

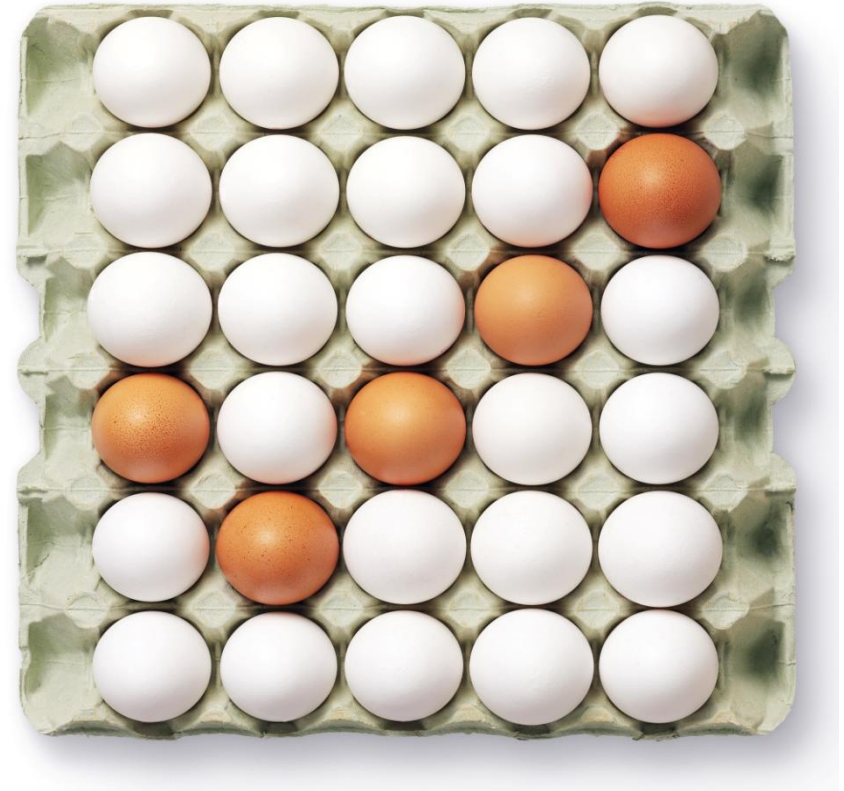


2014 Half Year Results

Wednesday 14 May 2014

Disclaimer

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Welcome & highlights

Richard Cousins

Group Chief Executive

Presentation structure

1. Richard Cousins

Welcome & highlights

2. Dominic Blakemore

Half year results

3. Richard Cousins

Growth strategy & outlook

4. Q&A

Business highlights

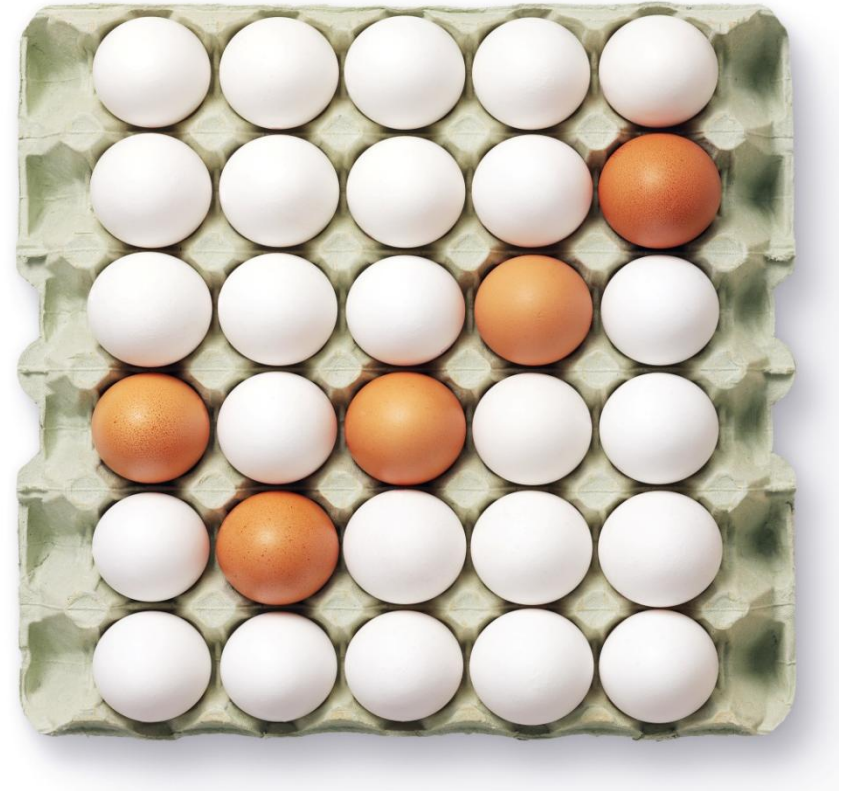
- ✓ Organic revenue growth ▲ 4.2%
- ✓ Operating profit £647m, ▲ 6%
- ✓ Operating profit margin 7.4%, ▲ 10bps
- ✓ EPS 25.3 pence, ▲ 10%
- ✓ Strong cash flow £345m

