2012 Full Year Results

Wednesday 21 November 2012

Presentation Structure

1.	Sir Roy Gardner	Welcome & Highlights
2.	Dominic Blakemore	Full Year Results
3.	Richard Cousins	Business Review, Strategy & Outlook
4.	Q&A	

Business Highlights

COMPASS GROUP

- Good full year performance
- Strong growth in revenue and operating profit
- European action plans – laying foundations for improved performance
- Full year dividend increased by 10% to 21.3 pence
- Share buyback programme extended by £400m in 2013

Good performance – delivering for shareholders

2012 Full Year Results

Dominic Blakemore

Revenue

	2012 £m	2011 £m	Change: Reported Rates %	Change: Constant Currency[2] %	Change: Organic Growth[3] %
North America	7,517	6,849	9.8%	8.3%	8.3%
Europe & Japan	6,243	6,217	0.4%	2.9%	(0.7)%
Fast Growing & Emerging	3,145	2,767	13.7%	18.1%	11.8%
Revenue	16,905	15,833	6.8%	7.9%	5.4%

Notes:
1. Based on continuing operations.
2. Constant currency increase is based on 2011's results restated at 2012's average exchange rates.
3. Organic growth adjusts for acquisitions, disposals and exchange rate movements.

Operating Profit – Reported Currency

	2012	2011	Change		Change Analysed By		
					Acquisition / Disposal	Currency	Organic
	£m	£m	£m	%	£m	£m	£m
North America	598	538	60	11.2%	4	7	49
Europe & Japan	397	400	(3)	(0.7)%	12	(11)	(4)
Fast Growing & Emerging	235	207	28	13.5%	13	(4)	19
Unallocated overheads	(60)	(60)	-		-	-	-
Associates	8	6	2		2	-	-
Operating profit	1,178	1,091	87	8.0%	31	(8)	64

Notes:
1. Based on continuing operations, excluding European exceptional £295m (2011: nil), UK-reorganisation nil (2011: £55m), amortisation of intangibles arising on acquisitions £18m (2011: £12m), acquisition transaction costs £9m (2011: £9m) and adjustment to contingent consideration on acquisition nil (2011: £1m credit).

Impact of Currency on Operating Profit

	US $	Euro	All Currencies
Average exchange rate for 2011	1.61	1.15	
Average exchange rate for 2012	1.58	1.21	
Impact on 2011 operating profit	£7m	£(10)m	£(8)m
Estimated impact on 2012 operating profit of a 5 cent movement	+/- £18m	+/- £8m	
Spot exchange rate for 20 November 2012	1.59	1.25	
Estimated impact on 2012 operating profit of spot rates for 20 November 2012	£(4)m	£(6)m	

Operating Profit and Margin – Constant Currency

	2012	2011 [2]	Change		Margin [3] 2012	Margin [3] 2011
	£m	£m	£m	%	%	%
North America	598	545	53	9.7%	8.0%	7.9%
Europe & Japan	397	389	8	2.1%	6.4%	6.4%
Fast Growing & Emerging	235	203	32	15.8%	7.5%	7.5%
Unallocated overheads	(60)	(60)	-			
Associates	8	6	2			
Operating profit	1,178	1,083	95	8.8%	6.9%	6.9%

Notes:

1. Based on continuing operations, excluding European exceptional £295m (2011: nil), UK-reorganisation nil (2011: £55m), amortisation of intangibles arising on acquisitions £18m (2011: £12m), acquisition transaction costs £9m (2011: £9m) and adjustment to contingent consideration on acquisition nil (2011: £1m credit).
2. 2011 has been restated to 2012 average exchange rates.
3. Margin excludes profit from associates.

Operating Profit Growth – Constant Currency

£m (estimated)	2012	2011	2010	2009	2008
Net new business	35	40	38	27	28
Base estate	35	23	24	30	57
Above unit overheads	(6)	4	20	31	6
Associates	-	-	(1)	3	-
Operating profit growth	64	67	81	91	91
Acquisitions/disposals	31	19	11	9	13
Total operating profit growth	95	86	92	100	104

Notes:
1. Based on continuing operations, excluding European restructuring £295m (2011: nil), UK-reorganisation nil (2011: £55m), amortisation of intangibles arising on acquisitions £18m (2011: £12m), acquisition transaction costs £9m (2011: £9m) and adjustment to contingent consideration on acquisition nil (2011: £1m credit).
2. Total operating profit growth compares the current year results against the prior year results at current year average exchange rates.

Income Statement

£m	2012 Reported	2012 Exceptional	2012 Non-Underlying	2012 Underlying [3]	2011 Underlying [3]
Revenue	16,905	-	-	16,905	15,833
Operating profit [2]	856	(295)	(27)	1,178	1,091
Other gains	23	-	23	-	-
Net finance costs	(90)	-	(5)	(85)	(71)
Profit before tax	789	(295)	(9)	1,093	1,020
Tax	(178)	72	34	(284)	(276)
Profit after tax	611	(223)	25	809	744
Non-controlling interest	(6)	-	-	(6)	(6)
Attributable profit	605	(223)	25	803	738
Average number of shares (millions)	1,884	1,884	1,884	1,884	1,892
Basic earnings per share (pence)	32.1p	(11.8)p	1.3p	42.6p	39.0p

Notes:
1. Based on continuing operations.
2. Including share of profit of associates.
3. The underlying column excludes European exceptional £(295)m (2011: nil), UK-reorganisation nil (2011: £(55)m), amortisation of intangibles arising on acquisitions £(18)m (2011: £(12)m), acquisition transaction costs £(9)m (2011: £(9)m), adjustment to contingent consideration on acquisition nil (2011: £1m), gain on disposal of the US Corrections business £23m (2011: nil), gain on remeasurement of joint venture interest on acquisition control nil (2011: £16m), hedge accounting ineffectiveness £(6)m (2011: £(5)m), change in the fair value of investments and non-controlling interest put options £1m (2011: £2m), the tax attributable to these amounts £69m (2011: £12m) and the exceptional recognition of tax losses £37m (2011: nil).

European Exceptional

Income Statement Charge (£m)

	2012	2013
Accelerated cost efficiencies	100	50
Other charges	195	-
Total charge	295	50

Income Statement Savings (£m)

	2013	2014
Accelerated cost efficiencies	50	75
Other savings	20	20
Total savings	70	95

- Cash payback of 2 years

Income Statement at Constant Currency : Proforma

£m	2012 Underlying	2011 Proforma [3]	Growth
Revenue	16,905	15,668	
Operating profit [2]	1,178	1,083	+8.8%
Net finance costs	(85)	(71)	
Profit before tax	1,093	1,012	
Tax	(284)	(274)	
Profit after tax	809	738	
Non-controlling interest	(6)	(6)	
Attributable profit	803	732	+9.7%
Average number of shares (millions)	1,884	1,892	
Basic earnings per share (pence)	42.6p	38.7p	+10.1%

Notes:

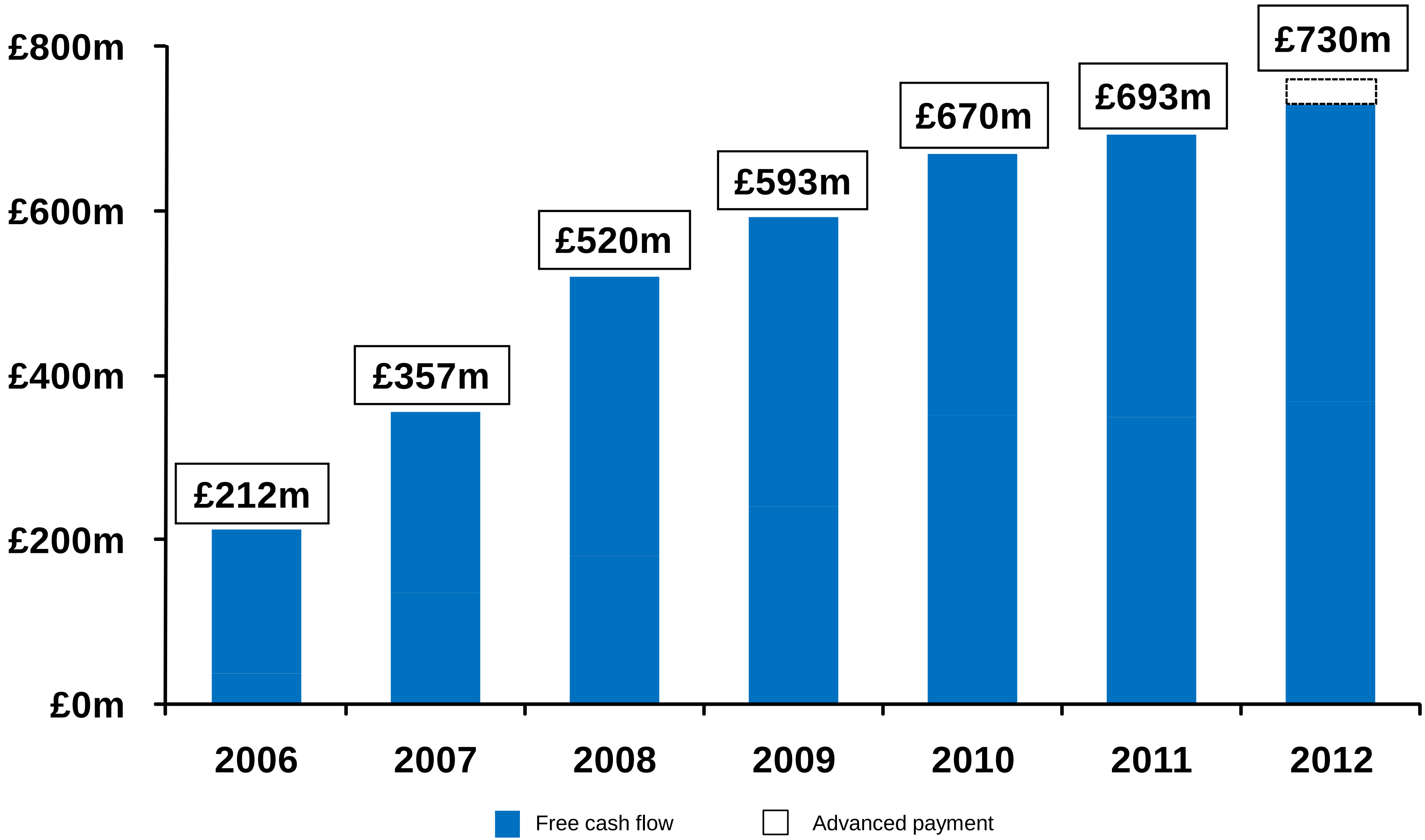
1. Excludes European exceptional £(295)m (2011: nil), UK-reorganisation nil (2011: £(55)m), amortisation of intangibles arising on acquisitions £(18)m (2011: £(12)m), acquisition transaction costs £(9)m (2011: £(9)m), adjustment to contingent consideration on acquisition nil (2011: £1m), gain on disposal of the US Corrections business £23m (2011: nil), gain on remeasurement of joint venture interest on acquisition control nil (2011: £16m), hedge accounting ineffectiveness £(6)m (2011: £(5)m), change in the fair value of investments and non-controlling interest put options £1m (2011: £2m), the tax attributable to these amounts £69m (2011: £12m), and the exceptional recognition of tax losses £37m (2011: nil).
2. Including share of profit of associates.
3. 2011 proforma column restates 2011 to 2012 average exchange rates, using the 2011 underlying tax rate.

