

# Compass Group PLC



**2008 Full Year Results**  
**26<sup>th</sup> November 2008**



*This presentation contains certain forward looking statements as defined under US legislation (section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934). By their nature, such statements involve uncertainty; as a consequence, actual results and developments may differ from those expressed in or implied by such statements.*



**Sir Roy Gardner**  
Chairman



# Presentation Structure

- |                    |                            |
|--------------------|----------------------------|
| 1. Sir Roy Gardner | Welcome & Highlights       |
| 2. Andrew Martin   | Full Year Results          |
| 3. Richard Cousins | Business Review & Strategy |
| 4. Q&A             |                            |

## Business Highlights

- Another year of very good progress across the business
- Excellent financial results with:
  - Operating margin up 70 bps
  - Underlying EPS increased by 45%
  - Free Cash Flow up by 46%
- Strategic plan on track, significant future opportunities
- MAP embedded throughout the business
- Full year dividend increased by 11%, from 10.8p to 12.0p



# Andrew Martin

Full Year Results



# Revenue

	2008 £m	2007 £m	Change		
			Reported Rates %	Constant Currency %	Organic Growth %
North America	4,553	4,206	8.3%	7.3%	7.1%
Continental Europe	3,021	2,553	18.3%	5.2%	5.4%
UK	1,926	1,931	(0.3)%	(0.3)%	(0.3)%
Rest of the World	1,940	1,578	22.9%	12.9%	10.6%
<b>Total revenue</b>	<b>11,440</b>	<b>10,268</b>	<b>11.4%</b>	<b>6.3%</b>	<b>5.9%</b>

Notes:

1. Based on continuing operations.
2. Constant currency increase is based on 2007's results restated at 2008's average exchange rates.
3. Organic growth adjusts for acquisitions, disposals and exchange rate movements.

## Operating Profit and Margin - Reported

	2008 £m	2007 £m	Change £m	Margin <sup>2</sup>	
				2008 %	2007 %
North America	311	264	47	6.8%	6.3%
Continental Europe	197	151	46	6.5%	5.9%
UK	108	107	1	5.6%	5.5%
Rest of the World	104	61	43	5.4%	3.9%
Unallocated overheads	(62)	(58)	(4)		
Associates	4	4	-		
<b>Operating profit</b>	<b>662</b>	<b>529</b>	<b>133</b>	<b>5.8%</b>	<b>5.1%</b>

Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisitions.
2. Margin excludes profit from associates.

## Operating Profit and Margin – Constant Currency

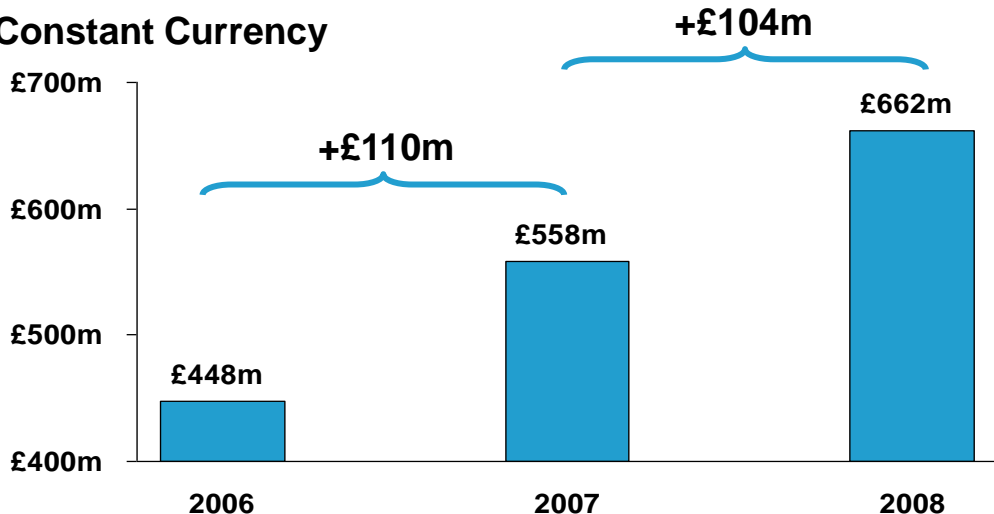
	2008 £m	2007 <sup>2</sup> £m	Change £m	Margin <sup>3</sup>	
				2008 %	2007 %
North America	311	266	45	6.8%	6.3%
Continental Europe	197	172	25	6.5%	5.9%
UK	108	107	1	5.6%	5.5%
Rest of the World	104	68	36	5.4%	3.9%
Unallocated overheads	(62)	(59)	(3)		
Associates	4	4	-		
<b>Operating profit</b>	<b>662</b>	<b>558</b>	<b>104</b>	<b>5.8%</b>	<b>5.1%</b>

Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. 2007 has been restated to 2008 exchange rates.
3. Margin excludes profit from associates.

## Operating Profit – 2 Year Progression

Constant Currency



Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. All data has been restated to 2008 average exchange rates.
3. 2006 has been restated to exclude businesses discontinued in 2007.

## Operating Profit Growth

£m (estimated)	Operating Profit Growth		
	2008	2007	Historic
Net new business	28	30	50
Base estate	57	35	(15)
- price and volume			
- cost inflation			
- efficiencies			
Above unit overheads	6	36	(10)
- inflation £(15)m			
- efficiencies £21m			
Acquisitions/disposals	13	-	-
<b>Total operating profit growth</b>	<b>104</b>	<b>101</b>	<b>25</b>

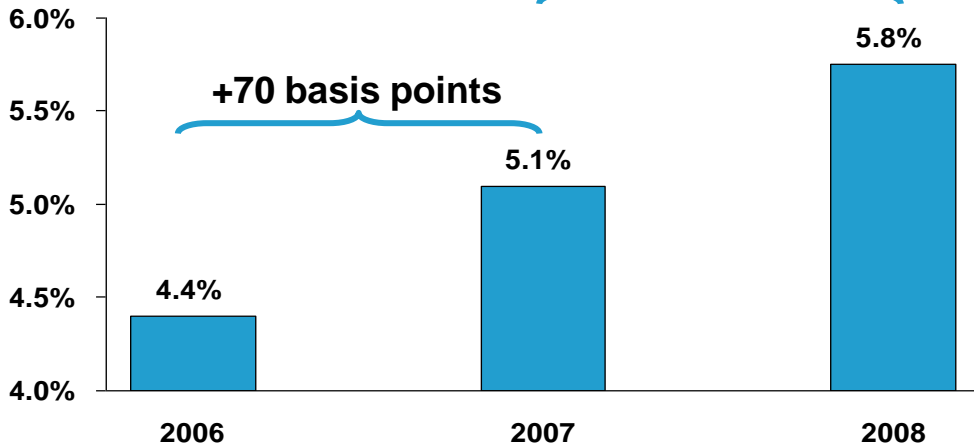
Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. Total operating profit growth compares the current year results against the prior year results at current year average exchange rates.
3. 2006 has been restated to exclude businesses discontinued in 2007.

