ANNUAL REPORT 2013

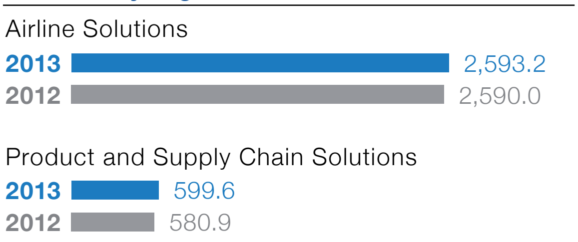
gategroup™
Serving people on the move

Key Figures

in CHF m	2013	2012 restated	change in %
Total revenue	**3,002.2**	**2,992.5**	**0.3%**
EBITDA[I]	**168.1**	**171.1**	**(1.8)%**
EBITDA margin	5.6%	5.7%	(0.1) pp
Operating profit	**98.6**	**15.4**	**540.3%**
Operating profit margin	3.3%	0.5%	2.8 pp
Profit/(loss) for the year	**21.0**	**(56.3)**	**137.3%**
Cash flow from operating activities	**62.9**	**15.9**	**295.6%**
Net debt	261.0	258.5	1.0%
Capital expenditures	53.1	59.1	(10.2)%
Number of employees	**27,393**	**26,614**	**N/A**

[I] EBITDA throughout the document refers to Segment EBITDA as defined in Note 5 of the consolidated financial statements.

Revenue by segment [II] in CHF m

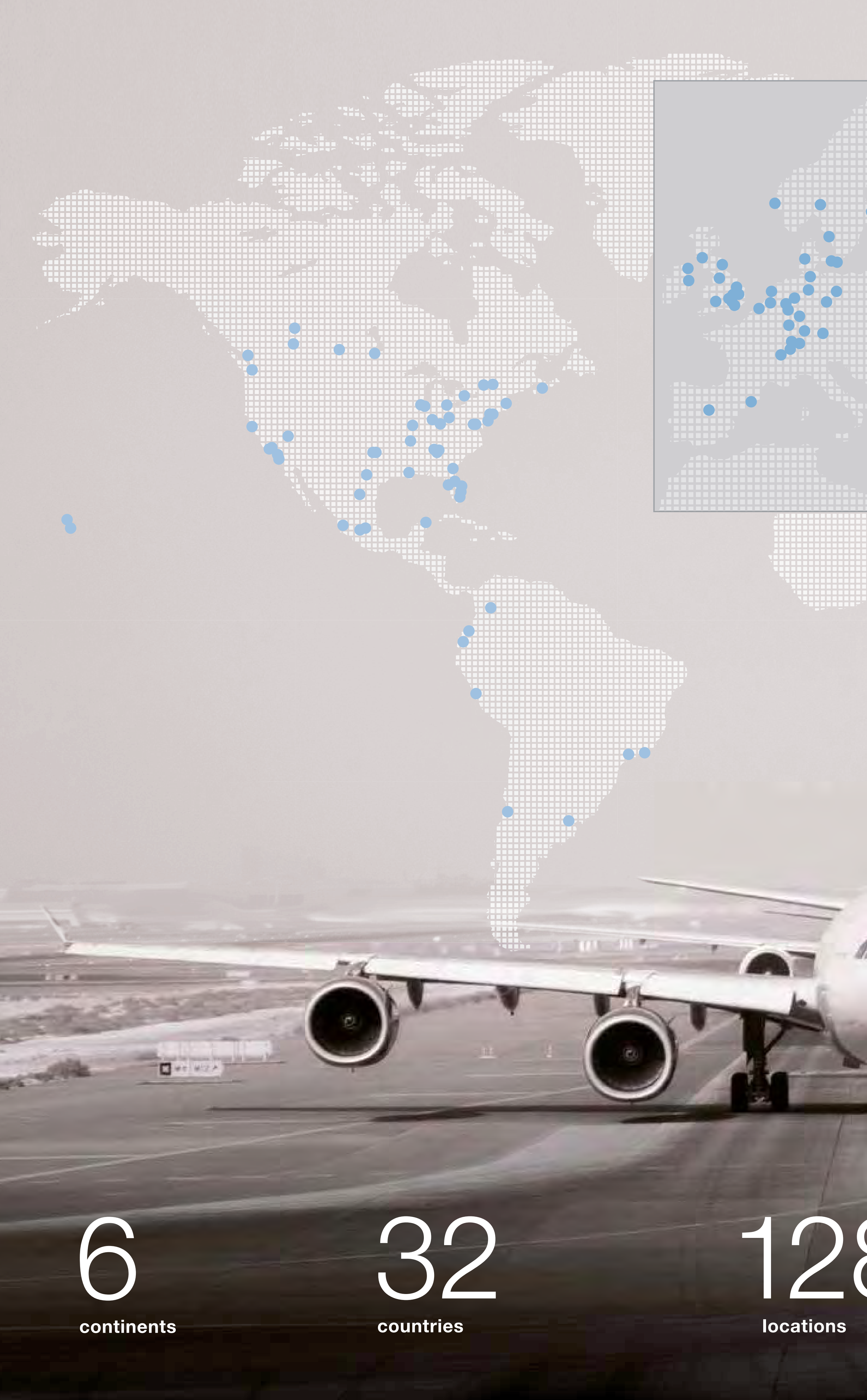


[II] 2012 and 2013 figures before corporate costs and eliminations

EBITDA by segment [II] in CHF m

Share price development

From listing date of May 12, 2009, through 2013


6
continents
32
countries
128
locations

8

163
facilities

270+
customers

27.4k+

employees

Average annual full-time equivalent number of employees

300m+

passengers served per year

Letter to Shareholders

On the back of a strong second half, gategroup has posted good results for the 2013 financial year. All businesses of the Group contributed to the result, but the main factor in the positive overall outcome was the return to profitability of the Airline Solutions business in Europe and the improvement in cash flow position across the Group.

Dear Shareholder,

gategroup has posted good results for the 2013 financial year. All parts of the Group contributed to the positive result, but a main factor was the return to profitability of the Airline Solutions business in Europe.

Conditions for the aviation industry continuously improved during the course of the financial year, with many airports and airlines reporting high volumes of traffic, and, in some cases, record-high passenger numbers, particularly in the second half of 2013.

Despite this generally favorable environment, the landscape for airlines and airline services has changed, particularly in Europe. New entrants are competing for routes long held by legacy carriers, low-cost carriers are proliferating and initiating further changes to the onboard service models, and cost pressures are further tightening the focus on efficiency and alternative service models.

To respond to this tectonic shift in the European airline marketplace, the Group entered 2013 with a thorough, carefully designed plan to restructure our Airline Solutions business in Europe. The main focus of our work last year, therefore, was the judicious but rigorous implementation of our plan to adapt to the new market environment in Europe.

Our management, led by CEO Andrew Gibson, pressed ahead decisively with the restructuring program in Europe and made significant progress.

The goals we set for the restructuring project for 2013 have been attained and secured the recovery evident in the business. However, it is also clear that continued vigilance will be required to meet the challenges still facing the airline industry in Europe. The appointment of Jann Fisch to head the European business has bolstered us here, because of the dynamism and long industry experience he brings to the role. The team will continue to take the necessary steps to adapt the business to the changing market.

While 2013 brought strong headwinds in Europe, our business in North America and the Emerging Markets remained stable and good results were maintained, thanks to solid leadership and clear objectives in those regions.

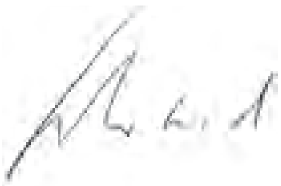
Management was further strengthened by the appointment of Richard Wells, Chief Human Resources Officer of gategroup, to the Executive Management Board. This appointment reflects the great importance attached to Human Resources at gategroup. Our employees are a key factor distinguishing us from our competitors, and Group HR is a central driver to implement and embed our core values of excellence, passion, integrity and accountability throughout our workforce of over 27,000 employees. What makes us unique is not only what we do, but how we carry out our everyday responsibilities.

In 2013, gategroup took some major steps to lead the Group towards a successful future. Having achieved our goals for 2013, we are ready this year to tackle the next stages on the way to meeting our short- and medium-term targets. I am convinced that we will make substantial progress towards achieving those targets this year!

In view of this strong business performance, the Board of Directors is proposing to the Annual General Meeting of Shareholders scheduled for April 15, 2014, a dividend of CHF 0.30 per registered dividend paying share.

On behalf of the Board of Directors, I would like to express my thanks to our valued shareholders, our customers, employees and business partners for the commitment and support they have invested in our company.

With best regards,



Andreas Schmid
Chairman

ANDREAS SCHMID

"In 2013 gategroup took some major steps to lead the Group towards a successful future."

GOTTFRIED MENGE
DIRECTOR - GROUP CULINARY EXCELLENCE

“Delivering best-in-class service for more than 300 million passengers a year is a lot like being the world’s most sought-after event planner. It takes dedication, passion, and the skill to deal with the unexpected.”

Find Chef Gottfried’s original recipe for Malaysian Curry Laksa on page 141.

What we do

gategroup is the leading independent global provider of products, services and solutions related to a passenger's onboard experience. We specialize in catering and hospitality, provisioning and logistics, and onboard products and services to companies that serve people on the move. Our customers include leading airlines around the world as well as railways, airport lounges, and convenience stores that rely on our experience to deliver bespoke solutions tailored to their unique service offerings and locality.

gategroup was established in 2008 to build on the core Gate Gourmet airline catering and provisioning business, and to recognize the Group's evolution into a comprehensive provider of on- and off-airport products and services. Our portfolio of brands meets the fast-changing needs of our customers around the world. We do this by offering end-to-end solutions through our Group companies. While each brand addresses a specific market need, together they can also operate in an integrated way to provide a "one-stop shop" for our customers.

gategroup Holding AG, the Group's ultimate holding company, began public trading in May 2009 when it listed on the SIX Swiss Exchange under the trading symbol "GATE."

STRATEGY

Our business model is based on a strong leading market position and global reach; a flexible and competitive cost structure; a large and diversified customer base with long-standing relationships; and a strong management team with a proven track record.

Our business footprint is global. We have a strong presence and infrastructure in historically robust air transportation markets in Europe and North America, and we also have been actively increasing our presence in emerging markets such as Asia, Latin America and the Middle East.

Our long-term strategy is multifaceted and focuses on balanced and sustainable growth. We intend to achieve this by capturing organic growth and expanding into high-growth regions and adjacent businesses; leveraging the cross-selling capabilities of our brands; expanding our offering in the rapidly growing onboard retailing business; making selective acquisitions; benefiting from airlines' outsourcing of non-core business; and constantly driving efficiency and quality improvements.

ORGANIZATION

gategroup has organized its business into two segments – Airline Solutions and Product and Supply Chain Solutions ("P&SCS").

Within Airline Solutions, many commercial relationships are multinational, with regional teams focused on managing the local business environment, driving tailor-made strategies and employing customized approaches to mature and emerging markets to accelerate growth. Gate Gourmet, Gate Retail Onboard, Gate Aviation, Gate Safe, Performa and eGate Solutions are the brands within this segment. The services offered by our airport-oriented brands include airline catering and provisioning; onboard retail services and technology solutions; airport lounges; and security services for catering and cargo. Airline Solutions accounted for approximately 81%[I] of gategroup's revenue and 80%[I] of Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") in 2013.

P&SCS is focused on the design, procurement and delivery of physical products. This business segment leverages synergies across the brands deSter, Harmony, Supplair and Pourshins and underpins them with a strong global supply chain management competency. These brands, which traditionally operate outside the airport environment, provide services such as onboard service equipment; premium amenity kits and comfort items; distributed food and beverage solutions; and sup-

[I] 2013 figures before corporate costs and eliminations

611

Carrots can be enjoyed in a variety of ways: They can be fried, steamed, chopped in a salad or baked in a cake, or cooked in soups and stews. At gategroup, we use tons of carrots every year – about 611 tons of them. That's a lot of carrots!

ply chain and logistics solutions. P&SCS generated approximately 19%[I] of gategroup's revenue and 20%[I] of EBITDA in 2013.

Through both of these business segments, we are able to tailor our offering to traditional full-service and low-cost carriers ("LCCs"); in premium and economy cabins; for short-haul and long-haul services; and for adjacent markets, such as executive aviation, rail, and retail.

CUSTOMERS

gategroup serves more than 270 customers, including many of the world's largest airlines. Our customers range from full-service carriers, such as Air Canada, Emirates, LATAM Airlines Group, Singapore and Swiss International Air Lines, to hybrid and LCCs, such as airberlin and easyJet.

In 2013, we were the primary caterer at a main hub airport for all of our 10 largest customers, while our top 20 customers accounted for approximately 75% of our revenues. This concentration is reflective of the overall airline industry, whereby the top global carriers account for the majority of industry revenues.

We believe that our high level of logistical expertise and our historical knowledge of our customers' specific requirements provide an advantage that is tangible to our customers, particularly for those customers where we are the home-base caterer, due to the size and logistical complexities involved with numerous flights, types of aircraft, menus and other customer-specific requirements.

Our marketing, sales and customer service efforts are organized and implemented on a divisional and/or country/local level depending on the conditions in the specific market. These are carried out by dedicated account management teams, with support and direction from our central marketing department. Each of our top airline customers has a dedicated account manager who is responsible for coordinating our global relationships with these customers, in addition to maintaining a system of country-by-country managers.

CONTRACTS

Our main customer catering contracts have an average duration of four to five years. We have a set of specific tender procedures and authorization guidelines in place to ensure that contracts we enter into meet profitability, strategic and/or other requirements, and that customer contracts and other transactions are approved at the appropriate level.

In addition, we have deployed specific pricing strategies such that a portion of our revenue is not impacted by reductions in passenger volume. This approach is designed to reduce our exposure to rapid or dramatic fluctuations in airline passenger traffic.

We have a strong track record of winning new business and maintaining long-term relationships with major customers. Some of these relationships have been in place for more than 70 years.

Of the annual revenue available for renewal in 2013, we renewed approximately 90%, and we won approximately 37% of all new contract value up for bid where we were not the incumbent. The annualized value of business won exceeds the annualized value of business lost, leaving us with a net positive outcome. Given current contractual expiration patterns, management estimates that approximately 89% of our 2013 revenue is derived from business that will continue through 2014 and about 71% that will continue through 2015. Management believes this revenue pipeline contributes to stable future cash flow generation.

GEOGRAPHIES

gategroup operates across the globe. On a total Group revenue basis in 2013, accounting for all Airline Solutions and P&SCS business, Europe represented approximately 47% (42% of Group EBITDA contribution), followed by North America at 31% (30% of Group EBITDA) and Emerging Markets, which includes Asia/Pacific, Latin America, and the Middle East, at 22% (28% of Group EBITDA)[I].

At the end of 2013, we operated from more than 163 facilities in 32 countries on six continents. The majority of our kitchens and other facilities are located in Europe and North America. We also operate out of several locations where we do not have any kitchens using an "asset-light" model, which means that we are able to provide our services with no or limited capital expenditure.

8.4 million

They're "crackers" for cheese in Australia, where 8.4 million slices of cheese are served up to domestic travelers as just one component of numerous in-flight snack offerings.

[I] 2013 figures before corporate costs and eliminations

PAOLO ZAMBRANO
REGIONAL EXECUTIVE CHEF - ASIA PACIFIC

“I love the joy that good food brings to people. At Gate Gourmet, we feed hundreds of thousands of people every day, and we’re passionate about making good food a memorable part of their onboard experience.”

Find Chef Paolo’s original recipe for Homemade Gnocchi with Duck Ragout, Foie Gras and Citrus Gremolata on page 142.

DIETER KUTTEMANN
EXECUTIVE CHEF - BRAZIL

“Some of my favorite dishes are simple ones. Good food doesn’t have to be elaborate, but top quality ingredients are a must.”

Find Chef Dieter’s original recipe for Tipsy Shrimp in Baby Pumpkins with Vegetable Creamy Sauce on page 143.

SUPPLIERS AND RAW MATERIALS

We purchase raw materials essential to the operation of our business principally through regional and national food distributors in each of the geographical regions in which we operate. Through the principles of our global procurement strategy, we drive strong alignment of our supplier partnerships ensuring total quality, innovation and flexibility underpinned by competitive pricing. Our responsive and sustainable supply chain enables us to quickly respond to changes in customer demand and requirements. We are not substantially dependent on any one supplier and could obtain comparably priced alternative products or services from other suppliers should a supply contract be terminated or not be renewed. However, at some local airports we may depend on one or a few key suppliers.

In North America, our customers generally nominate the supplier and negotiate the price of a substantial portion of the food products and other supply items that we use, which is characteristic for this market. In these cases, although the airline has nominated the products, we purchase them. In other parts of the world, most of our customers rely on us to identify supply needs and negotiate prices. In 2013, approximately 30% of our total raw materials and other supply purchases were for customer-nominated products.

Because of the relatively short storage life of food inventories, especially perishables, and our customers' requirements for freshness, we maintain a minimum amount of inventory at any given time. We manage our supply chain using the same systems that we provide to our customers, giving us the opportunity to leverage our strengths. In particular, Pourshins specializes in logistics solutions including "just-in-time" supply chain management. deSter is the only brand that acquires commodity raw materials and it has a number of non-food raw materials suppliers with no reliance on any one supplier. The business does engage in forward buying purchases from time to time.

11 million

Gate Gourmet Brazil bakes 30 types of bread rolls in house. Employees at São Paulo bake 7.6+ million per year, and the Rio de Janeiro team bakes 3.4+ million. That's a total of 11 million bread rolls baked annually!

FOOD SAFETY AND QUALITY MANAGEMENT

Food safety, food security and hygiene are of paramount importance to gategroup as part of our compliance obligations. We have expert teams in place — both divisionally and by entity and united by a Group compliance function — who oversee food safety and quality and govern our adherence to standards.

In addition to fulfilling legal and regulatory requirements in the various jurisdictions in which we operate, we have implemented our own internal food safety control function and system. Our overall quality management system is based on the principles of ISO 22000, with our internal food safety control system based on the Hazard Analysis and Critical Control Point ("HACCP") risk analysis, in which each process flow is evaluated and appropriate controls are implemented to assure the highest level of food safety. In addition to our protocols of HACCP, various preventive measures and control programs are in place to further enhance the assurance of product and service quality.

Furthermore, all our operating units are subject to periodic internal and external food safety audits at unit, country and corporate levels, and all of our food handlers undergo food safety training. Food safety requirements vary by country and may take into account specific local requirements. We also regularly conduct food safety audits of our suppliers.

EMPLOYEES

The quality food we prepare, the products we design and source, the technologies we use, the efficient facilities we operate and the safety accolades we earn – none of these things would be possible without gategroup's talented professionals worldwide.

The table below presents the average annual full-time equivalent ("FTE") number of employees in each business segment for the 2012/2013 years ended December 31.

Segment[i]	2013	2012
Airline Solutions	26,301	25,512
P&SCS	1,092	1,102
Total	**27,393**	**26,614**

[i] Group Centre FTE allocated to Airline Solutions and P&SCS based on segment share of Group revenue

The employee base is split into direct and indirect labor. Direct labor refers to those employees whose jobs entail the production and delivery of goods and services to customers. Indirect labor is management and corporate functions, supervisors and support staff.

The direct labor group makes up the largest component of gategroup's staff and includes temporary workers, which offers flexibility in matching our workforce to sometimes rapidly changing business volume. Through agencies, we employ seasonal and other temporary employees, mostly in our kitchens, as required. For the most part gategroup does not employ temporary workers directly.

The majority of our direct labor is covered under union contracts of one to three years duration, depending on the location. Management has generally a good working relationship with its unions and is in frequent communication with union representatives.

OPERATIONAL AND CULINARY EXCELLENCE

gategroup fosters an environment of continuous improvement and innovation, built on the principles of people development, operational development, and infrastructure management. This is the foundation of gategroup's proprietary gateOPEX program, which since its launch in 2011 has helped strengthen team creativity and ownership for identifying, developing and deploying operational standards and best practices across all functional areas. To further align our vigilance in culinary excellence with our operational and logistical expertise, gategroup formally established a Group Culinary Organization. The organization works in unity with gategroup's other programs to make optimum use of our existing continuous improvement and total cost management structures, while encouraging the importance of a holistic yet individualized approach in providing culinary expertise together with best-in-class products and services to our customers.

CORPORATE SOCIAL RESPONSIBILITY

gategroup is committed to the communities where we operate. This commitment is demonstrated by a Corporate Social Responsibility ("CSR") program, founded on our Code of Business Conduct and Ethics and supporting our corporate values of accountability, passion, integrity and excellence.

By operating in an ethical manner, treating our employees and suppliers fairly, managing and minimizing our environmental impact, and playing our part in the community as a responsible corporate citizen, we reinforce the trust our stakeholders place in us.

Our teams' contributions in 2013 included a wide array of activities, such as:

- Installing innovative waste reduction technology at several North American locations to significantly reduce the weight and amount of international waste sent for incineration, sterilization or landfilling
- Earning Marine Stewardship Council environmental certification in the UK
- Supporting communities with food drives and fundraising activities in the aftermath of natural disasters
- Introducing the industry's first electrically powered high-loader
- Participating in community programs through recognized organizations, often in partnership with our customers
- Earning recognition for innovative approaches to business results, including in the U.S. a redesigned self-service platform for employee compensation, benefits and wellness; enhanced turnover and recruitment metrics; and the development of technology to automatically collect, store and report out compliance-related training

These activities are just some of the countless ways that our people operate in a socially, environmentally and economically sustainable manner, supporting gategroup's four values and the pillars around which gategroup has built its CSR program:

Our workplace – attracting and retaining talented individuals and encouraging their growth and development;

Our marketplace – applying and improving standards throughout our supply chain, anchored by a number of global efforts including but not limited to global operational excellence programs, supplier programs and global employee training;

Our environment – reducing our environmental impact through increased environmental controls to reduce waste; investment in clean technologies to promote energy efficiency; and innovative product design to reduce our total environmental impact; and

Our community – contributing positively to the communities where we operate, through a wide range of service-related and charitable programs.

We will continue to build upon this CSR framework in 2014.

400

Chef Michael O'leary served as a guest judge for a 2013 *Top Chef Canada* episode that partnered with Air Canada. In the five months that the airline served a winning dish — Seared Albacore Tuna on Bean Salad with Cilantro Soy Vinaigrette — Gate Gourmet Canada bought 400 kilograms of Canadian albacore tuna.

MICHAEL O'LEARY
EXECUTIVE CHEF MENU DESIGN - CANADA

"The voyage of discovery as a chef is in using everyday ingredients in a new way."

Find Chef Michael's original recipe for Roasted Atlantic Salmon with Maple Chipotle and Bacon Jam on page 144.

Chief Executive's Report

gategroup delivered in line with its stated financial objectives, reporting stable revenue and EBITDA performance and returning to profitability during the year with a strong positive improvement in cash flow. Due to several key accomplishments across the business, gategroup concluded the financial year in a stronger position than the prior year and with substantial improvement in the quality of earnings.

I am pleased to be able to announce that we achieved our key goals for 2013.

As expected, total revenues of CHF 3,002.2 million and EBITDA of CHF 168.1 million were in line with 2012, and the quality of earnings improved substantially. gategroup delivered in line with its stated financial objectives, returning to profitability during the year with a strong positive improvement in cash flow.

Our Airline Solutions business segment benefited from ongoing restructuring efforts that began in 2012, principally in Europe; a stable North American performance; and positive growth in revenues and earnings in the Emerging Markets. The third and fourth quarter performance in the Airline Solutions business was pivotal, and the stronger year-over-year result confirmed the positive impact of 2013 restructuring efforts in Europe and positive momentum achieved in the Emerging Markets.

Our Product and Supply Chain Solutions business segment achieved higher revenues compared to the prior year, due to product launches, new business wins and generally positive market conditions that developed in the second half of the year. Margins were slightly weaker due to product mix and higher raw material costs that were incurred primarily in the first half of the year.

Overall currency effects were neutral in the first half of the year; however, a strengthening of the Swiss franc against many currencies where we operate dampened our improved performance in the second half of the year, especially in the Emerging Markets.

There are many things to be excited about this year, with teams working hard across the board helping to deliver solid results, including through a few key accomplishments noted below.

We renewed important contracts with several major customers during the year under review. A highlight for us included the two five-year agreements covering both Iberia and its newly formed short- and medium-haul subsidiary, Iberia Express. The total value of the agreement is approximately CHF 425 million in revenue over the life of the contracts. This will take effect when the existing contract expires in 2015. Another highlight was the extension of our partnership in Switzerland with Swiss International Air Lines until 2019, with a total revenue value of approximately CHF 400 million. Finally, gategroup has been awarded a five-year extension of business with long-time customer easyJet, one of Europe's leading airlines. gategroup will provide a complete end-to-end retail program plus crew catering across easyJet's entire network. The total value of this business is anticipated to be in excess of CHF 800 million in revenue.

Of course, a central focus for 2013 were the ongoing restructuring efforts in the Airline Solutions business in Europe. During the period 2011 through 2013, we saw a total reduction of about 15% in our short-haul volumes in Europe as traditional airline customers reduced services to contain cost. While this rapid decline stabilized in the second half of the year, it is clear that the challenges facing many European based legacy carriers will continue. To adapt the business, we undertook a wide range of efforts to manage variable costs and reduce overheads, and additionally took steps to streamline our portfolio of businesses. This included exiting or downsizing certain locations, the sale of some ground-handling related activities in the UK, and also the sale of Gate Gourmet's Brussels operation.

Overall, the total restructuring efforts delivered another CHF 25 million in savings during the course of 2013, bringing the total savings for the program to CHF 32 million since its inception in 2012. Initiatives to further manage the industry trends and maintain the profitability of the European business will continue into 2014.

Another milestone in 2013 was advancing the Airline Solutions business in Oceania (Australia and New Zealand). The integration of the Australian Qantas Catering assets acquired in late 2012 in Sydney and Cairns was a major undertaking and we are pleased with the progress. Additionally, Gate Gourmet upgraded its asset-light operations in New Zealand, acquiring the assets and business activities of catering provider Pacific Flight Catering, giving airlines operating at Auckland Airport increased access to Gate Gourmet's customized catering offering and internationally recognized quality of service.

Overall, the expansion in revenues and improved performance of Oceania were important contributors in the fourth quarter, and, in combination with the general strength of the Emerging Markets, especially in Latin America, secured a strong result for the Group.

In 2013, we continued to advance three core global programs across the business.

I am pleased to say that the launch of our Group Culinary Organization was strongly endorsed by our customers, who are seeking to differentiate their brands through a higher quality offering to their passengers.

Our operational excellence program (gateOPEX) entered its third year, promoting a culture of continuous improvement in our production-based environment. It has enabled our production units to implement methods that improve operational metrics where our customers notice it the most: safety, quality, reliability and productivity.

Our Total Cost Management team again delivered solid results within our Supply Chain, working with the business and supply partners to improve cost and quality through a wide range of initiatives. This included cooperating with a specialist German company to develop the world's first fully electric high-loader vehicle for use on the airport. This project overcame considerable technical hurdles to deliver the truck with its ability to lift loads of up to 18 tons and cope with extended periods of operation. The first vehicle will be put into operation in Zurich in April 2014 and is one example of our commitment to environmental sustainability.

In summary, gategroup made important progress in 2013 to strengthen the overall business, including sustainable improvements in the Airline Solutions segment. Thanks to the work of our management team, we concluded the financial year in a stronger position than we did in 2012. We fully expect the industry challenges to continue into 2014, but also see many positive opportunities. I am confident we have the talent and capability to best serve our customers' evolving needs.

ANDREW GIBSON

"gategroup made important progress in 2013 to strengthen the overall business, and we concluded the financial year in a stronger position than we did in 2012. While we expect industry challenges to continue into 2014, we also foresee many positive opportunities."

gategroup — part of the SWISS success story

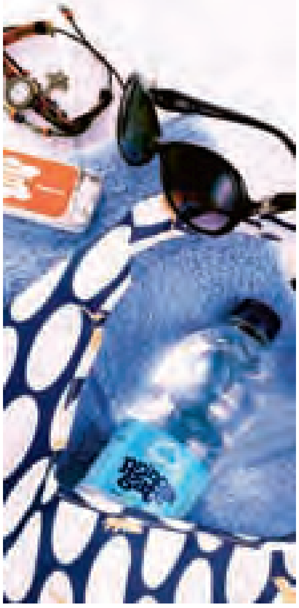
77,000

gategroup and Swiss International Air Lines extended until 2019 a long-standing contract due to expire in 2015. The total value of the renewed contract, covering food production and airside handling services in Switzerland, is about CHF 400 million. Gate Gourmet provides services in Zurich, Geneva and Basel, for more than 77,000 SWISS flights annually.

Managing Mumbai lounge operations

gategroup's lounge service company Performa was selected to manage lounge operations at Mumbai International Airport's new Terminal 2. Expected to open in early 2014, all four airline lounges at the terminal will be jointly operated by Performa and local partner Travel Food Services Limited. Synergies with other gategroup companies, such as caterer Gate Gourmet, will enable operations to leverage a broad understanding of the local food market and latest hospitality industry trends. The lounge space will also feature a number of amenities.

Amenities at the new Mumbai lounges will include a full-service spa, an on-site concierge, and live tandoori cooking.



gategroup extends partnership with easyJet

easyJet selected gategroup as the successful bidder for an additional five-year term, to provide the complete end-to-end retail program and the provision of crew catering across easyJet's entire network. The agreement reflecting this award, led by Gate Retail Onboard and including gategroup companies deSter, eGate Solutions, Gate Gourmet, Gate Aviation Services and Supplair, provides a solid framework to finalize terms and conditions. The total value of this business is anticipated to be in excess of CHF 800 million in revenues.

"The scope of the easyJet business validates gategroup's strategy of maintaining a brand portfolio that provides end-to-end solutions to the travel industry."

CAROLINE ULBRICH, PRESIDENT OF GATE RETAIL ONBOARD

Driving toward a greener tarmac

The industry's first electrically powered highloader vehicle is expected to enter service in Europe during the spring of 2014 and will become part of gategroup's global fleet after an extensive field-test.

gategroup collaborated with DOLL Fahrzeugbau AG and German E-Cars GmbH to engineer the industry's first electrically powered high-loader vehicle, the "ecat."

Technology behind the ecat will mean lower overall energy consumption, reduced noise and pollution, and emission-free aircraft loading. Another major benefit is decreased running costs per kilometer due to greater efficiency of the energy carrier as well as low motor maintenance requirements. Compared to traditional catering trucks, the ecat features smoother movement during starting and positioning at the aircraft, reinforced by enhanced distance warning and safety systems. These and other attributes are expected to strengthen already robust safety standards and to assist in reducing both vehicle downtime and total insurance costs.

For drivers, the ecat will mean enhanced comfort with reduced vibration as well as intelligent control software for the overall system (driving, lifting, cooling, warning and safety system, intelligent drive assistance and control of the energy consumption, and monitoring of operating conditions).

First introduced in October 2013 at the inter airport Europe fair in Munich, the vehicle is expected to enter service in Europe during the spring of 2014.

Airline Solutions

Airline Solutions is the largest business segment within gategroup, delivering an 81% share of Group total revenue. For 2013, Airline Solutions reported total revenue of CHF 2,593.2 million (2012 of CHF 2,590.0 million), with an EBITDA of CHF 157.9 million, up CHF 2.5 million compared to the prior financial year (2012 segment EBITDA: CHF 155.4 million). This segment brings together those gategroup companies that manage on-airport catering, provisioning and related operations: Gate Gourmet, Gate Retail Onboard, Gate Aviation, Gate Safe, Performa and eGate Solutions.

Revenue for the segment [I]

CHF 2,593.2 m

(2012: CHF 2,590.0 m)

Share of Group revenue

81%

(2012: 82%)

EBITDA

CHF 157.9 m

(2012: CHF 155.4 m)

[I] All 2012 and 2013 figures before corporate costs and eliminations

Revenue and EBITDA performance were up slightly for the Airline Solutions business segment in 2013. The results reflect the stabilization of Gate Gourmet's European operations, above-market revenue growth in Oceania and Latin America, and higher meal volumes in North America, which offset short-haul flight volume reductions. The Airline Solutions business segment also was awarded numerous customer contracts across its worldwide portfolio of brands.

GATE GOURMET, the flagship brand for Airline Solutions, had solid results for the financial year.

Restructuring efforts in Europe delivered as planned, yielding a stable performance year over year against the backdrop of weak economic fundamentals, with only a slight decrease in revenue due to the ongoing optimizing of the customer portfolio. Most major European customers remain under financial pressure, resulting in their continued capacity controls and a persistent focus on cost reduction.

Alpha's Amsterdam catering unit has been fully integrated into the business, and planned synergies are being realized. Separately, the Group sold Gate Gourmet's flight catering operation at Brussels airport as part of the European restructuring initiatives, reflecting a focus on serving airlines at their hubs and other locations where expertise and capital can be leveraged to strengthen profitability.

Gate Gourmet was awarded a significant volume of the catering business up for renewal in 2013. Several multi-year contract extensions were awarded during the financial year, including with Iberia and with Swiss International Air Lines in Switzerland. In a collaborative effort with other gategroup brands including negotiations lead Gate Retail Onboard, an extension of business with long-time customer easyJet was also awarded. And in North America, a new contract with British Airways and contract extension with Amtrak were reached, and business was expanded with several customers, including Air China. Several new international customers also were added to its portfolio, such as Emirates in Los Angeles and Saudi Airlines in Toronto. Additionally, an agreement was entered with

The Airline Solutions business shows resilience

Cuisine Solutions, the world's leading provider of sous-vide foods, to partner in the production, distribution and marketing of sous-vide products to airlines, rail operators and other travel industry businesses in North America.

Additionally, Gate Gourmet saw an increase in revenues in North America due to higher meal volumes, which offset flight volume reductions driven by airline harmonization and effective capacity management by domestic mainline carriers. This revenue mix change was reflected in the EBITDA margin, which decreased slightly. Separately, the business in North America continued to experience revenue growth at international hub locations through the increase in volume from international carriers.

The major labor contract covering Gate Gourmet's Union-represented employees in the U.S. became amendable in 2013. Despite reaching a tentative agreement with the negotiating committee, the proposed contract was not ratified, and Gate Gourmet and the Union jointly filed for mediation. Negotiations are continuing with a federally appointed mediator, and the company is actively working to reach a new agreement with its bargained employees.

In the Emerging Markets, Gate Gourmet achieved above-market revenue growth in 2013 and a strong increase in EBITDA compared to the prior financial year. Latin America and Oceania were the drivers of this growth, supported by the integration of Gate Gourmet's acquisitions in New Zealand and Australia, cost savings and realizing anticipated synergies.

Oceania strengthened Gate Gourmet's market position following the acquisition of the Qantas catering flight kitchens in Sydney and Cairns in November 2012 and the acquisition of Pacific Flight Catering in Auckland, New Zealand, in July 2013. The integration of both acquisitions is on track. Gate Gourmet also retained the customers of both entities following the acquisitions.

Northeast Asia's revenues grew in line with the market, although profitability slightly decreased due to market changes and a slower-than-expected recovery of international traffic in Japan. The negotiations with China Aviation Investment Co., Ltd have been concluded, with closing now expected in the first quarter of 2014 and giving Gate Gourmet Shanghai the opportunity to expand its footprint beyond Shanghai Pudong airport to Shanghai Hongqiao airport.

In India, the joint venture between Gate Gourmet and Travel Food Services, the leading food and beverage operator in the Indian travel sector, had a positive first year of operations and now plans to further expand its customer portfolio. A second joint venture with Travel Food Services, involving Gate Gourmet and Performa, has started up and will exclusively manage all airline lounge operations for airlines at the new Terminal 2 of Mumbai's Chhatrapati Shivaji International Airport. The business will commence in the first quarter of 2014 with the opening of the terminal.

Meanwhile, Gate Gourmet's operations in Pakistan and Executive Gourmet's Abu Dhabi operations both developed in line with the market.

In Latin America, Gate Gourmet showed improvements in revenues and EBITDA. Overall, Latin America contributed to the improved EBITDA, driven by revenue growth and strong cost management. The Group retained strategic customers including Iberia, and further demonstrated its commitment to this strategic region with investments in new catering units in Ecuador, which opened in 2013, and Colombia, which opens in the first quarter of 2014. Separately, Gate Gourmet MAASA and Gate Retail Onboard set up a joint venture after being awarded the contract to manage the retail program for Volaris, a low-cost airline based in Mexico.

