

DO & CO Restaurants & Catering AG

**Annual Financial Report
Business Year 2008/2009**

Management Report DO & CO Group

Corporate Governance Report

Report of the Supervisory Board

Glossary of Key Figures

Consolidated Financial Statements

Notes to Consolidated Financial Statements

Statement pursuant to § 82 (4) Stock Exchange Act

Independent Auditor's Report

Financial Statements of DO & CO Restaurants & Catering AG



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Management Report on the DO & CO Group for 2008/2009

Highlights

DO & CO as gourmet entertainer at the EURO 2008 – the biggest event in the company's history

Besides catering for more than 135,000 VIP guests at the world's third largest sports event, DO & CO was also responsible for all tents and the associated infrastructure such as water, electricity, equipment, furniture, decorations and flowers. The successful staging of this, the largest event ever handled by DO & CO led to follow-up contracts.

New accounts in 2008/2009 in Airline Catering diminish the declines in sales

- Etihad Airways ex London Heathrow
- Air Italy ex Milan
- Iran Air ex Vienna and ex Milan
- Egypt Air ex Vienna

Turkish DO & CO expands its business with Turkish Airlines and increases the customer satisfaction of Turkish Airlines passengers

As equipment and beverage manager for Turkish Airlines, DO & CO is increasingly positioning itself as a total supplier in the airline catering sector.

Customer satisfaction on the short, medium and long-haul flights of Turkish Airlines was further increased and reached a rating of 92 % on domestic flights.

As a result, DO & CO improved its already strong market position in this lucrative high-growth market.

DO & CO asserts its position as market leader for premium sports events

- Formula 1 Grand Prix events
- CHIO Aachen
- ATP Masters Madrid 2008
- PGA Volvo Masters in Valderrama
- National highlights such as the Four Hill Tournament and the ski races in Kitzbühel, Schladming and at Semmering
- Beach Volleyball Grand Slam Tournament in Klagenfurt

Grand opening of DEMEL in New York

DEMEL, once purveyor of fine confectionary and patisserie to the Austrian Imperial Court, expanded yet again, opening a new Demel Café in New York City in November 2008. This third Demel Café after Vienna and Salzburg is the first to open outside Austria. It is located in the Plaza Hotel on northern Fifth Avenue across from Central Park. About 100 square meters in size (1076 square feet), this Demel is true to the original café in Vienna, in design and furnishings.

Opening of Lufthansa Lounges in New York

In January 2009, DO & CO and Lufthansa opened the Lufthansa First Class Lounges in New York City. They are further exclusive lounges that DO & CO operates for Lufthansa in addition to those in Frankfurt and serve premium Lufthansa passengers as well as passengers of the Star Alliance Group.

EBIT curbed by special effects in business year 2008/2009

Declining sales in Airline Catering in Austria compelled DO & CO to reorganize operations. These actions reduced the operating profit by EUR 1.33 million. The catering contract with Austrian Airlines also underwent a revaluation, resulting in unscheduled amortization of EUR 3.41 million.

Share buyback program

DO & CO took advantage of the current favorable price of its stock for a stock buyback program based on the Management Board resolution of 14 October 2008. A maximum of 4 % of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011.

Key figures of the DO & CO Group in accordance with IFRS

		Business Year 2008 / 2009	Business Year 2007 / 2008	Business Year 2006 / 2007
Sales	in m €	387.78	354.62	206.33
EBITDA	in m €	28.83	30.14	13.49
EBITDA margin	in %	7.4 %	8.5 %	6.5 %
EBIT	in m €	8.61	14.66	6.14
EBIT margin	in %	2.2 %	4.1 %	3.0 %
Result from ordinary business	in m €	8.83	14.27	6.86
Consolidated result	in m €	2.08	6.41	3.83
Employees		3,835	3,774	2,014
Equity ¹	in m €	75.45	72.61	68.21
Equity ratio	in %	45.6 %	41.1 %	36.3 %
Net debts	in m €	0.07	-5.63	15.30
Net gearing	in %	0.1 %	-7.8 %	22.4 %
Working Capital	in m €	9.91	24.96	15.51
Operational cash-flow	in m €	24.66	26.88	11.72
Depreciation/amortization	in m €	-20.22	-15.48	-7.35
Free cash-flow	in m €	0.75	18.89	-53.86
ROS	in %	2.3 %	4.0 %	3.3 %
Capital Employed	in m €	88.98	88.21	106.64
ROCE	in %	5.8 %	9.6 %	6.0 %
ROE	in %	2.8 %	9.1 %	7.5 %

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

Per Share Ratios

(calculated with the weighted number of issued shares)

		Business Year 2008 / 2009	Business Year 2007 / 2008	Business Year 2006 / 2007
EBITDA per share	in EUR	3.70	3.87	2.07
EBIT per share ¹	in EUR	1.10	1.88	0.95
Earnings per share ¹	in EUR	0.27	0.82	0.60
Equity (book entry) ²	in EUR	9.69	9.31	10.48
High ³	in EUR	18.95	26.00	24.38
Low ³	in EUR	7.49	15.83	9.98
Year-end ³	in EUR	8.10	16.60	24.13
Weighted number of shares ⁴	in TPie	7,790	7,795	6,507
Number of shares year-end	in TPie	7,779	7,795	7,795
Market capitalization year-end	in m EUR	63.01	129.40	188.06

1 ... Adjusted to take goodwill amortization into account

2 ... Adjusted to take designated dividend payments and bookvalue of goodwill into account

3 ... Closing price

4 ... Adjusted by own shares hold at balance sheet date

Economic Environment

Following robust growth in the global economy in 2007, basic economic conditions changed dramatically in 2008, as did the state of the global economy. In the first half of 2008, economic activities slowed and inflation rates soared. In the second half of the year, the real estate crisis that had originated in the United States began to have ever-greater effects on the real economy. The financial crisis hit a new level in September with the failure of the US investment bank Lehman Brothers, and the real economy started feeling the impact.

Governments and central banks intervened across the globe, injecting additional liquidity, stimulating demand with an increase in public contracts and dropping key interest rates. Despite these steps, unemployment is on the rise and a noticeable damper has been put on inflation. Commodity prices in particular are much lower than they were at the start of the year.

There are no precise forecasts on how long and how intensive this economic crisis will be. The situation is generally expected to ease up from 2010 on, though.

The EUR-to-USD exchange rate fluctuated substantially in the period under review. From its initial level of 0.64 in April 2008, the USD depreciated in value to a record low of 0.63 a few weeks later. It then made successive gains, rising to 0.79 by mid-November. With the huge injection of liquidity to battle the unfolding financial market crisis, the EUR/USD exchange rate came under pressure again and fell back to 0.69. By the end of March 2009, it had regained ground to close on 31 March 2009 at 0.75.

The oil price fluctuated more severely during the period under review than it has in a long time. In April 2008, a barrel of Brent Crude was trading at USD 101.00. By 11 July 2008, it reached its peak of USD 145.08 a barrel. Then the financial crisis triggered a decline in the global demand for oil, causing oil prices to plunge in the second half of the year. The price hit rock bottom in December, costing an average of USD 40.40 a barrel, its lowest level in five years.

Although every economy was ravaged by the crisis, the economic trends varied greatly among the different economic regions again last year.

After a slowdown in 2007 initiated mainly by the real estate crisis, the US economy sank even deeper into crisis in 2008. As the year progressed, the real estate crisis spilled over into the financial sector and from there into all parts of the economy. The US administration passed economic rescue packages totaling several hundred billion US dollars to support the financial sector in particular. At the same time, the Fed lowered the key interest rate by more than 400 basis points, bringing it into a range of 0 % and 0.25 % in December, an all-time low.

The Asian economy grew by an average rate of 7.6 % in 2008, but there was a sharp divergence between countries like Japan on the one hand and China and India on the other. Japan faced sharp drops in demand, impending deflation and a decline in economic output chiefly due to plunging exports while China and India continued to grow as before. Chinese GDP increased by 9.0 %, a healthy rate but much lower than it had been. By the final quarter of 2008, growth had slowed to 6.8 %.

In Europe, the crisis began in Great Britain and spread from there throughout the entire continent. GDP in the European Union expanded at a modest one percent in 2008. Similar to the US and Japan, Europe saw sharp declines in demand, investment, and the price level. Governments in Europe also intervened dramatically to support the banking industry and bolster demand. The European Central Bank successively lowered key interest rates, just as its counterpart in the US had done. By the end of March 2009, the 1-month EURIBOR had hit its all-time low of 1.50 %.

The countries of Eastern Europe, so accustomed to soaring growth rates in recent years, were particularly hard hit by the financial crisis. This impact was reflected in substantially lower growth than in 2007.

Nor was Austria left unscathed by the effects of the worldwide financial and economic crisis. Although GDP still expanded in 2008 by 1.8 %, the growth rates slid steadily downward from quarter to quarter. By the fourth quarter, growth had stopped altogether.

The number of overnight stays rose in calendar year 2008 by 4.3 % against the year before, with overnight stays by foreigners growing at a faster pace (+4.9 %) than those by Austrians (+2.6 %).

Economic output is expected to contract dramatically in 2009 in the Western economies. Most forecasts predict a decline in GDP of about 3 % for the US. EU economic output is predicted to see an overall decline of 4 %. Austria, too, must brace itself for a sharp rise in unemployment and a considerable decline in GDP in 2009. Current forecasts call for a 4 % contraction in economic output.

The global economic situation is expected to ease up starting in 2010.

Risk Management

DO & CO is exposed to widely varying risks because it conducts business globally in three different segments: Airline Catering, International Event Catering und 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, and financial and earnings position by utilizing future potential for growth and profits.

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 COSO¹.

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.

The identified risks and opportunities are grouped into risk and opportunity categories and assigned 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 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 for realizing profits.

Diversification plays a significant role in this process. The group conducts business worldwide in three different divisions, mitigating 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 business year 2008/2009:

Risks and Trends Specific to the Airline Industry

The airline industry is heavily dependent on cyclical trends globally and in the respective regions. Another factor for the Austrian market specifically is the takeover of the country's biggest carrier by a competitor. The process is still underway and makes planning for the future difficult. The market adjustments in this industry consisting largely of state-owned European carriers are also not yet complete. We expect further consolidations to occur in the airline industry.

The Airline Catering Division is in constant contact with its airline clients, so it can react quickly to any changes in their economic situation. Negative effects in the airline industry are countered promptly within the DO & CO Group. The group further diversifies risks by participating in tenders worldwide that fit the group strategy in order to add new customers to its clientele.

¹ COSO (Committee of Sponsoring Organizations of the Tradeway Commission); an independent private-sector organization jointly sponsored and funded by five main professional accounting associations and institutes.

Risks Pertaining to Terrorism and Political Unrest

High-level international security precautions have reduced the risks of terrorism in the year under review in areas where the DO & CO Group conducts business. 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 for 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 on business results includes analysis and forecasts on current operating business in each reporting entity (e.g. the group companies are divided into 65 units comparable to profit centers for internal reporting purposes). These efforts ensure that capacity is adjusted immediately.

Hygiene Risks

To ensure that the food it produces is fit for human consumption, DO & CO has carried out risk analyses in all business areas as part of the ongoing development of its HACCP System (Hazard Analysis and Critical Control Points) and taken actions to control and minimize risks based on these analyses. An internationally active quality control team constantly monitors the effectiveness of these actions.

Personnel Risks

For DO & CO, the biggest assets 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, inter alia, on its success in hiring and integrating highly skilled and motivated employees and in forging 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.

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 heavily exposed to the risk of 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 USD, YTL 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.

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 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 minimizes the risk of default by closely monitoring outstanding debts as part of receivables management. It takes proactive steps to control the risk of default associated with major customers by entering into contractual agreements with them and by having customers furnish collateral. Weekly reporting on the outstanding items of all legal entities was further refined in the year under review as part of these efforts.

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 every six months. 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 endanger the continued existence of the group.

The Notes contain additional details on currency, liquidity, default and interest risk (Item 4 Accounts receivable and Item 26 Financial instruments).

Sales

In business year 2008/2009, sales in the DO & CO Group increased by EUR 33.15 million, rising from EUR 354.62 million to EUR 387.78 million. That corresponds to sales growth of 9.3 %.

Segmental reporting shows especially strong growth in International Event Catering, with sales up by EUR 35.23 million, or + 84.6 %. Sales totaled EUR 246.84 million for Airline Catering and EUR 64.06 million for Restaurants, Lounges & Hotel, putting both figures on a par with the previous year.

Sales	2008/2009 in m €	2007/2008 in m €	Change in m €	Change in %	2006/2007 in m €
Airline Catering	246.84	251.96	-5.12	-2.0%	123.48
International Event Catering	76.87	41.65	35.23	84.6%	39.04
Restaurants, Lounges & Hotel	64.06	61.02	3.04	5.0%	43.82
Group Sales	387.78	354.62	33.15	9.3%	206.33

Sales in Airline Catering amounted to EUR 246.84 million, a figure slightly below the previous year. Despite an increasingly difficult market environment, the decrease was only -2.0 %.

The lower sales are attributable chiefly to declines in passenger numbers and service changes at Austrian Airlines. These decreases occurred in the fourth quarter. On a brighter note, growth was recorded in national and international key accounts.

The strong sales trend in the Turkish market was particularly encouraging. DO & CO took three steps that significantly increased the volume of business with Turkish Airlines: It extended return catering to over 75 destinations, assumed management responsibilities for beverages and equipment, and commenced catering for first class passengers.

London and Milan fared especially well among the locations for international business in Airline Catering, winning over major new accounts that boosted their sales. Etihad Airways was added to the DO & CO clientele in London while Air Italy became a new customer in Milan.

International Event Catering can look back on its best year in company history. Sales rose from EUR 41.65 million to EUR 76.87 million, an increase of 84.6 %. The division therefore accounted for 19.8 % of total group sales (PY: 11.7 %).

The healthy increase in sales largely results from DO & CO being contracted as Hospitality Production Partner for the VIP areas at the EURO 2008 in Austria and Switzerland. The EURO 2008 was the largest event DO & CO has ever staged. In addition to catering, it was also in charge of all tents, infrastructure, entertainment and the hostess, security and cleaning units at all stadiums.

In addition to this climax of the 2008 soccer season in Europe, the team at International Event Catering strengthened existing partnerships. Specifically, it played successful culinary host to fourteen Formula 1 Grands Prix; to CHIO, the traditional equestrian riding and jumping tournament in Aachen, Germany; to the prestigious PGA Volvo Masters Golf Tournament in Valderama, Spain; and to the ATP Masters Series in Madrid in pro tennis, among other events. On the Austrian special event market, DO & CO has become the established long-term partner for the catering of VIP guests at the team face-offs of the Austrian Football Association as well as for the Four Hills Tournament, the traditional Hahnenkamm ski races in Kitzbühel and the Beach Volleyball Grand Slam in Klagenfurt.

Restaurants, Lounges & Hotel recorded sales of EUR 64.06 million for the year under review, a figure EUR 3.04 million higher than the previous year's EUR 61.02 million. This growth can be

traced to improved use of capacity at existing business locations and the opening of the new Demel in New York City and the Lufthansa First Class Lounge (also in New York).

Profit, Assets and Cash Flow

The DO & CO Group recorded consolidated earnings of before interest and tax (EBIT) and after EUR 3.41 million in unscheduled amortization of intangible assets of EUR 8.61 million in business year 2008/2009.

EBITDA for the DO & CO Group amounted to 28.83 million, a decline of EUR -1.31 million, or -4.3 % compared with the year before. As a result, the EBITDA margin fell from 8.5 % to 7.4 %.

Group	2008/2009 in m €	2007/2008 in m €	Change in m €	Change in %	2006/2007 in m €
Sales	387.78	354.62	33.15	9.3%	206.33
EBITDA	28.83	30.14	-1.31	-4.3%	13.49
Depreciation/amortization	-16.81	-15.48	-1.33	-8.6%	-7.28
Unscheduled amortization	-3.41	0.00	-3.41	n.a	-0.07
EBIT	8.61	14.66	-6.05	-41.3%	6.14
EBITDA margin	7.4%	8.5%			6.5%
EBIT margin	2.2%	4.1%			3.0%
Employees	3,835	3,774	61	1.6%	2,014

Cost of materials and services rose in relation to sales from 38.9 % the previous year to 42.5 % in the year under review owing to the margin-free sales generated at the EURO 2008. In absolute terms, the cost of materials increased by EUR 26.89 million (+19.5 %) while sales rose by 9.3 %.

Payroll costs fell slightly in relation to sales in business year 2008/2009. In terms of amount, however, this figure rose by 5.0 %. The number of employees in the DO & CO Group in Austria and abroad increased by 1.6 % in the year under review, for an annual average of 3,835 employees.