Free Cash Flow

£m	2012 Underlying [4]	2011 Reported
Operating profit [2]	1,178	1,091
Depreciation and amortisation	282	254
EBITDA	1,460	1,345
Net capital expenditure [3]	(366)	(340)
Trade working capital	31	(21)
Provisions	(17)	8
Post employment benefit obligations	(54)	(42)
Net interest	(73)	(55)
Net tax	(225)	(209)
Net other items	4	7
Free cash flow	760	693

Notes:
1. Based on continuing operations.
2. Operating profit includes share of profit of associates
3. Gross capital expenditure including finance leases is £394m, 2.3% of revenue (2011: £372m, 2.3% of revenue).
4. The 2012 underlying column excludes the cash impacts of the European exceptional £20m and non-recurring tax issues £31m.

Free Cash Flow Progression



Notes:
1. Based on continuing operations.
2. 2010 reported free cash flow was £744m. The £670m represents the free cash flow, after adjusting for cut-off timing benefits at the end of the year.
3. 2012 reported free cash flow was £709m. The £730m represents the free cash flow, after adjusting for the impact of non-recurring tax issues, the cash cost of the European exceptional and the timing benefits of the receipt of a payment in advance from a client.

Net Debt

	£m
Opening net debt at 1 October 2011	761
Underlying free cash flow from continuing operations	(760)
Settlement of non-recurring tax issues	31
European exceptional cash flow	20
Free cash flow from discontinued operations	43
Acquisitions [1]	221
Disposals [2]	(34)
Equity dividends	378
Purchase of own shares, net of proceeds from issues	326
Impact of foreign exchange rates	(21)
Other	8
Closing net debt at 30 September 2012	973

Notes:
1. Acquisitions includes £190m on infill acquisitions (including £45m on Obasan in Turkey, £37m on Supercare in South Africa and £37m on ICM in the UK), £9m acquisition transaction costs and £22m deferred consideration and other payments relating to previous acquisitions.
2. Disposals includes £58m received and £21m tax payment on the disposal of the US Corrections business and a £3m utilisation of provisions on discontinued activities.

Ongoing Priorities for Use of Capital

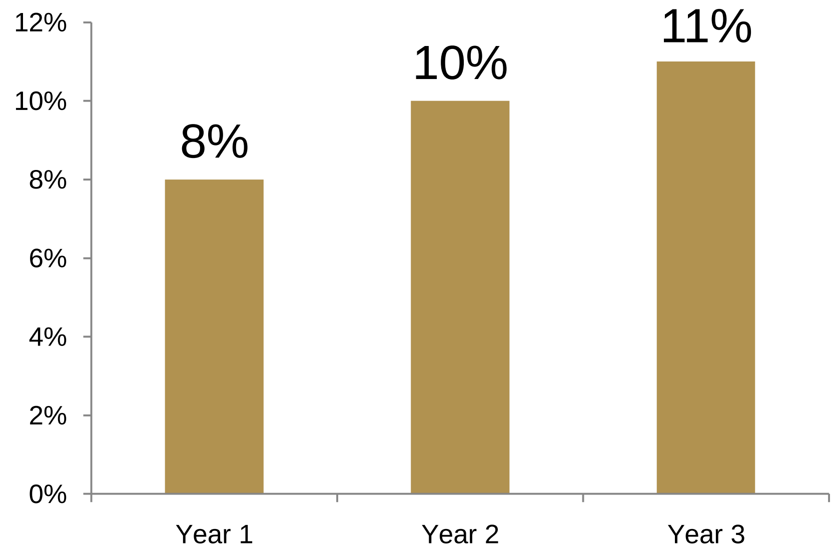
• Capital expenditure	Appropriate investment – around 2.3% revenue
• Progressive dividends	Growth in line with constant currency earnings Maintaining cash cover around 2x
• Disciplined infill M&A	Required returns > cost of capital by end of year 2
• Surplus capital efficiency	Return to shareholders to drive balance sheet efficiency

M&A Strategy

M&A criteria

- Strategic fit
- Scale and capability
- Quality business, strong management
- Required returns in excess of cost of capital by end of year 2

Post tax returns on M&A – 2008 to 2010 deals (£550m spend)



Balance Sheet Efficiency

- Target to maintain strong investment grade credit ratings
  - Moody's Baa1
  - S&P A-
- Adjusted gross debt / EBITDA in the range of 2.2x to 2.3x
  - Provides the business with the flexibility it requires
  - Maintains strong investment grade credit ratings
- Equivalent to medium term reported net debt / EBITDA of around1.0x – 1.2x
- 2013 share buy back of £400m
- Committed to an efficient balance sheet

Financial Summary

• Overall good financial performance	
• Good organic revenue growth	5.4%
• Excellent underlying EPS growth	10.1%
• Continued strong underlying free cash flow	£760m
• Full year dividend of 21.3p	10.4%
• Further share buy back of £400m	

Business Review, Strategy & Outlook

Richard Cousins

Agenda

1. Business performance and MAP
2. Regional reviews
3. Strategy
4. Summary and outlook

Organic Revenue Growth

%	2010	2011	2012
New Business	9.5	8.8	9.0
Lost Business	(6.8)	(5.8)	(5.7)
Net New Business	2.7	3.0	3.3
LFL Revenue	0.5	2.4	2.1
Organic Growth	**3.2**	**5.4**	**5.4**

New Business & Retention

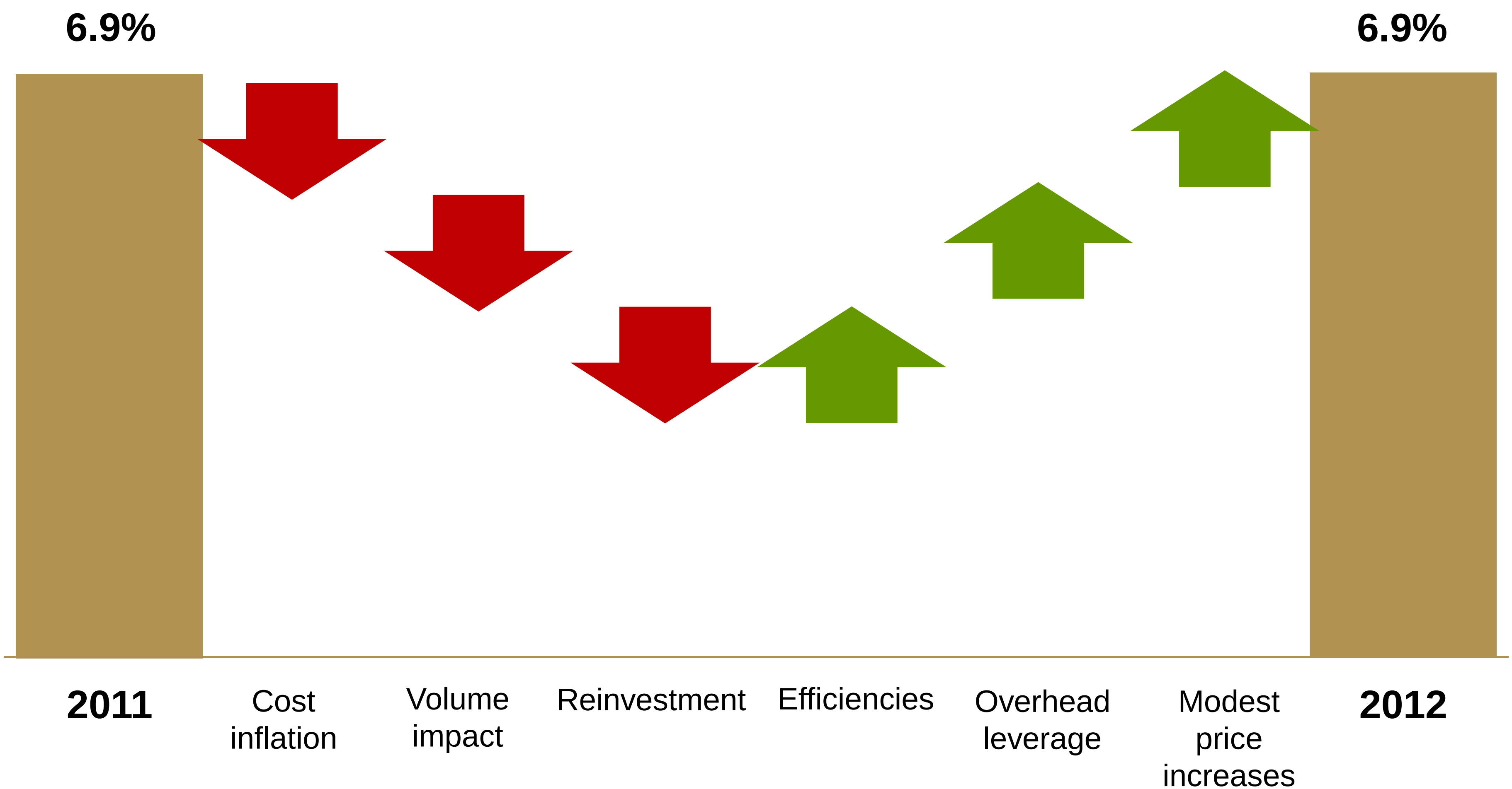
- Good rates of new business
- Growth across all sectors
- Maintained high retention rate
- Exciting pipeline

Like for Like Revenue

%	2011		2012	
	H1	H2	H1	H2
Price	1.7	2.0	2.0	2.0
Volume	1.0	0.0	0.0	0.1
Total	2.7	2.0	2.0	2.1

Region	Volume (%)
North America	0.0
Europe ex. Japan	(2.5)
FG&E	4.0

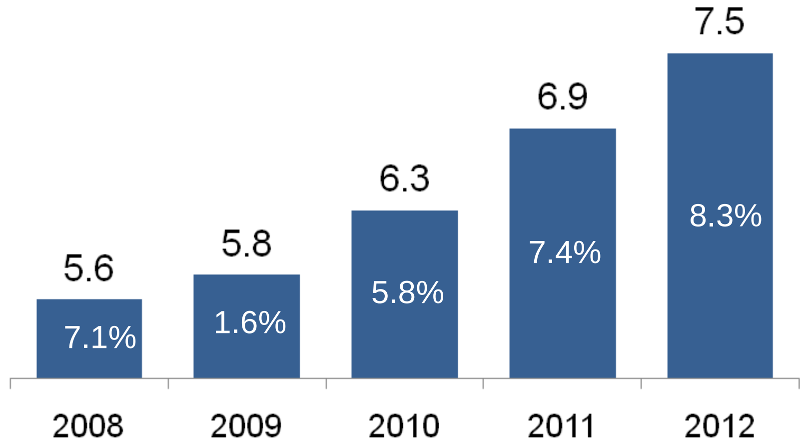
Margin Progression in 2012



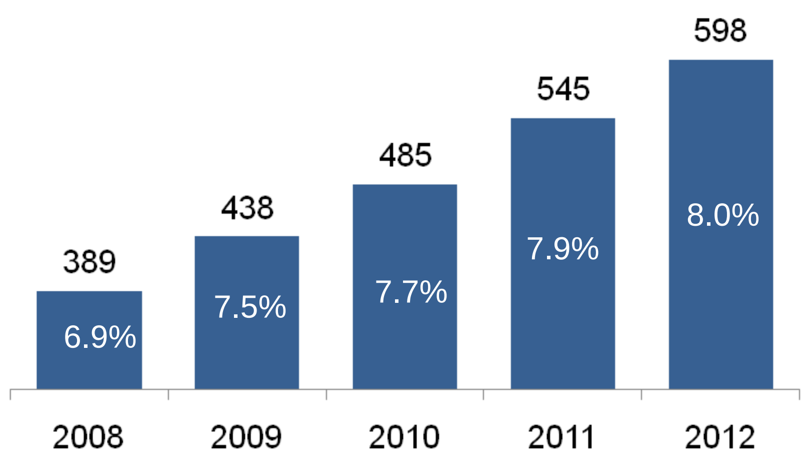
Review of North America

- Good organic revenue growth across all sectors
- High level of new business wins
- Positive outsourcing trends
- Ascension Healthcare & Texas A&M mobilised
- Steady margin progression

Revenue (£bn) & Organic Growth (%)



