COMPASS GROUP

Interim Report 2010

50+

We operate in over 50 countries

40,000

We provide services in over 40,000 client locations

386,000

We have more than 386,000 great people delivering great service

4 billion

We serve more than 4 billion meals a year

By continuing to improve our online reporting we want to encourage more shareholders to join the increasing numbers who are choosing to receive all shareholder communications electronically rather than in printed form.

To receive all future shareholder communications electronically, please go to www.capitashareportal.com to register. As a 'thank you' we will dedicate a tree in your name if you opt to receive electronic shareholder communications. Compass Group is working with The CarbonNeutral Company on this project.

See this Report and our full Corporate Responsibility Report online at:
www.compass-group.com/interimreport10

Millions of people around the world rely on us every day to provide their breakfasts, lunches and dinners and make their lattes and cappuccinos. We serve their sandwiches, vend their drinks and provide their hospitality services. We deliver great service to people at work, in schools and colleges, in hospitals and retirement homes, at major sporting and entertainment events, in remote mining sites and on offshore platforms. Increasingly, our clients also rely on us to run their reception and office services, clean their desks and undertake their routine maintenance.

We combine global capability, local market and sector knowledge and individual client service with a reputation for putting health and safety first in everything we do, delivering to consistently high standards and demonstrating innovation and creativity.

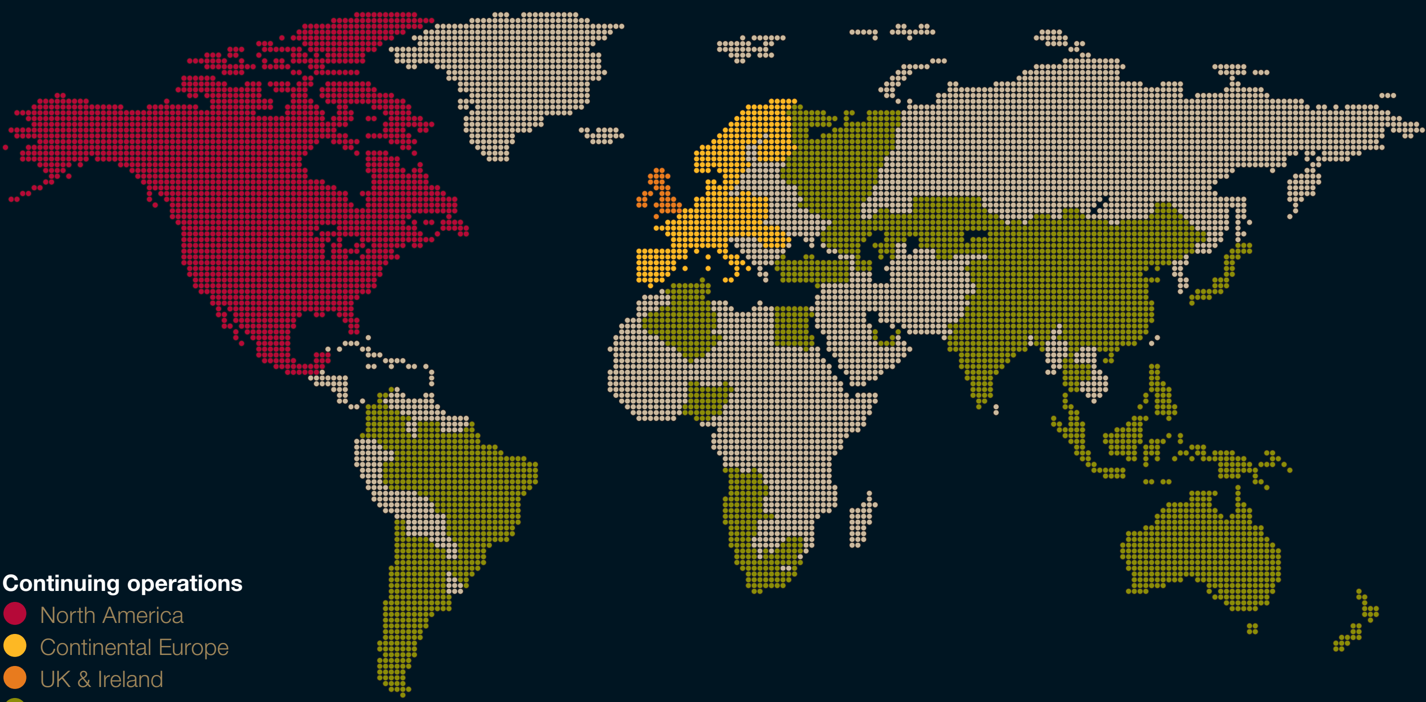
Rely on us.

Contents

Performance highlights

Despite what continue to be challenging economic conditions, we have again made excellent progress in the first half of the year.

Regional performance



North America

Revenue
£3,094m
(2009: £3,082m)

Underlying operating profit
£244m
(2009: £234m)

% of Group revenue
43%
(2009: 44%)

Continental Europe

Revenue
£1,850m
(2009: £1,769m)

Underlying operating profit
£143m
(2009: £131m)

% of Group revenue
26%
(2009: 26%)

UK & Ireland

Revenue
£897m
(2009: £939m)

Underlying operating profit
£54m
(2009: £54m)

% of Group revenue
13%
(2009: 14%)

Rest of the World

Revenue
£1,263m
(2009: £1,137m)

Underlying operating profit
£87m
(2009: £60m)

% of Group revenue
18%
(2009: 16%)

1 Constant currency restates the prior year results to 2010's average exchange rates.
2 Underlying operating profit includes share of profit of associates but excludes the amortisation of intangibles arising on acquisition and acquisition transaction costs.
3 Underlying operating profit by region excludes share of profit of associates and the amortisation of intangibles arising on acquisition and acquisition transaction costs.
4 Underlying operating margin is based on revenue and operating profit excluding share of profit of associates and the amortisation of intangibles arising on acquisition and acquisition transaction costs.
5 Underlying basic earnings per share excludes the amortisation of intangibles arising on acquisition, acquisition transaction costs, hedge accounting ineffectiveness, the change in the fair value of investments and minority interest put options and the tax attributable to these amounts.
6 Organic growth is calculated by adjusting for acquisitions (excluding current period acquisitions and including a full period in respect of prior period acquisitions), disposals (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates) and compares the current period results against the prior year.
7 Unless stated otherwise, all figures in this document relate to the six months ended 31 March 2010.
8 Unless otherwise indicated, the data shown on pages 1 to 24 relates to the continuing business only.

Revenues
0.9% revenue growth on a constant currency basis

10	**£7,104m**
09	£6,927m
08	£5,589m

Underlying operating profit
A 10% increase in underlying operating profit on a constant currency basis

10	**£504m**
09	£455m
08	£322m

Underlying operating margin
A 50 basis point increase in underlying margin

10	**7.0%**
09	6.5%
08	5.7%

Underlying basic earnings per share
A 17% increase in underlying basic earnings per share

10	**18.0p**
09	15.4p
08	10.8p

Dividends per share
A 14% increase in the interim dividend per ordinary share

10	**5.0p**
09	4.4p
08	4.0p

Free cash flow
A 46% increase in free cash flow

10	**£351m**
09	£240m
08	£180m

Chairman's statement

It is a testament to the strength of the Group that whilst the economic background has remained uncertain, the business has displayed strong operational discipline and consistently generated momentum in profitability. There are multiple opportunities for the business to develop and we are positioning ourselves to take advantage of the significant growth opportunity in our core food and fast growing support services markets in both developed and emerging countries. Exciting infill acquisitions are adding to this potential. Our confidence in the future underpins our decision to increase the dividend by 14% to 5 pence per share.

Sir Roy Gardner
Chairman

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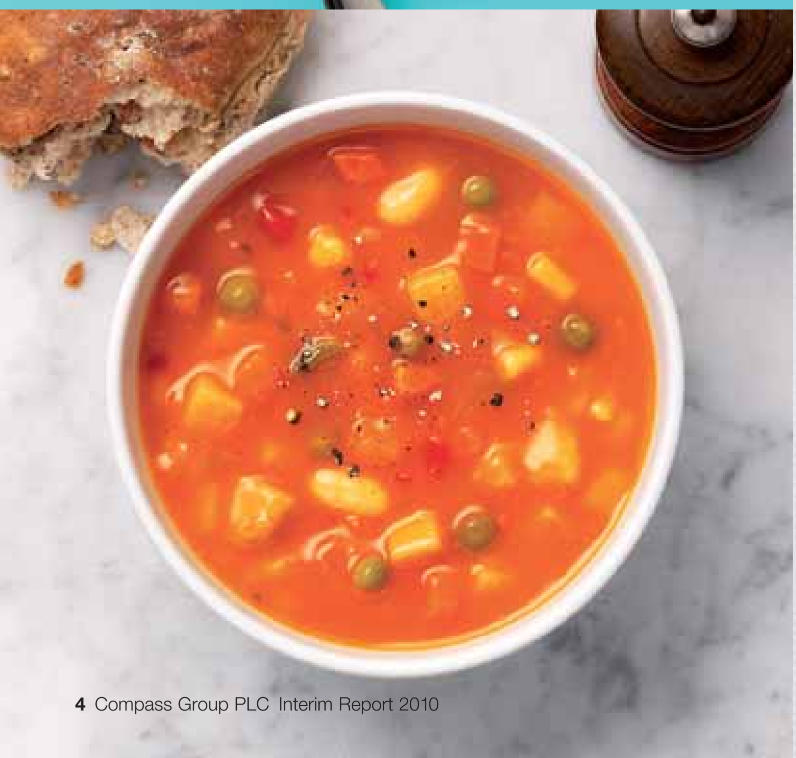
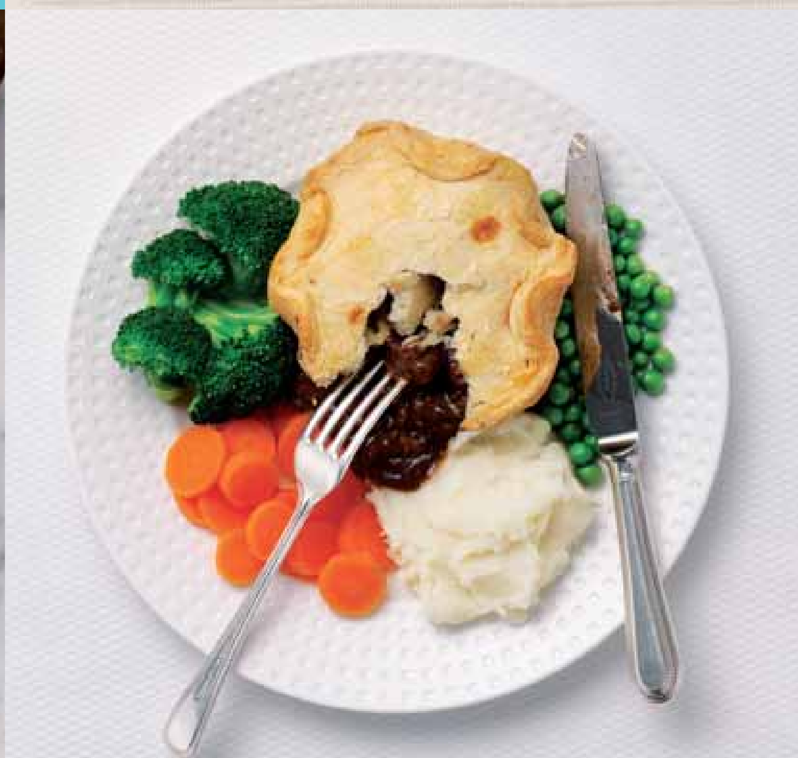





Delivering daily

We're passionate about great food.

We may serve more than 4 billion meals a year, but every one has to meet individual tastes. The recipes and menus our award-winning chefs create, the best ingredients, often sourced direct from the growers to our specification, and the skills of our service teams all come together on that plate, in that sandwich, in that cup of coffee and on that tray of canapés.

Organic revenue growth returning

Compass has delivered another strong performance in a challenging environment. An acceleration in new business wins and continued progress in operating efficiency has delivered significant growth in the margin of 50 basis points. It is very encouraging that organic revenue growth is now returning. As we look forward we will maintain our relentless focus on efficiency, but at the same time we are laying strong foundations for the future growth of the Group.

Richard Cousins

Richard Cousins
Group Chief Executive

See this Report online at:
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Group overview
Reported revenue has grown by 2.6% in the six months to 31 March 2010, or by 0.9% on a constant currency basis. Adjusting for the impact of acquisitions and disposals, organic revenue growth was 0.4% for the period. Encouragingly, the Group has seen a slight acceleration in the rate of new business wins to 9% and the retention rate has remained stable at 93%. After three very difficult quarters, like for like volumes are now showing signs of stabilisation and as we look to the second half of the year we continue to expect to deliver modest organic revenue growth.

We continue to focus on the MAP programme, which gives us the framework to deliver quality new business and retention as well as control costs and drive greater efficiency. For the six months to 31 March 2010 this has enabled us to deliver £44 million, or 10%, of constant currency operating profit growth. The operating margin has increased by 50 basis points to 7.0%, benefiting from the continued flow through of the significant efficiencies generated in the second half of the year to 30 September 2009.

£18 million of net new business growth
We have seen a slight improvement in the rate of new business wins in both food and multi service business, winning important new contracts with Wells Fargo in the USA, Aviva in the UK and Deutsche Postbank in Germany. Furthermore, the pipeline of new business looks encouraging.

We are continuing our focus on extending existing client relationships and the roll out of retention best practice is starting to gain real traction around the world.

£10 million of base estate profit growth
We have again grown our profit through sustainable growth in the base estate.

Like for like growth
We continue to experience modest levels of input cost inflation across the business. Against this backdrop, we are achieving appropriate price increases. Overall, like for like volume declined in the period by 3%. The continuous application of MAP 4 Unit Costs and management of the flexible cost base has again enabled us to limit the impact of lost volume on operating profit.

Cost efficiencies
A combination of new efficiencies and the flow through of the significant efficiency gains generated in the second half of last year have enabled us to offset the impact of volume contraction and report an overall increase in profit, whilst also funding ongoing reinvestment in the business to support growth. We have also made further efficiencies in MAP 3 Cost of Food, as we continue to focus on menu planning, supplier and product rationalisation, logistics and waste reduction, where the fast roll out of our waste management programme 'Trim Trax' is helping to deliver meaningful savings. Furthermore, in MAP 4 Unit Costs, we have again reduced in unit overheads. The relentless drive for efficiency is a core value of the Group.

£12 million of above unit cost savings
We have again made excellent progress in MAP 5 and further reduced the above unit overheads by £12 million compared to the same period last year. Importantly, we have made good progress on our journey to redeploy resources away from back office administration to improving our client facing operations and growing the business.

£4 million from acquisitions/disposals

This relates mainly to the incremental trading profit from the 2009 acquisitions of Kimco and Lackmann in the USA, Plural in Germany and McColls in the UK.

