THIRD QUARTER REPORT 2014

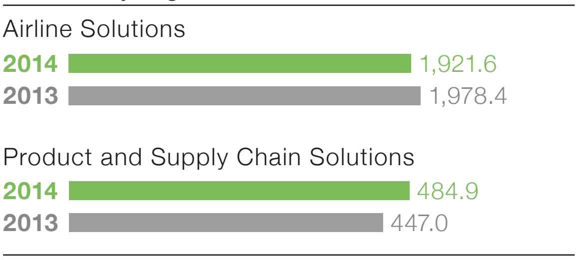
gategroup™
Serving people on the move

Key Figures

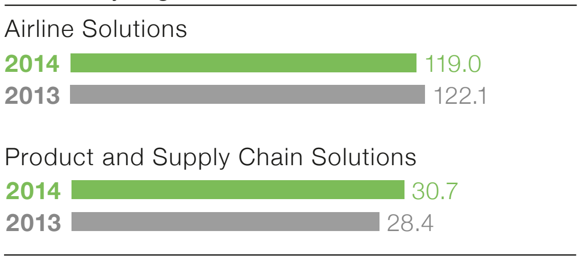
in CHF m	January – September 2014	January – September 2013 Restated	Change
Total revenue	**2,252.6**	**2,281.1**	**(1.2)%**
EBITDA[(I)]	**128.6**	**127.6**	**0.8%**
EBITDA margin	5.7%	5.6%	0.1pp
Operating profit	**76.3**	**70.7**	**7.9%**
Operating profit margin	3.4%	3.1%	0.3pp
Profit for the period	**30.6**	**10.7**	**186.0%**
Cash generated from operations	71.4	96.0	(25.6)%
Net financial debt	283.7	245.7	15.5%
Cash (incl. available credit lines)	264.8	312.1	(15.2)%

(I) EBITDA throughout the document refers to Segment EBITDA.

Revenue by segment in CHF m



EBITDA by segment in CHF m



About gategroup

gategroup is the leading independent global provider of products, services and solutions related to an airline passenger's onboard experience. These products and services encompass catering and hospitality; provisioning and logistics; and onboard solutions to companies that serve people on the move. We are predominantly a business-to-business enterprise, primarily serving the commercial aviation industry, including executive jets and commercial airlines. We have a global presence, operating at over 130 locations in 35 countries on six continents, and we currently employ approximately 27,000 employees. We benefit from a broad customer base. gategroup serves over 270 customers, including some of the world's top airlines, such as British Airways, Delta Air Lines, Swiss International Airlines and United Continental. gategroup is the umbrella brand representing the products and services we provide through our family of brands. We tailor our solutions to both traditional full-service and low-fare air carriers; in premium and economy cabins; for short-haul and long-haul flights; and for adjacent markets, such as rail and executive aviation.

gategroup continues positive momentum in Q3 and confirms full year outlook

- **Total reported revenue of CHF 828.9 million for Q3 (+1.6% vs. Q3 previous year) and CHF 2,252.6 million for the first three quarters (-1.2% vs. first three quarters 2013)**
- **At constant currency revenue up by 3.4% to CHF 843.1 million for Q3 and 3.0% up to CHF 2,348.7 million for first three quarters of 2014**
- **EBITDA margin of 8.2% for Q3 compared to 8.0% in the previous year and 5.7% for first three quarters, compared to 5.6% in the previous year**
- **Profit for Q3 up 58.5% to CHF 37.1 million (2013: CHF 23.4 million), and tripled to CHF 30.6 million for first three quarters (2013: CHF 10.7 million)**
- **Full year 2014 outlook confirmed with an EBITDA margin of 5.6% to 6.2%**
- **Organic growth of 3-4% expected to continue**
- **Core group initiatives on track to deliver cash benefits in order of CHF 15 million for 2015, with total expected contribution of CHF 30 million for 2016**

gategroup reported total revenue of CHF 828.9 million for Q3, an increase of 1.6% compared to the previous year. For the first three quarters of 2014 the Group reported total revenue of CHF 2,252.6 million, a decrease of 1.2%. At constant currency total revenues grew by 3.4% to CHF 843.1 million for Q3, and 3.0% for the first three quarters of 2014 to CHF 2,348.7 million. This is primarily attributable to on-going flight and passenger volume growth across the Group's portfolio.

