DO & CO Restaurants & Catering AG

First Quarter of 2010/2011

DO&CO

RESTAURANTS
HOTEL
LOUNGES
CATERING

CONTENT

Group Management Report for the First Quarter of 2010/2011

Highlights

Higher sales and improved margins
EBITDA, EBIT and net result were all improved on a year-on-year basis. The Group managed to achieve an EBITDA margin of 8.8% (against 8.5% in the previous business year's quarter) and an EBIT margin of 4.7% (compared to 3.9%). Earnings per share were EUR 0.31 (versus EUR 0.24 in the previous year).

Emirates contract for London Heathrow awarded
Emirates, the quality-focused carrier from Dubai, opted for DO & CO's tender for the London Heathrow location. The award means that all Emirates flights ex London Heathrow to Dubai on A-380 and B-777 wide-bodied aircraft will have their catering provided by DO & CO.

A good course at Turkish DO & CO
In Turkey, the Group continued its dynamic growth with Turkish Airlines and other clients. In April 2010, DO & CO began to deploy its "flying chefs" on long-distance flights by Turkish Airlines. The first quarter of the business year also saw the opening of 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.

Key Figures of the DO & CO Group by IFRS

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

		1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Sales	in m €	102.13	88.33	352.74	387.78
EBITDA	in m €	8.98	7.52	36.03	28.83
EBITDA margin	in %	8.8%	8.5%	10.2%	7.4%
EBIT	in m €	4.81	3.44	18.57	8.61
EBIT margin	in %	4.7%	3.9%	5.3%	2.2%
Profit before taxes	in m €	5.26	3.56	19.26	8.83
Consolidated result	in m €	2.34	1.86	9.66	2.08
Employees		3,638	3,802	3,542	3,835
Equity [1]	in m €	92.53	78.52	87.34	75.45
Equity ratio [1]	in %	46.1%	45.5%	50.9%	45.6%
Net debts	in m €	-41.17	-8.65	-29.17	0.07
Net gearing	in %	-44.5%	-11.0%	-33.4%	0.1%
Working Capital	in m €	19.57	11.93	17.43	9.91
Operational cash-flow	in m €	16.15	12.19	45.85	24.66
Depreciation/amortization	in m €	-4.16	-4.08	-17.46	-20.22
Free cash-flow	in m €	12.56	8.86	31.47	0.75
ROS	in %	5.1%	4.0%	5.5%	2.3%
Capital Employed	in m €	66.79	82.77	73.58	88.98
ROCE	in %	4.3%	2.9%	15.5%	5.8%
ROE	in %	2.6%	2.4%	11.9%	2.8%

1 … Adjusted to take designated dividend payments and bookvalue of goodwill into account

Key Figures Per Share

(calculated with the weighted number of issued shares)

		1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
EBITDA per share	in €	1,17	0,97	4,66	3,70
EBIT per share	in €	0,63	0,44	2,40	1,10
Earnings per share	in €	0,31	0,24	1,25	0,27
Equity (book entry) [1]	in €	12,08	10,11	11,31	9,69
High [2]	in €	19,75	8,90	16,40	18,95
Low [2]	in €	15,00	7,70	7,70	7,49
Year-end [2]	in €	19,49	8,60	16,00	8,10
Weighted number of shares [3]	in TPie	7.660	7.769	7.725	7.790
Number of shares year-end [3]	in TPie	7.656	7.763	7.663	7.779
Market capitalization year-end	in m €	149,22	66,76	122,62	63,01

1 … Adjusted to take designated dividend payments and bookvalue of goodwill into account
2 … Closing price
3 … Adjusted by own shares hold as per balance sheet date

Economic Climate

After the global economy, reeling from the collapse of US investment bankers Lehman Brothers, had plunged into the worst recession since World War II in 2009, the following year also started out with unexpected hurdles: first, air traffic repeatedly came to a standstill in large parts of the world due to a severe winter. Starting in April 2010, the eruption of Island's volcano Eyjafjallajökull caused flights to be cancelled wholesale for several days in a row in most of Northern and Central Europe – an impairment of European air traffic unprecedented in its scale.

Yet in spite of such impediments, early indicators show that the first shoots of economic recovery continue to grow: financial markets are increasingly normalizing, the large packages of monetary and fiscal stabilization policies are beginning to deliver, and consumers as well as businesses are becoming increasingly more confident. Altogether, the global economy grew by about 5% in the first quarter of 2010, compared to a shrinkage of 3.2% in the previous year's first quarter.

The US managed to achieve a substantial growth rate, propelled by private consumption, exports and monetary as well as fiscal policy measures.

Asian economies surged ahead as well, carried along by national recovery packages, foreign trade and a growth in domestic demand.

Africa and the Near East profited 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. Positive signals were mostly derived from its foreign trade.

The euro lost ground against the US dollar in the first quarter of 2010, the result mostly of the Greek debt crisis and the euro skepticism triggered on the global capital markets.

Sustained by positive economic parameters, oil prices have stabilized.

For the next months of 2010, experts assume that the global economic situation will continue to improve. Economists forecast a global growth rate of 4.5% for 2010 and of 4.25% for 2011. According to the Austrian Economic Research Institute WIFO, Austria is expected to grow by about 1.35% p.a. from 2010 to 2012.

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. 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 has 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 following risk categories were identified as material for the first quarter 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.

The key account managers in the Airline Catering Division 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 in tenders worldwide that fit the group strategy. The new customers it gains in the process help further diversify risks.

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

---

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

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.

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.

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 System (Hazard Analysis and Critical Control Points). 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 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, and waste management, as well as special guidelines and regulations issued by various airlines.

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 sum, DO & CO is confident it can manage and offset its risks with the risk management system it has put in place. These risks do not impair the continued successful existence of the Group.

The Notes contain additional details on currency, liquidity, default and interest risk (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 quarter of the 2010/2011 business year, the DO & CO Group recorded sales of EUR 102.13 million – a substantial increase of fully EUR 13.80 million over the previous year's quarter.

Sales		1 Quarter 2010/2011	1 Quarter 2009/2010	Change	Change in %
Airline Catering	in m €	75.75	61.39	14.35	23.4%
International Event Catering	in m €	11.38	11.95	-0.57	-4.8%
Restaurants, Lounges & Hotel	in m €	15.00	14.99	0.02	0.1%
Group Sales		**102.13**	**88.33**	**13.80**	**15.6%**

Sales at Airline Catering increased to EUR 75.75 million in spite of the division facing a problematic market in the first quarter of the 2010/2011 business year. This corresponds to a significant growth of EUR 14.35 million from EUR 61.39 million in year-on-year terms. The rise was fuelled mostly by the Group's international locations, especially Turkey. On the Austrian market, it managed to stabilize the situation in the quarter under review. Compared to the previous year, sales to Austrian Airlines, our main customer, were slightly down, whereas sales to NIKI expanded as a result of the airline's extension of flight routes. Sales to third-party customers showed a marked growth over the previous year's quarter. As a result, the division's contribution to the Group sales rose from 69.5% to 74.2%.

