ARAMARK WTC, LLC
Form 424B3
January 14, 2014
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-192907

ARAMARK Corporation

Offer to Exchange

All Outstanding

5.75% Senior Notes due 2020 ($1,000,000,000 principal amount outstanding)

for 5.75% Senior Notes due 2020

which have been registered under the Securities Act of 1933

The Exchange Notes:

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradable.

You may withdraw tenders of outstanding notes at any time prior to the expiration date of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on February 10, 2014, unless extended. We do not currently intend to extend the expiration date.

The exchange of outstanding notes for exchange notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The Exchange Offer:

The exchange notes are being offered in order to satisfy certain of our obligations under the registration rights agreement entered into in connection with the private offering of the outstanding notes.

The terms of the exchange notes to be issued in the exchange offer are substantially identical to the outstanding notes, except that the exchange notes will be freely tradable.

Resales of the Exchange Notes:

The exchange notes may be sold in the over-the-counter-market, in negotiated transactions or through a combination of such methods. We do not plan to list the exchange notes on a national market.

See Risk Factors beginning on page 23 for a discussion of certain risks that you should consider before participating in the exchange offer.

Each broker-dealer that receives exchange notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. The letter of transmittal states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933.

This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

We have agreed that, for a period of 180 days after the consummation of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

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

The date of this prospectus is January 13, 2014.

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You should rely only on the information contained in this prospectus or in any free writing prospectuses we have prepared. 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 Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA, as defined under Prospectus Summary Summary Consolidated Financial Data, as non-U.S. Generally Accepted Accounting Principles, or non-GAAP, financial measures in various places throughout this prospectus. Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA are supplemental measures used by management to measure operating performance. Our presentation of Adjusted Net Income, Adjusted Operating Income and 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 generally accepted accounting principles in the United States (U.S. GAAP). We use Adjusted Net Income as a supplemental measure of our overall profitability because it excludes the impact of the non-cash amortization of certain intangible assets and depreciation of property and equipment that were created at the time of our 2007 going-private transaction (the 2007 Transaction), non-cash share-based compensation expense and other costs that are not indicative of our ongoing operational performance. Similarly, we use Adjusted Operating Income and Adjusted EBITDA as supplemental measures of our operating profitability and to evaluate and control our cash operating costs because they exclude the impact of the items noted above relating to the calculation of Adjusted Net Income that are not indicative of our ongoing operational performance. We believe the presentation of Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA is appropriate to provide additional information to investors about our operating performance.

We also 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 additional information to investors about the calculation of certain financial measures in our senior secured credit facilities and the indenture governing our 5.75% Senior Notes due 2020, which we refer to as our notes. For instance, our senior secured credit facilities and the indenture governing our 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 our notes would prohibit us from being able to incur additional indebtedness other than pursuant to specified exceptions.

Because Adjusted Net Income, Adjusted Operating Income, Adjusted EBITDA, 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 Prospectus Summary Summary Consolidated Financial Data herein, we include a quantitative reconciliation of Adjusted Net Income, Adjusted Operating Income and

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Adjusted EBITDA to the most directly comparable U.S. GAAP financial performance measure, which is net income. 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 approximately 272,000 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, $70 million of net income and $1.2 billion of Adjusted EBITDA. As of September 27, 2013, we had $5.8 billion of total debt, not giving effect to anticipated repayments of indebtedness from the proceeds of our recently completed initial public offering. Please see Summary Consolidated Financial Data for a reconciliation of Adjusted EBITDA to net income.

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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.

Recent Developments

In December 2013, ARAMARK Holdings Corporation completed its initial public offering of 36,250,000 shares of common stock. The net proceeds we received from the sale of 28,000,000 shares of our common stock we offered in the initial public offering, after deducting underwriters discounts and commissions and estimated expenses payable by us, were approximately $522.2 million. We intend to use the net proceeds to repay approximately $372.2 million of the outstanding term loans due July 26, 2016 under our senior secured credit facilities and approximately $150.0 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.

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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. During fiscal 2013, we achieved year-over-year growth in our Adjusted Operating Income of 7% and sales growth of 3%. Please see Summary Consolidated Financial Data for a reconciliation of Adjusted Operating Income to net income.

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.

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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 participate in this offering, 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 Exchange Offer

On March 7, 2013, ARAMARK Corporation completed the private offering of the outstanding notes. In this prospectus, the term outstanding notes refers to the 5.75% Senior Notes due 2020 issued in the private offering. The term exchange notes refers to the 5.75% Senior Notes due 2020, as registered under the Securities Act of 1933, as amended (the Securities Act). The term notes refers to both the outstanding notes and the exchange notes.

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

General	In connection with the private offering, we entered into a registration rights agreement with Goldman, Sachs & Co., J.P. Morgan Securities LLC, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, Rabo Securities USA, Inc., PNC Capital Markets LLC, Santander Investment Securities, Inc. and SMBC Nikko Capital Markets Limited (collectively, the initial purchasers), the initial purchasers of the outstanding notes, in which we and the guarantors agreed, among other things, to use our reasonable best efforts to complete the exchange offer for the outstanding notes within 390 days after the date of issuance of the outstanding notes.
	You are entitled to exchange in the exchange offer your outstanding notes for exchange notes, which are identical in all material respects to the outstanding notes except:
	the exchange notes have been registered under the Securities Act;
	the exchange notes are not entitled to any registration rights which are applicable to the outstanding notes under the registration rights agreement; and
	certain additional interest rate provisions are no longer applicable.
The exchange offer	We are offering to exchange up to $1,000,000,000 in principal amount of 5.75% Senior Notes due 2020, which have been registered under the Securities Act, for any and all outstanding notes.
	You may only exchange outstanding notes in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000.
	Subject to the satisfaction or waiver of specified conditions, we will exchange the exchange notes for all respective outstanding notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer. We will cause the exchange to be effected promptly after the expiration of the exchange offer.
	Upon completion of the exchange offer, there may be no market for the outstanding notes and you may have difficulty selling them.