Notes:

1. All numbers are underlying, at constant currency

Uses of cash

- ✓ Interim dividend 8.8 pence, ▲ 10%
- ✓ £76m spend on infill acquisitions
- ✓ £500m buyback programme ongoing, to be completed in 2015
- ✓ Special dividend, £1 billion
- ✓ Investment...balance sheet efficiency...significant cash returns



2014 Half Year Results

Dominic Blakemore

Group Finance Director

Revenue

	2014 £m	2013 £m	Change			
			Reported Rates %	Constant Currency %	Organic Growth %	Adjusted Organic Growth %
North America	4,151	4,059	2.3%	7.0%	6.6%	6.3%
Europe & Japan	2,951	3,080	(4.2)%	(1.8)%	(1.6)%	(2.1)%
Fast Growing & Emerging	1,557	1,665	(6.5)%	9.3%	9.7%	9.4%
Revenue	8,659	8,804	(1.6)%	4.2%	4.2%	3.8%

Notes:

1. Based on continuing operations
2. Constant currency increase is based on 2013's results restated at 2014's average exchange rates
3. Organic growth adjusts for acquisitions, disposals and exchange rate movements
4. Adjusted organic growth estimates the impact of the timing of Easter and adjusts for this

Operating profit at reported currency

	2014 £m	2013 £m	Change £m	Change Analysed By		
				Currency £m	Acquisition / Disposal £m	Organic £m
North America	350	338	12	(15)	2	25
Europe & Japan	213	212	1	(4)	-	5
Fast Growing & Emerging	110	126	(16)	(18)	-	2
Unallocated central overheads	(32)	(32)	-	-	-	-
Associates	6	6	-	-	-	-
Operating profit	647	650	(3)	(37)	2	32

Notes:

1. Based on continuing operations, excluding European exceptional nil (2013: £20m), amortisation of intangibles arising on acquisitions £11m (2013: £14m), acquisition transaction costs nil (2013: £2m) and adjustment to contingent consideration on acquisition £2m (2013: £1m credit)

Impact of currency on operating profit

	<u>2013 HY Average Rate</u>	<u>2014 HY Average Rate</u>	<u>Impact on 2013 HY Profit</u>	<u>09-May Spot Rate</u>	<u>Impact on 2013 FY Profit</u>
USD	1.58	1.64	£(12)m	1.68	£(36)m
CAD	1.59	1.77	£(3)m	1.84	£(7)m
EUR	1.21	1.20	£1m	1.22	£(3)m
YEN	136.37	166.95	£(4)m	171.28	£(7)m
AUD	1.52	1.80	£(9)m	1.80	£(14)m
BRL	3.21	3.79	£(3)m	3.74	£(6)m
TRY	2.83	3.47	£(3)m	3.50	£(3)m
Other			£(4)m		£(10)m
Total currency impact			£(37)m		£(86)m