Numerous wins across worldwide brand portfolio

GATE RETAIL ONBOARD led the negotiations that resulted in the easyJet award, in collaboration with Gate Gourmet and other gategroup brands, and will continue to provide the airline's complete end-to-end retail program. With the continued rise in LCC traffic, Gate Retail Onboard benefited from an increase in passenger volume across its airline partners in 2013 compared to 2012, primarily with easyJet as well as Wizz Air, the largest low-cost airline in Central and Eastern Europe. Gate Retail Onboard also strengthened its Crew Training and Engagement solution, with new methods focused on increasing crew engagement, communication, motivation, and driving sales. The program's success resulted in increased spend per head and profitability, and at the 2013 Inflight Sales Person of the Year (ISPY) event, three of Gate Retail Onboard's airline customers won prestigious industry awards.

GATE AVIATION in the U.S. partnered with service providers to bundle airline ground services in an effort to help simplify the governance process, reduce redundancies and costs, and improve overall performance. The brand looks to grow this sector of the business in 2014. In the spirit of optimizing its portfolio, gategroup in June sold its Gate Aviation cabin cleaning, de-icing and aircraft exterior washing assets at London's Heathrow and Gatwick airports to a provider that specializes in providing quality services in that arena.

PERFORMA, gategroup's lounge development and management business, was awarded the contract to manage Air Canada's new lounge operations at Terminal 1 of the Frankfurt International Airport. Performa also successfully retained the lounge business for SkyTeam at Terminal 4 of London's Heathrow Airport. The aforementioned collaboration with Gate Gourmet in securing airline lounge operations in Mumbai also represented another milestone for Performa in 2013.

Well-positioned today and investing in the future

GATE SAFE, which performs a variety of security solutions for 90 domestic and international customers at more than 35 airports across the U.S., celebrated its twelfth full year of business in 2013. The brand focused during the financial year on the growth of aircraft security and cargo screening services, as well as the expansion of its catering inspection business, through acquiring new airline customers and the additions of new routes and flights.

EGATE SOLUTIONS, gategroup's global passenger service planning and fulfillment solutions provider, released and delivered new versions of its core technology, integrating back office planning, logistics and reporting with frontline day-of-operations management and onboard sales. Demonstrating customer confidence in this accelerated product innovation and delivery schedule, eGate Solutions renewed contracts with key airlines, notably with Delta Air Lines.

GLOBAL FOCUS ON OPERATIONAL EXCELLENCE
gategroup maintains one of the largest global networks servicing long-haul flights. This means that independent of the region where a major airline is based, its route network covers global markets and therefore may be served by Airlines Solutions personnel across the world.

Through the ongoing implementation of gategroup's global operational excellence platform gateOPEX, combined with comprehensive, standardized catering services, the Airline Solutions business segment strives to deliver consistency and quality across every geographic region. Gate Gourmet made strong progress in deploying the gateOPEX program across its global network during the financial year, with good results in performance metrics, and will further these efforts in 2014.

The Airline Solutions business has benefited from a strengthened leadership team, strong focus on executing the divisional strategy, and ongoing continuous improvement activities.

Across its broad global footprint, the Airline Solutions business segment can take the momentum built in the second half of 2013 into 2014, being mindful of the continued airline industry challenges in the European market and economic factors that can have impacts on our global business.

Product and Supply Chain Solutions

The Product and Supply Chain Solutions segment delivered CHF 599.6 million in revenue in 2013, or a 19% share of Group total revenue. Segment EBITDA was CHF 39.1 million, down CHF 1.5 million compared to the prior year (2012 segment EBITDA: CHF 40.6 million). This segment brings together those gategroup brands that manage off-airport services such as onboard service equipment; premium amenity kits and comfort items; distributed food and beverage solutions; and supply chain and logistics solutions: deSter, Harmony, Supplair and Pourshins.

Revenue for the segment (I)

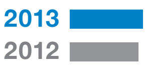
CHF 599.6 m

(2012: CHF 580.9 m)

Share of Group revenue

19%

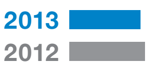
(2012: 18%)



EBITDA

CHF 39.1 m

(2012: CHF 40.6 m)



(I) All 2012 and 2013 figures before corporate costs and eliminations

As in the prior reporting period, the Product and Supply Chain Solutions ("P&SCS") business segment was able to offset a weaker first half of the financial year with a stronger second half, to report stable performance for the full year.

P&SCS reported a slight increase in revenues in the first half of 2013. However, the profitability was impacted by reduced volumes, delayed product launches and higher raw material costs. Recurring orders for equipment were down, driven by key customers burning off excess inventory levels built up in 2012 as contingency cover. Anticipated new service ware and food concept launches were delayed, whilst the cost of polystyrene, the principal raw material used in the production of in-flight equipment such as disposable cups, plates and cutlery, increased. All of these factors led to lower margins for the first six months of the year.

In the second half, demand was stronger than for the same period in the prior year, with a return to normal ordering patterns, product launches and new business wins. This enabled the P&SCS business segment to report for the 2013 financial year total revenue of CHF 599.6 million (2012: CHF 580.9 million). Segment EBITDA was CHF 39.1 million compared to CHF 40.6 million in 2012.

Demand for innovative food, product and service ware items continues to strengthen. For traditional carriers, cost efficiencies remain critical; however, with improved long-haul premium passenger traffic, airlines are reinvesting in onboard service and product offerings. This is reflected in new equipment and comfort items to accompany the rollout of new aircraft, for example.

Separately, a more extensive onboard offering is required for global LCCs as they start flying to medium- and long-haul destinations. P&SCS continues to provide the level of flexibility required for this business model, which generally changes flight routes and schedules with greater frequency and speed in comparison to their legacy counterparts.

Responding to the industry's varied demands is challenging, but P&SCS continues to help distinguish gategroup from the competition with the combined product offerings of deSter, Harmony and Supplair, together with logistics provider Pourshins. Bringing these capabilities together, and aligning service ware with branded food items at the conceptual outset means not only a more integrated offering from the earliest stages of concept and design all the way through to product delivery, but also improved speed to market.

P&SCS brands are well positioned as market leaders, which was reflected in high retention rates for existing customers and new business wins in 2013.

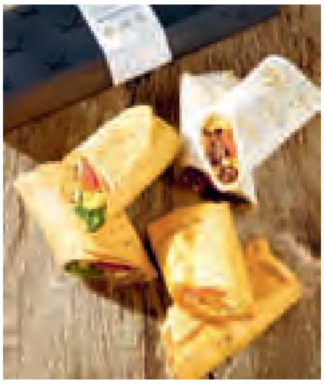
DESTER retained contracts with Avianca, KLM Royal Dutch Airlines and Korean Air, and was awarded new business from customers such as British Airways, Singapore Airlines and Japan Airlines.

HARMONY retained all its major accounts and, in April 2013, was named TravelPlus Awards' 2012 Supplier of the Year, with five of its customers winning awards in various categories for the same year.

SUPPLAIR secured significant new business, supporting customers with new meal concepts, which are just one way airlines distinguish their onboard offerings. For British Airways, an all-day snack for short-haul routes was introduced, whilst for airberlin, a range of gourmet branded onboard retail food products was launched in conjunction with Sansibar.

POURSHINS continues to enhance its service offering and improve supply chain visibility. The brand has invested in new forecast and demand planning tools. The technology is scheduled for implementation in 2014, with customers seeing the benefit within the year.

The P&SCS business segment has also continued to expand its service offering in adjacent markets, due to manufacturing capabilities and a widening network of carefully selected suppliers and global logistics providers. Examples of this include the supply of high-end disposable equipment for leading quick-service restaurants and ready-to-eat food for coffee shops. P&SCS expects to pursue additional opportunities for expansion within these markets. A good flow-through from these initiatives is expected within the next 12 months.



Financial Review

gategroup reported solid performance under challenging market conditions and showed resilience in responding to continued shifts in the industry.

Total revenue

CHF 3,002.2 m

(2012: CHF 2,992.5 m)

EBITDA margin

5.6%

(2012: 5.7%)

EBITDA

CHF 168.1 m

(2012 restated: CHF 171.1 m)

On a reported basis, total revenue of CHF 3,002.2 million in 2013 remained flat compared to total revenue of CHF 2,992.5 million in the prior year. This was driven primarily by the underlying volume growth (3.2%) and the slightly positive effect from M&A, offset by net contract losses (-0.4%) and slightly negative rate/mix effect (-0.6%) as well as the adverse currency impact (-2.5%) which mainly occurred in the second half of the financial year.

At constant currencies, total revenue in 2013 was CHF 3,078.0 million.

Similarly to revenue, reported EBITDA was in essence unchanged when compared to the previous year, at CHF 168.1 million in 2013, from CHF 171.1 million in the prior year, resulting in a margin of 5.6%. Margins overall remained stable due to the significant beneficial impact of restructuring measures undertaken both in 2012 and 2013. These were principally focused on the Airline Solutions business in Europe. The initiatives include direct labor savings, indirect labor rightsizing, back office streamlining and portfolio optimization measures. Accordingly for the Group a total restructuring provision of CHF 22.2 million has been charged in 2012, and CHF 10.5 million in 2013.

In the absence of 2012’s one-time impairment costs, lower restructuring charges, and lower depreciation and amortization charges, operating profit increased substantially to CHF 98.6 million, from CHF 15.4 million in 2012.

Profit for the year was CHF 21.0 million, an increase of CHF 77.3 million on 2012, although 2013 was negatively impacted by net foreign exchange losses of CHF 18.7 million. The majority of the net foreign exchange losses are unrealized.

The tax expense reflects the mix effect of varying profits and losses in different countries combined with different tax rates. This, as a consequence, negatively impacted the overall tax rate for the Group.

Cash flow from operating activities, meanwhile, was up in 2013 to CHF 62.9 million versus CHF 15.9 million in the previous year. This reflected the considerable emphasis placed on balance sheet management in 2013 and ongoing management of our net working capital position (for example, over receivables, payables and inventories). Going forward, we intend to maintain this strong focus on cash flow management within our operating units, recognizing that acquisitions or other such growth will impact cash flow until our management practices are fully implemented.

gategroup's financial stability is further supported by EUR 350 million of senior unsecured notes, not due for repayment until 2019, and a EUR 100 million multipurpose unsecured revolving credit facility for working capital and general corporate purposes. This latter facility was fully undrawn as at December 31, 2013. At the end of the year, the Group's net debt amounted to CHF 261.0 million.

Equity attributable to shareholders of the Company increased to CHF 285.2 million on the back of the increased profit attributable to shareholders for the year of CHF 18.4 million and the positive net effect of actuarial gains on our pension positions (IAS 19) of CHF 48.4 million, net of taxes.

As stated in the Chairman's Letter, in view of the reported profit for the year, the Board will consider a return to shareholders in line with its stated dividend policy and will include a proposal in the invitation to the 2014 Annual General Meeting of Shareholders.

In summary, we are pleased with gategroup's solid performance under challenging market conditions. We enter 2014 with a significantly improved position; however, the relative strength of the Swiss franc will be an ongoing factor in 2014. We will remain focused on continuing to adjust the business to changes in the industry and believe we are positioned to respond quickly to the challenges and opportunities that will arise.

THOMAS BUCHER

"Our 2013 performance proves that our management team is able to swiftly respond to the challenges of a shifting marketplace."

FINANCIAL REPORT

Consolidated Financial Statements

Paolo Zambrano's **Homemade Gnocchi with Duck Ragout, Foie Gras and Citrus Gremolata**

Consolidated Financial Statements

Consolidated Income Statement

in CHF m	Notes	2013	2012 Restated[I]
Total revenue	6	**3,002.2**	**2,992.5**
Materials and service expenses		(1,245.2)	(1,291.4)
Personnel expenses	7	(1,167.3)	(1,136.9)
Other operating income and expenses, net	8	(432.7)	(419.8)
Impairment charges, net of reversals	18, 19	2.8	(51.7)
Depreciation and amortization	18, 19	(63.0)	(76.7)
Other gains and (losses), net	9	1.8	(0.6)
Total operating expenses, net		**(2,903.6)**	**(2,977.1)**
Operating profit		**98.6**	**15.4**
Finance costs, net	10	**(65.1)**	**(58.6)**
Share of result of associates and joint ventures	11	(0.4)	1.2
Profit/(loss) before tax		**33.1**	**(42.0)**
Income tax expense	12	(12.1)	(14.3)
Profit/(loss) for the year		**21.0**	**(56.3)**
thereof attributable to shareholders of the Company		18.4	(58.2)
thereof attributable to non-controlling interests		2.6	1.9
Earnings per share attributable to shareholders of the Company			
Basic earnings per share in CHF	13	0.71	(2.23)
Diluted earnings per share in CHF	13	0.71	(2.23)

Consolidated Statement of Comprehensive Income

in CHF m

		2013	2012 Restated[I]
Profit/(loss) for the year		**21.0**	**(56.3)**
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) net, on defined benefit schemes, net of taxes		48.4	(41.2)
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising during the year, net of taxes		(28.5)	(0.9)
Currency translation reclassification through income statement, net of taxes		–	4.0
Reclassification adjustment relating to disposal of subsidiaries	32	4.1	–
Other comprehensive income		**24.0**	**(38.1)**
Total comprehensive income		**45.0**	**(94.4)**
thereof attributable to shareholders of the Company		42.8	(96.3)
thereof attributable to non-controlling interests		2.2	1.9

[I] Restated, please refer to Note 2.3

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Balance Sheet

in CHF m	Notes	December 31, 2013	December 31, 2012 Restated[I]	January 1, 2012 Restated[I]
Current assets				
Cash and cash equivalents	14	174.2	170.6	430.4
Trade receivables	15	279.9	296.9	251.3
Other current receivables and prepayments	16	100.1	114.5	98.2
Inventories	17	86.7	83.5	78.1
Current income tax assets		11.7	13.8	14.8
Assets held for sale		–	3.6	4.8
Total current assets		**652.6**	**682.9**	**877.6**
Non-current assets				
Property, plant and equipment	18	296.0	304.6	340.9
Intangible assets	19	420.0	442.6	428.9
Investments in associates and joint ventures	11	7.7	8.5	7.3
Other non-current receivables		37.4	31.7	25.2
Deferred income tax assets	20	51.9	59.1	57.9
Retirement benefit assets	21	–	1.5	7.5
Total non-current assets		**813.0**	**848.0**	**867.7**
Total assets		**1,465.6**	**1,530.9**	**1,745.3**
Current liabilities				
Short-term debt	22	4.1	4.7	23.7
Trade and other payables	23	233.1	240.2	250.5
Current income tax liabilities		24.8	19.9	32.7
Provisions	24	28.5	36.8	22.4
Other current liabilities	25	267.2	281.4	242.5
Total current liabilities		**557.7**	**583.0**	**571.8**
Non-current liabilities				
Long-term debt	22	431.1	424.4	553.3
Deferred income tax liabilities	20	21.9	35.2	41.7
Retirement benefit obligations	21	121.9	179.0	146.3
Provisions	24	31.5	49.8	55.5
Other non-current liabilities		7.1	10.3	10.3
Total non-current liabilities		**613.5**	**698.7**	**807.1**
Total liabilities		**1,171.2**	**1,281.7**	**1,378.9**
Equity attributable to shareholders of the Company		285.2	241.0	362.6
Non-controlling interests		9.2	8.2	3.8
Total equity		**294.4**	**249.2**	**366.4**
Total liabilities and equity		**1,465.6**	**1,530.9**	**1,745.3**

[I] Restated, please refer to Note 2.3

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

in CHF m	Attributable to shareholders of the Company						
	Share capital	Treasury shares	Retained earnings and other reserves	Currency translation	Total	Non-controlling interests	Total equity
At December 31, 2011	**133.4**	**(12.5)**	**251.3**	**(4.5)**	**367.7**	**3.8**	**371.5**
Restatement	–	–	(5.1)	–	(5.1)	–	(5.1)
At January 1, 2012[I]	**133.4**	**(12.5)**	**246.2**	**(4.5)**	**362.6**	**3.8**	**366.4**
Loss for the year[I]	–	–	(58.2)	–	(58.2)	1.9	(56.3)
Other comprehensive income[I]	–	–	(41.2)	3.1	(38.1)	–	(38.1)
Total comprehensive income[I]	**–**	**–**	**(99.4)**	**3.1**	**(96.3)**	**1.9**	**(94.4)**
Purchase of treasury shares, net	–	(7.9)	–	–	(7.9)	–	(7.9)
Capital increase non-controlling interests	–	–	–	–	–	3.6	3.6
Equity-settled share-based payments	0.6	–	3.0	–	3.6	–	3.6
Dividends paid	–	–	(21.0)	–	(21.0)	–	(21.0)
Dividends paid to non-controlling interests	–	–	–	–	–	(1.1)	(1.1)
At December 31, 2012[I]	**134.0**	**(20.4)**	**128.8**	**(1.4)**	**241.0**	**8.2**	**249.2**
At January 1, 2013	**134.0**	**(20.4)**	**128.8**	**(1.4)**	**241.0**	**8.2**	**249.2**
Profit for the year	–	–	18.4	–	18.4	2.6	21.0
Other comprehensive income	–	–	48.4	(24.0)	24.4	(0.4)	24.0
Total comprehensive income	**–**	**–**	**66.8**	**(24.0)**	**42.8**	**2.2**	**45.0**
Capital increase non-controlling interests	–	–	–	–	–	0.2	0.2
Equity-settled share-based payments	–	–	1.5	–	1.5	–	1.5
Change in ownership of subsidiary without loss of control	–	–	(0.1)	–	(0.1)	0.1	–
Dividends paid to non-controlling interests	–	–	–	–	–	(1.5)	(1.5)
At December 31, 2013	**134.0**	**(20.4)**	**197.0**	**(25.4)**	**285.2**	**9.2**	**294.4**

[I] Restated, please refer to Note 2.3

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

in CHF m	Notes	2013	2012 Restated[(I)]
Profit/(loss) before tax		**33.1**	**(42.0)**
Adjustments for:			
Finance costs, net		65.1	58.6
Share-based payments	*27*	1.5	3.6
Share of result of associates and joint ventures	*11*	0.4	(1.2)
Depreciation and amortization	*18, 19*	63.0	76.7
Impairment charges, net of reversals	*18, 19*	(2.8)	51.7
Other (gains) and losses, net	*9*	(1.8)	0.6
Net cash flow before working capital and provision changes		158.5	148.0
Changes in working capital	*28*	(21.0)	(66.1)
Changes in provisions and retirement benefit obligations	*29*	(33.6)	(18.4)
Cash generated from operations		**103.9**	**63.5**
Interest paid		(31.1)	(23.5)
Interest received		1.7	2.3
Income taxes paid, net		(11.6)	(26.4)
Net cash flow generated from operating activities		**62.9**	**15.9**
Acquisition of subsidiaries, net of cash acquired	*31*	(7.2)	(66.4)
Purchase of property, plant and equipment		(50.0)	(54.9)
Purchase of intangible assets		(3.1)	(4.2)
Disposal of subsidiaries, net of cash disposed	*32*	(1.1)	–
Proceeds from sale of assets		15.0	16.9
Other investments		(1.8)	–
Dividends from associates		1.3	1.1
Net cash flow used in investing activities		**(46.9)**	**(107.5)**
Proceeds from debt		0.7	406.3
Repayments of debt		(2.9)	(547.0)
Purchase of treasury shares, net		–	(7.9)
Dividends paid		–	(21.0)
Dividends paid to non-controlling interests		(1.5)	(1.1)
Capital increase in non-controlling interests		0.2	3.6
Net cash flow used in financing activities		**(3.5)**	**(167.1)**
Increase/(decrease) in cash and cash equivalents		**12.5**	**(258.7)**
Movement in cash and cash equivalents			
At start of the year		168.6	422.7
Increase/(decrease) in cash and cash equivalents		12.5	(258.7)
Effects of exchange rate changes		(6.9)	4.6
At end of the year	*14*	**174.2**	**168.6**

[(I)] Restated, please refer to Note 2.3

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

gategroup Holding AG (the "Company") and its subsidiaries (together the "Group") are primarily engaged in the operation of airline catering and provisioning services worldwide. The majority of the Group's operations are located in Europe and the United States. The Company has its registered office at Balz-Zimmermannstrasse 7, CH-8302 Kloten, Switzerland and its shares are listed on the SIX Swiss Exchange.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company (the "Board") on March 12, 2014.

2 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 "Critical accounting estimates and judgments".

2.2 CHANGES IN ACCOUNTING POLICIES

The Group has chosen to early adopt the amendments to IAS 36 Impairment of assets, dealing with the recoverable amount disclosures for non-financial assets as well as IAS 19 Employee Benefits - Employee Contributions (Note 2.3).

As of January 1, 2012, the Group chose to early adopt IAS 19 Employee Benefits (2011), together with the "Clarification of the requirements for comparative information" and the amendment for the "Presentation of Items of Other Comprehensive Income" (amendments to IAS 1).

Adoption of other new or revised IFRS standards and interpretations by the Group in 2013 that have no material effect on the consolidated financial statements of the Group:

Standard/Interpretation	Effective date
IFRS 7 (amendment) - Disclosures - Offsetting of Financial Assets and Financial Liabilities	January 1, 2013
IFRS 10 - Consolidated Financial Statements (2011)	January 1, 2013
IFRS 11 - Joint Arrangements	January 1, 2013
IFRS 12 - Disclosures of Interests in Other Entities	January 1, 2013
IAS 28 (revised) - Investments in Associates and Joint Ventures	January 1, 2013
IFRS 13 - Fair Value Measurement	January 1, 2013
Annual Improvements to IFRSs 2009–2011 Cycle	January 1, 2013

Adoption of new or revised IFRS standards and interpretations by the Group in 2014 or later:

Standard/Interpretation	Effective date	Relevance for the Group	Planned adoption
IAS 32 (amendment) - Presentation - Offsetting of Financial Assets and Financial Liabilities**	January 1, 2014	The amendment clarifies that an entity has a legally enforceable right to set-off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendment has to be applied retrospectively.	Financial year 2014
IFRIC 21 - Levies**	January 1, 2014	IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by government. It identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.	Financial year 2014
Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting**	January 1, 2014	This amendment provides an exception to the requirement to discontinue hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations.	Financial year 2014
Annual Improvements to IFRSs 2010–2012 and 2011–2013 Cycle**	July 1, 2014	Several standards have been modified on miscellaneous points.	Financial year 2015
IFRS 7 (amendment) - Disclosures - Initial application of IFRS 9*	Deferred	The amendment requires additional disclosures on transition from IAS 39 to IFRS 9.	Deferred
IFRS 9 - Financial Instruments (2010)*	Deferred	IFRS 9 comprises two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if it is the entity's business model to hold the financial asset to collect contractual cash flows and the cash flows represent principal and interest. It will otherwise need to be recorded at fair value with changes being reported through profit or loss. The classification and measurement requirements of financial liabilities have been carried forward from IAS 39. There are however substantive changes relating to fair value options and certain derivatives linked to unquoted equity instruments.	Deferred
IFRS 9 - Financial Instruments - Hedge Accounting*	Deferred	The new hedge accounting model is more principal based and introduces the following key-changes: – Simplified effectiveness testing, including removal of the 80–125% 'highly effective' threshold – More items qualify for hedge accounting – Entities can hedge account more effectively exposures that give rise to two risk positions that are managed by separate derivatives over different periods – Less profit or loss volatility when using options and/or forwards – New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.	Deferred

* Impact still to be assessed
** None of these new standards or interpretations will have a significant impact on the Group's consolidated financial statements

2.3 CHANGE IN ACCOUNTING POLICY ARISING FROM THE EARLY ADOPTION OF "AMENDMENTS TO IAS 19 EMPLOYEE BENEFITS: EMPLOYEE CONTRIBUTIONS"

In the 2012 consolidated financial statements the Group, as permitted by IAS 19 Employee Benefits (2011), early adopted the revised standard with a date of initial application of January 1, 2012.

On November 21, 2013, the International Accounting Standards Board issued "Amendments to IAS 19 Employee Benefits: Employee Contributions". This amendment offers two alternatives for the recognition, as a reduction to service cost, of service related employee or third party contributions. For the 2013 consolidated financial statements the Group has decided to early adopt this amendment with a date of initial application of January 1, 2013 and to recognize such contributions as a reduction to service cost in the year of service.

In conjunction with the above, prior periods have been retrospectively restated in accordance with the requirements of IAS 19 (2011) and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The restatement to reflect the Amendment to IAS 19 affects personnel expenses, reported in the consolidated income statement, and defined benefit obligations in the consolidated balance sheet. Related deferred tax impacts are recognized in the consolidated income statement and the consolidated statement of comprehensive income. There are also changes to the prior year information disclosed in Note 21 "Retirement benefit obligations".

The restatements recorded in the consolidated financial statements are summarized as follows:

in CHF m	2012
Consolidated Income Statement	
Personnel expenses	0.3
Deferred tax	0.3
Profit/(loss) for the year	**0.6**
Consolidated Statement of Comprehensive Income	
Actuarial gains/(losses) net, on defined benefit schemes, net of taxes	(0.9)
Total comprehensive income	**(0.3)**

in CHF m	December 31, 2012	January 1, 2012
Consolidated Balance Sheet		
Retirement benefit obligations	5.4	5.1
Total liabilities	**5.4**	**5.1**
Total equity	**(5.4)**	**(5.1)**

As a result of the above adjustments, 2012 basic earnings per share increased from CHF (2.25) to CHF (2.23) and diluted earnings per share also increased from CHF (2.25) to CHF (2.23).

As permitted by IFRS 3, and explained in Note 31.2, during 2013 the acquisition accounting of Q Catering was finalized. The resulting changes have been retrospectively adjusted in the consolidated financial statements.

2.4 CONSOLIDATION ACCOUNTING

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets paid, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Goodwill is measured as the excess of the sum of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (Note 2.17). If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated income statement.

All material intercompany transactions and balances, and any unrealized gains or losses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Gains and losses on transactions with non-controlling interests are recorded in equity.

Associates and joint ventures
Associates are those entities in which the Group has significant influence, but not control, over financial and operating policies. Significant influence is presumed to exist when the Group holds, directly or indirectly, between 20% and 50% of the voting rights of the entity.

The Group has applied IFRS 11 to all joint arrangements. It has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and joint ventures are accounted for using the equity method and are initially recognized at cost. When the Group's share of losses in an associate or joint venture equals or exceeds its interest, no further losses are recognized unless there is a legal or constructive obligation.

Accounting policies of associates and joint ventures are changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Board ("EMB"), which has been identified as the Group's Chief Operating Decision Maker.

2.6 FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are expressed in Swiss Francs ("CHF"), which is the Group's presentation currency. The functional currency of each of the Group's entities is based on the primary economic environment in which an entity operates.

Transactions in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Any resulting exchange differences are recorded in the local income statements of the Group's entities and included in profit or loss.

Monetary assets and liabilities of the Group's entities which are denominated in foreign currencies are translated using year-end exchange rates. Exchange differences are recorded as an income or expense. Non-monetary assets and liabilities are translated at historical exchange rates.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in a foreign operation and are recognized in other comprehensive income, and presented under currency translation in equity.

When translating foreign currency financial statements into CHF, year-end exchange rates are applied to assets and liabilities, while annual average rates are applied to income statement accounts. Translation differences arising from this process are recorded in other comprehensive income. The cash flow statement is translated at average rates. On disposal of a subsidiary, the related cumulative translation adjustment is transferred from equity and included in the profit or loss from the disposal in the income statement.

The principal exchange rates used were as follows:

Swiss Francs per	2013 Closing rate	2013 Annual average rate	2012 Closing rate	2012 Annual average rate
1 US Dollar	0.89	0.93	0.91	0.93
1 Euro	1.23	1.23	1.21	1.20
1 GB Pound	1.47	1.45	1.48	1.48

2.7 RECOGNITION OF REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated volume rebates and other similar allowances. Once revenue is recognized, any subsequent uncertainty regarding collectability is recognized as an expense and adjustment to the net amount receivable, rather than as an adjustment to revenue.

Goods and services
The Group recognizes revenue when the amount can be reliably measured; it is probable that future economic benefits will flow to the entity; and when the significant risks and rewards of ownership are transferred to the customer. This is mainly upon delivery of product and customer acceptance, or performance of services.

The Group reports revenue in the categories catering and retail onboard, handling, equipment and other.

Revenue from the sale of goods and products (such as on-airport food production, retail onboard, production of food contact items, duty free sales, comfort items and other in-flight equipment) is recognized upon delivery of product and customer acceptance. Revenue from services (such as logistic services, laundry, aircraft cleaning, lounge and security services and asset management) is recognized in the accounting period in which the service is rendered.

2.8 FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in the balance sheet within short-term debt.

2.10 TRADE AND OTHER RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Trade and other receivables are further classified as either current or non-current depending on whether these are expected to be realized within 12 months of the balance sheet date.

2.11 FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and reclassifies them whenever its intention changes. All purchases and sales are recognized on the settlement date.

(a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are assets held for trading, being acquired for the purpose of generating a profit from short-term fluctuations in price. Financial assets held for trading are measured at their fair value and transaction costs are expensed in the income statement. Fair value changes on a financial asset held for trading are included in profit or loss for the period in which they arise. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of more than 12 months which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet. Loans and receivables are measured at amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method for any difference between the initial amount and the maturity amount, minus any reduction for impairment or uncollectibility. The effective interest method calculates the amortized cost of a financial asset, allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset.

(c) Impairment of financial assets
A financial asset is impaired if its carrying amount is greater than the present value of its estimated future cash flows. The Group assesses, at each balance sheet date, whether there is any objective evidence that a financial asset may be impaired. If any such evidence exists, the Group estimates the present value of estimated future cash flows of that asset and recognizes an impairment loss in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the write-down, the write-down of the financial asset is reversed. Any reversal will not result in a carrying amount that exceeds the level amortized cost would have been, had the impairment not been recognized, at the date the write-down of the financial asset is reversed. The amount of the reversal is included in the income statement for the financial year.

2.12 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using the standard cost method, the average cost method, or the first-in first-out method. The cost of inventory comprises the purchase cost of raw materials and traded goods, as well as transport and other direct costs. Inventories primarily consist of food, beverage, food contact items (such as cutlery, cups, glasses and plates), comfort items (such as headsets, blankets, amenity kits) and materials used in the production process (such as various plastics and coatings).

2.13 UP-FRONT CONTRACT PAYMENTS

From time to time the Group enters into service contracts whereby, in some cases, an up-front contract payment is made to customers as an integral part of a long-term agreement. These up-front payments are recognized in "other prepayments and accrued income" and "other non-current receivables". They are amortized over the life of the related contract. The amortization charge is recorded as a reduction of revenue.

2.14 ASSETS HELD FOR SALE

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.15 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The carrying amount of any replaced asset is derecognized. All other repairs and maintenance costs are charged to the income statement during the financial year in which they are incurred.

Land is not depreciated. Capitalized leased assets are depreciated over the shorter of the useful life and the lease term (Note 2.16). Depreciation on other assets is calculated using the straight-line method to allocate cost less any residual value over their estimated useful lives, as follows:

- Buildings 10 – 40 years
- Fixtures and fittings 5 – 15 years
- Catering and other equipment 3 – 10 years
- Vehicles 3 – 10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount (Note 2.18).

Gains or losses on the sale of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the income statement.

2.16 LEASES

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to produce a constant periodic rate of interest over the life of the lease. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.17 INTANGIBLE ASSETS

Goodwill
Goodwill is measured as the excess of the sum of the fair value of the consideration, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill arising on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in the carrying value on the investment and is tested for impairment as part of the overall balance. Separately

recognized goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Where goodwill forms part of the cash generating unit and part of an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash generating unit retained. The Group identifies cash generating units consistently with its segments.

Intellectual property
Intellectual property comprises trademarks acquired in a business combination. The cost of intellectual property represents the fair value at acquisition. The useful lives of these trademarks are assessed to be either finite or indefinite. Trademarks with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Trademarks are considered to have an indefinite life if they arise from contractual or other legal rights that can be renewed without significant cost, are subject to continuous marketing support and if there is no foreseeable limit to their useful economic life. Trademarks with indefinite useful lives are not amortized but are tested for impairment at least annually. The useful life of a trademark with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, any changes are made on a prospective basis.

Customer relationships
Customer relationship assets as identified in a business combination are recorded at fair value at the acquisition date. The cost is amortized on a straight-line basis over the lifetime of the relationship. Customer relationship assets are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Capitalized software
Costs that are directly associated with the purchase or internal development of identifiable software products controlled by the Group and that are designed to generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. The costs that are capitalized include purchase consideration, employee and consultant costs and an appropriate portion of relevant overheads. Costs recognized as assets are amortized on a straight-line basis over their estimated useful lives (between two and five years) and are carried at cost less accumulated amortization and impairment losses.

2.18 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortization and are tested at least annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that previously suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.19 EMPLOYEE BENEFITS

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the cost is accrued to match the rendering of the services by the employee concerned.

Retirement benefit obligations
Group companies operate various pension schemes. The plans are generally funded through payments to independent pension or insurance funds, the level of which is determined by regular actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, the latter being determined by applying the same discount rate as is used in assessing the benefit obligations. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Employee contributions are recognized as a reduction to service cost in the year of service.

Past service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

The Group immediately recognizes gains or losses on curtailments or settlements of a defined benefit plan as an event occurs. The gain or loss on a curtailment or settlement comprises any resulting change in the present value of the defined benefit obligation and any resulting change in the fair value of the plan assets.

When the fair value of the plan assets exceeds the present value of the defined benefit obligation, the Group's management assesses whether this surplus is fully recoverable through refunds or reductions in future contributions. Any portion of the surplus which is not fully recoverable is not recognized.

Remeasurements of the net defined benefit liability arising from actuarial gains and losses, return on plan assets and any change in the effect of an asset ceiling, are reported through the consolidated statement of comprehensive income in the period in which they arise.

Defined contribution and state administered plans may require employees to make contributions and enable employees to earn matching or other contributions from the Group. The funding of these plans is in accordance with statutory funding and tax requirements. Obligations for contributions to defined contribution and state administered plans are recognized as an expense in the income statement as incurred.

Termination benefits
Termination benefits are recognized on the date on which the Group can no longer rescind the offer of this type of benefit or when restructuring provisions are recorded.

Share-based compensation
The Group provides equity participation plans to key employees in the form of share plans. These plans are accounted for as equity-settled share-based payment transactions.

The fair values of share awards with non-market performance conditions are determined at grant date based on the market price less expected future dividends. The fair values of share awards with performance conditions are determined at grant date by using a Monte Carlo model. Some of the Monte Carlo model inputs are not observable in a market and therefore have to be estimated or derived from available data.

The cost of equity participation plans are recognized as personnel expense in the income statement with a corresponding increase in equity over the vesting period taking into account the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date the Group revises its estimate of the number of equity instruments expected to vest. An expense is recognized for awards with a market condition irrespective of whether that market condition is expected to be met, provided that all other vesting conditions are satisfied. The Group has available treasury shares to meet its commitments.

2.20 TAXATION

Income tax expense in the income statement is comprised of current and deferred income taxes. To the extent that transactions are recognized in other comprehensive income, then any related tax effects are also recognized in other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the balance sheet date together with any adjustments to tax payable in respect of previous years.

Deferred income tax is recognized based on the balance sheet liability method, which measures temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted, at the balance sheet date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At each balance sheet date, the Group assesses the recoverability of its deferred income tax assets.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset only when the enterprise has a legally enforceable right of offset.

2.21 TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.22 DEBT

Debt is initially recognized at amortized cost or fair value, net of transaction costs incurred. Debt is classified as a current liability unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

2.23 PROVISIONS

Provisions for legal claims, tax disputes, onerous contracts, property disputes, restructuring costs and other cases are recognized when the Group has a present or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A contract is onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and a provision is then recognized at the present value of the obligation. Restructuring provisions principally comprise employee termination benefits, legal, property and other related costs. Provisions are not recognized for future operating losses.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. In the income statement, the expense relating to a provision may be presented net of the amount recognized for a reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.24 SHARE CAPITAL

Ordinary shares are classified as equity. Dividends on ordinary shares are recorded in equity in the period in which they are approved by the Company's shareholders.

Where the Group purchases shares of the Company, the consideration paid is recognized as treasury shares and presented as a deduction from equity unless these shares are cancelled or sold. Any consideration received from the sale of these shares is recognized in equity.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Board has put in place appropriate structures to ensure risk governance and monitoring across the Group.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group may use derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department ("Group Treasury") which identifies, evaluates and hedges financial risks where appropriate. The principles for overall financial risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of both derivative and non-derivative financial instruments and the investment of excess liquidity exist and are formally documented.

Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar ("USD") and the Euro ("EUR"). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations including third party financing transactions, as well as intercompany transactions.

