DO & CO Restaurants & Catering AG

Business Year 2009/2010

DO & CO

RESTAURANTS
HOTEL
LOUNGES
CATERING

TABLE OF CONTENTS

Management Report on the DO & CO Group for 2009/2010

Highlights

International growth and diversification ensure top results

The margins were improved in all three divisions thanks to innovative products, new customers and quickly implemented cost-reduction efforts. The Group therefore has an EBITDA margin of 10.2 % and an EBIT margin of 5.3 %. EBITDA, EBIT and the net result were the best ever in the company's history. Earnings per share amount to EUR 1.25. Tight management of investments and working capital have resulted in a free cash flow of EUR 31.5 million, the equivalent of 8.9 % of sales.

Top rankings for DO & CO airline customers at the Skytrax World Airline Awards

Turkish Airlines was named the world's best Economy Class caterer for this prestigious award. Austrian Airlines captured the second place worldwide for the Business Class category. All other prize winners in categories First Class, Business Class and Economy Class catering are customers of DO & CO at its individual business locations. These results impressively confirm the quality leadership of DO & CO in terms of product and service.

Many new Airline Catering customers added in 2009/2010

- Singapore Airlines ex Milan Malpensa
- Cathay Pacific ex Milan Malpensa
- Etihad Airways ex Munich and Istanbul
- China Airlines ex London Heathrow
- Oman Air ex Frankfurt and Munich
- Cyprus Airways ex Frankfurt and London Heathrow
- Pakistan International Airways ex Frankfurt
- Egypt Air ex Istanbul
- Amsterdam Airlines ex Istanbul
- Tailwind ex Istanbul

Booming business for Turkish DO & CO

With the expansion of return catering and the takeover of equipment and beverage management for Turkish Airlines, DO & CO enlarged its scope of business with Turkish Airlines. DO & CO also set up a cabin crew training center in yet another step to strengthen its position as a total supplier. Customer satisfaction on the short, medium and long-haul flights of Turkish Airlines was further increased and reached a rating of 96 % on domestic flights. As a result, DO & CO improved its already strong market position in this market.

Sterling performance by DO & CO in International Event Catering

A special highlight in the year under review was the ATP Tennis Masters Series tournament in Madrid, where DO & CO treated over 30,000 VIP guests to the finest in culinary delights. In addition, DO & CO continues to handle "classics" such as culinary services for the VIP guests at the Formula 1 races, the Hahnenkamm ski races in Kitzbühel or other major skiing events, the CHIO equestrian tournament in Aachen, the beach volleyball tournament at Wörthersee, or the finals of the Champions League.

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

		Business Year 2009 / 2010	Business Year 2008 / 2009	Business Year 2007 / 2008
Sales	in m €	352.74	387.78	354.62
EBITDA	in m €	36.03	28.83	30.14
EBITDA margin	in %	10.2%	7.4%	8.5%
EBIT	in m €	18.57	8.61	14.66
EBIT margin	in %	5.3%	2.2%	4.1%
Profit before taxes	in m €	19.26	8.83	14.27
Consolidated result	in m €	9.66	2.08	6.41
Employees		3,542	3,835	3,774
Equity [1]	in m €	87.34	75.45	72.61
Equity ratio[1]	in %	50.9%	45.6%	41.1%
Net debts	in m €	-29.17	0.07	-5.63
Net gearing	in %	-33.4%	0.1%	-7.8%
Working Capital	in m €	17.43	9.91	24.96
Operational cash-flow	in m €	45.85	24.66	26.88
Depreciation/amortization	in m €	-17.46	-20.22	-15.48
Free cash-flow	in m €	31.47	0.75	18.89
ROS	in %	5.5%	2.3%	4.0%
Capital Employed	in m €	73.58	88.98	88.21
ROCE	in %	15.5%	5.8%	9.6%
ROE	in %	11.9%	2.8%	9.1%

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 2009 / 2010	Business Year 2008 / 2009	Business Year 2007 / 2008
EBITDA per share	in €	4.66	3.70	3.87
EBIT per share	in €	2.40	1.10	1.88
Earnings per share	in €	1.25	0.27	0.82
Equity (book entry) [1]	in €	11.31	9.69	9.31
High [2]	in €	16.40	18.95	26.00
Low [2]	in €	7.70	7.49	15.83
Year-end [2]	in €	16.00	8.10	16.60
Weighted number of shares [3]	in TPie	7,725	7,790	7,795
Number of shares year-end [3]	in TPie	7,663	7,779	7,795
Market capitalization year-end	in m €	122.62	63.01	129.40

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

Economic Climate

The global economy was hit in 2009 by the worst recession since World War II. It all began with the collapse of the US investment bank Lehman Brothers in September 2008 and the ensuing financial and economic crisis. After global industrial output dropped to shockingly low levels in the fourth quarter of 2008, the downturn continued in the first quarter of 2009. The global economy contracted by 0.8 %. In the OECD countries, real GDP declined by 4.7 %. For 2009 as a whole, real GDP in the euro area fell year-on-year by 3.9 %. Closely intermeshed economically and financially, the emerging economies were naturally affected by the crisis, especially the countries in Central and Eastern Europe. Economic forecasts had to be adjusted downward time and again. The economy of the EU-27 declined in 2009 by 4.1 % while the US economy contracted by 2.5 % and Japan saw its GDP decrease by 5.3 % because of a sharp decline in exports.

Governments across the globe took vigorous action in response to the financial and economic crisis. Economic stimulation programs worth billions were launched in an attempt to slow down or stop the rapid decline in economic activities. Government investment programs were announced, short-time working arrangements were introduced and liability was assumed for loans. There was a dramatic relaxation of monetary policy. Central banks dropped interest rates to record low levels to increase liquidity on the capital market and encourage lending. As a result of these extensive efforts, the global economy began stabilizing in the summer of 2009. Consumer and business confidence slowly improved. Investors then showed greater willingness to take risks, a fact also evident from the price trends on the international stock exchanges. The recovery was at a much lower level than in 2008, however, and varied from one national economy to the next.

In the US, economic growth up to mid-2009 slowed perceptibly because of the dramatic situation on the labor market and restrictive lending by banks. From the third quarter 2009 on, GDP grew again, buoyed by private consumption. The gigantic economic package totaling about USD 787 billion did much to bring this about, but another key factor in the recovery was the easing of tensions on the financial and real estate markets. GDP still shrank by 2.5 %, but is expected to rise again by 2.7 % in 2010.

The emerging markets, especially China and India, also felt the effects of the crisis. They quickly implemented government economic programs and took extensive action in monetary policy. These efforts improved the situation rapidly, leading to growth rates of 8.7 % and 5.6 %, respectively. The Japanese economy was hit hard by the economic crisis because of its dependence on exports. The gross domestic product in the first quarter contracted by 8.6 % compared to the year before. Japan has been on the road to a moderate recovery since then thanks largely to demand stimuli from emerging markets, particularly China.

Austria was not spared the effects of the global recession either. Export markets felt the full brunt of the global decline in demand for investment goods. Low demand from Germany and Central and Eastern Europe set real exports plunging by 17.7 %. Business in the export of goods exports bottomed out in the second quarter of 2009. From then on, the situation began improving. Private consumption helped to buoy up the performance of the Austrian economy. Conditions on the domestic labor market are expected to remain tight again in 2010. Austrian economic output contracted in 2009 by 3.6 %.

The year under review was a period of weakness for the US dollar. The euro-dollar exchange rate at the end of 2009 was 1.43. The Chinese yuan remained weak, similar to the US dollar, closing the year at 9.84. The Japanese yen gained 15 % in value against the euro in 2009. The pound sterling was trading at 0.89 at the reporting date of 31 March 2010.

2009 was another year with sharp fluctuations in the oil price. The price per barrel fluctuated in 2009 between USD 40 and USD 80, with the average amounting to USD 62.81, a figure 36 % below the previous year’s level. Oil reserves filled up from the combination of stable global activity at refineries and weak demand, thus keeping the oil price at a comparatively low level.

The rapid downward trend in short-term euro interest rates from 2008 continued at the start of 2009 before slowing toward the end of 2009. The 6-month Euribor closed in 2009 at about 1 % compared to nearly 3 % at the start of that year. The long-term euro interest rates have moved laterally since the beginning of the business year but have shown increased volatility. The overall interest curve has become much steeper as a result.

The global economic situation is expected to ease up slowly starting in 2010. Economic researchers predict GDP growth of 1.0 % for the euro area, with the new EU member states expanding more extensively than the EU-15. WIFO, the main Austrian economic research institute, forecasts annual growth of about 1.35 % for the Austrian economy from 2010 to 2012.

Risk Management

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

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

The risk and opportunity management system is based on standardized, group-wide planning and control processes and on intercompany guidelines and reporting systems that adhere to the principles of risk management and the risk structures according to COSO[1].

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

Identified risks and opportunities are grouped into risk and opportunity categories and assigned by the Corporate Risk Manager to the managers responsible for the given area for further action. Strategies for coping with the identified risks and utilizing the identified opportunities are then devised and subsequently pursued on site by local management. The aim of these actions is to reduce possible damage from risks and minimize the probability of them occurring while increasing opportunities for earnings and the possibilities for realizing profits.

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

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

The following risk categories were identified as material for the business year 2009/2010:

Risks and Trends Specific to the Airline Industry

The airline industry is heavily dependent on cyclical economic trends globally and in the respective regions.

The key account managers in the Airline Catering Division are in constant contact with airline clients, so it can react quickly to any changes in their economic situation and promptly counter negative effects of the airline industry on the DO & CO Group. The Group participates in tenders worldwide that fit the group strategy. The new customers it gains in the process help further diversify risks.

Risks Pertaining to Terrorism and Political Unrest

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

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

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

To counter economic risk in its business, DO & CO has diversified its locations by region in seven different countries and by sector in three different market segments. Prompt reporting of business results includes analysis and forecasts on current operating business in each reporting entity (e.g. the group companies are divided into units comparable to profit centers for internal reporting purposes). These efforts ensure that capacity is adjusted immediately. The economic situation has successively improved in recent months, so sales growth is expected again.

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

Personnel Risks
For DO & CO, the biggest 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 how effective it is in hiring and integrating highly skilled and motivated employees and in forging lasting bonds of loyalty between them and the company. Professional training and consistent personnel development are central tools for achieving the growth desired.

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

Legal Risks
With its constant expansion and its global scope of business, DO & CO has to abide by a myriad of legal requirements at national and international level, especially in relation to food law, hygiene, and waste management, as well as special guidelines and regulations issued by various airlines.

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

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

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

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

Liquidity Risks

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

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

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

Default Risks

DO & CO keeps the risk of default to a minimum by closely monitoring outstanding debts as part of receivables management. The outstanding items of all legal entities are reported weekly. That means the Group monitors customer default risks promptly and is able to respond quickly if the situation changes.

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

DO & CO does not avail itself of credit insurance. Investments are made only at banks with first-class ratings. No material default risks are expected from the other original financial instruments.

Interest Risks

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

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

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

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

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

The responsibilities for the internal control system were adapted to the organizational structure of the company to ensure an environment for control activities that corresponds to and meets the requirements. The central functions Group Accounting and Group Controlling are responsible for drawing up uniform Group guidelines and for organizing and monitoring financial reporting in the Group.

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

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

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

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

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

Sales

The DO & CO Group recorded sales of EUR 352.74 million in business year 2009/2010 (PY: EUR 387.78 million). That represents a decline in sales of EUR -35.03 million, or -9.0 %. This reduction is mostly attributable to the EURO 2008 having been staged in the first quarter of business year 2008/2009.

Sales		2009/2010	2008/2009	Change	Change in %	2007/2008
Airline Catering	in m €	258.56	246.84	11.71	4.7%	251.96
International Event Catering	in m €	34.00	76.87	-42.88	-55.8%	41.65
Restaurants, Lounges & Hotel	in m €	60.19	64.06	-3.87	-6.0%	61.02
Group Sales		**352.74**	**387.78**	**-35.03**	**-9.0%**	**354.62**

Sales at Airline Catering rose from EUR 246.84 to EUR 258.56 million in spite of the tough market conditions. That corresponds to growth of EUR 11.71 million, or 4.7 %. This division's share in consolidated sales thus increased from 63.7 % to 73.3 %.

Business in the Austrian airline catering market declined in the year under review. This trend was mainly attributable to the reduction in board service for Austrian Airlines. Business with other airlines also decreased because of the economic and financial crisis. In contrast to the overall trend, sales with NIKI increased.

Airline catering sales in Turkey were also higher than the previous year. This growth came about from the further expansion of business with Turkish Airlines and other customers. In business year 2009/2010, Etihad Airways, Tailwind, Egypt Air and Amsterdam Airlines were added as new customers in Turkey. With these new additions, DO & CO further improved its market position.

In the international airline catering segment, DO & CO also chalked up successes and added new accounts to its clientele. These gains more than offset the declines at international business locations caused by the financial crisis. Singapore Airlines, China Airlines, Qatar Airways, Cathay Pacific and Oman Air deserve special mention in this regard. They were added as new customers at different DO & CO business locations. DO & CO also succeeded in extending existing airline catering contracts with Emirates and Etihad Airways.

Sales in International Event Catering fell from EUR 76.87 million to EUR 34.00 million. That corresponds to a decline in sales of EUR -42.88 million. The reason for this decline is that DO & CO handled all culinary services for the EURO 2008 European soccer championships in Austria and Switzerland in business year 2008/2009. This division made up 9.6 % of total consolidated sales.

If you subtract the EURO 2008 sales from the sales of International Event Catering from 2008/2009 and then compare the revised sales figure with sales for business year 2009/2010, there is no decline in sales for DO & CO. DO & CO achieved more than respectable business results despite extremely difficult market conditions.

DO & CO had the privilege of staging a number of prestigious events in the Austrian market and improved its position in that market accordingly.

The Event Catering team put in a sterling performance internationally. Its successful staging of the ATP tennis tournament in Madrid with 30,000 VIP guests is particularly noteworthy in this context. As in recent years past, DO & CO played culinary host at 15 Formula 1 Grands Prix. The UEFA Champions League finals in Rome made for yet another highlight in business year 2009/2010.

Sales in Restaurants, Lounges & Hotel declined from a EUR 64.06 million to EUR 60.19 million. That amounts to a decline in sales of EUR -3.87 million. This division accounts for 17.1 % of total consolidated sales.

Two factors are largely to blame for the reduction in sales in Restaurants, Lounges & Hotel. First, consumers behaved with noticeable restraint at nearly all business locations because of the financial and economic crisis. Second, the EURO 2008 generated additional income in the first quarter of business year 2008/2009.

Earnings

Consolidated earnings before interest and taxes (EBIT) for the DO & CO Group amounted to EUR 18.57 million for business year 2009/2010, a figure EUR 9.96 million higher than in the previous year.

EBITDA for the DO & CO Group amounted to 36.03 million, an increase of EUR 7.20 million compared to the EBITDA of the previous year.

Group		2009/2010	2008/2009	Change	Change in %	2007/2008
Sales	in m €	352.74	387.78	-35.03	-9.0%	354.62
EBITDA	in m €	36.03	28.83	7.20	25.0%	30.14
Depreciation/amortization	in m €	-17.04	-16.81	-0.23	-1.4%	-15.48
Impairment	in m €	-0.42	-3.41	2.99	87.7%	0.00
EBIT	in m €	18.57	8.61	9.96	115.7%	14.66
EBITDA margin	in %	10.2%	7.4%			8.5%
EBIT margin	in %	5.3%	2.2%			4.1%
Employees		3,542	3,835	-293	-7.7%	3,774

Cost of materials and services decreased in relation to sales from 42.5 % the previous year to 39.8 % in the year under review owing mainly to the transitory sales generated at the EURO 2008 in business year 2008/2009. Those costs were reflected mostly in costs of materials and services. In absolute terms, the cost of materials declined by EUR -24.32 million (-14.8 %) while sales fell by -9.0 %.