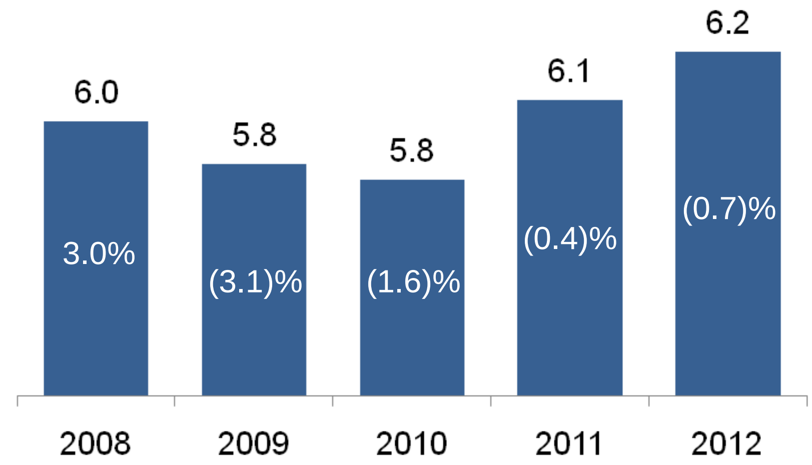
Operating Profit (£m) & Margin (%)



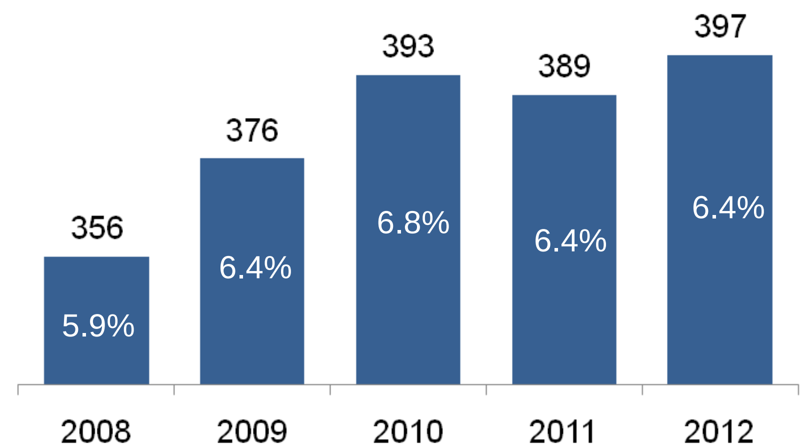
Review of Europe & Japan

- Difficult economic conditions
- Increasingly negative like for like volume
- Focus on cost efficiencies
- Japan recovery
- Medium term opportunities

Revenue (£bn) & Organic Growth (%)



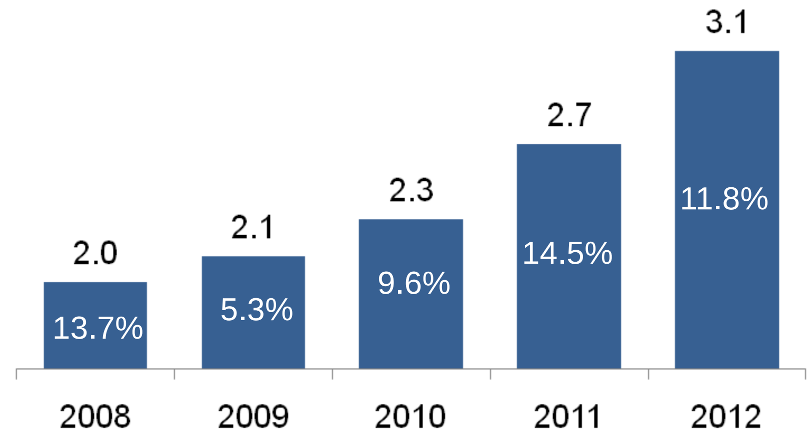
Operating Profit (£m) & Margin (%)



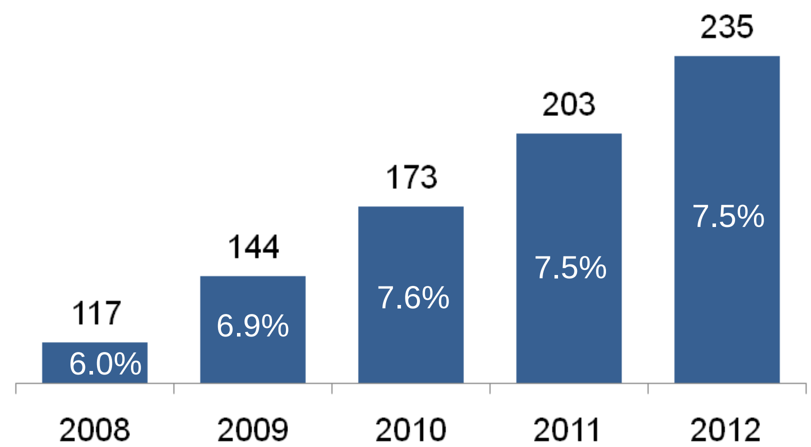
Review of Fast Growing & Emerging

- Double digit organic revenue growth
- Strong new business and like for like revenue
- Investment in management teams and process
- Margin held at 7.5%
- Excellent top line growth and margin opportunities

Revenue (£bn) & Organic Growth (%)



Operating Profit (£m) & Margin (%)



Strategy

STRATEGY

Food
Support services
Geographic mix
Emerging markets

GROWTH

Organic growth
Infill M&A

MARGIN

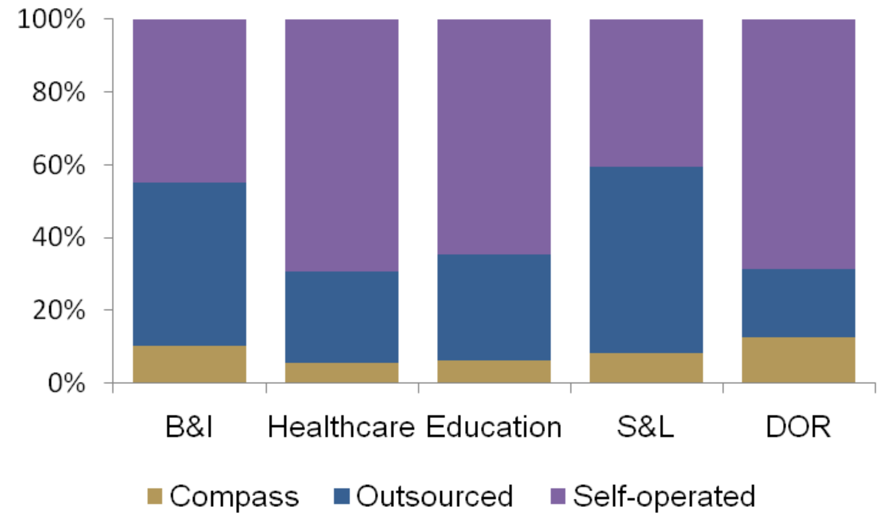
Cost efficiencies net of reinvestment
Leveraging scale
Flexible cost base
Steady expansion

- Earnings growth
- Strong cash flow & balance sheet
- Dividends
- Shareholder returns

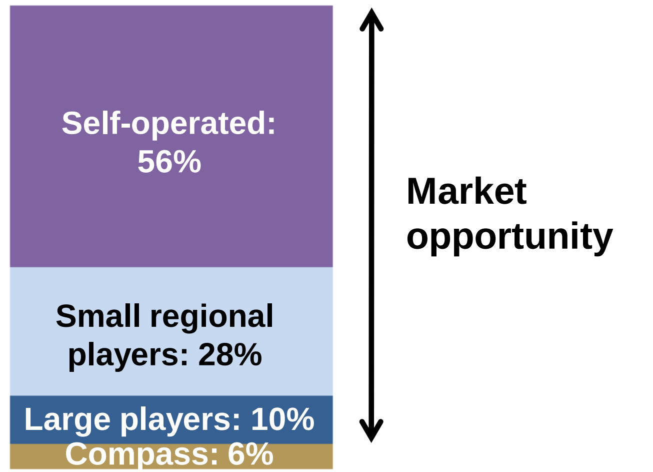
Further shareholder value

Food: Structural Market Growth Opportunity

- £200bn market opportunity
- Ranked 1 or 2 in most key markets
- Compelling proposition
- Underpenetrated sectors



Estimated Addressable Food Market: £200bn*



* Source: Compass Group PLC estimates / market definitions

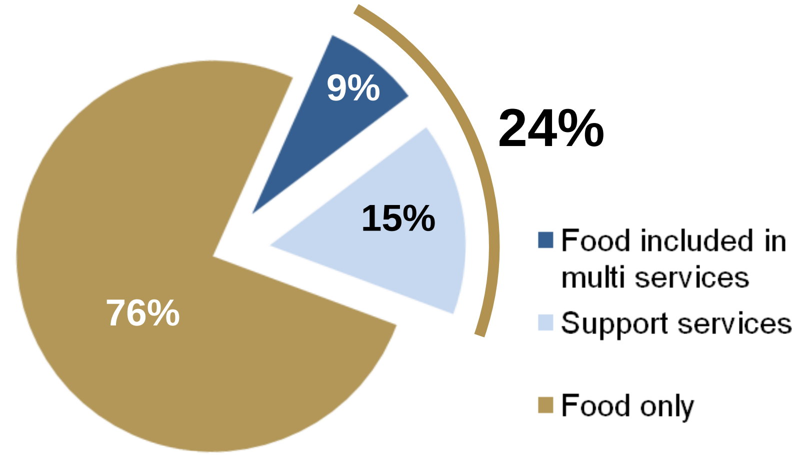
Support and Multi Services: 2012 Revenue

- Support and multi services now a significant part of the Group
- Incrementally building capacity
- Organic and inorganic growth
- A significant opportunity