The International Event Catering division recorded a slight decline in the first quarter of 2010/11 from EUR 11.95 million to EUR 11.38 million, the consequence mainly of the Formula One schedule which varied between the two years so that races were held in different accounting periods. The division contributed 11.1% to the Group's sales.

The Restaurants, Lounges & Hotel division posted sales of EUR 15.00 million, about the same as in the previous year's quarter (EUR 14.99 million). Its share of the Group's sales made up 14.7%.

Earnings

Consolidated earnings before interest and taxes (EBIT) for the DO & CO Group amounted to EUR 4.81 million for the first quarter of 2010/2011, higher by EUR 1.37 million than in the previous year's quarter.

EBITDA for the DO & CO Group was EUR 8.98 million, an increase of EUR 1.46 million over the figure for the previous year's quarter.

Group		1 Quarter 2010/2011	1 Quarter 2009/2010	Change	Change in %
Sales	in m €	102.13	88.33	13.80	15.6%
EBITDA	in m €	8.98	7.52	1.46	19.4%
Depreciation/amortization	in m €	-4.16	-4.08	-0.08	-2.0%
EBIT	in m €	4.81	3.44	1.37	39.9%
EBITDA margin	in %	8.8%	8.5%		
EBIT margin	in %	4.7%	3.9%		
Employees		3,638	3,802	-164	-4.3%

Costs of materials and services as a proportion to sales rose to 41.6% from 39.2% in the previous period. In absolute figures, this increase made up EUR 7.85 million (+22.7%) at a sales growth rate of +15.6%.

Personnel expenses in terms of sales could be cut from 34.8% to 32.6%. In absolute figures, they rose from EUR 30.73 million to EUR 33.30 million.

Depreciation and amortization increased from EUR 4.08 million in the first quarter of 2009/2010 to EUR 4.16 million in year-on-year terms.

Other operating expenses grew by EUR 1.82 million or 10.4%, fuelled mainly by higher rentals and operating costs.

The tax ratio (taxes as a proportion of the untaxed income) was 36.1% in the first quarter of 2010/2011 (compared to 26.6% in the previous year's quarter).

For the first quarter of 2010/2011, the Group achieved a profit of EUR 2.34 million, a plus of EUR 0.49 million in year-on-year terms. Earnings per share thus are EUR 0.31.

Statement of Financial Position

Compared to the year before (31 March 2010), fixed assets grew by EUR 3.14 million, the consequence of an emphasis on investment and of foreign exchange effects.

Current assets were up by EUR 25.85 million, driven by a substantial increase in liquid funds as well as a seasonally caused rise in accounts receivable.

Consolidated equity (adjusted by scheduled dividend payments and goodwill book values) recorded a rise by EUR 5.19 million, from EUR 87.34 million as of 31 March 2010 to EUR 92.53 million as of 30 June 2010, essentially a consequence of the Group earnings on the one hand and foreign exchange effects on the other.

The equity ratio (after adjustment by scheduled dividend payments and goodwill book values) is set at 46.1% (vs. 50.9% on 31 March 2010).

Short-term liabilities showed a sharp rise of EUR 23.71 million to EUR 89.07 million compared to the previous year's balance sheet date.

Cash Flow

At EUR 16.15 million, the cash flow from operating activities was higher by EUR 3.96 million than in the previous year's period, the result mainly of the substantially better performance in the period. It also benefited from an increase in accounts payable for goods and services and a rise in short-term provisions.

The cash flow from investments amounted to EUR -3.60 million, which sets it at the previous year's level (PY: EUR -3.33 million).

The cash flow from financing activities totaled EUR -0.59 million (PY: EUR -6.02 million). During the first quarter of 2009/2010, financial liabilities had been paid off.

Employees

The average number of employees decreased from 3,802 to 3,638 in year-on-year terms. This change was due to group-wide adjustments in the payroll in response to the general economic situation. Turkish operations bucked this trend, increasing their personnel to handle the growth in business volume.

Airline Catering

In consistently pursuing its premium strategy for its product and service, Airline Catering as the largest of DO & CO's divisions has once again achieved considerable growth rates in terms of both sales and profits.

DO & CO is setting new standards in the premium segment of airline catering at its 21 gourmet kitchens in New York, London, Frankfurt, Berlin, 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		1 Quarter 2010/2011	1 Quarter 2009/2010	Change	Change in %
Sales	in m €	75.75	61.39	14.35	23.4%
EBITDA	in m €	6.72	5.41	1.31	24.2%
Depreciation/amortization	in m €	-3.42	-3.46	0.04	1.2%
EBIT	in m €	3.30	1.95	1.35	69.4%
EBITDA margin	in %	8.9%	8.8%		
EBIT margin	in %	4.4%	3.2%		
Share of Group Sales	in %	74.2%	69.5%		

EBITDA and EBIT showed a considerable improvement over the results of the previous year's first quarter: at EUR 6.72 million, EBITDA increased by EUR 1.31 million (+24.2%), and EBIT rose from EUR 1.95 million to EUR 3.30 million. The EBIT margin was boosted to 4.4% from 3.2% in the first quarter of 2009/2010.

In the first quarter, the Airline Catering division managed to raise sales by 23.4% over the previous year, mostly at its international locations and especially in Turkey.

As to Turkey, the division gained considerable ground both with third-party customers and with its main customer Turkish Airlines. The latter is due to a drive by Turkish Airlines to expand its fleet as well as to 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 center for Turkish Airlines cabin crews. Moreover, DO & CO's 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 run by Turkish Airlines. Further factors to contribute to the positive performance were the general upswing and reinvigorated consumption in Turkey.

Most international locations recorded growth rates in their sales. The acquisition of many new customers more than compensated for the negative effects of the ash cloud (April 2010).

Thus, figures for London Heathrow included China Airlines and Cyprus Airways as new customers for the first full quarter, and DO & CO Italy greatly outperformed its previous year's figures through its new customers Cathay Pacific and Singapore Airlines. At the German DO & CO locations in Frankfurt and Munich, Oman Air contributed to their growing sales figures.

International Event Catering

The International Event Catering division racked up EUR 11.38 million in sales in the first quarter of 2010/2011, slightly less than in the previous year (EUR 11.95 million). The minor decline was due mostly to the Formula One calendar which deviated from the previous year's schedule so that races were held at different reference periods.

