**7,555**	**8,740**
Total	**43,813**	**27,877**	**29,180**	**26,719**

The other liabilities with a remaining term of less than one year stem from amounts owed to tax authorities for value-added tax and other pay-related taxes, from liabilities to social insurance funds and from liabilities to employees in an amount equal to current remuneration payments.

Contingent Liabilities

in TEUR	30 Sep 2010	31 Mar 2010
Securities	12,798	12,659

As was the case the previous year, the amounts recorded under this item still pertain to guarantees of supply from Turkey and to bank guarantees to secure claims in connection with leases and to collateralize refunds of advance tax payments to the Italian fiscal authorities.

II.2. Income Statement for the Group for the First Half Year of 2010/2011

The consolidated income statement was prepared in accordance with the total expenditure format.

(14) Sales

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Airline Catering	94,819	72,684	170,565	134,078
International Event Catering	11,197	8,906	22,573	20,853
Restaurants, Lounges & Hotel	14,575	14,549	29,579	29,536
Total	**120,590**	**96,139**	**222,717**	**184,467**

(15) Other Operating Income

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Proceeds of the disposal of fixed assets	23	7	116	40
Income from the release of provisions	104	1,676	282	1,775
Release of provisions for bad debts	11	0	56	5
Insurance payments	1	20	4	41
Rent income	54	59	119	97
Exchange rate differences	9	124	964	1,178
Miscellaneous operating income	242	659	896	1,505
Total	**445**	**2,546**	**2,437**	**4,640**

(16) Costs of Materials and Services

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Costs of materials (including goods purchased for resale)	41,789	32,954	78,309	62,215
Costs of services	8,261	5,890	14,180	11,220
Total	**50,051**	**38,845**	**92,488**	**73,435**

(17) Personnel Expenses

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Wages	22,308	18,760	43,803	38,830
Salaries	5,492	4,950	10,690	9,734
Expenses for severance payments	902	944	1,447	1,618
Expenses for legally mandanted social security contributions and for related costs	5,389	4,816	10,391	9,323
Other social expenses	1,292	1,041	2,353	1,736
Total	**35,383**	**30,512**	**68,684**	**61,242**

Under a contribution-based employee pension and severance system, the DO & CO Group pays set contributions amounting to TEUR 293 (first quarter of 2009/2010: TEUR 239) to employee pension and severance funds. With the payment of these contributions, the DO & CO Group satisfies its obligation in this regard.

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

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Scheduled amortization and depreciation	4,536	4,276	8,700	8,358
Total	**4,536**	**4,276**	**8,700**	**8,358**

(19) Other Operating Expenses

The composition of other operating expenses was as follows:

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Other taxes (excluding income taxes)	427	303	727	557
Rentals, leases and operating costs	11,761	10,290	22,172	19,758
Travel and communication expenses	1,959	1,122	3,878	2,775
Transport, vehicle expenses and maintenance	2,393	1,987	5,128	4,319
Insurance	207	276	451	448
Legal, auditing and consulting expenses	263	942	1,291	1,731
Advertising expense	264	191	436	343
Other personnel costs	161	76	327	162
Miscellaneous operating expenses	1,099	1,243	1,970	2,517
Value adjustments, losses on bad depts	752	199	838	296
Exchange rate differences	702	673	1,568	1,483
Accounting losses from the disposal of fixed assets	12	7	51	38
Other administrative expenses	658	404	1,227	868
Total	**20,660**	**17,712**	**40,063**	**35,294**

The rise in other operating expenses was essentially the result of an increase in sales-dependent airport fees.

(20) Financial Result

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Income from participations				
Results from investments	222	321	359	435
of which from associated companies	222	321	359	435
Total income from participations	**222**	**321**	**359**	**435**
Result from other financial activities				
Income from other securities carried under fixed assets	0	0	5	0
Interest and similar income	452	117	783	222
Interest and similar expenses	-31	-34	-58	-133
Total result from other financial activities	**421**	**83**	**730**	**89**
Total	**642**	**404**	**1,089**	**524**

(21) Taxes on Income and Earnings

in TEUR	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Income tax expenses	3,373	2,202	6,471	3,836
thereof non periodic	0	0	0	0
Deferred tax	-183	437	-1,383	-250
Total	**3,190**	**2,639**	**5,088**	**3,586**

