Interim Results Announcement
16 May 2012

Compass Group PLC

Interim results announcement for the six months ended 31 March 2012

Continued momentum and further efficiency gains

	Six months ended 31 March 2012	Six months ended 31 March 2011	Change
Revenue	£8.6 billion	£7.9 billion	+8.6%
Underlying operating profit	£617 million	£567 million	+8.8%
Underlying profit before tax	£572 million	£531 million	+7.7%
Reported profit before tax	£581 million	£528 million	+10.0%
Underlying earnings per share	22.4 pence	20.4 pence	+9.8%
Interim dividend per share	7.2 pence	6.5 pence	+10.8%

Positive momentum in top line growth, driven by good levels of new business wins and a consistently high rate of retention.

- Total revenue up 8.6% year on year, including contribution from acquisitions.
- Organic revenue growth of 5.0%.
- Strong performances in North America and Fast Growing & Emerging.

Cash flow generation remains strong and we continue to make acquisitions and reward shareholders.

- Interim dividend increased by 11%.
- £188 million spent on acquisitions in the first half of the year.
- On track to complete £500 million share buy back by the calendar year-end.

The future prospects of the Group remain encouraging.

- Expectations for the full year remain positive and unchanged.
- Compass remains well placed to exploit significant growth opportunities, particularly in North American and Fast Growing & Emerging markets.
- Further efficiency gains underpin our expectation of future improvement in the operating profit margin.

Richard Cousins, Group Chief Executive, said:

“Compass has had a positive start to the year, delivering revenue growth of nearly 9% and organic growth of 5%. We have continued to see high levels of new business wins and retention across the Group, with particularly good trading momentum in our North America and Fast Growing & Emerging regions. We are continuing to generate cost efficiencies, which are enabling us to invest in the many growth opportunities we see across the Group, with increasing emphasis on emerging markets. Looking forward, whilst we are not immune from the current economic difficulties in Europe, the fundamentals of the business are strong and I remain excited about the opportunities for future growth and margin progression.”

Sir Roy Gardner, Chairman, said:

“These results demonstrate that the business continues to make good progress in delivering quality, sustainable growth. Despite the ongoing headwinds of food cost inflation and challenging economic conditions in Europe, we have achieved good rates of revenue and profit growth. We remain committed to rewarding shareholders at the same time as investing in the future of the business, and we have therefore increased the interim dividend by 11%.”

Enquiries

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Interim Management Report: Business Review

Group overview

Reported revenue has grown by 8.6% in the first six months to 31 March 2012, or 8.8% on a constant currency basis. After adjusting for the impact of acquisitions and disposals, organic growth has remained strong at 5.0% for the period, driven by further good performances in North America and the Fast Growing & Emerging markets. We have continued to see good levels of new business wins and a consistently high level of retention across the Group.

Underlying operating profit increased by 8.8% in the first half, with the underlying operating profit margin remaining flat at 7.2%. We have continued to generate efficiencies, which are, in part, being reinvested in exciting growth opportunities around the world, helping us to manage the effects of difficult economic conditions in Europe, and underpin our expectations of future improvement in the operating profit margin. We have delivered £50 million of constant currency operating profit growth as follows:

£15 million of net new business growth

During the first half, we have delivered new business growth of 8.5% and our retention rate remains high. The good growth in new business has been driven by both increased outsourcing in some parts of the world and further embedding best practice within Compass. Quality, sustainable growth remains a core value and we have continued to invest in sales resource and training to support this. Looking forward, we see an exciting pipeline of further opportunities.

The positive momentum we saw last year in retention has continued into the first half of this year and we remain at a Group average of 94.5%. The rollout of our best practice model for retention is ongoing and we are confident that we can improve this performance further.

£21 million of base estate profit growth

As we saw last year, like for like revenue growth of 2.0% has been driven predominantly by price increases, reflecting the ongoing rise in food cost inflation. Whilst food cost inflation is outside our control, we continue to mitigate the impact as far as possible through initiatives such as menu planning and driving efficiencies in purchasing and logistics. Our contract structures typically enable us to pass on the remaining inflationary increases.

Flat like for like volume reflects a mixed picture globally. We saw a positive trend in Fast Growing & Emerging and a slight increase in North America, whilst the difficult economic conditions in Europe & Japan resulted in negative like for like volume. Although like for like volume is driven in part by macro economic conditions, and employment levels in particular, we have continued to focus on the many ways through which we can increase consumer participation and spend. We continue to develop innovative and exciting consumer propositions, use intelligent marketing and train our people to develop their retail skills.

The combination of price and volume has resulted in positive overall like for like revenue growth in North America, quite strong growth in Fast Growing & Emerging, but a slight contraction in Europe & Japan.

We remain committed to our relentless focus on efficiencies and we believe that we are only part of the way through the journey to drive further productivity in our food and labour costs. We see further opportunities through everyday steps such as rationalising our product and supplier base, appropriate standardisation, labour productivity and improved labour scheduling. We have generated considerable efficiencies in the first half, which are being used to mitigate food cost inflation and in the ongoing reinvestment we make to deliver quality and value to our clients and consumers. The remaining efficiencies flow through to profit. Overall, we have delivered growth in the base estate in line with the average of the past few years.

£5 million net increase in above unit costs

Despite growing the top line organically by 5% and investing some £10 million in putting the right resource in place to facilitate expansion, in particular in the Fast Growing & Emerging markets, we have been able to contain the increase in above unit overheads to just £5 million.

£19 million from acquisitions net of disposals

This relates to the incremental operating profit, after integration costs, of the acquisitions we have made in both 2011 and 2012, net of disposals.

Strategy

Our strategy remains clear and unchanged.

Focus on food

Food remains our core focus. The structural growth opportunity in the outsourced foodservice market, estimated at £200 billion, is a key growth driver. With an overall penetration rate of less than 50%, it represents a vast opportunity. Sectors such as Healthcare and Education are significantly underpenetrated and we believe the benefits of outsourcing will become ever more apparent as economic conditions and legislative changes put increasing pressure on organisations' budgets. Business & Industry, whilst more highly penetrated, is still attractive due to its scale, growth and, in some countries, the fragmented nature of the market. As one of the largest providers in all of our sectors, we are well placed to benefit from this trend.

Fast growing support services

Support and multi-services are a growing part of the business as we continue to win new contracts and expand the range of services we supply to our existing clients. They now represent 22% of Group revenue, 15% of which relates to support services. Our approach remains to increase our capabilities in an incremental and low risk way. Clients' attitudes to support services vary significantly by region, sector and subsector and we will therefore continue to respond accordingly.

Geographic spread

In line with the management changes we announced at the full year results in November 2011, we now see our business in three segments: North America, the more developed markets of Europe & Japan and Fast Growing & Emerging. In simple terms, the three segments comprise countries that are at similar stages of development.

North America will remain the core growth engine for the Group and we are increasingly positive about our business there. The outsourcing culture is vibrant and the addressable market is significant. We are well positioned, with a strong client base in all of our core sectors, and our management team throughout the organisation is a key factor in driving performance.

Whilst we do see some good growth opportunities in parts of Europe & Japan, the difficult economic conditions will continue to impact like for like revenue and top line growth. Encouragingly, we are now seeing more opportunities to drive greater efficiencies across the region. These will, in part, be used to combat the difficult economic conditions, but we do see the potential to improve the margin over time.

The Fast Growing & Emerging region, which now comprises close to 20% of Group revenue, is becoming an increasingly important part of the Group and we have an established presence in all the key markets. With the potential they offer, we are investing in their growth. As the economies of these countries remain buoyant and the trend to outsourcing increases, we would hope to see the current double digit growth continue for many years to come.

Uses of cash

Over the last few years, we have added to our organic growth with a number of excellent infill acquisitions. Just over a third of these have been in support services and an increasing number in emerging markets. We continue to have a strong preference for small to medium sized infill acquisitions, building scale in food and adding new capabilities in support services, in our existing geographies.

During the first half of the year, we disposed of our US Corrections business. Although a solid business, this did not fit into our core sectors or growth strategy. This delivered £58 million of net cash.

The Group's cash flow generation remains excellent and it will continue to be a key part of the model. A strong balance sheet enables us to reward shareholders in parallel with reinvesting for growth and making infill acquisitions. Our commitment to an efficient balance sheet and a progressive dividend policy remains strong, and we are continuing to execute the £500 million share buy back we announced in November 2011, which we expect to complete by the calendar year end.

Outlook

Compass has had a good first half of the year and our expectations for the full year remain positive and unchanged. Organic growth has been driven by good rates of new business wins, levels of retention remain high and infill acquisitions are making a meaningful contribution. We are continuing to generate good levels of cost efficiencies, which are enabling us to reinvest in the business at the same time as helping us to manage the ongoing challenges of difficult economic conditions in Europe and food cost inflation.

As we look out to the second half, whilst the difficult economic climate in Europe is likely to continue to put pressure on like for like revenue in that region, we remain positive about the opportunities to grow the business. We are well placed to capitalise on the significant structural growth opportunities in both food and support services around the world. We have an excellent business in North America and we are expanding our presence in Fast Growing & Emerging markets, which remain a focus for future growth. We will continue to drive cost efficiencies, underpinning our expectation of further progress in the operating profit margin over the medium term.

Richard Cousins
Group Chief Executive
16 May 2012

Financial Summary

For the six months ended 31 March	2012	2011	Increase/(decrease)
Continuing operations			
Revenue			
Constant currency	**£8,550m**	£7,860m	8.8%
Reported	**£8,550m**	£7,873m	8.6%
Total operating profit			
Constant currency	**£617m**	£567m	8.8%
Underlying	**£617m**	£567m	8.8%
Reported	**£604m**	£559m	8.1%
Operating margin			
Constant currency	**7.2%**	7.2%	-
Underlying	**7.2%**	7.2%	-
Reported	**7.0%**	7.0%	-
Profit before tax			
Underlying	**£572m**	£531m	7.7%
Reported	**£581m**	£528m	10.0%
Basic earnings per share			
Underlying	**22.4p**	20.4p	9.8%
Reported	**22.5p**	20.3p	10.8%
Free cash flow			
Underlying	**£368m**	£349m	5.4%
Reported	**£337m**	£349m	(3.4)%
Total Group including discontinued operations			
Basic earnings per share	**22.5p**	20.3p	10.8%
Interim dividend per ordinary share	**7.2p**	6.5p	10.8%

Segmental performance Six months ended 31 March	Revenue 2012 £m	Revenue 2011 £m	Revenue Growth Reported	Revenue Growth Constant Currency	Revenue Growth Organic
Continuing operations					
North America	**3,799**	3,450	10.1%	9.6%	7.0%
Europe & Japan	**3,228**	3,126	3.3%	3.5%	(0.4%)
Fast Growing & Emerging	**1,523**	1,297	17.4%	19.5%	12.4%
Total	**8,550**	7,873	8.6%	8.8%	5.0%

Segmental performance Six months ended 31 March	Total Operating Profit 2012 £m	Total Operating Profit 2011 £m	Operating Margin 2012 %	Operating Margin 2011 %
Continuing operations				
North America	**313**	281	**8.2%**	8.1%
Europe & Japan	**214**	214	**6.6%**	6.8%
Fast Growing & Emerging	**115**	98	**7.6%**	7.6%
Unallocated overheads	**(30)**	(30)	**-**	-
Excluding associates	**612**	563	**7.2%**	7.2%
Associates	**5**	4		
Underlying	**617**	567		
Amortisation of intangibles arising on acquisition	**(9)**	(4)		
Acquisition transaction costs	**(5)**	(4)		
Adjustments to contingent consideration on acquisitions	**1**	-		
Total	**604**	559		

Notes: (these refer to pages 1-13 of this document)

(1) Unless stated otherwise, all figures in this document relate to the six months ended 31 March.
(2) Unless stated otherwise the data shown on pages 1 – 13 relates to the continuing business only.
(3) Constant currency restates the prior period results to 2012's average exchange rates.
(4) Total operating profit includes share of profit of associates.
(5) Underlying operating profit and margin exclude the amortisation of intangibles arising on acquisition, acquisition transaction costs and adjustment to contingent consideration on acquisition. For year-end 30 September 2011, this excludes the UK re-organisation costs.
(6) Operating margin is based on revenue and operating profit excluding share of profit of associates.
(7) Underlying net finance cost excludes hedge accounting ineffectiveness and the change in the fair value of investments and non-controlling interest put options.
(8) Underlying profit before tax excludes the amortisation of intangibles arising on acquisition, acquisition transaction costs, adjustment to contingent consideration on acquisition, gain on disposal of US Corrections business, hedge accounting ineffectiveness and change in fair value of investments and non-controlling interest put options.
(9) Underlying basic earnings per share excludes the amortisation of intangibles arising on acquisition, acquisition transaction costs, adjustments to contingent consideration on acquisition, gain on disposal of US Corrections business, hedge accounting ineffectiveness, change in fair value of investments and non-controlling interest put options and the tax attributable to these amounts.
(10) Underlying free cash flow adjusts for £31 million one-off cash outflow in respect of non-recurring historic tax issues.
(11) Organic revenue growth includes revenue from net new business plus like for like revenue. It is adjusted for exchange rate movements. Like for like revenue growth measures movements in contracts that we have had in both the current and prior period. It excludes the impact of new and lost contracts.