Personnel expenses for the DO & CO Group fell in comparison to the year before from EUR 133.95 million to EUR 119.75 million. That decrease is attributable to reduced business as well as increased efficiency. Consequently, personnel expenses have also fallen in relation to sales from 34.5 % to 33.9 %. This effect becomes even more apparent when the transitory sales are deducted from the total sales figure for the previous year. The revised ratio of personnel expenses to sales improves from 36.5 % to 33.9 %.

Depreciation and amortization fell from EUR 20.22 million in business year 2008/2009 to EUR 17.46 million in the year under review. This reduction is traceable primarily to (unscheduled) amortization of intangible assets amounting to EUR 3.41 million. The intangible asset mentioned above is a customer contract DO & CO capitalized in the course of acquiring Airest Catering GmbH (now known as Sky Gourmet - airline catering and logistics GmbH).

Other operating expenses fell by EUR -8.89 million or -11.8 %. This reduction was caused largely by a drop in the volume of business and by smaller exchange rate differences.

The taxation ratio (ratio of tax costs to untaxed income) was lower than the year before, falling from 39.5 % the previous year to 31.9 % in the year under review. This change is largely due to the unscheduled amortization of intangible assets in business year 2008/2009.

This year's figure of EUR 9.66 million is the highest consolidated net profit DO & CO has ever produced. Earnings per share amounted to EUR 1.25.

Statement of Financial Position

Fixed assets declined by EUR -0.95 million compared to the year before. This drop can be attributed to reduced investment activity in the year under review.

Current assets increased by EUR 8.48 million over the year before. This growth can be traced to the strong increase in cash and cash equivalents.

The consolidated shareholders' equity of the DO & CO Group (adjusted for intended dividend payments and book values of goodwill) rose by EUR 11.89 million in business year 2009/2010 from EUR 75.45 million to EUR 87.34 million. This growth was caused mostly by the consolidated earnings and foreign currency effects on the one hand and the dividend payment and repurchased shares on the other.

Following adjustments for planned dividend payments and book values for goodwill, the equity ratio amounted to 50.9% (PY: 45.6 %).

The long-term liabilities decreased considerably, falling from EUR 23.50 million in the previous year to EUR 17.06 million in the year under review. This reduction can be traced to long-term financial liabilities.

The short-term liabilities rose from EUR 65.19 million to EUR 65.37 million. Short-term financial liabilities decreased whereas short-term provisions and trade payables increased.

Cash Flow

Cash flow from operating activities amounted to EUR 45.85 million, a figure EUR 21.19 million higher than the year before. This increase is mainly due to the much improved business result for the period. The cash flow from operating activities also benefited from an increase in trade payables and an increase in short-term provisions and the reduction in short-term positions.

Cash flow from investing activities amounted to EUR -14.39 million in the year under review, a figure much lower than in the previous year (PY: EUR -23,91 million). This reduction resulted from the restrictive investment policy the DO & CO Group pursued in the business year under review.

The cash flow from financing activities totaled EUR –17.66 million (PY: EUR -11.85 million). The cash flow from operating activities was used in business year 2009/2010 to pay off all financial liabilities.

Employees

The average number of employees decreased to 3,542 in the year under review from 3,835 the previous year. This change is due to the EURO 2008 project conducted the previous business year 2008/2009 and to Group-wide adjustments to personnel in response to the general economic situation. Turkish operations bucked this trend, increasing its personnel to handle the growth in business volume.

Airline Catering

Airline Catering has unmistakable and innovative quality products geared to the needs of its customers' passengers in First Class, Business Class and Economy Class and produced the largest portion of sales in the DO & CO Group.

DO & CO is setting new standards in the premium segment of airline catering at its 21 Gourmet Kitchens in New York, London, Frankfurt, Berlin, Munich, Milan, Malta, Salzburg, Vienna, Linz, Graz and at nine further business locations in Turkey.

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

Airline Catering		2009/2010	2008/2009	Change	Change in %	2007/2008
Sales	in m €	258.56	246.84	11.71	4.7%	251.96
EBITDA	in m €	27.67	18.47	9.20	49.8%	21.11
Depreciation/amortization	in m €	-14.37	-13.25	-1.13	-8.5%	-11.86
Impairment	in m €	-0.11	-3.41	3.30	96.8%	0.00
EBIT	in m €	13.19	1.81	11.37	628.3%	9.25
EBITDA margin	in %	10.7%	7.5%			8.4%
EBIT margin	in %	5.1%	0.7%			3.7%
Share of Group Sales	in %	73.3%	63.7%			71.0%

Airline Catering recorded sales of EUR 258.56 million in business year 2009/2010. This figure represents a 4.7 % increase over the same period the previous year. Its share in consolidated sales thus increased from 63.7 % in business year 2008/2009 to 73.3 % in the year under review. All told, the Gourmet Kitchens of the DO & CO Group provided culinary services to more than 49 million passengers on some 376,000 flights worldwide.

The business trend at the Airline Catering Division of DO & CO in 2009/2010 is remarkable considering the dynamic atmosphere in the airline industry. Under mounting cost pressures, many airlines are looking for new and innovative solutions for the products and services they purchase, especially in the catering segment. DO & CO has adjusted quickly and successfully to these major changes in the market. It consistently carried out any required reorganizational measures and cost cutting programs. In addition, DO & CO used this dynamic market to its own advantage, winning over a number of new customers with its innovative quality products and competitive prices.

EBITDA and EBIT improved significantly over the figures the year before. EBITDA totaled EUR 27.67 million, a figure EUR 9.20 million, or 49.8 %, higher than that of the previous year. EBIT increased from EUR 1.81 million to EUR 13.19 million. The EBIT margin in Airline Catering thus rose from 0.7 % in business year 2008/2009 to 5.1 % in the year under review.

The improved cost structure was certainly one reason for the considerable growth in EBITDA and EBIT compared with the previous year. Two other aspects should also be emphasized. First, extensive reorganization was undertaken in the first quarter of the previous year in response to the reduction in services for Austrian Airlines. These efforts were reflected in the fourth quarter of business year 2008/2009 in increased costs of EUR 1.33 million. Second, unscheduled amortization amounting to EUR 3.41 million was recognized for an intangible asset in the fourth quarter of 2008/2009 for the same reason. In business year 2008/2009, the EBIT figure adjusted for these effects amounted to EUR 6.55 million for an EBIT margin of 2.7 %. The adjusted EBITDA totaled EUR 19.80 million, for an EBITDA margin of 8.0 %.

The following section covers the key developments in Airline Catering in Austria, in Turkey and at the other international business locations:

Turkish DO & CO, a joint venture in Turkey in which DO & CO and Turkish Airlines each hold a 50 % stake, further expanded its business activities and made a major contribution to increasing the sales within the division and the Group. Over 33 million meals were prepared at nine business locations in Istanbul Atatürk, Istanbul Sabiha Gökcen, Ankara, Antalya, Izmir, Bodrum, Adana, Dalaman and Trabzon.

In the meantime, DO & CO supplies 91 % of the international Turkish Airlines short-haul flights in return catering. That means the majority of short-haul passengers are served DO & CO products on outgoing as well as incoming flights. The volume of sales also grew substantially due to Turkish Airlines' big expansion of its fleet.

Turkish Airlines increased customer satisfaction once again. On domestic as well as international flights, customer satisfaction reached the impressive level of 96 %.

The process of taking over equipment and beverage management for Turkish Airlines is now completed. DO & CO has also been operating a specially developed cabin crew training center for Turkish Airlines since the start of the year. All Turkish Airlines flight attendants will henceforth receive service training in faithful replicas of aircraft interiors. DO & CO is expanding its range of services to become a total supplier in the airline catering sector.

In business year 2009/2010, Etihad Airways, Tailwind, Egypt Air and Amsterdam Airlines were added as new customers in Turkey.

In Adana, production operations were moved to a more modern location at the airport, where further savings were achieved because of greater efficiency.

Sales in Austria declined over the year before due to austerity measures by the Austrian Airlines Group, the main customer. Reductions affected catering on short-haul flights in particular.

The declining volume of catering for the Austrian Airlines Group compelled DO & CO to reorganize operations in Austria. These actions were begun in the fourth quarter of business year 2008/2009. Processes were made more efficient, especially in production and logistics. Completed in the first two quarters of the year under review, this restructuring has adapted cost structures to meet the new market conditions.

New DO & CO on-board catering products for the Austrian Airlines Economy Class and Business Class on short and medium-haul flights were introduced in July of 2009. The modified service approach is also characterized by unique and innovative DO & CO quality products. Catering for Austrian Airlines long-distance flights and Premium Service has not changed in scope. The quality of the airline catering product continues to be world class.

NIKI is the most important airline customer in Austria after Austrian Airlines and offers free on-board catering products. This is just one way NIKI scores more points with customers than other low-fare carriers. Demel is developing quality products with a young, innovative image especially for NIKI. Passengers on regularly scheduled short-haul flights are served fresh sandwiches and those traveling to charter destinations in the short and medium-haul segment are offered hot homemade main courses. DO & CO catering sales with NIKI continued to grow thanks to the substantial increases in passenger volume.

The business trend at DO & CO Airline Catering locations in the year under review was especially encouraging. The majority of international locations utilized the dynamic climate in the airline industry to their own advantage, improving their respective market positions in the process.

DO & CO Italy managed to add two renowned airline customers to its clientele. Singapore Airlines and Cathay Pacific now receive DO & CO catering on long-distance flights ex Malpensa Airport. The pace of growth in Italy has picked up noticeably thanks to this new business. In fact, the volume of airline catering business in Italy will nearly double with these new customers. Etihad Airways is a premium airline customer in Italy. DO & CO prevailed over the competition and managed to extend its contract with this carrier.

DO & CO recorded a big boost in sales on the German market, too. DO & CO Munich submitted an attractive meal concept in a bid for catering on Etihad Airways flights to Abu Dhabi and was awarded the contract. DO & CO Frankfurt, for its part, persuaded Etihad Airways to extend its catering contract. In addition, DO & CO added Oman Air in October as a new customer to its clientele in Munich and Frankfurt. With these moves, DO & CO is even more strongly positioned as a significant premium caterer for quality airlines in the Near East and Middle East.

Sales likewise continued to grow in Great Britain. This was the first full year that Etihad Airways was a DO & CO customer in London. A contract was signed to continue catering for the Business Class short-haul flights in London Heathrow run by British Airways. This extension is considered a major success. Beginning in April 2010, DO & CO will supply Business Class products to the new main caterer of British Airways. In addition, DO & CO assumed responsibility for providing the new customers China Airlines and Cyprus Airways with catering services on flights ex London Heathrow.

Sales at the New York location declined slightly. This dip is attributable to the loss of a client. DO & CO persuaded Emirates, a main customer, to extend its catering contract.

Airline Catering shut down business operations at the Bratislava site in September 2009. The bankruptcy of the main customer Sky Europe made this step necessary.

Our customers captured all the top places at the Skytrax World Airline Awards 2010 in the category "World's Best Onboard Catering":

- World's Best Economy Class Onboard Catering: 1st place: Turkish Airlines
2nd place: Etihad Airways
3rd place: Qatar Airways
- World's Best Business Class Onboard Catering: 1st place: Qatar Airways
2nd place: Austrian Airlines
3rd place: Singapore Airlines
- World's Best First Class Onboard Catering: 1st place: Etihad Airways
2nd place: Cathay Pacific Airways
3rd place: Singapore Airlines

Our customers winning these prestigious awards is impressive proof for DO & CO as a quality leader and encouraging confirmation of the premium strategy Airline Catering is pursuing with its product and service.

Strategy

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

Preview of Business Year 2010/2011

- We will improve our strong market position and position ourselves as a complete supplier in Turkey
- We will use flying cooks for the First Class and Business Class on long-haul flights of Turkish Airlines
- We will expand relations with quality airlines in the Middle East and Near East at international DO & CO business locations
- We will add further customers to the clientele at all business locations

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

Sales for International Event Catering decreased by EUR -42.88 million, dropping from EUR 76.87 million to EUR 34.00 million. DO & CO handled all culinary services for the EURO 2008 European soccer championships in Austria and Switzerland in business year 2008/2009. That is the main reason for the decline this year.

If you subtract the EURO 2008 sales from the sales of International Event Catering from 2008/2009 and then compare the revised sales figure with sales for business year 2009/2010, there is no decline in sales for DO & CO. DO & CO achieved more than respectable results despite extremely difficult market conditions.

International Event Catering		2009/2010	2008/2009	Change	Change in %	2007/2008
Sales	in m €	34.00	76.87	-42.88	-55.8%	41.65
EBITDA	in m €	3.97	5.70	-1.73	-30.4%	4.59
Depreciation/amortization	in m €	-0.97	-1.32	0.34	26.1%	-1.55
EBIT	in m €	2.99	4.38	-1.39	-31.7%	3.04
EBITDA margin	in %	11.7%	7.4%			11.0%
EBIT margin	in %	8.8%	5.7%			7.3%
Share of Group Sales	in %	9.6%	19.8%			11.7%

DO & CO had the privilege again of staging a number of prestigious events in the Austrian market. Stadium catering for Red Bull Salzburg and culinary hosting of team face-offs of the Austrian Football Association deserve special mention in this respect. Mention should also be made of classic DO & CO events such as the Beach Volleyball Grand Slam in Klagenfurt, the Hahnenkamm Ski Race in Kitzbühel, the Night Race in Schladming and the Four Hills Tournament at Bergisel and in Bischofshofen.

The International Event Catering team put in a sterling performance internationally. Sales produced abroad rose over the year before as a proportion of total sales from 54 % to 60 %.

The tennis tournament of the ATP Tennis Masters Series in Madrid was a special highlight in the year under review. This highly successful tournament was staged in 2009 for the first time at a completely new venue built especially for events of this kind. More than 30,000 VIP guests were treated to top catering services over a period of ten days. Along with classic catering services, the DO & CO event team has an extensive range of services that help it temporarily create a unique atmosphere at the event venue.

The UEFA Champions League finals for 2009 in Rome made for another highlight event. Over 5,000 VIP guests were able to enjoy DO & CO catering at this most important European sports event of the year.

As in years past, DO & CO played culinary host at 15 Formula 1 Grands Prix. Of special note was the event on the Abu Dhabi circuit that had a grand opening in November 2009 with 15,000 VIP guests. DO & CO was able to pamper a total of 62,000 VIP guests in the year under review.

Rounding out the impressive results in business year 2009/2010 was the staging of events such as CHIO, the traditional equestrian jumping and riding tournament in Aachen, and the 50-year celebration of Turkish Airlines in Rome.

EBITDA in International Event Catering in business year 2009/2010 amounts to EUR 3.97 million, a figure EUR -1.73 million lower than the previous year's (EUR 5.70 million). The EBITDA margin rose from 7.4 % last year to 11.7 % in the current year. EBIT fell by EUR -1.39 million, declining from EUR 4.38 million to EUR 2.99 million. The EBIT margin increased from 5.7 % to 8.8 %.

It should be emphasized in this context that the EURO 2008 sales in business year 2008/2009 contain margin-free sales. When margin-free sales are deducted, the adjusted EBITDA margin for business year 2008/2009 is 10.2 % and the EBIT margin is 7.8 %.

In other words, the margins were improved even based on figures adjusted for the EURO 2008.

The DO & CO Strategy

- To strengthen its core competence from "Premium Caterer" all the way to "Gourmet Entertainment General Contractor"
- 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 2010/2011

- In staging the UEFA Champions League Finals in 2010 in Madrid, DO & CO is successfully following up on its series after Gelsenkirchen in 2004, Istanbul in 2005, Paris in 2006 and Rome in 2009
- Intensively participating in invitations to tender: The focus remains on large-scale international sports events
- Business in event catering will be built up in Turkey
- Business in event catering will be built up in Great Britain

Competitive Advantage of DO & CO

- One-stop 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 posted sales of EUR 60.19 million in business year 2009/2010. That represents a decline of EUR -3.87 million, or -6.0 %, compared with the year before.