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

The effective tax burden on the DO & CO Group, defined as the proportion of total tax expenses to profit before tax, amounted to 31.2% (30 March 2010: 31.9%). The difference between the corporate tax rate of 25% applicable in the first half of the 2010/2011 business year (PY: 25%) and the reported group tax rate came about as follows:

in TEUR	30 Sep 2010	31 Mar 2010
Consolidated result before tax	**16,306**	**19,257**
Tax expense at tax rate of 25% (previous year: 25%)	**4,076**	**4,814**
Non-temporary differences, tax expenses and income from prior periods	700	446
Change of value adjustments on capitalized deferred tax assets as well as losses for which no deferred tax provisions were created	648	1,310
Change and difference in tax rates	-337	-432
Effective tax burden	**5,088**	**6,138**
Effective tax rate in %	31.2	31.9

(22) Minority Interests

Minority interests in the annual profit of fully consolidated companies with minority interests amounted to TEUR 3,550 (first half of previous year: TEUR 2,243).

III. Other Information

(23) Earnings per Share

The number of shares issued as of 30 September 2010 totaled 7,795,200 (PY: 7,795,200 shares). DO & CO continued its stock buy-back program in the second quarter of the 2010/2011 business year and repurchased 8,353 shares over the course of the quarter. As of 30 September 2010, the total number of shares that had been bought back reached 147,078. That corresponds to 1.89% of the share capital. The stock buy-back program, adopted by a resolution of 14 October 2008, was terminated on 23 September 2010.

	Second Quarter 2010 / 2011	Second Quarter 2009 / 2010	First half Year 2010 / 2011	First half Year 2009 / 2010
Number of individual shares at balance sheet date	7,648,122	7,748,180	7,648,122	7,748,180
Weighted shares (in Pie)	7,650,477	7,753,670	7,655,119	7,761,453
Earnings per share	0.70	0.47	1.00	0.71

Based on the consolidated profit of TEUR 11,218 (first half of 2009/2010: TEUR 7,717), the earnings per share amounted to EUR 1.00 (first half of 2009/2010: EUR 0.71).

(24) Statement of Cash Flows for the Group for the First Half Year of 2010/2011

The statement of cash flows was presented in accordance with the indirect method, whereby cash and cash equivalents correspond to cash in hand and at banks.
Income tax payments are presented as a separate sub-item in the cash flow from operating activities. Interest paid and received was also carried under current business activities. The dividend payments to shareholders of DO & CO Restaurants & Catering AG were recorded as part of the financing activities.

The management report for the Group contains an explanation of the consolidated statement of cash flows.

(25) Financial Instruments and Risk Report

Financial Instruments

The transition of carried amounts by category to fair values in accordance with IAS 39 is divided into the categories loans and receivables (L&R), financial liabilities (FL), available-for-sale (AfS), held-to-maturity (HtM) and fair value affecting profit/loss (FV t P&L) and is summarized below:

Assets in TEUR	30.9.2010 book-value	non-financial instruments	30.9.2010 book-value of financial-instruments	30.9.2010 fair value of financial-instruments	valua-tion	LaR / FL	AFS	HTM	FV t P&L
Financial assets	2,004	1,790	214	214	FV	0	214	0	0
Other long-term assets	1,201	39	1,163	1,163	AC	1,163	0	0	0
Trade accounts receivable	42,060	0	42,060	42,060	AC	42,060	0	0	0
Accounts receivable from associated companies	720	0	720	720	AC	720	0	0	0
Other accounts receivable and assets	13,829	11,825	2,004	2,004	AC	2,004	0	0	0
Cash and cash equivalents	57,294	0	57,294	57,294	AC	57,294	0	0	0
Total	**117,107**	**13,654**	**103,453**	**103,453**		**103,240**	**214**	**0**	**0**
Liabilities in TEUR									
Trade accounts payable	31,853	0	31,853	31,853	AC	31,853	0	0	0
Other liabilities	11,960	10,223	1,738	1,738	AC	1,738	0	0	0
Total	**43,813**	**10,223**	**33,590**	**33,590**		**33,590**	**0**	**0**	**0**

