COHR Inc.
Form S-1
February 21, 2014
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**As filed with the Securities and Exchange Commission on February 21, 2014**

**Registration No. 333-**

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM S-1

# REGISTRATION STATEMENT

**UNDER**

**THE SECURITIES ACT OF 1933**

# ARAMARK Holdings Corporation

# ARAMARK Corporation

**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **Delaware** | **5812** | **20-8236097** |
| **Delaware** | **5812** | **95-2051630** |
| **(State or other jurisdiction of incorporation or organization)** | **(Primary Standard Industrial Classification Code Number)** | **(I.R.S. Employer Identification Number)** |

**ARAMARK Tower**

**1101 Market Street**

**Philadelphia, Pennsylvania 19107**

**(215) 238-3000**

**(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)**

**Stephen R. Reynolds, Esq.**

**Executive Vice President, General Counsel and Secretary**

**ARAMARK Tower**

**1101 Market Street**

**Philadelphia, Pennsylvania 19107**

**(215) 238-3000**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***With a copy to:***

**Joseph H. Kaufman, Esq.**

**Simpson Thacher & Bartlett LLP**

**425 Lexington Avenue**

**New York, New York 10017-3954**

**(212) 455-2000**

**Approximate date of commencement of proposed offer:** As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer ¨ | | Accelerated filer | ¨ |
| Non-accelerated filer x | (Do not check if a smaller reporting company) | Smaller reporting company | ¨ |

**CALCULATION OF REGISTRATION FEE**

| **Title of each class of Securities to be Registered** | **Amount to be Registered** | **Proposed Maximum Offering Price per Note** | **Proposed Maximum Aggregate Offering Price(1)** | **Amount of Registration Fee** |
|---|---|---|---|---|
| 5.75% Senior Notes due 2020 | (1) | (1) | (1) | (1) |
| Guarantees of 5.75% Senior Notes due 2020(2) | (1)(3) | (1)(3) | (1)(3) | (1)(3) |

(1) An indeterminate amount of securities are being registered hereby to be offered solely for market-making purposes by specified affiliates of the registrants. Pursuant to Rule 457(q) under the Securities Act of 1933, as amended, no filing fee is required.
(2) See inside facing page for additional registrant guarantors.
(3) Pursuant to Rule 457(n) under the Securities Act, no separate filing fee is required for the guarantees.

**The registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**Table of Registrant Guarantors**

| Exact Name of Registrant as Specified in its Charter | State or other Jurisdiction of Incorporation or Organization | IRS Employer Identification Number (IF NONE WRITE N/A) | Address, Including Zip Code, of Registrant s Principal Executive Offices | Phone Number |
|---|---|---|---|---|
| 1st & Fresh, LLC | Delaware | 26-3147608 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Addison Concessions, Inc. | Delaware | 23-3068280 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| American Snack & Beverage, LLC | Florida | 65-0099517 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK American Food Services, LLC | Ohio | 34-4197320 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Asia Management, LLC | Delaware | 20-1697406 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Aviation Services Limited Partnership | Delaware | 36-3940986 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Business & Industry, LLC | Delaware | 26-3147457 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Business Center, LLC | Delaware | 46-3549461 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Business Dining Services of Texas, LLC | Texas | 23-2573583 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Business Facilities, LLC | Delaware | 26-3674871 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Campus, LLC | Delaware | 23-3102688 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Capital Asset Services, LLC | Wisconsin | 39-1551693 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Cleanroom Services (Puerto Rico), Inc. | Delaware | 20-2644041 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Cleanroom Services, LLC | Delaware | 23-2062167 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Confection, LLC | Delaware | 36-2392940 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Construction and Energy Services, LLC | Delaware | 27-3359653 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Construction Services, Inc. | Delaware | 27-4284479 | | 215-238-3000 |

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|---|---|---|---|---|
| | | | 1101 Market Street, Philadelphia, PA 19107 | |
| ARAMARK Consumer Discount Company | Pennsylvania | 23-2704523 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Correctional Services, LLC | Delaware | 23-2778485 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK CTS, LLC | Delaware | 36-4503103 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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|---|---|---|---|---|
| ARAMARK Distribution Services, Inc. | Illinois | 36-1164580 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Educational Group, LLC | Delaware | 23-2573586 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Educational Services of Texas, LLC | Texas | 23-1717332 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Educational Services of Vermont, Inc. | Vermont | 23-2263511 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Educational Services, LLC | Delaware | 23-1354443 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Engineering Associates, LLC | Delaware | 36-4358960 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Entertainment, LLC | Delaware | 11-2145117 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Executive Management Services USA, Inc. | Delaware | 23-3029011 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Facilities Management, LLC | Delaware | 23-2636400 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Facility Management Corporation of Iowa | Iowa | 13-3444248 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Facility Services, LLC | Delaware | 20-8482211 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Business Services, LLC | Delaware | 85-0485361 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Campus Services, LLC | Delaware | 85-0485370 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Correctional Services, LLC | Delaware | 85-0485374 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Healthcare Support Services, LLC | Delaware | 85-0485377 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Kansas, Inc. | Kansas | 04-3719118 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Refreshment Services, LLC | Delaware | 85-0485381 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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| ARAMARK FHC School Support Services, LLC | Delaware | 85-0485386 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Services, LLC | Delaware | 16-1653189 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FHC Sports and Entertainment Services, LLC | Delaware | 85-0485389 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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|---|---|---|---|---|
| ARAMARK FHC, LLC | Delaware | 02-0652458 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Food and Support Services Group, Inc. | Delaware | 23-2573585 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Food Service Corporation of Kansas | Kansas | 13-3703705 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Food Service of Texas, LLC | Texas | 74-1310443 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Food Service, LLC | Delaware | 23-0404985 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK FSM, LLC | Delaware | 37-1462108 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Healthcare Support Services of Texas, Inc. | Texas | 23-2575102 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Healthcare Support Services of the Virgin Islands, Inc. | Delaware | 23-2654936 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Healthcare Support Services, LLC | Delaware | 23-1530221 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Healthcare Technologies, LLC | Delaware | 33-0694408 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK India Holdings LLC | Delaware | 20-5396223 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Industrial Services, LLC | Delaware | 38-2712298 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Japan, Inc. | Delaware | 37-1437224 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Kitty Hawk, Inc. | Idaho | 23-2167428 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Management, LLC | Delaware | 26-1597527 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Marketing Services Group, Inc. | Delaware | 23-1630859 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Management Services Limited Partnership | Delaware | 36-3797749 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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| ARAMARK North Carolina Technical Services, LLC | Delaware | 26-0771431 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Organizational Services, Inc. | Delaware | 23-3029013 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Processing, LLC | Delaware | 26-2621089 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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|---|---|---|---|---|
| ARAMARK Qatar, LLC | Delaware | 26-0727676 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Rail Services, LLC | Delaware | 26-3519724 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK RAV, LLC | Delaware | 38-3655870 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK RBI, INC. | Delaware | 23-2732825 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Refreshment Services of Tampa, LLC | Delaware | 26-2829924 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Refreshment Services, LLC | Delaware | 23-1673482 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Schools Facilities, LLC | Delaware | 26-3674561 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Schools, LLC | Delaware | 23-3102689 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK SCM, Inc. | Delaware | 04-3652050 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Senior Living Services, LLC | Delaware | 20-0648583 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Senior Notes Company | Delaware | 23-2693518 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services Management of HI, Inc. | Hawaii | 23-2983665 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services Management of IL, Inc. | Illinois | 23-2983669 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services Management of MI, Inc. | Michigan | 23-2983689 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services Management of NJ, Inc. | New Jersey | 23-2983702 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services Management of OH, Inc. | Ohio | 23-2983707 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services Management of SC, Inc. | South Carolina | 23-2983715 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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| ARAMARK Services Management of WI, Inc. | Wisconsin | 23-2983725 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services of Kansas, Inc. | Kansas | 23-2525399 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Services of Puerto Rico, Inc. | Delaware | 66-0231810 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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|---|---|---|---|---|
| ARAMARK SM Management Services, Inc. | Delaware | 36-3744854 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK SMMS LLC | Delaware | 23-3099982 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK SMMS Real Estate LLC | Delaware | 23-3099984 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Sports and Entertainment Group, LLC | Delaware | 23-2573588 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Sports and Entertainment Services of Texas, LLC | Texas | 23-2573584 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Sports and Entertainment Services, LLC | Delaware | 23-1664232 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Sports Facilities, LLC | Delaware | 20-3808955 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Sports, LLC | Delaware | 23-3102690 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Summer Games 1996, LLC | Delaware | 23-2820402 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Technical Services North Carolina, Inc. | North Carolina | 56-0893678 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Togwotee, LLC | Delaware | 26-2259208 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK U.S. Offshore Services, LLC | Delaware | 23-3020180 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK Uniform & Career Apparel Group, Inc. | Delaware | 23-2816365 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform & Career Apparel, LLC | Delaware | 95-3082883 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Manufacturing Company | Delaware | 23-2449947 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Services (Baltimore) LLC | Delaware | 20-4488478 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Services (Carmelo) | Delaware | None | | 215-238-3000 |

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|---|---|---|---|---|
| LLC | | | 115 North First Street, Burbank, CA 91502 | |
| ARAMARK Uniform Services (Matchpoint) LLC | Delaware | 20-5396299 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Services (Midwest) LLC | Delaware | 20-4799404 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Services (Rochester) LLC | Delaware | 75-3102371 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |

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|---|---|---|---|---|
| ARAMARK Uniform Services (Santa Ana) LLC | Delaware | 20-0989729 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Services (Syracuse) LLC | Delaware | 61-1437731 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Services (Texas) LLC | Delaware | 20-4488401 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Uniform Services (West Adams) LLC | Delaware | 20-2038791 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| ARAMARK Venue Services, Inc. | Delaware | 23-2986471 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK WTC, LLC | Delaware | 45-5145553 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| ARAMARK/HMS, LLC | Delaware | 51-0363060 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Brand Coffee Service, Inc. | Texas | 74-1875393 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| COHR Holdings, Inc. | Delaware | 20-4226554 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| COHR Inc. | Delaware | 95-4752572 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| D.G. Maren II, Inc. | Delaware | 23-2921096 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Delsac VIII, Inc. | Delaware | 23-2449950 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| Filterfresh Coffee Service, Inc. | Delaware | 14-1676557 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Filterfresh Franchise Group, LLC | Delaware | 04-3527632 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Fine Host Holdings, LLC | Delaware | 42-1567694 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Genesis Technology Partners, LLC | Nebraska | 47-0814621 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| GTP Acquisition Co. | Delaware | 20-0414323 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harrison Conference Associates, LLC | Delaware | 11-2516961 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harrison Conference Center of Glen Cove, | New York | 11-2385640 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

| | | | | |
|---|---|---|---|---|
| Inc. | | | | |
| Harrison Conference Center of Lake Bluff, Inc. | Illinois | 36-2679415 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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|---|---|---|---|---|
| Harrison Conference Services of Massachusetts, LLC | Massachusetts | 04-2528586 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harrison Conference Services of North Carolina, LLC | North Carolina | 11-3092159 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harrison Conference Services of Princeton, Inc. | New Jersey | 11-2730949 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harrison Conference Services of Wellesley, LLC | Massachusetts | 04-2969190 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harry M. Stevens, Inc. of New Jersey | New Jersey | 13-5589767 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harry M. Stevens, Inc. of Penn | Pennsylvania | 13-6097356 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Harry M. Stevens, LLC | Delaware | 20-8482129 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Kowalski-Dickow Associates, LLC | Wisconsin | 39-1453115 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| L&N Uniform Supply, LLC | California | 95-2309531 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| Lake Tahoe Cruises, LLC | California | 94-2599810 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Landy Textile Rental Services, LLC | Delaware | 20-8482253 | 115 North First Street, Burbank, CA 91502 | 215-238-3000 |
| Lifeworks Restaurant Group, LLC | Delaware | 27-2146749 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| MPBP Holdings, Inc. | Delaware | 20-8146134 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| MyAssistant, Inc. | Pennsylvania | 23-3050214 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| New ARAMARK LLC | Delaware | 46-1787432 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Old Time Coffee Co. | California | 77-0546919 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Overall Laundry Services, Inc. | Washington | 91-1138829 | 115 North First Street Burbank, CA 91502 | 215-238-3000 |
| Paradise Hornblower, LLC | California | 94-3136374 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Potomac Coffee, LLC | Delaware | 11-3720904 | | 215-238-3000 |

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| | | | 1101 Market Street, Philadelphia, PA 19107 | |
| ReMedPar, Inc. | Delaware | 52-2349972 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Restaura, Inc. | Michigan | 38-1206635 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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|---|---|---|---|---|
| Shoreline Operating Company, Inc. | California | 77-0484063 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Tahoe Rocket LP | California | 94-3390484 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Travel Systems, LLC | Nevada | 88-0119879 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |
| Van Houtte USA Holdings Inc. | Delaware | 33-1157779 | 1101 Market Street, Philadelphia, PA 19107 | 215-238-3000 |

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**The information in this prospectus is not complete and may be changed. The securities covered by this prospectus may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion Dated February 21, 2014**

# ARAMARK Corporation

## 5.75% Senior Notes due 2020

The 5.75% Senior Notes due 2020 (the notes ) bear interest at a rate of 5.75% per annum and will mature on March 15, 2020.

We may redeem some or all of the notes at any time on or after March 15, 2015 at the redemption prices set forth in this prospectus. We may redeem some or all of the notes prior to March 15, 2015, at a price equal to 100% of the principal amount of the notes redeemed plus the applicable make-whole premium as described in this prospectus. We may also redeem up to 40% of the notes at any time before March 15, 2015, at a price equal to 105.750% using the proceeds of certain equity offerings.

The notes are senior unsecured obligations of ARAMARK Corporation and rank senior in right of payment to our future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the notes. The notes rank equal in right of payment to all of our existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes. The notes are effectively subordinated to all of our existing and future secured debt, including obligations under our senior secured credit facilities, to the extent of the value of the assets securing such debt, and structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the notes.

The notes are guaranteed on an unsecured senior basis by ARAMARK Holdings Corporation and each of our wholly-owned domestic subsidiaries that guarantees our senior secured credit facilities. The notes rank senior in right of payment to all of the applicable guarantor s existing and future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the notes. The notes are effectively subordinated to all of the applicable guarantor s existing and future secured debt, including such guarantor s guarantee under our senior secured credit facilities, to the extent of the value of the assets securing such debt, and structurally subordinated to all obligations of any subsidiary that is not also a guarantor of the notes.

**See Risk Factors beginning on page 16 for a discussion of certain risks that you should consider before investing in the notes.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

This prospectus has been prepared for and may be used by Goldman, Sachs & Co. and other affiliates of Goldman, Sachs & Co. and J.P. Morgan Securities LLC and other affiliates of J.P. Morgan Securities LLC in connection with offers and sales of the notes related to market-making transactions in the notes effected from time to time. Such affiliates of Goldman, Sachs & Co. or J.P. Morgan Securities LLC may act as principal or agent in such transactions, including as agent for the counterparty when acting as principal or as agent for both counterparties, and may receive compensation in the form of discounts and commissions, including from both counterparties, when it acts as agents for both. Such sales will be made at prevailing market prices at the time of sale, at prices related thereto or at negotiated prices. We will not receive any proceeds from such sales.

**The date of this prospectus is , 2014.**

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**You should rely only on the information contained in this prospectus. We have not authorized any dealer, salesperson or other person to give any information or represent anything to you other than the information contained in this prospectus and we take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You must not rely on unauthorized information or representations.**

**This prospectus does not offer to sell nor ask for offers to buy any of the securities in any state or jurisdiction where an offer or sale is not permitted, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities. The information in this prospectus is current only as of the date on its cover, and may change after that date.**

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## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated or the context otherwise requires, references in this prospectus to we, our, us, ARAMARK and the Company and similar terms refer to ARAMARK Holdings Corporation and its subsidiaries and references to Holdings refer to ARAMARK Holdings Corporation and not any of its subsidiaries.

Our fiscal year ends on the Friday nearest September 30 in each year. In this prospectus, when we refer to our fiscal years, we say fiscal and the year number, as in fiscal 2013, which refers to our fiscal year ended September 27, 2013. In addition, client refers to those businesses and other organizations which engage us to provide services. Consumers refers to those consumers of our services, such as employees, students and patrons, to whom our clients provide us access.

We present Covenant EBITDA and Covenant Adjusted EBITDA as non-GAAP financial measures of ARAMARK Corporation and its restricted subsidiaries under Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources. Our presentation of Covenant EBITDA and Covenant Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. In addition, Covenant EBITDA and Covenant Adjusted EBITDA are measures of ARAMARK Corporation and its restricted subsidiaries only and do not include the results of Holdings. We believe that the inclusion of Covenant EBITDA and Covenant Adjusted EBITDA in this prospectus is appropriate to provide information to investors about the calculation of certain financial measures in our senior secured credit facilities and the indenture governing the notes. For instance, our senior secured credit facilities and the indenture governing the notes contain financial ratios that are calculated by reference to Covenant Adjusted EBITDA. Non-compliance with the financial ratio maintenance covenants contained in our senior secured credit facilities could result in the requirement to immediately repay all amounts outstanding under such facilities, while non-compliance with the debt incurrence ratio contained in our senior secured credit facilities and the indenture governing the notes would prohibit us from being able to incur additional indebtedness other than pursuant to specified exceptions.

Because Covenant EBITDA and Covenant Adjusted EBITDA are not measures determined in accordance with U.S. GAAP and are susceptible to varying calculations, we caution investors that these measures as presented may not be comparable to similarly titled measures of other companies. Under Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources, we include a quantitative reconciliation of Covenant EBITDA and Covenant Adjusted EBITDA to the most directly comparable U.S. GAAP financial performance measure, which is net income attributable to ARAMARK Corporation stockholder.

## MARKET AND INDUSTRY DATA

The data included in this prospectus regarding our industry and market opportunity, including the size of certain sectors and geographies, our position and the position of our competitors within these sectors and geographies and the portion of the market opportunity that is currently outsourced, are based on management estimates, which were derived using our management s knowledge and experience in the sectors and geographies in which we operate, our own internal estimates and research, industry and general publications and research, and surveys and studies conducted by third parties. We believe these estimates to be accurate as of the date of this prospectus. However, these estimates may prove to be inaccurate because of the method by which we obtained some of the data for the estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties.

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## SUMMARY

*This summary does not contain all of the information that you should consider before making your investment decision. You should read the entire prospectus carefully, including the matters discussed under the caption Risk Factors and the detailed information and financial statements included in this prospectus.*

### Our Company

We are a leading global provider of food, facilities and uniform services to education, healthcare, business and industry and sports, leisure and corrections clients. Our core market is North America, which is supplemented by an additional 19-country footprint serving many of the fastest growing global geographies. We hold the #2 position in North America in food and facilities services and uniform services based on total sales in 2013. Internationally, we hold a top 3 position in food and facilities services based on total sales in 2013 in most countries in which we have significant operations, and are one of only 3 food and facilities competitors with our combination of scale, scope, and global reach. Through our established brand, broad geographic presence and employees, we anchor our business in our partnerships with thousands of education, healthcare, business, sports, leisure and corrections clients. Through these partnerships we serve millions of consumers including students, patients, employees, sports fans and guests worldwide. The scope and range of ARAMARK s services are evidenced by the following:

- We provide services to 86% of the Fortune 500
- We serve over 500 million meals annually to approximately 5 million students at colleges, universities, and K-12 schools
- We service over 2,000 healthcare facilities, collectively representing over 75 million patient days annually
- We cater to approximately 100 million sports fans annually through our partnerships with over 150 professional and collegiate teams
- We put over 2 million people in uniforms each day
- We operate in 22 countries in North America, Europe, Asia and South America

ARAMARK s mission is to ***Deliver experiences that enrich and nourish lives.*** This mission is anchored in a set of goals, which we refer to as our core values, that guide our execution in the marketplace:

- ***Sell and Serve with Passion.*** Placing clients and consumers at the center of all that we do by listening and responding to their needs with service focused on quality and innovation
- ***Set Goals. Act. Win.*** Maintaining a culture of accountability where performance matters and exhibiting leadership that achieves and exceeds expectations through our execution
- ***Front-Line First.*** Providing our front-line employees with tools and training that empower them to deliver excellence at the point of service to thousands of consumers and clients every day

- ***Integrity and Respect Always.*** High ethical standards are the cornerstone of the ARAMARK brand and help us earn the trust of our key constituents

We strive to accomplish this mission through a repeatable business model founded on five principles of excellence selling, service, execution, marketing and operations. Our commitment to these values has earned us numerous awards and recognitions; we have been named one of the World s Most Admired Companies by Fortune Magazine in the category of Diversified Outsourcing Services every year since 1999 and we are recognized as one of the World s Most Ethical Companies by the Ethisphere Institute.

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We operate our business in three reportable segments that share many of the same operating characteristics: Food and Support Services North America, or FSS North America, Food and Support Services International, or FSS International, and Uniform and Career Apparel, or Uniform. The following chart provides a brief overview of our reportable segments (dollars in millions):

(1) Fiscal 2013 operating income excludes $74.2 million of unallocated corporate expenses.
(2) Based on 2013 total sales.
(3) We have significant operations in the following countries: China, Chile, Germany, Ireland, Japan, Spain and the UK. We believe we hold top 3 positions in all of these countries except Spain.

Within our reportable segments, our business is generally focused around key client types  Education, Healthcare, Business & Industry, Sports & Leisure and Corrections.

(1) Based on 2013 total sales.

We believe that our broad range of services, diversified client base, global reach and repeatable business model position us well for continued growth and margin expansion opportunities, although there can be no assurance that we will continue to grow. In fiscal 2013, we generated $13.9 billion of sales and $70 million of net income. As of December 27, 2013, we had $5.6 billion of total debt.

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## Our History and Recent Accomplishments

Since ARAMARK s founding in 1959, we have broadened our service offerings and expanded our client base through a combination of organic growth and acquisitions, with the goal of further developing our food, facilities and uniform capabilities, as well as growing our international presence.

On January 26, 2007, ARAMARK delisted from the NYSE in conjunction with a going-private transaction executed with investment funds affiliated with GS Capital Partners, CCMP Capital Advisors, LLC and J.P. Morgan Partners, LLC, Thomas H. Lee Partners, L.P. and Warburg Pincus LLC as well as approximately 250 senior management personnel.

In May 2012, Eric Foss became the new CEO and President of our company. Previously, Mr. Foss was the CEO of Pepsi Beverages Company and was Chairman and CEO of the publicly-traded Pepsi Bottling Group. Under Mr. Foss leadership at ARAMARK, we have introduced a number of initiatives designed to accelerate revenue and profit growth and expand margins.

In 2013, we continued to grow our existing business and win new clients, including the Ohio and Michigan departments of corrections, the Minnesota Vikings, the Chicago Bears, and the Tampa Bay Buccaneers, and additional services from existing clients such as Airbus and American University. There is no assurance that we will continue to grow and gain new customers.

In December 2013, ARAMARK Holdings Corporation completed its initial public offering of 36,250,000 shares of common stock. The net proceeds received from the sale of 28,000,000 shares of our common stock we sold in the initial public offering, net of costs directly related to the initial public offering, were approximately $524.1 million. We used the net proceeds to repay approximately $370.0 million of the outstanding term loans due July 26, 2016 under our senior secured credit facilities and approximately $154.1 million of outstanding borrowings under the revolving credit facilities constituting part of our senior secured credit facilities.

## Our Market Opportunity

ARAMARK operates in large and highly fragmented markets. We believe that the global food and support services market and the North American uniform and career apparel market is approximately $900 billion. As only approximately 50% of this opportunity is outsourced, we believe that there is a substantial potential for growth by winning business with educational and healthcare institutions, businesses, sports and leisure facilities and correctional facilities that currently provide these services in-house. We expect that demand for increased outsourced services will continue to be driven by shifting client imperatives, including: the need to focus on core businesses, the desire to deliver a high level of consumer satisfaction, the pursuit of reduced costs and the attractiveness of consolidating services with a single provider. We believe our provision of these services is increasingly important to our clients achievement of their own missions.

The food and support services market is highly fragmented, with the five largest competitors capturing only 9% of the global market. We believe that larger service providers are better positioned to win a disproportionate amount of the business that is converted from self-operated services as clients seek services from partners with the scale and sophistication necessary to drive consumer satisfaction and increase operational efficiency. There can be no assurance that the number of outsourcing opportunities will increase or that our sales will increase if they do.

Our core geographic market is North America, which we believe will remain an attractive opportunity due to the favorable underlying economic conditions, stability and opportunities for profitable growth, and growing trend towards outsourcing. We continue to focus on the Education and Healthcare sectors, which are only approximately 30% outsourced, and have increased as a percentage of GDP, representing significant growth opportunities. While cost reduction continues to be a key consideration, we believe that clients decisions are increasingly driven by other benefits associated with outsourcing as they recognize that providing higher quality, more efficient food and facilities services is critical to driving satisfaction of their key constituents: students and faculty, patients, employees and sports fans.

We also operate in select, high growth, emerging markets in Asia and South America. The GDP of the countries making up these markets grew at approximately 8.6% in 2012, although GDP growth in Asia generally slowed from prior years. The economic growth in these countries is driven by factors such as rising discretionary income and increased investment in growth sectors such as mining, education and healthcare. Additionally, we estimate emerging markets are approximately 70% self-operated, making them highly attractive opportunities for outsourcing expansion. In Europe, we hold top 3 positions in Germany, the UK and Ireland. While we anticipate that economic conditions in Europe will continue to remain challenging, our exposure to southern Europe is limited to Spain, which represented approximately 1% of our total sales in 2013.

## Our Strengths

We believe the following competitive strengths are key to our continued success:

### Leader in a Large, Fragmented and Growing Market

We are a global market leader in the large, fragmented and growing food, facilities and uniform services industries. We believe that we have developed our leadership positions through using our experience and client and consumer knowledge to provide service offerings to our clients that allow our clients to focus on their core business. These leadership positions provide us with economies of scale, allow us to attract and retain industry talent and we believe position us to compete effectively for new business opportunities. We believe that clients are increasingly interested in service providers with a broad geographic reach and a breadth of service offerings.

### Favorable Geographic, Sector and Service Mix

We have the global reach and capability to deliver our services in 22 countries around the world, which represent approximately 65% of the world s GDP. We believe that our leading position in our core North American market will remain a principal growth driver. Also, utilizing the skills and experience we have developed over decades of service in the North American market, we have established positions in strategic emerging markets in Asia and South America. Our sales in emerging markets have increased at an annual rate of approximately 14% over the last five years, and represent 8% of our total sales in 2013 versus 4% in 2007. We believe that our expanding presence in these geographies will become increasingly important for our overall growth. In Europe, we have a selective position concentrated in Germany, the UK and Ireland with limited exposure to southern Europe.

We serve a large and diversified client base across a wide range of sectors and businesses, including Education, Healthcare, Business & Industry and Sports, Leisure and Corrections, with no single client accounting for more than 2% of 2013 sales (other than collectively a number of U.S. government entities). The Education and Healthcare sectors, which together contributed 43% of our 2013 sales globally, represent attractive growth opportunities for ARAMARK due to their size and low penetration.

We believe that the breadth of our service capabilities and ability to innovate position ARAMARK well to meet evolving consumer needs and address our clients increasing desire to conduct business with an experienced single provider of multiple services. Clients rely on ARAMARK to provide a variety of services, from offering safe living and working environments for miners to patient transportation services for healthcare clients to convenience stores on college campuses.

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**Longstanding Client Relationships**

ARAMARK s leading positions, scale and breadth of product offering enable us to continue to grow our business through higher penetration into existing clients and cross-selling of additional services. We have long-lasting relationships with our clients as evidenced by our approximately 94% annual retention rate and an average client relationship of approximately 10 years. We believe we are able to maintain these strong relationships year after year by providing services that help our clients focus on their own mission and also improve satisfaction of their key constituencies: employees, students and faculty, patients and sports fans. We believe that this is increasingly important for our clients as, for example, businesses compete for employees, colleges compete for students and hospitals compete for patients. Given that only 11% of our current clients utilize both food and facilities services, we believe substantial opportunities remain for us to provide additional services to our existing client base.

Further, we aim to increase the per capita spending of our target consumers and expand the participation rates of these populations in our existing service offering, through innovative marketing and merchandising programs. We continuously innovate our existing services to better meet our clients evolving needs. We use ARAMARK s consumer insights and other research to increase our awareness of market trends, client needs and consumer preferences.

**Improving Profitability with Significant Cash Flow Generation**

We have and continue to implement a number of programs and tools designed to increase our profitability, including enhanced management of our key costs food, labor and overhead through SKU rationalization (a consolidation of product categories for our purchases), standardization of portion sizes, waste control, enhanced labor scheduling, turn-over reduction and SG&A discipline, among others. Because of the leverage inherent in our business model, we believe the implementation of these measures will increase our profitability. Since instituting these new productivity initiatives in 2012, we have seen positive momentum in our performance.

We believe our business mix allows us to deliver consistent profitability in most macroeconomic environments and our high mix of variable costs allows us to react quickly to changing conditions in our day to day operations. We have historically generated significant cash flow as a result of our consistent profitability and limited working capital and capital expenditure requirements. Our capital expenditures in the last 5 years have averaged only 2.5% of sales. In the economic downturn in 2009 for example, our cash flow actually increased as lower capital expenditures and a reduction in working capital more than offset an earnings decline. We believe that the low capital investment requirements of our business position us to continue to generate significant cash flow, which should give us the flexibility to reduce debt, pursue strategic acquisitions and return capital to our stockholders.

**Experienced Management Team**

Our management team consists of long-tenured ARAMARK leaders with significant industry experience along with outside leaders with significant Fortune 500 management, consumer/retail and food industry experience. Our CEO and President, Eric Foss, is an experienced Fortune 500 public company CEO. Since joining ARAMARK in 2012, he has introduced an integrated strategy focusing on growth, productivity, people and delivering on financial commitments. The average tenure of our principal operating leaders is 20 years, with individual tenure ranging from 33 years to less than one year. Our remaining senior management team and business unit presidents tenure averages 12 years. ARAMARK has a long history of broad management ownership dating back to the 1980s, and our management team collectively has a significant equity position in ARAMARK.

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## Our Strategies

Through the following growth and operational strategies, we seek to provide the highest quality food, facilities and uniform services to our clients and consumers through a consistent, repeatable business model founded on five principles of excellence selling, service, execution, marketing and operations.

### Grow Our Base Business

***Drive Incremental Revenue from Existing Clients***

We intend to increase penetration within our existing client base. We believe our ideas and innovations are a key differentiating factor for ARAMARK in winning new business at existing clients. We believe that opportunities exist to increase penetration in each of our major service lines food service, facilities service and uniform service. In each of our sectors we have identified the top items that drive demand and have established standardized frameworks at the location level to maximize results. At our Major League Baseball venues where these programs have been introduced, per-capita expenditures by fans are 5.9% higher than last season.

Currently, 11% of our clients use both our food and facilities services. We believe that having an on-site team successfully providing one service positions us well to expand the services we provide. An example of a recent success is American University, where we have been providing facilities services since 2001 and recently won the dining business from a competitor based on our strategic vision for the campus and the local management teams that have consistently delivered high quality services.

***Increase Client Retention Rates***

ARAMARK has historically experienced high and consistent client retention rates. In 2013, our client retention rate was 94%. We believe that our front-line focus and emphasis on satisfying our clients needs enable us to increase the quality of our operations. Our service orientation is centered on creating a culture of excellence. We believe that providing our front-line employees with tools and training that empower them to improve the quality and breadth of service that they provide clients will drive client and consumer loyalty, enabling us to increase our retention rates and enhance profitability for our stockholders.

### Grow New Business

***Expand New Business Through Selling Excellence***

ARAMARK s platform for growing new business is centered on understanding our clients needs, creating innovative service offerings that meet those needs and selling our services with passion. We believe that our market leadership and extensive industry experience position us to capitalize on the large, under-penetrated and growing food, facilities and uniform services markets. We believe that the current rates of penetration will increase as more businesses and organizations continue to see the benefits of outsourcing non-core activities. Estimated annualized revenue from new clients contracted during 2013 as if they were acquired at the beginning of the fiscal year was over $1.3 billion. Our estimated net new business (the estimated annualized sales of new clients less the annualized sales of lost clients as if they were acquired or lost on the first day of the fiscal year) was approximately $525 million in fiscal 2013. There can be no assurance that the current rates of penetration of outsourcing for the food, facilities and uniform services markets will increase or that our sales will increase if they do.

We are particularly focused on the Education and Healthcare sectors due to their lower level of economic sensitivity and strong growth. Despite recent economic weakness, total spending on Education and Healthcare has increased as a percentage of total GDP. Additionally, we believe the addressable Education and Healthcare sectors represent opportunities of $87 billion and $31 billion, respectively, and are only approximately 30% outsourced to third party providers, which provides a significant opportunity for further growth.

***Increase Our Presence in Emerging Markets***

The favorable growth characteristics and relatively low outsourcing rates in emerging market regions present a substantial opportunity for accelerated growth. Our emerging markets presence currently consists of 7 countries across Asia and South America and represented 8% of our total sales in 2013. Our growth strategy in select emerging market geographies is focused on three initiatives: supporting existing clients as they expand into emerging markets, growing in geographies in which we already operate profitably, and entering new geographies where we have identified attractive prospects for profitable expansion. Over the last several years, our China business has experienced significant growth, including 27% growth in 2013, and we believe that we are well positioned to utilize deep industry and country experience to continue to expand in this key geography. Additionally, we are focused on growing our presence in South America, where we currently hold the #2 position in Chile and the #1 position in Argentina based on 2012 total sales. Given the scale and coordination required to successfully execute a multinational contract, we believe we are one of a very small group of global companies currently capable of competing for these contracts within emerging markets.

***Pursue Strategic Acquisitions***

We anticipate that continued consolidation in the global food, facilities and uniform services markets will create opportunities for us to acquire businesses with complementary geographic and service offering profiles. We intend to continue strengthening our existing business through selective, accretive acquisitions that will solidify our position, enhance and expand our service capabilities, further develop our differentiated positions, or allow us to enter into high growth geographies. We have a history of acquisitions, which we have integrated into our existing operations while achieving targeted synergies with minimal client losses. For example, in fiscal 2012 we acquired Filterfresh, a leader in providing quality office refreshment services to employees in the workplace, and in fiscal 2011 we acquired Masterplan, a clinical technology management and medical equipment maintenance company, which expanded our capability to service all levels of hospital clinical technology and strengthened our position in a key sector within the North American market. Both acquisitions were integrated into larger, similar ARAMARK operations.

**Accelerate Margin Expansion through Operational Excellence**

We have been implementing a disciplined process to achieve operational excellence and capture productivity for growth through a standard, repeatable business model. To achieve this, we are investing in the systems, tools and training utilized by our front-line employees, and establishing quality standards and processes to more efficiently manage our food, merchandise, labor, and above-unit costs. Additionally, our scale and operating leverage allow us to effectively manage these costs, which together accounted for 77% of our operating costs in fiscal 2013. We are also incorporating automated, standardized and centralized processes that have resulted in the reduction of overhead costs through the elimination of redundancies in our finance and HR functions.

The implementation of these initiatives has led to increased profitability, a portion of which we are reinvesting in our business to achieve additional growth and margin expansion. This reinvestment is focused on two primary goals: improving the efficiency of standard tools and selling resources, and continuing to recruit, train and develop employees to maintain our culture of high performance. Through continued reinvestment in our business, we expect to both increase our ability to execute upon our core strategies and maintain our operational excellence.

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**Risks Relating to Our Business**

Investing in our notes involves substantial risk. In particular, the risks described under the heading Risk Factors immediately following this summary may cause us to be unable to:

- fully execute upon our mission and core values;
- succeed in our initiatives designed to accelerate revenue, expand margins and grow profits;
- achieve continued sales and customer growth;
- take advantage of incremental market opportunities;
- realize the full benefits of our strengths; and
- successfully implement all or part of our strategies.

Some of the more significant challenges that we face in operating our business include the following:

- unfavorable economic conditions, as well as natural disasters, global calamities, sports strikes and other adverse incidents, have, and in the future could, adversely affect our results of operations and financial condition;
- our failure to retain our current clients, renew our existing client contracts and obtain new clients could adversely affect our business;
- we may be adversely affected if clients reduce their outsourcing or use of preferred vendors;
- competition in our industries could adversely affect our results of operations;
- increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our FSS contracts may constrain our ability to make a profit;
- our inability to achieve cost savings through our cost reduction efforts could impact our results of operations;
- a failure to maintain food safety throughout our supply chain and food-borne illness concerns may result in reputational harm and claims of illness or injury that could adversely affect us;

- governmental regulations, including those relating to food and beverages, the environment, wage and hour, anti-corruption and our government contracts, may subject us to significant liability;

- our business may suffer if we are unable to hire and retain sufficient qualified personnel or if labor costs increase;

- our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industries, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations; and

- the other factors set forth under the Risk Factors in this prospectus.

Before you invest in the notes, you should carefully consider all of the information in this prospectus, including those matters set forth under the heading Risk Factors.

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**Company Information**

Each of ARAMARK Holdings Corporation and ARAMARK Corporation is organized under the laws of the State of Delaware. Our business traces its history back to the 1930s.

Our executive offices are located at ARAMARK Tower, 1101 Market Street, Philadelphia, Pennsylvania 19107. Our website is www.aramark.com. Please note that our Internet website address is provided as an inactive textual reference only. **Information on our website does not constitute part of this prospectus.**

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**Summary of the Terms of the Notes**

*The following summary is not intended to be a complete description of the terms of the notes. For a more detailed description of the notes, see Description of Notes.*

*For purposes of this section, we, us, and our refer to ARAMARK Corporation.*

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| Issuer | ARAMARK Corporation. |
| Securities | $1,000,000,000 in aggregate principal amount of 5.75% senior notes due 2020. The notes consist of both notes issued on , 2014 in exchange for the 5.75% Senior Notes due 2020 originally issued on March 7, 2013 and any outstanding notes that were not tendered in the exchange offer. |
| Maturity date | March 15, 2020. |
| Interest | Interest on the notes is payable on March 15 and September 15 of each year. |
| | Interest on the notes accrue at the rate of 5.75% per annum. |
| | Interest on the notes accrued from March 7, 2013. |
| Guarantees | The notes are guaranteed on an unsecured senior basis by ARAMARK Holdings Corporation and each of our wholly-owned domestic subsidiaries that guarantees our senior secured credit facilities. |
| Ranking | The notes are our senior unsecured obligations and: |

- rank senior in right of payment to our future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the notes;
- rank equal in right of payment to all of our future unsecured senior debt;
- rank equal in right of payment to all of our existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including our guarantee of our senior secured credit facilities; and
- are effectively subordinated to all of our existing and future secured debt (including obligations under our senior secured credit facilities), to the extent of the value of

the assets securing such debt, and structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the notes.

Similarly, each of the note guarantees are senior unsecured obligations of the applicable guarantor and:

rank senior in right of payment to all of the applicable guarantor s existing and future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the notes;

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rank equal in right of payment to all of the applicable guarantor s existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including their guarantees of the senior secured credit facilities; and

are effectively subordinated to all of the applicable guarantor s existing and future secured debt (including such guarantor s guarantee under our senior secured credit facilities), to the extent of the value of the assets securing such debt, and structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the notes.

As of December 27, 2013, (1) the notes and related guarantees would have ranked effectively junior to approximately $4,595.9 million of senior secured indebtedness (including $49.2 million of payment obligations relating to capital lease obligations and $300.0 million outstanding under our receivables facility) and (2) we would have had an additional $399.7 million of unutilized capacity under our revolving credit facility, after taking into account outstanding letters of credit.

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| Optional redemption | Prior to March 15, 2015, we may redeem the notes, in whole or in part, at a price equal to 100% of the principal amount thereof plus the make-whole premium described under Description of Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption. |
| | We may also redeem any of the notes at any time on or after March 15, 2015, in whole or in part, at the redemption prices described under Description of Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption. |
| | In addition, prior to March 15, 2015, we may redeem up to 40% of the aggregate principal amount of the notes using the proceeds of certain equity offerings at a price equal to 105.750% of the principal amount thereof plus accrued and unpaid interest, if any, to but not including the redemption date. |
| Change of control and asset sales | If we experience specific kinds of changes of control, we will be required to make an offer to purchase the notes at a purchase price of 101% of the principal amount thereof, plus accrued and unpaid interest to the purchase date. If we sell assets under certain circumstances, we will be required to make an offer to purchase the notes at a purchase price of 100% of the principal amount thereof, plus accrued and unpaid interest to the purchase date. See Description of Notes Repurchase at the Option of Holders. |

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| Certain covenants | The indenture governing the notes restricts our ability and the ability of our restricted subsidiaries to, among other things:<br><br>incur additional indebtedness or issue certain preferred shares;<br><br>pay dividends and make certain distributions, investments and other restricted payments;<br><br>create certain liens;<br><br>sell assets;<br><br>enter into transactions with affiliates;<br><br>limit the ability of restricted subsidiaries to make payments to us;<br><br>enter into sale and leaseback transactions;<br><br>merge, consolidate, sell or otherwise dispose of all or substantially all of our assets; and<br><br>designate our subsidiaries as unrestricted subsidiaries.<br><br>These covenants are subject to important exceptions and qualifications described under the headings Description of Notes. If the notes are assigned an investment grade rating by Standard & Poor s Rating Services ( S&P ) and Moody s Investor Service, Inc. ( Moody s ) and no default has occurred and is continuing, certain covenants will be suspended. If either rating should subsequently decline below investment grade, the suspended covenants will be reinstated. |
| Use of proceeds | We will not receive any cash proceeds from the sale of notes by Goldman, Sachs & Co. and J.P. Morgan Securities LLC in market-making transactions. See Use of Proceeds. |

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**Summary Consolidated Financial Data**

The following table sets forth summary consolidated financial data as of the dates and for the periods indicated. The summary consolidated financial data for the fiscal years 2013, 2012 and 2011 have been derived from our consolidated financial statements appearing elsewhere in this prospectus, which have been audited by KPMG LLP. The summary consolidated financial data as of September 30, 2011 has been derived from our consolidated financial statements that are not included in this prospectus, which have been audited by KPMG LLP.