Segment EBITDA (EBITDA) in Q3 was CHF 68.0 million (8.2% EBITDA margin) and CHF 69.5 million at constant currency (8.2%) compared to an EBITDA of CHF 65.0 million (8.0%) in Q3 2013. Overall, gategroup reported EBITDA of CHF 128.6 million (5.7%) in the first three quarters of 2014 compared to CHF 127.6 million (5.6%) in the previous year. At constant currency, EBITDA was CHF 135.8 million, resulting in a higher EBITDA margin of 5.8% compared to 5.6% in the previous year. The overall EBITDA development was primarily driven by the ongoing strong contribution from the Product and Supply Chain Solutions business and solid performance in the Airline Solutions business. The Airline Solutions business particularly improved its profitability in Europe following the implementation of the restructuring.

Profit for the period for Q3 was CHF 37.1 million, an increase of 58.5% compared to the CHF 23.4 million reported in Q3 2013. The profit for the period for the first three quarters was CHF 30.6 million, almost tripling the CHF 10.7 million of the prior year. The results include the gain on disposal of the Shanghai assets of approximately CHF 6.6 million with the year-over-year improvement primarily attributable to lower depreciation and amortization charges, and less fluctuation in exchange rates, which eliminates the unrealized foreign exchange losses experienced in 2013.

CASH FLOW STATEMENT AND BALANCE SHEET

During the first three quarters of 2014 gategroup generated CHF 71.4 million of cash from operations, compared to CHF 96.0 million during the same period last year. CHF 10 million of the decreased cash flow was previously reported in Q1 due to weaker performance of the North American region, while CHF 5 million is due to a one-time impact of the Norwegian Airlines retail services contract termination reported in Q2. The balance of approximately CHF 10 million is due to adverse timing on receivables and payables at the close of Q3, which is expected to reverse in Q4.

gategroup's balance sheet as per September 30, 2014, shows total shareholders' equity and non-controlling interests of CHF 297.2 million, compared to CHF 276.9 million as per September 30, 2013 and CHF 294.4 million as per December 31, 2013. Net financial debt as per September 30, 2014, was CHF 283.7 million compared to CHF 245.7 million for September 30, 2013 and CHF 261.0 million at December 31, 2013.

SEGMENT REPORTING

Total revenues for Airline Solutions reached CHF 703.8 million (CHF 717.6 million at constant currency) in Q3 compared to CHF 703.5 million in the previous year. During the first three quarters of 2014 the Airline Solutions business generated total revenue of CHF 1,921.6 million (CHF 2,012.2 million at constant currency) compared to CHF 1,978.4 million in the previous year.

Segment EBITDA reached CHF 61.0 million (8.7% of revenues) in Q3 2014 compared to CHF 59.7 million (8.5% of revenues) during the same period in 2013, and CHF 119.0 million (6.2% of revenues) in the first three quarters of 2014 compared to CHF 122.1 million (6.2% of revenues) during the same period in the previous year. On a constant currency basis, revenues increased by 2.0% in Q3 2014 and 1.7% in the first three quarters of 2014. Lower revenues in Europe are in line with expectations and primarily flow from the disposal of the Brussels operation and the discontinuation of the Norwegian short-haul contract. Reported revenues in North America and Emerging Markets continue to be affected by adverse foreign exchange impacts against the Swiss Franc. Additionally Q3 revenues in the Emerging Markets reflect the deconsolidation of the Shanghai business (CHF 5.5 million). EBITDA benefited from a strong profitability uplift in Europe and ongoing contribution from Emerging Markets, offset by weaker profitability in North America following adverse conditions during Q1 2014 and weaker short haul flight volumes. In light of the US performance over the last year additional operational restructuring is being undertaken.

The Product and Supply Chain Solutions (P&SCS) business reported an 11.9% increase in revenues in Q3 to CHF 185.9 million from CHF 166.1 million in the same period in the prior year and an 8.5% increase in revenues to CHF 484.9 million for the first three quarters of 2014 from CHF 447.0 million for the same period in 2013. P&SCS also reported an EBITDA of CHF 13.1 million (7.0% of revenues) in Q3 2014 compared to an EBITDA of CHF 12.0 million (7.2% of revenues) in Q3 2013, and CHF 30.7 million (6.3% of revenues) in the first three quarters of 2014 compared to CHF 28.4 million (6.4% of revenues) in the previous reporting period. On a constant currency basis, revenues increased by 11.6% in Q3 2014 and the EBITDA margin was 7.2% compared to 9.6% revenue increase in the first three quarters of 2014 with an EBITDA margin of 6.5%. The increase in EBITDA was mainly driven by higher revenues.

