2014 STRATEGIC UPDATE AND PERFORMANCE REVIEW

Western Carolina UNIVERSITY

INSIGHTS. INNOVATION. IMPACT.
Aramark™ collects and analyzes consumer and higher education marketplace insights to develop industry-leading innovation, resulting in differentiated service solutions that best impact the outcomes that matter most to you and your customers.

WE ARE ALIGNED WITH THE GOALS OF Western Carolina University

and this report summarizes how we effectively support those goals now and perhaps more importantly, captures our thoughts and plans for the immediate future.
INSIGHTS

• Fifty-one percent of students say value is most closely linked to the quality of the food.
  Reference: Aramark DiningStyles™ Survey, Fall 2013

• Fast casual restaurants are still the bright spot in the restaurant industry with 11 percent growth in 2013 and an 11.2 percent five-year compound annual growth rate compared to total restaurant growth of 3.4 percent.
  Reference: Technomic Top 500 Report, March 2014

• Ninety-six percent of students snack during the day, and a good portion of snacks are purchased at coffee cafés and bakery cafés.
  Reference: Technomic Top 500 Report, March 2014

• Limited-service menu categories such as Asian/noodle (10.3 percent), bakery café (9.3 percent), coffee café (9.3 percent), and Mexican (6.8 percent) are growing at a faster rate compared to the Top 500 limited-service restaurant growth of 3.9 percent.
  Reference: Technomic Top 500 Report, March 2014
PROGRAM—RETAIL, RESIDENTIAL, MEAL PLANS, AND CATERING

INSIGHTS, CATERING

- Buffet, plated, and action/food stations are the top three requested serving styles, with action/food stations going more and more mainstream. “We are seeing a definite shift from the typical buffet or plated dinner. This year we have cocktail-style receptions with small plates, action stations, tasting menus with wine pairing, and family-style service.”
  Reference: Blaire Osborne, Plush Catering & Events

- Canapés and bite-size appetizers will continue to be on trend in 2014, resulting in new developments in large spoons and bowl foods. This trend is both pretty and practical: “Smaller starters mean that guests can enjoy a sampling of the bride and groom’s favorite meals and keep plenty of room for the other courses.”
  Reference: Experts at U.K.-based Rhubarb

- Innovative flavor pairings in desserts continue to gain popularity, including salted caramel, coconut lime, and bacon and maple. “Traditional flavors are still crowd favorites, but the caterer’s audience is becoming more and more adventurous in food choices.”
  Reference: Jillian Hillard, Marketing Manager, PreGel America
PROGRAM—RETAIL, RESIDENTIAL, MEAL PLANS, AND CATERING

INNOVATION

• We implemented new residential menus, which highlight more healthy options as well as flavors from around the globe. In addition, the International Grill was converted to a dedicated non-gluten station.

• The Courtyard Dining Hall implemented new service styles or service experiences (e.g., fast casual experience) which were brought to campus with extended late night dining from Thursday–Saturday to Thursday–Sunday.

• We created a new catering brand, introduced new menus, and added new technology.
PROGRAM—RETAIL, RESIDENTIAL, MEAL PLANS, AND CATERING

IMPACT

• DiningStyles survey scores increased in the following areas (2013/2012):
  - Food quality—5.19/5.09
  - Freshness of food—5.27/5.21
  - Price/value—4.94/4.78
  - Welcoming/friendly staff—5.91/5.86
  - Place to socialize—5.83/5.78

• We saw a twenty-nine percent increase in voluntary meal plan sales over prior year.

• Seventy-six percent of students say they will definitely or probably purchase a meal plan next year, up from seventy-four percent over prior year.

• We had a twenty-four percent increase in catering events over prior year.
PROGRAM—RETAIL, RESIDENTIAL, MEAL PLANS, AND CATERING

FUTURE

- New brands coming to campus in the fall are:
  - Which Wich
  - Moe's Southwest Grill
  - P.O.D. Market

- Hours of operation will be expanding in Einstein Bros. Bagels and the Courtyard Food Court.

- Offer a to-go option in the Courtyard Dining Hall enhancing convenience and speed of service.

- Expand vending to include refrigerated and frozen vending options in addition to IP technology.
HEALTH AND WELLNESS

INSIGHTS

Health and wellness is a key concern of students:

- Seventy-eight percent of students either always "watch what they eat" or are careful about the foods they eat.
- Thirty-two percent of students determine meal healthiness from nutritional content.
- Sixty percent of students would eat more often on campus if healthier options were available.

(Source: Aramark's DiningStyles Survey, Fall 2013)

- At WCU, fifty-two percent of students determine healthiness from nutrition content.