Restaurants, Lounges & Hotel		2009/2010	2008/2009	Change	Change in %	2007/2008
Sales	in m €	60.19	64.06	-3.87	-6.0%	61.02
EBITDA	in m €	4.39	4.66	-0.27	-5.7%	4.44
Depreciation/amortization	in m €	-1.69	-2.25	0.55	24.6%	-2.07
Impairment	in m €	-0.31	0.00	-0.31		0.00
EBIT	in m €	2.39	2.41	-0.03	-1.1%	2.37
EBITDA margin	in %	7.3%	7.3%			7.3%
EBIT margin	in %	4.0%	3.8%			3.9%
Share of Group Sales	in %	17.1%	16.5%			17.2%

Two factors are largely to blame for the reduction in sales in Restaurants, Lounges & Hotel. First, consumers behaved with noticeable restraint at nearly all business locations because of the financial and economic crisis. Second, the EURO 2008 generated additional income in the first quarter of business year 2008/2009.

If one views the business areas and locations individually, the following aspects deserve special emphasis:

Business continues to flourish at classic DO & CO restaurant locations such as DO & CO St. Stephen's Square and DO & CO Albertina. In terms of business results, both locations were unaffected by the financial crisis.

Business locations such as Casino Baden, Platinum Vienna and BMW World Munich saw sales decline. The economic crisis made companies more restrained about staging corporate events and that effect was noticeable in business year 2009/2010.

The sales trends at Demel Salzburg and Demel Vienna were encouraging. In fact, Demel Vienna on Kohlmarkt even topped its high level of sales from the previous year.

For the rest, the search is on for a new location for Demel in New York. The previous one did not meet expectations and was shut down at the end of March 2010. There has been an excellent response to the Demel brand and its products on the US market, leaving no doubt about continued success for this traditional Austrian brand in New York.

Sales declined for the employee restaurants and lounges DO & CO operates for Austrian Airlines in Vienna.

The two Lufthansa lounges in Frankfurt and New York deserve special mention for achieving a business trend opposite the one in Austria. In this difficult year for Airline Catering with sharp declines in passenger figures, there was an increase in the number of guests visiting both lounges. This trend can be seen as a special show of trust in DO & CO on the part of Lufthansa and its customers. In Frankfurt, the number of guests to whom DO & CO provided pre-flight culinary services topped 200,000 for the first time ever. In New York, DO & CO managed the lounge for the first time for the entire business year. 75,000 guests enjoyed a first-class selection of food and beverages.

Although Restaurants, Lounges & Hotel saw sales drop by -6.0 %, margins remained unchanged. The reason they did is that the Group undertook prompt and extensive reorganization efforts and cost cutting programs to stabilize the business results.

EBITDA dropped slightly, from EUR 4.66 million in the previous year to EUR 4.39 million in the year under review. EBIT amounted to EUR 2.39 million, a figure on a par with the year before.

This corresponds to an EBITDA margin of 7.3 % (PY: 7.3 %) and an EBIT margin of 4.0 % (PY: 3.8 %).

The DO & CO Strategy

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

Preview of Business Year 2010/2011

- Opening of a lounge for Turkish Airlines in Adana
- Participation in invitations to tender, especially in the lounge sector
- Opening of a new Demel New York at a strategically better site
- Hotel in Istanbul on the Bosporus: Completion of project planning and commencement of construction work; opening planned for 2012

Competitive Advantage of DO & CO

- Innovation taking into account markets around the globe
- Strong brand that guarantees top quality
- Broad multifaceted range within the division: Restaurants, Demel cafés, lounges, hotels
- Unique locations:
  Vienna: St. Stephen’s Square, Kohlmarkt, Albertina
  Salzburg: Residenzplatz
  London: British Museum

DO & CO Stock / Investor Relations / Notes in Accordance with §243a Austrian Business Enterprise Code (UGB)

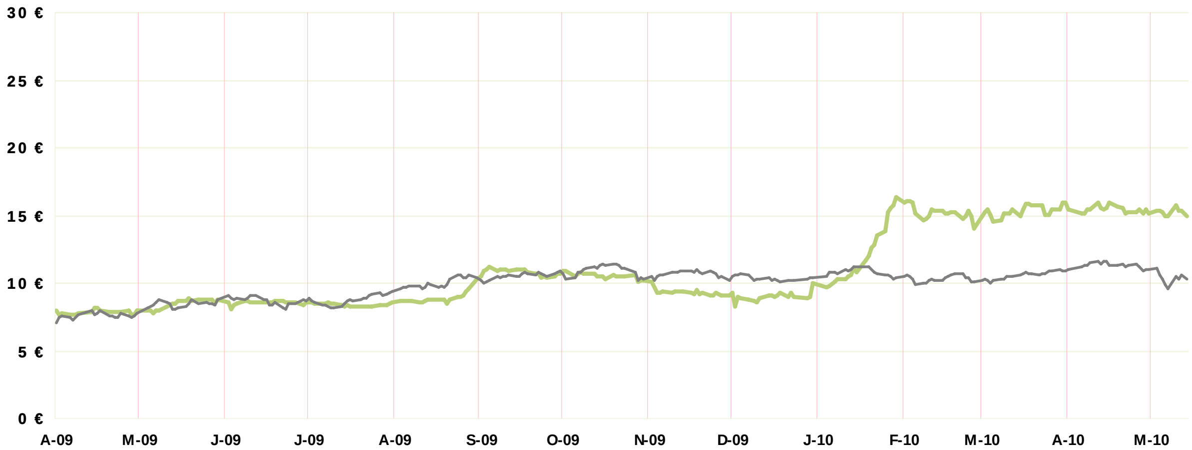
After plunging dramatically on international stock exchanges and reaching their low point on March 2009, stock prices began recovering again in the spring of 2009. The positive sentiment on the exchanges persisted throughout the year contrary to expectations. Uncertainty about how the economy and interest rates would develop was evident in the upward trend being interrupted time and again by moderate setbacks.

The ATX posted considerable gains of 55.2 % in the period under review, closing at 2,634 points on 31 March 2010 (PY: 1,697 points).

DO & CO Stock

In this same period, the price of DO & CO stock rose by nearly 100 %, closing on 31 March 2010 at a price of EUR 16.00. This price represents market capitalization of EUR 122.62 million (taking into account the shares bought back as of the reporting date).

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



DO & CO continued its stock buy-back program in business year 2009/2010 and repurchased 115,785 shares over the course of business year 2009/2010. At the end of the business year, the total number of shares that had been bought back reached 131,740 (PY: 15,955 shares). That corresponds to 1.69 % of the share capital. A maximum of 4 % of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011.

Shareholders' Structure

The private foundation Attila Dogudan Privatstiftung is the majority shareholder in DO & CO Restaurants & Catering Aktiengesellschaft with a stake of 55.34 %. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 25.17 %. The remaining shares are in free float (all ownership figures refer to the reporting date and take into account the treasury shares repurchased at that time).

Financial Calendar

08.06.2010	Business results for business year 2009/2010
08.07.2010	General Meeting of Shareholders
12.07.2010	Ex-dividend date
26.07.2010	Payable date
19.08.2010	Business results for the first quarter of 2010/2011
11.11.2010	Business results for the first half of 2010/2011
10.02.2011	Business results for the first three quarters of 2010/2011

Dividend Distribution

The Management Board of DO & CO Restaurants & Catering Aktiengesellschaft will propose to the General Meeting of Shareholders that a dividend of EUR 0.25 per share be distributed for the business year 2009/2010. This corresponds to a dividend yield of 1.56 % (PY: 1.85 %). In relation to the closing price of EUR 16.00 on 31 March 2010.

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

DO & CO is committed to clear-cut communications with all target groups in the financial community. To this end, it announced consolidated business results at regular intervals throughout the business year and disclosed relevant events in press releases.
The Management Board and management have informed investors and analysts about the strategy and current developments in the Group in business year 2009/2010 in numerous personal meetings and presentations.

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.

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 % of the share capital at the reporting date, namely Attila Dogudan Privatstiftung with a stake of 55.34 % and DZR Immobilien und Beteiligungs GmbH with a stake of 25.17 %.
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 § 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.

Outlook

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

The dynamism of market developments is expressed in particular in many customers inviting bids on new airline catering contracts in search of cost reductions or innovative product improvements. DO & CO is therefore currently taking part in a number of international tenders. This gives it the opportunity to grow further and add additional customers to its clientele and to expand its customer portfolio to an even greater extent.

DO & CO noted generally improved passenger numbers at airlines in the final months of the business year. This trend or at least a moderate version of it is likely to continue in the months ahead.

In Austria, the main customer Austrian Airlines was taken over by Lufthansa. This situation has stabilized in the meantime in spite of major austerity measures. Austria is also likely to see a continuation in the recovery of passenger figures parallel to the improvement in the economic situation.

In Turkey, Turkish Airlines and other third-party customers continued to grow dynamically. In April 2010, Turkish Airlines began using "flying chefs" on long-distance flights to improve its on-board service further. The plan is to extend the use of "flying chefs" in the months ahead to all long-distance flights to strengthen on-board service.

The situation in International Event Catering has become increasingly stable over the last two quarters. Activities in International Event Catering have mainly involved special events for many national and international companies and private customers as well as major international events again. DO & CO is providing premium quality culinary services once again this year for the Formula 1 Grands Prix, the Champions League finals and other big sports events. The aim of DO & CO is to secure the leading market position in premium events and continue to add new customers to its clientele.

Restaurants, Lounges and Hotel is focused this business year on a project to create a hotel in Istanbul. If all permit procedures can be completed successfully, construction will begin at the end of calendar year 2010. The opening of the hotel is set for 2012.
The first airport lounge in Turkey opened in May 2010. This lounge is being run for Turkish Airlines at the airport in Adana and will be followed by further lounges at other airports in Turkey in the quarters ahead.

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

Vienna, 21 May 2010

The Management Board:

Attila DOGUDAN mp Chairman	Michael DOBERSBERGER mp Member

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 in accordance with Rule 62 of this Code. The Vienna law firm Berger-Saurer-Zöchbauer Rechtsanwälte did the evaluation for the business year 2009/2010. 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 to the Board on 3 June 1997
End of the current term of office: 2 June 2012
Holds no other comparable positions

Michael DOBERSBERGER
Member of the Management Board, born 1963
First appointed to the Board on 3 June 1998
End of the current term of office: 2 June 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 16th Ordinary General Meeting of Shareholders (2014), 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 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997
No further seats on Supervisory Boards of listed companies

Georg THURN-VRINTS
Member, independent, born 1956
Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997
No further seats on Supervisory Boards of listed companies

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

- Chairman of the Supervisory Board of 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 2009/2010 in five 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.

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 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, sibling, niece, nephew) of a member of the Management Board or of persons who hold one of the aforementioned positions.

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, the audit of the group financial statements and the group management report and 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 as its financial expert. The deputy chairman of the Supervisory Board also acts as deputy chairman of the Audit Committee.

The Auditing Committee had two meetings in business year 2009/2010. The work at these meetings focused on dealing with the management letter on the audit of the (consolidated) financial statements for 2008/2009, with actions concerning the Internal Control System (ICS), and with the reliable performance of risk management and further, on implementing the internal auditing and on other audit actions to be taken in accordance with § 92.4a Austrian Corporation Act.

EXECUTIVE COMMITTEE:
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 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.
The Compensation Committee met once this business year and deliberated on the bonus payments to the Management Board for the previous business year and on the new principles guiding Management Board compensation in accordance with Rule 27 ff of the Austrian Code of Corporate Governance 2010.

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. A variable pay component was calculated for business year 2008/2009 according to the rules of the Austrian Code of Corporate Governance for 2009 on longevity and sustainability for the reorganization measures carried out by the Management Board.

The fixed pay of the members of the Management Board in the year under review totaled TEUR 555, with about TEUR 336 going to Attila Dogudan and about TEUR 219 to Michael Dobersberger. The variable pay components for business year 2008/2009 amounted to TEUR 135, with TEUR 90 going to Attila Dogudan and TEUR 45 to Michael Dobersberger.

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. Further, there are no agreements governing what is to be done in the event of a public takeover bid.

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 2008/2009 in accordance with a decision by the General Meeting of Shareholders on 9 July 2009. 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 380 in business year 2009/2010 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.

Vienna, 21 May 2010

Attila Dogudan Management Board Chairman	Michael Dobersberger Management Board Member

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 2009/2010 in five 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 31 May 2010, the Audit Committee examined the financial statements of DO & CO Restaurants & Catering Aktiengesellschaft and the preparation of its approval, the proposal for the appropriation of profit, the Management Report, the Corporate Governance Report, the consolidated financial statements and thoroughly deliberated on the Management Letter. Further it suggested selecting PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as auditor of the financial statements for the company and the group for 2010/2011.

The Audit Committee met twice in business year 2009/2010 and also monitored the accounting process, the implementation of steps to optimize the internal control system as well as the functionality of the risk management system and the internal audit system. The Executive Committee met once in its capacity as Compensation Committee.

The annual financial statements plus notes of DO & CO Restaurants & Catering Aktiengesellschaft as of 31 March 2010 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 2009/2010. They are thus adopted in accordance with § 96 (4) of the Austrian Corporation Act (AktG).

The consolidated financial statements as of 31 March 2010 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 2010 and the results of its operations and its cash flows for the business year 2009/2010 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 8 July 2010 to distribute the entire net profit of EUR 1,948,800.00 for a dividend payout of EUR 0.25 on each share entitled to a dividend.

The law firm Berger-Saurer-Zöchbauer Rechtsanwälte carried out the compliance examination for the Corporate Governance Report according to §243b Austrian Business Enterprise Code (UGB) and in its final results, found no grounds for material objections.

The Supervisory Board proposes, in accordance with § 270 (1) Austrian Business Enterprise Code (UGB), § 108 (1) Austrian Corporation Act 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 2010/2011.

The Supervisory Board wishes to thank the company management and the employees for their dedicated work, especially in this much more difficult economic environment.