BUSINESS DEVELOPMENT

In July, gategroup and China Aviation Investment Co. Ltd. (CAIC), an affiliate of the Air China Group, have optimized the shareholding structure of the joint venture operation Shanghai Pudong International Airport Gate Gourmet Air Catering Co. Ltd., thereby executing a key element of the Letter of Intent signed by the two parties in 2012. Through this transaction, gategroup has reduced its participating interest to 29%. The airline catering facility will be co-branded. It is also anticipated that the new joint venture will integrate the activities of the Shanghai Airport International Catering Co. Ltd., establishing a presence in both major airports serving Shanghai (Pudong and Hongqiao).

GROUP INITIATIVES

gategroup continues to streamline and adjust its organization. With the progress made over the last 2½ years to strengthen the global functions and business teams, further realignment is now possible across Airline Solutions, Product and Supply Chain Solutions, and Corporate Center functions. While the primary objective is to increase the focus on the respective markets in the global portfolio, and ensure capture of the growth opportunities targeted in the mid-term plan, the changes will also enable another step change in support costs. An expected reduction in overhead cost of CHF 12 million will be delivered by the end of 2015.

Additionally core group-wide initiatives, referenced in Q2, are being progressed. The Group is further leveraging its procurement capabilities beyond direct materials to focus on external services spend totaling approximately CHF 160 million globally and is targeting a 6% reduction through progressive category reviews in the course of 2015. Additionally the Group will benefit from its revised IT strategy implemented over the last two years with an expected reduction in annual spend on technology support of CHF 7-9 million in addition to efficiencies that will be gained in the business through the implementation of specific supporting systems.

All actions are expected to accelerate and support the delivery of the financial objectives of the Group over the next two years. Savings of approximately CHF 15 million are expected in 2015, with a run rate of CHF 30 million in place by the beginning of 2016 to support the delivery of the mid-term plan targets for 2016 and 2017. Restructuring costs are expected to be CHF 6-7 million (approximately CHF 3 million in 2014 and approximately CHF 3-4 million in 2015 in line with historical levels).

OUTLOOK

With the continued positive momentum achieved in Q2 and Q3, respectively, gategroup confirms its 2014 full year outlook. On a reported basis, revenues are expected to be flat reflecting expected currency movements and portfolio adjustments (notably Shanghai and Brussels). On a constant currency basis, the Group expects to achieve 3% growth before the portfolio adjustments, with an EBITDA margin of 5.6% to 6.2% for the full year.

gategroup expects forward organic growth of 3-4% on a constant currency basis, in line with the range of its historical achievement, which in combination with group-wide initiatives and on-going new business development will bolster the financial performance through 2015. gategroup confirms its mid-term plan objectives of an EBITDA margin of 7.0% to 8.0% in 2016 and an EBITDA range of 7.5% to 8.5% by 2017, with a commensurate improvement in cash flow.

Consolidated Income Statement

in CHF m	January – September		July – September	
	2014	2013 Restated	2014	2013 Restated
Total revenue	**2,252.6**	**2,281.1**	**828.9**	**815.7**
Materials and service expenses	(941.0)	(945.7)	(350.0)	(343.8)
Personnel expenses	(863.5)	(895.0)	(298.4)	(296.3)
Other operating income and expenses, net	(335.5)	(328.9)	(117.5)	(113.0)
Depreciation and amortization	(42.8)	(47.2)	(14.1)	(15.4)
Other gains and (losses), net	6.5	6.4	6.5	0.9
Total operating expenses, net	**(2,176.3)**	**(2,210.4)**	**(773.5)**	**(767.6)**
Operating profit	**76.3**	**70.7**	**55.4**	**48.1**
Finance costs, net	(32.0)	(46.5)	(11.4)	(17.8)
Share of result of associates and joint ventures	1.6	(0.7)	0.3	(0.7)
Profit before tax	**45.9**	**23.5**	**44.3**	**29.6**
Income tax expense	(15.3)	(12.8)	(7.2)	(6.2)
Profit for the period	**30.6**	**10.7**	**37.1**	**23.4**
thereof attributable to shareholders of the Company	29.3	8.6	36.6	22.6
thereof attributable to non-controlling interests	1.3	2.1	0.5	0.8
Earnings per share attributable to shareholders of the Company				
Basic earnings per share in CHF	1.12	0.33	1.40	0.87
Diluted earnings per share in CHF	1.12	0.33	1.40	0.87