Operating profit and margin at constant currency

	2014 £m	2013 ² £m	Change		Margin ³	
					2014	2013
			£m	£m	£m	%
North America	350	323	27	8.4%	8.4%	8.3%
Europe & Japan	213	208	5	2.4%	7.2%	6.9%
Fast Growing & Emerging	110	108	2	1.9%	7.1%	7.6%
Unallocated central overheads	(32)	(32)	-			
Associates	6	6	-			
Operating profit	647	613	34	5.5%	7.4%	7.3%

Notes:

1. Based on continuing operations, excluding European exceptional nil (2013: £20m), amortisation of intangibles arising on acquisitions £11m (2013: £14m), acquisition transaction costs nil (2013: £2m) and adjustment to contingent consideration on acquisition £2m (2013: £1m credit)
2. 2013 has been restated to 2014 average exchange rates
3. Margin excludes profit from associates

Income statement

£m	2014			2013
	Reported	Non-Underlying	Underlying ³	Underlying ³
Revenue	8,659	-	8,659	8,804
Operating profit ²	634	(13)	647	650
Net finance costs	(39)	-	(39)	(39)
Profit before tax	595	(13)	608	611
Tax	(148)	4	(152)	(158)
Tax rate			25%	26%
Profit after tax	447	(9)	456	453
Non-controlling interest	(2)	-	(2)	(3)
Attributable profit	445	(9)	454	450
Average number of shares (millions)	1,795	1,795	1,795	1,838
Basic earnings per share (pence)	24.8p	(0.5)p	25.3p	24.5p

Notes:

1. Based on continuing operations
2. Including share of profit of associates
3. The underlying column excludes the European exceptional nil (2013: £(20)m), amortisation of intangibles arising on acquisitions £(11)m (2013: £(14)m), acquisition transaction costs nil (2013: £(2)m), adjustment to contingent consideration on acquisition £(2)m (2013: £1m), loss on disposal of the US Corrections business nil (2013: £(1)m), the tax attributable to these amounts £4m (2013: £11m) and adjustments to the exceptional recognition of tax losses in prior years nil (2013: £(1)m)

Underlying income statement at constant currency

£m	2014	2013 ³	Growth
Revenue	8,659	8,309	
Operating profit ²	647	613	+5.5%
Net finance costs	(39)	(38)	
Profit before tax	608	575	
Tax	(152)	(149)	
Tax rate	25%	26%	
Profit after tax	456	426	
Non-controlling interest	(2)	(3)	
Attributable profit	454	423	+7.3%
Average number of shares (millions)	1,795	1,838	
Basic earnings per share (pence)	25.3p	23.0p	+10.0%

Notes:

1. Underlying excludes the European exceptional nil (2013: £(20)m), amortisation of intangibles arising on acquisitions £(11)m (2013: £(14)m), acquisition transaction costs nil (2013: £(2)m), adjustment to contingent consideration on acquisition £(2)m (2013: £1m), loss on disposal of the US Corrections business nil (2013: £(1)m), the tax attributable to these amounts £4m (2013: £11m) and adjustments to the exceptional recognition of tax losses in prior years nil (2013: £(1)m)

2. Including share of profit of associates

3. 2013 column restates 2013 to 2014 average exchange rates, using the 2013 underlying tax rate

Free cash flow

£m	2014	2013
Operating profit ²	647	650
Depreciation and amortisation	155	145
EBITDA	802	795
Net capital expenditure ³	(203)	(217)
Trade working capital	(59)	(12)
Provisions	(4)	(10)
Post employment benefits	(22)	(26)
Net interest	(35)	(33)
Net tax	(138)	(120)
Net other items	4	9
Free cash flow	345	386

Notes:

1. Based on continuing operations and excluding the cash restructuring costs related to the European exceptional, net of tax, £21m (2013: £43m)
2. Operating profit includes share of profit of associates
3. Gross capital expenditure including finance leases is £216m, 2.5% of revenue (2013: £234m, 2.7% of revenue)