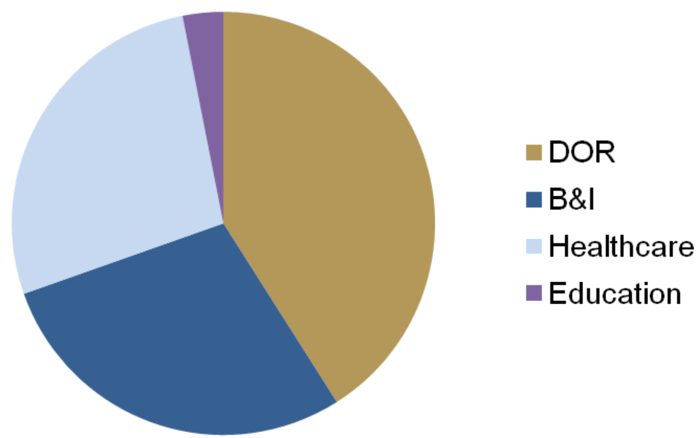
Support & Multi Service Revenue

2006: £1.2bn ➞ 2012: £4.1bn

Revenue Split: FY 2012



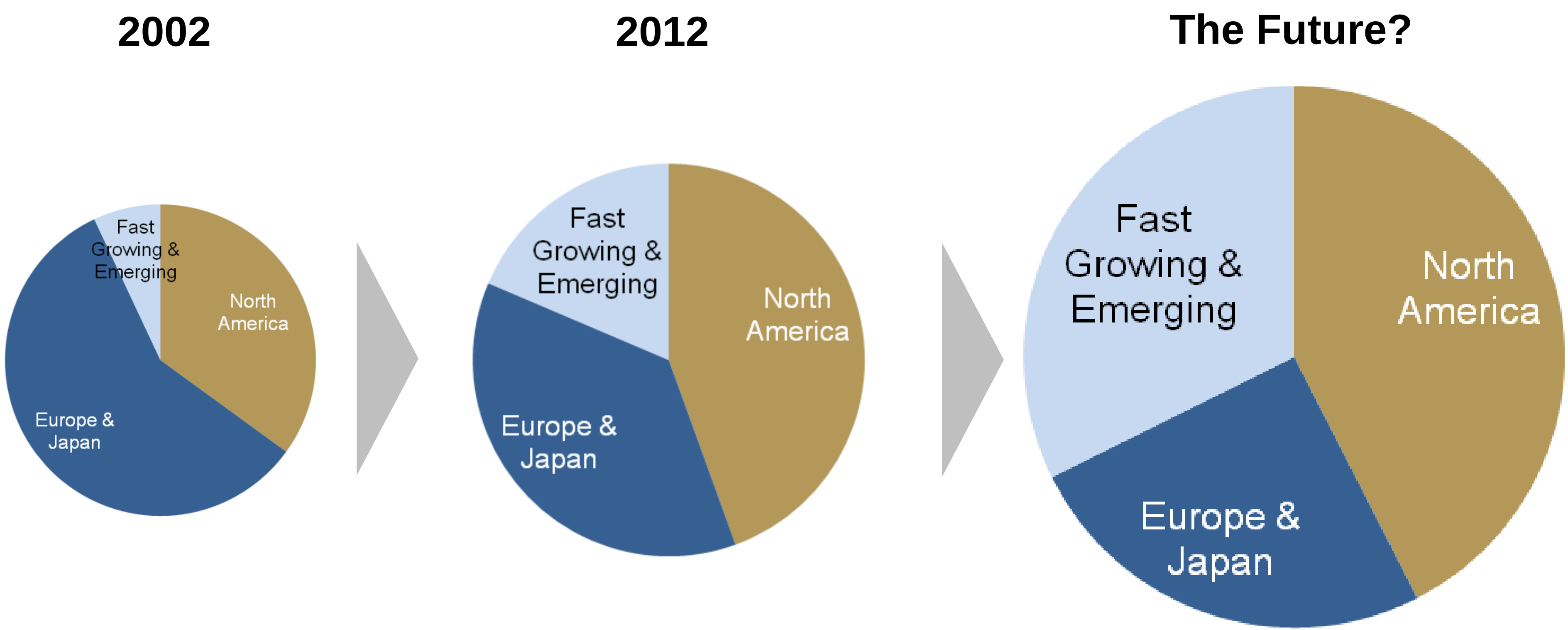
Support & Multi services Sector Split (£4.1bn)



Support and Multi Services: Sector Approach

Sector	Size	Market trend	Strategy
DOR	£1.7bn	• Predominantly multi service • Excellent opportunities in Remote	• Market leading position • Continue organic growth with some capital investment
B&I	£1.2bn	• Some bundling by multi-nationals in Europe	• Continue to build capability • Organic growth and M&A
Healthcare	£1.1bn	• Increased outsourcing • More bundling in some countries, led by US and UK	• Well positioned to capitalise on trend • Organic growth and M&A
Total	£4.1bn	• Includes £0.1bn from Education	

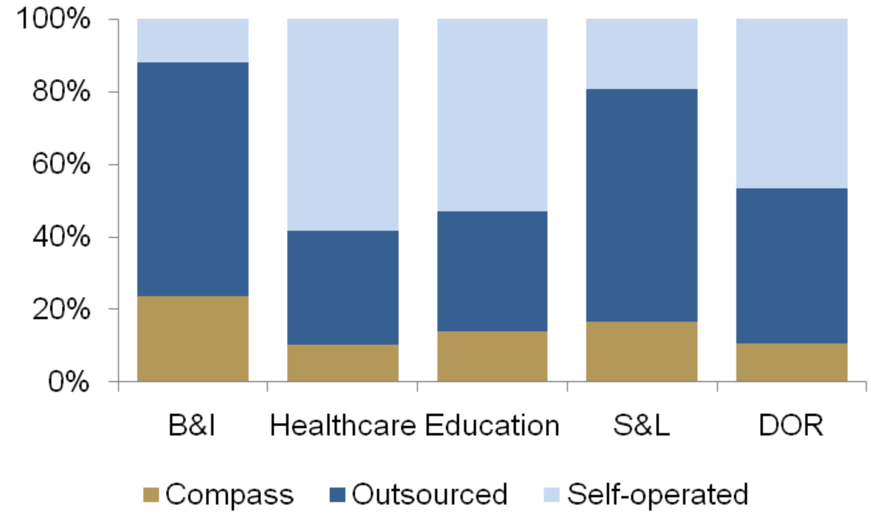
Changing Geographic Profile



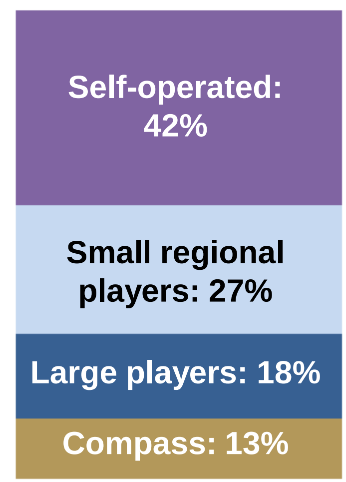
A truly global business

North America: Positive Momentum

- Market leadership in food
- Support services an increasing part of the mix
- Healthy outsourcing culture
- Significant market opportunity
- Strong pipeline



Estimated NA Addressable Food Market: £46bn



US Capability to Deliver Large Multi service Contracts

COMPASS GROUP

ASCENSION HEALTH

- 3rd largest healthcare system in the US
- Compass serves 90 locations across the country
- Significant revenue potential from food & support services

TEXAS A&M UNIVERSITY

- 6th largest educational institution in US
- 10 year contract
- Services include food, cleaning & some building maintenance

Increasing opportunity for large multi service contracts

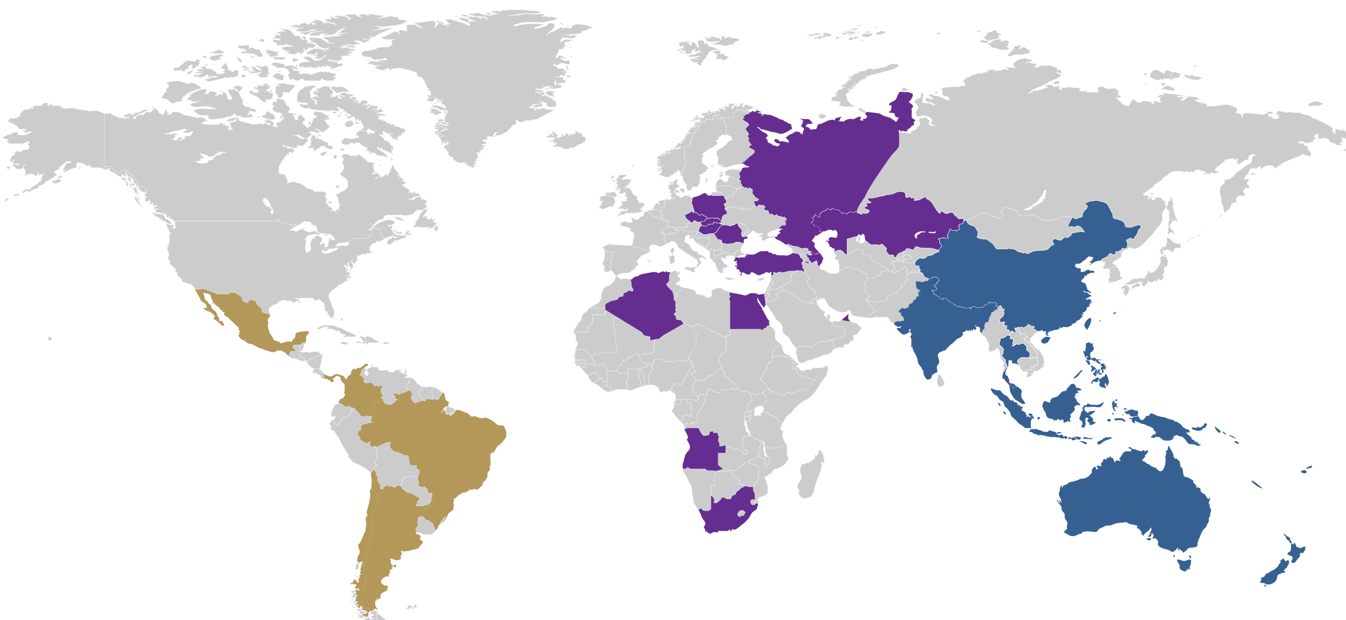
Europe & Japan: Driving Efficiencies

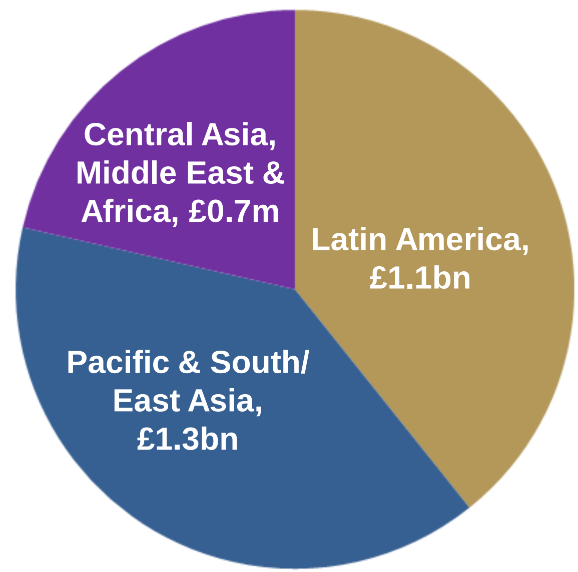
- Actions to manage negative like for like volume
- Increasing flexibility
- Initiatives to improve productivity

Improved operational efficiency and greater competitiveness

Fast Growing & Emerging

Fast Growing & Emerging revenue by sub-region





Latin America

- GDP growth expected to be over 4% in 2013

Brazil

- Scale and strong footprint, particularly in B&I
- Significant opportunity in Healthcare and Education

Chile, Mexico, Colombia & Argentina

- Excellent growth potential
- Emerging opportunities in Healthcare and Education
- Acquisition of Crown Camps underpinning DOR growth

Central Asia, Middle East & Africa

Russia

- Small but very good growth

Turkey

- Over £250m revenue; 16,000 employees
- Well balanced & fast growing

UAE

- Steady performance; strong DOR business

South Africa

- Improving business, supported by Supercare acquisition

Opportunities in Pacific & South/East Asia

Australia

- Group's 3rd largest business, 5% of Group revenue
- CAGR of 11% over last 4 years
- DOR key driver
- Driven by energy & extraction industry
- Investing to support growth

India, China/HK & South East Asia

- Vast and rapidly growing economies
- India: over 20% revenue growth
- China/HK: performing well; strong presence in Education
- South East Asia: good growth in DOR; opportunities in other sectors

Summary and Outlook

- Good performance over the year
- Ongoing commitment to an efficient balance sheet
- 10% dividend increase and further £400m buyback
- Confident in delivering against 2013 market expectations
- Significant opportunities for further growth