# Operating Margin – 2 Year Progression

Constant Currency

+70 basis points



Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. Margin excludes profit from associates.
3. 2006 has been restated to exclude businesses discontinued in 2007.

# Income Statement

£m	2008		2007	
	Reported	Underlying <sup>3</sup>	Reported	Underlying <sup>3</sup>
Revenue	11,440	11,440	10,268	10,268
Operating profit <sup>2</sup>	659	662	529	529
Net finance costs	(93)	(73)	(93)	(87)
Profit before tax	566	589	436	442
Tax	(169)	(171)	(124)	(126)
Profit after tax	397	418	312	316
Minority interest	(7)	(7)	(9)	(9)
Attributable profit	390	411	303	307
Average number of shares (millions)	1,868	1,868	2,015	2,015
Basic earnings per share (pence)	20.9p	22.0p	15.0p	15.2p

Notes:

1. Based on continuing operations.
2. Including share of profit of associates.

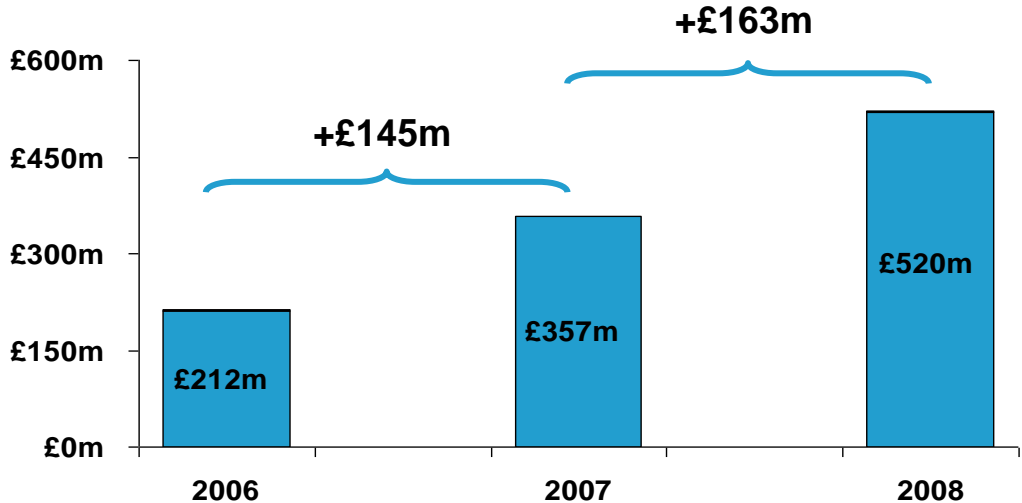
3. The underlying column excludes amortisation of intangibles arising on acquisitions £(3)m (2007: nil), hedge accounting ineffectiveness £(4)m (2007: £(6)m), change in fair value of minority interest put options £(16)m (2007: nil) and the tax attributable to these amounts £2m (2007: £2m).

## Free Cash Flow

£m	2008	2007
Operating profit <sup>2</sup>	662	529
Depreciation and amortisation	206	174
EBITDA	868	703
Net capital expenditure <sup>3</sup>	(166)	(158)
Working capital (including provisions)	46	40
Net interest	(81)	(127)
Net tax	(149)	(117)
Dividends to minorities	(4)	(3)
Net other non cash items	6	19
Free cash flow	520	357

- Notes:
1. Based on continuing operations.
  2. Operating profit includes share of profit of associates, but excludes amortisation of intangibles arising on acquisitions.
  3. Gross capital expenditure including finance leases is £200m, 1.7% of revenue (2007: £195m, 1.9% of revenue).

## Free Cash Flow – 2 Year Progression



Notes:

1. Based on continuing operations.
2. 2006 has been restated to exclude businesses discontinued in 2007.

## Net Debt

	£m
Opening net debt at 1 October 2007	764
Free cash flow from continuing operations	(520)
Free cash flow from discontinued operations	(2)
Acquisitions <sup>1</sup>	181
Disposals (net of tax)	(41)
Share buy back <sup>2</sup>	355
Equity dividends	209
Impact of foreign exchange rates	121
Other	(62)
<b>Closing net debt at 30 September 2008</b>	<b>1,005</b>

Notes:

1. Spend on acquisitions in the year includes £74m on infill acquisitions (including £36m on Professional Services and £23m on Medi-Dyn in the USA), £102m on the buyout of minority interests (including £87m on GR S.A., our Brazil joint venture and £14m on Selyo, our Japan joint venture) and £5m deferred consideration relating to previous acquisitions.
2. Share buy back includes £3m shares acquired to satisfy employee share based payments.

## Financial Strength – Next 12 Months

	Gross Debt £m	Cash £m	Net Debt £m	Undrawn Facility <sup>1</sup> £m
At 30 September 2008	(1,584)	579	(1,005)	689
Estimated 'non-utilisable'		(220)	(220)	
Private placement monies (raised on 31 October 2008)	(185)	185	-	
	(1,769)	544	(1,225)	689
Eurobond and private placement (repayable May 2009)	325	(325)	-	
	(1,444)	219	(1,225)	689

**HEADROOM**

**> £900m**

Notes:

1. Facility denominated as £200m/€300m/\$450m and committed until 2012.

## Financial Strength – Next 3 Years

- Minimal further debt repayments
  - 2010 : £225m
  - 2011 : £75m
  
- Further cash inflows from
  - 3 years of free cash (post dividends)
  - Any further refinancing

**Conclusion : very strong financial position**

## Key Financial Ratios and Ratings

	2008	2007	2006
<b>Key financial ratios</b>			
EBIT <sup>1</sup> / net interest <sup>2</sup>	9.1x	6.1x	3.2x
EBITDA <sup>3</sup> / net interest <sup>2</sup>	11.9x	8.7x	5.6x
<b>Credit ratings</b>			
Standard & Poor's	BBB+ (stable)		
Moody's	Baa2 (stable)		

- Key financial ratios moving forward strongly
- Committed to strong investment grade credit ratings

Notes:

1. EBIT includes share of profit of associates and excludes amortisation of intangibles arising on acquisition and discontinued operations.
2. Net interest excludes the hedge accounting ineffectiveness and the change in fair value of minority interest put options.
3. EBITDA includes share of profit of associates and profit from discontinued operations but excludes exceptional profits.

