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Operator: Hello and welcome to the Compass Group Q3 Trading Update Call. Throughout the call, all participants will be in a listen-only mode, and afterwards there will be a question and answer session. Just to remind you, this conference call is being recorded. Today I am pleased to present Dominic Blakemore, CEO and Karen Witts, Group Finance Director. Please go ahead with your meeting.

Dominic Blakemore:Thank you, Christian. Good morning ladies and gentlemen. Thank you all for dialling in. I'm delighted to be joined for the first time by Karen Witts, our Compass Group CFO. I'm sure you've all read the statement, but before opening the call to questions, I'd like to say a few words on our performance and outlook.

Compass continues to perform extremely well. We're delivering strong market leading growth at industry leading margins whilst at the same time continuing to invest for the future, both through internal initiatives, our three piece of performance, people and purpose and through bolt-on acquisitions.

For the full year, we now expect to deliver organic growth at the top about 4-6% range. Consistent with this high level of growth, we now expect margins to be flat compared to the prior year. Compass is a market leading business, which continues to get stronger. We saw an acceleration in revenue growth during the third quarter to 6.7% excluding the impact of Easter to bring the group's organic growth for the nine months to 6.5%.

The excellent momentum in North America has continued. The business delivered 8.5% organic growth in Q3 and 8.1% year-to-date. This is thanks to continued good levels of new business wins across all of our sectors, but also a significant benefit from a favourable Sports & Leisure calendar.

The business also maintained margin, a really pleasing result given the high level of growth. In Europe, we're feeling some impact from the weaker macroeconomic environment on our volumes particularly within B&I. Despite this weakness, we still delivered 2.9% organic growth in Q3 excluding Easter and 4.3% year-to-date. However, it has resulted in margin pressure, which was down by a similar amount to the half year. The performance in Rest of World is improving. The business grew 3.6% in Q3 and is up 3.2% year-to-date. The pricing and productivity initiatives are beginning to deliver benefits and the margins showed some good progression over last year.

We continue to make good progress with M&A, further strengthening our position as the global leader in food services. During the period, we announced the acquisition of Fazer Food Services in the Nordics, and spent further £100 million on bolt-on acquisitions in Europe and North America. I'm a firm believer in benefits of focus. These acquisitions provide us with opportunities to deliver more compelling and innovative solutions for our clients and consumers.

And finally, we're continuing to invest for the future. We're beginning to see benefits from our strategy, particularly in Rest of World where the pricing and productivity initiatives are having an impact, and we're investing more in the business where appropriate.

So, in summary, Compass continued to perform strongly with an excellent performance in North America and Rest of World improving, offsetting a more difficult volume environments in Europe. We continued to be excited about the significant structural market opportunity globally, and the potential for further revenue, margin and profit growth combined with further returns to shareholders over time. Thank you, and now we are very happy to take any questions.

Operator: Thank you. Ladies and gentlemen over the phone, if you wish to ask a question please press star one on your telephone keypad. Please ensure that your mute function is switched off to allow your signal to reach our equipment. And if you find that your question has already been answered, you may remove yourself from the queue by pressing star two. Once again, it's star one if you wish to ask a question. We will pause for just a moment to allow everyone to signal.

Our first question comes from Jamie Rollo from Morgan Stanley. Please go ahead caller. Your line is now open.

Jamie Rollo: Thanks, good morning everyone. Three questions please. First, obviously, a very good performance in North America with a strong outlook. Is it fair for us to assume that the company took the $200 million of education losses that [Inaudible] talked about. So, does that mean you're seeing a higher mix of that new contracts coming from that your competitors in North America?

Secondly, on Europe margins, weaker than expected; that seems to be just like slight volume trend. So, are you taking any additional action there? Are you still reviewing that business? And if you haven't yet, what additional margin impact could that entail, please?

And then finally perhaps more of an observation, but for the second year running, does that weak Europe margin performance has been offset by a much better than expected Rest of World performance in margins. And despite very tough comps in Rest of World last year, I think second half margins up over 100 basis points, are you still keeping that going? So, I was wondering for how much longer this comes to Rest of World keep coming to Europe's rescue? Thank you.

Dominic Blakemore:Thanks Jamie and morning. I'll take the question on North American performance and your third question around margins and Rest of World, and then I'll ask Karen to answer on European margins. So, first on North American performance, as you can see we're absolutely delighted with the growth rate in North America in the quarter and year-to-date.

