



27 September 2007

Compass Group PLC: Trading update

This statement updates investors on the Group's progress in the current year, ahead of the announcement on 28 November 2007 of its full year results to 30 September 2007.

Group

The positive trading momentum of the first half has continued throughout the summer period. For the full year, organic revenue growth is anticipated to be around 5% and we expect to see a 60 to 70 basis point improvement in margins compared with last year. As a result, the Group's performance for the year to 30 September 2007 will be at the higher end of market expectations.

The MAP (Management and Performance) programme is helping to drive revenue growth in a more disciplined way and we are now achieving a much better balance between new contracts and like for like growth. An intense focus on driving cost efficiencies, especially overheads, is contributing to a step change in the operating margin, accounting for around half of the overall improvement in the margin this year. This progress clearly reflects the underlying quality of the business.

The weakening of currencies to which we are exposed has continued, adversely impacting the translation of our reported financial results, as anticipated.

Across the World

Trading in North America has been strong. Organic revenue growth for the full year should be around 6% and margins are forecast to improve by 50 to 60 basis points. Around half of the margin growth has come from a significant reduction in overheads. The remainder is the result of better like for like growth and ongoing operating efficiencies across the business.

In Continental Europe, organic revenue growth for the full year is expected to be around 4%. We expect to see good margin growth of 90 to 100 basis points. Just over half of this improvement is attributable to the strong turnaround of countries such as France and the Netherlands.

In the UK, we anticipate that revenues and operating profit will be broadly in line with last year. The fundamentals of the business remain strong and the

new management team are continuing 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 a strong improvement in the margin of just over 100 basis points. Just over half of this is due to good progress in lower margin countries such as Japan, and the mobilisation of strong new business wins gained in 2006 in the remote site businesses in Australia and Latin America.

ENDS

Enquiries:

Andrew Martin: 01932 573000

Media: Chris King: 01932 573116

Website

www.compass-group.com

Compass Group is the world's leading foodservice company. We specialise in providing food, vending and related services on our clients' premises and we generated annual revenues of around £11 billion in the year to 30 September 2006. The company operates across the following core sectors of Business and Industry (B&I), Defence, Offshore & Remote Site, Healthcare, Education, Sports & Leisure and Vending with an established brand portfolio. For more information visit www.compass-group.com.