Foreign exchange risks are reduced by matching income and expenditure whenever possible in the same currency and negotiating terms with suppliers that include invoicing Group companies in their local reporting currency.

The Group invests in foreign subsidiaries, whose net assets are exposed to currency translation risk. Generally, the intention is that currency exposure of the net assets of subsidiaries is primarily managed through borrowings denominated in the relevant foreign currencies. From time to time and when appropriate, Group Treasury enters into foreign exchange forward contracts. In 2013 and 2012, no such transactions were entered into.

The illustrative effect on the post-tax profit and equity for the year that would result from changes in exchange rates can be summarized as follows:

in CHF m	CHF/USD	CHF/EUR	EUR/USD
Currency risks 2013 in CCY1/CCY2 [I]			
Percentage shift	10%	5%	5%
Impact on profit or loss and equity if CCY1 strengthens against CCY2	(3.1)	2.3	(0.9)
Impact on profit or loss and equity if CCY1 weakens against CCY2	3.1	(2.3)	0.9
Currency risks 2012 in CCY1/CCY2 [I]			
Percentage shift	5%	5%	5%
Impact on profit or loss and equity if CCY1 strengthens against CCY2	(2.4)	3.4	(2.6)
Impact on profit or loss and equity if CCY1 weakens against CCY2	2.4	(3.4)	2.6

[I] CCY = Currency

Cash flow and fair value interest rate risk
As the Group has no significant interest-bearing assets, the Group's income and associated operating cash inflows are substantially independent of changes in market interest rates.

Generally, cash flow interest rate risk arises from borrowings issued at variable risks. Group policy is to secure at least 50% of its variable interest rate risk with appropriate measures. By issuing the 6.75% senior unsecured notes, the Group's long-term financial liabilities are to a major extent denominated in EUR and at fixed interest rates.

The Group analyzes its interest rate exposure on a regular basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the interest-bearing positions.

Fixed rate borrowings are excluded from the sensitivity analysis as they are not measured at fair value and therefore not subject to fair value interest risk.

Based on the simulations performed, at December 31, 2013 and 2012, if interest rates had been 50 basis points higher with all other variables held constant, post-tax profit for the year would have been materially unchanged. At December 31, 2013 and 2012, other components of equity would not have been impacted.

At December 31, 2013 and 2012, if interest rates had been 50 basis points lower with all other variables held constant, post-tax profit for the year would have been materially unchanged. At December 31, 2013 and 2012, other components of equity would not have been impacted.

Credit risk
Credit risk reflects the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures. The assessment of the credit quality of the Group's customers is reflected in the Group's internal rating system which takes into account the financial position, past experience, ownership structure, specific market conditions and other factors. The assessment is updated at regular, pre-determined intervals or as circumstances change. In addition, receivable balances per customer are monitored, at least monthly, on a consolidated basis. The credit exposure by customer is regularly reviewed and approved by management. In cases where management assesses the trend of the exposure to any customer as unsatisfactory or in cases where the credit quality of any customer deteriorates, the Group enforces measures to reduce the exposure and might revise the payment and credit terms. The total outstanding trade balances of the Group's five largest receivable positions at December 31, 2013 constitute 22.0% (2012: 24.3%) of the total gross trade receivable amount and individually they accounted for between 3.4% and 6.8% (2012: 3.5% and 7.0%) of the total gross trade receivables. Due to appropriate provisioning, management does not expect any additional losses from non-performance by these customers.

The credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions are limited because the counterparties are banks and financial institutions which in general have an investment grade rating assigned by international credit-rating agencies.

Liquidity risk
Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines. The Group monitors its risk to a shortage of funds by reviewing short-term cash forecasts on a bi-monthly basis and undertaking mid-term cash forecasts during the year.

The following tables detail the contractual maturity of the Group's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

December 31, 2013

in CHF m	Within 1 month	1–3 months	3 months–1 year	1–5 years	More than 5 years	Total
Non-interest bearing	(166.3)	(53.2)	(16.0)	(1.2)	–	(236.7)
Finance lease liability	(0.2)	(0.4)	(1.7)	(6.4)	(3.3)	(12.0)
Variable interest rate instruments	(0.1)	(0.1)	(0.3)	(1.4)	(1.7)	(3.6)
Fixed interest rate instruments	–	(14.9)	(14.9)	(122.4)	(444.2)	(596.4)
Total	**(166.6)**	**(68.6)**	**(32.9)**	**(131.4)**	**(449.2)**	**(848.7)**

December 31, 2012

in CHF m	Within 1 month	1–3 months	3 months–1 year	1–5 years	More than 5 years	Total
Non-interest bearing	(160.5)	(62.9)	(14.8)	(2.0)	–	(240.2)
Finance lease liability	(0.2)	(0.5)	(1.9)	(7.8)	(4.3)	(14.7)
Variable interest rate instruments	–	–	(0.5)	(1.9)	(1.0)	(3.4)
Fixed interest rate instruments	(1.9)	(14.2)	(14.3)	(120.7)	(465.3)	(616.4)
Total	**(162.6)**	**(77.6)**	**(31.5)**	**(132.4)**	**(470.6)**	**(874.7)**

Non-interest bearing liabilities primarily consist of trade and other payables. Variable and fixed interest rate instruments consist of short-term and long-term debt as well as elements of other long-term payables.

3.2 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard its status as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain a capital structure focused on reducing the cost of capital. In order to maintain or adjust the capital structure, the Group may distribute dividends, issue new shares or adjust the level of debt.

The Group's existing committed credit facilities are available to the Company and certain of its subsidiaries (Note 22). The revolving credit facility contains certain covenants with respect to the leverage ratio, interest coverage ratio and the economic equity ratio.

3.3 FAIR VALUE ESTIMATION

In 2013 and 2012 no significant financial instruments at fair value were held by the Group. Where fair values are disclosed in the notes to the consolidated financial statements, the fair value hierarchy as outlined in the accounting policies are provided (Notes 22, 31). No transfers from one level of the fair value hierarchy to the other occurred during the reporting period.

Management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The senior unsecured notes are accounted for at amortized cost and their fair values are disclosed (Note 22).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under foreseeable circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related final outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described in the following table.

Note 12/20	Provisions for income taxes require significant judgment as these are based on transactions and calculations for which the ultimate tax determination is uncertain. Deferred tax assets are based on anticipated results for the relevant taxable entity over a period of several years into the future.
Note 15	Allowance for doubtful accounts requires assessment on the recoverability of accounts receivable which involves estimation as to the financial condition of customers and their ability to subsequently make payments.
Note 19	The impairment of goodwill is based on fair value less cost to sell calculations requiring estimation of future operating profit margins and post-tax discount rates. The intellectual property impairment testing is based on value in use calculations which requires estimates of future sales and pre-tax discount rates.
Note 21	Defined benefit plan obligations require estimation of discount rates, inflation and life expectancy.
Note 24	Legal and tax provisions may be recorded for matters over which there is uncertainty, with these therefore requiring a significant degree of assumption and estimation when determining the probable future outflow of resources.
Note 31	Assessment of business combinations.

5 SEGMENT INFORMATION

The Group is organized and managed primarily on the basis of two businesses: Airline Solutions and Product and Supply Chain Solutions.

5.1 REPORTABLE SEGMENT INFORMATION

2013 in CHF m	Airline Solutions	Product and Supply Chain Solutions	Corporate	Eliminations	Total reportable segments
Catering and retail onboard	1,582.0	95.4	–	–	1,677.4
Handling	769.9	–	–	–	769.9
Equipment	4.8	254.9	–	–	259.7
Other	236.2	59.0	–	–	295.2
Intersegment	0.3	190.3	–	(190.6)	–
Total revenue	**2,593.2**	**599.6**	**–**	**(190.6)**	**3,002.2**
Segment EBITDA	**157.9**	**39.1**	**(28.9)**	**–**	**168.1**
Total segment assets	994.1	299.8	171.7	–	1,465.6
Additions to non-current assets[I]	44.4	6.7	2.0	–	53.1

2012 in CHF m	Airline Solutions	Product and Supply Chain Solutions	Corporate	Eliminations	Total reportable segments
Catering and retail onboard	1,603.9	100.5	–	–	1,704.4
Handling	702.1	–	–	–	702.1
Equipment	12.6	244.4	–	–	257.0
Other	270.8	58.2	–	–	329.0
Intersegment	0.6	177.8	–	(178.4)	–
Total revenue	**2,590.0**	**580.9**	**–**	**(178.4)**	**2,992.5**
Segment EBITDA[II]	**155.4**	**40.6**	**(24.9)**	**–**	**171.1**
Total segment assets[II]	1,033.4	289.3	208.2	–	1,530.9
Additions to non-current assets[I]	52.7	3.2	4.5	–	60.4

[I] Relate to property, plant and equipment and intangible assets
[II] Restated, refer to Note 2.3

Segment EBITDA is defined as earnings before interest, depreciation, tax, amortization and management fees. Segment EBITDA also excludes impairment charges or reversals, operating taxes (non-income taxes), restructuring costs, profit or loss from sale of assets and share-based payments. Segment assets are defined as total assets of the segments less investments in subsidiaries and receivables due from Group companies.

Included in Airline Solutions' 2013 result is a gain of CHF 5.0m resulting from the resolution of a property related dispute.

The EMB assesses the performance of operating segments based on Segment EBITDA. The reconciliation to operating profit as reported in the consolidated income statement is presented below.

5.2 RECONCILIATION

Reconciliation of Segment EBITDA to operating profit

in CHF m	2013	2012
Segment EBITDA – reportable segments	168.1	171.1
Share-based payments (Notes 7, 27)	(1.5)	(3.6)
Restructuring costs (Notes 7, 8)	(10.5)	(22.2)
Operating taxes (non-income taxes)	0.5	(1.6)
Depreciation (Note 18)	(47.2)	(50.0)
Amortization (Note 19)	(15.8)	(26.7)
Impairment charges, net of reversals (Notes 18,19)	2.8	(51.7)
Other gains and (losses), net (Note 9)	1.8	(0.6)
Management fees, net	0.4	0.7
Operating profit	**98.6**	**15.4**

5.3 ENTITY WIDE DISCLOSURES

Geographic information

Revenue by country

in CHF m	2013	2012
United States	752.3	736.8
United Kingdom	502.8	488.2
Switzerland(I)	273.0	201.5
Other countries	1,474.1	1,566.0
Total Revenue(II)	**3,002.2**	**2,992.5**

(I) Country of domicile of the Company
(II) Relate to revenue from external customers

No other country represented more than 10% of revenue from external customers in 2013 or 2012.

Non-current assets

in CHF m	2013	2012
United States	180.2	181.8
Switzerland(I)	130.7	136.5
Netherlands	70.8	76.1
Other countries	334.3	352.8
Total non-current assets(II)	**716.0**	**747.2**

(I) Country of domicile of the Company
(II) Relate to property, plant and equipment and intangible assets

No other country represented more than 10% of non-current assets as per December 31, 2013 or 2012.

Major customers

The three major customers accounted for 11%, 9% and 9% of 2013's total revenue (2012: 11%, 10%, 10%). These revenues are attributable across both reportable segments.

6 REVENUE

in CHF m	2013	2012
Catering and retail onboard	1,677.4	1,704.4
Handling	769.9	702.1
Equipment	259.7	257.0
Other	295.2	329.0
Total	**3,002.2**	**2,992.5**

Catering and retail onboard revenue includes revenue from food, beverage and retail onboard sales, and logistics services. Handling revenue includes revenue from equipment packing, bar-packing and transportation. Equipment revenue includes revenue from the sale of food contact items (such as cutlery, cups, glasses and plates), and comfort items (such as headsets, blankets and amenity kits). Other revenue includes revenue for other services, such as laundry, aircraft cleaning, lounge and security services and asset management.

7 PERSONNEL EXPENSES

in CHF m	2013	2012
Wages and salaries	943.8	906.3
Social security costs	62.8	61.7
Pension costs (Note 21)	29.9	23.3
Share-based payments (Note 27)	1.5	3.6
Restructuring costs	9.4	19.1
Other personnel costs and benefits	119.9	122.9
Total	**1,167.3**	**1,136.9**

8 OTHER OPERATING INCOME AND EXPENSES, NET

in CHF m	2013	2012
Rental, utility and other property costs	160.8	157.2
Maintenance and lease of equipment costs	65.4	65.0
Communication costs	44.2	40.9
Audit, consulting and legal fees	31.5	39.7
Administrative and operative costs	27.7	22.7
Transport and travel costs	24.5	23.5
Restructuring costs	1.1	3.1
Other operating costs	88.6	72.8
Other operating income	(11.1)	(5.1)
Total	**432.7**	**419.8**

9 OTHER GAINS AND LOSSES, NET

in CHF m	2013	2012
Gain/(loss) on sale of assets	6.4	(0.6)
Loss from disposal of subsidiary (Note 32)	(4.6)	–
Total	**1.8**	**(0.6)**

Gain/(loss) on sale of assets arises from the sale of property, plant and equipment, intangible assets, other assets and third party investments.

10 FINANCE COSTS, NET

in CHF m	2013	2012
Interest income	1.7	2.3
Other finance income	0.5	0.5
Total financial income	**2.2**	**2.8**
Interest expense	(36.6)	(44.0)
Other finance costs	(5.8)	(8.6)
Total financial expenses	**(42.4)**	**(52.6)**
Net interest on defined benefit schemes (Note 21)	**(6.2)**	**(5.5)**
Foreign exchange losses, net	**(18.7)**	**(3.3)**
Finance costs, net	**(65.1)**	**(58.6)**

11 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group has interests in a number of individually immaterial associates and joint ventures.

2013 in CHF m	Associates	Joint Ventures	Total
Aggregated carrying amount	**4.9**	**2.8**	**7.7**
Share of result of associates and joint ventures	(0.1)	(0.3)	(0.4)
Share of other comprehensive income	(0.6)	(0.6)	(1.2)
Share of total comprehensive income	**(0.7)**	**(0.9)**	**(1.6)**

2012 in CHF m	Associates	Joint Ventures	Total
Aggregated carrying amount	**3.8**	**4.7**	**8.5**
Share of result of associates and joint ventures	0.2	1.0	1.2
Share of other comprehensive income	0.1	0.1	0.2
Share of total comprehensive income	**0.3**	**1.1**	**1.4**

12 INCOME TAX EXPENSE

in CHF m	2013	2012
Current income tax charge	23.6	19.2
Deferred tax (credit) (Note 20)	(11.5)	(4.9)
Total	**12.1**	**14.3**

Reconciliation of tax expense

in CHF m	2013	2012
Profit/(loss) before tax	33.1	(42.0)
Weighted average expected tax rate	38.1%	31.9%
Tax at weighted average rate	**12.6**	**(13.4)**

+/– effects of

Income not subject to tax	(9.2)	(0.5)
Expenses not deductible for tax purposes	11.6	7.5
Prior year unrecognized tax losses, tax credits or deductible temporary differences	(34.1)	(15.8)
Deferred tax assets not recognized in the current year	31.4	36.0
Adjustments for the current tax of prior years	(0.4)	(0.7)
Others	0.2	1.2
Total tax expense	**12.1**	**14.3**
Weighted average effective tax rate	36.6%	(34.0)%

The weighted average expected tax rate is calculated by applying the local tax rates of each taxable entity to its profit or loss before tax. This year's tax rate reflects an increase of profits in countries with higher tax rates and a decrease of profits in countries with lower tax rates.

Deferred tax assets not recognized in the current year consist of tax losses, tax credits or deductible temporary differences that have not been recognized in a number of locations.

13 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year. Treasury shares are not considered as outstanding shares.

	2013	2012
Profit/(loss) for the year attributable to shareholders of the Company (in CHF m)	18.4	(58.2)
Weighted average number of shares outstanding	26,066,799	26,143,749
Basic earnings per share (in CHF)	0.71	(2.23)

Diluted earnings per share

Diluted earnings per share are the same as basic earnings per share in both years.

14 CASH AND CASH EQUIVALENTS

in CHF m	2013	2012
Cash and bank balances	165.0	162.7
Short-term bank deposits	9.2	7.9
Total	**174.2**	**170.6**

The total of cash and bank balances includes amounts of CHF 11.0m (2012: CHF 9.8m) which are not freely transferable outside the relevant country of operation.

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

in CHF m	2013	2012
Cash and bank balances	165.0	162.7
Short-term bank deposits	9.2	7.9
Bank overdrafts (Note 22)	–	(2.0)
Total	**174.2**	**168.6**

15 TRADE RECEIVABLES

in CHF m	2013	2012
Trade receivables	300.7	326.2
Trade receivables due from related parties (Note 33)	0.4	1.6
	301.1	**327.8**
Provision for impairment of receivables	(21.2)	(30.9)
Total	**279.9**	**296.9**

The amount of the provision was CHF 21.2m as of December 31, 2013 (2012: CHF 30.9m). The individually impaired receivables mainly relate to customers who are experiencing difficult financial circumstances and the majority of these amounts are more than two months overdue. It was assessed that a portion of these receivables is expected to be recovered.

The ageing analysis of the trade receivables is as follows:

in CHF m	2013	2012
Not overdue	211.7	217.4
Less than 1 month overdue	42.0	52.0
1 to 2 months overdue	10.4	11.6
Over 2 months overdue	37.0	46.8
Balance at December 31	**301.1**	**327.8**

The Group maintains an internal credit rating system in which customers are allocated to one of the categories in the table below. The rating of these customers is continuously assessed. The outstanding trade receivables from customers amounted to:

in CHF m	2013	2012
Low risk (short/medium term losses are unlikely)	73.3	69.1
Medium risk (short/medium term losses are possible)	120.0	144.5
High risk (short/medium term losses are likely, if unsecured)	62.3	79.9
Very high risk (short term losses are very likely, if unsecured)	13.3	7.5
Not rated customers	32.2	26.8
Balance at December 31	**301.1**	**327.8**

Movements on the provision for impairment of trade receivables are as follows:

in CHF m	2013	2012
Balance at January 1	**(30.9)**	**(30.8)**
Provision for receivables impairment	(8.2)	(7.4)
Receivables written off during the year as uncollectible	14.5	2.7
Unused amounts reversed	1.7	3.5
Exchange differences	1.7	1.1
Balance at December 31	**(21.2)**	**(30.9)**

Amounts provided against are generally written off when there is no expectation of further recovery. The Group does not hold any collateral as security.

16 OTHER CURRENT RECEIVABLES AND PREPAYMENTS

in CHF m	2013	2012
Other receivables	9.5	13.3
Other receivables due from related parties (Note 33)	3.4	1.2
Prepaid taxes other than income tax	34.3	33.6
Other prepayments and accrued income	52.9	66.4
Total	**100.1**	**114.5**

17 INVENTORIES

in CHF m	2013	2012
Raw materials	36.0	37.6
Catering supplies	30.8	30.8
Work in progress	3.1	2.7
Finished goods	19.7	15.7
Provision for obsolescence	(2.9)	(3.3)
Balance at December 31	**86.7**	**83.5**

18 PROPERTY, PLANT AND EQUIPMENT

2013 in CHF m	Land and buildings	Fixtures and fittings in rented buildings	Assets under construction	Catering and other equipment	Vehicles	Total
Cost						
Balance at January 1, 2013	**195.5**	**164.9**	**8.6**	**177.9**	**154.5**	**701.4**
Additions	5.5	4.8	23.1	12.5	4.1	50.0
Reclassification	(5.2)	9.9	(24.2)	1.9	14.0	(3.6)
Acquisition of subsidiary (Note 31)	2.8	–	–	0.3	0.3	3.4
Disposal of subsidiary	–	–	–	(0.7)	–	(0.7)
Disposals	(3.7)	(0.5)	–	(9.7)	(4.4)	(18.3)
Exchange differences	(10.2)	(4.8)	(0.6)	(6.0)	(5.7)	(27.3)
Balance at December 31, 2013	**184.7**	**174.3**	**6.9**	**176.2**	**162.8**	**704.9**
Accumulated depreciation and impairments						
Balance at January 1, 2013	**(87.2)**	**(107.9)**	**–**	**(125.4)**	**(76.3)**	**(396.8)**
Depreciation charge for the year	(8.6)	(9.8)	–	(14.1)	(14.7)	(47.2)
Impairment charges, net of reversals	(0.3)	3.3	–	0.2	(0.4)	2.8
Reclassification	4.6	(4.3)	–	1.2	–	1.5
Disposal of subsidiary	–	–	–	0.7	–	0.7
Disposals	3.5	0.2	–	9.5	4.3	17.5
Exchange differences	2.9	2.8	–	4.4	2.5	12.6
Balance at December 31, 2013	**(85.1)**	**(115.7)**	**–**	**(123.5)**	**(84.6)**	**(408.9)**
Net book value						
Balance at January 1, 2013	108.3	57.0	8.6	52.5	78.2	304.6
Balance at December 31, 2013	**99.6**	**58.6**	**6.9**	**52.7**	**78.2**	**296.0**

2012 in CHF m	Land and buildings	Fixtures and fittings in rented buildings	Assets under construction	Catering and other equipment	Vehicles	Total
Cost						
Balance at January 1, 2012	**192.4**	**163.5**	**6.5**	**168.4**	**130.2**	**661.0**
Additions	2.0	3.0	22.3	9.6	19.1	56.0
Reclassification	2.4	4.0	(19.8)	4.6	7.4	(1.4)
Acquisition of subsidiaries (Note 31)	2.1	1.3	–	3.2	0.6	7.2
Disposals	–	(3.9)	–	(5.7)	(0.7)	(10.3)
Exchange differences	(3.4)	(3.0)	(0.4)	(2.2)	(2.1)	(11.1)
Balance at December 31, 2012	**195.5**	**164.9**	**8.6**	**177.9**	**154.5**	**701.4**
Accumulated depreciation and impairments						
Balance at January 1, 2012	**(50.3)**	**(99.4)**	**–**	**(106.8)**	**(63.6)**	**(320.1)**
Depreciation charge for the year	(9.2)	(10.7)	–	(17.3)	(12.8)	(50.0)
Impairment charges	(27.9)	(3.8)	–	(8.1)	(1.7)	(41.5)
Disposals	–	3.9	–	5.5	0.6	10.0
Exchange differences	0.2	2.1	–	1.3	1.2	4.8
Balance at December 31, 2012	**(87.2)**	**(107.9)**	**–**	**(125.4)**	**(76.3)**	**(396.8)**
Net book value						
Balance at January 1, 2012	142.1	64.1	6.5	61.6	66.6	340.9
Balance at December 31, 2012	**108.3**	**57.0**	**8.6**	**52.5**	**78.2**	**304.6**

The carrying value of land recorded under land and buildings at December 31, 2013 is CHF 28.5m (2012: CHF 30.5m). Within property, plant and equipment assets pledged for mortgages amount to CHF 7.1m (2012: CHF 7.5m).

In 2013 the profitability outlook of certain locations in the US strengthened due to a gain of business. This resulted in a net reversal of the impairment of property, plant and equipment previously charged in these locations. The impairments in 2012 relate to Airline Solutions' locations and equipment principally in Europe and India. These have been adjusted to lower recoverable amounts following developments in the Group's customer portfolio.

On assets held for sale an impairment loss of CHF 0.7m was recognized in 2012.

Assets recorded under finance leases consist of:

in CHF m	Land and buildings	Catering and other equipment	Vehicles	Total
Cost				
Balance at December 31, 2013	7.6	2.7	3.0	13.3
Balance at December 31, 2012	7.7	2.8	3.7	14.2
Accumulated depreciation				
Balance at December 31, 2013	(6.4)	(2.7)	(1.1)	(10.2)
Balance at December 31, 2012	(6.1)	(2.8)	(0.9)	(9.8)
Net book value				
Balance at December 31, 2013	1.2	–	1.9	3.1
Balance at December 31, 2012	1.6	–	2.8	4.4

Depreciation expense included in the consolidated income statement for property, plant and equipment held under finance leases was CHF 1.1m (2012: CHF 1.1m). Obligations under finance leases are disclosed in Note 22.

19 INTANGIBLE ASSETS

2013 in CHF m	Goodwill	Intellectual property	Customer relationships	Capitalized software	Other	Total
Cost						
Balance at January 1, 2013	**512.0**	**139.9**	**106.1**	**52.4**	**10.7**	**821.1**
Additions	–	–	–	2.9	0.2	3.1
Acquisition of subsidiary (Note 31)	4.3	–	0.7	–	–	5.0
Disposal of subsidiary	–	–	(5.8)	–	–	(5.8)
Disposals	–	–	(21.6)	(0.2)	(0.2)	(22.0)
Reclassification	–	–	–	2.1	–	2.1
Exchange differences	(15.3)	(1.4)	(2.7)	(1.1)	–	(20.5)
Balance at December 31, 2013	**501.0**	**138.5**	**76.7**	**56.1**	**10.7**	**783.0**
Accumulated amortization						
Balance at January 1, 2013	**(216.1)**	**(38.6)**	**(68.1)**	**(46.8)**	**(8.9)**	**(378.5)**
Amortization charge for the year	–	(0.3)	(12.0)	(2.9)	(0.6)	(15.8)
Disposal of subsidiary	–	–	5.8	–	–	5.8
Disposals	–	–	18.5	0.2	0.2	18.9
Reclassification	–	–	–	(1.2)	–	(1.2)
Exchange differences	4.2	0.9	1.6	1.1	–	7.8
Balance at December 31, 2013	**(211.9)**	**(38.0)**	**(54.2)**	**(49.6)**	**(9.3)**	**(363.0)**
Net book value						
Balance at January 1, 2013	295.9	101.3	38.0	5.6	1.8	442.6
Balance at December 31, 2013	**289.1**	**100.5**	**22.5**	**6.5**	**1.4**	**420.0**

2012 in CHF m	Goodwill	Intellectual property	Customer relationships	Capitalized software	Other	Total
Cost						
Balance at January 1, 2012	**486.9**	**139.6**	**91.6**	**47.7**	**10.4**	**776.2**
Additions	–	–	0.2	3.9	0.3	4.4
Acquisition of subsidiaries (Note 31)	33.8	1.6	15.6	–	–	51.0
Disposals	–	–	–	(0.2)	–	(0.2)
Reclassification	–	–	–	1.4	–	1.4
Exchange differences	(8.7)	(1.3)	(1.3)	(0.4)	–	(11.7)
Balance at December 31, 2012	**512.0**	**139.9**	**106.1**	**52.4**	**10.7**	**821.1**
Accumulated amortization and impairments						
Balance at January 1, 2012	**(219.3)**	**(37.5)**	**(50.0)**	**(32.4)**	**(8.1)**	**(347.3)**
Amortization charge for the year	–	(1.8)	(15.0)	(9.1)	(0.8)	(26.7)
Impairment charges	–	–	(3.7)	(5.8)	–	(9.5)
Disposals	–	–	–	0.2	–	0.2
Exchange differences	3.2	0.7	0.6	0.3	–	4.8
Balance at December 31, 2012	**(216.1)**	**(38.6)**	**(68.1)**	**(46.8)**	**(8.9)**	**(378.5)**
Net book value						
Balance at January 1, 2012	267.6	102.1	41.6	15.3	2.3	428.9
Balance at December 31, 2012	**295.9**	**101.3**	**38.0**	**5.6**	**1.8**	**442.6**

Within capitalized software is internally developed software at cost of CHF 24.3m (2012: CHF 24.1m). As of December 31, 2013 this internally developed software was recorded at a net book value of 0.6m CHF (2012: nil).

The impairments in 2012 relate to customer relationships and capitalized software principally serving the Airline Solutions business.

Indefinite life intangibles are allocated to the Group's cash generating units summarized as follows:

in CHF m	Goodwill		Intellectual property	
	2013	2012	2013	2012
Airline Solutions	185.2	192.1	83.1	83.6
Product and Supply Chain Solutions	103.9	103.8	17.4	17.4
Balance at December 31	**289.1**	**295.9**	**100.5**	**101.0**

The above amounts exclude CHF 0.3m in prior year, classified as intellectual property, which had a definite life.

Impairment tests for goodwill and intellectual property
The recoverable amounts of goodwill are based on fair value less costs to sell calculations. The recoverable amounts of intellectual property are based on value in use calculations. Neither a market price, nor any information about transactions for similar companies in the same industry exist and so these cannot be used as a basis to calculate the fair values. As a result, the fair value of the cash generating units was calculated using the discounted cash flow method. These calculations use the cash flow projections based on the financial budget, approved by the Board, extended into a five year business plan.

The key assumptions used in the fair value less cost to sell calculations in the five year period are as follows:

2013	Revenue growth rate	Discount rate
Airline Solutions	2.5% – 4.2%	8.8%
Product and Supply Chain Solutions	5.9% – 7.3%	8.8%
2012		
Airline Solutions	1.4% – 4.8%	8.0%
Product and Supply Chain Solutions	1.1% – 9.5%	8.1%

The terminal value beyond the business plan period was calculated by extrapolating the year five cash flows at constant exchange rates using an eternal growth rate of 1.5% (2012: 1.5%) and discount rates as above. Revenue growth rates are based on industry research published by the International Air Transport Association with respect to volume growth, adjusted for impacts from inflation and market-related price changes expected by management. Management determined projected margins based on past performance and its expectations of market developments. The discount rates used are post-tax and reflect specific risk and market characteristics relating to the relevant cash generating units.

As in prior year, the impairment test did not lead to any impairment of goodwill or intellectual property. The recoverable amounts exceed the carrying values. The key sensitivities in the impairment test are the discount rate as well as the terminal growth rate. Therefore, the Group has carried out a sensitivity analysis, considering various scenarios. Taking reasonable possible changes in key assumptions into account, no impairment losses were indicated.

20 DEFERRED INCOME TAX

in CHF m	2013	2012
Deferred income tax assets	51.9	59.1
Deferred income tax liabilities	(21.9)	(35.2)
Balance at December 31	**30.0**	**23.9**

Movements in deferred taxes

in CHF m	Property, plant and equipment	Intangible assets	Other assets	Retirement benefit obligations, other liabilities, provisions and accruals	Tax losses carry forwards	Total
Balance at January 1, 2013	**(1.8)**	**(20.0)**	**(0.3)**	**25.3**	**20.7**	**23.9**
Deferred tax credit/(charge) in the income statement (Note 12)	(3.5)	1.9	0.2	7.6	5.3	11.5
Acquisition of subsidiaries (Note 31)	–	(0.2)	–	0.3	–	0.1
Deferred tax (charge) in other comprehensive income	–	–	–	(3.1)	–	(3.1)
Exchange differences	0.6	(1.5)	(0.1)	(2.4)	1.0	(2.4)
Balance at December 31, 2013	**(4.7)**	**(19.8)**	**(0.2)**	**27.7**	**27.0**	**30.0**
Balance at January 1, 2012	**(12.9)**	**(11.2)**	**(2.8)**	**27.6**	**15.5**	**16.2**
Deferred tax credit/(charge) in the income statement (Note 12)	10.9	(4.9)	(0.3)	(6.2)	5.4	4.9
Acquisition of subsidiaries (Note 31)	–	(4.3)	–	0.8	–	(3.5)
Deferred tax credit in other comprehensive income	–	–	2.3	5.2	–	7.5
Exchange differences	0.2	0.4	0.5	(2.1)	(0.2)	(1.2)
Balance at December 31, 2012	**(1.8)**	**(20.0)**	**(0.3)**	**25.3**	**20.7**	**23.9**

CHF 3.1m (2012: credit of CHF 5.2m) of the deferred tax charge in the statement of other comprehensive income relates to actuarial gains and losses on defined benefit schemes. The CHF 2.3m credit in 2012 relates to long-term loans treated as net investment in a foreign entity.

Composition of deferred tax assets and liabilities

in CHF m	Assets December 31		Liabilities December 31		Net December 31	
	2013	2012	2013	2012	2013	2012
Temporary differences						
Property, plant and equipment	6.8	13.0	(11.5)	(14.8)	(4.7)	(1.8)
Intangible assets	–	0.4	(19.8)	(20.4)	(19.8)	(20.0)
Other assets	0.6	2.5	(0.8)	(2.8)	(0.2)	(0.3)
Retirement benefit obligations, other liabilities, provisions and accruals	32.9	37.6	(5.2)	(12.3)	27.7	25.3
Tax losses	27.0	20.7	–	–	27.0	20.7
	67.3	**74.2**	**(37.3)**	**(50.3)**	**30.0**	**23.9**
Offset of deferred tax assets and liabilities	(15.4)	(15.1)	15.4	15.1	–	–
Deferred tax assets/(liabilities)	**51.9**	**59.1**	**(21.9)**	**(35.2)**	**30.0**	**23.9**

Tax loss carry forwards

Tax loss carry forwards which are not recognized are summarized by year of expiry as follows:

in CHF m	2013	2012
2013	–	1.8
2014	2.3	1.8
2015	–	1.5
2016	1.8	–
2017	–	0.1
2018	3.3	35.2
2019	19.6	9.9
2020	7.6	21.2
After 2020	47.0	31.0
No expiry	602.0	476.3
Total	**683.6**	**578.8**

The countries with significant unrecognized tax loss carry forwards include Luxembourg (CHF 378.3m at a tax rate of 29.2%), Denmark (CHF 106.6m at a tax rate of 25%), India (CHF 39.1m at a tax rate of 30.9%), Norway (CHF 39.0m at a tax rate of 28%) and Switzerland (CHF 36.2m at a tax rate of 15.0%).

21 RETIREMENT BENEFIT OBLIGATIONS

The Group provides retirement benefits through a variety of arrangements comprised principally of stand-alone defined benefit and defined contribution plans and state administered plans that cover a substantial portion of employees in accordance with local regulations and practices. The most significant plans in terms of the benefits accrued to date by participants are cash balance and final salary plans, and around 90% of the present value of obligations accrued to date come from six defined benefit plans in Switzerland, the UK and the US.

Switzerland

The Group operates two company sponsored pension funds in Switzerland that provide contribution-based cash balance retirement and risk benefits to employees to meet its obligations under Switzerland's mandatory company provided pension. Each pension fund is established within a foundation which is a legal entity separate from the Group. Each pension fund is governed by a board that is legally responsible for the operation of the pension fund and empowered to decide on such fundamental aspects as the level and structure of the benefits and the fund's investment strategy. One half of the board of each fund consists of employee representatives elected by the members while the other half are appointed by the employer.

There are a number of guarantees provided within the pension funds which expose them to risks of underfunding and may require the Group to help provide re-financing. The main risks that they are exposed to include:

- Investment risk: There is a guaranteed return on account balances of at least 0% per annum on the total account balance, as well as the rate set by the government on the mandatory minimum benefits.
- Asset volatility: The pension funds hold a significant proportion of equities, which are expected to outperform corporate bonds in the long term but give exposure to volatility and risk in the short term. The pension fund boards are responsible for the investment strategy and a reasonable proportion of equity investment is justified, given the time horizon of the pension funds and to provide a reasonable long term return on members' account balances.
- Changes in bond yields: A decrease in corporate bond yields will increase pension fund liabilities, although this will be partially offset by an increase in the value of the bond holdings and an expectation of lower interest-crediting rates on the cash balance accounts.
- Pensioner longevity and investment risk: The pension funds offer the choice between a lifelong pension and a cash balance lump sum upon retirement. The pension funds have defined rates for converting the lump sum to a pension, and there is the risk that the members live longer than implied by these conversion rates and that the pension assets do not achieve the investment return implied by these conversion rates.

Generally, there is no opportunity for the Group to recover a surplus from the pension funds because under Swiss pension law any surplus that develops technically belongs to a pension fund and therefore the members. A reduction in future contributions is possible only at the discretion of the board of the fund and therefore there is a minimum funding requirement for the Group equal to the employer contributions set out in the pension fund rules. As the contributions are set out in the plan rules, the funding arrangements have limited impact on the future cash flow requirements of the Group (except in the case of underfunding).

The pension funds currently invest in a diverse portfolio of asset classes including equities, bonds, property, commodities and private equity but do not currently use any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps.

There have been the following changes made to the Swiss retirement benefit arrangements in the periods covered by these consolidated financial statements:

- In 2013 a curtailment arose as the Swiss Bridging Plan, an unfunded obligation, was closed. Linked to this, plan amendments were made to the Swiss Main Plan, which resulted in an increase in the normal retirement age, contribution crediting rate changes and modification to disability pension benefits. The net impact in the consolidated income statement is a credit of CHF 3.8m recognized in pension expense.
- In 2012 there was an amendment in the main Swiss plan consisting of a reduction in the rates for converting capital to pension at retirement. This resulted in a one-off past service credit of CHF 6.1m being recognized in pension expense.