Revenue

Overall, reported revenue growth for the six months to 31 March 2012 was 8.6%, or 8.8% on a constant currency basis. Organic revenue growth for the period was 5.0%, after adjusting for the impact of acquisitions and disposals, comprising new business of 8.5%, retention rate of 94.5% and like for like growth of 2.0%.

Operating Profit

Underlying operating profit from continuing operations was £617 million (2011: £567 million), an increase of 8.8% over the prior period. On a constant currency basis, underlying operating profit increased by £50 million, 8.8%.

Reported operating profit was £604 million (2011: £559 million), after the amortisation of intangibles arising on acquisition of £9 million (2011: £4 million), acquisition transaction costs of £5 million (2011: £4 million) and adjustment to contingent consideration on acquisition of £1 million credit (2011: nil).

North America – 44.4% Group revenue (2011: 43.8%)

Our North American business has delivered another excellent performance. Revenue was £3.8 billion (2011: £3.5 billion), with organic revenue growth of 7.0%, reflecting good levels of new business, continued high retention rates and some positive like for like revenue growth. Underlying operating profit increased by £31 million, 11.0% on a constant currency basis, to £313 million (2011: £282 million on a constant currency basis), as the focus remained on driving improved processes across all cost lines. After absorbing approximately £5 million of mobilisation costs for the Ascension contract detailed below, the underlying operating profit margin at the half year increased by 10 basis points to 8.2%. Excluding this, the operating profit margin would have increased by 20 basis points.

The Business & Industry sector has delivered an encouraging result, with good net new business and positive like for like revenue growth. New contract wins include foodservice at Genentech Corporation and Qualcomm.

During the second quarter, we divested our US Corrections business in line with our strategy of focusing on our core growth sectors. The revenue of the US Corrections business in the year to 30 September 2011 was $319 million (£200 million).

We are seeing strong organic revenue growth in Healthcare, driven in part by the Ascension contract where we have started to mobilise some of the 90 locations we will serve across the US. We continue to win new contracts, including the Alta Bates Summit Health System, where we will provide food and nutritional services, and Oakwood Village and Glacier Hills, where we will provide senior dining foodservice. Support service wins include The University of Tennessee Medical Center and Inova Health System.

Excellent retention rates and increased participation have again driven good organic revenue growth in the Education sector. We have recently won the foodservice contract to provide a new student restaurant on campus at the University of Ottawa, and with the Big Springs schools district in Pennsylvania to serve approximately 550,000 meals annually.

In Levy, our Sports & Leisure business, organic revenue growth has been muted due to the NBA strike in the first quarter of the year, which impacted like for like revenue. There has been some ‘catch up’ in the second quarter and this has continued into April and May. Exciting new contract wins include the Mammoth Mountain ski resort located in the Sierra Nevada in California, where we will be providing food and beverage services at this previously self operated location.

The ESS business, which provides food and support services in Alaska, Canada and the Gulf of Mexico, continues to perform well. New contracts include the provision of support services to Shell Petroleum.

Europe & Japan – 37.8% Group revenue (2011: 39.7%)

As expected, Europe & Japan has experienced a slight decline in organic revenue, driven in part by difficult economic conditions, particularly in the UK and parts of southern Europe. This has continued to affect like for like revenues. New business wins are encouraging in some countries and we continue to roll out the US best practice retention model. Overall, revenue in Europe & Japan totalled £3.2 billion (2011: £3.1 billion) with organic revenue declining by 0.4%. The impact of negative like for like revenue and the ongoing integration of acquisitions made in 2011, partially offset by efficiencies, have resulted in an underlying operating profit margin decline of 20 basis points to 6.6%. The contribution from acquisitions has enabled our underlying operating profit increase to £214 million (2011: £213 million on a constant currency basis).

In the UK, we continue to win good quality new business across all sectors. For example, we have won a new multi-service contract with South Bristol Community Hospital and a contract with Derby City Council to provide foodservice at its primary schools. The economy continues to be extremely tough, however, and we are seeing like for like revenue declines across much of the Business & Industry sector. The focus on efficient processes has intensified and we have seen good progress made in simplifying the purchasing process to reduce cost and deliver value, which has helped to drive margin progression in the first half of the year.

In France, we are seeing the benefits from our reinvestment in sales and retention teams and this is evident in ongoing levels of net new business. We remain disciplined in controlling costs and driving further efficiencies.

The German business has continued to focus on driving efficiencies and is successfully delivering operating profit margin expansion against a backdrop of low growth. New contract wins include Continental AG and Neff in the Business & Industry sector and Endo and St Josef-Hospital in the Healthcare sector.

Italy has generated good levels of new business. For example, we have been awarded the foodservice contract at the Fiera Milano Congressi, the largest conference facility in Europe. We are also delighted to have extended our multi-service contract with Fiat Italia. Like for like revenue declines are, however, putting pressure on margins as we seek to realign our cost base with the lower volumes.

Against the backdrop of economic challenges and high unemployment levels, the Spanish business has performed very well. We have seen a particularly good level of contract wins in the Healthcare sector where we have been awarded the foodservice contracts for the prestigious University Hospital Clínic in Barcelona and the Adavir Group, one of Spain's largest senior living groups. We have made progress in improving the retention rates with notable renewals such as General Motors and Nestlé.

The Nordic region has seen solid organic revenue growth, which, together with cost efficiency programmes, has delivered both operating profit and margin expansion. In Denmark, we have won a new multi-service contract with Siemens A/S where we will serve approximately 1.5 million meals and clean approximately 36 million square metres per year.

The Japanese market has continued to improve since the earthquake and tsunami of 14 months ago. However, headcounts onsite and shorter working hours continue to impact like for like volume in the Business & Industry sector.

Fast Growing & Emerging – 17.8% Group revenue (2011: 16.5%)

With revenue of £1.5 billion (2011: £1.3 billion), our Fast Growing & Emerging markets have delivered very strong organic revenue growth of 12.4%. New business wins remain excellent and we continue to see a positive trend in like for like revenue. Underlying operating profit increased by £17 million, 17.3% on a constant currency basis, to £115 million (2011: £98 million on a constant currency basis). The underlying operating profit margin remained flat at 7.6% as we continue to invest in the many growth opportunities we see in this region.

The energy and extraction sector continues to drive strong double digit organic revenue growth in Australia. Existing contracts are growing rapidly and the pipeline of new business remains strong. For example, we have been awarded a new contract with Rio Tinto to provide foodservice, cleaning and accommodation management at the New Greater Brockman Village.

In Brazil, strong new business wins and like for like revenue have once again delivered double digit organic revenue growth. We have been awarded several significant foodservice contracts with leading companies such as HSBC and Contax. There is an exciting pipeline of new business and retention levels continue to improve. Together with a drive for further efficiencies, this is providing an excellent platform for further growth.

Our other businesses in Latin America have continued to deliver excellent organic revenue growth, maintaining the improvement seen in retention rates last year. In Chile, we are pleased to have further strengthened our international relationship with Barrick by renewing our contract at the Pascua-Lama project in the Andes Mountains, in addition to being awarded four more camps. We also renewed our contract with Vale in Argentina at the Rio Colorado Potassium Project. We have won important Business & Industry contracts during the first half with prestigious clients such as Caterpillar and DuPont, and we also provided foodservice at the 16th Pan American Games in Guadalajara, with over 6,000 athletes from 42 nations.

Turkey has enjoyed another good half year, benefiting from our strengthened capabilities following the acquisition of the Obasan business and the remaining 50% of our joint venture SOFRA last year. New contract wins include Yasar University in Izmir. We were also pleased to extend the nationwide services we provide to Metro Cash & Carry to include cleaning, on top of the security contract we were awarded last year. Margin progression has been excellent with a focus on all cost lines.

In South Africa, the recent acquisition of Supercare Services will strengthen our support services capability across all major sectors in the country. New contract wins include The University of the Free State Qwaqwa Campus, where we will be providing foodservice to the 4,300 students.

We have also won new contracts in southeast Asia in the Remote and Offshore sectors, including Transocean Harvey Ward & Discovery Seven Seas. In China, we have won contracts with Shanghai Automotive Group Finance Corporation and Volkswagen Automatic Transmission Ltd to provide foodservice and, in Hong Kong, we have won the prestigious student foodservice contract with Harrow International School Hong Kong. In India, our offer has been strengthened by the infill acquisitions we made last year, and this has delivered excellent organic growth. Recent contract wins include Interglobe Technologies (a part of Interglobe enterprise), a leading Travel Technology Solution & Travel BPO services provider, and TV Today, a leading Television channel.

Unallocated Overheads

Unallocated overheads were £30 million (2011: £30 million), reflecting continued good control over costs as the business expands.

Finance Costs

The underlying net finance cost was £45 million (2011: £36 million). The increase largely reflects the short-term inefficiency of having raised $1 billion (£626 million) of new debt in the US Private Placement market in September 2011, ahead of the £614 million of debt repayments due in May 2012 and €600 million (£500 million) in the Eurobond market in February 2012, raised to finance the ongoing share buy back.

For the full year, we continue to expect an underlying net finance cost of around £85 million, including a charge of around £15 million relating to the pension fund deficit.

Other Gains and Losses

Other gains and losses include a £24 million gain on disposal of US Corrections (2011: nil) and a £2 million loss (2011: £4 million credit) from hedge accounting ineffectiveness. Other gains and losses in 2011 included a £1 million credit of revaluing investments and non-controlling interest put options.

Profit Before Tax

Profit before tax from continuing operations was £581 million (2011: £528 million).

On an underlying basis, profit before tax from continuing operations increased by 7.7% to £572 million (2011: £531 million).

Income Tax Expense

Income tax expense from continuing operations was £152 million (2011: £142 million).

On an underlying basis, the tax charge on continuing operations was £146 million (2011: £143 million), equivalent to an effective tax rate of 26% (2011: 27%), reflecting in part the decrease in some corporate tax rates around the world. We expect the tax rate to average out at around the 26% level in the short to medium term.

Basic Earnings per Share

Basic earnings per share, including discontinued operations, were 22.5 pence (2011: 20.3 pence).

On an underlying basis, the basic earnings per share from continuing operations were 22.4 pence (2011: 20.4 pence).

	Attributable Profit		Basic Earnings Per Share		
Six months ended 31 March	**2012 £m**	2011 £m	**2012 pence**	2011 pence	Change %
Reported	**427**	384	**22.5**	20.3	10.8
Adjustments	**(3)**	2	**(0.1)**	0.1	-
Underlying	**424**	386	**22.4**	20.4	9.8

Dividends

An interim dividend of 7.2 pence per share, an increase of 10.8%, will be paid on 30 July 2012 to shareholders on the register on 29 June 2012.

Free Cash Flow

Free cash flow from continuing operations totalled £337 million (2011: £349 million). In the first half, we settled some non-recurring historic tax issues which resulted in a one-off £31 million outflow. Adjusting for this, free cash flow would have been £368 million.

