

ARAMARK CORP

8-K

Current report filing

Filed on 11/16/2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): November 16, 2011

ARAMARK CORPORATION

(Exact name of registrant as specified in charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

**1101 Market Street
Philadelphia, Pennsylvania**
(Address of Principal Executive Offices)

001-04762
(Commission
File Number)

95-2051630
(IRS Employer
Identification No.)

19107
Zip Code

Registrant's telephone, including area code: 215-238-3000

N/A

(Former name and former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 Results of Operations and Financial Condition

The following information, including the financial reports and schedules attached as an exhibit to this Form 8-K, is furnished pursuant to Item 2.02. Results of Operations and Financial Condition.

The information contained in this Current Report, including exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information contained in this Current Report shall not be incorporated by reference into any registration statement or other document or filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On November 16, 2011, ARAMARK Corporation (the "Company") will hold a conference call announcing its financial results for the quarter and fiscal year ended September 30, 2011. A copy of the financial reports and schedules that are the subject of the conference call are attached hereto as exhibit 99.1.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	ARAMARK Corporation financial reports and schedules.	Furnished herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 16, 2011

ARAMARK CORPORATION

By: /s/ L. Frederick Sutherland

Name: L. Frederick Sutherland

Title: Executive Vice President and Chief Financial Officer

Index to Exhibits

<u>Number</u>	<u>Description</u>	<u>Method of Filing</u>
99.1	ARAMARK Corporation financial reports and schedules.	Furnished herewith

ARAMARK CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In Thousands)

	Three Months Ended September 30, 2011	Three Months Ended October 1, 2010
Sales	\$ 3,291,898	\$ 3,117,214
Costs and Expenses:		
Cost of services provided	2,963,905	2,812,110
Depreciation and amortization	127,958	125,271
Selling and general corporate expenses	47,724	43,686
	<u>3,139,587</u>	<u>2,981,067</u>
Operating income	152,311	136,147
Interest and other financing costs, net	111,089	108,744
Income from continuing operations before income taxes	41,222	27,403
Provision (benefit) for income taxes	(13,103)	6,305
Income from continuing operations	54,325	21,098
Income (loss) from discontinued operations, net of tax (1)	(11,772)	5
Net income	42,553	21,103
Less: Net income attributable to noncontrolling interest	760	—
Net income attributable to ARAMARK shareholder	<u>\$ 41,793</u>	<u>\$ 21,103</u>

Note:

- (1) In the fourth quarter of fiscal 2011, ARAMARK Corporation (the Company) completed the sale of its wholly-owned subsidiary, Galls, LLC (Galls), for \$75 million in cash. Galls is accounted for as a discontinued operation in the accompanying financial schedule. Galls' results have been removed from the Company's results of continuing operations for all periods presented. Included in income (loss) from discontinued operations is a net loss of approximately \$12.0 million related to the sale of Galls.

ARAMARK CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In Thousands)

	Fiscal Year	
	Ended September 30, 2011	Ended October 1, 2010
Sales	\$ 13,082,377	\$ 12,419,064
Costs and Expenses:		
Cost of services provided	11,836,780	11,247,115
Depreciation and amortization	510,516	502,892
Selling and general corporate expenses	186,870	191,561
	<u>12,534,166</u>	<u>11,941,568</u>
Operating income	548,211	477,496
Interest and other financing costs, net	426,262	444,510
Income from continuing operations before income taxes	121,949	32,986
Provision for income taxes	9,020	663
Income from continuing operations	112,929	32,323
Loss from discontinued operations, net of tax (1)	(11,732)	(1,635)
Net income	101,197	30,688
Less: Net income attributable to noncontrolling interest	1,125	—
Net income attributable to ARAMARK shareholder	<u>\$ 100,072</u>	<u>\$ 30,688</u>

Note:

- (1) In the fourth quarter of fiscal 2011, ARAMARK Corporation (the Company) completed the sale of its wholly-owned subsidiary, Galls, LLC (Galls), for \$75 million in cash. Galls is accounted for as a discontinued operation in the accompanying financial schedule. Galls' results have been removed from the Company's results of continuing operations for all periods presented. Included in loss from discontinued operations is a net loss of approximately \$12.0 million related to the sale of Galls.