UK

All of the UK plans are final salary, which provide benefits to members in the form of a guaranteed level of pension payable for life, and all plans are currently closed to future accrual of benefits. Future benefit accruals are provided for through defined contribution plans. The pensions in the defined benefit plans receive inflation-related increases in deferment and once in payment. The benefit payments are from trustee administered funds. Plan assets held in trusts are governed by local regulations and practice, as is the nature of the relationship between the Group and the trustees (or equivalent) and their composition. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the Group and the board of trustees. The board of trustees must be composed of representatives of the Group and plan participants in accordance with the plan's regulations and UK pension law.

Through the UK defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: The plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long term, but give exposure to volatility and risk in the short term. Given that the plans are closed, as they mature the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The plans have already begun this process by having a significant portion of assets invested in a liability driven investment vehicle. However, due to the plan run-off liabilities remaining long term at this stage and the strength of the supporting Group, a level of continuing equity investment is an appropriate element of the long-term strategy to manage the plans efficiently.
- Changes in bond yields: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings and liability driven investments.
- Inflation risk: The majority of the plans' benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plans against extreme inflation). The majority of the plans' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.
- Life expectancy: The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities, and furthermore inflationary increases result in higher sensitivity to changes in life expectancy.

The use of any surplus in the pension plans is governed by the plan rules and may not be in the control of the Group, leading in some cases to restrictions on the level of balance sheet asset that may be reported.

US

The Group operates defined benefit pension plans in the US to provide benefits to members in the form of a guaranteed level of pension payable for life and all plans are currently closed to future accrual of benefits. Future pension benefit accruals are provided in defined contribution plans. The pensions in the defined benefit plans generally do not receive inflationary increases once in payment. The majority of benefit payments are from a trustee administered fund; however, there is also an unfunded plan where the Group meets the benefit payment obligation as it becomes due. Plan assets held in trusts are governed by Internal Revenue Service ("IRS") regulations. Responsibility for governance of the plans, including investment decisions and contribution schedules, is also governed by IRS Regulations and lies with the Group.

Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: The funded plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term but give exposure to volatility and risk in the short term. As the plan matures and the funded status improves, through cash contributions and anticipated excess equity returns, the Group intends to reduce the level of investment risk by investing more in fixed income assets that better match the liabilities. However, currently the Group believes that its financial strength and the term of the liabilities mean that a level of continuing equity investment is an appropriate element of the long-term strategy to manage the plan efficiently.
- Changes in bond yields: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the funded plan's bond holdings.
- Life expectancy: The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

For the funded plan as of December 31, 2013, the allocation target for the fixed income investment was 30.5% of total plan assets. The allocation target for investment in long bonds was 10% of total plan assets. Other than this the pension fund invests in a diverse portfolio of asset classes but does not currently use any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps.

The funded defined benefit pension plan is governed by special minimum required funding rules as set forth in IRS regulations for certain airlines and caterers of airlines who sponsor a tax-qualified defined benefit pension plan (“Airline Relief”). Further details about these funding rules are as follows:

- Under Airline Relief, a fixed 8.85% rate is used to discount funding liabilities whereas the funding rate required to be used for most other defined benefit plan sponsors is linked to high grade corporate bond yields. Thus, the higher 8.85% funding rate has significant consequences. It results in decreased minimum funding requirements in the near term, but also sets a higher earnings target for plan investment returns.
- As such, plan underfunding will grow if investment performance falls below the fixed 8.85% Airline Relief rate. In addition, Airline Relief requires “compressed” amortization of the 8.85% funding shortfall as 2023 nears and full amortization of this shortfall by 2023. In 2023, the funding shortfall will be re-determined by replacing the 8.85% funding rate with a corporate bond yield funding rate. This new shortfall will be amortized with a seven year rolling amortization schedule.
- As a result of the above, based on current conditions, plan minimum required contributions are expected to increase significantly by 2023. Voluntary funding in excess of the current minimum required level is being assessed as a potential strategy to mitigate this future funding volatility.

The Group recognized total retirement benefit costs related to all retirement plans as follows:

in CHF m	**2013**	**2012**
Defined contribution plans	22.1	20.9
Defined benefit plans:		
Current service cost (net of employee contributions)	11.6	8.5
Curtailment and negative past service cost	(3.8)	(6.1)
Personnel expenses – pension costs (Note 7)	**29.9**	**23.3**
Net interest on defined benefit schemes (Note 10)	6.2	5.5
Net periodic pension expense	**36.1**	**28.8**

The remeasurement components recognized in the statement of other comprehensive income for the Group’s defined benefit plans comprise the following:

in CHF m	**2013**	**2012**
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	0.4	20.0
Based on adjustment of financial assumptions	(22.6)	61.4
Due to liability experience adjustment	(6.1)	(6.4)
Due to return on pension assets (excluding amounts in net interest on defined benefit schemes)	(22.5)	(26.3)
Due to change in effect of the asset ceiling (excluding amounts in net interest on defined benefit schemes)	(0.7)	(2.3)
Total remeasurements recognized in the statement of other comprehensive income	**(51.5)**	**46.4**

The following tables show the change in present value of defined benefit obligations, the change in plan assets and the funded status recognized in the consolidated financial statements for the Group's defined benefit plans.

in CHF m	2013	2012
Present value of funded obligations	(593.4)	(613.6)
Fair value of plan assets	479.7	455.0
Funded status	**(113.7)**	**(158.6)**
Present value of unfunded obligations	(5.2)	(15.4)
Irrecoverable surplus (effect of asset ceiling)	(3.0)	(3.5)
Net defined benefit liability at December 31	**(121.9)**	**(177.5)**
Being:		
Retirement benefit assets at December 31	–	1.5
Retirement benefit liabilities at December 31	(121.9)	(179.0)

The movements in the net defined benefit pension liability recognized within the consolidated balance sheet are as follows:

in CHF m	2013	2012
Balance at January 1	**(177.5)**	**(138.8)**
Acquisition of subsidiaries (Note 31)	–	(3.2)
Cost recognized in income statement	(14.0)	(7.9)
Remeasurement gains/(losses) recognized in other comprehensive income	51.5	(46.4)
Actual employer contributions (Note 29)	16.3	14.9
Exchange differences	1.8	3.9
Balance at December 31	**(121.9)**	**(177.5)**

The change in the present value of defined benefit obligations is as follows:

in CHF m	2013	2012
Balance at January 1	**629.0**	**538.4**
Acquisition of subsidiaries	–	14.1
Current service cost	11.6	8.5
Interest cost on the defined benefit obligations	20.2	20.9
Actual benefit payments	(30.6)	(21.9)
Actual employee contributions	4.6	4.4
Curtailment and negative past service cost	(3.8)	(6.1)
Actuarial (gains)/losses - Demographic assumptions	0.4	20.0
Actuarial (gains)/losses - Financial assumptions	(22.6)	61.4
Actuarial (gains)/losses - Liability experience	(6.1)	(6.4)
Exchange differences	(4.1)	(4.3)
Balance at December 31	**598.6**	**629.0**

The following table shows the change in the fair value of plan assets:

in CHF m	2013	2012
Balance at January 1	**455.0**	**405.0**
Acquisition of subsidiaries	–	10.9
Interest income on plan assets	14.2	15.7
Actual employer contributions (Note 29)	16.3	14.9
Actual employee contributions	4.6	4.4
Actual benefit payments	(30.6)	(21.9)
Actual return on assets (excluding interest income on plan assets)	22.5	26.3
Exchange differences	(2.3)	(0.3)
Balance at December 31	**479.7**	**455.0**

Benefits paid under the pension plans include CHF 1.5m paid from employer assets in 2013 (2012: CHF 1.2m). The Group expects to contribute CHF 16.2m to its defined benefit pension plans in 2014.

The following table shows the change in the irrecoverable surplus:

in CHF m	2013	2012
Irrecoverable surplus at January 1	**3.5**	**5.4**
Interest cost on irrecoverable surplus	0.2	0.3
Change in irrecoverable surplus in excess of interest	(0.7)	(2.3)
Exchange differences	–	0.1
Irrecoverable surplus at December 31	**3.0**	**3.5**

Where applicable, the economic benefit available (used in the irrecoverable surplus calculation) as at December 31 is based on the present value of potential reductions in future contributions.

The principal actuarial assumptions used for the defined benefit obligations at December 31 and the following year's pension expense are as follows:

	2013	2012
Discount rate (weighted average)	3.6%	3.2%
Rate of compensation increase (weighted average)	2.6%	2.8%
Inflation rate (weighted average)	2.3%	2.0%

Mortality rates have been set in accordance with current best practices in the respective countries. Future longevity improvements have been considered and included where appropriate. The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:

Years	2013	2012
Male	20.9	20.8
Female	23.3	23.2

The average life expectancy in years of a pensioner retiring at age 65, 15 years after the balance sheet date is as follows:

Years	2013	2012
Male	21.8	21.6
Female	24.2	24.0

The major categories of plan assets as a percentage of total plan assets are as follows:

	2013	2012
Securities with quoted market price in an active market		
Equities	39%	34%
Bonds:		
Government – index-linked	8%	9%
Corporate	13%	13%
Real estate	1%	1%
Cash and cash equivalents	7%	8%
Other marketable securities	10%	11%
Total quoted securities	**78%**	**76%**
Other securities		
Equities	–	1%
Bonds:		
Asset-backed securities	1%	1%
Insurance contracts	8%	8%
Real estate	12%	12%
Other	1%	2%
Total other securities	**22%**	**24%**
Total	**100%**	**100%**

Pension plan assets do not contain shares of the Company other than those included in investment manager products that include a benchmark allocation to Swiss equities.

As described earlier, the present value of defined benefit obligations accrued to date in Switzerland, the UK and the US represent around 90% of total for the Group. A breakdown of the pension related balance sheet amounts at December 31, 2013 and 2012, is shown below.

2013 in CHF m	Switzerland	UK	US	Other	Total
Present value of funded obligations	(218.9)	(147.2)	(170.7)	(56.6)	(593.4)
Fair value of plan assets	209.9	142.7	86.9	40.2	479.7
Funded status	**(9.0)**	**(4.5)**	**(83.8)**	**(16.4)**	**(113.7)**
Present value of unfunded obligations	(0.8)	–	(3.4)	(1.0)	(5.2)
Irrecoverable surplus (effect of asset ceiling)	–	(3.0)	–	–	(3.0)
Net defined benefit (liability) at December 31	**(9.8)**	**(7.5)**	**(87.2)**	**(17.4)**	**(121.9)**
2012 in CHF m					
Present value of funded obligations	(237.7)	(134.1)	(191.7)	(50.1)	(613.6)
Fair value of plan assets	201.2	138.1	79.9	35.8	455.0
Funded status	**(36.5)**	**4.0**	**(111.8)**	**(14.3)**	**(158.6)**
Present value of unfunded obligations	(10.1)	–	(3.8)	(1.5)	(15.4)
Irrecoverable surplus (effect of asset ceiling)	–	(3.5)	–	–	(3.5)
Net defined benefit asset/(liability) at December 31	**(46.6)**	**0.5**	**(115.6)**	**(15.8)**	**(177.5)**

The present value of defined benefit obligations by category of members at December 31, 2013 and 2012, is shown below.

in CHF m	2013	2012
Active	(212.0)	(246.6)
Vested	(168.7)	(163.0)
Retired	(217.9)	(219.4)
Balance at December 31	**(598.6)**	**(629.0)**
Present value of funded obligations at December 31	(593.4)	(613.6)
Present value of unfunded obligations at December 31	(5.2)	(15.4)

A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the breakdown presented below, the varying impact of changes in the key assumptions is shown for the various countries.

2013 in CHF m	Switzerland	UK	US	Other	Total
Discount rate +0.5% pa	(17.6)	(13.3)	(10.1)	(5.3)	(46.3)
Discount rate -0.5% pa	20.2	15.3	11.2	5.8	52.5
Rate of compensation increase +0.5% pa	3.2	–	–	2.6	5.8
Rate of compensation increase -0.5% pa	(2.8)	–	–	(2.6)	(5.4)
Interest credits on retirement assets +0.5% pa	4.7	–	–	–	4.7
Interest credits on retirement assets -0.5% pa	(4.4)	–	–	–	(4.4)
Pension indexation +0.5% pa	12.1	8.5	–	4.3	24.9
Pension indexation -0.5% pa (minimum 0.0%)	–	(8.1)	–	(2.7)	(10.8)
Life expectancy at age 65 + 1 year	5.2	4.4	4.5	0.2	14.3
2012 in CHF m					
Discount rate +0.5% pa	(18.4)	(12.1)	(12.6)	(4.6)	(47.7)
Discount rate -0.5% pa	21.0	13.9	14.0	5.1	54.0
Rate of compensation increase +0.5% pa	3.2	–	–	2.2	5.4
Rate of compensation increase -0.5% pa	(3.0)	–	–	(2.1)	(5.1)
Interest credits on retirement assets +0.5% pa	4.3	–	–	–	4.3
Interest credits on retirement assets -0.5% pa	(4.2)	–	–	–	(4.2)
Pension indexation +0.5% pa	12.7	7.6	–	3.8	24.1
Pension indexation -0.5% pa (minimum 0.0%)	–	(6.3)	–	(2.4)	(8.7)
Life expectancy at age 65 + 1 year	5.5	3.7	5.5	0.2	14.9

The duration of the defined benefit obligations at December 31, 2013 and 2012, are:

2013 Years	Switzerland	UK	US	Other	Average
Weighted duration of the defined benefit obligations	17.2	19.9	12.6	19.3	16.7
2012 Years					
Weighted duration of the defined benefit obligations	16.1	19.7	13.9	19.7	16.5

22 SHORT-TERM AND LONG-TERM DEBT

The carrying amounts of short-term and long-term debt are as follows:

in CHF m	2013	2012
Current		
Bank overdrafts (Note 14)	–	2.0
Short-term bank loans	0.4	–
Mortgages	0.6	0.5
Finance lease liabilities	1.8	2.0
Other loans payable	1.3	0.2
Total current	**4.1**	**4.7**
Non-current		
Senior notes	416.0	406.5
Mortgages	6.5	7.0
Finance lease liabilities	8.2	10.3
Other long-term loans	0.4	0.6
Total non-current	**431.1**	**424.4**
Total short-term and long-term debt	**435.2**	**429.1**

The carrying amounts of short-term and long-term debt disclosed in the above table approximate the fair values, except the senior unsecured notes which are accounted for at amortized cost.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

in CHF m	2013	2012
Euro	426.6	419.2
Other currencies	8.6	9.9
Balance at December 31	**435.2**	**429.1**

Senior unsecured notes and revolving credit facility
On March 7, 2012, the Group issued 6.75% senior unsecured notes with maturity in 2019 for an amount of EUR 350.0m. The senior unsecured notes have been issued at a price of 100% by gategroup Finance (Luxembourg) S.A.. As of December 31, 2013, the fair value of the senior unsecured notes was EUR 371.5m (2012: EUR 374.2m). This fair value is based on quoted prices in active markets (Level 1).

On March 7, 2012 the Group also entered into a EUR 100.0m four-year multi-purpose revolving credit facility maturing in June 2016. This facility was fully undrawn as at December 31, 2013. The EUR 350.0m senior unsecured notes and the EUR 100.0m revolving credit facility all rank pari passu. The senior unsecured notes as well as the revolving credit facility are guaranteed by the Company and certain of its subsidiaries. The revolving credit facility's financial covenants, being net leverage ratio, net interest coverage ratio and economic equity ratio, have to be complied with on a semi-annual basis. These covenants were met as at December 31, 2013.

The senior unsecured notes do not require financial covenants to be tested periodically. Only at the time certain events occur, including the incurrence of debt, will the issuer either have to comply with certain ratios or rely on the customary exceptions included in the facility.

Credit facilities
Group wide facilities amounting to CHF 93.3m (2012: CHF 58.4m) are in place for the issuance of letters of credit and/or for foreign exchange transactions. As of December 31, 2013, these were utilized in the amount of CHF 24.3m for bank guarantees (2012: CHF 27.1m) and for foreign exchange activities CHF 0.8m (2012: CHF 0.9m).

Mortgages

Outstanding mortgages mainly bear annual interest rates ranging from 2.1% to 4.8% (2012: 1.3% to 4.8%) and are denominated in Danish Kroner and Swiss Francs.

Financial lease liabilities

Financial lease liabilities have fixed interest rates ranging from 2.0% to 5.8% (2012: 2.0% to 5.8%) and are denominated mainly in Euro. Obligations under finance leases consist primarily of rentals of catering facilities.

The finance lease liabilities are as follows:

in CHF m	2013	2012
Gross finance lease liabilities – minimum lease payments:		
Not later than 1 year	2.3	2.6
Later than 1 year but not later than 5 years	6.4	7.8
Later than 5 years	3.3	4.3
Total minimum lease payments	**12.0**	**14.7**
Future finance charges on finance lease liabilities	(2.0)	(2.4)
Present value of finance lease liabilities at December 31	**10.0**	**12.3**

23 TRADE AND OTHER PAYABLES

in CHF m	2013	2012
Trade payables	170.4	157.7
Other amounts due to third parties	34.6	50.5
Other current payables due to related parties (Note 33)	0.2	0.5
Sales taxes due	27.9	31.5
Balance at December 31	**233.1**	**240.2**

24 PROVISIONS

in CHF m	Employee benefits (Note 24.1)	Restructuring (Note 24.2)	Legal and tax (Note 24.3)	Onerous contracts (Note 24.4)	Other (Note 24.5)	Total
Balance at January 1, 2013	**11.5**	**22.4**	**24.3**	**17.3**	**11.1**	**86.6**
Acquisition of subsidiaries (Note 31)	–	–	–	–	1.2	1.2
Charged/(credited) to the income statement						
Additional provisions	0.8	11.4	6.0	–	4.6	22.8
Unused amounts reversed	(1.8)	(0.9)	(9.9)	(5.3)	(0.6)	(18.5)
Unwind of discount	–	–	0.4	0.9	0.5	1.8
Utilized during the year	(0.2)	(18.5)	(3.4)	(5.3)	(0.9)	(28.3)
Exchange differences	(1.4)	(0.3)	(2.5)	(0.6)	(0.8)	(5.6)
Balance at December 31, 2013	**8.9**	**14.1**	**14.9**	**7.0**	**15.1**	**60.0**
Analysis of total provisions						
Non-current provisions	8.8	1.4	7.2	4.5	9.6	31.5
Current provisions	0.1	12.7	7.7	2.5	5.5	28.5

24.1 EMPLOYEE BENEFITS: OTHER POST-EMPLOYMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE BENEFITS

In addition to the retirement benefits as described in Note 21, the Group provides other benefits to employees in certain countries. These include long-term service leave or payments in lieu and post-employment benefits. The expected costs of the long-term benefits are accrued over the period of employment, using a methodology similar to that for defined benefit plans.

24.2 RESTRUCTURING

These comprise provisions relating principally to restructuring in Europe and North America. The restructuring charged during the year was mainly focused on the Airline Solutions business in Europe.

24.3 LEGAL AND TAX

The Group has recorded provisions for a number of legal and tax issues. In the ordinary course of business, the Group continues to be involved in a number of legal actions and claims, including tax related issues in Brazil and various employment-related matters in Europe. The timing of settlement and/or the amount of cash outflows is uncertain. The provision releases in the year were principally recorded in Brazil.

24.4 ONEROUS CONTRACTS

The Group has recorded provisions for ongoing activities where the unavoidable costs of meeting obligations under customer supply or lease contracts exceed the economic benefits expected to be received. The provision reversal reflects both improved economic performance on customer contracts and settlement of a lease obligation.

24.5 OTHER

At December 31, 2013, provisions have been recorded for property-related issues and a range of other, individually immaterial, items. Additional provisions have been recognized for a number of matters during the year.

25 OTHER CURRENT LIABILITIES

in CHF m	2013	2012
Accrued payroll and related costs	78.7	81.1
Other accrued expenses	82.7	94.7
Deferred revenue	4.5	5.9
Accrued rent and other property costs	14.5	19.3
Accrued insurance costs	6.4	7.4
Uninvoiced deliveries of inventory	47.7	48.7
Accrued volume rebates	32.7	24.3
Balance at December 31	**267.2**	**281.4**

26 EQUITY

26.1 ISSUED SHARE CAPITAL

	Number of shares	Nominal value in CHF
January 1, 2012	**26,668,158**	**5.00**
Conditional capital increase. Number of shares issued:	118,178	5.00
December 31, 2012	**26,786,336**	**5.00**
January 1, 2013	**26,786,336**	**5.00**
Conditional capital increase. Number of shares issued:	–	5.00
December 31, 2013	**26,786,336**	**5.00**

As at December 31, 2013, the share capital of the Company is CHF 133,931,680 (2012: 133,931,680) and is divided into 26,786,336 (2012: 26,786,336) fully paid-in registered shares with a nominal value of CHF 5.00 each. Every share gives the right to one vote.

26.2 CONDITIONAL SHARE CAPITAL

As at December 31, 2013, the Company has a conditional share capital which allows an increase in the aggregate maximum amount of CHF 11,745,885 or 2,349,177 shares. Of this, CHF 1,906,775 or 381,355 shares are reserved for employee equity participation plans and a maximum amount of CHF 9,839,110 or 1,967,822 shares are reserved for convertible debentures, debentures with option rights or other financing instruments. Share awards vesting under the Equity Incentive Plan 2009-2013 will be made available from conditional capital (Note 27.2).

26.3 TREASURY SHARES

At December 31, 2013, there were 719,537 (2012: 719,537) treasury shares held by the Group.

26.4 DIVIDEND

On April 25, 2012, the Company paid a dividend of CHF 0.80 per share to its shareholders. The total amount of the dividend paid was CHF 21,010,900 (no dividend payment in 2013). No dividends were distributed on the 404,532 treasury shares held by the Company and its subsidiaries.

27 SHARE-BASED PAYMENTS

The following table shows the share-based payment expense recognized in the consolidated income statement due to the Group's equity incentive plans:

in CHF m	2013	2012
Executive Long-Term Incentive Plan	0.9	0.2
Equity Incentive Plan 2009–2013	0.6	3.4
Total share-based payment expense (Note 7)	**1.5**	**3.6**

27.1 EXECUTIVE LONG-TERM INCENTIVE PLAN

Under this plan key employees were granted, principally on December 5, 2012 and May 20, 2013, conditional Performance Share Awards in the Company. The plan is accounted for as equity-settled share-based payment compensation. Awards will vest subject to the satisfaction of revenue growth and return on invested capital ("ROIC") performance targets and an ongoing employment relationship on the vesting date. The fair value of the share awards has been determined at grant date, based on the market price of the share at grant date less the estimated present value of dividend payments up to vesting date.

The award structure and applicable performance targets are summarized as:

- Revenue growth, accounting for up to 50% of the total award, being determined on the compound annual growth rate achieved. A minimum threshold of 2% per annum revenue growth needs to be achieved for which 12.5% of total awards will vest, rising to a maximum of 50% of total awards where revenue growth of 5% or more per annum has been achieved; and
- The achieved ROIC, which accounts for the other 50% of the total potential award, is then applied as a multiplier to the award determined based on revenue performance. Below a minimum threshold, being a 9% ROIC, no awards will vest, at a 9% achievement a multiplier of 1.0 is applied with this rising to a maximum of 2.0 for a ROIC performance of 12.5%, in which case up to 100% of the total award vests.

The table below shows the maximum number of shares that may vest under the Executive Long-Term Incentive Plan and movements in the number of awards during 2013:

Vesting date (May 20, in each year)	**2015**	**2016**	**2017**
Fair value at grant date (in CHF)	20.66	20.05	17.68
Number of share awards:			
At January 1, 2013	**111,000**	**131,000**	**–**
Granted	7,000	7,000	134,000
Forfeited	(18,000)	(18,000)	(7,000)
At December 31, 2013	**100,000**	**120,000**	**127,000**

In 2012 there were no movements in the number of share awards between grant date and December 31, 2012.

27.2 EQUITY INCENTIVE PLAN 2009-2013

Under this plan, members of the Board and key employees have been granted share awards in the Company. The plan is accounted for as equity-settled share-based payment compensation. The share awards vest in installments if the volume weighted average share price of all trades of shares on the SIX Swiss Stock Exchange in a 360-day period is met at any time within the measurement period, except for the installments with grant date July 2011 and November 2011 where the share awards vest if the volume-weighted average share price of all trades of shares on the SIX Swiss Stock Exchange in a 90-day period is met at any time within the measurement period.

The table below shows the number of shares that have vested or expired in the current or prior year, or will vest if the share price target is met within the measurement period, together with the fair values of the shares granted.

Number of shares for all grants (excl. forfeitures)	Share price target (in CHF)	Measurement period	Fair value at grant date Nov 2009 (in CHF)	Fair value at grant date Apr 2010 (in CHF)	Fair value at grant date Aug 2010 (in CHF)	Fair value at grant date Feb 2011 (in CHF)	Fair value at grant date Jul 2011 (in CHF)	Fair value at grant date Nov 2011 (in CHF)	Fair value at grant date Dec 2011 (in CHF)	Fair value at grant date Apr 2012 (in CHF)	Vested in year
185,541	20.00	12/18/12 – 12/30/13	17.88	34.40	32.96	50.08	–	–	18.97	–	2012
185,542	25.00	12/17/13 – 12/30/13	14.67	–	28.92	46.07	–	–	13.06	–	Expired
7,438	25.00	12/17/13 – 12/30/13	–	–	–	–	–	–	–	23.08	Expired
80,000	40.00	05/15/14 – 11/15/14	–	–	–	–	22.20	–	–	–	–
63,500	48.50	02/14/12 – 12/30/14	–	–	–	–	–	19.60	–	–	–

Expected volatility and discount rate

The fair values of the share awards granted were determined using a Monte Carlo simulation. The main parameters used in the model were share price targets and the measurement period shown above. The expected volatility is based on the historical volatility of a peer group of quoted businesses. Shares have been and will be made available through conditional capital (Note 26.2).

Grant date	Nov 2009	Apr 2010	Aug 2010	Feb 2011	Jul 2011	Nov 2011	Dec 2011	Apr 2012
Expected volatility	54.2%	47.3%	54.1%	56.0%	54.1%	61.0%	47.1%	48.3%
Discount rate	2.1%	1.8%	1.6%	1.1%	1.0%	0.7%	0.4%	0.3%

Movements in the number of shares were as follows:

	2013 Number of shares	2012 Number of shares
Outstanding at January 1	**265,593**	**390,833**
Granted	–	7,438
Vested	–	(118,178)
Forfeited	(37,125)	(14,500)
Expired	(102,468)	–
Outstanding at December 31	**126,000**	**265,593**

27.3 EQUITY INCENTIVE PLAN 2007

In 2007 and 2008, members of the Board, key employees and consultants of the Group were granted membership interests and/or options to purchase membership interests in Gate Gourmet Group Holding LLC ("Holding LLC"), the previous holding company, under the Equity Incentive Plan 2007. As part of the legal reorganization in April 2009, grants of membership interests and options to buy membership interests were replaced by grants of options to buy shares in the Company. There were no modifications to the terms and conditions on which the equity instruments were originally granted. The plan is accounted for as equity-settled share-based payment compensation.

Options
When granted, the options vested in installments over a three year period. The main assumptions used were as follows:

Grant date	December 2007
Expiration date	December 2017
Volume-weighted average share price at grant date (in CHF)	51.83
Exercise price (in CHF)	69.04
Volatility (%)	27.87
Expected dividend yield (%)	2.71
Risk-free interest rate (%)	3.12

The expected volatility is based on the historical volatility of a peer group.

The outstanding number of options were as follows:

	2013 Number of options	2012 Number of options
Outstanding at January 1	**1,821**	**1,821**
Outstanding at December 31	**1,821**	**1,821**
of which vested and exercisable	1,821	1,821

28 CHANGES IN WORKING CAPITAL

in CHF m	2013	2012
Change in inventories	(5.1)	(0.9)
Change in trade receivables	(1.1)	(32.5)
Change in trade payables	18.2	(7.1)
Change in other receivables and payables, net	(33.0)	(25.6)
Total	**(21.0)**	**(66.1)**

29 CHANGES IN PROVISIONS AND RETIREMENT BENEFIT OBLIGATIONS

in CHF m	2013	2012
Cash movements in retirement benefit obligations (Note 21)	(16.3)	(14.9)
Cash movements in restructuring provisions	(18.5)	(10.0)
Cash movements in other provisions	(5.5)	(4.3)
Non-cash movements in retirement benefit obligations	7.8	2.4
Non-cash movements in restructuring provisions	10.5	22.5
Non-cash movements in other provisions	(11.6)	(14.1)
Total	**(33.6)**	**(18.4)**

30 COMMITMENTS AND CONTINGENT LIABILITIES

30.1 CAPITAL COMMITMENTS

At December 31, 2013, capital expenditure for property, plant and equipment contracted for at the balance sheet date but not recognized in the consolidated financial statements amounted to CHF 4.7m (2012: CHF 4.0m).

30.2 OPERATING LEASE PAYMENTS

Obligations under operating leases consist primarily of long-term rental agreements of catering facilities and equipment which are, in general, renewable. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

in CHF m	2013	2012
Not later than 1 year	46.7	44.7
Later than 1 year but not later than 5 years	150.1	151.0
Later than 5 years	135.4	148.5
Balance at December 31	**332.2**	**344.2**

The principal operating lease commitments are in the UK, US, Colombia and Switzerland.

At December 31, 2013, the minimum future lease payments expected to be received amount to CHF 6.8m (2012: CHF 9.6m). The lease expenditure charged to the consolidated income statement during the year is included in Note 8.

30.3 CONTINGENT LIABILITIES

The Group has contingent liabilities arising in the ordinary course of business, principally in respect of legal claims, tax risks, guarantees, customer relationships, pledges, letters of credit and treasury relationships and transactions. It is not anticipated that any material liabilities will arise from such contingent liabilities other than those provided in Note 24.

31 BUSINESS COMBINATIONS

31.1 BUSINESS COMBINATIONS 2013

On July 1, 2013 the Group completed the purchase of certain assets and liabilities of catering provider Pacific Flight Catering ("PFC"), New Zealand. The business is a full-service catering and provisioning operation, which includes last-mile delivery to aircraft. This acquisition gives airlines operating at Auckland Airport increased access to Gate Gourmet's customized catering offering and internationally recognized quality of service.

The acquired business contributed revenues of CHF 4.6m and a net loss of CHF 0.6m to the Group for the period from the date of the acquisition to December 31, 2013. If the acquisition had occurred on January 1, 2013, it is estimated that Group revenue would have been CHF 3,005.3m and profit for the year would have been CHF 20.1m. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the depreciation and amortization that would have been charged assuming the acquisition fair value adjustments had applied from January 1, 2013, together with the consequential tax effects.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date, as well as the consideration paid and the goodwill arising on acquisition:

in CHF m	**Provisional PFC**
Property, plant and equipment (Note 18)	3.4
Intangible assets (Note 19)	0.7
Deferred income tax assets (Note 20)	0.1
Inventories	0.1
Provisions (Note 24)	(1.2)
Other current liabilities	(0.1)
Fair value of net assets acquired	**3.0**
Goodwill (Note 19)	4.3
Total purchase consideration	**7.3**
Add: Net overdrafts or (cash) in subsidiaries acquired	–
Deferred consideration	(2.5)
Cash outflow on acquisition	**4.8**

There is a deferred payment schedule for an element of the consideration. Subsequent to the acquisition and prior to December 31, 2013, a part of the deferred consideration in the amount of CHF 0.7m has been paid.

Goodwill related to the acquisition of PFC arose because the consideration paid for the combination effectively included amounts in relation to expected synergies, revenue growth, future market development and the assembled workforce of the acquired business. These benefits are not separable from goodwill. The goodwill recognized is not expected to be deductible for income tax purposes.

Acquisition related costs amounting to CHF 0.2m are not included in the consideration transferred and have been recognized as an expense in the 2013 result within "other operating income and expenses, net" in the consolidated income statement.

The accounting for the acquisition of PFC has only been provisionally determined at the end of the reporting period. The necessary market valuations, other calculations and final determination of consideration have not been finalized and they were therefore only provisionally determined based on best estimates. The principal amounts being provisional are purchase consideration, property, plant and equipment, intangible assets, goodwill and provisions.

IFRS 3 allows up to a twelve month measurement period from acquisition date to complete the initial accounting. Changes in the carrying amount of identifiable assets, liabilities or contingent liabilities shall be calculated as if the fair values at the acquisition date had been recognized from that date.

31.2 BUSINESS COMBINATIONS 2012

During 2012 the Group made the following acquisitions:

- Purchased 100% of Helios Market, Product and Production Development BV ("Helios") on March 16, 2012. Helios is an innovative and respected global provider of onboard products and services for the airline, rail and hospitality industries.
- Purchased two flight kitchens owned by Qantas Catering Group ("Q Catering") on October 31, 2012. The Q Catering businesses involved are its Riverside facility in Sydney and its Cairns operation in Queensland.
- Purchased 100% of Alpha Flight Services BV ("Alpha"), a Dutch in-flight catering operation based at Amsterdam Schiphol airport, on November 1, 2012. The Alpha operation in Amsterdam offers full catering and provisioning services.

The acquired businesses contributed revenues of CHF 68.1m (Helios CHF 54.5m, Q Catering CHF 10.6m and Alpha CHF 3.0m) and a net loss of CHF 0.8m (Helios net profit of CHF 0.5m, Q Catering net loss of CHF 0.2m and Alpha net loss of CHF 1.1m) to the Group for the period from the date of the respective acquisitions to December 31, 2012. If all of the acquisitions had occurred on January 1, 2012, it is estimated that Group revenue would have been CHF 3,071.9m, and the loss for the year would have been CHF 58.1m in 2012. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiaries to reflect the depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from January 1, 2012, together with the consequential tax effects.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date, as well as the consideration paid and the goodwill arising on acquisitions:

in CHF m	Final Helios	Final Alpha	Provisional Q Catering	Adjustments Q Catering	Total
Property, plant and equipment (Note 18)	1.1	3.0	3.1	–	7.2
Intangible assets (Note 19)	16.5	0.3	0.4	–	17.2
Deferred income tax assets (Note 20)	–	0.8	–	–	0.8
Assets held for sale	–	–	15.2	–	15.2
Trade and other receivables	15.0	2.5	5.5	–	23.0
Inventories	4.1	0.2	0.5	–	4.8
Cash and cash equivalents, net of overdrafts	(9.6)	0.4	–	–	(9.2)
Borrowings	(1.6)	–	–	–	(1.6)
Deferred income tax liabilities (Note 20)	(4.2)	–	(0.1)	–	(4.3)
Retirement benefit obligations (Note 21)	–	(3.2)	–	–	(3.2)
Provisions	(3.5)	(1.4)	(7.7)	1.0	(11.6)
Trade and other payables	(12.7)	(0.8)	(3.5)	0.4	(16.6)
Other current liabilities	(4.7)	(1.1)	(3.3)	–	(9.1)
Fair value of net assets acquired	**0.4**	**0.7**	**10.1**	**1.4**	**12.6**
Goodwill (Note 19)	24.5	3.2	7.5	(1.4)	33.8
Total purchase consideration	**24.9**	**3.9**	**17.6**	**–**	**46.4**
Add: Net overdrafts or (cash) in subsidiaries acquired	9.6	(0.4)	–	–	9.2
Deferred or contingent consideration	(1.5)	(0.9)	(0.8)	–	(3.2)
Cash outflow on acquisition	**33.0**	**2.6**	**16.8**	**–**	**52.4**

Goodwill related to the acquisitions of Helios, Q Catering and Alpha arose because the consideration paid for the combinations effectively included amounts in relation to expected synergies, revenue growth, future market development and the assembled workforce of the acquired businesses. These benefits are not separable from goodwill. The goodwill recognized is not expected to be deductible for income tax purposes.

The contingent consideration for Helios relates to retention fee payments (fair value categorized as Level 2); for Q Catering to a working capital and net debt adjustment; and for Alpha to a working capital adjustment. In 2013, the contingent considerations for Q Catering (CHF 0.8m) and for Alpha (CHF 0.9m) were paid.

In addition, on February 14, 2012, the Group announced the exercise of the call option with India Hospitality Corp. to pay for the remaining 26% of Skygourmet in the amount of CHF 14.0m. This amount was previously recognized as a financial liability.

Acquisition-related costs amounting to CHF 2.0m (Helios CHF 0.9m, Q Catering CHF 0.7m and Alpha CHF 0.4m) were not included in the consideration transferred and have been recognized as an expense in the 2012 result within “other operating income and expenses, net” in the consolidated income statement.

The accounting for the acquisition of Q Catering and Alpha had only been provisionally determined at the end of the prior reporting period. The necessary market valuations, other calculations and final determination of consideration had not been finalized and they were therefore only provisionally determined based on best estimates. The principal amounts being provisional were purchase consideration, intangible assets, goodwill, trade and other receivables as well as provisions and other liabilities.