Vienna, 31 May 2010

Waldemar Jud
Chairman of the Supervisory Board

Glossary of Key Figures

<u>EBITDA margin</u>
Ratio of EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) to sales

<u>EBIT margin</u>
Ratio of EBIT (Earnings before Interest and Taxes) to sales

<u>Equity ratio</u>
Shows the relationship of equity capital, adjusted by dividend payments and book values for goodwill, to total capital

<u>Net debts</u>
Financial liabilities less cash and cash equivalents and marketable securities listed under current assets

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

<u>Working capital</u>
The surplus of current assets above and beyond short-term borrowed capital

<u>Free cash flow</u>
Cash flow from operating activities plus cash flow from investing activities

<u>ROS – Return on sales</u>
Return on sales, i.e. the ratio of the result on ordinary activities to sales

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

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

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

Consolidated Financial Statements 2009/2010

of the DO & CO Group according to IFRS

Statement of Financial Position for the Group as of 31 March 2010

Notes	ASSETS in TEUR	31 Mar 2010	31 Mar 2009
	Intangible assets	25,352	28,733
	Tangible assets	59,143	57,548
	Financial assets	1,645	1,536
(1)	**Fixed assets**	**86,140**	**87,817**
(2)	Other long-term assets	1,770	1,046
	Long-term assets	**87,910**	**88,863**
(3)	Inventories	10,333	11,238
(4)	Trade accounts receivable	31,213	31,875
(4)	Other Short-term accounts receivable and assets	14,026	18,022
(5)	Cash and cash equivalents	29,171	15,132
	Current assets	**84,742**	**76,267**
(6)	Deferred taxes	3,116	4,227
	Total assets	**175,768**	**169,357**

Notes	LIABILITIES and SHAREHOLDERS´EQUITY in TEUR	31 Mar 2010	31 Mar 2009
	Nominal capital	15,590	15,590
	Capital reserves	34,464	34,464
	Revenue reserves	24,043	23,124
	Foreign currency translation reserve	-5,636	-6,502
	Own shares	-1,221	-162
	Consolidated result	9,659	2,084
	Equity attributable to the shareholders of the parent	**76,898**	**68,598**
	Minority interests	16,442	12,075
(7)	**Shareholders' equity**	**93,340**	**80,672**
(8)	Long-term provisions	16,805	14,771
(9)	Long-term financial liabilities	0	8,503
(10)	Other long-term liabilities	257	225
	Long-term liabilities	**17,062**	**23,499**
(11)	Short-term provisions	36,185	31,767
(12)	Short-term financial liabilities	0	6,699
(13)	Trade accounts payable	21,625	17,979
(13)	Other short-term liabilities	7,555	8,740
	Current liabilities	**65,366**	**65,185**
	Total liabilities and shareholders' equity	**175,768**	**169,357**

Income Statement for the Group

for Business Year 2009/2010

Notes	in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
(14)	**Sales**	**352,744**	**387,775**
(15)	Other operating income	9,905	15,080
(16)	Costs of materials and services	-140,403	-164,724
(17)	Personnel expenses	-119,752	-133,945
(18)	Depreciation of tangible fixed assets and amortization of intangible fixed assets	-17,040	-16,810
(18)	Unscheduled amortization of Intangible fixed assets	-421	-3,410
(19)	Other operating expenses	-66,467	-75,359
	EBIT - Operating result	**18,567**	**8,607**
(20)	Financial result	690	227
	thereof from associated companies	157	404
	Profit before taxes	**19,257**	**8,835**
(21)	Income tax	-6,138	-3,488
	Profit for the Year	**13,119**	**5,346**
(22)	Minority interests	-3,460	-3,263
	Consolidated result	**9,659**	**2,084**

Keyfigures per share

	Business Year 2009 / 2010	Business Year 2008 / 2009
Issued shares (in Pie)	7,663,460	7,779,245
Weighted shares (in Pie)	7,725,246	7,790,230
Earnings per share	1.25	0.27

Statement of Cash Flows for the Group

	in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
	Profit before taxes	**19,257**	**8,835**
+	Depreciation /amortization & impairment	17,460	20,220
-/+	Gains / losses from disposals of fixed assets	374	432
+/-	Earnings from associated companies	-110	-78
-/+	Other non cash income/expense	0	-838
	Cash-flow from result	**36,982**	**28,570**
-/+	Increase / decrease in inventories and short-term accounts receivable	2,092	4,944
+/-	Increase / decrease in provisions	9,781	5,644
+/-	Increase / decrease in trade accounts payable and other liabilities	2,804	-11,843
+/-	Currency-related changes in non fund assets	-1,383	-422
+/-	Change in adjustment items from debt consolidation	242	761
-	Income tax payments and changes in deferred taxes	-4,662	-2,991
	Cash-flow from operating activities	**45,854**	**24,662**
+/-	Income from disposals of tangible and intangible fixed assets	104	211
-	Outgoing payments from additions to tangible and intangible fixed assets	-13,544	-24,234
-/+	Increase / decrease in long-term receivables	-944	112
	Cash-flow from investing activities	**-14,385**	**-23,912**
-	Dividend payment to shareholders	-1,165	-1,169
-	Dividend payment to minority shareholder	-233	0
+/-	Cash-flow from purchase of own shares	-1,059	-162
+/-	Increase / decrease in financial liabilities	-15,202	-10,522
	Cash-flow from financing activities	**-17,659**	**-11,853**
	Total cash-flow	**13,811**	**-11,103**
	Cash and cash equivalents at the beginning of the year	15,132	26,069
	Effects of exchange rate changes on cash and cash equivalents	228	166
	Cash and cash equivalents at the end of the year	29,171	15,132
	Change in funds	**13,811**	**-11,103**

Changes in Shareholders’ Equity for the Group

in TEUR	The imputable share to shareholders of the DO & CO AG									Minority interests	Share-holders´ equity
					Other comprehensive income						
	Nominal capital	Capital reserves	Revenue reserves	Con-solidated Result	Currency translation differences of sub-sidiaries	Effect of Net Invest-ment Approach	Deferred Taxes	Own shares	Total		
As of 31 March 2008	**15,590**	**34,464**	**17,879**	**6,413**	**782**	**-9,638**	**2,496**	**0**	**67,987**	**9,850**	**77,836**
Dividend payment 2007/2008				-1,169					**-1,169**		-1,169
Profit carried forward 2007/2008			5,244	-5,244					**0**		0
Total result				2,084	-902	918	-158		**1,942**	2,225	4,167
Changes in own shares								-162	**-162**		-162
As of 31 March 2009	**15,590**	**34,464**	**23,124**	**2,084**	**-120**	**-8,720**	**2,338**	**-162**	**68,598**	**12,075**	**80,672**
As of 31 March 2009	**15,590**	**34,464**	**23,124**	**2,084**	**-120**	**-8,720**	**2,338**	**-162**	**68,598**	**12,075**	**80,672**
Dividend payment 2008/2009				-1,165					**-1,165**	-233	-1,398
Profit carried forward 2008/2009			919	-919					**0**		0
Total result				9,659	624	373	-131		**10,524**	4,600	15,124
Changes in own shares								-1,059	**-1,059**		-1,059
As of 31 March 2010	**15,590**	**34,464**	**24,043**	**9,659**	**503**	**-8,346**	**2,207**	**-1,221**	**76,898**	**16,442**	**93,340**

Statement of Comprehensive Income for the Group

	Business Year 2009 / 2010	Business Year 2008 / 2009
Profit for the Year	**13,119**	**5,346**
Differences of Currency translation	1,764	-1,940
Effect of Net Investment Approach	373	918
Income Tax of other comprehensive income and expense	-131	-158
Other comprehensive income after taxes	**2,006**	**-1,179**
Total comprehensive income for the period	**15,124**	**4,167**
Attributable to minority interests	4,600	2,225
Attributable to shareholders of parent company	10,524	1,942

Subsidiaries

of DO & CO Restaurants & Catering AG as of 31 March 2010

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

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

2) TDC = in thousands of domestic currency units
3) There is a profit transfer agreement between these companies and the DO & CO Restaurants & Catering Aktiengesellschaft.
4) There is a profit transfer agreement between these companies and the DO & CO Catering-Consult & Beteiligungs GmbH.
5) There is a profit transfer agreement between these companies and the DO & CO (Deutschland) Holding GmbH.
6) The nominal capital was initially paid in GBP.
7) The nominal capital was initially paid in SKK.
8) The nominal capital was initially paid in MTL.

Notes to the Consolidated Financial Statements 2009/2010

In application of § 245a Austrian Business Enterprise Code (UGB), the consolidated financial statements of DO & CO Restaurants & Catering AG as of 31 March 2010 were prepared in conformity with the provisions of the pertinent guidelines of the International Financial Reporting Standards (IFRS) in force on the reporting date and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they are to be applied in the European Union (EU).

I. General Information

I.1. Basic Principles

I.1.1. General

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

The 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. The only exceptions were companies already subject to audit under national law and immaterial to presenting a fair picture of the assets, earnings and financial situation of the group. 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 2009/2010 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 2009/2010, as applicable in the European Union (EU).

I.1.2 Effects of New and Modified Standards

New standards enacted by the IASB are applied from the date they take effect as long as they have been published in the Official Journal of the European Union by 31 March 2010 and are in force by that date. They affect the consolidated financial statements of the DO & CO Group as follows:

The rules in IFRS 8 (Operating Segments) that have been mandatory since this business year and the revised IAS 1 (Comprehensive Revision of the Presentation of Financial Statements and Other Information Including the Requirement for a Statement of Comprehensive Income) have resulted in expanded information and additional disclosure obligations for the consolidated financial statements. The application of IFRS 8 caused no material changes to conveying as fairly as possible the Group's assets, earnings and financial situation.

The regulations in IAS 32 (Financial Instruments—Additional Information), in IAS 23 (Borrowing Costs) and in IAS 27 amended (Consolidated and Separate Financial Statements according to IFRS) became mandatory this business year, as did those in IFRS 1 (Acquisition Expenses on the First-time Adoption of International Financial Reporting Standards), in IFRS 2 (Share-based Payment), and in IFRS 7 (Enhancing Disclosures about Fair Value and Liquidity Risk). These regulations were of little to no significance for the Group.

IFRS 1 revised (First-time Adoption of International Financial Reporting Standards) and IFRS 3 revised (Business Combinations, Comprehensive Revision as Regards the Application of the Acquisition Method) will be applied for the first time starting in business year 2010/2011, as will the associated subsequent changes in IAS 27, 28 and 31 plus IAS 32 (Classification of Rights Issues) and the amendments to IAS 39 (Financial Instruments: Recognition and Measurement regarding Exposures Qualifying for Hedge Accounting, Embedded Derivatives). IFRS 2 (Cash-settled Share-based Payment) will be applied for the first time starting in business year 2011/2012. The impact of these changes on the consolidated accounts cannot yet be determined with sufficient certainty or will be of negligible importance to the Group.

The provisions of IFRIC 13 (Customer Loyalty Programs), IFRIC 15 (Agreements for the Construction of Real Estate) and IFRIC 16 (Hedges of a Net Investment in a Foreign Operation) whose application becomes mandatory starting in business year 2009/2010 as well as of IFRIC 17 (Distributions of Non-cash Assets to Owners) and IFRIC 18 (Transfers of Assets from Customers) whose application becomes mandatory starting in business year 2010/2011 all cover subjects unrelated to the DO & CO Group.

I.2. Consolidation Principles

I.2.1. Scope of Consolidation

The scope of consolidation was determined in accordance with the principles of IAS 27 (Consolidated Financial Statements). In accordance with this standard, seventeen domestic and twenty-two foreign subsidiaries were included in the consolidated accounts as of 31 March 2010 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 an indirect stake of 50 %, was included at equity in the consolidated accounts, as were two further foreign companies, in each of which DO & CO Restaurants & Catering AG indirectly holds a 40 % stake and a domestic company in which it indirectly holds a 49 % stake.

The scope of consolidation (including DO & CO Restaurants & Catering AG) did not change in business year 2009/2010 in relation to the previous year.

I.2.2. Consolidation Methods

The initial consolidation in the accounts was carried out on 1 April 1997 or at the later date of acquisition or at the 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 impairment in value.

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

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

I.2.3. Business Segments

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

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

I.2.4. Currency Translation

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

The 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. The balance sheet items were valued at the mean rate on the reporting date of 31 March 2010. 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. Negative translation differences of TEUR 2,311 were recognized in equity in the year under review with no effect on profit and loss.

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

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

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

	Reporting Date Rate		Cum. Average Rate	
in EUR	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
1 US Dollar	0.741895	0.751428	0.707613	0.712652
1 British Pound	1.123848	1.074345	1.131805	1.200718
1 Turkish Lira (formerly: New Turkish Lira)	0.487520	0.450207	0.466356	0.506490
1 Swiss Franc	0.700476	0.659979	0.668309	0.644018

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 and Tangible Fixed Assets

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

The acquisition cost of goodwill obtained in connection with company acquisitions is valued at the time of acquisition as the surplus of expenses for the acquisition over the fair value of the acquired assets less debts and contingent liabilities.
Goodwill is not subject to scheduled amortization but tested for impairment loss based on the amount recoverable for the cash-generating unit to which the goodwill is allocated ("impairment-only approach"). A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This impairment test is conducted annually or whenever there are signs that the cash-generating unit is impaired. If the book value of the cash-generating unit exceeds the recoverable amount for the unit, then goodwill must be reduced by the difference. An impairment loss recognized for goodwill is not permitted to be reversed in subsequent years when the reason for it is eliminated. If the impairment loss of the cash-generating unit exceeds the book value of the goodwill allocated to that unit, the excess amount of the loss is recognized through proportional reduction of the book values of the assets allocated to the cash-generating unit.

The recoverable amount of the cash-generating unit is determined by calculating its value in use according to the discounted cash flow (DCF) method. This calculation is based on financial plans for five years approved by the management and a perpetuity. The discount factors are geared to the weighted average cost of capital (WACC). A WACC of 8 % was applied for business year 2009/2010.

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 2010 was as follows:

in TEUR	31 Mar 2010	31 Mar 2009
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 2009 were subjected to half of the annual rate or written down *pro rata temporis*.

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

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

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

Government grants and third-party building cost subsidies (investment grants) were recorded under liabilities and written down in a way affecting profit/loss in accordance with the useful life of the subsidized asset.
Leased tangible fixed assets deemed economically to be asset purchases involving long-term financing and a transfer of substantially all the risks and rewards incident to asset ownership (finance lease) were recorded under assets at their present value in accordance with IAS 17 (Leases). Depreciation is scheduled and undertaken in accordance with the useful economic life of the assets. Payment obligations arising from the future leasing rates were appropriately discounted and recorded under trade payables.

Shares in Affiliated Companies

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

Shares in Associated Companies and other Financial Assets

The shares in associated companies were valued at equity.

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

Inventories

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

Trade Accounts Receivable and Other Assets

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

Current Financial Assets

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

Deferred Taxes

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

Prepaid Expenses and Deferred Income

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

Provisions for Termination Benefits and Similar Types of Payments

The projected benefit obligation (PBO) method was applied in calculating Austrian group companies' obligations to employees under the law or under collective agreements to set up a one-time termination benefit to be paid out on dismissal or retirement. In the process, the projected benefits were calculated based on an imputed rate of increase of 5 % p.a. (previous year's rate: 6.0 % p.a.) and based on expected pay raises of 3.0 % p.a. (PY: 3.0 % p.a.), with 60 assumed to be the retirement age for female employees and 65 for male employees.

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

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

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

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

Other Provisions

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

Trade Accounts Payable

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

Estimates and Discretionary Practices

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

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

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

Earnings Per Share

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

Changes in Valuation and Accounting Methods

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

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

II.1. Statement of Financial Position for the Group

(1) Fixed Assets

in TEUR	31 Mar 2010	31 Mar 2009
Intangible assets	25,352	28,733
Tangible assets	59,143	57,548
Financial assets	1,645	1,536
Total	**86,140**	**87,817**

The attached assets schedule shows a breakdown of the fixed asset items summarized in the consolidated balance sheet and changes in them during business year 2009/2010 and in the previous year. Recognized translation adjustments are the amounts resulting from the translation of assets of foreign subsidiaries at the different reporting date rates prevailing at the beginning and end of the pertinent year and from the use of average rates for movements during the year.

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.

The land included under tangible fixed assets has a value of TEUR 675 (PY: TEUR 684).

Purchase order commitments for assets ordered but not yet delivered as at 31 March 2010 amounted to TEUR 1.119 (PY: TEUR 194).

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 2010	31 Mar 2009
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 2010	31 Mar 2009
In the following business year	20,822	19,107
in the next five business years	104,720	95,020

An obligation of TEUR 18,150 (PY: TEUR 20,364) also exists based on a long-term lease (waiver of termination until 2024).

Other production plant and office equipment includes standard values of TEUR 956 (PY: TEUR 903) for tableware, cutlery, table linen and containers. The standard values were carried under assets largely at the companies producing sales in the Restaurants, Lounges & Hotel Division.

Financial Assets

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

in TEUR	Business Year 2009/2010	Business Year 2008/2009
As of 1.4	1,322	1,362
Dividend payments	-47	-445
Proportional periodic results	157	404
Total	**1,432**	**1,322**

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

in TEUR	31 Mar 2010	31 Mar 2009
Sky Gourmet Malta Ltd.	109	53
Sky Gourmet Malta Inflight Services Ltd.	97	64
Giava Demel S.r.l.	0	0
ISS Ground Services GmbH	1,226	1,205
Total	**1,432**	**1,322**

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 2010	31 Mar 2009
Other long-term assets	1,770	1,046
Total	**1,770**	**1,046**

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

(3) Inventories

in TEUR	31 Mar 2010	31 Mar 2009
Raw materials and supplies	4,931	5,460
Goods	5,402	5,778
Total	**10,333**	**11,238**

The sub-item “Goods” includes TEUR 2,427 (PY: TEUR 2,670) in standard-value items for tableware, cutlery, table linen, serving aids and containers as well as for other work aids, with account taken of future usefulness.