Several factors accounted for this staff growth over the course of the entire business year: the staging of the EURO 2008 project and the expansion of the range in the joint venture in Turkey plus hiring at DO & CO Gourmet Kitchens in New York, Frankfurt, London Heathrow and in restaurant units at the BMW World in Munich and the British Museum. The fourth quarter saw a decline in the total number of employees for the entire DO & CO Group. This reduction largely stems from the adjustments made in response to lower sales.

Depreciation and amortization in business year 2008/2009 increased to a total of EUR 20.22 million. This change was caused by heavy investment and by EUR 3.41 million in unscheduled amortization of an intangible asset. The intangible asset mentioned above is a customer contract DO & CO capitalized in the course of acquiring Airst Catering GmbH (now known as: Sky Gourmet - airline catering and logistics GmbH).

Other operating expenses rose by 6.5 %. This growth is attributable mainly to rents, leases and other operating expenses associated with services for the EURO 2008. The remaining items were stable or lower in comparison to 2008/2009 on higher sales volumes.

The taxation ratio (ratio of tax costs to untaxed income) was somewhat higher than the year before, rising from 36.4 % the previous year to 39.5 % in the year under review. This increase is largely due to the unscheduled amortization of intangible assets. When adjusted for this amortization, the taxation ratio amounted to 28.5 %.

The consolidated shareholders' equity of the DO & CO Group (adjusted for intended dividend payments and book values of goodwill) rose by EUR 2.84 million in business year 2008/2009 to EUR 75.45 million (PY: EUR 72.61 million). Following adjustments for planned dividend payments and book values for goodwill, the equity ratio amounted to 45.6 % (PY: 41.1 %).

The consolidated long-term liabilities decreased considerably in the year under review, falling from EUR 37.14 million to EUR 23.50 million. This decline is mostly attributable to the repayment of liabilities assumed on the founding of the joint venture in Turkey.

The consolidated short-term liabilities remained at the same level as the previous year, totaling EUR 65.19 million.

Owing to the above changes in shareholders' equity and long-term and short-term liabilities, total assets declined from EUR 180.57 million to EUR 169.36 million.

The cash flow from operating activities amounted to EUR 24.66 million, which means it was EUR 2.22 million less than the previous year's figure of EUR 26.88 million. A lower business result for the period was one reason for the lower cash flow from operating activities. The cash flow was also curbed by a decline in trade accounts payable, advance payments and other liabilities compared with the previous year. Advance payments reported at 31 March 2008 primarily relate to the EURO 2008 project. The cash flow from operating activities was bolstered by the decline in short-term receivables relative to the previous year. This lower figure is due mostly to the decline in trade accounts receivable.

Cash flows from investing activities totaled EUR -23.91 million (PY: EUR - 7.99 million). This sizeable increase can be traced primarily to investments in tangible fixed assets for the group. Chief among them were the renovation and expansion of the Vienna production facility, expansion of the Airline Catering kitchen in London Heathrow and capital expenditures by the joint venture in Turkey.

The cash flows from financing activities totaled EUR - 11.85 million in the year under review (PY: EUR -16.72 million). Repayment of loans and a reduction in the amounts owed to banks were the two main factors shaping the cash flows from financing activities in business year 2008/2009.

The following segment reporting in accordance with IAS 14 deviates somewhat from the specifications in the International Financial Reporting Standards (IFRS). This deviation arises because certain group companies conduct business in several segments, making it impossible to report solely on a segment basis.

Airline Catering

With its locations in New York, London, Frankfurt, Munich, Berlin, Milan, Vienna, Linz, Salzburg and Graz as well as the nine Gourmet Kitchens of the joint venture in Turkey, Airline Catering emerged again as the frontrunner in sales among the divisions in the DO & CO Group.

The Airline Catering clientele at the various business locations includes the Austrian Airlines Group, Turkish Airlines, British Airways, Cathay Pacific, Emirates Airlines, Etihad Airways, Qatar Airways, Royal Air Maroc, South African Airways, KLM, Iberia, Air France and NIKI. DO & CO currently provides catering to more than 60 airlines.

Airline Catering	2008/2009 in m €	2007/2008 in m €	Change in m €	Change in %	2006/2007 in m €
Sales	246.84	251.96	-5.12	-2.0%	123.48
EBITDA	18.47	21.11	-2.64	-12.5%	7.18
Depreciation/amortization	-13.25	-11.86	-1.39		-4.52
Unscheduled amortization	-3.41	0.00	-3.41		-0.07
EBIT	1.81	9.25	-7.44	-80.4%	2.59
EBITDA margin	7.5%	8.4%			5.8%
EBIT margin	0.7%	3.7%			2.1%
Share of Group Sales	63.7%	71.0%			59.8%

The division produced sales of EUR 246.84 million, a figure -2.0 % lower than in the previous business year. Its share in consolidated sales thus declined from 71.0 % to 63.7 % in the year under review. All told, the Gourmet Kitchens of the DO & CO Group provided meals to more than 47 million passengers on some 365,000 flights worldwide.

The major decline in sales compared with the previous year was concentrated primarily in the fourth quarter. This decrease is attributable to the airline catering business in Austria and connected to the decline in passengers at Austrian Airlines. The company had to respond to reduced sales by taking quick reorganization measures at all Airline Catering locations in Austria. The associated costs cut into EBIT and EBITDA considerably, pushing both figures below those of the previous year in 2008/2009. EBITDA totaled EUR 18.47 million, a decline of EUR -2.64 million, or -12.5 %, against the previous year. EBIT fell to EUR 1.81 million in 2008/2009 from EUR 9.25 million the year before. The EBIT margin at Airline Catering dropped from 3.7 % in 2007/2008 to 0.7 % in business year 2008/2009.

Turkish DO & CO, a joint venture in Turkey in which DO & CO and Turkish Airlines each hold a 50 % stake, widened its lead as the market frontrunner in Airline Catering in Turkey. Approximately 1,500 employees prepared nearly 27 million meals for various airlines at the new business locations in Istanbul Atatürk, Istanbul Sabiha Gökçen, Ankara, Antalya, Izmir, Bodrum, Adana, Dalaman and Trabzon.

DO & CO added an extensive set of logistics skills to its range of services by assuming responsibility for equipment and beverage management for Turkish Airlines. In doing so, DO & CO is increasingly positioning itself in Turkey as a total supplier in the airline catering sector.

After commencing return catering for Turkish Airlines last year, DO & CO extended this service in the year under review to over 75 destinations and boosted its sales in the process.

In December 2008, DO & CO began First Class catering on Turkish Airlines flights. These passengers in First Class are treated to exquisite national and international meals, a choice of freshly prepared desserts and handmade petit fours of the finest quality.

Customer satisfaction on the short, medium and long-haul flights of Turkish Airlines was further increased and reached a rating of 92 % on domestic flights. Numerous articles in the Turkish media also praised the quality of catering on Turkish Airlines.

Anadolu Jet commenced business in April 2008 as the low-fare carrier of Turkish Airlines. This airline uses the international airport at Ankara as its hub and has DO & CO provide catering services (involving handling primarily).

Besides the successful trends in the Turkish market and among Turkish customers, the renovation of the headquarters of Turkish DO & CO in Istanbul should also be mentioned. The production areas were enlarged and greatly modernized to bring them up to the latest standards. These steps allow the company to improve quality and increase efficiency substantially and thereby cut costs. The DO & CO Academy–Turkey was also set up as a new training center. It will offer state-of-the-art training in kitchen production and in service and hospitality. Training in this latter area is for flight attendants in particular. Modern equipment was also installed for these subjects (e.g. for video training). The academy can train up to 120 people at once. The office areas were also modernized and converted into an open-plan office with associated hospitality zones.

The Austrian Airlines Group is the main customer in Austria. DO & CO services all flights of this group leaving Vienna, Linz, Graz and Salzburg, thus handling airline catering for more than 10 million passengers and 80,000 departures.

DO & CO delivered compelling quality once again, redefining the concept of premium service in airline catering worldwide. Austrian Airlines was ranked first in Business Class catering for the second consecutive time at the World Airline Awards for the demanding long-haul flight segment. More than 15 million passengers from 95 countries rate the world's best airlines in this survey. *Business Traveller*, the leading international travel magazine, also gave Austrian Airlines top ranking in the category "Food and Beverages" as it had the year before. These awards are objective proof of DO & CO's position as a unique and unmistakable premium airline caterer.

Another innovation that deserves special mention is the new Premium Service of Austrian Airlines for destinations in the Middle and Near East. An essential element of this Premium Service is exquisite catering exemplifying the idea of "Orient meets Occident". Passengers can look forward to an aperitif service featuring a large choice of non-alcoholic beverages, select delicacies from the Austrian and Oriental cuisines, and fine tea and coffee specialties served on special dishes from the Orient.

In November 2008, DO & CO redesigned its on-board catering products for the Austrian Airlines Economy Class on short-haul flights, putting in place an innovative food and beverage concept with a modern and appealing look.

Owing to the decline in passenger figures and the modified service concept, DO & CO effected unscheduled amortization of intangible fixed assets capitalized for the contract with Austrian Airlines. This unscheduled amortization undertaken in the fourth quarter of the business year amounted to EUR 3.41 million. Extensive restructuring was also initiated, placing an additional burden of EUR 1.33 million on the operating results.

To assess the operational capabilities of Airline Catering in comparison with the year before, the EBITDA and EBIT figures must be adjusted for these special effects. Following this adjustment for special effects, EBITDA totals EUR 19.80 million. The adjusted EBITDA margin is 8.0 %. The adjusted EBIT figure amounts to EUR 6.55 million, for an EBIT margin of 2.7 %.

After correction for extraordinary effects	2008/2009 in m €	2007/2008 in m €	Change in m €	Change in %	2006/2007 in m €
EBITDA adjusted	19.80	21.11	-1.31	-6.2%	7.18
EBIT adjusted	6.55	9.25	-2.70	-29.2%	2.66
EBITDA margin adjusted	8.0%	8.4%			5.8%
EBIT margin adjusted	2.7%	3.7%			2.2%

NIKI has become one of the most important airline accounts in Austria. Passengers on regularly scheduled short-haul flights are served fresh sandwiches and those traveling to charter destination in the short and medium-haul segment are offered hot homemade main courses.

A project to enlarge the production facility on Dampfmühlgasse in Vienna began early in business year 2008/2009. One motivation was to prepare for catering at the EURO 2008 European soccer championships. The facility was modernized and expanded to serve as the Austrian production center for DO & CO. The converted production facility has been in full operation since the autumn of 2008.

The other international DO & CO business locations report the following trends.

It has been encouraging to see the build-up of relationships with quality airlines from the Middle and Near East. DO & CO can now count Emirates Airlines, Etihad Airways and Qatar Airways as clients at several international DO & CO business locations. Special mention should be made in this context of the addition of Etihad Airways as a new customer in London and to the fact that DO & CO now offers products in the First, Business and Economy Classes on flights to Abu Dhabi.

The extensive expansion work on the DO & CO Gourmet Kitchen in London has now been completed and the enlarged facilities are now in full operation, including a modern Halal kitchen.

DO & CO has begun catering for Emirates Airlines for the Airbus A 380 to Dubai from its location in New York. This flight features expanded catering services that include bar service, for example. Handling this flight is a major logistical challenge because of the large number of trolleys involved and the use of special hub catering vehicles.

Strategy

- To be a total supplier in airline catering
- To offer a unique and innovative product portfolio as a point of differentiation for customers
- To forge lasting long-term partnerships with the customers
- To improve our market position as THE supplier in the premium segment

Preview of Business Year 2009/2010

- Further improvement of our strong market position in Turkey and completion of the Cabin Crew Training Center
- Expansion of relations with quality airlines in the Middle and Near East at international DO & CO business locations
- Addition of further customers to the clientele at all business locations
- Conversion of service for Austrian Airlines flights starting in June 2009

Competitive Advantage of DO & CO

- "THE" airline caterer in the premium segment
- Product creativity and innovation in core segments and secondary segments
- Supplier of holistic solutions for customers

International Event Catering

International Event Catering saw its sales rise by EUR 35.23 million, from EUR 41.65 million to EUR 76.87 million. The EURO 2008 European soccer championships and other major events were the main factors driving this sales growth.

International Event Catering	2008/2009 in m €	2007/2008 in m €	Change in m €	Change in %	2006/2007 in m €
Sales	76.87	41.65	35.23	84.6%	39.04
EBITDA	5.70	4.59	1.11	24.2%	3.83
Depreciation/amortization	-1.32	-1.55	0.23	15.0%	-1.20
EBIT	4.38	3.04	1.34	44.2%	2.63
EBITDA margin	7.4%	11.0%			9.8%
EBIT margin	5.7%	7.3%			6.7%
Share of Group Sales	19.8%	11.7%			18.9%

DO & CO was contracted to be the hospitality production partner for the EURO 2008 staged in Austria and Switzerland. It was the largest event the company has ever carried out. In nearly two years of planning and preparation, DO & CO devised a hospitality concept for all groups of VIP guests and for a host of other segments such as players, the press, the media, staff and ceremonies. It truly set new standards for major international sports events in the process.

DO & CO was in charge of catering for more than 135,000 visitors to the VIP areas and a further 137,000 visitors during the tournament. It was also responsible for all tent setup and for providing appropriate infrastructure such as water, electricity, equipment, furniture, decorations and flowers. The DO & CO EURO team also drew up a trendsetting concept for ambience and entertainment for the major sports event segment. In addition, it was responsible for hostess, security and cleaning services in the eight stadiums in Austria and Switzerland.

Business in 2008 was also shaped by the staging of numerous other international sport events that have become a fixed part of the annual sports calendar for DO & CO thanks to its policy of forging strong long-term partnerships with customers. DO & CO once again had the privilege in the year under review to treat myriad VIP and general public guests to premium culinary products at Formula 1 Grands Prix around the world; at CHIO, the traditional equestrian riding and jumping tournament in Aachen, Germany; and at the ATP Tennis Masters Series in Madrid, Spain.

The company also played winning culinary host to a large number of national sports events. DO & CO handled catering at the team face-offs of the Austrian Football Association and at premier events of the Austrian Skiing Association that included key ski races in Austria and the Four Hills Tournament. It was also culinary host at the culminating event of the winter sports season, the traditional Hahnenkamm ski races in Kitzbühel, and at the highlight of the summer sports season, the Beach Volleyball Grand Slam Tournament in Klagenfurt.

Long-standing customers from the realms of politics, business, the arts, media and society are further encouraging constants in special events business, along with a number of private customers.

EBITDA for International Event Catering increased by EUR 1.11 million, rising from EUR 4.59 million to EUR 5.70 million, for an EBITDA margin of 7.4 % (PY: 11.0 %). EBIT improved by EUR 1.34 million, rising from EUR 3.04 million to EUR 4.38 million in the year under review. The EBIT margin amounted to 5.7 % (PY: 7.3 %).

The high proportion of transitory sales on guest infrastructure for the EURO 2008 in the first quarter was responsible for this reduction in the margins. Following adjustments for margin-free sales, the EBITDA margin was 10.2 % and the adjusted EBIT margin was 7.8 %.

The DO & CO Strategy

- To strengthen its core competence as a premium caterer and build on it in order to become a "General Contractor in Gourmet Entertainment"
- To continue strengthening DO & CO as a premium event brand
- To have a high-profile reputation as a strong and reliable partner

Preview of Business Year 2009/2010

- A new hospitality concept will be implemented at the Men's ATP Masters Series in Madrid.
- UEFA Champions League Finals in Rome
- Fourteen Formula 1 Grands Prix worldwide
- Numerous national and international events for customers from the realms of sports, politics, business, the arts, and media plus private parties

Competitive Advantage of DO & CO

- One-shop partner
- Unique premium product – unmistakable and non interchangeable
- Known for its high reliability, flexibility and adherence to stringent quality criteria, making it a "no headache partner" available to its customers at all times
- A dynamic international management team with experience in the premium segment

Restaurants, Lounges & Hotel

Restaurants, Lounges & Hotel saw its sales rise by a further EUR 3.04 million in business year 2008/2009, from EUR 61.02 million last year to EUR 64.06 million in the year under review.

Restaurants, Lounges & Hotel	2008/2009 in m €	2007/2008 in m €	Change in m €	Change in %	2006/2007 in m €
Sales	64.06	61.02	3.04	5.0%	43.82
EBITDA	4.66	4.44	0.22	4.9%	2.48
Depreciation/amortization	-2.25	-2.07	-0.18	-8.5%	-1.56
EBIT	2.41	2.37	0.04	1.8%	0.92
EBITDA margin	7.3%	7.3%			5.7%
EBIT margin	3.8%	3.9%			2.1%
Share of Group Sales	16.5%	17.2%			21.2%

A major highlight was the official opening of the Demel Café in New York City. Demel, DO & CO's oldest and most venerable brand, celebrated its international premiere in November 2008 at the Plaza Hotel on 5th Avenue and Central Park in New York City. About 100 square meters in size (1076 square feet), this Demel remains quite true to the design of the original café in Vienna.