The fair value of trade and other receivables acquired in these transactions was CHF 5.5m (Q Catering) and CHF 2.5m (Alpha) and included trade receivables with a fair value of CHF 2.1m (Q Catering) and CHF 2.3m (Alpha) in 2012. All trade and other receivables were expected to be collectible and therefore, the gross contractual amount of trade and other receivables agreed to the fair value.

The accounting for the acquisition of Helios was final at the end of the prior reporting period. The fair value of trade and other receivables acquired in this transaction in the prior reporting period was CHF 15.0m and includes trade receivables with a fair value of CHF 14.4m. The gross contractual amount for trade receivables due was CHF 15.0m, of which CHF 0.6m was expected to be uncollectible. All other receivables were expected to be collectible.

IFRS 3 allows up to a twelve-month measurement period from acquisition date to complete the initial accounting. Changes in the carrying amount of identifiable assets, liabilities or contingent liabilities shall be calculated as if the fair values at the acquisition date had been recognized from that date. The accounting for the acquisition of Q Catering and Alpha had only been provisionally determined at the end of 2012.

Following review, changes to the provisional purchase price allocation of Q Catering disclosed in the annual report 2012 have been made in the third quarter of 2013. No changes were necessary for Alpha. The accounting for these acquisitions has been finalized at the end of the third quarter of 2013.

As a result of the revised acquisition accounting, the residual goodwill decreased by CHF 1.4m. In accordance with IAS 36 the goodwill was tested for impairment on a retrospective basis, and no need for further adjustment was identified.

Where adjustments have been made to comparative information in respect of the year ended December 31, 2012, the relevant consolidated financial statement or note has been revised. In addition to the consolidated financial statements Note 19, 20, 23 and 24 have also been adjusted.

32 DISPOSALS

32.1 DISPOSALS 2013

In September 2013, gategroup signed an agreement to sell its 100% shareholding of the Gate Gourmet flight catering operation at Brussels airport, effective November 1, 2013.

in CHF m	GG Belgium
Cash and cash equivalents	2.6
Trade receivables	2.8
Other current receivables	1.7
Inventory	0.4
Trade and other payables	(0.9)
Other current liabilities	(4.6)
Net assets disposed	**2.0**
Currency translation loss reclassified	(4.1)
Disposal consideration	1.5
Loss from disposal of subsidiary (Note 9)	**(4.6)**
Disposal consideration	1.5
Cash and cash equivalents disposed	(2.6)
Net cash outflow from disposal of subsidiary	**(1.1)**

32.2 DISPOSALS 2012

The Group did not make any disposals of entities during 2012.

33 RELATED PARTY TRANSACTIONS

33.1 KEY MANAGEMENT PERSONNEL

The key management personnel are defined as the Board and the EMB.

Key management compensation, applying IFRS 2 rules for the accounting of share-based payments, consisted of:

in CHF m	2013	2012
Short-term benefits	9.8	7.0
Share-based payments	1.5	2.2
Total key management compensation	**11.3**	**9.2**

The disclosures in accordance with Art. 663b^{bis} and Art. 663c of the Swiss Code of Obligations are included in Note 2.3 of the financial statements of gategroup Holding AG. The disclosures differ from the disclosures in the consolidated financial statements as the recognition rules applied to share-based payments for the Swiss Code of Obligations disclosures differ from those applied for IFRS purposes, specifically with regard to the valuation approach and the timing of recognition of equity incentives.

33.2 ASSOCIATED COMPANIES, JOINT VENTURES AND OTHER RELATED PARTIES

in CHF m	2013	2012
Sale/purchase of goods and services[(I)]:		
Sale of goods[(II)]	0.7	1.5
Management services provided[(III)]	0.6	0.7
Purchase of goods[(II)]	(6.0)	(0.4)
Total	**(4.7)**	**1.8**

(I) The majority of these sales/purchases of goods and services relate to transactions with the Group's joint ventures.
(II) The sales to and purchases from associates and joint ventures are made on terms equivalent to those that prevail in arm's length transactions.
(III) The Group performed certain administrative services for related party companies. The respective charges reflected an appropriate allocation of costs incurred.

As at December 31, 2013, trade and other receivables amounted to CHF 3.8m (2012: CHF 2.8m) (Notes 15,16), whereas CHF 2.4m (2012: CHF 2.6m) are from joint ventures and CHF 1.4m (2012: CHF 0.2m) from associates. The total payables to related parties in the amount of CHF 0.2m (2012: CHF 0.5m) (Note 23) mainly relate to transactions with joint ventures.

In January 2012, Mr. David Siegel, member of the Board, was appointed President and Chief Executive Officer of Frontier Airlines, a customer of our North American business. During 2013 the Group's revenue from Frontier Airlines was CHF 0.6m (2012: < CHF 0.1m).

34 GROUP COMPANIES

The principal subsidiaries of the Company as of December 31, 2013, are the following:

Country	Company	% capital shareholding(i)	Currency	Share capital
Argentina	Gate Gourmet Argentina S.r.L., Buenos Aires	100	ARS	5,750,000
Australia	Gate Gourmet Catering Cairns Pty Ltd, Mascot, NSW	100	AUD	3,104,002
	Gate Gourmet (Holdings) Pty Ltd, Mascot, NSW	100	AUD	39,299,111
	Gate Gourmet Services Pty Ltd, Mascot, NSW	100	AUD	44,330,100
	Inflight Logistic Services Pty Ltd, Mascot, NSW	100	AUD	100
	Pourshins Australia Pty Ltd, Alexandria, NSW	100	AUD	2
Belgium	deSter BVBA, Hoogstraten	100	EUR	22,600,000
Brazil	Gate Gourmet Ltda, São Paulo	100	BRL	24,919,000
Canada	Gate Gourmet Canada Inc., Toronto	100	CAD	17,500,000
	Pourshins Canada Inc., Toronto	100	CAD	300,000
Chile	Gate Gourmet Catering Chile Ltda, Santiago	100	CLP	1,968,062,000
China	Gate Gourmet Hong Kong Ltd, Hong Kong	100	HKD	372,657,350
	gategroup Trading Hong Kong Ltd, Hong Kong	100	USD	162
	Helios Market, Product & Production Development Ltd, Hong Kong	100	HKD	250,000
	Shanghai Pudong International Airport Gate Gourmet Air Catering Co. Ltd, Shanghai	80	CNY	219,000,000
Colombia	Gate Gourmet Colombia Ltda, Bogotá	75	COP	831,229,851
Denmark	Gate Gourmet Denmark ApS, Tårnby	100	DKK	301,200
	Gate Gourmet Northern Europe ApS, Tårnby	100	DKK	52,301,000
Ecuador	Gate Gourmet del Ecuador Cia Ltda, Quito	60	USD	30,000
France	Gate Gourmet Aéroport de Bâle–Mulhouse SAS, St. Louis	100	EUR	337,000
Germany	Gate Gourmet GmbH Deutschland, Neu-Isenburg	100	EUR	7,670,000
	Gate Gourmet GmbH Holding Deutschland, Neu-Isenburg	100	EUR	51,129
	Gate Gourmet GmbH Mitte, Neu-Isenburg	100	EUR	25,000
	Gate Gourmet GmbH West, Düsseldorf	100	EUR	1,534,000
	Performa Deutschland GmbH, Neu-Isenburg	100	EUR	25,000
India	Gate Gourmet India Private Limited, Mumbai	100	INR	15,000,000
	Skygourmet Catering Private Limited, Mumbai	100	INR	11,971,611
Ireland	Gate Gourmet Ireland Ltd, Dublin	100	EUR	4,500,000
	Specialist Airport Services (Ireland) Ltd, Dublin	100	EUR	100
Japan	Gate Gourmet Japan YK, Chiba-ken	100	JPY	80,000,000
Luxembourg	Gate Gourmet Holding I S.à r.l., Luxembourg	100	EUR	42,782,100
	Gate Gourmet Luxembourg III S.à r.l., Luxembourg	100	EUR	15,946,100
	Gate Gourmet Luxembourg IIIA S.à r.l., Luxembourg	100	EUR	31,959,307
	Gate Gourmet Luxembourg IV S.à r.l., Luxembourg	100	EUR	1,174,000
	gategroup Finance (Luxembourg) S.A., Luxembourg	100	EUR	31,000
	gategroup Financial Services S.à r.l., Luxembourg	100	EUR	40,562,600
Netherlands	deSter Holding B.V., Amsterdam	100	EUR	3,359,990
	Gate Gourmet Amsterdam B.V., Schiphol	100	EUR	2,291,590
	Gate Gourmet Schiphol West B.V., Schiphol	100	EUR	1,623,172
	Helios Market, Product & Production Development B.V., Amsterdam	100	EUR	1,117,294
	Supplair B.V., Amsterdam	100	EUR	18,000
New Zealand	Gate Gourmet New Zealand Ltd., Auckland	100	NZD	4,000,100
Norway	Gate Gourmet Norway AS, Oslo	100	NOK	8,002,071

Pakistan	Gate Gourmet Pakistan (Private) Limited, Karachi	100	PKR	9,007,610
Peru	Gate Gourmet Peru S.r.L., Lima	100	PEN	1,599,558
Singapore	Gate Gourmet Singapore Pte Ltd, Singapore	100	SGD	500,001
	gategroup Investments Singapore Pte Ltd, Singapore	100	USD	134,656,528
South Africa	e-gatematrix (SA) Pty Ltd, Johannesburg	70	ZAR	100
Spain	Gate Gourmet España S.L., Madrid	100	EUR	3,005,061
	Gate Gourmet Holding España S.L., Madrid	100	EUR	798,260
	Gate Gourmet Participations España S.L., Madrid	100	EUR	60,803,006
Sweden	Gate Gourmet Sweden AB, Stockholm	100	SEK	100,000
Switzerland	Gate Gourmet Switzerland GmbH, Kloten	100	CHF	2,000,000
	Gate Retail Onboard GmbH, Kloten	100	CHF	20,000
	gategroup Financial Services S.à r.l., Luxembourg, Swiss Branch, Kloten	100	EUR	1
	gategroup IP GmbH, Freienbach	100	CHF	20,000
Thailand	deSter Co. Ltd, Prachinburi	100	THB	135,000,000
United Kingdom	Fernley (Heathrow) Ltd, Cheshire	100	GBP	85,800
	Gate Gourmet Finance UK Ltd, Middlesex	100	CHF	1
	Gate Gourmet Heathrow Ltd, Middlesex	100	GBP	6,550,000
	Gate Gourmet Holdings UK Ltd, Middlesex	100	GBP	96,230,003
	Gate Gourmet London Ltd, Middlesex	100	GBP	20,000,002
	Gate Total Solutions Ltd, Luton	100	GBP	1
	Pourshins Ltd, Middlesex	100	GBP	854,350
United States	deSter Corporation, Atlanta, GA	100	USD	2,000
	e-gatematrix llc, Wilmington, DE	100	USD	8,030,366
	Gate Gourmet Inc., Wilmington, DE	100	USD	1,000
	Gate Safe Inc., Wilmington, DE	100	USD	10
	Gate Serve L.L.C., Wilmington, DE	100	USD	1
	gategroup U.S. Finance Inc., Wilmington, DE	100	USD	1,000
	gategroup U.S. Holding Inc., Wilmington, DE	100	USD	1
	Pourshins Inc., Chicago, IL	100	USD	1,000

(1) Rounded to the nearest whole number

35 POST BALANCE SHEET EVENTS

As at March 12, 2014, the date of approval of these consolidated financial statements by the Board, the Group has no subsequent adjusting events that warrant disclosure.

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Report of the statutory auditor
to the General Meeting of
gategroup Holding AG
Kloten

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of gategroup Holding AG, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes (pages 28 to 79) for the year ended 31 December 2013.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Martin Kennard
Audit expert
Auditor in charge

Mairkon Nogueira

Zurich, 12 March 2014

FINANCIAL REPORT

gategroup Holding AG

Gottfried Menge's **Malaysian Curry Laksa**

Financial Statements of gategroup Holding AG

Income Statement of gategroup Holding AG

in 1,000 CHF	2013	2012
Management fees	260	260
Total operating income	**260**	**260**
Personnel expenses	(1,229)	(1,138)
Operating expenses	(3,224)	(3,605)
Amortization	(2,287)	(2,287)
Total operating expenses	**(6,740)**	**(7,030)**
Operating loss	**(6,480)**	**(6,770)**
Financial income	4,129	3,934
Financial expenses	(1,364)	(3,474)
Loss before tax	**(3,715)**	**(6,310)**
Income tax expense	–	–
Loss for the year	**(3,715)**	**(6,310)**

Balance Sheet of gategroup Holding AG

in 1,000 CHF	*Notes*	Dec 31, 2013	Dec 31, 2012
Current assets			
Cash and cash equivalents		72	17,174
Other receivables		594	537
Other receivables from subsidiaries		18,073	11,989
Current loans to subsidiaries		–	1,377
Total current assets		**18,739**	**31,077**
Non-current assets			
Capital raising costs		4,192	6,479
Treasury shares	*2.5*	10,343	10,343
Non-current loans to subsidiaries		50,055	59,296
Investments in subsidiaries		724,502	709,863
Total non-current assets		**789,092**	**785,981**
Total assets		**807,831**	**817,058**
Current liabilities			
Other payables		852	1,349
Other payables to subsidiaries		404	5,563
Accruals		480	336
Total current liabilities		**1,736**	**7,248**
Total liabilities		**1,736**	**7,248**
Share capital	*2.1*	133,932	133,932
Legal reserves:			
General reserve		10,002	10,002
Reserve from capital contributions		622,109	622,109
Reserve for treasury shares from capital contributions		14,085	14,085
Earnings brought forward		29,682	35,992
Loss for the year		(3,715)	(6,310)
Total shareholders' equity		**806,095**	**809,810**
Total liabilities and shareholders' equity		**807,831**	**817,058**

Notes to the Financial Statements of gategroup Holding AG

1 GENERAL INFORMATION

The financial statements of gategroup Holding AG, Kloten (the "Company"), are prepared in accordance with the provisions of Swiss Company Law.

2 DISCLOSURES REQUIRED BY SWISS COMPANY LAW

2.1 CONDITIONAL AND AUTHORIZED CAPITAL

in 1,000 CHF	Dec 31, 2013	Dec 31, 2012
Conditional capital	11,746	11,746
Authorized capital	–	13,277

As at December 31, 2013, the share capital of the Company is CHF 133,931,680 (2012: CHF 133,931,680) and is divided into 26,786,336 (2012: 26,786,336) fully paid-in registered shares with a nominal value of CHF 5.00 each. Every share gives the right to one vote.

As at December 31, 2013, the Company has a conditional share capital which allows an increase in the aggregate maximum amount of CHF 11,745,885 or 2,349,177 shares. Of this, CHF 1,906,775 or 381,355 shares are reserved for employee equity participation plans and a maximum amount of CHF 9,839,110 or 1,967,822 shares are reserved for convertible debentures, debentures with option rights or other financing instruments.

2.2 SIGNIFICANT SHAREHOLDERS

According to the information available to the Board, the following shareholders held more than 5% of the registered share capital:

	Dec 31, 2013	Dec 31, 2012
Pictet Asset Management	5.40%	< 5%
Harris Associates L.P.	5.31%	5.31%
Rainer-Marc Frey	< 5%	5.36%

Please note that the actual shareholdings may differ from the figures indicated above, as the Company must only be notified by its shareholders if one of the thresholds defined in Art. 20 of the Swiss Stock Exchange Act is reached or crossed.

2.3 COMPENSATION AND SHAREHOLDINGS

Remuneration of non-executive Board members[I] January to December 2013[II]

in CHF	Gross cash compensation fixed	Other compensation[III]	Number of EIP 2009–2013 share awards[IV]	Value of EIP 2009–2013 share awards[IV]	Total remuneration
Andreas Schmid, Chairman	350,000	47,154	–	–	397,154
Neil Brown[V]	160,000	20,211	–	–	180,211
Remo Brunschwiler	150,000	10,940	–	–	160,940
Brian Larcombe[V]	160,000	20,211	–	–	180,211
David Siegel	150,000	–	–	–	150,000
Anthonie Stal	150,000	10,940	–	–	160,940
Total remuneration	**1,120,000**	**109,456**	**–**	**–**	**1,229,456**

[I] For the remuneration of the sole executive Board member in 2013 please refer to remuneration of Executive Management Board ("EMB") members January to December 2013.
[II] There were no termination payments or payments to former non-executive members of the Board during the year under review.
[III] Includes the value of social security contributions.
[IV] No Equity Incentive Plan ("EIP") 2009–2013 grants were made in 2013.
[V] Includes additional responsibility fee of CHF 10,000.

Remuneration of non-executive Board members[I] January to December 2012[II]

in CHF	Gross cash compensation fixed	Other compensation[III]	Number of EIP 2009–2013 share awards[IV]	Value of EIP 2009–2013 share awards[IV]	Total remuneration
Andreas Schmid, Chairman	350,000	47,154	–	–	397,154
Neil Brown[V]	160,000	–	–	–	160,000
Remo Brunschwiler[VI]	112,500	8,205	–	–	120,705
Brian Larcombe[V]	160,000	–	–	–	160,000
David Siegel	150,000	–	–	–	150,000
Anthonie Stal	150,000	–	–	–	150,000
Total remuneration	**1,082,500**	**55,359**	**–**	**–**	**1,137,859**

[I] For the remuneration of the sole executive Board member in 2012 please refer to remuneration of EMB members January to December 2012.
[II] There were no termination payments or payments to former non-executive members of the Board in 2012.
[III] Includes the value of social security contributions.
[IV] No EIP 2009–2013 grants were made in 2012.
[V] Includes additional responsibility fee of CHF 10,000.
[VI] Appointed to the Board on April 18, 2012.

Remuneration of Executive Management Board ("EMB") members January to December 2013

in CHF	Gross cash compensation fixed	Gross cash compensation variable[I]	Variable compensation as a % of fixed compensation	Other compensation[II]	Number of EIP 2009–2013 share awards[III]	Value of EIP 2009–2013 share awards[III]	Number of ELTIP 2012 share awards[IV]	Value of ELTIP 2012 share awards[IV]	Total remuneration
Total remuneration for EMB as a whole[V]	**4,906,114**	**1,399,750**	**28.53%**	**2,299,314**	**–**	**–**	**97,000**	**1,714,960**	**10,320,138**
Andrew Gibson, Chief Executive Officer[VI]	800,000	385,063	48.13%	328,510	–	–	20,000	353,600	1,867,173

[I] The total includes amounts payable in 2014 for 2013 performance under the short-term incentive plan and amounts paid in 2013 for meeting certain regional strategic performance targets.
[II] Includes the value of employer social security and other statutory employer contributions, employer pension contributions as well as benefits such as school fees, tax advice and medical and other insurances provided to EMB members. The value of benefits provided to the EMB members in 2013 is CHF 1,221,777 of which CHF 85,632 were benefits provided to the Chief Executive Officer.
[III] There were no share awards granted in 2013 under the EIP 2009–2013.
[IV] Value of share awards granted under the Executive Long Term Incentive Plan 2012 ("ELTIP") in 2013. Reflects the fair value of share awards at grant date.
[V] Includes remuneration from June 17 to December 31, 2013 for two EMB members who joined the EMB in June 2013. One individual ceased to be an EMB member as of June 18, 2013 and his employment ended effective November 4, 2013. All payments contractually due to the former EMB member were made during the course of 2013 and are included in the total number. One individual ceased to be an EMB member as of November 23, 2013 and his employment will end with effect from April 30, 2014. He will continue rendering services through April 2014. All payments due under the employment contract until the end of December 2013 have been included in the total number.
[VI] Highest total remuneration for a member of the EMB.

Remuneration of EMB members January to December 2012

in CHF	Gross cash compen-sation fixed	Gross cash compen-sation variable	Variable com-pensation as a % of fixed compensation	Other compen-sation[I]	Number of EIP 2009–2013 share awards[II]	Value of EIP 2009–2013 share awards[II]	Number of ELTIP 2012 share awards[III]	Value of ELTIP 2012 share awards[III]	Total remuneration
Total remuneration for EMB as a whole[IV]	**4,086,231**	**–**	**–**	**1,755,283**	**7,438**	**225,958**	**146,000**	**2,965,730**	**9,033,202**
Andrew Gibson, Chief Executive Officer[V]	700,000	–	–	377,626	–	–	20,000	401,000	1,478,626

[I] Includes the value of employer social security and other statutory employer contributions, employer pension contributions as well as benefits such as school fees, tax advice and medical and other insurances provided to EMB members. The value of benefits provided to the EMB members in 2012 is CHF 897,998 of which CHF 164,534 were benefits provided to the Chief Executive Officer.
[II] Value of share awards granted under the EIP 2009–2013. Reflects share price at grant date. For one member who received additional base share awards the grant date was April 26, 2012 at a value of CHF 30.38.
[III] Value of share awards granted under the ELTIP in 2012. Reflects the fair value of share awards at grant date.
[IV] Includes remuneration from March 1 to December 31, 2012 for two EMB members who joined the EMB on March 1, 2012.
[V] Highest total remuneration for a member of the EMB.

Shareholdings of non-executive Board members as at December 31, 2013[I]

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
Neil Brown	100,000	0.37%
Remo Brunschwiler	–	–
Brian Larcombe	60,000	0.22%
David Siegel	–	–
Anthonie Stal	72,500	0.27%
Total shareholdings	**479,567**	**1.78%**

[I] For the shareholdings of the sole executive Board member in 2013 please refer to shareholdings of EMB members as at December 31, 2013.

Shareholdings of non-executive Board members as at December 31, 2012[I]

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
Neil Brown	100,000	0.37%
Remo Brunschwiler	–	–
Brian Larcombe	60,000	0.22%
David Siegel	–	–
Anthonie Stal	72,500	0.27%
Total shareholdings	**479,567**	**1.78%**

[I] For the shareholdings of the sole executive Board member in 2012 please refer to shareholdings of EMB members as at December 31, 2012.

Shareholdings of EMB members as at December 31, 2013

	Number of shares	Representing % of the share capital of the Company	EIP 2009–2013 base share awards[(I)]	EIP 2009–2013 performance share awards[(II)]	ELTIP 2012 performance share awards[(III)]
Andrew Gibson, Chief Executive Officer	59,308	0.22%	–	80,000	40,000
Thomas Bucher, Chief Financial Officer	71,843	0.27%	–	7,000	21,000
Herman Anbeek, Group SVP[(IV)] and President Emerging Markets	50,000	0.19%	–	6,000	21,000
Kristin Brown, Chief Legal Officer	12,945	0.05%	–	6,000	21,000
Jann Fisch, Group SVP and President Europe and Africa[(V)]	–	–	–	–	21,000
Douglas Goeke, Group SVP and President North America	9,088	0.03%	–	3,500	21,000
Mike Hargett, Group SVP and Deputy Chief Financial Officer	46,360	0.17%	–	6,000	21,000
Andrew Langdale, Group SVP and President Product and Supply Chain Solutions	4,127	0.02%	–	3,500	21,000
Drew Niemeyer, Chief Commercial and Corporate Development Officer	7,157	0.03%	–	3,500	21,000
Richard Wells, Chief Human Resources Officer[(V)]	–	–	–	–	7,000
Jaap Roukens, Chief Marketing Officer, Product and Supply Chain Solutions[(VI)]	–	–	–	–	–
Peter van Niekerk, Group SVP and President Europe and Africa[(VII)]	–	–	–	–	–
Total shareholdings	**260,828**	**0.98%**	**–**	**115,500**	**215,000**

(I) No remaining unvested EIP 2009–2013 base share awards as at December 31, 2013. The final installment of base share awards under the EIP 2009–2013 did not vest in 2013 and all shares were forfeited without any compensation.

(II) Unvested EIP 2009–2013 performance share awards as at December 31, 2013. These vest in one installment subject to satisfaction of the respective volume-weighted average share price ("VWAP") targets.

(III) Unvested ELTIP performance share awards as at December 31, 2013. For EMB participants (excluding the Chief Executive Officer and the Chief Human Resources Officer), these vest in three equal annual installments in 2015, 2016 and 2017. For the Chief Executive Officer vesting will occur in two equal annual installments in 2016 and 2017. For the Chief Human Resources Officer vesting will occur in a single installment in 2017. Vesting of all ELTIP awards is subject to the satisfaction of relevant Revenue Growth and Return on Invested Capital ("ROIC") performance targets.

(IV) Senior Vice President ("SVP").

(V) Joined the EMB on June 17, 2013.

(VI) Ceased to be EMB member as of November 23, 2013.

(VII) Ceased to be EMB member as of June 18, 2013.

Shareholdings of EMB members as at December 31, 2012

	Number of shares	Representing % of the share capital of the Company	EIP 2009–2013 base share awards[I]	EIP 2009–2013 performance share awards[II]	ELTIP 2012 performance share awards[III]
Andrew Gibson, Chief Executive Officer	59,308	0.22%	11,250	80,000	20,000
Thomas Bucher, Chief Financial Officer	71,843	0.27%	11,250	7,000	14,000
Herman Anbeek, Group SVP and President Emerging Markets	82,342	0.31%	11,250	6,000	14,000
Kristin Brown, Chief Legal Officer	12,945	0.05%	5,625	6,000	14,000
Douglas Goeke, Group SVP and President North America	14,230	0.05%	9,000	3,500	14,000
Mike Hargett, Group SVP and Deputy Chief Financial Officer	46,360	0.17%	5,625	6,000	14,000
Andrew Langdale, Group SVP and President Product and Supply Chain Solutions	7,252	0.03%	3,125	3,500	14,000
Drew Niemeyer, Chief Commercial and Corporate Development Officer	7,157	0.03%	1,562	3,500	14,000
Jaap Roukens, Chief Marketing Officer, Product and Supply Chain Solutions	33,525	0.13%	5,625	6,000	14,000
Peter van Niekerk, Group SVP and President Europe and Africa	14,791	0.06%	9,792	4,500	14,000
Total shareholdings	**349,753**	**1.32%**	**74,104**	**126,000**	**146,000**

[I] Remaining unvested EIP 2009–2013 base share awards as at December 31, 2012. These vest in one installment in 2013 subject to satisfaction of the respective VWAP targets.
[II] Unvested EIP 2009–2013 performance share awards as at December 31, 2012. These vest in one installment subject to satisfaction of the respective VWAP targets.
[III] Unvested ELTIP performance share awards as at December 31, 2012. For EMB participants (excluding the Chief Executive Officer), these vest in two equal annual installments in 2015 and 2016. For the Chief Executive Officer vesting will occur in a single installment in 2016. Vesting of all ELTIP awards granted in 2012 is subject to the satisfaction of relevant Revenue Growth and ROIC performance targets.

Outstanding options as at December 31, 2013 and as at December 31, 2012[I]

	Date of grant	Number of options	Exercise price	Exercise period	Date of expiry
Andreas Schmid, Chairman	12/31/2007	1,821	CHF 69.04	10 years	12/31/2017

[I] Each option, if exercised, will result in the purchase of one share at the exercise price.

There are no options held by any EMB members.

Loans granted to Board members and EMB members
No loans or guarantee commitments have been granted to members of the Board or the EMB.

2.4 SIGNIFICANT INVESTMENTS

Company name	Domicile	Business	Share capital (local currency 1,000)	Ownership in % Dec 31, 2013	Ownership in % Dec 31, 2012
Gate Gourmet Holding I S.à r.l.	Luxembourg	Holding services	EUR 42,782	100.00%	100.00%
gategroup Financial Services S.à r.l.	Luxembourg	Holding services	EUR 40,563	0.002%	0.002%
gategroup Investments Singapore Pte Ltd	Singapore	Holding services	USD 134,657	100.00%	100.00%
gategroup Finance (Luxembourg) S.A.	Luxembourg	Holding services	EUR 31	100.00%	100.00%

2.5 TREASURY SHARES

At December 31, 2013, there were 719,537 (2012: 719,537) treasury shares held by the Group. Thereof, 442,986 (2012: 442,986) treasury shares were held by the Company.

2.6 GUARANTEES

On March 7, 2012, the Group issued 6.75% senior unsecured notes with maturity in 2019 for an amount of EUR 350.0m and entered into a EUR 100.0m revolving credit facility. The senior unsecured notes as well as the revolving credit facility are guaranteed by the Company and other Group companies.

Further, guarantees issued in favor of banks amounted to CHF 90.2m (2012: CHF 60.3m).

2.7 RISK ASSESSMENT

The Company is integrated into the group-wide risk assessment process.

A description of the group-wide risk management system can be seen in Note 3 “Financial risk management” of the consolidated financial statements.

APPROPRIATION OF AVAILABLE EARNINGS AND RESERVE FROM CAPITAL CONTRIBUTIONS

Proposal of the Board of Directors to the Annual General Meeting of Shareholders on April 15, 2014 for the appropriation of available earnings

in 1,000 CHF	Dec 31, 2013	Dec 31, 2012[1]
Carried forward from previous year	29,682	35,992
Net loss for the year	(3,715)	(6,310)
Balance to be carried forward	**25,967**	**29,682**

[1] Approved by the Annual General Meeting of Shareholders on April 17, 2013.

Proposal of the Board of Directors for the appropriation of reserve from capital contributions

in 1,000 CHF	Dec 31, 2013	Dec 31, 2012
Reserve from capital contributions	622,109	622,109
Proposed dividend payment of CHF 0.30 per share[1] out of reserve from capital contributions	(7,820)	–
Balance to be carried forward	**614,289**	**622,109**

[1] No dividends will be distributed on treasury shares held by gategroup Holding AG and its subsidiaries.

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8050 Zurich
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Report of the statutory auditor
to the General Meeting of
gategroup Holding AG
Kloten

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the financial statements of gategroup Holding AG, which comprise the balance sheet, income statement and notes (pages 84 to 91) for the year ended 31 December 2013.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Opinion
In our opinion, the financial statements for the year ended 31 December 2013 comply with Swiss law and the company's articles of incorporation.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings and reserve from capital contributions complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Martin Kennard Audit expert Auditor in charge	Mairkon Nogueira

Zurich, 12 March 2014

CORPORATE GOVERNANCE

Michael O'leary's **Roasted Atlantic Salmon with Maple Chipotle and Bacon Jam**

Corporate Governance

Corporate Governance

PRELIMINARY REMARKS

This section of the Annual Report follows the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange. In order to avoid duplication, cross reference will be made to the Company (as defined on page 32), the Group (as defined on page 32) and the articles of incorporation of the Company ("Articles of Incorporation") which are included in the Appendix of this section on pages 132-138, and the 2013 financial report included on pages 26-95.

On January 1, 2014, the Swiss Federal Council's Ordinance Against Excessive Compensation in Listed Corporations (the "Ordinance") entered into force and will gradually become applicable over a time span of two years. The Ordinance was issued to implement the so-called Minder Initiative, a constitutional initiative that was approved by the Swiss electorate in March 2013. While the Ordinance focuses on compensation matters, it will bring about changes to corporate governance matters in general.

The Ordinance introduces a number of new requirements for listed companies with registered office in Switzerland, including (i) the individual and annual election of the members of the board of directors, the chairman of the company, the members of the compensation committee and the independent proxy representative by the shareholders, (ii) the content of the compensation report, (iii) an annual binding vote of the shareholders on the compensation of the members of the board of directors and the executive management board and (v) provisions regarding employment terms and the content of the articles of association. Furthermore, certain compensation payments (such as severance payments) are prohibited under the Ordinance. Non-compliance with certain provisions of the Ordinance may entail criminal sanctions. While some provisions of the Ordinance have become applicable as per January 1, 2014, others will not become applicable until January 1, 2016.

In the past years, the Company has already conducted annual (re-)elections of the members of the Board (as defined on page 107). As per the Annual General Meeting of Shareholders 2014, shareholders will also elect the Chairman, the members of the Nomination and Compensation Committee ("NCC") and the independent proxy representative. At the same Annual General Meeting, the Company will submit the necessary amendments of the Articles of Incorporation to the vote of its shareholders. As of the Annual General Meeting 2015, the Board will submit the compensation of the Board and the Executive Management Board ("EMB") (as described on pages 118-126) to the Company's shareholders for approval on an annual and binding basis.

1 GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

1.1.1 Description of the issuer's operational group structure

The Company's management structure is represented in the segmental information in Note 5 of the consolidated financial statements. The Company's operational structure is subject to re-alignment from time to time to ensure that the structure is ideally suited to achieve business objectives. Please refer to the table below for the Company's current general operational structure.

<table>
<tr><td colspan="3">Board of Directors
Chairman
Members of the Board of Directors</td></tr>
<tr><td colspan="3">Audit Committee | Nomination and Compensation Committee</td></tr>
<tr><td colspan="3">Executive Management Board
Chief Executive Officer
Members of the Executive Management Board</td></tr>
<tr><th>Airline Solutions</th><th>Product and Supply Chain Solutions</th><th>Group Centre</th></tr>
<tr><td>gategroup Chief Executive Officer</td><td>President Product and Supply Chain Solutions</td><td>Chief Financial Officer</td></tr>
<tr><td>President North America</td><td></td><td>Deputy Chief Financial Officer</td></tr>
<tr><td>President Europe and Africa</td><td></td><td>Chief Legal Officer</td></tr>
<tr><td>President Emerging Markets</td><td></td><td>Chief Human Resources Officer</td></tr>
<tr><td></td><td></td><td>Chief Commercial and Corporate Development Officer</td></tr>
</table>

1.1.2 All listed companies belonging to the issuer's group

The Company is listed on the SIX Swiss Exchange in Zurich, security number 10018595 and ISIN CH0100185955. The Company is domiciled at Balz-Zimmermannstrasse 7, CH-8302 Kloten, Switzerland, and organized in accordance with Swiss law. The Company's stock market capitalization as at December 31, 2013, was CHF 648,229,331.

1.1.3 The non-listed companies belonging to the issuer's consolidated entities

Information (including the registered office, the share capital and the percentage of shares held) in respect of the Company's subsidiaries are given in Notes 1 and 34 of the consolidated financial statements.

1.2 SIGNIFICANT SHAREHOLDERS

As of December 31, 2013, the largest shareholders known to the Company were as follows:

Shareholder	Voting rights[I]	%[II]	Publication date of disclosure
Pictet Asset Management Ltd.	1,445,460	5.40%	July 20, 2013
Harris Associates L.P.	1,409,400	5.31%	Aug 31, 2011
Rainer-Marc Frey	1,337,000	4.99%	Mar 27, 2013
Credit Suisse Funds AG	1,332,776	4.98%	Oct 4, 2013
Invesco Ltd.	1,280,281	4.87%	Jun 11, 2011
Silver Point Capital L.P.	840,327	3.15%	Jan 9, 2013
Deutsche Bank AG	788,369	3.09%	Nov 19, 2010
UBS Fund Management (Switzerland)	605,412	3.08%	Oct 21, 2009
Pictet Funds SA	818,869	3.06%	Jun 27, 2013
Norges Bank (the Central Bank of Norway)	815,481	3.04%	Apr 10, 2013
Fortress Investment Group LLC	806,531	3.04%	Aug 18, 2011
Pictet CH Swiss Mid Cap[III]	805,000	3.01%	Nov 16, 2013
Wellington Management Company LLP	804,920	3.00%	Nov 16, 2013

[I] Voting rights held directly or indirectly (shares, purchasing and selling rights).
[II] Percentages of total registered shares as per publication date of disclosure.
[III] Fund within collective investment scheme Pictet Funds SA.

From January 1, 2013 to December 31, 2013, the following changes were disclosed and duly published on the website of SIX Swiss Exchange Regulation:

www.six-exchange-regulation.com/publications/published_notifications/major_shareholders_en.html.

In the beginning of the year, Silver Point Capital L.P. sold part of its holdings in the Company and entered into an equity swap agreement. Through this transaction Silver Point Capital L.P. decreased its holding below 3% while keeping its voting rights at 3.15% of the registered share capital. Also in January 2013, holdings of Schroder Plc and Pictet Funds SA fell below 3.00% of the registered share capital; however, Pictet Funds SA again increased to 3.06% of the registered share capital in June 2013.

In March 2013, Rainer-Marc Frey's holding fell to 4.99% of the registered share capital while in April 2013, Norges Bank (the Central Bank of Norway) crossed the 3% threshold reaching 3.04% of the registered share capital.

In May 2013, Pictet Asset Management Ltd. reached 3.59% of the registered share capital and increased its position again in July reaching 5.4% of the registered share capital.