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

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

in TEUR	31 Mar 2010	31 Mar 2009
Trade accounts receivable	**31,213**	**31,875**
Accounts receivable from companies with distributed ownership	697	631
Other accounts receivable and assets	12,653	16,509
Prepaid expenses and deferred charges	676	882
Total of other current accounts receivable and other current assets	**14,026**	**18,022**
Total	**45,239**	**49,897**

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

in TEUR	Business Year 2009/2010	Business Year 2008/2009
As of 1.4.	1,663	1,909
Allocation	551	329
Reclassification/ FX effects	12	398
Consumption	-569	-669
Release	-159	-304
Total	**1,498**	**1,663**

Trade accounts receivable had the following maturity structure:

in TEUR	31 Mar 2010	31 Mar 2009
undue for payment	20,480	19,079
less than 20 days due	4,239	5,740
more than 20 days but less than 40 days due	2,688	3,216
more than 40 days but less than 80 days due	1,897	1,252
more than 80 days due	1,419	2,238
Total	**30,723**	**31,525**

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

in TEUR	Business Year 2009/2010	Business Year 2008/2009
As of 1.4.	86	62
Allocation	48	27
Consumption	-4	-3
Release	0	0
Total	**130**	**86**

The trade accounts receivable at 31 March 2010 contained TEUR 7,841 (PY: TEUR 8,018) in accounts receivable from individual customers that make up more than 20 % of the total outstanding accounts receivable at the reporting date of 31 March. Nearly all these receivables had been settled by mid-May 2010. There is no information suggesting any concrete risks of default at the reporting date.

Other current accounts receivable and assets contain TEUR 9,679 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 2010	31 Mar 2009
Cash, checks	888	499
Cash at banks	28,282	14,633
Total	**29,171**	**15,132**

Interest on balances at banks in business year 2009/2010 averaged 1.1 % (PY: 5.0 %).

(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 March 2010		31 March 2009	
	Assets	Liabilities	Assets	Liabilities
Intangible fixed assets	16	-2,711	25	-2,406
Property, plant and equipment	332	-1,019	228	-1,308
Financial assets	0	-931	0	-1,087
Inventories	9	0	0	-51
Accounts receivable	107	-44	77	0
Consolidation entries	2,280	0	2,555	0
Provisions	4,720	-3	3,083	-3
Liabilities	198	0	1,043	0
Prepaid expenses or deferred income	0	-21	0	-17
Total deviations in balance sheet	**7,662**	**-4,730**	**7,010**	**-4,872**
Tax losses carried forward	6,047	0	4,041	0
Valuation discount for capitalized deferred tax	-6,040	0	-3,463	0
Offsetting of differences with the same tax authorities	-4,553	4,553	-3,361	3,361
Total	**3,116**	**-176**	**4,227**	**-1,511**

No deferred taxes were capitalized in these consolidated financial statements for differences on the asset side and for tax loss carry-forwards totaling TEUR 6,040 (PY: TEUR 3,463), 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 2008/2009 and 2009/2010:

in TEUR	31 Mar 2010	31 Mar 2009
Capital stock	15,590	15,590
Capital reserves	34,464	34,464
Revenue reserves	24,043	23,124
Foreign currency translation reserve	-5,636	-6,502
Own shares	-1,221	-162
Consolidated result	9,659	2,084
Total	**76,898**	**68,598**
Minority interests	16,442	12,075
Total	**93,340**	**80,672**

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

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

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

DO & CO bought back 115,785 shares in the year under review under the stock repurchasing program. The total number of shares that had been bought back thus reached 131,740 (PY: 15,955 shares). That corresponds to 1.69 % 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 55.34 %. DZR Immobilien und Beteiligungs GmbH (an indirectly wholly-owned subsidiary of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H.) holds a stake of 25.17 %. The remaining shares are in free float (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 reserves item contains revenue reserves in the amount of the tax investment allowances taken advantage of, as recorded in the individual financial statements of domestic companies. No deferred tax provision was formed for these untaxed reserves. In addition to legally stipulated revenue reserves of various individual companies included in the consolidated accounts, this item contains all revenue reserves at subsidiaries not eliminated in the course of capital consolidation as well as changes arising from adjusted consolidation entries in 2009/2010 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 İkram 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 2009	Curreny changes	Consumed	Release	Allocation	As of 31 March 2010
Provisions for severance payments PBO	9,744	422	1,337	8	3,041	11,863
Provisions for pension payments PBO	534	0	59	0	74	549
Provisions for long-service anniversary payments PBO	2,824	0	215	6	582	3,185
Provisons for deferred tax	1,511	45	1,318	62	0	176
Other provisions	158	6	37	0	905	1,032
Total	**14,771**	**473**	**2,966**	**76**	**4,160**	**16,805**

The values of provisions for termination benefits (referred to above as severance payments), pensions and long-service anniversary payments were calculated as of the reporting date along actuarial lines in expert opinions applying the projected benefit obligation method. The valuation was based on an imputed interest rate of 5.0 % (PY: 6.0 %), on imputed pay increases of 3.0 % (PY: 3.0 %) and on imputed pension increases of 3.0 % (PY: 3.0 %).

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

in TEUR	Severances		Pensions		Long- service anniversary	
	2009 / 2010	2008 / 2009	2009 / 2010	2008 / 2009	2009 / 2010	2008 / 2009
Present value of obligations (PBO) on 1 April	9,744	10,196	534	492	2,824	2,575
Currency changes	388	-677	0	0	0	0
Current service cost*	2,339	2,100	0	0	393	398
Interest cost*	543	613	30	27	151	150
Benefit payments	-2,001	-3,139	-59	-56	-209	-217
Settlements / curtailments*	0	749	0	0	0	-30
Actuarial gain*	850	-99	44	71	26	-53
Present value of obligations (PBO) on 31 March	**11,863**	**9,744**	**549**	**534**	**3,185**	**2,824**

* These items are included in the Personnel expenses

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

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

(9) Long-term Financial Liabilities

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

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

(10) Other Long-Term Liabilities

in TEUR	31 Mar 2010	31 Mar 2009
Other liabilities	257	225
Total	**257**	**225**

(11) Short-term Provisions

in TEUR	As of 31 March 2009	Curreny changes	Consumed	Release	Allocation	As of 31 March 2010
Provision for taxation	7,547	95	5,391	5	3,307	5,553
Other personnel provisions	9,702	75	9,643	79	10,504	10,558
Deliveries and services not yet invoiced	2,078	30	1,679	251	1,599	1,778
Other provisions	12,441	758	8,457	3,073	16,627	18,296
Total	**31,767**	**959**	**25,171**	**3,408**	**32,038**	**36,185**

Provisions for personnel expenses pertain largely to three sets of provisions. The first totals TEUR 1,676 (PY: TEUR 1,739) 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 5,878 (PY: TEUR 5,952) for vacation not yet taken as of the reporting date. The third relates to other provisions totaling TEUR 2,781 (PY: TEUR 2,010) for performance-linked components of pay. The item designated other provisions consists largely of period-linked value adjustments.

(12) Short-term Financial Liabilities

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

Cash advances were paid back using sufficiently available liquidity.

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

in TEUR	31 Mar 2010	31 Mar 2009
Trade accounts payable	**21,625**	**17,979**
Advance payments received on orders	350	989
Other liabilities	7,054	7,655
Deferred income	151	96
Total other short-term liabilities	**7,555**	**8,740**
Total	**29,180**	**26,719**

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

Contingent Liabilities

in TEUR	31 Mar 2010	31 Mar 2009
Securities	12,659	11,876

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

II.2. Income Statement for the Group

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

(14) Sales

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Airline Catering	258,555	246,842
International Event Catering	33,996	76,873
Restaurants, Lounges & Hotel	60,192	64,061
Total	**352,744**	**387,775**

(15) Other Operating Income

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Proceeds of the disposal of fixed assets	99	154
Income from the release of provisions	3,408	2,590
Release of provisions for bad debts	159	304
Insurance payments	59	156
Rent income	218	117
Exchange rate differences	2,441	8,828
Miscellaneous operating income	3,521	2,931
Total	**9,905**	**15,080**

The TEUR 5,175 reduction in other operating income is mainly traceable to less income from exchange rate differences. Other operating expenses contain exchange rate losses of TEUR 2,185 (PY: TEUR 8,606).

(16) Costs of Materials and Services

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Costs of materials (including goods purchased for resale)	119,726	116,587
Costs of services	20,676	48,137
Total	**140,403**	**164,724**

Costs of services declined mainly due to the sales generated at the EURO 2008 in business year 2008/2009. Those costs were reflected mostly in costs of materials and services.

(17) Personnel Expenses

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Wages	72,807	80,673
Salaries	20,043	22,044
Expenses for severance payments	4,354	3,903
Expenses for legally mandanted social security contributions and for related costs	18,685	23,208
Other social expenses	3,863	4,116
Total	**119,752**	**133,945**

Under a contribution-based employee pension and severance system, the DO & CO Group pays set contributions amounting to TEUR 476 (PY: TEUR 246) to an employee pension and severance fund. With the payment of these contributions, the DO & CO Group satisfies its obligation in this regard.

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

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Scheduled amortization and depreciation	17,040	16,810
Unscheduled amortization and depreciation	421	3,410
Total	**17,460**	**20,220**

Airline Catering recorded EUR 3.41 million in unscheduled amortization on intangible assets in business year 2008/2009. The reduction in this item in the year under review compared to the previous year is mostly due to that value adjustment.

(19) Other Operating Expenses

The composition of other operating expenses was as follows:

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Other taxes (excluding income taxes)	1,000	1,306
Rentals, leases and operating costs (including airport fees)	37,841	37,664
Travel and communication expense	5,319	7,063
Transport, vehicle expense and maintenance	8,353	9,126
Insurance	893	991
Legal, auditing and consulting expenses	3,001	2,762
Advertising expense	594	706
Other personnel costs	357	538
Miscellaneous operating expenses	2,765	2,310
Value adjustments, losses on bad depts	1,850	1,486
Exchange rate differences	2,185	8,606
Accounting losses from the disposal of fixed assets	473	277
Other administrative expenses	1,837	2,524
Summe	**66,467**	**75,359**

The decline in other operating expenses is mostly due to lower losses from exchange rate differences.

The expenses for the auditor and all members of the auditor's network amounted to TEUR 395 for the audit of the consolidated financial statements and sets of individual financial statements in the year under review and TEUR 80 for other consulting services.

(20) Financial Result

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Income from participations		
Results from investments	157	404
of which from associated companies	157	404
Total income from participations	**157**	**404**
Result from other financial activities		
Income from other securities carried under fixed	0	27
Interest and similar income	726	967
Interest and similar expenses	-194	-1,171
Total result from other financial activities	**533**	**-177**
Total	**690**	**227**

(21) Income Tax

in TEUR	Business Year 2009 / 2010	Business Year 2008 / 2009
Income tax expenses	5,891	4,842
thereof non periodic	-14	-195
Deferred tax	247	-1,353
Total	**6,138**	**3,488**

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

The effective tax burden on the DO & CO Group, defined as a ratio of total tax expenses to profit before tax, amounted to 31.9 % (PY: 39.5 %). The difference between the corporate tax rate of 25 % applicable in business year 2008/2009 (PY: 25 %) and the reported group tax rate came about as follows:

in TEUR	2009/2010	2008/2009
Consolidated result before tax	**19,257**	**8,835**
Tax expense at tax rate of 25 % (previous year: 25 %)	**4,814**	**2,209**
Non-temporary differences, and tax expenses and income from prior periods	446	316
Change of value adjustments on capitalized deferred tax assets as well as losses for which no deferred tax provisions were created	1,310	1,516
Change in tax rates	-432	-553
Effective tax burden	**6,138**	**3,488**
Effective tax rate in %	31.9	39.5

(22) Minority Interests

Minority interests in the annual profit of fully consolidated companies with minority interests amounted to TEUR 3,460 (PY: TEUR 3,263).

III. Other Information

(23) Earnings per Share

The number of shares issued as of 31 March 2010 totaled 7,795,200 (PY: 7,795,200 shares). DO & CO continued its stock buy-back program in business year 2009/2010 and repurchased 115,785 shares over the course of business year 2009/2010. At the end of the business year, the total number of shares that had been bought back reached 131,740. That corresponds to 1.69 % of the share capital. A maximum of 4 % of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011.

	Business Year 2009 / 2010	Business Year 2008 / 2009
Number of individual shares	7,663,460	7,779,245
Weighted shares (number of individual shares)	7,725,246	7,790,230
Earnings per share	1.25	0.27

Based on the consolidated profit of TEUR 9,659 (PY: TEUR 2,084), the earnings per share amounted to EUR 1.25 (PY: EUR 0.27).

(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 2010, prepared in accordance with the Austrian accounting regulations, form the basis for the distribution of a dividend. These financial statements show a net profit of EUR 1,948,800.00. The Management Board proposes to the General Meeting of Shareholders that the entire balance-sheet profit be distributed. That makes a dividend payout of EUR 0.25 on each share entitled to a dividend.

(25) Statement of Cash Flows for the Group

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

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

(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:

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

Assets in TEUR	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
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**

The profit/loss from financial instruments based on the categories in IAS 39 are composed in 2009/2010 and 2008/2009 of interest and do not contain any subsequent valuations.

Currency Risk

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

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

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

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

A 5 % change in the EUR-to-USD exchange rate would have an effect equivalent to plus TEUR 523 (PY: TEUR 341).
A 5 % change in the EUR-to-GBP exchange rate would have an effect equivalent to plus TEUR 216 (PY: TEUR 286).
A 5 % change in the EUR-to-YTL exchange rate would have an effect equivalent to TEUR 340 (PY: TEUR -779).

Liquidity Risk

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

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

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

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

Future payments of principal and future interest owed for existing financial liabilities at the reporting date of 31 March 2010 can be analyzed as follows:

	31 Mar 2010		31 Mar 2009	
in TEUR	Repayment	Interest	Repayment	Interest
within one year due	0	0	7,277	601
between one and five years due	0	0	8,150	861
after five years due	0	0	0	0

Default Risk

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

DO & CO does not avail itself of credit insurance. Investments are made only at banks with first-class ratings. No material default risks are expected from the other original financial instruments.