Another highlight followed in January 2009, also in New York City. DO & CO established yet another business location with the official opening of the Lufthansa Lounge at JFK Airport. There DO & CO provides the passengers of the Star Alliance (Lufthansa, Austrian Airlines, Turkish Airlines and Air China, etc.) with a full range of culinary offerings on three different levels. In the First Class Lounge on the third floor, Lufthansa HON Circle members and First Class passengers are treated to culinary delicacies at an exclusive buffet and à la carte. Frequent Travelers and Senators can look forward to being pampered in the Senator Lounge on the second floor with seating for 133 and a spacious bar. Business passengers are treated to delicacies from DO & CO prior to takeoff at the Business Lounge on the first floor with seating for 163 guests.

All business locations reported satisfactory overall trends. Business in the year under review went especially well for the Restaurant and Hotel on St. Stephen's Square in Vienna, the Lufthansa First Class Lounge at Frankfurt Airport and the restaurants in the British Museum.

EBITDA rose from EUR 4.44 million in the previous year to EUR 4.66 million in the year under review. EBIT amounted to EUR 2.41 million, a figure on a par with the year before. This corresponds to an EBIT margin of 7.3 % (PY: 7.3 %) and an EBIT margin of 3.8 %.

Preview of Business Year 2009/2010

- Participation in tenders
- Preparations for further expansion of the Demel brand in New York City
- Planning and permit procedures for an exclusive hotel on the Bosphorus

Strategy

- Research & Development Center and product creation for the entire DO & CO Group
- Marketing instrument and trademark signature for the group as well as original brand development
- Restaurants, Lounges & Hotel providing comprehensive hospitality solutions

DO & CO Stock/Investor Relations

The financial crisis set prices plunging on all international exchanges in 2008. The Vienna Stock Exchange was no exception to these unfavorable trends.

The decline in the ATX continued in the first quarter of 2009, pushing this lead Austrian index to a low of 1,412 points in early March 2009. The ATX recovered again substantially, closing at 1,697 points on the reporting date.

When compared with the closing price of 3,766 points a year earlier on 31 March 2008, the index level of 1,697 points represents a loss of 54.9 %.

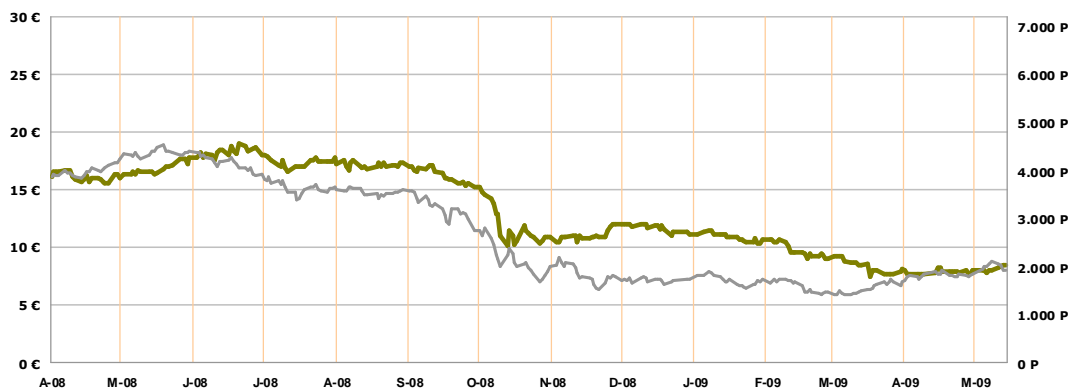
DO & CO Stock

In the course of the financial market crisis, the trading price of DO & CO stock fell by 51.2 % from its level on 31 March 2008, closing one year later at a price of EUR 8.10.

This price corresponds to market capitalization of EUR 63.01 million (taking into account the shares bought back as of the reporting date).

The current favorable price of DO & CO stock was utilized for a stock buyback program based on the Management Board resolution of 14 October 2008. A maximum of 4 % of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011. As of the reporting date, the company had repurchased 15,955 shares of stock. That corresponds to 0.205 % of the share capital.

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



Shareholders' Structure

The private foundation Attila Dogudan Privatstiftung is the majority shareholder in DO & CO Restaurants & Catering Aktiengesellschaft with a stake of 50.65 %. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 24.79 % and the remaining shares are in free float. The shares in free float include a stake of more than 5 % held by DWS Investment GmbH (all ownership figures refer to the reporting date and take into account the Treasury shares repurchased at that time).

Financial Calendar

16 June 2009	Business results for business year 2008/2009
9 July 2009	General Meeting of Shareholders
13 July 2009	Ex-dividend date
27 July 2009	Payable date
20 August 2009	Business results for the first quarter of 2009/2010
19 November 2009	Business results for the first half year of 2009/2010
18 February 2010	Business results for the first three quarters of 2009/2010

Dividend Distribution

The Management Board of DO & CO Restaurants & Catering Aktiengesellschaft will propose to the General Meeting of Shareholders that a dividend of EUR 0.15 per share be distributed for the business year 2008/2009. This corresponds to a dividend yield of 1.85 % in relation to the closing price on 31 March 2009 (PY: 0.90 %).

Authorized Capital

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. The Management Board did not exercise this right in the year under review.

Conditional 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.

Investor Relations

With its unique focus on the core segments Airline Catering, International Event Catering, and Restaurants, Lounges & Hotel; DO & CO has evolved over the years into a visible and formidable player on the global market. It is precisely this strategic orientation as a Gourmet Entertainment Company that renders DO & CO so difficult to benchmark adequately against other companies. It is all the more important for the company to involve private and institutional investors and analysts in the company's development by pursuing a modern and straight-forward information policy. DO & CO is committed to clear-cut communications with all target groups in the financial community. To this end, it announced 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.

The Management Board and management of the DO & CO Group participated again this year in the Investor's Conference in Kitzbühel. Numerous individual meetings were also held with potential investors from Austria and elsewhere.

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

1. The share capital totals EUR 15,590,400.00 and is divided into 7,795,200 individual bearer shares. Only shares of this class are issued.
2. The company knows of no limitations to the voting rights or to the transfer of DO & CO shares, even for those contained in agreements between shareholders. DO & CO Restaurants & Catering AG is granted no voting right on own shares acquired under the publicized stock buyback program (see chapter on Stock/Investor Relations).
3. Two shareholders hold more than 10.0 % of the share capital, namely Attila Dogudan Privatstiftung with a stake of 50.65 % and DZR Immobilien und Beteiligungs GmbH with a stake of 24.79 %.
4. There are currently no shares endowed with special control rights.
5. DO & CO staff owning company stock exercise their voting rights directly at the General Meeting.
6. The company has no provisions on naming and dismissing members of the Management Board that are not derived directly from the pertinent law on this matter. The General Meeting is entitled to remove a member of the Supervisory Board with a simple majority of the votes cast (instead of the statutory majority of 75 %). A simple majority of the share capital represented at the vote of a resolution suffices to make a change in the Articles of Association (as opposed to the statutory majority of 75 %) unless that change pertains to a conditional capital increase, authorized capital or an ordinary or simplified capital reduction.
7. Pursuant to § 5 (3) of the Articles of Association, the Management Board has the right until 30 June 2012 to increase the share capital by up to a further EUR 7,795,200.00 through the issuance of up to 3,897,600 shares of new ordinary bearer shares in exchange for cash contributions and/or contributions in kind. The share capital of the company is increased pursuant to § 1 (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 as described in 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. In its resolution of 10 July 2008, the General Meeting authorized the Management Board to acquire Treasury shares up to the legally admissible maximum amount until 10 January 2011. The Management Board decided on 14 October 2008 to avail itself of this right (intended volume: up to 4 % of the share capital).
8. Agreements exist with service providers of the DO & CO Group that entitle them to cancel the contractual relationship in full or in part if there is a change of control in the company. These agreements are not further specified here owing to the damage this disclosure would do to the company.
9. There are no compensation agreements between the company and the members of its Management Board and Supervisory Board or employees in the event of a public takeover bid.

Outlook

Business at Airline Catering continues to be subject to high volatility and extremely dynamic market events.

With its robust growth, Turkish Airlines is bucking the general trend and has become the most important customer for the DO & CO Group. Business with the other customers in Turkey declined in volume compared with the year before, in contrast to the favorable trend with Turkish Airlines.

Airline Catering is carefully and constantly monitoring the course of business at Austrian Airlines. DO & CO responded quickly to the new economic situation and took proactive steps to counter it based on the findings of the group's risk management system.

In general, the management of DO & CO expects the quantity and value of sales to decline at most business locations as the business year unfolds. The company has already responded to this trend by initiating cost-cutting measures.

DO & CO also sees opportunities in this economic upheaval. Many customers are having new airline catering contracts drawn up in an attempt to reduce costs. DO & CO is therefore participating in a large number of tenders right now. The objective is to add new customers and concentrate on Turkey and other markets that are still performing well in order to offset as much as possible the declines brought on by the general economic crisis.

There is good news from the Munich location. It added Etihad as a premium customer to its established clientele at the beginning of May 2009.

Markets in International Event Catering are also volatile. DO & CO reacted to this situation promptly, adjusting costs quickly and as effectively as possible.

Several major sports events are still well-attended (e.g. soccer) but the economic crisis has affected other events, causing a decline in the figures for sponsors and guests.

DO & CO expects the market to remain volatile in business year 2009/2010 and is poised for dealing with either a further market contraction or an improved market situation.

Preparations are concurrently underway for classic national and international events such as the Formula 1 Grands Prix, the beach volleyball tournament in Klagenfurt and numerous other events to which DO & CO will again play culinary host this year. One highlight this year will be the VIP catering at the Champions League Finals in Rome.

The trend for Restaurants, Lounges & Hotel is stable. There are no signs at the moment that this division will suffer major declines in sales.

Besides focusing on process optimization at existing business locations, DO & CO keeps pushing expansion in this division by participating in a large number of tenders.

A further Demel in New York and a hotel in Istanbul are new projects currently in the works. Planning and permit procedures are underway for an exclusive top-category hotel on one of the most beautiful squares in Istanbul. The intention is to create the first DO & CO Hotel in Istanbul in two buildings protected as historic monuments. They have a prime location: right on the Bosphorus, next to the first bridge between Europe and Asia. An opening is planned for 2011/2012 provided all permit procedures are completed on schedule and with positive results.

DO & CO is a dynamic company and responded early to changes in the market environment. The management is confident it can remain on the successful course it has followed in recent years.

Vienna, 29 May 2009

The Management Board:

Attila Dogudan mp
Chairman

Michael Dobersberger mp

Corporate Governance Report

Commitment to the Code of Corporate Governance

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

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

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

DO & CO has had an independent external institution conduct regular and voluntary evaluations of its compliance with the Austrian Code of Corporate Governance since business year 2007/2008. The Vienna law firm Berger-Saurer-Zöchbauer Rechtsanwälte did the evaluation for the business year 2008/2009. The report on the external evaluation can be viewed on the DO & CO web site.

The Management Board

Members

Attila Dogudan
Chairman, born 1959
First appointed in 1997; current term ends in 2012
Holds no other comparable positions

Michael Dobersberger
Member of the Management Board, born in 1963
First appointed in 1998; current term ends in 2012
Holds no other comparable positions

Workings of the Management Board

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

The chairman is responsible for the overall management of the company and for coordinating the work of the Management Board. All members of the Management Board must report to the chairman and each other on all important business events that occur in their assigned area of business. Chairman Attila Dogudan is responsible for the strategy and organization of the company and central units and takes the lead in the two segments Airline Catering and Restaurants, Lounges & Hotel. Management Board Member Michael Dobersberger is responsible for hygiene and technology and takes the lead in the International Event Catering segment.

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

The Supervisory Board

Members

Waldemar Jud

Chairman, independent, born 1943

Current term runs until the 11th Ordinary General Meeting of Shareholders (2009), first appointed on 20 March 1997

Other supervisory board positions in listed companies:

- Supervisory Board Chairman of Strabag SE, Villach
- Deputy Chairman of the Supervisory Board of Ottakringer Brauerei AG, Vienna

Werner Sporn

Deputy Chairman, independent, born 1935

Representative of stockholders holding shares in free float

Current term runs until the 11th Ordinary General Meeting of Shareholders (2009), first appointed on 20 March 1997

No further seats on Supervisory Boards of listed companies

Georg Thurn-Vrints

Member, independent, born 1956

Current term runs until the 11th Ordinary General Meeting of Shareholders (2009), first appointed on 20 March 1997

No further seats on Supervisory Boards of listed companies

Christian Konrad

Member, independent, born 1943

Current term runs until the 11th Ordinary General Meeting of Shareholders (2009), first appointed on 10 July 2002

Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of UNIQA Versicherungen AG, Vienna
- Chairman of the Supervisory Board of AGRANA-Beteiligungs Aktiengesellschaft, Vienna
- Member of the Supervisory Board of BAYWA AG, Munich
- Deputy Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Workings of the Supervisory Board

The actions of the Supervisory Board have their legal basis in the Austrian Corporation Act (AktG), the Articles of Association, the Internal Rules of Procedure for the Supervisory Board and the Austrian Code of Corporate Governance, to which the Supervisory Board has expressly committed itself. The Supervisory Board performed its duties under the law and the Articles of Association in business year 2008/2009 in four meetings.

A focal point of consultation was the strategic positioning of the company under changed economic conditions for the three divisions: Airline Catering, International Event Catering and Restaurants, Lounges & Hotel.

Independence

Neither former members of the Management Board nor senior employees hold seats on the Supervisory Board of DO & CO; thus, no cross-over interlinking exists. Business relations existing 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 (please refer also to the Compensation Report).

In connection with Rules 39, 53 and 54, Annex 1 of the 2007 version of the Austrian Code of Corporate Governance, the Supervisory Board decided at its meeting on 14 February 2007 to establish the following criteria for the independence of the Supervisory Board members and Committee members:

A member of the Supervisory Board shall be deemed independent if said member does not have any business or personal relations with the company or its Management Board that constitute a material conflict of interests and are therefore suited to influence the member's behavior.

The guidelines below have also been established as criteria for the assessment of the independence of a member of the Supervisory Board:

1. The Supervisory Board member shall not have served as member of the Management Board or as management-level staff of the company or one of its subsidiaries in the past five years.
2. The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the member of the Supervisory Board. This shall also apply to relationships with companies in which a member of the Supervisory Board has a considerable economic interest. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically mean the person is qualified as not independent.
3. The Supervisory Board member shall not have acted as auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.
4. The Supervisory Board member shall not be a member of the management board of another company in which a member of the Management Board of the company is a supervisory board member.
5. The Supervisory Board member shall not be a close relative (direct offspring, spouse, life partner, parent, uncle, aunt, sister, niece, nephew) of a member of the Management Board or of persons who hold one of the aforementioned positions.

The Supervisory Board resolves that it suffices if half of the members of the Supervisory Board or a Supervisory Board Committee is deemed independent in accordance with these criteria.

The individual members of the Supervisory Board declare that they are independent as described by these criteria.

Composition and Workings of the Committees

AUDIT COMMITTEE:

Waldemar Jud: Chairman

Werner Sporn: Deputy Chairman

Georg Thurn-Vrints: Member

Christian Konrad: Member

The Audit Committee shall be responsible, inter alia, for monitoring the accounting process, the effectiveness of the internal system of controls, the internal audit system and the risk management system of the company, for monitoring the audit of the annual financial statements of the company and the group, for examining and monitoring the independence of the auditor for the financial statements of the company and the group, in particular with respect to the additional services performed for the audited company, the audit of the financial statements and the preparation of their approval, for the audit of the proposal for the distribution of profits and of the management report and, if need be, the Corporate Governance Report as well as for the issuing of the report on the audit results to the Supervisory Board and the preparation of the proposal of the Supervisory Board for the appointment of an auditor for the company and the group.

The entire Supervisory Board is currently performing the function of the Audit Committee. The chairman of the Supervisory Board also acts as chairman of the Audit Committee and its financial expert. The deputy chairman of the Supervisory Board also acts as deputy chairman of the Audit Committee.

The Audit Committee had two meetings in business year 2008/2009. The work at these meetings focused on dealing with the management letter on the audit of the (consolidated) financial statements for 2007/2008, with actions concerning the Internal Control System (ICS), and with the reliable performance of risk management and internal auditing.