Consolidated Statement of Comprehensive Income

in CHF m	January – September		July – September	
	2014	2013 Restated	2014	2013 Restated
Profit for the period	**30.6**	**10.7**	**37.1**	**23.4**
Items that will not be reclassified to profit or loss				
Actuarial (losses)/gains net, on defined benefit schemes, net of taxes	(35.7)	36.4	(10.4)	(9.1)
Items that may be reclassified subsequently to profit or loss				
Currency translation differences arising during the period	25.6	(19.5)	22.0	(10.6)
Reclassification adjustment relating to disposal of subsidiaries	(2.5)	–	(2.5)	–
Reclassification relating to change in non-controlling interests	(0.6)	–	(0.6)	–
Other comprehensive income	**(13.2)**	**16.9**	**8.5**	**(19.7)**
Total comprehensive income	**17.4**	**27.6**	**45.6**	**3.7**
thereof attributable to shareholders of the Company	16.0	25.8	45.0	3.0
thereof attributable to non-controlling interests	1.4	1.8	0.6	0.7

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

Consolidated Balance Sheet

in CHF m	September 30, 2014	December 31, 2013	September 30, 2013 Restated
Cash and cash equivalents	144.3	174.2	189.8
Trade receivables	323.9	279.9	310.3
Other current receivables and prepayments	114.8	100.1	98.4
Inventories	90.4	86.7	85.2
Current income tax assets	13.0	11.7	13.0
Total current assets	**686.4**	**652.6**	**696.7**
Property, plant and equipment	305.6	296.0	300.2
Intangible assets	426.9	420.0	426.0
Investments in associates and joint ventures	13.6	7.7	7.8
Other non-current receivables	41.9	37.4	31.0
Deferred income tax assets	56.9	51.9	58.5
Total non-current assets	**844.9**	**813.0**	**823.5**
Total assets	**1,531.3**	**1,465.6**	**1,520.2**
Short-term debt	3.8	4.1	5.5
Trade and other payables	248.0	233.1	238.9
Current income tax liabilities	26.1	24.8	25.5
Provisions	26.4	28.5	31.7
Other current liabilities	283.7	267.2	291.8
Total current liabilities	**588.0**	**557.7**	**593.4**
Long-term debt	424.2	431.1	430.0
Deferred income tax liabilities	20.9	21.9	30.3
Retirement benefit obligations	165.8	121.9	141.0
Provisions	29.3	31.5	40.6
Other non-current liabilities	5.9	7.1	8.0
Total non-current liabilities	**646.1**	**613.5**	**649.9**
Total liabilities	**1,234.1**	**1,171.2**	**1,243.3**
Equity attributable to shareholders of the Company	293.8	285.2	267.9
Non-controlling interests	3.4	9.2	9.0
Total equity	**297.2**	**294.4**	**276.9**
Total liabilities and equity	**1,531.3**	**1,465.6**	**1,520.2**

The accompanying notes form an integral part of these interim 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 January 1, 2013[1]	**134.0**	**(20.4)**	**128.8**	**(1.4)**	**241.0**	**8.2**	**249.2**
Profit for the period[1]	–	–	8.6	–	8.6	2.1	10.7
Other comprehensive income[1]	–	–	36.4	(19.2)	17.2	(0.3)	16.9
Total comprehensive income[1]	**–**	**–**	**45.0**	**(19.2)**	**25.8**	**1.8**	**27.6**
Equity-settled share-based payments	–	–	1.2	–	1.2	–	1.2
Change in ownership of subsidiary without loss of control	–	–	(0.1)	–	(0.1)	0.1	–
Dividends paid to non-controlling interests	–	–	–	–	–	(1.1)	(1.1)
At September 30, 2013[1]	**134.0**	**(20.4)**	**174.9**	**(20.6)**	**267.9**	**9.0**	**276.9**
At January 1, 2014	**134.0**	**(20.4)**	**197.0**	**(25.4)**	**285.2**	**9.2**	**294.4**
Profit for the period	–	–	29.3	–	29.3	1.3	30.6
Other comprehensive income	–	–	(35.7)	22.4	(13.3)	0.1	(13.2)
Total comprehensive income	**–**	**–**	**(6.4)**	**22.4**	**16.0**	**1.4**	**17.4**
Equity-settled share-based payments	–	–	0.4	–	0.4	–	0.4
Change in non-controlling interests	–	–	–	–	–	(5.8)	(5.8)
Dividends paid	–	–	(7.8)	–	(7.8)	–	(7.8)
Dividends paid to non-controlling interests	–	–	–	–	–	(1.4)	(1.4)
At September 30, 2014	**134.0**	**(20.4)**	**183.2**	**(3.0)**	**293.8**	**3.4**	**297.2**