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

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

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

Interest Risks

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

DO & CO had no financial liabilities as of 31 March 2010 and nearly doubled its cash and cash equivalents in business year 2009/2010. A one-percent increase in the average interest rate would therefore have a positive effect equivalent to about 0.8 % 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 at an appropriate level
- Retention of financial and operational flexibility by leaving available assets unencumbered

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

(27) Segment Reporting

The **segment reporting by division** is as follows for business year 2009/2010:

Business Year 2009/2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Sales	in m €	258.56	34.00	60.19	352.74
EBITDA	in m €	27.67	3.97	4.39	36.03
Depreciation/amortization	in m €	-14.37	-0.97	-1.69	-17.04
Impairment	in m €	-0.11	0.00	-0.31	-0.42
EBIT	in m €	13.19	2.99	2.39	18.57
EBITDA margin		10.7%	11.7%	7.3%	
EBIT margin		5.1%	8.8%	4.0%	
Share of Group Sales		73.3%	9.6%	17.1%	100.0%
Investments	in m €	12.84	0.21	0.18	13.24

The comparable period the year before was as follows:

Business Year 2008/2009		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Sales	in m €	246.84	76.87	64.06	387.78
EBITDA	in m €	18.47	5.70	4.66	28.83
Depreciation/amortization	in m €	-13.25	-1.32	-2.25	-16.81
Impairment	in m €	-3.41	0.00	0.00	-3.41
EBIT	in m €	1.81	4.38	2.41	8.61
EBITDA margin		7.5%	7.4%	7.3%	
EBIT margin		0.7%	5.7%	3.8%	
Share of Group Sales		63.7%	19.8%	16.5%	100.0%
Investments	in m €	24.94	0.57	1.13	26.65

Segment assets were as follows:

Business Year 2009/2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	78.35	1.81	5.98	86.14
Inventories	in m €	6.64	2.65	1.04	10.33
Trade accounts receivables	in m €	23.53	5.07	2.61	31.21

The comparable period the year before was as follows:

Business Year 2008/2009		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	79.96	2.67	5.19	87.82
Inventories	in m €	9.10	0.92	1.21	11.24
Trade accounts receivables	in m €	26.54	1.55	3.79	31.88

The **segment reporting by region** (registered office of the companies) is as follows for business year 2009/2010:

Business Year 2009/2010		Austria	Other Europe	Other Countries	Total
Sales	in m €	135.47	198.09	19.18	352.74
Share of Group Sales		38.4%	56.2%	5.4%	100.0%

The comparable period the year before was as follows:

Business Year 2008/2009		Austria	Other Europe	Other Countries	Total
Sales	in m €	176.23	191.09	20.46	387.78
Share of Group Sales		45.4%	49.3%	5.3%	100.0%

Segment assets were as follows:

Business Year 2009/2010		Austria	Other Europe	Other Countries	Total
Fixed assets	in m €	28.58	49.00	8.56	86.14
Inventories	in m €	4.66	5.48	0.19	10.33
Trade accounts receivables	in m €	12.61	17.02	1.58	31.21

The comparable period the year before was as follows:

Business Year 2008/2009		Austria	Other Europe	Other Countries	Total
Fixed assets	in m €	31.34	46.29	10.18	87.82
Inventories	in m €	5.32	5.50	0.42	11.24
Trade accounts receivables	in m €	15.04	14.19	2.65	31.88

(28) Events After the Balance Sheet Date

The Eyjafjallajökull Volcano in Iceland erupted at the end of March 2010. In an unprecedented impairment of air traffic in Europe, the volcanic ash that was released led to the partial or complete grounding of air traffic in large areas of Northern and Central Europe for several days. Thousands of flights were canceled or diverted to airports not yet closed. Normal flight operations did not resume in Central Europe until 21 April 2010. Scandinavia saw the situation worsen again in certain areas up to 23 April 2010. The airports that were especially hard hit from the perspective of DO & CO business were London Heathrow, Munich, Milan and Frankfurt; the airports in Austria and Turkey were hit to a lesser extent. JFK in New York was not affected at all. It remains to be seen how volcanic activity will affect air traffic in the future. The management still expects results to remain on target for the two affected divisions: Airline Catering and Restaurants, Lounges & Hotel.

(29) Related Party Disclosures

Raiffeisenlandesbank Niederösterreich-Wien AG is indirectly a related party as it holds a stake in DO & CO Restaurants & Catering AG through Raiffeisen-Holding Niederösterreich-Wien reg. Gen. m.b.H. or through the latter's indirectly wholly-owned subsidiary DZR Immobilien und Beteiligungs GmbH. Business relations with Raiffeisenlandesbank Niederösterreich-Wien AG were handled at terms and conditions customary for external customers.

Existing business relations with enterprises in which members of the Supervisory Board of DO & CO Restaurants & Catering AG are active are conducted at terms and conditions customary for external customers. Firms in which Supervisory Board members Waldemar Jud and Werner Sporn have a considerable economic interest charged professional fees of EUR 380,236.00 in business year 2009/2010 for legal counsel.

The Group has a 50 % stake in THY DO & CO İkram Hizmetleri A.Ş. Turkish Airlines (Türk Hava Yollari A.O.) holds the remaining 50 % stake in this company. THY DO & CO İkram Hizmetleri A.Ş. provides airline catering services to Turkish Airlines. All business relations were conducted at terms and conditions customary for external partners. Trade accounts receivable contain about TEUR 4,325 in trade receivables owed by Turkish Airlines in connection with this business relationship (PY: TEUR 2,531).

DO & CO has a 49 % stake in ISS Ground Services GmbH (associated company) and purchased TEUR 7,176 in services in business year 2009/2010. TEUR 752 in liabilities owed to ISS Ground Services GmbH are contained here in connection with this business relationship. All business relations were conducted at terms and conditions customary for external partners.

(30) Information on Corporate Boards and Employees

The average number of employees was as follows:

	Business Year 2009/2010	Business Year 2008/2009
blue-collar employee	3,111	3,330
white-collar worker	431	505
Total	**3,542**	**3,835**

On average, a further 152 individuals (PY: 147) 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 2009/2010:

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 555, with approximately TEUR 336 paid to Attila Dogudan and approximately TEUR 219 paid to Michael Dobersberger. The variable pay components for business year 2008/2009 amounted to TEUR 135, with TEUR 90 going to Attila Dogudan and TEUR 45 to Michael Dobersberger.

The Supervisory Board: Waldemar Jud, Graz, Chairman
Werner Sporn, Vienna, Deputy Chairman
Georg Thurn-Vrints, Poysbrunn
Christian Konrad, Vienna

The members of the Supervisory Board received remuneration totaling TEUR 38 (PY: TEUR 38) for business year 2008/2009 in accordance with a decision by the General Meeting of Shareholders on 9 July 2009.

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

Vienna, 21 May 2010

The Management Board:

Attila Dogudan mp
Chairman

Michael Dobersberger mp
Member

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

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

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

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

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

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

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

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

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

Schedule of changes of Fixed assets
as of 31 March 2010

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

in TEUR	As at 31 March 2008	Changes in scope of consolidation	Translation differences	Additions	Reclassifications	Disposals	As at 31 March 2009	Stand 31 March 2008	Translation differences	Depreciation harge of the yea	Disposals	As at 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	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**

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 2009 to 31 March 2010. These consolidated financial statements comprise the consolidated balance sheet as of 31 March 2010, the consolidated income statement, the consolidated cash flow statement and the consolidated 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 for the Accounting System

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

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

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

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 March 2010 and of its financial performance and its cash flows for the period from 1 April 2009 to 31 March 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with the respect to the Company´s position. The auditor´s report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a (1) Austrian Business Enterprise Code (UGB) are appropriate.

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

Vienna, 21 May 2010

PKF CENTURION
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
MEMBER FIRM OF PKF INTERNATIONAL LIMITED

Stephan Maurer mp
Wirtschaftsprüfer

Wolfgang Adler mp
Wirtschaftsprüfer

Set of Individual Financial Statements for 2009/2010 of DO & CO Restaurants & Catering AG

PKF CENTURION
Wirtschaftsprüfungsgesellschaft mbH

Hegelgasse 8 | 1010 Wien
Tel. +43 1 512 87 80 | Fax +43 1 512 87 80 - 599
www.pkf.at

Wirtschaftsprüfung &
Steuerberatung

DO & CO Restaurants & Catering Aktiengesellschaft

Vienna

Translation of the
Auditor's Report (short version)
of the financial statements
as of 31 March 2010
and of the management report
for the fiscal year 2009/2010

PDF version dated 17 May 2010

Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of **DO & CO Restaurants & Catering AG, Vienna,** for the fiscal year from 1 April 2009 to 31 March 2010. These financial statements comprise the balance sheet as of 31 March 2010, the income statement for the fiscal year ended 31 March 2010 and the notes.

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

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. 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 in the circumstances.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we 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 Company'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 Company'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 financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 March 2010 and of its financial performance for the fiscal year from 1 April 2009 to 31 March 2010 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and whether the other disclosures in the management report do not give rise to a misstatement of the Company's financial position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures as required under Section 243a Austrian Business Enterprise Code (UGB) are adequate.

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

Vienna, 17 May 2010

PKF CENTURION
Wirtschaftsprüfungsgesellschaft mbH
Member Firm of PKF International Limited

Mag. Günther Prindl Wirtschaftsprüfer	Dr. Stephan Maurer Wirtschaftsprüfer

DO & CO Restaurants & Catering Aktiengesellschaft, Vienna

Balance Sheet as of 31 March 2010

ASSETS	EUR	EUR	EUR	*PY* *EUR*	*EUR*
A. FIXED ASSETS			**27.851.079,07**		***30.127.841,04***
I. Intangible assets		**224.965,10**		***93.649,42***	
1. Industrial property rights and similar rights and benefits	53.552,10			*93.649,42*	
2. payments in advance	171.413,00			*0,00*	
II. Tangible assets		**2.459.403,34**		***600.938,06***	
1. Buildings on third party land	85.203,18			*111.004,42*	
2. Other equipment and office equipment	374.200,16			*489.933,64*	
3. payments in advance	2.000.000,00			*0,00*	
III. Financial assets		**25.166.710,63**		***29.433.253,56***	
1. Investments in affiliated companies	4.371.216,26			*4.371.216,26*	
2. Loans to affiliated companies	20.756.643,10			*25.023.186,03*	
3. Securities	38.851,27			*38.851,27*	
B. CURRENT ASSETS			**62.465.665,66**		***70.377.431,40***
I. Receivables and other current assets		**60.476.057,37**		***69.962.345,60***	
1. Trade accounts receivable	104.852,47			*78.761,19*	
2. Accounts receivable from affiliated companies	57.134.010,58			*66.427.741,90*	
3. Other accounts receivable and assets	3.237.194,32			*3.455.842,51*	
II. Shares		**1.221.133,44**		***128.647,52***	
1. Own Shares	1.221.133,44			*128.647,52*	
III. Cash and cash equivalents		**768.474,85**		***286.438,28***	
C. PREPAID EXPENSES AND DEFERRED CHARGES			**77.766,49**		***99.525,77***
			90.394.511,22		***100.604.798,21***

DO & CO Restaurants & Catering Aktiengesellschaft, Vienna

Balance Sheet as of 31 March 2010

LIABILITIES AND SHAREHOLDERS´ EQUITY	EUR	EUR	EUR	PY EUR	PY EUR
A. SHAREHOLDERS' EQUITY			**76.276.552,70**		***69.691.541,78***
I. Nominal capital		**15.590.400,00**		***15.590.400,00***	
II. Capital reserves		**35.926.378,42**		***35.926.378,42***	
1. Appropriated	35.926.378,42			*35.926.378,42*	
III. Revenue reserves		**22.810.974,28**		***17.005.483,36***	
1. Statutory reserves	64.635,22			*64.635,22*	
2. Other reserves	21.525.205,62			*16.812.200,62*	
3. Reserve for own shares	1.221.133,44			*128.647,52*	
V. Unappropriated retained earnings		**1.948.800,00**		***1.169.280,00***	
thereof retained earnings EUR 4.774,50 (PY: TEUR 682)					
B. PROVISIONS			**9.534.126,00**		***9.838.128,88***
1. Provisions for severance payments		943.740,00		*868.530,00*	
2. Provision for taxation		4.576.300,00		*4.563.473,62*	
3. Other provisions		4.014.086,00		*4.406.125,26*	
C. Liabilities			**4.583.832,52**		***21.075.127,55***
1. Liabilities to banks		6,10		*5.500.000,00*	
2. Trade accounts payable		420.838,84		*243.301,60*	
3. Accounts payable to affiliated companies		3.271.113,67		*14.314.526,75*	
4. Other liabilities		891.873,91		*1.017.299,20*	
thereof taxes EUR 668.080,52 (PY: TEUR 782)					
thereof social security EUR 156.497,38 (PY: TEUR 148)					
thereof with a residual term of 1 year EUR 891.873,91 (PY: TEUR 1.017)					
			90.394.511,22		***100.604.798,21***
CONTINGENT LIABILITIES			**472.938,00**		**10.510.831,21**
OTHER FINANCIAL OBLIGATIONS			**6.682.100,00**		**2.248.800,00**

DO & CO Restaurants & Catering Aktiengesellschaft, Vienna

INCOME STATEMENT

from 1 April 2009 to 31 March 2010

			2009/10		2008/09
		EUR	EUR	EUR	EUR
1.	**Sales**		**13.752.659,09**		***11.626.243,84***
2.	**Other operating income**		**1.364.493,66**		***1.555.525,25***
	a) Income from the release of provisions	232.294,34		*49.267,70*	
	b) Miscellaneous operating income	1.132.199,32		*1.506.257,55*	
3.	**Costs of materials and services**		**-3.004.692,20**		***-2.900.011,23***
	a) Costs of materials	-11.671,26		*-11.595,78*	
	b) Costs of services	-2.993.020,94		*-2.888.415,45*	
4.	**Personnel expenses**		**-9.885.109,48**		***-10.109.938,22***
	a) Wages	-283.117,20		*-316.588,63*	
	b) Salaries	-7.590.655,26		*-7.747.644,83*	
	c) Expenses for severance payments	-265.949,99		*-175.484,74*	
	d) Expenses for legally mandanted social security contributions and for related costs	-1.689.696,50		*-1.747.275,18*	
	e) Other social expenses	-55.690,53		*-122.944,84*	
5.	**Amortization / depreciation**		**-387.612,72**		***-436.612,50***
	a) Thereof amortization of intangible fixed assets	-387.612,72		*-436.612,50*	
6.	**Other operating expenses**		**-4.080.610,17**		***-5.445.454,02***
	a) Taxes	-39.722,80		*-41.787,41*	
	b) Other miscellaneous expenses	-4.040.887,37		*-5.403.666,61*	
7.	**EBIT - Operating result**		**-2.240.871,82**		***-5.710.246,88***
8.	**Income from investments** thereof affiliated companies: EUR 12.306.404,03 (PY: TEUR 10.619)		**12.306.404,03**		***10.618.767,13***
9.	**Interest and similar income** thereof affiliated companies: EUR 1.223.296,86 (PY: TEUR 1.780)		**1.241.199,14**		***1.934.929,21***
10.	**Income from the write ups of fixed financial assets**		**33.261,52**		***3.056.934,04***
11.	**Expenses on fixed assets and current securities thereof**		**-946.362,04**		***-1.854.394,49***
	a) Impairment of Financial assets	0,00		*-1.075.588,54*	
	b) Expenses of affiliated companies	-946.362,04		*-778.805,95*	
12.	**Interest and similar expense** thereof affiliated companies EUR 3.083,00 (PY: TEUR 461)		**-25.759,51**		***-647.286,72***
13.	**Financial result**		**12.608.743,14**		***13.108.949,17***
14.	**Profit before Taxes**		**10.367.871,32**		***7.398.702,29***
15.	**Income tax**		**-2.618.354,90**		***-2.000.447,61***
16.	**Profit for the year**		**7.749.516,42**		***5.398.254,68***
17.	**Allocation to Revenue reserve**		**-5.805.490,92**		***-4.911.417,88***
18.	**Net Profit**		**1.944.025,50**		***486.836,80***
19.	**Retained earnings**		**4.774,50**		***682.443,20***
20.	**Unappropriated retained earnings**		**1.948.800,00**		***1.169.280,00***

Accounting and Valuation Principles

General Principles

The annual financial statements were prepared in accordance with the provisions of the version of the Austrian Business Enterprise Code (UGB) in force on the reporting date.

The annual financial statements were prepared in accordance with generally accepted accounting standards and the general norm of conveying as fairly as possible the assets, earnings and financial position of the company (Section 222 (2) Austrian Business Enterprise Code (UGB)).

The accounting, valuation and presentation of the individual items in the annual financial statements were undertaken in accordance with the provisions of Sections 189 through 211 Austrian Business Enterprise Code (UGB), with account also taken of the special provisions for corporations in Sections 221 through 235 Austrian Business Enterprise Code (UGB).

The principles of completeness and non-arbitrariness were applied in the preparation of the annual financial statements.

The valuation assumed the continuation of the company as a going concern.