Consumers aged 18-34 expect availability of nutritional information:

- Fifty-six percent expect it on menu boards.
- Forty-six percent expect it with icon identifiers.
- Forty-six percent expect it upon request.
- Sixty-three percent expect it in a separate section.

(Source: Technomic's Healthy Eating Consumer Trend Report, Fall 2012)

Gluten-free, vegetarian, and vegan options are increasingly important:

- Nine percent of college students seek gluten-free options.
- Twenty percent of college students identify as vegan, vegetarian, or a partial combination with these.

(Source: Aramark's DiningStyles Survey, Fall 2013)
HEALTH AND WELLNESS

INNOVATION

• Healthy for Life™—Aramark’s comprehensive health and wellness platform—is a finalist for the National Restaurant Association’s 2014 Operator innovation Award. We designed Healthy for Life to create healthier environments, build healthier communities, and deliver healthier outcomes to everyone on campus. The Healthy for Life initiative was launched on campus in fall 2013 with a variety of programs and a Wellness Center in Courtyard Dining Hall.

• Aramark has pre-populated our residential and proprietary-brand menus in the MyFitnessPal app. This lets students, faculty, and staff at Western Carolina University find nutritional information and count calories quickly and easily on any smartphone, tablet, or computer.

• Students with food allergies work directly with our residential dining director or dietician to help identify foods they can safely eat.
HEALTH AND WELLNESS

IMPACT

- The Healthy for Life nutrition event in the spring was attended by 1,400 people.
- In our residential restaurants, 567 vegan and vegetarian recipes are featured on the menus.

DiningStyles Overall Performance

Scale 1 to 7

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<thead>
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HEALTH AND WELLNESS

FUTURE

- The digital Healthy for Life Wellness Centers will now have touchscreen capabilities so students can instantly access menu and nutritional highlights; solutions for special dietary needs; and interactive information on choosing healthy food and easily tracking caloric intake and physical activity with MyFitnessPal.

- A Gluten Solutions platform will be rolled out soon, which will let us more easily accommodate students with celiac disease or varying levels of gluten intolerance. The standard and approved residential dining Gluten Solutions program will offer two “paths”:
  - Made without Gluten Ingredients—For consumers who PREFER to avoid gluten in their diets, menu items made without gluten ingredients are clearly identified, and a list is provided upon request.
  - Gluten-Free—For consumers with a MEDICAL NEED for gluten-free food, menu items are prepared according to processes that ensure cross-contact with gluten-containing foods does not occur. Typically, these are either prepackaged gluten-free products, or our menu items would be prepared in a segregated gluten-free zone meeting specific equipment and preparation requirements.

- A reconfiguration of the product mix at the Java City/P.O.D. in the Health and Human Science Building will display more healthier and fresh options to align with the program and lifestyle of the students.

- Working along with the campus dietitian, a highlighted Healthy for Life event will take place in the Courtyard Dining Hall as an educational experience on making healthy life choices.
TECHNOLOGY

INSIGHTS

• Sixty-five percent of millennials are disconnected for less than one hour per day.  
  Reference: 8095 Study

• Eighty-nine percent say that real-time access to information influences purchasing decisions.  
  Reference: Accenture

• Four out of five millennials own a smartphone.  
  Reference: comSCORE, February 2014

• The average college student owns seven digital devices.  
  Reference: MC Marketing Charts, June 2013

• Digital signage can increase sales by 6 to 8 percent by grabbing students' attention.  
  Reference: Wireless Ronin/Aramark Install Base
TECHNOLOGY

INNOVATION

• CampusDish® 2.0 is our customized web portal for dining services. The site supports health and wellness programs, menus, specials and promotions, and many other tools. It is a one-stop shop for students and parents to find up-to-date information.

• CaterTrax brings a robust online catering solution to our campuses. With online menus, ordering, confirmation, feedback, and reporting, users can track the experience from start to finish.

• Ongoing Payment Card Industry Data Security Standard (PCI DSS) compliance has moved to the forefront of our industry. Our partnership with Trustwave allows us to bring a unified threat management device to the field. This device secures the cardholder environment and brings us closer to PCI DDS compliance.

IMPACT

• MICROS Simphony point-of-sale registers allow us to run reports that impact our service every day. 210,702 transactions were run through these registers at Starbucks last year alone.

• With the utilization of CaterTrax, we facilitated 1,713 online orders last year.

FUTURE

• Mobile ordering/Tapingo provides the ability for students to have mobile/desktop ordering. Benefits include increased speed of service, higher ticket price, and student engagement.