Strategy

Our core strategy remains unchanged. We continue to focus on foodservice and to build on the fast growth in support services. Our scale within countries enables us to drive efficiency and our global reach allows us to take advantage of the significant outsourcing opportunities as well as have the capability to serve multinational clients. Sectorisation is a fundamental part of our strategy and we have built big businesses in all of the key sectors.

Our primary focus remains on organic growth in both food and support services where there are major opportunities to drive new outsourcing. The foodservice opportunity is significant, with only around half of the £200 billion marketplace outsourced and our share of the total market estimated at just 7%. The Business & Industry sector still offers excellent growth opportunities and we are increasing the focus on the large Healthcare and Education markets which are still only around one-third outsourced.

We are establishing a global competence in the £200 billion soft support services market. In the year to 30 September 2009, multi services had grown to 18% of Group revenue at £2.5 billion. Including acquisitions, this is equivalent to a growth rate of 20% per annum over the last three years. In the first half of the year multi services revenue has continued to grow strongly. Building on the Defence, Offshore & Remote site model, we now deliver support services in the Healthcare, Business & Industry and Education sectors. The internally developed 'Compass Service Framework' is our industry leading model to deliver support services. Increasingly we are bolting on excellent infill acquisitions which are adding to our scale and competence. For example, the acquisition of Clean Mall and FB Facility marks our entry into the large support services market in Brazil. The success we have had in winning new business with major national and international organisations, for example, Shell, Coca-Cola and Microsoft, underlines the strength of our offer.

Compass is a truly international business with 88% of revenue generated from outside the UK. Having exited some 40 countries which did not meet our investment criteria, we are now focused on a core 50. The USA continues to offer excellent growth opportunities and we have considerable opportunity to increase our presence in the core developed economies around the globe. We are now increasing our focus on the emerging countries, which account for almost 10% of Group revenue. Brazil is our eighth largest business accounting for 4% of Group revenue and is growing quickly. Whilst currently small, our operations in Russia, India and China have excellent growth potential and we are actively investing to develop these important opportunities.

In summary, our business model is to drive strong organic revenue growth whilst delivering sustainable profit and margin improvement. In combination with disciplined capital spend and tight control over working capital, this should result in continued strong cash flow. We will continue to reward shareholders through the distribution of a healthy dividend and to reinvest in future growth both organically and in value creating infill acquisitions. This will deliver real value to our shareholders.

MAP

MAP is fundamental to driving consistent performance across the Group and the discipline it brings to the way we manage the business puts us in a strong position to meet the challenges in the period ahead.

MAP 1
Client sales and marketing

MAP 2
Consumer sales and marketing

MAP 3
Cost of food

MAP 4
Unit costs

MAP 5
Above unit overheads

Outlook

Whilst economic conditions are likely to remain challenging in the second half of the year, the combination of a strong new business pipeline and a stabilisation in like for like volume is expected to deliver modest organic revenue growth. In combination with this, our continued focus on operating efficiency should enable us to make further progress in the margin in the second half of the year, compared to the same period last year.

In the medium-term the Group is set to benefit from the combination of structural growth in outsourcing, further cost efficiencies and margin progression. Our operating efficiency allows us to invest in business development, and drive competitiveness. In addition, the strength of the cash flow and balance sheet is enabling us to reward shareholders and to accelerate growth through value creating infill acquisitions.

Richard Cousins
Group Chief Executive
12 May 2010

Sector diversity

We believe that the sectors we operate in have specific requirements and that responding to these and driving innovation and operating efficiency are best addressed by building sector expertise. For our customers this means access to unrivalled experience, global best practice and market-leading innovation, and the specialist skills of our people from award-winning chefs to service 'practice experts'.

Business & Industry

Group revenue 2010

41%

(2009: 42%)

Delivering world-class foodservice and support services to people at work. Our renowned 'customer first' hospitality mindset and reputation for great food are combined with the 'industrial efficiency' of our Compass Service Framework to consistently manage and deliver multiple services to the highest standard, at the best value, on a global scale.

Major sector brands

Eurest, Eurest Services, Bon Appétit Management Company, FLIK

Education

Group revenue 2010

18%

(2009: 17%)

From kindergarten to college, we provide fun, healthy dining options that help boost concentration and knowledge retention. Our food and nutrition specialists are committed to building strong bodies, sharp minds and establishing the foundation for a long, healthier life.

Major sector brands

Chartwells, Scolarest, Bon Appétit Management Company, FLIK

Healthcare & Seniors

Group revenue 2010

19%

(2009: 19%)

Delivering with care to the most exacting standards for patients, staff and visitors in the public and private healthcare sector and in the growing senior living market, with services to residential care homes, retirement communities and providing home delivery meal services.

Major sector brands

Medirest · Morrison · Crothall Services Group

Sports & Leisure

Group revenue 2010

10%

(2009: 10%)

With our acclaimed foodservice and unrivalled hospitality and service excellence, we have built up an enviable reputation for providing food and hospitality services at some of the world's most prestigious sporting, leisure and exhibition venues, visitor attractions and major events.

Major sector brands

Levy Restaurants · All Leisure

Defence, Offshore & Remote

Group revenue 2010

12%

(2009: 12%)

We lead the market in providing food and support services to major companies in the oil and gas and mining and construction industries, operating in some of the most demanding environments in the world. To our defence sector clients we are a partner who understands the challenges of running efficient and cost-effective operations for members of the armed forces.

Major sector brands

ESS Support Services Worldwide

Another strong performance

We have continued to focus on the MAP programme, which gives us the framework to deliver quality new business and retention as well as control costs and drive greater efficiency. This has enabled us to deliver £44 million, or 10%, of constant currency operating profit growth and increase the operating margin by 50 basis points to 7.0%.

Andrew Martin
Group Finance Director

Financial summary

Six months ended 31 March	2010	2009	Increase
Continuing operations			
Revenue			
Constant currency	**£7,104m**	£7,039m	0.9%
Reported	**£7,104m**	£6,927m	2.6%
Operating profit			
Constant currency	**£504m**	£460m	9.6%
Underlying	**£504m**	£455m	10.8%
Reported	**£500m**	£453m	10.4%
Operating margin			
Constant currency	**7.0%**	6.5%	50bps
Underlying	**7.0%**	6.5%	50bps
Reported	**7.0%**	6.5%	50bps
Profit before tax			
Underlying	**£462m**	£405m	14.1%
Reported	**£459m**	£387m	18.6%
Basic earnings per share			
Underlying	**18.0p**	15.4p	16.9%
Reported	**17.9p**	14.7p	21.8%
Free cash flow			
Reported	**£351m**	£240m	46.3%
Total Group including discontinued operations			
Basic earnings per share	**17.9p**	15.4p	16.2%
Interim dividend per ordinary share	**5.0p**	4.4p	13.6%

Segmental performance

	Revenue		Growth		
Six months ended 31 March	2010 £m	2009 £m	Reported	Constant currency	Organic
Continuing operations					
North America	**3,094**	3,082	0.4%	3.4%	2.8%
Continental Europe	**1,850**	1,769	4.6%	0.2%	(0.8)%
UK & Ireland	**897**	939	(4.5)%	(4.5)%	(5.7)%
Rest of the World	**1,263**	1,137	11.1%	0.2%	1.4%
Total	**7,104**	6,927	2.6%	0.9%	0.4%

	Operating profit		Margin	
Six months ended 31 March	2010 £m	2009 £m	2010 %	2009 %
Continuing operations				
North America	**244**	234	**7.9%**	7.6%
Continental Europe	**143**	131	**7.7%**	7.4%
UK & Ireland	**54**	54	**6.0%**	5.8%
Rest of the World	**87**	60	**6.9%**	5.3%
Unallocated overheads	**(28)**	(28)	**–**	–
Excluding associates	**500**	451	**7.0%**	6.5%
Associates	**4**	4		
Underlying	**504**	455		
Amortisation of intangibles arising on acquisition	**(3)**	(2)		
Acquisition transaction costs	**(1)**	–		
Total	**500**	453		

1 Constant currency restates the prior period results to 2010's average exchange rates.
2 Operating profit includes share of profit of associates.
3 Underlying operating profit and margin excludes the amortisation of intangibles arising on acquisition and acquisition transaction costs.
4 Operating margin is based on revenue and operating profit excluding share of profit of associates.
5 Underlying operating margin excludes the amortisation of intangibles arising on acquisition and acquisition transaction costs.
6 Underlying profit before tax excludes the amortisation of intangibles arising on acquisition, acquisition transaction costs, hedge accounting ineffectiveness and the change in fair value of investments and minority interest put options.
7 Underlying basic earnings per share excludes the amortisation of intangibles arising on acquisition, acquisition transaction costs, hedge accounting ineffectiveness, the change in fair value of investments and minority interest put options and the tax attributable to these amounts.
8 Organic growth is calculated by adjusting for acquisitions (excluding current period acquisitions and including a full period in respect of prior period acquisitions), disposals (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates) and compares the current period results against the prior year.

Revenue

Overall, reported revenue growth for the six months to 31 March 2010 was 2.6%, largely reflecting the strengthening of a number of currencies against Sterling. Constant currency revenue growth was 0.9% and organic revenue growth for the period was 0.4%, reflecting the impact of net new business wins and like for like performance.

10	**£7,104m**
09	£6,927m
08	£5,589m

Operating profit

Underlying operating profit from continuing operations, including associates but excluding the amortisation of intangibles arising on acquisition and acquisition transaction costs, was £504 million, an increase of 10.8% on a reported basis over the prior period. Underlying operating profit increased by £44 million, or 9.6%, on a constant currency basis. This represents a 50 basis points improvement in margin to 7.0% (2009: 6.5% on a constant currency basis).

10	**£504m**
09	£455m
08	£322m

Operating profit after the amortisation of intangibles arising on acquisition of £3 million (2009: £2 million) and acquisition transaction costs of £1 million (2009: £nil) was £500 million (2009: £453 million).

Operating margin

Underlying operating profit increased by £44 million, or 9.6%, on a constant currency basis. This represents a 50 basis points improvement in margin to 7.0% (2009: 6.5%).

10	**7.0%**
09	6.5%
08	5.7%

North America

43.6% Group revenue (2009: 44.5%)

Our North American business (which includes our operations in the USA, Canada and Mexico) has delivered another very strong performance. Revenues were £3,094 million (2009: £3,082 million), with organic growth of 2.8%. Operating profit increased by £18 million on a constant currency basis, or 8.0%, to £244 million (2009: £226 million on a constant currency basis). The efficiencies which we generated last year, particularly in the procurement and logistics area, have flowed through to the first half of this year, contributing to a margin improvement of 30 basis points.

Continental Europe

26.0% Group revenue (2009: 25.5%)

Revenue in Continental Europe totalled £1,850 million (2009: £1,769 million) with organic revenue 0.8% lower than last year. Further efficiency gains resulted in an operating profit increase of £6 million on a constant currency basis to £143 million (2009: £137 million on a constant currency basis), an increase of 4.4%, and margin improvement of 30 basis points to 7.7%.

UK & Ireland

12.6% Group revenue (2009: 13.6%)

Revenues in the UK & Ireland were £897 million (2009: £939 million). We continue to streamline the back office and improve productivity and this has enabled us to improve margins by 20 basis points in the first half, despite the difficult economic conditions. Operating profit was £54 million (2009: £54 million).

Rest of the World

17.8% Group revenue (2009: 16.4%)

The Rest of the World businesses have delivered revenue of £1,263 million (2009: £1,137 million) and organic revenue growth of 1.4%. Operating profit increased by £20 million, or 30% on a constant currency basis, to £87 million (2009: £67 million on a constant currency basis). The margin has increased by 160 basis points overall on a constant currency basis to 6.9%, and is now broadly in line with the Group average.

Regional reviews

Additional information on the performance of each region can be found in the regional reviews on pages 14 to 17.

Unallocated overheads

Unallocated overheads were £28 million (2009: £28 million), reflecting continued good control over costs as the business expands.

Finance costs

Underlying net finance cost, excluding hedge accounting ineffectiveness and the impact of revaluing investments and minority interest put options, was £42 million (2009: £50 million). The decrease largely reflects the lower levels of net debt compared to last year. We expect the underlying net finance cost for the full year to be around £80 to £85 million at current exchange rates.

Other gains and losses

Other gains and losses include a £1 million credit (2009: £11 million cost) from hedge accounting ineffectiveness and a £nil cost (2009: £5 million cost) of revaluing investments and minority interest put options.

Profit before tax

Profit before tax from continuing operations was £459 million (2009: £387 million).

On an underlying basis, profit before tax from continuing operations increased by 14.1% to £462 million (2009: £405 million), excluding the amortisation of intangibles arising on acquisition, acquisition transaction costs, hedge accounting ineffectiveness and the impact of revaluing investments and minority interest put options.

Income tax expense

Income tax expense from continuing operations was £125 million (2009: £112 million).

On an underlying basis, excluding the amortisation of intangibles arising on acquisition, acquisition transaction costs, hedge accounting ineffectiveness and the impact of revaluing investments and minority interest put options, the tax charge on continuing operations was £126 million (2009: £117 million), equivalent to an effective tax rate of 27% (2009: 29%). This reduction reflects the benefit of reduced corporate tax rates in some of the major countries we operate in. Based on these current corporate tax rates, we expect the tax rate to average out around the 27% level in the short to medium-term.

Discontinued operations

The profit after tax from discontinued operations was £nil (2009: £12 million).

Basic earnings per share

Basic earnings per share, including discontinued operations, were 17.9 pence (2009: 15.4 pence).

On an underlying basis, excluding discontinued operations, the amortisation of intangibles arising on acquisition, acquisition transaction costs, hedge accounting ineffectiveness, the impact of revaluing investments and minority interest put options and the tax attributable to these amounts, the basic earnings per share from continuing operations were 18.0 pence (2009: 15.4 pence).

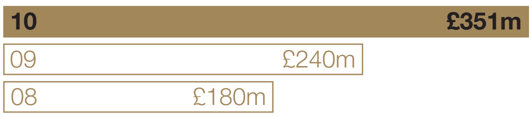
Six months ended 31 March	Attributable profit 2010 £m	Attributable profit 2009 £m	Basic earnings per share 2010 pence	Basic earnings per share 2009 pence	Change %
Reported	**333**	284	**17.9**	15.4	16.2
Discontinued operations	**–**	(12)	**–**	(0.7)	
Other adjustments	**2**	13	**0.1**	0.7	
Underlying	**335**	285	**18.0**	15.4	16.9

Dividends

An interim dividend of 5.0 pence per share will be paid on 2 August 2010 to shareholders on the register on 2 July 2010. This represents a year on year increase of 13.6%.

Free cash flow

Free cash flow from continuing operations totalled £351 million (2009: £240 million). The major factors contributing to the increase were: a £49 million increase in underlying operating profit before associates, £14 million lower net tax payments and £62 million improvement in working capital.