The summary consolidated financial data as of December 27, 2013, and for the three months ended December 27, 2013 and December 28, 2012, have been derived from our unaudited condensed consolidated financial statements appearing elsewhere in this prospectus. The summary consolidated financial data as of December 28, 2012 has been derived from our unaudited condensed consolidated financial statements that are not included in this prospectus. The unaudited financial data presented have been prepared on a basis consistent with our audited consolidated financial statements. In the opinion of management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The financial data set forth in this table should be read in conjunction with the sections titled Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and Unaudited Pro Forma Financial Information, included elsewhere in this prospectus, as well as with our consolidated financial statements and related notes and the unaudited condensed consolidated financial statements and related notes that are also included elsewhere in this prospectus.

| | Fiscal year(1) | | | Three months ended | |
|---|---|---|---|---|---|
| (dollars in millions, except per share data) | 2013 | 2012 | 2011 | December 27, 2013 (unaudited) | December 28, 2012 (unaudited) |
| **Statement of operations data:** | | | | | |
| Sales | $ 13,946 | $ 13,505 | $ 13,082 | $ 3,763 | $ 3,536 |
| Costs and expenses: | | | | | |
| Cost of services provided | 12,661 | 12,191 | 11,836 | 3,355 | 3,172 |
| Depreciation and amortization | 542 | 529 | 511 | 137 | 133 |
| Selling and general corporate expenses | 228 | 203 | 188 | 114 | 56 |
| Operating income | 515 | 582 | 547 | 157 | 175 |
| Interest and other financing costs, net | 424 | 457 | 451 | 83 | 113 |
| Income from continuing operations before income taxes | 91 | 125 | 96 | 74 | 62 |
| Provision (benefit) for income taxes | 20 | 18 | (1) | 29 | 19 |
| Income from continuing operations | 71 | 107 | 97 | 45 | 43 |
| Loss from discontinued operations, net of tax(2) | (1) | | (12) | | |
| Net income | 70 | 107 | 85 | 45 | 43 |
| Less: Net income attributable to noncontrolling interests | 1 | 3 | 1 | | |
| Net income attributable to ARAMARK stockholders | $ 69 | $ 104 | $ 84 | $ 45 | $ 43 |
| Pro forma net income attributable to ARAMARK stockholders(3) | $ 116 | | | | |
| Pro forma net income attributable to ARAMARK stockholders (as adjusted)(4) | $ 109 | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Per share data:** | | | | | |
| Basic: | | | | | |
| Income from continuing operations | $ 0.35 | $ 0.51 | $ 0.47 | $ 0.22 | $ 0.21 |
| Loss from discontinued operations | (0.01) | | (0.06) | | |
| Net income attributable to ARAMARK stockholders | $ 0.34 | $ 0.51 | $ 0.41 | $ 0.22 | $ 0.21 |

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| (dollars in millions, except per share data) | Fiscal year(1) 2013 | 2012 | 2011 | Three months ended December 27, 2013 (unaudited) | December 28, 2012 (unaudited) |
|---|---|---|---|---|---|
| Diluted: | | | | | |
| Income from continuing operations | $ 0.34 | $ 0.49 | $ 0.46 | $ 0.21 | $ 0.20 |
| Loss from discontinued operations | (0.01) | | (0.06) | | |
| Net income attributable to ARAMARK stockholders | $ 0.33 | $ 0.49 | $ 0.40 | $ 0.21 | $ 0.20 |
| Pro forma basic: | | | | | |
| Income from continuing operations | $ 0.58 | | | | |
| Loss from discontinued operations | (0.01) | | | | |
| Net income attributable to ARAMARK stockholders(3) | $ 0.57 | | | | |
| Pro forma diluted: | | | | | |
| Income from continuing operations | $ 0.56 | | | | |
| Loss from discontinued operations | (0.01) | | | | |
| Net income attributable to ARAMARK stockholders(3) | $ 0.55 | | | | |
| Pro forma, as adjusted, basic: | | | | | |
| Income from continuing operations | $ 0.48 | | | | |
| Loss from discontinued operations | (0.01) | | | | |
| Net income attributable to ARAMARK stockholders(4) | $ 0.47 | | | | |
| Pro forma, as adjusted, diluted: | | | | | |
| Income from continuing operations | $ 0.47 | | | | |
| Loss from discontinued operations | (0.01) | | | | |
| Net income attributable to ARAMARK stockholders(4) | $ 0.46 | | | | |
| Cash dividend per share(5) | $ | $ | $ 3.50 | $ | $ |
| **Statement of cash flows data:** | | | | | |
| Net cash provided by/(used in): | | | | | |
| Operating activities(6) | $ 696 | $ 692 | $ 304 | $ (281) | $ (199) |
| Investing activities | (385) | (482) | (363) | (59) | (79) |
| Financing activities(6) | (336) | (287) | 112 | 345 | 270 |
| **Balance sheet data (at period end):** | | | | | |
| Cash and cash equivalents | $ 111 | $ 137 | $ 213 | $ 116 | $ 129 |
| Total assets(6) | 10,267 | 10,487 | 10,523 | 10,249 | 10,344 |
| Total debt (including current portion of long term debt)(6)(7) | 5,824 | 6,009 | 6,232 | 5,645 | 6,347 |
| Total equity(5) | 904 | 967 | 882 | 1,683 | 876 |
| **Other financial data:** | | | | | |
| Capital expenditures, net of disposals | $ 382 | $ 343 | $ 272 | $ 77 | $ 71 |
| Ratio of earnings to fixed charges(8) | 1.2x | 1.2x | 1.1x | 1.7x | 1.5x |

(1) Fiscal years 2013, 2012 and 2011 refer to the fiscal years ended September 27, 2013, September 28, 2012 and September 30, 2011, respectively. All periods presented are 52-week periods.

(2)

During fiscal 2011, the Company completed the sale of its wholly-owned subsidiary, Galls, for approximately $75.0 million in cash. The transaction resulted in a pretax loss of approximately $1.5 million (after-tax loss of approximately $12.0 million). Galls is accounted for as a discontinued operation. Galls results of operations have been removed from the Company s results of continuing operations for all periods presented.

(3) The pro forma net income attributable to ARAMARK stockholders assumes a reduction of interest expense, net of tax, of approximately $47 million for fiscal 2013 related to the debt refinancing that occurred during the second quarter of fiscal 2013. The pro forma net income attributable to ARAMARK stockholders and per share data assumes the debt refinancing occurred at the beginning of fiscal 2013.

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(4) The pro forma net income attributable to ARAMARK stockholders (as adjusted) and per share data (as adjusted) for fiscal 2013 assumes $524.1 million of the proceeds from the initial public offering are used to repay amounts due under our senior secured credit facilities. Pro forma net income attributable to ARAMARK stockholders (as adjusted) for fiscal 2013 assumes a reduction of interest expense, net of tax, of approximately $12 million related to such repayment of amounts due under our senior secured credit facilities and an increase in share-based compensation expense of approximately $22.6 million for the ongoing portion of the non-cash charge related to the modification of the terms of certain performance-based options outstanding. The pro forma net income attributable to ARAMARK stockholders (as adjusted) and per share data (as adjusted) assumes the initial public offering and the related application of net proceeds was completed at the beginning of fiscal 2013.

(5) During fiscal 2011, the Company paid a dividend of approximately $711 million to its stockholders. On October 29, 2012, we completed the spin-off of our majority interest in Seamless North America, LLC, an online and mobile food ordering service, to our stockholders in the form of a dividend. Each stockholder received one share of the common stock of Seamless Holdings, a newly formed company created to hold our former interest in Seamless North America, LLC, for each share of our common stock held as of the record date. On February 4, 2014, the Company s Board of Directors declared a $0.075 dividend per share of common stock, payable on March 11, 2014, to stockholders of record on the close of business on February 18, 2014.

(6) In the first quarter of fiscal 2011, the Company adopted the new authoritative accounting guidance regarding transfers of financial assets. The impact upon adoption resulted in the recognition of both the receivables securitized under the program and the borrowings they collateralize on the Consolidated Balance Sheet, which led to a $220.9 million increase in Receivables and Long-Term Borrowings. As a result of implementing the new guidance, funding under the agreement of $220.9 million on October 2, 2010 was reflected in the Company s Consolidated Statement of Cash Flows as a use of cash from the securitization of accounts receivable under net cash provided by/(used in) operating activities and as a source of cash under net cash provided by/(used in) financing activities.

(7) During fiscal 2011, the Company completed a private placement of $600 million, net of a 1% discount, in aggregate principal amount of 8.625% / 9.375% Senior Notes due 2016. In the second quarter of fiscal 2013, the Company completed a refinancing, repurchasing ARAMARK Corporation s outstanding 8.50% Senior Notes due 2015 and Senior Floating Rate Notes due 2015 and our 8.625% / 9.375% Senior Notes due 2016. The Company refinanced that debt with new term loan borrowings under its senior secured credit facilities and the issuance of the outstanding notes.

(8) For the purpose of determining the ratio of earnings to fixed charges, earnings include pretax income (loss) from continuing operations plus fixed charges (excluding capitalized interest). Fixed charges consist of interest on all indebtedness (including capitalized interest) plus that portion of operating lease rentals representative of the interest factor (deemed to be one third of operating lease rentals). Prior periods have been adjusted to reflect Galls as a discontinued operation.

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## RISK FACTORS

*You should carefully consider each of the following risks as well as the other information included in this prospectus, including Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes, before investing in the notes. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or part of your original investment.*

### Risks Related to Our Business

***Unfavorable economic conditions have, and in the future could, adversely affect our results of operations and financial condition.***

A national or international economic downturn has, and in the future could, reduce demand for our services in each of our reportable segments, which may result in the loss of business or increased pressure to contract for business on less favorable terms than our generally preferred terms. Economic hardship among our client base can also impact our business. For example, during the recent period of economic distress, certain of our businesses have been negatively affected by reduced employment levels at our clients locations and declining levels of business and consumer spending. In addition, insolvency experienced by clients, especially larger clients, has, and in the future could, make it difficult for us to collect amounts we are owed and could result in the voiding of existing contracts. Similarly, financial distress or insolvency, if experienced by our key vendors and service providers such as insurance carriers, could significantly increase our costs.

The portion of our food and support services business that provides services in public facilities such as convention centers and tourist and recreational attractions is particularly sensitive to an economic downturn, as expenditures to take vacations or hold or attend conventions are funded to a partial or total extent by discretionary income. A decrease in such discretionary income on the part of potential attendees at our clients facilities has, and in the future could, result in a reduction in our sales. Further, because our exposure to the ultimate consumer of what we provide is limited by our dependence on our clients to attract those consumers to their facilities and events, our ability to respond to such a reduction in attendance, and therefore our sales, is limited. There are many factors that could reduce the numbers of events in a facility or attendance at an event, including labor disruptions involving sports leagues, poor performance by the teams playing in a facility, number of playoff games, inclement weather and adverse economic conditions which would adversely affect sales and profits.

***Natural disasters, global calamities, sport strikes and other adverse incidents could adversely affect our sales and operating results.***

Natural disasters, including hurricanes and earthquakes, or global calamities have, and in the future could, affect our sales and operating results. In the past, ARAMARK experienced lost and closed client locations, business disruptions and delays, the loss of inventory and other assets, and the effect of the temporary conversion of a number of ARAMARK client locations to provide food and shelter to those left homeless by storms. In addition, any terrorist attacks, particularly against venues that we serve, and the national and global military, diplomatic and financial response to such attacks or other threats, also may adversely affect our sales and operating results. Sports strikes, particularly those that are for an extended time period, can reduce our sales and have an adverse impact on our results of operations. For example, in 2012, the collective bargaining agreement for the players in the National Hockey League expired. As a result, the 2012/2013 season was significantly shortened and our sales and profits were negatively impacted. Any decrease in the number of games played would mean a loss of sales and reduced profits at the venues we service.

***Our failure to retain our current clients, renew our existing client contracts and obtain new client contracts could adversely affect our business.***

Our success depends on our ability to retain our current clients, renew our existing client contracts and obtain new business. Our ability to do so generally depends on a variety of factors, including the quality, price and responsiveness of our services, as well as our ability to market these services effectively and differentiate ourselves from our competitors. We cannot assure you that we will be able to obtain new business, renew existing client contracts at the same or higher levels of pricing or that our current clients will not turn to competitors, cease operations, elect to self-operate or terminate contracts with us. The failure to renew a significant number of our existing contracts would have a material adverse effect on our business and results of operations and the failure to obtain new business could have an adverse impact on our growth.

***We may be adversely affected if clients reduce their outsourcing or use of preferred vendors.***

Our business and growth strategies depend in large part on the continuation of a current trend toward outsourcing services. Clients will outsource if they perceive that outsourcing may provide quality services at a lower overall cost and permit them to focus on their core business activities. We cannot be certain that this trend will continue or not be reversed or that clients that have outsourced functions will not decide to perform these functions themselves.

In addition, labor unions representing employees of some of our current and prospective clients have occasionally opposed the outsourcing trend to the extent that they believed that current union jobs for their memberships might be lost. In these cases, unions typically seek to prevent public sector entities from outsourcing and if that fails, ensure that jobs that are outsourced continue to be unionized, which can reduce our pricing and operational flexibility with respect to such businesses.

We have also identified a trend among some of our clients toward the retention of a limited number of preferred vendors to provide all or a large part of their required services. We cannot be certain that this trend will continue or not be reversed or, if it does continue, that we will be selected and retained as a preferred vendor to provide these services. Unfavorable developments with respect to either outsourcing or the use of preferred vendors could have a material adverse effect on our business and results of operations.

***Competition in our industries could adversely affect our results of operations.***

There is significant competition in the food and support services business from local, regional, national and international companies, of varying sizes, many of which have substantial financial resources. Our ability to successfully compete depends on our ability to provide quality services at a reasonable price and to provide value to our clients and consumers. Certain of our competitors have been and may in the future be willing to underbid us or accept a lower profit margin or expend more capital in order to obtain or retain business. Also, certain regional and local service providers may be better established than we are within a specific geographic region. In addition, existing or potential clients may elect to self-operate their food and support services, eliminating the opportunity for us to serve them or compete for the account. While we have a significant international presence, certain of our competitors have more extensive portfolios of services and a broader geographic footprint than we do. Therefore, we may be placed at a competitive disadvantage for clients who require multiservice or multinational bids.

We have a number of major national competitors in the uniform rental industry with significant financial resources. In addition, there are regional and local uniform suppliers whom we believe may have strong client loyalty. While most clients focus primarily on quality of service, uniform rental also is a price-sensitive service and if existing or future competitors seek to gain clients or accounts by reducing prices, we may be required to lower prices, which would reduce our sales and profits. The uniform rental business requires investment capital for growth. Failure to maintain capital investment in this business would put us at a competitive disadvantage. In addition, due to competition in our uniform rental business, it has become increasingly important for us to source garments and other products overseas, particularly from Asia. To the extent we are not able to effectively source such products from Asia and gain the related cost savings, we may be at a further disadvantage in relation to some of our competitors.

***Increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our food and support services contracts may constrain our ability to make a profit.***

Our profitability can be adversely affected to the extent we are faced with cost increases for food, wages, other labor related expenses (including workers compensation, state unemployment insurance and federal or state mandated health benefits and other healthcare costs), insurance, fuel, utilities, piece goods, clothing and equipment, especially to the extent we are unable to recover such increased costs through increases in the prices for our products and services, due to one or more of general economic conditions, competitive conditions or contractual provisions in our client contracts. Oil and natural gas prices have fluctuated significantly in the last several years. Substantial increases in the cost of fuel and utilities have historically resulted in substantial cost increases in our uniform rental business, and to a lesser extent in our food and support services segments. From time to time we have experienced increases in our food costs. While we believe a portion of these increases were attributable to fuel prices, we believe the increases also resulted from rising global food demand and the increased production of biofuels such as ethanol. In addition, food prices can fluctuate as a result of temporary changes in supply, including as a result of incidences of severe weather such as droughts, heavy rains and late freezes. We have two main types of contract in our food and facilities business: profit and loss contracts in which we bear all of the expenses of the contract but gain the benefit of the sales, and client interest contracts in which our clients share some or all of the expenses and gain some or all of the sales. Approximately 73% of our food and support services sales in fiscal 2013 are from profit and loss contracts under which we have limited ability to pass on cost increases to our clients. Therefore, in many cases, we will have to absorb any cost increases, which may adversely impact our operating results.

The amount of risk that we bear and our profit potential vary depending on the type of contract under which we provide food and support services. We may be unable to fully recover costs on contracts that limit our ability to increase prices. In addition, we provide many of our services under contracts of indefinite term, which are subject to termination on short notice by either party without cause. Some of our profit and loss contracts contain minimum guaranteed remittances to our client regardless of our sales or profit at the facility involved. If sales do not exceed costs under a contract that contains minimum guaranteed commissions, we will bear any losses which are incurred, as well as the guaranteed commission. Generally, our contracts also limit our ability to raise prices on the food, beverages and merchandise we sell within a particular facility without the client s consent. In addition, some of our contracts exclude certain events or products from the scope of the contract, or give the client the right to modify the terms under which we may operate at certain events. The payment of guaranteed commissions to a client under a profit and loss contract that is not profitable, the refusal by individual clients to permit the sale of some products at their venues, the imposition by clients of limits on prices which are not economically feasible for us, or decisions by clients to curtail their use of the services we provide could adversely affect our sales and results of operations. For example, during the recent economic downturn, certain of our business and industry clients curtailed their employees use of catering, which had a negative effect on our sales and profits.

***Our inability to achieve cost savings through our cost reduction efforts could impact our results of operations.***

The achievement of the goals we set in our plans and our future financial performance is dependent, in part, on our efforts to reduce our cost structure through various cost reduction initiatives. One of our recent initiatives is the establishment of a North American business services center that will bring together certain back office operations that are currently dispersed in many areas. Successful execution of our cost reduction initiatives is not assured and there are several obstacles to success, including our ability to enable the information technology and business process required for these efforts, as well as the timing of the transition to our business services center.

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In addition, there can be no assurance that our efforts, if properly executed, will result in our desired outcome of improved financial performance.

***Our expansion strategy involves risks.***

We may seek to acquire companies or interests in companies or enter into joint ventures that complement our business, and our inability to complete acquisitions, integrate acquired companies successfully or enter into joint ventures may render us less competitive. At any given time, we may be evaluating one or more acquisitions or engaging in acquisition negotiations although we are not currently contemplating any acquisition transaction that would be material to our business. We cannot be sure that we will be able to continue to identify acquisition candidates or joint venture partners on commercially reasonable terms or at all. If we make acquisitions, we also cannot be sure that any benefits anticipated from the acquisitions will actually be realized. Likewise, we cannot be sure that we will be able to obtain necessary financing for acquisitions. Such financing could be restricted by the terms of our debt agreements or it could be more expensive than our current debt. The amount of such debt financing for acquisitions could be significant and the terms of such debt instruments could be more restrictive than our current covenants. In addition, our ability to control the planning and operations of our joint ventures and other less than majority-owned affiliates may be subject to numerous restrictions imposed by the joint venture agreements and majority stockholders. Our joint venture partners may also have interests which differ from ours.

The process of integrating acquired operations into our existing operations may result in operating, contract and supply chain difficulties, such as the failure to retain clients or management personnel and problems coordinating technology and supply chain arrangements. Also, in connection with any acquisition, we could fail to discover liabilities of the acquired company for which we may be responsible as a successor owner or operator in spite of any investigation we make prior to the acquisition. In addition, labor laws in certain countries may require us to retain more employees than would otherwise be optimal from entities we acquire. Such difficulties may divert significant financial, operational and managerial resources from our existing operations, and make it more difficult to achieve our operating and strategic objectives. The diversion of management attention, particularly in a difficult operating environment, may affect our sales. Similarly, our business depends on effective information technology systems and implementation delays or poor execution of the integration of different information technology systems could disrupt our operations and increase costs. Possible future acquisitions could result in the incurrence of additional debt and related interest expense or contingent liabilities and amortization expenses related to intangible assets, which could have a material adverse effect on our financial condition, operating results and/or cash flow. In addition, goodwill resulting from business combinations represents a significant portion of our assets. If the goodwill were deemed to be impaired, we would need to take a charge to earnings to write down the goodwill to its fair value.

***A failure to maintain food safety throughout our supply chain and food-borne illness concerns may result in reputational harm and claims of illness or injury that could adversely affect us.***

Food safety is a top priority for us and we dedicate substantial resources to ensuring that our consumers enjoy safe, quality food products. Claims of illness or injury relating to food quality or food handling are common in the food service industry, and a number of these claims may exist at any given time. Because food safety issues could be experienced at the source or by food suppliers or distributors, food safety could, in part, be out of our control. Regardless of the source or cause, any report of food-borne illness or other food safety issues such as food tampering or contamination at one of our locations could adversely impact our reputation, hindering our ability to renew contracts on favorable terms or to obtain new business, and have a negative impact on our sales. Even instances of food-borne illness, food tampering or contamination at a location served by one of our competitors could result in negative publicity regarding the food service industry generally and could negatively impact our sales. Future food product recalls and health concerns associated with food contamination may also increase our raw materials costs and, from time to time, disrupt our business.

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***Governmental regulations relating to food and beverages may subject us to significant liability.***

The regulations relating to each of our food and support services segments are numerous and complex. A variety of regulations at various governmental levels relating to the handling, preparation and serving of food (including, in some cases, requirements relating to the temperature of food), and the cleanliness of food production facilities and the hygiene of food-handling personnel are enforced primarily at the local public health department level. We cannot assure you that we are in full compliance with all applicable laws and regulations at all times or that we will be able to comply with any future laws and regulations. Furthermore, legislation and regulatory attention to food safety is very high. Additional or amended regulations in this area may significantly increase the cost of compliance or expose us to liabilities.

We serve alcoholic beverages at many facilities, and must comply with applicable licensing laws, as well as state and local service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons such as an individual who is intoxicated or a minor. If we violate dram shop laws, we may be liable to the patron and/or third parties for the acts of the patron. Although we sponsor regular training programs designed to minimize the likelihood of such a situation, we cannot guarantee that intoxicated or minor patrons will not be served or that liability for their acts will not be imposed on us. There can be no assurance that additional regulation in this area would not limit our activities in the future or significantly increase the cost of regulatory compliance. We must also obtain and comply with the terms of licenses in order to sell alcoholic beverages in the states in which we serve alcoholic beverages. Some of our contracts require us to pay liquidated damages during any period in which our liquor license for the facility is suspended, and most contracts are subject to termination if we lose our liquor license for the facility.

***If we fail to comply with requirements imposed by applicable law or other governmental regulations, we could become subject to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business.***

We are subject to governmental regulation at the federal, state, international, national, provincial and local levels in many areas of our business, such as employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, minority, women and disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, consumer protection statutes, public procurement regulations, intellectual property laws, food safety and sanitation laws, cost and accounting principles, the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy laws and alcohol licensing and service laws.

From time to time, both federal and state governmental agencies have conducted reviews of our billing practices as part of investigations or audits of providers of services under governmental contracts, or otherwise. We also receive requests for information from governmental agencies in connection with these reviews. While we attempt to comply with all applicable laws and regulations, we cannot assure you that we are in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times or that we will be able to comply with any future laws, regulations or interpretations of these laws and regulations.

If we fail to comply with applicable laws and regulations, including those referred to above, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures or debarments from government contracts or the loss of liquor licenses. The cost of compliance or the consequences of non-compliance, including debarments, could have a material adverse effect on our business and results of operations. In addition, governmental units may make changes in the regulatory frameworks within which we operate that may require either the corporation as a whole or individual businesses to incur substantial increases in costs in order to comply with such laws and regulations.

***Changes in, new interpretations of or changes in the enforcement of the governmental regulatory framework may affect our contracts and contract terms and may reduce our sales or profits.***

A portion of our sales, estimated to be approximately 11.2% in fiscal 2013, is derived from business with U.S. federal, state and local governments and agencies. Changes or new interpretations in, or changes in the enforcement of, the statutory or regulatory framework applicable to services provided under governmental contracts or bidding procedures, including an adverse change in government spending policies or appropriations (including budget cuts at the federal level resulting from sequestration or reductions in government spending resulting from the October 2013 government shut down), budget priorities or revenue levels, particularly by our food and support services businesses, could result in fewer new contracts or contract renewals, modifications to the methods we apply to price government contracts, or in contract terms of shorter duration than we have historically experienced. Any of these changes could result in lower sales or profits than we have historically achieved, which could have an adverse effect on our results of operations.

***Environmental regulations may subject us to significant liability and limit our ability to grow.***

We are subject to various environmental protection laws and regulations, including the U.S. federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act and similar state statutes and regulations governing the use, management, and disposal of chemicals and hazardous materials. In particular, industrial laundries in our uniform rental business use certain detergents and cleaning chemicals to launder garments and other merchandise. The residues from such detergents and chemicals and residues from soiled garments and other merchandise laundered at our facilities may result in potential discharges to air and to water (through sanitary sewer systems and publicly owned treatment works) and may be contained in waste generated by our wastewater treatment systems.

Our industrial laundries are subject to certain volume and chemical air and water pollution discharge limits, monitoring, permitting and recordkeeping requirements.

We own or operate aboveground and underground storage tank systems at some locations to store petroleum products for use in our or our clients operations. Certain of these storage tank systems also are subject to performance standards, periodic monitoring, and recordkeeping requirements. We also may use and manage chemicals and hazardous materials in our operations from time to time. In the course of our business, we may be subject to penalties and fines for non-compliance with environmental protection laws and regulations and we may settle, or contribute to the settlement of, actions or claims relating to the management of underground storage tanks and the handling and disposal of chemicals or hazardous materials. We may, in the future, be required to expend material amounts to rectify the consequences of any such events.

In addition, changes to environmental laws may subject us to additional costs or cause us to change aspects of our business. Under U.S. federal and state environmental protection laws, as an owner or operator of real estate we may be liable for the costs of removal or remediation of certain hazardous materials located on or in or emanating from our owned or leased property or our client s properties, as well as related costs of investigation and property damage, without regard to our fault, knowledge, or responsibility for the presence of such hazardous materials. There can be no assurance that locations that we own, lease or otherwise operate, either for ourselves or for our clients, or that we may acquire in the future, have been operated in compliance with environmental laws and regulations or that future uses or conditions will not result in the imposition of liability upon us under such laws or expose us to third-party actions such as tort suits. In addition, such regulations may limit our ability to identify suitable sites for new or expanded facilities. In connection with our present or past operations and the present or past operations of our predecessors or companies that we have acquired, hazardous substances may migrate from properties on which we operate or which were operated by our predecessors or companies we acquired to other properties. We may be subject to significant liabilities to the extent that human health is adversely affected or the value of such properties is diminished by such migration.

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***Our international business faces risks different from those we face in the United States that could have an effect on our results of operations and financial condition.***

A significant portion of our sales is derived from international business. During fiscal 2013, approximately 21% of our sales were generated outside of North America. We currently have a presence in 19 countries outside of North America with approximately 88,000 personnel. Our international operations are subject to risks that are different from those we face in the United States, including the requirement to comply with changing and conflicting national and local regulatory requirements; Foreign Corrupt Practices Act, U.K. Bribery Act and other anti-corruption law compliance matters; potential difficulties in staffing and labor disputes; differing local labor laws; managing and obtaining support and distribution for local operations; credit risk or financial condition of local clients; potential imposition of restrictions on investments; potentially adverse tax consequences, including imposition or increase of withholding, VAT and other taxes on remittances and other payments by subsidiaries; foreign exchange controls; and local political and social conditions. In addition, the operating results of our non-U.S. subsidiaries are translated into U.S. dollars and those results are affected by movements in foreign currencies relative to the U.S. dollar.

We intend to continue to develop our business in emerging countries over the long term. Emerging international operations present several additional risks, including greater fluctuation in currencies relative to the U.S. dollar; economic and governmental instability; civil disturbances; volatility in gross domestic production; and nationalization and expropriation of private assets.

There can be no assurance that the foregoing factors will not have a material adverse effect on our international operations or on our consolidated financial condition and results of operations.

***Continued or further unionization of our workforce may increase our costs and work stoppages could damage our business.***

Approximately 40,000 employees in our North American operations are represented by unions and covered by collective bargaining agreements. The continued or further unionization of a significantly greater portion of our workforce could increase our overall costs at the affected locations and adversely affect our flexibility to run our business in the most efficient manner to remain competitive or acquire new business. In addition, any significant increase in the number of work stoppages at our various operations could adversely affect our business, financial condition or results of operations.

***We may incur significant liability as a result of our participation in multiemployer defined benefit pension plans.***

We operate at a number of locations under collective bargaining agreements. Under some of these agreements, we are obligated to participate in and contribute to multiemployer defined benefit pension plans. As a contributing employer to such plans, should ARAMARK withdraw, either totally or trigger a partial withdrawal, we would be subject to withdrawal liability (or partial withdrawal liability) for our proportionate share of any unfunded vested benefits. In addition, if a multiemployer defined benefit pension plan fails to satisfy the minimum funding standards, we could be liable to increase our contributions to meet minimum funding standards. Also, if a participating employer withdraws from the plan or experiences financial difficulty, including bankruptcy, our obligation could increase. The financial status of certain of the plans in which ARAMARK participates has deteriorated in the recent past and continues to deteriorate. In addition, any increased funding obligations for underfunded multiemployer defined benefit pension plans could have a financial impact on us.

***Risks associated with the suppliers from whom our products are sourced could adversely affect our results of operations.***

The raw materials we use in our business and the finished products we sell are sourced from a wide variety of domestic and international suppliers. We seek to require our suppliers to comply with applicable laws and otherwise be certified as meeting our supplier standards of conduct. Our ability to find qualified suppliers who meet our standards, and to access raw materials and finished products in a timely and efficient manner is a challenge, especially with respect to suppliers located and goods sourced outside the United States. In addition, insolvency experienced by suppliers could make it difficult for us to source the items we need to run our business. Political and economic stability in the countries in which foreign suppliers are located, the financial stability of suppliers, suppliers failure to meet our supplier standards, labor problems experienced by our suppliers, the availability of raw materials to suppliers, currency exchange rates, transport availability and cost, inflation and other factors relating to the suppliers and the countries in which they are located are beyond our control. In addition, United States foreign trade policies, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. In addition, if one of our suppliers were to violate the law, our reputation may be harmed simply due to our association with that supplier. These and other factors affecting our suppliers and our access to raw materials and finished products could adversely affect our results of operations.

***In fiscal 2013, one distributor distributed approximately 60% of our food and non-food products in the United States and Canada, and if our relationship or their business were to be disrupted, we could experience disruptions to our operations and cost structure.***

Although we negotiate the pricing and other terms for the majority of our purchases of food and related products in the U.S. and Canada directly with national manufacturers, we purchase these products and other items through SYSCO Corporation and other distributors. SYSCO, the main U.S. and Canadian distributor of our food and non-food products, and other distributors are responsible for tracking our orders and delivering products to our specific locations. If our relationship with, or the business of, SYSCO were to be disrupted, we would have to arrange alternative distributors and our operations and cost structure could be adversely affected in the short term. Similarly, a sudden termination of the relationship with a significant provider in other geographic areas could in the short term adversely affect our ability to provide services and disrupt our client relationships in such areas.

***Our business may suffer if we are unable to hire and retain sufficient qualified personnel or if labor costs increase.***

From time to time, we have had difficulty in hiring and retaining qualified management personnel, particularly at the entry management level. We will continue to have significant requirements to hire such personnel. In the past, at times when the United States or other geographic regions have periodically experienced reduced levels of unemployment, there has been a shortage of qualified workers at all levels. Given that our workforce requires large numbers of entry level and skilled workers and managers, low levels of unemployment when such conditions exist or mismatches between the labor markets and our skill requirements can compromise our ability in certain areas of our businesses to continue to provide quality service or compete for new business. We also regularly hire a large number of part-time and seasonal workers, particularly in our food and support services segments. Any difficulty we may encounter in hiring such workers could result in significant increases in labor costs, which could have a material adverse effect on our business, financial condition and results of operations. Competition for labor has at times resulted in wage increases in the past and future competition could substantially increase our labor costs. Due to the labor intensive nature of our businesses and the fact that 73% of our food and support services segments sales are from profit and loss contracts under which we have limited ability to pass along cost increases, a shortage of labor or increases in wage levels in excess of normal levels could have a material adverse effect on our results of operations.

***Healthcare reform legislation could have an impact on our business.***

During 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 were signed into law in the United States. Certain of the provisions that have increased our healthcare costs include the removal of annual plan limits and the mandate that health plans provide 100% coverage on expanded preventative care. In addition, our healthcare costs could increase as the new legislation and accompanying regulations require us to apply new eligibility rules, which could potentially cover more variable hour employees than we do currently or pay penalty amounts in the event that employees do not elect our offered coverage. While much of the cost of the recent healthcare legislation enacted will occur after 2014 due to provisions of the legislation being delayed and phased in over time, changes to our healthcare cost structure could have an impact on our business and operating costs.

***Our business is contract intensive and may lead to client disputes.***

Our business is contract intensive and we are parties to many contracts with clients all over the world. Our client interest contracts provide that client billings, and for some contracts the sharing of profits and losses, are based on our determinations of costs of service. Contract terms under which we base these determinations and, for certain government contracts, regulations governing our cost determinations, may be subject to differing interpretations which could result in disputes with our clients from time to time. Clients generally have the right to audit our contracts, and we periodically review our compliance with contract terms and provisions. If clients were to dispute our contract determinations, the resolution of such disputes in a manner adverse to our interests could negatively affect sales and operating results. While we do not believe any reviews, audits or other such matters should result in material adjustments, if a large number of our client arrangements were modified in response to any such matter, the effect could be materially adverse to our business or results of operations.

***Our operations are seasonal and quarter to quarter comparisons may not be a good indicator of our performance.***

In our first and second fiscal quarters, within the FSS North America segment, there historically has been a lower level of sales at the sports, entertainment and recreational clients, which is partly offset by increased activity in educational operations. In our third and fourth fiscal quarters, there historically has been a significant increase in sales at the sports, entertainment and recreational clients, which is partially offset by the effect of summer recess in educational operations. For these reasons, a quarter to quarter comparison is not a good indication of our performance or how we will perform in the future.

**Risks Related to Our Indebtedness**

***Our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industries, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations.***

We are highly leveraged. As of December 27, 2013, our outstanding indebtedness was $5,644.7 million, including amounts outstanding under our credit facilities, notes and receivables facility. We also had additional availability of approximately $399.7 million under our revolving credit facility at that date.

This degree of leverage could have important consequences, including:

- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior secured credit facilities and our receivables facility, are at variable rates of interest;

- making it more difficult for us to make payments on our indebtedness;

- increasing our vulnerability to general economic and industry conditions;

- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;

restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;

- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and

- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our senior secured credit facilities and the indenture governing our notes. If new indebtedness is added to our current debt levels, the related risks that we now face could increase.

***If our financial performance were to deteriorate, we may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. While we believe that we currently have adequate cash flows to service our indebtedness, if our financial performance were to deteriorate significantly, we might be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If, due to such a deterioration in our financial performance, our cash flows and capital resources were to be insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, if we were required to raise additional capital in the current financial markets, the terms of such financing, if available, could result in higher costs and greater restrictions on our business. In addition, although a significant amount of our long-term borrowings do not mature until 2016 and later, if we were to need to refinance our existing indebtedness, the conditions in the financial markets at that time could make it difficult to refinance our existing indebtedness on acceptable terms or at all. If such alternative measures proved unsuccessful, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our senior secured credit agreement and the indenture governing our notes restrict our ability to dispose of assets and use the proceeds from any disposition of assets and to refinance our indebtedness. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

***Our debt agreements contain restrictions that limit our flexibility in operating our business.***

Our senior secured credit agreement and the indenture governing the notes contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and our restricted subsidiaries ability to, among other things:

- incur additional indebtedness, refinance or restructure indebtedness or issue certain preferred shares;

- pay dividends on, repurchase or make distributions in respect of our capital stock, make unscheduled payments on our notes, repurchase or redeem our notes or make other restricted payments;

- make certain investments;

- sell certain assets;

- create liens;

consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and

enter into certain transactions with our affiliates.

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In addition, our senior secured revolving credit facility requires us to satisfy and maintain specified financial ratios and other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and in the event of a significant deterioration of our financial performance, we cannot assure you that we will satisfy those ratios and tests. A breach of any of these covenants could result in a default under the senior secured credit agreement. Upon our failure to maintain compliance with these covenants that is not waived by the lenders under the revolving credit facility, the lenders under the senior secured credit facilities could elect to declare all amounts outstanding under the senior secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit under such facilities. If we were unable to repay those amounts, the lenders under the senior secured credit facilities could proceed against the collateral granted to them to secure that indebtedness. We have pledged a significant portion of our assets as collateral under the senior secured credit agreement. If the lenders under the senior secured credit facilities accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay those borrowings, as well as our unsecured indebtedness. If our senior secured indebtedness was accelerated by the lenders as a result of a default, our notes may become due and payable as well. Any such acceleration may also constitute an amortization event under our receivables facility, which could result in the amount outstanding under that facility becoming due and payable.

**Risks Related to the Notes**

For purposes of this section, Risks Related to the Notes, we, us, and our refer to ARAMARK Corporation, the issuer of the notes, and not to Holdings.

***Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market for the notes will continue.***

We do not intend to apply for a listing of the notes on a securities exchange or any automated dealer quotation system. We cannot assure you as to the liquidity of markets that may develop for the notes, your ability to sell the notes or the price at which you would be able to sell the notes. Certain financial institutions have advised us that they intend to make a market in the notes as permitted by applicable laws and regulations; however, those entities are not obligated to make a market in any of the notes, and they may discontinue their market-making activities at any time without notice. Therefore, an active market for any of the notes, if developed, may not continue. Because each of J.P. Morgan Securities LLC and Goldman, Sachs & Co. and their respective affiliates may be considered an affiliate of ours, they are required to deliver a current market-maker prospectus in connection with any secondary market sale of the notes, which may affect their ability to continue market-making activities. Historically, the market for non investment-grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for any of the notes may not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your notes. In addition, the notes may trade at a discount from your purchase price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

***We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our senior secured credit agreement and the indenture governing the notes restrict our ability to dispose of assets, use the proceeds from any disposition of assets and to refinance our indebtedness. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

***Repayment of our debt is dependent on cash flow generated by our subsidiaries.***

Our subsidiaries own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our indebtedness is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including each series of notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing the notes limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

***Your right to receive payments on the notes is effectively junior to those lenders who have a security interest in our assets.***

Our obligations under the notes and our guarantors obligations under their guarantees of the notes are unsecured, but our obligations under our senior secured credit facilities and each guarantor s obligations under their respective guarantees of the senior secured credit facilities are secured by a security interest in substantially all of our domestic tangible and intangible assets, including the stock of most of our wholly-owned U.S. subsidiaries and the stock of certain of our non-U.S. subsidiaries. If we are declared bankrupt or insolvent, or if we default under our senior secured credit agreement, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of the notes, even if an event of default exists under the indenture governing the notes at such time. Furthermore, if the lenders foreclose and sell the pledged equity interests in any subsidiary guarantor under the notes, then that guarantor will be released from its guarantee of the notes automatically and immediately upon such sale. In any such event, because the notes are not secured by any of our assets or the equity interests in subsidiary guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully. See Description of Other Indebtedness.

As of December 27, 2013, our outstanding senior secured indebtedness was $5,644.7 million. We had additional availability of approximately $399.7 million under our revolving credit facility at that date, after taking into account outstanding letters of credit. The indenture governing the notes permits us and our restricted subsidiaries to incur substantial additional indebtedness in the future, including senior secured indebtedness.

***Claims of noteholders are structurally subordinate to claims of creditors of all of our non-U.S. subsidiaries and some of our U.S. subsidiaries because they do not guarantee the notes.***

The notes are not guaranteed by any of our non-U.S. subsidiaries, our receivables subsidiaries or certain other U.S. subsidiaries. Accordingly, claims of holders of the notes are structurally subordinate to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the notes.

For the three months ended December 27, 2013, our non-guarantor subsidiaries accounted for approximately $1,109.1 million, or 29.5%, of our total sales, and approximately $2,631.6 million, or 25.7%, of our total assets, and approximately $1,332.3 million, or 15.6%, of our total liabilities, in each case as of December 27, 2013.

***The lenders under the senior secured credit facilities have the discretion to release the guarantors under the senior secured credit agreement in a variety of circumstances, which would cause those guarantors to be released from their guarantees of the notes.***

While any obligations under the senior secured credit facilities remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indenture governing the notes, at the discretion of lenders under the senior secured credit facilities, if the related guarantor is no longer a guarantor of obligations under the senior secured credit facilities or any other indebtedness. See Description of Notes. The lenders under the senior secured credit facilities have the discretion to release the guarantees under the senior secured credit facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries would effectively be senior to claims of noteholders.

***We may not be able to repurchase the notes upon a change of control.***

Upon the occurrence of specific kinds of change of control events, we are required to offer to re-purchase all outstanding notes at 101% of their principal amount plus accrued and unpaid interest. The source of funds for any such purchase of the notes would be cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control. Our failure to repurchase the notes upon a change of control would cause a default under the indenture governing the notes.

***Federal and state fraudulent transfer laws may permit a court to void or limit the amount payable under the notes or the guarantees, and, if that occurs, you may receive limited or no payments on the notes and guarantees affected.***

Federal and state fraudulent conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or guarantees could be voided as a fraudulent transfer or conveyance if (1) we or any of the guarantors, as applicable, issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (2) only, one of the following is also true at the time hereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;

- the issuance of the notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital to carry on the business;

- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor s ability to pay as they mature; or

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we or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

If a court were to find that the issuance of the notes or the incurrence of the guarantees was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such guarantee or limit the amount of payment or subordinate the notes or such guarantee to presently existing and future indebtedness of ours or of the related guarantor, or require you to repay any amounts received. In the event of a finding that fraudulent transfer or conveyance occurred, you may not receive any payment on the notes. As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. Under applicable law, a court may determine that a debtor has not received value in connection with a debt offering if the debtor uses the proceeds of that offering to make a dividend payment or otherwise retire or redeem equity securities issued by the debtor. We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that the notes or the guarantees would not be voided, limited in amount or subordinated to our or any of our guarantors other debt. Each guarantee contains a provision intended to limit the guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law, or may reduce or eliminate the guarantor s obligation to an amount that effectively makes the guarantee worthless.

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**STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

This prospectus contains forward-looking statements within the meaning of the federal securities laws, including, without limitation, statements concerning the conditions in our industry, our operations, our economic performance and financial condition, including, in particular, statements relating to our business and growth strategy under Prospectus Summary, Management s Discussion and Analysis of Financial Condition and Results of Operations and Business. You can identify forward-looking statements because they contain words such as aim, anticipate, are confident, estimate, expect, will be, will continue, will likely result, project, intend, plan, believe and other words and terms of in connection with a discussion of future operating or financial performance. All statements we make relating to our estimated and projected earnings, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations ( cautionary statements ) are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- unfavorable economic conditions;
- natural disasters, global calamities, sports strikes and other adverse incidents;
- the failure to retain current clients, renew existing client contracts and obtain new client contracts;
- a determination by clients to reduce their outsourcing or use of preferred vendors;
- competition in our industries;
- increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our food and support services contracts;
- the inability to achieve cost savings through our cost reduction efforts;
- our expansion strategy;
- the failure to maintain food safety throughout our supply chain, food-borne illness concerns and claims of illness or injury;
- governmental regulations including those relating to food and beverages, the environment, wage and hour and government contracting;

liability associated with noncompliance with applicable law or other governmental regulations;

changes in, new interpretations of or changes in the enforcement of the government regulatory framework;

currency risks and other risks associated with international operations, including Foreign Corrupt Practices Act, U.K. Bribery Act and other anti-corruption law compliance;

continued or further unionization of our workforce;

liability resulting from our participation in multiemployer defined benefit pension plans;

risks associated with suppliers from whom our products are sourced;

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- disruptions to our relationship with, or to the business of, our primary distributor;
- the inability to hire and retain sufficient qualified personnel or increases in labor costs;
- healthcare reform legislation;
- the contract intensive nature of our business, which may lead to client disputes;
- seasonality;
- our leverage;
- the inability to generate sufficient cash to service all of our indebtedness;
- debt agreements that limit our flexibility in operating our business;
- potential conflicts of interest between our Controlling Owners (as defined herein) and us; and
- other factors set forth under the heading Risk Factors in this prospectus.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus may not in fact occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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## OWNERSHIP STRUCTURE

The following diagram sets forth our ownership structure and information relating to our indebtedness as of December 27, 2013. As set forth in the diagram below, we hold all of the issued and outstanding capital stock of ARAMARK Corporation through ARAMARK Intermediate Holdco Corporation, our wholly-owned subsidiary. Following our initial public offering, the Sponsors collectively own approximately 70% of the capital stock of Holdings, on a fully-diluted basis.