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Resale	Based on interpretations by the staff of the Securities and Exchange Commission, or the SEC , set forth in no-action letters issued to third parties referred to below, we believe that you may resell or otherwise transfer exchange notes issued in the exchange offer without complying with the registration and prospectus delivery requirements of the Securities Act, if: 1. you are acquiring the exchange notes in the ordinary course of your business; 2. you do not have an arrangement or understanding with any person to participate in a distribution of the exchange notes; 3. you are not an affiliate of the Issuer within the meaning of Rule 405 under the Securities Act; and 4. you are not engaged in, and do not intend to engage in, a distribution of the exchange notes. If you are not acquiring the exchange notes in the ordinary course of your business, or if you are engaging in, intend to engage in, or have any arrangement or understanding with any person to participate in, a distribution of the exchange notes, or if you are an affiliate of ARAMARK, then: 1. you cannot rely on the position of the staff of the SEC enunciated in Morgan Stanley & Co., Inc. (available June 5, 1991), Exxon Capital Holdings Corporation (available May 13, 1988), as interpreted in the SEC s letter to Shearman & Sterling dated July 2, 1993, or similar no-action letters; and 2. in the absence of an exception from the position of the SEC stated in (1) above, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale or other transfer of the exchange notes. If you are a broker-dealer and receive exchange notes for your own account in exchange for outstanding notes that you acquired as a result of market-making or other trading activities, you must acknowledge that you will deliver a prospectus, as required by law, in connection with any resale or other transfer of the exchange notes that you receive in the exchange offer. See Plan of Distribution.
Expiration date	The exchange offer will expire at 5:00 p.m., New York City time, on February 10, 2014, unless extended by us. We do not currently intend to extend the expiration date of the exchange offer.
Withdrawal	You may withdraw the tender of your outstanding notes at any time prior to the expiration date of the exchange offer. We will return to you any of your outstanding notes that are not accepted for any reason for exchange, without expense to you, promptly after

the expiration or termination of the exchange offer.

Interest on the exchange notes and the outstanding notes	Each exchange note will bear interest at the rate per annum set forth on the cover page of this prospectus from the most recent date to which interest has been paid on the outstanding notes. The interest on the exchange notes is payable on March 15 and September 15 of each year. Interest on the outstanding notes accrued from March 7, 2013. No interest will be paid on outstanding notes following their acceptance for exchange.
Conditions to the exchange offer	The exchange offer is subject to customary conditions, which we may assert or waive. See The Exchange Offer Conditions to the exchange offer.
Procedures for tendering outstanding notes	If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal, or a facsimile of the letter of transmittal, together with the outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal. If you hold outstanding notes through The Depository Trust Company, or DTC , and wish to participate in the exchange offer for the outstanding notes, you must comply with the Automated Tender Offer Program procedures of DTC.
	By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:
	1. you are acquiring the exchange notes in the ordinary course of your business;
	2. you do not have an arrangement or understanding with any person to participate in a distribution of the exchange notes;
	3. you are not an affiliate of the Issuer within the meaning of Rule 405 under the Securities Act; and
	4. you are not engaged in, and do not intend to engage in, a distribution of the exchange notes.
	If you are a broker-dealer and receive exchange notes for your own account in exchange for outstanding notes that you acquired as a result of market-making or other trading activities, you must represent to us that you will deliver a prospectus, as required by law, in connection with any resale or other transfer of such exchange notes.
	If you are not acquiring the exchange notes in the ordinary course of your business, or if you are engaged in, or intend to engage in, or have an arrangement or understanding with any person to participate in, a distribution of the exchange notes, or if you are an affiliate of the Issuer, then you cannot rely on the positions and interpretations of the

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	staff of the SEC and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale or other transfer of the exchange notes.
Special procedures for beneficial owners	If you are a beneficial owner of outstanding notes that are held in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender those outstanding notes in the exchange offer, you should contact such person promptly and instruct such person to tender those outstanding notes on your behalf.
Guaranteed delivery procedures	If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal and any other documents required by the letter of transmittal or you cannot comply with the DTC procedures for book-entry transfer prior to the expiration date, then you must tender your outstanding notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offer Guaranteed delivery procedures.
Effect on holders of outstanding notes	In connection with the sale of the outstanding notes, we entered into a registration rights agreement with the initial purchasers of the outstanding notes that grants the holders of outstanding notes registration rights. By making the exchange offer, we will have fulfilled a covenant under the registration rights agreement. Accordingly, we will not be obligated to pay additional interest as described in the registration rights agreement. If you do not tender your outstanding notes in the exchange offer, you will continue to be entitled to all the rights and limitations applicable to the outstanding notes as set forth in the indenture, except we will not have any further obligation to you to provide for the registration of the outstanding notes under the registration rights agreement and we will not be obligated to pay additional interest as described in the registration rights agreement. See Registration Rights.
	To the extent that outstanding notes are tendered and accepted in the exchange offer, the trading market for outstanding notes could be adversely affected.
Consequences of failure to exchange	All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the outstanding notes under the Securities Act.
Material income tax considerations	The exchange of outstanding notes for exchange notes in the exchange offer will not be a taxable event for United States federal income tax purposes. See United States Federal Income Tax Consequences of the Exchange Offer.