International Event Catering		1 Quarter 2010/2011	1 Quarter 2009/2010	Change	Change in %
Sales	in m €	11.38	11.95	-0.57	-4.8%
EBITDA	in m €	1.11	0.99	0.12	12.5%
Depreciation/amortization	in m €	-0.26	-0.09	-0.17	-192.0%
EBIT	in m €	0.85	0.90	-0.05	-5.4%
EBITDA margin	in %	9.8%	8.3%		
EBIT margin	in %	7.5%	7.5%		
Share of Group Sales	in %	11.1%	13.5%		

DO & CO had the privilege again of staging a number of prestigious events in the Austrian market. Stadium catering for Red Bull Salzburg has become a fixture of the DO & CO event portfolio. High-echelon political meetings, gala events hosted by international organizations, summer parties by private businesses and numerous private wedding receptions held in this quarter have done much to amplify DO & CO's reputation in the field.

The tennis tournament of the ATP Tennis Masters Series in Madrid was a special highlight in the quarter under review. More than 35,000 VIP guests were treated to top catering services.

The UEFA Champions League finals for 2010 in Madrid made for another highlight event. Over 5,000 VIP guests were able to enjoy DO & CO catering at this most important European sports event of the year.

As in years past, DO & CO played culinary host at Formula 1 Grands Prix. In the first quarter of 2010/2011, seven grands prix (three of them outside Europe) enabled our experienced team to pamper each and every guest with the culinary delights and perfect catering for which DO & CO is known.

EBITDA in International Event Catering in the first quarter of 2010/2011 amounted to EUR 1.11 million, slightly above the previous year's figure (EUR 0.99 million). The EBITDA margin could be boosted from 8.3% to 9.8% in year-on-year terms. EBIT fell from EUR 0.90 million to EUR 0.85 million. At 7.5%, the EBIT margin remained at the previous year's level.

Restaurants, Lounges & Hotel

In the first quarter of the 2010/2011 business year, the Restaurants, Lounges & Hotel division posted sales of EUR 15.00 million, reflecting the previous year's performance.

Restaurants, Lounges & Hotel		1 Quarter 2010/2011	1 Quarter 2009/2010	Change	Change in %
Sales	in m €	15.00	14.99	0.02	0.1%
EBITDA	in m €	1.14	1.12	0.02	2.0%
Depreciation/amortization	in m €	-0.49	-0.53	0.05	8.8%
EBIT	in m €	0.66	0.59	0.07	11.7%
EBITDA margin	in %	7.6%	7.5%		
EBIT margin	in %	4.4%	3.9%		
Share of Group Sales	in %	14.7%	17.0%		

Business continued to flourish at classic DO & CO restaurant locations such as DO & CO St. Stephen's Square and DO & CO Albertina, as well as the Demel Cafés in Vienna and Salzburg. Sales were also satisfactory for the DO & CO Hotel in Vienna, where both capacity utilization and profits were higher than in the previous year.

Lounge performance varied in the first quarter of the 2010/2011 business year: those operated for Lufthansa and Emirates in Frankfurt and New York recorded a substantial increase of passenger numbers, while figures for Vienna were slightly down. The first quarter of the current business year also marked the opening of the first Turkish Airlines lounge at Adana Airport. This pioneering lounge is set to be followed by several more of its kind at Turkish airports in the course of the next quarters.

At EUR 1.14 million, EBITDA was at the same level as in the previous year, whereas EBIT (EUR 0.66 million) was just over the previous year's quarter. Both the EBITDA margin and the EBIT margin could be raised: to 7.6% (vs. 7.5%) and 4.4% (vs. 3.9%) respectively.

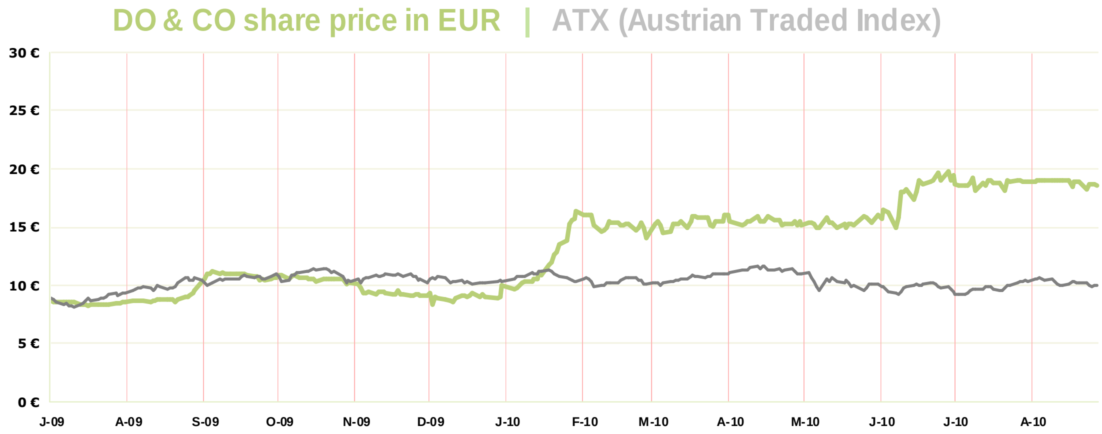
DO & CO Stock / Investor Relations

Following a brisk first quarter in 2010, stock markets were jolted by the crisis in Greece. News of the oil disaster in the Gulf of Mexico brought the market to the brink of succumbing to fears about a slide into another recession.

In the reporting period, the ATX declined by 13.5%, closing at 2,279 points on 30 June 2010 (31 March 2010: 2,634 points).

DO & CO Stock

In this same period, the price of DO & CO stock rose by 21.8%, closing at a price of EUR 19.49 on 30 June 2010. This price represents a market capitalization of EUR 149.23 million (taking into account the shares bought back as of the reporting date).



In the first quarter of the 2010/2011 business year, DO & CO continued its stock buy-back program and repurchased 138,725 shares up to 30 June 2010 (31 March 2010: 131,740 shares). This corresponds to 1.78% of the share capital. A maximum of 4% of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011.

DO & CO is currently evaluating the parameters for a capital increase and second listing at the Istanbul Stock Exchange. At present, the company is collaborating with the competent Turkish authorities and institutions of the Turkish capital market to analyze and clarify the requisite legal framework. DO & CO would be the first foreign company to be given a second listing at the Istanbul Stock Exchange. The decision on the go-ahead will be made in the next weeks.

Shareholders' Structure

The private foundation Attila Dogudan Privatstiftung is the majority shareholder in DO & CO Restaurants & Catering Aktiengesellschaft with a stake of 55.39%. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 25.19%. The remaining shares are in free float (all ownership figures refer to the reporting date of 30 June 2010 and take into account the shares repurchased at that time).

Financial Calendar

31 August 2010	Business results for the first quarter of 2010/2011
11 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 abated and it has felt an at least temporary recovery from the crisis.
In the first months of its new business year, DO & CO found that airline passenger figures generally were up again. It can be assumed that the trend will continue, at least at a moderate pace, over the next months.