(1) ARAMARK Holdings Corporation guarantees the notes but not our senior secured credit facilities. ARAMARK Intermediate Holdco Corporation guarantees our senior secured credit facilities but not the notes.
(2) As of December 27, 2013, term loans with an aggregate principal amount of $4,064.8 million (recorded at $4,057.4 million to reflect original issue discount) were outstanding. The maturity date for $2,664.8 million of term loans is July 26, 2016. The maturity date for the remaining $1,400.0 million of term loans is September 7, 2019. The senior secured credit agreement also includes a $200.0 million synthetic letter of credit facility. The maturity date of $159.3 million of deposits securing the synthetic letter of credit facility is July 26, 2016. The maturity date for $40.7 million of deposits securing the letter of credit facility is January 26, 2014. As of December 27, 2013, there were approximately $170.0 million of issued letters of credit under the synthetic letter of credit facility.
(3) The notes are guaranteed by, subject to certain exceptions, substantially all of our existing and future domestic subsidiaries.
(4) Our receivables facility provides for up to $300.0 million of funding, based, in part, on the amount of eligible receivables. As of December 27, 2013, we had outstanding borrowings under the receivables facility of $300.0 million.
(5) Only our existing or subsequently acquired domestic subsidiaries that guarantee the senior secured credit facilities guarantee the notes, subject to certain limited exceptions.

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## USE OF PROCEEDS

This prospectus is delivered in connection with the sale of notes by Goldman, Sachs & Co. and J.P. Morgan Securities LLC, or by either of their respective affiliates, in market-making transactions. We will not receive any of the proceeds from such transactions.

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## CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 27, 2013. The information in the table gives effect to the completed initial public offering of 28,000,000 shares of our common stock at a price of $20.00 per share, raising approximately $524.1 million, net of costs directly related to the initial public offering. The Company used the proceeds to repay borrowings of approximately $154.1 million on the senior secured revolving credit facility and $370.0 million on the senior secured term loan facility due July 2016. The information in this table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, Prospectus Summary Summary Consolidated Financial Data , the audited consolidated financial statements and related notes and the unaudited condensed consolidated financial statements and related notes appearing elsewhere in this prospectus.

| (in millions) | As of December 27, 2013 Actual | |
|---|---|---|
| Cash and cash equivalents | $ | 115.6 |
| Senior secured credit facilities: | | |
| Revolving credit facility(1) | $ | 189.3 |
| Term loan facility(2) | | 4,057.4 |
| 5.75% senior notes due 2020 | | 1,000.0 |
| Receivables facility | | 300.0 |
| Capital leases | | 49.2 |
| Other existing debt(3) | | 48.8 |
| Total debt | | 5,644.7 |
| Common stock subject to repurchase and other | | 10.1 |
| Stockholders equity: | | |
| Common stock, 600,000,000 shares authorized; 247,835,638 shares issued and 229,958,467 shares outstanding | | 2.5 |
| Capital surplus | | 2,424.4 |
| Accumulated deficit | | (434.5) |
| Accumulated other comprehensive loss | | (53.7) |
| Treasury stock | | (255.4) |
| Total stockholders equity | | 1,683.3 |
| Total capitalization | $ | 7,338.1 |

(1) Consists of a $555.0 million revolving credit facility available to the Company in U.S. dollars and a $50.0 million revolving credit facility available to the Company and a Canadian subsidiary in U.S. dollars and Canadian dollars. U.S. dollar borrowings under the revolving credit facilities have an applicable margin of 3.25% for eurocurrency (LIBOR) borrowings and 2.25% for base-rate borrowings and an unused commitment fee of 0.50% per annum. Canadian dollar borrowings have an applicable margin of 3.25% for BA (bankers acceptance) rate borrowings and 2.25% for base-rate borrowings and an unused commitment fee of 0.50% per annum. The final maturity date of the Canadian revolving loan commitments and $515.0 million of the $555.0 million U.S. revolving loan commitments is January 26, 2017, provided, however, that the maturity date accelerates to April 26, 2016 if any term loans, other than the term loans due on September 7, 2019 and any other term loans with a maturity at least 91 days after January 26, 2017, remain outstanding on April 26, 2016. The final maturity date of the remaining $40.0 million in revolving loan commitments is January 26, 2015. See Description of Other Indebtedness.

(2) As of December 27, 2013, term loans with an aggregate principal amount of $4,064.8 million (recorded at $4,057.4 million to reflect original issue discount) were outstanding. The maturity date for $2,664.8 million of term loans is July 26, 2016. The maturity date for the remaining $1,400.0 million of term loans is September 7, 2019. The senior secured credit agreement also includes a $200.0 million synthetic letter of credit facility. The maturity date of $159.3 million of deposits securing the synthetic letter of credit facility is July 26, 2016. The maturity date for $40.7 million of deposits securing the letter of credit facility is January 26, 2014. As of December 27, 2013, there were approximately $170.0 million of issued letters of credit under the synthetic letter of credit facility. See Description of Other

Indebtedness.

(3) Consists of borrowings by our foreign subsidiaries.

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## UNAUDITED PRO FORMA FINANCIAL INFORMATION

We derived the unaudited pro forma financial data set forth below by the application of pro forma adjustments to the audited consolidated financial statements included elsewhere in this prospectus.

The unaudited pro forma consolidated statements of income for fiscal 2013 have been presented:

- on a pro forma basis which gives effect to the debt refinancing that occurred in the second quarter of fiscal 2013 whereby the 8.50% Senior Notes due 2015, Senior Floating Rate Notes due 2015 and 8.625% / 9.375% Senior Notes due 2016 were refinanced with the proceeds of new term loan borrowings under the senior secured credit facilities and the issuance of 5.75% Senior Notes due 2020; and

- on a pro forma basis (as adjusted), which gives effect to our sale of 28,000,000 shares of common stock in our initial public offering at an initial public offering price of $20.00 per share, and net proceeds of $524.1 million which was used to repay approximately $370.0 million in outstanding term loans due July 26, 2016 and approximately $154.1 million of borrowings on the revolving credit facility under our senior secured credit facilities as well as certain share-based compensation transactions that were contingent upon the completion of our initial public offering and for which expense will be recognized over a future derived service period.

The unaudited pro forma consolidated statements of income for fiscal 2013 give effect to the pro forma adjustments as if they had occurred at the beginning of our 2013 fiscal year. The notes to the unaudited pro forma financial statements provide a more detailed discussion of how such adjustments were derived and presented in the pro forma financial statements.

The pro forma adjustments set forth below were based on available information and certain assumptions made by our management and may be revised as additional information becomes available. The unaudited pro forma financial information is presented for informational purposes only, and does not purport to represent what our results of operations would actually have been if the transactions had occurred on the date indicated, nor does it purport to project our results of operations that we may achieve in the future. The pro forma adjustments do not include the impact of any non-recurring additional charges which are directly related to the completion of our initial public offering.

On December 17, 2013, ARAMARK Holdings Corporation completed its initial public offering of 36,250,000 shares of common stock at a price of $20.00 per share. The net proceeds received from the sale of 28,000,000 shares of our common stock we sold in the initial public offering, net of costs directly related to the initial public offering, were approximately $524.1 million. The Company used the net proceeds to repay borrowings on the senior secured revolving credit facility and a portion of the principal on the senior secured term loan facility due July 2016. The Company expects to recognize interest expense savings of approximately $5.0 million per quarter as a result of this payment of borrowings. Only a portion of these savings were reflected in the unaudited condensed consolidated financial statements found elsewhere in this prospectus as the initial public offering was completed during the first quarter ended December 27, 2013. See Note 8 to the unaudited condensed consolidated financial statements for more information.

You should read our unaudited pro forma financial information and the accompanying notes in conjunction with all of the historical financial statements and related notes included elsewhere in this prospectus and the financial and other information appearing elsewhere in this prospectus, including information contained in Risk

Factors, Selected Consolidated Financial Data, Capitalization and Management s Discussion and Analysis of Financial Condition and Results of Operations.

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**ARAMARK HOLDINGS CORPORATION AND SUBSIDIARIES**

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF INCOME**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 27, 2013**

**(in millions, except per share amounts)**

| | Actual | Debt Refinancing Pro Forma Adjustments | Pro Forma for the Debt Refinancing | Offering Pro Forma Adjustments | Pro Forma As Adjusted |
|---|---|---|---|---|---|
| Sales | $ 13,946 | $ | $ 13,946 | $ | $ 13,946 |
| Costs and Expenses: | | | | | |
| Cost of services provided | 12,661 | | 12,661 | | 12,661 |
| Depreciation and amortization | 542 | | 542 | | 542 |
| Selling and general corporate expenses | 228 | | 228 | 32(c) | 260 |
| Operating income | 515 | | 515 | (32) | 483 |
| Interest and Other Financing costs, net | 424 | (77)(a) | 347 | (20)(d) | 327 |
| Income from Continuing Operations Before Income Taxes | 91 | 77 | 168 | (12) | 156 |
| Provision for Income Taxes | 20 | 30(b) | 50 | (5)(e) | 45 |
| Income from Continuing Operations | 71 | 47 | 118 | (7) | 111 |
| Loss from Discontinued Operations, net of tax | (1) | | (1) | | (1) |
| Net income | 70 | 47 | 117 | (7) | 110 |
| Less: Net income attributable to noncontrolling interests | 1 | | 1 | | 1 |
| Net income attributable to ARAMARK Holdings stockholders | $ 69 | $ 47 | $ 116 | $ (7) | $ 109 |
| Earnings per share attributable to ARAMARK Holdings stockholders: | | | | | |
| Basic: | | | | | |
| Income from Continuing Operations | $ 0.35 | | $ 0.58 | | $ 0.48 |
| Loss from Discontinued Operations | (0.01) | | (0.01) | | (0.01) |
| Net income attributable to ARAMARK Holdings stockholders | $ 0.34 | | $ 0.57 | | $ 0.47 |
| Diluted: | | | | | |
| Income from Continuing Operations | $ 0.34 | | $ 0.56 | | $ 0.47 |
| Loss from Discontinued Operations | (0.01) | | (0.01) | | (0.01) |
| Net income attributable to ARAMARK Holdings stockholders | $ 0.33 | | $ 0.55 | | $ 0.46 |

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## NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS

(a) Amount represents the impact of eliminating the interest expense on the 8.50% Senior Notes due 2015, Senior Floating Rate Notes due 2015 and 8.625% / 9.375% Senior Notes due 2016 and including the interest expense on the new term loan borrowings and the issuance of the 5.75% Senior Notes due 2020. Amount also impacted by the elimination of the amortization of deferred financing fees associated with the 8.50% Senior Notes due 2015, Senior Floating Rate Notes due 2015 and 8.625% / 9.375% Senior Notes due 2016 and the inclusion of the amortization of deferred financing fees associated with the new term loan borrowings and the issuance of the 5.75% Senior Notes due 2020. The amount also includes the impact of the write-off of the deferred financing fees and the payment of the tender offer premium each as it relates to the debt that was refinanced.

(b) Amount represents the tax impact using an effective tax rate of 39.5% on the reduction in interest expense as a result of the debt refinancing.

(c) Amount represents the estimated share-based compensation expense of $9.3 million on an annual basis from grants of certain restricted stock units to senior executives upon the completion of the initial public offering which vest over a three year period. The total value of the restricted stock units granted is approximately $35 million. The Company applied a forfeiture assumption of 8.7% per annum in the calculation of such expense. Amount also represents approximately $22.6 million of the estimated $55.0 million of share-based compensation expense in connection with the modification of certain performance-based options, which will be recognized over a derived service period upon completion of the initial public offering. The fair value of the modified performance-based options was estimated using a Monte-Carlo option model, which simulates a range of possible future stock prices and estimates the probabilities of meeting the modified vesting provision of the trading price for the common stock of Holdings equaling or exceeding $25.00 per share over any consecutive twenty day trading period during the 18 month period following the initial public offering (See note 17 to the consolidated financial statements for fiscal 2013).

(d) To reflect the reduction in interest expense resulting from the application of $524.1 million of net proceeds from the initial public offering to repay approximately $370.0 million in outstanding term loans due July 26, 2016 and approximately $154.1 million of borrowings on the revolving credit facility under our senior secured credit facilities.

(e) Amount represents the tax impact using an effective tax rate of 39.5% on the estimated share-based compensation expense and the reduction in interest expense as a result of the initial public offering.

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## SELECTED CONSOLIDATED FINANCIAL DATA

Set forth below is selected consolidated financial data of the Company, as of the dates and for the periods indicated. The selected consolidated financial data as of September 27, 2013 and September 28, 2012, and for the fiscal years 2013, 2012 and 2011 have been derived from our consolidated financial statements appearing elsewhere in this prospectus, which have been audited by KPMG LLP. The selected consolidated financial data as of September 30, 2011 and October 1, 2010 and for fiscal year 2010 have been derived from our consolidated financial statements that are not included in this prospectus, which have been audited by KPMG LLP. The selected consolidated financial data as of October 2, 2009 and for fiscal year 2009 have been derived from our unaudited consolidated financial statements that are not included in this prospectus. Consolidated financial statements for our indirect wholly-owned subsidiary, ARAMARK Corporation, have been audited for such period.

The selected consolidated financial data as of December 27, 2013 and for the three months ended December 27, 2013 and December 28, 2012 have been derived from our unaudited condensed consolidated financial statements appearing elsewhere in this prospectus. The unaudited financial data presented have been prepared on a basis consistent with our audited consolidated financial statements. In the opinion of management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The selected consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to, the sections titled Management s Discussion and Analysis of Financial Condition and Results of Operations and Unaudited Pro Forma Financial Information, as well as with our consolidated financial statements and related notes and the unaudited condensed consolidated financial statements and related notes that are also included in this prospectus.

| (dollars in millions, except per share data) | Fiscal year(1) 2013 | 2012 | 2011 | 2010 | 2009 | Three months ended December 27, 2013 (unaudited) | December 28, 2012 (unaudited) |
|---|---|---|---|---|---|---|---|
| **Statement of operations data:** | | | | | | | |
| Sales | $ 13,946 | $ 13,505 | $ 13,082 | $ 12,419 | $ 12,138 | $ 3,763 | $ 3,536 |
| Costs and expenses: | | | | | | | |
| Cost of services provided | 12,661 | 12,191 | 11,836 | 11,247 | 11,009 | 3,355 | 3,172 |
| Depreciation and amortization | 542 | 529 | 511 | 503 | 497 | 137 | 133 |
| Selling and general corporate expenses | 228 | 203 | 188 | 191 | 183 | 114 | 56 |
| Operating income | 515 | 582 | 547 | 478 | 449 | 157 | 175 |
| Interest and other financing costs, net | 424 | 457 | 451 | 445 | 473 | 83 | 113 |
| Income (loss) from continuing operations before income taxes | 91 | 125 | 96 | 33 | (24) | 74 | 62 |
| Provision (benefit) for income taxes | 20 | 18 | (1) | 1 | (24) | 29 | 19 |
| Income from continuing operations | 71 | 107 | 97 | 32 | | 45 | 43 |
| Income (loss) from discontinued operations, net of tax(2) | (1) | | (12) | (1) | (7) | | |
| Net income (loss) | 70 | 107 | 85 | 31 | (7) | 45 | 43 |
| Less: Net income attributable to noncontrolling interests | 1 | 3 | 1 | | | | |
| Net income (loss) attributable to ARAMARK stockholders | $ 69 | $ 104 | $ 84 | $ 31 | $ (7) | $ 45 | $ 43 |

| | | |
|---|---|---|
| Pro forma net income attributable to ARAMARK stockholders(3) | $ | 116 |
| Pro forma net income attributable to ARAMARK stockholders (as adjusted)(4) | $ | 109 |

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| (dollars in millions, except per share data) | Fiscal year(1) 2013 | 2012 | 2011 | 2010 | 2009 | Three months ended December 27, 2013 (unaudited) | December 28, 2012 (unaudited) |
|---|---|---|---|---|---|---|---|
| **Per Share Data:** | | | | | | | |
| Basic: | | | | | | | |
| Income (loss) from continuing operations | $ 0.35 | $ 0.51 | $ 0.47 | $ 0.16 | $ (0.00) | $ 0.22 | $ 0.21 |
| Income (loss) from discontinued operations | (0.01) | | (0.06) | (0.01) | (0.03) | | |
| Net income (loss) attributable to ARAMARK stockholders | $ 0.34 | $ 0.51 | $ 0.41 | $ 0.15 | $ (0.03) | $ 0.22 | $ 0.21 |
| Diluted: | | | | | | | |
| Income (loss) from continuing operations | $ 0.34 | $ 0.49 | $ 0.46 | $ 0.16 | $ (0.00) | $ 0.21 | $ 0.20 |
| Income (loss) from discontinued operations | (0.01) | | (0.06) | (0.01) | (0.03) | | |
| Net income (loss) attributable to ARAMARK stockholders | $ 0.33 | $ 0.49 | $ 0.40 | $ 0.15 | $ (0.03) | $ 0.21 | $ 0.20 |
| Pro forma basic: | | | | | | | |
| Income from continuing operations | $ 0.58 | | | | | | |
| Loss from discontinued operations | (0.01) | | | | | | |
| Net income attributable to ARAMARK stockholders(3) | $ 0.57 | | | | | | |
| Pro forma diluted: | | | | | | | |
| Income from continuing operations | $ 0.56 | | | | | | |
| Loss from discontinued operations | (0.01) | | | | | | |
| Net income attributable to ARAMARK stockholders(3) | $ 0.55 | | | | | | |
| Pro forma, as adjusted, basic: | | | | | | | |
| Income from continuing operations | $ 0.48 | | | | | | |
| Loss from discontinued operations | (0.01) | | | | | | |
| Net income attributable to ARAMARK stockholders (4) | $ 0.47 | | | | | | |
| Pro forma, as adjusted, diluted: | | | | | | | |
| Income from continuing operations | $ 0.47 | | | | | | |
| Loss from discontinued operations | (0.01) | | | | | | |
| Net income attributable to ARAMARK stockholders(4) | $ 0.46 | | | | | | |
| Cash dividend per share(5) | $ | $ | $ 3.50 | $ | $ | $ | $ |
| **Statement of cash flows data:** | | | | | | | |
| Net cash provided by/(used in): | | | | | | | |
| Operating activities(6) | $ 696 | $ 692 | $ 304 | $ 634 | $ 707 | $ (281) | $ (199) |
| Investing activities | (385) | (482) | (363) | (354) | (465) | (59) | (79) |
| Financing activities(6) | (336) | (287) | 112 | (344) | (167) | 345 | 270 |
| **Other financial data:** | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Capital expenditures, net of disposals | $ 382 | $ 343 | $ 272 | $ 264 | $ 330 | $ 77 | $ 71 |
| Ratio of earnings to fixed charges(8) | 1.2x | 1.2x | 1.1x | 1.0x | 0.9x | 1.7x | 1.5x |
| **Balance sheet data (at period end):** | | | | | | | |
| Cash and cash equivalents | $ 111 | $ 137 | $ 213 | $ 161 | $ 225 | $ 116 | $ 129 |
| Total assets(6) | 10,267 | 10,487 | 10,523 | 10,222 | 10,327 | 10,249 | 10,344 |
| Total debt (including current portion of long term debt)(6)(7) | 5,824 | 6,009 | 6,232 | 5,402 | 5,722 | 5,645 | 6,347 |
| Total equity(5) | 904 | 967 | 882 | 1,397 | 1,360 | 1,683 | 876 |

(1) Fiscal years 2013, 2012, 2011, 2010 and 2009 refer to the fiscal years ended September 27, 2013, September 28, 2012, September 30, 2011, October 1, 2010 and October 2, 2009, respectively. Fiscal years 2013, 2012, 2011, 2010 and 2009 were each 52-week periods.

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(2) During fiscal 2011, the Company completed the sale of its wholly-owned subsidiary, Galls, for approximately $75.0 million in cash. The transaction resulted in a pretax loss of approximately $1.5 million (after-tax loss of approximately $12.0 million). Galls is accounted for as a discontinued operation. Galls results of operations have been removed from the Company s results of continuing operations for all periods presented.

(3) The pro forma net income attributable to ARAMARK stockholders assumes a reduction of interest expense, net of tax, of approximately $47 million for fiscal 2013 related to the debt refinancing that occurred during the second quarter of fiscal 2013. The pro forma net income attributable to ARAMARK stockholders and per share data assumes the debt refinancing occurred at the beginning of fiscal 2013.

(4) The pro forma net income attributable to ARAMARK stockholders (as adjusted) and per share data (as adjusted) for fiscal 2013 assumes $524.1 million of the proceeds from the initial public offering are used to repay amounts due under our senior secured credit facilities. Pro forma net income attributable to ARAMARK stockholders (as adjusted) for fiscal 2013 assumes a reduction of interest expense, net of tax, of approximately $12 million related to such repayment of our senior secured credit facilities and an increase in share-based compensation expense of approximately $22.6 million for the ongoing portion of the non-cash charge related to the modification of the terms of certain performance-based options outstanding. The pro forma net income attributable to ARAMARK stockholders (as adjusted) and per share data (as adjusted) assumes the initial public offering and the related application of net proceeds was completed at the beginning of fiscal 2013.

(5) During fiscal 2011, the Company paid a dividend of approximately $711 million to its stockholders. On October 29, 2012, we completed the spin-off of our majority interest in Seamless North America, LLC, on online and mobile food ordering service, to our stockholders in the form of a dividend. Each stockholder received one share of the common stock or Seamless Holdings, a newly formed company created to hold our former interest in Seamless North America, LLC, for each share of our common stock held as of the record date. On February 4, 2014, the Company s Board of Directors declared a $0.075 dividend per share of common stock, payable on March 11, 2014, to stockholders of record on the close of business on February 18, 2014.

(6) In the first quarter of fiscal 2011, the Company adopted the new authoritative accounting guidance regarding transfers of financial assets. The impact upon adoption resulted in the recognition of both the receivables securitized under the program and the borrowings they collateralize on the Consolidated Balance Sheet, which led to a $220.9 million increase in Receivables and Long-Term Borrowings. As a result of implementing the new guidance, funding under the agreement of $220.9 million on October 2, 2010 was reflected in the Company s Consolidated Statement of Cash Flows as a use of cash from the securitization of accounts receivables under net cash provided by/(used in) operating activities and as a source of cash under net cash provided by/(used in) provided by financing activities.

(7) During fiscal 2011, the Company completed a private placement of $600 million, net of a 1% discount, in aggregate principal amount of 8.625% / 9.375% Senior Notes due 2016. In the second quarter of fiscal 2013, the Company completed a refinancing, repurchasing ARAMARK Corporation s outstanding 8.50% Senior Notes due 2015 and Senior Floating Rate Notes due 2015 and our 8.625% / 9.375% Senior Notes due 2016. The Company refinanced that debt with new term loan borrowings under its senior secured credit facilities and the issuance of the outstanding notes.

(8) For the purpose of determining the ratio of earnings to fixed charges, earnings include pretax income (loss) from continuing operations plus fixed charges (excluding capitalized interest). Fixed charges consist of interest on all indebtedness (including capitalized interest) plus that portion of operating lease rentals representative of the interest factor (deemed to be one third of operating lease rentals). Prior periods have been adjusted to reflect Galls as a discontinued operation.

## MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations for the fiscal years ended September 27, 2013, September 28, 2012 and September 30, 2011 and for the three months ended December 27, 2013 and December 28, 2012 should be read in conjunction with Selected Consolidated Financial Data, our consolidated financial statements and the notes to those statements and our unaudited condensed consolidated financial statements and the notes to those statements.*

*On December 17, 2013, ARAMARK Holdings Corporation (the Company , Holdings , we , our ) completed its initial public offering ( IPO ) of 28,000,000 shares of its common stock at a price of $20.00 per share. The Company s common stock trades on the New York Stock Exchange under the symbol ARMK .*

*Our discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, opinions, expectations, anticipations, intentions and beliefs. Actual results and the timing of events could differ materially from those anticipated in those forward-looking statements as a result of a number of factors, including those set forth under Risk Factors, Statements Regarding Forward-looking Information and Business sections and elsewhere in this prospectus. In the following discussion and analysis of financial condition and results of operations, certain financial measures may be considered non-GAAP financial measures under Securities and Exchange Commission ( SEC ) rules. These rules require supplemental explanation and reconciliation, which is provided in this section.*

### Overview

We are a leading global provider of food, facilities and uniform services to education, healthcare, business and industry, and sports, leisure and corrections clients. Our core market is North America, which is supplemented by an additional 19-country footprint serving many of the fastest growing global geographies. Through our established brand, broad geographic presence and employees, we anchor our business in our partnerships with thousands of education, healthcare, business, sports, leisure and corrections clients. Through these partnerships we serve millions of consumers including students, patients, employees, sports fans and guests worldwide.

The Company operates its business in three reportable segments:

- Food and Support Services North America ( FSS North America ) Food, refreshment, specialized dietary and support services, including facility maintenance and housekeeping, provided to business, educational and healthcare institutions and in sports, entertainment, recreational and other facilities serving the general public in the United States, Canada and Mexico.

- Food and Support Services International ( FSS International ) Food, refreshment, specialized dietary and support services, including facility maintenance and housekeeping, provided to business, educational and healthcare institutions and in sports, entertainment, recreational and other facilities serving the general public. We have operations in 19 countries outside North America. Our largest international operations are in the United Kingdom, Germany, Chile and Ireland, and in each of these countries we are one of the leading food service providers. We also have operations in emerging market geographies, such as other countries in South America and China, and we own 50% of AIM Services Co., Ltd., a leader in providing outsourced food services in Japan.

- Uniform and Career Apparel ( Uniform ) Rental, sale, cleaning, maintenance and delivery of personalized uniform and career apparel and other textile items on a contract basis and direct marketing of personalized uniforms and career apparel and accessories to businesses, public institutions and individuals. We also provide walk-off mats, cleaning cloths and disposable towels.

Our Food and Support Services operations focus on serving clients in four principal sectors: Education, Healthcare, Business & Industry and Sports, Leisure and Corrections. Our FSS International reportable segment provides a similar range of services as those provided to our FSS North America reportable segment clients and operates in the same sectors although it is more heavily weighted towards Business & Industry. For the first quarter of fiscal 2014, our FSS North America segment generated $2.6 billion in sales, or 70% of our total sales, and our FSS International segment generated $0.8 billion in sales, or 20% of our total sales. Our Uniform segment provides uniforms, career and image apparel, work clothes and accessories to meet the needs of clients in a wide range of industries in the United States, Puerto Rico, Japan and Canada, including manufacturing, transportation, construction, restaurants and hotels, healthcare and pharmaceutical industries and many others. We supply garments, other textile and paper products and other accessories through rental and direct purchase programs to businesses, government agencies and individuals. For the first quarter of fiscal 2014, our Uniform segment generated $0.4 billion in sales, or 10% of our total sales. Administrative expenses not allocated to our three reportable segments are presented separately as corporate expenses and are not included in our segment results.

Our operating results continue to be affected by the economic uncertainty being experienced in the countries in which we operate. Across all of our businesses, we are planning and executing both growth and cost control initiatives and are working to streamline and improve the efficiency and effectiveness of our general and administrative functions through increased standards, process improvements, and consolidation. As a result, we recorded certain costs related to these initiatives starting in the second quarter of fiscal 2013 and continued through the first quarter of fiscal 2014 and estimate that we will incur an additional $15 to $40 million of costs over the next 12 months.

***Seasonality***

Our sales and operating results have varied, and we expect them to continue to vary, from quarter to quarter, as a result of different factors. Within our FSS North America segment, historically there has been a lower level of activity during our first and second fiscal quarters in operations that provide services to sports, entertainment and recreational clients. This lower level of activity historically has been partially offset during our first and second fiscal quarters by the increased activity in our educational operations. Conversely, historically there has been a significant increase in the provision of services to sports, entertainment and recreational clients during our third and fourth fiscal quarters, which is partially offset by the effect of summer recess at colleges, universities and schools on our educational operations.

***Sources of Sales***

Our clients engage us, generally through written contracts, to provide our services at their locations. Depending on the type of client and service, we are paid either by our client or directly by the consumer to whom we have been provided access by our client. We use two general contract types in our FSS North America and FSS International segments: profit and loss contracts and client interest contracts. These contracts differ in their provision for the amount of financial risk that we bear and, accordingly, the potential compensation, profits or fees we may receive. Under profit and loss contracts, we receive all of the revenue from, and bear all of the expenses of, the provision of our services at a client location. Client interest contracts include management fee contracts, under which our clients reimburse our operating costs and pay us a management fee, which may be calculated as a fixed dollar amount or a percentage of sales or operating costs. Some management fee contracts entitle us to receive incentive fees based upon our performance under the contract, as measured by factors such as sales, operating costs and customer satisfaction surveys.

For our Uniform segment, we typically serve our rental clients under written service contracts for an initial term of three to five years. Because the majority of our clients purchase on a recurring basis, our backlog of orders at any given time consists principally of orders in the process of being filled. With the exception of certain governmental bid business, most of our direct marketing business is conducted under invoice arrangement with repeat clients. Our direct marketing business is, to a large degree, relationship-centered. While we have long term relationships with some of our larger clients, we generally do not have contracts with these clients.

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***Costs and Expenses***

Our costs and expenses are comprised of Cost of services provided, depreciation and amortization and selling and general corporate expenses. Cost of services provided consists of direct expenses associated with our operations, including food costs, wages, other labor related expenses (including workers compensation, state unemployment insurance and federal or state mandated health benefits and other healthcare costs), insurance, fuel, utilities, piece goods and clothing and equipment. Depreciation and amortization mainly relate to assets used in generating sales. Selling and general corporate expenses include expenses related to sales commissions, marketing, share-based compensation and other costs related to administrative functions including compensation and benefits, professional services and information technology.

***Interest and Other Financing Costs, net***

Interest and other financing costs, net relates primarily to interest expense on long-term borrowings. Interest and other financing costs, net also includes third-party costs associated with long-term borrowings that were capitalized as deferred financing costs and are being amortized over the term of the borrowing.

***Provision for Income Taxes***

The provision for income taxes represents federal, foreign, state and local income taxes. Our effective tax rate differs from the statutory U.S. income tax rate due to the effect of state and local income taxes, tax rates in foreign jurisdictions and certain nondeductible expenses. Our effective tax rate will change from quarter to quarter based on recurring and nonrecurring factors including, but not limited to, the geographical mix of earnings, enacted tax legislation, including certain business tax credits, state and local income taxes, tax audit settlements and the effect of various global tax strategies. Changes in judgment from the evaluation of new information resulting in the recognition, derecognition or remeasurement of a tax position taken in a prior annual period are recognized separately in the quarter of the change.

***Foreign Currency Fluctuations***

The impact from foreign currency translation assumes constant foreign currency exchange rates based on the rates in effect for the current year period were used in translation for the comparable prior year period. We believe that providing the impact of fluctuations in foreign currency rates on certain financial results can facilitate analysis of period-to-period comparisons of business performance.

## RESULTS OF OPERATIONS

The following tables present our sales and operating income, and related percentages, attributable to each reportable segment for the three months ended December 27, 2013 and December 28, 2012 (dollars in millions).

| | Three months ended | | | |
|---|---|---|---|---|
| | December 27, 2013 | | December 28, 2012 | |
| **Sales by Segment** | **$** | **%** | **$** | **%** |
| FSS North America | $ 2,620.4 | 70% | $ 2,457.6 | 70% |
| FSS International | 775.6 | 20% | 724.9 | 20% |
| Uniform | 367.1 | 10% | 353.4 | 10% |
| | $ 3,763.1 | 100% | $ 3,535.9 | 100% |

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| | Three months ended | | | |
|---|---|---|---|---|
| | December 27, 2013 | | December 28, 2012 | |
| **Operating Income by Segment** | **$** | **%** | **$** | **%** |
| FSS North America | $ 163.1 | 104% | $ 141.6 | 81% |
| FSS International | 27.1 | 17% | 19.2 | 11% |
| Uniform | 40.3 | 26% | 31.1 | 17% |
| | 230.5 | 147% | 191.9 | 109% |
| Corporate | (73.3) | -47% | (16.6) | -9% |
| | $ 157.2 | 100% | $ 175.3 | 100% |

**Consolidated Overview**

Sales of $3.8 billion for the first quarter of fiscal 2014 represented an increase of 6% over the prior year period. This increase is primarily attributable to growth in the Sports, Leisure and Corrections and Education sectors of the FSS North America segment, growth in China, Chile and Argentina in our FSS International segment and growth in the uniform rental base business in our Uniform segment. This increase was partially offset by a sales decline in the Healthcare sector in the FSS North America segment and the impact of foreign currency translation (approximately -1%). Sales for the first quarter of fiscal 2013 were negatively impacted by the National Hockey League ( NHL ) lockout and Hurricane Sandy.

Cost of services provided was $3.4 billion for the three month period of fiscal 2014 compared to $3.2 billion for the prior year period. Cost of services provided as a percentage of sales was 89% for the three month period of fiscal 2014 compared to 90% in the prior year period. Food and support service costs comprised approximately 29% of Cost of services provided in both periods, personnel costs comprised approximately 45% of Cost of services provided for the three month period of fiscal 2014 as compared to 46% for the prior year period, and other direct costs comprised the remaining approximately 26% of Cost of services provided for the three month period of fiscal 2014 as compared to 25% for the prior year period. Cost of services provided was impacted by the items discussed below for operating income.

Operating income was $157.2 million for the three month period of fiscal 2014 compared to $175.3 million in the prior year period. This decrease is mainly due to the approximately $36.9 million of share-based compensation expense related to the modification of performance-based options (see Note 9 to the condensed consolidated financial statements), the loss on the sale of the McKinley Chalet hotel of approximately $6.7 million within the Sports, Leisure and Corrections sector, cash bonuses and certain other expenses of approximately $5.0 million related to the completion of the IPO and transformation and rebranding initiatives of approximately $10.2 million. This decrease more than offset the profit growth in our Business & Industry and Education sectors, profit growth in the U.K. and in the uniform rental business. The three month period of fiscal 2014 also includes favorable risk insurance adjustments of $3.9 million. The three month period of fiscal 2013 was negatively affected by the NHL lockout and Hurricane Sandy and severance related charges of $6.0 million in the Uniform and FSS International segments.

Interest and Other Financing Costs, net, for the three month period of fiscal 2014 decreased approximately $30.0 million from the prior year period primarily due to the refinancing of the Company s debt during fiscal 2013 and lower average debt levels offset by the impact of forward starting interest rate swaps entered into during fiscal 2013. Interest and Other Financing Costs, net, for the three month period of fiscal 2013 includes approximately $11.6 million of third-party costs incurred related to Amendment Agreement No. 3 to the senior secured credit agreement and approximately $3.2 million of hedge ineffectiveness related to the repayment of the Canadian subsidiary s term loan with a maturity date of January 26, 2014.

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The effective income tax rate for the three months of fiscal 2014 was 39.2% compared to 30.3% in the prior year period. The increase is primarily due to the reduction of goodwill in connection with the sale of the McKinley Chalet hotel that was not tax deductible.

Net income for the three month period of fiscal 2014 was $44.9 million compared to $43.2 million in the prior year period. Net income attributable to noncontrolling interests for the three month period of fiscal 2014 was $0.2 million compared to $0.4 million in the prior year period.

***Segment Results***

The following tables present a fiscal 2014/2013 comparison of segment sales and operating income together with the amount of and percentage change between periods (dollars in millions).

| | Three months ended | | | |
|---|---|---|---|---|
| | December 27, 2013 | December 28, 2012 | Change | |
| **Sales by Segment** | **$** | **$** | **$** | **%** |
| FSS North America | $ 2,620.4 | $ 2,457.6 | $ 162.8 | 7% |
| FSS International | 775.6 | 724.9 | 50.7 | 7% |
| Uniform | 367.1 | 353.4 | 13.7 | 4% |
| | $ 3,763.1 | $ 3,535.9 | $ 227.2 | 6% |

| | Three months ended | | | |
|---|---|---|---|---|
| | December 27, 2013 | December 28, 2012 | Change | |
| **Operating Income by Segment** | **$** | **$** | **$** | **%** |
| FSS North America | $ 163.1 | $ 141.6 | $ 21.5 | 15% |
| FSS International | 27.1 | 19.2 | 7.9 | 41% |
| Uniform | 40.3 | 31.1 | 9.2 | 30% |
| Corporate | (73.3) | (16.6) | (56.7) | ** |
| | $ 157.2 | $ 175.3 | $ (18.1) | -10% |

** Not meaningful.

***FSS North America Segment***

The FSS North America reportable segment consists of four operating segments which have similar economic characteristics and are aggregated into a single operating segment. The four operating segments of the FSS North America reportable segment are Business & Industry; Education; Healthcare; and Sports, Leisure and Corrections.

Sales for each of these operating segments are summarized as follows (dollars in millions):

| | Three Months Ended December 27, 2013 | Three Months Ended December 28, 2012 |
|---|---|---|
| Business & Industry | $ 575.4 | $ 568.0 |

| | | |
|---|---|---|
| Education | 1,097.2 | 1,021.1 |
| Healthcare | 485.1 | 496.8 |
| Sports, Leisure and Corrections | 462.7 | 371.7 |
| | $ 2,620.4 | $ 2,457.6 |

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The Company s Education and Healthcare operating segments generally have high-single digit operating margins on an annual basis while the Business & Industry and Sports, Leisure and Corrections operating segments generally have mid-single digit operating margins on an annual basis.

FSS North America segment sales for the three month period of fiscal 2014 increased 7% over the prior year primarily due to growth in the Sports, Leisure and Corrections and Education sectors. Sales for the three month period of fiscal 2013 were negatively affected by the NHL lockout and Hurricane Sandy.

The Business & Industry sector had low-single digit sales growth for the three month period of fiscal 2014 primarily due to new business within our facility services business. The sector also had base business growth within our dining operations partially due to the impact of Hurricane Sandy on the prior year.

The Education sector had high-single digit sales growth for the three month period of fiscal 2014 due to growth in base business within our Higher Education food business and net new business in our K-12 food business.

The Healthcare sector had low-single digit sales decline for the three month period of fiscal 2014 due to the impact of prior year lost business.

The Sports, Leisure and Corrections sector had double digit sales growth for the three month period of fiscal 2014 primarily related to additional Major League Baseball playoff games, including the World Series, and additional games at the stadiums and arenas we serve due to new business from National Football League teams and from the impact of the prior year NHL lockout. The sector also benefited from new business within Corrections.

Cost of services provided was $2.4 billion for the three month period of fiscal 2014 compared to $2.2 billion for the prior year. Cost of services provided as a percentage of sales was 90% in both periods. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for the first quarter of fiscal 2014 was $163.1 million compared to $141.6 million in the prior year period primarily due to profit growth in our Business & Industry, Sports, Leisure and Corrections and Education sectors which more than offset the negative impact of foreign currency translation (approximately -1%) and the loss on the sale of the McKinley Chalet hotel of approximately $6.7 million. The profit growth in our sectors were also positively impacted by the impact of new business, cost savings from our productivity initiatives and a favorable risk insurance adjustment of approximately $3.0 million related to favorable claims experience. Operating income in the first quarter of fiscal 2013 was negatively affected by the NHL lockout and Hurricane Sandy.

***FSS International Segment***

Sales in the FSS International segment for the first quarter of fiscal 2014 increased 7% compared to the prior year period due to growth in the U.K, China, Chile and Argentina.

Cost of services provided was $0.7 billion for both periods. Cost of services provided as a percentage of sales was 94% in both periods. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for the first quarter of fiscal 2014 was $27.1 million compared to $19.2 million in the prior year period as profit growth in the U.K. and Germany more than offset the negative impact of foreign currency translation (approximately -6%). Profit growth was positively impacted by cost savings from our productivity initiatives. Operating income in the first quarter of fiscal 2013 included severance related expenses of $2.4 million.

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***Uniform Segment***

Uniform segment sales increased 4% for the three month period of fiscal 2014 compared to the prior year period primarily due to growth in our rental business.

Cost of services provided was $0.3 billion for both periods. Cost of services provided as a percentage of sales was 78% as compared to 80% for the prior year period due to cost control initiatives. Cost of services provided was also impacted by the items discussed below for operating income.

Operating income for the first quarter of fiscal 2014 was $40.3 million compared to $31.1 million in the prior year period primarily due to growth in the uniform rental business and severance related charges incurred in the prior year of $3.6 million. Operating income in the first quarter of fiscal 2013 was negatively affected by Hurricane Sandy.

***Corporate***

Corporate expenses, those administrative expenses not allocated to the business segments, were $73.3 million for the first quarter of fiscal 2014 compared to $16.6 million for the prior year period. The increase is primarily due to approximately $36.9 million of share-based compensation expense related to a modification of the vesting provisions relating to outstanding performance-based options that did not meet the applicable performance thresholds in prior years, cash bonuses and certain other expenses of approximately $5.0 million related to the completion of the IPO and transformation and rebranding initiatives of approximately $10.2 million. Corporate expenses in the first quarter of fiscal 2013 included an accounting charge related to the retirement obligation to our current Chairman and former Chief Executive Officer.

The following tables present our sales and operating income from continuing operations, and related percentages, attributable to each reportable segment for the fiscal years 2013, 2012 and 2011 (dollars in millions). On September 30, 2011, the Company sold its wholly-owned subsidiary, Galls. Accordingly, operating results for this business are reported as discontinued operations.

| | Fiscal Year Ended September 27, 2013 | | Fiscal Year Ended September 28, 2012 | | Fiscal Year Ended September 30, 2011 | |
|---|---|---|---|---|---|---|
| **Sales by Segment** | **$** | **%** | **$** | **%** | **$** | **%** |
| FSS North America | $ 9,665.2 | 69% | $ 9,413.2 | 70% | $ 9,019.0 | 69% |
| FSS International | 2,869.2 | 21% | 2,729.5 | 20% | 2,723.3 | 21% |
| Uniform | 1,411.3 | 10% | 1,362.7 | 10% | 1,340.1 | 10% |
| | $ 13,945.7 | 100% | $ 13,505.4 | 100% | $ 13,082.4 | 100% |

| | Fiscal Year Ended September 27, 2013 | | Fiscal Year Ended September 28, 2012 | | Fiscal Year Ended September 30, 2011 | |
|---|---|---|---|---|---|---|
| **Operating Income by Segment** | **$** | **%** | **$** | **%** | **$** | **%** |
| FSS North America | $ 405.1 | 79% | $ 425.6 | 73% | $ 400.5 | 73% |
| FSS International | 66.2 | 13% | 89.9 | 15% | 79.9 | 15% |
| Uniform | 117.3 | 22% | 118.1 | 21% | 117.3 | 21% |
| | 588.6 | 114% | 633.6 | 109% | 597.7 | 109% |
| Corporate | (74.2) | -14% | (51.8) | -9% | (50.6) | -9% |
| | $ 514.4 | 100% | $ 581.8 | 100% | $ 547.1 | 100% |

**Fiscal 2013 Compared to Fiscal 2012**

***Consolidated Overview***

Sales of $13.9 billion for fiscal 2013 represented an increase of 3% over the prior year period. This increase is primarily attributable to growth in the Sports, Leisure and Corrections, Healthcare and Education sectors and the facilities business in the Business & Industry sector of the FSS North America segment, growth in Ireland, China, Chile and Argentina in our FSS International segment and growth in the uniform rental base business in our Uniform segment. This increase was partially offset by a sales decline in the U.K. in our FSS International segment. Sales for fiscal 2013 were negatively impacted as a result of the National Hockey League ( NHL ) lockout and the impact of Hurricane Sandy in our FSS North America segment and the spin-off of Seamless North America, LLC ( Seamless ) in October 2012 in the Business & Industry sector of the FSS North America segment.