Gross capital expenditure of £147 million (2009: £133 million), including amounts purchased under finance leases of £1 million (2009: £1 million), is equivalent to 2.1% of revenues (2009: 1.9% of revenues). We expect the level of gross capital expenditure for the full year to continue to be just over the 2% level.

We are making further good progress in working capital management, limiting the overall seasonal working capital outflow (including provisions and post-employment benefit obligations) to £3 million (2009: £65 million outflow). Although we typically have a working capital outflow of around £60 million in the first half, the reported outflow this year was almost neutral and our expectations of a modest working capital inflow for the full year remain unchanged.

The cash tax rate was 16% (2009: 21%), based on underlying profit before tax for continuing operations, benefiting from some one-off tax refunds relating to prior years. For the full year we continue to expect a cash tax rate around the mid 20's level.

The net interest outflow was £47 million (2009: £44 million).

Acquisition payments

The total cash spend on acquisitions in the first half was £41 million. This includes £27 million on infill acquisitions and £12 million of deferred consideration relating to previous year acquisitions.

We are pleased to announce the acquisition in Brazil of Clean Mall Serviços Ltda ('Clean Mall') and FB Projetos Multi Service Ltda ('FB Facility') from FB Administração e Participators' S.A. The gross assets of Clean Mall and FB Facility at 31 December 2009 were BRL14.4 million (£5.3 million) with revenue of BRL80 million (£30 million). Established in 1982, Clean Mall/FB Facility specialises in the provision of soft support services to the Business & Industry and Healthcare sectors. Headquartered in São Paulo, the business employs 5,000 people and serves some of the leading corporations and hospitals throughout the state. This acquisition strengthens Compass' ability to expand into the vast soft support services market in Brazil and to offer multi service contracts to both existing and new Compass clients.

Together with the previously announced acquisition of Caterine Restauration in France on 5 May 2010, we have now spent around £65 million on acquisitions since 31 March 2010.

Disposals

Payments made in respect of businesses disposed or discontinued in prior years totalled £4 million in the period (2009: £33 million).

Proceeds from issue of share capital

The Group received cash of £68 million (2009: £9 million) from the issue of share capital in the period in connection with the exercise of employee share options.

Pensions

The Group has continued to review and monitor its pension obligations throughout the period working closely with the trustees and members of schemes around the Group to ensure proper and prudent assumptions are used and adequate provision and contributions are made.

The Group's pension deficit at 31 March 2010 was £336 million (30 September 2009: £335 million; 31 March 2009: £257 million).

Financial position

During the first six months of the year net debt decreased to £766 million (2009: £1,258 million).

£200 million of Sterling denominated bonds were repaid in January 2010 out of surplus cash. In addition, the Group has an undrawn bank facility of over £700 million committed through to 2012.

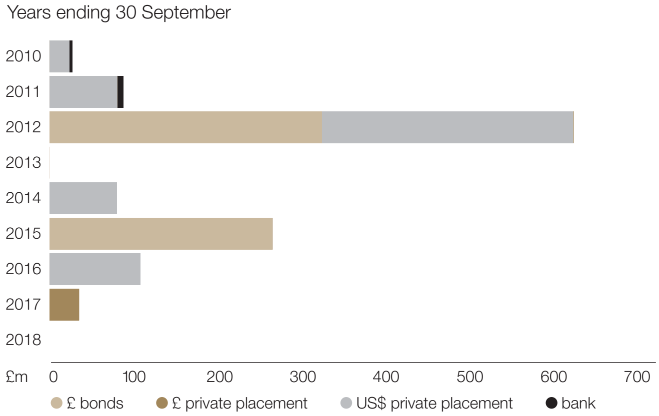
Looking forward, £27 million of debt is due for repayment in the remainder of 2010, £87 million in 2011 and £625 million in 2012. With considerable ongoing free cash generation the Group believes that it is in a very strong financial position.

Liquidity risk

The Group finances its borrowings from a number of sources including banks, the public markets and the private placement markets.

The maturity profile of the Group's principal borrowings at 31 March 2010 shows the average period to maturity is 3.1 years.

Maturity profile of principal borrowings
as at 31 March 2010



Borrowings are stated at their nominal value except for the bond redeemable in December 2014 which is recorded at its fair value to the Group on acquisition.

The Group's undrawn committed bank facilities at 31 March 2010 were £770 million (2009: £793 million).

Financial instruments

The Group continues to manage its foreign currency and interest rate exposure in accordance with the policies set out below. The Group's financial instruments comprise cash, borrowings, receivables and payables that are used to finance the Group's operations. The Group also uses derivatives, principally interest rate, currency swaps and forward currency contracts, to manage interest rate and currency risks arising from the Group's operations. The Group does not trade in financial instruments. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates and to manage the Group's financial risks. The Board approves any changes to the policies.

Foreign currency risk

The Group's policy is to match, as far as possible, its principal projected cash flows by currency to actual or effective borrowings in the same currency. As currency cash flows are generated, they are used to service and repay debt in the same currency. To implement this policy, forward currency contracts or currency swaps are taken out which, when applied to the actual currency liabilities, convert these to the required currency.

The borrowings in each currency give rise to foreign exchange differences on translation into Sterling. Where the borrowings are either less than, or equate to, the net investment in overseas operations, these exchange rate movements are treated as movements on reserves and recorded in the statement of recognised income and expense rather than in the income statement. Non-Sterling earnings streams are translated at the average rate of exchange for the year. This results in differences in the Sterling value of currency earnings from year to year.

The table in note 19 to the condensed financial statements sets out the exchange rates used to translate the income statements, balance sheets and cash flows of non-Sterling denominated entities.

Interest rate risk

As detailed above, the Group has effective borrowings in a number of currencies and its policy is to ensure that, in the short-term, it is not materially exposed to fluctuations in interest rates in its principal currencies. The Group implements this policy either by borrowing fixed rate debt or by using interest rate swaps so that at least 80% of its projected net debt is fixed for one year, reducing to 60% fixed for the second year and 40% fixed for the third year.

Other risks and uncertainties

The Board takes a proactive approach to risk management with the aim of protecting its employees and customers and safeguarding the interests of the Company and its shareholders.

The principal risks and uncertainties facing the business and the activities the Group undertakes to mitigate these are set out in the section headed 'Managing risk' on pages 20 to 23.

Related party transactions

Details of transactions with related parties are set out in note 17. These transactions have not, and are not expected to have, a material effect on the financial performance or position of the Group.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this Business Review, as is the financial position of the Group, its cash flows, liquidity position, and borrowing facilities. In addition, note 20 of the consolidated financial statements of our 2009 Annual Report includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with longer-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Andrew Martin
Group Finance Director
12 May 2010

Regional performance

North America

43%

North America contributes 43% towards Group revenue
(2009: 44%)

£3,094m
Revenue
(2009: £3,082m)

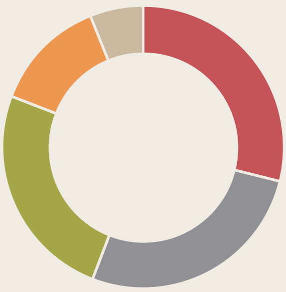
7.9%
Operating margin
(2009: 7.6%)

£244m
Operating profit
(2009: £234m)

2.8%
Organic revenue growth
(2009: 4.4%)

Revenue by sector

- Business & Industry 29%
- Education 27%
- Healthcare & Seniors 25%
- Sports & Leisure 13%
- Defence, Offshore & Remote 6%



Our North American business has delivered another very strong performance

Our North American business (which includes our operations in the USA, Canada and Mexico) has delivered another very strong performance. Revenues were £3,094 million (2009: £3,082 million), with organic growth of 2.8%. Operating profit increased by £18 million on a constant currency basis, or 8.0%, to £244 million (2009: £226 million on a constant currency basis). The efficiencies which we generated last year, particularly in the procurement and logistics area, have flowed through to the first half of this year, contributing to a margin improvement of 30 basis points.

The Business & Industry sector has delivered very good levels of new business, including contracts with Wells Fargo, Visa, Citizens Bank and Pfizer Conference Solutions. The like for like pressure on volumes that was evident last year has continued into the first half. However, headcounts at our client sites have started to level off and the sharp reductions in event catering and corporate hospitality have stabilised. Further efficiency measures have been introduced which have helped deliver both profit and margin improvement.

Following the recent acquisitions we have made in Healthcare, our strengthened support services offer has improved our ability to cross-sell between food and support services, contributing to the delivery of good organic revenue growth. We continue to see excellent retention rates and to win good quality new business in both food and support services. For example, recent wins include the Staten Island University Hospital, one of the largest teaching hospitals in New York City, the Kaiser Foundation Hospitals in California and the Miami Jewish Health System, where, as part of our services, we will be providing senior dining.

The Education sector is benefiting from strong new contract wins during the summer last year which are now flowing through to the current year performance. Retention remains excellent and the like for like revenues are encouraging given the continued high level of student enrolments and uptake of board plans.

In Levy, our Sports & Leisure business, we have seen an increase in new business wins and we continue to see a strong pipeline, although like for like volumes remain soft with consumer confidence slow to return. New contract wins include the 2010 US Golf Open Championship at Pebble Beach in California, the concessions business of the Philips Arena (home of the NBA's Atlanta Hawks and the NHL's Atlanta Thrashers), where we already operate the premium food services and the Arco Arena (home of the Sacramento Kings NBA team). Ongoing efficiency measures are delivering further margin improvement.

In Canada, as well as the recently announced acquisition of Hurley Corporation, we have won a contract to provide food and support services to Black Diamond, an ESS remote site client and in Toronto we have been appointed to provide conference services to The Estates at Sunnybrook.

Continental Europe

26%

Continental Europe contributes 26% towards Group revenue
(2009: 26%)

£1,850m

Revenue
(2009: £1,769m)

7.7%

Operating margin
(2009: 7.4%)

£143m

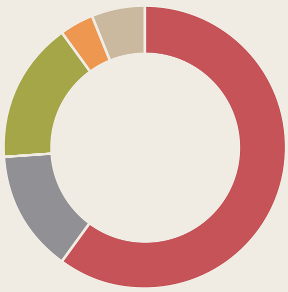
Operating profit
(2009: £131m)

(0.8)%

Organic revenue growth
(2009: 1.2%)

Revenue by sector

- Business & Industry 60%
- Education 14%
- Healthcare & Seniors 16%
- Sports & Leisure 4%
- Defence, Offshore & Remote 6%



Further efficiency gains resulted in an operating profit increase of £6 million on a constant currency basis

Revenue in Continental Europe totalled £1,850 million (2009: £1,769 million) with organic revenue 0.8% lower than last year. Further efficiency gains resulted in an operating profit increase of £6 million on a constant currency basis to £143 million (2009: £137 million on a constant currency basis), an increase of 4.4% and margin improvement of 30 basis points to 7.7%.

Across the region, we have seen an encouraging increase in the rate of new contract wins, for example Lucerne University in Switzerland and a multi-site foodservice contract with Italy's central bank, Banca d'Italia. Our fast growing business in Turkey has been awarded exciting contracts across all sectors such as the prestigious Sabanci Group, Türk Telekom, Kocaeli University and two contracts with the Turkish Army. Economic conditions have remained difficult in much of the region, however, like for like volumes are now stabilising.

In France, a focus on driving efficiencies, particularly through the purchasing and logistics processes and initiatives to reduce waste, has enabled both profit and margin to grow. In April we completed the acquisition of Caterine Restauration. The gross assets of the business acquired were €34 million as at 31 August 2009 with revenue for the year to 31 August 2009 of €42 million. This provides an excellent platform for our continued growth in the Education and Healthcare sectors.

In Germany, with the integration of Plural, a support service specialist acquired last year, the benefits of cross-selling are starting to be realised. The Healthcare sector has seen double digit new business, with new contract awards in both food and support services across the country, for example with Ethianum and Ruland Kliniken.

Both Norway and Sweden have delivered double digit organic revenue growth driven by a high level of new business in both food and support services, for example Capgemini Norge AS and Saab AB. ESS Norway has consolidated its long-term partnership with ConocoPhillips by being awarded the largest single offshore foodservice contract in Norway at the Ekofisk area in the North Sea.

The Italian business has once again delivered operating efficiencies and margin improvement. The increased efficiency of our offer is driving further success in new business wins where we have been particularly successful in support services, for example extending the business with Trenitalia (Italian Railways) to the Veneto region. The Healthcare sector is also generating good levels of new business, including a recent win with the Ospedale Salerno, and we are in the process of integrating a number of Education and Healthcare contracts in the Alessandria province.

Against the background of high unemployment levels, the management team in Spain has continued to increase efficiencies and improve purchasing and logistics processes to deliver a solid margin improvement. Retention remains strong. Furthermore, whilst small, we are seeing very good growth in Business & Industry support services.

Regional performance

UK & Ireland

13%

UK & Ireland contributes 13% towards Group revenue
(2009: 14%)

£897m
Revenue
(2009: £939m)

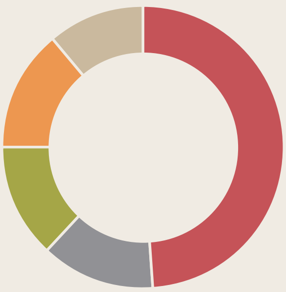
6.0%
Operating margin
(2009: 5.8%)

£54m
Operating profit
(2009: £54m)

(5.7)%
Organic revenue growth
(2009: (3.6)%)

Revenue by sector

- Business & Industry 49%
- Education 13%
- Healthcare & Seniors 13%
- Sports & Leisure 14%
- Defence, Offshore & Remote 11%



In the UK & Ireland we have improved margins by 20 basis points in the first half despite the difficult economic conditions

Revenues in the UK & Ireland were £897 million (2009: £939 million). We continue to streamline the back office and improve productivity and this has enabled us to improve margins by 20 basis points in the first half, despite the difficult economic conditions. Operating profit was £54 million (2009: £54 million).

In the Business & Industry sector we continue to win good levels of new business. For example, we have recently won a new contract with Aviva to provide a range of catering and hospitality services, and have renewed our contract with KPMG. The business has continued to focus on driving labour cost efficiencies, significantly reducing the overall cost.

We have maintained our growth momentum by winning new business in the Sports & Leisure sector. For example, we have won a new contract with Championship team Sheffield United to provide both match and non-match day catering and hospitality at their Bramall Lane Stadium, the world's oldest professional football ground. We have also renewed our contract with Chelsea Football Club at both Stamford Bridge and the Cobham Training Facility and a contract extension has been secured with Leeds Castle in Kent.

The work over the last few years in the Education sector is starting to show benefits. We have recently retained our contracts with Sherborne Girls Boarding School, the International Study Centre (Herstmonceux Castle) and Oaklands College.