## Dividend Cover

	2008	2007	2006
Per share (pence)			
Dividend declared (interim plus final)	12.0p	10.8p	10.1p
Underlying earnings	22.0p	15.2p	9.4p
Dividend earnings cover	1.8x	1.4x	0.9x
Cash (£m)			
Cash cost of dividend (in the year)	209	208	213
Free cash flow	520	357	212
Dividend cash cover	2.5x	1.7x	1.0x

## Pensions

- Reported deficit reduced from £555m in 2005 to £131m in 2008
- At 30 September 2008

	Total £m	UK £m	USA £m	Other £m
Assets	(1,419)	(1,204)	(127)	(88)
Liabilities	1,552	1,187	196	169
Net	133	(17)	69	81
Past service cost not recognised	(2)	-	-	(2)
Overall deficit	131	(17)	69	79

- Key assumptions are conservative

## Financial Summary

- Organic revenue growth + 5.9%
- Constant currency operating profit + 19%
- Underlying earnings per share + 45%
- Free cash flow + 46%



# Richard Cousins

Business Review,  
Strategy and Outlook

## Agenda

1. Business Performance and MAP
2. Regional Reviews
3. Strategy
4. Summary and Outlook

# MAP

- 1 Client Sales and Marketing
- 2 Consumer Sales and Marketing
- 3 Cost of Food
- 4 Unit Costs
- 5 Above Unit Overheads



## Operating Profit Growth

£m (estimated)	Operating Profit Growth		
	2008	2007	Historic
Net new business	28	30	50
Base estate	57	35	(15)
- price and volume			
- cost inflation			
- efficiencies			
Above unit overheads	6	36	(10)
- inflation £(15)m			
- efficiencies £21m			
Acquisitions/disposals	13	-	-
<b>Total operating profit growth</b>	<b>104</b>	<b>101</b>	<b>25</b>

# Operating Profit Growth - Analysis

<b>£m (estimated)</b>	<b>2008<sup>1</sup></b>	
Net new business	28	MAP 1
Base estate	57	Price & volume → MAP 1 & 2
		Cost efficiencies → MAP 3 & 4
Above unit overheads	6	MAP 5
Acquisitions	13	
<b>Total</b>	<b>104</b>	

<sup>1</sup> Constant Currency Growth

## Net New Business

### MAP 1 Client sales and marketing

- Strong new business wins
- More focus on penetrating self-operated markets
- Support services
- Retention stable at 94%
- Encouraging pipeline for 2008/09



**Ongoing new business and retention opportunities**

## New and retained contracts



Unilever



DE BEERS



JERÓNIMO MARTINS



Nokia Siemens  
Networks



Wellingborough



## Base Estate - Like for Like Revenue



### Client and consumer sales and marketing

- Pricing strategy
- Indexation and pricing tools
- Participation and spend per head
- Additional services



**Continuing opportunities to drive LFL growth**

## Base Estate – Cost Efficiencies

MAP 3&4

### Cost of food and in-unit costs

- Good progress on menu planning
- Purchasing & supply chain efficiencies, fighting inflationary pressures
- Labour productivity and ancillary costs
- Beginning to address in unit overheads

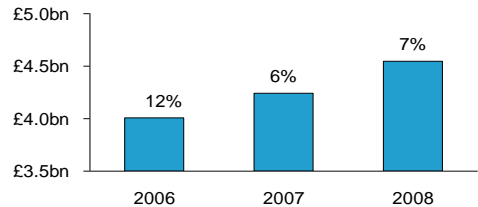


**Variable cost base, scope for further efficiencies**

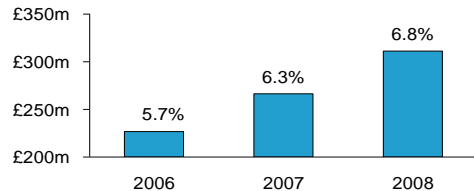
# North America – Progress and Results

- Continues to make excellent progress; operating profit up 17%
- Strong net new business growth
- Good progress on LFL
- Success in fighting food inflation
- Overhead efficiencies

Revenue & Organic Growth



Operating Profit & Margin



Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. All data has been restated to 2008 exchange rates.

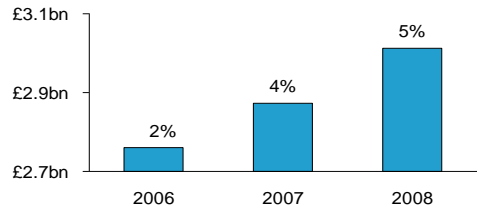
## North America

- B & I Very good progress, 6% organic revenue growth
- Healthcare Excellent growth in food and support services
- Education Good new business and LFL revenue
- Sports and Leisure Good growth and cost efficiencies
- Canada Continuing to develop the business

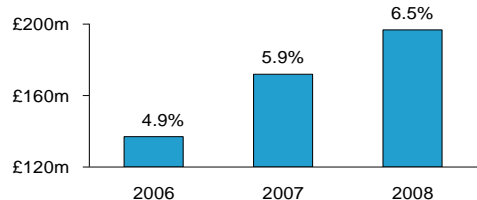
# Continental Europe – Progress and Results

- Another year of very good progress
  - Organic revenue growth 5%
  - Operating profit up 15%
  - Margin up 60bps
- Acceleration in new business
- Good focus on pricing
- Much improved cost control
- Strong cash flow

Revenue & Organic Growth



Operating Profit & Margin



Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. All data has been restated to 2008 exchange rates.

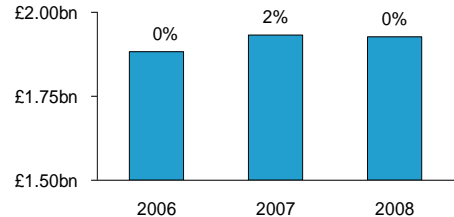
## Continental Europe

- France Growth resumed and good margin progression
- Italy Improved performance, underpinned by restructuring
- Germany Excellent cost efficiency, improved labour productivity
- Spain Another strong year of growth led by Education and Healthcare
- Nordic Strong support services, successful restructuring

# UK and Ireland – Progress and Results

- Profits stabilised
- New client and consumer offers
- Much improved cost efficiency
- Improved controls and cash generation
- An increasingly solid platform

Revenue & Organic Growth



Operating Profit & Margin



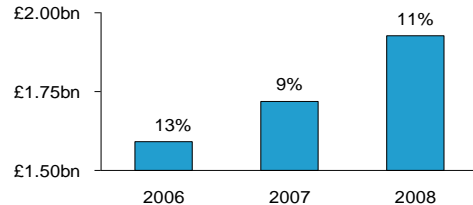
Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. All data has been restated to 2008 exchange rates.

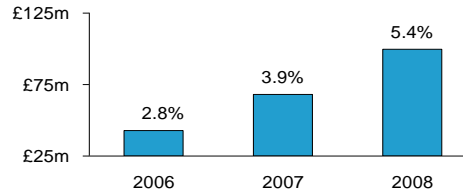
## Rest of the World – Progress and Results

- Continues to make excellent progress:
  - Organic revenue growth 11%
  - Operating profit up 53%
  - Margin up 150 bps
- Last two years, profit more than doubled
- Country exits complete
- Excellent future growth opportunities

Revenue & Organic Growth



Operating Profit & Margin



Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. All data has been restated to 2008 exchange rates.

## Rest of the World

- Australia Good profit growth and improved sector balance
- Japan Good progress on pricing and efficiency
- Brazil Fast growing, now a significant part of the group
- Remote Very strong growth, five core countries
- UAE Rapid growth in all the key sectors

## Strategic Objectives



Drives free cashflow

*...which enables...*

Reinvestment in  
the business

*...and...*

Rewards to  
shareholders

## Can we deliver in a more challenging environment?

1

Is our strategy still valid?

2

Can we continue to grow the business?

3

Can we drive performance?

4

Are our finances sufficiently robust?