[1] Restated

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

Consolidated Cash Flow Statement

in CHF m	January – September 2014	January – September 2013 Restated
Profit before tax	**45.9**	**23.5**
Adjustments for:		
Finance costs, net	32.0	46.5
Share-based payments	0.4	1.2
Share of result of associates and joint ventures	(1.6)	0.7
Depreciation and amortization	42.8	47.2
Other (gains) and losses, net	(6.5)	(6.4)
Net cash flow before working capital and provision changes	113.0	112.7
Changes in working capital	(27.7)	0.1
Changes in provisions and retirement benefit obligations	(13.9)	(16.8)
Cash generated from operations	**71.4**	**96.0**
Interest paid	(30.0)	(31.1)
Interest received	0.5	1.4
Income taxes paid, net	(11.5)	(8.9)
Net cash flow generated from operating activities	**30.4**	**57.4**
Acquisition of subsidiaries, net of cash acquired	(2.7)	(6.5)
Purchase of property, plant and equipment	(35.2)	(39.8)
Purchase of intangible assets	(7.9)	(1.0)
Disposal of subsidiaries, net of cash disposed	(7.2)	–
Proceeds from sale of assets	0.1	14.9
Dividends from associates	1.7	1.0
Net cash flow used in investing activities	**(51.2)**	**(31.4)**
Proceeds from debt	4.8	0.3
Repayments of debt	(5.5)	(2.2)
Dividends paid	(7.8)	–
Dividends paid to non-controlling interests	(1.4)	(1.1)
Net cash flow used in financing activities	**(9.9)**	**(3.0)**
(Decrease)/increase in cash and cash equivalents	**(30.7)**	**23.0**
Movement in cash and cash equivalents		
At start of the year	174.2	168.6
(Decrease)/increase in cash and cash equivalents	(30.7)	23.0
Effects of exchange rate changes	0.8	(4.5)
At end of the period	**144.3**	**187.1**

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

Notes to the Interim 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 interim consolidated financial statements were authorized for issue by the Board of Directors of the Company (the "Board") on November 12, 2014.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These interim consolidated financial statements for the nine months period ended September 30, 2014, have been prepared in accordance with IAS 34, "Interim Financial Reporting". The interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied in the interim consolidated financial statements are consistent with those used in the 2013 annual consolidated financial statements, except where noted in the following paragraph:

Income tax expense is recognized based upon the best estimate of the average annual income tax rate expected for the full year.

The interim consolidated financial statements contain assumptions and estimates that affect the figures stated in this interim report. The definitive results may differ from these estimates.

The Group chose to early adopt as of January 1, 2013, the amendments to IAS 19 Employee Benefits - Employee Contributions as well as IAS 36 Impairment of assets, dealing with the recoverable amount disclosures for non-financial assets. The 2013 comparative information has been modified from that previously published, reflecting the restatement due to the adoption of the amendment to IAS 19, together with the retrospective adjustment arising from the finalization of the acquisition accounting for Pacific Flight Catering ("PFC"), New Zealand.

The following new standards, interpretations and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2014, but did not have a material impact on the interim consolidated financial statements:

Standard/Interpretation	**Effective date**	**Relevance for the Group**
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.
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.
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.

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning January 1, 2014, and have not been early adopted:

Standard	**Effective date**
Annual Improvements to IFRSs 2010–2012 and 2011–2013 Cycle**	July 1, 2014
Annual Improvements to IFRSs 2012–2014 Cycle**	January 1, 2016
IAS 28 (amendment) – Sale or contribution of Assets between an Investor and its Associate or Joint Venture**	January 1, 2016
IFRS 10 (amendment) – Sale or contribution of Assets between an Investor and its Associate or Joint Venture**	January 1, 2016
IFRS 15 – Revenue from Contracts with Customers*	January 1, 2017
IFRS 7 (amendment) – Disclosures - Initial application of IFRS 9*	January 1, 2018
IFRS 9 – Financial Instruments*	January 1, 2018