In July 2013, Kempen Capital Management N.V. reduced its holding to below the 3% threshold. Also in July, Credit Suisse Funds AG increased its holdings to above the 5% threshold before falling again below that threshold in August. In September, Credit Suisse Funds AG increased its position again to 5.02% of the registered share capital, and decreased it again to 4.98% of the registered share capital at the end of that month.

In November, holdings of Wellington Management Company LLP reached 3% of the registered share capital. Also in November, Pictet CH Swiss Mid Cap, as one fund within collective investment scheme Pictet Funds SA, reached 3.01% of the registered share capital.

For more information regarding all disclosure notifications published by the Company pursuant to Art. 20 of the Swiss Stock Exchange Act in 2013 and in the first weeks of 2014, please refer to the following website of SIX Swiss Exchange Regulation: www.six-exchange-regulation.com/publications/published_notifications/major_shareholders_en.html.

The Company does not know of any material shareholders' agreements or any other significant understandings reached between shareholders regarding the registered shares of the Company they own, or the execution of their ensuing shareholders' rights.

1.3 CROSS-SHAREHOLDINGS

The Company is not aware of any cross-shareholdings exceeding 5.0% of the capital or voting rights on both sides.

2 CAPITAL STRUCTURE

2.1 CAPITAL

The ordinary share capital of the Company is CHF 133,931,680 and is divided into 26,786,336 fully paid-in registered shares with a nominal value of CHF 5.00 each. The conditional share capital is CHF 11,745,885.

2.2 AUTHORIZED AND CONDITIONAL CAPITAL IN PARTICULAR

Authorized capital
The Company's authorized share capital of CHF 13,277,065 authorizing the Board (as defined on page 32) to issue up to 2,655,413 fully paid in registered shares with a nominal value of CHF 5.00 per share by no later than April 19, 2013, was not renewed and extended for an additional two years at the Annual General Meeting of Shareholders 2013, and such authorization expired on April 19, 2013.

Conditional capital
The Company has a conditional share capital in the aggregate maximum amount of CHF 11,745,885. The Company's share capital may be increased (i) in an amount not to exceed CHF 1,906,775 by the issuance of up to 381,355 fully paid-up registered shares with a nominal value of CHF 5.00 each through the exercise of options which the employees or members of the Board are granted according to the respective regulations of the Board and (ii) in an amount not to exceed CHF 9,839,110 by the issuance of up to 1,967,822 fully paid-up registered shares with a nominal value of CHF 5.00 each through the exercise of conversion and/or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its subsidiaries, and/or by the exercise of options which are granted by the Company or one of its subsidiaries (including in the case of a public offer for shares of the Company). For a description of the group of beneficiaries and of the terms and conditions of the issue of conditional capital, please refer to art. 3^{bis} of the Articles of Incorporation.

2.3 CHANGES IN CAPITAL

During the period from January 1, 2011 to December 31, 2011, a conditional capital increase in the amount of CHF 570,145 took place through the exercise of options and the performance of contributions. Thereby, the Company's share capital was increased from CHF 132,770,645 to CHF 133,340,790 through the issuance of 114,029 fully paid-in registered shares with a nominal value of CHF 5.00 each for an issue price of CHF 5.00.

During the period from January 1, 2012 to December 31, 2012, a conditional capital increase in the amount of CHF 590,890 took place through the exercise of options and the performance of contributions. Thereby, the Company's share capital was increased from CHF 133,340,790 to CHF 133,931,680 through the issuance of 118,178 fully paid-in registered shares with a nominal value of CHF 5.00 each for an issue price of CHF 5.00.

During the period of January 1, 2013 to December 31, 2013, no changes in capital occurred.

2.4 SHARES AND PARTICIPATION CERTIFICATES

Shares
The Company's capital is composed of registered shares only. The shares rank pari passu in all respects with each other, including, in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of a liquidation of the Company and to the pre-emptive rights.

The number of registered shares with a nominal value of CHF 5.00 each, fully paid-up, was 26,786,336 at December 31, 2013. Each share carries one vote at General Meetings of Shareholders. Please also refer to section 2.6.1 below.

Shareholders have the right to receive dividends.

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 or at least 10% of the registered share capital may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board at the latest 45 days before the General Meeting of Shareholders and shall specify the agenda items and the proposals made.

Participation Certificates
There are no participation certificates (*Partizipationsscheine*).

2.5 PROFIT SHARING CERTIFICATES

There are no profit sharing certificates (*Genussscheine*).

2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

2.6.1 Limitations on transferability for each share category, along with an indication of statutory group clauses, if any, and rules for granting exceptions

According to art. 5 para. 3 of the Articles of Incorporation, acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.

2.6.2 Admissibility of nominee registrations, along with an indication of percent clauses, if any, and registration conditions

Persons who do not explicitly declare holding the registered shares on their own account and who are subject to the control of a recognized bank or financial supervision authority ("Nominees") are according to art. 5 para. 5 of the Articles of Incorporation registered as shareholders with voting rights, if the Nominee discloses in the registration application the names, addresses and the number of shares of the persons for whose account it holds 0.5% or more of the share capital registered in the commercial register. Legal entities and partnerships which are consolidated among themselves through unified management or similar organization as well as natural persons or legal entities and partnerships which act in concert to circumvent the regulations concerning the Nominees (especially as syndicates), shall be treated as one single Nominee within the meaning of art. 5 para. 5 of the Articles of Incorporation.

The Board may, in particular cases, allow exemptions from the regulation concerning Nominees. Please also refer to art. 5 para. 8 of the Articles of Incorporation. No exemptions from the regulation concerning Nominees were granted in 2013.

2.6.3 Procedure and conditions for cancelling statutory privileges and limitations of transferability

A resolution to amend the provisions of the Articles of Incorporation relating to restrictions on the transfer of registered shares and the removal of such restrictions requires a majority of two thirds of the votes represented and the absolute majority of the nominal value of shares represented at the General Meeting of Shareholders (art. 13 point 3 of the Articles of Incorporation).

2.7 CONVERTIBLE BONDS AND WARRANTS/OPTIONS

Except as otherwise disclosed in Note 27.1 of the consolidated financial statements, in Note 2.3 of the financial statements of gategroup Holding AG and in section 5 below, there are no outstanding convertible bonds, warrants or options issued by the Company or by subsidiaries on shares of the Company.

The total amount of all (employee) options outstanding (including unvested EIP 2009-2013 share awards) is 127,821 and corresponds to 0.4772% of the total registered share capital as of December 31, 2013.

3 BOARD OF DIRECTORS

3.1 MEMBERS OF THE BOARD OF DIRECTORS

Name	Age	Position	Committee Membership	Director since[I]	Term expires
Andreas Schmid	56	Chairman of the Board	Member of the NCC, Member of the Audit Committee ("AC")	December 2007	2013
Andrew Gibson	52	CEO and Member of the Board		April 2012	2013
Neil Brown	54	Member of the Board	Chairman of the AC	September 2008	2013
Remo Brunschwiler	55	Member of the Board	Member of the AC	April 2012	2013
Brian Larcombe	60	Member of the Board	Chairman of the NCC, Member of the AC	September 2008	2013
David Siegel	52	Member of the Board	Member of the NCC	June 2004	2013
Anthonie Stal	60	Member of the Board	Member of the NCC	April 2009	2013

[I] Since the Company was only incorporated in 2008 and became the new group holding company after the dissolution of Gate Gourmet Holding LLC, Wilmington, Delaware, US ("Holding LLC") in April 2009, dates refer to the taking of office in the corresponding function in Holding LLC. All members of the Board were re-elected on the date of the Annual General Meeting of Shareholders 2013. All terms end and need to be renewed as per the Annual General Meeting of Shareholders 2014. Ages are as of December 31, 2013.

Operational management tasks of the members of the Board of Directors
With the exception of Andrew Gibson, all members of the Board are non-executive Directors.

3.2 INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS

All non-executive members of the Board are independent, were not members of the Group's management during the three financial years preceding the current reporting period and have no important business connections with the Group.

3.3 PROFESSIONAL BACKGROUND AND OTHER ACTIVITIES AND FUNCTIONS

Biographies of each Board member follow.

Andreas Schmid

Andreas Schmid has been Chairman of the Board since April 2009. He was a lead independent manager of the Board of Managers of Holding LLC from December 2007 and became Vice Chairman in 2008. He is also a member of the NCC and the AC.

Mr. Schmid has been Chairman of the Board of Directors of Oettinger Imex AG (Oettinger Davidoff Group) since December 2007, and Chairman of the Board of Directors of Flughafen Zürich AG since 2000. He has been Vice Chairman of the Board of Directors of Barry Callebaut AG since 2006. There, he previously held the position of Chairman from 1999 to 2005 and was Chief Executive Officer from 1999 to 2002.

Mr. Schmid began his career in 1984 at the Union Bank of Switzerland. Following a position as professional executive assistant to a Swiss industrialist, he was Chief Executive Officer and Managing Director of Kopp Plastics (Pty) Limited in South Africa from 1989 to 1992. He then worked for the Jacobs Group in various positions until 1993, when he became President of the Mövenpick Consumer Goods Division and a member of the worldwide Group Executive Board of Management from 1993 to 1997. Between 1998 and 2000, he served as Chief Executive Officer of Jacobs Holding AG (Adecco SA; Barry Callebaut AG; C.J. Van Houten & Zoon AG; and Brach's Confections Inc.). He was a member of the Board of Directors of Adecco SA from 1999 to 2004 and Sun International Hotels Limited from 1999 to 2003. Mr. Schmid was a member of the Advisory Board of the Credit Suisse Group in the period from 2001 to 2007, before the Advisory Board was dissolved. Between 2002 and 2006 Mr. Schmid chaired the Board of Directors of Kuoni Travel Holding AG and between 2007 and 2011, he chaired the Supervisory Board of Symrise AG. In 2010, Mr. Schmid was appointed a member of the Board of Directors of Wirz Partner Holding AG and the Advisory Board of Allianz Global Corporate Specialty AG. He has also been serving as a board member of Karl Steiner AG since 2008 and of Badrutt's Palace Hotel AG since 2006.

He holds a Masters degree in Law from the University of Zurich, where he also studied Economics. Mr. Schmid is a Swiss citizen.

Andrew Gibson

Andrew Gibson was elected to the Board in April 2012. He was appointed the Group's interim Chief Executive Officer on April 5, 2011 and was confirmed as permanent Chief Executive Officer on July 28, 2011. Mr. Gibson previously held the positions of Group Senior Vice President and President North America since January 2007. Prior to assuming this role, Mr. Gibson was Senior Vice President Operations Europe from 2005 to 2006 and Vice President Continuous Improvement-Europe from 2004 to 2005 and has provided global oversight of the Group's Pourshins and Supplair business.

Mr. Gibson has extensive operations and strategic consulting experience in multiple companies across a range of industries. Prior to joining gategroup in September 2004, Mr. Gibson worked as an Associate Principal at McKinsey & Company. He has also held positions as Senior Consulting Engineer with Woodward Clyde and Construction and Design Engineer with Works Consulting.

Mr. Gibson holds a Doctorate in Civil Engineering and Masters of Science from the California Institute of Technology, California, US and a Bachelor of Engineering (Civil, Hons) from the University of Canterbury, New Zealand. Mr. Gibson is a New Zealand citizen.

Neil Brown

Neil Brown has served as a member of the Board of Managers of Holding LLC since September 2008. He chairs the AC.

Mr. Brown started his career at Deloitte (previously Deloitte Haskins & Sells) from 1983 to 1990. He was a corporate finance partner at PwC (previously Coopers & Lybrand) from 1990 to 1996 and thereafter, a member of the operating committee of Apax Partners, one of the world's leading private equity businesses, where he was responsible for building its financial services practice.

His other current non-executive positions include Magma Fincorp Limited, one of India's leading non-banking financial corporations, Distribution Technology and Euro Car Parts. He is also a Director and Chairman of the audit committee of Islandsbanki. Mr. Brown is a founding partner of Subito Partners, a London-based board advisory business whose partners invest in growth companies and provide board-level support to the private equity, hedge fund and bank restructuring markets. An expert in US and European merger and acquisition markets, Mr. Brown has been involved in over $40 billion worth of completed transactions over the last 25 years.

Mr. Brown is an ACA in the Institute of Chartered Accountants in England and Wales and holds an MA in Classics from Emmanuel College, Cambridge. Mr. Brown is a British citizen.

Remo Brunschwiler

Remo Brunschwiler was elected to the Board of Directors in April 2012 and is a member of the AC.

Between 1996 and 2003, Mr. Brunschwiler headed the Eurocargo division of Danzas. From 1989 to 1996 he was a consultant at McKinsey & Company in Switzerland and Germany for logistics and pharmaceutical companies, and from March 2003 until December 2012 he served as Chief Executive Officer of Swisslog Holding AG. In January 2013, Mr. Brunschwiler became Chief Executive Officer of Selecta Group.

Mr. Brunschwiler began his career as a strategic planner with Ciba-Geigy Group. He studied economics at the University of Basel and holds an MBA from INSEAD, Fontainbleau, France. Mr. Brunschwiler is a Swiss citizen.

Brian Larcombe

Brian Larcombe has served as a member of the Board of Managers of Holding LLC since September 2008. He chairs the NCC and is a member of the AC.

Mr. Larcombe spent most of his working life at 3i where he served as Chief Executive Officer from 1997 to 2004 and Chief Financial Officer from 1992 to 1997. 3i is a London-based world leader in private equity. Mr. Larcombe also served as Director of F&C Asset Management from 2005 until 2011.

Mr. Larcombe is a non-executive Director of Smith & Nephew, a global maker of medical devices. He is a Director in a private equity business in India, which invests in fast-growing private companies tied generally to the growth in consumer spending and serves as a non-executive Director of Incisive Media Holdings Ltd., a London-based publishing business with a broad portfolio of titles and conferences serving the asset management, insurance, legal and corporate IT markets.

Mr. Larcombe holds a degree in Commerce from the University of Birmingham and has completed the Advanced Management Programme at the Harvard Business School. Mr. Larcombe is a British citizen.

David Siegel

David Siegel has served as a member of the Board of Managers of Holding LLC since June 2004, and was Chairman of the Board of Managers of Holding LLC from June 2004 to April 2009. Mr. Siegel also served as Chief Executive Officer of Holding LLC from June 2004 to September 2008. Mr. Siegel has been a Director of the Company since April 2009 and has been a member of the NCC since 2010.

Prior to joining Holding LLC in 2004, Mr. Siegel held positions as President and Chief Executive Officer of US Airways from March 2002 to April 2004; Chairman and Chief Executive Officer of Avis Budget Group from 1999 to 2002; executive positions in eVolution Global Partners; and served as President and Chief Executive Officer of Continental Express, a subsidiary of Continental Airlines, from 1994 to 1999. Earlier in his career, Mr. Siegel was a Director of Corporate Planning at Northwest Airlines and a consultant at Bain & Co.

In January 2012, Mr. Siegel was appointed President and Chief Executive Officer of Frontier Airlines. From October 2008 to January 2010, he held the position of Chief Executive Officer of XOJET, a California-based private jet transportation provider, and from January 2010 to June 2010, he served as Executive Chairman of XOJET. From June 2010 until December 2011 he served as Managing Director of Hyannisport Capital. Mr. Siegel is a Director of Frontier Airlines as well as Meta Stat, a cancer focused research company.

He holds an MBA from Harvard Business School and a BS in Applied Mathematics and Economics from Brown University. Mr. Siegel is an American citizen.

Anthonie Stal

Anthonie Stal has been a Director of the Company since April 2009. He is a member of the NCC.

Prior to joining the Company, Mr. Stal has held various senior management positions at Unilever, including Group Vice President of Unilever NV from 2006 to 2008, President Marketing Foods of Unilever from January 2005 to July 2006, Chairman of Unilever Bestfoods the Netherlands from 2001 to 2005, President of Unilever de Venezuela from 1993 to 1996 and Marketing Sales Director of Unilever NL from 1991 to 1993. Mr. Stal started his career at Langnese-Iglo, Germany in 1991. Mr. Stal is also a non-executive Director at Neumann Kaffee Gruppe AG, Franz Wiltmann GmbH, GlobalGreen Company Ltd, Koninklijke Verkade bv, VeZet bv, SaladSignature bv, Stichting Pagras, Pagras SL and Grap SL. He is non-executive Chairman at Bakkersland bv, Chairman of the supervisory board of Kroeller-Mueller Museum, the Netherlands and advisory member of the Vereniging Rembrandt. He is the founder and owner of ALS Consulting, a strategy consulting firm specialized in foods.

He has a degree in Mathematics and Business Administration from the University of Freiburg, Germany. He attended the Harvard University Business School Agribusiness Seminar, the Harvard Executive Innovation Class and the Advanced Management Program at The Wharton School, University of Pennsylvania. Mr. Stal is a Dutch citizen.

3.4 ELECTIONS AND TERMS OF OFFICE

3.4.1 The principles of the election procedure (total renewal or staggered renewal) and limits on the terms of office
Art. 14 of the Articles of Incorporation provides that the Board may consist of a minimum of five Directors and a maximum of 12 Directors. The Company currently comprises seven Directors on its Board. The members of the Board shall be elected for a term of one year. A year shall mean the period running between one Annual General Meeting of Shareholders and the next. New members elected during the year shall continue in office until the end of their predecessor's term. The members of the Board may be re-elected without limitation. The members of the Board shall automatically retire after the expiry of the seventieth year of age; the retirement shall become effective on the date of the next Annual General Meeting of Shareholders. The General Meeting of Shareholders may, under special circumstances, grant an exception from this rule and may elect a member of the Board for further terms of office of one year.

3.4.2 The time of the first election and the remaining term of office for each member of the Board of Directors
Please refer to the table on page 103.

3.5 INTERNAL ORGANIZATIONAL STRUCTURE

The Organizational Regulations of the Company ("Organizational Rules")[i] detail the responsibilities and reporting procedures of the Board, its committees and the Executive Management Board ("EMB").

3.5.1 Allocation of tasks within the Board of Directors
The Board is entrusted with the ultimate direction of the Company's business and the supervision of the persons entrusted with the Company's management. It represents the Company towards third parties and manages all matters which have not been delegated to another body of the Company by law, the Articles of Incorporation or by other regulations. The Board constitutes itself. It elects its Chairman from its members and, if necessary, one or several Vice Chairmen. It further appoints a Secretary who needs not be a member of the Board. The Company has elected Andreas Schmid as Chairman, Kristin Brown as Company Secretary and Hannah Sutter as Deputy Company Secretary. Starting in 2014 the Chairman of the Company will be elected by the General Meeting of Shareholders. Please also refer to the table on page 103. The Chairman establishes the agenda for Board meetings in consultation with other members of the Board and the EMB. The Chairman leads Board meetings, determines when votes are to be taken on matters related to the management of the Company and ensures mechanisms are in place for control and oversight of the Company, and provides strategic oversight for the direction of the Company.

[i] Available on the Company's website in the Investor Relations section (http://www.gategroup.com/docs/organizational_rules_0.pdf).

In accordance with Swiss law, the Articles of Incorporation and the Organizational Rules, the Board has delegated the Company's operational management to the Chief Executive Officer, who is supported by the other members of the EMB. The Chief Executive Officer and members of the EMB regularly update the Board on material issues pertaining to the business and the strategic objectives that the Board has provided to management. In addition, the Board has established the AC and the NCC as advisory bodies to the Board.

3.5.2 Members list, tasks and area of responsibility for each committee of the Board of Directors

Audit Committee
The AC consists of four members of the Board: Neil Brown (Chairman), Remo Brunschwiler, Brian Larcombe and Andreas Schmid. The AC is governed by art. 4 of the Organizational Rules which requires that at least two members of the AC are financially literate and all members of the AC are independent. The AC constitutes itself. Its members affirm, or if relevant, appoint a Chairman, each year at its first meeting after the Annual General Meeting of Shareholders. The members of the AC are appointed, as a rule, for the entire duration of their mandate as Board members and shall be re-eligible to participate in the AC.

The AC assists the Board in fulfilling its duties of supervision of the management and organization of the Group's financial controls, financial planning and reporting. It is responsible for assessing the Company's risk management by approving the internal audit strategy; reviewing compliance with applicable laws, rules and internal regulations; reviewing and guiding auditors' audit plans; reviewing annual and interim financial statements; monitoring the quality, performance and independence of external and internal auditors; reviewing audit results; and monitoring the implementation of findings from audit reports by management.

The AC regularly reports to the Board on its proposals, assessments and findings and proposes appropriate actions enabling the Board to make relevant decisions. The AC does not have power to make binding decisions.

Nomination and Compensation Committee
The NCC consists of four members of the Board: Brian Larcombe (Chairman) and Andreas Schmid, David Siegel and Anthonie Stal. By art. 5 of the Organizational Rules, at least two members of the NCC shall be non-executive and independent. The NCC constitutes itself. It affirms, or as the case may be, appoints a Chairman, each year at its first meeting after the Annual General Meeting of Shareholders. The NCC is required to meet as often as necessary to discharge its duties. The members of the NCC are appointed for the entire duration of their mandate as Board members and shall be re-eligible for appointment to the NCC. Starting in 2014 the members of the NCC will be elected by the General Meeting of Shareholders on an annual basis.

The NCC assists the Board in nomination and compensation related matters. It provides the Board with recommendations on the nomination and compensation of members of the Board and the EMB, policies for the nomination and compensation of the EMB and the Company's other employees and the basic principles for the establishment, amendment and implementation of incentive plans.

The NCC regularly reports to the Board on its proposals, assessments, and findings and proposes appropriate actions enabling the Board to make relevant decisions. The NCC does not have the power to make binding decisions.

3.5.3 Work methods of the Board of Directors and its committees
The Board meets at the invitation of the Chairman of the Company as often as required, but at least four times each year. The Chairman of the Company or the Secretary of the Company on his behalf may convene the meeting.

Each member of the Board can request the Chairman of the Company to convene a meeting. In such an event a meeting must be convened within 14 days after receipt of the respective demand.

Notice of Board meetings shall be given at least ten days in advance of the meeting in writing. In urgent cases, the meeting can also be convened upon shorter notice by any other suitable means. If the Chairman of the Company is not in a position to do so, another member of the Board shall preside over the meeting.

The items of the agenda of the meetings of the Board shall be determined by the Chairman of the Company after consultation with the Chief Executive Officer. Each Board member is entitled to request that further items be put on the agenda provided that such items are submitted to the Chairman of the Company no later than five days before the meeting. In such event, the Chairman of the Company shall communicate the additional items on the agenda to the other Board members before the beginning of the meeting. No resolution shall be taken on items which were not on the agenda of the meeting unless every Board member is present at the meeting and consents to the proposed resolution.

Resolutions of the Board are adopted by a majority of the votes cast by the members present. In case of a tie, the acting Chairman of the Company has the casting vote. The Board passes resolutions when the majority of its members are present. Absent members cannot be represented.

The Board reserves two full days per year to review the strategic plan and direction of the Group. Board meetings, with the exception of specially called sessions by the Chairman, are attended by members of the EMB, specifically: the Chief Executive Officer, the Chief Financial Officer and the Chief Legal Officer. In addition, relevant members of the EMB participate in Board meetings and/or Committee meetings when required by the Board. The Chairman of the AC and the Chairman of the NCC update the Board on their respective activities and, as necessary, make recommendations for the Board's consideration on a regular basis. Members of the EMB attend the AC and NCC meetings on a regular basis as requested by the respective Chairman, as standing or specific invitees. Specifically, the Chief Executive Officer, the Chief Financial Officer and the Chief Legal Officer and other members of the senior management may be required to attend. In addition, PricewaterhouseCoopers ("PwC") and Mercer Limited attend the AC and NCC meetings respectively, as external auditors / external consultants on a regular basis.

The table below details the meetings held in 2013:

Meetings held in 2013	Frequency	Average duration in hours
Board of Directors	14	4:00
Audit Committee	6	3:00
Nomination and Compensation Committee	5	3:00

3.6 DEFINITION OF AREAS OF RESPONSIBILITY

The governing bodies have responsibilities as follows:

Board of Directors
The Board has the ultimate responsibility for directing, supervising and controlling the management of the Group. The Board may adopt resolutions on all matters that are not expressly reserved or assigned to the General Meeting of Shareholders or to another corporate body by law, the Articles of Incorporation or the Organizational Rules.

The Board has the following main powers and duties:

- the overall management of the Group and the issuance of all directives required for the operation of the business;
- the organization and the management of the Group through enactment, revision or amendment of the Organizational Rules and related governance documents;
- providing strategic direction and oversight of the Group;
- the determination of appropriate financial controls and accounting, including the determination of the budget and the annual financial statements of the Group;
- the appointment and removal of key management personnel of the Group (i.e. Chief Executive Officer and other members of the EMB);
- the ultimate supervision of the persons entrusted with the management of the Group, in particular with respect to their compliance with laws, the Articles of Incorporation, regulations and directives of the Group;
- the preparation of the Annual Report and the General Meetings of Shareholders and the execution of its resolutions;
- the notification to the court in the case of over-indebtedness of the Company;
- the discussion and approval of:
    * annual budget;
    * strategy, the medium-term planning, the financial planning and the business plans of the Group;
    * financial operations;
    * corporate governance principles of the Group;
    * the review of and decision on any report submitted to the Board;
- other powers and duties reserved to the Board by law, the Articles of Incorporation and the Organizational Rules.

Please refer also to art. 3 of the Organizational Rules.

Executive Management Board
The Chief Executive Officer is appointed by the Board and has the primary responsibility for the management of the Group. The Chief Executive Officer has the following main powers and duties:

- to implement the resolutions passed by the Board;
- to organize, manage and control the day-to-day business of the Company;
- to approve any engagement of employees reporting directly to the EMB or the Chief Executive Officer;
- to organize the EMB and prepare, call and preside over the meetings of the EMB;
- other powers and duties reserved to the Chief Executive Officer by the Organizational Rules.

The members of the EMB attend to the day-to-day business of the Group and report directly to the Chief Executive Officer, who has the sole decision-making power within the EMB.

The Chief Executive Officer, together with the other members of the EMB and under the control of the Board, conducts the operational management of the Group pursuant to the Organizational Rules and reports to the Board on a regular basis.

Please refer also to arts. 6 and 7.2 of the Organizational Rules.

3.7 INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE EXECUTIVE MANAGEMENT BOARD

The Board has a efficient control instruments in place in order to monitor the responsibilities that have been delegated to the EMB. Below are listed the various control mechanisms:

Involvement of Executive Management Board in the Audit Committee and Nomination and Compensation Committee meetings
Relevant members of the EMB attend the AC and the NCC meetings as requested by the Chairman of the Company or the Chairman of the respective Committee as a standing or specific attendee. Relevant members of the EMB also attend the AC and NCC meetings as specific attendees when required by the Chairman of the Company or by the Chairman of the respective Committee. Subject matter experts are also invited as attendees when required by the Chairman of the Company or by the Chairman of the respective Committee.

Periodic reporting
At each Board, AC and NCC meeting, a detailed package of materials are compiled by the EMB which are presented by the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer and other members of the EMB as relevant to the Board, AC and NCC. The materials include a comprehensive set of reports including reports on the finances and operations of the Group, sales and marketing, human resources issues, corporate and business development, legal issues, investor relations and a market overview, among other materials.

Duty to inform about extraordinary events
Each member of the EMB reports immediately any extraordinary event and change within the Group to the Chief Executive Officer, who informs the Board.

Group internal audit
The Group has in place a centralized global internal audit function, led by the Head of Internal Audit based at the Zurich corporate head office. The Head of Internal Audit reports to the Chairman of the AC and has a dotted reporting line to the Chief Financial Officer. The internal audit function has a global remit covering the Group's entire activities including the businesses, countries of operation and corporate-level functions.

The Head of Internal Audit and his team have unfettered access to the AC via a direct reporting line to the Chairman of the AC. The annual internal audit plan and internal audit activities are first drafted by the Head of Internal Audit, together with his team, and subsequently reviewed, discussed and approved by the AC. The Head of Internal Audit meets on a regular basis with the Group's external auditors (PwC) and there is mutual co-operation in the development and output from the agreed internal audit plan. Similarly, there is regular contact between the Head of Internal Audit, his team, the EMB and senior and local management across the business.

Internal audit activities are carried out by a team of appropriately qualified and experienced internal audit team members, whose methods and processes in carrying out the audits are designed to ensure key risk areas to the Group are identified and raised to the Board and management as necessary for further action. The internal audit team can also expand the scope of its activities through use of experienced external practitioners as necessary to augment the internal team, working upon specified and agreed terms.

The Head of Internal Audit prepares formal reports for the AC meetings on the activities and key findings of the global internal audit function and such findings are discussed by the Committee members and the Board.

The global internal audit function uses a standardized internal audit methodology and implements a formal quality assurance and effectiveness program. This program is tested and reviewed annually in a report submitted to and discussed with the AC in order to ascertain and judge the effectiveness of the internal audit process. In addition, an external review process of the audit function by third-party consultants will be undertaken when deemed necessary by the AC.

Management information systems

The EMB meets on a monthly basis to discuss key business issues and provide strategic direction that is then cascaded down through the organization in order to manage and guide the business. In addition, each of Airline Solutions, P&SCS (as defined on page 7) and Group Centre prepare an annual budget, which is reviewed and approved by the EMB and the Board. The budget is then reviewed against actual performance at Quarterly Business Reviews held with the leadership teams of Airline Solutions and P&SCS. These business reviews focus on performance against budget, as well as strategic and operational issues within the businesses requiring management oversight and direction, including but not limited to: employment and labor issues; commercial issues and customer strategy; transactions or opportunities in the marketplace; capital investment plans and requirements; lease and land issues; on-going operational and culinary performance and program management; and other business. Weekly business updates are also provided through telephone updates which involve members of the EMB (including the Chief Executive Officer and Chief Financial Officer) and members of the leadership teams of both Airline Solutions and P&SCS. These calls help ensure that all developments within the business are shared and known to the EMB. Additionally, the Chief Executive Officer receives weekly updates from his EMB direct reports regarding any issues of note that have come to their attention. Each of the EMB members have a similar reporting structure with their direct reports so that any issues of note or concern are reported in a timely fashion to them.

Risk management

The Board is responsible for ensuring that an adequate risk management system is in place in order to support wider internal control and governance. The Company has in place a Chief Operational Excellence & Compliance Officer who reports to the Chief Executive Officer and is responsible for managing the risk and insurance departments of the Company. The Company has adopted a number of reporting mechanisms and governance procedures, which are focused on the identification, appropriate reporting and management of risk within the business. The Company has established a Global Compliance Committee (“GCC”) comprising the Chief Legal Officer, Chief Operational Excellence & Compliance Officer, Chief Financial Officer, and Chief Human Resources Officer that, among other things, establishes the areas of compliance needed to address key business risks based on the risk assessment approved and reviewed annually by the Board, and other risks that may be identified from time to time that must be addressed through a cross-functional approach. The GCC also oversees an effective and targeted compliance program and monitoring process for the risks as identified above. At the unit and division levels, risk management is supported by subject matter experts who assist in identification and mitigation of risk, training and education to all Group employees on processes to mitigate risk and coordination with regulatory bodies and customers to ensure risk mitigation efforts are consistent across the Group and with the law and customer requirements. For example, in North America, the North America Compliance Committee assists in this process.

In addition, the Company is committed to performing periodic risk assessments supported by third party experts, which are vetted through the EMB and ultimately endorsed by the Board. It is this document that guides risk mitigation by the Company at the macro level. Other mechanisms for risk identification and reporting include the AlertLine, a global service via telephone and intranet for reporting of potential or actual violations of our Code of Business Conduct & Ethics and associated policies, actual or potential violations of law or regulation, or to raise concerns regarding ethics and compliance. Internal Audit serves as another risk management tool to ensure operational and related risks are being adequately addressed and the Company is continuously improving its management and mitigation of risk.

External auditor

Please refer to section 8.

4 EXECUTIVE MANAGEMENT BOARD

4.1 MEMBERS OF THE EXECUTIVE MANAGEMENT BOARD

from left to right top row:
Andrew Gibson, Thomas Bucher, Herman Anbeek, Kristin Brown and Jann Fisch

from left to right bottom row:
Douglas Goeke, Mike Hargett, Andrew Langdale, Drew Niemeyer and Richard Wells

The following table sets forth the name, age, nationality and principal position of the current ten members of the EMB followed by short description of each member's professional background, education and activities.

Name	Age[(III)]	Nationality	Position
Andrew Gibson	52	New Zealand	Chief Executive Officer
Thomas Bucher	47	Switzerland	Chief Financial Officer
Herman Anbeek	48	The Netherlands	Group SVP[(IV)] and President Emerging Markets
Kristin Brown	45	United States	Chief Legal Officer
Jann Fisch[(I)]	47	Switzerland	Group SVP and President Europe and Africa
Douglas Goeke	48	United States	Group SVP and President North America
Mike Hargett	52	United States	Group SVP and Deputy Chief Financial Officer
Andrew Langdale	49	Great Britain	Group SVP and President Product and Supply Chain Solutions
Drew Niemeyer	43	United States	Chief Commercial and Corporate Development Officer
Richard Wells[(II)]	60	Great Britain	Chief Human Resources Officer

[(I)] Jann Fisch was appointed as the new Group SVP and President Europe and Africa effective June 17, 2013. Mr. Fisch joined the EMB on the same date.
[(II)] Chief Human Resources Officer Richard Wells joined the EMB on June 17, 2013.
[(III)] Ages are as of December 31, 2013.
[(IV)] Senior Vice President.

4.2 EDUCATION AND PROFESSIONAL BACKGROUND

Andrew Gibson

Please refer to section 3.3.

Thomas Bucher

Thomas Bucher joined the Group in May 2008 as Chief Financial Officer. He oversees global financial activity for the Group, encompassing financial strategy and planning, accounting and control, treasury and financial management, tax and investor relations, as well as overseeing the information technology and corporate communications functions.

Mr. Bucher previously worked for Ciba Specialty Chemicals, a company with a turnover of more than CHF 6 billion. Mr. Bucher's key responsibilities at Ciba included financial accounting, control, treasury and tax. Mr. Bucher also held the role of controller to the Chief Executive Officer and Chairman of the Board of Directors. In his 16 years with Ciba, Mr. Bucher held a succession of leadership positions with increasing responsibility in finance, control and treasury, in both group-level and country-level functions. He currently serves as a non-executive Director of Tareno AG, an asset management company.

His professional background is summarized in the table below:

Ciba Specialty Chemicals / Basel	2007 – 2008	Head Business Support Centre Europe, the Middle East and Africa ("EMEA")
	2005 – 2006	Head Business Support Centre Central Europe, Middle East and Africa
	2001 – 2005	Head Business Finance, Strategy and Support of Coating Effects, Business Segment
	2000 – 2001	Deputy Head of M&A Execution
	1999 – 2000	Head of Capital Market Financing
	1997 – 1999	Head Control Processes and Standards
Ciba Specialty Chemicals / Johannesburg	1996 – 1997	Corporate Controller and IT Head
Ciba-Geigy / Johannesburg	1994 – 1996	Corporate Controller
Ciba-Geigy / Basel	1992 – 1994	Country Manager Regional Finance

Mr. Bucher holds a Master of Arts in Economics from the University of St. Gallen in Switzerland and also completed the INSEAD (Fontainebleau-Singapore) International Executive Program.

Herman Anbeek

Herman Anbeek was named Group SVP and President Emerging Markets in March 2012. Prior to this, Mr. Anbeek held the position of Chief Commercial Officer since June 2007. His prior experience is detailed below:

LSG Sky Chefs / Frankfurt	2003 – 2007	Chief Commercial Officer (Member of the International Management Team)
	2001 – 2003	Senior Vice President Marketing and Sales (Member of the EMEA Management Board)
Pfister / Aarau	1997 – 2001	Manager Sales and Business Unit Furniture (Member of the Executive Board)
	1996	Manager Product Management Furniture
Coopers and Lybrand, Management Consultants / Utrecht, Amsterdam	1995 – 1996	Senior Consultant
KLM Royal Dutch Airlines / Amstelveen, Curacao	1988 – 1995	Special Advisor to the Board at ALM / Antilean Airlines, Curacao, Dutch Antilles (a 50% participation of KLM)
	1993 – 1994	Manager Material Management / Onboard Services
	1991 – 1993	Managing Production Support and Purchasing / KLM Catering Services
	1990 – 1991	Manager Production Support / KLM Catering Services
	1988 – 1990	Management Trainee

Mr. Anbeek holds a Master of Science in Business Engineering from the University of Technology, Enschede, the Netherlands. Mr. Anbeek was also a lecturer at the Diedenoord School of Management and editor for the Open University from 1989 to 1993.