Growth in the Healthcare sector has been excellent with increased levels of new business and like for like volume growth. The extension of our retail offer has driven much of this growth. New business wins include King's College Hospital NHS Foundation Trust, where we will be using our 'Steamplicity' concept as well as providing support services, and the Queen Elizabeth Hospital, Birmingham, where we will be putting in place a high street style café alongside a foodcourt that showcases our offer.

Rest of the World

18%

Rest of the World contributes 18% towards Group revenue
(2009: 16%)

£1,263m

Revenue
(2009: £1,137m)

6.9%

Operating margin
(2009: 5.3%)

£87m

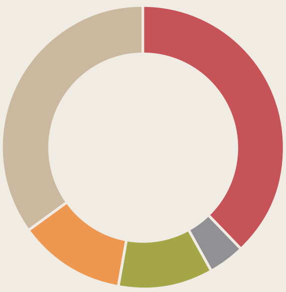
Operating profit
(2009: £60m)

1.4%

Organic revenue growth
(2009: 5.4%)

Revenue by sector

- Business & Industry 38%
- Education 4%
- Healthcare & Seniors 11%
- Sports & Leisure 12%
- Defence, Offshore & Remote 35%



The margin in the Rest of the World businesses has increased by 160 basis points overall

The Rest of the World businesses have delivered revenue of £1,263 million (2009: £1,137 million) and organic revenue growth of 1.4%. Operating profit increased by £20 million, or 30% on a constant currency basis, to £87 million (2009: £67 million on a constant currency basis). The margin has increased by 160 basis points overall on a constant currency basis to 6.9%, and is now broadly in line with the Group average.

We are continuing to see good levels of new business wins across most countries in the region, including a new contract with Microsoft in South Africa. In China we have been awarded the China Medical City, a pharmaceutical focused business park and Han's Laser, which specialises in the production of laser related equipment; and in Chile, we have been awarded several large remote site contracts linked to the mining industry. The drive for efficiencies across all five MAP disciplines has contributed to the excellent margin progression.

In Australia we continue to see very good levels of new business wins across all sectors. Rio Tinto-Hamersley recently awarded us the Brockman 4 Production project in Western Australia, Catholic Healthcare outsourced their catering services for the first time to us and we have won a contract with News Limited to run their staff restaurant. An ongoing focus on food cost in particular has enabled Australia to deliver further margin improvement.

Revenue in the Japanese business continues to be impacted by declines in the Business & Industry and Sports & Leisure sectors. However, we have again made further excellent progress in driving efficiencies in all areas of cost, including overheads, to deliver another increase in the margin.

In Brazil, new business wins across all sectors have been very positive. Recent awards include Brenco, a leader in the field of renewable energy, Johnson & Johnson and the Colegio Panamby Bilingual School, based in São Paulo. The actions taken last year by the management team have continued to deliver cost efficiencies which are moving the margin forward in this exciting business. The acquisition of Clean Mall and FB Facility marks our entry into the Brazilian support services market.

Our UAE based joint venture continues to perform well with double digit organic growth being seen in the support services and offshore sectors. A focus on food and logistics costs has assisted in moving the margin forward across the business.

Our businesses serving the energy and extraction sector, which has a focus on blue chip international clients, have continued to deliver strong double digit organic revenue growth and enjoy excellent retention rates. In Azerbaijan we have recently been awarded a multi service contract by BP to service their offshore locations in the Caspian Sea.




UNITED


Serving globally

Global reach, local touch.

We bring together the strength of a Group which operates in over 50 countries, combining the benefits of local market and sector knowledge with global reach and market-leading innovation to deliver world-class food and support services to our national and international clients. Our 386,000 great people are committed to delivering to the same consistent, superior standards of service globally, daily and, above all, safely.

Managing risk

The identification of risks and opportunities and the development of action plans to manage the risks and exploit the opportunities are an integral part of the business process, and a core activity throughout the Group.

The Board takes a proactive approach to risk management with the aim of protecting its employees and customers and safeguarding the interests of the Company and its shareholders.

As set out on pages 49 to 50 of the Corporate Governance section of our 2009 Annual Report, the Group has policies and procedures in place to ensure that risks are properly evaluated and managed at the appropriate level within the business.

The identification of risks and opportunities, the development of action plans to manage the risks and exploit the opportunities, and the continual monitoring of progress against agreed Key Performance Indicators ('KPIs') are an integral part of the business process, and a core activity throughout the Group.

Control is exercised at Group and business level through MAP, the Group's Management and Performance framework, monthly monitoring of performance by comparison with budgets and forecasts and through regular business reviews with the Group Chief Executive and the Group Finance Director.

This is underpinned by a formal major risk assessment process which is an integral part of the annual business cycle. As part of the process, each of the Group's businesses is required to identify and document major risks and appropriate mitigating activities and controls, and monitor and report to management on the effectiveness of these controls on a biannual basis. Senior managers are also required to sign biannual confirmations of compliance with key procedures and to report any breakdowns in, or exceptions to, these procedures. The results are reviewed by the Executive Committee and the Board.

The Group also has formal procedures in place, with clearly designated levels of authority, for approving acquisitions and other capital investments. These are supported by a post-investment review process for selected acquisitions and major items of capital expenditure.

The table opposite sets out the principal risks and uncertainties facing the business at the date of this Report and the systems and processes the Group has in place to manage and mitigate these risks.

Risk		Mitigation
Health, safety and environment	**Food safety**	Compass feeds millions of consumers around the world every day, therefore, setting the highest standards for food hygiene and safety is paramount. The Group has appropriate policies, processes and training procedures to ensure full compliance with legal obligations.
	Health and safety	Health and safety remains our number one operational priority. All management meetings throughout the Group feature a health and safety update as one of their first agenda items.
	Environment	Every day, everywhere, we look to make a positive contribution to the health and wellbeing of our customers, the communities we work in and the world we live in. Our 2009 Corporate Responsibility Report which can be found at www.compass-group.com/CR09 describes our approach in more detail.
Clients and consumers	**Client retention**	We aim to build long-term relationships with our clients based on quality and value. Our business model is structured so that we are not reliant on one particular sector, geography or group of clients.
	Consolidation of food and support services	We have developed a range of support services to complement our existing foodservice offer. These services are underpinned by the Compass Service Framework, our standard operating platform for support services, which gives us the capability to deliver to the same consistent, world-class standard globally.
	Bidding risk	The Group's operating companies bid selectively for large numbers of contracts each year and a more limited number of concession opportunities. Tenders are developed in accordance with a thorough process which identifies both the potential risks (including social and ethical risks) and rewards, and are subject to approval at an appropriate level of the organisation.
	Credit risk	There is limited concentration of credit risk with regard to trade receivables given the diverse and unrelated nature of the Group's client base.
	Service delivery and compliance with contract terms and conditions	The Group's operating companies contract with a large number of clients. Processes are in place to ensure that the services delivered to clients are of an appropriate standard and comply with the appropriate contract terms and conditions.
	Changes in consumer preferences	We strive to meet consumer demand for quality, choice and value by developing innovative and nutritious food offers which suit the lifestyles, tastes and preferences of our consumers.
People	**People retention and motivation**	The recruitment and retention of skilled employees is a challenge faced by the industry at large. The Group has established training and development programmes, succession planning and performance management programmes which are designed to align rewards with our corporate objectives and to retain and motivate our best people.
Supply chain	**Suppliers**	The Group constantly strives to find the right balance between building long-term supply relationships based on the compatibility of values and behaviour with the requirements of the Group as well as quality and price. The Group seeks to avoid over-reliance on any one supplier.
	Traceability	To reduce risk we are focusing on traceability, clear specification of our requirements to nominated suppliers and the improvement of purchasing compliance by unit managers.

Risk		Mitigation
Economic risk	**Economy**	Around 50% of our business, the Healthcare, Education and Defence, Offshore & Remote site sectors, is less susceptible to economic downturns. Revenues in the remaining 50%, the Business & Industry and Sports & Leisure sectors, are more susceptible to economic factors and employment levels. However, with the variable and flexible nature of our cost base, it is generally possible to contain the impact of like for like volume declines.
	Food cost inflation	As part of our MAP programme we seek to manage food cost inflation through: cost indexation in our contracts, giving us the contractual right to review pricing with our clients; menu management to substitute ingredients in response to any forecast shortages and cost increases; and continuing to drive greater purchasing efficiencies through supplier rationalisation and compliance.
	Labour cost inflation	Our objective is always to deliver the right level of service in the most efficient way. As part of our MAP programme we have been deploying tools and processes to optimise labour productivity and exercise better control over other labour costs such as absenteeism, overtime and third party agency spend; and to improve our management of salary and benefit costs and control labour cost inflation.
Regulatory, political and competitive environment	**Political stability**	Compass is a global company operating in countries and regions with diverse economic and political conditions. Our operations and earnings may be adversely affected by political or economic instability. However, we remain aware of these risks and look to mitigate them wherever possible. We have also taken the strategic decision to withdraw from a number of countries where we consider the risks outweigh the rewards.
	Regulation	Changes to laws or regulations could adversely affect our performance. We engage with governmental and non-governmental organisations directly or through trade associations to ensure that our views are represented.
	Competition	Compass operates in a competitive marketplace. The level of concentration and outsource penetration varies by country. Some markets are relatively concentrated with two or three key players, others are highly fragmented and offer significant opportunities for consolidation and penetration into the self-operated market. Aggressive pricing from our competitors could cause a reduction in our revenues and margins. We aim to minimise this by building long-term relationships with our clients based on quality and value.
Acquisitions and investments	**Acquisition risk**	Potential acquisitions are identified by the operating companies and are subject to appropriate levels of due diligence and approval by Group management. Post-acquisition integration and performance is closely managed and subject to regular review.
	Investment risk	Capital investments are subject to appropriate levels of scrutiny and approval by Group management.
	Joint ventures	In some countries we operate through joint ventures. Procedures are in place to ensure that joint venture partners bring skills, experience and resources that complement and add to those provided from within the Group.

Risk	Mitigation
Information technology and infrastructure	The Group relies on a variety of IT systems in order to manage and deliver services and communicate with its customers, suppliers and employees. There is minimal inter-country dependency on IT systems and all of the Group's major operating companies have appropriate disaster recovery plans in place.
Fraud and compliance	The Group's zero tolerance based Code of Ethics governs all aspects of our relationship with our stakeholders. All alleged breaches of the Code are investigated. The Group's procedures include regular operating reviews, underpinned by a continual focus on ensuring the effectiveness of internal controls.
Litigation	Though we do not operate in a litigious industry, we have in place policies and processes in all of our main operating companies to report, manage and mitigate against third party litigation.
Reputation risk	Our brands are amongst the most successful and best established in our industry. They represent a key element of the Group's overall marketing and positioning. In the event that our brand or reputation is damaged this could adversely impact the Group's performance. The Group's zero tolerance based Code of Ethics is designed to safeguard the Company's assets, brands and reputation.
Financial risk	Compass Group's financial risk management strategy is based upon sound economic objectives and good corporate practice. The main financial risks concern the availability of funds to meet our obligations (liquidity risk), movements in exchange rates (foreign currency risk), movements in interest rates (interest rate risk) and counterparty credit risk. Derivative and other financial instruments are used to manage interest rate and foreign currency risks. Further details of our financial risks and the ways in which we mitigate them are set out on page 13.
Pensions risk	The Group's defined benefit pension schemes are closed to new entrants other than for transfers under public sector contracts in the UK where the Company is obliged to provide final salary benefits to transferring employees, and future pension accrual has now ceased in the UK schemes. Steps have also been taken to reduce the investment risk in these schemes. Further information is set out in note 23 to the consolidated financial statements of our 2009 Annual Report.
Tax risk	As a Group, we seek to plan and manage our tax affairs efficiently in the jurisdictions in which we operate. In doing so, we aim to act in compliance with the relevant laws and disclosure requirements. In an increasingly complex international tax environment, a degree of uncertainty is inevitable in estimating our tax liabilities. We exercise our judgement, and seek appropriate professional advice, in assessing the amounts of tax to be paid and the level of provision required. The effective rate of tax may be influenced by a number of factors, including changes in laws and accounting standards, which could increase the rate.

We're all about great food and great service. We work with some of the most renowned chefs in the world and employ those we believe to be the best in our industry. Our chef development and training programmes ignite a passion for cooking in the future generations who will continue our fine culinary heritage.

The menus and dishes our chefs create and inspire provide a choice of high quality, nutritious and well balanced food to meet people's needs during the day and throughout life, whether it's:

- Refreshing tired minds and refuelling the productivity of people at work;
- Helping boost the concentration of young minds at school and college;
- Meeting dietary needs to help aid recovery in hospital;
- Creating that unforgettable dinner at the event of a lifetime; or
- Providing a taste of home when you're many miles away.

You can taste our passion for food in every dish we serve.

Report

Condensed financial statements

Shareholder information

Index to the financial statements

Online access
See this Report online at:
www.compass-group.com/interimreport10

Condensed financial statements

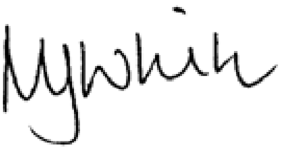
Directors' responsibilities

The Interim Report complies with the Disclosure and Transparency Rules ('DTR') of the United Kingdom's Financial Services Authority in respect of the requirement to produce a half-yearly financial report. The Interim Report is the responsibility of, and has been approved by, the Directors.

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34;
- the Interim Management Report includes a fair review of the important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year, as required by DTR 4.2.7R; and
- the Interim Management Report includes a fair review of disclosure of related party transactions and changes therein, as required by DTR 4.2.8R.

On behalf of the Board.



Mark J White
General Counsel and Company Secretary
12 May 2010

The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards ('IFRS').

International Accounting Standard 34 defines the minimum content of an interim financial report, including disclosures, and identifies the accounting recognition and measurement principles that should be applied to an interim financial report.

Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and which comply with the requirements of the Companies Act 2006. The Directors, having prepared the financial statements, have permitted the Auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their review opinion.