The valuation of individual assets and debts took account of the principle of individual valuation and assumed the continuation of the company as a going concern.

The company observed the principle of prudence by reporting only gains actually realized on the reporting date. Account was taken of all discernible risks and impending losses incurred in the current business year or in an earlier business year.

Fixed Assets

Acquired Intangible Fixed Assets

Acquired intangible fixed assets were valued at acquisition or manufacturing cost taking into account ancillary costs less amortization incurred thus far and applied as scheduled in business year 2009/2010 in accordance with Section 204 (1) Austrian Business Enterprise Code (UGB).

Scheduled amortization was applied in a straight-line fashion. The following useful life periods were applied:

	Useful life in years
• Commercial industrial rights	2 - 10
• IT software	3 - 5

Tangible Fixed Assets

The tangible fixed assets were valued at acquisition cost taking into account ancillary costs less depreciation thus far incurred and applied as scheduled in business year 2009/2010 in accordance with Section 204 (1) Austrian Business Enterprise Code (UGB).

Scheduled depreciation was applied in a straight-line fashion and the following useful life periods were applied to the individual groups of assets:

	Useful life in years
• Buildings	5 - 10
• Other production plant and office equipment	3 - 7

Assets that had been added by September 30 of the business year 2009/2010 were always written down at the full annual rate of depreciation; those added after 30 September 2009 were subjected to half of the annual rate.

Assets of minor value as defined in Section 13 Income Tax Act 1988 (EStG) are immediately written down to a value of EUR 0.01 in their year of acquisition. 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.

Financial Assets

Shares in Associated Companies

This item comprises solely shares in associated companies. Disclosures on shares in associated companies in accordance with Section 238.2 Austrian Business Enterprise Code (UGB) are contained separately in Annex 3b of these Notes.

The company is the controlling parent company and prepared consolidated financial statements and a management report on the Group in accordance with the provisions of Sections 244ff Austrian Business Enterprise Code (UGB) at 31 March 2010. The company is recorded with the Commercial Court Vienna, as competent Commercial Register Court, under Commercial Register No. 156765 m.

Loans to Associated Companies

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

Current Assets

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 defaulted receivables, were taken into account in downward adjustments and appropriate specific writedowns.

Foreign-currency accounts receivable were valued at the lower of their original recorded values (fair values at acquisition) or foreign-exchange buying rate at the reporting date.

The lower applicable value was applied to any individual risks that were detected.

Own Shares

This item contains 131,740 individual bearer shares of DO & CO Restaurants & Catering AG purchased in accordance with the stock buyback program approved by the General Meeting of Shareholders. 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 Section 225 (5) Austrian Business Enterprise Code (UGB).

Shareholders' Equity

Share Capital and Capital Reserves

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

Composition of the Capital Reserves

	EUR	EUR
1998 IPO premium (Section 229 (2) 1 UGB in connection with (5) UGB)	13,081,110.15	
Cent difference from EUR conversion 2001/2002	0.01	
Premium from capital increase in 2006/2007	24,273,186.35	
Capital increase from company resources 2007/2008	-1,427,918.09	35,926,378.42

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 Section 225 (5) Austrian Business Enterprise Code (UGB).

Unappropriated Retained Earnings

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.

Provisions

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 65 for male employees and 60 for female 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.

Provisions for Taxes

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

Other Provisions

In keeping with the principle of prudence, other provisions take into account all discernible risks and liabilities uncertain in terms of reason or amount in amounts deemed necessary following a reasonable business assessment.

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

Liabilities

Liabilities are valued at their repayment value applying a conservative approach.

Foreign currency liabilities are valued at the foreign-exchange selling rate prevailing at their occurrence, with any exchange rate losses at the reporting date from changes in foreign exchange rates duly taken into account.

Notes to Individual Items on the Balance Sheet and the Income Statement

Change in Fixed Assets

Change in individual fixed asset items and the composition of annual depreciation and amortization by individual item (Section 226 (1) Austrian Business Enterprise Code (UGB)) are presented separately in Annex 3a of these Notes.

Advance Payments for Plants

Advance payments of EUR 2 million were rendered for tenant investments in the building at 1010 Vienna, Akademiestrasse 3/Mahlerstrasse 9.

Accounts Receivable and Other Assets

The table below shows the maturity structure of trade accounts receivable reported on the balance sheet:

	Total amount	Of which remaining term of up to 1 year	Of which remaining term of more than 1 year
Trade accounts receivable	104,852.47	104,852.47	0.00
Previous year	78,761.19	78,761.19	0.00
Amounts owed by associated companies	57,134,010.58	14,510,073.29	42,623,937.29
Previous year	66,427,741.90	23,852,129.93	42,575,611.97
Other receivables and assets	3,237,194.32	1,631,124.32	1,606,070.00
Previous year	3,455,842.51	2,768,550.68	687,291.83
	60,476,057.37	16,246,050.08	44,230,007.29
Previous year	69,962,345.60	26,699,441.80	43,262,903.80

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

Type of receivable	As of 31 March 2010	As of 31 March 2009
	EUR	EUR
Trade accounts receivable	1,821,306.45	2,717,226.12
Other receivables (including profit/loss transfers and profit distributions)	55,312,704.13	63,710,515.78
Total	57,134,010.58	66,427,741.90

Other accounts receivable from associated companies result from loans to foreign subsidiaries in an amount of EUR 10,424,870.29 (previous year: EUR 9,267,177.47) for which EUR 120,716.00 in interest received was recorded for business year 2009/2010 (previous year: EUR 309,446.00).

Accounts receivable from the transfer of annual profits at domestic controlled companies due to profit transfer agreements for the business year 2009/2010 amounted to EUR 12,306,404.03 (previous year: EUR 10,618,767.13) at the reporting date.

Other accounts receivable contain a deposit payment of EUR 950,000.00 rendered to secure claims from the rental of space at 1010 Vienna, Akademiestrasse 3/Mahlerstrasse 9.

Provisions not Separately Reported on the Balance Sheet

The following provisions are substantial magnitude yet were not separately reported on the balance sheet:

	As of 1 April 2009	Use	Release	Allocation	As of 31 March 2010
Provision for salaried employees' leave	1,259,780.00	1,253,723.63	0.00	1,118,543.63	1,124,600.00
Provision for salaried employees' bonuses	574,700.00	574,700.00	0.00	1,113,000.00	1,113,000.00
Provision for salaried employees' long-term anniversary	553,130.00	2,004.24	0.00	54,234.24	605,360.00
Provision for audit of annual financial statements	315,000.00	315,000.00	0.00	330,000.00	330,000.00
Provision for Christmas pay/vacation pay for salaried employees	226,480.00	226,480.00	0.00	223,080.00	223,080.00
Provision for services not yet billed	74,130.00	65,931.08	8,198.92	134,460.00	134,460.00
Provision for tax advice	110,000.00	55,000.00	0.00	55,000.00	110,000.00
Other provisions	643,418.26	588,350.55	55,067.71	106,300.00	106,300.00
Provision for wage earners' leave	75,910.00	75,910.00	0.00	67,080.00	67,080.00
Provision for ancillary costs for Christmas pay/vacation pay for salaried employees	67,490.00	67,490.00	0.00	66,690.00	66,690.00
Provision for overtime for salaried employees	52,270.00	52,270.00	0.00	56,880.00	56,880.00
Provision for wage earners' long-term anniversary	30,820.00	1,518.00	2,952.00	0.00	26,350.00
Provision for wage earners' bonuses	19,600.00	17,500.00	2,100.00	22,000.00	22,000.00
Provision for handicapped equalization tax	15,427.00	11,076.00	1,491.00	10,596.00	13,456.00
Provision for Christmas pay/vacation pay for wage earners	5,510.00	5,510.00	0.00	5,870.00	5,870.00
Provision for overtime for wage earners	3,820.00	3,820.00	0.00	5,470.00	5,470.00
Provision for ancillary costs for Christmas pay/vacation pay for wage earners	1,660.00	1,660.00	0.00	1,780.00	1,780.00
Provision for party-service pay for wage earners	1,490.00	1,490.00	0.00	1,210.00	1,210.00
Provision for party-service pay for salaried employees	490.00	490.00	0.00	500.00	500.00
Provision for lawyers/notaries public	375,000.00	212,515.29	162,484.71	0.00	0.00
	4,406,125.26	3,532,438.79	232,294.34	3,372,693.87	4,014,086.00

Liabilities

Liabilities are composed as follows according to Section 225.6 and Section 237 Austrian Business Enterprise Code (UGB):

	Total amount	Of which remaining term of up to 1 year
Liabilities to banks	6.10	6.10
Previous year	5,500,000.00	5,500,000.00
Trade accounts payable	420,838.84	420,838.84
Previous year	243,301.60	243,301.60
Owed to associated companies	3,271,113.67	3,271,113.67
Previous year	14,314,526.75	14,314,526.75
Of which from trade	*1,521,771.88*	*1,521,771.88*
Previous year	*3,403,293.14*	*3,403,293.14*
Other liabilities	891,873.91	891,873.91
Previous year	1,017,299.20	1,017,299.20
Total liabilities	4,583,832.52	4,583,832.52
Previous year	21,075,127.55	21,075,127.55

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

Type of liability	As of 31 March 2010	As of 31 March 2009
	EUR	EUR
Trade accounts payable	1,521,771.88	3,403,293.14
Other liabilities	1,749,341.79	10,911,233.61
Total	3,271,113.67	14,314,526.75

Obligations Arising from the Use of Tangible Fixed Assets not on the Balance Sheet

Financial obligations from agreements on the use of tangible fixed assets not on the balance sheet total EUR 6,682,100.00 (previous year: TEUR 2,248,800.00) for the next five years. Of this amount, about EUR 1,336,400.00 (previous year: EUR 449,800.00) pertains to next business year. This item pertains to current use fees for leased facilities.

Obligations on behalf of Associated Companies

The company has assumed liability for associated companies at the reporting date were as follows (previous year: EUR 10,510,831.21):

	EUR
Bank guarantees for DO & CO München GmbH	153,388.00
Other guarantees for DO & CO München GmbH	319,550.00
	472,938.00

To render plausible the financial performance capacity of the associated 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 Section 7 Airport Ground Handling Act (Flughafen-Bodenabfertigungsgesetz).

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

DO & CO Catering-Consult & Beteiligungs GmbH, Vienna, Austria
DO & CO Museum Catering Ltd., London, Great Britain
DO & CO International Investments Ltd., London, Great Britain
DO & CO (Deutschland) Holding GmbH, Kelsterbach, Germany
DO & CO International Catering & Logistics AG, Zurich, Switzerland

INCOME STATEMENT

The income statement was prepared in accordance with Section 231.2 Austrian Business Enterprise Code (UGB) using the total cost method.

Sales

Sales by activity area based on Section 237.7 Austrian Business Enterprise Code (UGB) were composed as follows:

	2009/2010	2008/2009
Sales of Group companies	13,395,134.23	10,570,918.84
Outside sales	357,524.86	1,055,325.00
	13,752,659.09	11,626,243.84

Personnel Expenses

Expense for termination payments and payments to employee retirement schemes contain expense for termination payments of EUR 206,497.09 (previous year: EUR 111,850.00) and payments to employee retirement schemes of EUR 59,452.90 (previous year: EUR 63,634.74).

Income from Interests in Associated Companies

This item relates to annual profits/losses for 2009/2010 transferred under profit transfer agreements for domestic companies and companies included in group taxation and were composed as follows:

	2009/2010 EUR	2008/2009 EUR
DO & CO Party-Service & Catering GmbH	7,275,145.50	6,560,006.50
DO & CO Event Austria GmbH	1,368,168.30	988,104.84
AIOLI Airline Catering Austria GmbH	42,690.00	770,807.35
DO & CO im Haas Haus Restaurantbetriebs GmbH	123,848.52	701,825.14
DO & CO - Salzburg Restaurants & Betriebs GmbH	1,099,345.18	549,208.82
DO & CO Catering & Logistics Austria GmbH	861,463.64	357,318.91
DO & CO Airline Catering Austria GmbH	1,211,499.05	278,150.73
DO & CO Albertina GmbH	106,063.83	174,738.51
B&B Betriebsrestaurants GmbH	218,180.01	169,492.85
DO & CO -Baden Restaurants & Veranstaltungs GmbH	0.00	69,113.48
	12,306,404.03	10,618,767.13

Income from the Writeup of Marketable Securities Carried Under Current Assets

A writeup of EUR 33,261.52 was recorded for own shares thanks to an increase in prices.

Expenses arising from Investments and Marketable Securities Carried under Current Assets

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

	2009/2010 EUR	2008/2009 EUR
Demel Salzburg Café-Restaurant Betriebs GmbH	782,183.97	778,455.81
AIOLI Restaurants & Party-Service GmbH	4,284.50	350.14
DO & CO -Baden Restaurants & Veranstaltungs GmbH	159,893.57	
	946,362.04	778,805.95

Income Tax

The company recognized no deferred tax assets in accordance with Section 198.10 Austrian Business Enterprise Code (UGB). According to this section of the law, an amount of about EUR 73,600.00 (previous year: about EUR 78,300.00) is eligible for capitalization for this interlocking company arrangement.

Disclosures on Financial Instruments

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

Other Mandatory Disclosures

Number of Employees

The average number of employees were as follows divided into wage earners and salaried employees (Section 239.1.1 Austrian Business Enterprise Code (UGB)).

	2009/2010	2008/2009
Wage earners	5	8
Salaried employees	102	117
Total	107	125

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.

Conditional Capital

Based on the resolution of the General Meeting of 10 July 2008, the Management Board is authorized to increase share capital of the company pursuant to Section 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.

Stock Buyback

The Management was given the right at the General Meeting of Shareholders on 10 July 2008 to acquire own stock pursuant to Section 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 maximum of 4 % of the share capital in free float can be repurchased based on the Management Board resolution of 14 October 2008. A total of 131,740 (previous year: 15,955) shares were purchased as of the reporting date.

Information on Management Board Members

The individuals below acted as Management Board Members in the year under review:

Attila Dogudan, Vienna, Chairman
Michael Dobersberger, Vienna

The fixed pay of the members of the Management Board in the year under review totaled TEUR 555, of which TEUR 13 was drawn from associated companies. The variable salary components amounted to TEUR 135. A total of TEUR 14 was spent on termination payments for the Management Board.

The members of the Management Board were granted neither advances nor loans. The company did not furnish any guarantees for the members of the Management Board.

Information on the Supervisory Board Members

The following individuals served on the Supervisory Board in business year 2009/2010:

Waldemar Jud, Graz, Chairman
Werner Sporn, Vienna, Deputy Chairman
Georg Thurn-Vrints, Poysbrunn
Christian Konrad, Vienna

The Eleventh Ordinary General Meeting of Shareholders on 9 July 2009 elected a new Supervisory Board until the end of the General Meeting that votes on whether or not to approve the acts of the members of the Management Board for the business year 2013/2014.