• Ability to purchase variable DB online will be reinstated.
INSIGHTS

- Contemporary definitions of health are strongly associated with local, natural, organic, and sustainable food and drink. *Reference: Technomic, January 2013*

- More consumers today than in 2010 report that they consume local, organic, natural, and sustainable foods at least once a week. *Reference: Technomic, January 2013*

- More shoppers not only are interested in knowing where their foods are coming from but also want to know about the people making their foods, learning about their stories. *Reference: Top 10 Trends from Supermarket Guru, 2013*

- The top three environmental initiatives most important to college students are recycling, donation of surplus food, and energy conservation/use of reusable products. *(Aramark DiningStyles Survey, Fall 2013)* Additional issues important to Western Carolina University include:
  - Water Conservative
  - Reusable Products
  - Sustainable Foods
  - Responsible Purchasing

- Six of the National Restaurant Association’s Top Ten Trends focus on sustainability initiatives such as sustainable seafood, local purchasing, and environmental sustainability. *Reference: NRA Culinary Forecast, 2014*
SUSTAINABILITY

INNOVATION

- The Courtyard Dining Hall participated in WCU's Earth Day by bringing our Fresh Point representative on campus to engage students and discuss the local produce and farms we use. To coincide, we served a Farm 2 Fork meal featuring local food and local, organically grown beef.

- In addition, on Earth Day, we highlighted the local company Bush's Beans by bringing in a representative to interact with the campus community.

- Also, to display local foods, one of the Change It Up stations in the dining hall featured Roots, an Asheville-based company that produces hummus and other sauces.

- We created a local foods map showcasing sourcing from local farms.

- We participate in contributing pre and post-consumer waste as feed to Cothran Farms and donating surplus food to Food Donation Connection, a food donation program that serves the community.
SUSTAINABILITY

IMPACT

• Out of 461 participants in RecycleMania, WCU placed 51st in food service organics and 67th in corrugated cardboard.

• Approximately 30,000 pounds of food were donated to Cothran Farms and supplies ninety percent of the feed for their hogs.

• Three hundred gallons a month of used fryer oil were recycled through Blue Ridge Biofuels.

FUTURE

• Transition to 100 percent cage-free shell eggs by 2015.

• Implement a Sustainability Wall.

• Offer compostable to-go containers for the dining hall.

• Implement Grounds for Your Garden program at Starbucks.

• Work with national brands on alternative solutions for foam packaging at Panda Express and McAlister’s Deli.
CONSUMER ENGAGEMENT WITH SOCIAL MEDIA

INSIGHTS

• Eighty-five percent of our customers use Facebook, forty-one percent use Twitter, and nine percent use Instagram.
  Reference: Aramark DiningStyles Survey, Fall 2013

  - At WCU, twenty-one percent use Facebook and seven percent use Twitter.

• The top two reasons our customers connect with Dining Services are to get dining deals and get general information.
  Reference: Aramark DiningStyles Survey, Fall 2013

• Seventy-one percent go online when they have a problem with a product.
  Reference: Sitel Survey, Fall 2013

• Engagement with Instagram is 15 times higher than with Facebook.
  Reference: Aramark Higher Education Social Media Performance Data

INNOVATION

• Facebook—Facebook continues to be a strong platform, with the most users engaging with Dining Services there. This year, we focused our efforts on Facebook to highlight our team members and the events we host on campus. In addition to these local features, we also provided updates to our customers about deals we offered at our locations and key information about some of our core initiatives such as Healthy for Life and sustainability.

• Consumer surveys using QR codes—Your Voice Counts is our live-feedback mechanism that allows students, faculty, and staff to take a short survey using a QR code at the point of service, which translates into WOWs, indicating a job well done, or RESCUEs, which allow immediate operational fixes.
CONSUMER ENGAGEMENT WITH SOCIAL MEDIA

IMPACT

- We saw a twenty-one percent increase in Facebook likes and Twitter followers.
CONSUMER ENGAGEMENT WITH SOCIAL MEDIA

FUTURE

• We will continue to use Twitter with increasing focus on providing other valuable information, such as deals. We will also strengthen our monitoring of the channel to ensure that our customers are hearing from us in a very timely manner.

• This fall, we will launch Instagram to support engagement with the dining program. This photo- and video-sharing app will showcase the vibrant on-campus dining experience, highlight special offers for our students, and serve as the primary way to show the local flavor of dining at Western Carolina University. As the fastest growing social platform and with engagement on Instagram being 15 times higher than on Facebook, our use of the platform ensures that we are staying relevant with students and connecting with them where they already are.