* Impact still to be assessed

** Will not have a significant impact on the Group's consolidated financial statements

3 SEGMENT INFORMATION

3.1 REPORTABLE SEGMENT INFORMATION

January – September, 2014 in CHF m	Airline Solutions	Product and Supply Chain Solutions	Corporate	Eliminations	Total reportable segments
Catering and retail onboard	1,176.0	82.2	–	–	1,258.2
Handling	579.2	–	–	–	579.2
Equipment	0.7	199.2	–	–	199.9
Other	165.4	49.9	–	–	215.3
Intersegment	0.3	153.6	–	(153.9)	–
Total revenue	**1,921.6**	**484.9**	**–**	**(153.9)**	**2,252.6**
Segment EBITDA	**119.0**	**30.7**	**(21.1)**	**–**	**128.6**
Total segment assets	1,034.0	302.3	195.0	–	1,531.3
Additions to non-current assets[I]	30.3	6.4	6.4	–	43.1

January – September, 2013 in CHF m					
Catering and retail onboard	1,203.7	72.9	–	–	1,276.6
Handling	587.7	–	–	–	587.7
Equipment	4.7	186.4	–	–	191.1
Other	182.0	43.7	–	–	225.7
Intersegment	0.3	144.0	–	(144.3)	–
Total revenue	**1,978.4**	**447.0**	**–**	**(144.3)**	**2,281.1**
Segment EBITDA	**122.1**	**28.4**	**(22.9)**	**–**	**127.6**
Total segment assets	1,036.0	296.7	187.5	–	1,520.2
Additions to non-current assets[I]	36.1	3.9	0.8	–	40.8

[I] Relate to property, plant and equipment and intangible assets

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

3.2 RECONCILIATION

Reconciliation of Segment EBITDA to operating profit

in CHF m	January – September 2014	January – September 2013
Segment EBITDA – reportable segments	128.6	127.6
Share-based payments	(0.4)	(1.2)
Restructuring costs	(10.2)	(10.5)
Operating taxes (non-income taxes)	(5.9)	(4.6)
Depreciation	(32.8)	(34.9)
Amortization	(10.0)	(12.3)
Other gains and (losses), net	6.5	6.4
Management fees, net	0.5	0.2
Operating profit	**76.3**	**70.7**

4 FINANCE COSTS, NET

in CHF m	January – September		July – September	
	2014	2013	2014	2013
Financial income	0.9	1.7	0.2	0.4
Financial expenses	(30.5)	(30.7)	(10.1)	(10.7)
Net interest on defined benefit schemes	(3.9)	(4.6)	(1.3)	(1.5)
Foreign exchange gains/(losses), net	1.5	(12.9)	(0.2)	(6.0)
Finance costs, net	**(32.0)**	**(46.5)**	**(11.4)**	**(17.8)**

5 SEASONALITY

Historically, the Group's revenue has exhibited some seasonality with the strongest revenue performance in the second and third quarters. Cash flow generation in the first quarter has normally been the weakest and the third quarter has generally been the strongest.

6 EARNINGS PER SHARE

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

	January – September		July – September	
	2014	2013	2014	2013
Profit for the period attributable to shareholders of the Company (in CHF m)	29.3	8.6	36.6	22.6
Weighted average number of shares outstanding	26,066,799	26,066,799	26,066,799	26,066,799
Basic earnings per share (in CHF)	1.12	0.33	1.40	0.87

Diluted earnings per share
Diluted earnings per share are the same as basic earnings per share in all periods.

7 CASH AND CASH EQUIVALENTS

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

in CHF m	Sep 30, 2014	Dec 31, 2013	Sep 30, 2013
Cash and cash equivalents	144.3	174.2	189.8
Bank overdrafts	–	–	(2.7)
Total	**144.3**	**174.2**	**187.1**

8 RETIREMENT BENEFIT OBLIGATION

An actuarial loss, net of taxes, of CHF 35.7m (2013 gain: CHF 36.4m) was recognized through comprehensive income in the nine months period ended September 30, 2014. This 2014 loss arose principally due to decreases in discount rates, whereas the drivers of the 2013 gain were mainly increases in discount rates and positive overall returns on assets, partially offset by an increase in the inflation assumption in the UK.