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Use of proceeds	We will not receive any cash proceeds from the issuance of exchange notes in the exchange offer.
Exchange agent	The Bank of New York Mellon whose address and telephone number are set forth in the section captioned The Exchange Offer Exchange agent of this prospectus, is the exchange agent for the exchange offer.

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Summary of the Terms of the Exchange Notes

The terms of the exchange notes are identical in all material respects to the terms of the outstanding notes, except that the exchange notes will not contain terms with respect to transfer restrictions or additional interest upon a failure to fulfill certain of our obligations under the registration rights agreement. The exchange notes will evidence the same debt as the outstanding notes. The exchange notes will be governed by the same indenture under which the outstanding notes were issued and the exchange notes and the outstanding notes will constitute a single class and series of notes for all purposes under the indenture. 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.

Issuer	ARAMARK Corporation.
Securities	$1,000,000,000 in aggregate principal amount of 5.75% senior notes due 2020.
Maturity date	March 15, 2020.
Interest	Interest on the exchange notes is payable on March 15 and September 15 of each year.
	Interest on the exchange notes will accrue at the rate of 5.75% per annum.
	Interest on the outstanding notes accrued from March 7, 2013.
Guarantees	The exchange notes will be 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. All of our domestic subsidiaries, other than our receivables facility subsidiary and certain immaterial subsidiaries, are expected to be guarantors of the exchange notes.
Ranking	The exchange notes will be our senior unsecured obligations and will:
	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

be 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 be structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the notes.

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Similarly, each of the exchange note guarantees will be senior unsecured obligations of the applicable guarantor and will:

- 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;
- 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
- be 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 be structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the notes.

As of September 27, 2013, (1) the exchange notes and related guarantees would have ranked effectively junior to approximately $4,788.3 million of senior secured indebtedness (including $52.4 million of payment obligations relating to capital lease obligations and $300.0 million under our receivables facility) and (2) we would have had an additional $579.0 million of unutilized capacity under our revolving credit facility, after taking into account outstanding letters of credit. Such amounts do not give effect to anticipated repayments of indebtedness from the proceeds of our recently completed initial public offering.

Optional redemption	Prior to March 15, 2015, we may redeem the exchange 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 exchange 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 exchange 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 exchange 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

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	circumstances, we will be required to make an offer to purchase the exchange 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.
Certain covenants	The indenture governing the exchange notes will restrict our ability and the ability of our restricted subsidiaries to, among other things:
	incur additional indebtedness or issue certain preferred shares;
	pay dividends and make certain distributions, investments and other restricted payments;
	create certain liens;
	sell assets;
	enter into transactions with affiliates;
	limit the ability of restricted subsidiaries to make payments to us;
	enter into sale and leaseback transactions;
	merge, consolidate, sell or otherwise dispose of all or substantially all of our assets; and
	designate our subsidiaries as unrestricted subsidiaries.
	These covenants are subject to important exceptions and registration rights qualifications described under the headings Description of Notes. If the exchange 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.
Absence of Public Market for the Notes	The exchange notes are a new issue of securities and there is currently no established trading market for the exchange notes. Accordingly, there can be no assurance as to the development or liquidity of any market for the exchange notes.
Use of proceeds	We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offer. 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 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 that are also included elsewhere in this prospectus.

		Fiscal year(1)	
(dollars in millions, except per share data)	**2013**	**2012**	**2011**
Statement of operations data:			
Sales	$ 13,946	$ 13,505	$ 13,082
Costs and expenses:			
Cost of services provided	12,661	12,191	11,836
Depreciation and amortization	542	529	511
Selling and general corporate expenses	228	203	188
Operating income	515	582	547
Interest and other financing costs, net	424	457	451
Income from continuing operations before income taxes	91	125	96
Provision (benefit) for income taxes	20	18	(1)
Income from continuing operations	71	107	97
Loss from discontinued operations, net of tax(2)	(1)		(12)
Net income	70	107	85
Less: Net income attributable to noncontrolling interests	1	3	1
Net income attributable to ARAMARK stockholders	$ 69	$ 104	$ 84
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
Loss from discontinued operations	(0.01)		(0.06)
Net income attributable to ARAMARK stockholders	$ 0.34	$ 0.51	$ 0.41
Diluted:			
Income from continuing operations	$ 0.34	$ 0.49	$ 0.46
Loss from discontinued operations	(0.01)		(0.06)

Net income attributable to ARAMARK stockholders	$ 0.33	$ 0.49	$ 0.40
Pro forma basic:			
Income from continuing operations	$ 0.58		
Loss from discontinued operations	(0.01)		
Net income attributable to ARAMARK stockholders(3)	$ 0.57		

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(dollars in millions, except per share data)	Fiscal year(1) 2013	2012	2011
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
Investing activities	(385)	(482)	(363)
Financing activities(6)	(336)	(287)	112
Balance sheet data (at period end):			
Cash and cash equivalents	$ 111	$ 137	$ 213
Total assets(6)	10,267	10,487	10,523
Total debt (including current portion of long term debt)(6)(7)	5,824	6,009	6,232
Total equity(5)	904	967	882
Other financial data:			
Adjusted Net Income(8)	$ 248	$ 209	$ 200
Adjusted Operating Income(8)	798	750	717
Adjusted EBITDA(8)	1,185	1,126	1,075
Capital expenditures, net of disposals	382	343	272

(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.