The growth rate is sustained through good new business, excellent retention and strong like-for-likes as well. So, it's a good balance of growth across the piece. We are winning new business at the levels we would like. We see a very strong pipeline. We see those wins coming across all sectors. We talked about a weaker higher education performance in the previous year. We're seeing a strong higher education performance this year, but we're also seeing a strong healthcare performance this year as well.

So, we're delighted with both of those sectors. Yeah, we continue to take some share from our competitors, but in the round, the balance of growth remains the sort of [inaudible] that we've talked to. And again, that's equally pleasing.

In terms of your question on Europe versus Rest of World margin, look, Karen will talk to you about what's going on with the European margin. It's definitely a tricky time right now. So, we're delighted that managing the full portfolio of the business, both the mix from North America and the strong performance in Rest of World, we're managing to maintain a very strong group margin. Yeah, we're pleased also with the Rest of World performance. We believe that we're seeing the early returns from our focusing on pricing, productivity and purchasing particularly, in the number of Rest of World margins.

And let's remember as well that there's always been an opportunity in margin in those countries, where there are either lower margin with an opportunity to scale up or were higher margin in some of our bigger businesses where we're seeing those initiatives paying off. And I don't think we should get carried away whilst we're lapping 100 bps last year. And that was on the back of, if you recall the restructuring we did at the time across the oil and gas markets in particular.

We're now seeing 10 to 20 basis points of margin progression, which is much more modest. And we would hope to see something of that order of magnitude as we go forward. Karen, do you want to just take the euro question?

Karen Witts: Yeah sure. The Europe margins are being impacted by macroeconomic uncertainty particularly in the UK, Germany and France is causing weaker volumes than we had anticipated at the half year, and that's what's changed our outlook on margin performance for Europe. The kinds of things that we are seeing there are primarily related to the B&I sector.

So, for instance, in Germany, I'm reading the newspapers this morning, manufacturing output at the moment is the worst for seven years. Factory activity in eurozone is weak and the purchasing managers index has shrunk again. That's about the six months in a row. Germany is particularly being hit in the automotive sector.

In the UK, B&I volumes are also weaker in the corporate sector. And just to some extent, that volume impact in the UK is being offset a bit by a more favourable Sports & Leisure calendar; for instance, Cricket World Cup and the new Tottenham stadium.

And then in France, similarly a bit of B&I softness. I can't really go through this call without talking about Brexit-related uncertainty. What we're seeing in our business is slower decision making. So, if you put all of those things into the mix, then that is really what is impacting our European volumes. And I would say though that is despite the fact that we are seeing a better topline growth than we've seen for a while in Europe.

And Jamie, you asked about action that we might take. Well definitely, when we see and we feel pressure, then we have to take action. We think that we're well-placed to act when we need to by doing a variety of things including reaping the benefits of the investment that we're making in placing productivity and procurement initiatives.

In terms of going out further, what do we see? Actually, I don't know. It just feels very uncertain at the moment.

Dominic Blakemore: Jamie, I just finish the answer if I may just by adding, the additional 20 bps of decline in the quarter, each 10 bps in Europe is €1.5 million pounds. So, it is small numbers, which should have that impact in the quarter. I think we should remind ourselves of that. And, of course, Jamie, you will know when we're seeing significant problems, we have taken action in the past.

Jamie Rollo: Very clear. Thank you very much.

Operator: Thank you. We will now take our next question from Jarrod Castle from UBS, London. Please go ahead. Your line is open.

Jarrod Castle: Thank you, good morning. Just sticking with margin. I was wondering if you try, give some colour. I don’t know, you have said some things in the past in terms of the interplay between growth versus margin, especially in the North American business. So, if growth is 1% lower organic, what would that have meant for margin and just some colour around that.

Secondly, just in terms of Europe, it seems like your financial position is fine, but has there been any impact in terms of cash collection and conversion of profit?

And then lastly, just in terms of Rest of World, can you maybe just give some colour in terms of some of your main markets, how things are going? Thanks.

Dominic Blakemore: Okay, good morning Jarrod, and thank you for the questions. Why don't I take questions one and three, and then ask Karen speak up on Europe cash question?

So, just with regards to margin, I think we best explained it with the Compass model, which is, we believe with the runway of growth that we see in the group and across all three of the regions, that we should reasonably expect ourselves to grow within that range of 4-6%.

At the higher end of that, we would expect little margin progress. At the lower end, we would expect to make some margin progress. And I think that equally applies to each of the regions themselves. We've always talked to the US about having a range of growth of a – and if the group growth is a 4-6% range then the North American growth ranges is 5-8%. And we wouldn't expect margin progress at those higher levels. Why? These contracts come with significant mobilization investments.