Organic Top Line Growth

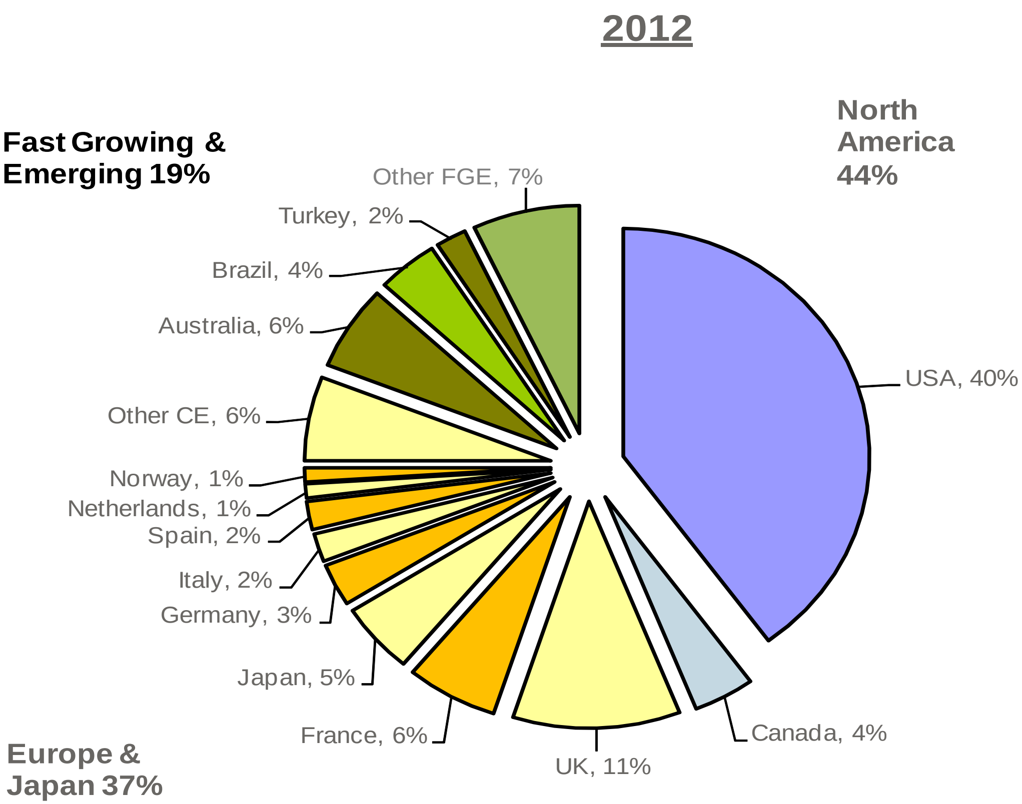
Continued Margin Potential

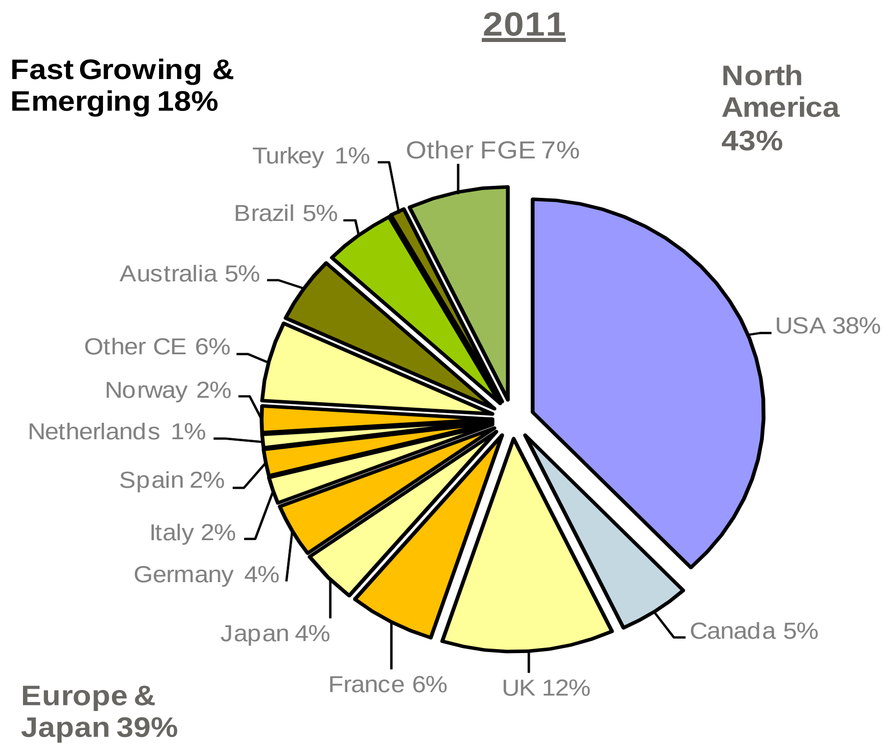
Strong Cash Flow & Shareholder Value

Supplementary Information

Contents

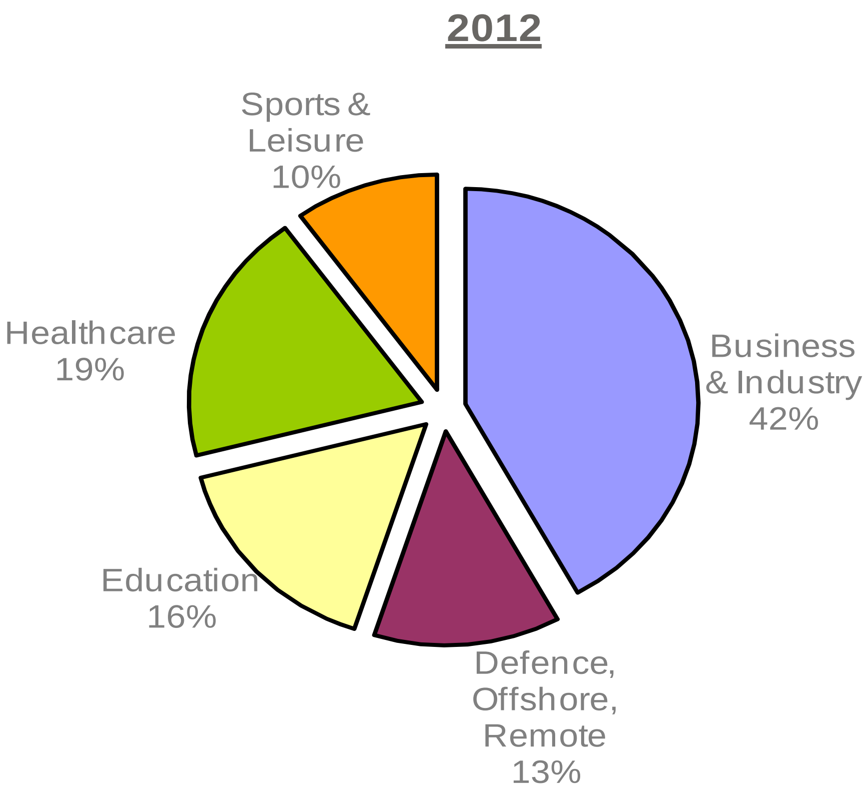
Revenue – Group Revenue by Geography

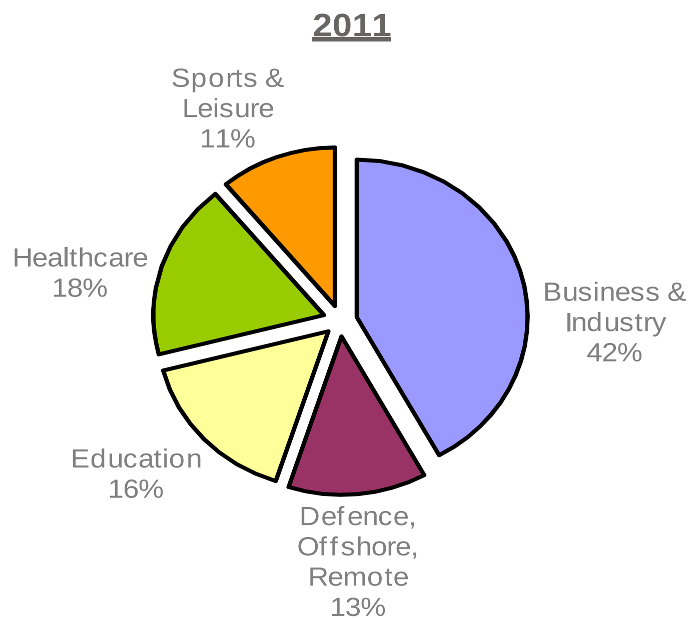




Notes:
1. Based on continuing operations.

Revenue by Sector - Group





Notes:
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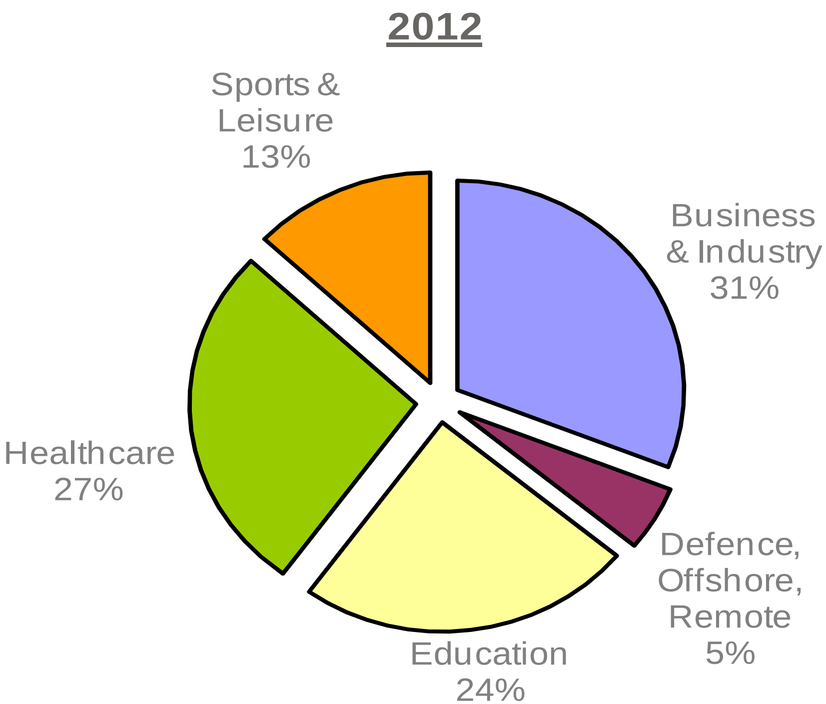
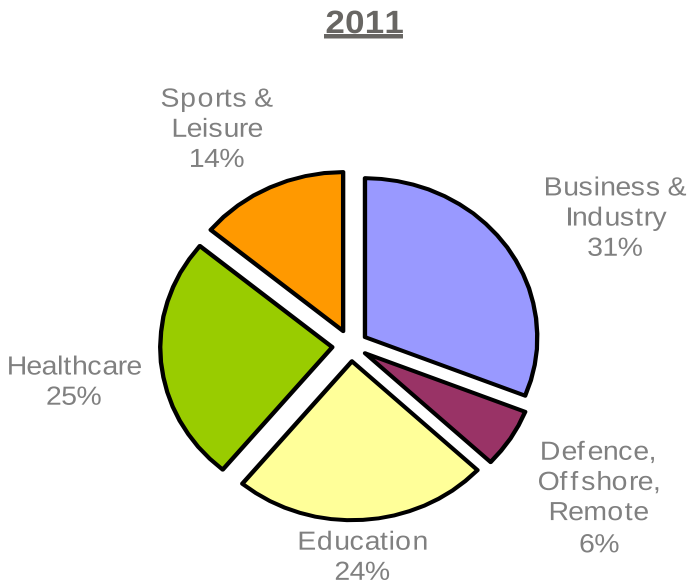
Revenue by Sector – North America