Assets in TEUR	31.3.2010 book-value	non-financial instruments	31.3.2010 book-value of financial-instruments	31.3.2010 fair value of financial-instruments	valua-tion	LaR / FL	AFS	HTM	FV t P&L
Financial assets	1,645	1,432	214	214	FV	0	214	0	0
Other long-term assets	1,770	605	1,165	1,165	AC	1,165	0	0	0
Trade accounts receivable	31,213	0	31,213	31,213	AC	31,213	0	0	0
Accounts receivable from associated companies	697	0	697	697	AC	697	0	0	0
Other accounts receivable and assets	12,653	10,821	1,831	1,831	AC	1,831	0	0	0
Cash and cash equivalents	29,171	0	29,171	29,171	AC	29,171	0	0	0
Total	**77,149**	**12,858**	**64,291**	**64,291**		**64,077**	**214**	**0**	**0**
Liabilities in TEUR									
Other long-term liabilities	257	0	257	257	AC	257	0	0	0
Trade accounts payable	21,625	0	21,625	21,625	AC	21,625	0	0	0
Other liabilities	7,555	5,317	2,238	2,238	AC	2,238	0	0	0
Total	**29,437**	**5,317**	**24,120**	**24,120**		**24,120**	**0**	**0**	**0**

The profit/loss from financial instruments based on the categories in IAS 39 in the first half year of 2010/2011 and in 2009/2010 are composed of interest and do not contain any subsequent valuations.

Currency Risk

DO & CO is highly vulnerable to exchange rate fluctuations due to the international nature of its business segments, especially Airline Catering and International Event Catering. The major foreign currencies involved are YTL, USD and GBP.

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 also endeavours to exclude additional risks to the greatest possible extent by entering into appropriate contractual agreements with customers and suppliers.

Whenever needed, financial instruments and derivatives are employed to control currency risks. No derivatives were in use at the reporting date.

The sensitivity analysis conducted according to IAS 39 and taking into account transaction and translation risks showed the following changes in profit/loss on ordinary business activities assuming fluctuations of exchange rates in relation to the reporting date and the annual average exchange rate of the key foreign currencies (appreciation of the foreign currency):

A 5% change in the EUR-to-USD exchange rate would have an effect equivalent to plus TEUR 569 (2009/2010 business year: TEUR 523).

A 5% change in the EUR-to-GBP exchange rate would have an effect equivalent to plus TEUR 195 (2009/2010 business year: TEUR 216).

A 5% change in the EUR-to-YTL exchange rate would have an effect equivalent to plus TEUR 106 (2009/2010 business year: TEUR 340).

Liquidity Risk

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.

The liquidity risk of the DO & CO Group is limited by virtue of its low level of debt. Current liquidity needs can be met by available cash and cash equivalents and by financial facilities granted by banks.

Default Risk

DO & CO keeps the risk of default to a minimum by closely monitoring outstanding debts as part of receivables management. It seeks to control the risk of default by major customers by entering into contractual agreements with them and by having customers granting securities. The outstanding items of all legal entities are reported weekly. That means the Group monitors customer default risks promptly and is able to respond quickly if the situation changes.

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.

The receivables recorded under assets and reduced by appropriate value adjustments represent the maximum solvency and default risk. Since the ratings of existing and new customers are continuously monitored, the credit risk from customer receivables can be considered negligible based on present knowledge. This risk depends on market developments.

As regards default risk on the customer side, please refer to the schedule on overdue trade accounts receivable and other accounts receivable under (4) in these Notes.

The credit risk arising from the investment of cash and cash equivalents from securities is also deemed to be non-existent, given the excellent credit rating of the contractual partners and the low level of assets tied up in securities.

Interest Risk

Financing is done at usual market conditions, with maturities always matching those of the financed projects. The effects of a change in interest rates are monitored in sensitivity analyses conducted quarterly. The Group does not currently face any material risk from interest rate fluctuations.
DO & CO had no financial liabilities as of 30 September 2010 and nearly doubled its cash and cash equivalents in the first half of the 2010/2011 business year. A one-percent increase in the

average interest rate would therefore have a positive effect equivalent to about 1.2% of the consolidated profit/loss on ordinary business activities. No negative effects are expected from interest rate changes.