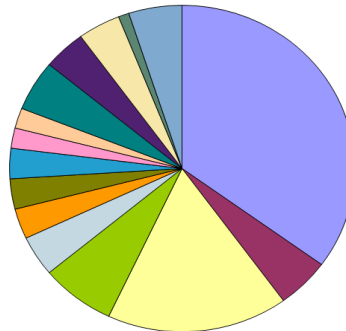
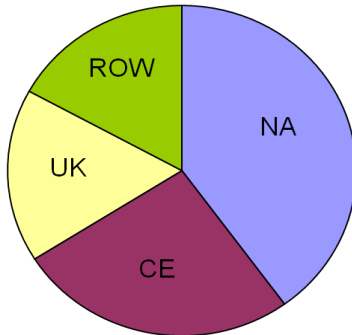
5

How will we deliver our objectives?

## Q1. Is our strategy still valid?

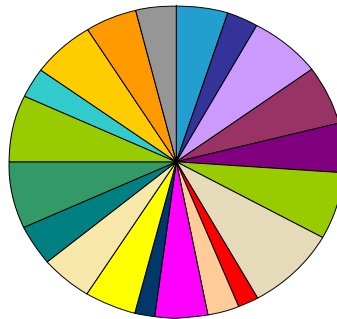
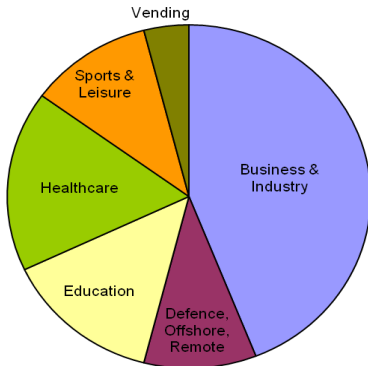
- Food is our core
- Develop support services
- Scale in countries
- Geographic spread
- Sector diversity

# Geographic Spread



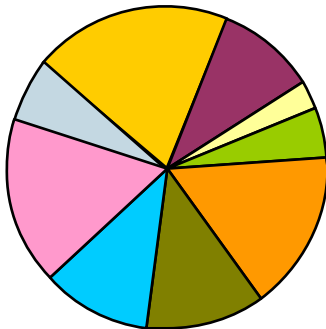
- USA
- Canada
- UK & I
- France
- Germany
- Nordic
- Spain/Portugal
- Benelux
- Italy
- Switzerland/Austria
- Australasia
- Japan
- Latin America
- Remote Site
- Other

# Sector Presence



- Pharmaceutical
- Communication IT
- Retail
- Government
- Manufacturing
- Other
- Defence
- Energy
- Financial Services
- State Schools
- Colleges
- Private Schools
- Private hospitals
- Public Hospitals
- Senior Living
- Sports
- Leisure
- Vending
- Inv. banking
- Extraction

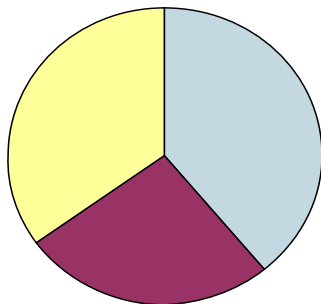
# Business & Industry



- Staff Restaurants
- Coffee Stations
- Cafes
- Vending
- Retail stores
- Conferences
- Fine Dining
- Support Services

# Education


- State schools
  - Primary
  - Secondary
  - K - 12
  
- Private schools
  - Primary
  - Secondary
  - Boarding
  
- Further Education
  - Universities
  - Colleges




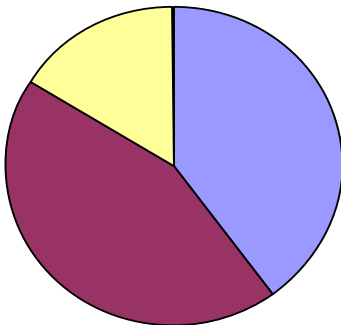
- School meals
  
- Steamplicity
  
- Boarding 24 hour services
  
- Convenience stores
  
- Food courts
  
- Coffee shops
  
- Support Services

# Healthcare

 Private Hospitals

 Public Hospitals

 Senior Living



- Patient feeding
- Staff restaurants
- Visitor restaurants
- Steamplicity
- Convenience stores
- Coffee shops
- Senior care homes
- Support services

## Q2. Can we continue to grow our business?

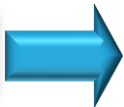
Net New Business



Many new outsourcing opportunities

+

LFL Revenue



LFL revenue; challenges and opportunities

+

In-fill Acquisitions



Exciting infill acquisition opportunities

=

Total Growth

## Q3. Can we drive performance? - Costs

			Action
• Food	£3.8bn	Fully Variable	map 3
• Labour	£4.6bn	Mainly Variable	map 4
• In unit overheads	£1.6bn	Semi Variable	map 4
• Above unit overheads	£0.8bn	Semi Variable	map 5

**£10.8bn flexible cost base**  
**Cost saving opportunities**

## Q4. Are our finances sufficiently robust?

- Excellent free cash flow
- Robust balance sheet
- Significant headroom for refinancing
- Financial flexibility to reward shareholders and invest in the business

## Q5. How will we deliver our objectives?



## Can we deliver in a more challenging environment?

1

Is our strategy still valid?

Yes

2

Can we continue to grow the business?

Yes

3

Can we drive performance?

Yes

4

Are our finances sufficiently robust?

Yes

5

How will we deliver our objectives?

MAP

## Summary

- Very strong financial results in 2008
- All geographies delivering
- MAP in place and driving performance
- Strategy unchanged; significant future opportunities



**Well placed to drive shareholder value**

## Outlook

- Good start to new financial year
- Challenges and opportunities in current business environment
- Significant structural opportunities; international and sector diversity
- Flexible cost base and scope for further efficiency
- Strong cash flow, balance sheet flexibility



**2009, another year of progress**

# Compass Group PLC



**2008 Full Year Results**  
**26<sup>th</sup> November 2008**

**Supplementary Information**

# Contents

**Revenue**      **56**    Group Revenue by Geography

**Revenue by Sector**    **57**    Group  
                                   **58**    North America  
                                   **59**    Continental Europe  
                                   **60**    UK  
                                   **61**    Rest of the World

**Sector Financials**    **62**    Group  
                                   **63**    North America

**Finance Cost**      **64**    Net Finance Cost

**EPS / Dividends**    **65**    Earnings & Dividends Per Share

**Balance Sheet**      **66**    Overview

**Balance Sheet**      **67**    ROCE  
                                   **68**    Capital Expenditure % of Revenue  
                                   **69**    Share Buy Back Summary