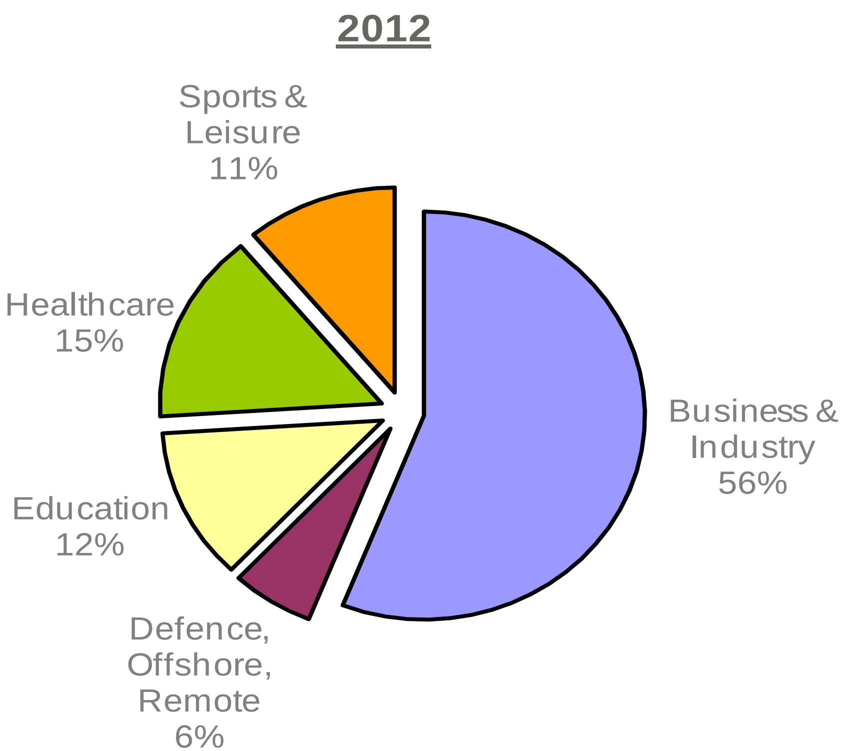


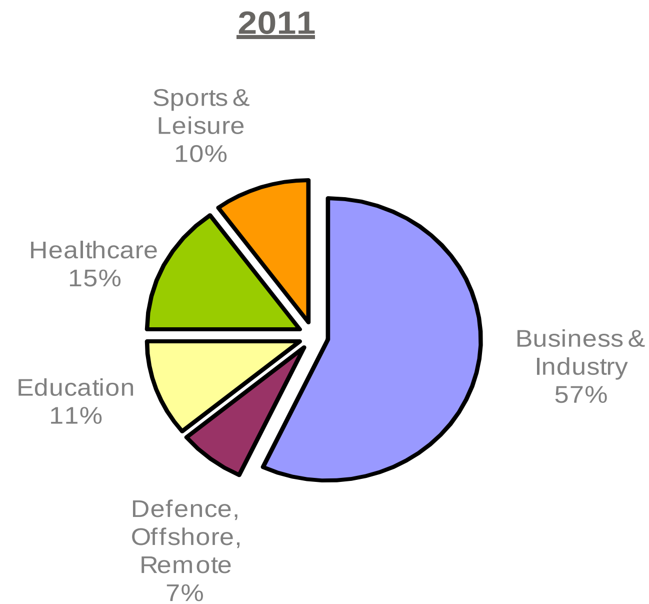


Notes:

1. Based on continuing operations.

Revenue by Sector – Europe & Japan





Notes:
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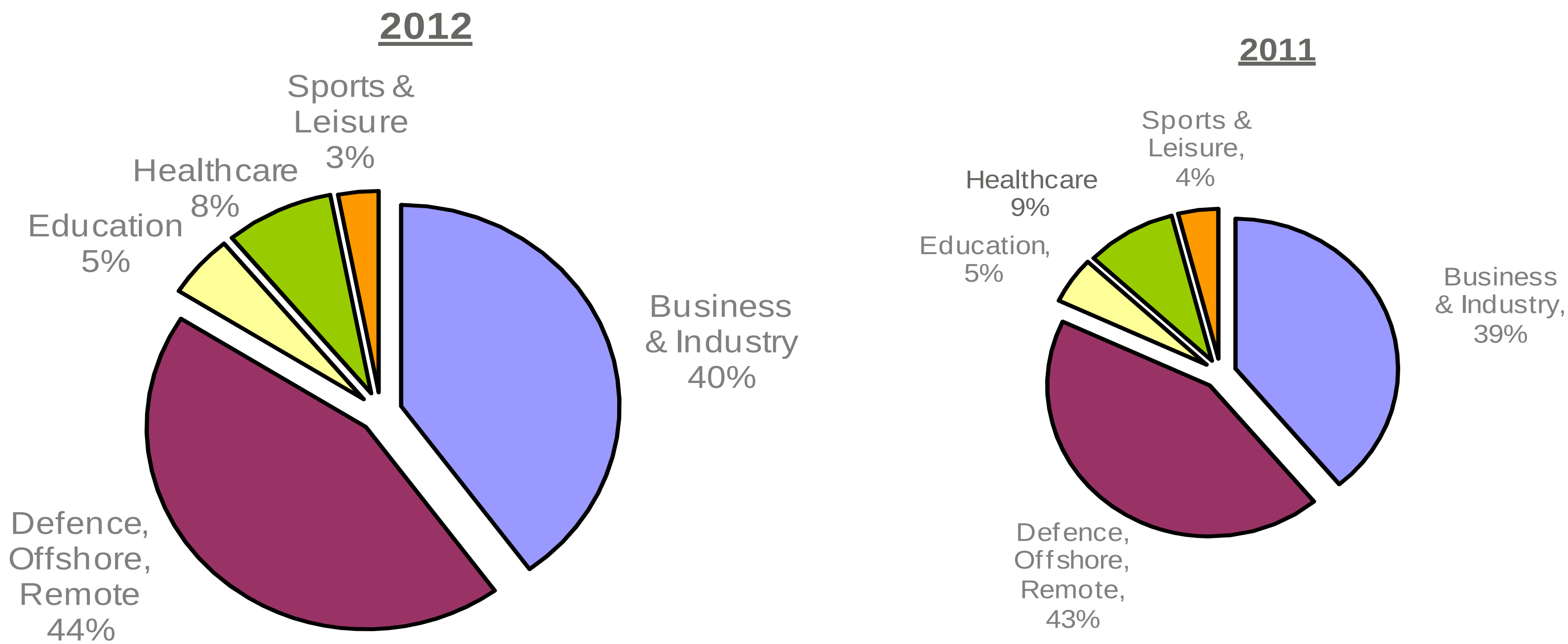
Revenue by Sector – Fast Growing & Emerging



Notes:

1. Based on continuing operations.

Sector Financials - Group

	North America £m	Europe & Japan £m	Fast Growing & Emerging £m	Other [2] £m	Total £m
			2012		
Revenue	7,517	6,243	3,145		16,905
Organic growth	*8.3%*	*(0.7)%*	*11.8%*		*5.4%*
Operating profit	598	397	235	(52)	1,178
Margin [3]	*8.0%*	*6.4%*	*7.5%*		*6.9%*
Cash flow [4]	532	376	207	(355)	760
Cash flow conversion	*89%*	*95%*	*88%*		*65%*
ROCE [5]	*26.6%*	*11.2%*	*24.9%*		*18.2%*
			2011		
Revenue	6,849	6,217	2,767		15,833
Organic growth	*7.4%*	*(0.4)%*	*14.5%*		*5.4%*
Operating profit	538	400	207	(54)	1,091
Margin [3]	*7.9%*	*6.4%*	*7.5%*		*6.9%*
Cash flow [4]	527	325	163	(322)	693
Cash flow conversion	*98%*	*81%*	*79%*		*64%*
ROCE [5]	*26.1%*	*11.8%*	*25.7%*		*18.3%*

Notes:
1. Based on continuing operations, excluding European exceptional £295m (2011: £nil), UK re-organisation £nil (2011: £55m), amortisation of intangibles arising on acquisition £18m (2011: £12m), acquisition transaction costs £9m (2011: £9m) and adjustment to contingent consideration on acquisition £1m credit (2011: £1 m credit).
2. Other operating profit includes unallocated overheads of £60m (2011: £60m) and share of profit of associates £8m (2011: £6m). Other cash flow also includes net interest and tax.
3. Margin excludes share of profits of associates.
4. Based on underlying free cash flow, excluding European exceptional £20m and non-recurring tax issues £31m.
5. Based on underlying operating profit, net of tax at the underlying rate of tax of the year, less operating profit of non-controlling interests.
6. Average capital employed is based on the 12 month average balance sheet, adjusted for post employment benefits obligations, net of associated deferred tax, impaired goodwill, amortised intangibles arising on acquisition and the net assets of non-controlling interests.

Finance Cost – Net Finance Cost

	2012 £m	2011 £m
Bank loans and overdrafts	6	7
Other loans	69	51
Finance lease interest	2	2
	77	60
Bank interest income	(9)	(4)
	68	56
Amount charged to pension scheme liabilities net of expected return on scheme assets	15	14
Unwinding of discount on provisions and put options held by non-controlling shareholders	2	1
Underlying net finance cost	**85**	**71**
Other (gains)/losses		
Hedge accounting ineffectiveness [1]	6	5
Change in the fair value of investments and non-controlling interest put options	(1)	(2)
Net finance cost	90	74

Notes:

1. 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.

EPS / Dividends – Earnings & Dividends Per Share

	2012	2011
Earnings per share		
Continuing and discontinued operations	32.1p	38.5p
Discontinued operations	-	(2.1)p
Continuing operations	32.1p	36.4p
Other adjustments [1]	10.5p	2.6p
Underlying earnings per share	**42.6p**	**39.0p**
Dividends per share		
Interim dividend	7.2p	6.5p
Final dividend	14.1p	12.8p
Total dividend	**21.3p**	**19.3p**

Notes:

1. Other adjustments include the impact of European exceptional, UK re-organisation, gain on disposal of the US Corrections business, gain on remeasurement of joint venture interest on acquisition of control, amortisation of intangibles arising on acquisition, acquisition transaction costs, adjustment to contingent consideration on acquisition, hedge accounting ineffectiveness, the change in the fair value of investments and non-controlling interest put options, the tax attributable to these amounts and the exceptional recognition of tax losses.

EPS / Dividends – Dividend Cover

	2012	2011	2010	2009	2008
Per share (pence)					
Dividend (interim plus final)	21.3p	19.3p	17.5p	13.2p	12.0p
Underlying earnings [1]	42.6p	39.0p	35.7p	30.0p	22.0p
Dividend earnings cover	**2.0x**	**2.0x**	**2.0x**	**2.3x**	**1.8x**
Cash (£m)					
Cash cost of dividend (in the year)	378	360	258	229	209
Underlying free cash flow [2]	760	693	670	593	520
Dividend cash cover	**2.0x**	**1.9x**	**2.6x**	**2.6x**	**2.5x**

Notes:

1. Underlying earnings excludes the impact of European exceptional, UK re-organisation, gain on disposal of the US Corrections business, gain on remeasurement of joint venture interest on acquisition of control, amortisation of intangibles arising on acquisition, acquisition transaction costs, adjustment to contingent consideration on acquisition, hedge accounting ineffectiveness, the change in the fair value of investments and non-controlling interest put options, the tax attributable to these amounts and the exceptional recognition of tax losses .
2. Underlying free cash flow excludes the impact of the European exceptional and the non-recurring tax issues.

Free Cash Flow – Reconciliation of Reported to Underlying

£m	2012 Reported	2012 Adjustments [4]	2012 Other [5]	2012 Underlying	2011 Underlying
Operating profit [2]	856	(295)	(27)	1,178	1,091
Depreciation and amortisation	337	37	18	282	254
EBITDA	1,193	(258)	(9)	1,460	1,345
Net capital expenditure [3]	(366)	-	-	(366)	(340)
Trade working capital	64	33	-	31	(21)
Provisions	174	191	-	(17)	8
Post employment benefits	(54)	-	-	(54)	(42)
Net interest	(82)	(9)	-	(73)	(55)
Net tax	(235)	(10)	-	(225)	(209)
Net other items	15	2	9	4	7
Free cash flow	709	(51)	-	760	693

Notes:
1. Based on continuing operations.
2. Operating profit includes share of profit of associates.
3. Gross capital expenditure including finance leases is £394m, 2.3% of revenue (2011: £372m, 2.3% of revenue).
4. Adjustments includes European exceptional and non-recurring tax issues.
5. Other includes amortisation of intangibles arising on acquisitions, acquisition transaction costs and adjustment to contingent consideration on acquisition.