(4) The pro forma net income attributable to ARAMARK stockholders (as adjusted) and per share data (as adjusted) for fiscal 2013 assumes $522.2 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 $11.9 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.

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(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.

(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) We use Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA as supplemental measures to evaluate our performance. Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA are not measurements of financial performance under generally accepted accounting principles in the United States, or U.S. GAAP. Adjusted Net Income represents net income adjusted to eliminate the impact from discontinued operations, net of tax; the increased amortization of acquisition-related customer relationship intangible assets and depreciation of property and equipment resulting from the 2007 Transaction; the impact of changes in the fair value of our gasoline and diesel fuel derivative instruments; severance and other charges; and share-based compensation, less the tax impact of these adjustments. Adjusted Operating Income represents Adjusted Net Income further adjusted to exclude the impact from income taxes and interest and other financing costs, net. Adjusted EBITDA represents Adjusted Operating Income further adjusted to exclude the impact of all other depreciation and amortization expense.

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The following table presents a reconciliation of the non-GAAP financial measures used in this prospectus. A directly comparable U.S. GAAP measure to Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA is net income. Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA are reconciled from net income as follows:

(unaudited, dollars in millions)	Fiscal year 2013	2012	2011
Net Income (as reported)	$ 70	$ 107	$ 85
Adjustment:			
Loss from Discontinued Operations, net of tax	1		12
Increased Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 Transaction	155	153	153
Change in Fair Value of Gasoline and Diesel Fuel Derivative Instruments	1	(1)	
Severance and Other Charges (a)	108		
Share-Based Compensation	19	16	17
Tax Impact of Adjustments to Adjusted Net Income (b)	(106)	(66)	(67)
Adjusted Net Income	$ 248	$ 209	$ 200
Adjustment:			
Tax Impact of Adjustments to Adjusted Net Income (b)	106	66	67
Provision (Benefit) for Income Taxes	20	18	(1)
Interest and Other Financing Charges, net	424	457	451
Adjusted Operating Income	$ 798	$ 750	$ 717
Adjustment:			
Increased Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 Transaction	(155)	(153)	(153)
Depreciation and Amortization	542	529	511
Adjusted EBITDA	$ 1,185	$ 1,126	$ 1,075

(a) Severance and Other Charges includes severance and related costs of $63.9 million, goodwill impairments of $11.7 million, asset write-offs of $12.0 million and costs related to transformation initiatives of $20.7 million for fiscal 2013.

(b) Represents the tax benefit, using an effective tax rate of 39.5%, associated with the adjusted expenses.

We use Adjusted Net Income as a supplemental measure of our overall profitability because it excludes the impact of the non-cash amortization of certain intangible assets and depreciation of property and equipment that were created at the time of the 2007 Transaction, non-cash share-based compensation expense and other items which are not indicative of our ongoing operational performance. Similarly, we use Adjusted Operating Income and Adjusted EBITDA as supplemental measures of our operating profitability and to evaluate and control our cash operating costs because they exclude the impact of the items noted above relating to the calculation of Adjusted Net Income that are not indicative of our ongoing operational performance. We believe the presentation of Adjusted Net Income, Adjusted Operating Income and Adjusted EBITDA is appropriate to provide additional information to investors about our operating performance.

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. Adjusted Net Income, Adjusted Operating Income and 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. Moreover, our definition of Adjusted EBITDA as presented here, although similar, is not the same as Covenant EBITDA and Covenant Adjusted EBITDA, which are calculated for ARAMARK Corporation in connection with our financial covenants in the indenture governing our notes and in our senior secured credit facilities.

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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 participating in the exchange offer. 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.

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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.

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.

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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 September 27, 2013, our outstanding indebtedness was $5,824.1 million, including amounts outstanding under our credit facilities, notes and receivables facility, not giving effect to anticipated repayments of indebtedness from the proceeds of our recently completed initial public offering. We also had additional availability of approximately $579.0 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;

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- 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 our 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 Exchange Offer

If you choose not to exchange your outstanding notes in the exchange offer, the transfer restrictions currently applicable to your outstanding notes will remain in force and the market price of your outstanding notes could decline.

If you do not exchange your outstanding notes for exchange notes in the exchange offer, then you will continue to be subject to the transfer restrictions on the outstanding notes as set forth in the offering memorandum distributed in connection with the private offering of the outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act. You should refer to Summary Summary of the Terms of the Exchange Offer, The Exchange Offer and Registration Rights for information about how to tender your outstanding notes.

The tender of outstanding notes under the exchange offer will reduce the principal amount of the outstanding notes, which may have an adverse effect upon and increase the volatility of, the market price of the outstanding notes due to reduction in liquidity.

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

The exchange notes are new issues of securities for which there is no established public market. Certain of the initial purchasers in the private offering of the outstanding notes have advised us that they intend to make a market in the exchange notes as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to make a market in any of the exchange notes, and they may discontinue their market-making activities at any time without notice. Therefore, an active market for any of the exchange notes may not develop or, if developed, it may not continue. 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 exchange notes. The market, if any, for any of the exchange notes may not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your exchange notes. In addition, subsequent to their initial issuance, the exchange notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

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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.