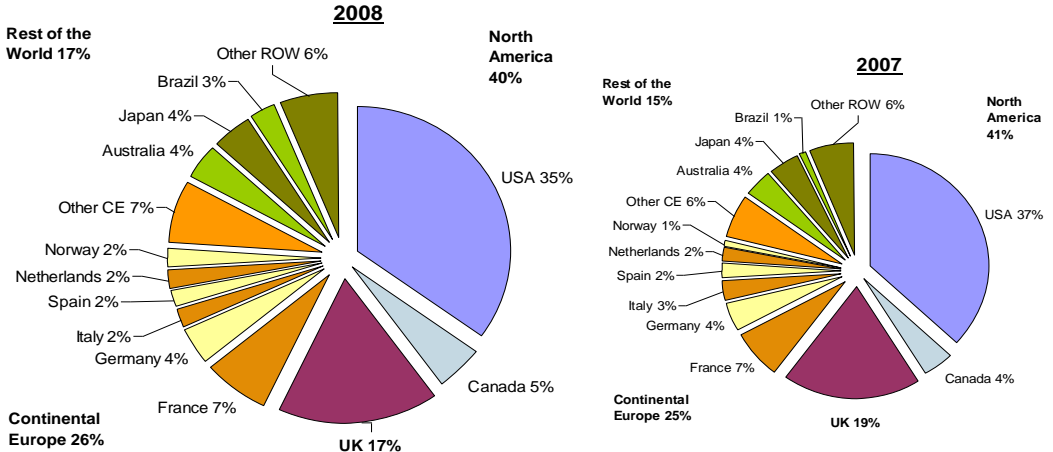
**Financing**            **70**    Components of Net Debt  
                                   **71**    Principal Borrowings  
                                   **72**    Maturity Profile of Principal Borrowings  
                                   **73**    Sources of Committed Borrowings  
                                   **74**    Effective Currency of Net Borrowings  
                                   **75**    Debt Ratings and Ratios

**Exchange Rates**    **76**    Rates Used in Consolidation  
                                   **77**    Effect on Revenue and Profit

**Taxation**             **78**    Statutory Tax Rates

**Restatement**        **79**    2007 Full Year

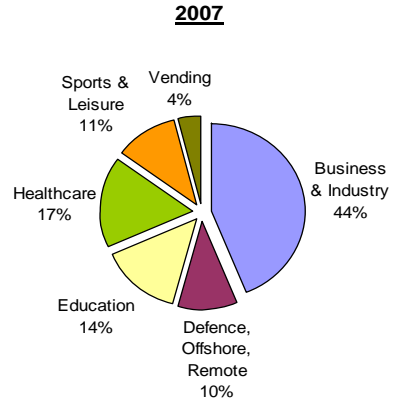
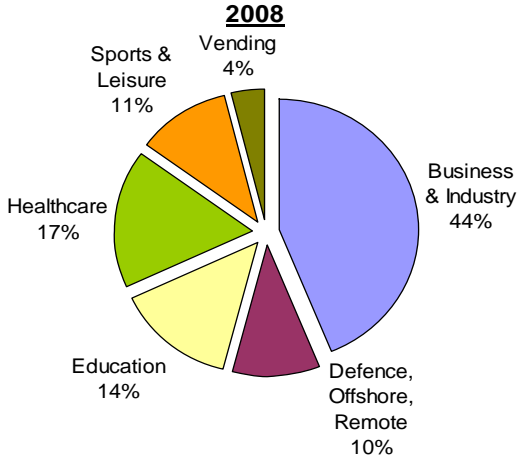
# Revenue – Group Revenue by Geography



Notes:

1. Based on continuing operations.

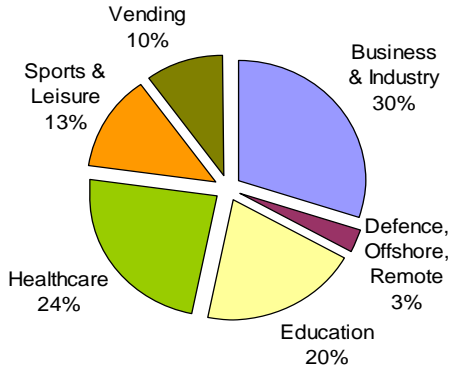
# Revenue by Sector - Group



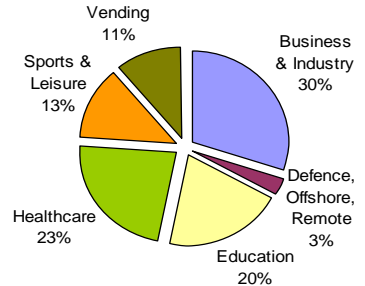
Notes:  
1. Based on continuing operations.

# Revenue by Sector – North America

**2008**



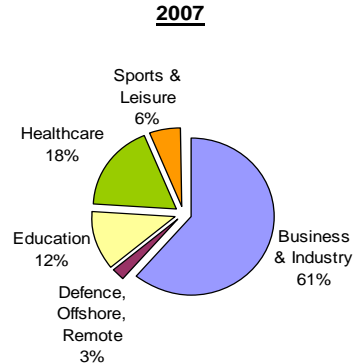
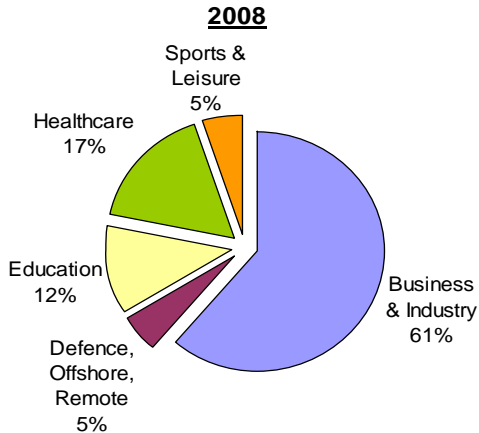
**2007**



Notes:

1. Based on continuing operations.

# Revenue by Sector – Continental Europe

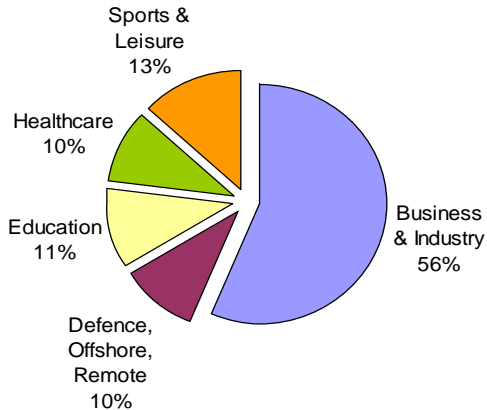


Notes:

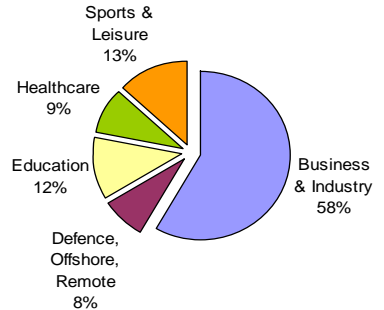
1. Based on continuing operations.