Balance Sheet - Overview

	2012 £m	2011 £m
Non-current assets	1,584	1,494
Working capital	(520)	(495)
Provisions	(603)	(439)
Interest payable	(63)	(67)
Post employment benefit obligations	(361)	(292)
Current tax payable	(116)	(202)
Deferred tax	256	205
Net assets before goodwill	177	204
Goodwill	4,037	4,060
Net assets	**4,214**	**4,264**
Shareholders equity	3,231	3,495
Non-controlling interests	10	8
Net debt	973	761
Total equity plus net debt	**4,214**	**4,264**

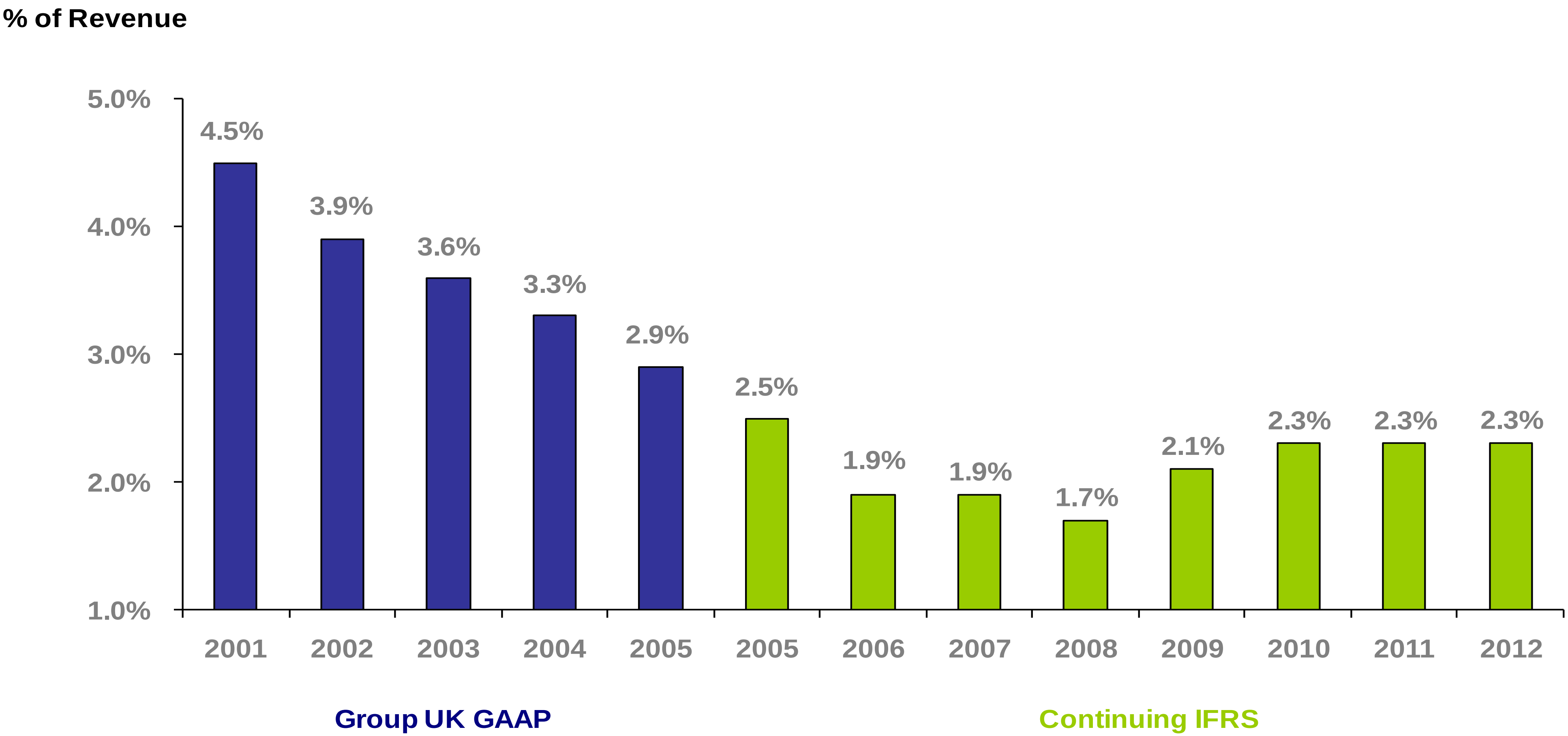
Balance Sheet – Return on Capital Employed

	2012 £m	2011 £m
NOPAT [1]	867	790
Average capital employed [2]	4,774	4,307
ROCE	**18.2%**	**18.3%**

Notes:

1. Based on underlying operating profit, net of tax at the underlying rate of tax of the year, less operating profit of non-controlling interests.
2. Average capital employed is based on the 12 month average balance sheet, adjusted for post employment benefits obligations, net of associated deferred tax, impaired goodwill, amortised intangibles arising on acquisition and the net assets of non-controlling interests.

Balance Sheet – Capital Expenditure % of Revenue



Notes:

1. For 2001 to 2005, total Group is shown on a UK GAAP basis.
2. For 2005 to 2012, 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.

Financing – Components of Net Debt

	£m
Bonds	735
Private placements	829
Bank loans	50
	1,614
Finance leases	28
Other loans	15
Derivatives and Fair value accounting adjustments	(14)
Gross debt	**1,643**
Cash net of overdrafts	(670)
Closing net debt at 30 September 2012	**973**

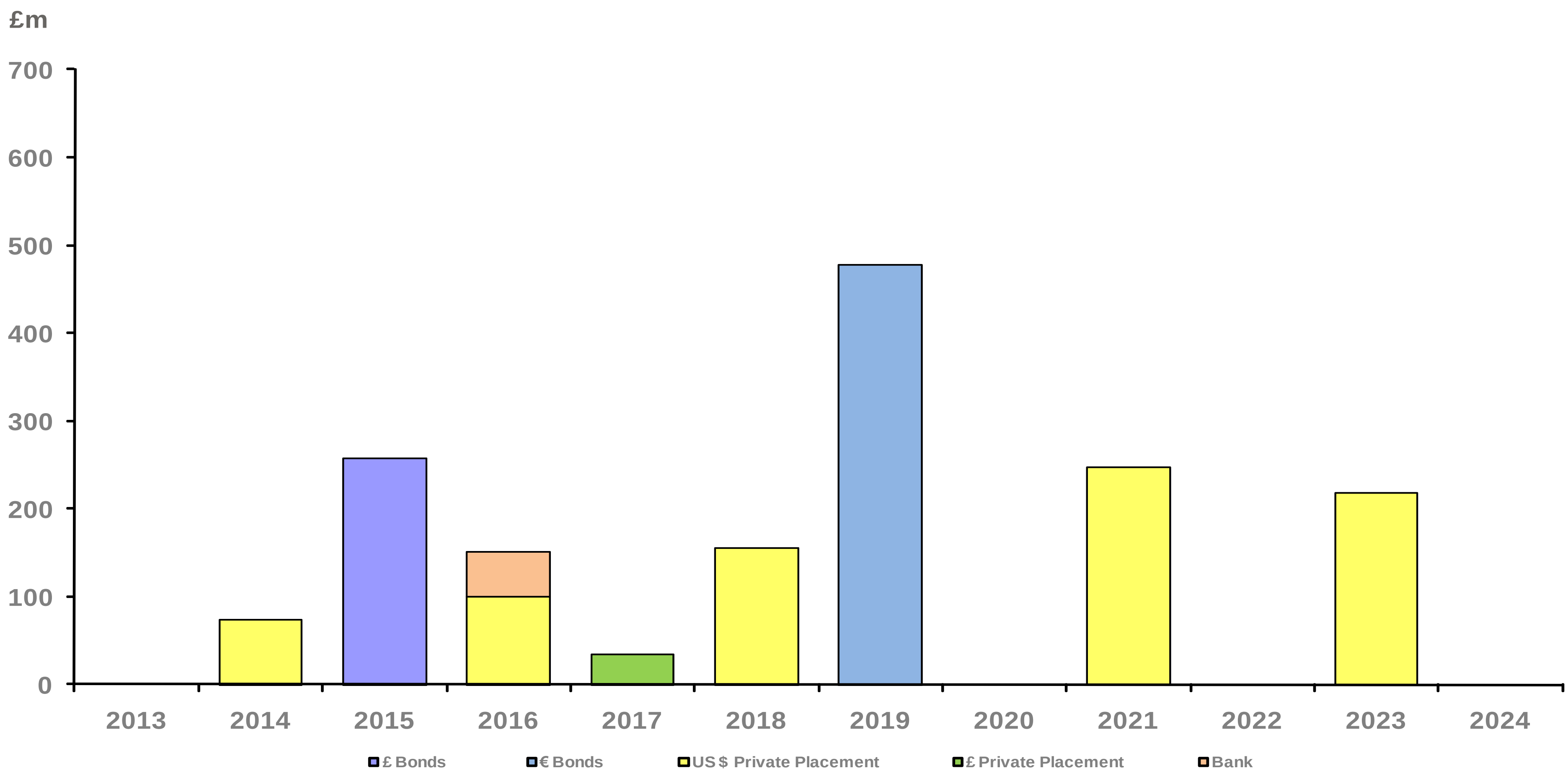
Notes:
1. Based on nominal value of borrowings as at 30 September 2012, except the £250m 7% bond maturing in 2014 which is recorded at its fair value to the Group on acquisition, less amortisation.

Financing – Principal Borrowings

	Coupon	Maturing in Calendar Year	£m
Bonds			
£250m [4]	7.00%	2014	257
€600m	3.13%	2019	478
Total			**735**
US private placements			
$15m (2003 Notes)	5.67%	2013	9
$267m (2008 Notes)	6.45% - 6.72%	2013 - 2015	166
£35m (2008 Notes)	7.55%	2016	35
$1000m (2011 Notes)	3.31% - 4.12%	2018 - 2023	619
Total			**829**
Bank loans			
£700m syndicated facility	Libor + 45bps	2017	-
£50m (bilateral)	Libor + 45bps	2016	50
Total			**50**

Notes:
1. Based on nominal value of borrowings as at 30 September 2012.
2. Interest rates shown are those at which 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. No other adjustments have been made for hedging instruments, fees or discounts.
6. All bonds, private placements and bank loans shown above are held by Compass Group PLC.