Capital Management

With its financial business control system, the DO & CO Group seeks to achieve a sustainable increase in the intrinsic value of the company and to maintain and improve the capital structure. This capital structure is an important prerequisite for profitable growth by the company because the financial strategy aims at protecting the Group's profitability, stability, liquidity and financial flexibility. The following strategic pillars are defined for this purpose:

- availability of a minimum strategic liquidity,
- sustained equity ratio at an appropriate level,
- retention of financial and operational flexibility by leaving available assets unencumbered.

The Group's dividend policy is based on the same premises. The proposed dividend payments therefore take into account the capital required for subsequent years.

(26) Segment Reporting

The **segment reporting by division** for the first half of the 2010/2011 business year is as follows:

First Half Year 2010 / 2011		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	in m €	170.56	22.57	29.58	222.72
EBITDA	in m €	19.19	2.43	2.30	23.92
Depreciation/amortization	in m €	-7.32	-0.51	-0.87	-8.70
EBIT	in m €	11.86	1.92	1.43	15.22
EBITDA margin	in %	11.3%	10.8%	7.8%	10.7%
EBIT margin	in %	7.0%	8.5%	4.8%	6.8%
Share of Group Sales	in %	76.6%	10.1%	13.3%	100.0%
Total Investments	in m €	8.27	0.21	0.11	8.59

The comparable previous year's period was as follows:

First Half Year 2009 / 2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	in m €	134.08	20.85	29.54	184.47
EBITDA	in m €	14.79	2.12	2.22	19.14
Depreciation/amortization	in m €	-6.97	-0.37	-1.02	-8.36
EBIT	in m €	7.83	1.75	1.20	10.78
EBITDA margin	in %	11.1%	10.2%	7.5%	10.4%
EBIT margin	in %	5.8%	8.4%	4.1%	5.8%
Share of Group Sales	in %	72.7%	11.3%	16.0%	100.0%
Total Investments	in m €	4.29	0.02	0.11	4.42

Segment assets were as follows:

30 September 2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	79.98	1.53	5.42	86.93
Inventories	in m €	8.46	2.87	1.06	12.39
Trade accounts receivables	in m €	33.96	5.75	2.35	42.06

Segment assets as per balance sheet date were as follows:

31 March 2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	78.35	1.81	5.98	86.14
Inventories	in m €	6.64	2.65	1.04	10.33
Trade accounts receivables	in m €	23.53	5.07	2.61	31.21

The **segment reporting by region** (registered offices of the companies) for the first half of the 2010/2011 business year is as follows:

First Half Year 2010 / 2011		Austria	Turkey	Other Countries	Total
Sales	in m €	76.13	89.93	56.66	222.72
Share of Group Sales	in %	34.2%	40.4%	25.4%	100.0%

The comparable previous year's period was as follows:

First Half Year 2009 / 2010		Austria	Turkey	Other Countries	Total
Sales	in m €	72.72	63.04	48.71	184.47
Share of Group Sales	in %	39.4%	34.2%	26.4%	100.0%

Segment assets were as follows:

30 September 2010		Austria	Turkey	Other Countries	Total
Fixed assets	in m €	26.94	36.59	23.40	86.93
Inventories	in m €	4.72	6.18	1.49	12.39
Trade accounts receivables	in m €	14.01	12.77	15.28	42.06

Segment assets as per Balance sheet date were as follows:

31 March 2010		Austria	Turkey	Other Countries	Total
Fixed assets	in m €	28.58	49.00	8.56	86.14
Inventories	in m €	4.66	5.48	0.19	10.33
Trade accounts receivables	in m €	12.61	17.02	1.58	31.21

(27) Major Events After 30 September 2010

Events after 30 September 2010 which would be of importance for evaluation as of the balance sheet day, such as unsettled suits, claims for damages or other obligations or possible losses which need to be posted or disclosed in accordance with IAS 10 (events after the balance sheet date) were either accounted for in these group statements of DO & CO Restaurants & Catering AG or did not occur.