• We plan to launch campaigns that provide exclusive offers to our customers via social media. This will increase the value of customers connecting with us and will drive in-store traffic to our retail locations.
PEOPLE

INSIGHTS

• A 2013 U.S. Census report determined that 71 percent of the nation’s 19.7 million college undergraduates were working in 2011.
  Reference: MoneyWatch, Fall 2013

• Recognition is a key factor in employee engagement. A highly engaged workforce has 40 percent less turnover.

• Highly engaged employees are 10 percent more likely to exceed performance expectations. Companies with higher levels of engaged employees have higher satisfaction.
PEOPLE

INNOVATION

- Accelerate to Leadership: Aramark's leadership development program is specifically designed to help new college graduates build operational and leadership skills that will be essential to their growth and career advancement. The Accelerate to Leadership program equips our new graduate hires with the tools to successfully navigate the many diverse areas of business at Aramark. They are given the opportunity to enrich and nourish lives in the communities we serve through hands-on, meaningful management experiences.
  - Robust learning and career readiness training throughout the program
  - Engagement with peers, mentors, and managers to develop employees' professional networks and establish their personal brands
  - Working, growing, and experiencing Aramark in our energetic and diverse environments
  - Career development and coaching at key milestones to enhance employees' learning and experience
  - Goal-setting, acting, and winning with a leader in the professional-service industry
- Global Employee Appreciation Day: On April 10, we recognized and celebrated the hard work and commitment of our 270,000 associates, who enrich and nourish the lives of our clients and consumers in 22 nations. It was a day to salute our people for "dreaming and doing" and for their willingness to live all of our Aramark values while providing award-winning services in food services, facilities and equipment management, and uniforms—wherever people learn, work, play, or heal.

- We currently employ 214 student workers and four student managers.
PEOPLE

IMPACT

- Career milestones (managers and employees)—Number of years with the company celebrated:
  
  5 Years
  - Brandon Wooten
  - Da’Vaun Davis
  - Ian Stephens
  
  10 Years
  - David Fox
  
  15 Years
  - Shelia Mull
  - Helen Bradley
  
  20 Years
  - Mike Doppke
  - Todd Littrell

WCU student supervisors promoted to managers:

- Danielle Cox
- Arnold Ra

- Your Voice Counts scores:
  - Employees: 65 percent
  - Overall Satisfaction with Employees: 64 percent
  - Employee got my order right: 72 percent
  - Employee(s) served me quickly and efficiently: 70 percent
  - Employee(s) thanked me: 58 percent

- 350 employees were recognized on Employee Appreciation Day

- Our DiningStyles survey scores increased in the following areas:
  - Welcoming/friendly dining staff 5.86 vs. 5.91 over prior year
  - Knowledgeable/helpful dining staff 5.50 vs. 5.54 over prior year
FUTURE

- **Implementation of W.E.S.T. customer service** — W.E.S.T. is a repeatable model that all Aramark employees will use to deliver excellence at the moment of truth with our clients and consumers, in every interaction. It is the foundation for building a world-class service organization at Aramark.

  - The four behaviors of W.E.S.T. will be the standard across Aramark and include:
    - **W** = Welcome and say hello.
    - **E** = Engage with eye contact and a friendly question.
    - **S** = Service with a smile and a helpful suggestion.
    - **T** = Thank and show we care.

  - All associates will go through Introduction to W.E.S.T. training, where they will learn the four behaviors of W.E.S.T. and how to exemplify W.E.S.T. at the moment of truth.

- Participate in Star team events. This Aramark corporate social responsibility initiative advances employee advocacy, environmental stewardship, health and wellness, and community involvement.

- Host two employee appreciation events at the end of each semester, with a holiday party concluding the fall and a picnic for the spring.

- Continue involvement in community service programs.
OUR MISSION
DELIVER EXPERIENCES
THAT ENRICH AND NOURISH LIVES

2014 World's Most Admired Companies, FORTUNE magazine
Since 1998, Aramark has been consistently ranked by FORTUNE as one of the most admired companies in its industry as evaluated by peers and analysts.

2014 World's Most Ethical Companies, The Ethisphere Institute
The Ethisphere Institute is a leading international think tank dedicated to best practices in business ethics, corporate social responsibility, anticorruption, and sustainability.

2014 Global Outsourcing 100®, the International Association of Outsourcing Professionals (IAOP)
IAOP® is the global, standard-setting organization and advocate for the outsourcing profession. Awarded for seventh consecutive year.

2013 Best Employers for Healthy Lifestyles®
The National Business Group on Health recognizes innovative programs that promote a healthy workplace and help employees and their families make better choices about their own health and well-being. Awarded for third consecutive year.

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