Cost of services provided was $12.7 billion for fiscal 2013 compared to $12.2 billion for the prior year period. Cost of services provided as a percentage of sales was 91% for fiscal 2013 compared to 90% in the prior year period. Food and support service costs comprised approximately 27% of Cost of services provided for fiscal 2013 compared to 28% for fiscal 2012, personnel costs comprised approximately 47% of Cost of services provided for both periods, and other direct costs comprised the remaining approximately 26% of Cost of services provided for fiscal 2013 as compared to 25% for fiscal 2012. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for fiscal 2013 was $514.4 million compared to $581.8 million in the prior year period. The decline in operating income for fiscal 2013 was primarily due to $63.9 million of severance and related costs as a result of the series of actions the Company initiated in the second quarter of fiscal 2013 to drive efficiency through the consolidation and centralization of its operations (see Note 4 to our consolidated financial statements). During fiscal 2013, the Company also recorded approximately $11.7 million of goodwill impairment charges (see Note 5 to our consolidated financial statements), other asset write-downs of approximately $12.0 million primarily related to the write-offs of certain client contractual investments and approximately $20.7 million of costs related to transformation initiatives. In addition, fiscal 2013 was also negatively affected by the NHL lockout and Hurricane Sandy. This profit decline was partially offset by profit growth in our Business & Industry and Education sectors and other income recognized of approximately $14.0 million relating to the recovery of the Company s investment (possessory interest) at one of the National Park Service ( NPS ) sites in the Sports, Leisure and Corrections sector, which was terminated in the current year. Fiscal 2012 includes other income recognized of $6.7 million relating to the recovery of the Company s investment (possessory interest) at one of the NPS sites in the Sports, Leisure and Corrections sector, which was terminated during fiscal 2012, a favorable risk insurance adjustment of $7.4 million related to favorable claims experience, of which $5.7 million relates to our Uniform segment, transition and integration costs of $4.9 million related to the Filterfresh acquisition and severance related charges of $6.9 million in the Uniform segment and FSS International segment.

Interest and Other Financing Costs, net, for fiscal 2013 decreased by approximately $33.0 million when compared to the prior year period. The decrease in fiscal 2013 was primarily due to the maturity of interest rate swaps during fiscal 2012 and the repurchase of the 8.625% / 9.375% Senior Notes due 2016 ( Holdings Notes ), 8.50% senior notes due 2015 ( Fixed Rate Notes ) and senior floating rate notes due 2015 ( Floating Rate Notes ) (see Note 6 to our consolidated financial statements). Interest and Other Financing Costs, net, for fiscal 2013 includes charges of $39.8 million in connection with the tender offer and repayment of the Holdings Notes, Fixed Rate Notes and Floating Rate Notes, consisting of $12.9 million of third-party costs for the tender offer premium and $26.9 million of non-cash charges for the write-off of deferred financing costs. Interest and Other Financing Costs, net, for fiscal 2013 also includes approximately $11.6 million of third-party costs incurred related to Amendment Agreement No. 3 to the senior secured credit agreement and approximately $3.2 million of hedge ineffectiveness related to the repayment of the Canadian subsidiary s term loan with a maturity date of January 26, 2014. Interest and Other Financing Costs, net, for fiscal 2012 includes $11.1 million of third-party costs related to Amendment Agreement No. 2 and the amendment of the Company s Canadian subsidiary cross currency swap.

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The effective income tax rate for fiscal 2013 was 21.2% compared to 14.5% in the prior year period. The increase is primarily due to the goodwill impairment charges in the second quarter of fiscal 2013 that were non-tax deductible which more than offset the impact of the work opportunity tax credits that were extended under the American Taxpayer Relief Act.

Income from continuing operations was $71.4 million during fiscal 2013 compared to $106.9 million in the prior year period. Income (loss) from discontinued operations was ($1.0) million during fiscal 2013 compared to $0.3 million in the prior year period. Net income attributable to noncontrolling interests for fiscal 2013 was $1.0 million compared to $3.6 million in the prior year period.

***Segment Results***

The following tables present a fiscal 2013/2012 comparison of reportable segment sales and operating income from continuing operations together with the amount of and percentage change between periods (dollars in millions).

| Sales by Segment | Fiscal Year Ended September 27, 2013 | Fiscal Year Ended September 28, 2012 | Change $ | Change % |
|---|---|---|---|---|
| FSS North America | $ 9,665.2 | $ 9,413.2 | $ 252.0 | 3% |
| FSS International | 2,869.2 | 2,729.5 | 139.7 | 5% |
| Uniform | 1,411.3 | 1,362.7 | 48.6 | 4% |
| | $ 13,945.7 | $ 13,505.4 | $ 440.3 | 3% |

| Operating Income by Segment | Fiscal Year Ended September 27, 2013 | Fiscal Year Ended September 28, 2012 | Change $ | Change % |
|---|---|---|---|---|
| FSS North America | $ 405.1 | $ 425.6 | $ (20.5) | -5% |
| FSS International | 66.2 | 89.9 | (23.7) | -26% |
| Uniform | 117.3 | 118.1 | (0.8) | -1% |
| Corporate | (74.2) | (51.8) | (22.4) | 43% |
| | $ 514.4 | $ 581.8 | $ (67.4) | -12% |

***FSS North America Segment***

The Food and Support Services North America reportable segment consists of four operating segments which have similar economic characteristics and are aggregated into a single operating segment consistent with the objective and basic principles of Financial Accounting Standards Board Accounting Standard Codification 280-10-50-11. The four operating segments of the Food and Support Services North America reportable segment are Business & Industry; Education; Healthcare; and Sports, Leisure and Corrections.

Sales for each of these operating segments are summarized as follows (dollars in millions):

| | Fiscal Year Ended September 27, 2013 | Fiscal Year Ended September 28, 2012 |
|---|---|---|
| Business & Industry | $ 2,287.1 | $ 2,315.4 |
| Education | 3,385.5 | 3,217.9 |
| Healthcare | 1,982.5 | 1,941.6 |
| Sports, Leisure and Corrections | 2,010.1 | 1,938.3 |
| | $ 9,665.2 | $ 9,413.2 |

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The Company s Education and Healthcare operating segments generally have high-single digit operating margins while the Business & Industry and Sports, Leisure and Corrections operating segments generally have mid-single digit operating margins.

FSS North America segment sales for fiscal 2013 increased 3% over the prior year period, primarily due to growth in the Sports, Leisure and Corrections, Healthcare and Education sectors and in the facilities business in the Business & Industry sector. Sales for fiscal 2013 were negatively impacted by the NHL lockout and Hurricane Sandy. The negative impact of acquisitions and divestitures was approximately -1% in fiscal 2013.

The Business & Industry sector had a low-single digit sales decline for fiscal 2013 primarily due to the spin-off of Seamless in October 2012 and the impact of Hurricane Sandy on our business dining operations. This was somewhat offset by growth in our facilities business as a result of base and net new business growth.

The Education sector had mid-single digit sales growth for fiscal 2013 due to base and net new business growth in our Higher Education and K-12 food and facilities businesses.

The Healthcare sector had low-single digit sales growth for fiscal 2013. This was primarily due to base business growth as net new business has been impacted by sector uncertainty.

The Sports, Leisure and Corrections sector had mid-single digit sales growth for fiscal 2013 due to growth in our Major League Baseball venues. In addition, we have seen an increase in attendance and number of events in our amphitheaters. This growth was partially offset by the effect of the NHL lockout.

Cost of services provided was $8.8 billion for fiscal 2013 compared to $8.6 billion for the prior year period. Cost of services provided as a percentage of sales was 91% in both periods. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for fiscal 2013 was $405.1 million compared to $425.6 million in the prior year period. The decrease in fiscal 2013 is due to approximately $43.5 million of severance and related costs, $6.8 million of asset write-offs and approximately $15.2 million of costs related to transformation initiatives, which more than offset the profit growth in our Business & Industry and Education sectors from food and labor productivity initiatives and the other income recognized of approximately $14.0 million relating to the recovery of the Company s investment (possessory interest) at one of the NPS sites in the Sports, Leisure and Corrections sector, which was terminated in the current year. Fiscal 2013 was also negatively affected by the NHL lockout and Hurricane Sandy. Operating income for fiscal 2012 includes other income recognized of $6.7 million relating to the recovery of the Company s investment (possessory interest) at one of the NPS sites in the Sports, Leisure and Corrections sector, which was terminated during fiscal 2012 and $4.9 million of transition and integration costs related to the Filterfresh acquisition.

***FSS International Segment***

Sales in the FSS International segment for fiscal 2013 increased 5% compared to the prior year period, as net new and base business growth in Chile, China, Argentina and Germany more than offset the sales decline in the U.K. as a result of the Olympics in the prior year (-2%) and prior year lost business.

Cost of services provided was $2.7 billion for fiscal 2013 compared to $2.5 billion for the prior year period. Cost of services provided as a percentage of sales was 95% in fiscal 2013 compared to 94% in fiscal 2012. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for fiscal 2013 was $66.2 million compared to $89.9 million in the prior year period as profit growth in Chile and Germany was more than offset by $14.6 million of severance and related costs, $16.9 million of goodwill impairment charges and other asset write-offs and $2.3 million of costs related to transformation initiatives as well as the negative impact of foreign currency translation (approximately -3%).

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*Uniform Segment*

Uniform segment sales increased 4% for fiscal 2013 compared to the prior year period primarily due to growth in our uniform rental base business.

Cost of services provided was $1.1 billion for both periods. Cost of services provided as a percentage of sales was 80% for fiscal 2013 compared to 79% for the prior year period. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for fiscal 2013 was $117.3 million compared to $118.1 million in the prior year period as growth in the uniform rental business and operational efficiencies across the segment were more than offset by $8.5 million of severance and related costs, which includes $3.7 million of severance related expenses recorded in the first quarter of fiscal 2013, and a net charge of approximately $6.5 million related to multiemployer pension withdrawals and a final settlement of wage and hour claims, net of a favorable risk insurance adjustment. Operating income for fiscal 2012 includes severance related charges of $2.6 million and a favorable risk insurance adjustment of $5.7 million.

*Corporate*

Corporate expenses, those administrative expenses not allocated to the business segments, were $74.2 million for fiscal 2013 compared to $51.8 million for the prior year period. The increase is primarily due to the increase in share-based compensation expense for performance-based options and the issuance of restricted stock units (see note 11 to the consolidated financial statements), an accounting charge related to the retirement obligation to our current Chairman and former Chief Executive Officer, increase in consulting costs, approximately $1.0 million of severance and related costs and approximately $3.2 million of costs related to transformation initiatives.

**Fiscal 2012 Compared to Fiscal 2011**

*Consolidated Overview*

Sales of $13.5 billion for fiscal 2012 represented an increase of 3% over the prior year. This increase is primarily attributable to growth in the Higher Education business and Business & Industry sector of the FSS North America segment, growth in Ireland, Germany, China, Chile and Argentina in our FSS International segment, growth in the uniform rental business in our Uniform segment and the impact of acquisitions (approximately 1%). Sales were also positively impacted from our role as the exclusive food service provider in the Athletes Villages for the London Olympics in the U.K. in our FSS International segment. This increase more than offset the sales decline in Spain in our FSS International segment and the negative impact of foreign currency translation (approximately -1%).

Cost of services provided was $12.2 billion for fiscal 2012 compared to $11.8 billion for the prior year. Cost of services provided as a percentage of sales was 90% in both periods. Food and support service costs comprised approximately 28% of Cost of services provided for both periods, personnel costs comprised approximately 47% of Cost of services provided for both periods, and other direct costs comprised the remaining approximately 25% of Cost of services provided for both periods. Cost of services provided was impacted by the items discussed below for operating income.

Operating income was $581.8 million for fiscal 2012 compared to $547.1 million for the prior year. This increase is primarily attributable to profit growth in our Higher Education business, our Healthcare sector and in the U.K., Ireland and Chile, offset by the negative impact of foreign currency translation (approximately -1%). Fiscal 2012 also includes other income recognized of $6.7 million relating to the recovery of the Company s investment (possessory interest) at one of the National Park Service ( NPS ) sites in the Sports, Leisure and Corrections sector, which was terminated during fiscal 2012, a favorable risk insurance adjustment of $7.4 million related to favorable claims experience, of which $5.7 million relates to our Uniform segment, transition and integration costs of $4.9 million related to the Filterfresh acquisition and severance related charges of $6.9 million. Fiscal 2011 included a gain of approximately $7.7 million on the sale of the Company s 67% ownership interest in the security business of its Chilean subsidiary, favorable non-income tax settlements of approximately $5.3 million in the U.K., a goodwill and other intangible assets impairment charge of $5.3 million, severance related charges of approximately $22.8 million, other income of approximately $7.8 million related to a compensation agreement signed with the NPS under which the NPS agreed to pay down a portion of our investment (possessory interest) in certain assets at one of our NPS sites in our Sports, Leisure and Corrections sector and a favorable risk insurance adjustment of $5.7 million.

Interest and Other Financing Costs, net, for fiscal 2012 increased approximately $5.7 million from the prior year primarily due to the impact of a full year of interest expense on the Holdings Notes compared to the prior year period, which more than offset the positive impact of interest rate swaps that matured during fiscal 2012. Interest and Other Financing Costs, net, for fiscal 2012 includes $7.5 million of third-party costs incurred related to the March 2012 amendment that extended the U.S. dollar equivalent of approximately $1,231.6 million of the Company s term loans and approximately $3.6 million of hedge ineffectiveness incurred related to the Company s amendment of its cross currency swaps. Interest and Other Financing Costs, net, for fiscal 2011 includes interest income related to $14.1 million of favorable non-income tax settlements in the U.K. recorded in the second quarter of fiscal 2011 and a write-off of deferred financing fees of $2.1 million related to the amendment that extended the U.S. dollar denominated portion of the revolving credit facility.

The effective income tax rate for fiscal 2012 was 14.5% compared to (0.8%) in the prior year. The higher effective income tax rate in fiscal 2012 is due to a reduction of approximately $17.0 million in reserves in fiscal 2011 related to the remeasurement of an uncertain tax position.

Income from continuing operations for fiscal 2012 was $106.9 million compared to $96.7 million in the prior year. Income (loss) from discontinued operations during fiscal 2012 was $0.3 million compared to $(11.7) million in fiscal 2011. Fiscal 2011 included the pretax loss of approximately $1.5 million (after-tax loss of approximately $12.0 million) related to the sale of the Company s wholly-owned subsidiary, Galls, for approximately $75.0 million in cash (see Note 2 to our consolidated financial statements). Net income attributable to noncontrolling interests for fiscal 2012 was $3.6 million compared to $1.1 million in the prior year.

***Segment Results***

The following tables present a fiscal 2012/2011 comparison of reportable segment sales and operating income from continuing operations together with the amount of and percentage change between periods (dollars in millions).

| Sales by Segment | Fiscal Year Ended September 28, 2012 | Fiscal Year Ended September 30, 2011 | Change $ | Change % |
|---|---|---|---|---|
| FSS North America | $ 9,413.2 | $ 9,019.0 | $ 394.2 | 4% |
| FSS International | 2,729.5 | 2,723.3 | 6.2 | % |
| Uniform | 1,362.7 | 1,340.1 | 22.6 | 2% |
| | $ 13,505.4 | $ 13,082.4 | $ 423.0 | 3% |

| Operating Income by Segment | Fiscal Year Ended September 28, 2012 | Fiscal Year Ended September 30, 2011 | Change $ | Change % |
|---|---|---|---|---|
| FSS North America | $ 425.6 | $ 400.5 | $ 25.1 | 6% |
| FSS International | 89.9 | 79.9 | 10.0 | 13% |
| Uniform | 118.1 | 117.3 | 0.8 | 1% |
| Corporate | (51.8) | (50.6) | (1.2) | 2% |
| | $ 581.8 | $ 547.1 | $ 34.7 | 6% |

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***FSS North America Segment***

The Food and Support Services North America reportable segment consists of four operating segments which have similar economic characteristics and are aggregated into a single operating segment consistent with the objective and basic principles of Financial Accounting Standards Board Accounting Standard Codification 280-10-50-11. The four operating segments of the Food and Support Services North America reportable segment are Business & Industry; Education; Healthcare; and Sports, Leisure and Corrections.

Sales for each of these operating segments are summarized as follows (dollars in millions):

| | Fiscal Year Ended September 28, 2012 | Fiscal Year Ended September 30, 2011 |
|---|---|---|
| Business & Industry | $ 2,315.4 | $ 2,139.1 |
| Education | 3,217.9 | 3,111.6 |
| Healthcare | 1,941.6 | 1,877.6 |
| Sports, Leisure and Corrections | 1,938.3 | 1,890.7 |
| | $ 9,413.2 | $ 9,019.0 |

The Company s Education and Healthcare operating segments generally have high-single digit operating margins while the Business & Industry and Sports, Leisure and Corrections operating segments generally have mid-single digit operating margins.

FSS North America segment sales for fiscal 2012 increased 4% over the prior year primarily due to growth in the Higher Education business, the Sports, Leisure and Corrections and Business & Industry sectors and the positive impact of acquisitions (approximately 2%), which more than offset the negative impact of foreign currency translation (approximately -1%).

The Business & Industry sector had high-single digit sales growth for fiscal 2012 primarily due to base business growth in our refreshment services and facilities businesses. New sales related to the Filterfresh acquisition also contributed to the sales growth in the fiscal year. This growth more than offset the sales decline in our business dining operations due to the impact of net lost business.

The Education sector had low-single digit sales growth for fiscal 2012. This was due to base and net new business growth in our Higher Education food and facilities services businesses. This growth more than offset the sales decline in K-12 due to the impact of lost business.

The Healthcare sector had low-single digit sales growth for fiscal 2012. This was primarily due to base business growth and the full year impact of the 2011 acquisition of Masterplan within the Healthcare Technologies business.

The Sports, Leisure and Corrections sector had low-single digit sales growth for fiscal 2012 primarily related to growth at our National Hockey League and Major League Baseball venues. Sales in our Corrections business were flat as base business growth was offset by net lost business.

Cost of services provided was $8.6 billion for fiscal 2012 compared to $8.2 billion for the prior year. Cost of services provided as a percentage of sales was 91% in both periods. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for fiscal 2012 was $425.6 million compared to $400.5 million in the prior year. The increase is due to profit growth in our Higher Education business and Healthcare sector and other income recognized of $6.7 million relating to the recovery of the Company s investment (possessory interest) at one of the NPS sites in the Sports, Leisure and Corrections sector, which was terminated in the current year. This profit growth more than offset the negative impact of foreign currency translation (approximately -1%), the profit decline in our Business & Industry sector and the transition and integration costs of $4.9 million related to the Filterfresh acquisition. Fiscal 2011 included other income recognized in the first quarter of fiscal 2011 of $7.8 million related to a compensation agreement signed with the NPS under which the NPS agreed to pay down a portion of our investment (possessory interest) in certain assets at one of our NPS sites in our Sports, Leisure and Corrections sector and severance related charges of $6.2 million.

***FSS International Segment***

Sales in the FSS International segment for fiscal 2012 were flat compared to the prior year as growth in Ireland, Germany, China, Chile and Argentina and sales related to the London Olympics (approximately 2%) were offset by the negative impact of foreign currency translation (approximately -5%), divestitures (approximately -1%) and the sales decline in Spain (approximately -1%).

Cost of services provided was $2.5 billion for both periods. Cost of services provided as a percentage of sales was 94% in both periods. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for fiscal 2012 was $89.9 million compared to $79.9 million in the prior year. This increase is primarily attributable to profit growth in the U.K., Ireland and Chile and a reduction in severance related expenses, which more than offset the profit decline in Belgium and in our equity method investee in Japan and the negative impact of foreign currency translation (approximately -4%). Operating income for fiscal 2011 included a gain of $7.7 million related to the divestiture of the Company s 67% ownership interest in the security business of its Chilean subsidiary, favorable non-income tax settlements in the U.K. of $5.3 million, a goodwill and other intangible assets impairment charge of $5.3 million and severance related expenses of $11.4 million.

***Uniform Segment***

Uniform segment sales increased 2% for fiscal 2012 compared to the prior year, resulting primarily from growth in our uniform rental business.

Cost of services provided was $1.1 billion for both periods. Cost of services provided as a percentage of sales was 79% for both periods. Cost of services provided was impacted by the items discussed below for operating income.

Operating income for fiscal 2012 was $118.1 million compared to $117.3 million in the prior year as the increase in favorable risk insurance adjustments compared to the prior year and a reduction in severance related expenses more than offset the fiscal 2012 increased investment in our growing sales force and higher energy costs. Operating income for fiscal 2012 includes a favorable risk insurance adjustment of $5.7 million compared to $4.8 million in the prior year. Operating income for fiscal 2012 also includes severance related charges of $2.6 million compared to $3.9 million in the prior year.

***Corporate***

Corporate expenses, those administrative expenses not allocated to the business segments, were $51.8 million in fiscal 2012, compared to $50.6 million for the prior year. The increase is mainly due to costs related to the hiring of our new Chief Executive Officer and President in May 2012, which more than offset the decrease in share-based compensation expense related to performance-based options (see Note 10 to our consolidated financial statements), gains due to the change in fair value on gasoline and diesel fuel agreements and prior year charges for headcount reductions.

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**Quarterly Financial Data**

The following table presents select historical quarterly consolidated statements of operations data for fiscal 2012 and fiscal 2013 and for the first quarter of fiscal 2014.

This quarterly information has been prepared using our unaudited condensed consolidated financial statements and only includes all normal recurring adjustments necessary for a fair presentation of the results of the interim periods.

| (in millions) | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | December 30, 2011 | March 30, 2012 | June 29, 2012 | September 28, 2012 | December 28, 2012 | March 29, 2013 | June 28, 2013 | September 27, 2013 | December 27, 2013 |
| Sales | $ 3,423 | $ 3,345 | $ 3,336 | $ 3,401 | $ 3,536 | $ 3,404 | $ 3,490 | $ 3,516 | $ 3,763 |
| Operating Income | 167 | 134 | 115 | 166 | 175 | 80 | 124 | 135 | 157 |
| Net income (loss) attributable to ARAMARK Holdings stockholders | $ 30 | $ 1 | $ 14 | $ 59 | $ 43 | $ (40) | $ 27 | $ 39 | $ 45 |

**Liquidity and Capital Resources**

***Overview***

Our principal sources of liquidity are cash generated from operating activities, funds from borrowings and existing cash on hand. As of December 27, 2013, we had $115.6 million of cash and cash equivalents and approximately $399.7 million of availability under our senior secured revolving credit facility.

We believe that our cash and cash equivalents and the unused portion of our committed credit availability under our senior secured revolving credit facility will be adequate to meet anticipated cash requirements to fund working capital, capital spending, debt service obligations, refinancings, dividends and other cash needs. We will continue to seek to invest strategically but prudently in certain sectors and geographies. Over time, the Company has repositioned its service portfolio so that today a significant portion of the operating income in our FSS North America segment comes from sectors and businesses such as Education, Healthcare and corrections, which we believe to be economically less sensitive. In addition, we have worked to further diversify our international business by geography and sector. The Company routinely monitors its cash flow and the condition of the capital markets in order to be prepared to respond to changing conditions.

The table below summarizes our cash activity (in millions):

| | Three months ended | | Fiscal Year | | |
|---|---|---|---|---|---|
| | December 27, 2013 | December 28, 2012 | 2013 | 2012 | 2011 |
| Net cash provided (used in) by operating activities | $ (281.3) | $ (198.9) | $ 695.9 | $ 691.8 | $ 303.6 |
| Net cash used in investing activities | (58.8) | (78.7) | (385.4) | (481.6) | (363.1) |
| Net cash provided by (used in) financing activities | 344.7 | 269.9 | (336.3) | (286.8) | 112.0 |

Reference to the Condensed Consolidated Statements of Cash Flows and Consolidated Statements of Cash Flows, appearing elsewhere in this prospectus, will facilitate understanding of the discussion that follows.

***Cash Flows Provided by (Used in) Operating Activities***

During the first quarter of fiscal 2014, the increase in the total of net income and noncash charges results mainly from the overall growth of the business and higher operating results of the Company s segments as discussed above. As expected and consistent with historical patterns, working capital was a use of cash for us during the first quarter of fiscal 2014. The change in working capital requirements relates principally to changes in Accounts Receivable (approximately $19.4 million), primarily due to the growth of the business and timing of collections, Accounts Payable (approximately $19.5 million), due to timing of disbursements and Accrued Expenses

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(approximately $103.4 million), related to the timing of customer advance payments and commission payments as compared to the prior year period, offset by changes in Prepayments and other current assets (approximately $25.5 million), due to timing of income tax payments. The Other, net caption reflects adjustments to net income in the current year and prior year periods related to nonoperating gains and losses.

During fiscal 2013, the decrease in the total of net income and noncash charges results mainly from the results of operations of the Company as discussed above. As expected and consistent with historical patterns, working capital was a source of cash for us during fiscal 2013. The change in working capital requirements relates principally to changes in Inventory (approximately $15.4 million) due to less inventory purchases in our Uniform segment offset by inventory purchases for new business in our Sports, Leisure and Corrections sector and Accrued Expenses (approximately $144.9 million) due to the severance and related costs from the series of actions undertaken by the Company to drive efficiency through the consolidation and centralization of its operations, timing of interest payments and timing of higher commission payments from increased business offset by Accounts Receivable (approximately $63.4 million) primarily due to business growth and the timing of collections, Prepayments (approximately $87.5 million) due to the timing of estimated tax payments and a change in tax regulations that impacts the timing of deductions allowable for certain in service inventory and Accounts Payable (approximately $9.5 million) primarily due to business growth and the timing of disbursements. The Other operating activities caption reflects adjustments to net income in the current year period related to nonoperating gains and losses, which are primarily non-cash and include goodwill impairments and other financing related charges and write-offs.

During fiscal 2012, the increase in the total of net income and noncash charges results mainly from the overall growth of the business and higher results of operations of the Company, as discussed above. A portion of the net change in cash provided by operating activities was driven by the new accounting treatment for the Company s accounts receivable securitization agreement. On October 2, 2010, the Company adopted new accounting guidance that affected the presentation of its accounts receivables securitization program, through which the Company sells eligible accounts receivables on a revolving basis. As a result of implementing the new guidance, funding under the agreement of $220.9 million on October 2, 2010 was reflected in the Company s Consolidated Statement of Cash Flows as a use of cash from the securitization of accounts receivables under net cash provided in operating activities and as a source of cash under net cash (used in) provided by financing activities in fiscal 2011. As expected and consistent with historical patterns, working capital was a source of cash for us during fiscal 2012. The change in working capital requirements relates principally to changes in Accounts Receivable (approximately $66.7 million), primarily due to the improvement and timing of collections offset by the overall growth in the business, Accounts Payable (approximately $57.0 million), due to the timing of disbursements and Prepayments (approximately $41.4 million), primarily due to the timing of income tax payments, partially offset by changes in Inventory (approximately $24.3 million), primarily due to the growth of the business. The increase in the Other operating activities caption is primarily due to $34.9 million of cash distributions received in fiscal 2012 versus $10.5 million in fiscal 2011 from our 50% ownership interest in AIM Services Co., Ltd. The Other, net caption also reflects adjustments to net income in the current year and prior year periods related to nonoperating gains and losses.

During fiscal 2011, the increase in the total of net income and noncash charges results mainly from the overall growth of the business and higher results of operations of the Company, as discussed above. Cash flows provided by operating activities include an increase in accounts receivable of $220.9 million associated with the Company s adoption of the new authoritative accounting guidance related to the transfer of financial assets in the first quarter of fiscal 2011. Effective October 2, 2010, the periodic transfers of undivided interests in accounts receivable no longer qualify for sale accounting treatment in accordance with the new accounting guidance and are now accounted for as secured borrowings. Cash flows after October 2, 2010 associated with the receivables facility are presented as financing activities. During fiscal 2011, the Company s accounts receivable increased by $220.9 million resulting in a cash outflow being reported in the operating section of the Consolidated Statement of Cash Flows and the secured borrowings associated with the Receivables Facility increased by $225.9 million resulting in a cash inflow being reported in the financing section of the Consolidated Statement of Cash Flows. As expected, working capital was a use of cash during fiscal 2011. The change in working capital requirements relates principally to changes in Accounts Receivable (approximately $42.6 million), primarily due to the overall growth of the business and timing of collections, Inventory (approximately $44.9 million) due to growth of the business, Accounts Payable (approximately $47.7 million) due to timing of disbursements and Accrued Expenses (approximately $35.7 million) due to the timing of commissions and income tax payments as compared to the prior year period. The Other operating activities caption reflects adjustments to net income related to nonoperating gains and losses.

***Cash Flows Used in Investing Activities***

During the first quarter of fiscal 2014, the Company received proceeds of $24.0 million related to the sale of the McKinley Chalet hotel in our Sports, Leisure and Corrections sector.

During fiscal 2013, the Company received proceeds of approximately $15.3 million related to the recovery of our investment (possessory interest) in certain assets at one of our NPS sites in our Sports, Leisure and Corrections sector, which was terminated in the current year.

During fiscal 2012, ARAMARK Refreshment Services, LLC, a subsidiary of the Company, acquired all of the outstanding shares of common stock of Van Houtte USA Holdings, Inc. (doing business as Filterfresh ), a refreshment services company, for approximately $145.2 million. The acquisition was financed with cash on hand and borrowings under the Company s revolving credit facility. Under the terms of the purchase agreement, if a certain significant customer relationship was not maintained within a specific timeframe, the Company was entitled to a refund of a portion of the purchase price. During fiscal 2012, the Company received a refund of approximately $7.4 million related to the termination of this customer relationship. During fiscal 2012, the Company received $5.5 million in cash related to the settlement of indemnity claims filed against the former owners of Masterplan. During fiscal 2012, the Company received proceeds of approximately $7.3 million related to the recovery of our investment (possessory interest) at one of our NPS sites in our Sports, Leisure and Corrections sector which was terminated in the current year.

During fiscal 2011, ARAMARK Clinical Technology Services, LLC, a subsidiary of the Company, purchased the common stock of the ultimate parent company of Masterplan, a clinical technology management and medical equipment maintenance company, for cash consideration of approximately $154.2 million. During fiscal 2011, the Company completed the sale of its wholly-owned subsidiary, Galls, for approximately $75.0 million in cash. The Company, also during fiscal 2011, completed the sale of the Company s 67% ownership interest in a security business in its Chilean subsidiary for approximately $11.6 million in cash. During fiscal 2011, the Company received proceeds of $7.8 million related to a compensation agreement signed with the NPS under which the NPS agreed to pay down a portion of our investment (possessory interest) in certain assets at one of our NPS sites in our Sports, Leisure and Corrections sector.

***Cash Flows Provided by (Used in) Financing Activities***

On December 17, 2013, the Company completed an initial public offering ( IPO ) of 28,000,000 shares of our common stock at a price of $20.00 per share, raising approximately $524.1 million, net of costs directly related to the offering. The Company used the net proceeds to repay borrowings of approximately $154.1 million on the senior secured revolving credit facility that were borrowed during the first quarter of fiscal 2014 and $370.0 million on the senior secured term loan facility, due July 2016.

During fiscal 2013, ARAMARK Corporation made a payment of $265.0 million on the outstanding U.S. dollar term loan due 2016. During fiscal 2013, the Company completed the spin-off of its majority interest in Seamless to its stockholders. In the spin-off, ARAMARK Corporation distributed all of the issued and outstanding shares of the common stock of Seamless Holdings Corporation ( Seamless Holdings ), an entity formed for the purpose of completing the spin-off and whose assets primarily consist of the Company s former interest in Seamless, to its parent company and sole stockholder, ARAMARK Intermediate Holdco Corporation ( ARAMARK Intermediate ). Thereafter, ARAMARK Intermediate distributed such shares to the Company, its parent company and sole stockholder, who then distributed all of the shares of Seamless Holdings on a pro rata basis to the holders of ARAMARK Holdings common stock as of October 26, 2012, the record date, through a tax-free stock dividend. Each ARAMARK Holdings stockholder received one share of Seamless Holdings common stock for each share of ARAMARK Holdings common stock held as of the record date. The Company distributed cash of approximately $47.4 million to Seamless prior to the spin-off.

On February 22, 2013, ARAMARK Corporation amended the senior secured credit agreement ( Amendment Agreement No. 4 ) to provide for, among other things, additional term loans and the extension of a portion of the revolving credit facility. On March 7, 2013, ARAMARK Corporation borrowed $1,400 million of term loans pursuant to Amendment Agreement No. 4. The new term loans were borrowed by ARAMARK Corporation with an original issue discount of 0.50% and mature on September 7, 2019. During the second quarter of fiscal 2013, approximately $14.0 million of third-party costs directly attributable to the term loans borrowed pursuant to Amendment Agreement No. 4 were capitalized and are included in Other Assets in the Consolidated Balance Sheets, of which approximately $6.2 million were paid to entities affiliated with GS Capital Partners and J.P. Morgan Partners. Amendment Agreement No. 4 also provided for the extension, from January 26, 2015 to January 26, 2017, of the maturity of $500 million in revolving lender commitments of the existing $550 million revolving credit facility. Third-party costs directly attributable to the revolving credit facility of approximately $2.8 million were capitalized and are included in Other Assets in the Consolidated Balance Sheets, of which approximately $0.6 million were paid to entities affiliated with GS Capital Partners and J.P. Morgan Partners.

On December 20, 2012, ARAMARK Corporation amended the senior secured credit agreement ( Amendment Agreement No. 3 ) to, among other things, borrow $670 million of new term loans with a maturity date of July 26, 2016. The proceeds of the new term loans were used primarily to repay approximately $650 million of existing term loans with a maturity date of January 26, 2014 and to fund certain discounts, fees and costs associated with the amendment. During the first quarter of fiscal 2013, approximately $11.6 million of third-party costs directly attributable to the amendment were expensed and are included in Interest and Other Financing Costs, net in the Consolidated Statements of Income. Approximately $4.6 million of the third-party costs were paid to entities affiliated with GS Capital Partners and J.P. Morgan Partners.

On March 7, 2013, ARAMARK Corporation issued $1,000 million of 5.75% Senior Notes due 2020 (the Senior Notes ) pursuant to a new indenture, dated as of March 7, 2013 (the Indenture ), entered into by ARAMARK Corporation. During the second quarter of fiscal 2013, approximately $13.8 million of third-party costs directly attributable to the Senior Notes were capitalized and are included in Other Assets in the Consolidated Balance Sheets. Approximately $7.3 million of the third-party costs were paid to entities affiliated with GS Capital Partners and J.P. Morgan Partners.

In February 2013, ARAMARK Corporation and the Company commenced a tender offer to purchase for cash any and all of the Holdings Notes, the Fixed Rate Notes and the Floating Rate Notes (collectively, the Notes ). On March 7, 2013, ARAMARK Corporation used a portion of the aggregate proceeds of the Senior Notes offering and the borrowings under the new term loans pursuant to Amendment Agreement No. 4 to purchase all Notes tendered by March 6, 2013, the early tender date. On March 7, 2013, ARAMARK Corporation issued redemption notices for the portions of ARAMARK Corporation s Fixed Rate Notes and Floating Rate Notes that remained outstanding, including accrued and unpaid interest, as of March 7, 2013, which provided for the redemption of such notes on April 6, 2013 at prices of 100% of the principal amount thereof. On March 7, 2013, the Company issued a redemption notice for the portion of the Holdings Notes that remained outstanding as of March 7, 2013, including accrued and unpaid interest, which notices provided for the redemption of the Holdings Notes on May 1, 2013 at a price of 101% of the principal amount thereof. On March 7, 2013, ARAMARK Corporation and the Company deposited sufficient funds in trust with the trustee under the indenture governing the Notes in full and complete satisfaction and discharge of the remaining aggregate principal amount of such notes, including accrued and unpaid interest (the Satisfaction and Discharge ). As a result of the Satisfaction and Discharge, the trustee became the primary obligor for payment of the remaining Notes on or about the redemption notice date of March 7, 2013. ARAMARK Corporation and the Company had a contingent obligation for payment of the Notes were the trustee to default on its payment obligations. The Company believed the risk of such default was remote and therefore did not record a related liability. The remaining Fixed Rate Notes and Floating Rate Notes were redeemed by the trustee on April 6, 2013. The remaining Holdings Notes were redeemed by the trustee on May 1, 2013. In connection with the tender offer and Satisfaction and Discharge of the Notes, the Company recorded $39.8 million of charges to Interest and Other Financing Costs, net in the Consolidated Statements of Income for fiscal 2013, consisting of $12.9 million cash charges for the tender offer premium and $26.9 million of non-cash charges for the write-off of deferred financing costs.

During fiscal 2012, the Company s 5.00% Senior Notes, contractually due in June 2012, were paid in full. The Company, also during fiscal 2012, paid an amendment fee of approximately $3.2 million and third-party costs of approximately $7.5 million related to Amendment Agreement No. 2 to the senior secured credit agreement, which extended the maturity date of an aggregate U.S. dollar equivalent of approximately $1,231.6 million of the Company s term loans and $66.7 million of letter of credit deposits securing the Company s synthetic letter of credit facility to July 26, 2016. Approximately $4.5 million of the third-party costs were paid to entities affiliated with GS Capital Partners and J.P. Morgan Partners.

During fiscal 2011, the Company paid commitment fees and third-party costs of approximately $7.2 million, of which approximately $3.9 million were paid to entities affiliated with GS Capital Partners and J.P. Morgan Partners, related to an Amendment Agreement to the senior secured credit agreement that extended, from January 2013 to January 2015, the maturity of, and increased, from $435 million to $500 million, the U.S. dollar denominated portion of its existing revolving credit facility. In addition, during fiscal 2011, the Company paid third-party costs of approximately $14.6 million, of which approximately $8.3 million were paid to entities affiliated with GS Capital Partners and J.P. Morgan Partners, related to the private placement of $600 million, net of a 1% discount, in aggregate principal amount of the Holdings Notes. The Company used the net proceeds from the offering of the Holdings Notes, along with $132.7 million in borrowings under the extended U.S. dollar revolving credit facility, to pay an approximately $711 million dividend to the Company s stockholders and to pay fees and expenses related to the issuance of the Holdings Notes. During fiscal 2011, the Company sold a noncontrolling ownership interest in Seamless North America, LLC, an online and mobile food ordering service, for consideration of $50.0 million in cash.

***Our Indebtedness***

*Senior Secured Credit Facilities*

Our senior secured credit facilities currently provide:

- a total of $4,064.8 million in term loan facilities comprised of various tranches denominated in U.S. dollars, Canadian dollars, euros, yen and pounds sterling;

- a revolving credit facility of up to $605.0 million available for loans denominated in U.S. dollars, $50.0 million of which is also available in Canadian dollars; and

- a synthetic letter of credit facility of up to $200.0 million.

The primary borrower under the senior secured credit facilities is ARAMARK Corporation. In addition, certain subsidiaries of ARAMARK Corporation are borrowers under certain tranches of the term loan facility and/or the revolving credit facility. Holdings is not a guarantor under the senior secured credit facilities and is not subject to the covenants or obligations under the senior secured credit agreement.

The revolving credit facility currently consists of the following subfacilities:

- a revolving credit facility available for loans in U.S. dollars to ARAMARK Corporation with aggregate commitments of $555.0 million; and a revolving credit facility available for loans in Canadian dollars or U.S. dollars to ARAMARK Canada, Ltd. or ARAMARK Corporation with aggregate commitments of $50.0 million.

The final maturity date of $515.0 million of the $555.0 million U.S. revolving loan commitments and of all of the Canadian revolving loan commitments is January 26, 2017, provided, however, that the maturity date accelerates to April 26, 2016 if any term loans, other than the term loans due September 7, 2019 and any other term loans with a maturity at least 91 days after January 26, 2017, remain outstanding on April 26, 2016. The final maturity date of the $40.0 million of remaining U.S. dollar revolving loan commitments is January 26, 2015.

Our revolving credit facility includes a $250.0 million sublimit for letters of credit and includes borrowing capacity available for short-term borrowings referred to as swingline loans subject to a sublimit.

The senior secured credit facilities provide that we have the right at any time to request up to $675.0 million of incremental commitments in the aggregate under one or more incremental term loan facilities and/or synthetic letter of credit facilities and/or revolving credit facilities and/or by increasing commitments under the revolving credit facility. The lenders under these facilities are not under any obligation to provide any such incremental facilities or commitments, and any such addition of or increase in facilities or commitments will be subject to pro forma compliance with an incurrence-based financial covenant and customary conditions precedent. Our ability to obtain extensions of credit under these incremental facilities or commitments is subject to the same conditions as extensions of credit under the existing credit facilities.

As of December 27, 2013, outstanding term loan borrowings were $4,064.8 million (recorded at $4,057.4 million to reflect original issue discount) and outstanding revolving credit borrowings were $189.3 million.

*Senior Notes*

On March 7, 2013, ARAMARK Corporation issued $1,000 million of 5.75% Senior Notes due 2020 (the senior notes ) pursuant to the indenture, dated as of March 7, 2013 (the Indenture ), among the ARAMARK Corporation, the guarantors named therein and The Bank of New York Mellon, as trustee.

The senior notes are unsecured obligations of ARAMARK Corporation. The senior notes rank equal in right of payment to all of ARAMARK Corporation s existing and future senior debt and senior in right of payment to all of ARAMARK Corporation s existing and future debt that is expressly subordinated in right of payment to the senior notes. Each of the guarantors named in the Indenture (each a Senior Notes Guarantor ) is providing an unconditional guarantee of the senior notes which ranks equal in right of payment to all of the senior obligations of such Senior Notes Guarantor. The senior notes and the guarantees are effectively subordinated to ARAMARK Corporation s existing and future secured debt and that of the Senior Notes Guarantors, including all indebtedness under our senior secured credit facilities, to the extent of the value of the assets securing that indebtedness. The senior notes and guarantees are structurally subordinated to all of the liabilities of any of ARAMARK Corporation s subsidiaries that do not guarantee the senior notes.

Interest on the senior notes is payable on March 15 and September 15 of each year, commencing on September 15, 2013. Interest on the senior notes accrues from March 7, 2013 and is calculated on the basis of a 360-day year of twelve 30-day months. The senior notes mature on March 15, 2020.

Holdings guarantees the senior notes for purposes of financial reporting, but is not subject to any covenants under the senior notes.

*Receivables Facility*

We have in place an agreement whereby ARAMARK Receivables, LLC ( ARAMARK Receivables ), a wholly-owned, bankruptcy-remote subsidiary of ARAMARK Corporation, purchases accounts receivable generated by certain of our operating subsidiaries using funding provided through the sale of an interest in such accounts receivable and other related assets to Wells Fargo Bank, N.A. ( Wells Fargo ) and a commercial paper conduit (the Commercial Paper Conduit ) sponsored by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., New York Branch ( Rabobank ). This receivables facility provides an amount of funding up to a maximum of $300.0 million. The availability of funding under the facility depends on the amount of receivables eligible for funding under the receivables facility and satisfaction of other customary conditions. As of December 27, 2013, we had outstanding borrowings under the receivables facility of $300.0 million.