# Revenue by Sector - UK

**2008**



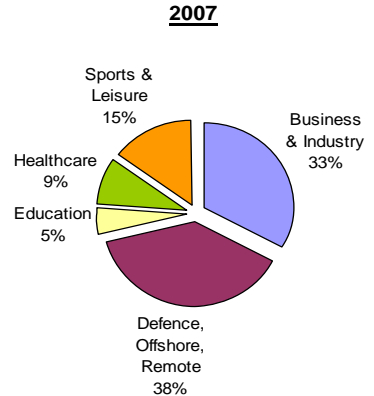
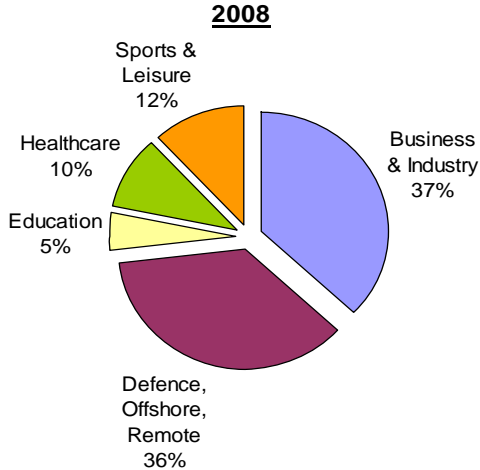
**2007**



Notes:

1. Based on continuing operations.

# Revenue by Sector – Rest of the World



Notes:

1. Based on continuing operations.

## Sector Financials - Group

	North America £m	Continental Europe £m	UK £m	Rest of the World £m	Other <sup>2</sup> £m	Total £m
<b>2008</b>						
Revenue	4,553	3,021	1,926	1,940		11,440
<i>Organic growth</i>	7.1%	5.4%	(0.3)%	10.6%		5.9%
Operating profit	311	197	108	104	(58)	662
<i>Margin</i> <sup>3</sup>	6.8%	6.5%	5.6%	5.4%		5.8%
Cash flow	342	214	121	116	(273)	520
<i>Cash flow conversion</i>	110%	109%	112%	112%		79%
<i>ROCE</i> <sup>4</sup>	17.6%	116.9%	4.0%	21.0%		14.9%
<b>2007</b>						
Revenue	4,206	2,553	1,931	1,578		10,268
<i>Organic growth</i>	6%	4%	2%	9%		5%
Operating profit	264	151	107	61	(54)	529
<i>Margin</i> <sup>3</sup>	6.3%	5.9%	5.5%	3.9%		5.1%
Cash flow	257	178	132	88	(298)	357
<i>Cash flow conversion</i>	97%	118%	123%	144%		67%
<i>ROCE</i> <sup>4</sup>	18.4%	84.0%	3.8%	11.9%		12.5%

Notes:

1. Based on continuing operations, excluding amortisation of intangibles arising on acquisition.
2. Other operating profit includes unallocated overheads of £62m (2007: £58m) and share of profit of associates £4m (2007: £4m). Other cash flow also includes net interest and tax.

3. Margin excludes share of profit of associates.

4. ROCE is based on a tax rate of 30%.

## Sector Financials – North America

	Contract £m	Vending £m	Total £m
<b>2008</b>			
Revenue	4,105	448	4,553
Operating profit	279	32	311
<i>Margin</i>	6.8%	7.1%	6.8%
Cash flow	308	34	342
<i>Cash flow conversion</i>	110%	106%	110%
<b>2007</b>			
Revenue	3,748	458	4,206
Operating profit	233	31	264
<i>Margin</i>	6.2%	6.8%	6.3%
Cash flow	229	28	257
<i>Cash flow conversion</i>	98%	90%	97%

Notes:

1. Based on continuing operations.

## Finance Cost – Net Finance Cost

	2008 £m	2007 £m
Bank loans and overdrafts	14	5
Other loans	84	104
Finance lease interest	2	3
	100	112
Bank interest income	(25)	(28)
	75	84
Interest on pension scheme liabilities net of expected return on scheme assets	(2)	2
Unwinding of discount on put options held by minority shareholders	-	1
<b>Underlying net finance cost</b>	<b>73</b>	<b>87</b>
<u>Other (gains)/losses</u>		
Unrealised net (gains)/losses on unhedged derivative financial instruments <sup>1</sup>	4	3
Unhedged translation losses on foreign currency borrowings <sup>2</sup>	-	3
Change in fair value of minority interest put options	16	-
<b>Net finance cost</b>	<b>93</b>	<b>93</b>

Notes:

- In line with the Group's treasury policy, the Group uses interest rate swaps in order to fix part of the short term interest cost. As market interest rates move, the value of these swaps at a particular point in time rises and falls. Under IAS 39, not all of these can be designated as effective hedges and the change in their fair value has to be recognised in the Income Statement. The main impact is to change the timing of when interest costs are recognised, but the overall economic impact over the life of the interest rate swap remains unchanged.
- Translation losses arose in 2007 as the Group did not have perfect net investment hedging for currencies in place.

## EPS / Dividends – Earnings & Dividends Per Share

	2008 £m	2007 £m
<b><u>Earnings per share</u></b>		
Continuing and discontinued operations	23.7p	25.6p
Discontinued operations	(2.8)p	(10.6)p
Continuing operations	20.9p	15.0p
Other adjustments <sup>1</sup>	1.1p	0.2p
<b>Underlying earnings per share</b>	<b>22.0p</b>	<b>15.2p</b>
<b><u>Dividends per share</u></b>		
Interim dividend	4.0p	3.6p
Final dividend	8.0p	7.2p
<b>Total dividend</b>	<b>12.0p</b>	<b>10.8p</b>

Notes:

1. Other adjustments include the impact of amortisation of intangibles arising on acquisitions £(3)m (2007: nil), hedge accounting ineffectiveness £(4)m (2007: £(6)m), the change in fair value of minority interest put options £(16)m (2007: nil) and the tax attributable to these amounts £2m (2007: £2m).

## Balance Sheet - Overview

	2008 £m	2007 £m
Non-current assets	901	774
Working capital	(354)	(250)
Provisions	(454)	(437)
Interest payable	(58)	(50)
Post employment benefit obligations	(131)	(162)
Current tax payable	(215)	(161)
Deferred tax	232	235
Net assets before goodwill	(79)	(51)
Goodwill	3,290	2,985
<b>Net assets</b>	<b>3,211</b>	<b>2,934</b>
Shareholders equity	2,187	2,148
Minority interests	19	22
Net debt	1,005	764
<b>Capital employed</b>	<b>3,211</b>	<b>2,934</b>

## Balance Sheet - ROCE

	2008 £m	2007 £m	2006 £m	2005 £m
<b>NOPAT - continuing operations IFRS</b>	<b>457</b>	<b>363</b>	<b>310</b>	<b>293</b>
add back IFRS adjustments <sup>1</sup>	22	22	22	22
<b>NOPAT - continuing operations UK GAAP</b>	<b>479</b>	<b>385</b>	<b>332</b>	<b>315</b>
<b>Capital employed - continuing operations IFRS</b>	<b>3,211</b>	<b>2,934</b>	<b>2,894</b>	<b>2,608</b>
add back goodwill written off to reserves <sup>2</sup>	1,967	1,967	1,967	1,967
add back amortisation prior to 30 September 2004 <sup>3</sup>	760	760	760	760
add back other IFRS adjustments <sup>1</sup>	258	258	258	258
<b>Capital employed - continuing operations UK GAAP</b>	<b>6,196</b>	<b>5,919</b>	<b>5,879</b>	<b>5,593</b>
<b>Average capital employed - continuing operations</b>				
<b>IFRS</b>	<b>3,073</b>	<b>2,914</b>	<b>2,751</b>	<b>2,689</b>
<b>UK GAAP</b>	<b>6,058</b>	<b>5,899</b>	<b>5,736</b>	<b>5,526</b>
<b>ROCE - continuing operations <sup>4</sup></b>				
<b>IFRS</b>	<b>14.9%</b>	<b>12.5%</b>	<b>11.3%</b>	<b>10.9%</b>
<b>UK GAAP</b>	<b>7.9%</b>	<b>6.5%</b>	<b>5.8%</b>	<b>5.7%</b>

Notes:

1. 2005 IFRS adjustments have been carried forward for each of 2006 to 2008.
2. Goodwill written back to reserves of £2,147m excludes amounts relating to discontinued operations of £180m.