The following risks apply to the outstanding notes and will apply equally to the exchange notes.

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,

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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 September 27, 2013, our outstanding senior secured indebtedness was $5,824.1 million, not giving effect to anticipated repayments of indebtedness from the proceeds of our recently completed initial public offering. We had additional availability of approximately $579.0 million under our revolving credit facility at that date, after taking into account outstanding letters of credit. The indenture governing the notes offered hereby permits us and our restricted subsidiaries to incur substantial additional indebtedness in the future, including senior secured indebtedness.

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

The notes will not be 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 will be 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 twelve months ended September 27, 2013, our non-guarantor subsidiaries accounted for approximately $4,118.8 million, or 29.5%, of our total sales, and approximately $2,575.7 million, or 25.1%, of our total assets, and approximately $1,371.8 million, or 14.9%, of our total liabilities, in each case as of September 27, 2013.

The lenders under the senior secured credit facilities will have the discretion to release the guarantors under the senior secured credit agreement in a variety of circumstances, which will 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 will 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 will 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 will be 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 will 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

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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

- 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 September 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 the completion of our initial public offering, the Sponsors collectively own approximately 80% 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 September 27, 2013, term loans with an aggregate principal amount of $4,433.7 million (recorded at $4,425.9 million to reflect original issue discount) were outstanding. The maturity date for $3,033.7 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 September 27, 2013, there were approximately $121.7 million of issued letters of credit under the synthetic letter of credit facility. Such amounts do not give effect to anticipated repayments of indebtedness from the proceeds of our recently completed initial public offering. See Description of Other Indebtedness.

(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 September 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 will guarantee the notes, subject to certain limited exceptions.

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USE OF PROCEEDS

The exchange offer is intended to satisfy obligations under the registration rights agreement that ARAMARK Corporation entered into in connection with the private offering of the outstanding notes. We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offer. As consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding notes, the terms of which are identical in all material respects to the exchange notes, except that the exchange notes will not contain terms with respect to transfer restrictions or additional interest upon a failure to fulfill certain of our obligations under the registration rights agreement. The outstanding notes that are surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. As a result, the issuance of the exchange notes will not result in any increase or decrease in our level of indebtedness.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 27, 2013 (1) on a historical basis and (2) on an as adjusted basis to give effect to the issuance of 28,000,000 shares of our common stock offered by us in our initial public offering and the use of proceeds therefrom as well as certain equity and compensation transactions that are contingent upon the completion of the initial public offering. 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 and the audited consolidated financial statements and related notes appearing elsewhere in this prospectus.

(in millions)	As of September 27, 2013 Actual	As Adjusted
Cash and cash equivalents(1)(2)	$ 111.0	$ 246.7
Senior secured credit facilities:		
Revolving credit facility(2)(3)	$ 10.0	$
Term loan facility(4)	4,425.9	4,053.7
5.75% senior notes due 2020	1,000.0	1,000.0
Receivables facility	300.0	300.0
Capital leases	52.4	52.4
Other existing debt(5)	35.8	35.8
Total debt	5,824.1	5,441.9
Common stock subject to repurchase and other(6)	168.9	10.2
Stockholders equity:		
Common stock, 600,000,000 shares authorized, actual; 219,585,247 shares issued and 201,798,518 shares outstanding, actual; 600,000,000 shares authorized, as adjusted; 247,585,247 shares issued and 229,798,518 shares outstanding, as adjusted	2.2	2.5
Capital surplus(6)(7)	1,693.6	2,406.2
Accumulated deficit(1)(7)	(479.2)	(501.2)
Accumulated other comprehensive loss	(59.2)	(59.2)
Treasury stock	(253.7)	(253.7)
Total stockholders equity	903.7	1,594.6
Total capitalization	$ 6,896.7	$ 7,046.7

(1) On November 11, 2013, the Compensation Committee of the Company s Board of Directors approved special cash bonuses to certain senior executives of approximately $4.3 million payable in connection with the completion of our initial public offering. The net of tax impact on accumulated deficit was $2.6 million (see Note 17 to our consolidated financial statements).

(2) The Company intends to use approximately $150.0 million of proceeds from our initial public offering to repay borrowings on the revolving credit facility incurred subsequent to September 27, 2013. As of November 22, 2013, a total of $283.7 million was outstanding under the revolving credit facility.

(3) 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.

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(4) As of September 27, 2013, term loans with an aggregate principal amount of $4,433.7 million (recorded at $4,425.9 million to reflect original issue discount) were outstanding. The maturity date for $3,033.7 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 September 27, 2013, there were approximately $121.7 million of issued letters of credit under the synthetic letter of credit facility. See Description of Other Indebtedness.

(5) Consists of borrowings by our foreign subsidiaries.

(6) Upon the completion of the initial public offering, the Company s repurchase obligation under the Stockholders Agreement relating to certain shares of the Company s common stock held by former members of the Company s management terminates and the value of common stock subject to repurchase will be classified as capital surplus.

(7) Reflects an adjustment for share-based compensation expense totaling $19.4 million, net of income taxes, associated with a non-cash charge reflected as an increase in capital surplus of $32.0 million related to a modification of the terms of certain performance-based options outstanding (see Note 17 to our consolidated financial statements).