In Turkey, the national airline as well as third-party customers continue to grow at a brisk rate. In April 2010, DO & CO first deployed its "flying chefs" on long-haul flights run by Turkish Airlines, in order to further improve its on-board service. Over the next months it intends to extend the "DO & CO flying chefs" service to all long-distance flights.

Another piece of good news is that DO & CO managed to obtain Emirates as a new customer at London Heathrow. Starting in July 2010, five daily flights out of London Heathrow to Dubai are catered by DO & CO. Operating this route on the modern wide-bodied aircraft Airbus 380 and Boeing 777, Emirates is counting on superior DO & CO quality – evidence yet again that DO & CO's quality strategy is appreciated by quality-focused airlines even in a difficult market and used by them as a discerning quality feature against competitors.

Next to covering events for many national and international business and private customers, the International Event Catering division also has major international events such as Formula 1 Grands Prix, beach volleyball, the basketball world championship, etc. on its roster. In the first quarter of the 2010/2011 business year, DO & CO, with the EURO championships of 2004 and 2008 on its records, was appointed hospitality production partner for the 2012 European football championship in Poland and Ukraine. Preparations for this major event have already started and will keep the division busy for the next months. DO & CO has also entered various tenders for major international events.

Its lounge business has won another customer: DO & CO was awarded the tender for the Emirates lounge at London Heathrow, where, as of October 2010, it will start pampering Emirates' premium passengers flying out of London Heathrow. Following New York JFK, this is the second lounge operated by DO & CO for Emirates. World-wide, the company is already running 12 lounges.

Over the next months of the current business year, the Restaurants, Lounges & Hotel division will focus on the hotel project in Istanbul. Provided that all approval procedures are completed as planned, construction work is scheduled to start at the end of 2010 or early in 2011. The hotel is envisaged to be opened in 2012.

Generally, the DO & CO management is confident of being able to continue on the successful course it has taken in recent years.
Even though the market environment remains difficult, DO & CO continues to have bright prospects for growth thanks to its winning blend of innovation, superior product and service standards, and well-trained employees. Business results are thus expected to develop as planned for business year 2010/2011 barring the occurrence of unforeseen circumstances, especially circumstances outside the control of DO & CO.

Vienna, 27 August 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 Quarter of 2010/2011

of the DO & CO Group according to IFRS

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

Notes	Assets in TEUR	30 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
	Intangible assets	24,959	28,189	25,352	28,733
	Tangible assets	62,408	57,319	59,143	57,548
	Financial assets	1,782	1,650	1,645	1,536
(1)	**Fixed assets**	**89,149**	**87,157**	**86,140**	**87,817**
(2)	Other long-term assets	1,898	950	1,770	1,046
	Long-term assets	**91,047**	**88,108**	**87,910**	**88,863**
(3)	Inventories	11,959	11,629	10,333	11,238
(4)	Trade accounts receivable	41,543	34,629	31,213	31,875
(4)	Other Short-term accounts receivable and assets	15,112	19,321	14,026	18,022
(5)	Cash and cash equivalents	41,980	17,965	29,171	15,132
	Current assets	**110,594**	**83,544**	**84,742**	**76,267**
(6)	Deferred taxes	3,177	5,088	3,116	4,227
	Total assets	**204,818**	**176,740**	**175,768**	**169,357**

Notes	Liabilities and shareholders' equity in TEUR	30 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
	Nominal capital	15,590	15,590	15,590	15,590
	Capital reserves	34,464	34,464	34,464	34,464
	Revenue reserves	33,701	25,207	24,043	23,124
	Foreign currency translation reserve	-3,345	-6,230	-5,636	-6,502
	Own shares	-1,337	-297	-1,221	-162
	Consolidated result	2,343	1,857	9,659	2,084
	Equity attributable to the shareholders of the parent	**81,417**	**70,591**	**76,898**	**68,598**
	Minority interests	17,113	13,158	16,442	12,075
(7)	**Shareholders' equity**	**98,530**	**83,749**	**93,340**	**80,672**
(8)	Long-term provisions	17,215	14,349	16,805	14,771
(9)	Long-term financial liabilities	0	8,000	0	8,503
(10)	Other long-term liabilities	0	200	257	225
	Long-term liabilities	**17,215**	**22,549**	**17,062**	**23,499**
(11)	Short-term provisions	47,469	37,132	36,185	31,767
(12)	Short-term financial liabilities	809	1,315	0	6,699
(13)	Trade accounts payable	29,583	22,158	21,625	17,979
(13)	Other short-term liabilities	11,212	9,837	7,555	8,740
	Current liabilities	**89,073**	**70,442**	**65,366**	**65,185**
	Total liabilities and shareholders' equity	**204,818**	**176,740**	**175,768**	**169,357**

Income Statement for the Group

for the first quarter of 2010/2011

Notes	in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
(14)	**Sales**	**102,127**	**88,328**	**352,744**	**387,775**
(15)	Other operating income	1,992	2,094	9,905	15,080
(16)	Costs of materials and services	-42,438	-34,590	-140,403	-164,724
(17)	Personnel expenses	-33,301	-30,730	-119,752	-133,945
(18)	Depreciation of tangible fixed assets and amortization of intangible fixed assets	-4,164	-4,082	-17,040	-16,810
(18)	Impairment of tangible fixed assets and intangible fixed assets	0	0	-421	-3,410
(19)	Other operating expenses	-19,404	-17,582	-66,467	-75,359
	EBIT - Operating result	**4,811**	**3,438**	**18,567**	**8,607**
(20)	Financial result	446	120	690	227
	Profit before taxes	**5,258**	**3,558**	**19,257**	**8,835**
(21)	Income tax	-1,898	-946	-6,138	-3,488
	Profit for the Year	**3,360**	**2,612**	**13,119**	**5,346**
(22)	Minority interests	-1,017	-756	-3,460	-3,263
	Consolidated result	**2,343**	**1,857**	**9,659**	**2,084**

Key Figures per share

	Issued shares (in Pie)	7,656,475	7,763,370	7,663,460	7,779,245
	Weighted shares (in Pie)	7,659,760	7,768,785	7,725,246	7,790,230
	Earnings per share	0.31	0.24	1.25	0.27