Remember, every year the absolute dollar value of a new business that we're mobilizing is increasing significantly. We've made investments for example in something called the Strategic Projects Group, which actually manages the mobilization of major contracts. Now, that's an investment we've chosen to make and we make at times when growth is higher to enable us to really manage with intensity major contract mobilizations. That also diminishes the opportunity for margin in the short term, but is the right thing to do to sustain those higher levels of growth.

I think the other issue that we should speak to is just the sources of growth. If we're seeing volume growth in Sports & Leisure, typically, the upside there doesn't drop through at an incremental margin. We typically only earn our average contract margin because the upside from the higher volumes goes to our clients. That's why they outsource. So, I think hopefully, that gives you a bit of flavour around why at higher levels of growth we see less margin opportunity.

And of course, at lower levels, the point is that those contracts are maturing. We would expect to be lapping higher levels of mobilization. We'd expect to be getting to the contract maturity margin levels of the mid to later years, and that gives us the opportunity to reap the margin. And of course, we'd probably be investing a fraction less in the growth model.

In terms of Rest of World and going around the respective regions, I mean to start with Asia Pacific, we're just back from a ten-day visit to India and Japan with the board to review the markets there. I mean, look, starting with Australia, we talked about Q3 being the lapping of the final major construction project which went into production and had a significant reduction in manpower, and therefore camp guess[?].

That has now happened. So, we're starting to see the revenues of the Australian business broadly flat. We've performed strongly within the non-offshore, remote part of the business, and we've seen both growth and margin progression. And within the remote sector, where its production camps, we've seen ourselves taking share. So, we're really pleased with that performance. And as we look forward, we would expect Australia to return to growth.

If you look at the rest of the region, the big countries, I mean Japan we've very focused on the opportunity within food services, which we think is significant. We're seeing an acceleration in the growth within the core sectors. We're very focused on the margin opportunity there too and how we can reinvest that for growth in Japan. We're having some success with pricing. It's been a very difficult market for pricing for a number of years because of deflation and the habits that that has driven, but we're now having some success and we're taking over between 1 and 1.5 points of pricing there, which again, we're pleased with. There's a bit of a challenge around the labour pool in Japan and the availability of labour which we're working very hard on. But in the round, I think our actions are all looking forward positively.

In India, we've got growth of over 35% in our food service business which we're delighted with. We've just been to a visit there where we went to a number of our major clients. I think there's some terrific opportunities. The value is obviously small, but I think the volume and the emergence of a higher value dining solution is really starting to come through. So, I think that part of the business looks exciting.

China's been a bit more difficult for us. We've lost a couple of contracts within the higher ed space, which is – which were all within the private school space, which is just held us back. But growth within B&I remains positive.

If you look at that CAMEAT region, we're seeing good performances really across the piece there. The oil and gas countries have – we made some investments and we've seen some investment by clients, which means higher headcounts in those markets, and good growth coming through.

Turkey continues to perform very well. We're market leading, taking significant share and growing at over 25% year-to-date. Obviously, there's some inflation within that, but our net new contract wins continued to be very, very strong. And then lastly, within Brazil and LATAM, I think our LATAM countries, as we call that in the statement, are performing well. Four Spanish-speaking countries are growing strongly for us.

Brazil remains more difficult, I think both the macro in Brazil and its weighing on volumes as well as our own performance in that market where we've done less well in retaining and selling new business. So, we've installed the new management team. We're working very hard on the core processes. We've made some further changes and we're working hard on our offer. I think it will take us a little bit of time for that to come through.

So, just on Rest of the World in the round, I think it's a better picture in Q3 than it was in the first half. I think as we look forward and fully lap the demobilization of the construction project, then I think we can expect an acceleration. Our aim is to see how we can do better across all of those major markets.

Karen Witts: And if I just pick up the question around whether or not as if we're seeing weaker volumes particularly in UK, France and Germany, are we seeing any impact on cash collection and conversion? And the short answer is actually, no. As you can imagine, it's something that I'm very focused on and I've been asking finance directors to pay particular attention to this area. But at the moment we're not seeing any increase really in bad or doubtful debt.

Jarrod Castle: Okay, thank you very much.

Operator: Thank you. Our next question comes from Jaafar Mestari from Exane BNP Paribas.