The Directors are also responsible for the maintenance and integrity of the Compass Group PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent review report to Compass Group PLC

Introduction

We have been engaged by Compass Group PLC ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2010 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes 1 to 19. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This Report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this Report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
12 May 2010

Consolidated income statement

for the six months ended 31 March 2010

	Notes	Six months to 31 March 2010 Unaudited £m	Six months to 31 March 2009 Unaudited £m	Year ended 30 September 2009 Audited £m
Continuing operations				
Revenue	3	**7,104**	6,927	13,444
Operating costs		**(6,608)**	(6,478)	(12,574)
Operating profit	3	**496**	449	870
Share of profit of associates	3	**4**	4	7
Total operating profit	3	**500**	453	877
Finance income	4	**3**	15	14
Finance costs	4	**(45)**	(65)	(114)
Hedge accounting ineffectiveness	4	**1**	(11)	(7)
Change in the fair value of investments and minority interest put options	4	**–**	(5)	3
Profit before tax		**459**	387	773
Income tax expense	5	**(125)**	(112)	(221)
Profit for the period from continuing operations	3	**334**	275	552
Discontinued operations				
Profit for the period from discontinued operations	6	**–**	12	40
Continuing and discontinued operations				
Profit for the period		**334**	287	592
Attributable to				
Equity shareholders of the Company		**333**	284	586
Minority interests		**1**	3	6
Profit for the period		**334**	287	592
Basic earnings per share (pence)				
From continuing operations	7	**17.9p**	14.7p	29.5p
From discontinued operations	7	**–**	0.7p	2.2p
From continuing and discontinued operations	7	**17.9p**	15.4p	31.7p
Diluted earnings per share (pence)				
From continuing operations	7	**17.8p**	14.7p	29.4p
From discontinued operations	7	**–**	0.6p	2.2p
From continuing and discontinued operations	7	**17.8p**	15.3p	31.6p

1 Impairment of goodwill, impairment of inventories, impairment of financial assets and net foreign exchange gains/(losses) recorded in the income statement, total £1 million loss (2009: £1 million loss).

Analysis of operating profit

for the six months ended 31 March 2010

	Six months to 31 March 2010 Unaudited £m	Six months to 31 March 2009 Unaudited £m	Year ended 30 September 2009 Audited £m
Continuing operations			
Operating profit before associates and costs relating to acquisitions	**500**	451	877
Share of profit of associates	**4**	4	7
Operating profit before costs relating to acquisitions	**504**	455	884
Amortisation of intangibles arising on acquisition	**(3)**	(2)	(7)
Acquisition transaction costs	**(1)**	–	–
Total operating profit	**500**	453	877

Consolidated statement of comprehensive income

for the six months ended 31 March 2010

	Notes	Six months to 31 March Retained earnings £m	Revaluation reserve £m	Translation reserve £m	Minority interests £m	Total 2010 Unaudited £m	Total 2009 Unaudited £m	Year ended 30 September 2009 Audited £m
Profit for the period		**333**	**–**	**–**	**1**	**334**	287	592
Other comprehensive income								
Currency translation differences		**–**	**–**	**89**	**1**	**90**	159	89
Actuarial gains/(losses) on post-retirement employee benefits	10	**5**	**–**	**–**	**–**	**5**	(100)	(206)
Tax on items taken directly to equity		**7**	**–**	**–**	**–**	**7**	30	70
Other		**–**	**–**	**–**	**–**	**–**	(1)	(1)
Total other comprehensive income for the period		**12**	**–**	**89**	**1**	**102**	88	(48)
Total comprehensive income for the period		**345**	**–**	**89**	**2**	**436**	375	544
Attributable to								
Equity shareholders of the Company		**345**	**–**	**89**	**–**	**434**	367	534
Minority interests		**–**	**–**	**–**	**2**	**2**	8	10
		345	**–**	**89**	**2**	**436**	375	544

Consolidated statement of changes in equity

for the six months ended 31 March 2010

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Other reserves £m	Retained earnings £m	Minority interests £m	Total £m
	Six months to 31 March Unaudited							
At 1 October 2009	185	215	44	(2)	4,489	(2,395)	9	2,545
Profit for the period	–	–	–	–	–	333	1	334
Other comprehensive income	–	–	–	–	89	12	1	102
Total comprehensive income for the period	–	–	–	–	89	345	2	436
Issue of shares (for cash)	3	67	–	–	–	–	–	70
Fair value of share-based payments	–	–	–	–	5	–	–	5
Settled in new shares (issued by the Company)	–	9	–	–	(9)	–	–	–
Settled in cash or existing shares[1]	–	–	–	–	(1)	–	–	(1)
Share buy-back	–	–	–	–	–	–	–	–
Buy-out of minority interests	–	–	–	–	–	–	–	–
Other changes	–	–	–	–	–	1	–	1
	3	76	–	–	84	346	2	511
Dividends paid to Compass shareholders (note 8)	–	–	–	–	–	(164)	–	(164)
Dividends paid to minority interests	–	–	–	–	–	–	(2)	(2)
(Increase)/decrease in own shares held for staff compensation schemes[2]	–	–	–	1	–	–	–	1
At 31 March 2010	188	291	44	(1)	4,573	(2,213)	9	2,891

Other reserves	Share-based payment reserve £m	Merger reserve £m	Revaluation reserve £m	Translation reserve £m	Equity adjustment for put options £m	Total other reserves £m
	Six months to 31 March Unaudited					
At 1 October 2009	146	4,170	7	172	(6)	4,489
Profit for the period	–	–	–	–	–	–
Other comprehensive income	–	–	–	89	–	89
Total comprehensive income for the period	–	–	–	89	–	89
Fair value of share-based payments	5	–	–	–	–	5
Settled in new shares (issued by the Company)	(9)	–	–	–	–	(9)
Settled in cash or existing shares[1]	(1)	–	–	–	–	(1)
At 31 March 2010	141	4,170	7	261	(6)	4,573

1 It was originally anticipated these payments would be satisfied by the issue of new shares. However, they were settled in cash or existing shares purchased in the market.
2 These shares are held in trust and are used to satisfy some of the Group's liabilities to employees for share options, share bonus and long-term incentive plans.

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Other reserves £m	Retained earnings £m	Minority interests £m	Total £m
	Six months to 31 March Unaudited							
At 1 October 2008	184	178	44	(4)	4,401	(2,616)	19	2,206
Profit for the period	–	–	–	–	–	284	3	287
Other comprehensive income	–	–	–	–	153	(70)	5	88
Total comprehensive income for the period	–	–	–	–	153	214	8	375
Issue of shares (for cash)	1	8	–	–	–	–	–	9
Fair value of share-based payments	–	–	–	–	4	–	–	4
Settled in new shares (issued by the Company)	–	10	–	–	(10)	–	–	–
Settled in cash or existing shares[2]	–	–	–	–	(1)	–	–	(1)
Share buy-back[1]	–	–	–	–	–	(13)	–	(13)
Buy-out of minority interests	–	–	–	–	–	–	(7)	(7)
Other changes	–	–	–	–	–	–	–	–
	1	18	–	–	146	201	1	367
Dividends paid to Compass shareholders (note 8)	–	–	–	–	–	(148)	–	(148)
Dividends paid to minority interests	–	–	–	–	–	–	(1)	(1)
(Increase)/decrease in own shares held for staff compensation schemes[3]	–	–	–	2	–	–	–	2
At 31 March 2009	185	196	44	(2)	4,547	(2,563)	19	2,426

Other reserves	Share-based payment reserve £m	Merger reserve £m	Revaluation reserve £m	Translation reserve £m	Equity adjustment for put options £m	Total other reserves £m
	Six months to 31 March Unaudited					
At 1 October 2008	153	4,170	8	78	(8)	4,401
Profit for the period	–	–	–	–	–	–
Other comprehensive income	–	–	(1)	154	–	153
Total comprehensive income for the period	–	–	(1)	154	–	153
Fair value of share-based payments	4	–	–	–	–	4
Settled in new shares (issued by the Company)	(10)	–	–	–	–	(10)
Settled in cash or existing shares[2]	(1)	–	–	–	–	(1)
At 31 March 2009	146	4,170	7	232	(8)	4,547

1 Including stamp duty and brokers' commission.
2 It was originally anticipated these payments would be satisfied by the issue of new shares. However, they were settled in cash or existing shares purchased in the market.
3 These shares are held in trust and are used to satisfy some of the Group's liabilities to employees for share options, share bonus and long-term incentive plans.

Consolidated balance sheet

as at 31 March 2010

	Notes	As at 31 March 2010 Unaudited £m	As at 31 March 2009 Unaudited £m	As at 30 September 2009 Audited £m
Non-current assets				
Goodwill		**3,710**	3,645	3,580
Other intangible assets		**560**	494	493
Property, plant and equipment		**545**	548	530
Interests in associates		**33**	32	32
Other investments		**39**	39	32
Trade and other receivables		**67**	61	64
Deferred tax assets*		**297**	321	300
Derivative financial instruments**		**76**	72	60
Non-current assets		**5,327**	5,212	5,091
Current assets				
Inventories		**245**	245	230
Trade and other receivables		**1,778**	1,764	1,680
Tax recoverable*		**16**	15	25
Cash and cash equivalents**		**568**	730	588
Derivative financial instruments**		**11**	15	27
Current assets		**2,618**	2,769	2,550
Total assets		**7,945**	7,981	7,641
Current liabilities				
Short-term borrowings**		**(306)**	(676)	(323)
Derivative financial instruments**		**(7)**	(13)	(15)
Provisions	9	**(134)**	(120)	(123)
Current tax liabilities*		**(286)**	(263)	(260)
Trade and other payables		**(2,467)**	(2,457)	(2,378)
Current liabilities		**(3,200)**	(3,529)	(3,099)
Non-current liabilities				
Long-term borrowings**		**(1,103)**	(1,386)	(1,277)
Derivative financial instruments**		**(5)**	–	(3)
Post-employment benefit obligations	10	**(336)**	(257)	(335)
Provisions	9	**(364)**	(348)	(342)
Deferred tax liabilities*		**(12)**	(9)	(11)
Trade and other payables		**(34)**	(26)	(29)
Non-current liabilities		**(1,854)**	(2,026)	(1,997)
Total liabilities		**(5,054)**	(5,555)	(5,096)
Net assets		**2,891**	2,426	2,545
Equity				
Share capital		**188**	185	185
Share premium account		**291**	196	215
Capital redemption reserve		**44**	44	44
Less: Own shares		**(1)**	(2)	(2)
Other reserves		**4,573**	4,547	4,489
Retained earnings		**(2,213)**	(2,563)	(2,395)
Total equity shareholders' funds		**2,882**	2,407	2,536
Minority interests		**9**	19	9
Total equity		**2,891**	2,426	2,545

* Component of current and deferred taxes. ** Component of net debt.

Consolidated cash flow statement

for the six months ended 31 March 2010

	Notes	Six months to 31 March 2010 Unaudited £m	Six months to 31 March 2009 Unaudited £m	Year ended 30 September 2009 Audited £m
Cash flow from operating activities				
Cash generated from operations	12	**614**	497	1,114
Interest paid		**(49)**	(58)	(111)
Interest element of finance lease rentals		**(1)**	(1)	(3)
Tax received		**11**	3	22
Tax paid		**(84)**	(90)	(188)
Net cash from/(used in) operating activities of continuing operations		**491**	351	834
Net cash from/(used in) operating activities of discontinued operations		**–**	(2)	(1)
Net cash from/(used in) operating activities		**491**	349	833
Cash flow from investing activities				
Purchase of subsidiary companies and investments in associated undertakings[1]	11	**(41)**	(94)	(165)
Proceeds/(payments) from the sale/closure of discontinued activities[1]	6	**(4)**	(31)	(34)
Proceeds/(payments) from the sale/closure of other activities[1]		**–**	(2)	–
Tax on profits from sale of subsidiary companies and associated undertakings		**–**	–	3
Purchase of intangible assets and investments		**(65)**	(53)	(117)
Purchase of property, plant and equipment		**(81)**	(79)	(166)
Proceeds from sale of property, plant and equipment/intangibles		**4**	7	24
Purchase of other investments		**(3)**	(3)	(3)
Proceeds from sale of other investments		**–**	–	5
Dividends received from associated undertakings		**4**	3	4
Interest received		**3**	15	14
Net cash from/(used in) investing activities by continuing operations		**(183)**	(237)	(435)
Net cash from/(used in) investing activities by discontinued operations		**–**	–	–
Net cash from/(used in) investing activities		**(183)**	(237)	(435)
Cash flow from financing activities				
Proceeds from issue of ordinary share capital		**68**	9	28
Purchase of own shares[2]		**–**	(11)	(12)
Net increase/(decrease) in borrowings – excluding new leases/repayments	13	**(237)**	174	(178)
Repayment of obligations under finance leases	13	**(7)**	(7)	(15)
Equity dividends paid	8	**(164)**	(148)	(229)
Dividends paid to minority interests		**(2)**	(1)	(3)
Net cash from/(used in) financing activities by continuing operations		**(342)**	16	(409)
Net cash from/(used in) financing activities by discontinued operations		**–**	–	–
Net cash from/(used in) financing activities		**(342)**	16	(409)
Cash and cash equivalents				
Net increase/(decrease) in cash and cash equivalents	13	**(34)**	128	(11)
Cash and cash equivalents at beginning of the period		**588**	579	579
Currency translation gains/(losses) on cash and cash equivalents		**14**	23	20
Cash and cash equivalents at end of the period		**568**	730	588

1 Net of cash acquired or disposed and payments received or made under warranties and indemnities.
2 Share buy-back and increase/(decrease) in own shares held to satisfy employee share-based payments.

Reconciliation of free cash flow from continuing operations

for the six months ended 31 March 2010

	Six months to 31 March 2010 Unaudited £m	Six months to 31 March 2009 Unaudited £m	Year ended 30 September 2009 Audited £m
Net cash from operating activities of continuing operations	**491**	351	834
Purchase of intangible assets	**(65)**	(53)	(117)
Purchase of property, plant and equipment	**(81)**	(79)	(166)
Proceeds from sale of property, plant and equipment/intangibles	**4**	7	24
Purchase of other investments	**(3)**	(3)	(3)
Proceeds from sale of other investments	**–**	–	5
Dividends received from associated undertakings	**4**	3	4
Interest received	**3**	15	14
Dividends paid to minority interests	**(2)**	(1)	(3)
Other	**–**	–	1
Free cash flow from continuing operations	**351**	240	593

Notes to the condensed financial statements

for the six months ended 31 March 2010

1 Basis of preparation

The unaudited condensed financial statements for the six months ended 31 March 2010 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34'), and have been prepared on the basis of International Financial Reporting Standards ('IFRS') and International Financial Reporting Interpretations Committee ('IFRIC') interpretations as adopted by the European Union that are effective for the year ended 30 September 2010.

The unaudited condensed financial statements for the six months ended 31 March 2010, which were approved by the Board on 12 May 2010, and the comparative information in relation to the year ended 30 September 2009, do not comprise statutory accounts for the purpose of section 434 of the Companies Act 2006, and should be read in conjunction with the Annual Report for the year ended 30 September 2009. Those accounts have been reported upon by the Group's Auditors and delivered to the Registrar of Companies. The report of the Auditors was unqualified, did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying their report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The financial statements have been prepared on a going concern basis. This is discussed in the Business Review on page 13.

Except as described below, the accounting policies adopted in the preparation of these unaudited condensed financial statements are consistent with the policies applied by the Group in its consolidated financial statements for the year ended 30 September 2009.

Changes in accounting policy

The following amendments to existing standards and interpretations are effective for the Group for the six months ended 31 March 2010:

IAS 1 'Presentation of Financial Statements' (revised 2007), requires that the Group present a 'statement of comprehensive income' and a 'consolidated statement of changes in equity' as primary statements. The standard is concerned with disclosure only and has no impact on the reported results or financial position of the Group.