Availability of funding under the receivables facility depends primarily upon the outstanding accounts receivable balance of our subsidiaries that participate in the facility. Aggregate availability is determined by using a formula that reduces the gross receivables balance by factors that take into account, among other things, historical default and dilution rates, excessive obligor concentrations and average days outstanding and the costs of the facility.

The Commercial Paper Conduit may discontinue funding the receivables facility at any time for any reason. If it does, Rabobank will be obligated to fund the Commercial Paper Conduit s proportion of the receivables facility.

Twenty-three of our subsidiaries participate in the receivables facility program all of which are domestic subsidiaries in our FSS North America segment.

***Covenant Compliance***

The senior secured credit agreement contains a number of covenants that, among other things, restrict our ability to: incur additional indebtedness; issue preferred stock or provide guarantees; create liens on assets; engage in mergers or consolidations; sell assets; pay dividends, make distributions or repurchase our capital stock; make investments, loans or advances; repay or repurchase any notes, except as scheduled or at maturity; create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries; make certain acquisitions; engage in certain transactions with affiliates; amend material agreements governing the notes (or any indebtedness that refinances the notes); and fundamentally change the Company s business. The indenture governing our senior notes contains similar provisions. As of December 27, 2013, we were in compliance with these covenants.

Under the senior secured credit agreement and the indenture governing our senior notes we are required to satisfy and maintain specified financial ratios and other financial condition tests and covenants. Our continued ability to meet those financial ratios, tests and covenants can be affected by events beyond our control, and we cannot assure you that we will meet those ratios, tests and covenants.

These financial ratios, tests and covenants involve the calculation of certain measures that we refer to in this discussion as Covenant EBITDA and Covenant Adjusted EBITDA. Covenant EBITDA and Covenant Adjusted EBITDA are not measurements of financial performance under U.S. GAAP. Covenant EBITDA is defined as net income (loss) of ARAMARK Corporation and its restricted subsidiaries plus interest and other financing costs, net, provision (benefit) for income taxes, and depreciation and amortization. Covenant Adjusted EBITDA is defined as Covenant EBITDA, further adjusted to give effect to adjustments required in calculating covenant ratios and compliance under our senior secured credit agreement and the indenture.

Covenant EBITDA and Covenant Adjusted EBITDA are included in this section to provide additional information to investors about the calculation of certain financial measures in the senior secured credit agreement and the indenture governing our senior notes that are calculated by reference to Covenant Adjusted EBITDA. Our presentation of these measures has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. You should not consider these measures as alternatives to net income or operating income determined in accordance with U.S. GAAP. Covenant EBITDA and Covenant Adjusted EBITDA, as presented by us, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

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The following is a reconciliation of net income attributable to ARAMARK Corporation stockholder, which is a U.S. GAAP measure of ARAMARK Corporation s operating results, to Covenant Adjusted EBITDA as defined in our debt agreements. The terms and related calculations are defined in the senior secured credit agreement and the indenture governing our senior notes. Covenant EBITDA and Covenant Adjusted EBTIDA are measures of ARAMARK Corporation and its restricted subsidiaries only and do not include the results of Holdings.

| (dollars in millions) | Twelve Months Ended December 27, 2013 | Twelve Months Ended September 27, 2013 | Twelve Months Ended September 28, 2012 | Twelve Months Ended September 30, 2011 |
|---|---|---|---|---|
| Net income attributable to ARAMARK Corporation stockholder | $ 94.7 | $ 102.1 | $ 138.3 | $ 100.1 |
| Interest and other financing costs, net | 356.7 | 372.8 | 401.7 | 426.3 |
| Provision for income taxes | 43.0 | 38.4 | 38.8 | 9.0 |
| Depreciation and amortization | 545.5 | 542.1 | 529.2 | 510.5 |
| Covenant EBITDA | 1,039.9 | 1,055.4 | 1,108.0 | 1,045.9 |
| Share-based compensation expense | 60.8 | 19.4 | 15.7 | 17.3 |
| Unusual or non-recurring (gains)/losses(1) | 12.7 | 8.7 | (6.7) | 1.8 |
| Pro forma EBITDA for equity method investees(2) | 20.4 | 21.0 | 26.0 | 23.6 |
| Pro forma EBITDA for certain transactions(3) | (7.1) | | (0.1) | 2.0 |
| Seamless North America, LLC EBITDA(4) | | (1.6) | (17.5) | (17.2) |
| Other(5) | 70.1 | 76.1 | 10.3 | 26.8 |
| Covenant Adjusted EBITDA | $ 1,196.8 | $ 1,179.0 | $ 1,135.7 | $ 1,100.2 |

(1) The twelve months ended December 27, 2013 includes a pretax loss of approximately $6.7 million related to the sale of the McKinley Chalet hotel in our Sports, Leisure and Corrections sector of the FSS North America segment. The twelve months ended December 27, 2013 and September 27, 2013 includes goodwill impairment charges in Spain and Korea, asset write-downs mainly related to client contract investments and other income related to the Company s investments (possessory interest) at one of our terminated National Park Service ( NPS ) client sites. Fiscal 2012 includes other income recognized related to our investment (possessory interest) at one of our NPS sites which was terminated in the prior year. Fiscal 2011 includes the after-tax loss on the sale of our Galls business, the gain on the sale of our 67% ownership interest in a security business in Chile, goodwill and other intangible assets impairment charge and other income related to a compensation agreement signed with the NPS under which the NPS agreed to pay down a portion of our investment (possessory interest) in certain assets at one of our NPS sites.

(2) Represents our estimated share of EBITDA from our AIM Services Co., Ltd. equity method investment not already reflected in Covenant EBITDA. EBITDA for this equity method investee is calculated in a manner consistent with Covenant EBITDA but does not represent cash distributions received from this investee.

(3) Represents the annualizing of estimated EBITDA from acquisitions and divestitures made during the period.

(4) During fiscal 2011, the Company sold a noncontrolling ownership interest in Seamless North America, LLC. In connection with the sale, we designated Seamless North America, LLC as an Unrestricted Subsidiary under the senior secured credit agreement, and as a result, its EBITDA for all periods presented are excluded from Covenant Adjusted EBITDA.

(5) Other includes certain other miscellaneous items (primarily severance related expenses).

Our covenant requirements and actual ratios for the twelve months ended December 27, 2013 are as follows:

| | Covenant Requirements | Actual Ratios |
|---|---|---|
| Maximum Consolidated Secured Debt Ratio(1) | 5.75x | 3.78x |
| Interest Coverage Ratio (Fixed Charge Coverage Ratio)(2) | 2.00x | 3.86x |

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(1) Our senior secured credit agreement requires us to maintain a maximum Consolidated Secured Debt Ratio, defined as consolidated total indebtedness secured by a lien to Covenant Adjusted EBITDA, of 5.875x, being reduced over time to 5.125x by the end of 2016. Consolidated total indebtedness secured by a lien is defined in the senior secured credit agreement as total indebtedness outstanding under the senior secured credit agreement, capital leases, advances under the receivables facility and any other indebtedness secured by a lien reduced by the lesser of the amount of cash and cash equivalents on our balance sheet that is free and clear of any lien and $75 million. Non-compliance with the maximum Consolidated Secured Debt Ratio could result in the requirement to immediately repay all amounts outstanding under such agreement, which, if the Company s revolving credit facility lenders failed to waive any such default, would also constitute a default under our indenture.

(2) Our senior secured credit agreement establishes an incurrence-based minimum Interest Coverage Ratio, defined as Covenant Adjusted EBITDA to consolidated interest expense, the achievement of which is a condition for us to incur additional indebtedness and to make certain restricted payments. If we do not maintain this minimum Interest Coverage Ratio calculated on a pro forma basis for any such additional indebtedness or restricted payments, we could be prohibited from being able to incur additional indebtedness, other than the additional funding provided for under the senior secured credit agreement and pursuant to specified exceptions, and make certain restricted payments, other than pursuant to certain exceptions. The minimum Interest Coverage Ratio is 2.00x for the term of the senior secured credit agreement. Consolidated interest expense is defined in the senior secured credit agreement as consolidated interest expense excluding interest income, adjusted for acquisitions and dispositions, further adjusted for certain non-cash or nonrecurring interest expense and our estimated share of interest expense from one equity method investee. The indenture governing our senior notes includes a similar requirement which is referred to as a Fixed Charge Coverage Ratio.

The Company and its subsidiaries, affiliates or significant stockholders may from time to time, in their sole discretion, purchase, repay, redeem or retire any of the Company s outstanding debt securities (including any publicly issued debt securities), in privately negotiated or open market transactions, by tender offer or otherwise, or extend or refinance any of the Company s outstanding indebtedness. The Company used the net proceeds from its IPO to repay borrowings of approximately $154.1 million on the senior secured revolving credit facility that were borrowed during the first quarter of fiscal 2014 and $370.0 million on the senior secured term loan facility, due July 2016.

***Contractual Obligations***

The following table summarizes the Company s future obligations for debt repayments, capital leases, estimated interest payments, future minimum rental and similar commitments under noncancelable operating leases as well as contingent obligations related to outstanding letters of credit and guarantees as of September 27, 2013 (dollars in thousands):

| | | Payments Due by Period | | | |
|---|---|---|---|---|---|
| **Contractual Obligations as of September 27, 2013** | **Total** | **Less than 1 year** | **1-3 years** | **3-5 years** | **More than 5 years** |
| Long-term borrowings(1) | $ 5,779,450 | $ 53,822 | $ 3,354,128 | $ 38,000 | $ 2,333,500 |
| Capital lease obligations | 52,385 | 12,019 | 20,699 | 12,029 | 7,638 |
| Estimated interest payments(2) | 1,127,100 | 258,800 | 482,700 | 242,400 | 143,200 |
| Operating leases | 599,969 | 219,698 | 170,081 | 119,592 | 90,598 |
| Purchase obligations(3) | 249,840 | 140,961 | 56,934 | 17,164 | 34,781 |
| Other long-term liabilities reflected on the balance sheet(4) | 254,300 | 20,100 | 12,300 | 6,600 | 215,300 |
| | $ 8,063,044 | $ 705,400 | $ 4,096,842 | $ 435,785 | $ 2,825,017 |

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| Other Commercial Commitments as of September 27, 2013 | Total Amounts Committed | Amount of Commitment Expiration Per Period Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
|---|---|---|---|---|---|
| Letters of credit | $ 121,660 | $ 121,660 | $ | $ | $ |
| Guarantees | | | | | |
| | $ 121,660 | $ 121,660 | $ | $ | $ |

(1) Excludes the $7.8 million discount on the term loans. The Company used the net proceeds from its IPO to repay borrowings of approximately $154.1 million on the senior secured revolving credit facility that were borrowed during the first quarter of fiscal 2014 and $370.0 million on the senior secured term loan facility, due July 2016.
(2) These amounts represent future interest payments related to our existing debt obligations based on fixed and variable interest rates specified in the associated debt agreements. Payments related to variable debt are based on applicable rates at December 27, 2013 plus the specified margin in the associated debt agreements for each period presented. The amounts provided relate only to existing debt obligations and do not assume the refinancing or replacement of such debt. The average debt balance for each fiscal year from 2014 through 2020 is $5,433,000, $5,385,700, $4,843,500, $2,356,300, $2,342,300, $2,243,700 and $791,700, respectively. The average interest rate (after giving effect to interest rate swaps) for each fiscal year from 2014 through 2020 is 4.76%, 4.71%, 4.73%, 5.38%, 4.94%, 4.78% and 4.55%, respectively. Refer to Note 6 to the consolidated financial statements for the terms and maturities of existing debt obligations.
(3) Represents commitments for capital projects and client contract investments to help finance improvements or renovations at the facilities from which the Company operates.
(4) Includes certain unfunded employee retirement obligations.

The Company has excluded from the table above uncertain tax liabilities due to the uncertainty of the amount and period of payment. As of September 27, 2013, the Company has gross uncertain tax liabilities of $27.3 million (see Note 9 to our consolidated financial statements). During fiscal 2013, the Company made contributions totaling $19.7 million into our defined benefit pension plans and benefit payments and settlements of $16.8 million out of these plans. Estimated contributions to our defined benefit pension plans in fiscal 2014 are $25.8 million and estimated benefit payments out of these plans in fiscal 2014 are $12.2 million (see Note 8 to our consolidated financial statements).

Prior to the IPO, pursuant to the Amended and Restated Stockholders Agreement of the Company, upon termination of employment from the Company or one of its subsidiaries, members of the Company s management (other than Mr. Neubauer) who held shares of common stock could have caused the Company to repurchase all of their initial investment shares (as defined) or shares acquired as a result of the exercise of Installment Stock Purchase Opportunities at appraised fair market value. Generally, payment for shares repurchased could have been, at the Company s option, in cash or installment notes, which would be effectively subordinated to all indebtedness of the Company. The amount of this potential repurchase obligation had been classified outside of stockholders equity. Upon completion of the IPO, this provision was terminated. The amount of common stock subject to repurchase as of December 27, 2013 and September 27, 2013 was $0 and $158.7 million.

The Company has an agreement (the Receivables Facility ) with several financial institutions whereby it sells on a continuous basis an undivided interest in all eligible accounts receivable, as defined in the Receivables Facility. The maximum amount available under the Receivables Facility is $300 million, which expires in January 2015. Pursuant to the Receivables Facility, the Company formed ARAMARK Receivables, LLC, a wholly-owned, consolidated, bankruptcy-remote subsidiary. ARAMARK Receivables, LLC was formed for the sole purpose of transferring receivables generated by certain subsidiaries of the Company. Under the Receivables Facility, the Company and certain of its subsidiaries transfer without recourse all of their accounts receivable to ARAMARK Receivables, LLC. As collections reduce previously transferred interests, interests in new, eligible receivables are transferred to ARAMARK Receivables, LLC, subject to meeting certain conditions. As of

December 27, 2013, approximately $300.0 million was outstanding under the Receivables Facility and is included in Long-Term Borrowings in the Condensed Consolidated Balance Sheet. Amounts borrowed under the Receivables Facility fluctuate monthly based on the Company s funding requirements and the level of qualified receivables available to collateralize the Receivables Facility.

The Company s business activities do not include the use of unconsolidated special purpose entities, and there are no significant business transactions that have not been reflected in the accompanying financial statements. The Company is self-insured for a limited portion of the risk retained under its general liability and workers compensation arrangements. Self-insurance reserves are recorded based on actuarial analyses.

**Critical Accounting Policies and Estimates**

The Company s significant accounting policies are described in the notes to the consolidated financial statements included in this prospectus. As described in such notes, the Company recognizes sales in the period in which services are provided pursuant to the terms of our contractual relationships with our clients. Sales from direct marketing activities are recognized upon shipment.

In preparing our financial statements, management is required to make estimates and assumptions that, among other things, affect the reported amounts of assets, liabilities, sales and expenses. These estimates and assumptions are most significant where they involve levels of subjectivity and judgment necessary to account for highly uncertain matters or matters susceptible to change, and where they can have a material impact on our financial condition and operating performance. We discuss below the more significant estimates and related assumptions used in the preparation of our condensed consolidated financial statements. If actual results were to differ materially from the estimates made, the reported results could be materially affected.

***Asset Impairment Determinations***

Goodwill and the ARAMARK trade name are indefinite lived intangible assets that are not amortizable and are subject to an impairment test that we conduct annually or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists, using discounted cash flows. The Company performs its assessment of goodwill at the reporting unit level. Within the FSS International segment, each country is evaluated separately since such operating units are relatively autonomous and separate goodwill balances have been recorded for each entity.

With respect to our other long-lived assets, we are required to test for asset impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. If indicators of impairment are present, the Company compares the sum of the future expected cash flows from the asset, undiscounted and without interest charges, to the asset s carrying value. If the sum of the future expected cash flows from the asset is less than the carrying value, an impairment would be recognized for the difference between the estimated fair value and the carrying value of the asset.

In making future cash flow analyses of various assets, the Company makes assumptions relating to the following:

- the intended use of assets and the expected future cash flows resulting directly from such use;
- comparable market valuations of businesses similar to the Company s business segments;
- industry specific economic conditions;
- competitor activities and regulatory initiatives; and
- client and consumer preferences and behavior patterns.

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We believe that an accounting estimate relating to asset impairment is a critical accounting estimate because the assumptions underlying future cash flow estimates are subject to change from time to time and the recognition of an impairment could have a significant impact on our consolidated statement of income.

***Environmental Loss Contingencies***

Accruals for environmental loss contingencies (i.e., environmental reserves) are recorded when it is probable that a liability has been incurred and the amount can reasonably be estimated. Management views the measurement of environmental reserves as a critical accounting estimate because of the considerable uncertainty surrounding estimation, including the need to forecast well into the future. We are involved in legal proceedings under federal, state, local and foreign environmental laws in connection with our operations or businesses conducted by our predecessors or companies that we have acquired. The calculation of environmental reserves is based on the evaluation of currently available information, prior experience in the remediation of contaminated sites and assumptions with respect to government regulations and enforcement activity, changes in remediation technology and practices, and financial obligations and creditworthiness of other responsible parties and insurers.

***Litigation and Claims***

From time to time, the Company and its subsidiaries are party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business, including those brought by clients, consumers, employees, government entities and third parties under, among others, federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, minority, women and disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, consumer protection statutes, procurement regulations, intellectual property laws, food safety and sanitation laws, cost and accounting principles, the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy laws and alcohol licensing and service laws, or alleging negligence and/or breaches of contractual and other obligations. Management considers the measurement of litigation reserves as a critical accounting estimate because of the significant uncertainty in some cases relating to the outcome of potential claims or litigation and the difficulty of predicting the likelihood and range of potential liability involved, coupled with the material impact on our results of operations that could result from litigation or other claims. In determining legal reserves, management considers, among other issues:

- interpretation of contractual rights and obligations;
- the status of government regulatory initiatives, interpretations and investigations;
- the status of settlement negotiations;
- prior experience with similar types of claims;
- impact to the Company s brand or reputation;
- whether there is available insurance; and
- advice of counsel.

***Allowance for Doubtful Accounts***

We encounter risks associated with sales and the collection of the associated accounts receivable. We record a provision for accounts receivable that are considered to be uncollectible. In order to calculate the appropriate provision, management analyzes the creditworthiness of specific clients and the aging of client balances. Management also considers general and specific industry economic conditions, industry concentrations, such as exposure to small and medium-sized businesses, the non-profit healthcare sector and the automotive, airline and financial services industries, and contractual rights and obligations. Management believes that the accounting estimate related to the allowance for doubtful accounts is a critical accounting estimate because the underlying assumptions used for the allowance can change from time to time and uncollectible accounts could potentially have a material impact on our results of operations.

***Inventory Obsolescence***

We record an inventory obsolescence reserve for obsolete, excess and slow-moving inventory, principally in the Uniform and Career Apparel segment. In calculating our inventory obsolescence reserve, management analyzes historical and projected data regarding client demand within specific product categories and makes assumptions regarding economic conditions within client specific industries, as well as style and product changes. Management believes that its accounting estimate related to inventory obsolescence is a critical accounting estimate because client demand in certain of our businesses can be variable and changes in our reserve for inventory obsolescence could materially affect our results of operations.

***Income Taxes***

We use the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our condensed consolidated financial statements or tax returns. We must make assumptions, judgments and estimates to determine our current provision for income taxes and also our deferred tax assets and liabilities and any valuation allowance to be recorded against a deferred tax asset. Our assumptions, judgments and estimates relative to the current provision for income taxes take into account current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly impact the amounts provided for income taxes in our consolidated financial statements. Our assumptions, judgments and estimates relative to the amount of deferred income taxes take into account estimates of the amount of future taxable income, and actual operating results in future years could render our current assumptions, judgments and estimates inaccurate. Any of the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ from our estimates.

***Share-Based Compensation***

We value our non-qualified stock options (time- and performance-based) and installment stock purchase opportunities ( ISPO ) awards using the Black-Scholes option valuation model. The Black-Scholes option valuation model uses assumptions of expected volatility, the expected dividend yield of our stock, the expected term of the awards and the risk-free interest rate, as well as our estimated fair value of our common stock. Since our stock has not been publicly traded for a significant amount of time, the expected volatility is based on an average of the historical volatility of our competitors stocks over the expected term of the share-based awards. The dividend yield assumption is based on our history and expected future dividend payouts, excluding dividends that resulted from activities we deemed to be one-time in nature. The expected term for all grants of time-based awards and ISPO awards were calculated using the simplified methods as permitted under SEC rules and regulations due to the lack of history of our equity incentive plan and the lack of history of a public market for our common stock. The expected term for all grants and modifications of performance-based awards was calculated utilizing the same approach as time-based awards as management believes that the exercise activity of award holders is similar for both types of awards, however management has calculated a different expected term for each tranche of the performance-based awards. The simplified method uses the midpoint between an option s vesting date and contractual term. The risk-free interest rate assumption is based upon the rate applicable to the U.S. Treasury security with a maturity equal to the expected term of the option on the grant date. All other employee share-based awards and non-employee director awards are valued based on the fair value of our common stock on the date of grant.

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Share-based compensation expense is recognized in our results of operations for the awards that are expected to vest. For time-based options, restricted stock and restricted stock units, share-based compensation expense is recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. For performance-based awards, management must assess the probability of the achievement of performance targets, as defined in the plan. If the targets are not probable of achievement, changes in the recognition of share-based compensation expense may occur. Management makes its probability assessments based on the Company s actual and projected results of operations. As share-based compensation expense recognized in the Company s results of operations is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. Forfeitures are estimated at the time of each grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on our historical experience.

Management believes that the accounting estimate related to the expense of share-based awards is a critical accounting estimate because the underlying assumptions can change from time to time and, as a result, the compensation expense that we record in future periods may differ significantly from what we have recorded in the current period with respect to similar instruments.

***Fair Value of Financial Assets and Financial Liabilities***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. The hierarchical levels related to the subjectivity of the valuation inputs are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement

Management believes that the carrying value of cash and cash equivalents, accounts receivable and accounts payable are representative of their respective fair values. The fair value of the Company s debt was computed using market quotes, if available, or based on discounted cash flows using market interest rates as of the end of the period. The fair values for interest rate swap agreements, foreign currency forward exchange contracts and gasoline and diesel fuel agreements are based on quoted market prices from various banks for similar instruments, adjusted for the Company and the counterparties credit risk. The Company performs an independent review of these values to determine if they are reasonable. The fair value of our derivative instruments are impacted by changes in interest rates, foreign exchange rates, and the prices of gasoline and diesel fuel. The fair value of our common stock subject to repurchase is derived principally from unobservable inputs. Management believes that the accounting estimate related to the fair value of our financial assets and financial liabilities is a critical accounting estimate due to its complexity and the significant judgments and estimates involved in determining fair value in the absence of quoted market prices.

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Critical accounting estimates and the related assumptions are evaluated periodically as conditions warrant, and changes to such estimates are recorded as new information or changed conditions require.

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**New Accounting Standard Updates**

See Note 13 to our condensed consolidated financial statements for a full description of recent accounting standard updates, including the expected dates of adoption.

**Quantitative and Qualitative Disclosure About Market Risk**

We are exposed to the impact of interest rate changes and manage this exposure through the use of variable-rate and fixed-rate debt and by utilizing interest rate swaps. We do not enter into contracts for trading purposes and do not use leveraged instruments. The market risk associated with debt obligations as of December 27, 2013 has not materially changed from September 27, 2013. The information below summarizes our market risks associated with debt obligations and other significant financial instruments as of September 27, 2013 (See Notes 6 and 7 to our consolidated financial statements). Fair values were computed using market quotes, if available, or based on discounted cash flows using market interest rates as of the end of the respective periods. For debt obligations, the table presents principal cash flows and related interest rates by contractual fiscal year of maturity. Variable interest rates disclosed represent the weighted-average rates of the portfolio at September 27, 2013. For interest rate swaps, the table presents the notional amounts and related weighted-average interest rates by the fiscal year of maturity. The variable rates presented are the average forward rates for the term of each contract.

| As of September 27, 2013 | 2014 | 2015 | Expected Fiscal Year of Maturity 2016 | 2017 | 2018 | Thereafter | Total | Fair Value |
|---|---|---|---|---|---|---|---|---|
| | | | | (US$ equivalent in millions) | | | | |
| **Debt:** | | | | | | | | |
| Fixed rate | $ 12 | $ 13 | $ 8 | $ 6 | $ 6 | $ 1,007[(a)] | $ 1,052 | $ 1,068 |
| Average interest rate | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.8% | 5.7% | |
| Variable rate | $ 54[(b)] | $ 336[(b)(c)] | $ 3,018[(b)] | $ 24[(b)] | $ 14[(b)] | $ 1,333[(b)] | $ 4,779 | $ 4,787 |
| Average interest rate | 6.3% | 1.9% | 3.8% | 4.2% | 4.0% | 4.0% | 3.7% | |
| **Interest Rate Swaps:** | | | | | | | | |
| Receive variable/pay fixed | $ 585 | | $ 500 | $ 1,075 | $ 300 | | $ 2,460 | $ (63) |
| Average pay rate | 3.5% | | 2.2% | 1.7% | 0.6% | | | |
| Average receive rate | 0.3% | | 0.3% | 0.4% | 1.9% | | | |

(a) Balance includes $1,000 million of senior notes callable by us at any time with any applicable prepayment penalty.

(b) Balance includes $25 million for fiscal 2014, $33 million for fiscal 2015, $3,014 million for fiscal 2016, $14 million for fiscal 2017 and fiscal 2018 and $1,334 million thereafter of senior secured term loan facilities callable by us at any time.

(c) Balance includes $300 million of borrowings under the receivables facility.

As of September 27, 2013, the Company had foreign currency forward exchange contracts outstanding with notional amounts of 95.9 million ($129.6 million), £45.8 million ($74.0 million), kr.26.6 million ($4.8 million) and CAD16.0 million ($15.5 million) to mitigate the risk of changes in foreign currency exchange rates on short-term intercompany loans to certain international subsidiaries. As of September 27, 2013, the fair value of these foreign exchange contracts is $0.4 million, which is included in Accounts Payable in our Consolidated Balance Sheets.

The Company entered into a series of pay fixed/receive floating gasoline and diesel fuel agreements based on the Department of Energy weekly retail on-highway index in order to limit its exposure to price fluctuations for gasoline and diesel fuel. As of September 27, 2013, the Company has contracts for approximately 0.2 million gallons outstanding for fiscal 2014. As of September 27, 2013, the fair value of the Company s gasoline and diesel fuel hedge agreements is $0.1 million, which is included in Prepayments and Other Current Assets in our Consolidated Balance Sheets.

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# BUSINESS

## Our Company

We are a leading global provider of food, facilities and uniform services to education, healthcare, business and industry, and sports, leisure and corrections clients. Our core market is North America, which is supplemented by an additional 19-country footprint serving many of the fastest growing global geographies. We hold the #2 position in North America in food, and facilities services and uniform services based on total sales in 2013. Internationally, we hold a top 3 position in food and facilities services based on total sales in 2013 in most countries in which we have significant operations, and are one of only 3 food and facilities competitors with our combination of scale, scope, and global reach. Through our established brand, broad geographic presence and employees, we anchor our business in our partnerships with thousands of education, healthcare, business, sports, leisure and corrections clients. Through these partnerships we serve millions of consumers including students, patients, employees, sports fans and guests worldwide. The scope and range of ARAMARK s services are evidenced by the following:

- We provide services to 86% of the Fortune 500
- We serve over 500 million meals annually to approximately 5 million students at colleges, universities, and K-12 schools
- We service over 2,000 healthcare facilities, collectively representing over 75 million patient days annually
- We cater to approximately 100 million sports fans annually through our partnerships with over 150 professional and collegiate teams
- We serve approximately 50 million visitors annually to convention centers, national and state parks
- We maintain and enhance the environment in over 800 million square feet of client facility space
- We put over 2 million people in uniforms each day
- We operate in 22 countries in North America, Europe, Asia and South America
- We provide refreshment services to over 100,000 offices in North America
- We provide food and commissary services to correctional facilities housing over 300,000 inmates
- We provide food and facilities services to over 160 mining and off-shore and in-shore oil & gas drilling operations around the world

We operate our business in three reportable segments that share many of the same operating characteristics: FSS North America, FSS International and Uniform. Both FSS North America and Uniform have significant scale and hold the #2 position in North America while all of our reportable segments hold a top 3 position in most countries in which we have significant operations based on 2013 total sales. The following chart shows a breakdown of our sales and operating income by our reportable segments:

(1) Fiscal 2013 operating income excludes $74.2 million of unallocated corporate expenses.

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We believe that our broad range of services, diversified client base, global reach and repeatable business model position us well for continued growth and margin expansion opportunities, although there can be no assurance that we will continue to grow. In fiscal 2013, we generated $13.9 billion of sales, $70 million of net income and $514.4 million of operating income. As of December 27, 2013, we had $5.6 billion of total debt.

**Our Mission**

ARAMARK s mission is to ***Deliver experiences that enrich and nourish lives.*** This mission is anchored in a set of goals, which we refer to as our core values, that guide our execution in the marketplace:

***Sell and Serve with Passion.*** Placing clients and consumers at the center of all that we do by listening and responding to their needs with service focused on quality and innovation

***Set Goals. Act. Win.*** Maintaining a culture of accountability where performance matters and exhibiting leadership that achieves and exceeds expectations through our execution

***Front-Line First.*** Providing our front-line employees with tools and training that empower them to deliver excellence at the point of service to thousands of consumers and clients every day

***Integrity and Respect Always.*** High ethical standards are the cornerstone of the ARAMARK brand and help us earn the trust of our key constituents

We strive to accomplish this mission through a repeatable business model founded on five principles of excellence selling, service, execution, marketing and operations. Our commitment to these values has earned us numerous awards and recognitions; we have been named one of the World s Most Admired Companies by Fortune Magazine in the category of Diversified Outsourcing Services every year since 1999 and we are recognized as one of the World s Most Ethical Companies by the Ethisphere Institute. Fortune Magazine conducts its survey of the World s Most Admired Companies by requesting industry executives, directors and analysts to rank the 15 largest companies in each international industry and the 10 largest for each U.S. industry based on revenue based on nine criteria ranging from investment value to social responsibility. The criteria for selection as one of the Ethisphere Institute s World s Most Ethical Companies is based on Ethisphere s collection of certain information regarding a company s corporate governance, risk, sustainability, compliance or ethics and the processing of such information through Ethisphere s internal ethics rating system.

**Our History and Recent Accomplishments**

Since ARAMARK s founding in 1959, we have broadened our service offerings and expanded our client base through a combination of organic growth and successful acquisitions, with the goal of further developing our food, facilities and uniform capabilities, as well as growing our international presence.

In 1984, we completed a management buyout, after which our management and employees increased their Company ownership to approximately 90% of our equity capital leading up to our December 2001 public offering.

On January 26, 2007, ARAMARK delisted from the NYSE in conjunction with a going-private transaction executed with investment funds affiliated with GS Capital Partners, CCMP Capital Advisors, J.P. Morgan Partners, Thomas H. Lee Partners, L.P. and Warburg Pincus LLC as well as approximately 250 senior management personnel.

In May 2012, Eric Foss became the new CEO and President of our company. Previously, Mr. Foss was the CEO of Pepsi Beverages Company and was Chairman and CEO of the publicly-traded Pepsi Bottling Group.

Under Mr. Foss leadership at ARAMARK, we have introduced a number of initiatives designed to accelerate revenue and profit growth and expand margins. Our programs focused on the enhanced management of our key costs food, labor and overhead include SKU rationalization (a consolidation of product categories for our purchases), standardization of portion sizes, waste control, enhanced labor scheduling, turn-over reduction and SG&A discipline, among others. We expect SKU rationalization to reduce our food costs by allowing us to concentrate our purchasing power with suppliers and achieve a lower average cost per unit. We are also training our employees to use standardized portioning and waste control measures in an effort to reduce the amount of food that we utilize in providing our services thereby improving our profitability. To improve our labor costs, we have implemented technology solutions and process improvements designed to reduce over-scheduling of labor and similar staffing inefficiencies, thereby reducing total hours worked. We also hope to lower our recruiting and training costs through programs designed to reduce employee turnover. Our initiatives to reduce our SG&A costs are focused on eliminating redundant processes and centralizing our back office functions, among others.

In 2013, we continued to grow our existing business and win new clients, including the Ohio and Michigan departments of corrections, the Minnesota Vikings, the Chicago Bears, and the Tampa Bay Buccaneers, and additional services from existing clients such as Airbus and American University. There is no assurance that we will continue to grow and gain new customers.

In December 2013, ARAMARK Holdings Corporation completed its initial public offering of 36,250,000 shares of common stock. The net proceeds received from the sale of 28,000,000 shares of our common stock we sold in the initial public offering, net of costs directly related to the initial public offering, were approximately $524.1 million. We used the net proceeds to repay approximately $370.0 million of the outstanding term loans due July 26, 2016 under our senior secured credit facilities and approximately $154.1 million of outstanding borrowings under the revolving credit facilities constituting part of our senior secured credit facilities.

**Food and Support Services**

Our Food and Support Services segments manage a number of interrelated services including food, hospitality and facility services for school districts, colleges and universities, healthcare facilities, businesses, sports, entertainment and recreational venues, conference and convention centers, national and state parks and correctional institutions. Our Food and Support Services segments holds the #2 position in North America and a top 3 position in most countries in which FSS has significant operations based on 2013 total sales.

We are the exclusive provider of food and beverage services at most of the locations we serve and are responsible for hiring, training and supervising substantially all of the food service personnel in addition to ordering, receiving, preparing and serving food and beverage items sold at those facilities. Our facilities services capabilities are broad, and include plant operations and maintenance, custodial/housekeeping, energy management, clinical equipment maintenance, grounds keeping, and capital project management. In governmental, business, educational and healthcare facilities (for example, offices and industrial plants, schools and universities and hospitals), our clients provide us with a captive client base through their on-site employees, students and patients. At sports, entertainment and recreational facilities, our clients attract patrons to their site, usually for specific events such as sporting events and conventions.

We manage our Food and Support Services business in two geographic reportable segments split between our North America and International operations. For the first quarter of fiscal 2014, our FSS North America segment generated $2.6 billion in sales, or 70% of our total sales, and our FSS International segment generated $0.8 billion in sales, or 20% of our total sales. No individual client represents more than 2% of our 2013 total sales, other than, collectively, a number of U.S. government agencies. See note 12 to our condensed consolidated financial statements and note 14 to our consolidated financial statements for information on revenue, profit and total assets for the FSS North America segment and the FSS International segment.

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***Clients and Services***

Our Food and Support Services segments serves a number of client sectors across 22 countries around the world. Our Food and Support Services operations focus on serving clients in four principal sectors:

| Sector | Types of Clients | Food Services | Facilities Services |
|---|---|---|---|
| **Education** | Colleges and universities<br>Public school districts and systems<br>Private schools | Dining services<br>Catering<br>Food service management<br>Retail operations | Facilities management<br>Custodial services<br>Grounds<br>Energy management<br>Construction management<br>Capital project management |
| **Healthcare** | Hospitals<br>Nursing homes | Food and nutrition services<br>Retail operations | Clinical equipment maintenance<br>Environmental services<br>Laundry and linen distribution<br>Plant operations<br>Energy management<br>Strategic and technical services<br>Supply chain management<br>Purchasing<br>Central transportation |
| **Business & Industry** | Manufacturing plants<br>Corporate cafeterias<br>Mining operations<br>Oil & Gas drilling operations | Dining services<br>On-site restaurants<br>Catering<br>Convenience stores<br>Executive dining rooms<br>Coffee and vending<br>Drinking water filtration | Housekeeping management<br>Plant operations/maintenance<br>Energy management<br>Groundskeeping<br>Landscaping<br>Transportation<br>Capital program management<br>Commissioning services<br>Building operations consulting |
| **Sports, Leisure and Corrections** | Professional and collegiate stadiums and arenas | Concessions<br>Banquet and catering | Recreational and lodging services<br>Commissary services |

| | | |
|---|---|---|
| Concert venues | Retail and merchandise sales | Laundry and linen management |
| National and state parks | Food and nutrition services | Property room management |
| Convention and civic centers | | |
| Correctional facilities | | |

*Education.* Within the Education sector we serve Higher Education and K-12 clients. We deliver a wide range of food and facility services at more than 1,400 colleges, universities, school systems and districts and private schools. We offer our education clients a single source provider for managed service solutions, including dining, catering, food service management, convenience-oriented retail operations, grounds and facilities maintenance, custodial, energy management, construction management, and capital project management.

*Healthcare.* We provide a wide range of non-clinical support services to approximately 1,100 healthcare clients and more than 2,000 facilities across our global footprint. We offer healthcare organizations a single source provider for managed service solutions, which include food services such as patient food and nutrition services and retail food services, and facilities services such as clinical equipment maintenance, environmental services, laundry and linen distribution, plant operations, energy management, strategic/technical services, supply chain management, purchasing and central transportation.

*Business & Industry.* We provide a comprehensive range of business dining services, including on-site restaurants, catering, convenience stores and executive dining.

We also provide coffee and vending services to business and industry clients at thousands of locations. Our service and product offerings include a full range of coffee and beverage offerings, grab and go food operations, convenience stores and a proprietary drinking water filtration system.

We also offer a variety of facility management services to business and industry clients. These services include the management of housekeeping, plant operations and maintenance, energy management, laundry and linen, groundskeeping, landscaping, transportation, capital program management and commissioning services and other facility consulting services relating to building operations.

We also offer remote services which include facility and business support services primarily for mining and oil operations.

*Sports, Leisure and Corrections.* We administer concessions, banquet and catering services, retail services and merchandise sales, recreational and lodging services and facility management services at sports, entertainment and recreational facilities. We serve 156 professional (including minor league affiliates) and college sports teams, including 40 teams in Major League Baseball, the National Basketball Association, the National Football League and the National Hockey League. We also serve 25 convention and civic centers, 16 national and state parks and other resort operations, plus numerous concert venues, entertainment complexes and other popular tourist attractions in the United States and Canada. Additionally, we provide correctional food services, operate commissaries, laundry facilities and property rooms and provide food and facilities management services for parks.

Our FSS International segment provides a similar range of services as those provided to our FSS North America segment clients and operates in all of our sectors. We have operations in 19 countries outside North America. Our largest international operations are in the United Kingdom, Germany, Chile and Ireland, and in each of these countries we are one of the leading food service providers. We also have operations in emerging market countries, such as China, and a strong presence in Japan through our 50% ownership of AIM Services Co., Ltd., a leader in providing outsourced food services in Japan. In addition to the core Business & Industry sector, our FSS International segment serves many soccer stadiums across Europe, and numerous educational institutions, correctional institutions and convention centers globally. There are particular risks attendant with our international operations. Please see Risk Factors.

***Purchasing***

We negotiate the pricing and other terms for the majority of our purchases of food and related products in the United States and Canada directly with national manufacturers. We purchase these products and other items through SYSCO Corporation and other distributors. We have a master distribution agreement with SYSCO that covers a significant amount of our purchases of these products and items in the United States and another distribution agreement with SYSCO that covers our purchases of these products in Canada. Our distributors are responsible for tracking our orders and delivering products to our specific locations. Due to our ability to negotiate favorable terms with our suppliers, we receive vendor consideration, including rebates, allowances and volume discounts. See Types of Contracts below. Our location managers also purchase a number of items, including bread, dairy products and alcoholic beverages from local suppliers, and we purchase certain items directly from manufacturers.

Our relationship with SYSCO is important to our operations we have had distribution agreements in place for more than 20 years. In fiscal 2013, SYSCO distributed approximately 60% of our food and non-food products in the United States and Canada, and we believe that we are one of their largest clients. However, we believe that the products acquired through SYSCO can, in significant cases, be purchased through other sources and that termination of our relationship with them or any disruption of their business would cause only short-term disruptions to our operations.

Our agreements with our distributors are generally for an indefinite term, subject to termination by either party after a notice period, which is generally 60 to 120 days. The pricing and other financial terms of these agreements are renegotiated periodically. Our current agreement with SYSCO is terminable by either party with 180 days notice.

In our international segment, our approach to purchasing is substantially similar. On a country-by-country basis, we negotiate pricing and other terms for a majority of our purchases of food and related products with manufacturers operating in the applicable country, and we purchase these products and other items through distributors in that country. Due to our ability to negotiate favorable terms with our suppliers, we receive vendor consideration, including rebates, allowances and volume discounts. See Types of Contracts below. As in North America, our location managers also purchase a number of items, including bread, dairy products and alcoholic beverages from local suppliers, and we purchase certain items directly from manufacturers. Our agreements with our distributors are subject to termination by either party after a notice period, which is generally 60 days. The pricing and other financial terms of these agreements are renegotiated periodically.

Our relationship with distributors in the countries outside the United States and Canada is important to our operations, but from an overall volume standpoint, no distributor outside the United States and Canada distributes a significant volume of products. We believe that products we acquire from our distributors in countries outside the United States and Canada can, in significant cases, be purchased from other sources, and that the termination of our relationships with our distributors outside the United States and Canada, or the disruption of their business operations, would cause only short-term disruption to our operations.

***Sales and Marketing***

We maintain selling and marketing excellence by focusing on the execution of a common selling process as well as optimal resource allocation and deployment. Our common selling process ensures that we sell our services to our clients in the same way, regardless of the sector in which such client is located. We have developed consistent tools and training that are used across all of our businesses to train our employees on this selling process. Our business development functions are aligned directly with the sectors and services in which we have leadership positions, and we combine our targeted business development strategies with our strong client relationships to deliver differentiated and innovative solutions. We target our business development by aligning our sales efforts directly with the sectors and services in which we operate. We identify individuals at various levels in our organization to match up with individuals in a variety of roles at both existing and potential clients. We believe that these connections throughout various levels within the client organization allow us to develop strong relationships with the client and gain a better understanding of the clients requirements. Based on the knowledge of the clients requirements and the sector, our goal is to develop solutions for the client that are unique and that help to differentiate us from our competitors. We believe that, through our years of operational experience as well as periodic surveys, we have significant insight into the factors that influence client and consumer choice and tailor our interactions to maximize impact and create a demonstrable growth trajectory. We believe that our sales and marketing platform has created a common toolkit and a repeatable process to deliver both improved retention as well as cross-selling opportunities.

The effectiveness of our approach has been demonstrated through our improved growth trajectory. Our estimated net new business (the estimated annualized sales of new clients less the annualized sales of lost clients as if they were acquired or lost on the first day of the fiscal year) during fiscal year 2013 was approximately 208% of the previous three year average and our performance in fiscal 2013 was approximately 32% greater than in fiscal 2012. Our estimated net new business was approximately $525 million in fiscal 2013. Because our calculation of estimated net new business is made on an annualized basis, the full amount of estimated net new business for any given fiscal year will not be fully recognized in our sales until the following fiscal year.

***Types of Contracts***

We use contracts that allow us to manage our potential upside and downside risk in connection with our various business interactions with clients. Our contracts may require that the client s consent be obtained in order to raise prices on the food, beverages and merchandise we sell within a particular facility. The length of contracts that we enter into with clients varies. Contracts generally are for fixed terms, many of which are in excess of one year. Client contracts for sports, entertainment and recreational services typically require larger capital investments, but have correspondingly longer and fixed terms, usually from five to fifteen years.