Jaafar Mestari: Hi good morning. I've got two questions please. The first one is on Europe where obviously in terms of acquisitions, Fazer is all Europe, but also the smaller deals that you've done, you seem to be commenting are focused on Europe. So, those acquisitions together will bring quite a big change in scale for the region. I'm guessing from 5.5 billion of revenue, you could possibly end up at 7 billion. And are you just going to treat this as ongoing in the field[?] acquisitions or at some stage is there a master plan for Europe that we should expect you to announce in terms of how you're going to transform the region further and deliver synergies and more explicitly on those deals?

And my second question is on – if you want to take this one first.

Dominic Blakemore: No, just go ahead, do the second and then I'll come back.

Jaafar Mestari: And then just related question on capital allocation. If I add together the 470 million that you spent to date and the £430 million that you've agreed for Fazer, you would be already around £900 million, which would be the biggest M&A spend in at least 14 years. And does this effectively rule out any cash returns to shareholders this year or can you close on some of the portfolio disposals for example by the end of the year to have a little bit more headroom?

Dominic Blakemore: Okay, Jaafar, I'll take the first question and I'll ask Karen to take the capital allocation question. I mean if I may, I think first of all, you're slightly overstating the M&A in Europe. So, you're touching the numbers you quoted in euros, not pounds. So, we believe that the acquisition made in Europe would probably increase the region's revenues by around 500 million, so 5.5 to 6 not 7.

If I think about the acquisitions we've made, other than Fazer, they truly are very small in fill bolt-ons of 30 million pounds or euros around that level, which effectively are like large contract wins as opposed to material M&A. With regard to Fazer, it's a super business. It's one we tracked for a long time on one where we've had conversations for a long time. It's entirely food service-focused, highly innovative, very quality oriented, very high sustainability value. So, we think it's going to be a terrific, strategic fit.

The Nordic region has been a region that has performed above par for us in Europe over the last two years, and was one of the least impacted by the Eurozone downturn. We think it's very solid. There's good trends of outsourcing within public sector as well as private sector, and a significant runway for growth opportunity. So, all in, we think it's a good acquisition. The returns we believe will be strong and will certainly meet our target returns by year two. I think in this industry, you have to be slightly opportunistic about when these opportunities arise and can be converted. And I think the timing has played out that way on Fazer in particular.

In terms of the master plan for Europe, it's, really, I think we've been pretty clear. I think there's an opportunity for us to grow. You know, absolutely short-term impacts that we're seeing, there's an opportunity for us to do, to grow top and bottom line together. We're obviously got to work hard on our efficiency agenda to do that. And I think we have to look at the different markets of

Europe individually because we've got different competitor sets in the different markets. There's different outsourcing behaviors, the different sector opportunities. So, it's quite difficult to give a brand answer on that as it were. But I think we feel very good about the acquisitions that we've made thus far.

Karen on the capital allocation?

Karen Witts: Sure. Jaafar, I'll probably just start off by saying that our capital allocation priorities are unchanged. So, just to recap on those – be allowed for Capex about 3.5% of revenues, it allows for bolt-on opportunities in M&A, allows us I like to group the ordinary dividend in line with constant currency earning, and then depending on where the net debt to EBITDA ratio is versus the target of 1.5, we may have the opportunity to return any surplus to shareholders.

And somebody relatively new into the organization, as I've had to look at this some methodology, and I actually quite like it. I think it's sensible and it gives us flexibility. It actually allows for lumpy M&A because M&A by its very nature does tend to be lumpy; and you have picked out the fact that this year has been a very big year for us compared with previous year. But, nevertheless, aside from the Fazer acquisition, how we have gone about our M&A targeting is still in terms of bolt-on acquisitions.

So, I would say the timing of going through the Competition Authority with the Fazer position is a little bit uncertain. So, where we actually end up,at the end of year compared with that 1.5 times ratio is very much dependent on how faster, how slowly that regulatory process works. But if we come in a bit under, it will be because the Fazer deal has tipped into next year.

Jaafar Mestari: All right. Thank you very much for that. And just a follow up on Europe and the numbers. Just two things – and Fazer alone is €600 million revenue, right. So, I was trying to get to a total number, if I take your comments that the other 470 million spends, which doesn't include Fazer, is mostly Europe I think you're saying. And I'm sure you're not paying higher than one times EV[?] to sales there. So, is that another half billion to add to the Europe scale in the next year?

Dominic Blakemore: No. I mean we can take you through the numbers in more detail, but I think the non-outside factor, it still remains broadly North American acquisitions, it’s in Q3 that it's been more balanced between Europe and North America.

Jaafar Mestari: Okay, just that quarter, all right. Thank you, very clear.

