



29 September 2008

Compass Group PLC
"Compass" or "the Group"

Trading Update

This statement updates investors on the Group's progress in the current year, ahead of the announcement on 26 November 2008 of its full year results to 30 September 2008.

The Group

The positive trading momentum of the first nine months has continued throughout the summer period. For the full year, organic revenue growth is anticipated to be comfortably over 5% and we expect to see around a 60 basis point improvement in margins for the full year compared with last year. Free cash flow generation continues to be well ahead of last year and our financial position is strong.

The MAP programme continues to drive revenue growth in a more disciplined way and as a result we are delivering a good balance between net new contract wins and like for like growth. Gross margins are in line with the levels achieved last year, reflecting the good work on containing the impact of food cost inflation during the year. The improvement in operating margins is primarily due to the delivery of further efficiencies in unit costs combined with good leverage of existing above unit overheads.

The strengthening against sterling of most of the currencies to which we are exposed has continued, favourably impacting the translation of our reported financials.

Around the World

Trading in North America overall has continued to be strong. Organic revenue growth for the full year is expected to be around 7% and margins are anticipated to improve by around 50 basis points.

In Continental Europe we are continuing to see a modest acceleration of organic revenue growth and for the full year this is expected to be around 5%. We anticipate margin growth of around 60 basis points, with most of the main countries contributing strongly.

In the UK, we anticipate that revenues and operating profit will be broadly in line with last year. The management team remain focused on simplifying the business, generating and retaining high quality revenues as they continue to re-position the business for future growth.

In the Rest of the World, we expect to see around 9% organic revenue growth for the full year and another strong improvement in the margin of over 120 basis points. We have seen continued good progress in improving the margins in Japan and have benefited from strong new business wins in the remote site businesses in Australia and Latin America.

Share Buy Back Programme

The Group commenced a further £400 million share buy-back programme on 1 July 2008, as announced at the Interim Results. Between 1 July 2008 and 26 September 2008, the Group repurchased for cancellation 18 million ordinary shares for a total consideration of £65 million, excluding expenses. This brings the total number of shares repurchased since the share buy back programme began in 2006 to 346 million for a total consideration of £1,065 million.

ENDS

Notes to editors:

- (a) Compass Group is the world's largest foodservice company with annual revenues of over £10 billion operating in 60 countries. For more information visit www.compass-group.com
- (b) MAP (Management and Performance) is a simple, but clearly defined Group operating framework. MAP focuses on five key value drivers, enabling the businesses to deliver disciplined, profitable growth with the focus more on organic growth and like for like growth.

The five key value drivers are:

- 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

- (c) Operating profit, a term used throughout this announcement, includes share of profit of associates and is wholly consistent with the presentation in the Group's 2007 Annual Report and Accounts.
- (d) This Press Release 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 1934, 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' and clients' acceptance of its products and services; the actions of competitors; and legislative, fiscal and regulatory developments.

A copy of this release, together with all other recent announcements can be found on Compass Group's website at www.compass-group.com. Copies of the presentation given to institutional investors and analysts are also available at this site.

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