When we enter into new contracts, or extend or renew existing contracts, particularly those for stadiums, arenas, convention centers, colleges and universities, we are sometimes contractually required to make some form of up-front or future capital investment to help finance improvement or renovation, typically to the food and beverage facilities of the venue from which we operate. Contractually required capital expenditures typically take the form of investment in leasehold improvements, food service equipment and/or grants to clients. At the end of the contract term or upon its earlier termination, assets such as equipment and leasehold improvements typically become the property of the client, but generally the client must reimburse us for any undepreciated or unamortized capital investments.

Food and Support Services contracts are generally obtained and renewed either through a competitive process or on a negotiated basis, although contracts in the public sector are frequently awarded on a competitive bid basis, as required by applicable law. Contracts for Food and Support Services with school districts and correctional clients are typically awarded through a formal bid process. Contracts in the private sector may be entered into on a less formal basis, but we and other companies will often compete in the process leading up to the award or the completion of contract negotiations. Typically, after the award, final contract terms are negotiated and agreed upon.

We use two general contract types in our Food and Support Services segments: profit and loss contracts and client interest contracts. These contracts differ in their provision for the amount of financial risk that we bear and, accordingly, the potential compensation, profits or fees we may receive. Commission rates and management fees, if any, may vary significantly among contracts based upon various factors, including the type of facility involved, the term of the contract, the services we provide and the amount of capital we invest.

*Profit and Loss Contracts.* Under profit and loss contracts, we receive all of the revenue from, and bear all of the expenses of, the provision of our services at a client location. Expenses under profit and loss contracts sometimes include commissions paid to the client, typically calculated as a fixed or variable percentage of various categories of sales, and, in some cases, require minimum guaranteed commissions. We benefit from greater upside potential with a profit and loss contract, although we do consequently bear greater downside risk than with a client interest contract. For fiscal 2013, approximately 73% of our Food and Support Services sales were derived from profit and loss contracts.

*Client Interest Contracts.* Client interest contracts include management fee contracts, under which our clients reimburse our operating costs and pay us a management fee, which may be calculated as a fixed dollar amount or a percentage of sales or operating costs. Some management fee contracts entitle us to receive incentive fees based upon our performance under the contract, as measured by factors such as sales, operating costs and client satisfaction surveys. Client interest contracts also include limited profit and loss contracts, under which we receive a percentage of any profits earned from the provision of our services at the facility and we generally receive no payments if there are losses. As discussed above under Purchasing, we receive vendor consideration, including rebates, allowances and volume discounts that we retain except in those cases and to the extent that, under certain arrangements, they are passed through to our clients. For our client interest contracts, both our upside potential and downside risk are reduced compared to our profit and loss contracts. For fiscal 2013, approximately 27% of our Food and Support Services sales were derived from client interest contracts.

***Competition***

There is significant competition in the Food and Support Services business from local, regional, national and international companies, as well as from the businesses, healthcare institutions, colleges and universities, correctional facilities, school districts and public assembly facilities that decide to provide these services themselves. Institutions may decide to operate their own services or outsource to one of our competitors following the expiration or termination of contracts with us. Clients do not necessarily choose the lowest cost provider, and tend to place a premium on the total value proposition offered. In our FSS North America segment, our external competitors include other multi-regional food and support service providers, such as Centerplate, Inc., Compass Group plc, Delaware North Companies Inc. and Sodexo SA. Internationally, our external food service and support service competitors include Compass Group plc, Elior SA, International Service System A/S and Sodexo SA. We also face competition from many regional and local service providers.

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We believe that the following competitive factors are the principal drivers of our success:

- quality and breadth of services and management talent;
- service innovation;
- reputation within the industry;
- pricing; and
- financial strength and stability.

***Seasonality***

Our sales and operating results have varied, and we expect them to continue to vary, from quarter to quarter as a result of different factors. Within our FSS North America segment, historically there has been a lower level of activity during our first and second fiscal quarters in the sports, entertainment and recreational services. This lower level of activity historically has been partially offset during our first and second fiscal quarters by the increased activity in our educational operations. Conversely, historically there has been a significant increase in the provision of sports, entertainment and recreational services during our third and fourth fiscal quarters, which is partially offset by the effect of summer recess at colleges, universities and schools.

**Uniform**

Our Uniform segment provides uniforms and other garments and work clothes and ancillary items such as mats and shop towels in the United States, Puerto Rico, Canada and through a joint venture in Japan. We hold the #2 position in the North American uniform services market. We operate approximately 2,600 routes nationally, giving us a broad reach to service our clients needs.

Clients use our uniforms to meet a variety of needs, including:

- establishing corporate identity and brand awareness;
- projecting a professional image;
- protecting workers work clothes can help protect workers from difficult environments such as heavy soils, heat, flame or chemicals; and
- protecting products uniforms can help protect products against contamination in the food, pharmaceutical, electronics, health care and automotive industries.

We provide a full service employee uniform solution, including design, sourcing and manufacturing, delivery, cleaning and maintenance. We rent uniforms, work clothing, outerwear, particulate-free garments and non-garment items and related services, including industrial towels, floor mats, mops, linen products, and paper products to businesses in a wide range of industries, including manufacturing, food services, automotive, healthcare, construction, utilities, repair and maintenance services, restaurant and hospitality. For the first quarter of fiscal 2014, our Uniform segment generated $0.4 billion in sales, or 10% of our total sales. See note 12 to our condensed consolidated financial statements and note 14 to our consolidated financial statements for information on revenue, profit and total assets for the Uniform segment.

***Clients and Services***

We serve businesses of all sizes in many different industries. We have a diverse client base, serving clients in all 50 states, Puerto Rico and one Canadian province, from over 200 service location and distribution centers across the United States and one service center in Ontario, Canada. None of our clients individually represents a material portion of our sales. We typically visit our clients sites weekly, delivering clean, finished uniforms and, at the same time, removing the soiled uniforms or other items for cleaning, repair or replacement. We also offer products for direct sale.

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Our cleanroom service offers advanced static dissipative garments, barrier apparel, sterile garments and cleanroom application accessories for clients with contamination-free operations in the technology, food, healthcare and pharmaceutical industries.

We conduct our direct marketing business through three primary brands WearGuard, Crest and ARAMARK. We design, source or manufacture and distribute distinctive image apparel to workers in a wide variety of industries through the Internet at www.shoparamark.com, dedicated sales representatives and telemarketing sales channels. We customize and embroider personalized uniforms and logos for clients through an extensive computer assisted design center and distribute work clothing, outerwear, business casual apparel and footwear throughout the United States, Puerto Rico and Canada.

***Operations***

We operate our uniform rental business as a network of 78 laundry plants and 148 satellite plants and depots supporting over 2,600 pick-up and delivery routes. We operate a fleet of service vehicles that pick up and deliver uniforms for cleaning and maintenance. We conduct our direct marketing activities principally from our facilities in Salem, Virginia; Norwell, Massachusetts; and Reno, Nevada. We market our own brands of apparel and offer a variety of customized personalization options such as embroidery and logos. We also source uniforms and other products to our specifications from a number of domestic and international suppliers and also manufacture a significant portion of our uniform requirements. We purchase uniform and textile products as well as equipment and supplies from domestic and international suppliers. The loss of any one supplier would not have a significant impact on us. We also operate a cutting and sewing plant in Mexico, which satisfies a substantial amount of our standard uniform inventory needs.

***Sales and Marketing***

Our sales representatives and route sales drivers are responsible for selling our services to current and potential clients and developing new accounts through the use of an extensive, proprietary database of pre-screened and qualified business prospects. We build our brand identity through local advertising, promotional initiatives and through our distinctive service vehicles. Our clients frequently come to us through client referrals, either from our uniform rental business or from our other service sectors. Our customer service representatives generally interact on a weekly basis with their clients, while our support personnel are charged with expeditiously handling client requirements regarding the outfitting of new client employees and other customer service needs.

***Types of Contracts***

We typically serve our rental clients under written service contracts for an initial term of three to five years. While clients are not required to make an up-front investment for their uniforms, in the case of nonstandard uniforms and certain specialty programs, clients typically agree to reimburse us for our costs if they terminate their agreement early. With the exception of certain governmental bid business, most of our direct marketing business is conducted under invoice arrangement with repeat clients.

***Competition***

Although the United States rental industry has experienced some consolidation, there is significant competition in all the areas that we serve, and such competition varies across geographies. Although many competitors are smaller local and regional firms, we also face competition from other large national firms such as Cintas Corporation, G&K Services, Inc. and UniFirst Corporation. We believe that the primary competitive factors that affect our operations are quality, service, design, consistency of product, and distribution capability, particularly for large multi-location clients, and price. We believe that our ability to compete effectively is enhanced by the quality and breadth of our product line as well as our nationwide reach.

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**Employees**

As of September 27, 2013, we had a total of approximately 272,000 employees, including seasonal workers, consisting of approximately 162,000 full-time and approximately 110,000 part-time employees in our three business segments. The number of part-time employees varies significantly from time to time during the year due to seasonal and other operating requirements. We generally experience our highest level of employment during the fourth fiscal quarter. The approximate number of employees by segment is as follows: FSS North America: 170,000; FSS International: 88,000; Uniform: 14,000. In addition, the ARAMARK corporate staff is approximately 200 employees. Approximately 40,000 employees in our North American operations are covered by collective bargaining agreements. We have not experienced any material interruptions of operations due to disputes with our employees and consider our relations with our employees to be satisfactory.

**Properties**

Our principal executive offices are located at ARAMARK Tower, 1101 Market Street, Philadelphia, Pennsylvania 19107. Our principal real estate is primarily comprised of Uniform facilities. As of September 27, 2013, we operated 248 service facilities in our Uniform segment, consisting of industrial laundries, cleanroom laundries, warehouses, distribution centers, satellites, depots, and stand-alone garages that are located in 40 states, Mexico, Canada and Puerto Rico. Of these, approximately 50% are leased and approximately 50% are owned. In addition, we operate one cutting and sewing plant in Mexico. We own 11 buildings that we use in our FSS North America segment, including two office buildings, three hotels and several office/warehouse spaces, and we lease 148 premises, consisting of offices, office/warehouses and distribution centers. In addition, we own a distribution center and four other properties and lease 109 facilities throughout the world that we use in our FSS International segment. We also maintain other real estate and leasehold improvements, which we use in the Uniform and FSS segments. No individual parcel of real estate owned or leased is of material significance to our total assets.

**Legal Proceedings**

Our business is subject to various federal, state and local laws and regulations governing, among other things, the generation, handling, storage, transportation, treatment and disposal of water wastes and other substances. We engage in informal settlement discussions with federal, state, local and foreign authorities regarding allegations of violations of environmental laws in connection with our operations or businesses conducted by our predecessors or companies that we have acquired, the aggregate amount of which and related remediation costs we do not believe should have a material adverse effect on our financial condition or results of operations.

From time to time, the Company and its subsidiaries are party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business, including those brought by clients, consumers, employees, government entities and third parties under, among others, federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, minority, women and disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, consumer protection statutes, procurement regulations, intellectual property laws, food safety and sanitation laws, cost and accounting principles, the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy laws and alcohol licensing and service laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, the Company does not believe that any such actions, proceedings or investigations are likely to be, individually or in the aggregate, material to its business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company s business, financial condition, results of operations or cash flows.

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**Governmental Regulation**

We are subject to various governmental regulations, such as environmental, labor, employment, immigration, health and safety laws and liquor licensing and dram shop laws. In addition, our facilities and products are subject to periodic inspection by federal, state and local authorities. We have established, and periodically update, various internal controls and procedures designed to maintain compliance with these regulations. Our compliance programs are subject to changes in federal or state legislation, or changes in regulatory interpretation, implementation or enforcement. From time to time both federal and state government agencies have conducted audits of certain of our practices as part of routine investigations of providers of services under government contracts, or otherwise. Like others in our business, we receive requests for information from governmental agencies in connection with these audits. If we fail to comply with applicable laws, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, debarments from government contracts or loss of liquor licenses.

Our operations are subject to various governmental regulations, including those governing:

- the service of food and alcoholic beverages;
- collection of sales tax;
- minimum wage, overtime, wage payment and employment discrimination;
- immigration;
- governmentally funded entitlement programs;
- environmental protection;
- human health and safety;
- customs, import and export control laws;
- the Foreign Corrupt Practices Act, the U.K. Bribery Act and other anti-bribery laws;
- minority business enterprise and women owned business enterprise statutes;
- federal motor carrier safety; and
- privacy and client data security.

There are a variety of regulations at various governmental levels relating to the handling, preparation and serving of food, including in some cases requirements relating to the temperature of food, the cleanliness of the kitchen, and the hygiene of personnel, which are enforced primarily at the local public health department level. While we attempt to comply with applicable laws and regulations, we cannot assure you that we are in full compliance at all times with all of the applicable laws and regulations referenced above. Furthermore, legislation and regulatory attention to food safety is very high. Additional or amended regulations in this area may significantly increase the cost of compliance.

In addition, various federal, state and provincial agencies impose nutritional guidelines and other requirements on us at certain of the healthcare, education and corrections facilities we serve. We may also be subject to regulations that limit or restrict the use of trans fats in the food we serve or other requirements relating to ingredient or nutrient labeling. There can be no assurance that federal or state legislation, or changes in regulatory implementation or interpretation of government regulations, would not limit our activities in the future or significantly increase the cost of regulatory compliance.

Because we serve alcoholic beverages at many sports, entertainment and recreational facilities, including convention centers and national and state parks, we also hold liquor licenses incidental to our contract food service business and are subject to the liquor license requirements of the jurisdictions in which we hold a liquor license. As of September 27, 2013, our subsidiaries held liquor licenses in 41 states and the District of Columbia,

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three Canadian provinces and certain other countries. Typically, liquor licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of our operations, including minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control and handling, and storage, dispensing and service of alcoholic beverages. We have not encountered any material problems relating to alcoholic beverage licenses to date. The failure to receive or retain a liquor license in a particular location could adversely affect our ability to obtain such a license elsewhere. Some of our contracts require us to pay liquidated damages during any period in which our liquor license for the facility is suspended, and most contracts are subject to termination if we lose our liquor license for the facility. Our service of alcoholic beverages is also subject to state, provincial and local service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to minors or visibly intoxicated persons. If we violate dram shop laws, we may be liable to the patron or to third parties for the acts of the patron. We sponsor regular training programs designed to minimize the likelihood of such a situation. However, we cannot guarantee that intoxicated or minor patrons will not be served or that liability for their acts will not be imposed on us.

Our uniform rental business and our food and support service business are subject to various environmental protection laws and regulations, including the U.S. federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act and similar state and local statutes and regulations governing the use, management, shipping and disposal of chemicals and hazardous materials. In particular, industrial laundries use certain detergents and cleaning chemicals to launder garments and other merchandise. The residues from such detergents and chemicals and residues from soiled garments and other merchandise laundered at our facilities may result in potential discharges to air and to water (through sanitary sewer systems and publicly owned treatment works) and may be contained in waste generated by our wastewater treatment systems. Our industrial laundries are subject to certain volume and chemical air and water pollution discharge limits, monitoring, permitting and recordkeeping requirements. We own or operate aboveground and underground storage tank systems at some locations to store petroleum products for use in our or our clients operations. Certain of these storage tank systems also are subject to performance standards, periodic monitoring and recordkeeping requirements. We also may use and manage chemicals and hazardous material in our operations from time to time. We are mindful of the environmental concerns surrounding the use, management, shipping and disposal of these chemicals and hazardous materials, and have taken and continue to take measures to maintain compliance with environmental protection laws and regulations. Given the regulated nature of our operations, we could face penalties and fines for non-compliance. In the past, we have settled, or contributed to the settlement of, actions or claims relating to the management of underground storage tanks and the handling and disposal of chemicals or hazardous materials, either on or off-site. We may, in the future, be required to expend material amounts to rectify the consequences of any such events. Under environmental laws, we may be liable for the costs of removal or remediation of certain hazardous materials located on or in or emanating from our owned or leased property or our clients properties, as well as related costs of investigation and property damage. Such laws may impose liability without regard to our fault, knowledge or responsibility for the presence of such hazardous substances. We may not know whether our clients properties or our acquired or leased properties have been operated in compliance with environmental laws and regulations or that our future uses or conditions will not result in the imposition of liability upon us under such laws or expose us to third-party actions such as tort suits.

We do not anticipate any capital expenditures for environmental remediation that would have a material effect on our financial condition.

**Intellectual Property**

We have the patents, trademarks, trade names and licenses that are necessary for the operation of our business. Other than the ARAMARK brand, we do not consider our patents, trademarks, trade names and licenses to be material to the operation of our business in any material respect.

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## MANAGEMENT

### Executive Officers and Directors

The following table sets forth certain information regarding our executive officers and directors as of February 21, 2014:

| Name | Age | Position | With the company since |
|---|---|---|---|
| Joseph Neubauer | 72 | Chairman of the Board and Director | 1979 |
| Eric J. Foss | 55 | Chief Executive Officer and President and Director | 2012 |
| Lynn B. McKee | 58 | Executive Vice President, Human Resources | 1980 |
| Christina Morrison | 47 | Senior Vice President, Finance | 2013 |
| Joseph Munnelly | 49 | Senior Vice President, Controller and Chief Accounting Officer | 2007 |
| Stephen Reynolds | 55 | Executive Vice President, General Counsel and Secretary | 2012 |
| L. Frederick Sutherland | 62 | Executive Vice President and Chief Financial Officer | 1980 |
| Karen A. Wallace | 47 | Vice President and Treasurer | 2004 |
| Todd M. Abbrecht | 45 | Director | 2007 |
| Lawrence T. Babbio, Jr. | 69 | Director | 1999 |
| David A. Barr | 50 | Director | 2013 |
| Leonard S. Coleman, Jr. | 65 | Director | 1999 |
| Daniel J. Heinrich | 57 | Director | 2013 |
| James E. Ksansnak | 73 | Director | 1986 |
| Sanjeev Mehra | 55 | Director | 2007 |
| Stephen P. Murray | 51 | Director | 2007 |
| Stephen Sadove | 62 | Director | 2013 |

***Joseph Neubauer*** has been our Chairman of the Board since April 1984. He served as our Chief Executive Officer from February 1983 to December 2003 and from September 2004 to May 2012. From January 2004 to September 2004, he served as our Executive Chairman. He was our President from April 1981 to May 1997. He currently is a director of Verizon Communications Inc. and Macy s, Inc. and was a director of Wachovia Corporation from 1996 to 2008.

***Eric J. Foss*** has been our Chief Executive Officer and President since May 2012. Before joining us, Mr. Foss served as Chief Executive Officer of Pepsi Beverages Company from 2010 until December 2011. Prior to that Mr. Foss served as Chairman and Chief Executive Officer of The Pepsi Bottling Group from 2008 until 2010; President and Chief Executive Officer from 2006 until 2007; and Chief Operating Officer from 2005 until 2006. Mr. Foss serves on the board of UDR, Inc. and CIGNA Corporation.

***Lynn B. McKee*** has been our Executive Vice President, Human Resources since August 2013 and she previously served as our Executive Vice President, Human Resources from May 2004 to August 2012. From August 2012 to August 2013, Ms. McKee served as our Executive Vice President, Human Resources and Communications. From January 2004 to May 2004, she was our Senior Vice President of Human Resources and from September 2001 to December 2003, she served as Senior Vice President of Human Resources for our Food and Support Services Group. From August 1998 to August 2001, she served as our Staff Vice President, Executive Development and Compensation. Ms. McKee serves on the board of directors of Bryn Mawr Bank Co.

***Christina Morrison*** joined us in June 2013 as our Senior Vice President, Finance. Before joining us, Ms. Morrison served as Senior Vice President, Business and Financial Planning of Merck & Co., Inc. from 2009 to 2013. Prior to that, Ms. Morrison served as Senior Vice President, Chief Financial Officer of Wyeth Pharmaceuticals from 2007 to 2009 and as Vice President, U.S. Chief Financial Officer from 2005 to 2007; she served as Wyeth s Vice President, New Business, Women s Health Care from 2004 to 2005. From 2003 to 2004 Ms. Morrison was Executive Director, Strategic Planning of The Rouse Company. From 1989 to 2002 Ms. Morrison served in various capacities at Deutsche Bank s Mergers and Acquisitions and Health Care Groups.

***Joseph Munnelly*** joined us in September 2007 as Senior Vice President and Deputy Controller and was elected as our Senior Vice President and appointed Controller and Chief Accounting Officer effective March 2008. Prior to joining us, he served as Vice President and Corporate Controller at Unisys Corporation, a worldwide information technology services and solutions company, since 2005. Prior to that, he served as a partner at KPMG LLP in the Audit and Risk Advisory Services Practice. Prior to his tenure at KPMG, he spent 16 years with Arthur Andersen LLP, most recently as a partner in the Audit and Business Advisory practice.

***Stephen R. Reynolds*** was appointed our Executive Vice President, General Counsel and Secretary, effective September 2012. Before joining us, Mr. Reynolds was an executive with Alcatel-Lucent for seven years, having most recently served as Senior Vice President and General Counsel from January 2006 to August 2012.

***L. Frederick Sutherland*** became our Chief Financial Officer in May 1997. He has served as an Executive Vice President since May 1993. He served as Group Executive, ARAMARK Uniform and Career Apparel from June 2009 to August 2012. From May 1993 to May 1997, he also served as President of our Uniform Services division and from February 1991 to May 1993, he served as our Senior Vice President of Finance and Corporate Development. Mr. Sutherland served as our Treasurer from February 1984 to February 1991. Mr. Sutherland is a director of Consolidated Edison, Inc.

***Karen A. Wallace*** became our Vice President and Treasurer in May 2012. From November 2010 to May 2012, she served as Staff Vice President and Assistant Treasurer. She joined us in December 2004 and was elected Assistant Treasurer in February 2005 and served in that role until November 2010. Before joining us, Ms. Wallace served as Assistant Treasurer of Armstrong World Industries.

***Todd M. Abbrecht*** is a Managing Director of Thomas H. Lee Partners, L.P. Prior to joining Thomas H. Lee Partners in 1992, Mr. Abbrecht was in the Mergers and Acquisitions department of Credit Suisse First Boston. Mr. Abbrecht previously served on the board of directors of Warner Chilcott plc and Dunkin Brands Group, Inc. Mr. Abbrecht currently serves as a director of Fogo de Chão, Intermedix Corporation, InVentiv Health, Inc. and Party City.

***Lawrence T. Babbio, Jr.*** is currently retired. He most recently served as a Senior Advisor to Warburg Pincus, a private equity firm, from June 2007 until March 2012. Previously, Mr. Babbio served as Vice Chairman and President of Verizon Communications, Inc., a telecommunications company, from 2000 until his retirement in April 2007. Mr. Babbio also served as Vice Chairman of Bell Atlantic Corporation, a telecommunications company, from 1995 until the formation of Verizon through the merger of Bell Atlantic and GTE Corporation, another telecommunications company, in 2000; as President and Chief Operating Officer of Bell Atlantic from 1994 to 1995; and Chairman, Chief Executive Officer and President of Bell Atlantic Enterprises International, Inc. from 1991 to 1994. Mr. Babbio previously served on the board of directors of Hewlett-Packard Company and Verizon Communications, Inc.

***David A. Barr*** has been a Partner of Warburg Pincus & Co. and a Member and Managing Director of Warburg Pincus LLC since January 2001. Prior to joining Warburg Pincus, Mr. Barr was a managing director at Butler Capital for more than 10 years and worked at Goldman Sachs. He currently serves on the board of Builders FirstSource, Inc and several private companies. Previously, he served as a director of The Neiman Marcus Group, Inc., TransDigm Group Incorporated and Polypore International, Inc.

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***Leonard S. Coleman, Jr***. is currently retired. Mr. Coleman most recently served as a Senior Advisor to Major League Baseball from 1999 to December 2005. Mr. Coleman served as President of The National League of Professional Baseball Clubs from 1994 to 1999, having served since 1992 as Executive Director, Market Development of Major League Baseball. Previously, Mr. Coleman was a municipal finance banker for Kidder, Peabody & Company. Mr. Coleman is a director of Avis Budget Group, Inc., Omnicom Group Inc., Churchill Downs Incorporated and Electronic Arts Inc. He previously served on the board of directors of H.J. Heinz Company.

***Daniel J. Heinrich*** most recently served as Executive Vice President and Chief Financial Officer at The Clorox Company from 2009 to 2011. He started with Clorox in 2001 as Vice President and Controller and served in that role until 2003. In 2003 he became Chief Financial Officer and from 2004 until 2009, Senior Vice President and Chief Financial Officer. Prior to joining Clorox he was Senior Vice President and Treasurer of Transamerica Corporation from 1996 to 2001; Senior Vice President, Controller and Treasurer of Granite Management Company from 1994 to 1996; Senior Vice President, Controller and Chief Accounting Officer of First Nationwide Bank from 1986 to 1994 and at Ernst & Young LLP from 1978 to 1986 as an accountant and then Senior Audit Manager. Mr. Heinrich serves on the board of directors of Energizer Holdings, Inc. and E.&J. Gallo Winery. He previously served on the board of Advanced Medical Optics, Inc.

***James E. Ksansnak*** is currently retired. Mr. Ksansnak served as Chairman of the board of directors of Tasty Baking Company from May 2003 until May 2011. He was our vice chairman from May 1997 until March 2000. From February 1991 to May 1997, he was our executive vice president; from May 1986 to February 1991, he was our senior vice president; and from May 1986 to May 1997, he was our chief financial officer. Previously, Mr. Ksansnak also served on the board of directors of CSS Industries, Inc.

***Sanjeev Mehra*** has been a Managing Director of Goldman, Sachs & Co. s Principal Investment Area of its Merchant Banking Division since 1996 and is currently Co-Head of the U.S. private equity business. He serves on the board of directors of Sungard Data Systems, Inc., Interline Brands, Inc. and KAR Auction Services, Inc. Mr. Mehra previously served on the board of directors of Hawker Beechcraft, Inc. and Burger King Holdings, Inc.

***Stephen P. Murray*** has been the President and Chief Executive Officer of CCMP Capital Advisors, LLC ( CCMP ) since March 2007. Currently, he serves on the board of directors of Generac Holdings, Inc. Previously, Mr. Murray also served on the board of directors of AMC Entertainment Inc., Warner Chilcott plc and Cabela s Incorporated.

***Stephen Sadove*** has served as Chief Executive Officer of Saks Incorporated since 2006 and Chairman and CEO since 2007 until November 5, 2013. He was Chief Operating Officer of Saks from 2004 to 2006. He started with Saks in 2002, serving as Vice Chairman of the board of directors and has been Chairman of the board since 2007. Prior to joining Saks, Mr. Sadove was with Bristol-Meyers Squibb Company from 1991 until 2002, first as President, Clairol from 1991 to 1996, then President, Worldwide Beauty Care from 1996 to 1997, then President, Worldwide Beauty Care and Nutritionals from 1997 to 1998, and finally, Senior Vice President and President, Worldwide Beauty Care. He was employed by General Foods Corporation from 1975 until 1991 in various managerial roles, most recently as Executive Vice President and General Manager, Desserts Division from 1989 until 1991. Mr. Sadove currently serves on the board of directors of Colgate-Palmolive Company, Ruby Tuesday, Inc. and J.C. Penney Company, Inc. He was previously a director of Equity Office Properties Trust.

Our executive officers are elected annually by the board of directors and serve at its discretion or until their successors are duly elected and qualified.

**Composition of the Board of Directors**

Our business and affairs are managed under the direction of our board of directors. Following the completion of the initial public offering, our board of directors consists of 11 directors, at least 5 of whom (Messrs. Babbio, Coleman, Heinrich, Ksansnak and Sadove) are considered independent under NYSE corporate governance standards.

*Background and Experience of Directors*

When considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our board of directors to satisfy its oversight responsibilities effectively in light of our business and structure, the board of directors focused primarily on each person s background and experience as reflected in the information discussed in each of the directors individual biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business. In particular, the members of our board of directors considered the following important characteristics, among others:

Mr. Neubauer our board considered his extensive history with and knowledge of the Company, his business experience both before and after he joined the Company and his experience serving on the boards of other public companies.

Mr. Foss our board considered his extensive knowledge of the Company through his service as CEO and President, his business experience and his experience serving on boards of other public companies.

Mr. Abbrecht our board considered his financial acumen and business leadership skills gained during his tenure at Thomas H. Lee Partners, L.P. and his experience serving on the boards of a number of other public companies, including his past performance as a board member of the Company.

Mr. Babbio our board considered his strong business skills and experience, extensive knowledge of financial and operational matters and his service on boards of other public companies, including his long history of service as a board member of the Company.

Mr. Barr our board considered his financial acumen and business leadership skills gained during his tenure at Warburg Pincus and his experience serving on the boards of a number of other public companies.

Mr. Coleman our board considered his leadership roles, his long history of board service to the Company, his extensive experience as a board member of other public companies and his sports industry background.

Mr. Heinrich our board considered his extensive financial and business background, including his tenure as chief financial officer of a public company.

Mr. Ksansnak our board considered his extensive financial and business background, his food industry background, his long history with the Company, and his experience serving on the board of a number of public companies, including his past performance as a board member of the Company.

Mr. Mehra our board considered his financial acumen and business leadership skills gained during his tenure at Goldman, Sachs & Co. and his experience serving on the boards of a number of other public companies, including his past performance as a board member of the Company.

Mr. Murray our board considered his financial acumen and business leadership skills gained during his tenure at CCMP, and prior to that, at J.P. Morgan Partners, and his experience serving on the boards of a number of other public companies, including his past performance as a board member of the Company.

Mr. Sadove our board considered his strong business skills and experience, his extensive knowledge of financial and operational matters in the retail industry and his service on boards of other public companies.

*Role of Board in Risk Oversight*

The board of directors has extensive involvement in the oversight of risk management related to us and our business and accomplishes this oversight through the regular reporting by the Audit Committee. The Audit Committee represents the board of directors by periodically reviewing our accounting, reporting and financial practices, including the integrity of our financial statements, the surveillance of administrative and financial controls and our compliance with legal and regulatory requirements. Through its regular meetings with management, including the accounting, finance, legal, and internal audit functions, the Audit Committee reviews and discusses all significant areas of our business and summarizes for the board of directors all areas of risk and the appropriate mitigating factors. In addition, our board of directors receives periodic detailed operating performance reviews from management.

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**Controlled Company Exception**

Following the completion of our initial public offering, certain stockholders continue to beneficially own a majority of the voting power of all outstanding shares of our common stock. Under the NYSE corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance standards, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities, (3) the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities and (4) the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees. Following the initial public offering, we are utilizing certain of these exemptions. As a result, we do not have a majority of independent directors on our board of directors; and we do not have a nominating and corporate governance committee or a compensation committee that is composed entirely of independent directors. Also, such committees are not required to be subject to annual performance evaluations. In the event that we cease to be a controlled company, we will be required to comply with these provisions within the transition periods specified in the NYSE corporate governance rules.

**Board Committees**

Following the completion of the initial public offering, our board of directors has five standing committees: the Audit and Corporate Practices Committee (the Audit Committee ), the Compensation and Human Resources Committee (the Compensation Committee ), the Nominating and Corporate Governance Committee (the Nominating Committee ), the Finance Committee and the Stock Committee.

Each of our standing committees operates under a written charter approved by our board of directors. The charters of each of our standing committees are available on our website. The board and each of our standing committees other than the Stock Committee, perform self-evaluations on an annual basis.

Our chief executive officer and president and other executive officers regularly report to the non-executive directors and the Audit, the Compensation, the Nominating and the Finance Committees to ensure effective and efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of management controls. The vice president of internal audit reports functionally and administratively to our chief financial officer and directly to the Audit Committee. We believe that the leadership structure of our board of directors provides appropriate risk oversight of our activities given the controlling interests held by certain of our stockholders.

***Audit Committee***

Following the completion of the initial public offering, we have an Audit Committee, consisting of Messrs. Ksansnak (Chairman), Neubauer, Abbrecht, Coleman, Heinrich and Murray. Messrs. Coleman, Ksansnak and Heinrich qualify as independent directors under the NYSE corporate governance standards and the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act ) and each of Messrs. Ksansnak and Heinrich qualifies as an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K.

The purpose of the Audit Committee is to prepare the audit committee report required by the SEC to be included in our proxy statement and to assist our board of directors in overseeing and monitoring (1) the quality and integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) our independent registered public accounting firm s qualifications and independence, (4) the performance of our internal audit function and (5) the performance of our independent registered public accounting firm.

***Compensation and Human Resources Committee***

Following the completion of the initial public offering, we have a Compensation and Human Resources Committee, consisting of Messrs. Murray (Chairman), Neubauer, Babbio, Coleman, Mehra and Sadove.

The purpose of the Compensation and Human Resources Committee is to assist our board of directors in discharging its responsibilities relating to (1) setting our compensation program and compensation of our executive officers and directors, (2) monitoring our incentive and equity-based compensation plans, (3) preparing the compensation committee report required to be included in our proxy statement under the rules and regulations of the SEC and (4) reviewing our contribution policy and practices for our retirement benefit plans.

***Nominating and Corporate Governance Committee***

Following the completion of the initial public offering, we have a Nominating and Corporate Governance Committee, consisting of Messrs. Mehra (Chairman), Neubauer, Barr, Coleman and Sadove.

The purpose of our Nominating and Corporate Governance Committee is to assist our board of directors in discharging its responsibilities relating to (1) identifying individuals qualified to become new members of the board of directors, consistent with criteria approved by the board of directors, subject to the Stockholders Agreement; (2) reviewing the qualifications of incumbent directors to determine whether to recommend them for reelection and selecting, or recommending that the board of directors select, the director nominees for the next annual meeting of stockholders; (3) identifying board of directors members qualified to fill vacancies on any board of directors committee and recommending that the board of directors appoint the identified member or members to the applicable committee, subject to the Stockholders Agreement; (4) reviewing and recommending to the board of directors corporate governance principles applicable to us; (5) overseeing the evaluation of the board of directors and management; and (6) handling such other matters that are specifically delegated to the committee by the board of directors from time to time.

***Finance Committee***

Following the completion of the initial public offering, we have a Finance Committee, consisting of Messrs. Abbrecht (Chairman), Neubauer, Babbio, Barr, Heinrich and Ksansnak.

The purpose of our Finance Committee is to assist our board of directors in discharging its responsibilities relating to the review of our long-term business direction and goals and the strategy for maintaining that direction and achieving those goals. In connection with its fulfillment of this responsibility, the Finance Committee reviews with management and recommends to the board of directors our overall financial plans, including capital expenditures, acquisitions and divestitures, securities issuances and incurrences of debt, and reviews the performance of our retirement benefit plans. It also recommends to our board of directors specific transactions involving these matters, and it has been empowered by our board of directors to approve certain financial commitments and acquisitions and divestitures by us up to specified levels.

***Stock Committee***

Following the completion of the initial public offering, we have a Stock Committee, consisting of Messrs. Coleman and Sadove.

The Stock Committee has authority to administer or grant approvals under our equity and incentive compensation plans and to approve specific equity transactions or incentive awards involving our officers and directors and us. The Stock Committee also approves performance targets under our Senior Executive Annual Performance Bonus Plan and equity compensation plans.

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**Code of Ethics**

We have adopted a Business Conduct Policy that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer, which is available on the Investor Relations section of our website at www.aramark.com. Our Business Conduct Policy contains a code of ethics, as defined in Item 406(b) of Regulation S-K. Please note that our Internet website address is provided as an inactive textual reference only. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of ethics on our Internet website.

**Executive Compensation**

***Compensation Discussion and Analysis***

*Background*

This compensation discussion and analysis provides information regarding our executive compensation programs for the following executive officers in fiscal 2013:

- Eric J. Foss, our Chief Executive Officer and President;
- L. Frederick Sutherland, our Executive Vice President and Chief Financial Officer;
- Lynn B. McKee, our Executive Vice President, Human Resources;
- Stephen R. Reynolds, our Executive Vice President, General Counsel and Secretary; and
- Christina T. Morrison, our Senior Vice President, Finance.

*Equity Compensation Background*

Each of our named executive officers holds a substantial amount of equity in the Company that they were granted in connection with our 2007 Transaction or upon their commencement of employment with us, and through subsequent equity grants. This equity serves as a substantial component of our compensation program for our named executive officers and has provided significant motivation and retention value to us for two reasons:

- As a private company, the investment in our common stock generally has been illiquid while our named executive officers remain employed by us, subject only to the specified rights of the Company to repurchase stock following a termination of employment and the executive s right to cause such repurchase under certain circumstances following termination of employment or in specified amounts at specified times with respect to shares originally bought in connection with the 2007 Transaction. Following the completion of our initial public offering, our named executive officers are subject to restrictions on transfer for a period of up to 12 months following the initial public offering (subject to reduction to the extent the Sponsors reduce their ownership of the Company). In addition, Mr. Foss is currently subject to stock ownership guidelines equal to six times his base salary (taking into account owned stock) under his Employment Letter Agreement. The other named executive officers are also subject to stock ownership guidelines, and are required to retain either two or three times their base salaries depending upon their executive level. These restrictions will help to ensure that our named executive officers interests remained aligned with the interests of our stockholders and the long-term interests of the Company.

Prior to June 2013, one-half of all stock options granted have had a time-based vesting schedule and vest over a four-year period, provided that the employee continues to be employed by us. The other half of the stock options have been performance-based and require, in addition to the elapse of certain time periods, that we achieve specified financial targets before those stock options will vest. See Components of Executive Compensation Equity Incentives.

*New Equity Compensation Program*

In fiscal 2013, the compensation committee reviewed our equity program and determined to align it more closely to that of large public companies, by utilizing restricted stock, time-based stock options and restricted stock units and discontinuing the grant of Installment Stock Purchase Opportunities, or ISPOs, which required upfront employee investment in accordance with the terms of the ISPO. Stock options and restricted stock units granted in fiscal 2013 are time-based and vest 25% per year over four years, provided that the named executive officer remains employed by us. This four-year pro rata vesting schedule supports our retention objective. We plan to institute performance-based equity as a component of our new equity program in fiscal 2014, which will continue our executives focus on long-term performance. ISPOs were a specialized form of stock option for new hires and promoted employees that were divided into five equal installments, with the first installment vesting immediately upon grant and remaining exercisable for one year. The holder was required to exercise at least 25% of the first installment or he or she would forfeit the entire remaining grant. The remaining installments vested in each subsequent year on the 15th of December, beginning in December following the grant date anniversary, and were exercisable only during the 31-day period from December 15th until the immediately following January 15th. Any subsequent vested installments that were not exercised during the relevant exercise period were canceled. In connection with the compensation committee s determination to change our equity program, the Company completed an exchange offer in July 2013 whereby holders of outstanding ISPO awards had the ability to exchange such awards for new grants of restricted stock and non-qualified stock options, as further described below under Components of Executive Compensation Equity Incentives.

For fiscal 2013, Mr. Foss received an equity grant consisting of time-based stock options and restricted stock units in accordance with the terms of his Employment Letter Agreement. Messrs. Sutherland and Reynolds and Ms. McKee received equity grants consisting of time-based stock options and restricted stock units in July 2013 that were intended to make up for grants that they did not receive in 2012. The Company is currently contemplating making additional grants in early fiscal 2014 in respect of fiscal 2013 equity compensation. Regular annual grants are expected to begin in November 2014. In addition, in November 2013, the compensation committee approved grants of restricted stock units to each of the named executive officers, which became effective at the time of the initial public offering. See Components of Executive Compensation Equity Incentives Grants in Connection with the Initial Public Offering.

*Our Executive Compensation Policy*

Our compensation programs are designed to support our overall commitment to continued growth and the provision of quality services to our clients and customers. Our programs are focused on three important goals:

Attraction and Retention to enable us to recruit and retain the best performers;

Company and Individual Performance to provide compensation levels consistent with the executive s level of contribution and degree of accountability; and

Alignment and Stockholder Value Creation to use performance measures consistent with our goals and to include a significant portion of incentive compensation to motivate business results and strengthen the connection between the long-term interests of our executives and the interests of stockholders by encouraging each executive to maintain a significant ownership interest in us.

<u>Attraction and Retention</u>

Our compensation programs are an integral part of attracting and retaining our named executive officers. When we are attracting new executives, we aim to be competitive with the overall market, while maintaining internal consistency in the compensation among executives at similar levels in the Company and building compensation packages that will motivate executives to leave their then current positions and join us. We primarily achieve retention through equity grants with multi-year vesting schedules. Our stock options (other than Replacement Stock Options (as defined below)) and restricted stock units generally vest over four years, which encourages executives who receive these grants to remain with us.

Company and Individual Performance

Our business requires us to deliver exceptional, value-driven experiences to our clients and customers. Our compensation programs, particularly our Senior Executive Annual Performance Bonus Plan (the Bonus Plan ) and the Amended and Restated Management Incentive Bonus Plan (the MIB ), are designed to reward all executives, including our named executive officers, who perform to or exceed our standards by recognizing each executive s scope of responsibilities, and management capabilities, and providing incentives to him or her to optimize Company-wide financial results including, among other measures, earnings before interest and taxes, or EBIT.

Alignment and Stockholder Value Creation

We attempt to align our named executive officers and other executives goals with those of our clients, customers and stockholders. For our named executive officers who hold a significant amount of stock, either due to their initial purchases in connection with the 2007 Transaction or their commencement of employment, or who have been granted significant equity, our named executive officers interests are strongly aligned with those of our stockholders. In addition, because historically 50% of stock options granted were subject to performance-based vesting, if we perform well and satisfy the EBIT targets for performance vesting of stock options as described below in Components of Executive Compensation Equity Incentives, portions of the total number of stock options held by our named executive officers will vest. Therefore, if any executive helps us to achieve corporate EBIT growth, he or she can have a direct impact on the vesting of a portion of his or her equity. We also plan to institute performance-based equity as a component of our new equity program in fiscal 2014, which will continue our executives focus on long-term performance. This emphasis on long-term compensation underscores the importance of maintaining our executives focus on creating long-term success and sustained stockholder value.

*Role of Compensation Consultants*

The compensation committee originally engaged Frederic W. Cook & Co., Inc. as its compensation consultant in October 2007 and has reengaged Frederic W. Cook & Co., Inc. each fiscal year since that time. Ms. McKee, our Executive Vice President, Human Resources, participated in the selection of and discussions with representatives from Frederic W. Cook & Co., Inc. None of our other executive officers has participated in the selection of any particular compensation consultant. Frederic W. Cook & Co., Inc. has provided us with market intelligence and guidance on compensation trends, along with general views on specific compensation programs being designed by our Human Resources management. While only the compensation committee may formally engage compensation consultants with respect to the compensation of executive officers and directors, our management may seek the advice of these or other compensation consultants from time to time with the approval of our compensation committee chairman. In addition, only the compensation committee has the right to terminate Frederic W. Cook & Co., Inc., its compensation consultant.

The compensation committee re-engaged Frederic W. Cook & Co., Inc. in November 2012 to assist in the evaluation of compensation for our named executive officers (other than Ms. Morrison) and our board of directors, as well as other compensation-related matters for fiscal 2013. In fiscal 2013, Frederic W. Cook & Co., Inc. assisted the compensation committee with the redesign of the Company s equity compensation program and recommendations for equity awards to our named executive officers.

In the past, Frederic W. Cook & Co., Inc. assisted the compensation committee with the configuration of our peer group of companies, which the compensation committee uses to benchmark or market check compensation for certain of our named executive officers. Since 2008, our peer group has consisted of Cintas, Compass Group PLC, Darden Restaurants, FedEx, Hertz, Manpower, Marriott, McDonald s, RR Donnelley, Ryder System, Starbucks, SYSCO, Tyco International, UPS, Waste Management and Yum Brands. In terms of size, our revenues approximate the median of the peer companies, our enterprise value approximates the 25th percentile and the number of our employees is above the 75th percentile.