Statement of Cash Flows for the Group

for the first quarter of 2010/2011

	in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
	Profit before taxes	**5,258**	**3,558**	**19,257**	**8,835**
+	Depreciation / amortization & impairment	4,164	4,082	17,460	20,220
-/+	Gains / losses from disposals of fixed assets	-54	-2	374	432
+/-	Earnings from associated companies	-137	-114	-110	-78
-/+	Other non cash income/expense	0	0	0	-838
	Cash-flow from result	**9,231**	**7,524**	**36,982**	**28,570**
-/+	Increase / decrease in inventories and short-term accounts receivable	-11,688	-5,779	2,092	4,944
+/-	Increase / decrease in provisions	9,084	6,137	9,781	5,644
+/-	Increase / decrease in trade accounts payable and other liabilities	10,763	5,733	2,804	-11,843
+/-	Currency-related changes in non fund assets	-3,474	-503	-1,383	-422
+/-	Change in adjustment items from debt consolidation	2,177	-82	242	761
-	Income tax payments and changes in deferred taxes	61	-841	-4,662	-2,991
	Cash-flow from operating activities	**16,153**	**12,188**	**45,854**	**24,662**
+/-	Income from disposals of tangible and intangible fixed assets	91	33	104	211
-	Outgoing payments from additions to tangible and intangible fixed assets	-3,679	-2,634	-13,544	-24,234
-/+	Increase / decrease in long-term receivables	-8	-729	-944	112
	Cash-flow from investing activities	**-3,595**	**-3,330**	**-14,385**	**-23,912**
-	Dividend payment to shareholders	0	0	-1,165	-1,169
-	Dividend payment to minority shareholder	-1,282	0	-233	0
+/-	Cash-flow from purchase of own shares	-116	-135	-1,059	-162
+/-	Increase / decrease in financial liabilities	809	-5,887	-15,202	-10,522
	Cash-flow from financing activities	**-589**	**-6,021**	**-17,659**	**-11,853**
	Total cash-flow	**11,969**	**2,837**	**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	840	-3	228	166
	Cash and cash equivalents at the end of the year	41,980	17,965	29,171	15,132
	Change in funds	**11,969**	**2,837**	**13,811**	**-11,103**

Changes in Shareholders’ Equity for the Group

for the first quarter of 2010/2011

	The imputable share to shareholders of the DO & CO AG										
					Other comprehensive income						
in TEUR	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									**0**		0
Profit carried forward 2008/2009			2,084	-2,084					**0**		0
Total result				1,857	354	-69	-13		**2,128**	1,083	3,211
Changes in own shares								-135	**-135**		-135
As of 30 June 2009	**15,590**	**34,464**	**25,207**	**1,857**	**234**	**-8,789**	**2,326**	**-297**	**70,591**	**13,158**	**83,749**
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									**0**	-1,282	-1,282
Profit carried forward 2009/2010			9,659	-9,659					**0**		0
Total result				2,343	115	2,994	-817		**4,634**	1,953	6,587
Changes in own shares								-116	**-116**		-116
As of 30 June 2010	**15,590**	**34,464**	**33,701**	**2,343**	**618**	**-5,352**	**1,389**	**-1,337**	**81,417**	**17,113**	**98,530**

Statement of Income and Accumulated Earnings for the Group

for the first quarter of 2010/2011

	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Profit for the Year	**3,360**	**2,612**	**13,119**	**5,346**
Differences of Currency translation	1,050	681	1,764	-1,940
Effect of Net Investment Approach	2,994	-69	373	918
Income Tax of other comprehensive income and expensive	-817	-13	-131	-158
Other comprehensive income after taxes	**3,227**	**599**	**2,006**	**-1,179**
Total comprehensive income for the period	**6,587**	**3,211**	**15,124**	**4,167**
Attributable to minority interests	1,953	1,083	4,600	2,225
Attributable to shareholders of parent company	4,634	2,128	10,524	1,942

Subsidiaries

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

Company	Place of registration	Country	Share of stock in %	Controlling Company[1]	Currency	Nominal Capital in TDC[2]
Companies included in full in the consolidated accounts						
DO & CO Party-Service & Catering GmbH	Vienna	A	100.0	DCAG	EUR	36 3)
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna	A	100.0	DCAG	EUR	36 3)
DO & CO Catering-Consult & Beteiligungs GmbH	Vienna	A	100.0	DINV	EUR	36
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	Lisbon	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.	Milan	I	50.0	DCCC	EUR	30
ISS Ground Services GmbH	Vienna	A	49.0	DTIS	EUR	218

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 = DO & CO 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 Quarter 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 June 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 quarter 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 June 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 June 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 50% 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 2010/2011 business year in relation to the previous year.

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 June 2010. Income and expenses on the income statement were translated at the first quarter 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 1,955 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:

	Reporting Date Rate		Cum. Average Rate	
in EUR	30 Jun 2010	30 Jun 2009	30 Jun 2010	30 Jun 2009
1 US Dollar	0.814930	0.707514	0.792836	0.723377
1 British Pound	1.223316	1.173571	1.183572	1.146187
1 Turkish Lira	0.515464	0.462663	0.512714	0.465211
1 Swiss Franc	0.752842	0.655093	0.717628	0.659955

I.3. 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 quarter of business year of 2010/2011.

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 June 2010 was as follows:

in TEUR	30 Jun 2010	31 Mar 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 2009/2010 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. Writedowns for the first quarter of 2009/2010 and 2010/2011 were made 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 EUR 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. 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 quarter 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

(1) Fixed Assets

in TEUR	30 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Intangible assets	24,959	28,189	25,352	28,733
Tangible assets	62,408	57,319	59,143	57,548
Financial assets	1,782	1,650	1,645	1,536
Total	**89,149**	**87,157**	**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 quarter 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 quarter 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 quarter under review.

The land included under tangible fixed assets has a value of TEUR 742 (31 March 2010: TEUR 675).

Purchase order commitments for assets ordered but not yet delivered as of 30 June 2010 amounted to TEUR 1,806 (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 Jun 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 Jun 2010	31 Mar 2010
in the following business year	22,925	20,822
in the next five business years	114,679	104,720

An obligation of TEUR 91,890 (31 March 2010: TEUR 89,874) 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 957 (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 fared as follows:

in TEUR	1 Quarter 2010/2011	1 Quarter 2009/2010
As of 1.4	1,432	1,322
Dividend payments	0	0
Proportional periodic results	137	114
Total	**1,568**	**1,436**

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

in TEUR	1 Quarter 2010/2011	1 Quarter 2009/2010
Sky Gourmet Malta Ltd.	190	183
Sky Gourmet Malta Inflight Services Ltd.	105	80
Giava Demel S.r.l.	0	0
ISS Ground Services GmbH	1,273	1,174
Total	**1,568**	**1,436**

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 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Other long-term assets	1,898	950	1,770	1,046
Total	**1,898**	**950**	**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 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Raw materials and supplies	5,587	5,008	4,931	5,460
Goods	6,372	6,620	5,402	5,778
Total	**11,959**	**11,629**	**10,333**	**11,238**