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

Vienna, 17 May 2010

The Management Board:

....	....
Attila Dogudan mp Chairman	Michael Dobersberger mp

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

	Cost of acquisition 1.4.2009	Additions	Disposals	Cost of acquisition 31.3.2010	Accum. Depreciation/ Amortisation	Book value as of 31.3.2010	Book value as of 31.3.2009	Depr./ Amort. of the year Additions Discounting aa
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible Assets								
1. Industrial property rights and similar rights	488.432,92	11.252,00	56.037,60	443.647,32	390.095,22	53.552,10	93.649,42	51.349,23
2. Payments in advance	0,00	171.413,00	0,00	171.413,00	0,00	171.413,00	0,00	0,00
	488.432,92	*182.665,00*	*56.037,60*	*615.060,32*	*390.095,22*	*224.965,10*	*93.649,42*	*51.349,23*
II. Tangible assets								
1. Buildings on third party land	173.323,43	0,00	0,00	173.323,43	88.120,25	85.203,18	111.004,42	25.801,24
2. Other equipment and office equipment Geschäftsausstattung	1.464.231,50	200.730,37	280.243,83	1.384.718,04	1.010.517,88	374.200,16	489.933,64	310.462,25
3. Payments in advance	0,00	2.000.000,00	0,00	2.000.000,00	0,00	2.000.000,00	0,00	0,00
	1.637.554,93	*2.200.730,37*	*280.243,83*	*3.558.041,47*	*1.098.638,13*	*2.459.403,34*	*600.938,06*	*336.263,49*
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	29.369.833,24	335.708,91	5.040.581,49	24.664.960,66	3.908.317,56	20.756.643,10	25.023.186,03	438.329,65 aa
3. Securities	38.851,27	0,00	0,00	38.851,27	0,00	38.851,27	38.851,27	0,00
	33.779.900,77	*335.708,91*	*5.040.581,49*	*29.075.028,19*	*3.908.317,56*	*25.166.710,63*	*29.433.253,56*	*438.329,65* aa
Total	**35.905.888,62**	**2.719.104,28**	**5.376.862,92**	**33.248.129,98**	**5.397.050,91**	**27.851.079,07**	**30.127.841,04**	**438.329,65 aa** **387.612,72**

Subsidiaries

of DO & CO Restaurants & Catering AG as of 31 March 2010

Company	Place of registration	Country	Share of stock in %	Controlling Company[1]	Currency	Profit of the year	Shareholders' Equity	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	7.275	596	36 3)
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna	A	100,0	DCAG	EUR	124	483	36 3)
DO & CO Catering-Consult & Beteiligungs GmbH	Vienna	A	100,0	DINV	EUR	-232	12.333	36
DO & CO - Salzburg Restaurants & Betriebs GmbH	Salzburg	A	100,0	DCAG	EUR	1.099	99	36 3)
DO & CO - Baden Restaurants & Veranstaltungs GmbH	Baden	A	100,0	DCAG	EUR	-160	245	36 3)
DO & CO Albertina GmbH	Vienna	A	100,0	DCAG	EUR	106	35	35 3)
AIOLI Airline Catering Austria GmbH	Vienna-Airport	A	100,0	DCAG	EUR	43	170	36 3)
AIOLI Restaurants & Party-Service GmbH	Vienna	A	100,0	DCAG	EUR	-4	29	36 3)
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH	Vienna	A	100,0	DCCC	EUR	2.241	724	799 4)
Demel Salzburg Café-Restaurant Betriebs GmbH	Salzburg	A	100,0	DCAG	EUR	-782	35	35 3)
B & B Betriebsrestaurants GmbH	Vienna	A	100,0	DCAG	EUR	218	194	36 3)
Cafe-Restaurant & Catering im Casino Wien GmbH	Vienna	A	100,0	DCCC	EUR	-1	78	35 4)
DO & CO im PLATINUM Restaurantbetriebs GmbH	Vienna	A	90,0	DCCC	EUR	89	343	35
DO & CO Airline Catering Austria GmbH	Vienna	A	100,0	DCAG	EUR	1.212	29	150 3)
Sky Gourmet - airline catering and logistics GmbH	Vienna-Airport	A	100,0	DCCC	EUR	1.270	4.337	800 4)
DO & CO (Deutschland) Holding GmbH	Kelsterbach	D	100,0	DINV	EUR	0	-3.578	25
DO & CO München GmbH	Schwaig/Oberding	D	100,0	DDHO	EUR	-1.079	25	25 5)
DO & CO Frankfurt GmbH	Kelsterbach	D	100,0	DDHO	EUR	801	25	25 5)
DO & CO Berlin GmbH	Berlin	D	100,0	DDHO	EUR	-604	25	25 5)
DO & CO Lounge GmbH	Frankfurt	D	100,0	DDHO	EUR	268	25	25 5)
DO & CO Italy S.r.l.	Vizzola Ticino	I	100,0	DCAG	EUR	-683	176	1.275
DO & CO Restauración & Catering Espana, S.L.	Barcelona	E	100,0	DINV	EUR	325	433	3
DO & CO International Catering Ltd.	Feltham	GB	100,0	DINV	EUR	1.522	2.231	30 6)
DO & CO Event & Airline Catering Ltd.	Feltham	GB	100,0	DINV	GBP	981	1.246	0
DO & CO International Investments Ltd.	London	GB	100,0	DCAG	EUR	427	-1.677	0 6)
Total Inflight Solution GmbH	Vienna	A	100,0	DCCC	EUR	43	142	35 4)
DO & CO Museum Catering Ltd.	London	GB	100,0	DINV	GBP	67	544	0
DO & CO Holdings USA, Inc.	Wilmington	USA	100,0	DINV	USD	-10	1	100
DO & CO Miami Catering, Inc.	Miami	USA	100,0	DHOL	USD	-256	3.431	1
DO & CO New York Catering, Inc.	New York	USA	100,0	DHOL	USD	-773	-9.278	1
DO & CO – Restauração e Catering, Sociedade Unipessoal, Lda	Lisbon	P	100,0	DINV	EUR	0	-45	5
DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San. A.S.	Istanbul	TK	100,0	DINV	TL	388	450	750
THY DO&CO Ikram Hizmetleri A.S.	Istanbul	TK	50,0	DIST	TL	18.397	71.282	30.000
DO & CO Event Austria GmbH	Vienna	A	100,0	DCAG	EUR	1.368	250	100 3)
DO & CO Catering & Logistics Austria GmbH	Vienna	A	100,0	DCAG	EUR	861	100	100 3)
DO & CO International Event AG	Zug	CH	100,0	DINV	CHF	-160	2.425	100
DO & CO International Catering & Logistics AG	Zurich	CH	100,0	DINV	CHF	-30	11	100
Sky Gourmet Slovensko s.r.o.	Bratislava	SK	100,0	DSKY	EUR	-48	565	63 7)
DO & CO Olympiapark München Restaurant GmbH	Munich	D	100,0	DDHO	EUR	-416	25	25 5)
DO & CO Olympiapark München Catering GmbH	Munich	D	100,0	DDHO	EUR	195	25	25 5)
DEMEL New York Inc.	New York	USA	100,0	DHOL	USD	-1.606	-2.354	1
Companies included at equity in the consolidated accounts								
Sky Gourmet Malta Ltd.	Fgura	MAL	40,0	DSKY	EUR	139	273	1 8)
Sky Gourmet Malta Inflight Services Ltd.	Fgura	MAL	40,0	DSKY	EUR	82	242	1 8)
Giava Demel S.r.l.	Milan	I	50,0	DCCC	EUR	n.a.	n.a.	30
ISS Ground Services GmbH	Vienna	A	49,0	DTIS	EUR	93	322	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 2009/2010

1. Report on the Course of Business and the Economic Situation

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.

The following changes occurred in subsidiaries in business year 2009/2010: At the reporting date, the company had (direct or indirect) interests in twenty-three foreign and eighteen domestic companies deemed to be associated companies and in one domestic and three foreign companies included in the consolidated financial statements at equity.

DO & CO Restaurants & Catering AG saw sales rise in business year 2009/2010 by EUR 2.12 million to EUR 13.75 million (previous year: EUR 11.63 million). Whereas earnings from consulting services dropped due to the EURO 2008, the increase in sales revenues is largely attributable to more overhead expenses being passed on.

Other operating income declined, falling by EUR -0.19 million to EUR 1.36 million.

The cost of materials and services rose by a slight EUR 0.10 million over the previous year, from EUR 2.90 million to EUR 3.00 million.

Personnel expenses remained nearly unchanged over the previous business year, dropping by EUR -0.22 million to EUR 9.89 million (previous year: EUR 10.11 million). The expense of severance pay (termination payments) rose compared with the year before whereas wage and salary costs as well as legal and other charges fell slightly.

Other operating expenses declined by EUR -1.37 million, from EUR 5.45 million to EUR 4.08 million. This reduction is largely traceable to lower costs for advertising and legal and consulting services and to considerably fewer damage claims.

Writedowns on fixed assets totaled EUR 0.39 million in business year 2009/2010 (previous year: EUR 0.44 million).

The operating result is EUR -2.24 million, making it EUR 3.47 million higher than that of the previous year (previous year: EUR -5.71 Mio).

The financial result amounts to EUR 12.61 million (previous year: EUR 13.11 million).The slight downturn is mostly due to the allocation to investments made the previous year and higher interest earnings. Income from investments was higher than the previous year.

Thus the profit before taxes for business year 2009/2010 totaled EUR 10.37 million (previous year: EUR 7.40 million).

Tax expenses rose from EUR 2.00 million to EUR 2.62 million. The resulting profit for the year was EUR 7.75 million as opposed to EUR 5.40 million the year before.

The net cash outflow from current operating activities amounts to EUR -3.91 million (previous year: EUR -0.55 million). The net cash inflow from investing activities rose to EUR 12.11 million in the year under review from EUR 0.54 million the previous year. The net cash outflow from financing activities totaled EUR -7.72 (previous year: EUR -1.93 million). The cash flows were calculated according to the KFS/BW2 expertise.

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.

The price of DO & CO stock increased by a substantial 100 % over the course of the year under review, closing on 31 March 2010 at a price of EUR 16.00.

This price corresponds to market capitalization of EUR 122.62 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 131,740 shares of stock. That corresponds to 1.69 % of the share capital.

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.

Events after the Balance Sheet Date

The Eyjafjallajökull Volcano in Iceland erupted at the end of March 2010. In an unprecedented impairment of air traffic in Europe, the volcanic ash that was released led to the partial or complete grounding of air traffic in large areas of Northern and Central Europe for several days. Thousands of flights were canceled or diverted to airports not yet closed. Normal flight operations did not resume in Central Europe until 21 April 2010. Scandinavia saw the situation worsen again in certain areas up to 23 April 2010. The airports that were especially hard hit from the perspective of DO & CO business were London Heathrow, Munich, Milan and Frankfurt; the airports in Austria and Turkey were hit to a lesser extent. JFK in New York was not affected at all. It remains to be seen how volcanic activity will affect air traffic in the future. The management still expects results to remain on target for the two affected divisions: Airline Catering and Restaurants, Lounges & Hotel.

2. Report on the Likely Development and Risks of the Company

2.1. Outlook

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

The dynamism of market developments is expressed in particular in many customers inviting bids on new airline catering contracts in search of cost reductions or innovative product improvements. DO & CO is therefore currently taking part in a number of international tenders. This gives it the opportunity to grow further and add additional customers to its clientele and to expand its customer portfolio to an even greater extent.

DO & CO noted generally improved passenger numbers at airlines in the final months of the business year. This trend or at least a moderate version of it is likely to continue in the months ahead.

In Austria, the main customer Austrian Airlines was taken over by Lufthansa. This situation has stabilized in the meantime in spite of major austerity measures. Austria is also likely to see a continuation in the recovery of passenger figures parallel to the improvement in the economic situation.

In Turkey, Turkish Airlines and other third-party customers continued to grow dynamically. In April 2010, Turkish Airlines began using “flying chefs” on long-distance flights to improve its on-board service further. The plan is to extend the use of “flying chefs” in the months ahead to all long-distance flights to strengthen on-board service.

The situation in International Event Catering has become increasingly stable over the last two quarters. Activities in International Event Catering have mainly involved special events for many national and international companies and private customers as well as major international events again. DO & CO is providing premium quality culinary services once again this year for the Formula 1 Grands Prix, the Champions League finals and other big sports events. The aim of DO & CO is to secure the leading market position in premium events and continue to add new customers to its clientele.

Restaurants, Lounges and Hotel is focused this business year on a project to create a hotel in Istanbul. If all permit procedures can be completed successfully, construction will begin at the end of calendar year 2010. The opening of the hotel is set for 2012.
The first airport lounge in Turkey opened in May 2010. This lounge is being run for Turkish Airlines at the airport in Adana and will be followed by further lounges at other airports in Turkey in the quarters ahead.

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

2.2. Risk Management

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

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

The risk and opportunity management system is based on standardized, group-wide planning and control processes and on intercompany guidelines and reporting systems that adhere to the principles of risk management and the risk structures according to COSO[1].

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

Identified risks and opportunities are grouped into risk and opportunity categories and assigned by the Corporate Risk Manager to the managers responsible for the given area for further action. Strategies for coping with the identified risks and utilizing the identified opportunities are then devised and subsequently pursued on site by local management. The aim of these actions is to reduce possible damage from risks and minimize the probability of them occurring while increasing opportunities for earnings and the possibilities for realizing profits.

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

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

The following risk categories were identified as material for the business year 2009/2010:

Risks and Trends Specific to the Airline Industry
The airline industry is heavily dependent on cyclical economic trends globally and in the respective regions.

The key account managers in Airline Catering are in constant contact with airline clients, so the division can react quickly to any changes in their economic situation and promptly counter negative effects of the airline industry on the DO & CO Group. The Group participates in tenders worldwide that fit the Group strategy. The new customers it gains in the process help further diversify risks.

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

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

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

To counter economic risk in its business, DO & CO has diversified its locations by region in seven different countries and by sector in three different market segments. Prompt reporting of business results includes analysis and forecasts on current operating business in each reporting entity (e.g. the group companies are divided into units comparable to profit centers for internal reporting purposes). These efforts ensure that capacity is adjusted immediately. The economic situation has successively improved in recent months, so sales growth is expected again.

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

Personnel Risks
For DO & CO, the biggest 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 how effective it is in hiring and integrating highly skilled and motivated employees and in forging lasting bonds of loyalty between them and the company. Professional training and consistent personnel development are central tools for achieving the growth desired.

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

Legal Risks
With its constant expansion and global scope of business, DO & CO has to abide by a myriad of legal requirements at national and international level, especially in relation to food law, hygiene, and waste management, as well as special guidelines and regulations issued by various airlines.

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

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

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

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

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

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

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

Default Risks
DO & CO keeps the risk of default to a minimum by closely monitoring outstanding debts as part of receivables management. The outstanding items of all legal entities are reported weekly. That means the Group monitors customer default risks promptly and is able to respond quickly if the situation changes.

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

DO & CO does not avail itself of credit insurance and make investments only at banks with first-class ratings. It expects no material default risks from the other original financial instruments.

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

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

3. Report on Research and Development

The company does not conduct research and development.

4. Report on Major Features of the Internal Control and Risk Management System with Respect to the Accounting Process

The Management Board meets its responsibility for creating and shaping an internal control system and risk management system for accounting and for legal compliance. The internal control system for accounting ensures that financial information and data processing systems are complete and reliable. The system likewise ensures that business facts are recorded, prepared, processed and put into the accounts in a manner proper for the balance sheet. The objective of the internal control system is to guarantee effective internal controls for accounting that improve constantly and thus to ensure financial statements that comply with the regulations. This system also ensures that processes are appropriate and efficient and that all rules (statutory and otherwise) are obeyed.

The responsibilities for the internal control system were adapted to the organizational structure of the company to ensure an environment for control activities that corresponds to and meets the requirements. The central functions Group Accounting and Group Controlling are responsible for drawing up uniform Group guidelines and for organizing and monitoring financial reporting in the Group.

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

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

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

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

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

5. Information on Capital, Share, Voting and Control Rights and the Obligations Associated with those Rights

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 was increased pursuant to Section 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 Section 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.
3. Two shareholders hold more than 10 % of the share capital at the reporting date, namely Attila Dogudan Privatstiftung with a stake of 55.34 % and DZR Immobilien und Beteiligungs GmbH with a stake of 25.17 %.
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 members 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 Section 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 being increased pursuant to Section 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 own 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.

Vienna, 17 May 2010

The Management Board:

Attila Dogudan mp Chairman	Michael Dobersberger mp

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, 21 May 2010

The Management Board:

Attila Dogudan mp
Chairman

The Airline Catering Division
The Restaurants, Lounges & Hotel Division

Michael Dobersberger mp
Member

The International Event Catering Division