IFRS 3 'Business Combinations' (revised 2008) and IAS 27 'Consolidated and Separate Financial Statements' (revised 2008). The adoption of these standards has not had a material effect on the financial statements of the Group except for on the treatment of business combinations. The most significant changes to the Group's previous accounting policies for business combinations are as follows:

- acquisition transaction costs which would previously have been included in the cost of a business combination are expensed to the income statement as they are incurred; and
- any changes to the cost of an acquisition, including contingent consideration, resulting from events after the date of acquisition are recognised in the income statement. Previously such changes resulted in an adjustment to goodwill.

The revised standards have been applied prospectively to the 2010 acquisitions in note 11.

IAS 23 'Borrowing Costs' (revised 2007), requires borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised as part of the cost of that asset. This has not had a significant impact on the Group's accounts for the six months ended 31 March 2010.

IFRIC 12 'Service Concession Arrangements', which addresses the accounting for concession contracts operated within a framework of services to the public. The Group has assessed the impact of this interpretation and concluded that it does not have a significant impact on the Group's accounts.

2 Seasonality of operations

Overall, seasonality is not a significant factor across the Group. However, within individual sectors and geographies we do see some seasonal effects. Revenues in the Education sector are lower outside term time and activity in the Business & Industry sector in Continental Europe slows down throughout the summer.

Notes to the condensed financial statements

for the six months ended 31 March 2010

3 Segmental reporting

Revenues	Geographical segments North America £m	Continental Europe £m	UK & Ireland £m	Rest of the World £m	Intra-Group £m	Total £m
Six months ended 31 March 2010						
External revenue	**3,094**	**1,850**	**897**	**1,263**	**–**	**7,104**
Less: Discontinued operations	**–**	**–**	**–**	**–**	**–**	**–**
External revenue – continuing	**3,094**	**1,850**	**897**	**1,263**	**–**	**7,104**
Six months ended 31 March 2009						
External revenue	3,082	1,769	939	1,138	–	6,928
Less: Discontinued operations	–	–	–	(1)	–	(1)
External revenue – continuing	3,082	1,769	939	1,137	–	6,927
Year ended 30 September 2009						
External revenue	5,871	3,429	1,829	2,318	–	13,447
Less: Discontinued operations	–	–	–	(3)	–	(3)
External revenue – continuing	5,871	3,429	1,829	2,315	–	13,444

1 There is no inter-segmental trading.

Revenues	Products and services: Sectors Business & Industry £m	Education £m	Healthcare & Seniors £m	Sports & Leisure £m	Defence, Offshore & Remote £m	Total £m
Six months ended 31 March 2010						
External revenue	**2,904**	**1,287**	**1,324**	**749**	**840**	**7,104**
Less: Discontinued operations	**–**	**–**	**–**	**–**	**–**	**–**
External revenue – continuing	**2,904**	**1,287**	**1,324**	**749**	**840**	**7,104**
Six months ended 31 March 2009						
External revenue	2,932	1,204	1,296	695	801	6,928
Less: Discontinued operations	–	–	–	–	(1)	(1)
External revenue – continuing	2,932	1,204	1,296	695	800	6,927
Year ended 30 September 2009						
External revenue	5,821	2,038	2,529	1,475	1,584	13,447
Less: Discontinued operations	–	–	–	–	(3)	(3)
External revenue – continuing	5,821	2,038	2,529	1,475	1,581	13,444

1 There is no inter-segmental trading.
2 Continuing revenues from external customers arising in the UK, the Group's country of domicile, were £859 million (six months to 31 March 2009: £897 million, year ended 30 September 2009: £1,749 million). Continuing revenues from external customers arising in all foreign countries from which the Group derives revenues were £6,245 million (six months to 31 March 2009: £6,030 million, year ended 30 September 2009: £11,695 million).
3 The correctional business was transferred from the Business & Industry sector to the Defence, Offshore & Remote sector during the period. The comparatives have been restated accordingly.

3 Segmental reporting continued

Result	North America £m	Continental Europe £m	UK & Ireland £m	Rest of the World £m	Central activities £m	Total £m
	Geographical segments					
Six months ended 31 March 2010						
Total operating profit before associates and costs relating to acquisitions	**244**	**143**	**54**	**87**	**(28)**	**500**
Less: Discontinued operations	**–**	**–**	**–**	**–**	**–**	**–**
Operating profit before associates and costs relating to acquisitions – continuing	**244**	**143**	**54**	**87**	**(28)**	**500**
Less: Amortisation of intangibles arising on acquisition	**(1)**	**–**	**–**	**(2)**	**–**	**(3)**
Less: Acquisition transaction costs	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Operating profit before associates – continuing	**242**	**143**	**54**	**85**	**(28)**	**496**
Add: Share of profit of associates	**2**	**–**	**2**	**–**	**–**	**4**
Operating profit – continuing	**244**	**143**	**56**	**85**	**(28)**	**500**
Finance income						**3**
Finance costs						**(45)**
Hedge accounting ineffectiveness						**1**
Change in the fair value of investments and minority interest put options						**–**
Profit before tax						**459**
Income tax expense						**(125)**
Profit for the period from continuing operations						**334**
Six months ended 31 March 2009						
Total operating profit before associates and costs relating to acquisitions	234	131	54	60	(28)	451
Less: Discontinued operations	–	–	–	–	–	–
Operating profit before associates and costs relating to acquisitions – continuing	234	131	54	60	(28)	451
Less: Amortisation of intangibles arising on acquisition	–	–	–	(2)	–	(2)
Operating profit before associates – continuing	234	131	54	58	(28)	449
Add: Share of profit of associates	2	–	2	–	–	4
Operating profit – continuing	236	131	56	58	(28)	453
Finance income						15
Finance costs						(65)
Hedge accounting ineffectiveness						(11)
Change in the fair value of investments and minority interest put options						(5)
Profit before tax						387
Income tax expense						(112)
Profit for the period from continuing operations						275

Notes to the condensed financial statements

for the six months ended 31 March 2010

3 Segmental reporting continued

Result continued	North America £m	Continental Europe £m	UK & Ireland £m	Rest of the World £m	Central activities £m	Total £m
	Geographical segments					
Year ended 30 September 2009						
Total operating profit before associates and costs relating to acquisitions	441	232	114	147	(58)	876
Less: Discontinued operations	–	–	–	1	–	1
Operating profit before associates and costs relating to acquisitions – continuing	441	232	114	148	(58)	877
Less: Amortisation of intangibles arising on acquisition	(1)	–	(1)	(4)	(1)	(7)
Operating profit before associates – continuing	440	232	113	144	(59)	870
Add: Share of profit of associates	3	–	4	–	–	7
Operating profit – continuing	443	232	117	144	(59)	877
Finance income						14
Finance costs						(114)
Hedge accounting ineffectiveness						(7)
Change in the fair value of investments and minority interest put options						3
Profit before tax						773
Income tax expense						(221)
Profit for the year from continuing operations						552

Balance sheet	North America £m	Continental Europe £m	UK & Ireland £m	Rest of the World £m	Central activities £m	Current and deferred tax £m	Net debt £m	Total £m
	Geographical segments					Unallocated		
As at 31 March 2010								
Total assets	**2,698**	**1,117**	**2,152**	**999**	**11**	**313**	**655**	**7,945**
Total liabilities	**(1,107)**	**(967)**	**(433)**	**(548)**	**(280)**	**(298)**	**(1,421)**	**(5,054)**
Net assets/(liabilities)	**1,591**	**150**	**1,719**	**451**	**(269)**	**15**	**(766)**	**2,891**
Total assets include:								
Interests in associates	**6**	**–**	**27**	**–**	**–**	**–**	**–**	**33**
Non-current assets	**2,006**	**429**	**1,914**	**596**	**9**	**297**	**76**	**5,327**
As at 31 March 2009								
Total assets	2,585	1,175	2,130	935	3	336	817	7,981
Total liabilities	(1,011)	(975)	(357)	(514)	(352)	(272)	(2,074)	(5,555)
Net assets/(liabilities)	1,574	200	1,773	421	(349)	64	(1,257)	2,426
Total assets include:								
Interests in associates	5	–	27	–	–	–	–	32
Non-current assets	1,954	427	1,875	549	14	321	72	5,212
As at 30 September 2009								
Total assets	2,453	1,106	2,136	935	11	325	675	7,641
Total liabilities	(1,004)	(958)	(446)	(506)	(293)	(272)	(1,617)	(5,096)
Net assets/(liabilities)	1,449	148	1,690	429	(282)	53	(942)	2,545
Total assets include:								
Interests in associates	4	–	28	–	–	–	–	32
Non-current assets	1,822	429	1,904	566	10	300	60	5,091

1 Non-current assets arising in the UK, the Group's country of domicile, were £1,906 million (31 March 2009: £1,869 million, 30 September 2009: £1,898 million). Non-current assets arising in all foreign countries from which the Group derives revenues were £3,049 million (31 March 2009: £2,951 million, 30 September 2009: £2,833 million).

4 Financing and other gains/losses

Finance income and costs are recognised in the income statement in the period in which they are earned or incurred.

Finance income and costs	Six months to 31 March 2010 £m	Six months to 31 March 2009 £m	Year ended 30 September 2009 £m
Finance income			
Bank interest	**3**	11	14
Other interest	**–**	4	–
Total finance income	**3**	15	14
Finance costs			
Bank loans and overdrafts	**3**	8	8
Other loans	**32**	49	90
Finance lease interest	**1**	1	3
Interest on bank loans, overdrafts, other loans and finance leases	**36**	58	101
Unwinding of discount on put options held by minority shareholders	**1**	1	1
Unwinding of discount on provisions	**1**	–	1
Amount charged to pension scheme liabilities net of expected return on scheme assets (note 10)	**7**	6	11
Total finance costs	**45**	65	114
Finance costs by defined IAS 39[1] category			
Fair value through profit and loss (unhedged derivatives)	**5**	4	13
Derivatives in a fair value hedge relationship	**(19)**	(4)	(22)
Derivatives in a net investment hedge relationship	**2**	(2)	–
Other financial liabilities	**48**	60	110
Interest on bank loans, overdrafts, other loans and finance leases	**36**	58	101
Fair value through profit or loss (put options held by minority interests)	**2**	1	2
Outside of the scope of IAS 39 (net pension scheme charge)	**7**	6	11
Total finance costs	**45**	65	114

1 IAS 39 'Financial instruments: Recognition and Measurement'.

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge the risks associated with changes in foreign exchange rates and interest rates. As explained in section Q of the Group's accounting policies in the Company's Annual Report for the year ended 30 September 2009, such derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. For derivative financial instruments that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement in the period.

The Group has a small number of outstanding put options which enable minority shareholders to require the Group to purchase the minority interest shareholding at an agreed multiple of earnings. These options are treated as derivatives over equity instruments and are recorded in the balance sheet at fair value which is re-evaluated at each period end. Fair value is based on the present value of expected cash outflows. The movement in fair value is recognised as income or expense within the income statement.

Notes to the condensed financial statements

for the six months ended 31 March 2010

4 Financing and other gains/losses continued

Other (gains)/losses	Six months to 31 March 2010 £m	Six months to 31 March 2009 £m	Year ended 30 September 2009 £m
Hedge accounting ineffectiveness			
Unrealised net (gains)/losses on unhedged derivative financial instruments[1]	**(1)**	9	6
Unrealised net (gains)/losses on derivative financial instruments in a designated fair value hedge[2]	**(1)**	(69)	(59)
Unrealised net (gains)/losses on the hedged item in a designated fair value hedge	**1**	71	60
Total hedge accounting ineffectiveness (gains)/losses	**(1)**	11	7
Change in the fair value of investments and minority interest put options			
Change in the fair value of investments[1,3]	**–**	2	–
Change in fair value of minority interest put options (credit)/charge[1]	**–**	3	(3)
Total	**–**	5	(3)

1 Categorised as 'fair value through profit or loss' (IAS 39).
2 Categorised as derivatives that are designated and effective as hedging instruments carried at fair value (IAS 39).
3 Life insurance policies used by overseas companies to meet the cost of unfunded post-employment benefit obligations included in note 10.

5 Tax

The income tax expense on continuing operations for the period is based on an estimated full year effective tax rate of 27% (last full year 29%).[1]

Recognised in the income statement: Income tax expense on continuing operations	Six months to 31 March 2010 £m	Six months to 31 March 2009 £m	Year ended 30 September 2009 £m
Current year	**125**	112	202
Adjustment in respect of prior years	**(10)**	8	(9)
Current tax expense/(credit)	**115**	120	193
Current year deferred tax	**8**	7	24
Adjustment in respect of prior years	**2**	(15)	4
Deferred tax expense/(credit)	**10**	(8)	28
Income tax expense/(credit) on continuing operations	**125**	112	221

1 On an underlying basis.

The Group does not recognise deferred tax assets in respect of tax losses and other temporary differences where the recovery is uncertain. Unrecognised deferred tax assets in respect of tax losses and other temporary differences amount to £104 million (30 September 2009: £67 million). No deferred tax liability is recognised on temporary differences relating to the unremitted earnings of overseas operations as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Condensed financial statements

6 Discontinued operations

Period ended 31 March 2010

There is no profit or loss for the period from discontinued operations.

Period ended 31 March 2009

The profit for the period from discontinued operations comprises the release of surplus provisions relating to prior period disposals and discontinued operations.

Year ended 30 September 2009

The profit for the year from discontinued operations comprises the release of surplus provisions of £23 million and surplus accruals of £20 million relating to prior year disposals, additional proceeds of £2 million and a loss after tax from trading activities of £1 million.

Financial performance of discontinued operations	Six months to 31 March 2010 £m	Six months to 31 March 2009 £m	Year ended 30 September 2009 £m
Trading activities of discontinued operations[1]			
External revenue	**–**	1	3
Operating costs	**–**	(1)	(4)
Loss before tax	**–**	–	(1)
Income tax (expense)/credit	**–**	–	–
Profit after tax	**–**	–	(1)
Exceptional items: Disposal of net assets and other adjustments relating to discontinued operations			
Profit on disposal of net assets of discontinued operations	**–**	–	2
Release of surplus provisions and accruals related to discontinued operations[2,3]	**–**	12	43
Profit on disposal before tax	**–**	12	45
Income tax (expense)/credit	**–**	–	(4)
Total profit after tax	**–**	12	41
Profit for the period from discontinued operations			
Profit for the period from discontinued operations	**–**	12	40

1 The trading activity relates to the final run-off of activity in businesses earmarked for closure.
2 Released surplus provisions of £12 million in the period ended 31 March 2009.
3 Released surplus provisions of £23 million and surplus accruals of £20 million, total £43 million, in the year ended 30 September 2009.