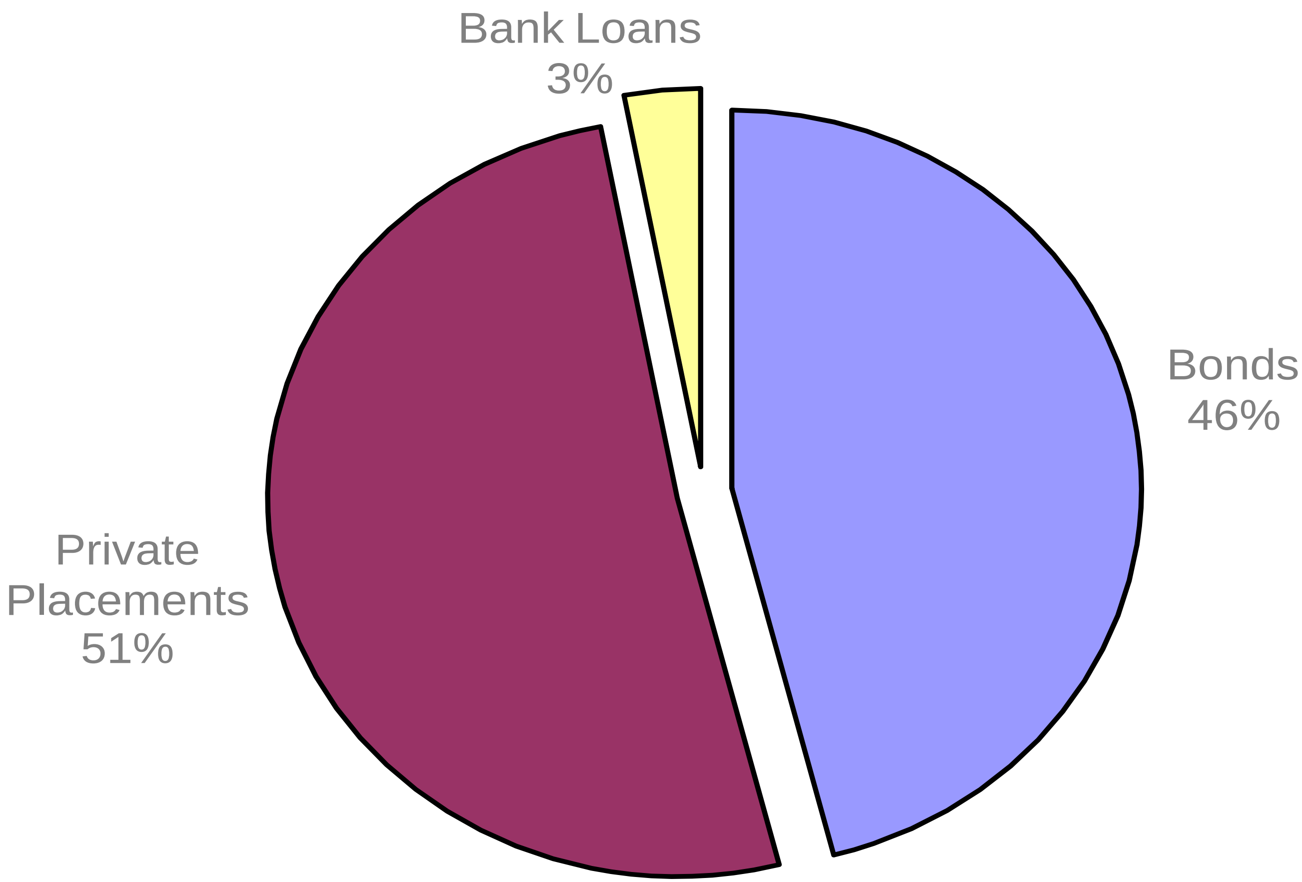
Financing – Maturity Profile of Principal Borrowings



Notes:

1. Based on borrowings and facilities in place as at 30 September 2012, maturing in the financial years ending 30 September.
2. The average life of the Group's principal borrowings as at 30 September 2012 was 6.1 years (2011: 4.8 years).

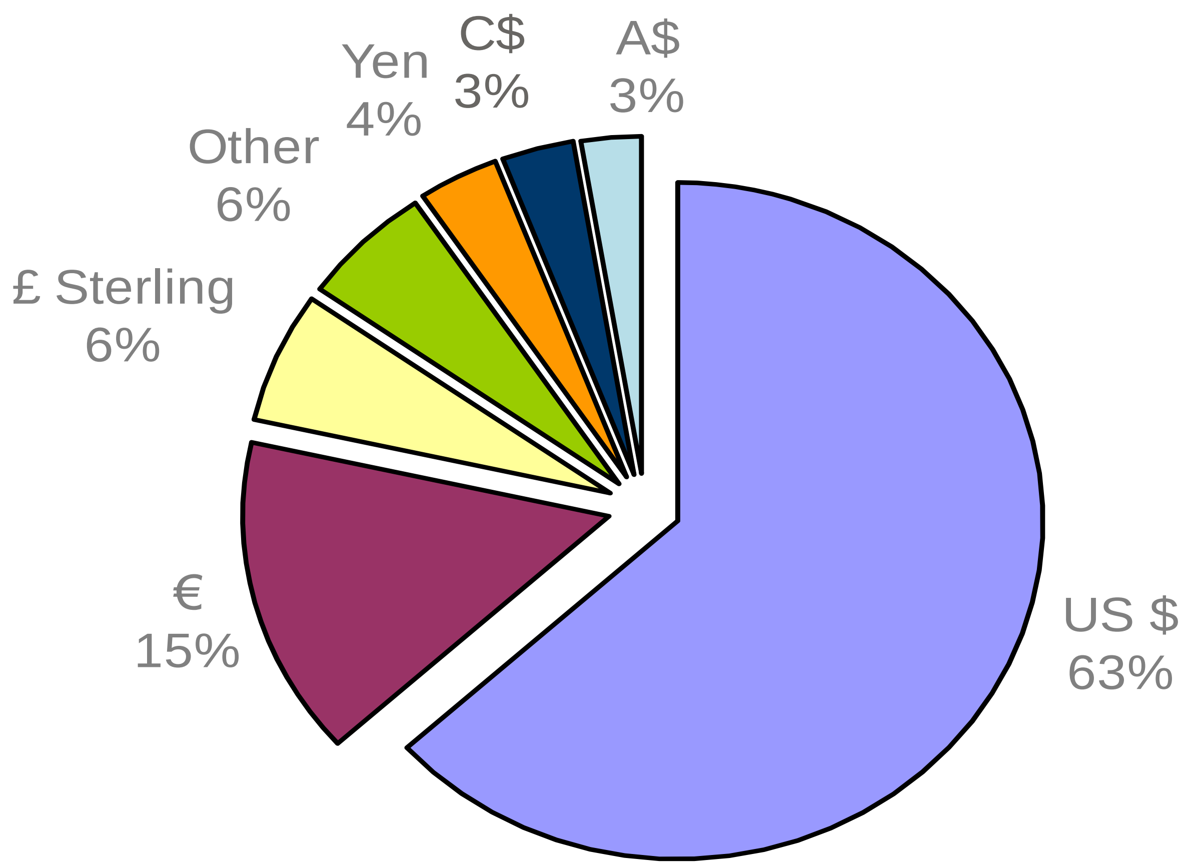
Financing – Sources of Committed Borrowings



Notes:

1. Based on borrowings as at 30 September 2012.

Financing – Effective Currency of Net Borrowings



Notes:
1. Based on net borrowings as at 30 September 2012.
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.
4. Excludes derivative financial instruments and currencies in which there are no net borrowings.

Financing – Debt Ratios and Credit Ratings

Ratings

		Outlook	*Confirmed*
Standard & Poors	A-	Positive	06-Mar-12
Moodys	Baa1	Stable	23-Mar-12
Fitch (unsolicited)	A-	Stable	26-Jul-12

Ratios	**2012**	**2011**
Net debt [1] / EBITDA [2]	0.7x	0.6x
EBITDA [2] / net interest [3]	17.5x	19.2x
Net debt [1] / adjusted total capitalisation [4]	17%	14%

Notes:

1. Net debt is adjusted where necessary for covenant definitions.
2. EBITDA includes share of profit of associates and profit from discontinued business but excludes exceptional profit and is adjusted where necessary for covenant definitions.
3. Net interest excludes the element of finance charges resulting from hedge accounting ineffectiveness and the change in fair value of investments and non-controlling interest put options.
4. Adjusted total capitalisation includes shareholders funds, goodwill written off and net debt.

Financing – Proforma Moody's Credit Ratio (1)

COMPASS GROUP

".. CFO less dividends to Adjusted Net Debt greater than 25% .."

£m	2012	2011
Reported free cash flow	**709**	**693**
Net capex	420	339
Pension adjustment	52	42
Operating lease adjustment	169	158
Dividends paid	(378)	(360)
Discontinued cash flow	95	3
CFO less dividends	**1,067**	**875**
Reported net debt	**973**	**761**
Pension adjustment	362	293
Operating lease adjustment	1,518	1,422
Deferred consideration & financial instruments	18	39
Adjusted net debt	**2,871**	**2,515**
CFO less dividends / Adjusted net debt	**37%**	**35%**
Capital return	400	
Proforma CFO less divis / Adjusted net debt	**33%**	

Note:
1. Compass estimates.

Financing - Proforma Moody's Credit Ratio (2)

".. Adjusted Gross Debt to Adjusted EBITDA less than 2.5x .."

£m	2012	2011
Adjusted net debt	**2,871**	**2,515**
Cash [2]	584	510
Adjusted gross debt	**3,455**	**3,025**
Reported EBIT pre associates	**1,170**	**1,085**
Depreciation	282	254
Operating lease adjustment	253	237
Non-underlying adjustments [3]	(8)	(7)
Adjusted EBITDA	**1,697**	**1,569**
Adjusted gross debt / EBITDA	**2.0x**	**1.9x**
Capital return	400	
Proforma Adjusted gross debt / EBITDA	**2.3x**	

Note:
1. Compass estimates.
2. 2011 cash adjusted to exclude the £600m of debt maturities during 2012.
3. Non-underlying adjustments exclude the European exceptional, UK re-organisation and gains on disposal of the US Corrections business and remeasurement of joint venture interest on acquisition control.

Exchange Rates – Rates Used in Consolidation

	Income Statement [2]		Balance Sheet [3]	
	2012 per £	2011 per £	2012 per £	2011 per £
Australian Dollar	1.53	1.57	1.55	1.60
Brazilian Real	2.99	2.65	3.28	2.89
Canadian Dollar	1.59	1.59	1.59	1.62
Euro	**1.21**	**1.15**	**1.26**	**1.16**
Japanese Yen	124.35	129.63	125.63	120.08
Norwegian Krone	9.19	9.05	9.24	9.15
South African Rand	12.71	11.17	13.32	12.52
Swedish Krona	10.69	10.40	10.59	10.70
Swiss Franc	1.47	1.45	1.52	1.42
UAE Dirhams	5.81	5.90	5.93	5.72
US Dollar	**1.58**	**1.61**	**1.61**	**1.56**

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 2012 Revenue & Profit

US Dollar			Euro			Japanese Yen		
£m incremental change for an incremental 5 cent movement			£m incremental change for an incremental 5 cent movement			£m incremental change for an incremental 10 yen movement		
Exchange Rate	**Revenue Change**	**Profit Change**	**Exchange Rate**	**Revenue Change**	**Profit Change**	**Exchange Rate**	**Revenue Change**	**Profit Change**
1.83	(165)	(13.5)	1.46	(81)	(5.3)	174.35	(35)	(2.2)
1.78	(175)	(14.3)	1.41	(87)	(5.8)	164.35	(39)	(2.5)
1.73	(185)	(15.1)	1.36	(93)	(6.2)	154.35	(45)	(2.8)
1.68	(196)	(16.1)	1.31	(101)	(6.7)	144.35	(51)	(3.2)
1.63	(209)	(17.1)	1.26	(109)	(7.2)	134.35	(60)	(3.8)
1.58	-	-	1.21	-	-	124.35	-	-
1.53	222	18.2	1.16	119	7.9	114.35	70	4.4
1.48	237	19.4	1.11	129	8.6	104.35	84	5.3
1.43	254	20.8	1.06	141	9.4	94.35	101	6.4
1.38	272	22.3	1.01	155	10.3	84.35	125	7.9

Notes:
1. Incremental revenue and operating profit change arising by restating the 2012 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

Taxation – Statutory Tax Rates

Key statutory tax rates within the Group [1]	2012
UK	25% [3]
USA (blended average of federal and state taxes)	40%
France	36%
Germany	30% [4]
Netherlands	25%
Italy	28%
Nordic	27%
Brazil	34%
Canada	27%
Japan	41%
Spain	30%
Australia	30%
Blended statutory tax rate [2]	**33%**

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 plus any other taxes on profits levied in the jurisdictions in which the Group operates.
3. The statutory rate of corporation tax in the UK has been reduced from 26% to 24% from 1 April 2012.
4. The statutory rate of corporate income tax in Germany is 15%. The national effective tax rate of 30% includes other taxes, principally Trade Tax.

Disclaimer

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2012 Full Year Results

Wednesday 21 November 2012