Operator: Thank you. We will now take our next question from Kean Marden from Jefferies. Please go ahead. Your line is open.

Kean Marden: Good morning. First of all, on Europe, would it be correct in assuming that the like-for-like trends in UK, France and Germany deteriorated during the quarter? So, was May and June I think noticeably weaker than proceeding months?

And then secondly, as a contribution to revenue growth in North America from price inflation increased over the year as you successfully passed through wage rate in food inflation?

Dominic Blakemore: Okay. I'll take the first again and then I'll add Karen to take the second question. So, to just on Europe and the like for likes yeah, I mean simply put, the volume declines in those three major markets was worse than we've seen in the first half of the year. If you recall, we signaled volume weakness in the UK in the third quarter of last financial year, and we're now seeing volume declines on volume declines, which is causing the incremental pain that we are describing today.

In France, we saw some pressure in the third quarter; whether that is politics, weather, and/or pressure on B&I volumes, I think time will tell. And in Germany, absolutely, we saw a pressure on volumes in the third quarter. I think Karen has articulated what we've all seen around the worsening of the manufacturing data. And, of course, our B&I business in Germany is highly exposed to manufacturing as well as tech. So, a particular exposure to the automotive sector and the parts manufacturers, the OEMs of the automotive sector. So, it has been a definite worsening there.

I think the UK picture is a combination both of we are not seeing clients increase headcount and reduce it, and we're definitely seen that consumers are spending less. And I think that's very much well what is being also seen on the high streets.

Karen, do you want to pick up on the North American pricing?

Karen Witts: On North American pricing. Well, I mean inflation is something that we are used to managing. We are maybe seeing a little bit more inflation this year than we've seen in previous years, not just in North America, but certainly in Europe as well both food price – food cost inflation and wage rate inflation.

But the way that we're set up allows us to deal pretty effectively with the impact of inflation. We can use our scale to buy better, and that certainly helps on the food cost inflation. And I referred earlier to the fact that we're very focused on what we call our three Ps, so Price, Productivity and Procurement. And we've been working hard on all of those things. As you can imagine, these are not easy things to do. We have to put a lot of effort into it where we're actually investing behind the stuff ourselves, but we understand that we're just going to have to put the hard yards into that. But it can't always be offset completely.

Kean Marden: Just on that point. It was I suppose lesser question around the implication for margins, but just trying to get an assessment. So, your organic revenue growth in North America has been pretty impressive over the last few quarters. I'm just wondering to what extent the tailwind from the price pass through is making maybe an incrementally slightly bigger contribution to that over the last few quarters, or would you very much characterize it as being the function of retention of new business wins that you touched on earlier?

Dominic Blakemore: I mean I think if you break it down, our new business is probably at the 8-8.5% level and our retention is at 97% level, so strong net new business. Probably a fraction more price where we're seeing 1 to 1.5 points of price and about the same in volumes given the strong Sports & Leisure calendar. So, in that case [inaudible]. I think a fraction more price in North America, but I think given the buoyancy of the economy, it's probably what you would expect and also given the higher inflation we're seeing.

Kean Marden: Very clear. Thank you very much.

Operator: Thank you. As a reminder, ladies and gentlemen, it's star one if you wish to ask a question. We will take our next question from Richard Clarke from Bernstein. Please go ahead. Your line is open.

Richard Clarke: Hi, good morning. Three questions from me if I may. Given the higher growth guidance for the year, just wondering what this means to your Capex guidance for you likely to be closer to 3.5% of sales or could you exceed that.

The second question is on the Fazer. I think the Fazer acquisition, the press release if I remember rightly showed Fazer had about 4.5% margins. Is that likely to mean about 30 basis points dilution to margins next year or is there anything that maybe could offset that in Europe? That is 30 basis points for Europe next year.

And then third question, just more conceptually, we're seeing Just Eat make an acquisition in the B2B space of City Pantry. Any of the volume losses you're seeing in the UK coming do you think from the move toward some of the digital B2B offers or is it more just macro situation?

Dominic Blakemore: Okay. So, I'll ask Karen take the Capex question. I'll do the next two.

Karen Witts: So, actually, setting Capex guidance at 3.5% of revenues allows us to take advantage of a big contracts that might need more Capex. And at the end of this year, I am not assuming that we will go above the 3.5% even with the upgrade to our topline organic revenue growth. If you just remember at the half year, we were a little bit under the 3.5% to 3.3%.