Net debt

	£m
Opening net debt at 1 October 2013	1,193
Underlying free cash flow from continuing operations	(345)
European exceptional cash flow ¹	21
Acquisitions ²	76
Equity dividends	287
Purchase of own shares	200
Impact of foreign exchange rates	(37)
Other	10
Closing net debt at 31 March 2014	1,405

Notes:

1. European exceptional cash flow includes £31m of cash payments net of a £10m cash tax benefit
2. Acquisitions includes £63m on infill acquisitions and £13m deferred consideration and other payments relating to previous acquisitions

Ongoing priorities for use of cash

1 Capital expenditure

✓ Appropriate investment – around 2.5% of revenue

3

Disciplined infill M&A

✓ Required returns > cost of capital by end of year 2

2

Progressive dividend

✓ Growth in line with constant currency earnings

4

Returns to shareholders

✓ To maintain balance sheet efficiency

Balance sheet efficiency

**Appropriate
credit
ratings**

✓ Strong investment grade

**Financial
flexibility**

✓ To make the right
investment choices

**Sensible
gearing**

✓ Target net debt : EBITDA
1.5x

**£1 billion
special dividend
announced today**

Proposed special dividend

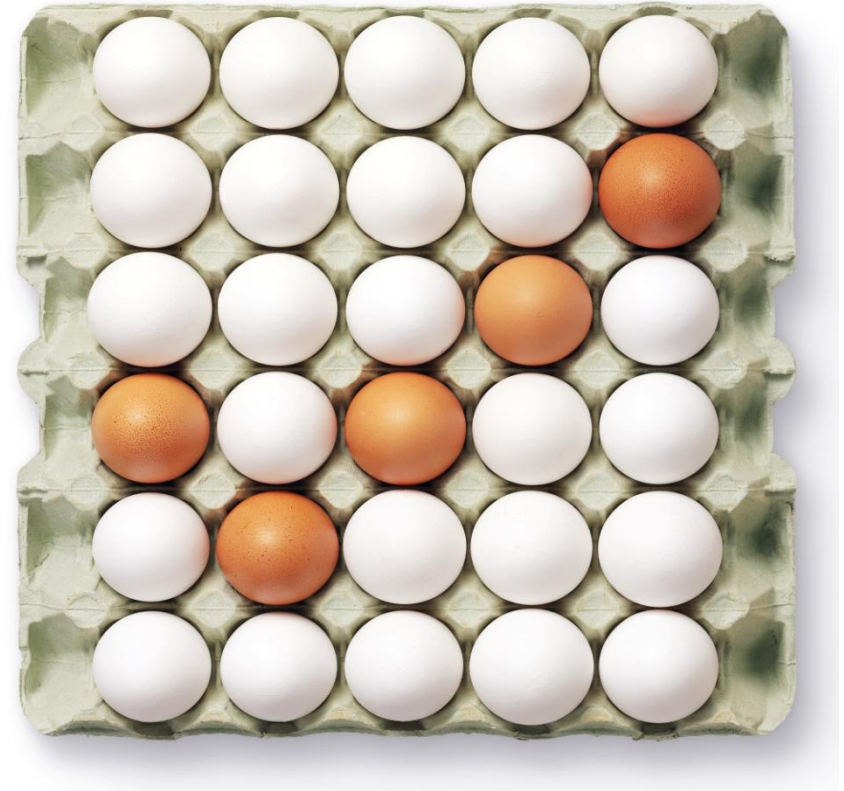
- ✓ £1 billion special dividend, 56 pence per share
- ✓ Receive as income or capital
- ✓ Share consolidation
- ✓ EPS enhancing
- ✓ Payment date 29 July 2014

Notes:

Financial summary

✓ Organic revenue growth	4.2%
✓ Margin progression	10bps
✓ Constant currency EPS growth	10%
✓ Underlying free cash flow generation	£345m
✓ Increase in interim dividend to 8.8 pence per share	10%
✓ Existing share buyback, to be completed in 2015	£500m
✓ Special dividend	£1bn