Gross capital expenditure of £187 million (2011: £184 million), including assets purchased under finance leases of £2 million (2011: £1 million), is equivalent to 2.2% of revenues (2011: 2.3% of revenues). For the full year, we expect this to be a little higher as we invest in the many good organic growth opportunities in North America and the Fast Growing & Emerging markets. Where we invest we continue to deliver high returns.

We are making further good progress in working capital management, limiting the overall seasonal working capital outflow (including provisions) to £50 million (2011: £34 million outflow). Trade working capital (excluding provisions) has increased by £44 million (2011: £46 million) in the first half of the year. Our guidance for the full year remains unchanged at neutral to a small inflow.

The £28 million outflow (2011: £33 million) in respect of post-employment benefit obligations largely reflects payments agreed with trustees to reduce deficits on defined benefit pension schemes.

The cash tax rate was 22% (2011: 15%), based on underlying profit before tax for the continuing operations. With many of the larger tax payments to be made in the second half of the year, we continue to expect a cash tax rate towards the 26% level in the short to medium term.

The net interest outflow was £46 million (2011: £29 million), including £9 million of interest associated with the tax settlements.

Free cash outflow from discontinued operations was £43 million (2011: nil) principally relates to the settlement of certain tax liabilities on the disposal of businesses in earlier years.

Acquisition Payments

The total cash spend on acquisitions in the first half was £188 million. This includes £170 million on infill acquisitions, £5 million on acquisition transaction costs and £13 million of deferred consideration relating to previous year acquisitions. Since 31 March 2012, we have made a number of smaller infill acquisitions. For example, in Sweden, we have expanded our foodservice offer with the acquisition of Krocat AB from Orrstierna Invest, which provides onsite and delivered food services to private and public organisations in the B&I and Education sectors. In the year ending 31 December 2011, Krocat AB generated revenue of SEK19.7m (£1.8m) and had gross assets of SEK6.0m (£0.6m).

Disposals

The Group received £58 million in respect of the disposal of the US Corrections business. Payments made in respect of businesses disposed of or discontinued in prior years totalled £8 million in the first half of 2011.

Post-employment Benefit Obligations

The Group has continued to review and monitor its pension obligations throughout the period working closely with the Trustees and members of all schemes around the Group to ensure proper and prudent assumptions are used and adequate provision and contributions are made.

The Group's pension deficit at 31 March 2012, calculated on the accounting basis in accordance with IAS 19, for all Group defined benefit schemes was £319 million (30 September 2011: £292 million).

Proceeds from Issue of Share Capital

The Group received cash of £16 million (2011: £12 million) from the issue of share capital in the period in connection with the exercise of employee share options.

Purchase of Own Shares

During the period, the Group began the £500 million share buy back programme announced in November. Up to 31 March 2012, £101 million has been paid for and the programme remains on track to complete within the calendar year.

Risks and Uncertainties

The Board takes a proactive approach to risk management with the aim of protecting its employees and customers and safeguarding the interests of the Company and its shareholders.

The Financial Reporting Council has recommended that companies comment on their exposure to risks from the eurozone crisis. The Group's liquidity risk (the ability to service short-term liabilities) is considered low in all scenarios other than a fundamental collapse of the financial markets.

5% of the Group's revenues are generated from clients located in Italy, Spain, Portugal and the Republic of Ireland. The Group believes that any potential exposure in relation to outstanding receivables due from clients located in those countries is covered by its existing provision policy. No clients or Group assets are located in Greece.

As uncertainty over the eurozone economies persists and government austerity measures take effect, growth rates and consumer demand can be expected to remain under pressure. The Group continues to monitor the level of exposures when responding to these risks and compiling business forecasts.

The principal risks and uncertainties facing the business and the activities the Group undertakes to mitigate these are set out in pages 14-16, headed 'Recognising and Mitigating Risk'.

Related Party Transactions

Details of transactions with related parties are set out in note 18. These transactions have not, and are not expected to have, a material effect on the financial performance or position of the Group.

Post Balance Sheet Events

There have been no material events since 31 March 2012.

Financial Position

During the first six months of the year, net debt increased to £907 million (30 September 2011: £761 million).The increase includes £101 million paid for shares purchased under the Group's £500 million share buy back programme.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this Business Review, as is the financial position of the Group, its cash flows, liquidity position, and borrowing facilities. In addition, note 20 of the Consolidated Financial Statements of our 2011 Annual Report includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Richard Cousins
Group Chief Executive
16 May 2012

Dominic Blakemore
Group Finance Director

Interim Management Report: Recognising and Mitigating Risk

The Board continues to take a proactive approach to recognising and mitigating risk with the aim of protecting its employees and customers and safeguarding the interests of the Company and its shareholders.

As set out on pages 47 to 49 of the Corporate Governance section of our 2011 Annual Report, the Group has policies and procedures in place to ensure that risks are properly evaluated and managed at the appropriate level within the business.

The identification of risks and opportunities, the development of action plans to manage the risks and exploit the opportunities, and the continual monitoring of progress against agreed Key Performance Indicators ('KPIs') is an integral part of the business process, and a core activity throughout the Group.

Control is exercised at a Group and business level through MAP, the Group's Management and Performance framework, monthly monitoring of performance by comparison with budgets and forecasts and through regular business reviews with the Group Chief Executive and the Group Finance Director.

This is underpinned by a formal major risk assessment process which is an integral part of the annual business cycle. As part of the process, each of the Group's businesses is required to identify and document major risks and appropriate mitigating activities and controls, and monitor and report to management on the effectiveness of these controls on a biannual basis. Senior managers are also required to sign biannual confirmations of compliance with key procedures and to report any breakdowns in, or exceptions to, these procedures. The results are reviewed by management and the Board.

The Group also has formal procedures in place, with clearly designated levels of authority, for approving significant client contracts and capital investments as well as acquisitions. These are supported by a post-investment review process for selected acquisitions and major items of capital expenditure.

The table sets out the principal risks and uncertainties facing the business at the date of this Report and the systems and processes the Group has in place to manage and mitigate these risks. These do not comprise all of the risks that the Group may face and are not listed in any order of priority. Additional risks and uncertainties not presently known to management or deemed to be less material at the date of this Report may also have an adverse effect on the Group.

The Group faces a number of operational risks on an ongoing basis including supply chain; information technology and infrastructure; litigation; financial and tax risk. We recognise that these are important to the business and they are continually reviewed.

Risk		Mitigation
Health, safety and environment	Health and safety	Health and safety remains our number one operational priority. All management meetings throughout the Group feature a health and safety update as one of their top agenda items.
	Food safety	Compass feeds millions of consumers around the world every day, therefore setting the highest standards for food hygiene and safety is paramount. The Group has appropriate policies, processes and training procedures to ensure full compliance with legal obligations.
	Environment	Every day, everywhere, we look to make a positive contribution to the health and wellbeing of our customers, the communities we work in and the world we live in. Our Corporate Responsibility statement on pages 32-41 of our 2011 Annual Report describes our approach in more detail.
Clients and consumers	Client retention	We aim to build long-term relationships with our clients based on quality and value. Our business model is structured so that we are not reliant on one particular sector, geography or group of clients.
	Service delivery and compliance with contract terms and conditions	The Group's operating companies contract with a large number of clients. Processes are in place to ensure that the services delivered to clients are of an appropriate standard and comply with the appropriate contract terms and conditions.

Risk		Mitigation
	Changes in consumer preferences	We strive to meet consumer demand for quality, choice and value by developing innovative and nutritious food offers which suit the lifestyle and tastes of our consumers.
	Consolidation of food and support services	We have developed a range of support services to complement our existing foodservice offer. These services are underpinned by the 'Compass Service Framework', our standard operating platform for support services, which gives us the capability to deliver a consistent world-class standard globally.
	Bidding risk	The Group's operating companies bid selectively for large numbers of contracts each year and a more limited number of concession opportunities. Tenders are developed in accordance with a thorough process which identifies both the potential risks (including social and ethical risks) and rewards, and are subject to approval at an appropriate level of the organisation.
	Credit risk	There is limited concentration of credit risk with regard to trade receivables given the diverse and unrelated nature of the Group's client base.
People	People retention and motivation	The recruitment and retention of skilled employees is a challenge faced by many industries. The Group has established training and development and performance programmes which are designed to align rewards with our corporate objectives and to retain and motivate our best people.
	Succession planning	The Group has continued to develop succession planning as part of the development programmes for our people. The Group has a well-established employment engagement initiative, the most recent results of which are shown in our Corporate Responsibility statement on page 36 of our 2011 Annual Report.
Economic risk	Economy	Around 50% of our business, the Healthcare, Education and Defence, Offshore & Remote site sectors, is less susceptible to economic downturns. Revenues in the remaining 50%, the Business & Industry and Sports & Leisure sectors, are more susceptible to economic conditions and employment levels. However, with the variable and flexible nature of our cost base, it is generally possible to contain the impact of like for like volume declines.
	Food cost inflation	As part of our MAP programme, we seek to manage food cost inflation through: cost indexation in our contracts, giving us the contractual right to review pricing with our clients; menu management to substitute ingredients in response to any forecast shortages and cost increases; and continuing to drive greater purchasing efficiencies through supplier rationalisation and compliance.
	Labour cost inflation	Our objective is always to deliver the right level of service in the most efficient way. As part of our MAP programme, we have been deploying tools and processes to optimise labour productivity and exercise better control over other labour costs such as absenteeism, overtime and third party agency spend; and to improve our management of salary and benefit costs and control labour cost inflation.
	Eurozone crisis	The Financial Reporting Council has recommended that companies comment on their exposure to risks from the eurozone crisis. The Group's liquidity risk (the ability to service short-term liabilities) is considered low in all scenarios other than a fundamental collapse of the financial markets. 5% of the Group's revenues are generated from clients located in Italy, Spain, Portugal and the Republic of Ireland. The Group believes that any potential exposure in relation to outstanding receivables due from clients located in those countries is covered by its existing provision policy. No clients or Group assets are located in Greece. As uncertainty over the eurozone economies persists and government austerity measures take effect, growth rates and consumer demand can be expected to remain under pressure. The Group continues to monitor the level of exposures when responding to these risks and compiling business forecasts.
Regulatory, political and competitive environment	Political stability	We are a global business operating in countries and regions with diverse economic and political conditions. Our operations and earnings may be adversely affected by political or economic instability.
	Regulation	Changes to laws or regulations could adversely affect our performance. We engage with governmental and non-governmental organisations directly or through trade associations to ensure that our views are represented.

Risk		Mitigation
	Competition	We operate in a competitive market place. The level of concentration and outsource penetration varies by country. Some markets are relatively concentrated with two or three key players, others are highly fragmented and offer significant opportunities for consolidation and penetration into the self-operated market. Aggressive pricing from our competitors could cause a reduction in our revenues and margins. We aim to minimise this by building long-term relationships with our clients based on quality and value.
Acquisitions and investments	Acquisition and investment risk	Capital investments and potential acquisitions are subject to appropriate levels of due diligence and approval. Post acquisition integration and performance is closely managed and subject to regular review.
	Joint ventures	In some countries we operate through joint ventures. Procedures are in place to ensure that joint venture partners bring skills, experience and resources that complement and add to those provided from within the Group.
Fraud and compliance		The Group's zero tolerance based Codes of Business Conduct and Ethics govern all aspects of our relationship with our stakeholders. All alleged breaches of the Codes are investigated. The Group's procedures include regular operating reviews, underpinned by a continual focus on ensuring the effectiveness of internal controls.
Reputation risk		Our brands are amongst the most successful and best established in our industry. They represent a key element of the Group's overall marketing and positioning. In the event that our brand or reputation is damaged this could adversely impact the Group's performance. The Group's zero tolerance based Codes of Business Conduct and Ethics are designed to safeguard the Company's assets, brands and reputation.
Pensions risk		The Group's UK defined benefit pension schemes are closed to future accrual and to new entrants other than for transfers under public sector contracts in the UK where the Company is obliged to provide final salary benefits to transferring employees. Steps have been taken to merge the UK defined benefit schemes and reduce the investment risk in them. Further information is set out in note 23 of the consolidated financial statements of our 2011 Annual Report.