The sub-item “Goods” includes TEUR 2,443 (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 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Trade accounts receivable	**41,543**	**34,629**	**31,213**	**31,875**
Accounts receivable from companies with distributed ownership	708	631	697	631
Other accounts receivable and assets	12,595	17,591	12,653	16,509
Prepaid expenses and deferred charges	1,809	1,099	676	882
Total of other current accounts receivable and other current assets	**15,112**	**19,321**	**14,026**	**18,022**
Total	**56,655**	**53,950**	**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	1 Quarter 2010/2011
As of 1.4.	1,498
Allocation	23
Reclassification/ FX effects	21
Consumption	-68
Release	-44
Total	**1,430**

in TEUR	Business Year 2009/2010
As of 1.4.	1,663
Allocation	551
Reclassification/ FX effects	12
Consumption	-569
Release	-159
Total	**1,498**

Trade accounts receivable had the following maturity structure:

in TEUR	30 Jun 2010	31 Mar 2010
undue for payment	29,788	20,480
less than 20 days due	5,103	4,239
more than 20 days but less than 40 days due	3,266	2,688
more than 40 days but less than 80 days due	1,267	1,897
more than 80 days due	1,641	1,419
Total	**41,065**	**30,723**

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

in TEUR	1 Quarter 2010/2011
As of 1.4.	130
Allocation	2
Consumption	0
Release	0
Total	**132**

in TEUR	Business Year 2009/2010
As of 1.4.	86
Allocation	48
Consumption	-4
Release	0
Total	**130**

The trade accounts receivable at 30 June 2010 contained TEUR 10,291 (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 June 2010. Nearly all these receivables had been settled by mid-August 2010. There is no information suggesting any concrete risks of default at the reporting date.

Other current accounts receivable and assets contain TEUR 8,597 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 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Cash, checks	510	540	888	499
Cash at banks	41,470	17,425	28,282	14,633
Total	**41,980**	**17,965**	**29,171**	**15,132**

Interest on balances at banks in the first quarter of the 2010/2011 business year averaged 0.9% (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 Jun 2010		31 Mar 2010	
	Assets	Liabilities	Assets	Liabilities
Intangible fixed assets	13	-3,008	16	-2,711
Property, plant and equipment	298	-944	332	-1,019
Financial assets	0	-977	0	-931
Inventories	0	-62	9	0
Accounts receivable	102	-73	107	-44
Consolidation entries	1,397	0	2,280	0
Provisions	6,227	-3	4,720	-3
Liabilities	195	0	198	0
Prepaid expenses or deferred income	0	-28	0	-21
Total deviations in balance sheet	**8,232**	**-5,095**	**7,662**	**-4,730**
Tax losses carried forward	6,664	0	6,047	0
Valuation discount for capitalized deferred tax	-6,754	0	-6,040	0
Offsetting of differences with the same tax authorities	-4,965	4,965	-4,553	4,553
Total	**3,177**	**-130**	**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 6.754 (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 quarter of 2010/2011, the consolidated shareholders' equity developed as follows against previous periods:

in TEUR	30 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Capital stock	15,590	15,590	15,590	15,590
Capital reserves	34,464	34,464	34,464	34,464
Revenue reserves	33,701	25,207	24,043	23,124
Foreign currency translation reserve	-3,345	-6,230	-5,636	-6,502
Own shares	-1,337	-297	-1,221	-162
Consolidated result	2,343	1,857	9,659	2,084
Total	**81,417**	**70,591**	**76,898**	**68,598**
Minority interests	17,113	13,158	16,442	12,075
Total	**98,530**	**83,749**	**93,340**	**80,672**

The share capital (referred to above as nominal capital) 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).
DO & CO bought back 6,985 shares in the period under review under the stock repurchasing program. The total number of shares that had been bought back thus reached 138,725, corresponding to 1.78% of the share capital.

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 55.39%. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 25.19%. 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 June 2010
Provisions for severance payments PBO	11,863	335	265	0	418	12,351
Provisions for pension payments PBO	549	0	15	0	8	542
Provisions for long-service anniversary payments PBO	3,185	0	73	0	66	3,178
Provisons for deferred tax	176	104	501	0	351	130
Other provisions	1,032	13	32	0	0	1,014
Total	**16,805**	**452**	**885**	**0**	**842**	**17,215**

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	
	1 Quarter		1 Quarter		1 Quarter	
	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	534	3,185	2,824
Currency changes	335	97	0	0	0	0
Current service cost*	367	585	0	8	135	98
Interest cost*	148	136	7	15	39	38
Benefit payments	-265	-500	-15	-13	-73	-52
Settlements / curtailments*	0	0	0	0	0	0
Actuarial gain*	-97	-19	2	5	-108	-11
Present value of obligations (PBO) on 30 June	**12,351**	**10,042**	**542**	**549**	**3,178**	**2,897**

* 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 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Liabilities to banks	0	8,000	0	8,503
Total	**0**	**8,000**	**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 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Other liabilities	0	200	257	225
Total	**0**	**200**	**257**	**225**

(11) Short-term Provisions

in TEUR	As of 31 March 2010	Curreny changes	Consumed	Release	Allocation	As of 30 June 2010
Provision for taxation	5,553	20	9	0	2,645	8,209
Other personnel provisions	10,558	80	2,094	0	2,432	10,976
Deliveries and services not yet invoiced	1,778	49	1,763	125	3,829	3,768
Other provisions	18,296	781	1,626	52	7,116	24,515
Total	**36,185**	**931**	**5,492**	**177**	**16,022**	**47,469**

Provisions for personnel expenses pertain largely to three sets of provisions. The first totals TEUR 368 (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 6,642 (31 March 2010: TEUR 5,878) for vacation not yet taken as of the reporting date. The third relates to other provisions totaling TEUR 3,966 (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 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
EUR cash advances	809	1,315	0	6,699
Total	**809**	**1,315**	**0**	**6,699**

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

in TEUR	30 Jun 2010	30 Jun 2009	31 Mar 2010	31 Mar 2009
Trade accounts payable	**29,583**	**22,158**	**21,625**	**17,979**
Advance payments received on orders	420	417	350	989
Other liabilities	9,282	9,108	7,054	7,655
Deferred income	1,510	312	151	96
Total other short-term liabilities	**11,212**	**9,837**	**7,555**	**8,740**
Total	**40,795**	**31,995**	**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 Jun 2010	31 Mar 2010
Securities	13,027	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 from the Italian fiscal authorities.