(28) Related Party Disclosures

Raiffeisenlandesbank Niederösterreich-Wien AG is indirectly a related party as it holds a stake in DO & CO Restaurants & Catering AG through Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H. or through the latter's indirectly wholly-owned subsidiary DZR Immobilien und Beteiligungs GmbH. Business relations with Raiffeisenlandesbank Niederösterreich-Wien AG were handled at arm's length. Within this scope rentals were paid to the amount of TEUR 467 and liabilities of TEUR 0 (31 March 2010: TEUR 0) are included in the figure. Business relations with UNIQA were handled at terms and conditions customary for external customers. Within this scope rentals were paid to the amount of TEUR 462 (first half of 2009/2010: TEUR 451) are included in the figure.

Business relations with companies or private foundations in which Supervisory or Management Board members of DO & CO Restaurants & Catering AG serve or regarding which they benefit were handled at arm's length. Companies in which Supervisory Board members Waldemar JUD and Werner SPORN have a substantial economic interest rendered legal consulting work amounting to TEUR 174 in the first half of 2010/2011. Rental agreements have been entered with a private foundation under the economic control of Attila Dogudan, amounting to TEUR 612 in the first half of 2010/11 (first half of 2009/2010: TEUR 421).

The Group has a 50% stake in THY DO & CO İkram Hizmetleri A.Ş. Turkish Airlines (Türk Hava Yollari A.O.) holds the remaining 50% stake in this company. THY DO & CO İkram Hizmetleri A.Ş. provides airline catering services to Turkish Airlines. All business relations were conducted at arm's length. Trade accounts receivable contain TEUR 9,277 in trade receivables owed by Turkish Airlines in connection with this business relationship (31 March 2010: TEUR 4,325).

DO & CO has a 49% stake in ISS Ground Services GmbH (associated company) and purchased TEUR 3,796 in services in the first half of 2010/2011 (first half of 2009/2010: TEUR 3,055). The figures regarding this business relationship also include TEUR 524 (31 March 2010: TEUR 723) in liabilities owed to ISS Ground Services GmbH. All business relations were conducted at arm's length.

(29) Information on Corporate Boards and Employees

The average number of employees was as follows:

	First half year 2010 / 2011	First half Year 2009 / 2010
blue-collar workers	3,360	3,193
white-collar workers	434	430
Total	**3,794**	**3,623**

On average, a further 233 individuals (PY: 134) worked part-time (as needed) in addition to the workers indicated above.

The following individuals served as members of the corporate boards of DO & CO Restaurants & Catering AG in the first half year of the 2010/2011:

The Management Board: Attila Dogudan, Vienna, Chairman
Michael Dobersberger, Vienna

The fixed salary of the members of the Management Board in the first half year 2010/2011 totaled TEUR 227, with approximately TEUR 137 paid to Attila Dogudan and approximately TEUR 90 paid to Michael Dobersberger.

The Supervisory Board: Waldemar JUD, Graz, Chairman
Werner SPORN, Vienna, Deputy Chairman
Georg THURN-VRINTS, Poysbrunn
Christian KONRAD, Vienna

The members of the Supervisory Board received remuneration totaling TEUR 25 for the first half year (PY: TEUR 19) in accordance with a resolution by the General Meeting of Shareholders of 8 July 2010 for the business year of 2009/2010.

There were no outstanding liabilities for loans or group company loans extended to members of the Management Board and Supervisory Board.

Vienna, 3 November 2010

The Management Board:

Attila DOGUDAN mp Chairman	Michael DOBERSBERGER mp Member

Significant Differences Between Austrian Accounting Standards and International Financial Reporting Standards (IFRS)

Goodwill from Capital Consolidation: The Austrian Business Enterprise Code (UGB) permits the offsetting of retained earnings without effect to net income or capitalization of straight-line depreciation. IFRS 3, for its part, stipulates that goodwill be capitalized and subjected to an annual impairment test. Scheduled amortization has now been eliminated.

Deferred Taxes: In accordance with IAS/IFRS, deferred taxes are to be accrued for all temporary differences between the tax balance sheet and the IFRS balance sheet, applying the currently valid tax rate. The Austrian Business Enterprise Code (UGB) requires accrual of deferred taxes for temporary differences only if they involve deferred tax liabilities. In deviation from the regulations of the Austrian Business Enterprise Code, deferred tax assets under IFRS are also to be recognized for tax losses carried forward, insofar as it is likely that they can be offset against taxable profits in the future.