EXECUTIVE COMMITTEE: (this body also functions as the Nominating Committee, the Compensation Committee, and the Committee Authorized to Make Decisions in Urgent Cases):

Waldemar Jud: Chairman

Werner Sporn: Deputy Chairman

The Executive Committee consists of the chairman and his deputy.

The Executive Committee also functions as the Nominating Committee, the Compensation Committee, and the Committee Authorized to Make Decisions in Urgent Cases.

In its capacity as Nominating Committee, the Executive Committee submits proposals to the Supervisory Board for filling vacant seats on the Management Board and deals with issues of succession planning. In this connection, the Executive Committee suggested to the Supervisory Board that Michael Dobersberger's term as Management Board member be extended to 2012 following a careful evaluation of his previous work.

In its capacity as Compensation Committee, the Executive Committee deals with issues concerning the relationship with the company and the members of the Management Board, compensation for members of the Management Board and the content of employment contracts for members of the Management Board.

In its capacity as the Committee Authorized to Make Decisions in Urgent Cases, the Executive Committee is entrusted with making decisions on transactions requiring the consent of the Supervisory Board.

Compensation Report

The Compensation Report summarizes the principles applied in determining compensation for the Management Board and the Supervisory Board of DO & CO Restaurants & Catering AG.

Compensation for the Management Board

The total pay is divided into fixed and performance-linked components. The fixed component is geared to the tasks and areas of responsibility of the members and paid out retroactively in 14 monthly payments. Another main element of Management Board compensation is a highly variable component based on scope of tasks and responsibilities and on company performance. This performance-linked component is geared to the EBIT margin following goodwill amortization and is capped at 100 % of the fixed pay.

The fixed pay of the members of the Management Board in the year under review totaled TEUR 560, with approximately TEUR 338 paid to Attila Dogudan and approximately TEUR 222 paid to Michael Dobersberger. The variable salary components amounted to TEUR 0.

There are no agreements at present on company retirement benefits for the Management Board. Management Board members are entitled to termination benefits in an analogous application of the Austrian White-Collar Workers' Act (Angestelltengesetz). The Management Board has no further claims relating to the termination of employment.

Compensation for the Supervisory Board

The remuneration scheme for Supervisory Board members provides that the chairperson receive 50 % more in remuneration than the other members and the deputy chairman, 25 % more.

The members of the Supervisory Board received remuneration totaling TEUR 38 (PY: TEUR 38) for business year 2007/2008 in accordance with a decision by the General Meeting of Shareholders on 10 July 2008. Of this sum, TEUR 12 was paid to the chairman, TEUR 10 to the deputy chairman and TEUR 8 to each of the remaining members of the Supervisory Board.

Firms in which Supervisory Board members Waldemar Jud and Werner Sporn have a considerable economic interest charged professional fees of TEUR 470 in the year under review for legal counsel.

DO & CO Restaurants & Catering AG has a financial loss liability policy (directors and officers liability insurance). The beneficiaries are the company's directors. The expenses for this policy are covered by the company.

Report of the Supervisory Board

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

The Supervisory Board performed its duties under the law and the Articles of Association in business year 2008/2009 in four meetings. These meetings focused on deliberations regarding the company's basic strategy and on discussion of possible acquisitions. In this context, the Supervisory Board also had intensive consultations about the possible effects of the crisis in the financial markets and the real economy on the individual divisions and on investment decisions and about steps to take with respect to factors shaping the company's market environment. Beyond that, the chairmen of the Supervisory Board and the Management Board regularly consulted on material issues of company development.

At its meeting on 15 June 2009, the Audit Committee dealt in depth with the annual financial statements of DO & CO Restaurants & Catering Aktiengesellschaft, the consolidated financial statements, and the summarized Management Report as well as the proposal for the appropriation of profit, the Management Letter and the assessment of the reliable performance of risk management and the internal control system. The Audit Committee suggested selecting PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as auditor of the financial statements of DO & CO Restaurants & Catering Aktiengesellschaft and as auditor of the consolidated financial statements of the DO & CO Group for 2009/2010.

The Audit Committee had four meetings in business year 2008/2009 while the Executive Committee had one meeting in its capacity as Nominating Committee.

The annual financial statements plus notes of DO & CO Restaurants & Catering Aktiengesellschaft as of 31 March 2009 along with the Management Report were prepared in accordance with Austrian accounting regulations and audited by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH, which issued an unqualified opinion on these documents. The Supervisory Board concurred with the Management Board in the latter's report on the audit findings and approved the financial statements for 2008/2009. They are thus adopted in accordance with § 125 (2) of the Austrian Corporation Act (AktG).

The consolidated financial statements as of 31 March 2009 plus notes were prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU and were audited, along with the Management Report on the Group, by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH. In the auditor's opinion, the consolidated financial statements present fairly, in all material respects, the actual assets and financial position of the DO & CO Restaurants & Catering Aktiengesellschaft Group as of 31 March 2009 and the results of its operations and its cash flows for the business year 2008/2009 in conformity with the International Financial Reporting Standards (IFRS) as applied in the EU. The Supervisory Board concurred in the findings of the audit.

Furthermore, the Supervisory Board examined the proposal from the Management Board for the appropriation of profit of DO & CO Restaurants & Catering Aktiengesellschaft. A proposal will be made to the General Meeting of Shareholders on 9 July 2009 to distribute the entire balance-sheet profit of EUR 1,169,280.00, for a dividend payout of EUR 0.15 on each share entitled to a dividend.

The Supervisory Board proposes, in accordance with § 270 (1) Austrian Business Enterprise Code (UGB) and Rule 78 Austrian Code of Corporate Governance, that PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH be appointed to be (group) auditor for the financial statements for business year 2009/2010.

The Supervisory Board wishes to thank the company management and the employees for their dedicated work, especially in an economic environment which was considerably more difficult even than the year before.

Vienna, 15 June 2009

Waldemar Jud
Chairman of the Supervisory Board

Glossary of Key Figures

EBITDA margin

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

EBIT margin

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

Equity ratio

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

Net debts

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

Gearing ratio

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

Working capital

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

Free cash flow

Cash flow from operating activities plus cash flow from investing activities

ROS – Return on sales

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

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 the 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 after deduction of the book values for goodwill

Consolidated Financial Statements 2008/2009

of the DO & CO Group according to IFRS

Balance Sheet as of 31 March 2009

Notes	ASSETS in TEUR	31 Mar 2009	31 Mar 2008
	Intangible assets	28,733	38,859
	Tangible assets	57,548	43,631
	Financial assets	1,536	1,576
(1)	Fixed assets	87,817	84,066
(2)	Other long-term assets	1,046	333
	Long-term assets	88,863	84,399
(3)	Inventories	11,238	8,113
(4)	Trade accounts receivable	31,875	41,631
(4)	Other Short-term accounts receivable and assets	18,022	15,910
(5)	Cash and cash equivalents	15,132	26,069
	Current assets	76,267	91,723
(6)	Deferred taxes	4,227	4,452
	Total assets	169,357	180,574

Notes	LIABILITIES and SHAREHOLDERS' EQUITY in TEUR	31 Mar 2009	31 Mar 2008
	Nominal capital	15,590	15,590
	Capital reserves	34,464	34,464
	Revenue reserves	23,124	17,879
	Foreign currency translation reserve	-6,502	-6,360
	Own shares	-162	0
	Consolidated result	2,084	6,413
	Equity attributable to the shareholders of the parent	68,598	67,987
	Minority interests	12,075	9,850
(7)	Shareholders' equity	80,672	77,836
(8)	Long-term provisions	14,771	16,072
(9)	Long-term financial liabilities	8,503	14,337
(10)	Other long-term liabilities	225	6,730
	Long-term liabilities	23,499	37,139
(11)	Short-term provisions	31,767	21,612
(12)	Short-term financial liabilities	6,699	6,100
(13)	Trade accounts payable	17,979	23,482
(13)	Other short-term liabilities	8,740	14,404
	Current liabilities	65,185	65,598
	Total liabilities and shareholders' equity	169,357	180,574

Income Statement

for Business Year 2008/2009

Notes	in TEUR	Business Year 2008 / 2009	Business Year 2007 / 2008
(14)	Sales	387,775	354,625
(15)	Other operating income	15,080	11,626
(16)	Costs of materials and services	-164,724	-137,832
(17)	Personnel expenses	-133,945	-127,513
(18)	Depreciation of tangible fixed assets and amortization of intangible fixed assets	-16,810	-15,478
(18)	Unscheduled amortization of Intangible fixed assets	-3,410	0
(19)	Other operating expenses	-75,359	-70,768
	EBIT - Operating result	8,607	14,660
(20)	Financial result	227	-385
	Profit before taxes	8,835	14,274
(21)	Income tax	-3,488	-5,197
	Profit for the Year	5,346	9,077
(22)	Minority interests	-3,263	-2,663
	Consolidated result	2,084	6,413
		Business Year 2008 / 2009	Business Year 2007 / 2008
	Issued shares	7,779,245	7,795,200
	Weighted shares (number of individual shares)	7,790,230	7,795,200
(23)	Earnings per share	0.27	0.82

Cash Flow Statement

in TEUR	Business Year 2008 / 2009	Business Year 2007 / 2008
Profit before taxes	8,835	14,274
+ Depreciation and amortization	20,220	15,478
-/+ Gains / losses from disposals of fixed assets	432	83
+/- Earnings from associated companies	-78	-34
-/+ Other non cash income	-838	497
Cash-flow from result	28,570	30,298
-/+ Increase / decrease in inventories and short-term accounts receivable	4,944	1,027
+/- Increase / decrease in provisions	5,644	-145
+/- Increase / decrease in trade accounts payable and other liabilities	-11,843	-3,060
+/- Currency-related changes in non fund assets	-422	6,856
+/- Change in adjustment items from debt consolidation	761	-2,471
- Income tax payments and changes in deferred taxes	-2,991	-5,620
Cash-flow from operating activities	24,662	26,884
+/- Income from disposals of tangible and intangible fixed assets	211	277
+/- Changes in cash and cash equivalents arising from changes to the scope of consolidation	0	475
- Outgoing payments from additions to tangible and intangible fixed assets	-24,234	-8,736
-/+ Increase / decrease in long-term liabilities	112	-9
Cash-flow from investing activities	-23,912	-7,994
- Dividend payment to shareholders	-1,169	-974
+ Capital increase	0	-934
+/- Cash-flow from purchase of treasury stock	-162	0
+/- Increase / decrease in financial liabilities	-10,522	-14,807
Cash-flow from financing activities	-11,853	-16,716
Total cash-flow	-11,103	2,175
Cash and cash equivalents at the beginning of the year	26,069	25,753
Effects of exchange rate changes on cash and cash equivalents	166	-1,859
Cash and cash equivalents at the end of the year	15,132	26,069
Change in funds	-11,103	2,175

Shareholders' Equity 2008/2009

in TEUR	Equity attributable to the shareholders of the parent							Total	Minority interests	Shareholders' equity
	Nominal capital	Capital reserves	Revenue reserves	Foreign currency translation reserves	Own shares	Consolidated result				
As of 31 March 2007	14,162	35,892	15,020	-3,676	0	3,834		65,232	8,454	73,687
Cons. Result 2007 / 2008						6,413		6,413	2,663	9,077
Profit carried forward 2006 / 2007			2,860			-2,860		0		0
Currency translation				-214				-214	-1,268	-1,482
Effect of Net Investment Approach				-2,471				-2,471		-2,471
Total	0	0	2,860	-2,685	0	3,553		3,729	1,395	5,124
Dividend payment 2006/2007						-974		-974		-974
Other changes	1,428	-1,428						0		0
As of 31 March 2008	15,590	34,464	17,879	-6,360	0	6,413		67,987	9,850	77,836
Cons. result 2008 / 2009						2,084		2,084	3,263	5,346
Profit carried forward 2007 / 2008			5,244			-5,244		0		0
Currency translation				-902				-902	-1,038	-1,940
Effect of Net Investment Approach				761				761		761
Total	0	0	5,244	-141	0	-3,161		1,942	2,225	4,167
Dividend payment 2007 / 2008						-1,169		-1,169		-1,169
Changes in treasury stock					-162			-162		-162
As of 31 March 2009	15,590	34,464	23,124	-6,502	-162	2,084		68,598	12,075	80,672

Subsidiaries

of DO & CO Restaurants & Catering AG as of 31 March 2009

	Place of registration	Country	Share of stock in %	Controlling company	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 & Veranstaltungen 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	Schwechat	A	100.0	DCAG	EUR	36 3)
AIOLI Restaurants & Party-Service GmbH	Vienna	A	100.0	DCAG	EUR	36 3)
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH	Vienna	A	100.0	DCCC	EUR	799 4)
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	Schwechat	A	100.0	DCCC	EUR	800 4)
DO & CO (Deutschland) Holding GmbH	Berlin	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.

DO & CO Restaurants & Catering Aktiengesellschaft, Vienna

Notes

on the Consolidated Financial Statements 2008/2009

In application of § 245a Austrian Business Enterprise Code (UGB), the consolidated financial statements of DO & CO Restaurants & Catering AG as of 31 March 2009 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. Basic Principles

1.1. General Information

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 annual and 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, except those companies who had already been subject to an audit under national law and their economic significance and influence on the asset, financial and earnings position of the group are immaterial. The annual and 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 2008/2009 as applied in the EU and in application of the parent's standard group-wide accounting and valuation principles.

The consolidated financial statements conform to the International Financial Reporting Standards (IFRS) valid for business year 2008/2009, as applicable in the European Union (EU).

1.2. Effects of New and Modified Standards

New standards enacted by the IASB are applied from the date they take effect.

The first-time application starting in business year 2009/2010 of IFRS 8 (Operating Segments), IAS 1 (Comprehensive Revision of the Presentation of Financial Statements and Other Information Including the Requirement for a Statement of Comprehensive Income) and IAS 32 (Financial Instruments—Additional Information) are expected to bring about additional disclosure requirements particularly for the consolidated financial statements. The application of IFRS 8 is not likely to cause any material changes to conveying as fairly as possible the group's assets, earnings and financial situation.

The application of IFRS 3 revised (Business Combinations, Comprehensive Revision as Regards the Application of the Acquisition Method) will be mandatory starting in business year 2010/2011 along with the associated subsequent changes in IAS 27, 28 and 31 and the amendments to IFRS 39 (Financial Instruments: Recognition and Measurement regarding Exposures Qualifying for Hedge Accounting). So too will the application of IAS 23 (Borrowing Costs) and IFRS 2 (Share-based Payment). The impact of these changes cannot yet be determined with sufficient certainty or will be of negligible importance for the group.

The provisions of IFRIC 12 (Service Concession Arrangements) and IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset) whose application becomes mandatory starting this business year of IFRIC 13 (Customer Loyalty Programs) and IFRIC 15 (Agreements for the Construction of Real Estate) whose application becomes mandatory starting in business 2009/2010 as well as of IFRIC 17 (Distributions of Non-cash Assets) and IFRIC 18 (Transfers of Assets from Customers) whose application becomes mandatory starting in business 2010/2011 all cover subjects unrelated to the DO & CO Group.

I.2. Consolidation Principles

2.1. Scope of Consolidation

The scope of consolidation was determined in accordance with the principles of IAS 27 (Consolidated Financial Statements). In accordance with this standard, seventeen domestic and twenty-two foreign subsidiaries were included in the consolidated accounts as of 31 March 2009 in addition to DO & CO Restaurants & Catering AG. All the above subsidiaries are wholly-owned directly or indirectly by the latter company. The group has a 90 % stake in one domestic company that is included in full in the consolidated accounts. One foreign company in which the Group has a 50 % stake is fully consolidated because the stake constitutes a controlling interest.

One foreign company, which is jointly managed by DO & CO Restaurants & Catering AG (i.e. associated company) and in which the latter has a 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 holds a 40 % stake and a domestic company in which it holds a 49 % stake.

The scope of consolidation (including DO & CO Restaurants & Catering AG) did not change in business year 2008/2009 in relation to the previous year.

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 reporting date close in time 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 unscheduled reduction 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.

2.3. Currency Translation

The annual 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 is the national currency of their country of registration since the subsidiaries are financially, economically and organizationally independent in their conduct of business. The only exceptions are two British companies.

The annual 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. One subsidiary with registered office in Slovakia has been carried in euros since 1 January 2009. The balance sheet items were valued at the mean rate on the reporting date of 31 March 2009. Income and expenses on the income statement were translated at the annual 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. Positive translation differences of TEUR 2,485 were recognized in equity in the year under review with no effect on profit and loss.