In November 2012, Frederic W. Cook & Co., Inc. performed a competitive review of 2012 compensation paid to Mr. Foss and the named executive officers who report directly to him to provide the compensation committee with information relating to the competitiveness of existing compensation and to assist the compensation committee with compensation decisions for fiscal 2013. In November 2012, for Mr. Foss, Frederic W. Cook & Co., Inc. benchmarked the individual components of his compensation and his total compensation against chief executive officers in our peer group as is required by his Employment Letter Agreement. For Mr. Sutherland, Frederic W. Cook & Co., Inc. performed a market check of individual components of his compensation, as well as his total compensation against other chief financial officers in our peer group. For Ms. McKee and Mr. Reynolds, Frederic W. Cook & Co., Inc. utilized a subset of the Towers Watson 2012 CDB General Industry Executive Compensation Survey - U.S. that relates to companies with over $10 billion in global corporate revenue (206 companies from the overall survey of 435 companies) (the Survey Data and together with our peer group data, Market Practice ) to perform a market check of the individual components of their compensation, as well as their total compensation. We do not consider any specific company included in the survey data to be a material factor in the review of the compensation of our named executive officers. Total cash compensation paid to our named executive officers in fiscal 2013 was generally between the median and the 75th percentile of Market Practice, which is consistent with our targeted competitive positioning. Base salaries paid to our named executive officers in fiscal 2013 generally approximated between the median and the 75th percentile of Market Practice and target bonus as a percentage of base salary generally approximated the median. Frederic W. Cook & Co., Inc. s report, which was based upon 2012 compensation data for the abovementioned named executive officers, was utilized as one data point by the compensation committee to determine base salary and bonus targets for fiscal 2013.

In November 2013, Frederic W. Cook & Co., Inc. confirmed to the compensation committee that the Company s compensation programs are competitive with Market Practice and are well balanced to provide annual and longer-term capital accumulation opportunities by way of salary, annual incentives and equity interests. As described below, in fiscal 2013, after evaluating current named executive officer compensation levels and Market Practice, Frederic W. Cook & Co., Inc. indicated that no significant changes to base salary levels and/or target bonus opportunities were required in order to support the competitiveness of the Company s compensation programs, and proposed that the compensation committee adopt market competitive long-term equity incentive opportunities to bring total direct compensation opportunities in line with the Company s proposed compensation strategy.

*Role of Compensation Committee and Executive Officers*

The compensation committee is responsible for the oversight of our executive compensation program. The compensation committee or its subcommittee (in the case of equity grants and bonus plan payments to executive officers, subject to the approval of the stock committee) makes or approves all decisions concerning compensation awarded to our named executive officers.

Compensation decisions for Mr. Foss and the named executive officers who report directly to him (Messrs. Sutherland and Reynolds and Ms. McKee) are made differently than those for our other executive officers. Compensation recommendations for Ms. Morrison are made by Mr. Sutherland, who is her supervisor, with input from Ms. McKee.

<u>Messrs. Foss, Sutherland and Reynolds and Ms. McKee</u>

Mr. Foss joined us as our Chief Executive Officer and President in May 2012. Ms. McKee negotiated his compensation package on behalf of the Company, with input from the compensation committee and our board and assistance from Frederic W. Cook & Co., Inc. and outside legal counsel. Mr. Foss compensation package was based upon benchmarking data with regard to compensation paid to other chief executive officers in our peer group. Under Mr. Foss s Employment Letter Agreement, for fiscal 2012 and fiscal 2013, he was entitled to receive minimum equity grants such that his total annual compensation is consistent with the 75th percentile of

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our market peer group. The agreement by Mr. Foss to retain shares of our common stock equal to six times his base salary also reflects the Company s emphasis on management stockholders maintaining a substantial investment in the Company. The compensation committee felt that Mr. Foss perquisites should be consistent with what other senior executives at the Company receive, also consistent with the goal of maintaining the Company s existing compensation structure.

Mr. Reynolds joined us in September 2012. In making Mr. Reynolds compensation recommendation, Ms. McKee and Mr. Foss considered the results of a market check of the Survey Data between the $50^{th}$ and $75^{th}$ percentile for similarly situated general counsels, the compensation level that was likely to be attractive to Mr. Reynolds considering his then-current compensation at his previous employer, the compensation paid to our former general counsel, Mr. Reynolds experience compared to the requirements of the position and internal consistency with respect to Mr. Reynolds compensation and the compensation of executives at similar levels in the Company. Mr. Foss and Ms. McKee recommended and the compensation committee approved with respect to Mr. Reynolds a starting base salary of $500,000 and a bonus target of $400,000, which is consistent with the targets of Company executives at his level (80% of base salary). His compensation was not increased for fiscal 2013, since he had only been at the Company for one month of fiscal 2012. In addition, Mr. Reynolds received a new hire grant of 60,000 ISPOs and 250,000 stock options that were one-half time-based and one-half performance-based. Mr. Reynolds grant recommendation was made by Mr. Foss and Ms. McKee to be consistent with a value range for Company executives at his level and was approved by the compensation committee in December 2012.

For fiscal 2013, our Human Resources department initially prepared a tally sheet for use by Frederic W. Cook & Co., Inc. in its analysis of the compensation of Mr. Foss and the named executive officers who are Mr. Foss direct reports (Messrs. Sutherland and Reynolds and Ms. McKee). The tally sheet contained the following information for Mr. Foss and each of our named executive officers who are direct reports of Mr. Foss: current base salary, bonus target and prior year s bonus award, current year option grant, if any, and current equity holdings. Frederic W. Cook & Co., Inc. used the information contained in the tally sheet, along with market data (relating to our peer group for Messrs. Foss and Sutherland and Survey Data for Ms. McKee and Mr. Reynolds) to prepare a compensation competitive review report to the compensation committee, which it provided directly to the chairman of the compensation committee. Frederic W. Cook & Co., Inc. then provided the report to Ms. McKee and discussed the report with the chairman of the compensation committee and Ms. McKee. With regard to bonus awards, our Human Resources department also prepared a report containing hypothetical bonus amounts that Messrs. Sutherland and Reynolds and Ms. McKee could have received under the MIB, which is the bonus plan available to other executives at the Company, based on business results, including revenue, EBIT and a group metric, if they had been participants in the MIB.

For 2013 base salary recommendations, which were determined in November 2012, Ms. McKee engaged in discussions with Mr. Foss regarding Mr. Sutherland s proposed calendar 2013 base salary. Following this consultation, Mr. Foss presented a recommendation for Ms. McKee s base salary and Ms. McKee presented the recommendations for Messrs. Foss and Sutherland s base salaries, to the compensation committee for its consideration. Mr. Reynolds joined the Company in September 2012 and did not receive a salary increase for calendar 2013.

For fiscal 2013 bonuses, Ms. McKee engaged in discussions with Mr. Foss regarding a bonus recommendation for Messrs. Sutherland and Reynolds, which she then presented to the compensation committee. Mr. Foss presented a bonus recommendation for Ms. McKee directly to the compensation committee. The compensation committee met in executive session to discuss Mr. Foss fiscal 2013 bonus.

Under his Employment Letter Agreement, Mr. Foss was entitled to receive an equity grant in 2013 such that his total compensation would be equal to the 75th percentile of our market peer group of companies. In June 2013, the compensation committee and the stock committee determined to give Mr. Foss an equity grant consisting of time-based stock options and restricted stock units with a value of $11,149,732, which exceeded the

75th percentile of our market peer group of companies. This grant was awarded to recognize Mr. Foss s contributions and to further encourage retention. In July 2013, Messrs. Sutherland and Reynolds and Ms. McKee received equity grants consisting of time-based stock options and restricted stock units. The equity grants were generally based upon the 50th percentile of Market Practice for equity grants made to similarly situated executives and were adjusted to maintain consistency among similarly situated executives. In making the July 2013 grants, after input from Frederic W. Cook & Co., Inc. and discussions between the chairman of the compensation committee, Frederick W. Cook & Co., Inc. and Ms. McKee, the compensation committee was presented with a recommended grant level and delegated to a subcommittee (in the case of executive officers, subject to the approval of the stock committee) the authority to make individual grants to employees, including the named executive officers. The final awards were determined by the compensation subcommittee after consultation with Mr. Foss and Ms. McKee regarding, among other things, individual grant amounts, aggregate amount of equity to be awarded to management, and the effects of stockholder dilution and accounting expense, balanced against reward and retention factors.

In addition, in November 2013, the compensation committee and the stock committee approved grants of restricted stock units to each of our named executive officers, which became effective at the time of the initial public offering. With respect to these grants, Mr. Foss and Ms. McKee met with members of the compensation committee, including the chairman of the compensation committee, over a period of weeks prior to the grants to discuss their recommendations for the dollar amount of the pool of equity to be distributed, the particular executives who would receive restricted stock unit grants and the amount of such individual awards, which were based upon a multiple of the average of base salary and bonus target for each particular executive level. Mr. Foss and Ms. McKee made recommendations regarding the restricted stock unit award amounts for each of the named executive officers other than Mr. Foss. Mr. Foss made the recommendation for Ms. McKee. Recommended amounts were consistent for executives at similar levels. The compensation committee approved the recommendations of management for the named executive officers other than Mr. Foss and determined a grant amount for Mr. Foss based upon earlier compensation committee discussions. These grants are more fully described below in Components of Executive Compensation Equity Incentives.

Ms. Morrison

Ms. Morrison joined us in June 2013. In making Ms. Morrison s cash compensation recommendation, Ms. McKee and Mr. Sutherland considered the level of cash compensation that was likely to be attractive to Ms. Morrison considering her then-current compensation at her previous employer, internal consistency with respect to the compensation of executives at similar levels in the Company, and the results of a market check against the Survey Data at the $50^{th}$ and $75^{th}$ percentile for similarly situated positions. Ms. Morrison s starting base salary is $500,000 and her bonus target is equal to $250,000, or 50% of her base salary, which is generally consistent with the bonus targets for Company executives at her level. Ms. Morrison s bonus for fiscal 2013 was prorated for her partial year of service, in addition to a guaranteed amount of $129,000 that was designed to compensate her for the bonus that she forfeited by leaving her previous employer. Ms. Morrison also received an equity grant of 186,000 time-based stock options and 38,000 restricted stock units. Of that total equity grant, 94,000 stock options and 8,000 restricted stock units were granted to her in the form of a typical new hire grant for an executive at her level. The remaining 92,000 stock options and 30,000 restricted stock units were designed to compensate Ms. Morrison for the unvested equity that she forfeited by leaving her prior employer. In November 2013, the compensation committee also approved a grant to Ms. Morrison of $500,000 worth of restricted stock units, which will become effective at the time of the initial public offering. Her grant was recommended to the compensation committee by Mr. Foss and Ms. McKee and was consistent with grants made to other executives at her level.

*The Compensation Committee s Processes*

The compensation committee generally makes its cash compensation decisions at its November meetings. New hires and promotions and other compensation adjustments are considered at its meetings throughout the year. Annual base salary decisions for the following calendar year and bonus decisions for the immediately preceding fiscal year are made in November. The bonus pool under the Bonus Plan for the current fiscal year is set in November as well. The compensation committee makes its decisions after review and discussion of recommendations made by Ms. McKee, with input from Mr. Foss, and, with respect to Mr. Foss and the named executive officers who report directly to him, materials prepared by Frederic W. Cook & Co., Inc., and in the case of bonus recommendations, by our Human Resources department. In addition, with regard to participants in the Bonus Plan, Mr. Foss provides the compensation committee with qualitative assessments of the performance of the other named executive officers who are his direct reports and his review of their performance, before it makes its compensation decisions. The compensation committee also considers skill set and experience, data based upon Market Practice, incumbent responsibilities relative to the applicable position, and internal consistency with respect to compensation among similarly situated executives when making its compensation decisions. The compensation committee is entitled to exercise its discretion with regard to any element of compensation and exercised negative discretion with regard to bonuses under the Bonus Plan.

Historically, stock options were granted in 2007 to certain of our named executive officers who were employed at that time in connection with their individual investments in the Company. Since that time, stock options have generally been granted in connection with new employment, management realignments and changes in responsibility and from time to time at the discretion of the compensation committee. For fiscal 2013, Mr. Foss received an equity grant consisting of time-based stock options and restricted stock units in accordance with the terms of his Employment Letter Agreement. Messrs. Sutherland and Reynolds and Ms. McKee received equity grants consisting of time-based stock options and restricted stock units in July 2013 that were intended to make up for grants that they did not receive in 2012. The value of the July 2013 grant was generally based upon the 50$^{th}$ percentile of Market Practice, adjusted to maintain consistency among levels of executives. The Company is currently contemplating making additional grants in early fiscal 2014 in respect of fiscal 2013 equity compensation. Regular annual grants are expected to begin in November 2014. Ms. Morrison received an equity grant consisting of time based stock options and restricted stock units in July 2013 in connection with the commencement of her employment. In November 2013, the compensation committee and the stock committee approved an additional grant of restricted stock units to each of the named executive officers that became effective at the time of the initial public offering. These grants are more fully described below in Components of Executive Compensation Equity Incentives.

*Components of Executive Compensation*

The principal components of our executive compensation program are base salary, bonus and equity incentives. We also provide employee and post-employment benefits and perquisites.

<u>Base Salary</u>

We use base salary to reflect the value of a particular position to us and the marketplace and the value the individual contributes to us. Salary levels for our executives are reviewed at least annually.

<u>*Messrs. Foss, Sutherland, Reynolds and Ms. McKee*</u>

Mr. Foss initial annual base salary of $1,350,000 was negotiated in connection with his total compensation package in 2012. The Company agreed that Mr. Foss total compensation for fiscal 2013 would be at the 75th percentile of chief executive officers in the Company s peer group. Mr. Foss base salary increased by 3% to $1,390,500 for calendar 2013, after consultation with Frederic W. Cook & Co., Inc. and consistent generally with salary increases for senior management, followed by a review of market data. Mr. Foss calendar 2014 base salary of $1,390,500 was set by the compensation committee at its November 2013 meeting and represents no increase from his 2013 base salary.

For 2013, the specific salary recommendations for each of our named executive officers who are Mr. Foss direct reports were based upon a review of Market Practice between the median and 75$^{th}$ percentile, their previous salary increases, internal consistency with respect to the compensation of Company executives at similar levels, budgetary considerations and consideration of the percentage increases for other members of management. The salary recommendations were then made to the compensation committee for its review and approval. Salaries for Mr. Sutherland and Ms. McKee were reviewed by Mr. Foss. Ms. McKee participated in reviews for Mr. Sutherland. Ms. McKee reviewed Mr. Foss base salary with the compensation committee and the compensation committee then met in executive session to make its determination with regard to Mr. Foss calendar 2013 base salary. Salary adjustments generally are effective at the beginning of the following calendar year. Salary increases or decreases also can be recommended and approved in connection with a promotion or a significant change in responsibilities. For calendar 2012, Mr. Sutherland s base salary was $800,000 and Ms. McKee s base salary was $625,000. Mr. Sutherland and Ms. McKee each received a salary increase for calendar 2013 of 3%, which was generally consistent with the overall salary increase budget for the Company. The compensation committee believes that the 2013 salaries are consistent with Market Practice for similarly situated executives. Mr. Reynolds joined us in September 2012 at a base salary of $500,000 and his base salary remained the same for 2013. For calendar 2013, base salaries are as follows: for Mr. Sutherland, $824,000, for Mr. Reynolds $500,000, and for Ms. McKee, $643,750. Base salaries for calendar 2014 will be as follows: for Mr. Sutherland, $840,480, for Mr. Reynolds, $510,000, and for Ms. McKee, $656,625. These base salaries represent a 2% increase over their 2013 base salaries, which is consistent with overall increases for all salaried employees in the Company.

*Ms. Morrison*

Ms. Morrison joined us in June 2013. Ms. McKee and Mr. Sutherland considered the level of cash compensation that was likely to be attractive to Ms. Morrison considering her then-current compensation at her previous employer, internal consistency with respect to the compensation of executives at similar levels in the Company and the results of a market check against the Survey Data at the $50^{th}$ and $75^{th}$ percentile for similarly situated positions to determine the recommended base salary for Ms. Morrison of $500,000. Ms. Morrison s base salary was then approved by the compensation committee at its June 2013 meeting. For calendar 2014, Ms. Morrison s base salary will be $507,500, which represents a 1.5% increase over her 2013 base salary. This increase is consistent with those of other salaried employees at the Company, prorated due to Ms. Morrison s brief tenure at the Company.

Bonus

*Messrs. Foss, Sutherland and Reynolds and Ms. McKee*

In fiscal 2013, Messrs. Foss, Sutherland and Reynolds and Ms. McKee participated in the Bonus Plan. Under the Bonus Plan, the compensation committee approved in November 2012 the establishment of a bonus pool that was funded based on 1.44% of adjusted EBIT. This pool method was chosen to satisfy the requirements of the performance-based pay exception to Section 162(m) of the Internal Revenue Code (when we had historically been subject to Section 162(m) as a public company prior to 2007), which limits tax deductions for compensation paid to a public company s named executive officers (other than the chief financial officer) to $1,000,000. Although we are not currently subject to the Section 162(m) compensation deduction limit, following our initial public offering and any applicable phase-in period, we will become subject to the Section 162(m) compensation deduction limit. Therefore, we intend to operate our Bonus Plan to comply with Section 162(m). For purposes of the Bonus Plan and the formula used to determine the bonus pool approved by the compensation committee, adjusted EBIT is income from both continuing and discontinued operations before income taxes, if any, and before interest expense and other financing costs, in each case as shown on our consolidated financial statements and notes thereto. In addition, adjusted EBIT for purposes of the pool excluded incremental customer relationship amortization and incremental depreciation that resulted from the 2007 Transaction and share-based compensation expense. For fiscal 2013 bonuses, the compensation committee adjusted the calculation of actual adjusted EBIT for purposes of the Bonus Plan to exclude share-based compensation expense and incremental customer relationship amortization and incremental depreciation that resulted from the 2007 Transaction. These adjustments were made to normalize the adjusted EBIT number so that it does not reflect certain non-operational items. For fiscal 2013, our adjusted EBIT under the Bonus Plan was $689,334,000. The following percentages of adjusted EBIT for Mr. Foss and the named executive officers who are his direct reports represent the maximum amount that could have been awarded to him or her for fiscal 2013: for Mr. Foss, 0.5904% (up to the plan maximum of $4,500,000), for Mr. Sutherland, 0.3280%, and for Mr. Reynolds and Ms. McKee, 0.2624%. The potential bonus amounts under the Bonus Plan for fiscal 2013 based upon the percentages of adjusted EBIT were as follows: For Mr. Foss, $4,070,000, for Mr. Sutherland, $2,261,000, and for Ms. McKee and Mr. Reynolds, $1,809,000. For fiscal 2013, the compensation committee exercised negative discretion under the Bonus Plan with regard to the actual bonus amounts awarded to Mr. Foss and the other named executive officers who report directly to him and those actual bonus amounts are as follows: for Mr. Foss, $2,632,200, for Mr. Sutherland, $783,000, for Ms. McKee, $620,000 and for Mr. Reynolds, $481,000. For fiscal 2014, the compensation committee approved the following percentages of adjusted EBIT for each of the participants in the Bonus Plan, which represent the maximum amount that can be awarded to him or her in respect of his or her fiscal 2014 bonus under the Bonus Plan: for Mr. Foss, 0.76% (up to a plan maximum of $6,000,000), for Mr. Sutherland, 0.32%, and for Ms. McKee and Mr. Reynolds, 0.25%.

Bonuses are designed to encourage and reward performance that is consistent with our financial objectives and individual performance goals and targets. In determining the actual bonuses paid to our named executive officers who are Mr. Foss direct reports for fiscal 2013, the compensation committee considered the maximum bonus amount based on the above adjusted EBIT formula and then considered reference points, including amounts that the named executive officers would have received under the MIB had they participated in the MIB and the named executive officers historical bonus awards. As described in more detail below, bonus calculations under the MIB are based on achievement against an adjusted EBIT target, a sales target, and additional functional objectives depending on the participant s responsibilities. Had Messrs. Foss, Sutherland and Reynolds and Ms. McKee participated in the MIB, the functional objectives would have consisted of leadership in driving new business growth for Mr. Foss, company-wide managed cash flow for Mr. Sutherland, evaluation, planning and implementation of contract life cycle management for Mr. Reynolds, and leadership of the human resources department s initiative to embed the Company s new mission, value and focus into the organization for Ms. McKee. Based upon fiscal 2013 performance, Mr. Foss would have been deemed to have achieved a 150% payout on the functional objective metric (resulting from achievement of net new business of approximately $525 million in fiscal 2013), Mr. Sutherland would have been deemed to have achieved a payout against the managed cash flow of 112.6% as described in more detail below, and Mr. Reynolds and Ms. McKee would have been deemed to have achieved a 120% payout on their respective functional objectives, based on a qualitative assessment of the performance of each of their respective departments against the stated objective, in each case, had the executive been a participant in the MIB in fiscal 2013. Ms. McKee presented the reference points for the named executive officers who report to Mr. Foss (other than herself) to Mr. Foss for his review. After consultation with Mr. Foss, who considered the individual contributions of the named executive officers who report to him, final bonus recommendations for those executives were made to the compensation committee in November 2013. The compensation committee considered the reference points and recommendations and exercised negative discretion to determine the bonus amounts under the Bonus Plan for our named executive officers who are Mr. Foss direct reports. The compensation committee also considered a target amount which represents the compensation committee s view of a market competitive award based upon a competitive review by Frederic W. Cook and Co., Inc. at approximately the 75th percentile of Market Practice. For fiscal 2013, as determined in November 2012, bonus targets were equal to approximately 80% of salary or $659,200 for Mr. Sutherland, $400,000 for Mr. Reynolds and $515,000 for Ms. McKee. Messrs. Sutherland s and Reynolds and Ms. McKee s bonus awards for fiscal 2013 that were determined by the compensation committee in November 2013 were equal to the amounts each would have received if he or she were a participant in the MIB. For fiscal 2014, bonus targets are as follows: for Mr. Sutherland, $672,384, for Mr. Reynolds, $408,000, and Ms. McKee, $525,300.

In determining the actual bonus paid to Mr. Foss, the compensation committee considered the maximum bonus amount based on the above Bonus Plan formula and considered as reference points Mr. Foss historical bonus awards, and the amount Mr. Foss would have received had he participated in the MIB, keeping in mind the provision in Mr. Foss agreement that his total annual compensation will be targeted to the 75th percentile of the Company s market peer group for fiscal 2012 and fiscal 2013. The compensation committee also considered a target amount as a percentage of base salary, which represented the compensation committee s view of a market competitive award (for fiscal 2013, Mr. Foss target bonus was $2,085,750, which is equal to 150% of his base salary for 2013). The chairman of the compensation committee then presented his bonus recommendation for Mr. Foss to the compensation committee. The compensation committee then considered the reference points and recommendation, which was based upon the award Mr. Foss would have received had he participated in the MIB, and exercised negative discretion to determine Mr. Foss bonus amount of $2,632,200 under the Bonus Plan. The compensation committee determined not to increase Mr. Foss bonus target for fiscal 2014.

*IPO Bonuses*

In addition to their annual bonuses under the Bonus Plan, the compensation committee determined to award Mr. Foss and the other named executive officers who report directly to him special bonuses designed to recognize the critical role Messrs. Foss, Sutherland and Reynolds and Ms. McKee played and will continue to play in positioning the Company for and executing a successful initial public offering as follows: for Mr. Foss, $2,367,800, for Mr. Sutherland, $704,700, for Ms. McKee, $558,000, and for Mr. Reynolds, $432,900. These bonus amounts, which were based upon approximately 90% of the bonuses awarded under the Bonus Plan, were determined by the compensation committee in executive session based upon a recommendation by the chairman of the compensation committee. Prior to the meeting at which the bonuses were awarded, the chairman of the compensation committee had discussed with Ms. McKee the IPO bonus that he had been planning to recommend for Mr. Foss, which equated to approximately 90% of Mr. Foss s annual bonus, and based upon that amount, determined an IPO bonus recommendation for the other named executive officers at the same percentage level. The IPO bonus amounts were contingent on and paid following the closing of the initial public offering.

*Ms. Morrison*

Ms. Morrison participates in the MIB, which provides annual cash bonuses to eligible executives for the achievement of explicit performance objectives established for each fiscal year. Each November (or at another time during the year in the case of a promotion), the compensation committee sets a bonus target in dollars for each executive who participates in the MIB which was amended and restated in November 2012. For fiscal 2013, the MIB was composed of two parts: a financial portion representing 80% of the overall potential MIB award, with functional or business group objectives representing the remaining 20%. In the MIB, the financial portion now focuses on top and bottom line performance, with a sales target ($13.785 billion) representing 39% of the total target and an adjusted EBIT target ($784,700,000) representing 41% of the total target. The sales target for purposes of the MIB is adjusted for the impact of currency translation and acquisitions and divestitures. The adjusted EBIT target for purposes of the MIB excludes the impact of currency translation, acquisitions and divestitures, the incremental customer relationship amortization and incremental depreciation from the 2007 Transaction and share-based compensation expense and includes an amount intended to normalize the plan targets for corporate functional participants. The functional objective that comprised 20% of the overall MIB award for Ms. Morrison in fiscal 2013 is company-wide managed cash flow ($686,409,000), which consists of EBITDA excluding share-based compensation expense, less capital expenditures, minus the change in accounts receivable, minus the change in inventories, plus the change in deferred income. Ms. Morrison joined the Company in June 2013 and as a result, her MIB award was prorated to reflect the portion of fiscal 2013 that she was employed by the Company. She was also guaranteed an additional bonus amount of $129,000, which was designed to compensate her for the bonus amount that she forfeited by leaving her prior employer. For fiscal 2013, actual sales for purposes of the MIB equaled $13.978 billion, actual adjusted EBIT for purposes of the MIB was $805,200,000 and actual managed cash flow for purposes of the MIB equaled $703,727,000. Actual adjusted sales for purposes of the MIB excludes the estimated impact of the NHL lockout and Hurricane Sandy and the impact of acquisitions and divestitures. Actual adjusted EBIT for purposes of the MIB excludes share-based compensation expense, incremental customer relationship amortization and incremental depreciation that resulted from the 2007 Transaction, the estimated impact of the NHL lockout and Hurricane Sandy, the impact of acquisitions and divestitures, severance and related costs as a result of a series of actions the Company initiated

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to drive efficiency through a consolidation and centralization of its operations, goodwill impairment charges, other asset write-offs primarily related to certain client contractual investments, costs related to transformation initiatives and certain other gains and losses recorded by the Company. Actual adjusted managed cash flow excludes the estimated impact of the NHL lockout and Hurricane Sandy, severance and related costs as a result of a series of actions the Company initiated to drive efficiency through a consolidation and centralization of its operations, goodwill impairment charges, costs related to transformation initiatives and certain other gains and losses recorded by the Company and includes an adjustment for capital expenditures related to new business.

The following table describes the threshold, targets and maximum for each of the components of the MIB award to Ms. Morrison for fiscal 2013:

| | Business Performance (Percentage of Target Performance) | | | Payout (Percentage of Target Payout) | | |
|---|---|---|---|---|---|---|
| **Measure** | **Threshold** | **Target** | **Maximum** | **Threshold** | **Target** | **Maximum** |
| **EBIT (41%)** | 87.5 | 100 | 110 | 25 | 100 | 200 |
| **Sales (39%)** | 90 | 100 | 110 | 25 | 100 | 200 |
| **Managed Cash Flow (20%)** | 87.5 | 100 | 110 | 25 | 100 | 150 |

As the table illustrates, the Company must attain a threshold, or minimum, performance on each financial measure for the participant to receive any payout for the measure. If the threshold performance is achieved, the participant will receive 25% of the payout for that measure, which increases to 100% when 100% of the measure is attained. If greater than 100% of the target for a particular measure is achieved, the participant will receive more than 100% payout on that measure up to the maximum amount set forth in the table. Therefore, if the maximum performance of all measures was achieved, Ms. Morrison could receive up to 190% of her target bonus amount, prorated for the portion of the fiscal year that she was employed by the Company.

Ms. Morrison s target bonus amount of 50% of her base salary, or $250,000, was based upon bonus targets for similarly situated executives at the Company, market checked against the Survey Data and approved by the compensation committee.

The actual award of bonuses under the MIB was based on the mechanical calculation of the financial target (for the 80% financial portion) and the achievement of a certain functional group objective (for Ms. Morrison, company-wide managed cash flow). Ms. Morrison s fiscal 2013 bonus was $99,000, as prorated for the portion of the year that she was employed by us, and was approved by the compensation committee in November 2013. Her fiscal 2014 bonus target as determined by the compensation committee is $253,750.

Equity Incentives

*Historical Grants*

Historically, stock options were granted in 2007 to certain of our named executive officers who were employed at that time in connection with their individual investments in the Company. Since that time, stock options have generally been granted in connection with new employment, management realignments and changes in responsibility and from time to time at the discretion of the compensation committee. For fiscal 2013, after consultation with Frederic W. Cook & Co., Inc. and management, each of the named executive officers received a grant of time-based stock options and restricted stock units.

As was negotiated with the sponsors in connection with the 2007 Transaction, half of all of the stock options granted through March 2013 had a time-based vesting schedule and vest over a four-year period, while half of all stock options granted through March 2013 were intended to have a performance-based vesting schedule and require that we achieve specified financial targets in addition to the four-year vesting period before those options will vest, subject to the compensation committee s discretion to accelerate vesting.

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The Company completed a spinoff of Seamless Holdings Corporation on October 26, 2012. The exercise price of all stock options granted prior to that spinoff was adjusted to reflect the reduction of $1.06 per share, which was the portion of the appraisal price of a share of Company common stock allocated to each share of Seamless Holdings Corporation common stock at the time of the spinoff.

*New Equity Program*

After review of our equity compensation program, which consisted of ISPOs as a vehicle for investment in the Company and stock options, 50% of which were subject to time-based vesting and 50% of which vested based upon the Company s achievement of annual or cumulative EBIT targets, the compensation committee determined to change our equity program to make it more like the equity programs of large public companies. The new equity program generally consists of time-based stock options and restricted stock units and may in the future include additional stock-based awards, including performance-based restricted stock units and stock options.

On June 20, 2013, the compensation committee approved new forms of award agreements for stock options and restricted stock units, which provide for 100% time-based vesting, with 25% of the award vesting on each of the first four anniversaries of the date of grant, subject to the participant s continued employment with the Company or one of its subsidiaries through each such anniversary. Upon termination of employment, unvested stock options, restricted stock or restricted stock units are immediately forfeited (other than in the case of death, disability or retirement) and vested stock options are forfeited immediately, in the case of termination for cause or 90 days after termination, in the case of any other termination of employment other than death, disability or retirement, when vested stock options are forfeited one year after termination of employment. If the participant s service with the Company or any of its subsidiaries terminates due to death, disability or retirement (as disability and retirement are defined in the 2007 Stock Plan, as defined below), the installment of stock options, restricted stock or restricted stock units that is scheduled to vest on the next vesting date following such termination will immediately vest, and all remaining unvested stock options, restricted stock and restricted stock units will be forfeited. Mr. Sutherland is the only named executive officer who has attained the retirement age under the Fourth Amended and Restated ARAMARK Holdings Corporation 2007 Management Stock Incentive Plan (the 2007 Stock Plan ). In the event of a change of control (as defined in the 2007 Stock Plan) prior to a termination of the participant s service, any remaining unvested stock options, restricted stock and restricted stock units granted under the new equity compensation program will vest. Participants holding restricted stock units will receive the benefit of any dividends paid on shares in the form of additional restricted stock units.

*Amendment to CEO s Employment Letter Agreement and Equity Grant to CEO*

Mr. Foss entered into an amendment to his Employment Letter Agreement on June 25, 2013 providing that any equity compensation awards granted as part of his compensation package for any fiscal year after 2012 will be in a form and have terms (including vesting conditions) that are the same as those granted to senior management of the Company as determined by the compensation committee from time to time.

Mr. Foss s June 2013 equity grant, which consisted of 1,247,638 stock options and 271,438 restricted stock units, was made on June 20, 2013, subject to the approval of the stock committee of the board, which approval was received on the same date. The stock options have an exercise price equal to the fair market value of a share of the Company common stock on June 20, 2013, which was the most recent appraisal price of our common stock on that date, have a ten-year term, vest 25% on each of the first four anniversaries of the date of grant, subject to Mr. Foss continued employment with the Company, and contain such other terms as are set forth in the award agreement. The restricted stock units vest 25% on each of the first four anniversaries of the date of grant, subject to Mr. Foss continued employment with the Company, and contain such other terms as are set forth in the award agreement.

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*Fiscal 2013 Equity Grants to Messrs. Sutherland and Reynolds and Mses. McKee and Morrison*

On July 9, 2013 Messrs. Sutherland and Reynolds and Ms. McKee received equity grants consisting of stock options and restricted stock units, each with time-based vesting schedules. While there was no formal grant program in place for fiscal 2012, the July grants were intended to represent equity compensation for fiscal 2012, as Mr. Sutherland and Ms. McKee had not received an equity grant since June 2011. It is expected that these executive officers will receive additional awards in early fiscal 2014 in respect of equity compensation for fiscal 2013. Regular annual grants are expected to begin in November 2014. The value of the aggregate annual equity grants to Messrs. Sutherland and Reynolds and Ms. McKee for fiscal 2013 was at approximately the $50^{th}$ percentile of Market Practice, adjusted to maintain consistency among the levels of executives. Mr. Sutherland received 94,518 stock options and 30,846 restricted stock units; Mr. Reynolds received 75,615 stock options and 24,677 restricted stock units; and Ms. McKee received 94,518 stock options and 30,846 restricted stock units. Ms. Morrison received a grant of 186,000 time-based stock options and 38,000 restricted stock units in connection with the commencement of her employment with us in June 2013. Of her total equity grant, 94,000 stock options and 8,000 restricted stock units were granted to her in the form of a typical new hire grant for a Company executive at her level. The remaining 92,000 stock options and 30,000 restricted stock units were designed to compensate Ms. Morrison for the unvested equity that she forfeited by leaving her prior employer.

The stock options granted have an exercise price equal to the fair market value of a share of the Company common stock on the date of grant, which was the most recent appraisal price of our common stock on that date, have a ten-year term, vest 25% on each of the first four anniversaries of the date of grant, subject to the holder s continued employment with the Company, and contain such other terms as are set forth in the award agreement. The restricted stock units vest 25% on each of the first four anniversaries of the date of grant, subject to the holder s continued employment with the Company, and contain such other terms as are set forth in the award agreement.

*ISPO Exchange Offer*

On July 29, 2013, the Company closed an exchange offer for all outstanding ISPOs (the ISPO Exchange Offer ) held by certain employees, including certain named executive officers. Under the ISPO Exchange Offer, the Company offered to holders of outstanding ISPO awards the ability to exchange such awards for new grants of restricted stock ( Restricted Stock ) and non-qualified time-based stock options with an exercise price of $16.21, which was equal to the fair market value of the Company s common stock on the date of grant based upon the most recent appraisal price of our common stock on the date of grant ( Replacement Stock Options ), in each case, granted under the 2007 Stock Plan and forms of a Restricted Stock Award Agreement and a non-qualified Replacement Stock Option Award Agreement approved by the compensation committee on June 20, 2013. The named executive officers who participated in the ISPO Exchange Offer received a number of shares of Restricted Stock with a grant date fair value equal to the aggregate in-the-money spread value of their ISPOs plus a number of Replacement Stock Options, calculated in a manner such that the total number of shares of Restricted Stock received in the ISPO Exchange Offer plus the number of Replacement Stock Options equaled the aggregate number of shares subject to the ISPOs. The grants of Restricted Stock and Replacement Stock Options were made to certain of our named executive officers by the stock committee on July 31, 2013.

The vesting schedule of the Restricted Stock and Replacement Stock Options is based upon the vesting schedule of the ISPO award that was exchanged. If the participant s service with the Company or any of its subsidiaries terminates due to death, disability or retirement (as disability and retirement are defined in the 2007 Stock Plan), the installments of Restricted Stock and Replacement Stock Options that are scheduled to vest during the twelve months following such termination will immediately vest and any remaining shares of Restricted Stock and any unvested Replacement Stock Options will be forfeited. In the event of a change of control (as defined in the 2007 Stock Plan) prior to a termination of the participant s service, any remaining shares of Restricted Stock and any unvested Replacement Stock Options will vest and become nonforfeitable. Replacement Stock Options expire on the date that falls at the end of a number of years that equals (x) 10 minus

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(y) the number of years (rounded down to the nearest whole year) that have elapsed from the date of grant of the ISPOs being exchanged through the exchange date. Upon termination of employment, unvested Replacement Stock Options are immediately forfeited (other than in the case of death, disability or retirement) and vested Replacement Stock Options expire immediately, in the case of termination for cause, and 90 days after termination, in the case of any other termination of employment. The Restricted Stock Award Agreement also provides that a participant may make an election under Section 83(b) of the Internal Revenue Code with regard to his or her restricted stock.

Messrs. Foss, Sutherland and Reynolds and Ms. McKee elected to participate in the ISPO Exchange Offer. The following table shows the number of ISPOs each named executive officer exchanged and the number of shares of Restricted Stock and Replacement Stock Options that each of them received in the ISPO Exchange Offer:

| Name | ISPOs Exchanged | Restricted Stock Granted | Replacement Options Granted[1] |
|---|---|---|---|
| Eric J. Foss | 400,000 | 57,002 | 342,998 |
| L. Frederick Sutherland | 36,000 | 10,172 | 25,828 |
| Lynn B. McKee | 36,000 | 10,172 | 25,828 |
| Stephen R. Reynolds | 60,000 | 4,516 | 55,484 |

(1) The exercise price of the Replacement Stock Options granted is $16.21, which equals the fair market value of a share of our common stock on the date of grant based upon the most recent appraisal price of our common stock on the date of grant.

*Grants in Connection with the Initial Public Offering*

In November 2013, the compensation committee and stock committee approved grants of restricted stock units to each of the named executive officers, which will become effective at the time of the initial public offering. The restricted stock units will vest in one third increments on the first three anniversaries of the grant date, subject to the named executive officer s continued employment with the Company and its subsidiaries. The number of restricted stock units received will be based on the following dollar values divided by the price per share in the initial public offering:

| | |
|---|---|
| Eric Foss | $ 10,000,000 |
| L. Frederick Sutherland | $ 1,875,000 |
| Lynn B. McKee | $ 1,875,000 |
| Stephen R. Reynolds | $ 1,150,000 |
| Christina T. Morrison | $ 500,000 |

Mr. Foss and Ms. McKee met with members of the compensation committee, including the chairman of the compensation committee, over a period of time prior to the grants to discuss the dollar amount of the pool of equity to be distributed, the particular executives who would receive restricted stock unit grants and the amount of such individual awards, which were based upon a multiple of the average of base salary and bonus target for a particular executive level. Mr. Foss and Ms. McKee made recommendations regarding the restricted stock unit award amounts for each of the named executive officers other than Mr. Foss. Recommended amounts were consistent for executives at similar levels. The compensation committee approved the recommendations of management for the named executive officers other than Mr. Foss and determined a grant amount for Mr. Foss based upon earlier compensation committee discussions.

Equity Grant Policy

On May 8, 2007, our board of directors adopted a policy on granting equity awards. The board modified the policy in December 2009, March 2010 and June 2011 and the compensation committee modified the policy in

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June 2013. Under this policy, stock option grants were permitted to be approved by the compensation committee (or a subcommittee thereof or another committee) for a reasonable period following each new appraisal of our common stock. In addition, the compensation committee was permitted to grant newly hired or promoted executives the right to purchase shares of our common stock. The grant date for equity grants is the date the compensation committee or subcommittee (or the stock committee, in the case of executive officers) approves the grants and the exercise price is the most recent appraisal price in effect on the date of such grant.

Following our initial public offering, the compensation committee intends to make annual awards of equity at its meeting held early in each fiscal year. The compensation committee has in the past, and may in the future, make limited grants of equity on other dates to retain key employees, to compensate an employee in connection with a promotion or to compensate newly hired executives for equity or other benefits lost upon termination of their previous employment or to otherwise induce them to join our Company or otherwise at the discretion of the compensation committee. The grant date of equity awards to executives is the date of compensation committee approval or a later date of subcommittee or stock committee approval if designated by the compensation committee. The exercise price of option grants will be the closing market price of our common stock on the date of grant. We plan to monitor and periodically review our equity grant policy to ensure compliance with plan rules and applicable law.

Stock Ownership Guidelines

Our compensation committee has adopted stock ownership guidelines that apply to our named executive officers. Mr. Foss must retain stock with a value equal to six times his base salary, Messrs. Sutherland and Reynolds and Ms. McKee must retain stock with a value equal to three times his or her base salary and Ms. Morrison must retain stock with a value equal to two times her base salary. Directly owned shares, beneficially owned shares held indirectly (including by family members or family trusts) and vested share units in a non-qualified deferral arrangement count toward the guidelines for Messrs. Sutherland and Reynolds and Ms. McKee and Ms. Morrison. There is no required time period for attaining the minimum stock ownership level for these executives.

Other Components of Compensation

*Employee and Post-Employment Benefits*. We offer basic employee benefits to provide our workforce with a reasonable level of coverage in the event of illness or injury. The cost of certain employee benefits is partially or fully borne by the employee, including each named executive officer. We offer comparable benefits to our eligible U.S. employees, which include medical, dental and vision coverage, disability insurance and optional life insurance. In addition, our named executive officers receive excess medical coverage that provides reimbursement for medical, dental and vision expenses in excess of $1,500 per covered individual per year. Our named executive officers also participate in a Survivor Income Protection Plan, which entitles a surviving spouse or domestic partner and dependent children to receive the executive s full base salary for one year after the executive s death and one-half of the executive s base salary for the subsequent nine years or, alternatively, may receive excess term life insurance. A participant in the Survivor Income Protection Plan who is 65 and has attained 5 years of employment with us is entitled to a benefit equal to one times his or her base salary upon his or her retirement or death instead of the benefit described above.

Generally, our highly compensated employees (for 2013, those earning more than $110,000), including our named executive officers, are not eligible to participate in our 401(k) plans because of certain legal requirements. Instead, those employees are eligible to participate in a non-qualified savings plan that we call our Savings Incentive Retirement Plan, the successor plan to our Stock Unit Retirement Plan. This plan is intended to be a substitute for those employees participation in our 401(k) plans. See Non-Qualified Deferred Compensation for Fiscal Year 2013 below for further information.

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*Messrs. Foss, Reynolds and Sutherland and Ms. McKee*

Messrs. Foss, Reynolds and Sutherland and Ms. McKee are also parties to employment agreements that entitle them to lump sum payments and severance payments in installments if there is a change of control of us or ARAMARK Corporation as described in those agreements and their employment is terminated under specified circumstances. These provisions are intended to align executive and stockholder interests by enabling executives to consider corporate transactions that are in the best interests of the stockholders and our other constituents without concern over whether the transactions may jeopardize the executives own employment.

Mr. Foss employment agreement contains a double trigger for payments to be made, there must be a change of control followed by an involuntary loss of employment (or resignation by Mr. Foss for good reason ) within three years or his employment must be terminated in anticipation of a change of control. See Potential Post-Employment Benefits below for the applicable definition of good reason. The agreements with Messrs. Sutherland and Reynolds and Ms. McKee were entered into following the 2007 Transaction and also contain a double trigger. We chose to implement a double trigger for Mr. Foss and the other named executive officers who report directly to him after receiving advice from Frederic W. Cook & Co., Inc. that a double trigger is a more common practice in the market than a single trigger.