Other provisions: The Austrian Business Enterprise Code (UGB) is based on the principle of commercial prudence. IAS/IFRS, for its part, is geared to the determinability of payment obligations for which provisions should be formed and the degree of probability of the relevant events occurring. Unlike Austrian business enterprise law, IAS/IFRS does not permit expense provisions to be formed.

Personnel provisions: Under IAS/IFRS, personnel provisions (for termination benefits, pensions, long-service anniversary bonuses) are calculated on the basis of the projected benefit obligation method, applying the current interest rate on the capital market and taking into account future pay raises. According to the Austrian Business Enterprise Code (UGB), these provisions are calculated according to the part-value method.

Sales of marketable securities: According to the Austrian Business Enterprise Code, marketable securities are to be assessed at their market value or at most at their cost of acquisition. Under the IAS/IFRS, marketable securities are always assessed at market values.

Valuation of foreign currency amounts: Receivables and liabilities expressed in foreign currency are always valued on the reporting date at the rate prevailing on that date. As a result, any currency fluctuation is recorded in a manner affecting profit and loss. The Austrian Business Enterprise Code (UGB) takes a different approach. Only unrealized losses are recorded on the balance sheet in keeping with the imparity principle. Under IFRS, translation differences from debt consolidation in connection with inner-group loans are recorded under shareholders' equity as unrealized price gains or losses without an effect on profit or loss.

Extraordinary result: IFRS does not permit a company to record an extraordinary result; Austrian accounting rules do.

Expanded disclosure obligation: IAS/IFRS requires that the items on the balance sheet, income statement, cash flow statement and changes in shareholder's equity be explained in detail in the Notes. It also imposes additional disclosure obligations particularly as regards business segments and derivative financial instruments.

Schedule of changes of Fixed assets
as of 30 September 2010

in TEUR	Cost of acquistion and production							Accumulated depreciation						Book-value	
	As at 31 March 2010	Reclassifications	Translation differences	Additions	Reclassifications	Disposals	As at 30 Sep 2010	As at 31 March 2010	Reclassifications	Translation differcences	Depreciation charge of the year	Disposals	As at 30 Sep 2010	book-value 30 Sep 2010	book-value 31 March 2010
I. Intangible assets															
1. Industrial property rights and similar rights and benefits including deriving from them	45,910	0	1,026	116	0	0	47,053	24,786	0	467	2,648	0	27,901	19,151	21,124
2. Goodwill	4,056	0	0	0	0	0	4,056	0	0	0	0	0	0	4,056	4,056
3. Payments in advance	171	0	0	0	0	0	171	0	0	0	0	0	0	171	171
	50,138	0	1,026	116	0	0	51,280	24,786	0	467	2,648	0	27,901	23,379	25,352
II. Tangible assets															
1. Land and buildings including buildings on third party land	54,721	0	573	535	0	0	55,829	22,978	0	136	2,355	0	25,469	30,360	31,743
2. Plant and machinery	21,763	-45	182	2,074	0	123	23,851	14,894	-21	53	1,232	100	16,058	7,793	6,869
3. Other equipment and office equipment	39,285	-1,613	362	3,931	0	557	41,409	25,848	-753	159	2,466	516	27,204	14,205	13,437
4. Payments on account and assets in course of construction	7,093	0	156	1,939	0	0	9,188	0	0	0	0	0	0	9,188	7,093
	122,862	-1,658	1,274	8,478	0	679	130,277	63,720	-773	347	6,053	616	68,731	61,547	59,143
III. Financial assets															
1. Investments in associated companies	1,432	0	0	365	0	0	1,796	0	0	0	6	0	6	1,790	1,432
2. Securities held at long-term investments	214	0	0	0	0	0	214	0	0	0	0	0	0	214	214
	1,645	0	0	365	0	0	2,010	0	0	0	6	0	6	2,004	1,645
Total	**174,646**	**-1,658**	**2,300**	**8,959**	**0**	**679**	**183,568**	**88,506**	**-773**	**814**	**8,707**	**616**	**96,638**	**86,930**	**86,140**