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

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

(14) Sales

in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Airline Catering	75,746	61,394	258,555	246,842
International Event Catering	11,376	11,947	33,996	76,873
Restaurants, Lounges & Hotel	15,005	14,987	60,192	64,061
Total	**102,127**	**88,328**	**352,744**	**387,775**

(15) Other Operating Income

in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Proceeds of the disposal of fixed assets	93	33	99	154
Income from the release of provisions	177	99	3,408	2,590
Release of provisions for bad debts	44	5	159	304
Insurance payments	3	21	59	156
Rent income	65	38	218	117
Exchange rate differences	955	1,054	2,441	8,828
Miscellaneous operating income	654	845	3,521	2,931
Total	**1,992**	**2,094**	**9,905**	**15,080**

(16) Costs of Materials and Services

in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Costs of materials (including goods purchased for resale)	36,519	29,260	119,726	116,587
Costs of services	5,918	5,330	20,676	48,137
Total	**42,438**	**34,590**	**140,403**	**164,724**

(17) Personnel Expenses

in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Wages	21,496	20,070	72,807	80,673
Salaries	5,197	4,784	20,043	22,044
Expenses for severance payments	545	674	4,354	3,903
Expenses for legally mandanted social security contributions and for related costs	5,002	4,507	18,685	23,208
Other social expenses	1,061	694	3,863	4,116
Total	**33,301**	**30,730**	**119,752**	**133,945**

Under a contribution-based employee pension and severance system, the DO & CO Group pays set contributions amounting to TEUR 149 (first quarter of 2009/2010: TEUR 127) 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	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Scheduled amortization and depreciation	4,164	4,082	17,040	16,810
Impairment of tangible and intangible fixed assets	0	0	421	3,410
Total	**4,164**	**4,082**	**17,460**	**20,220**

(19) Other Operating Expenses

The composition of other operating expenses was as follows:

in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Other taxes (excluding income taxes)	300	254	1,000	1,306
Rentals, leases and operating costs (including airport fees)	10,411	9,469	37,841	37,664
Travel and communication expenses	1,919	1,652	5,319	7,063
Transport, vehicle expenses and maintenance	2,735	2,332	8,353	9,126
Insurance	244	172	893	991
Legal, auditing and consulting expenses	1,028	789	3,001	2,762
Advertising expense	172	152	594	706
Other personnel costs	166	85	357	538
Miscellaneous operating expenses	871	1,274	2,765	2,310
Value adjustments, losses on bad depts	86	97	1,850	1,486
Exchange rate differences	865	810	2,185	8,606
Accounting losses from the disposal of fixed assets	39	30	473	277
Other administrative expenses	568	465	1,837	2,524
Summe	**19,404**	**17,582**	**66,467**	**75,359**

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

(20) Financial Result

in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Income from participations				
Results from investments	137	114	157	404
of which from associated companies	137	114	157	404
Total income from participations	**137**	**114**	**157**	**404**
Result from other financial activities				
Income from other securities carried under fixed assets	5	0	0	27
Interest and similar income	331	105	726	967
Interest and similar expenses	-27	-99	-194	-1,171
Total result from other financial activities	**310**	**6**	**533**	**-177**
Total	**446**	**120**	**690**	**227**

(21) Taxes on Income and Earnings

in TEUR	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Income tax expenses	3,097	1,634	5,891	4,842
thereof non periodic	0	0	-14	-195
Deffered tax	-1,199	-687	247	-1,353
Total	**1,898**	**946**	**6,138**	**3,488**

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 36.1% (30 June 2010: 29.6%). The difference between the corporate tax rate of 25% applicable in the first quarter of the 2010/2011 business year (PY: 25%) and the reported group tax rate came about as follows:

in TEUR	30 Jun 2010	31 Mar 2010
Consolidated result before tax	**5,258**	**19,257**
Tax expense at tax rate of 25% (previous year: 25%)	**1,314**	**4,814**
Non-temporary differences, and tax expenses and income from prior periods	247	446
Change of value adjustments on capitalized deferred tax assets as well as losses for which no deferred tax provisions were created	455	1,310
Change in tax rates	-118	-432
Effective tax burden	**1,898**	**6,138**
Effective tax rate in %	36.1	31.9

(22) Minority Interests

Minority interests in the annual profit of fully consolidated companies with minority interests amounted to TEUR 1,017 (first quarter of previous year: TEUR 756).

III. Other Information

(23) Earnings per Share

The number of shares issued as of 30 June 2010 totaled 7,795,200 (PY: 7,795,200 shares). DO & CO continued its stock buy-back program in the first quarter of the 2010/2011 business year and repurchased 6,985 shares over the course of the quarter. As of 30 June 2010, the total number of shares that had been bought back reached 138,725. That corresponds to 1.78% of the share capital. A maximum of 4% of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011.

	1 Quarter 2010 / 2011	1 Quarter 2009 / 2010	Business Year 2009 / 2010	Business Year 2008 / 2009
Number of individual shares at balance sheet date	7,656,475	7,763,370	7,663,460	7,779,245
Weighted shares (in Pie)	7,659,760	7,768,785	7,725,246	7,790,230
Earnings per share	0.31	0.24	1.25	0.27

Based on the consolidated profit of TEUR 2,343 (first quarter of 2009/2010: TEUR 1,857), the earnings per share amounted to EUR 0.31 (first quarter of 2009/2010: EUR 0.24).

(24) Statement of Cash Flows for the Group for the First Quarter 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	30.6.2010 book-value	non-financial instruments	30.6.2010 book-value of financial-instruments	30.6.2010 fair value of financial-instruments	valua-tion	LaR / FL	AFS	HTM	FV t P&L
Financial assets	1,782	1,568	214	214	FV	0	214	0	0
Other long-term assets	1,898	725	1,173	1,173	AC	1,173	0	0	0
Trade accounts receivable	41,543	0	41,543	41,543	AC	41,543	0	0	0
Accounts receivable from associated companies	708	0	708	708	AC	708	0	0	0
Other accounts receivable and assets	12,595	10,945	1,650	1,650	AC	1,650	0	0	0
Cash and cash equivalents	41,980	0	41,980	41,980	AC	41,980	0	0	0
Total	**100,506**	**13,238**	**87,268**	**87,268**		**87,054**	**214**	**0**	**0**
Liabilities in TEUR									
Trade accounts payable	29,583	0	29,583	29,583	AC	29,583	0	0	0
Other liabilities	11,212	8,135	3,077	3,077	AC	3,077	0	0	0
Total	**40,795**	**8,135**	**32,660**	**32,660**		**32,660**	**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 quarter 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 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.

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 241 (2009/2010 business year: TEUR 523).

A 5% change in the EUR-to-GBP exchange rate would have an effect equivalent to plus TEUR 163 (2009/2010 business year: TEUR 216).

A 5% change in the EUR-to-YTL exchange rate would have an effect equivalent to minus TEUR 43 (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.