Condensed Financial Statements

Directors' responsibilities

The Interim Report complies with the Disclosure and Transparency Rules ('DTR') of the United Kingdom's Financial Services Authority in respect of the requirement to produce a half-yearly financial report. The Interim Management Report is the responsibility of, and has been approved by, the Directors.

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34;
- the Interim Management Report includes a fair review of the important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year, as required by DTR 4.2.7R; and
- the Interim Management Report includes a fair review of disclosure of related party transactions and changes therein, as required by DTR 4.2.8R.

On behalf of the Board

Mark J White
General Counsel and Company Secretary
16 May 2012

The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards ('IFRS').

International Accounting Standard 34 defines the minimum content of an interim financial report, including disclosures, and identifies the accounting recognition and measurement principles that should be applied to an interim financial report.

Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and which comply with the requirements of the Companies Act 2006. The Directors, having prepared the financial statements, have permitted the Auditor to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their review opinion.

The Directors are also responsible for the maintenance and integrity of the Compass Group PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent review report to Compass Group PLC

Introduction

We have been engaged by Compass Group PLC ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2012 which comprises the condensed income statement, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed balance sheet, the condensed cash flow statement and related notes 1 to 20. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdoms' Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom
16 May 2012

Condensed income statement

for the six months ended 31 March 2012

	Notes	Six months to 31 March 2012 Unaudited £m	Six months to 31 March 2011 Unaudited £m	Before UK re-organisation 30 September 2011 Audited £m	UK re-organisation 30 September 2011 Audited £m	Year ended 30 September 2011 Audited £m
Continuing operations						
Revenue	3	**8,550**	7,873	15,833	-	15,833
Operating costs		**(7,951)**	(7,318)	(14,768)	(55)	(14,823)
Operating profit	3	**599**	555	1,065	(55)	1,010
Share of profit of associates	3	**5**	4	6	-	6
Total operating profit	3	**604**	559	1,071	(55)	1,016
Gain on disposal of the US Corrections business	4	**24**	-	-	-	-
Gain on remeasurement of joint venture interest on acquisition of control		**-**	-	16	-	16
Finance income	5	**4**	4	4	-	4
Finance costs	5	**(49)**	(40)	(75)	-	(75)
Hedge accounting ineffectiveness	5	**(2)**	4	(5)	-	(5)
Change in the fair value of investments and non-controlling interest put options	5	**-**	1	2	-	2
Profit before tax		**581**	528	1,013	(55)	958
Income tax expense	6	**(152)**	(142)	(273)	9	(264)
Profit for the period from continuing operations	3	**429**	386	740	(46)	694
Discontinued operations						
Profit for the period from discontinued operations	7	**-**	-	40	-	40
Continuing and discontinued operations						
Profit for the period		**429**	386	780	(46)	734
Attributable to						
Equity shareholders of the Company		**427**	384	774	(46)	728
Non-controlling interest		**2**	2	6	-	6
Profit for the period		**429**	386	780	(46)	734
Basic earnings per share (pence)						
From continuing operations	8	**22.5p**	20.3p			36.4p
From discontinued operations	8	**-**	-			2.1p
From continuing and discontinued operations	8	**22.5p**	20.3p			38.5p
Diluted earnings per share (pence)						
From continuing operations	8	**22.4p**	20.2p			36.1p
From discontinued operations	8	**-**	-			2.1p
From continuing and discontinued operations	8	**22.4p**	20.2p			38.2p

(1) Impairment of goodwill, impairment of inventories, impairment of financial assets and net foreign exchange gains/(losses) recorded in the income statement total £1 million gain (2011: £2 million loss).

Analysis of operating profit
for the six months ended 31 March 2012

	Six months to 31 March 2012 Unaudited £m	Six months to 31 March 2011 Unaudited £m	Year ended 30 September 2011 Audited £m
Continuing operations			
Underlying operating profit before share of profits of associates	**612**	563	1,085
Share of profit of associates	**5**	4	6
Underlying operating profit[1]	**617**	567	1,091
Amortisation of intangibles arising on acquisition	**(9)**	(4)	(12)
Acquisition transaction costs	**(5)**	(4)	(9)
Adjustment to contingent consideration on acquisition	**1**	-	1
Operating profit after costs relating to acquisitions and disposals before UK re-organisation	**604**	559	1,071
UK re-organisation	**-**	-	(55)
Total operating profit	**604**	559	1,016

(1) Underlying operating profit excludes UK re-organisation, amortisation of intangibles arising on acquisition, acquisition transaction costs and adjustment to contingent consideration on acquisition.

Condensed statement of comprehensive income
for the six months ended 31 March 2012

	Notes	Six months to 31 March Total 2012 Unaudited £m	Six months to 31 March Total 2011 Unaudited £m	Year ended 30 September 2011 Audited £m
Profit for the period		**429**	386	734
Other comprehensive income				
Currency translation differences		**(41)**	(9)	6
Actuarial gains/(losses) on post-retirement employee benefits	11	**(49)**	117	17
Tax on items relating to the components of other comprehensive income		**10**	(36)	(8)
Total other comprehensive income/(loss) for the period		**(80)**	72	15
Total comprehensive income for the period		**349**	458	749
Attributable to				
Equity shareholders of the Company		**347**	456	743
Non-controlling interest		**2**	2	6
Total comprehensive income for the period		**349**	458	749

Condensed statement of changes in equity
for the six months ended 31 March 2012

	Six months to 31 March							
	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Other reserves £m	Retained earnings £m	Non-controlling interests £m	Total £m
At 1 October 2011	190	353	44	(1)	4,529	(1,620)	8	3,503
								-
Profit for the period	-	-	-	-	-	427	2	429
Other comprehensive income								
Currency translation differences	-	-	-	-	(41)	-	-	(41)
Actuarial gains/(losses) on post-retirement employee benefits	-	-	-	-	-	(49)	-	(49)
Tax on items relating to the components of other comprehensive income	-	-	-	-	-	10	-	10
Total other comprehensive income	-	-	-	-	(41)	(39)	-	(80)
Total comprehensive income for the period	-	-	-	-	(41)	388	2	349
Issue of shares (for cash)	1	15	-	-	-	-	-	16
Fair value of share-based payments	-	-	-	-	5	-	-	5
Tax on items taken directly to equity	-	-	-	-	-	3	-	3
Release of LTIP award settled by issue of new shares	-	4	-	-	(4)	-	-	-
Share buy back[(1)]	(2)	-	2	-	-	(101)	-	(101)
Other changes	-	-	-	-	-	-	1	1
	189	372	46	(1)	4,489	(1,330)	11	3,776
Dividends paid to Compass shareholders (note 9)	-	-	-	-	-	(243)	-	(243)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(2)	(2)
At 31 March 2012	189	372	46	(1)	4,489	(1,573)	9	3,531

(1) Including stamp duty and brokers' commission.

	Six months to 31 March					
Other reserves	Share-based payment reserve £m	Merger reserve £m	Revaluation reserve £m	Translation reserve £m	Equity adjustment for put options £m	Total other Reserves £m
At 1 October 2011	149	4,170	7	203	-	4,529
Other comprehensive income						
Currency translation differences	-	-	-	(41)	-	(41)
Total other comprehensive income	-	-	-	(41)	-	(41)
Total comprehensive income for the period	-	-	-	(41)	-	(41)
Fair value of share-based payments	5	-	-	-	-	5
Release of LTIP award settled by issue of new shares	(4)	-	-	-	-	(4)
At 31 March 2012	150	4,170	7	162	-	4,489

	Six months to 31 March							
	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Other reserves £m	Retained earnings £m	Non-controlling interests £m	Total £m
At 1 October 2010	189	317	44	(1)	4,521	(2,002)	5	3,073
Profit for the period	-	-	-	-	-	384	2	386
Other comprehensive income								
Currency translation differences	-	-	-	-	(9)	-	-	(9)
Actuarial gains/(losses) on post-retirement employee benefits	-	-	-	-	-	117	-	117
Tax on items relating to the components of other comprehensive income	-	-	-	-	-	(36)	-	(36)
Total other comprehensive income	-	-	-	-	(9)	81	-	72
Total comprehensive income for the period	-	-	-	-	(9)	465	2	458
Issue of shares (for cash)	-	12	-	-	-	-	-	12
Fair value of share-based payments	-	-	-	-	5	-	-	5
Tax on items taken directly to equity	-	-	-	-	-	2	-	2
Release of LTIP award settled by issue of new shares	-	6	-	-	(6)	-	-	-
Other changes	-	-	-	-	-	(1)	-	(1)
	189	335	44	(1)	4,511	(1,536)	7	3,549
Dividends paid to Compass shareholders (note 9)	-	-	-	-	-	(236)	-	(236)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(2)	(2)
At 31 March 2011	189	335	44	(1)	4,511	(1,772)	5	3,311

	Six months to 31 March					
Other reserves	Share-based payment reserve £m	Merger reserve £m	Revaluation reserve £m	Translation reserve £m	Equity adjustment for put options £m	Total other reserves £m
At 1 October 2010	145	4,170	7	200	(1)	4,521
Other comprehensive income						
Currency translation differences	-	-	-	(9)	-	(9)
Total other comprehensive income	-	-	-	(9)	-	(9)
Total comprehensive income for the period	-	-	-	(9)	-	(9)
Fair value of share-based payments	5	-	-	-	-	5
Release of LTIP award settled by issue of new shares	(6)	-	-	-	-	(6)
At 31 March 2011	144	4,170	7	191	(1)	4,511

Condensed balance sheet
as at 31 March 2012

	Notes	As at 31 March 2012 Unaudited £m	As at 31 March 2011 Unaudited £m	As at 30 September 2011 Audited £m
Non-current assets				
Goodwill		**4,077**	3,865	4,060
Other intangible assets		**790**	616	719
Property, plant and equipment		**675**	628	655
Interests in associates		**79**	42	79
Other investments		**48**	42	41
Trade and other receivables		**93**	70	77
Deferred tax assets*		**243**	246	240
Derivative financial instruments**		**53**	66	64
Non-current assets		**6,058**	5,575	5,935
Current assets				
Inventories		**266**	254	270
Trade and other receivables		**2,143**	1,953	2,030
Tax recoverable*		**27**	20	36
Cash and cash equivalents**		**1,118**	543	1,110
Derivative financial instruments**		**25**	5	29
Current assets		**3,579**	2,775	3,475
Total assets		**9,637**	8,350	9,410
Current liabilities				
Short-term borrowings**		**(382)**	(140)	(711)
Derivative financial instruments**		**(4)**	(5)	(3)
Provisions	10	**(125)**	(139)	(138)
Current tax liabilities*		**(224)**	(307)	(238)
Trade and other payables		**(2,954)**	(2,758)	(2,900)
Current liabilities		**(3,689)**	(3,349)	(3,990)
Non-current liabilities				
Long-term borrowings**		**(1,714)**	(1,138)	(1,247)
Derivative financial instruments**		**(3)**	(2)	(3)
Post-employment benefit obligations	11	**(319)**	(199)	(292)
Provisions	10	**(302)**	(301)	(301)
Deferred tax liabilities*		**(37)**	(16)	(35)
Trade and other payables		**(42)**	(34)	(39)
Non-current liabilities		**(2,417)**	(1,690)	(1,917)
Total liabilities		**(6,106)**	(5,039)	(5,907)
Net assets		**3,531**	3,311	3,503
Equity				
Share capital		**189**	189	190
Share premium account		**372**	335	353
Capital redemption reserve		**46**	44	44
Less: Own shares		**(1)**	(1)	(1)
Other reserves		**4,489**	4,511	4,529
Retained earnings		**(1,573)**	(1,772)	(1,620)
Total equity shareholders' funds		**3,522**	3,306	3,495
Non-controlling interests		**9**	5	8
Total equity		**3,531**	3,311	3,503

* Component of current and deferred taxes. ** Component of net debt.