Strong financial performance



Growth strategy & outlook

Richard Cousins

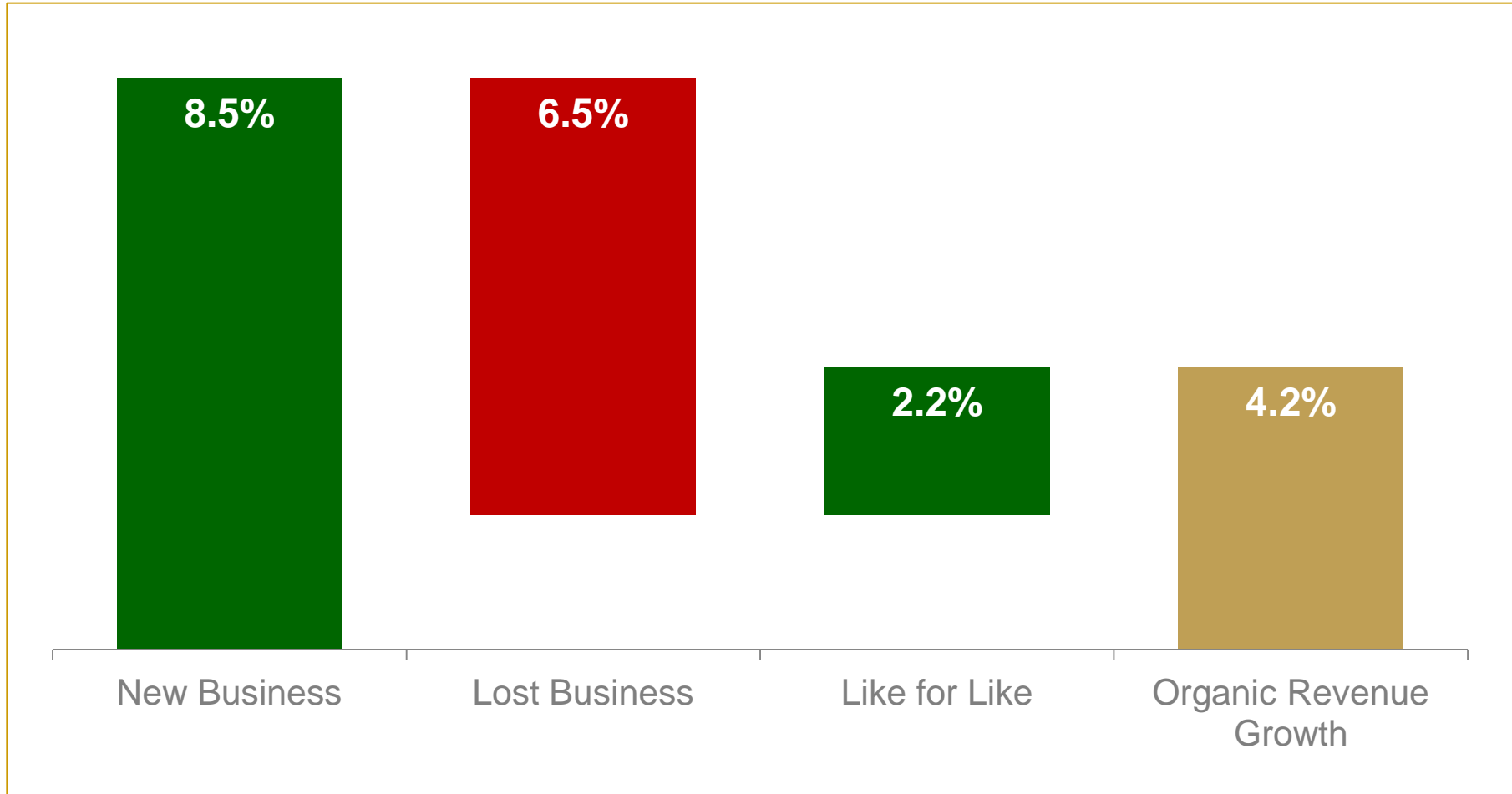
Group Chief Executive

Agenda

1. Performance review
2. Group strategy
3. Growth opportunities
4. Summary & outlook

Performance review

H1 organic revenue growth



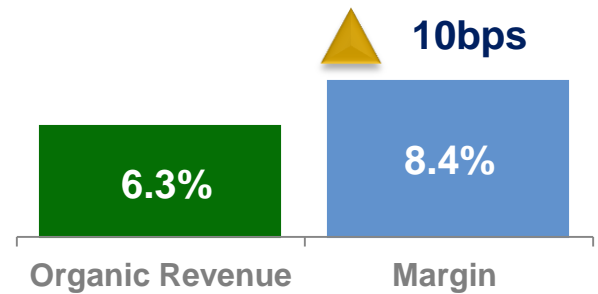
Consistent organic growth trends