Kristin Brown

Kristin Brown was named General Counsel (subsequently re-named Chief Legal Officer) for the Group in September 2011. The appointment became effective on November 30, 2011, and Ms. Brown joined the EMB on that day. Prior to this position, Ms. Brown had been a member of the Group legal team since September 2006, where she served as Vice President, General Counsel for the Americas. Since July 2011, Ms. Brown had also served as Deputy General Counsel for the Group. In her role as Chief Legal Officer, Ms. Brown oversees the strategic legal counseling and support provided to the Group across the globe.

Ms. Brown’s prior work history includes extensive experience advising multinational companies regarding complex commercial legal issues and disputes, multi-jurisdictional litigation and regulatory compliance counseling.

Weil, Gotshal & Manges LLP	1999-2006	Associate, Litigation & Regulatory Practice Groups
The Honorable Pamela Meade Sargent	1998-1999	Law Clerk to United States District Court Magistrate Judge
Congressman Jim Moran	1994-1998	Senior Legislative Assistant for energy, environment, health care and women's rights
	1990-1994	Legislative Assistant

Ms. Brown holds a J.D. from the George Mason School of Law and a BA in English from the Virginia Polytechnic Institute & State University.

Jann Fisch

Jann Fisch joined the Group in June 2013 as Group SVP and President Europe and Africa.

Mr. Fisch has more than two decades of experience in leading large, complex operational units in the catering and airline industries, including experience in operational turnarounds and launching innovative service offerings. He previously served as CEO of the Nuance Group, Australia and New Zealand, a role he held since 2007. From 2002 – 2007 he worked at Pick Pay and Compass Group as CEO for Switzerland. From 1993 to 2001, Mr. Fisch held various positions at Swissair Group and at its subsidiaries Gate Gourmet and Swisscargo AG.

The Nuance Group / Sydney Area	2007 – 2012	CEO Australia & New Zealand
Compass Group / Zurich	2005 – 2007	CEO
Pick Pay / Zurich	2002 – 2003	CEO
	2002 – 2002	Head Corporate Development
Swissair Group / Zurich	2000 – 2001	EVP Marketing & Sales Swisscargo
Swissair Group / Frankfurt	1998 – 2000	General Manager Germany Swissair
Swissair Group / Zurich	1996 – 1998	Manager Marketing & Sales
	1995 – 1996	Manager Business Development Gate Gourmet
	1994 – 1995	Marketing & Sales Manager Gate Gourmet
	1993 – 1994	Marketing Assistant Gate Gourmet

Mr. Fisch holds a Master in Engineering from the Swiss Federal Institute of Technology (ETH) Zurich.

Douglas Goeke

Douglas Goeke was named Group SVP and President North America in January 2012. Mr. Goeke joined the Group in December 2003 as Chief Financial Officer for North America. He served in that capacity until 2007, when he assumed the role of Chief Administrative Officer for North America. From 2009 to 2010, Mr. Goeke again assumed the role of Chief Financial Officer for North America. In November 2010, Mr. Goeke was appointed President and Managing Director of Gate Gourmet Canada, after the successful acquisition of Canadian operations by the Company in 2010. In that role, Mr. Goeke oversaw the integration and financial turnaround of the acquisition of Cara Airline Solutions, while focusing on strategy and planning, clear management, and implementation of control systems across the newly formed Canadian entity.

In addition to his general management experience within the Group, Mr. Goeke has extensive finance and accounting experience, both in external and internal audit functions as well as responsibility for managing internal financial controls, as detailed in his professional experience below:

The Lincoln Electric Company	1998 – 2003	European Finance Director
	1994 – 1998	European Finance Manager
	1990 – 1994	Manager of Internal Audit
Arthur Andersen & Co.	1987 – 1990	Senior Auditor

Mr. Goeke holds a Bachelor of Science in Business Administration from Bowling Green State University at Bowling Green, Ohio, US and a Masters in Finance from the London Business School.

Mike Hargett

Mike Hargett was named Group SVP and Deputy Chief Financial Officer in August 2012. He joined the Group as VP Financial Planning & Analysis in September 2004, and was appointed Group VP, Finance and Deputy Chief Financial Officer in December 2005. Prior to joining the Group, Mr. Hargett held a number of financial management positions as detailed below:

US Airways / Arlington, VA	2003 – 2004	Managing Director, Financial Planning and Analysis (“FP & A”)
MLT, Inc. / Edina, MN	2000 – 2003	Director, Finance and Controller
Northwest Airlines, Inc. / Eagan, MN	1999 – 2000	Manager, FP & A, Labor Analysis
	1998 – 1999	Interim Manager / FP & A, Labor Analysis
	1998	Senior Financial Analyst / FP & A, Labor Analysis
	1997 – 1998	Financial Analyst / FP & A, Labor Analysis
Hull Trading Company / Chicago, IL	1993 – 1996	Hull Liquidity Fund Equity and Risk Trader / S&P 500 and NASDAQ 100 Options Trader
United States Navy	1984 – 1993	Air Test and Evaluation Squadron Four / Weapon System Operational Test Director
		Fighter Squadron Seventy-Four / F-14 Radar Intercept Officer

Mr. Hargett holds an MBA (with honors) from the University of Chicago Graduate School of Business and a Bachelor of Science in Aeronautical Engineering from the University of Illinois at Champaign, Illinois, US.

Andrew Langdale

Andrew Langdale was appointed Group SVP and President P&SCS in March 2012. In this function, he has oversight of the deSter, Harmony, Supplair and Pourshins brands on a global basis. Prior to this appointment, Mr. Langdale was named Chief Executive Officer of Pourshins Supplair in August 2009, when the management of the two companies was consolidated to leverage the synergies that existed between the two brands. He previously held the position of Managing Director for Pourshins from September 2007 and has an extensive finance and manangement background.

St. Ives Financial	1996 – 2007	President
	1994 – 1996	Finance Director St. Ives Financial Division
	1993 – 1994	Commercial Manager St. Ives Web Division
	1990 – 1993	Group Accountant & Financial Controller St. Ives Plc
PricewaterhouseCoopers	1986 – 1990	Audit

Mr. Langdale attended Durham University and holds a BA (with honors) in History. Mr. Langdale is also a member of the Association of Chartered Accountants. He is a British citizen.

Drew Niemeyer

Drew Niemeyer was apppointed Group Chief Commercial and Corporate Development Officer in March 2012. Mr. Niemeyer is responsible for providing global leadership for sales and marketing and corporate development, including mergers, acquisitions and alliances. Since joining the Group in 2003, he has served in functions with increasing responsibility, including Chief Commercial Officer for the North America division and interim President for Gate Gourmet in the United States. Mr. Niemeyer has been instrumental in integrating the Group's expanded brand portfolio and delivering outsourced management services, including onboard retail services. Mr. Niemeyer has a broad strategic and operational background across multiple functions and industries, including aviation, manufacturing, financial services and consumer goods.

Oliver Wyman (Mercer Management Consulting)	2000 – 2003	Senior Associate
Whitall Management Group	1993 – 1998	Manager

Mr. Niemeyer holds an MBA from the Kellogg School of Management at Northwestern University, where he was distinguished as an F.C. Austin Scholar. He also holds a Bachelor of Science degree from the University of Washington. Mr Niemeyer is an American citizen.

Richard Wells

Richard Wells rejoined the Group in January 2013 as Chief Human Resources Officer and was appointed to the EMB in June 2013. He is responsible for the development and execution of the Group's human resources strategy covering talent attraction, development and retention, executive reward, employee engagement and communications.

Richard Wells joined the Group in 2004 as Director of Strategic Change for Gate Gourmet UK. Mr. Wells served in that capacity until 2005, when he was appointed VP Human Resources Europe. From 2007 to 2009, Mr. Wells assumed the role of Group SVP Human Resources of gategroup. From 2010 to 2012, Mr. Wells led the people agendas of major change programs for two UK businesses, firstly East London Bus Group and latterly Yodel. Before joining the Group in 2004, Mr. Wells served on the Executive Board of two UK listed companies as Group Human Resources Director. In his earlier human resources career, Mr. Wells worked for ITT, Ford and Diageo.

His professional background is summarized in the table below:

Yodel / London	2011 – 2012	Human Resources Director
East London Bus Group / London	2010 – 2011	Director Human Resources
gategroup / Zurich	2007 – 2009	Group SVP Human Resources
	2005 – 2006	VP Human Resources Europe
gategroup / London	2004 – 2005	Director Strategic Change
Amey plc / London	2001 – 2004	Group Human Resources Director
Novar plc / London	1994 – 2001	Group Human Resources Director

Mr. Wells holds a Bachelor of Science (Hons) from the University of London and also completed a post graduate business qualification at the University of Bradford.

4.3 MANAGEMENT CONTRACTS

The Company has not entered into reportable management contracts with any third party.

5 COMPENSATION, SHAREHOLDINGS AND LOANS

POLICY AND PHILOSOPHY

Compensation arrangements at the Group are designed to attract, retain and motivate the international talent that is considered critical for delivery of long-term business results. Key principles that underpin our philosophy are:

Competitive and market aligned compensation – gategroup provides market aligned compensation appropriate to the talent requirements of each position. This supports the Group in attracting, retaining and motivating the executive talent required to deliver our strategic objectives.

Pay for performance – Our compensation program structure places a considerable proportion of pay at risk, with an average of 50% of total compensation at target for executives tied to the achievement of annual and long-term performance goals.

Alignment to long-term shareholder interests – Our programs support us to align executives with the long-term interests of shareholders, focusing on the drivers and delivery of balanced, long-term, sustainable growth.

To ensure that compensation structures continue to support the Group strategy, both the principles and compensation program structures are regularly reviewed.

PROCEDURE FOR DETERMINING COMPENSATION

The Board is responsible for approving compensation arrangements for members of the Board and the EMB based on recommendations from the NCC. The other members of the Board also join the meetings regularly. With the exception of the Chief Executive Officer, the Chief Legal Officer and the Chief Human Resources Officer, EMB members are not present during discussion and review of EMB compensation arrangements. The Chief Executive Officer is not present during discussion and review of his own compensation arrangements. Likewise, neither the Chief Legal Officer nor the Chief Human Resources Officer are present for any discussion regarding their specific compensation arrangements.

In undertaking its duties, the NCC meets as often as necessary, usually five times per year, with a mandate to review the remuneration system of the Group and provide recommendations to the Board on both compensation structure and individual remuneration packages, including equity grants, for members of the EMB. The Chief Human Resources Officer is generally present during the NCC meetings and provides additional input and guidance as required.

To inform its recommendations, the NCC receives independent consulting advice from Mercer Limited and considers competitive market data drawn from published compensation surveys. On occasion Mercer Limited provides other ad-hoc compensation data and reports to the Group. The Group has not awarded Mercer Limited with additional mandates other than the compensation consultancy. For all EMB positions, the NCC reviews base salary, short-term incentive and long-term incentive data at the 25th, 50th and 75th market percentile from industry-specific comparators, including organizations operating in Travel & Leisure, Goods & Services/Industrial Transport and Retail. For each individual EMB position, market information specifically reflects the relevant market(s) from which the Group sources and competes for talent and is designed to closely reflect the accountabilities and economic impact of the role. Key markets for the purpose of comparison include, but are not limited to, Switzerland, the UK, the US and Singapore.

As a secondary reference and to inform compensation policy determination, the NCC reviews disclosed proxy information for a group of 17 publicly listed peer companies with close industry comparability to the Group (including Industrial Goods & Services, Travel & Leisure and Retail). This peer group includes ten Swiss-based organizations, four based elsewhere in Europe and three based in the US. Furthermore, the selected peer companies operate on a broad geographic spread, comparable to that of the Group.

5.1 BOARD OF DIRECTORS COMPENSATION

The compensation structure of the non-executive Board members is comprised of three main elements: basic annual fee, additional responsibility fee and equity incentive plan. For the remuneration of the sole executive Board member in 2013 please refer to section 5.2.

Basic annual fee: A basic fee of CHF 150,000 per annum is provided to each non-executive member of the Board. The Chairman receives an annual fee of CHF 350,000.

Additional responsibility fee: An additional annual fee of CHF 10,000 is paid to the Chairman of the AC and to the Chairman of the NCC in consideration of the additional accountability and time commitment required.

Equity incentive plan: During 2013 the Group operated the Equity Incentive Plan 2009-2013 ("EIP 2009-2013"), an equity incentive plan that was implemented in 2009 to reward the Board and senior management of the Group for the delivery of long-term sustained shareholder value creation. The EIP 2009-2013 consists of base share awards and performance share awards, whereby the non-executive members of the Board are only eligible to receive performance share awards.

One-time grants of performance share awards were made to non-executive Board members under the EIP 2009-2013 in 2009; these all vested during 2010. No grants were made to non-executive Board members under the EIP 2009-2013 in subsequent years, including 2013.

Non-executive Board members are not eligible to participate in the Executive Long Term Incentive Plan 2012 ("ELTIP") described in section 5.2.

Specific information concerning actual compensation paid to the Board for the period of January to December 2013 can be found below presented in accordance with the accrual principle (please also refer to Note 2.3 of the financial statements of gategroup Holding AG):

Remuneration of non-executive Board members[I] January to December 2013[II]

in CHF	Gross cash compensation fixed	Other compensation[III]	Number of EIP 2009–2013 share awards[IV]	Value of EIP 2009–2013 share awards[IV]	Total remuneration
Andreas Schmid, Chairman	350,000	47,154	–	–	397,154
Neil Brown[V]	160,000	20,211	–	–	180,211
Remo Brunschwiler	150,000	10,940	–	–	160,940
Brian Larcombe[V]	160,000	20,211	–	–	180,211
David Siegel	150,000	–	–	–	150,000
Anthonie Stal	150,000	10,940	–	–	160,940
Total remuneration	**1,120,000**	**109,456**	**–**	**–**	**1,229,456**

[I] For the remuneration of the sole executive Board member in 2013 please refer to section 5.2.
[II] There were no termination payments or payments to former non-executive members of the Board during the year under review.
[III] Includes the value of social security contributions.
[IV] No EIP 2009-2013 grants were made in 2013.
[V] Includes additional responsibility fee of CHF 10,000.

Remuneration of non-executive Board members[I] January to December 2012[II]

in CHF	Gross cash compensation fixed	Other compensation[III]	Number of EIP 2009–2013 share awards[IV]	Value of EIP 2009–2013 share awards[IV]	Total remuneration
Andreas Schmid, Chairman	350,000	47,154	–	–	397,154
Neil Brown[V]	160,000	–	–	–	160,000
Remo Brunschwiler[VI]	112,500	8,205	–	–	120,705
Brian Larcombe[V]	160,000	–	–	–	160,000
David Siegel	150,000	–	–	–	150,000
Anthonie Stal	150,000	–	–	–	150,000
Total remuneration	**1,082,500**	**55,359**	**–**	**–**	**1,137,859**

[I] For the remuneration of the sole executive Board member in 2012 please refer to section 5.2.
[II] There were no termination payments or payments to former non-executive members of the Board in 2012.
[III] Includes the value of social security contributions.
[IV] No EIP 2009-2013 grants were made in 2012.
[V] Includes additional responsibility fee of CHF 10,000.
[VI] Appointed to the Board on April 18, 2012.

Shares and options held by the Board of Directors

Specific information concerning the number of shares of the Company held by each non-executive member of the Board and parties related to such persons can be found below (please also refer to Note 2.3 of the financial statements of gategroup Holding AG):

Shareholdings of non-executive Board members as at December 31, 2013[1]

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
Neil Brown	100,000	0.37%
Remo Brunschwiler	–	–
Brian Larcombe	60,000	0.22%
David Siegel	–	–
Anthonie Stal	72,500	0.27%
Total shareholdings	**479,567**	**1.78%**

[1] For the shareholdings of the sole executive Board member in 2013 please refer to section 5.2.

Shareholdings of non-executive Board members as at December 31, 2012[1]

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
Neil Brown	100,000	0.37%
Remo Brunschwiler	–	–
Brian Larcombe	60,000	0.22%
David Siegel	–	–
Anthonie Stal	72,500	0.27%
Total shareholdings	**479,567**	**1.78%**

[1] For the shareholdings of the sole executive Board member in 2012 please refer to section 5.2.

Outstanding options as at December 31, 2013 and as at December 31, 2012[1]

	Date of grant	Number of options	Exercise price	Exercise period	Date of expiry
Andreas Schmid, Chairman	12/31/2007	1,821	CHF 69.04	10 years	12/31/2017

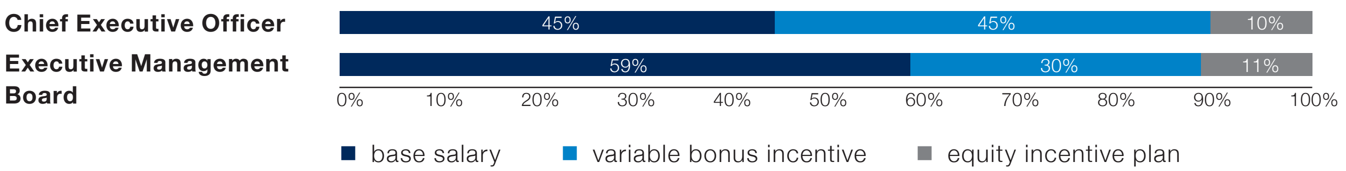
[1] Each option, if exercised, will result in the purchase of one share at the exercise price.

5.2 EXECUTIVE MANAGEMENT BOARD COMPENSATION

The EMB compensation structure is comprised of three main elements: base salary, variable bonus incentive and equity incentive plan.

Base salary and benefits		- Set taking into account responsibilities, performance, market practice and benchmark
Variable bonus incentive	Short-term incentive plan	- Financial and individual performance goals - Target value 50% or 100% of base salary - Paid annually, subject to the size of the available bonus pool, which for EMB participants is determined at a Group level based on relevant financial targets, and subject to individual performance
Equity incentive plan	EIP 2009-2013	- Base share awards under the plan vest in four equal annual installments subject to achievement of value-weighted average share price ("VWAP") targets - Performance share awards under the plan vest in six equal installments subject to achievement of VWAP targets
	ELTIP	- Annual grant of performance share awards, vesting on the fourth anniversary of grant subject to satisfaction of Revenue Growth and Return on Invested Capital ("ROIC") performance conditions

2013 Pay Mix at Target Compensation



Base salary and benefits: Base salary consists of cash payments and aims at providing competitive, fixed compensation to attract and retain talent. Base salaries are reviewed annually by the NCC taking into account the responsibilities of the executive; competitive market practice (as specified above); and individual performance and potential. During the year under review, the NCC reviewed base salaries of a number of individuals in line with the Group's stated compensation principles. As part of this review, for the Chief Executive Officer, an increase to CHF 800,000 was confirmed effective January 1, 2013, representing a phasing of base salary towards competitive market alignment. Benefits include but are not limited to school fees, tax advice and medical and other insurances.

Variable bonus incentive: The variable bonus incentive consists of performance-related cash payments in order to motivate and reward senior management to meet and exceed Group and divisional financial targets, which in turn determine the size of the available bonus pool. For the Chief Executive Officer and EMB, pool funding is based on Group financial targets of EBITDA, EBITDA Margin and free cash flow, with each target weighted equally and measured separately, subject to a profit threshold. Following calculation of the bonus pool, individual allocations to EMB members are then determined based on the individual's performance rating, which is driven by achievement of annually determined strategic, business/operational and personal performance objectives. For 2013, the plan provided an individual target award opportunity to members of the EMB of 50%, and to the Chief Executive Officer of 100% of annual base salary. In a formal review process, which takes into account the specific role and function of the EMB member, as well as the actual results achieved, and which determines the level of performance on each individual objective, an actual overall performance rating is computed. This performance rating then determines, by way of a permissible range with a maximum award level, what percentage of the target bonus is actually earned. Depending on the individual performance rating and the available Group bonus pool, an EMB member can earn a bonus of anywhere between zero and up to a maximum of 200% of the target (the Chief Executive Officer can earn a bonus of up to a maximum of 150% of the target). The plan gives the Board discretion to make payments for extraordinary efforts of key employees related to critical Group projects in accordance with applicable law.

Equity incentive plan: The ELTIP, introduced during 2012, is designed to offer EMB members an increased incentive to further develop their contribution towards the future success of the Group and creation of shareholder value. For senior management, alignment to the objectives of the ELTIP is achieved through eligibility to the Senior Management Long Term Incentive Plan 2012 ("SMLTIP"), which mirrors the key conditions of the ELTIP on a Performance Cash Award basis. A plan participant is eligible for either the ELTIP or the SMLTIP, but not both.

Under the ELTIP, EMB members are eligible to receive conditional performance share awards granted on an annual basis. Awards typically vest on the fourth anniversary of grant, subject to the satisfaction of challenging Revenue Growth and ROIC performance targets and an ongoing employment relationship on the vesting date.

Table [1] details the award structure and the applicable performance targets for the annual award granted in 2013. For subsequent awards, the Board retains discretion to adjust performance targets to ensure appropriate alignment to Group strategy.

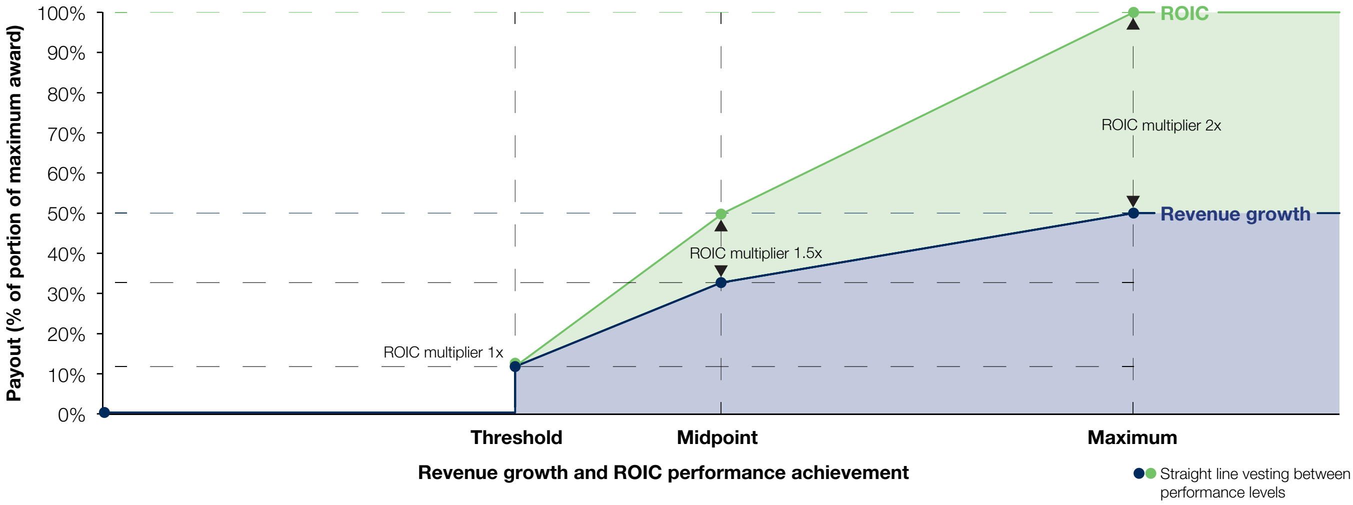
Annual awards under the ELTIP will be made shortly after the Annual General Meeting of Shareholders. In May 2013, 20,000 shares were awarded to the Chief Executive Officer and 7,000 shares were awarded to each of the other EMB participants, including two EMB members who were newly appointed during 2013. These awards are scheduled to vest on May 20, 2017. One EMB member who was appointed during 2013 received an additional grant of 14,000 performance share awards in 2013 under the ELTIP.

The ELTIP succeeds the EIP 2009-2013 under which awards were made between 2009-2012, and final vesting, subject to satisfaction of VWAP targets, is due to occur for performance share awards by December 30, 2014. As the relevant VWAP target over a 360 day period of CHF 25 was not achieved, no vesting occurred in December 2013 for the fourth and final installment of base share awards or any additional grant of base shares made under the EIP 2009-2013. No further awards will be made under the EIP 2009-2013.

Table [1]: Executive Long Term Incentive Plan 2012

Long term incentive measures for ELTIP 2013 awards	% of award	Performance period	Vesting schedule for ELTIP 2013 awards		
			Threshold	Midpoint	Maximum
Revenue growth target - Provides the initial performance condition	50%	FY 2012 - 2016*	Revenue growth of 2% p.a. *12.5% of total award vests*	Revenue growth of 3% p.a. *32.5% of total award vests*	Revenue growth of 5% p.a. *50% of total award vests*
Return on invested capital - A multiplier is applied to amount of award that is determined to vest after the revenue growth targets are measured	50%	FY 2016	ROIC of 9% 1.0x multiplier *Up to 50% of total award vests*	ROIC of 10.5% 1.5x multiplier *Up to 75% of total award vests*	ROIC of 12.5% 2.0x multiplier *Up to 100% of total award vests*
Total vesting = Performance shares granted x (% allocation based on revenue growth x multiplier based on ROIC)					

* Financial Year 2012 represents the baseline for Compound Annual Growth Rate calculation



Specific information concerning actual compensation paid to EMB members and the value of benefits provided for the period of January to December 2013 can be found below presented in accordance with the accrual principle (please also refer to Note 2.3 of the financial statements of gategroup Holding AG):

Remuneration of EMB members January to December 2013

in CHF	Gross cash compen-sation fixed	Gross cash compen-sation variable(I)	Variable com-pensation as a % of fixed compensation	Other compen-sation(II)	Number of EIP 2009–2013 share awards(III)	Value of EIP 2009–2013 share awards(III)	Number of ELTIP 2012 share awards(IV)	Value of ELTIP 2012 share awards(IV)	Total remu-neration
Total remuneration for EMB as a whole(V)	**4,906,114**	**1,399,750**	**28.53%**	**2,299,314**	**-**	**-**	**97,000**	**1,714,960**	**10,320,138**
Andrew Gibson, Chief Executive Officer(VI)	800,000	385,063	48.13%	328,510	-	-	20,000	353,600	1,867,173

(I) The total includes amounts payable in 2014 for 2013 performance under the short-term incentive plan and amounts paid in 2013 for meeting certain regional strategic performance targets.
(II) Includes the value of employer social security and other statutory employer contributions, employer pension contributions as well as benefits such as school fees, tax advice and medical and other insurances provided to EMB members. The value of benefits provided to the EMB members in 2013 is CHF 1,221,777 of which CHF 85,632 were benefits provided to the Chief Executive Officer.
(III) There were no share awards granted in 2013 under the EIP 2009-2013.
(IV) Value of share awards granted under the ELTIP in 2013. Reflects the fair value of share awards at grant date.
(V) Includes remuneration from June 17 to December 31, 2013 for two EMB members who joined the EMB in June 2013. One individual ceased to be an EMB member as of June 18, 2013 and his employment ended effective November 4, 2013. All payments contractually due to the former EMB member were made during the course of 2013 and are included in the total number. One individual ceased to be an EMB member as of November 23, 2013 and his employment will end with effect from April 30, 2014. He will continue rendering services through April 2014. All payments due under the employment contract until the end of December 2013 have been included in the total number.
(VI) Highest total remuneration for a member of the EMB.

Remuneration of EMB members January to December 2012

in CHF	Gross cash compen-sation fixed	Gross cash compen-sation variable	Variable com-pensation as a % of fixed compensation	Other compen-sation(I)	Number of EIP 2009–2013 share awards(II)	Value of EIP 2009–2013 share awards(II)	Number of ELTIP 2012 share awards(III)	Value of ELTIP 2012 share awards(III)	Total remu-neration
Total remuneration for EMB as a whole(IV)	**4,086,231**	**-**	**-**	**1,755,283**	**7,438**	**225,958**	**146,000**	**2,965,730**	**9,033,202**
Andrew Gibson, Chief Executive Officer(V)	700,000	-	-	377,626	-	-	20,000	401,000	1,478,626

(I) Includes the value of employer social security and other statutory employer contributions, employer pension contributions as well as benefits such as school fees, tax advice and medical and other insurances provided to EMB members. The value of benefits provided to the EMB members in 2012 is CHF 897,998 of which CHF 164,534 were benefits provided to the Chief Executive Officer.
(II) Value of share awards granted under the EIP 2009-2013. Reflects share price at grant date. For one member who received additional base share awards the grant date was April 26, 2012 at a value of CHF 30.38.
(III) Value of share awards granted under the ELTIP in 2012. Reflects the fair value of share awards at grant date.
(IV) Includes remuneration from March 1 to December 31, 2012 for two EMB members who joined the EMB on March 1, 2012.
(V) Highest total remuneration for a member of the EMB.

Shares and options held by the Executive Management Board

Specific information concerning the number of shares of the Company held by each member of the EMB and parties related to such persons can be found below (please also refer to Note 2.3 of the financial statements of gategroup Holding AG):

Shareholdings of EMB members as at December 31, 2013

	Number of shares	Representing % of the share capital of the Company	EIP 2009–2013 base share awards(I)	EIP 2009–2013 performance share awards(II)	ELTIP 2012 performance share awards(III)
Andrew Gibson, Chief Executive Officer	59,308	0.22%	–	80,000	40,000
Thomas Bucher, Chief Financial Officer	71,843	0.27%	–	7,000	21,000
Herman Anbeek, Group SVP(IV) and President Emerging Markets	50,000	0.19%	–	6,000	21,000
Kristin Brown, Chief Legal Officer	12,945	0.05%	–	6,000	21,000
Jann Fisch, Group SVP and President Europe and Africa(V)	–	–	–	–	21,000
Douglas Goeke, Group SVP and President North America	9,088	0.03%	–	3,500	21,000
Mike Hargett, Group SVP and Deputy Chief Financial Officer	46,360	0.17%	–	6,000	21,000
Andrew Langdale, Group SVP and President Product and Supply Chain Solutions	4,127	0.02%	–	3,500	21,000
Drew Niemeyer, Chief Commercial and Corporate Development Officer	7,157	0.03%	–	3,500	21,000
Richard Wells, Chief Human Resources Officer(V)	–	–	–	–	7,000
Jaap Roukens, Chief Marketing Officer, Product and Supply Chain Solutions(VI)	–	–	–	–	–
Peter van Niekerk, Group SVP and President Europe and Africa(VII)	–	–	–	–	–
Total shareholdings	**260,828**	**0.98%**	**–**	**115,500**	**215,000**

(I) No remaining unvested EIP 2009–2013 base share awards as at December 31, 2013. The final installment of base share awards under the EIP 2009–2013 did not vest in 2013 and all shares were forfeited without any compensation.

(II) Unvested EIP 2009–2013 performance share awards as at December 31, 2013. These vest in one installment subject to satisfaction of the respective volume-weighted average share price ("VWAP") targets.

(III) Unvested ELTIP performance share awards as at December 31, 2013. For EMB participants (excluding the Chief Executive Officer and the Chief Human Resources Officer), these vest in three equal annual installments in 2015, 2016 and 2017. For the Chief Executive Officer vesting will occur in two equal annual installments in 2016 and 2017. For the Chief Human Resources Officer vesting will occur in a single installment in 2017. Vesting of all ELTIP awards is subject to the satisfaction of relevant Revenue Growth and Return on Invested Capital ("ROIC") performance targets.

(IV) Senior Vice President ("SVP").

(V) Joined the EMB on June 17, 2013.

(VI) Ceased to be EMB member as of November 23, 2013.

(VII) Ceased to be EMB member as of June 18, 2013.

There are no options held by any EMB member as at December 31, 2013.

Shareholdings of EMB members as at December 31, 2012

	Number of shares	Representing % of the share capital of the Company	EIP 2009–2013 base share awards(I)	EIP 2009–2013 performance share awards(II)	ELTIP 2012 performance share awards(III)
Andrew Gibson, Chief Executive Officer	59,308	0.22%	11,250	80,000	20,000
Thomas Bucher, Chief Financial Officer	71,843	0.27%	11,250	7,000	14,000
Herman Anbeek, Group SVP and President Emerging Markets	82,342	0.31%	11,250	6,000	14,000
Kristin Brown, Chief Legal Officer	12,945	0.05%	5,625	6,000	14,000
Douglas Goeke, Group SVP and President North America	14,230	0.05%	9,000	3,500	14,000
Mike Hargett, Group SVP and Deputy Chief Financial Officer	46,360	0.17%	5,625	6,000	14,000
Andrew Langdale, Group SVP and President Product and Supply Chain Solutions	7,252	0.03%	3,125	3,500	14,000
Drew Niemeyer, Chief Commercial and Corporate Development Officer	7,157	0.03%	1,562	3,500	14,000
Jaap Roukens, Chief Marketing Officer, Product and Supply Chain Solutions	33,525	0.13%	5,625	6,000	14,000
Peter van Niekerk, Group SVP and President Europe and Africa	14,791	0.06%	9,792	4,500	14,000
Total shareholdings	**349,753**	**1.32%**	**74,104**	**126,000**	**146,000**

(I) Remaining unvested EIP 2009–2013 base share awards as at December 31, 2012. These vest in one installment in 2013 subject to satisfaction of the respective VWAP targets.
(II) Unvested EIP 2009–2013 performance share awards as at December 31, 2012. These vest in one installment subject to satisfaction of the respective VWAP targets.
(III) Unvested ELTIP performance share awards as at December 31, 2012. For EMB participants (excluding the Chief Executive Officer), these vest in two equal annual installments in 2015 and 2016. For the Chief Executive Officer vesting will occur in a single installment in 2016. Vesting of all ELTIP awards granted in 2012 is subject to the satisfaction of relevant Revenue Growth and ROIC performance targets.

There were no options held by any EMB member as at December 31, 2012.

5.3 LOANS GRANTED TO BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT BOARD

No loans or guarantee commitments have been granted to members of the Board or the EMB.

5.4 CHANGE OF CONTROL

There were no change of control provisions in place for any non-executive member of the Board during the year under review.

There were no contractual change of control provisions in place for EMB members during the year under review, with the exception of the Chief Executive Officer, whose contract of employment provides that should a change of control event arise, the Chief Executive Officer may elect to terminate his employment at any time during the six months following the event with the ordinary notice period of twelve months. In such case, the Chief Executive Officer would be entitled to elect to cease performing his service and duties during a period beginning six months after the notice has been received by the Company and ending on termination date, but would remain entitled to receive the salary and benefits he otherwise would have received until the end of the notice period. In addition, an agreement was entered into in February 2012 for a fixed term of five years, with a member of the wider management of the Company who joined a subsidiary of the Company following an acquisition. The agreement provides that either the Company or the manager can elect to terminate the contract of the manager during a period of six months immediately following a change of control of the Company, in which case the manager is entitled to receive a lump sum payment of a maximum of two and a half times the manager's maximum annual salary, reducing to half this amount following the second anniversary of the contract.

Upon a change of control event, all remaining unvested performance share awards under the EIP 2009-2013 remain subject to achievement of the respective share price target, with the exception of the additional grant of performance share awards made to the current Chief Executive Officer with effect as per July 28, 2011. Upon a change of control event these awards vest on a pro-rated basis depending on the timing of the change of control, but are not subject to measurement of share price targets.

Upon a change of control event, all outstanding performance share award grants under the ELTIP will vest immediately without measurement against performance levels. The total number of shares to be allocated for each outstanding performance share award grant will be based upon assumed mid-point performance for the respective performance share award grant and will be pro-rated for the period from award date to change of control for each respective performance share award grant.

Furthermore, upon a change of control event, all outstanding performance cash award grants under the SMLTIP 2012 will vest immediately without measurement against performance levels. The total cash payment to be allocated for each outstanding performance cash award grant will be based upon assumed mid-point performance for the respective performance cash award grant and will be pro-rated for the period from award date to change of control for each respective performance cash award grant.

In addition, for outstanding options in the event of a change of control, consideration will be paid for the expected net gain at the time of transaction.

5.5 SEVERANCE

Non-executive members of the Board are entitled to a severance term of twelve months in case of removal according to Art. 705 of the Swiss Code of Obligations provided that the Board member has not given cause for such removal.

EMB members under Swiss contracts have reciprocal employee/employer notice periods of six to twelve months, with continued payment of salary and benefits during such periods. One EMB member under a Swiss contract would remain eligible to continue participation in a short term incentive plan during the notice period (provided termination is without cause). The bonus would be calculated at target and on a pro-rated basis according to the duration of the notice period.

EMB members under US contracts are generally subject to employment at will and have severance terms that allow for between six to twelve months continued payment of base salary and certain benefits following termination of employment by the Company, provided such termination is without cause and the EMB member has executed a confidentiality and non-compete agreement of the same duration. In addition two EMB members under a US contract are required to give six months' notice to the Company in order to terminate employment, with continued payment of salary and certain benefits during such notice period. Two other EMB members under a US contract have a six respectively twelve months' reciprocal employee/employer notice period with continued payment of salary and benefits during such notice period.