The profit/(loss) on disposal can be reconciled to the cash inflow/(outflow) from disposals as follows:

Net assets/(liabilities) disposed and disposal proceeds	Six months to 31 March 2010 £m	Six months to 31 March 2009 £m	Year ended 30 September 2009 £m
Increase/(decrease) in retained liabilities[1,2,3]	**(4)**	(43)	(79)
Profit on sale/closure of discontinued operations before tax	**–**	12	45
Consideration, net of costs	**(4)**	(31)	(34)
Consideration deferred to future periods	**–**	–	–
Cash disposed of	**–**	–	–
Cash inflow/(outflow) from disposals	**(4)**	(31)	(34)

1 Includes the utilisation of disposal provisions of £4 million in the period ended 31 March 2010.
2 Including the release of surplus provisions of £12 million and the utilisation of accruals/provisions in respect of warranty claims, legal claims and other indemnities of £31 million in the period ended 31 March 2009. Total £43 million.
3 Including the release of surplus provisions of £23 million and surplus accruals of £20 million; the utilisation of accruals/provisions in respect of purchase price adjustments; warranty claims and other indemnities of £36 million in the year ended 30 September 2009. Total £79 million.

There were no assets or liabilities included in disposal groups held for sale (on a debt free/cash free basis) at the balance sheet date.

Notes to the condensed financial statements

for the six months ended 31 March 2010

7 Earnings per share

The calculation of earnings per share is based on earnings after tax and the weighted average number of shares in issue during the period. The adjusted earnings per share figures have been calculated based on earnings excluding the effect of discontinued operations, the amortisation of intangible assets arising on acquisition, acquisition transaction costs, hedge accounting ineffectiveness, and the change in the fair value of investments and minority interest put options and the tax attributable to these amounts. These items are excluded in order to show the underlying trading performance of the Group.

	Six months to 31 March		Year ended 30 September
Attributable profit	**2010 £m**	2009 £m	2009 £m
Profit for the period attributable to equity shareholders of the Company	**333**	284	586
Less: Profit for the period from discontinued operations	**–**	(12)	(40)
Attributable profit for the period from continuing operations	**333**	272	546
Add back: Amortisation of intangible assets arising on acquisition (net of tax)	**2**	1	6
Add back: Acquisition transaction costs (net of tax)	**1**	–	–
Add back: Loss/(profit) from hedge accounting ineffectiveness (net of tax)	**(1)**	8	5
Add back: Change in the fair value of investments and minority interest put options (net of tax)	**–**	4	(3)
Underlying attributable profit for the period from continuing operations	**335**	285	554

	Six months to 31 March		Year ended 30 September
Average number of shares (millions of ordinary shares of 10p each)	**2010**	2009	2009
Average number of shares for basic earnings per share	**1,863**	1,846	1,848
Dilutive share options	**8**	5	7
Average number of shares for diluted earnings per share	**1,871**	1,851	1,855
Basic earnings per share (pence)			
From continuing and discontinued operations	**17.9**	15.4	31.7
From discontinued operations	**–**	(0.7)	(2.2)
From continuing operations	**17.9**	14.7	29.5
Amortisation of intangible assets arising on acquisition (net of tax)	**0.1**	0.1	0.3
Acquisition transaction costs (net of tax)	**0.1**	–	–
Hedge accounting ineffectiveness (net of tax)	**(0.1)**	0.4	0.3
Change in the fair value of investments and minority interest put options (net of tax)	**–**	0.2	(0.1)
From underlying continuing operations	**18.0**	15.4	30.0
Diluted earnings per share (pence)			
From continuing and discontinued operations	**17.8**	15.3	31.6
From discontinued operations	**–**	(0.6)	(2.2)
From continuing operations	**17.8**	14.7	29.4
Amortisation of intangible assets arising on acquisition (net of tax)	**0.1**	0.1	0.3
Acquisition transaction costs (net of tax)	**0.1**	–	–
Hedge accounting ineffectiveness (net of tax)	**(0.1)**	0.4	0.3
Change in the fair value of investments and minority interest put options (net of tax)	**–**	0.2	(0.1)
From underlying continuing operations	**17.9**	15.4	29.9

8 Dividends

The interim dividend of 5.0 pence per share (2009: 4.4 pence per share), £94 million in aggregate[1], is payable on 2 August 2010 to shareholders on the register at the close of business on 2 July 2010. The dividend was approved by the Board after the balance sheet date, and has therefore not been reflected as a liability in the interim financial statements.

Dividends on ordinary shares of 10p each	Six months to 31 March 2010 £m	Six months to 31 March 2009 £m	Year ended 30 September 2009 £m
Final 2008 – 8.0p per share	**–**	148	148
Interim 2009 – 4.4p per share	**–**	–	81
Final 2009 – 8.8p per share	**164**	–	–
Total dividends	**164**	148	229

1 Based on the number of shares in issue at 31 March 2010 (1,878 million shares).

9 Provisions

Provisions	Insurance £m	Provisions in respect of discontinued and disposed businesses £m	Onerous contracts £m	Legal and other claims £m	Environmental and other £m	Total 2010 £m	Total 2009 £m	Year ended 30 September 2009 Total £m
	Six months to 31 March							
Brought forward	**163**	**89**	**49**	**127**	**37**	**465**	454	454
Reclassified[1]	**–**	**–**	**1**	**4**	**1**	**6**	1	23
Expenditure in the year	**(3)**	**(4)**	**(3)**	**(5)**	**(6)**	**(21)**	(33)	(63)
Charged to income statement	**18**	**–**	**1**	**9**	**8**	**36**	22	76
Credited to income statement	**–**	**–**	**(2)**	**(1)**	**–**	**(3)**	(16)	(53)
Fair value adjustments arising on acquisitions	**–**	**–**	**–**	**–**	**–**	**–**	–	1
Unwinding of discount on provisions	**–**	**–**	**1**	**–**	**–**	**1**	1	1
Currency adjustment	**10**	**–**	**1**	**3**	**–**	**14**	39	26
Carried forward	**188**	**85**	**48**	**137**	**40**	**498**	468	465

Provisions	As at 31 March 2010 £m	As at 31 March 2009 £m	As at 30 September 2009 £m
Current	**134**	120	123
Non-current	**364**	348	342
Total provisions	**498**	468	465

1 Including items reclassified from accrued liabilities and other balance sheet captions.

The provision for insurance relates to the costs of self-funded insurance schemes and is essentially long-term in nature.

Provisions in respect of discontinued and disposed businesses relate to estimated amounts payable in connection with onerous contracts and claims arising from disposals. The final amount payable remains uncertain as, at the date of approval of these financial statements, there remains a further period during which claims may be received. The timing of any settlement will depend upon the nature and extent of claims received. Surplus provisions of £nil were credited to the discontinued operations section of the income statement in the period (six months ended 31 March 2009: £12 million, year ended 30 September 2009: £23 million).

Provisions for onerous contracts represent the liabilities in respect of short-term and long-term leases on unoccupied properties and other contracts lasting under five years.

Provisions for legal and other claims relate principally to the estimated cost of litigation and sundry other claims. The timing of the settlement of these claims is uncertain.

Environmental provisions are in respect of potential liabilities relating to the Group's responsibility for maintaining its operating sites in accordance with statutory requirements and the Group's aim to have a low impact on the environment. These provisions are expected to be utilised as operating sites are disposed of or as environmental matters are resolved. The other provisions include provisions for restructuring.

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10 Post-employment benefit obligations

The Group operates a number of pension arrangements throughout the world which have been developed in accordance with statutory requirements and local customs and practices. The majority of schemes are self-administered and the schemes' assets are held independently of the Group's finances. Pension costs are assessed in accordance with the advice of independent, professionally qualified actuaries. The Group makes employer contributions to the various schemes in existence within the range of 3% to 35% of pensionable salaries. The arrangements are described in more detail in note 23 of the Company's Annual Report for the year ended 30 September 2009.

	Six months to 31 March					Year ended 30 September
Post-employment benefit obligations: Total (surplus)/deficit	**UK £m**	**USA £m**	**Other £m**	**Total 2010 £m**	Total 2009 £m	2009 Total £m
Brought forward	**142**	**103**	**91**	**336**	133	133
Business acquisitions	**–**	**–**	**–**	**–**	–	1
Current service cost	**5**	**4**	**5**	**14**	14	23
Past service cost	**–**	**–**	**–**	**–**	–	1
Curtailment credit	**–**	**–**	**–**	**–**	–	(1)
Amount charged to plan liabilities	**38**	**8**	**5**	**51**	50	100
Expected return on plan assets	**(34)**	**(7)**	**(3)**	**(44)**	(44)	(89)
Actuarial (gains)/losses	**(7)**	**(5)**	**8**	**(4)**	99	205
Employer contributions	**(11)**	**(4)**	**(8)**	**(23)**	(25)	(57)
Currency adjustment	**–**	**6**	**2**	**8**	31	20
Carried forward	**133**	**105**	**100**	**338**	258	336

The deficit can be reconciled to the post-employment benefit obligations reported in the consolidated balance sheet as follows:

	As at 31 March		As at 30 September
Post-employment benefit obligations recognised in the balance sheet	**2010 £m**	2009 £m	2009 £m
Total deficit of defined benefit pension plans per the above table	**338**	258	336
Surplus not recognised	**–**	1	1
Past service cost not recognised[1]	**(2)**	(2)	(2)
Post-employment benefit obligations per the balance sheet	**336**	257	335

1 To be recognised over the remaining service life in accordance with IAS 19 'Employee Benefits'.

The actuarial (gain)/loss reported in the consolidated statement of comprehensive income can be reconciled as follows:

	Six months to 31 March		Year ended 30 September
Actuarial adjustments	**2010 £m**	2009 £m	2009 £m
Actuarial (gains)/losses per the above table	**(4)**	99	205
Increase/(decrease) in surplus not recognised	**(1)**	1	1
Actuarial (gains)/losses per the statement of comprehensive income	**(5)**	100	206

11 Business combinations

The Group acquired 100% of Hurley Corporation ('Hurley'), a provider of soft support services to the Canadian Business & Industry sector, on 4 February 2010 for a total consideration of £31 million. £25 million was paid at closing with the remaining £6 million being deferred. The Group also made a number of small infill acquisitions in its US vending business for a total consideration of £2 million.

	Acquisitions		Adjustments[1]	Total
	Book value £m	Fair value £m	Fair value £m	Fair value £m
Net assets acquired				
Contract-related and other intangibles arising on acquisition	1	2	1	3
Property, plant and equipment	3	3	2	5
Inventories	1	1	–	1
Trade and other receivables	10	10	–	10
Cash and cash equivalents	–	–	–	–
Other assets	1	1	–	1
Trade and other payables	(6)	(6)	(2)	(8)
Deferred tax liabilities	(1)	(1)	–	(1)
Other liabilities	–	–	(1)	(1)
Fair value of net assets acquired	9	10	–	10
Goodwill arising on acquisition		23	4	27
Total consideration		33	4	37
Satisfied by				
Cash consideration		27	2	29
Deferred consideration		6	2	8
		33	4	37
Cash flow				
Cash consideration		27	2	29
Cash acquired		–	–	–
Net cash outflow arising on acquisition		27	2	29
Deferred consideration and other payments relating to previous acquisitions				12
Total cash outflow arising from the purchase of subsidiary companies and investments in associated undertakings				41

1 Adjustments to provisional amounts in respect of prior year acquisitions in accordance with International Financial Reporting Standard 3 'Business Combinations' (2004).

Adjustments made to the fair value of assets acquired include the value of intangible assets, provisions and other adjustments recognised on acquisition in accordance with International Financial Reporting Standard 3 'Business Combinations' (revised 2008). The adjustments made in respect of the acquisitions in the six months to 31 March 2010 are provisional and will be finalised within 12 months of the acquisition date.

The goodwill arising on the acquisition of the businesses represents the premium the Group paid to acquire companies which complement the existing business and create significant opportunities for cross-selling and other synergies.

Acquisition transaction costs expensed in the six months to 31 March 2010 were £1 million.

In the period from acquisition to 31 March 2010 the acquisitions contributed revenue of £12 million and operating profit of £nil to the Group's results.

If the acquisitions had occurred on 1 October 2009, Group revenue for the period would have been £7,128 million and total Group operating profit (including associates) would have been £501 million.

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12 Reconciliation of operating profit to cash generated by operations

Reconciliation of operating profit to cash generated by continuing operations	Six months to 31 March 2010 £m	Six months to 31 March 2009 £m	Year ended 30 September 2009 £m
Operating profit from continuing operations	**496**	449	870
Adjustments for:			
Amortisation of intangible assets	**44**	38	89
Amortisation of intangible assets arising on acquisition	**3**	2	7
Depreciation of property, plant and equipment	**68**	68	136
(Gain)/loss on disposal of property, plant and equipment/intangible assets	**1**	2	2
(Gain)/loss on disposal of investments	**–**	–	(1)
Increase/(decrease) in provisions	**16**	8	8
Increase/(decrease) in post-employment benefit obligations	**(10)**	(10)	(33)
Share-based payments – charged to profits	**5**	4	4
Share-based payments – settled in cash or existing shares[1]	**–**	(1)	(1)
Operating cash flows before movement in working capital	**623**	560	1,081
(Increase)/decrease in inventories	**(3)**	4	8
(Increase)/decrease in receivables	**(26)**	69	96
Increase/(decrease) in payables	**20**	(136)	(71)
Cash generated by continuing operations	**614**	497	1,114

1 It was originally anticipated these payments would be satisfied by the issue of new shares. However, they were settled in cash or existing shares purchased in the market.

13 Reconciliation of net cash flow to movement in net debt

This table is presented as additional information to show movement in net debt, defined as overdrafts, bank and other borrowings, finance leases and derivative financial instruments, net of cash and cash equivalents during the period.