Performance review

Regional trends

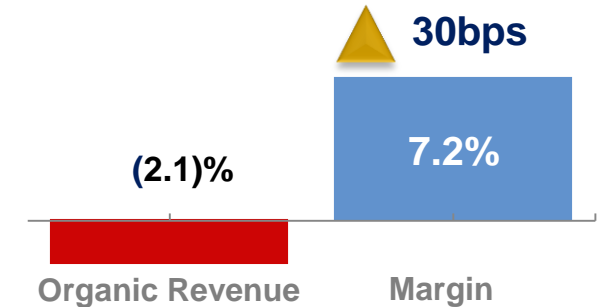
North America

- ✓ High levels of new business and excellent retention
- ✓ Ongoing margin improvement



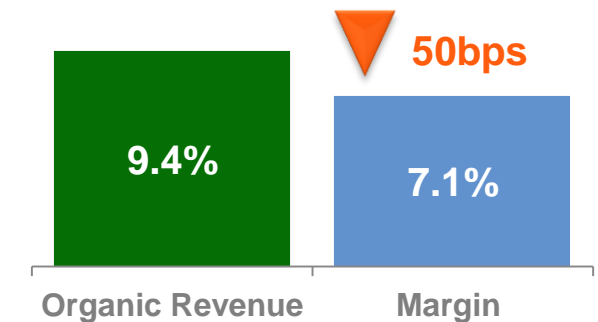
Europe & Japan

- ✓ MAP 1 progress, signs of LFL improvement
- ✓ Efficiencies driving further margin progress