One EMB member under a UK contract has a reciprocal employee/employer notice period of twelve months with continued payment of base salary and certain benefits during such period.

6 SHAREHOLDERS' PARTICIPATION

6.1 VOTING RIGHTS AND REPRESENTATION RESTRICTIONS

6.1.1 All voting rights restrictions, along with an indication of statutory group clauses and rules on granting exceptions, particularly in the case of institutional voting rights representatives
Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company. Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account (art. 5 paras. 2 and 3 of the Articles of Incorporation).

There are no voting rights restrictions in the Articles of Incorporation.

6.1.2 Rules on participating in the General Meeting of Shareholders if they differ from applicable legal provisions
After the Ordinance became effective on January 1, 2014, a shareholder may only be represented in the General Meeting of Shareholders by his legal representative, another shareholder with voting right, or the independent proxy holder. All shares held by a shareholder may only be represented by one person (art. 11 para. 2 of the Articles of Incorporation).

6.2 QUORUMS *(STATUTARISCHE QUOREN)*

The rules in the Articles of Incorporation do not differ from the legal regime provided by Swiss law, except regarding the removal of restrictions on the transfer of registered shares which requires the approval of at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented at the General Meeting of Shareholders (please also refer to art. 13 of the Articles of Incorporation).

6.3 CONVOCATION OF THE GENERAL MEETING OF SHAREHOLDERS

The Company's rules (arts. 8 and 9 of the Articles of Incorporation) do not differ from applicable legal provisions. An extraordinary General Meeting of Shareholders shall be convened by the Board at the written request of one or more shareholders with voting rights representing in the aggregate at least 10% of the share capital as registered in the commercial register (please also refer to art. 8 para. 3 of the Articles of Incorporation).

6.4 AGENDA

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 or at least 10% of the share capital may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board at the latest 45 days before the General Meeting of Shareholders and shall specify the agenda items and the proposals made (please also refer to art. 9 para. 5 of the Articles of Incorporation).

6.5 INSCRIPTIONS INTO THE SHARE REGISTER

The relevant date to determine the shareholders' right to participate in and to vote at the General Meeting of Shareholders on the basis of the registrations appearing in the share register is set by the Board in the invitation to the General Meeting of Shareholders (please also refer to art. 11 para. 3 of the Articles of Incorporation).

7 CHANGES OF CONTROL AND DEFENSE MEASURES

7.1 DUTY TO MAKE AN OFFER

The Company does not have a provision on opting-out or opting-up in the Articles of Incorporation. Thus, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover offer set out in Art. 32 of the Swiss Stock Exchange Act are applicable.

7.2 CLAUSES ON CHANGES OF CONTROL

Change of control clauses in agreements and schemes benefitting members of the Board of Directors and/or Executive Management Board as well as other members of the Company's management
Please refer to section 5.4.

8 AUDITORS

8.1 DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

PricewaterhouseCoopers AG, Zurich, Switzerland, is the auditor for the Group and the Company. PwC assumed the existing auditing mandate on December 6, 2002. The Annual General Meeting of Shareholders elects the auditors for a term of one year, renewable annually. The lead auditor, Mr. Martin Kennard, took up office in respect of this mandate on July 1, 2009.

8.2 AUDITING AND ADDITIONAL FEES

The following table shows all costs which PwC charged to the Group during the financial years 2013 and 2012:

in CHF m	2013	2012
Audit and audit related fees	**3.4**	**3.2**
Additional fees for:		
- Tax services	1.2	1.5
- Acquisition related consulting services	0.1	0.7
- Other consulting services	0.2	0.7
Total additional fees	**1.5**	**2.9**

Audit fees are paid to PwC for the standard audit work that needs to be performed each year in order to issue opinions on the consolidated financial statements as well as opinions on the local statutory accounts.

Additional fees are related to services performed by the auditors but not directly in connection with the annual audit. These fees include tax services which consist of tax compliance and other services, acquisition-related consulting fees and work associated with capital raising.

8.3 INFORMATION TOOLS PERTAINING TO THE EXTERNAL AUDIT

The AC monitors and evaluates the activities of the external auditors, PwC, as mandated by the Board. In exercising this duty the members of the AC use their knowledge and experience, consider documents received from the external auditors and place reliance on verbal statements made by them.

The AC determines the scope of external audit and its activities, considers the audit plan and discusses results. The AC assesses the effectiveness of the auditors in accordance with Swiss law, based on their understanding of the Group's business, control, accounting and reporting issues, together with the way in which matters significant at Group level or in the various statutory accounts are identified and resolved.

PwC presents to the AC an overview of issues found during the interim audit, a detailed report on the financial statements audit and significant findings on financial accounting, reporting and the internal control system. In 2013, PwC participated in five meetings of the AC. PwC also met with the Chairman of the AC without the Group's management being present.

The Group Head of Internal Audit met five times with the AC during 2013 and he regularly met with the Chairman of the AC for interim updates.

The AC on a regular basis evaluates the qualification, performance and independence of PwC and, once yearly, based on the performance of PwC, decides on its recommendation to the Board whether PwC should be proposed to the Annual General Meeting of Shareholders for re-election. The AC considers the compatibility of non-audit services with the auditors' independence. All audit and non-audit services provided by PwC are pre-approved by the Chief Executive Officer and the Chief Financial Officer. Audit and non-audit fees are ultimately approved by the AC.

PwC monitors its independence throughout the year and confirms its independence to the AC annually. The lead auditor is rotated every seven years in accordance with Art. 730a para. 2 of the Swiss Code of Obligations.

9 INFORMATION POLICY

The Company is committed to maintaining a close relationship with shareholders, potential investors and other interested parties. The Company publishes each year a detailed Annual Report, which provides information on the Group's results and operations. It also provides a half-year report and discloses quarterly financial results. Important corporate news is the object of ad-hoc publicity statements.

The Company pursues an open and active information policy for the benefit of the shareholders, the financial markets and the general public. All stakeholders are given the same opportunity to follow the Group's developments and publications, which are made available to all stakeholders at the same time. (According to art. 22 para. 1 of the Articles of Incorporation the official means of publication of the Company is the Swiss Official Gazette of Commerce.)

The Investor Relations function of the Company is responsible for managing all contacts with investors and analysts. Meetings are held regularly with institutional investors and analysts to discuss important corporate news or specific topics. The Company's information exchange can also be followed by private investors via telephone conference or on the Company's website in the Investor Relations section (http://www.gategroup.com/investors). In addition, the Company undertakes road shows for institutional investors and participates in the equity conferences on a regular basis.

The Company is strongly committed to treating all investors equally. The Group prevents selective disclosure by observing the ad-hoc publicity rules and maintains a policy of restrictions to prevent insiders from trading during sensitive intervals.

The corporate calendar as well as regularly updated information is available on the Company's website in the Investor Relations section (http://www.gategroup.com/investors/events-calendar). An e-mail subscription service provides news releases (http://www.gategroup.com/press-center/subscriptions).

The Company's Investor Relations department can be contacted, either through the website, or by telephone, fax, e-mail or letter.

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Appendix

Articles of Incorporation of
gategroup Holding AG[(I)]
(gategroup Holding SA)
(gategroup Holding Ltd)

Translation [(II)]

I CORPORATE NAME, DOMICILE, DURATION, PURPOSE OF THE CORPORATION

ARTICLE 1: NAME, PLACE OF INCORPORATION, DURATION

1 Under the name gategroup Holding AG (gategroup Holding SA) (gategroup Holding Ltd) exists a corporation pursuant to the present Articles of incorporation and the provisions of the 26th title of the Swiss Code of Obligations (the CO). The domicile of the company shall be in Kloten, canton Zurich.

2 The duration of the Company shall be unlimited.

ARTICLE 2: PURPOSE

1 The purpose of the Company is to acquire, to hold, to administer continuously and to sell participations in national and international companies, in particular in the areas of catering, hospitality, transportation and related industries.

2 The Company may open branch offices, subsidiaries and agencies in Switzerland and abroad. It may finance the acquisition of participations and it may grant guarantees or other securities in relation to liabilities of affiliated companies. In addition, the Company may engage in any other commercial, financial and other activities which are linked directly or indirectly to the purpose of the Company.

3 The Company may acquire, manage, exploit and sell real estate and intellectual property rights in Switzerland and abroad and finance other companies.

II CAPITAL

ARTICLE 3: SHARE CAPITAL

1 The share capital of the Company is CHF 133,931,680.00 and is divided into 26,786,336 registered shares with a nominal value of CHF 5.00 each. The shares are fully paid-in.

2 The General Meeting of Shareholders may at any time convert registered shares into bearer shares or bearer shares into registered shares.

ARTICLE 3[BIS]: CONDITIONAL CAPITAL

1 The share capital may be increased in an amount not to exceed CHF 1,906,775.00 by the issuance of up to 381,355 fully paid registered shares with a nominal value of CHF 5.00 each through the exercise of option which the employees or members of the Board of Directors of the Company or a group company are granted according to the respective regulations of the Board of Directors.

2 The share capital may be increased in an amount not to exceed CHF 9,839,110.00 by the issuance of up to 1,967,822 fully paid registered shares with a nominal value of CHF 5.00 each through the exercise of conversion and|or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies, and|or by the exercise of options which are granted by the Company or one of its group companies (including in case of a public offer for shares of the Company).

3 The preferential subscription rights of the shareholders shall be excluded in the case of the issuance of convertible debentures, debentures with option rights or other financial market instruments comprising conversion and|or option rights, and in the case of the issuance of option rights. The then current owners of conversion and|or option rights shall be entitled to subscribe for the new shares.

(I) Version of February 25, 2013.

(II) This is an informal English translation. In case of doubt or differences of interpretation, the official German version of the Articles of Incorporation shall prevail over the English text.

4 The acquisition of shares through the exercise of conversion andlor option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.

5 The Board of Directors may (including in case of a public offer for shares of the Company) limit, grant indirectly or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financial market instruments or option rights when they are issued, if:

a) an issue by firm underwriting by a consortium of banks with subsequent offering to the public without priority subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or
b) the issuance occurs in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new Investments of the Company; or
c) option rights are issued in connection with employee participation programs.

6 If priority subscription rights are denied by the Board of Directors, the following shall apply:

a) conversion rights may be exercised only for up to 15 years, option rights only for up to 7 years from the date of the respective issuance;
b) the respective financial instruments must be issued at the relevant market conditions.

ARTICLE 3TER: AUTHORIZED CAPITAL

1 The Board of Directors shall be authorized (including in case of a public offer for shares of the Company) to increase the share capital in an amount not to exceed CHF 13,277,065 through the issuance of up to 2,655,413 fully paid registered shares with a nominal value of CHF 5.00 per share by not later than April 19, 2013. Increases in partial amounts shall be permitted.

2 The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the restrictions of Article 5 of these Articles of Incorporation.

3 The Board of Directors shall determine the issue price, the type of payment, the date of issue of new shares, the conditions for the exercise of the preferential subscription rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party and a subsequent offer of these shares to the current shareholders. The Board of Directors may permit preferential subscription rights that have not been exercised to expire or it may place these rights and shares as to which preferential subscription rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.

4 The Board of Directors is further authorized (including in case of a public offer for shares of the Company) to restrict or deny the preferential subscription rights of shareholders or allocate such rights to third parties if the shares are to be used:

a) for the acquisition of an enterprise, parts of an enterprise, or participations, or for new investments, or, in case of a share placement, for the financing or refinancing of such transactions;
b) for the purpose of the participation of a strategic partner or for the purpose of broadening the shareholder constituency in certain investor markets or in connection with a listing of shares on domestic or foreign stock exchanges, including in connection with the grant of an over-allotment option to a consortium of banks;
c) for the participation of employees or members of the Board of Directors;
d) in order to quickly and flexibly raise equity capital, which would be difficult to achieve with preferential subscription rights.

ARTICLE 4: SHARE CERTIFICATES

1 The Company issues its registered shares in the form of single share certificates, global share certificates or uncertificated securities. Within the provisions of the law, the Company may at any time and at its own cost convert registered shares issued in one of the above mentioned forms into another form without the consent of the shareholder.

2 The Company shall keep a register for the issued uncertificated securities (register of uncertificated securities), in which the amount and the denomination of the issued uncertificated securities and the name of the creditors shall be registered. The register of uncertificated securities is not public. The uncertificated securities take effect upon entry into the register of uncertificated securities and exist only to the extend registered.

3 The shareholder has no entitlement to the converting of registered shares issued in a specific form into another form. The shareholder may however at any time request the Company to issue a written statement in respect of the registered shares held by the shareholder pursuant to the share register.

[4] Book entry securities based on registered shares of the Company may not be transferred by assignment. Neither can securities be granted on book entry securities by assignment.

ARTICLE 5: SHARE REGISTER, NOMINEES

[1] The Company shall keep a share register for the registered shares, in which the name, first name(s) (the name of the company in case of a legal entity), address and nationality (registered office in case of a legal entity) of the shareholders or usufructuaries shall be registered. If a person registered in the share register changes his|her address, he|she shall inform the Company thereof. As long as such an address change has not been notified, any written information shall validly be notified to the address filed with the share register.
[2] Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.
[3] Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.
[4] [left blank by intention]
[5] Persons who do not explicitly declare holding the registered shares on their own account and who are subject to the control of a recognized bank or financial supervision authority (Nominees) are registered as shareholders with voting right, if the Nominee discloses in the registration application the names, addresses and the number of shares of the persons for whose account it holds 0.5 percent or more of the share capital registered in the commercial register. Legal entities and partnerships which are consolidated among themselves through unified management or similar organization as well as natural persons or legal entities and partnerships which act in concert to circumvent the regulations concerning the nominees (especially as syndicates), shall be treated as one single nominee within the meaning of paragraph 5 of this article.
[6] After hearing the registered shareholder or Nominee, the Board of Directors may cancel, with retroactive effect as of the date of registration, if appropriate, the registration of shareholders if the registration was effected based an false information or the reason for the registration fall away. The respective shareholder or Nominee shall be informed immediately of the cancellation of the registration.
[8] The Board of Directors shall specify the details and give the necessary orders concerning the adherence to the preceding regulations. In particular cases it may allow exemptions from the limitation of registration and|or the regulation concerning Nominees. It may delegate its duties.
[9] No entries are made in the share register between the date of publication or mailing of the invitation to a General Meeting of Shareholders and the day following the Meeting, unless the Board of Directors informs an a different cut-off date.

III ORGANIZATION

ARTICLE 6: CORPORATE BODIES

The Corporate Bodies are:
(a) the General Meeting of Shareholders
(b) the Board of Directors
(c) the Auditors

A General Meeting of Shareholders
ARTICLE 7: POWERS

The General Meeting of Shareholders is the supreme corporate body of the Company. It has the following non delegable powers:
1. to adopt and amend the Articles of Incorporation;
2. to elect and remove the members of the Board of Directors and the Auditors;

3. to approve the annual report, the annual financial statements and the consolidated financial statements;
4. to determine the allocation of profits as shown on the balance sheets, in particular with regard to dividends;
5. to discharge the members of the Board of Directors and the persons entrusted with management;
6. to pass resolutions concerning all matters which are reserved to the authority of the General Meeting of Shareholders by law or by the Articles of Incorporation or which have been submitted by the Board of Directors.

ARTICLE 8: MEETINGS

1 The ordinary General Meeting of Shareholders shall be held within six months after the close of the fiscal year.
2 Extraordinary General Meetings of Shareholders shall be called by the Board of Directors according to need, especially in cases that the law foresees.
3 Furthermore, extraordinary Meetings of Shareholders shall be convened by the Board of Directors upon resolution of a General Meeting of Shareholders or at the written request of one or more shareholders with voting rights representing in the aggregate at least 10 percent of the share capital, specifying the items and proposals to appear on the agenda and, in case of elections, the names of the candidates.

ARTICLE 9: NOTICE, AGENDA OF MEETING

1 The General Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. The liquidators may also call the General Meeting of Shareholders.
2 The General Meeting of Shareholders shall be convened by notice in the official means of publication of the Company not less than 20 days before the date fixed for the Meeting. Shareholders may also be informed by ordinary mail.
3 The annual report and the Auditor's report must be submitted for examination by the Shareholders at the registered office of the Company at least 20 days prior to the date of the ordinary General Meeting of Shareholders. Reference to such availability and the right of the shareholders to demand delivery of these documents shall be included in the invitation to the Meeting.
4 The invitation to a General Meeting of Shareholders shall state besides day, time and place of the General Meeting of Shareholders to be held, the items and the proposals of the Board of Directors and the shareholders who demand that the General Meeting of Shareholders be called or that items be included in the agenda.
5 One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 or at least 10 percent of the share capital may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 45 days before the General Meeting of Shareholders and shall specify the agenda items and the proposals made.
6 No resolution shall be passed on items for which no proper notice has been given; this prohibition does not apply to proposals made during a General Meeting of Shareholders to call an extraordinary General Meeting of Shareholders or to initiate a special audit.
7 No prior notice is required for proposals concerning items included in the agenda and deliberations that do not result in the adoption of resolutions.

ARTICLE 10: CHAIRMAN, MINUTES

1 The General Meeting of Shareholders shall be chaired by the Chairman of the Board of Directors, in his absence by the Vice Chairman of the Board of Directors, or by another daily Chairman designated by the General Meeting of Shareholders.
2 The Chairman of the Meeting shall designate the secretary and the scrutineers who need not be shareholders.
3 The Board of Directors shall provide for keeping the minutes, which shall be signed by the Chairman of the General Meeting of Shareholders and the secretary.

ARTICLE 11: VOTING RIGHTS, PROXIES

1 Each share recorded as share with voting rights in the share register confers one vote on its registered holder.
2 The Board of Directors shall set forth the rules regarding the participation and representation in the General Meeting of Shareholders. A shareholder may only be represented in the General Meeting of Shareholders by his legal representative, another shareholder with voting right, representatives of corporate bodies, the independent proxy holder or the proxy holder for deposited shares. All shares held by a shareholder may only be represented by one person.
3 Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date designated by the Board of Directors shall be entitled to vote at the General Meeting of Shareholders and to exercise their votes at the General Meeting of Shareholders.

ARTICLE 12: QUORUM AND DECISIONS

1 The General Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of shares represented.
2 Unless the law or these Articles of Incorporation provide for a qualified majority, an absolute majority of the votes represented at a General Meeting of Shareholders is required for the adoption of resolutions or for elections.
3 Elections and votes shall be taken on a show of hands unless a vote by ballot or electronic voting is ordered by the Chairman of the General Meeting of Shareholders. The Chairman may at any time order that a resolution by show of hands be repeated by vote by ballot if he believes the result of the vote by show of hands not to be conclusive. In this case, the previous election or vote by show of hands shall be deemed not to have taken place.
4 If the first ballot fails to result in an election and more than one candidate is standing for election, the Chairman shall order a second ballot in which a relative majority shall be decisive.
5 The Company may also make arrangements for electronic voting. Resolutions passed by electronic voting shall have the same effect as elections and votes by ballot.

ARTICLE 13: SPECIAL QUORUMS

A resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented, shall be required for:

1. a modification of the purpose of the Company;
2. the creation of shares with privileged voting right;
3. restrictions on the transfer of registered shares and the removal of such restrictions;
4. an authorized or conditional increase of the share capital;
5. an increase of the share capital through the conversion of capital surplus, through a contribution in kind or in exchange for an acquisition of assets, or a grant of special benefits upon an increase of the share capital;
6. the restriction or denial of pre-emptive rights;
7. a change of the place of incorporation of the Company;
8. the dissolution of the Company;
9. other matters where statutory law provides for a corresponding quorum.

B Board of Directors

ARTICLE 14: ELECTION, CONSTITUTION

1 The Board of Directors shall consist of at least five and in maximum twelve members.
2 The members of the Board of Directors shall be elected for a term of one year. A year shall mean the period running between one Ordinary General Meeting of Shareholders and the next. New members elected during the year shall continue in office until the end of their predecessor's term.
3 The members of the Board of Directors may be re-elected without limitation.
4 The members of the Board of Directors shall automatically retire after the expiry of the seventieth year of age; the retirement shall become effective on the date of the next ordinary General Meeting of Shareholders. The General Meeting of Shareholders may, under special circumstances, grant an exception from this rule and may elect a member of the Board of Directors for further terms of office of one year.

ARTICLE 15: ULTIMATE DIRECTION, DELEGATION

1 The Board of Directors has the ultimate direction of the business of the Company and the ultimate supervision of the persons entrusted with the management of the Company. It represents the Company towards third parties and shall manage all matters which by law, the Articles of Incorporations or by regulation are not delegated to another body of the Company.
2 The Board of Directors may appoint from amongst its members standing or ad hoc committees entrusted with the preparation and execution of its decisions or the supervision of specific parts of the business. The Board of Directors shall ensure that it is kept properly informed.
3 The Board of Directors may delegate its powers and duties, in part or entirely, except for the non-delegable and inalienable duties, to one or several members of the Executive Board or representatives of the Company, to members of the Board of Directors, to committees or third parties, who need not be shareholders.

ARTICLE 16: SPECIFIC POWERS OF THE BOARD

The Board of Directors has the following nondelegable and inalienable duties:
1. the ultimate direction of the business of the Company and the power to give the necessary directives;
2. the determination of the organization of the Company;
3. the administration of the accounting system, financial control and financial planning;
4. the appointment and removal of the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
5. the ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
6. the preparation of the business report and the General Meetings of Shareholders and to carry out the resolutions adopted by the General Meeting of Shareholders;
7. notification of the judge in case of overindebtedness;
8. the passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares;
9. the passing of resolutions confirming increases of the share capital and the respective amendments of the Articles of Incorporation;
10. the examination of the professional qualifications of the Auditors;
11. the non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act and any other law.

ARTICLE 17: CONSTITUTION, ORGANIZATION, COMPENSATION

1 The Board of Directors shall constitute itself. It shall elect from amongst its members a Chairman, if necessary one or several Vice Chairmen. The Board of Directors shall further appoint a secretary who need not be a member of the Board of Directors.
2 Subject to Article 14 et seq. of the Articles of incorporation, the Board of Directors shall set forth its organization and the adaption of resolutions in organizational regulations.
3 Members of the Board of Directors shall have the right of compensation regarding their expenses that they have made in the interest of the Company and remuneration for their activities, the amount of which is fixed by the Board of Directors.

C Auditors
ARTICLE 18: ELIGIBILITY, DUTIES

1 The General Meeting of Shareholders shall elect every year one or more accountants as its Auditors, which shall be independent from the Company and meet the special professional standards required by law. The Auditors of the Company may be re-elected.
2 The Auditors shall have the rights and duties according to applicable provisions of the CO. The auditors shall be bound to attend the ordinary General Meeting of Shareholders, to which they must report.

IV FINANCIAL STATEMENTS

ARTICLE 19: FINANCIAL YEAR, BUSINESS REPORT

1 The financial year shall commence on January 1 and shall end on December 31.
2 For every financial year the Board of Directors shall prepare a business report including the annual financial statements (consisting of the profit and loss statements, balance sheet and notes to the financial statements), the annual report and the consolidated financial statements.

ARTICLE 20: ALLOCATION OF PROFITS

1 Subject to the legal provisions regarding distribution of profits, in particular Art. 671 et seq. CO, the profit as shown on the balance sheet shall be allocated by the General Meeting of Shareholders at its discretion. The Board of Directors shall submit its proposals to the Meeting of the Shareholders.
2 Further reserves may be taken in addition to the reserves required by law.
3 A dividend may not be declared until after the allocations to the legal reserves have been made in accordance with the law. Any dividend not claimed within five years of it becoming due shall be forfeited to the Company.

V DISSOLUTION

ARTICLE 21: DISSOLUTION AND LIQUIDATION

1 The General Meeting of Shareholders may at any time resolve the dissolution and liquidation of the Company in accordance with the provisions of the law and of the Articles of Incorporation.
2 The liquidation shall be carried out by the Board of Directors to the extent that the General Meeting of Shareholders has not entrusted the same to other persons.
3 The liquidation of the Company shall take place in accordance with Art. 742 et seq. CO. The liquidators are authorized to dispose of the assets (including real estate) by way of private contract.
4 After all debts have been satisfied, the net proceeds shall be distributed among the shareholders in proportion to the amounts paid-in.

VI COMMUNICATIONS

ARTICLE 22: NOTICES AND PUBLICATIONS

1 The official means of publication of the Company shall be the Swiss Official Gazette of Commerce.
2 To the extent that personal notification is not required by law, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Written communications by the Company to its shareholders shall be sent by ordinary mail to the last address of the shareholder entered in the share register of the Company.

VII CONTRIBUTION IN KIND/ACQUISITION OF ASSETS

ARTICLE 23: CONTRIBUTION IN KIND/ACQUISITION OF ASSETS

1 The Company acquires according to the contribution in kind I acquisition of assets agreement dated April 27, 2009 from Gate Gourmet Group Holding LLC, in Wilmington, Delaware, the following assets: 427,821 shares of Gate Gourmet Holding 1 S.à r.l., in Luxembourg, with a nominal value of EUR 100.00 each, with a value of CHF 599,603,699.00, 10 shares of Gate Gourmet Holding S.C.A., in Luxembourg, with a nominal value of EUR 100.00 each, with a value of CHF 396,301.00 as well as a convertible loan claim against Gate Gourmet Holding 1 S.à r.l., in Luxembourg, in the amount of EUR 7,102,480.77 (incl. accrued interest), with a value of CHF 10,653,721.16, in exchange for which 19,656,625 registered shares of the Company with a nominal value of CHF 5.00 each created an the occasion of the capital increase dated as of April 27, 2009 are issued to Gate Gourmet Group Holding LLC, in Wilmington, Delaware and in exchange for which the Company assumes from Gate Gourmet Group Holding, LLC, in Wilmington, Delaware the following debts: a loan debt of Gate Gourmet Group Holding LLC, in Wilmington, Delaware towards Gate Gourmet Holding 1 S.à r.l., in Luxembourg, in the amount of EUR 33,476,750.68 (incl. accrued interest), with a value of CHF 51,888,963.55, a loan debt of Gate Gourmet Group Holding LLC, in Wilmington, Delaware towards Gate Gourmet Holding S.C.A., in Luxembourg, in the amount of USD 3,982,922.95 (incl. accrued interest), with a value of CHF 4,779,507.54, as well as a loan debt of Gate Gourmet Group Holding LLC, in Wilmington, Delaware, towards Gate Gourmet Holding S.C.A., in Luxembourg, in the amount of USD 9,503,420.00 (incl. accrued interest), with a value of CHF 11,404,104.00.

INFORMATION FOR INVESTORS AND MEDIA

Dieter Kuttemann's **Tipsy Shrimp in Baby Pumpkins with Vegetable Creamy Sauce**

Corporate Information

INFORMATION FOR INVESTORS AND MEDIA

Listing	SIX Swiss Exchange
SIX Swiss Exchange Ticker Symbol	GATE
Swiss Security Number (Valorennummer)	10018595
International Securities Identification Number (ISIN)	CH0100185955
Common Code	042595489
Law and Jurisdiction	Swiss law, Kloten, Switzerland
Reuters	GATE.S
Bloomberg	GATE SW

ANALYST COVERAGE

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ANTICIPATED KEY DATES IN 2014

March 13	Publication of 2013 Annual Results
April 15	Annual General Meeting of Shareholders
May 15	Publication of Q1 2014 Results
August 21	Publication of Half Year 2014 Results
November 13	Publication of Q3 2014 Results

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Chefs' original recipes

Gottfried Menge's Malaysian Curry Laksa

INGREDIENTS (serves 6)
60 ml vegetable oil
1.5 l chicken stock
2½ tsp grated palm sugar
450 g chicken thighs with bone and skin, or chicken thigh fillets, thickly sliced
12 large raw king prawns, shelled, deveined, tails left intact
500 ml thick coconut milk
12 fish balls*
150 g tofu puffs*, thickly sliced
200 g beansprouts
500 g fresh thin rice noodles*
To serve: fried Asian shallots, Asian mint leaves, chilli sambal (optional) and lime wedges

Laksa paste
8 small dried red chillies
2 tbsp dried shrimp
5 red Asian shallots, chopped
1 tbsp finely chopped galangal*
3 garlic cloves, chopped
2 large lemongrass stalks, trimmed, chopped
6 candlenuts, chopped
1 tbsp belachan* (dried shrimp paste, from Malaysia or Indonesia)
2 tsp ground coriander
1 tsp sweet paprika
1 tsp ground cumin
1 tsp ground turmeric

To prepare the Malaysian Curry Laksa
To make laksa paste, place chillies and shrimp in two separate bowls and pour over enough boiling water to cover. Leave for 20 minutes or until softened. Drain well, then process with remaining ingredients in a food processor to a smooth paste.

Heat oil in a large saucepan over medium heat. Add laksa paste and cook, stirring, for 2 minutes or until fragrant. Add stock and sugar. Stir to combine, then bring to a simmer. Add chicken, return to a simmer and cook for 4 minutes. Add prawns and cook for 1 minute or until chicken is cooked through and prawns are almost cooked.

Add coconut milk, fish balls, tofu puffs and beansprouts. Stir gently to combine, then bring almost to a simmer. Reduce heat to low and cook for 2 minutes or until prawns are just cooked, beansprouts are wilted and fish balls and tofu are heated through.

Meanwhile, place noodles in a large bowl. Pour over enough boiling water to cover, then stand for 2 minutes or until heated through. Drain well. Divide noodles, then laksa mixture among serving bowls. Scatter over fried shallots and mint leaves. Spoon over chilli sambal, if desired, and serve immediately with lime wedges.

* *If not available at your local market, these ingredients can be found at many Asian food shops.*

Paolo Zambrano's Homemade Gnocchi with Duck Ragout, Foie Gras and Citrus Gremolata

INGREDIENTS (serves 6)

Citrus Gremolata

60 g minced fresh parsley leaves
10 g garlic cloves, very finely chopped
10 g (total) grated minced lemon zest and orange zest

Pan Fried Foie Gras

6 slabs fresh grade "A" foie gras, each 1/2-inch thick, lightly scored in a hashmark pattern on one side
Freshly ground black pepper
Fleur de sel Maldon

Duck Ragout

10 g sage leaves
1 small carrot, chopped
1 celery stalk, chopped
1 red onion, chopped
3 pieces (approx. 165 g each) duck Maryland
20 ml extra virgin olive oil
185 ml dry white wine
70 g tomato paste
3 juniper berries crushed with a knife blade
grated parmesan, to serve

Potato Gnocchi

800 g (about 4 pieces) Sebago potatoes
200 g plain flour
2 egg yolks
40 g grated parmesan
1 g freshly grated nutmeg

To prepare the Citrus Gremolata
Combine the parsley, garlic, and citrus zest.

To prepare the Pan Fried Foie Gras
Lay a double layer of paper towels on top of a plate or cutting board and set aside. Season Foie Gras liberally on all sides with salt and pepper. Heat a small skillet on high for at least 3 minutes. Place Foie Gras in skillet scored-side down. It should immediately start smoking, sizzling, and rendering fat. Once all four pieces of Foie Gras are in skillet, cook, swirling pan gently every few seconds, until deeply browned and crisp on first side, about 30 seconds. Use a thin metal spatula to flip Foie Gras onto other side and cook for another 30 seconds. Transfer to paper towel-lined plate and let rest for 1 minute.

To prepare the Duck Ragout and Potato Gnocchi
Process sage, carrot, celery and onion in a food processor until finely chopped. Set aside.

Season duck with salt and pepper. Heat oil in a large pan over high heat. Cook duck, skin-side down, for 5 minutes or until golden. Using tongs, transfer duck to a plate, reserving pan with oil. Add carrot mixture to reserved pan and cook, stirring, for 3 minutes or until softened. Add wine, tomato paste and juniper berries, and bring to a boil. Reduce heat to medium and cook for 3 minutes or until liquid has reduced by half. Return duck to pan with enough water to just cover, season and simmer for 2 hours or until duck is tender and liquid has thickened.

Meanwhile, to make gnocchi, bring a large pan of salted water to a boil. Cook potatoes for 15 minutes or until tender. Drain. When cool enough to handle, peel potatoes, and then mash them in a large bowl. Stir in remaining ingredients and 1½ tsp salt until a dough forms; do not over mix or gnocchi becomes tough. Divide into 6 portions, and then shape each piece into 1cm-thick logs. Cut into 3cm-wide pieces.

Using a slotted spoon, remove duck from pan, reserving sauce, then remove meat from bones. Discard bones, chop meat, then return duck to sauce. Set aside and keep warm.

Bring a large pan of salted water to a boil. Cook gnocchi, in 2 batches, for 4 minutes each or until gnocchi rises to the surface. Drain, and then combine with duck ragout.

Top with the pan fried Foie Gras and sprinkle with the citrus gremolata.

Dieter Kuttemann's Tipsy Shrimp in Baby Pumpkins with Vegetable Creamy Sauce

INGREDIENTS (serves 4)

Baby Pumpkins

4 small pumpkins (approx. 300 g each)
Water
Salt
Pepper

Tipsy Shrimp

16 prawns, peeled and deveined
15 g white onions, chopped
20 g garlic, chopped
100 ml cachaça

Vegetable Creamy Sauce

200 ml olive oil
60 g fennel, diced
60 g red onions, diced
300 g bell peppers, 3 colors, diced
10 g garlic, chopped
5 g young ginger, chopped
200 g tomato without skin, diced
300 ml white wine
200 ml coconut milk
200 ml fresh cream
10 g red chili, fresh, chopped
10 g cilantro, fresh, chopped
Salt (to taste)
Pepper (to taste)
4 cilantro sprigs

To prepare the Baby Pumpkins

With a knife, slice the pumpkin horizontally so that you create a top "lid" or cover for the bottom portion of the pumpkin. Remove the seeds. Season the inside of the pumpkin with salt and pepper, adding water until ¾ filled. Close the pumpkin with the top, cover with plastic wrap and cook in a microwave for 5 to 7 minutes, or until tender.

To prepare the Tipsy Shrimp

Heat olive oil in a pan. Add the chopped white onion and garlic and cook until translucent. Fry the seasoned shrimp rapidly and flame with cachaça.

To prepare the Vegetable Creamy Sauce

Heat the olive oil and add fennel, red onions, bell peppers, garlic, ginger, and diced tomatoes. Sauté for 2 minutes. Season with salt and pepper. Add white wine and boil down to half of the amount (approximately 3 minutes). Top with coconut milk and fresh cream. Simmer to reduce the liquid to desired consistency. Add the Tipsy Shrimp into the prepared vegetable creamy sauce. Add chopped fresh chili and cilantro. Season to taste.

Ladle 4 pieces of shrimp with the sauce into each pumpkin and garnish with a sprig of cilantro.

Chef's tip: This dish is nicely accompanied with cilantro rice.

Michael O'leary's Roasted Atlantic Salmon with Maple Chipotle and Bacon Jam

INGREDIENTS (serves 6)

Bacon Jam

1½ lbs sliced bacon, cut into 1-inch pieces
4 cup onion, peeled, thinly sliced
4 cloves garlic, peeled, minced
¼ cup pure maple syrup
½ tsp ground black pepper
¼ cup apple cider vinegar
¼ cup packed light brown sugar
¾ cup brewed black coffee
Large pinches of ground allspice, cloves, ginger and cinnamon

Salmon

6 salmon filets, center cut, skinless, about 6 oz. each
2 tbsp olive oil
1 tsp kosher salt
½ tsp ground black pepper
3 tbsp pure maple syrup
1 tbsp canned chipotle, processed smooth

To prepare the Bacon Jam

Cook the bacon in a large pot over medium-high heat until browned and slightly crisp. Use a slotted spoon to transfer the bacon to a plate. Drain all but 2 teaspoons of the drippings from the pot. Add the onions and garlic and cook, stirring frequently, until the onions are softened and slightly browned. Add the maple syrup, black pepper and then the remaining ingredients (as well as the bacon) and bring to a boil. Turn the heat to low and simmer uncovered until the liquid is syrupy, about 30 minutes, stirring frequently. Transfer to a food processor and pulse several times or until the jam is a spreadable consistency. This recipe will give you more than you will need for the salmon, but it is so good you will want extra—it stores in the fridge for up to 2 weeks and is great on toast!

To prepare the Salmon with Maple Chipotle

Combine the maple syrup and processed chipotle. Season the salmon on all sides with the salt and black pepper. Heat a cast iron skillet on high and sear the salmon on all sides, about 1 minute. Place on a roasting pan and brush with the maple chipotle glaze and roast in a preheated 425°F oven for about 6 minutes. Remove from the oven and serve with the bacon jam.

Chef's Tip: This dish goes well with microgreens as a garnish and mashed sweet potato.

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