9 EQUITY

Authorized share capital
As at September 30, 2014, the Company has an authorized share capital of CHF 13,277,065 authorizing the Board to issue up to 2,655,413 fully paid-up registered shares with a nominal value of CHF 5.00 per share by no later than April 16, 2016.

Dividend
On April 24, 2014, the Company paid a dividend of CHF 0.30 per share to its shareholders. The total amount of the dividend paid was CHF 7,820,040. No dividends were distributed on the 719,537 treasury shares held by the Company and its subsidiaries.

10 CHANGES IN WORKING CAPITAL

in CHF m	January – September 2014	January – September 2013
Change in inventories	(1.4)	(2.3)
Change in trade receivables	(39.8)	(23.0)
Change in trade payables	14.0	17.7
Change in other receivables and payables, net	(0.5)	7.7
Total	**(27.7)**	**0.1**

11 CHANGES IN PROVISIONS AND RETIREMENT BENEFIT OBLIGATIONS

in CHF m	January – September 2014	January – September 2013
Cash movements in retirement benefit obligations	(15.4)	(12.7)
Cash movements in restructuring provisions	(12.0)	(14.5)
Cash movements in other provisions	(2.4)	(4.9)
Non-cash movements in retirement benefit obligations	7.8	8.9
Non-cash movements in restructuring provisions	10.2	10.5
Non-cash movements in other provisions	(2.1)	(4.1)
Total	**(13.9)**	**(16.8)**

12 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.

13 BUSINESS COMBINATIONS

Business combination 2014
The Group did not make any acquisitions during the first nine months of 2014.

Business combination 2013
On July 1, 2013, the Group purchased certain assets and liabilities of catering provider PFC.

IFRS 3 allows up to a twelve month measurement period from acquisition for the completion of the initial purchase price allocation. Changes to 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.

Following review, no changes to the provisional purchase price allocation of PFC disclosed in the annual report 2013 have been made in 2014. The accounting for this acquisition has been finalized at June 30, 2014.

During the first nine months of 2014, part of the deferred consideration for PFC (CHF 1.3m) and Helios (CHF 1.4m) were paid.

14 DISPOSAL GROUP

The Group completed the disposal of Shanghai Pudong International Airport Gate Gourmet Air Catering Co. Ltd., on July 2, 2014.

China Aviation Investment Co. Ltd., an affiliate of the Air China Group acquired a 51% interest, thereby reducing gategroup's participation to 29% with Shanghai Airport Group Co. Ltd. retaining its existing 20% shareholding.

At disposal the business had CHF 15.3m of assets, of which CHF 7.2m was cash, and liabilities of CHF 6.1m. The retained 29% interest is reflected as an associate, with a fair value of CHF 3.7m, as of July 2, 2014. The gain on the transaction amounts to CHF 6.6m whereof the total consideration of CHF 6.5m is considered as a current receivable as of September 30, 2014.

15 EVENTS OCCURRING AFTER THE END OF THE INTERIM REPORTING PERIOD

There are no events occuring after the end of the reporting period that warrant disclosure.

Imprint

Editor
gategroup Holding AG, www.gategroup.com

OVERVIEW of gategroup
gategroup is the leading independent global provider of products, services and solutions related to a passenger's onboard experience. gategroup comprises the following brands: deSter, eGate Solutions, Gate Aviation, Gate Gourmet, Gate Retail Onboard, Gate Safe, Harmony, Performa, Pourshins and Supplair.

FORWARD-LOOKING STATEMENTS
This publication contains forward-looking statements and other statements that are not historical facts. The words "believe", "anticipate", "plan", "expect", "project", "estimate", "predict", "intend", "target", "assume", "may", "will", "could" and similar expression are intended to identify such forward-looking statements. Such statements are made on the basis of assumptions and expectations that we believe to be reasonable as of the date of this publication but may prove to be erroneous and are subject to a variety of significant uncertainties that could cause actual results to differ materially from those expressed in forward-looking statements. Among these factors are changes in overall economic conditions, changes in demand for our products, changes in the demand for, or price of, oil, risk of terrorism, war, geopolitical or other exogenous shocks to the airline sector, risks of increased competition, manufacturing and product development risks, loss of key customers, changes in government regulations, foreign and domestic political and legislative risks, risks associated with foreign operations and foreign currency exchange rates and controls, strikes, embargoes, weather-related risks and other risks and uncertainties. We therefore caution investors and prospective investors against relying on any of these forward-looking statements. We assume no obligation to update forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in such forward-looking statements, except as required by law.