Net debt	Cash and cash equivalents £m	Bank overdrafts £m	Bank and other borrowings £m	Total overdrafts and borrowings £m	Finance leases £m	Derivative financial instruments £m	Total gross debt £m	Net debt 2010 £m	Net debt 2009 £m	Net debt Year ended 30 September 2009 £m
	Six months to 31 March									
Brought forward	**588**	**(71)**	**(1,476)**	**(1,547)**	**(53)**	**69**	**(1,531)**	**(943)**	(1,005)	(1,005)
Net increase/(decrease) in cash and cash equivalents	**(34)**	**–**	**–**	**–**	**–**	**–**	**–**	**(34)**	128	(11)
Cash outflow from repayment of bonds	**–**	**–**	**200**	**200**	**–**	**–**	**200**	**200**	–	356
Cash (inflow) from private placement	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(187)	(187)
Cash (inflow)/outflow from changes in other gross debt	**–**	**22**	**1**	**23**	**–**	**14**	**37**	**37**	13	9
Cash (inflow)/outflow from repayment of obligations under finance leases	**–**	**–**	**–**	**–**	**7**	**–**	**7**	**7**	7	15
(Increase)/decrease in net debt as a result of new finance leases taken out	**–**	**–**	**–**	**–**	**(1)**	**–**	**(1)**	**(1)**	(1)	(4)
Currency translation gains/(losses)	**14**	**(6)**	**(36)**	**(42)**	**(2)**	**(5)**	**(49)**	**(35)**	(195)	(118)
Acquisitions and disposals (excluding cash and overdrafts)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(15)	(15)
Other non-cash movements	**–**	**–**	**5**	**5**	**–**	**(2)**	**3**	**3**	(3)	17
Carried forward	**568**	**(55)**	**(1,306)**	**(1,361)**	**(49)**	**76**	**(1,334)**	**(766)**	(1,258)	(943)

13 Reconciliation of net cash flow to movement in net debt continued

Other non-cash movements in net debt	Six months to 31 March 2010 £m	2009 £m	Year ended 30 September 2009 £m
Bank overdrafts	**–**	(1)	–
Amortisation of the fair value adjustment in respect of the £250 million Sterling Eurobond redeemable in 2014	**2**	2	4
Swap monetisation credit	**4**	4	7
Unrealised net gains/(losses) on bank and other borrowings in a designated fair value hedge	**(1)**	(71)	(60)
Bank and other borrowings	**5**	(65)	(49)
Changes in the value of derivative financial instruments	**(2)**	63	66
Other non-cash movements	**3**	(3)	17

14 Contingent liabilities

Performance bonds, guarantees and indemnities[1]	As at 31 March 2010 £m	2009 £m	As at 30 September 2009 £m
Performance bonds, guarantees and indemnities (including those of associated undertakings)	**358**	350	330

1 Excludes bonds, guarantees and indemnities in respect of self-insurance liabilities, post-employment obligations and borrowings (including finance and operating leases) recorded on the balance sheet or disclosed in note 16.

Performance bonds, guarantees and indemnities

The Company and certain subsidiary undertakings have, in the normal course of business, given guarantees and entered into counter-indemnities in respect of such guarantees relating to the Group's own contracts and/or the Group's share of certain contractual obligations of joint ventures and associates. Where the Group enters into such arrangements, it does so in order to provide assurance to the beneficiary that it will fulfil its existing contractual obligations. The issue of such guarantees and indemnities does not therefore increase the Group's overall exposure and the disclosure of such performance bonds, guarantees and indemnities is given for information purposes only.

Eurest Support Services

On 21 October 2005, the Company announced that it had instructed Freshfields Bruckhaus Deringer to conduct an investigation into the relationships between Eurest Support Services ('ESS') (a member of the Group), IHC Services Inc. ('IHC') and the United Nations ('UN'). Ernst & Young assisted Freshfields Bruckhaus Deringer in this investigation. On 1 February 2006, it was announced that the investigation had concluded.

The investigation established serious irregularities in connection with contracts awarded to ESS by the UN. The work undertaken by Freshfields Bruckhaus Deringer and Ernst & Young gave no reason to believe that these issues extended beyond a few individuals within ESS to other parts of ESS or the wider Compass Group of companies.

The Group settled all outstanding civil litigation against it in relation to this matter in October 2006, but litigation continues between competitors of ESS, IHC and other parties involved in UN procurement.

IHC's relationship with the UN and ESS was part of a wider investigation into UN procurement activity being conducted by the United States Attorney's Office for the Southern District of New York, and with which the Group co-operated fully. The current status of that investigation is uncertain and a matter for the US authorities. Those investigators could have had access to sources unavailable to the Group, Freshfields Bruckhaus Deringer or Ernst & Young, and further information may yet emerge which is inconsistent with, or additional to, the findings of the Freshfields Bruckhaus Deringer investigation, which could have an adverse impact on the Group. The Group has, however, not been contacted by, or received further requests for information from, the United States Attorney's Office for the Southern District of New York in connection with these matters since January 2006. The Group has co-operated fully with the UN throughout.

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14 Contingent liabilities continued

Other litigation

The Group is also involved in various other legal proceedings incidental to the nature of its business and maintains insurance cover to reduce financial risk associated with claims related to these proceedings. Where appropriate, provisions are made to cover any potential uninsured losses.

Outcome

Although it is not possible to predict the outcome of these proceedings, or any claim against the Group related thereto, in the opinion of the Directors, any uninsured losses resulting from the ultimate resolution of these matters will not have a material effect on the financial position of the Group.

Minimum profits guarantee

The Group has provided a guarantee to one of its joint venture partners over the level of profits which will accrue to them in future periods. The maximum amount payable under this guarantee is £35 million, which would be payable in respect of the period from 1 July 2007 to 31 December 2010. Based on the latest management projections, no overall liability is expected to arise in relation to this guarantee; however, the phasing of profits over the period covered by this guarantee is expected to give rise to a number of annual payments/repayments between the parties.

15 Capital commitments

Capital commitments	As at 31 March **2010** **£m**	As at 31 March 2009 £m	As at 30 September 2009 £m
Contracted for but not provided for	**69**	69	61

16 Operating lease and concessions commitments

The Group leases offices and other premises under non-cancellable operating leases. The leases have varying terms, purchase options, escalation clauses and renewal rights. The Group has some leases that include revenue-related rental payments that are contingent on future levels of revenue.

There has been no material change to the level of future minimum rentals payable under non-cancellable operating leases and concession agreements since 30 September 2009, details of which can be found in note 33 of the Company's 2009 Annual Report.

17 Related party transactions

The following transactions were carried out with related parties of Compass Group PLC:

Subsidiaries

Transactions between the ultimate parent company and its subsidiaries, and between subsidiaries, have been eliminated on consolidation.

Joint ventures

There were no significant transactions between joint ventures or joint venture partners and the rest of the Group during the period.

Associates

There were no significant transactions with associated undertakings during the period.

Key management personnel

During the period there were no material transactions or balances between the Group and its key management personnel or members of their close family, other than from remuneration.

18 Post balance sheet events

On 30 April 2010 the Group acquired Caterine Restauration S.A.S., a significant provider of foodservices to the French Education and Healthcare sectors and on 7 May 2010 the Group acquired Clean Mall and FB Facility, a Brazilian support services business.

19 Exchange rates

Exchange rates	Six months to 31 March 2010	Six months to 31 March 2009	Year ended 30 September 2009
Average exchange rate for period			
Australian Dollar	**1.77**	2.24	2.12
Brazilian Real	**2.84**	3.39	3.26
Canadian Dollar	**1.68**	1.84	1.82
Euro	**1.12**	1.16	1.15
Japanese Yen	**143.45**	147.71	149.65
Norwegian Krone	**9.25**	10.25	10.12
South African Rand	**11.96**	14.59	13.69
Swedish Krona	**11.33**	12.18	12.08
Swiss Franc	**1.65**	1.75	1.74
UAE Dirham	**5.84**	5.60	5.73
US Dollar	**1.59**	1.52	1.56
Closing exchange rate as at end of period			
Australian Dollar	**1.64**	2.06	1.83
Brazilian Real	**2.71**	3.26	2.85
Canadian Dollar	**1.53**	1.78	1.73
Euro	**1.11**	1.08	1.10
Japanese Yen	**138.85**	140.41	143.86
Norwegian Krone	**8.96**	9.51	9.34
South African Rand	**11.10**	13.71	11.84
Swedish Krona	**10.88**	11.68	11.21
Swiss Franc	**1.59**	1.64	1.66
UAE Dirham	**5.50**	5.26	5.85
US Dollar	**1.50**	1.43	1.59

1 Average rates are used to translate the income statement and cash flow. Closing rates are used to translate the balance sheet. Only the most significant currencies are shown.

General shareholder information

Registrars and transfer office

All matters relating to the administration of shareholdings should be directed to Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0GA, telephone within the UK: Freephone 0800 280 2545 and from overseas: +44 20 7763 0041; email: ssd@capitaregistrars.com.

Shareholders can register online to view their Compass Group PLC shareholding details using the Share Portal, a service offered by Capita Registrars. This service can be accessed at www.capitashareportal.com. Shareholders registering for the Share Portal will require their investor code which is shown on share certificates. The service enables shareholders to:

- check their shareholdings in Compass Group PLC 24 hours a day;
- register their email and mailing preference (post or electronic) for future shareholder mailings;
- gain easy access to a variety of shareholder information including indicative valuation and payment instruction details; and
- use the Internet to appoint a proxy to attend general meetings of Compass Group PLC.

Published information

If you would like to receive a copy of this Report in an alternative format such as large print, Braille or an audio version on CD, please contact the Group Company Secretariat at Compass Group PLC, Compass House, Guildford Street, Chertsey, Surrey KT16 9BQ.

Electronic communications

The Company can, at shareholders' request, send shareholders an email notification each time a new shareholder report or other shareholder communication is placed on its website. This enables shareholders to read and/or download the information at their leisure. Shareholders can still request paper copies of the documents if they so wish.

To encourage shareholders to convert to e-communications, the Company will arrange for a tree to be planted in the UK for each shareholder who chooses to receive all future communications electronically. There are no particular software requirements to view these documents, other than those described and available on our website at www.compass-group.com.

The provision of a facility to communicate with shareholders electronically does not discriminate between registered shareholders of the same class. The facility is available to all registered shareholders on equal terms and participation is made as simple as possible. Please note that it is the shareholder's responsibility to notify our Registrars (through www.capitashareportal.com or by post) of any change to their email address. Before electing for electronic communication, shareholders should ensure that they have the appropriate computer capabilities. The Company takes all reasonable precautions to ensure no viruses are present in any communication it sends out, but cannot accept any responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to use. Please note that any electronic communication sent by a shareholder to the Company or the Registrar containing a computer virus will not be accepted.

The Company's obligation is satisfied when it transmits an electronic message. It cannot be held responsible for a failure in transmission beyond its control. In the event that the Company becomes aware that an electronic transmission is not successfully transmitted, a paper notification will be sent to the shareholder at their registered address. Shareholders wishing to continue to receive shareholder information in the traditional paper format should take no action, or may confirm this via www.capitashareportal.com.

Cash dividends

Holders of ordinary shares can have cash dividends paid in the form of a cheque. UK resident ordinary shareholders can instead have their dividends paid directly to a bank or building society account. Ordinary shareholders resident outside the UK can also have their dividends paid into their bank account directly via the Company's Registrars' global payments service. Details and terms and conditions may be viewed at www.capitashareportal.com.

Dividend Reinvestment Plan ('DRIP')

A DRIP service is provided by Capita IRG Trustees Limited. The DRIP allows eligible shareholders to use the whole of their cash dividend to buy additional shares in the Company, thereby increasing their shareholding. Additional information, including details of how to sign up, can be obtained from the Company's website at www.compass-group.com and from Capita IRG Trustees Limited, telephone within the UK: Freephone 0800 280 2545 and from overseas: +44 20 7763 0041; email: shares@capitaregistrars.com.

The latest date for receipt of new applications to participate in respect of the 2010 interim dividend is 8 July 2010.

Share price information

The current price of the Company's shares is available on the Company's website at www.compass-group.com. This is supplied with a 15-minute delay to real time.

The Company's share price is also available in a number of national newspapers, e.g. The Financial Times and from the voice activated FT Cityline service, telephone within the UK: 0905 8171 690. Calls will be charged at 75 pence per minute at all times from a BT landline. Average call duration will be one minute for one stock quote. The cost from other networks and mobile phones may be higher.

Share dealing

The Company's shares can be traded through most banks, building societies, stockbrokers or 'share shops'. Also, the Company's Registrars, Capita Registrars, offer online and telephone dealing services to buy or sell Compass Group PLC shares. Full details can be obtained from www.capitadeal.com or by telephoning Freephone 0800 280 2545. The service is only available to personal shareholders aged 18 and over, resident in the UK.

ShareGift

ShareGift, the charity share donation scheme, is a free service for shareholders wishing to give shares to charitable causes. It is particularly useful for those shareholders who may wish to dispose of a small quantity of shares where the market value makes it uneconomic to sell on a commission basis. Further information can be obtained from ShareGift's website at www.sharegift.org, telephone within the UK: 020 7930 3737 and from overseas +44 20 7930 3737 or from the Registrars.

American Depositary Receipts ('ADRs')

Information about the Company's ADR programme is available on the Company's website at www.compass-group.com.

Warning about unsolicited investment contacts

Many companies have become aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive and a 2006 survey by the Financial Services Authority ('FSA') has reported that the average amount lost by investors is around £20,000.

More detailed information on this or similar activity can be found on the FSA website at www.moneymadeclear.fsa.gov.uk and on the Company's website at www.compass-group.com.

Unsolicited mail

The Company is legally obliged to make its Register of Members available, subject to a proper purpose test, to the public. As a consequence of this, some shareholders might receive unsolicited mail. UK shareholders wishing to limit the amount of such mail should refer to the Mailing Preference Service website at www.mpsonline.org.uk.

Identity theft – protecting an investment

Criminals may steal shareholders' personal information putting a holding at risk. Advice on protecting a shareholding is available on the Company's website at www.compass-group.com.

Directors

Chairman
Sir Roy Gardner

Executive directors

Group Chief Executive
Richard Cousins

Group Finance Director
Andrew Martin

Group Managing Director – USA, Canada and Mexico
Gary Green

Non-executive directors

Sir James Crosby (Senior Independent Director)
Steve Lucas
Susan Murray
Tim Parker
Don Robert
Sir Ian Robinson

General Counsel and Company Secretary
Mark White

Key committee membership

Audit Committee
Steve Lucas (Chairman)
Tim Parker
Don Robert
Sir Ian Robinson

Corporate Responsibility Committee
Susan Murray (Chairman)
Sir Roy Gardner
Richard Cousins
Jane Kingston
Steve Lucas
Andrew Martin
Mark White

Nomination Committee
Sir Roy Gardner (Chairman)
Richard Cousins
Sir James Crosby
Susan Murray
Don Robert
Sir Ian Robinson

Remuneration Committee
Sir James Crosby (Chairman)
Steve Lucas
Susan Murray
Tim Parker

Financial calendar

Annual General Meeting:
3 February 2011

Results announcements:
Half year – May*
Full year – November*

Dividend payments:
Interim – August*
Final – March*

* Expected

Forward looking statements

This Report contains forward looking statements within the meaning of Section 27A of the Securities Act 1933, as amended, and Section 21E of the Securities Exchange Act, as amended. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward looking statements. The terms 'expect', 'should be', 'will be', 'is likely to' and similar expressions identify forward looking statements. Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in Compass Group's markets; exchange rate fluctuations; customers' acceptance of its products and services; the actions of competitors; and legislative, fiscal and regulatory developments.

Index to the condensed financial statements

Shareholder information

To help us reduce the impact on the environment and save the costs of producing a printed report, our Interim Report is available online. The online Report has the facility to create your own PDF downloads. A small quantity have been printed using low cost digital printing techniques.

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