Condensed cash flow statement
for the six months ended 31 March 2012

	Notes	Six months to 31 March 2012 Unaudited £m	2011 Unaudited £m	Year ended 30 September 2011 Audited £m
Cash flow from operating activities				
Cash generated from operations	13	**683**	631	1,298
One-off employer contributions to post-employment benefit obligations		**-**	(50)	(60)
Interest paid		**(50)**	(33)	(56)
Premium paid on options		**-**	-	(1)
Interest element of finance lease rentals		**-**	(1)	(2)
Tax received		**12**	19	24
Tax paid		**(135)**	(99)	(233)
Net cash from/(used in) operating activities of continuing operations		**510**	467	970
Net cash from/(used in) operating activities of discontinued operations		**(19)**	-	(6)
Net cash from/(used in) operating activities		**491**	467	964
Cash flow from investing activities				
Purchase of subsidiary companies and investments in associated undertakings[1]	12	**(188)**	(126)	(426)
Proceeds from the sale of subsidiary companies and associated undertakings[1]		**58**	(8)	-
Tax on profits from the sale of subsidiary companies and associated undertakings		**-**	-	(3)
Purchase of intangible assets		**(68)**	(60)	(126)
Purchase of property, plant and equipment		**(117)**	(123)	(244)
Proceeds from sale of property, plant and equipment / intangible assets		**7**	12	30
Purchase of other investments		**(3)**	(4)	(2)
Dividends received from associated undertakings		**6**	4	7
Interest received		**4**	5	4
Net cash from/(used in) investing activities by continuing operations		**(301)**	(300)	(760)
Net cash from/(used in) investing activities by discontinued operations		**(24)**	-	-
Net cash from/(used in) investing activities		**(325)**	(300)	(760)
Cash flow from financing activities				
Proceeds from issue of ordinary share capital		**16**	12	31
Purchase of own shares		**(101)**	-	-
Net increase/(decrease) in borrowings	14	**179**	(37)	610
Repayment of obligations under finance leases	14	**(4)**	(6)	(12)
Equity dividends paid	9	**(243)**	(236)	(360)
Dividends paid to non-controlling interests		**(2)**	(2)	(6)
Net cash from/(used in) financing activities by continuing operations		**(155)**	(269)	263
Net cash from/(used in) financing activities by discontinued operations		**-**	-	-
Net cash from/(used in) financing activities		**(155)**	(269)	263
Cash and cash equivalents				
Net increase/(decrease) in cash and cash equivalents	14	**11**	(102)	467
Cash and cash equivalents at beginning of the period		**1,110**	643	643
Currency translation gains/(losses) on cash and cash equivalents		**(3)**	2	-
Cash and cash equivalents at end of the period		**1,118**	543	1,110

(1) Net of cash acquired or disposed and payments received or made under warranties and indemnities.

Reconciliation of free cash flow from continuing operations
for the six months ended 31 March 2012

	Six months to 31 March		Year ended 30 September
	2012	2011	2011
	Unaudited	Unaudited	Audited
	£m	£m	£m
Net cash from operating activities of continuing operations	**510**	467	970
One-off employer contributions to post-employment benefit obligations	**-**	50	60
Purchase of intangible assets	**(68)**	(60)	(126)
Purchase of property, plant and equipment	**(117)**	(123)	(244)
Proceeds from sale of property, plant and equipment / intangible assets	**7**	12	30
Purchase of other investments	**(3)**	(4)	(2)
Dividends received from associated undertakings	**6**	4	7
Interest received	**4**	5	4
Dividends paid to non-controlling interests	**(2)**	(2)	(6)
Free cash flow from continuing operations	**337**	349	693
Add back impact of non-recurring tax issues	**31**	-	-
Underlying free cash flow	**368**	349	693

Notes to the condensed financial statements
for the six months ended 31 March 2012

1 Basis of preparation

The unaudited condensed financial statements for the six months ended 31 March 2012 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34'), and have been prepared on the basis of International Financial Reporting Standards ('IFRSs') and International Financial Reporting Interpretations Committee ('IFRIC') interpretations as adopted by the European Union that are effective for the year ended 30 September 2012.

The unaudited condensed financial statements for the six months ended 31 March 2012, which were approved by the Board on 16 May 2012, and the comparative information in relation to the year ended 30 September 2011, do not comprise statutory accounts for the purpose of Section 434 of the Companies Act 2006, and should be read in conjunction with the Annual Report for the year ended 30 September 2011. Those accounts have been reported upon by the Group's Auditor and delivered to the Registrar of Companies. The report of the Auditor was unqualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The financial statements have been prepared on the going concern basis. This is discussed in the Business Review on page 13.

The accounting policies adopted in the preparation of these unaudited condensed financial statements are consistent with the policies applied by the Group in its consolidated financial statements for the year ended 30 September 2011.

2 Seasonality of operations

Overall, seasonality is not a significant factor across the Group. However, within individual sectors and geographies we do see some seasonal effects.

Revenues in the Education sector are lower outside term time and activity in the Business & Industry sector in Europe slows down throughout the summer.

3 Segmental reporting

Management of the Company's operations, excluding Central activities, is organised within three segments: North America, the more developed markets of Europe & Japan and our Fast Growing & Emerging markets. These, together with Central activities, comprise the Company's reportable segments. These segments comprise countries which are at similar stages of development and demonstrate similar economic characteristics. Each segment derives revenue from delivery of food and support services.

Previously, the Company reported the following segments: North America, Continental Europe, UK & Ireland and Rest of the World. UK & Ireland, along with Japan, which was removed from the Rest of the World segment, were combined with Continental Europe, less Turkey and Russia, to form the Europe & Japan segment. Russia and Turkey were combined with the remainder of the previous Rest of the World segment to form Fast Growing & Emerging. Segment information for the prior periods has been restated to reflect the new segments. There has been no change to underlying cash-generating units.

3 Segmental reporting continued

Revenues	North America £m	Europe & Japan £m	Fast Growing & Emerging £m	Intra Group £m	Total £m
	Geographical segments				
Six months ended 31 March 2012					
External revenue	**3,799**	**3,228**	**1,523**	**-**	**8,550**
Less: Discontinued operations	**-**	**-**	**-**	**-**	**-**
External revenue - continuing	**3,799**	**3,228**	**1,523**	**-**	**8,550**
Six months ended 31 March 2011					
External revenue	3,450	3,126	1,297	-	7,873
Less: Discontinued operations	-	-	-	-	-
External revenue - continuing	3,450	3,126	1,297	-	7,873
Year ended 30 September 2011					
External revenue	6,849	6,217	2,767	-	15,833
Less: Discontinued operations	-	-	-	-	-
External revenue - continuing	6,849	6,217	2,767	-	15,833

(1) There is no inter-segmental trading.

(2) The previous reporting segments of North America, Continental Europe, UK & Ireland and Rest of the World, have become three segments: North America, Europe & Japan and Fast Growing & Emerging. This change only affects the regional segmental reporting structure of the results; there is no change to the condensed financial statements.

Revenues	Business & Industry £m	Education £m	Healthcare & Seniors £m	Sports & Leisure £m	Defence, Offshore & Remote £m	Total £m
	Products and services: Sectors					
Six months ended 31 March 2012						
External revenue	**3,595**	**1,526**	**1,552**	**812**	**1,065**	**8,550**
Less: Discontinued operations	-	-	-	-	-	**-**
External revenue - continuing	**3,595**	**1,526**	**1,552**	**812**	**1,065**	**8,550**
Six months ended 31 March 2011						
External revenue	3,307	1,397	1,405	801	963	7,873
Less: Discontinued operations	-	-	-	-	-	-
External revenue - continuing	3,307	1,397	1,405	801	963	7,873
Year ended 30 September 2011						
External revenue	6,751	2,477	2,905	1,688	2,012	15,833
Less: Discontinued operations	-	-	-	-	-	-
External revenue - continuing	6,751	2,477	2,905	1,688	2,012	15,833

(1) There is no inter-sector trading.

(2) Continuing revenues from external customers arising in the UK, the Group's country of domicile, were £948 million (six months to 31 March 2011: £938 million, year ended 30 September 2011: £1,873 million). Continuing revenues from external customers arising in all foreign countries from which the Group derives revenues were £7,602 million (six months to 31 March 2011: £6,935 million, year ended 30 September 2011: £13,960 million).

3 Segmental reporting continued

Result	North America £m	Europe & Japan £m	Fast Growing & Emerging £m	Central activities £m	Total £m
	Geographical segments				
Six months ended 31 March 2012					
Operating profit before associates, UK re-organisation and costs relating to acquisitions	**313**	**214**	**115**	**(30)**	**612**
UK re-organisation	**-**	**-**	**-**	**-**	**-**
Total operating profit before associates and costs relating to acquisitions	**313**	**214**	**115**	**(30)**	**612**
Less: Discontinued operations	**-**	**-**	**-**	**-**	**-**
Operating profit before associates and costs relating to acquisitions	**313**	**214**	**115**	**(30)**	**612**
Less: Amortisation of intangibles arising on acquisition	**(3)**	**(3)**	**(2)**	**(1)**	**(9)**
Less: Acquisition transaction costs	**-**	**(3)**	**-**	**(2)**	**(5)**
Add: Adjustment to contingent consideration on acquisition	**1**	**-**	**-**	**-**	**1**
Operating profit before associates - continuing	**311**	**208**	**113**	**(33)**	**599**
Add: Share of profit of associates	**3**	**2**	**-**	**-**	**5**
Total operating profit - continuing	**314**	**210**	**113**	**(33)**	**604**
Gain on disposal of US Corrections business					**24**
Gain on remeasurement of joint venture interest on acquisition of control					-
Finance income					**4**
Finance costs					**(49)**
Hedge accounting ineffectiveness					**(2)**
Change in the fair value of investments and non-controlling interest put options					**-**
Profit before tax					**581**
Income tax expense					**(152)**
Profit for the period from continuing operations					**429**
Six months ended 31 March 2011					
Operating profit before associates, UK re-organisation and costs relating to acquisitions	281	214	98	(30)	563
UK re-organisation	**-**	**-**	**-**	**-**	**-**
Total operating profit before associates and costs relating to acquisitions	281	214	98	(30)	563
Less: Discontinued operations	-	-	-	-	-
Operating profit before associates and costs relating to acquisitions	281	214	98	(30)	563
Less: Amortisation of intangibles arising on acquisition	(1)	(1)	(2)	-	(4)
Less: Acquisition transaction costs	-	(3)	(1)	-	(4)
Add: Adjustment to contingent consideration on acquisition	-	-	-	-	-
Operating profit before associates - continuing	280	210	95	(30)	555
Add: Share of profit of associates	1	3	-	-	4
Total operating profit - continuing	281	213	95	(30)	559
Gain on disposal of US Corrections business					**-**
Gain on remeasurement of joint venture interest on acquisition of control					-
Finance income					4
Finance costs					(40)
Hedge accounting ineffectiveness					4
Change in the fair value of investments and non-controlling interest put options					1
Profit before tax					528
Income tax expense					(142)
Profit for the period from continuing operations					386

3 Segmental reporting continued

Result	North America £m	Europe & Japan £m	Fast Growing & Emerging £m	Central activities £m	Total £m
	Geographical segments				
Year ended 30 September 2011					
Operating profit before associates, UK re-organisation and costs relating to acquisitions	538	400	207	(60)	1,085
UK re-organisation	-	(55)	-	-	(55)
Total operating profit before associates and costs relating to acquisitions	538	345	207	(60)	1,030
Less: Discontinued operations	-	-	-	-	-
Operating profit before associates and costs relating to acquisitions	538	345	207	(60)	1,030
Less: Amortisation of intangibles arising on acquisition	(3)	(4)	(4)	(1)	(12)
Less: Acquisition transaction costs	(1)	(5)	(2)	(1)	(9)
Add: Adjustment to contingent consideration on acquisition	1	-	-	-	1
Operating profit before associates - continuing	535	336	201	(62)	1,010
Add: Share of profit of associates	3	3	-	-	6
Total operating profit - continuing	538	339	201	(62)	1,016
Gain on disposal of US Corrections business					-
Gain on remeasurement of joint venture interest on acquisition of control					16
Finance income					4
Finance costs					(75)
Hedge accounting ineffectiveness					(5)
Change in the fair value of investments and non-controlling interest put options					2
Profit before tax					958
Income tax expense					(264)
Profit for the year from continuing operations					694

(1) The previous reporting segments of North America, Continental Europe, UK & Ireland and Rest of the World, have become three segments: North America, Europe & Japan and Fast Growing & Emerging. This change only affects the regional segmental reporting structure of the results; there is no change to the condensed financial statements.