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

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

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

	in EUR	Reporting Date Rate		Cum. Average Rate	
		31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
1 US Dollar		0.751428	0.632431	0.712652	0.699709
1 British Pound		1.074345	1.256597	1.200718	1.409237
1 Turkish Lira (formerly: New Turkish Lira)		0.450207	0.483676	0.506490	0.561219
1 Swiss Franc		0.659979	0.635405	0.644018	0.610639
1 Slovak Koruny		-	0.030692	-	0.029914

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. It is not permitted to reverse an impairment loss recognized for goodwill 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 business year 2008/2009.

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 31 March 2009 was as follows:

in TEUR	31 Mar 2009	31 Mar 2008
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 financial year were always written down at the full annual rate of depreciation; those added after 30 September 2008 were subjected to half of the annual rate or written down *pro rata temporis*.

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

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

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

Shares in affiliated companies

Shares in group undertakings were valued at the cost of acquisition. The recorded shares in group undertakings 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.

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.

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 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.

Non-current Assets Held for Sale/Liabilities Directly Allocable to Disposal Group Classified as Held for Sale

Assets held for sale and liabilities of subsidiaries were carried under this item according to IFRS 5 at the lower of the book value and the applicable present market value less sales expenses. Non-current assets/liabilities held for sale had a book value of EUR 0.00 at 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 Pensions, Termination and Long-Service Anniversary Bonuses

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 6.0 % p.a. (PY: 5.75 % p.a.) and based on expected pay raises of 3.0 % p.a. (PY: 2.5 % 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.

Actuarial gains and losses were immediately offset unchanged under payroll costs 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 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.

Liabilities

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 which 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 year under review.

II. Notes to the Balance Sheet and the Income Statement

II.1. The Balance Sheet

(1) Fixed Assets

in TEUR	31 Mar 2009	31 Mar 2008
Intangible assets	28,733	38,859
Tangible assets	57,548	43,631
Financial assets	1,536	1,576
Total	87,817	84,066

The attached assets schedule shows a breakdown of the fixed asset items summarized in the consolidated balance sheet and changes in them during business year 2008/2009 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 year under review and from the use of average rates for movements during the year.

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 year under review. Unscheduled amortization amounting to TEUR 3,410 was undertaken on other intangible assets (customer agreement) in business year 2008/2009. An impairment test pursuant to IAS 36 was undertaken because there were signs of impairment. Based on a multi-year forecast calculation and several different scenarios, a DCF procedure was applied to calculate the recoverable amount of this asset (value in use as the present value of the future cash flows expected to be derived from this asset), and the carrying value was reduced by the difference in an unscheduled write-down.

The land included under tangible fixed assets has a value of TEUR 684 (PY: TEUR 576).

Purchase order commitments for assets ordered but not yet delivered as at 31 March 2009 amounted to TEUR 194 (PY: TEUR 3,976).

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	31 Mar 2009	31 Mar 2008
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 and were as follows:

in TEUR	31 Mar 2009	31 Mar 2008
In the following business year	19,107	15,673
in the next five business years	95,020	76,420

An obligation of TEUR 20,364 (PY: TEUR 22,247) exists based on a long-term lease (waiver of termination until 2024).

Other equipment and office equipment includes standard values of TEUR 903 (PY: TEUR 932) for tableware, cutlery, table linen and containers. The standard values were carried under assets largely at the companies producing sales in the Restaurants, Lounges & Hotel Division.

Financial Assets

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

in TEUR	31 Mar 2009	31 Mar 2008
As of 1.4	1,362	5
Increase / decrease	0	1,323
Dividend payments	-445	0
Proportional periodic results	404	34
Total	1,322	1,362

The associated companies, all non-listed companies, were as follows:

in TEUR	31 Mar 2009	31 Mar 2008
Sky Gourmet Malta Ltd.	53	8
Sky Gourmet Malta Inflight Services Ltd.	64	32
Giava Demel S.r.l.	0	0
ISS Ground Services GmbH	1,205	1,323
Total	1,322	1,362

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	31 Mar 2009	31 Mar 2008
Other long-term assets	1,046	333
Total	1,046	333

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 2009 and thus diverging from the calendar year and due to deposit payments put down for leased facilities.

(3) Inventories

in TEUR	31 Mar 2009	31 Mar 2008
Raw materials and supplies	5,460	3,836
Goods	5,778	4,277
Total	11,238	8,113

The sub-item "Goods" includes TEUR 2,670 (PY: TEUR 1,815) 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.

The increase in inventories is attributable primarily to the additional services now provided by Airline Catering in Turkey.

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

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

in TEUR	31 Mar 2009	31 Mar 2008
Trade accounts receivable	31,875	41,631
Accounts receivable from associated companies	631	537
Other accounts receivable and assets	16,509	14,463
Prepaid expenses and deferred charges	882	910
Total of other current accounts receivable and other current assets	18,022	15,910
Total	49,897	57,541

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

in TEUR	31 Mar 2009	31 Mar 2008
As of 1.4.	1,909	2,787
Allocation	329	427
Reclassification	398	0
Consumption	-669	-202
Release	-304	-1,103
Total	1,663	1,909

Trade receivables had the following maturity structure:

in TEUR	31 Mar 2009	31 Mar 2008
undue for payment	19,079	21,831
less than 20 days due	5,740	13,014
more than 20 days but less than 40 days due	3,216	2,383
more than 40 days but less than 80 days due	1,252	978
more than 80 days due	2,588	3,425
Total	31,875	41,631

The following value adjustment was undertaken on other short-term accounts receivable:

in TEUR	31 Mar 2009	31 Mar 2008
As of 1.4.	62	66
Allocation	27	6
Consumption	-3	-6
Release	0	-4
Total	86	62

Other short-term accounts receivable include overdue receivables amounting to TEUR 93 (PY: TEUR 78).

The trade accounts receivable at 31 March 2009 contained TEUR 8,018 (PY: TEUR 10,299) in accounts receivable from individual customers that make up more than 20 % of the total outstanding accounts receivable at 31 March 2009. Nearly all these receivables had been settled by mid-May 2009. There is no information suggesting any concrete risks of default at the reporting date.

Other current accounts receivable and assets contain TEUR 12,306 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	31 Mar 2009	31 Mar 2008
Cash, checks	499	803
Cash at banks	14,633	25,266
Total	15,132	26,069

Cash and cash equivalents were used for loan repayments and investments. A total of TEUR 0 of cash at banks was invested in short-term time deposits (PY: TEUR 7,872). Interest on balances at banks in business year 2008/2009 averaged 5.0 % (PY: 6.9 %).

(6) Deferred Taxes

Deferred tax assets and liabilities result 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	31 Mar 2009		31 Mar 2008	
	Assets	Liabilities	Assets	Liabilities
Intangible fixed assets	25	-2,406	70	-2,252
Property, plant and equipment	228	-1,308	278	-1,364
Financial assets	0	-1,087	4	-1,486
Inventories	0	-51	0	-43
Accounts receivable	77	0	37	0
Consolidation entries	2,555	0	2,525	-129
Provisions	3,083	-3	1,133	-3
Liabilities	1,043	0	864	0
Prepaid expenses or deferred income	0	-17	0	0
Total deviations in balance sheet	7,010	-4,872	4,912	-5,277
Tax losses carried forward	4,041	0	5,365	0
Valuation discount for capitalized deferred tax	-3,463	0	-3,254	0
Offsetting of differences with the same tax authorities	-3,361	3,361	-2,570	2,570
Total	4,227	-1,511	4,452	-2,706

No deferred taxes were capitalized in these consolidated financial statements for differences on the asset side and for tax loss carryforwards totaling TEUR 3,463 (PY: TEUR 3,254), because the company is not yet sufficiently certain that these deferred tax assets can be realized as future tax relief.

(7) Shareholders' Equity

The consolidated shareholders' equity developed as follows in the business years 2007/2008 and 2008/2009:

in TEUR	31 Mar 2009	31 Mar 2008
Nominal capital	15,590	15,590
Capital reserves	34,464	34,464
Revenue reserves	23,124	17,879
Foreign currency translation reserve	-6,502	-6,360
Own shares	-162	0
Consolidated result	2,084	6,413
Equity attributable to the shareholders of the parent	68,598	67,987
Minority interests	12,075	9,850
Shareholders' equity	80,672	77,836

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

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

The share capital of the company is increased pursuant to § 159 (2) 1 Austrian Corporation Act by up to EUR 7,795,200.00 through the issue of up to 3,897,600 new no-par bearer shares for issuing to creditors of financial instruments based on the resolution of the General Meeting of 10 July 2008. The capital increase may only be carried out to the extent that the creditors of financial instruments exercise their warrant or conversion rights to company shares (conditional capital).

DO & CO bought back 15,955 shares in the year under review under the stock repurchasing program. That corresponds to 0.205 % of the share capital.

The shares of DO & CO Restaurants & Catering AG have been listed since 19 March 2007 in the Prime Market of the Vienna Stock Exchange. The private foundation Attila Dogudan Privatstiftung is the majority shareholder in DO & CO Restaurants & Catering Aktiengesellschaft with a stake of 50.65 %. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 24.79 % and the remaining shares are in free float. The shares in free float include a stake of more than 5 % held by DWS Investment GmbH (all ownership figures refer to the reporting date and take into account the Treasury shares repurchased at that time).

Besides earnings salted away in reserves, the revenue reserve item contains revenue reserves in the amount of the tax investment allowances taken advantage of, as recorded in the individual financial statements of domestic companies. No deferred tax 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 as well as changes arising from adjusted consolidation entries in 2008/2009 not having any effect on profit and loss.

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

(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 2008	Currency changes	Consumed	Release	Allocation	As of 31 March 2009
Provisions for severance payments PBO	10,196	-369	1,119	102	1,138	9,744
Provisions for pension payments PBO	492	0	59	0	100	534
Provisions for long-service anniversary payments PBO	2,575	0	283	0	532	2,824
Provisions for deferred tax	2,706	238	2,126	0	692	1,511
Other provisions	102	0	0	0	56	158
Total	16,072	-132	3,586	102	2,518	14,771

The values of provisions for termination benefits (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 6.0 % (PY: 5.75 %), on imputed pay increases of 3.0 % (PY: 2.5 %) and on imputed pension increases of 3.0 % (PY: 2.5 %).

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

in TEUR	Severances		Pensions		Long-service anniversary	
	2008 / 2009	2007 / 2008	2008 / 2009	2007 / 2008	2008 / 2009	2007 / 2008
Present value of obligations (PBO) on 1 April	10,196	10,481	492	552	2,575	2,533
Currency changes	-677	-450	0	0	0	0
Current service cost*	2,100	1,658	0	0	398	385
Interest cost*	613	449	27	21	150	107
Benefit payments	-3,139	-1,007	-56	-59	-217	-168
Settlements / curtailments*	749	42	0	0	-30	-30
Actuarial gain*	-99	-977	71	-22	-53	-252
Present value of obligations (PBO) on 31 March	9,744	10,196	534	492	2,824	2,575

* 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 exclusively of provisions for agreements on an option for older employees to go part-time.

(9) Long-Term Financial Liabilities

in TEUR	31 Mar 2009	31 Mar 2008
Liabilities to banks	8,503	14,337
Total	8,503	14,337

The reduction in the long-term financial liabilities results largely from repayment on money borrowed to finance the joint venture in Turkey. These liabilities are subject to variable interest rates at terms and conditions customary for external customers.

(10) Other Long-Term Liabilities

in TEUR	31 Mar 2009	31 Mar 2008
Trade accounts payable	0	23
Other liabilities	225	6,707
Total	225	6,730

Other long-term liabilities in business year 2007/2008 contained a loan granted by the holder of a minority interest at a foreign subsidiary. This loan was repaid in full as of the reporting date of 31 March 2009.

(11) Short-Term Provisions

in TEUR	As of 31 March 2008	Currency changes	Consumed	Release	Allocation	As of 31 March 2009
Provision for taxation	3,142	-289	70	0	4,765	7,547
Other personnel provisions	11,117	-72	9,900	1,253	9,810	9,702
Deliveries and services not yet invoiced	1,978	-16	1,516	203	1,833	2,078
Other provisions	5,375	-964	2,809	1,135	11,973	12,441
Total	21,612	-1,341	14,294	2,590	28,381	31,767

Provisions for personnel expenses pertain largely to three sets of provisions. The first totals TEUR 1,739 (PY: TEUR 1,888) 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 5,952 (PY: TEUR 5,942) for vacation not yet taken as of the reporting date. The third relates to other provisions totaling TEUR 2,010 (PY: TEUR 3,284) for performance-linked components of pay.

(12) Short-Term Financial Liabilities

in TEUR	31 Mar 2009	31 Mar 2008
EUR cash advances	6,699	6,100
Total	6,699	6,100

Financial liabilities existing as of the reporting date resulted from euro cash advances taken out at various banks at an average annual interest rate of 3.9 % (PY: 4.6 %).

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

in TEUR	31 Mar 2009	31 Mar 2008
Trade accounts payable	17,979	23,482
Advance payments received on orders	989	5,565
Other liabilities	7,655	8,632
Deferred income	96	208
Total other short-term liabilities	8,740	14,404
Total	26,719	37,886

Last year, the advance payments item included TEUR 4,689 in advance payments received on orders from advance payments connected to the preparation of the catering contract for the UEFA EURO 2008.

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 service providers in an amount equal to current remuneration payments.

Contingent Liabilities

in TEUR	31 Mar 2009	31 Mar 2008
Securities	11,876	1,413

The amounts recorded under this item pertain to bank guarantees to secure claims in connection with leases and to secure refunds of advance tax payments from the Italian fiscal authorities (as was the case last year) and guarantees of supply from Turkey.

II.2. Notes to the Income Statement

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

(14) Sales

in TEUR	Business Year 2008 / 2009	Business Year 2007 / 2008
Airline Catering	246,842	251,957
International Event Catering	76,873	41,645
Restaurants, Lounges & Hotel	64,061	61,023
Total	387,775	354,625

Realized sales were defined for primary segment reporting in accordance with the internal report structure. Regionally, sales were divided according to the place of performance by the companies of the DO & CO Group ("management approach" in accordance with IAS 14). As regards the detailed presentation of the sales revenues, please refer to reporting in the Management Report and Segment Reporting in the Notes (cf (28)).

(15) Other Operating Income

in TEUR	Business Year 2008 / 2009	Business Year 2007 / 2008
Proceeds of the disposal of fixed assets	154	0
Income from the release of provisions	2,590	1,792
Release of provisions for bad debts	304	1,107
Insurance payments	156	65
Rent income	117	127
Exchange rate differences	8,828	5,077
Miscellaneous operating income	2,931	3,457
Total	15,080	11,626

The TEUR 3,454 increase in other operating income is mainly traceable to exchange rate differences. Other operating expenses contain exchange rate losses of TEUR 8,606.

(16) Costs of Materials and Services

in TEUR	Business Year 2008 / 2009	Business Year 2007 / 2008
Costs of materials (including goods purchased for resale)	116,587	112,368
Costs of services	48,137	25,464
Total	164,724	137,832

(17) Personnel expenses

in TEUR	Business Year 2008 / 2009	Business Year 2007 / 2008
Wages	80,673	78,622
Salaries	22,044	21,128
Expenses for severance payments	3,903	1,133
Expenses for legally mandated social security contributions and for related costs	23,208	22,817
Other social expenses	4,116	3,813
Total	133,945	127,513

Personnel expenses in business year 2008/2009 contained non-recurring expenses of TEUR 1,332 resulting from capacity adjustments in Austria.

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

in TEUR	Business Year 2008 / 2009	Business Year 2007 / 2008
Scheduled amortization and depreciation	16,810	15,478
Unscheduled amortization	3,410	0
Total	20,220	15,478

The customer agreement with Austrian Airlines AG was capitalized as an intangible fixed asset at a carrying amount of EUR 12.5 million in the course of acquiring Airst Catering GmbH (now known as: Sky Gourmet - airline catering and logistics GmbH) and subjected to scheduled amortization in accordance with its expected useful life. This asset was subject to unscheduled amortization of TEUR 3,410 in the year under review. The remaining book value as of 31 March 2009 will undergo scheduled amortization over the remainder of its useful life.

III. Other Information

(23) Earnings per Share

The number of shares issued as of 31 March 2009 totaled 7,795,200 (PY: 7,795,200 shares). The current favorable price of DO & CO stock was utilized for a stock buyback program based on the Management Board resolution of 14 October 2008. A maximum of 4 % of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011. As of the reporting date, the company had repurchased 15,955 shares of stock. That corresponds to 0.205 % of the share capital.

	Business Year 2008 / 2009	Business Year 2007 / 2008
Issued shares	7,779,245	7,795,200
Weighted shares (number of individual shares)	7,790,230	7,795,200
Earnings per share	0.27	0.82

Based on the consolidated profit of TEUR 2,084 (PY: TEUR 6,413), the earnings per share amounted to EUR 0.27 (PY: EUR 0.82).