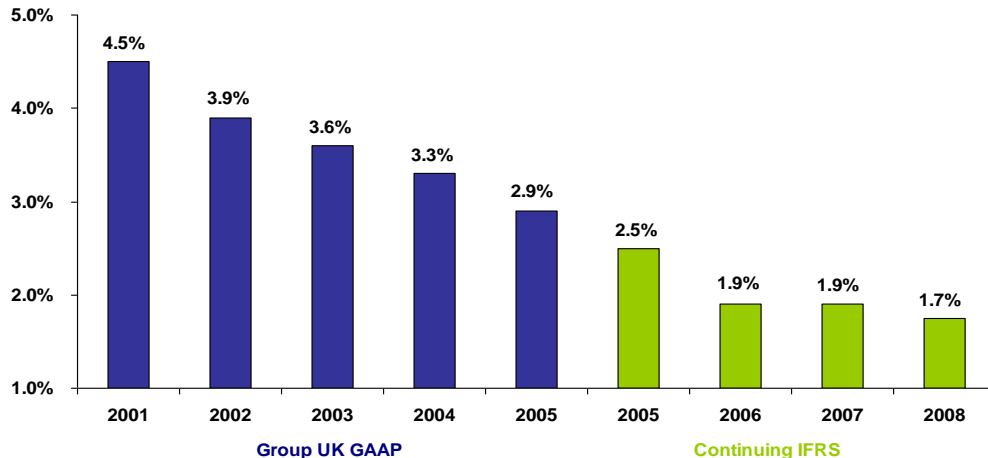
3. Goodwill amortisation written back of £1,021m excludes amounts relating to discontinued operations of £261m.

4. ROCE is based on a tax rate of 30%.

5. UK GAAP calculations will necessarily involve some degree of estimation for 2006 to 2008.

# Balance Sheet – Capital Expenditure % of Revenue

% of Revenue



Notes:

1. For 2001 to 2005, total Group is shown on a UK GAAP basis.
2. For 2005 to 2008, the continuing business is shown on an IFRS basis.
3. All data is based on gross capital expenditure for both tangible and intangible assets, including assets acquired under finance leases.

## Balance Sheet – Share Buy Back Summary

<b>For the period from June 2006</b>	<b>Cumulative to 30 September 2008</b>	<b>Cumulative to 31 March 2008</b>
Total number of shares bought back	346m	328m
Total cash spent	£1,065m	£1,000m
Remaining number of shares in issue	1,842m	1,847m

## Financing – Components of Net Debt

	£m
Bonds	1,034
Private placements	431
Bank loans	15
	1,480
Finance leases	53
Other loans	13
Swap monetisation and IFRS adjustments for derivatives	9
<b>Gross debt</b>	<b>1,555</b>
Cash net of overdrafts	(550)
<b>Closing net debt at 30 September 2008</b>	<b>1,005</b>

Notes:

1. Based on nominal value of borrowings as at 30 September 2008, except the £250m 7% bond maturing in 2014 which is recorded at its fair value to the Group on acquisition, less amortisation.

## Financing – Principal Borrowings

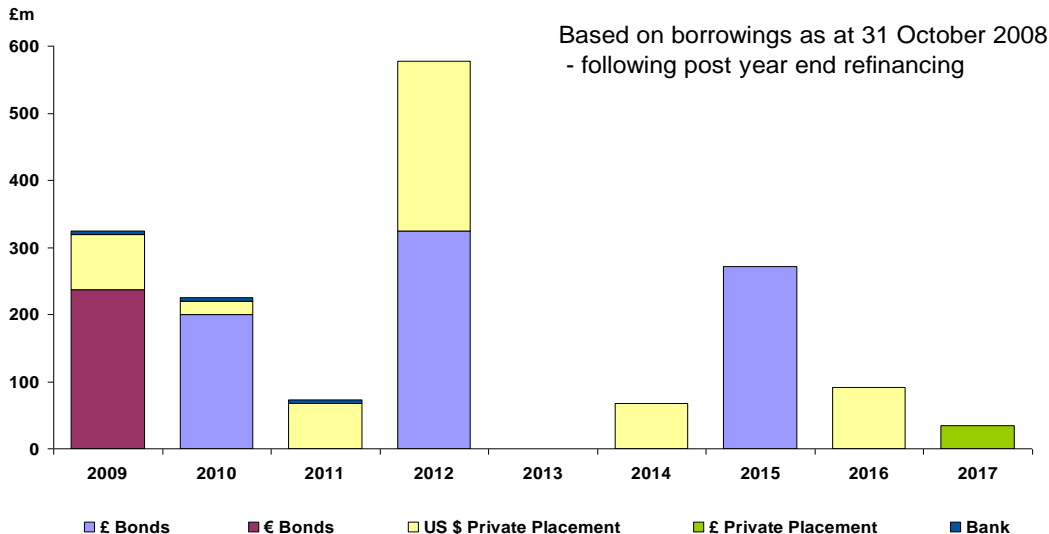
	Coupon	Maturing in Calendar Year	£m
<b><u>Bonds</u></b>			
£250m <sup>4</sup>	7.00%	2014	272
£325m	6.38%	2012	325
£200m	7.13%	2010	200
€300m	6.00%	2009	237
<b>Total</b>			<b>1,034</b>
<b><u>US private placements</u></b>			
\$719m (2002 notes)	6.39% - 7.96%	2009 - 2012	403
\$50m (2003 notes)	5.11% - 5.67%	2010 - 2013	28
<b>Total</b>			<b>431</b>
<b><u>Bank loans</u></b>			
£200m/€300m/\$450m	floating rates	2012	-
Y7000m (bilateral) <sup>5</sup>	1.10%	2008 - 2011	15
<b>Total</b>			<b>15</b>

Notes:

1. Based on nominal value of borrowings as at 30 September 2008.
2. Interest rates shown are those in force on the date the debt was issued.
3. The Group uses interest rate swaps to manage its effective interest rate.