3 Segmental reporting continued

Balance sheet	North America £m	Europe & Japan £m	Fast Growing & Emerging £m	Central activities £m	Current and deferred tax £m	Net debt £m	Total £m
	Geographical segments				Unallocated		
As at 31 March 2012							
Total assets	**2,950**	**3,888**	**1,332**	**1**	**270**	**1,196**	**9,637**
Total liabilities	**(1,311)**	**(1,516)**	**(672)**	**(243)**	**(261)**	**(2,103)**	**(6,106)**
Net assets/(liabilities)	**1,639**	**2,372**	**660**	**(242)**	**9**	**(907)**	**3,531**
Total assets include:							
Interests in associates	**47**	**32**	**-**	**-**	**-**	**-**	**79**
Non-current assets	**2,191**	**2,836**	**728**	**7**	**243**	**53**	**6,058**
As at 31 March 2011							
Total assets	2,717	3,734	1,016	3	266	614	8,350
Total liabilities	(1,195)	(1,438)	(554)	(245)	(323)	(1,284)	(5,039)
Net assets/(liabilities)	1,522	2,296	462	(242)	(57)	(670)	3,311
Total assets include:							
Interests in associates	6	36	-	-	-	-	42
Non-current assets	2,018	2,715	525	5	246	66	5,575
As at 30 September 2011							
Total assets	2,986	3,770	1,168	7	276	1,203	9,410
Total liabilities	(1,352)	(1,452)	(615)	(251)	(273)	(1,964)	(5,907)
Net assets/(liabilities)	1,634	2,318	553	(244)	3	(761)	3,503
Total assets include:							
Interests in associates	45	34	-	-	-	-	79
Non-current assets	2,210	2,698	717	6	240	64	5,935

(1) The previous reporting segments of North America, Continental Europe, UK & Ireland and Rest of the World, have become three segments: North America, Europe & Japan and Fast Growing & Emerging. This change only affects the regional segmental reporting structure of the results; there is no change to the condensed financial statements.
(2) Non-current assets arising in the UK, the Group's country of domicile, were £2,007 million (31 March 2011: £1,997 million, 30 September 2011: £1,981 million). Non-current assets arising in all foreign countries from which the Group derives revenues were £3,755 million (31 March 2011: £3,266 million, 30 September 2011: £3,650 million).

4 Disposal of US Corrections Assets

On 29 March 2012, the Group disposed of the assets related to its foodservice and support services business in correctional facilities located in the United States. The disposal of these assets is in line with the Group's strategy of continuing to focus on core growth sectors. The gain arising on disposal, as set out in the table below, is included in profit from continuing operations for the period ended 31 March 2012. The assets and results of operations of the Corrections business were included in the North America and the Defence, Offshore & Remote segments.

Gain on disposal of the US Corrections business	Six months to 31 March **2012** **£m**	Six months to 31 March 2011 £m	Year ended 30 September 2011 £m
Gain on disposal of the US Corrections business	**24**	-	-
Tax on gain on disposal of US Corrections business	**(11)**	-	-
Net gain on disposal of US Corrections business	**13**	-	-

5 Financing income, costs and related (gains)/losses

Finance income and costs are recognised in the income statement in the period in which they are earned or incurred.

Finance income and costs	Six months to 31 March 2012 `£m	Six months to 31 March 2011 £m	Year ended 30 September 2011 £m
Finance income			
Bank interest	**4**	4	4
Total finance income	**4**	4	4
Finance costs			
Interest on bank loans and overdrafts	**4**	4	7
Interest on other loans	**35**	26	51
Finance lease interest	**1**	1	2
Interest on bank loans, overdrafts, other loans and finance leases	**40**	31	60
Unwinding of discount on provisions	**1**	1	1
Amount charged to pension scheme liabilities net of expected return on scheme assets (note 11)	**8**	8	14
Total finance costs	**49**	40	75
Finance costs by defined IAS 39[1] category			
Fair value through profit and loss (unhedged derivatives)	**1**	-	1
Derivatives in a fair value hedge relationship	**(18)**	(16)	(31)
Derivatives in a net investment hedge relationship	**3**	2	5
Other financial liabilities	**54**	45	85
Interest on bank loans, overdrafts, other loans and finance leases	**40**	31	60
Fair value through profit or loss (put options held by non-controlling interests)	**1**	1	1
Outside of the scope of IAS 39 (net pension scheme charge)	**8**	8	14
Total finance costs	**49**	40	75

(1) IAS 39 'Financial instruments: Recognition and Measurement'.

The Group's financial instruments comprise cash, borrowings, receivables and payables that are used to finance the Group's operations. The Group also uses derivative financial instruments such as forward currency contracts, cross currency swaps and interest rate swaps to hedge the risks associated with changes in foreign currency exchange rates and interest rates. As explained in section Q of the Group's accounting policies in the Company's Annual Report for the year ended 30 September 2011, such derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates. For derivative financial instruments that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement in the period.

The Group has a small number of outstanding put options which are now matured. This enabled certain non-controlling shareholders to require the Group to purchase the non-controlling interest shareholding at an agreed multiple of earnings. These options are treated as derivatives over equity instruments and are recorded in the balance sheet at fair value which is re-evaluated at each period end. Fair value is based on the present value of expected cash outflows. The movement in fair value is included in the profit for the period.

Financing related (gains)/losses	Six months to 31 March 2012 £m	Six months to 31 March 2011 £m	Year ended 30 September 2011 £m
Hedge accounting ineffectiveness			
Unrealised net (gains)/losses on unhedged derivative financial instruments [1]	**-**	(4)	2
Unrealised net (gains)/losses on derivative financial instruments in a designated fair value hedge [2]	**14**	24	4
Unrealised net (gains)/losses on the hedged item in a designated fair value hedge	**(12)**	(24)	(1)
Total hedge accounting ineffectiveness (gains)/losses	**2**	(4)	5
Change in the fair value of investments and non-controlling interest put options			
Change in the fair value of investments [1], [3]	**-**	(1)	-
Change in fair value of non-controlling interest put options (credit)/charge [1]	**-**	-	(2)
Total	**-**	(1)	(2)

(1) Categorised as 'fair value through profit or loss' (IAS 39).
(2) Categorised as derivatives that are designated and effective as hedging instruments carried at fair value (IAS 39).
(3) Life insurance policies used by overseas companies to meet the cost of unfunded post-employment benefit obligations included in note 11.

6 Tax

The income tax expense on continuing operations for the period is based on an estimated full year effective tax rate of 26% (last full year 27%).(1)

Recognised in the income statement: Income tax expense on continuing operations	Six months to 31 March 2012 £m	Six months to 31 March 2011 £m	Before UK re-organisation Year ended 30 September 2011 £m	UK re-organisation Year ended 30 September 2011 £m	Year ended 30 September 2011 £m
Current tax					
Current year	**168**	136	272	(3)	269
Adjustment in respect of prior years	**(7)**	(1)	(47)	-	(47)
Current tax expense/(credit)	**161**	135	225	(3)	222
Deferred tax					
Current year	**(12)**	7	28	(6)	22
Impact of changes in statutory tax rates	**3**	1	4	-	4
Adjustment in respect of prior years	**-**	(1)	16	-	16
Deferred tax expense/(credit)	**(9)**	7	48	(6)	42
Total income tax					
Income tax expense/(credit) on continuing operations	**152**	142	273	(9)	264

(1) On an underlying basis.

The Group does not recognise deferred tax assets in respect of tax losses and other temporary differences where the recovery is uncertain. Unrecognised deferred tax assets in respect of tax losses and other temporary differences amount to £33 million (30 September 2011: £37 million). No deferred tax liability is recognised on temporary differences relating to the unremitted earnings of overseas operations as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

The impact of the changes in statutory rates relates principally to the reduction of the UK corporation tax rate from 26% to 24% from 1 April 2012. The change has resulted in a deferred tax charge arising from the reduction in the balance sheet carrying value of deferred tax assets to reflect the anticipated rate of tax at which those assets are expected to reverse.

7 Discontinued operations

Period ended 31 March 2012

There is no profit or loss for the period from discontinued operations.

Period ended 31 March 2011

There is no profit or loss for the period from discontinued operations.

Year ended 30 September 2011

The profit for the year from discontinued operations of £40 million arose on the release of provisions now deemed surplus (including income tax provisions) and a £2 million VAT refund relating to prior period disposals.

	Six months to 31 March		Year ended 30 September
Financial performance of discontinued operations	**2012 £m**	2011 £m	2011 £m
Trading activities of discontinued operations [1]			
External revenue	-	-	-
Operating refund/(costs)	-	-	2
Profit/(loss) before tax	-	-	2
Income tax (expense)/credit	-	-	-
Profit/(loss) after tax	-	-	2
Disposal of net assets and other adjustments relating to discontinued operations			
Profit on disposal of net assets of discontinued operations	-	-	-
Release of surplus provisions and accruals related to discontinued operations[1],[2]	-	-	5
Profit before tax	-	-	5
Income tax (expense)/credit	-	-	33
Total profit after tax	-	-	38
Profit for the period from discontinued operations			
Profit/(loss) for the period from discontinued operations	-	-	40

(1) The trading activity for the period to 30 September 2011 relates to the final run-off of activity in businesses earmarked for closure.
(2) Released surplus provisions of £5 million in the year ended 30 September 2011.

The profit/(loss) on disposal can be reconciled to the cash inflow/(outflow) from disposals as follows:

	Six months to 31 March		Year ended 30 September
Net assets/(liabilities) disposed and disposal proceeds	**2012 £m**	2011 £m	2011 £m
Increase/(decrease) in retained liabilities [1]	-	(8)	-
Profit on sale/closure of discontinued operations before tax	-	-	-
Consideration, net of costs	-	(8)	-
Consideration deferred to future periods	-	-	-
Cash disposed of	-	-	-
Cash inflow/(outflow) from current year disposals	-	-	-
Deferred consideration and other payments relating to previous disposals	-	-	-
Cash inflow/(outflow) from disposals	-	(8)	-

(1) Includes the utilisation of disposal provisions of £4 million, release of accruals of £1 million and £3 million of payment of tax liabilities in the period ended 31 March 2011.

The outflow from discontinued operations included in the condensed cash flow statement for the period ended 31 March 2012 relates to the settlement of certain tax liabilities on the disposal of businesses in earlier years.

There were no assets or liabilities included in disposal groups held for sale at the balance sheet date.

8 Earnings per share

The calculation of earnings per share is based on earnings after tax and the weighted average number of shares in issue during the period. The adjusted earnings per share figures have been calculated based on earnings excluding the effect of discontinued operations, the UK re-organisation, gain on disposal of the US Corrections business, the amortisation of intangible assets arising on acquisition, acquisition transaction costs, adjustment to contingent consideration on acquisition, hedge accounting ineffectiveness, and the change in the fair value of investments and non-controlling interest put options, gain on remeasurement of joint venture interest on acquisition of control and the tax attributable to these amounts. These items are excluded in order to show the underlying trading performance of the Group.