Future payments of principal and future interest owed for existing financial liabilities at the reporting date of 30 June 2010 can be analyzed as follows:

	30 Jun 2010		31 Mar 2010	
in TEUR	Repayment	Interest	Repayment	Interest
within one year due	809	0	0	0
between one and five years due	0	0	0	0
after five years due	0	0	0	0

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 furnish collateral. 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 June 2010 and nearly doubled its cash and cash equivalents in the first quarter of the 2010/2011 business year. A one-percent increase in the average interest rate would therefore have a positive effect equivalent to about 1.6% 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 strategically minimum liquidity
- Austained 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 quarter of the 2010/2011 business year is as follows:

1 Quarter 2010/2011		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	in m €	75.75	11.38	15.00	102.13
EBITDA	in m €	6.72	1.11	1.14	8.98
Depreciation/amortization	in m €	-3.42	-0.26	-0.49	-4.16
EBIT	in m €	3.30	0.85	0.66	4.81
EBITDA margin	in %	8.9%	9.8%	7.6%	8.8%
EBIT margin	in %	4.4%	7.5%	4.4%	4.7%
Share of Group Sales	in %	74.2%	11.1%	14.7%	100.0%
Investments	in m €	4.18	0.04	0.05	4.28

The comparable period the year before was as follows:

1 Quarter 2009/2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	in m €	61.39	11.95	14.99	88.33
EBITDA	in m €	5.41	0.99	1.12	7.52
Depreciation/amortization	in m €	-3.46	-0.09	-0.53	-4.08
EBIT	in m €	1.95	0.90	0.59	3.44
EBITDA margin	in %	8.8%	8.3%	7.5%	8.5%
EBIT margin	in %	3.2%	7.5%	3.9%	3.9%
Share of Group Sales	in %	69.5%	13.5%	17.0%	100.0%
Investments	in m €	2.03	0.18	0.09	2.30

Segment assets were as follows:

30 June 2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	81.80	1.62	5.73	89.15
Inventories	in m €	8.05	2.85	1.06	11.96
Trade accounts receivables	in m €	35.03	3.59	2.92	41.54

The comparable period the year before was 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 office of the companies) for the first quarter of the 2010/2011 business year is as follows:

1 Quarter 2010/2011		Austria	Other Europe	Other Countries	Total
Sales	in m €	34.34	62.28	5.51	102.13
Share of Group Sales	in %	33.6%	61.0%	5.4%	100.0%

The comparable period the year before was as follows:

1 Quarter 2009/2010		Austria	Other Europe	Other Countries	Total
Sales	in m €	34.59	48.17	5.57	88.33
Share of Group Sales	in %	39.2%	54.5%	6.3%	100.0%

Segment assets were as follows:

30 June 2010		Austria	Other Europe	Other Countries	Total
Fixed assets	in m €	27.67	52.31	9.17	89.15
Inventories	in m €	4.64	7.17	0.15	11.96
Trade accounts receivables	in m €	15.90	23.10	2.54	41.54

The comparable period the year before was as follows:

31 March 2010		Austria	Other Europe	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 June 2010

Events after 30 June 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 terms and conditions customary for external customers.

Existing business relations with enterprises in which members of the Supervisory Board of DO & CO Restaurants & Catering AG are active are conducted at terms and conditions customary for external customers. Firms in which Supervisory Board members Waldemar JUD and Werner SPORN have a considerable economic interest charged professional fees of TEUR 143 in the first quarter of the 2010/2011 business year for legal counsel.

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 terms and conditions customary for external partners. Trade accounts receivable contain TEUR 5,730 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 1,888 in services in the first quarter of 2010/2011 (first quarter of 2009/2010: TEUR 1,587). TEUR 648 (31 March 2010: TEUR 752) in liabilities owed to ISS Ground Services GmbH are contained here in connection with this business relationship. All business relations were conducted at terms and conditions customary for external partners.

(29) Information on Corporate Boards and Employees

The average number of employees was as follows:

	1 Quarter 2010/2011	1 Quarter 2009/2010
blue-collar employee	3,207	3,322
white-collar worker	431	480
Total	**3,638**	**3,802**

On average, a further 231 individuals (PY: 129) 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 quarter of the 2010/2011 business year:

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

The fixed pay of the members of the Management Board in the past quarter totaled TEUR 113, with approximately TEUR 68 paid to Attila Dogudan and approximately TEUR 45 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 12.5 for the first quarter (PY: TEUR 9.5) 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, 27 August 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 June 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 June 2010	As at 31 March 2010	Reclassifications	Translation differences	Depreciation charge of the year	Disposals	As at 30 June 2010	book-value 30 June 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	1,756	46	0	0	47,712	24,786	0	874	1,320	0	26,981	20,731	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	1,756	46	0	0	51,939	24,786	0	874	1,320	0	26,981	24,959	25,352
II. Tangible assets															
1. Land and buildings including buildings on third party land	54,721	0	2,556	79	0	0	57,356	22,978	0	808	1,147	0	24,933	32,423	31,743
2. Plant and machinery	21,763	-45	572	1,042	0	36	23,297	14,894	-21	284	620	24	15,774	7,543	6,869
3. Other equipment and office equipment	39,285	-1,613	1,020	1,294	0	352	39,633	25,848	-753	554	1,077	327	27,151	13,235	13,437
4. Payments on account and assets in course of construction	7,093	0	299	1,815	0	0	9,207	0	0	0	0	0	0	9,207	7,093
	122,862	-1,658	4,446	4,230	0	388	129,493	63,720	-773	1,646	2,844	351	67,085	62,408	59,143
III. Financial assets															
1. Investments in associated companies	1,432	0	0	137	0	0	1,568	0	0	0	0	0	0	1,568	1,432
2. Securities held at long-term investments	214	0	0		0	0	214	0	0	0	0	0	0	214	214
	1,645	0	0	137	0	0	1,782	0	0	0	0	0	0	1,782	1,645
Total	**174,646**	**-1,658**	**6,202**	**4,412**	**0**	**388**	**183,215**	**88,506**	**-773**	**2,520**	**4,164**	**351**	**94,066**	**89,149**	**86,140**

Schedule of changes of Fixed assets
as of 31 March 2010

in TEUR	Cost of acquistion 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 differences	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 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	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 Financial Statements

We have audited the accompanying consolidated financial statements of

DO & CO Restaurants & Catering AG, Vienna,

for the period from 1 April to 30 June 2010. These consolidated financial statements comprise the interim consolidated balance sheet as of 30 June 2010, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the period of 1 April to 30 June 2010, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Interim Consolidated 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 interim 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 the interim 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 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 interim 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 interim 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 interim 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 interim consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 30 June 2010 and of its financial performance and its cash flows for the period from 1 April 2010 to 30 June 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the Group Management Report for the First Quarter of 2010/2011

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the interim consolidated financial statements and as to whether the other disclosures are not misleading with the respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the interim consolidated financial statements.

In our opinion, the Group management report for the first quarter of 2010/2011 is consistent with the interim consolidated financial statements.

Vienna, 27 August 2010

PKF CENTURION
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
MEMBER FIRM OF PKF INTERNATIONAL LIMITED

Stephan Maurer mp
Auditor

Wolfgang Adler mp
Auditor