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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 $522.2 million which will be used to repay approximately $372.2 million in outstanding term loans due July 26, 2016 and approximately $150.0 million of borrowings on the revolving credit facility under our senior secured credit facilities as well as certain share-based compensation transactions that are 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 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. An unaudited pro forma balance sheet as of September 27, 2013 is not presented because the impact of the March 2013 debt refinancing is included in the consolidated balance sheet of the Company as of such date. See also Capitalization.

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.

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 Discussio 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 this 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 this 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).

(d) To reflect the reduction in interest expense resulting from the application of $522.2 million of net proceeds from the initial public offering to repay approximately $372.2 million in outstanding term loans due July 26, 2016 and approximately $150.0 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 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 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 that are also included in this prospectus.

	Fiscal year(1)				
(dollars in millions, except per share data)	2013	2012	2011	2010	2009
Statement of operations data:					
Sales	$ 13,946	$ 13,505	$ 13,082	$ 12,419	$ 12,138
Costs and expenses:					
Cost of services provided	12,661	12,191	11,836	11,247	11,009
Depreciation and amortization	542	529	511	503	497
Selling and general corporate expenses	228	203	188	191	183
Operating income	515	582	547	478	449
Interest and other financing costs, net	424	457	451	445	473
Income (loss) from continuing operations before income taxes	91	125	96	33	(24)
Provision (benefit) for income taxes	20	18	(1)	1	(24)
Income from continuing operations	71	107	97	32	
Income (loss) from discontinued operations, net of tax(2)	(1)		(12)	(1)	(7)
Net income (loss)	70	107	85	31	(7)
Less: Net income attributable to noncontrolling interests	1	3	1		
Net income (loss) attributable to ARAMARK stockholders	$ 69	$ 104	$ 84	$ 31	$ (7)
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 (loss) from continuing operations	$ 0.35	$ 0.51	$ 0.47	$ 0.16	$ (0.00)
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)
Diluted:					

Income (loss) from continuing operations	$ 0.34	$ 0.49	$ 0.46	$ 0.16	$ (0.00)
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)
Pro forma basic:					
Income from continuing operations	$ 0.58				
Loss from discontinued operations	(0.01)				
Net income attributable to ARAMARK stockholders(3)	$ 0.57				

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(dollars in millions, except per share data)	2013	2012	Fiscal year(1) 2011	2010	2009
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
Investing activities	(385)	(482)	(363)	(354)	(465)
Financing activities(6)	(336)	(287)	112	(344)	(167)
Other financial data:					
Capital expenditures, net of disposals	382	343	272	264	330
Ratio of earnings to fixed charges(8)	1.2x	1.2x	1.1x	1.0x	0.9x
Balance sheet data (at period end):					
Cash and cash equivalents	$ 111	$ 137	$ 213	$ 161	$ 225
Total assets(6)	10,267	10,487	10,523	10,222	10,327
Total debt (including current portion of long term debt)(6)(7)	5,824	6,009	6,232	5,402	5,722
Total equity(5)	904	967	882	1,397	1,360

(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 and 2010 were each 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.

(4) The pro forma net income attributable to ARAMARK stockholders (as adjusted) and per share data (as adjusted) for fiscal 2013 assumes $522.2 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 $11.9 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.

(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.

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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, should be read in conjunction with Selected Consolidated Financial Data and our consolidated financial statements and the notes to those statements.

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 elsewhere in this prospectus.

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 approximately 272,000 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 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. In fiscal 2013, our FSS North America segment generated $9.6 billion in sales, or 69% of our total sales, and our FSS International segment generated $2.9 billion in sales, or 21% 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. In fiscal 2013, our Uniform segment generated $1.4 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. We anticipate that economic conditions, specifically in Europe, and unemployment levels will continue to remain challenging.

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 estimate that we will incur an additional $20 to $45 million of costs over the next 15 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. For fiscal 2013, approximately 73% of our FSS North America and FSS International sales were derived from profit and loss 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 customer satisfaction surveys. For fiscal 2013, approximately 27% of our FSS North America and FSS International sales were derived from client interest contracts.

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.

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RESULTS OF OPERATIONS

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.

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	$	%
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%

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Operating Income by Segment	Fiscal Year Ended September 27, 2013	Fiscal Year Ended September 28, 2012	$	%
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

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.

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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%).

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

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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	$	%
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	$	%
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%

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.

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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

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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.

Quarterly Financial Data

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

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
Sales	$ 3,423	$ 3,345	$ 3,336	$ 3,401	$ 3,536	$ 3,404	$ 3,490	$ 3,516
Operating Income	167	134	115	166	175	80	124	135
Net income (loss) attributable to ARAMARK stockholders	$ 30	$ 1	$ 14	$ 59	$ 43	$ (40)	$ 27	$ 39

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 September 27, 2013, we had $111.0 million of cash and cash equivalents and approximately $579.0 million of availability under our senior secured revolving credit facility.

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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 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):

	Fiscal Year		
	2013	2012	2011
Net cash provided by operating activities	$ 695.9	$ 691.8	$ 303.6
Net cash used in investing activities	(385.4)	(481.6)	(363.1)
Net cash (used in) provided by financing activities	(336.3)	(286.8)	112.0

Reference to the Consolidated Statements of Cash Flows will facilitate understanding of the discussion that follows.

Cash Flows Provided by Operating Activities

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 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.

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Cash Flows Provided by (Used in) Financing Activities

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,

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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 $4,433.7 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.