Attributable profit	Six months to 31 March 2012 £m	Six months to 31 March 2011 £m	Year ended 30 September 2011 £m
Profit for the period attributable to equity shareholders of the Company	**427**	384	728
Less: Profit for the period from discontinued operations	**-**	-	(40)
Attributable profit for the period from continuing operations	**427**	384	688
Add back: Amortisation of intangible assets arising on acquisition (net of tax)	**6**	3	8
Add back: Acquisition transaction costs (net of tax)	**3**	3	8
Less: Adjustment to contingent consideration on acquisition (net of tax)	**(1)**	-	(1)
Less: Change in fair value of investments and non-controlling interest put options (net of tax)	**-**	(1)	(2)
Add back: UK re-organisation (net of tax)	**-**	-	46
Add back: Gain on US Corrections disposal (net of tax)	**(13)**	-	-
Add Back: Gain on remeasurement of joint venture interest on acquisition of control (net of tax)	**-**	-	(13)
Add back: Loss/(profit) from hedge accounting ineffectiveness (net of tax)	**2**	(3)	4
Underlying attributable profit for the period from continuing operations	**424**	386	738

Average number of shares (millions of ordinary shares of 10p each)	Six months to 31 March 2012	Six months to 31 March 2011	Year ended 30 September 2011
Average number of shares for basic earnings per share	**1,897**	1,889	1,892
Dilutive share options	**9**	13	13
Average number of shares for diluted earnings per share	**1,906**	1,902	1,905

Basic earnings per share (pence)			
From continuing and discontinued operations	**22.5**	20.3	38.5
From discontinued operations	**-**	-	(2.1)
From continuing operations	**22.5**	20.3	36.4
Amortisation of intangible assets arising on acquisition (net of tax)	**0.3**	0.2	0.4
Acquisition transaction costs (net of tax)	**0.2**	0.2	0.4
Adjustment to contingent consideration on acquisition (net of tax)	**-**	-	-
Change in fair value of investments and non-controlling interest put options (net of tax)	**-**	(0.1)	(0.1)
UK re-organisation (net of tax)	**-**	-	2.4
Gain on US Corrections disposal (net of tax)	**(0.7)**	-	-
Gain on remeasurement of joint venture interest on acquisition of control (net of tax)	**-**	-	(0.7)
Hedge accounting ineffectiveness (net of tax)	**0.1**	(0.2)	0.2
From underlying continuing operations	**22.4**	20.4	39.0

Diluted earnings per share (pence)			
From continuing and discontinued operations	**22.4**	20.2	38.2
From discontinued operations	**-**	-	(2.1)
From continuing operations	**22.4**	20.2	36.1
Amortisation of intangible assets arising on acquisition (net of tax)	**0.3**	0.2	0.4
Acquisition transaction costs (net of tax)	**0.2**	0.2	0.4
Adjustment to contingent consideration on acquisition (net of tax)	**-**	-	-
Change in fair value of investments and non-controlling interest put options (net of tax)	**-**	(0.1)	(0.1)
UK re-organisation (net of tax)	**-**	-	2.4
Gain on US Corrections disposal (net of tax)	**(0.7)**	-	-
Gain on remeasurement of joint venture interest on acquisition of control (net of tax)	**-**	-	(0.7)
Hedge accounting ineffectiveness (net of tax)	**0.1**	(0.2)	0.2
From underlying continuing operations	**22.3**	20.3	38.7

9 Dividends

The interim dividend of 7.2 pence per share (2011: 6.5 pence per share), £136 million in aggregate[(1)], is payable on 30 July 2012 to shareholders on the register at the close of business on 29 June 2012. The dividend was approved by the Board after the balance sheet date, and has therefore not been reflected as a liability in the interim financial statements.

Dividends paid on ordinary shares of 10p each	Six months to 31 March 2012 £m	Six months to 31 March 2011 £m	Year ended 30 September 2011 £m
Final 2010 - 12.5p per share	**-**	236	236
Interim 2011 - 6.5p per share	**-**	-	124
Final 2011 - 12.8p per share	**243**	-	-
Total dividends	**243**	236	360

(1) Based on the number of shares in issue at 31 March 2012 (1,887 million shares).

10 Provisions

Provisions	Insurance £m	Provisions in respect of discontinued and disposed businesses £m	Onerous contracts £m	Legal and other claims £m	Environmental and other £m	Total 2012 £m	Total 2011 £m	Total Year ended 30 September 2011 £m
	Six months to 31 March							
Brought forward	**201**	**54**	**41**	**130**	**13**	**439**	432	432
Reclassified	**(1)**	**-**	**-**	**1**	**-**	**-**	-	-
Expenditure in the year	**(4)**	**(2)**	**(4)**	**(23)**	**(7)**	**(40)**	(24)	(37)
Charged to income statement	**14**	**-**	**3**	**8**	**14**	**39**	36	72
Credited to income statement	**-**	**-**	**(4)**	**(2)**	**(1)**	**(7)**	(4)	(28)
Fair value adjustments arising on acquisitions	**-**	**-**	**-**	**-**	**-**	**-**	(1)	(1)
Business acquisitions	**-**	**-**	**-**	**1**	**-**	**1**	-	2
Unwinding of discount on provisions	**-**	**-**	**1**	**-**	**-**	**1**	1	-
Currency adjustment	**(4)**	**-**	**-**	**(1)**	**(1)**	**(6)**	-	(1)
Carried forward	**206**	**52**	**37**	**114**	**18**	**427**	440	439

Provisions	As at 31 March 2012 £m	As at 31 March 2011 £m	As at 30 September 2011 £m
Current	**125**	139	138
Non-current	**302**	301	301
Total provisions	**427**	440	439

The provision for insurance relates to the costs of self-funded insurance schemes and is essentially long-term in nature.

Provisions in respect of discontinued and disposed businesses relate to estimated amounts payable in connection with onerous contracts and claims arising from disposals. The final amount payable remains uncertain as, at the date of approval of these financial statements, there remains a further period during which claims may be received. The timing of any settlement will depend upon the nature and extent of claims received. Surplus provisions of nil (six months ended 31 March 2011: nil, year ended 30 September 2011: £5 million) were credited to the discontinued operations section of the income statement in the period.

Provisions for onerous contracts represent the liabilities in respect of short-term and long-term leases on unoccupied properties and other contracts lasting under five years.

Provisions for legal and other claims relate principally to provisions for the estimated cost of litigation and sundry other claims. The timing of the settlement of these claims is uncertain.

Environmental provisions are in respect of potential liabilities relating to the Group’s responsibility for maintaining its operating sites in accordance with statutory requirements and the Group’s aim to have a low impact on the environment. These provisions are expected to be utilised as operating sites are disposed of or as environmental matters are resolved. The other provisions include provisions for restructuring.

Provisions are discounted to present value where the effect is material using the Group's weighted average cost of capital.

11 Post-employment benefit obligations

The Group operates a number of pension arrangements throughout the world which have been developed in accordance with statutory requirements and local customs and practices. The majority of schemes are self-administered and the schemes’ assets are held independently of the Group’s assets. Pension costs are assessed in accordance with the advice of independent, professionally qualified, actuaries. The Group makes employer contributions to the various schemes in existence within the range of 3% to 35% of pensionable salaries.

The arrangements are described in more detail in note 23 of the Company's Annual Report for the year ended 30 September 2011.

Post-employment benefit obligations: Total (surplus)/deficit	Six months to 31 March					Year ended
	UK	**USA**	**Other**	**Total 2012**	Total 2011	30 September 2011
	£m	**£m**	**£m**	**£m**	£m	£m
Brought forward	**54**	**127**	**112**	**293**	390	390
Business acquisitions	**-**	**-**	**4**	**4**	-	6
Current service cost	**1**	**4**	**6**	**11**	13	21
Plan settlement	**-**	**-**	**(1)**	**(1)**	-	-
Amount charged to plan liabilities	**38**	**8**	**4**	**50**	53	99
Expected return on plan assets	**(33)**	**(6)**	**(3)**	**(42)**	(45)	(85)
Actuarial (gains)/losses	**57**	**(11)**	**3**	**49**	(117)	(17)
Employer contributions (1)	**(15)**	**(13)**	**(10)**	**(38)**	(95)	(123)
Currency adjustment	**-**	**(3)**	**(3)**	**(6)**	1	2
Carried forward	**102**	**106**	**112**	**320**	200	293

(1) Group contributions in the six months to 31 March 2011 include an exceptional advance payment of £50 million (year ended 30 September 2011: £60 million)

The deficit can be reconciled to the post-employment benefit obligations reported in the condensed balance sheet as follows:

Post-employment benefit obligations recognised in the balance sheet	As at 31 March 2012 £m	As at 31 March 2011 £m	As at 30 September 2011 £m
Total deficit of defined benefit pension plans shown in the above table	**320**	200	293
Past service cost not recognised [1]	**(1)**	(1)	(1)
Post-employment benefit obligations shown in the balance sheet	**319**	199	292

(1) To be recognised over the remaining service life in accordance with IAS 19.

The actuarial (gain)/loss reported in the condensed statement of comprehensive income can be reconciled as follows:

Actuarial adjustments	Six months to 31 March 2012 £m	Six months to 31 March 2011 £m	Year ended 30 September 2011 £m
Actuarial (gains)/losses shown in the above table	**49**	(117)	(17)
Increase/(decrease) in surplus not recognised	**-**	-	-
Actuarial (gains)/losses shown in the statement of comprehensive income	**49**	(117)	(17)

12 Business combinations

On 3 October 2011, Compass Group, through its subsidiary Sofra Yemek Üretim ve Hizmet A.S., acquired the entire issued share capital of Obasan Gıda İnşaat Sanayi ve Ticaret Anonim Şirketi ('Obasan'), for total consideration of £48 million. Obasan is the leading provider of delivered meals to businesses within Turkey in and around Bursa and Istanbul. The acquisition is an addition to the existing business in Turkey that brings significant expertise in providing delivered meals to offices, enabling the Company to service more organisations that do not have catering facilities on-site and expand offerings in that market.

On 21 October 2011, Compass Group, through its subsidiary, Compass Group, UK and Ireland Limited, acquired Integrated Cleaning Management Limited ('ICM'), an independent specialist provider of core cleaning and related services, for total consideration of £38 million. ICM operates across the UK, with a particular focus on the corporate office, hospitality, leisure, hotel and retail sectors and strengthens the Group's multi-service capability.

On 29 February 2012, Compass Group, through its subsidiary Seiyo Food-Compass Group, Inc., purchased Nihon Kyushoku Service Co Ltd ('NKS'), a foodservice provider, for total consideration of £37 million. NKS operates mainly in the Healthcare sector and represents a further opportunity for expansion in this sector, significantly in senior living.

On 7 March 2012, Compass Group, through its subsidiary Compass Group Southern Africa (Proprietary) Ltd ('CGSA'), acquired Supercare Services Group (Proprietary) Limited ('Supercare') for total consideration of £42 million. Supercare is one of South Africa's leading cleaning companies, providing a range of specialised services including contract cleaning and washroom hygiene services. This acquisition will expand CGSA's multi-service offer to clients and will give it a strong cross-selling platform.

In addition to the acquisitions set out above, the Group has also completed a number of smaller infill acquisitions in several countries for total consideration of £31 million.

12 Business combinations continued

	Acquisitions		Adjustments (1)	Total
	Book value £m	Fair value £m	Fair value £m	Fair value £m
Net assets acquired				
Contract-related and other intangibles arising on acquisition	1	62	14	76
Property, plant and equipment	15	13	-	13
Inventories	2	2	1	3
Trade and other receivables	43	43	-	43
Cash and cash equivalents	21	21	-	21
Deferred tax assets	4	4	-	4
Investments in associate undertakings	1	1	(1)	-
Trade and other payables	(27)	(27)	-	(27)
Deferred tax liabilities	-	(13)	(1)	(14)
Other liabilities	(16)	(7)	(1)	(8)
Fair value of net assets acquired	44	99	12	111
Goodwill arising on acquisition		97	(11)	86
Total consideration		196	1	197
Satisfied by				
Cash consideration		190	1	191
Deferred consideration (2)		6	-	6
		196	1	197
Cash flow				
Cash consideration		190	1	191
Cash acquired		(21)	-	(21)
Acquisition transaction costs		5	-	5
Net cash outflow arising on acquisition		174	1	175
Deferred consideration and other payments relating to previous acquisitions				13
Total cash outflow arising from the purchase of subsidiary companies and investments in associated undertakings				188

(1) Adjustments to provisional amounts in respect of prior year acquisitions in accordance with International Financial Reporting Standard 3 'Business Combinations (Revised 2008)'.
(2) Deferred consideration is an estimate at the date of acquisition of the amount of additional consideration that will be payable in the future. Actual amounts paid can vary from the estimate depending on the terms of the transaction and, for example, the actual performance of the acquired business.

Adjustments made to the fair value of assets acquired include the value of intangible assets, provisions and other adjustments recognised on acquisition in accordance with International Financial Reporting Standard 3 'Business Combinations' (revised 2008). The adjustments made in respect of the acquisitions in the six months to 31 March 2012 are provisional and will be finalised within 12 months of the acquisition date.

