



29 March 2007

Compass Group PLC: Trading Update

This statement updates investors on the Group's performance based on the results for the first five months of the current year, ahead of the announcement on 16 May 2007 of its interim results for the six months to 31 March 2007.

Group

Trading in the first five months of the current year has been ahead of expectations. For the six months to 31 March 2007, organic revenue growth is expected to be mid single digit and we expect to see approximately 60 basis points improvement in margins (approximately 40 basis points improvement on an underlying basis) compared with the same period last year. This positive trend is being achieved due to the underlying quality of the business combined with the greater transparency and intensity that is being introduced. The MAP (Management and Performance) programme is helping to drive revenue in a more disciplined way with greater focus on like for like growth (throughput) and on cost reduction.

In the first five months of the year compared with the same period last year, we have seen a weakening of all the major currencies to which we are exposed. The impact of this on operating profit for the six months to 31 March 2007 is approximately £20 million (North America: c.£14m, Continental Europe: c.£2m, Rest of the World: c.£4m).

Across the World

Trading in North America has been strong and organic revenue growth for the six months to 31 March 2007 is expected to be mid to high single digit and margins are forecast to improve by approximately 40 basis points (approximately 20 basis points improvement on an underlying basis).

In Continental Europe, organic revenue growth for the six months to 31 March 2007 is expected to be slightly ahead of the full year 2006, but still low single digit. We expect to see good margin growth of approximately 90 basis points (approximately 60 basis points improvement on an underlying basis). The acceleration of the expected improvement in the first six months of 2007 is in part being driven by the pace of the turnaround of poorer performing countries, notably France, the Netherlands and Italy.

In the UK, revenues and operating profit for the six months to 31 March 2007 are expected to be in line with the same period last year. We have continued to strengthen the management team and they are working hard on the challenge of re-focussing the business for the medium term.



In the Rest of the World, as anticipated, we expect to see mid to high single digit organic revenue growth for the six months to 31 March 2007 and we expect to see a good improvement in the margin of approximately 60 basis points.

Selecta

The Selecta sale continues to progress well and is on track to be concluded by the summer of this year.

Full Year Outlook

Although there are important trading months ahead of us, we are optimistic that the positive trends seen in the first five months of the current year will continue. In terms of the phasing, we expect operating profit in the first six months of 2007 to be slightly higher than in the second six months of the year.

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