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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 September 27, 2013, outstanding term loan borrowings were $4,433.7 million (recorded at $4,425.9 million to reflect original issue discount) and outstanding revolving credit borrowings were $10.0 million. Such amounts do not give effect to anticipated repayments of indebtedness from the proceeds of our recently completed initial public offering.

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.

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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 September 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 September 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.

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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.

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

(1) Fiscal 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.

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(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 September 27, 2013 are as follows:

	Covenant Requirements	Actual Ratios
Maximum Consolidated Secured Debt Ratio(1)	5.75x	4.00x
Interest Coverage Ratio (Fixed Charge Coverage Ratio)(2)	2.00x	3.52x

(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.

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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

	Total	**Amount of Commitment Expiration Per Period**			
Other Commercial Commitments as of September 27, 2013	**Amounts Committed**	**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.

(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 September 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).

Pursuant to the stockholders agreement which was entered into in connection with the 2007 Transaction and which was amended and restated in connection with the initial public offering (as so amended, the Stockholders Agreement), upon termination of employment from the Company or one of its subsidiaries, members of the Company s management (other than Mr. Neubauer) who hold shares of common stock can cause 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 be, at the Company s option, in cash or installment notes. The amount of common stock subject to repurchase as of September 27, 2013 and September 28, 2012 was $158.7 million and $167.5 million, which is based on approximately 9.4 million and 11.0 million shares of common stock valued at $16.88 and $15.17 per share, respectively. The Stockholders Agreement, the senior secured credit agreement and the indenture governing our senior notes contain limitations on the amount that can be expended for such share repurchases.

Pursuant to the Stockholders Agreement, former employees who have terminated employment with the Company within one year of our initial public offering and have sold back their shares to the Company prior to our initial public offering will be entitled to receive upon consummation of our initial public offering an amount equal to the difference between the price they were paid for their shares and the offering price multiplied by the number of shares they sold. We will owe such former employees an aggregate of $0.3 million upon consummation of our initial public offering.

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 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 as of the end of fiscal August 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. The Company completed its annual goodwill and trade name impairment tests for fiscal 2013, which did not result in an impairment charge. During the second quarter of fiscal 2013, the Company performed an interim goodwill impairment test and recorded an impairment charge of approximately $11.7 million in the FSS International segment to write-off all of the goodwill associated with its reporting units in Spain and Korea. The impairment charge resulted from continued economic weakness in Spain and reductions in government support for the healthcare and education sectors, two of the primary sectors of the Spanish reporting unit. In Korea, the Company undertook a strategic analysis of the Korean reporting unit, which prompted the impairment analysis in the second quarter. The completion of the step two impairment analyses confirmed that goodwill for both reporting units was impaired. The Company estimated the fair value measurements using a discounted cash flow valuation methodology which included making assumptions about the future profitability and cash flows of the business.

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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 ARAMARK s business segments;
- industry specific economic conditions;
- competitor activities and regulatory initiatives; and
- client and consumer preferences and behavior patterns.

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 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 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

Under the ARAMARK Holdings Corporation 2007 Management Stock Incentive Plan, as amended (the Plan), incentive awards may be granted to employees or directors of, or consultants to, the Company or one of its affiliates in the form of non-qualified stock options (time- and performance-based), installment stock purchase opportunities (ISPOs) and deferred stock units (only to non-employee directors). In June 2013, the Plan was amended and now additionally provides for the grant of restricted stock units and restricted stock. The compensation committee also approved a new form of non-qualified stock option award agreement which provides for 100% time-based vesting rather than earlier forms of non-qualified discretionary stock option agreements which had provided for 50% time-based vesting and 50% performance-based vesting. Finally, in June 2013, the Company offered to holders of outstanding ISPOs the ability to exchange such awards for restricted stock and non-qualified stock options (the Award Exchange).

We value our non-qualified stock option and 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, 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 of share-based awards represents the weighted-average period the share-based award is expected to remain outstanding. The expected term for all grants of time-based awards and ISPO awards were calculated using the simplified method, as permitted under SEC rules and regulations due to the lack of history of our equity incentive plan and the lack 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.

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 options, management must assess the probability of the achievement of the earnings before interest and taxes (EBIT) targets, as defined in the Plan. If the EBIT 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.

During fiscal 2013, fiscal 2012 and fiscal 2011, share-based compensation expense was approximately $19.4 million, $15.7 million and $17.3 million, respectively. We expect to continue to grant share-based awards in the future, and to the extent that we do, our actual share-based compensation expense recognized will likely increase.

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Valuation of our Common Stock

The following table presents the grant dates, timing of valuations performed relative to the date of grant and the number of underlying shares and related exercise prices of awards granted to employees and non-employee directors of the Company, from June 1, 2012 through the date of this filing, as well as the estimated fair value of the underlying common stock per share on the grant date.