ARAMARK CORPORATION AND SUBSIDIARIES
SELECTED CONSOLIDATED BALANCE SHEET DATA

(Unaudited)
(In Thousands)

	September 30, 2011	October 1, 2010
<u>Assets</u>		
Current Assets	\$ 2,128,024	\$ 1,718,968
Current Assets Held for Sale (1)	2,798	92,079
Property and Equipment, net	1,004,690	1,047,691
Goodwill	4,640,606	4,522,667
Other Intangible Assets	1,748,417	1,913,634
Other Assets	985,017	926,876
	<u>\$ 10,509,552</u>	<u>\$ 10,221,915</u>
<u>Liabilities and Equity</u>		
Current Liabilities (2)	\$ 2,051,029	\$ 1,931,077
Current Liabilities Held for Sale (1)	—	17,525
Long-Term Borrowings	5,588,614	5,350,178
Other Liabilities	1,231,922	1,341,442
Common Stock Subject to Repurchase	158,061	184,736
Total Equity	<u>1,479,926</u>	<u>1,396,957</u>
	<u>\$ 10,509,552</u>	<u>\$ 10,221,915</u>

Note:

- (1) In the fourth quarter of fiscal 2011, ARAMARK Corporation completed the sale of its wholly-owned subsidiary, Galls, LLC (Galls), for \$75 million in cash. Galls is accounted for as a discontinued operation in the accompanying financial schedule.
- (2) Includes \$49.1 million and \$51.6 million of current maturities of long-term borrowings as of September 30, 2011 and October 1, 2010, respectively.

ARAMARK CORPORATION AND SUBSIDIARIES
SELECTED CONSOLIDATED CASH FLOW DATA

(Unaudited)
(In Thousands)

	Fiscal Year	
	Ended September 30, 2011	Ended October 1, 2010
Cash flows from operating activities:		
Net income	\$ 101,197	\$ 30,688
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	516,290	508,875
Income taxes deferred	(39,890)	(45,553)
Stock-based compensation expense	17,317	21,300
Loss on sale of Galls	11,998	—
Changes in noncash working capital	(93,065)	101,339
Net change in proceeds from sale of receivables	(220,855)	(14,585)
Other operating activities	11,694	31,946
Net cash provided by operating activities	304,686	634,010
Cash flows from investing activities:		
Net purchases of property and equipment and client contract investments	(272,277)	(264,078)
Acquisitions, divestitures, and other investing activities	(90,870)	(89,426)
Net cash used in investing activities	(363,147)	(353,504)
Cash flows from financing activities:		
Net payments of long-term borrowings	(8,984)	(323,304)
Net change in funding under the Receivables Facility	225,905	—
Proceeds from issuance of common stock	4,593	3,273
Repurchase of stock	(16,149)	(10,809)
Dividends paid to Parent	(132,900)	—
Proceeds from sale of noncontrolling interest	48,369	—
Other financing activities	(9,979)	(13,381)
Net cash provided by (used in) financing activities	110,855	(344,221)
Increase (decrease) in cash and cash equivalents	\$ 52,394	\$ (63,715)

ARAMARK CORPORATION AND SUBSIDIARIES
SALES AND OPERATING INCOME BY SEGMENT
SUPPLEMENTAL DATA
(Unaudited)
(In Thousands)

	Three Months Ended September 30, 2011	Three Months Ended October 1, 2010
<u>Sales</u>		
Food and Support Services - North America	\$ 2,284,728	\$ 2,198,836
Food and Support Services - International	675,648	588,643
Uniform and Career Apparel (1)	331,522	329,735
	<u>\$ 3,291,898</u>	<u>\$ 3,117,214</u>
<u>Operating Income</u>		
Food and Support Services - North America	\$ 114,538	\$ 99,815
Food and Support Services - International	24,561	16,797
Uniform and Career Apparel (1)	27,228	30,512
	166,327	147,124
Corporate	(14,016)	(10,977)
	<u>\$ 152,311</u>	<u>\$ 136,147</u>

- Note:**
- (1) In the fourth quarter of fiscal 2011, ARAMARK Corporation (the Company) completed the sale of its wholly-owned subsidiary, Galls, LLC (Galls), for \$75 million in cash. Galls is accounted for as a discontinued operation and therefore not reflected in the data above. Galls' results have been removed from the Company's results of continuing operations for all periods presented.

ARAMARK CORPORATION AND SUBSIDIARIES
SALES AND OPERATING INCOME BY SEGMENT
SUPPLEMENTAL DATA
(Unaudited)
(In Thousands)

	Fiscal Year	
	Ended September 30, 2011	Fiscal Year Ended October 1, 2010
<u>Sales</u>		
Food and Support Services - North America	\$ 9,018,979	\$ 8,654,700
Food and Support Services - International	2,723,330	2,437,697
Uniform and Career Apparel (1)	1,340,068	1,326,667
	<u>\$ 13,082,377</u>	<u>\$ 12,419,064</u>
<u>Operating Income</u>		
Food and Support Services - North America	\$ 400,527	\$ 350,593
Food and Support Services - International	79,857	75,341
Uniform and Career Apparel (1)	117,347	102,665
	597,731	528,599
Corporate	(49,520)	(51,103)
	<u>\$ 548,211</u>	<u>\$ 477,496</u>

Note:

- (1) In the fourth quarter of fiscal 2011, ARAMARK Corporation (the Company) completed the sale of its wholly-owned subsidiary, Galls, LLC (Galls), for \$75 million in cash. Galls is accounted for as a discontinued operation and therefore not reflected in the data above. Galls' results have been removed from the Company's results of continuing operations for all periods presented.