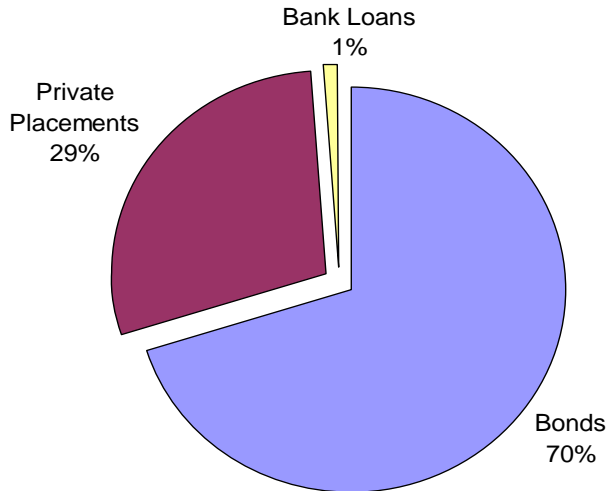
4. The £250m 7% bond maturing in 2014 is recorded at its fair value to the Group on acquisition, less amortisation.
5. Y7000m is the amount of the original bank loan before amortisation.
6. No other adjustments have been made for hedging instruments, fees or discounts.
7. All bonds, private placements and bank loans are held at the Compass Group PLC level.

## Financing – Maturity Profile of Principal Borrowings



- Notes:
1. Based on borrowings and facilities in place as at 31 October 2008, maturing in the financial years ending 30 September.
  2. The average life of the Group's principal borrowings as at 30 September 2008 was 3.1 years (2007: 4.1 years).

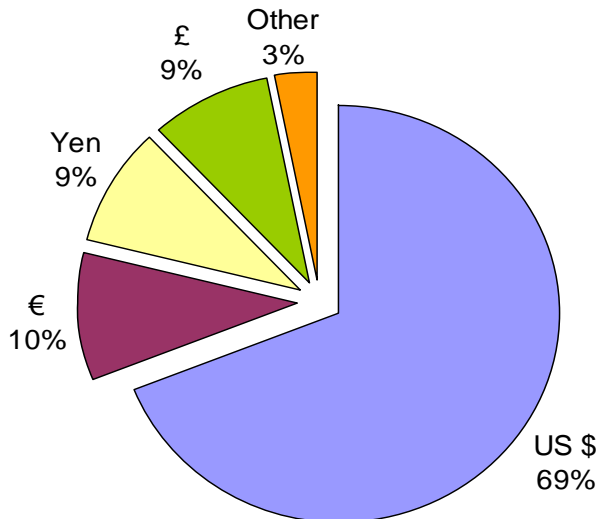
## Financing – Sources of Committed Borrowings



Notes:

1. Based on borrowings as at 30 September 2008.

## Financing – Effective Currency of Net Borrowings



Notes:

1. Based on net borrowings as at 30 September 2008.
2. In line with the Group's treasury policy, the Group hedges its economic exposure to its non-sterling cash flows by matching the currencies of its centrally held net debt to the currencies of its principal projected net cash flows. However, debt in any one currency may not exceed the level of net assets in that currency. As currency cash flows are generated, they are used to service and repay debt in the same currency.
3. In line with the Group's treasury policy, the Group fixes the interest rate on its forecast borrowings in the proportion of 80%, 60% and 40% for each of the first, second and third years forward respectively.

## Financing – Debt Ratings and Ratios

### Ratings

		<i>Outlook</i>	<i>Confirmed</i>
Standard & Poors	BBB+	Stable	25-Jan-08
Moodys	Baa2	Stable	30-Nov-07
Fitch (unsolicited)	BBB+	Stable	01-Feb-08

<b>Ratios</b>	<b>2008</b>	<b>2007</b>
Net debt / EBITDA <sup>1</sup>	1.2x	1.0x
EBITDA <sup>1</sup> / net interest <sup>2</sup>	11.9x	8.7x
Net debt / adjusted total capitalisation <sup>3</sup>	19%	15%

Notes:

1. EBITDA includes share of profit of associates and profit from discontinued business but excludes exceptional profit.
2. Net interest excludes the element of finance charges resulting from hedge accounting ineffectiveness and change in fair value of minority interest put options.
3. Adjusted total capitalisation includes shareholders funds, goodwill written off and net debt.

## Exchange Rates – Rates Used in Consolidation

	Income Statement <sup>2</sup>		Balance Sheet <sup>3</sup>	
	2008 per £	2007 per £	2008 per £	2007 per £
Australian Dollar	2.19	2.44	2.26	2.30
Brazilian Real	3.40	4.02	3.44	3.75
Canadian Dollar	1.99	2.19	1.90	2.02
<b>Euro</b>	<b>1.32</b>	<b>1.48</b>	<b>1.27</b>	<b>1.43</b>
Japanese Yen	212.97	234.05	189.23	234.33
Norwegian Krone	10.53	11.98	10.54	11.05
South African Rand	14.66	14.18	14.76	14.05
Swedish Krona	12.40	13.63	12.43	13.18
Swiss Franc	2.14	2.40	2.00	2.38
<b>US Dollar</b>	<b>1.97</b>	<b>1.97</b>	<b>1.78</b>	<b>2.04</b>

Notes:

1. Rounded to two decimal places.
2. Income statement uses average monthly closing rates for the twelve months to 30 September.
3. Balance sheet uses the closing rates as at 30 September.

## Exchange Rates – Effect on Revenue and Profit

	Revenue	Operating Profit
	Approximate impact of 5 cent change on 2008 reported results +/- £m	Approximate impact of 5 cent change on 2008 reported results +/- £m
<b><u>US Dollar</u></b>		
Impact on North America	104	7
<b><u>Euro</u></b>		
Impact on Continental Europe	88	5

## Taxation – Statutory Tax Rates

Key statutory tax rates within the Group <sup>1</sup>	2008
UK <sup>3</sup>	29%
USA (blended average of federal and state taxes)	40%
France	34%
Germany	30%
Netherlands	26%
Italy	33%
Nordic	28%
Brazil	34%
Canada	34%
Japan	41%
Spain	33%
Australia	30%
<b>Blended statutory tax rate <sup>2</sup></b>	<b>33%</b>

Notes:

1. Statutory tax rates are shown before recognising the benefit of tax planning structures in place.
2. The Group's blended statutory tax rate is a function of territorial profit before tax and the rate of tax chargeable on corporate profits shown above.
3. The UK rate of corporation tax reduced from 30% to 28% on 1 April 2008, giving a blended rate of 29% for the year to 30 September 2008.

## Restatement – 2007 Full Year

	North America £m	Continental Europe £m	UK £m	Rest of the World £m	Other £m	<sup>1</sup> Continuing Operations £m
<b>Revenue</b>						
As presented	4,162	2,553	1,931	1,622	-	10,268
Transfers	44	-	-	(44)	-	-
Restated	4,206	2,553	1,931	1,578	-	10,268
<b>Operating Profit</b>						
As presented	261	151	107	64	(54)	529
Transfers	3	-	-	(3)	-	-
Restated	264	151	107	61	(54)	529
<b>Margin <sup>2</sup></b>						
Restated	6.3%	5.9%	5.5%	3.9%	-	5.1%

Notes:

1. Other operating profit includes unallocated overhead costs £58m and share of profit of associates £4m.
2. Margin excludes share of profit of associates.