Schedule of changes of Fixed assets
as of 31 March 2010

in TEUR	Cost of acquisition and production							Accumulated depreciation						Book-value	
	As at 31 March 2009	Reclassifications	Translation differences	Additions	Reclassifications	Disposals	As at 31 March 2010	As at 31 March 2009	Reclassifications	Translation differcences	Depreciation charge of the year	Disposals	As at 31 March 2010	book-value 31 March 2010	book-value 31 March 2009
I. Intangible assets															
1. Industrial property rights and similar rights and benefits including deriving from them	43,950	0	2,121	145	0	306	45,910	19,273	0	873	4,944	304	24,786	21,124	24,677
2. Goodwill	4,056	0	0	0	0	0	4,056	0	0	0	0	0	0	4,056	4,056
3. Payments in advance	0	0	0	171	0	0	171	0	0	0	0	0	0	171	0
	48,007	0	2,121	316	0	306	50,138	19,273	0	873	4,944	304	24,786	25,352	28,733
II. Tangible assets															
1. Land and buildings including buildings on third party land	52,731	0	1,047	2,204	0	1,262	54,721	19,439	0	309	4,470	1,239	22,978	31,743	33,293
2. Plant and machinery	22,485	0	285	2,356	0	3,362	21,763	15,760	0	60	2,355	3,282	14,894	6,869	6,725
3. Other equipment and office equipment	42,815	0	744	2,466	0	6,741	39,285	26,229	0	295	5,691	6,368	25,848	13,437	16,587
4. Payments on account and assets in course of construction	944	0	255	5,894	0	0	7,093	0	0	0	0	0	0	7,093	944
	118,976	0	2,331	12,920	0	11,364	122,862	61,428	0	664	12,517	10,889	63,720	59,143	57,548
III. Financial assets															
1. Investments in associated companies	1,322	0	0	110	0	0	1,432	0	0	0	0	0	0	1,432	1,322
2. Securities held at long-term investments	214	0	0	0	0	0	214	0	0	0	0	0	0	214	214
	1,536	0	0	110	0	0	1,645	0	0	0	0	0	0	1,645	1,536
Total	**168,518**	**0**	**4,452**	**13,346**	**0**	**11,670**	**174,646**	**80,701**	**0**	**1,537**	**17,460**	**11,192**	**88,506**	**86,140**	**87,817**

Auditor's Report

Report on the Consolidated Interim Financial Statements

We have audited the accompanying consolidated interim financial statements of **DO & CO Restaurants & Catering AG, Vienna,** for the period from 1 April 2010 to 30 September 2010. These consolidated interim financial statements comprise the consolidated balance sheet as at 30 September 2010, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the period from 1 April 2010 to 30 September 2010 and a summary of significant accounting policies and other explanatory notes.

Our responsibility and liability arising out of the audit against the company and also against third-parties is limited to the amount of EUR 12.0 Mio as defined in section 275 (2) UGB (Austrian Commercial Code).

Management's Responsibility for the Consolidated Interim Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements of DO & CO Restaurants & Catering AG, Vienna, comply with legal requirements and give a true and fair view of the financial position of the Group as of 30 September 2010 and of its financial performance and its cash flows for the period from 1 April to 30 September 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and whether the other disclosures in the management report for the Group do not give rise to a misstatement of the Group's financial position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements.

In our opinion, the management report for the Group for the period from 1 April 2010 to 30 September 2010 is consistent with the consolidated financial statements.

Vienna, 3 November 2010

PKF CENTURION
Wirtschaftsprüfungsgesellschaft mbH
Member Firm of PKF International Limited

Mag. Wolfgang Adler
Austrian Certified Public Accountant

Dr. Stephan Maurer
Austrian Certified Public Accountant

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 Commercial Code) applies.

Statement of all Legal Representatives to § 87 Abs 1 Z 3 BörseG

We confirm to the best of our knowledge that the interim financial statements of DO & CO Restaurants & Catering AG as of 30 September 2010 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, 3 November 2010

The Management Board:

Attila Dogudan mp
Chairman

The Airline Catering Division
The Restaurants, Lounges & Hotel Division

Michael Dobersberger mp
Member

The International Event Catering Division