Dominic Blakemore: Right. Thanks, Karen. And just with regards to margin, I think you'll find that the margin that we announced in the press release was close to slightly above 5%. Of course, you are right, it's still slightly dilutive to European margin and group margin. Of course, we would expect to unlock synergies over the first couple of years which would benefit that, but from a technical standpoint, yes, there's probably a few bps of dilution in the group margin from that acquisition. We clearly think is the right thing to do from a returns and growth stand point.

And then finally just on the Just Eat acquisition of City Pantry, yeah, we obviously saw that acquisition. We are very aware of the trends that we're seeing within B2B delivery, and working very hard to understand that, and actually what opportunity that can present us with. So, clearly, we have significant state of kitchens with significant capacity. We recognize there may be an opportunity for us to be able to deliver into SMEs who we currently probably wouldn't target as clients because they're relatively smaller scale.

Likewise, it's putting pressure on us to make sure that the offer we have on site is as good as anything that can be delivered in. And we're looking to see how we can replicate the experience of delivered in, so how can we provide the apps that allow our consumers to have desk delivery, preorder, prepaid type offers. So, I think that's what we're seeing how we're responding. We don't believe at this point, is having an impact on volumes. We think the impact that we're seeing is more about headcount levels and average spend levels.

Richard Clarke: Very clear. Thank you very much.

Operator: Thank you. We will take our next question from Tim Barrett from Numis. Please go ahead. Your line is open.

Tim Barrett: Good morning everyone. Could I just clarify a couple of big picture things? The first was around the shape of growth in the third quarter. You are able to say that or give us the mix between net new and like-for-like.

And then just also, secondly, to understand your margin guidance, what's behind the slightly more modest guidance now? Is it to do with – more to do with European operational gearing or to do with North America and the mobilization or a bit of both? Thank you.

Dominic Blakemore:I'll take the second question first. In terms of the margin, look, it's simply about the higher growth that we're seeing. As we've always said that higher growth comes at a bit of a drag. I think that's what we're seeing come through.

In terms of the Q3 split between that net new and like-for-like, I don't think it's any different to that we're seeing this year. It will be – it is obviously a fraction stronger in volume because of the Sports & Leisure calendar that we called out both in the UK and the US. So, that would show up in volume. It would be existing clients that are having more events or more spectators. So, that would have driven the volume. And also the US Open Golf Tournament which has occurred in Q3 for us this year and Q4 for us last year. So, that would probably be the only difference. I think otherwise, look, our group new business is probably trending at around about 8-8.5 loss to our retention ratio at 95%. So, we're at net new business of 3.5% like-for-like of 3% or so on a run rate basis.

Tim Barrett: Okay, thanks. And so, when we think about where the margin changes, it will be where the outwards revision to growth has come?

Dominic Blakemore: Yes.

Tim Barrett: Okay, thanks very much.

Operator: Thank you. We will now take our next question from Vicki Stern from Barclays. Please go ahead. Your line is open.

Vicki Stern: Good morning. Just speaking actually to this food delivery question. Another one food delivery companies is just announcing they're going to set up a procurement type business. Just any thoughts on that dynamic? And I guess related an update please on Foodbuy. Obviously, last year, there was a significant contract lost to one of your competitors. It seems like things have stabilized, but perhaps an update there on the growth of Foodbuy please. Thanks.

Dominic Blakemore: Yeah thanks Vick. I haven't seen the announcements about the procurements and in food delivery. There's an awful lot that goes on within the food industry as you would expect, there's GPOs that exist today. There's high street restaurants they're clubbed together to buy better through retailers. Imagine it's more of the same. We're working very hard on our own Foodbuy UK and growing those Foodbuy third party volumes.

With regard to Foodbuy North America and the contract, yeah, we recognize that the contract was last year. We pretty much replaced all of that volume so we're back to the 23 billion we talked about, and we see some really exciting opportunities with other third parties and with GPOs as we look forward to further aggregate and accelerate that scale.

Vicki Stern: And just a follow-up on that. And the other acquisitions you made at Europe, those procurement businesses as well?

Dominic Blakemore: No, those were principally food service businesses. [Inaudible] all food service businesses.

Vicki Stern: Okay, thanks very much.

Operator: Thank you. As there are no further questions in the phone queue at this time, I would like to hand the call back over to you Mr Blakemore for any additional or closing remarks.

Dominic Blakemore: I just want to say thank you all very much for your questions. We will obviously speak to you again at our full year results in November, and just wishing you all a very enjoyable summer.

Operator: This concludes today's conference call. Thank you all for your participation. You may now disconnect.