Grant Date	Date of Valuation	Number of Options Granted	Original Exercise Price	Fair Value per share of Common Stock
June 2, 2012(a)	June 1, 2012	3,340		$ 14.96
June 6, 2012	June 1, 2012	2,040,000	$ 14.96	$ 14.96
September 5, 2012	September 1, 2012	150,000	$ 15.17	$ 15.17
October 29, 2012(a)	September 1, 2012	17,066		$ 14.23
December 5, 2012	December 1, 2012	1,150,000	$ 14.99	$ 14.99
March 2, 2013(a)	March 1, 2013	25,396		$ 15.75
March 7, 2013	March 1, 2013	125,000	$ 15.75	$ 15.75
June 20, 2013	June 1, 2013	1,247,638	$ 16.21	$ 16.21
June 20, 2013(b)	June 1, 2013	271,438		$ 16.21
July 9, 2013	June 1, 2013	3,059,626	$ 16.21	$ 16.21
July 9, 2013(b)	June 1, 2013	975,618		$ 16.21
July 31, 2013(c)	June 1, 2013	1,108,738	$ 16.21	$ 16.21
July 31, 2013(c)	June 1, 2013	225,262		$ 16.21
September 4, 2013	September 1, 2013	80,341	$ 16.88	$ 16.88
September 4, 2013(b)	September 1, 2013	26,219		$ 16.88

(a) Represents Deferred Stock Units issued to non-employee members of the board of directors. Value of deferred stock units is based on the fair value of the Company's common stock on date of grant.

(b) Represents grants of restricted stock units.

(c) As a result of the Award Exchange, a total of 1,334,000 outstanding ISPOs were exchanged for 225,262 restricted stock awards and 1,108,738 replacement stock option awards. The offer to holders of outstanding ISPOs relating to the Award Exchange commenced on June 28, 2013 and, following an offer period of 20 business days, the Award Exchange was completed on July 31, 2013.

Each quarter, a contemporaneous valuation (within the meaning of such term under the American Institute of Certified Public Accountants (the AICPA) Practice Aid) was performed. At each grant date, the compensation committee of the board of directors considered whether any events or circumstances occurred between the date of the valuation and the date of the grant that would indicate a significant change in the fair value of our common stock per share during that period. The decline in market value from September 5, 2012 to October 29, 2012 was a result of 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 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.

Prior to our initial public offering, we were a private company with no active public market for our common stock. Management, with authority delegated by the board of directors, estimates the fair value of our common stock per share, which includes consideration of a contemporaneous valuation by an independent third-party valuation firm in accordance with the guidelines outlined in the AICPA Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*. The valuation of the Company s common stock per share is performed on a regular quarterly basis as of the beginning of the month when share-based awards are expected to be granted. The third party valuations consider a number of objective and subjective factors that we believe market participants would consider, including understanding the financial condition, future prospects and projected operations of the Company, a review of the history and nature of the Company, a review of the financial data bearing upon recent and prospective operations, a review of certain other publicly available financial data for certain companies deemed comparable to the Company and capital market information deemed relevant to the assessment of the investment risk return attributes of the Company s common stock. For all periods, the valuation of our common stock has agreed to the valuation performed by the third party valuation firm.

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In making a determination of the fair value of common stock per share, the valuation of our enterprise value utilizes the market-comparable approach and the income approach. The valuation methodology has been performed on a consistent basis for all periods. The market-comparable approach estimates the value of a company by applying market multiples of publicly traded comparable companies in similar lines of business to the results and projected results of the company being valued. The income approach involves applying an appropriate risk-adjusted discount rate to projected cash flows based on forecasted sales and costs. When estimating an enterprise value at each valuation date and the corresponding value of the common stock per share, the valuation equally weights the market-comparable approach and income approach.

For each valuation date, the Company prepares financial forecasts which are used in the different valuation approaches. The financial forecasts are based on assumed sales growth rates, operating margins and expected cash flows in the future. These forecasts can differ from time to time based on current and projected changes in the business. As the assumptions in these forecasts change, the value of our common stock will also change. In addition to the forecast, changes in the multiples of our publicly-traded comparable companies and changes in our cash and debt balances will also cause the value of our common stock to vary.

Management believes that the accounting estimate related to the expense of share-based awards is a critical accounting estimate because the underlying assumptions, including financial forecasts, 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 natural gas, 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 natural gas, 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 1 to our 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 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.

	Expected Fiscal Year of Maturity							
As of September 27, 2013	**2014**	**2015**	**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 approximately 272,000 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, $514.4 million of operating income, $798.3 million of Adjusted Operating Income and $1.2 billion of Adjusted EBITDA. As of September 27, 2013, we had $5.8 billion of total debt, not giving effect to anticipated repayments of indebtedness from the proceeds of our recently completed initial public offering. Please see Prospectus Summary Consolidated Financial Data for a reconciliation of Adjusted Operating Income and Adjusted EBITDA to net income.

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.

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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.

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 American and International operations. In fiscal 2013, our FSS North America segment generated $9.6 billion in sales, or 69% of our total sales, and our FSS International segment generated $2.9 billion in sales, or 21% 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 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 Public school districts and systems Private schools	Dining services Catering Food service management Retail operations	Facilities management Custodial services Grounds Energy management Construction management Capital project management
Healthcare	Hospitals Nursing homes	Food and nutrition services Retail operations	Clinical equipment maintenance Environmental services Laundry and linen distribution Plant operations Energy management Strategic and technical services Supply chain management Purchasing Central transportation
Business & Industry	Manufacturing plants Corporate cafeterias Mining operations Oil & Gas drilling operations	Dining services On-site restaurants Catering Convenience stores Executive dining rooms Coffee and vending Drinking water filtration	Housekeeping management Plant operations/maintenance Energy management Groundskeeping Landscaping Transportation Capital program management Commissioning services Building operations consulting
Sports, Leisure and Corrections	Professional and collegiate stadiums and arenas	Concessions Banquet and catering	Recreational and lodging services 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.

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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.

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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.

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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. In fiscal 2013, our Uniform segment generated $1.4 billion in sales, or 10% of our total sales. See note 14 to the Company s 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.

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, 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 ev