(24) Proposal for Appropriation of Profit

According to the provisions of the Austrian Corporation Act (AktG), the annual financial statements of DO & CO Restaurants & Catering AG as of 31 March 2009, prepared in accordance with the Austrian accounting regulations, form the basis for the distribution of a dividend. These financial statements show a balance-sheet profit of EUR 1,169,280.00. The Management Board proposes to the General Meeting of Shareholders that the entire balance-sheet profit be distributed, for a dividend payout of EUR 0.15 on each share entitled to a dividend.

(25) Cash Flow Statement

The cash flow statement 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 consolidated management report contains a detailed explanation of the cash flow statement.

(26) 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:

	31.3.2009 book-value	non-financial instruments	31.3.2009 book-value of financial- instruments	31.3.2009 fair value of financial- instruments	valua- tion	LaR / FL	AFS	HTM	FV t P&L
Assets in TEUR									
Financial assets	1,536	1,322	214	214	FV	0	214	0	0
Other long-term assets	1,046	825	221	221	AC	221	0	0	0
Trade accounts receivable	31,875	0	31,875	31,875	AC	31,875	0	0	0
Accounts receivable from associated companies	631	0	631	631	AC	631	0	0	0
Other accounts receivable and assets	16,509	12,894	3,615	3,615	AC	3,615	0	0	0
Cash and cash equivalents	15,132	0	15,132	15,132	AC	15,132	0	0	0
Total	66,729	15,041	51,687	51,687		51,474	214	0	0

Liabilities in TEUR									
Long-term financial liabilities	8,503	0	8,503	8,503	AC	8,503	0	0	0
Other long-term liabilities	225	0	225	225	AC	225	0	0	0
Short-term financial liabilities	6,699	0	6,699	6,699	AC	6,699	0	0	0
Trade accounts payable	17,979	0	17,979	17,979	AC	17,979	0	0	0
Other liabilities	8,740	5,307	3,433	3,433	AC	3,433	0	0	0
Total	42,147	5,307	36,840	36,840		36,840	0	0	0

	31.3.2008 book-value	non-financial instruments	31.3.2008 book-value of financial- instruments	31.3.2008 fair value of financial- instruments	valua- tion	LaR / FL	AFS	HTM	FV t P&L
Assets in TEUR									
Financial assets	1,576	1,362	214	214	FV	0	214	0	0
Other long-term assets	333	100	233	233	AC	233	0	0	0
Trade accounts receivable	41,631	0	41,631	41,631	AC	41,631	0	0	0
Accounts receivable from associated companies	537	0	537	537	AC	537	0	0	0
Other accounts receivable and assets	14,463	9,531	4,932	4,932	AC	4,932	0	0	0
Cash and cash equivalents	26,069	0	26,069	26,069	AC	26,069	0	0	0
Total	84,609	10,993	73,616	73,616		73,401	214	0	0

Liabilities in TEUR									
Long-term financial liabilities	14,337	0	14,337	14,337	AC	14,337	0	0	0
Other long-term liabilities	6,730	0	6,730	6,730	AC	6,730	0	0	0
Short-term financial liabilities	6,100	0	6,100	6,100	AC	6,100	0	0	0
Trade accounts payable	23,482	0	23,482	23,482	AC	23,482	0	0	0
Other liabilities	14,404	9,631	4,774	4,774	AC	4,774	0	0	0
Total	65,054	9,631	55,423	55,423		55,423	0	0	0

The profit/loss from financial instruments based on the categories in IAS 39 are composed in 2008/2009 and 2007/2008 of interest and do not contain any subsequent valuations.

Risk Report – Financial Risks

Currency Risk

DO & CO is heavily exposed to the risk of 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 USD, YTL 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 and with the same maturity. The company also strives to avoid currency risk by including appropriate clauses in its 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 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:

A 5 % change in the EUR-to-USD exchange rate would have an effect equivalent to plus TEUR 341 (PY: TEUR 1,295).

A 5 % change in the EUR-to-GBP exchange rate would have an effect equivalent to plus TEUR 286 (PY: TEUR 758).

A 5 % change in the EUR-to-YTL exchange rate would have an effect equivalent to minus TEUR 779 (PY: TEUR -179).

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, it is essential to conduct a meticulous analysis of their impact on the group's liquidity.

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

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

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 31 March 2009 can be analyzed as follows:

in TEUR	Business year 2008 / 2009		Business year 2007 / 2008	
	Repayment	Interest	Repayment	Interest
within one year due	7,277	601	6,171	1,478
between one and five years due	8,150	861	20,973	2,613
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 takes proactive steps to control the risk of default associated with major customers by entering into contractual agreements with them and by having customers furnish collateral. Weekly reporting on the outstanding items of all legal entities was further refined in the year under review as part of these efforts.

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 and 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

All financial facilities have the same term as the projects they finance. Financing is done at usual market conditions.

Given the low level of net financial indebtedness, a one-percent change in the average interest rate would have an effect equivalent to only about 0.4 % 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
- Sustained equity ratio of over 35 %
- 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.

(27) Events After the Balance Sheet Date

Events occurring after the reporting date that are significant to the valuation on the balance sheet date, e.g. pending legal cases, claims for damages and other obligations or threats of losses, are required to be included in the accounts or divulged in accordance with IAS 10 (Events after the Balance Sheet Date). DO & CO Restaurants & Catering AG took any such events it was aware of into account in these consolidated financial statements.

(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. and the latter's 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 about EUR 470,000.00 in business year 2008/2009 for legal counsel.

The group has a 50 % stake in THY DO&CO İkrâm Hizmetleri A.Ş. Turkish Airlines (Türk Hava Yolları A.O.) holds the remaining 50 % stake in this company. THY DO&CO İkrâm Hizmetleri A.Ş. provides airline catering services to Turkish Airlines. Sales from this business totaled TEUR 78,877 in business year 2008/2009 (PY: TEUR 63,687). DO & CO purchased fixed assets valued at about TEUR 3,790 from Turkish Airlines in a one-time action after assuming responsibility in business year 2008/2009 for additional services for Turkish Airlines (beverage handling). All business relations were conducted at terms and conditions customary for external partners. Trade accounts receivable contain about TEUR 2,531 in trade receivables owed by Turkish Airlines in connection with this business relationship (PY: approximately TEUR 2,548). The consolidated financial statements contain TEUR 0 in long-term liabilities (PY: TEUR 6,337) in connection with amounts borrowed to finance THY DO&CO İkrâm Hizmetleri A.Ş.

(29) Segment Reporting

Group Business Year 2008/2009	Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Sales	246.84	76.87	64.06	387.78
EBITDA	18.47	5.70	4.66	28.83
Depreciation/amortization	-16.66	-1.32	-2.25	-20.22
EBIT	1.81	4.38	2.41	8.61
EBITDA margin	7.5%	7.4%	7.3%	7.4%
EBIT margin	0.7%	5.7%	3.8%	2.2%
Share of Group Sales	63.7%	19.8%	16.5%	

The Management Report contains a thorough report by division for business years 2008/2009 and 2007/2008. The information may deviate somewhat from the specifications in the standards because certain group companies conduct business in several segments, making it only conditionally possible to report on a segment basis.

(30) Information on Corporate Boards and Employees

The average number of employees was as follows:

	Business year 2008/2009	Business year 2007/2008
blue-collar employee	3,330	3,338
white-collar worker	505	436
Total	3,835	3,774

On average, a further 329 individuals (PY: 316) 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 business year 2008/2009:

The Management Board: Attila DOGUDAN, Vienna, Chairman
Michael DOBERSBERGER, Vienna

The fixed pay of the members of the Management Board in the year under review totaled TEUR 560, with about TEUR 338 going to Attila Dogudan and about TEUR 222 to Michael Dobersberger. The variable salary components amounted to TEUR 0.

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 38 (PY: TEUR 38) for business year 2007/2008 in accordance with a decision by the General Meeting of Shareholders on 10 July 2008.

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

Vienna, 29 May 2009

The Management Board:

Attila Dogudan mp
Chairman

Michael Dobersberger mp

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 with straight-line amortization for goodwill while IFRS 3, for its part, stipulates that goodwill must 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 towards 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 (UGB), 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 31 March 2009

in TEUR	Cost of acquisition and production							Accumulated depreciation					Book-value	
	As at	Changes	Translation	Additions	Reclassifications	Disposals	As at	Stand	Translation	Depreciation	As at			
	31 March 2008	in scope of consolidation	differences				31 March 2009	31 March 2008	differences	charge of the year	Disposals	31 March 2009	31 March 2009	31 March 2008
I. Intangible assets														
1. Industrial property rights and similar rights and benefits including deriving from them	45,978	0	-2,223	259	0	64	43,950	11,175	-973	9,132	60	19,273	24,677	34,803
2. Goodwill	4,056	0	0	0	0	0	4,056	0	0	0	0	0	4,056	4,056
	50,034	0	-2,223	259	0	64	48,007	11,175	-973	9,132	60	19,273	28,733	38,859
II. Tangible assets														
1. Land and buildings including buildings on third party land	39,812	0	236	12,377	1,457	1,149	52,731	16,605	255	3,652	1,073	19,439	33,293	23,207
2. Plant and machinery	19,756	0	-248	3,804	258	1,085	22,485	14,802	-2	1,942	983	15,760	6,725	4,954
3. Other equipment and office equipment	37,151	0	-769	9,148	-56	2,658	42,815	23,408	-181	5,493	2,492	26,229	16,587	13,742
4. Payments on account and assets in course of construction	1,727	0	-186	1,062	-1,659	0	944	0	0	0	0	0	944	1,727
	98,446	0	-969	26,392	0	4,893	118,976	54,815	72	11,088	4,547	61,428	57,548	43,631
III. Financial assets														
1. Investments in associated companies	1,362	0	0	78	0	118	1,322	0	0	0	0	0	1,322	1,362
2. Securities held at long-term investments	221	0	0	175	0	182	214	7	0	0	7	0	214	214
	1,583	0	0	253	0	300	1,536	7	0	0	7	0	1,536	1,576
Total	150,064	0	-3,191	26,903	0	5,257	168,518	65,997	-902	20,220	4,615	80,701	87,817	84,066
in TEUR	As at	Changes	Translation	Additions	Reclassifications	Disposals	As at	Stand	Translation	Depreciation	As at			
	31 March 2007	in scope of consolidation	differences				31 March 2008	31 March 2007	differences	charge of the year	Disposals	31 March 2008	31 March 2008	31 March 2007
I. Intangible assets														
1. Industrial property rights and similar rights and benefits including deriving from them	49,303	0	-3,638	551	0	238	45,978	6,177	-923	6,159	238	11,175	34,803	43,126
2. Goodwill	4,507	0	0	0	0	450	4,056	0	0	0	0	0	4,056	4,507
	53,810	0	-3,638	551	0	688	50,034	6,177	-923	6,159	238	11,175	38,859	47,633
II. Tangible assets														
1. Land and buildings including buildings on third party land	41,368	0	-3,182	1,401	394	170	39,812	14,332	-842	3,223	107	16,605	23,207	27,037
2. Plant and machinery	18,323	0	-571	2,434	11	440	19,756	13,895	-234	1,551	411	14,802	4,954	4,427
3. Other equipment and office equipment	32,494	228	-1,108	7,396	244	2,103	37,151	21,225	-485	4,546	1,877	23,408	13,742	11,269
4. Payments on account and assets in course of construction	685	0	-189	1,906	-649	26	1,727	0	0	0	0	0	1,727	685
	92,871	228	-5,050	13,137	0	2,740	98,446	49,452	-1,561	9,319	2,395	54,815	43,631	43,419
III. Financial assets														
1. Investments in affiliated companies	60	-48	0	0	0	12	0	0	0	0	0	0	0	60
2. Investments in associated companies	5	0	0	1,360	0	2	1,362	0	0	0	0	0	1,362	5
3. Securities held at long-term investments	224	0	0	0	0	3	221	7	0	0	0	7	214	217
	290	-48	0	1,360	0	17	1,583	7	0	0	0	7	1,576	282
Total	146,970	180	-8,688	15,047	0	3,446	150,064	55,636	-2,484	15,478	2,633	65,997	84,066	91,334

Management Statement pursuant to § 82.4.3 Austrian Stock Exchange Act

We hereby confirm that, to the best of our knowledge,

1. the consolidated financial statements of DO & CO Restaurants & Catering AG, prepared in accordance with the pertinent accounting standards, convey as fairly as possible the group's actual assets and financial position and the results of its operations,
2. the management report on the group presents the course of business, the results of operations and the group's position in a way that conveys as fairly as possible the actual assets and financial position and the results of operations and that the management report on the group describes the material risks and uncertainties to which the group is exposed.

We hereby confirm that, to the best of our knowledge,

1. the consolidated financial statements of the parent company, prepared in accordance with the pertinent accounting standards, convey as fairly as possible the company's actual assets and financial position and the results of its operations,
2. the management report presents the course of business and the company's position in a way that conveys as fairly as possible the company's actual assets and financial position and the results of its operations and that this report describes the material risks and uncertainties to which the company is exposed.

Vienna, 29 May 2009

The Management Board:

Attila Dogudan mp
Chairman

Michael Dobersberger mp

Independent 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 financial year from 1 April 2008 to 31 March 2009. These consolidated financial statements comprise the consolidated balance sheet as of 31 March 2009, the consolidated income statement, the consolidated cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Management is responsible for group accounting and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 under 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 the 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 ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

Our audit did not give rise to any objections. Based on the results of our audit, in our opinion the consolidated financial statements comply with legal requirements and present fairly, in all material respects, the financial position of the group as of 31 March 2009 and of its financial performance and its cash flows for the period from 1 April 2008 to 31 March 2009 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Statement on Other Legal Requirements (Group Management Report)

Laws and regulations applicable in Austria require us to perform audit procedures whether the group management report is consistent with the consolidated financial statements and whether the other disclosures made in the group management report do not give rise to misconception of the position of the group. The auditor's report should also include a statement whether the group management report is consistent with the consolidated financial statements and whether the disclosures as required under Sect. 243a (1) Austrian Business Enterprise Code (UGB) are adequate.

In our opinion, the group management report is consistent with the consolidated financial statements. The disclosures as required under Sect. 243a (1) Austrian Business Enterprise Code (UGB) are adequate.

Vienna, 29 May 2009

PKF CENTURION

WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
MEMBER FIRM OF PKF INTERNATIONAL LIMITED

Stephan MAURER mp
Wirtschaftsprüfer

Wolfgang Adler mp
Wirtschaftsprüfer

Translation of the
Auditor´s REPORT (short version)
of
the financial statements of
DO & CO RESTAURANTS & CATERING
AKTIENGESELLSCHAFT
VIENNA

AT
31 MARCH 2009

PDF VERSION
DATED
22 MAY 2009

PKF CENTURION
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
MEMBER FIRM OF PKF INTERNATIONAL LIMITED

FIRMENBUCH-NR. 78655 w
1010 WIEN, HEGELGASSE 8

Independent Auditor's Report according Sect. 274 (1) Austrian Business Enterprise Code (UGB)

Report on the Financial Statements

We have audited the accompanying financial statements of **DO & CO Restaurants & Catering AG, Vienna**, for the financial year from 1 April 2008 to 31 March 2009. These financial statements comprise the balance sheet as of 31 March 2009, the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements and Accounting System

Management is responsible for accounting and for the preparation and fair presentation of these financial statements in accordance with provisions of the Austrian Commercial Law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 under the circumstances.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 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. Based on the results of our audit, in our opinion the financial statements comply with legal requirements and present fairly, in all material respects, the financial position of the company as of 31 March 2009 and of its financial performance and its cash flows for the period from 1 April 2008 to 31 March 2009 in accordance with Austrian generally accepted accounting principles.

Statement on Other Legal Requirements (Management Report)

Laws and regulations applicable in Austria require us to perform audit procedures whether the management report is consistent with the financial statements and whether the other disclosures made in the management report do not give rise to misconception of the position of the company. The auditor's report should also include a statement whether the management report is consistent with the financial statements and whether the disclosures as required under Sect. 243a (1) Austrian Business Enterprise Code (UGB) are adequate.

In our opinion, the management report is consistent with the financial statements. The disclosures as required under Sect. 243a (1) Austrian Business Enterprise Code (UGB) are adequate.