*Ms. Morrison*

Ms. Morrison is a party to an Agreement Relating to Employment and Post Employment Competition that provides for certain benefits if she should be terminated by us without cause. Those benefits include between 26 and 52 weeks of severance pay, depending on her length of service with the Company, as well as the continuation of an auto allowance and the continuation of basic health care coverage through the end of the severance pay period. Pursuant to the agreement, Ms. Morrison must adhere to certain non-disclosure, non-disparagement, non-competition and non-solicitation requirements for various periods of time after a termination of employment. Ms. Morrison is currently entitled to 26 weeks of severance pay if she is terminated by us without cause.

For more information on change of control and severance payments for our named executive officers, see the disclosure under Employment Agreements and Change of Control Arrangements and under Potential Post-Employment Benefits.

*Perquisites.* We provide our named executive officers with other benefits, reflected in the All Other Compensation column in the Summary Compensation Table, that we believe are reasonable and encourage retention. We believe that these benefits enable our executives to focus on our business and enhance their commitment to us. These benefits include premiums paid on life insurance or the Survivor Income Protection Plan, disability insurance (in Mr. Sutherland s case, a legacy policy the premiums for which are paid 100% by the Company), excess health insurance, receipt of a car allowance, no cost parking at a garage near Company offices, an executive physical, financial planning services and personal use of Company tickets or the Company box and related items at sporting or other events and the costs of these benefits constitute a small percentage of each named executive officer s total compensation. The availability of financial planning services assists those who receive them to optimize the value received from all of the compensation and benefit programs offered. Generally, Company-provided perquisites are reviewed by the compensation committee in consultation with Frederic W. Cook & Co., Inc. on an annual basis. Based upon the usefulness of such perquisites for retention, the compensation committee determines whether or not to continue them.

Messrs. Foss and Reynolds and Ms. Morrison received benefits under our relocation program in fiscal 2012 and/or 2013 that provided them with temporary housing and reimbursement for meals and other incidental expenses. Although the relocation program provides for benefits for a 90-day period to enable new employees to search for and purchase a permanent residence, we may extend the temporary housing benefit due to the tight housing market, work demands and/or family-related issues. In Mr. Foss case, we extended his relocation benefits because his work demands delayed him in his search for his permanent residence in the Philadelphia area. We also extended relocation benefits for Mr. Reynolds and Ms. Morrison due to delays in procuring new permanent residences.

Our compensation committee established a policy, which it has determined to be in our business interest, directing the Chief Executive Officer to use Company aircraft, whenever possible, for all air travel, whether personal or business. Under the policy, the Chief Executive Officer may also designate other members of senior management to use the Company aircraft for air travel. Some of Mr. Foss business use of the corporate aircraft in fiscal 2013 included flights to attend outside board meetings at the companies or organizations for which he serves as a director. We believe that Mr. Foss service on these boards, and his ability to conduct Company business while traveling to these board meetings, provides benefits to us and therefore deem it to be business use. In addition, depending on seat availability, Mr. Foss family members may accompany him on the Company aircraft. Although there is little or no incremental cost to us for these trips, we reflect a $500 per seat charge in the All Other Compensation amounts in the Summary Compensation Table for flights in which those additional passengers travel is not business-related. Mr. Foss has a car and driver that we provide to him. Much of his use of the Company-provided car and driver, which generally enables him to make efficient use of travel time, is business use, although Mr. Foss utilizes the car and driver for commuting to and from the office, which is considered personal use, and for other limited personal use.

*Impact of Regulatory Requirements on our Executive Compensation*

*Sections 280G and 4999*. Sections 280G and 4999 of the Internal Revenue Code, respectively, limit our ability to take a tax deduction for certain excess parachute payments (as defined in Sections 280G and 4999) and impose excise taxes on each executive that receives excess parachute payments in connection with his or her severance from us in connection with a change of control. The compensation committee considered the adverse tax liabilities imposed by Sections 280G and 4999, as well as other competitive factors, when it structured certain post-termination compensation payable to our named executive officers. The potential adverse tax consequences to us and/or the executive, however, are not necessarily determinative factors in such decisions. Our agreements with Mr. Sutherland and Ms. McKee relating to employment require us to make a gross-up payment to compensate them for any excise taxes (and income taxes on such gross-up payment) that they incur under Section 4999. Messrs. Foss and Reynolds agreements do not provide for such gross-up payments, as the compensation committee was advised that it is no longer a common practice in the marketplace. Similarly, Ms. Morrison s agreement does not provide for a gross-up.

*Section 162(m)*. Section 162(m) of the Internal Revenue Code limits tax deductions for compensation paid to a public company s named executive officers (other than the chief financial officer) to $1,000,000. Although we are not currently subject to the Section 162(m) compensation deduction limit, following our initial public offering and any applicable phase-in period, we will become subject to the Section 162(m) compensation deduction limit. The compensation committee considers the loss of deductibility, as well as other factors, when it structures compensation arrangements for our named executive officers (such as the Bonus Plan, which we intend to operate in compliance with Section 162(m)). However, the potential tax consequences to us are not necessarily determinative in such decisions and the compensation committee believes it should have flexibility in awarding compensation to accomplish business objectives and to attract and retain our named executive officers, even though some compensation awards may result in non-deductible compensation expenses.

***Compensation Committee Interlocks and Insider Participation***

Joseph Neubauer, who is our Chairman and former Chief Executive Officer (and remains an employee of the Company), serves on our compensation committee.

Please see Certain Relationships and Related Party Transactions for information on transactions with JPMorgan and Goldman Sachs & Co. Stephen P. Murray, Chairman of our Compensation and Human Resources Committee, is the President and Chief Executive Officer of CCMP Capital Advisors, LLC ( CCMP ), a private equity firm specializing in buyout and growth equity investments. Pursuant to an agreement with JPMorgan and J.P. Morgan Partners, LLC, CCMP advises J.P. Morgan Partners with respect to certain of its private equity investments, including its investment in us. Sanjeev Mehra, a member of our Compensation and Human Resources Committee, is Managing Director of Goldman, Sachs & Co. s Principal Investment Area of its Merchant Banking Division.

***Compensation Risk Disclosure***

As part of its oversight responsibilities, the compensation committee considered the impact of our compensation programs on our risk profile and whether these programs promote excessive risk taking. Based on its review and the recommendation of its compensation consultant, the compensation committee determined that our compensation programs are appropriately structured and that risks arising from our compensation programs are not reasonably likely to have a material adverse effect on us for the following reasons, among others:

- our compensation programs are well aligned with sound compensation design principles;
- our Bonus Plan and the MIB utilize financial performance measures at the corporate level, which cannot be easily manipulated by any one individual;
- none of our individual business areas pose a significant business risk to the overall enterprise;
- post-initial public offering transfer restrictions and our stock ownership guidelines will ensure a long-term focus by our executives on our growth and long-term viability; and
- equity compensation constitutes a meaningful portion of pay for most senior executives and focuses them on enhancing long-term stockholder value over a multi-year period.

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***Summary Compensation Table***

The following table provides summary information concerning the compensation we paid to our named executive officers.

| Name and Principal Position | Year | Salary (1)($) | Bonus (2)($) | Stock Awards (3)($) | Option Awards (4)($) | Non-Equity Incentive Plan Compen-sation (2)($) | Change in Pension Value and Non-Qualified Deferred Compen-sation Earnings (5)($) | All Other Compensation (6)($) | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| Eric J. Foss | 2013 | 1,380,375 | 2,632,200 | 5,160,987 | 8,161,031 | | 155 | 742,452 | 18,077,200 |
| Chief Executive Officer and President | 2012 | 545,192 | 1,512,500 | | 5,658,563 | | | 339,240 | 8,055,495 |
| L. Frederick Sutherland | 2013 | 818,000 | 783,000 | 639,676 | 723,363 | | 17,915 | 58,408 | 3,040,362 |
| EVP and Chief Financial | 2012 | 787,500 | 625,000 | | 111,875 | | 16,655 | 57,661 | 1,598,691 |
| Officer | 2011 | 750,000 | 650,000 | | 816,925 | | 15,385 | 51,273 | 2,283,583 |
| Lynn B. McKee | 2013 | 639,063 | 620,000 | 639,676 | 723,363 | | 9,990 | 41,163 | 2,673,255 |
| EVP, Human Resources and | 2012 | 616,250 | 460,000 | | 111,875 | | 9,189 | 36,436 | 1,233,750 |
| Communications | 2011 | 590,000 | 500,000 | | 816,925 | | 8,389 | 40,392 | 1,955,706 |
| Stephen R. Reynolds | 2013 | 500,000 | 481,000 | 460,303 | 1,428,714 | | 89 | 290,152 | 3,160,258 |
| EVP, General Counsel and Secretary | | | | | | | | | |
| Christina T. Morrison | 2013 | 140,385 | 129,000 | 615,980 | 1,023,000 | 99,000 | | 96,279 | 2,103,644 |
| SVP, Finance | | | | | | | | | |

(1) Messrs. Foss, Sutherland and Reynolds and Ms. McKee each deferred a portion of their salaries for 2013 under the 2007 Savings Incentive Retirement Plan and Mr. Sutherland and Ms. McKee each deferred a portion of their salaries for prior fiscal years. These amounts for fiscal 2013 are reflected in the Non-Qualified Deferred Compensation Table for Fiscal Year 2013 and in this column.

(2) For fiscal 2012, Mr. Foss bonus amount includes a signing bonus of $500,000, which was intended to cover relocation and commuting expenses, as well as $1,012,500, which was his target bonus, prorated for six months. Ms. Morrison was guaranteed a bonus amount of $129,000, which was intended to compensate her for her forgone bonus at her previous employer and her fiscal 2013 bonus under the MIB was prorated to reflect the portion of the year that she was employed by us.

(3) Includes the aggregate grant date fair value of restricted stock units granted with respect to the 2013 fiscal year computed in accordance with FASB ASC Topic 718. The grant date fair value per share for restricted stock and restricted stock units is equal to the appraisal price of a share of Company common stock on the date of grant. Also includes the incremental grant date fair value of restricted stock issued in the ISPO Exchange Offer to Messrs. Foss, Sutherland and Reynolds and Ms. McKee. For additional information on the valuation assumptions and more discussion with respect to the restricted stock and restricted stock units, refer to Note 11 to the consolidated financial statements appearing elsewhere in this prospectus.

(4) This column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 with respect to the 2013, 2012 and 2011 fiscal years for the stock options granted to each of the named executive officers in 2013, 2012 and 2011, respectively. Fiscal 2013 includes the grant date fair value for performance-based stock options granted prior to fiscal 2013 whose vesting was subject to the 2013 EBIT target and such target was not established at the time the option was granted, as targets for later years had not been determined. Fiscal 2012 includes the grant date fair value for performance-based stock options granted prior to fiscal 2012 whose vesting was subject to the 2012 EBIT target and such target was not

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established at the time the option was granted, as targets for later years had not been determined. Fiscal 2011 includes the grant date fair value for performance-based stock options granted in fiscal 2011 whose vesting was subject to the 2011 EBIT target, as targets for later years had not been determined. As future targets are determined in future years, additional grant date fair value will be reflected in the years in which such targets are set. Also includes the incremental fair value of Replacement Stock Options granted in the ISPO Exchange Offer, computed as of the modification date in accordance with FASB ASC Topic 718, with respect to the modified award. See Grants of Plan Based Awards for Fiscal Year 2013 for additional information on stock options granted or deemed granted in 2013. For additional information on the valuation assumptions and more discussion with respect to the stock options, refer to Note 11 to the consolidated financial statements appearing elsewhere in this prospectus. For Mr. Reynolds, the amount included in this column reflects the incremental grant date fair value of the Replacement Stock Options he received and the grant date fair value of the ISPO that he was granted in fiscal 2013, but later exchanged in fiscal 2013 for restricted stock and Replacement Stock Options.

(5) Includes amounts earned on deferred compensation in excess of 120% of the applicable federal rate, based upon the above-market return at the time the rate basis was set.

(6) The following are included in this column for 2013:

a. The aggregate incremental cost to us of the following perquisites: car allowance, premium payments for disability insurance, premium payments for an excess health insurance plan, payments for an executive physical, parking fees paid by the Company, costs associated with personal use of Company-owned tickets or the Company-owned suite at sports stadiums with respect to Messrs. Foss and Reynolds and Ms. McKee, relocation expenses with respect to Messrs. Foss and Reynolds and Ms. Morrison, and, for Mr. Foss, personal use of the Company aircraft and personal use of a Company-provided car and driver.

b. With regard to Mr. Foss, $385,234 for Mr. Foss personal use of the Company aircraft and $270,813 for relocation expenses incurred by Mr. Foss and paid under our relocation program or reimbursed to Mr. Foss (including a tax gross up of $111,726 and $20,000 in attorney fees for assistance with the purchase of his new residence, each as provided for in the program). The calculation of incremental cost for personal use of Company aircraft includes the variable costs incurred as a result of personal flight activity: a portion of ongoing maintenance and repairs, landing fees, aircraft fuel, telephone communications and any travel expenses for the flight crew. With regard to Mr. Reynolds, $265,069 for relocation expenses incurred by Mr. Reynolds and paid under our relocation program (including a tax gross up of $55,406 as provided for in the program). With regard to Ms. Morrison, $86,324 for relocation expenses incurred by Ms. Morrison and paid under our relocation program (including a tax gross up of $14,484 as provided for in the program).

c. Premium payments for term life insurance or the Survivor Income Protection Plan as follows: for Mr. Foss, $1,608, for Mr. Sutherland, $24,587, for Ms. McKee, $4,958, for Mr. Reynolds, $1,608 and for Ms. Morrison, $357.

d. Includes amounts that constitute the Company match to the Savings Incentive Retirement Plan for fiscal 2013 as follows: for Messrs. Foss and Sutherland and Ms. McKee, $11,375, and for Mr. Reynolds, $1,500.

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*Grants of Plan-Based Awards for Fiscal Year 2013*

The following table provides information about equity awards granted or deemed granted to our named executive officers in fiscal 2013: (1) the grant date, (2) estimated future payouts under non-equity incentive plan awards, which consist of potential awards under the MIB, (3) estimated future payouts under equity incentive plan awards, which consist of the stock options with performance-based vesting schedules, (4) all other stock awards, which consist of the number of shares of restricted stock or the number of shares underlying restricted stock units, (5) all other option awards, which consist of the number of shares underlying stock options with time-based vesting schedules, (6) the exercise price of the stock option awards, which reflects the most recent appraisal price of our common stock on the date of grant and (7) the grant date fair value of each equity award computed under FASB ASC Topic 718.

| Name | | Estimated Future Payouts under Non-Equity Incentive Plan Awards(1) | | | Estimated Future Payouts under Equity Incentive Plan Awards | | | All Other Stock Awards: Number of Shares of Stock or Units | All Other Option Awards: Number of Securities Underlying Options | Exercise or Base Price of Option Awards(3) ($/sh) | Grant Date Fair Value of Stock and Option Awards(4) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Grant Date | Threshold ($) | Target ($) | Max ($) | Threshold (#) | Target (2)(#) | Max (#) | | | | |
| Foss | 11/13/2012 | | | | | 181,250 | 181,250(5) | | | $ 13.90(10) | $ 730,438 |
| | 6/20/2013 | | | | | | | | 1,247,638(6) | $ 16.21 | $ 6,749,722 |
| | 6/20/2013 | | | | | | | 271,438(7) | | | $ 4,400,010 |
| | 7/31/2013 | | | | | | | 57,002(8) | | | $ 760,977 |
| | 7/31/2013 | | | | | | | | 342,998(9) | $ 16.21 | $ 680,872 |
| Sutherland | 11/13/2012 | | | | | 31,250 | 31,250(5) | | | $ 11.63(10) | $ 151,563 |
| | 7/9/2013 | | | | | | | | 94,518(6) | $ 16.21 | $ 519,849 |
| | 7/9/2013 | | | | | | | 30,846(7) | | | $ 500,014 |
| | 7/31/2013 | | | | | | | 10,172(8) | | | $ 139,662 |
| | 7/31/2013 | | | | | | | | 25,828(9) | $ 16.21 | $ 51,951 |
| McKee | 11/13/2012 | | | | | 31,250 | 31,250(5) | | | $ 11.63(10) | $ 151,563 |
| | 7/9/2013 | | | | | | | | 94,518(6) | $ 16.21 | $ 519,849 |
| | 7/9/2013 | | | | | | | 30,846(7) | | | $ 500,014 |
| | 7/31/2013 | | | | | | | 10,172(8) | | | $ 139,662 |
| | 7/31/2013 | | | | | | | | 25,828(9) | $ 16.21 | $ 51,951 |
| Reynolds | 12/5/2012 | | | | | | | | 60,000(11) | $ 14.99 | $ 171,600 |
| | 12/5/2012 | | | | | | | | 125,000(6) | $ 14.99 | $ 590,000 |
| | 12/5/2012 | | | | | 31,250 | 31,250(5) | | | $ 14.99 | $ 134,687 |
| | 7/9/2013 | | | | | | | | 75,615(6) | $ 16.21 | $ 415,883 |
| | 7/9/2013 | | | | | | | 24,677(7) | | | $ 400,014 |
| | 7/31/2013 | | | | | | | 4,516(8) | | | $ 60,289 |
| | 7/31/2013 | | | | | | | | 55,484(9) | $ 16.21 | $ 116,544 |
| Morrison | 6/20/2013 | $ 20,833 | $ 83,333 | $ 158,333 | | | | | | | |
| | 7/9/2013 | | | | | | | | 186,000(6) | $ 16.21 | $ 1,023,000 |
| | 7/9/2013 | | | | | | | 38,000(7) | | | $ 615,980 |

(1) The amounts represent the threshold, target, and maximum payouts under our MIB for the fiscal 2013 performance period. The payment for threshold performance is 25% of target on all measures. Ms. Morrison s threshold, target and maximum amounts have been prorated to reflect the portion of the fiscal year that she was employed by the Company.

(2) Named executive officers may receive all, or less than all, of the target amount of performance-based options when certain events occur, including the achievement of certain percentage returns by our Sponsors. See the discussion under Performance-Based Stock Options below. Consists of shares underlying options granted that vest in 25% increments on each of the first four anniversaries of the date of grant and upon the attainment of certain EBIT targets that are established by the compensation committee within the first ninety days of each

fiscal year and described in the Compensation Discussion and Analysis and the narrative following this table. These stock options will expire ten years from the date of grant. The EBIT targets associated with the grants of performance-based options are listed below under Performance-Based Stock Options.

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(3) The exercise price of the options reported in the table is the most recent appraisal price of a share of our common stock on the original date of grant, as adjusted as described in footnote 10 below, if applicable.
(4) This column shows the full grant date fair value of stock options granted or deemed granted to our named executive officers in fiscal 2013 under FASB ASC Topic 718 and the incremental fair value, computed as of the modification date in accordance with FASB ASC Topic 718, with respect to Restricted Stock and Replacement Stock Options granted in the ISPO Exchange Offer. Performance-based options granted on December 5, 2012 include only those performance-based options granted on that date whose vesting is subject to the achievement of the 2013 EBIT target, which was the only EBIT target for that grant that had been set. For additional information on the valuation assumptions, refer to Note 10 to our consolidated financial statements appearing elsewhere in the prospectus. These amounts do not correspond to the actual value that will be received by the named executive officers.
(5) The grant date fair value for these previously granted performance-based stock options reflects the value attributable only to those options whose vesting is based on 2013 targets, which were set on November 13, 2012, as that is the only target that had been determined during fiscal 2013. As future targets are determined in future years, additional grant date fair value will be reflected in the years in which such targets are set.
(6) These stock options vest 25% per year over four years and have a ten-year term, subject to the grantee s continued employment with the Company.
(7) These restricted stock units vest 25% per year over four years, subject to the grantee s continued employment with the Company.
(8) These are shares of Restricted Stock that were granted in the ISPO Exchange Offer described above under Compensation Discussion and Analysis Components of Executive Compensation Equity Incentives New Equity Program ISPO Exchange Offer. The vesting schedule of the restricted stock is based upon the vesting schedule of the ISPO award that was exchanged. For Mr. Sutherland and Ms. McKee, one-third of the restricted stock vests on each of December 15, 2013, December 15, 2014 and December 15, 2015. For Mr. Foss, 25% of the restricted stock vests on each of December 15, 2013, December 15, 2014, December 15, 2015 and December 15, 2016. For Mr. Reynolds, 20% of the restricted stock vested immediately and 20% will vest on each of December 15, 2013, December 15, 2014, December 15, 2015 and December 15, 2016.
(9) These Replacement Stock Options have a vesting schedule based upon the vesting schedule of the ISPO award that was exchanged. For Mr. Sutherland and Ms. McKee, one-third of the Replacement Stock Option vests on each of December 15, 2013, December 15, 2014 and December 15, 2015. For Mr. Foss, 25% of the Replacement Stock Option vests on each of December 15, 2013, December 15, 2014, December 15, 2015 and December 15, 2016. For Mr. Reynolds, 20% of the Replacement Stock Option vested immediately and 20% will vest on each of December 15, 2013, December 15, 2014, December 15, 2015 and December 15, 2016.
(10) Exercise price reflects the reduction of $1.06 per share, which was the portion of the appraisal price of a share of Company common stock allocated to each share of Seamless Holdings Corporation common stock. Seamless Holdings Corporation was spun off by the Company on October 26, 2012 and the exercise prices of all stock options issued prior to that time were adjusted to reflect the spinoff.
(11) These stock options are installment stock purchase opportunities that are divided into 5 installments. The first installment vests immediately upon grant and is exercisable for one year. The remaining installments vest on the first four anniversaries of the December $15^{th}$ following the grant date and are exercisable for a period of 31 days. At least 25% of the first installment must be exercised or the remaining installments are canceled. As described above under Compensation Discussion and Analysis Components of Executive Compensation Equity Incentives New Equity Program ISPO Exchange Offer, in July 2013, Mr. Reynolds exchanged his outstanding ISPOs granted in December 2012 for shares of restricted stock and stock options, which are also reflected in the table.

***Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards Table***

*Performance-Based Stock Options*

The performance targets for 50% of the stock options granted to our named executive officers through June 2013, when the compensation committee changed the equity program to eliminate performance-based stock options, are based upon our annual EBIT. If we do not achieve the performance target for any particular fiscal year (other than that of the Final Fiscal Year for each grant, as defined below), but we do achieve a cumulative performance target at the end of a later fiscal year, then all installments of performance-based options that did not become vested because of a missed performance target or targets in a prior year will vest. Our EBIT targets over the four-year vesting schedule of options granted to our named executive officers in fiscal 2009 and fiscal 2010 are as follows:

| Year | Annual EBIT Target (in millions) | Cumulative EBIT Target (in millions) |
|---|---|---|
| 2010 | $ 718.1 | N/A |
| 2011 | $ 748.5 | $ 1,507.5 |
| 2012 | $ 834.8 | $ 2,366.0 |
| 2013 (the Final Fiscal Year ) | $ 804.2 | $ 3,299.3 |

In June 2011, our board approved a new form of Non-Qualified Stock Option Agreement that provides that annual and cumulative EBIT targets for performance-based stock options will be established by the compensation committee within the first ninety days of each fiscal year. For example, performance-based options granted to certain of our named executive officers in fiscal 2011 had only an EBIT target for fiscal 2011 and those granted in fiscal 2012 had only an EBIT target for fiscal 2012 at the time of grant. The compensation committee established EBIT targets for each fiscal year in November of that fiscal year. EBIT targets for 2015 and later fiscal years will be established within the first ninety days of the respective fiscal year. The EBIT targets for options granted in fiscal 2011 are as follows:

| Year | Annual EBIT Target (in millions) | Cumulative EBIT Target (in millions) |
|---|---|---|
| 2011 | $ 748.5 | N/A |
| 2012 | $ 834.8 | $ 1,583.3 |
| 2013 | $ 804.2 | $ 2,387.5 |
| 2014 (the Final Fiscal Year ) | $ 823.2 | $ 3,594.6 |

The EBIT targets for options granted in fiscal 2012 are as follows:

| Year | Annual EBIT Target (in millions) | Cumulative EBIT Target (in millions) |
|---|---|---|
| 2012 | $ 834.8 | N/A |
| 2013 | $ 804.2 | $ 1,639.0 |
| 2014 | $ 823.2 | $ 2,462.2 |
| 2015 (the Final Fiscal Year ) | * | * |

* EBIT Target not yet established

Mr. Reynolds was the only named executive officer who received a grant of performance-based options in fiscal 2013. The EBIT targets for options granted in fiscal 2013 are as follows:

| Year | Annual EBIT Target (in millions) | Cumulative EBIT Target (in millions) |
|---|---|---|
| 2013 | $ 804.2 | N/A |
| 2014 | $ 823.2 | $ 1,627.4 |
| 2015 | * | * |
| 2016 (the Final Fiscal Year ) | * | * |

* EBIT Target not yet established

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When we calculate our EBIT (which calculation is subject to review and approval by the compensation committee) for purposes of determining whether we have achieved our annual EBIT target, we take our net income and increase it by: (1) net interest expense and (2) the provision for income taxes. We are then required to exclude a number of categorical amounts as follows:

- any extraordinary gains or losses, cumulative effect of a change in accounting principle, income or loss from disposed or discontinued operations and any gains or losses on disposed or discontinued operations, all as determined in accordance with generally accepted accounting principles;

- any gain or loss greater than $2 million attributable to asset dispositions, contract terminations and similar items, provided that losses on contract terminations and asset dispositions in connection with client contract terminations are limited in any given fiscal year to $5 million;

- any increase in amortization or depreciation resulting from the application of purchase accounting to the 2007 Transaction, including the current amortization of existing acquired intangibles;

- any gain or loss from the early extinguishment of indebtedness, including any hedging obligation or other derivative instrument;

- any impairment charge or similar asset write-off required by generally accepted accounting principles;

- any non-cash compensation expense resulting from the application of the authoritative accounting pronouncement for share-based compensation expense or similar accounting requirements;

- any expenses or charges related to any equity offering, acquisition, disposition, recapitalization, refinancing or similar transaction, including the 2007 Transaction;

- any transaction, management, monitoring, consulting, advisory and related fees and expenses paid or payable to the Sponsors;

- the effects of changes in foreign currency translation rates from the rates used in the calculation of the EBIT targets. The 2011 and later EBIT targets are based on the foreign currency translation rates used in the Business Plan approved by our board for the applicable year; and

- the impact of the 53rd week of operations on our financial results during any 53-week fiscal year referenced in the relevant Schedule 1 to the Non-Qualified Stock Option Agreement.

Our calculation of EBIT is adjusted for acquisitions as follows:

- for small acquisitions, which have purchase prices of less than $20 million each, there is no adjustment until the total consideration for all small acquisitions exceeds $20 million in any fiscal year, and then the EBIT targets will be adjusted for the percentage of EBIT that results from the cumulative amounts of such acquisitions over $20 million; and for larger acquisitions, which have purchase prices of more than $20 million, our EBIT targets are adjusted based on the amount of EBIT that we project for that acquisition when it is approved by our board.

Our calculation of EBIT also is adjusted when we sell a business by an amount equal to the last twelve months of earnings of the divested business.

The terms of the performance targets and calculation of EBIT, including the adjustments described above, were initially negotiated with the Sponsors in connection with the 2007 Transaction and were approved by our board in connection with the closing of the 2007 Transaction and subsequently modified. The EBIT targets were also modified in November 2008 and in December 2009 to reflect acquisitions and divestitures, pursuant to the terms of the Non-Qualified Stock Option Agreements. The EBIT targets were intended to measure achievement of the plan presented by us to the Sponsors at the time of the negotiation of the 2007 Transaction, as modified in response to changed circumstances, and the adjustments to EBIT described above primarily represent elements of our performance that are either beyond the control of management or were not predictable at the time the targets were set. On June 21, 2011, our board approved a revised EBIT target for fiscal year 2011 and adopted a new form of Non-Qualified Stock Option Agreement that provides that the compensation committee will, on an annual basis, set both annual and cumulative EBIT targets for future fiscal years within 90 days of the beginning of each fiscal year based upon the Company s business plan as approved by our board. Our board also approved an amendment to outstanding Stock Option Agreements, which provides that if an annual EBIT target is established for fiscal 2012 or later years for options granted after June 21, 2011 that is less than the annual EBIT target for such fiscal year for the outstanding stock options, the EBIT target for such outstanding options will be reduced to such lower EBIT target. In addition, if a cumulative EBIT target as established for options granted after June 21, 2011 is achieved in a fiscal year ending after fiscal 2011, then for any years (beginning with fiscal 2011) that an annual EBIT target as established under the outstanding Stock Option Agreement was not achieved and which was not the final performance year of such option (a missed year ), then the portion of the performance option under the outstanding Stock Option Agreement that did not vest in respect of such missed year will nevertheless become vested or will vest.

We did not achieve our EBIT target for 2012; therefore, performance-based stock options whose vesting is based upon the attainment of the 2012 EBIT target did not or will not vest unless an alternate vesting condition for those options is later satisfied. Mr. Foss employment agreement contains a provision that provides that his performance-based tranche that would vest based on our performance for fiscal year 2012 was to become fully vested so long as Mr. Foss remained employed with us through the applicable vesting date (regardless of whether the 2012 EBIT target was achieved). Accordingly, even though we did not achieve our 2012 EBIT target, in May 2013, the compensation committee vested the tranche of Mr. Foss s performance options whose vesting was subject to the 2012 EBIT target. The compensation committee determined that we achieved our EBIT target for fiscal 2013 therefore, performance-based stock options whose vesting was subject to the 2013 EBIT target vested or will vest.

*Amendment to Vesting of Outstanding Performance-Based Options*

On November 11, 2013, the compensation committee approved a form of amendment to all outstanding Non-Qualified Option Agreements under the 2007 Stock Plan modifying the vesting provisions relating to outstanding stock options subject to performance-based vesting conditions granted under the 2007 Stock Plan. This amendment provides that in the event of an initial public offering of our common stock, subject to continued employment on such date, 50% of any then-unvested performance-based options that did not meet applicable performance thresholds in prior years (the Missed Year Options ) will become vested if the price of our common stock in the initial public offering equals or exceeds $20.00 per share. In addition, during the 18 month period following our initial public offering, if the closing trading price for our common stock equals or exceeds $25.00 per share over any twenty consecutive trading-day period, 100% of the Missed Year Options will become vested. To the extent either or both of the above targets are achieved (x) prior to June 30, 2014, in the event of a termination of employment of an optionholder by us without cause, or (y) within twelve months following an optionholder s termination of employment due to death, disability or retirement, in each case prior to the date(s) such conditions are satisfied, then in any such case the relevant portion of Missed Year Options, to the extent not then vested, will become vested upon such achievement.

Some or all of the performance-based options also will vest if certain other events occur, including the achievement of a return or internal rate of return by our Sponsors. For example, if our Sponsors were to sell a portion of their investment in us and, in connection with that sale, achieve an internal rate of return (i) on or after the third anniversary of the grant date of the options for options granted prior to June 2012 and (ii) at any time for options granted in June 2012 or later equal to 15%, or, for options granted prior to June 2012, prior to the third anniversary of the grant date, that equals or exceeds 200% of that Sponsor s investment, the sale would be a qualified partial liquidity event and a percentage of the unvested performance-based options would vest. The percentage will be based upon the percentage of our Sponsors interest in us that was sold in the qualified partial liquidity event. In addition, if there is a change of control of us in which our sponsors do not achieve the return or internal rate of return described above, a portion of the unvested performance-based options will vest, with the percentage vesting based upon the percentage of eligible performance-based options that had previously vested (all unvested time-based options will vest on a change of control). Upon death, disability or retirement (attaining at least age 60 with five years of service), unvested performance-based options that would have vested during the twelve-month period immediately following termination had the termination not occurred during that period will vest if the performance targets for that period are satisfied. Time-based options that would have vested in the year following retirement, death or disability would also vest according to the vesting schedule. In addition, if employment terminates due to death, disability or retirement, the exercise period for vested options is one year, rather than the 90-day period that is otherwise available for terminations other than for cause. All performance-based options terminate on the date of termination of employment in the case of termination for cause.

The above performance targets do not represent a prediction of how we did or will perform during the fiscal years 2013 through 2016. We are not providing any guidance, nor updating any prior guidance, of our future performance with the disclosure of these performance targets, and you are cautioned not to rely on these performance targets as a prediction of ARAMARK s future performance.

*ISPO Exchange Offer*

On July 29, 2013, we closed the ISPO Exchange Offer whereby we offered to holders of outstanding ISPO awards (including certain named executive officers) the ability to exchange such awards for new grants of Restricted Stock equal to the spread value of the ISPO and a number of Replacement Stock Options equal to the number of ISPOs exchanged minus the number of shares of Restricted Stock granted. The exercise price of the Replacement Stock Options ($16.21) was equal to the fair market value of the Company s common stock on the date of grant based upon the most recent appraisal price of our common stock on the date of grant. The grants of Restricted Stock and Replacement Stock Options were made to certain of our named executive officers by the stock committee on July 31, 2013. The incremental fair value attributable to the Restricted Stock and Replacement Stock Options is reflected in the Summary Compensation Table and the Grants of Plan Based Awards table with respect to Messrs. Foss, Sutherland and Reynolds and Ms. McKee.

*Employment Agreements and Change of Control Arrangements*

We have employment agreements with all of the named executive officers for indeterminate periods terminable by either party, in most cases subject to post-employment severance and benefit obligations. While we do have these agreements in place, from time to time, it has been necessary to renegotiate some terms upon actual termination.

For more information regarding change of control and severance payments for our named executive officers, see the disclosure under Potential Post-Employment Benefits.

Mr. Foss

In connection with his employment with us, we entered into an employment letter agreement and an agreement relating to employment and post-employment competition, dated May 7, 2012, with Mr. Foss, which was later amended in June 2013. Mr. Foss letter agreement provides that Mr. Foss will serve as Chief Executive Officer and President of the Company and will be elected to our board so long as we are controlled by investment funds associated with or designated by our Sponsors. Thereafter, Mr. Foss, while he remains the Chief Executive Officer and President, will be included as a nominee for election to our board at each annual stockholders meeting.

Mr. Foss is employed with us at-will and may be terminated at any time, subject to the severance provisions contained in his employment letter agreement. Mr. Foss initial annual base salary was $1,350,000, and is subject to periodic review by the compensation committee. The compensation committee may, in its discretion, increase Mr. Foss annual base salary. Mr. Foss annual cash bonus will be determined by the compensation committee under our Bonus Plan. For fiscal 2012, however, Mr. Foss received a guaranteed bonus of $1,012,500 (his 2012 target bonus prorated for six months). His target bonus for fiscal 2013 is equal to 150% of his annual base salary. When we hired Mr. Foss, we committed to providing a total annual compensation package to Mr. Foss for fiscal 2013 based on total annual compensation values at the 75th percentile of the Company s market peer group of companies. In addition, Mr. Foss received a one-time signing bonus of $500,000 intended to cover commuting and relocation expenses and is eligible to participate in all retirement, welfare and perquisite programs applicable to senior executives of the Company at benefit levels applicable to senior executives. Mr. Foss also receives a $2,000 monthly car allowance. Under our agreement with Mr. Foss, he is entitled to serve on two for-profit boards, subject to the prior approval of the board. His current service on the boards of CIGNA Corporation and UDR, Inc. was approved by our board in connection with the approval of his employment arrangements.

Mr. Foss invested $3,750,000 through the purchase of our common stock at a per share purchase price equal to $14.96, which was equal to the fair market value (the appraisal price on the date of purchase) per share of our common stock. In addition, Mr. Foss received an ISPO to purchase 500,000 shares of our common stock, of which Mr. Foss exercised the first installment for 100,000 shares of our common stock, which he had committed to do under the terms of his employment letter agreement. The remaining portion of Mr. Foss s ISPO grant was exchanged in connection with the ISPO Exchange Offer described above. Mr. Foss was also granted a nonqualified stock option to purchase 1,450,000 shares of our common stock, one-half of which has time-based vesting conditions and the other half of which has service and performance-based vesting conditions, except that the performance-based tranche that would vest based on our performance for fiscal year 2012 was to become fully vested so long as Mr. Foss remained employed with us through the applicable vesting date (regardless of whether the 2012 EBIT target was achieved). Accordingly, even though we did not achieve our 2012 EBIT target, in May 2013, the compensation committee vested the tranche of Mr. Foss s performance options whose vesting was subject to the 2012 EBIT target. In addition, under his Employment Letter Agreement, Mr. Foss is required to hold shares of our common stock having a fair market value equal to six times his base salary.

If we terminate Mr. Foss employment without cause or Mr. Foss resigns for good reason prior to a change of control (as defined in his agreement relating to employment and post-employment competition), Mr. Foss will receive severance payments equal to two times his base salary plus two times his most recent annual bonus, paid over a twenty-four month period. In addition, he would receive a pro rata portion of his bonus for the year of his termination, based upon our actual performance (his 2012 bonus was deemed to be his full target bonus of $2,025,000 for this purpose). Mr. Foss would also continue to receive his car allowance and to participate in our medical and life insurance programs for the same period. Finally, Mr. Foss time-based stock options that would have vested in the 24-month period following his termination date, but for his termination of employment, would vest immediately.

Mr. Foss agreement relating to employment and post-employment competition contains a double trigger in the event of a change of control. If we experience a change of control (as defined in Mr. Foss agreement), and in anticipation of or within three years after that change of control Mr. Foss is terminated without cause or resigns for good reason, he would be entitled to similar payments as if he were terminated without cause or resigned for good reason prior to a change of control. Mr. Foss would receive severance payments equal to two times his base salary plus two times his most recent annual bonus or his target bonus, whichever is higher, paid over a twenty-four month period. In addition, he would receive a pro rata portion of his bonus for the year of his termination payable in a lump sum within 60 days of the date of termination (his 2012 bonus was deemed to be his full target bonus of $2,025,000 for this purpose). Mr. Foss would also continue to receive his car allowance and to participate in our medical and life insurance programs for the severance period. Finally, Mr. Foss stock options would vest in accordance with the applicable plan document or award agreement.

Upon any termination of employment, Mr. Foss would also receive any accrued amounts (earned but unpaid salary and benefits) owed to him by us. During his employment term and for a period of two years thereafter, Mr. Foss would be subject to a non-competition restriction that would restrict him from associating with or acquiring or maintaining an ownership interest in a competing business and non-solicitation restrictions.

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Messrs. Sutherland and Reynolds and Ms. McKee

In connection with the 2007 Transaction, we entered into employment agreements relating to employment and post-employment competition with Mr. Sutherland and Ms. McKee in July 2007. We entered into an employment agreement relating to employment and post-employment competition with Mr. Reynolds in connection with his commencement of employment with us.

If Messrs. Sutherland or Reynolds or Ms. McKee is terminated for any reason other than cause, the agreements generally provide, subject to execution of a general release, for severance payments equal to 6 to 18 months of pay based on years of service, plus the continuation of certain other benefits, including basic group medical and life insurance coverage and continuation of a car allowance, during the period of such payment. The agreements contain non-competition provisions pursuant to which the executive would be restricted from associating with or acquiring or maintaining an ownership interest in a competing business for a period of two years (or one year if employment is terminated by us other than for cause or is terminated by the employee for good reason after a change of control).

Upon a change of control of us as described in the agreements, in addition to the severance payments discussed in the preceding paragraph, each executive also would be entitled to a lump sum payment if their employment is terminated within the three years following such change of control or in anticipation of such change of control. The agreements provide a payout in the event of a change of control based on a double trigger (more fully described under Potential Post-Employment Benefits ). The agreements, including the double trigger provision, were negotiated with the Sponsors in connection with the 2007 Transaction. These provisions are intended to align executive and stockholder interests by enabling executives to consider corporate transactions that are in the best interests of the stockholders and our other constituents without undue concern over whether the transactions may jeopardize the executives own employment.

Ms. Morrison

We entered into an agreement relating to employment and post-employment competition with Ms. Morrison in connection with her commencement of employment with us. The agreement provides for post-employment benefits should Ms. Morrison be terminated by us without cause. Those benefits include between 26 and 52 weeks of severance pay (Ms. Morrison is currently entitled to 26 weeks of severance pay), depending on the length of time Ms. Morrison has been employed by the Company, and basic group medical coverage and continuation of the Company-paid auto allowance during the severance pay period. The agreements contain non-disclosure and non-disparagement provisions to which Ms. Morrison must adhere for certain periods of time after termination of employment, as well as a two-year non-competition provision and a two-year non-solicitation provision.

*Indemnification Agreements*

We have entered into Indemnification Agreements with our named executive officers (other than Ms. Morrison), among others, that provide rights that are substantially similar to those to which they are currently entitled pursuant to our certificate of incorporation and by-laws and that spell out further the procedures to be followed in connection with indemnification.

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***Outstanding Equity Awards at 2013 Fiscal Year-End***

The following table provides information with respect to holdings of stock options, restricted stock and restricted stock units by our named executive officers at 2013 fiscal year-end.

| | Option Awards | | | | | Stock Awards | |
|---|---|---|---|---|---|---|---|
| Name | Number of Securities Underlying Unexercised Options(#) Exercisable(1) | Number of Securities Underlying Unexercised Options(#) Unexercisable(2) | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options(#)(3) | Option Exercise Price | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested |
| Foss | 362,500 | 725,000 | 362,500 | $ 13.90(4) | 6/6/2022 | | |
| | | 1,247,638 | | $ 16.21 | 6/20/2023 | | |
| | | | | | | 271,438(5) | $ 4,581,873 |
| | | 342,998 | | $ 16.21 | 7/31/2022 | | |
| | | | | | | 57,002(6) | $ 962,194 |
| Sutherland | 756,591 | | 235,659 | $ 5.44(4) | 1/26/2017 | | |
| | 274,500 | | 85,500 | $ 5.44(4) | 2/27/2017 | | |
| | 57,189 | | 17,811 | $ 9.74(4) | 3/5/2018 | | |
| | 150,000 | | 50,000 | $ 8.59(4) | 9/2/2019 | | |
| | 100,000 | 50,000 | 50,000 | $ 9.48(4) | 3/2/2020 | | |
| | 93,750 | 93,750 | 62,500 | $ 11.63(4) | 6/22/2021 | | |
| | | 94,518 | | $ 16.21 | 7/9/2023 | | |
| | | | | | | 30,846(7) | $ 520,680 |
| | | 25,828 | | $ 16.21 | 7/31/2021 | | |
| | | | | | | 10,172(6) | $ 171,703 |
| McKee | 466,555 | | 145,321 | $ 5.44(4) | 1/26/2017 | | |
| | 228,750 | | 71,250 | $ 5.44(4) | 2/27/2017 | | |
| | 38,126 | | 11,874 | $ 9.74(4) | 3/5/2018 | | |
| | 75,000 | 37,500 | 37,500 | $ 9.48(4) | 3/2/2020 | | |
| | 93,750 | 93,750 | 62,500 | $ 11.63(4) | 6/22/2021 | | |
| | | 94,518 | | $ 16.21 | 7/9/2023 | | |
| | | | | | | 30,846(7) | $ 520,680 |
| | | 25,828 | | $ 16.21 | 7/31/2021 | | |
| | | | | | | 10,172(6) | $ 171,703 |
| Reynolds | | 156,250 | | | | | |