



12 May 2007

Sale of Selecta and Share buy-back programme extended to £1 billion

Compass Group PLC ("Compass") is today pleased to announce that it has agreed to sell its European vending business, Selecta, to a company managed by Allianz Capital Partners GmbH ("ACP") for a consideration of £772.5 million on a debt and cash free basis, subject to customary closing adjustments (the "Disposal").

- The sale price for Selecta represents an exit multiple of 16 times Selecta's 2006 Operating Profit before goodwill amortisation (EBIT) and 8.5 times Selecta's 2006 EBITDA
- Tax and other transaction costs are anticipated to be approximately £20 million
- Compass intends to return £500 million of the proceeds to its shareholders by way of a share buy-back programme over the next 12 – 18 months. This is in addition to the return of £500 million to shareholders, following the sale of SSP and Moto in 2006, taking the total share buy-back to £1 billion
- £45 million will be contributed to Compass's UK pension plans, taking the total amount of special contributions to the Compass UK pension plans over the past 12 months to £325 million
- The balance of the proceeds will be used to reduce net debt
- The Disposal is conditional upon Competition Clearances
- Completion of the Disposal is expected in July 2007

Selecta is one of the market leaders in European vending. It has market leading positions in many of the 22 countries in which it is present, operating approximately 150,000 vending machines in total.

In the year ended 30 September 2006, Selecta recorded operating profit before goodwill amortisation of £47 million on turnover of £482 million. Gross and Net assets of Selecta at 30 September 2006 were £682 million and £529 million respectively.

The senior management team of Selecta, including Justin Tydeman (CEO), Martin Schwab (CFO) and Thomas Nussbaumer (COO), will transfer with the business. Compass will provide certain transitional services, including purchasing, for a period of 12 – 24 months.

The Disposal Agreement contains warranties and indemnities which are usual for a transaction of this nature.

Richard Cousins, Group Chief Executive of Compass, commented:

“Following a successful auction process, we are pleased to announce the sale of Selecta for a total of £772.5 million. We will return a further £500 million to shareholders over the next 12-18 months, thereby extending the existing share buy-back programme to a total of £1 billion. This is a good outcome for Compass, further helping to focus on our core contract catering and support services business. For Selecta, we wish the new owners and all of the staff well for the future.”

Joerg Baldauf, Managing Director of ACP, commented:

“ACP is delighted with the successful conclusion of the transaction with Compass. We look forward to working closely with Selecta’s management to develop its excellent position as the leading European vending operator and pursue its strong prospects for further growth.”

Enquiries:

Compass Group PLC

Investors / analysts	Andrew Martin	Tel: +44 (0)1932 573 000
Media	Chris King	Tel: +44 (0)1932 573 000

Citigroup	Simon Lindsay	Tel: +44 (0)207 986 4000
------------------	---------------	--------------------------

Allianz Capital Partners	Petra Kruell	Tel: +49 (0) 89 3800 2628
---------------------------------	--------------	---------------------------

Merrill Lynch	Charles Roast	Tel: +44 (0)207 628 1000
----------------------	---------------	--------------------------

Citigroup Global Markets Limited is acting for Compass and no one else in connection with the matters described in this announcement, and will not be responsible to anyone other than Compass for providing the protections afforded to clients of Citigroup Global Markets Limited or for providing advice in relation to the matters described in this announcement

Merrill Lynch International Bank Limited is acting for ACP and no one else in connection with ACP's acquisition of Selecta as described in this announcement, and will not be responsible to anyone other than ACP for providing the protections afforded to clients of Merrill Lynch International Bank Limited or for providing advice in relation to ACP's acquisition of Selecta as described in this announcement