Vienna, 22 May 2009

PKF CENTURION
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
MEMBER FIRM OF PKF INTERNATIONAL LIMITED

Günther Prindl mp
Wirtschaftsprüfer

Stephan Maurer mp
Wirtschaftsprüfer

Balance Sheet as of 31 March 2009

LIABILITIES AND SHAREHOLDERS' EQUITY	EUR	EUR	EUR	PY	
				TEUR	TEUR
A. SHAREHOLDERS' EQUITY			69,691,541.78		65,463
I. Nominal capital		15,590,400.00		15,590	
II. Capital reserves		35,926,378.42		35,926	
1. Appropriated	35,926,378.42			35,926	
III. Revenue reserves		17,005,483.36		12,094	
1. Statutory reserves	64,635.22			65	
2. Other reserves	16,812,200.62			12,029	
3. Reserve for own shares	128,647.52			0	
V. Unappropriated retained earnings		1,169,280.00		1,852	
thereof retained earnings EUR 682.443,20 (PY: TEUR 105)					
B. PROVISIONS			9,838,128.88		6,584
1. Provisions for severance payments		868,530.00		757	
2. Provision for taxation		4,563,473.62		2,563	
3. Other provisions		4,406,125.26		3,264	
C. Liabilities			21,075,127.55		24,642
1. Liabilities to banks		5,500,000.00		6,100	
2. Trade accounts payable		243,301.60		797	
3. Accounts payable to affiliated companies		14,314,526.75		17,343	
4. Other liabilities		1,017,299.20		401	
thereof taxes EUR 781.973,83 (PY: TEUR 186)					
thereof social security EUR 147.531,75 (PY: TEUR 163)					
			100,604,798.21		96,688
CONTINGENT LIABILITIES			10,510,831.21		36,136

INCOME STATEMENT
from 1 April 2008 to 31 March 2009

	2008/09		2007/08	
	EUR	EUR	TEUR	TEUR
1. Sales		11,626,243.84		12,582
2. Other operating income		1,555,525.25		2,019
a) Income from the release of provisions	49,267.70		428	
b) Miscellaneous operating income	1,506,257.55		1,591	
3. Costs of materials and services		-2,900,011.23		-1,764
a) Costs of materials	-11,595.78		-11	
b) Costs of services	-2,888,415.45		-1,752	
4. Personnel expenses		-10,109,938.22		-9,200
a) Wages	-316,588.63		-434	
b) Salaries	-7,747,644.83		-6,854	
c) Expenses for severance payments	-175,484.74		-170	
d) Expenses for legally mandated social security contributions and for related costs	-1,747,275.18		-1,664	
e) Other social expenses	-122,944.84		-79	
5. Amortization / depreciation		-436,612.50		-386
a) Thereof amortization of intangible fixed assets	-436,612.50		-386	
6. Other operating expenses		-5,445,454.02		-8,248
a) Taxes	-41,787.41		-31	
b) Other miscellaneous expenses	-5,403,666.61		-8,217	
7. EBIT - Operating result		-5,710,246.88		-4,998
8. Income from investments thereof affiliated companies: EUR 10.618.767,13 (PY: TEUR 8.983)		10,618,767.13		8,983
9. Interest and similar income thereof affiliated companies: EUR 1.780.369,90 (Vj: TEUR 1.552)		1,934,929.21		2,251
10. Income from the write ups of fixed financial assets		3,056,934.04		0
11. Expenses on fixed assets and current securities thereof		-1,854,394.49		-2,625
a) Impairment of Financial assets	-1,075,588.54		-1,854	
b) Expenses of affiliated companies	-778,805.95		-771	
12. Interest and similar expense thereof affiliated companies EUR 461.457,74 (Vj: TEUR 867)		-647,286.72		-978
13. Financial result		13,108,949.17		7,632
14. Profit before Taxes		7,398,702.29		2,634
15. Income tax		-2,000,447.61		-887
16. Profit for the year		5,398,254.68		1,747
17. Allocation to Revenue reserve		-4,911,417.88		0
18. Net Profit		486,836.80		1,747
19. Retained earnings		682,443.20		105
20. Unappropriated retained earnings		1,169,280.00		1,852

DO & CO Restaurants & Catering Aktiengesellschaft, Vienna

**NOTES
TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2009**

I. General Information

The financial statements were prepared in accordance with the Austrian Business Enterprise Code (UGB) being valid at the balance sheet date.

II. Accounting and Valuation Principles

The financial statements were prepared in accordance with the generally accepted accounting standards and the underlying principle of providing a true and fair view of the Company's asset, financial and earnings position (Sect. 222 (2) Austrian Business Enterprise Code (UGB)).

The accounting, valuation and presentation of the individual items in the financial statements were undertaken in accordance with the provisions of Sect. 189 to 211 Austrian Business Enterprise Code (UGB), and takes into account the special provisions for corporations in Sect. 221 to 235 Austrian Business Enterprise Code (UGB).

The principles of completeness and correctness were applied in the preparation of the financial statements.

The valuation of assets and liabilities was based on the principle of individual valuation assuming a going concern.

The principle of conservatism was accounted for whereby only profits that were realized on or before the balance sheet date were recognized. All discernible risks and anticipated losses that accrued during the current business year were accounted for.

III. Notes to the Balance Sheet and the Income Statement

A. Balance Sheet

1. Fixed Assets

The schedule of fixed assets in accordance with Sect. 226 (1) Austrian Business Enterprise Code (UGB) are presented separately in Annex 1 of these Notes.

1.1. Intangible and Tangible Fixed Assets

The fixed assets were valued at acquisition cost taking into account ancillary costs less depreciation or amortization thus far incurred and applied as scheduled in business year 2008/2009 in accordance with Sect. 204 (1) UGB.

The straight-line method was generally selected to determine the rate for amortization and depreciation. The individual fixed asset items were ascribed the following useful life:

- | | |
|---|---------------|
| a) Intangible fixed assets | 2 to 10 years |
| b) Buildings on third party land | 5 to 10 years |
| c) Other equipment and office equipment | 3 to 7 years |

Assets that had been added by September 30 of the business year 2008/2009 were always written down at the full annual rate of depreciation; those added after 30 September 2008 were subjected to half of the annual rate.

Low value items as defined in Sect. 13 Income Tax Act 1988 were fully depreciated in their year of acquisition. In the schedule of changes in fixed assets, low value items are recorded as a disposal on expiration of a period of assumed usefulness of three years.

1.2. Investments

1.2.1. Shares in Affiliated Companies

This item comprises solely shares in affiliated companies.

Disclosures on shares in affiliated companies in accordance with Sect. 238 (2) UGB are contained separately in Annex 2 of these Notes.

The company is the controlling parent company and prepared consolidated financial statements and a group management report in accordance with the provisions of Sect. 244ff UGB at 31 March 2009. The company is recorded with the Commercial Court Vienna, as competent Commercial Register Court, under Commercial Register No. 156765 m.

1.2.2. Loans to Affiliated Companies

This item contains loans granted to American and British subsidiaries. Their repayment depends on cash and cash equivalents freely available to these subsidiaries.

Unscheduled writedowns of EUR 1,042,327.02 for GBP loans were undertaken in the year under review due to the decline in the GBP/EUR exchange rate. The EUR 3,056,934.04 in additions to USD loans resulted from the rise in the USD/EUR exchange rate.

2. Current Assets**2.1. Accounts Receivable and Other Assets**

Accounts receivable and other assets were recognized at acquisition cost or nominal value; all discernible risks, especially from exchange rate changes and bad debts, were taken into account in downward adjustments and appropriate specific writedowns.

Foreign-currency accounts receivable were valued at the lower of acquisition cost or foreign-exchange buying rate at the balance sheet date.

The maturity structure of accounts receivable was as follows:

Category of receivables	Total EUR	thereof maturity > 1 year EUR
Trade accounts receivable (PY: 447,130.45)	78,761.19 447,130.45	0.00 0.00
Receivables from affiliated companies (PY: 70,170,971.27)	66,427,741.90 70,170,971.27	42,575,611.97 43,053,584.82
Other receivables and assets (PY: 2,973,783.88)	3,455,842.51 2,973,783.88	687,291.83 84,911.59
Total (PY: 73,591,885.60)	69,962,345.60 73,591,885.60	43,262,903.80 43,138,496.41

Amounts owed by affiliated companies were allocated to other items in the balance sheet as follows:

Category of receivables	As at 31.3.2009 EUR	As at 31.3.2008 EUR
Trade accounts receivable	2,717,226.12	9,744,634.70
Other receivables (including profit transfer und dividend payments)	63,710,515.78	60,426,336.57
Total	66,427,741.90	70,170,971.27

Other accounts receivable from affiliated companies result from loans to foreign subsidiaries in an amount of EUR 9,267,177.47 (PY: EUR 9,125.327.47) for which interest received totaling EUR 309,446.00 (PY: EUR 147,536.00) was recorded for business year 2008/2009. Accounts receivable from the transfer of annual profits at domestic controlled companies due to profit transfer agreements for the business year 2008/2009 amounted to EUR 10,618,767.13 (previous year: EUR 8,982,895.85) at the reporting date.

2.2. Own shares

This item contains 15,955 individual bearer shares of DO & CO Restaurants & Catering AG purchased in accordance with the stock buyback program approved by the General Meeting. The shares are valued at the lower of acquisition cost or trading price on the reporting date. The company allocated a reserve for own shares in an equal amount from the discretionary revenue reserves in accordance with the provisions of Sect. 225 (5) UGB.

3. Prepaid Expenses and Deferred Charges

Expenditures were recognized as prepaid expenses and deferred charges pursuant to Sect. 198 (5) UGB provided they pertained to expenses for a certain period after the reporting date.

4. Shareholders' Equity

4.1. Nominal Capital and Capital Reserves

The nominal capital totals EUR 15,590,400.00 and is divided into 7,795,200 individual bearer shares.

Composition of the Capital Reserves

	EUR	EUR
Agio from 1998 IPO premium (§ 229 (2) 1 UGB in connection with § 130 (2) AktG	13,081,110.15	
Cent difference from EUR conversion 2001/2002	0.01	
Agio capital increase 2006/2007	24,273,186.35	
Capital increase from company resources 2007/2008	<u>-1,427,918.09</u>	<u>35,926,378.42</u>

4.2. Reserve for Own Shares

The company allocated a reserve for own shares in an equal amount from the discretionary revenue reserves in accordance with the provisions of Sect. 225 (5) UGB.

4.3. Unappropriated retained earning

The company concluded profit transfer agreements with domestic subsidiaries. The names of the companies covered by profit transfer can be found in the schedule of subsidiaries. Under these agreements, the subsidiaries must transfer their entire annual profit to the parent company. In exchange DO &CO Restaurants & Catering AG agrees to assume and cover any annual losses the subsidiaries sustain.

5. Provisions

5.1. Provisions for Severance Payments

Provisions for termination payments were calculated according to recognized discounted cash-flow methods based on an imputed interest rate of 4 % p.a. and a presumed retirement age of 60 for female employees and 65 for male employees. A provision for long-service anniversaries 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, with a fluctuation haircut applied based on the age of the employee. The provision for long-service anniversaries was recorded under other provisions.

5.2. Provisions for Taxes

The provision for income tax was recorded under liabilities in the amount of its expected occurrence.

5.3. Other Provisions

Other provisions take into account all discernible risks and uncertain liabilities in amounts deemed necessary following a reasonable business assessment.

Provisions from earlier years are released under other operating income in so far as they have not already been used for their intended purpose and the reason for forming them no longer applies.

6. Liabilities

Liabilities are valued at their repayment value applying a conservative approach. Liabilities in foreign currency were valued at the exchange rate applicable on the date they incurred. Losses resulting from exchange rate fluctuations at the balance sheet date have been taken into account.

The maturities of liabilities in accordance with Sect. 225 (6) and Sect. 237 (1) UGB were as follows:

	Maturity		
	< 1 year	between	Total
	EUR	1 to 5 years EUR	EUR
Liabilities to banks	5,500,000.00	0.00	5,500,000.00
(PY:	6,100,000.00	0.00	6,100,000.00)
Trade accounts payable	243,301.60	0.00	243,301.60
(PY:	797,471.83	0.00	797,471.83)
Trade accounts payable to affiliated companies	14,314,526.75	0.00	14,314,526.75
(PY:	17,342,804.03	0.00	17,342,804.03)
Other liabilities	1,017,299.20	0.00	1,017,299.20
(PY:	401,383.69	0.00	401,383.69)
Total	21,075,127.55	0.00	21,075,127.55
(PY:	24,641,659.55	0.00	24,641,659.55)

Amounts owed to affiliated companies were allocated to other items in the balance sheet as follows:

Category of payables	As at	As at
	31.3.2009	31.3.2008
	EUR	EUR
Trade accounts payables	3,403,293.14	2,134,481.98
Other payables	10,911,233.61	15,208,322.05
Total	14,314,526.75	17,342,804.03

7. Other financial obligations

Financial obligations from tangible fixed assets lease agreements not included in the balance sheet total EUR 2,248,800.00 (PY: TEUR 1,253) for the next five years. Of this amount, EUR 449,800.00 (PY: TEUR 251) pertains to next business year. This item pertains to current use fees for leased facilities.

8. Contingent Liabilities

The company's contingent liabilities in favor of affiliated companies at the reporting date were as follows (previous year: EUR 36,136,484.78):

<u>Bank guarantees</u>	EUR	EUR
For DOCO Istanbul catering Ve Restaurant Hizmetleri Ticaret VE Şanayi Anonim Şirketi, Istanbul	8,000,000.00	
For DO & CO München GmbH	<u>153,388.00</u>	<u>8,153,388.00</u>
 <u>Other guarantees</u>		
For DO & CO Party-Service & Catering GmbH	2,037,893.21	
For DO & CO München GmbH	<u>319,550.00</u>	<u>2,357,443.21</u>
		<u>10,510,831.21</u>

To render plausible the financial performance capacity of the affiliated company AIOLI Airline Catering Austria GmbH; DO & CO Restaurants & Catering AG agreed to ensure that AIOLI Airline Catering Austria GmbH can meet its obligations as a service provider at Vienna International Airport in accordance with the Airport Ground Handling Act (Flughafen-Bodenabfertigungsgesetz). This commitment is connected to the application of AIOLI Airline Catering Austria GmbH for a permit to perform board-catering service as defined in Sect. 7 Airport Ground Handling Act (Flughafen-Bodenabfertigungsgesetz).

For credit facilities granted to DOCO Istanbul catering Ve Restaurant Hizmetleri Ticaret VE Şanayi Anonim Şirketi, the company furnished two guarantees in the amount of EUR 23,500,000.00 in favor of the financing bank. Loan repayments reduced this amount to EUR 8.0 million in the year under review.

In addition, the company has also issued parent company guarantees (comfort letters) for the following directly and indirectly affiliated subsidiaries:

- DO & CO Catering-Consult & Beteiligungs GmbH, Vienna
- DO & CO Event & Airline Catering Ltd., Feltham, Great Britain,
- DO & CO International Investments Ltd., London, Great Britain.

B. Income Statement

The income statement was prepared in accordance with Sect. 231 (2) UGB using the total expenditure format.

1. Sales

Sales by activity area based on Sect. 237 (9) UGB were composed as follows:

	EUR	EUR PY
Activities for group companies	10,570,918.84	11,188,710.95
Net Sales	<u>1,055,325.00</u>	<u>1,393,175.62</u>
	<u>11,626,243.84</u>	<u>12,581,886.57</u>

2. Personnel expenses

The items "Expenses for severance payments" pertain to EUR 63,634.74 (previous year: TEUR 58) in contributions to employee retirement schemes.

3. Income from Investments in affiliated Companies

This item relates to annual profits/losses for 2008/2009 transferred under profit transfer agreements for domestic companies and companies included in group taxation and were composed as follows:

	<u>2008/2009</u>	<u>2007/2008</u>
	EUR	EUR
DO & CO Party-Service & Catering GmbH	6,560,006.50	5,464,263.01
DO & CO Event Austria GmbH	988,104.84	0.00
AIOLI Airline Catering Austria GmbH	770,807.35	1,829,286.46
DO & CO im Haas Haus Restaurantbetriebs GmbH	701,825.14	459,323.20
DO & CO - Salzburg Restaurants & Betriebs GmbH	549,208.82	500,912.25
DO & CO Catering & Logistics Austria GmbH	357,318.91	0.00
DO & CO Airline Catering Austria GmbH	278,150.73	38,668.63
DO & CO Albertina GmbH	174,738.51	200,384.10
B & B Betriebsrestaurants GmbH	169,492.85	242,455.32
DO & CO - Baden Restaurants & Veranstaltungs GmbH	69,113.48	247,602.88
	<u>10,618,767.13</u>	<u>8,982,895.85</u>

4. Income from the Disposal of and Writeups for Investments

Writeups totaling EUR 3,056,934.04 were taken for USD loans due to the rise in the exchange rate.