The goodwill arising on the acquisition of the businesses represents the premium the Group paid to acquire companies which complement the existing business and create significant opportunities for cross selling and other synergies. Of the goodwill arising, an amount of £2 million is expected to be deductable for tax purposes.

Acquisition transaction costs expensed in the six months to 31 March 2012 were £5 million (2011: £4 million).

In the period from acquisition to 31 March 2012 the acquisitions contributed revenue of £77 million and operating profit of £7 million to the Group's results.

If the acquisitions had occurred on 1 October 2011, Group revenue for the period would have been £8,626 million and total Group operating profit (including associates) would have been £609 million.

13 Reconciliation of operating profit to cash generated by operations

Reconciliation of operating profit to cash generated by continuing operations	Six months to 31 March 2012 £m	Six months to 31 March 2011 £m	Year ended 30 September 2011 £m
Operating profit from continuing operations	**599**	555	1,010
Add back: UK re-organisation	**-**	-	55
Operating profit from continuing operations before UK re-organisation	**599**	555	1,065
Adjustments for:			
Acquisition transaction costs	**5**	4	9
Amortisation of intangible assets (excluding UK re-organisation)	**54**	49	94
Amortisation of intangible assets arising on acquisition	**9**	4	12
Depreciation of property, plant and equipment (excluding UK re-organisation)	**88**	80	160
(Gain)/loss on disposal of property, plant and equipment/intangible assets	**1**	1	1
Impairment of goodwill (excluding UK re-organisation)	**-**	-	2
Increase/(decrease) in provisions	**(6)**	12	8
Increase/(decrease) in post-employment benefit obligations	**(28)**	(33)	(42)
Share-based payments - charged to profits	**5**	5	10
Operating cash flows before movement in working capital	**727**	677	1,319
(Increase)/decrease in inventories	**(6)**	(6)	(16)
(Increase)/decrease in receivables	**(132)**	(82)	(157)
Increase/(decrease) in payables	**94**	42	152
Cash generated by continuing operations	**683**	631	1,298

14 Reconciliation of net cash flow to movement in net debt

This table is presented as additional information to show movement in net debt, defined as overdrafts, bank and other borrowings, finance leases and derivative financial instruments, net of cash and cash equivalents during the period.

	Six months to 31 March									Net debt
Net debt	Cash and cash equivalents £m	Bank overdrafts £m	Bank and other borrowings £m	Total overdrafts and borrowings £m	Finance leases £m	Derivative financial instruments £m	Total gross debt £m	Net debt 2012 £m	Net debt 2011 £m	Year ended 30 September 2011 £m
Brought forward	**1,110**	**(45)**	**(1,880)**	**(1,925)**	**(33)**	**87**	**(1,871)**	**(761)**	(621)	(621)
Net increase/(decrease) in cash and cash equivalents	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	(102)	467
Cash outflow from repayment of bonds	**-**	**-**	**296**	**296**	**-**	**-**	**296**	**296**	26	83
Cash (inflow)/outflow from changes in other gross debt	**-**	**20**	**(492)**	**(472)**	**-**	**(3)**	**(475)**	**(475)**	11	(693)
Cash outflow from repayment of obligations under finance leases	**-**	**-**	**-**	**-**	**4**	**-**	**4**	**4**	6	12
Increase in net debt as a result of new finance leases taken out	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**	**(2)**	(1)	(2)
Currency translation gains/(losses)	**(3)**	**-**	**22**	**22**	**1**	**(3)**	**20**	**17**	2	2
Acquisitions and disposals (excluding cash)	**-**	**(1)**	**-**	**(1)**	**(2)**	**-**	**(3)**	**(3)**	-	(9)
Other non-cash movements	**-**	**-**	**16**	**16**	**-**	**(10)**	**6**	**6**	8	-
Carried forward	**1,118**	**(26)**	**(2,038)**	**(2,064)**	**(32)**	**71**	**(2,025)**	**(907)**	(671)	(761)

Other non-cash movements are comprised as follows:

Other non-cash movements in net debt	Six months to 31 March 2012 £m	2011 £m	Year ended 30 September 2011 £m
Accrual for issuance fees	**-**	-	2
Amortisation of the fair value adjustment in respect of the £250 million sterling Eurobond redeemable in 2014	**2**	2	4
Swap monetisation credit	**-**	1	2
Unrealised net gains/(losses) on bank and other borrowings in a designated fair value hedge	**14**	24	1
Bank and other borrowings	**16**	27	9
Changes in the value of derivative financial instruments	**(10)**	(19)	(9)
Other non-cash movements	**6**	8	-

15 Contingent liabilities

Performance bonds, guarantees and indemnities	As at 31 March 2012 £m	As at 31 March 2011 £m	As at 30 September 2011 £m
Performance bonds, guarantees and indemnities (including those of associated undertakings) (1)	**380**	368	371

(1) Excludes bonds, guarantees and indemnities in respect of self-insurance liabilities, post-employment obligations and borrowings (including finance and operating leases) recorded on the balance sheet or disclosed in note 17.

Performance bonds, guarantees and indemnities

The Company and certain subsidiary undertakings have, in the normal course of business, given guarantees and entered into counter-indemnities in respect of such guarantees relating to the Group's own contracts and/or the Group's share of certain contractual obligations of joint ventures and associates. Where the Group enters into such arrangements, it does so in order to provide assurance to the beneficiary that it will fulfil its existing contractual obligations. The issue of such guarantees and indemnities does not therefore increase the Group's overall exposure and the disclosure of such performance bonds, guarantees and indemnities is given for information purposes only.

Eurest Support Services

On 21 October 2005, the Company announced that it had instructed Freshfields Bruckhaus Deringer to conduct an investigation into the relationships between Eurest Support Services ('ESS') (a member of the Group), IHC Services Inc. ('IHC') and the United Nations ('UN'). Ernst & Young assisted Freshfields Bruckhaus Deringer in this investigation. On 1 February 2006, it was announced that the investigation had concluded.

The investigation established serious irregularities in connection with contracts awarded to ESS by the UN. The work undertaken by Freshfields Bruckhaus Deringer and Ernst & Young gave no reason to believe that these issues extended beyond a few individuals within ESS to other parts of ESS or the wider Compass Group of companies.

The Group settled all outstanding civil litigation against it in relation to this matter in October 2006, but litigation continues between competitors of ESS, IHC and other parties involved in UN procurement.

IHC's relationship with the UN and ESS was part of a wider investigation into UN procurement activity being conducted by the United States Attorney's Office for the Southern District of New York, and with which the Group co-operated fully. The current status of that investigation is uncertain and a matter for the US authorities. Those investigators could have had access to sources unavailable to the Group, Freshfields Bruckhaus Deringer or Ernst & Young, and further information may yet emerge which is inconsistent with, or additional to, the findings of the Freshfields Bruckhaus Deringer investigation, which could have an adverse impact on the Group. The Group has however not been contacted by, or received further requests for information from, the United States Attorney's Office for the Southern District of New York in connection with these matters since January 2006. The Group has co-operated fully with the UN throughout.

Other litigation

The Group is also involved in various other legal proceedings incidental to the nature of its business and maintains insurance cover to reduce financial risk associated with claims related to these proceedings. Where appropriate, provisions are made to cover any potential uninsured losses.

Outcome

Although it is not possible to predict the outcome of these proceedings, or any claim against the Group related thereto, in the opinion of the Directors, any uninsured losses resulting from the ultimate resolution of these matters will not have a material effect on the financial position of the Group.

16 Capital commitments

Capital commitments	As at 31 March 2012 £m	As at 31 March 2011 £m	As at 30 September 2011 £m
Contracted for but not provided for	**101**	80	106

The majority of capital commitments are for intangible assets.

17 Operating lease and concessions commitments

The Group leases offices and other premises under non-cancellable operating leases. The leases have varying terms, purchase options, escalation clauses and renewal rights. The Group has some leases that include revenue-related rental payments that are contingent on future levels of revenue.

There has been no material change to the level of future minimum rentals payable under non-cancellable operating leases and concession agreements since 30 September 2011, as per note 32 of the 2011 Annual Report.

18 Related party transactions

The following transactions were carried out with related parties of Compass Group PLC:

Subsidiaries
Transactions between the Ultimate Parent Company and its subsidiaries, and between subsidiaries, have been eliminated on consolidation.

Joint ventures
There were no significant transactions between joint ventures or joint venture partners and the rest of the Group during the period.

Associates
There were no significant transactions with associated undertakings during the period.

Key management personnel
During the period there were no material transactions or balances between the Group and its key management personnel or members of their close family, other than from remuneration.

19 Post balance sheet events

There have been no material events since 31 March 2012.

20 Exchange rates

Exchange rates	Six months to 31 March		Year ended 30 September
	2012	2011	2011
Average exchange rate for the period			
Australian Dollar	**1.53**	1.59	1.57
Brazilian Real	**2.83**	2.66	2.65
Canadian Dollar	**1.59**	1.59	1.59
Euro	**1.18**	1.16	1.15
Japanese Yen	**124.10**	130.74	129.63
Norwegian Krone	**9.09**	9.23	9.05
South African Rand	**12.43**	11.02	11.17
Swedish Krona	**10.61**	10.50	10.40
Swiss Franc	**1.43**	1.52	1.45
UAE Dirham	**5.81**	5.84	5.90
US Dollar	**1.58**	1.59	1.61
Closing exchange rate as at the end of the period			
Australian Dollar	**1.54**	1.55	1.60
Brazilian Real	**2.91**	2.61	2.89
Canadian Dollar	**1.60**	1.56	1.62
Euro	**1.20**	1.13	1.16
Japanese Yen	**131.49**	132.85	120.08
Norwegian Krone	**9.11**	8.87	9.15
South African Rand	**12.26**	10.84	12.52
Swedish Krona	**10.60**	10.11	10.70
Swiss Franc	**1.44**	1.47	1.42
UAE Dirham	**5.87**	5.89	5.72
US Dollar	**1.60**	1.60	1.56

Notes:

(a) Compass Group is one of the world's leading foodservice and support services company with annual revenue of over £15 billion operating in around 50 countries.

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

The five key value drivers are:

MAP 1: Client sales and marketing
MAP 2: Consumer sales and marketing
MAP 3: Cost of food
MAP 4: Unit costs
MAP 5: Above unit overheads

(c) The timetable for payment of the interim dividend of 7.2p per share is as follows:

Ex dividend date:	27 June 2012
Record date:	29 June 2012
Payment date:	30 July 2012

(d) The Interim Results Announcement was approved by the Directors on 16 May 2012.

The Interim Results Announcement does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006.

(e) Forward looking statements

Certain information included in this Interim Results Announcement is forward-looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of expected future revenues, financing plans, expected expenditures and divestments, risks associated with changes in economic conditions, the strength of the foodservice and support services markets in the jurisdictions in which the Group operates, fluctuations in food and other product costs and prices and changes in exchange and interest rates. Forward-looking statements can be identified by the use of forward-looking terminology, including terms such as 'believes', 'estimates', 'anticipates', 'expects', 'forecasts', 'intends', 'plans', 'projects', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. All forward-looking statements in this announcement are based upon information known to the Company on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward-looking statements, which speak only at their respective dates. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

(f) A presentation for analysts and investors will take place at 9:30 a.m. (BST/London) on Wednesday 16 May 2012 at Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ.

The live presentation can also be accessed via both a teleconference and webcast:

- To listen to the live presentation via teleconference, dial +44 (0) 20 3140 0722.
- To view the presentation slides and/or listen to a live webcast of the presentation, go to www.compass-group.com or www.cantos.com.
- Please note that remote listeners will not be able to ask questions during the Q&A session.

A replay recording of the presentation will also be available via teleconference and webcast:

- A teleconference replay of the presentation will be available from 12:00 noon (BST/London) on Wednesday 16 May 2012 for ten working days. To hear the replay, dial +44 (0) 20 3140 0698, conference reference 382069#.
- A webcast replay of the presentation will be available for six months at www.compass-group.com and www.cantos.com

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