Compass Group PLC: Trading update

27 March 2008

This statement updates investors on the Group's progress in the current year, ahead of the announcement on 14 May 2008 of its half year results for the six months to 31 March 2008.

Group

Trading in the first five months of the current financial year has been ahead of our expectations and the strong performance seen in the first three months as detailed in the interim management statement on 8 February 2008 has continued into the second quarter. We expect organic revenue growth to be just over 5% for the half year and, with the MAP (Management and Performance)(1) programme more deeply embedded throughout the whole organisation, expect to deliver around 50 basis points of margin improvement compared with the same period last year. Cash flow conversion remains very good with ongoing success in driving working capital improvements and careful control of capital expenditure.

We are continuing to be successful in our management of the impact of input cost inflation through rigorous application of the MAP framework, as reflected in the continued improvement in margins, particularly in the key areas of purchasing and supply chain efficiencies, unit cost efficiencies (including menu planning) and both client and consumer pricing.

Overall, we expect a favourable impact of around £6 million on operating profit(2) from the movement of our key currencies for the six months to 31 March 2008 compared with the same period last year(3).

North America

In North America trading remains strong and we again expect good organic revenue growth for the half year of around 7%. Positive like for like revenue growth together with good management of input cost inflation and ongoing operating efficiencies throughout the businesses are expected to deliver further margin improvements of 50 to 60 basis points.

Continental Europe

The organic revenue growth rate in Continental Europe continues to improve and for the half year is expected to be around 5%, with good performances in Spain, Turkey, Eastern Europe and the Nordic countries. We are achieving good conversion of incremental revenues through to operating profit and expect to see margin growth of 60 to 70 basis points.

UK
In the UK, as anticipated, we expect revenues and margins to be broadly in line with last year. The Education sector continues to make solid progress and the Business and Industry and Healthcare sectors are performing in line with the same period last year. We are making good progress with unit labour and overhead efficiency plans and food cost is being well managed through supply chain efficiencies, menu planning and price increases.

Rest of the World
We expect to see around 9% organic revenue growth for the half year in the Rest of the World, driven by positive trends in South America, UAE and our remote site businesses. Margins are expected to show an improvement of 80 to 90 basis points. Our Japanese business continues to make good progress.

Brazil Acquisition
The Group has now completed the acquisition of the remaining 50% stake in GR S.A., our Brazilian contract catering business, for a total cash consideration of 305 million Brazilian Reals (£90 million). The operational and management integration of the business into the Group is proceeding well and we are optimistic about the growth opportunities.

Share Buy Back Programme
The Group's £1 billion share buy back programme is now complete. Between 1 October 2007 and 19 March 2008, the Group repurchased for cancellation 89 million ordinary shares for a total consideration of £280 million. This brings the total number of shares repurchased since the share buy back programme began in 2006 to 328 million for a total consideration of £1 billion.

Full Year Outlook
We have had an encouraging start to the year with a continuation of the positive trading momentum seen over the last 18 months. Looking forward, a combination of good market growth from a diversified geographical and sector base, improving working capital management, capital expenditure control and clearly identified cost efficiencies, leaves us confident that this trend will continue through the second half of the year.

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Note to Editors:

Compass Group is the world's leading foodservice company. We specialise in providing food, vending and related services to our clients' premises and we generated annual revenues of over £10 billion in the year to 30 September 2007. The company operates across the following core sectors of Business and Industry (B&I), Defence, Offshore and Remote, Education, Healthcare, Sports and Leisure (S&L) and Vending with an established brand portfolio. For more information visit www.compass-group.com.

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.

(1) MAP is a simple, but clearly defined Group operating framework. MAP focuses on five key value drivers enabling the business to deliver disciplined, profitable growth with the focus more on organic growth and like for like growth.

The five key value drivers:

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

(2) 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.

(3) The main exchange rates used to translate the results of subsidiaries reporting in foreign currency were:

Average exchange rate for the	Five months to 29 February 2008	Six months to 31 March 2007
US Dollar	2.02	1.95
Euro	1.38	1.49