5. Expenses on fixed financial assets and current securities

The annual losses of the following companies incurred and assumed in the year under review were recorded under expenses arising from investments:

	<u>2008/2009</u>	<u>2007/2008</u>
	EUR	EUR
Demel Salzburg Cafe-Restaurant Betriebs GmbH	778,455.81	643,891.40
AIOLI Restaurants & Party-Service GmbH	350.14	6,213.57
DO & CO Catering & Logistics Austria GmbH	0.00	78,031.84
DO & CO Event Austria GmbH	0.00	<u>42,747.64</u>
	<u>778,805.95</u>	<u>770,884.45</u>

This item also includes writedowns on loans to affiliated companies amounting to EUR 1,042,327.02 (previous year: TEUR 1,854) and a writedown on own shares amounting to EUR 33,261.52 (previous year: TEUR 0).

6. Income Tax

The company recognized no deferred tax assets in accordance with Sect. 198 (10) UGB. According to this section the computed tax shield would amount to EUR 78,300.00 (previous year: about EUR 53,290.00).

7. Disclosures on Financial Instruments

No derivative financial instruments were used either in the year under review or the previous year.

IV. Other Information**1. Personnel**

The average number of employees amounted to 125 employees (PY: 125). Of this total, 117 were salaried employees (previous year: 114) and 8 were wage earners (previous year: 10).

No amounts were owed by the Management Board at the reporting date.

2. Authorized Capital

The General Meeting of Shareholders on 5 July 2007 gave the Management Board the right until 30 June 2012 to increase the nominal 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.

3. Conditional Capital

The share capital of the company is increased pursuant to Sect. 159 (2) 1 Austrian Corporation Act (AktG) by up to EUR 7,795,200.00 through the issue of up to 3,897,600 new individual shares for issuing to creditors of financial instruments based on the resolution of the General Meeting of 10 July 2008.

4. Stock Buyback

The Management did not exercise the right given to it at the General Meeting of Shareholders on 10 July 2008 to acquire treasury stock pursuant to Sect. 65.1.8 Austrian Corporation Act (AktG), the maximum number of shares to be acquired limited to 10% of the share capital and the authorization to be in force for a period of 30 months. A total of 15,955 shares were purchased as of the reporting date.

5. Supervisory Board and Management Board

The Management Board members in the year under review consisted of:

Attila DOGUDAN, Vienna, Chairman

Michael DOBERSBERGER, Vienna

The fixed pay of the members of the Management Board in the year under review totaled EUR 560,016.17, of which EUR 17,426.39 was drawn from affiliated companies. The variable salary component amounted to EUR 0.00. A total of EUR 11,099.26 was spent on termination payments for the Management Board.

The Supervisory Board in business year 2008/2009 consisted of:

Waldemar JUD, Graz, Chairman,

Werner SPORN, Vienna, Deputy Chairman

Georg THURN-VRINTS, Poysbrunn

Christian KONRAD, Vienna

Supervisory Board members received emoluments of EUR 38,000.00 in the year under review.

Vienna, May 2009

The Management Board:

Attila DOGUDAN mp

Michael DOBERSBERGER mp

Schedule of changes of fixed assets of DO & CO Restaurants & Catering AG, Vienna

	Cost of acquisition 1.4.2008	Additions	Disposals	Cost of acquisition 31.3.2009	Accum. Depreciation/ Amortisation	Book value as of 31.3.2009	Book value as of 31.3.2008	Depr./ Amort. of the year Additions Discounting	a d
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
I. Intangible Assets									
1. Industrial property rights and similar rights	456.425,44	38.792,42	6.784,94	488.432,92	394.783,50	93.649,42	129.936,71	75.079,66	
	456.425,44	38.792,42	6.784,94	488.432,92	394.783,50	93.649,42	129.936,71	75.079,66	
II. Tangible assets									
1. Buildings on third party land	153.294,55	20.028,88	0,00	173.323,43	62.319,01	111.004,42	118.029,90	27.054,36	
2. Other equipment and office equipment	1.472.946,69	204.974,96	213.690,15	1.464.231,50	974.297,86	489.933,64	619.438,74	334.478,48	
	1.626.241,24	225.003,84	213.690,15	1.637.554,93	1.036.616,87	600.938,06	737.468,64	361.532,84	
III. Financial assets									
1. Investments in affiliated companies	4.371.216,26	0,00	0,00	4.371.216,26	0,00	4.371.216,26	4.371.216,26	0,00	
2. Loans to affiliated companies								416.793,74	d
	21.488.861,78	8.901.210,46	1.020.239,00	29.369.833,24	4.346.647,21	25.023.186,03	15.544.401,29	3.056.934,04	a
3. Securities	38.851,27	0,00	0,00	38.851,27	0,00	38.851,27	38.851,27	1.042.327,02	
	25.898.929,31	8.901.210,46	1.020.239,00	33.779.900,77	4.346.647,21	29.433.253,56	19.954.468,82	416.793,74	d
								3.056.934,04	a
								416.793,74	d
Total	27.981.595,99	9.165.006,72	1.240.714,09	35.905.888,62	5.778.047,58	30.127.841,04	20.821.874,17	1.478.939,52	

Subsidiaries of DO & CO Restaurants & Catering AG as of 31 March 2009

	Place of registration	Country	Share of stock in %	Controlling company	Currency	Nominal capital in TDC ¹
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 & Veranstaltungen 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	Schwechat	A	100.0	DCAG	EUR	36 3)
AIOLI Restaurants & Party-Service GmbH	Vienna	A	100.0	DCAG	EUR	36 3)
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH	Vienna	A	100.0	DCCC	EUR	799 4)
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	Schwechat	A	100.0	DCCC	EUR	800 4)
DO & CO (Deutschland) Holding GmbH	Berlin	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.

DO & CO RESTAURANTS & CATERING AG, VIENNA

MANAGEMENT REPORT 2008/2009

As the group's strategic and financial holding, DO & CO Restaurants & Catering AG is mainly responsible for the central coordination of all activities related to the business purpose of the DO & CO companies.

There were no changes in affiliated and associated companies in business year 2008/09: Two subsidiaries carried at equity in the consolidated accounts were renamed. The company formally known as AIREST Malta Ltd. now conducts business under the name Sky Gourmet Malta Ltd. and Airest Malta Inflight Services Ltd. now conducts business as Sky Gourmet Malta Inflight Services Ltd. The fully consolidated Airest Slovensko s.r.o. was renamed Sky Gourmet Slovensko s.r.o.

At the reporting date, the company had (direct or indirect) interests in twenty-three foreign and eighteen domestic companies deemed to be affiliated companies and in one domestic and three foreign companies included in the consolidated financial statements at equity.

Sales of DO & CO Restaurants & Catering AG declined in business year 2008/2009 by EUR 0.96 million to EUR 11.63 million (previous year: EUR 12.58 million). This decline is mainly attributable to lower revenues from consulting activities and a reduction in the overhead costs passed on and billed to others.

Other operating income also declined, falling by EUR -0.46 million to EUR 1.56 million.

The cost of materials and services rose by EUR 1.14 million over the previous year, from EUR 1.76 million to EUR 2.9 million. This change can be traced mostly to the sharp increase in services purchased from subsidiaries.

Personnel expenses increased by EUR 0.91 million to EUR 10.11 (previous year: EUR 9.20 million) largely due to pay increases.

Other operating expenses decreased by EUR -2.80 million, from EUR 8.25 million to EUR 5.45 million. This reduction was caused primarily by lower expenses from foreign exchange rate differences.

Depreciation and Amortization on fixed assets totaled EUR 0.44 million (previous year: EUR 0.39 million) in business year 2008/2009.

The operating result was EUR -5.7 million, a figure EUR -0.7 million below the previous year (previous year: EUR -5.00 million).

The financial result amounts to EUR 13.11 million (previous year: EUR 7.63 million). The positive change is due to a rise in income from subsidiaries compared with the year before and to write-ups in the USD loans.

Thus the profit from ordinary business activities for business year 2008/2009 totaled EUR 7.40 million (previous year: EUR 2.63 million).

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Income tax rose from EUR 0.89 million to EUR 2.00 million. The Net profit was EUR 5.40 million as opposed to EUR 1.75 million the year before.

No further key ratios or financial and non-financial performance indicators will be presented or elaborated upon at this juncture due to the company's function as a strategic and financial holding company.

In the course of the financial market crisis, the trading price of DO & CO stock fell by 51.2 % from its level on 31 March 2008, closing one year later at a price of EUR 8.10.

This price corresponds to market capitalization of EUR 63.01 million (taking into account the shares bought back as of the reporting date).

The current favorable price of DO & CO stock was utilized for a stock buyback program based on the Management Board resolution of 14 October 2008. A maximum of 4% of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011. As of the reporting date, the company had repurchased 15,955 shares of stock. That corresponds to 0.205 % of the share capital.

Authorized Capital

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. The Management Board did not exercise this right in the year under review.

Conditional Capital

The share capital of the company is increased pursuant to Sect. 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.

Notes in Accordance with Sect. 243a UGB

1. The share capital totals EUR 15,590,400.00 and is divided into 7,795,200 individual bearer shares. Only shares of this class are issued.
2. The company knows of no limitations to the voting rights or to the transfer of DO & CO shares, even for those contained in agreements between shareholders. DO & CO Restaurants & Catering AG is granted no voting right on own shares acquired under the publicized stock buyback program (see chapter on Stock/Investor Relations).
3. Two shareholders hold more than 10% of the share capital, namely Attila Dogudan Privatstiftung with a stake of 50.65% and DZR Immobilien und Beteiligungs GmbH with a stake of 24.79%.
4. There are currently no shares endowed with special control rights.
5. DO & CO staff owning company stock exercise their voting rights directly at the General Meeting.
6. The company has no provisions on naming and dismissing members of the Management Board that are not derived directly from the pertinent law on this matter. The General Meeting is entitled to remove a member of the Supervisory Board with a simple majority of the votes cast (instead of the statutory majority of 75%). A simple majority of the share capital represented at the vote of a resolution suffices to make a change in the Articles of Association (as opposed to the statutory majority of 75%) unless that change pertains to a conditional capital increase, authorized capital or an ordinary or simplified capital reduction.
7. Pursuant to Sect. 5 (3) of the Articles of Association, the Management Board has the right until 30 June 2012 to increase the share capital by up to a further EUR 7,795,200.00 through the issuance of up to 3,897,600 shares of new ordinary bearer shares in exchange for cash contributions and/or contributions in kind. The share capital of the company is increased pursuant to Sect. 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 as described in 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. In its resolution of 10 July 2008, the General Meeting authorized the Management Board to acquire Treasury shares up to the legally admissible maximum amount until 10 January 2011. The Management Board decided on 14 October 2008 to avail itself of this right (intended volume: up to 4% of the share capital).
8. Agreements exist with service providers of the DO & CO Group that entitle them to cancel the contractual relationship in full or in part if there is a change of control in the company. These agreements are not further specified here owing to the damage this disclosure would do to the company.
9. There are no compensation agreements between the company and the members of its Management Board and Supervisory Board or employees in the event of a public takeover bid.

Events after the Balance Sheet Date

The company knows of no material events that occurred after the balance sheet date.

Risk Management

DO & CO is exposed to widely varying risks because it conducts business globally in three different segments: Airline Catering, International Event Catering und 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, and financial and earnings position by utilizing future potential for growth and profits.

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

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.

The identified risks and opportunities are grouped into risk and opportunity categories and assigned 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 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 different divisions, thus mitigating 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.

¹ COSO (Committee of Sponsoring Organizations of the Tradeway Commission); an independent private-sector organization jointly sponsored and funded by five main professional accounting associations and institutes.

The following risk categories were identified as material for the business year 2008/2009:

Risks and Trends Specific to the Airline Industry

The airline industry is heavily dependent on cyclical trends globally and in the respective regions. Another factor for the Austrian market specifically is the takeover of the country's biggest carrier by a competitor. The process is still underway and makes planning for the future difficult. The market adjustments in this industry consisting largely of state-owned European carriers are also not yet complete. We expect further consolidations to occur in the airline industry.

The Airline Catering Division is in constant contact with its airline clients, so it can react quickly to any changes in their economic situation. Negative effects in the airline industry are countered promptly within the DO & CO Group. The group further diversifies risks by participating in tenders worldwide that fit the group strategy in order to add new customers to its clientele.

Risks Pertaining to Terrorism and Political Unrest

High-level international security precautions have reduced the risks of terrorism in the year under review in areas where the DO & CO Group conducts business. 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 on business results includes analysis and forecasts on current operating business in each reporting entity (e.g. the group companies are divided into 65 units comparable to profit centers for internal reporting purposes). These efforts ensure that capacity is adjusted immediately.

Hygiene Risks

To ensure that the food it produces is fit for human consumption, DO & CO has carried out risk analyses in all business areas as part of the ongoing development of its HACCP System (Hazard Analysis and Critical Control Points) and taken actions to control and minimize risks based on these analyses. An internationally active quality control team constantly monitors the effectiveness of these actions.

Personnel Risks

For DO & CO, the biggest assets 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 its success in hiring and integrating highly skilled and motivated employees and in forging 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.

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 heavily exposed to the risk of 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 USD, YTL 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.

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 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. It takes proactive steps to control the risk of default affiliated with major customers by entering into contractual agreements with them and by having customers furnish collateral. Weekly reporting on the outstanding items of all legal entities was further refined in the year under review as part of these efforts.

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 every six months. 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 endanger the continued existence of the group.

Health, Safety and Environmental Protection

For the DO & CO Group, the biggest assets of the company are its employees. To ensure that these assets continue to grow and gain in value in the future, DO & CO emphasizes continuous personnel development to increase employee satisfaction.

The professional training of employees at the in-house DO & CO Academy ensures the quality of DO & CO services and enables employees to handle the necessary equipment safely and reliably.

Responsible use of resources is another top priority at DO & CO. As a good corporate citizen, DO & CO is untiring in its efforts to reduce the waste it generates so as to optimize its use of raw materials. Along with strict waste management concepts for each business location, waste water limits are constantly monitored and raw materials and wastes are managed responsibly, all as a natural part of company management.

Outlook for 2009/2010

The focus in the business year 2009/2010 will be support in developing of new products and business concepts, tenders and project management for all subsidiaries and divisions.

Business at Airline Catering continues to be subject to high volatility and extremely dynamic market events.

With its robust growth, Turkish Airlines is bucking the general trend and has become the most important customer for the DO & CO Group. Business with the other customers in Turkey declined in volume compared with the year before, in contrast to the favorable trend with Turkish Airlines.

Airline Catering is carefully and constantly monitoring the course of business at Austrian Airlines. DO & CO responded quickly to the new economic situation and took proactive steps to counter it based on the findings of the group's risk management system.

In general, the management of DO & CO expects the quantity and value of sales to decline at most business locations as the business year unfolds. The company has already responded to this trend by initiating cost-cutting measures.

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DO & CO also sees opportunities in this economic upheaval. Many customers are having new airline catering contracts drawn up in an attempt to reduce costs. DO & CO is therefore participating in a large number of tenders right now. The objective is to add new customers and concentrate on Turkey and other markets that are still performing well in order to offset as much as possible the declines brought on by the general economic crisis.

There is good news from the Munich location. It added Etihad as a premium customer to its established clientele at the beginning of May 2009.

Markets in International Event Catering are also volatile. DO & CO reacted to this situation promptly, adjusting costs quickly and as effectively as possible.

Several major sports events are still well-attended (e.g. soccer) but the economic crisis has affected other events, causing a decline in the figures for sponsors and guests. No major change has been noted in the demand for private events.

DO & CO expects the market to remain volatile in business year 2009/2010 and is poised for dealing with either a further market contraction or an improved market situation.

Preparations are concurrently underway for classic national and international events such as the Formula 1 Grands Prix, the beach volleyball tournament in Klagenfurt and numerous other events to which DO & CO will again play culinary host this year. One highlight this year will be the VIP catering at the Champions League Finals in Rome.

The trend for Restaurants, Lounges & Hotel is stable. There are no signs at the moment that this division will suffer major declines in sales.

Besides focusing on process optimization at existing business locations, DO & CO keeps pushing expansion in this division by participating in a large number of tenders.

A further Demel in New York and a hotel in Istanbul are new projects currently in the works. Planning and permit procedures are underway for an exclusive top-category hotel on one of the most beautiful squares in Istanbul. The intention is to create the first DO & CO Hotel in Istanbul in two buildings protected as historic monuments. They have a prime location: right on the Bosphorus, next to the first bridge between Europe and Asia. An opening is planned for 2011/2012 provided all permit procedures are completed on schedule and with positive results.

DO & CO is a dynamic company and responded early to changes in the market environment. The management is confident it can remain on the successful course it has followed in recent years.

Vienna, May 2009

The Management Board

Attila Dogudan mp

Michael Dobersberger mp