Fast Growing & Emerging

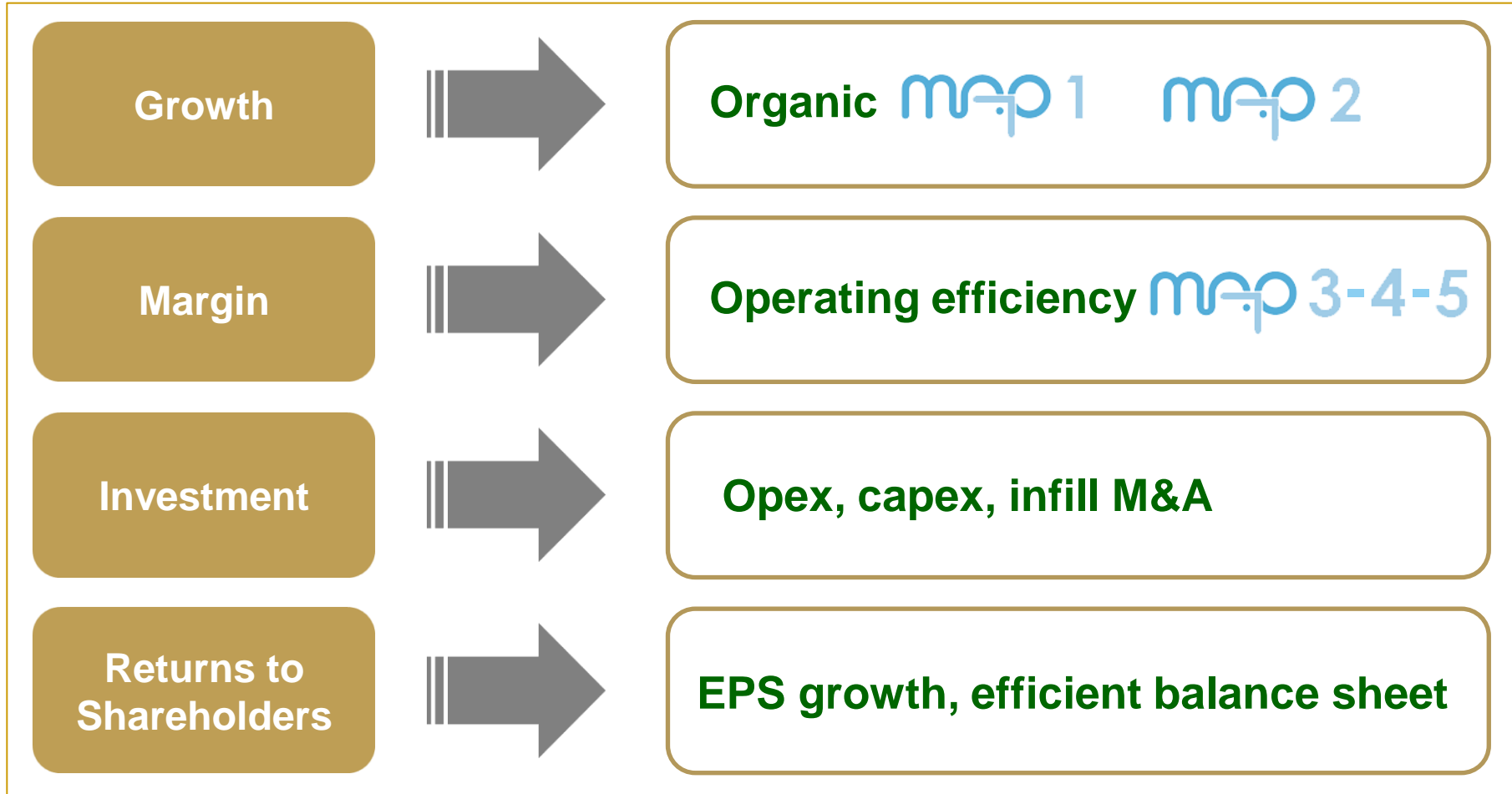
- ✓ Slowdown in Australia
- ✓ Acceleration in outsourcing in Emerging Markets
- ✓ 2013 investment flowing into H1 margin, expected to largely reverse in H2



Note:

1. Organic revenue numbers adjusted for Easter impact

Strategy

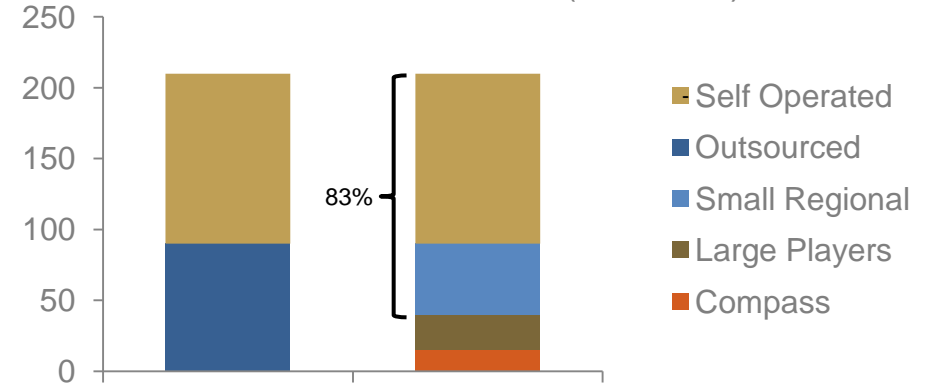


A proven and sustainable model

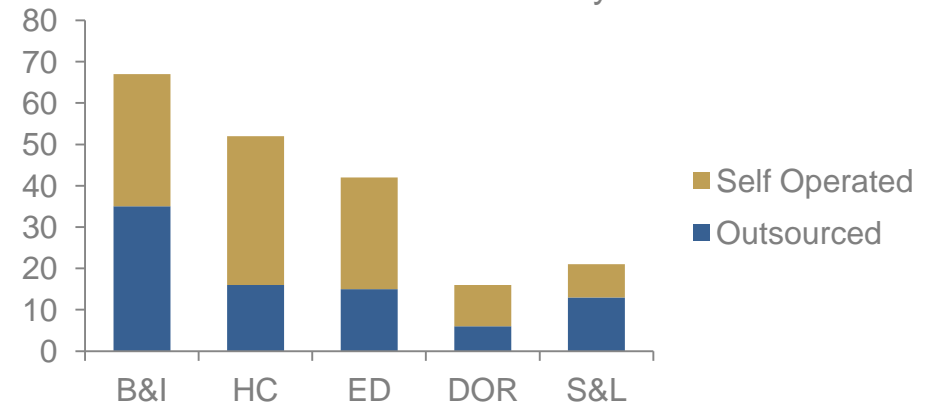
Focus on food

- ✓ Core competence; clear focus
- ✓ Significant, £200bn opportunity
- ✓ >80% self-operated/small players
- ✓ Ranked 1 or 2 in most key markets
- ✓ Underpenetrated sectors

Food Service Market (c.£200bn)



Food Service Market - by Sector



Note:

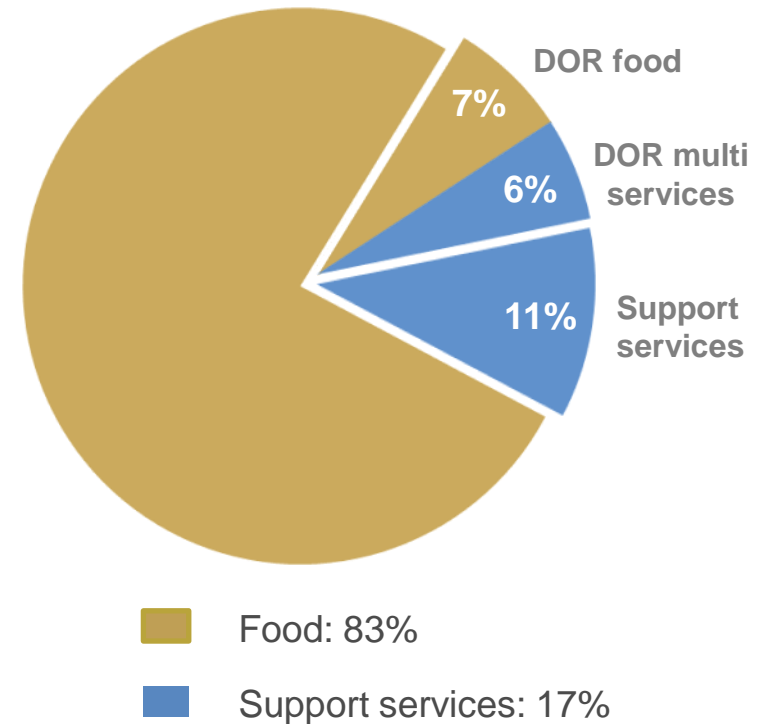
1. Market data figures based on Compass Group management estimates

* Excludes North America vending (c.£9bn)

Incremental approach to support and multi services

- ✓ Multi services, a core proposition in DOR
- ✓ Elsewhere, divergent trends
- ✓ Incrementally building capability and partnerships
- ✓ Focus on soft support services
- ✓ Selective approach

2013 Split of revenue

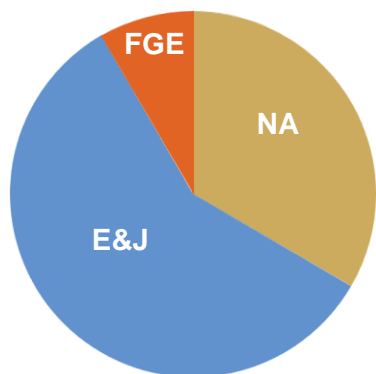


Selective and incremental approach

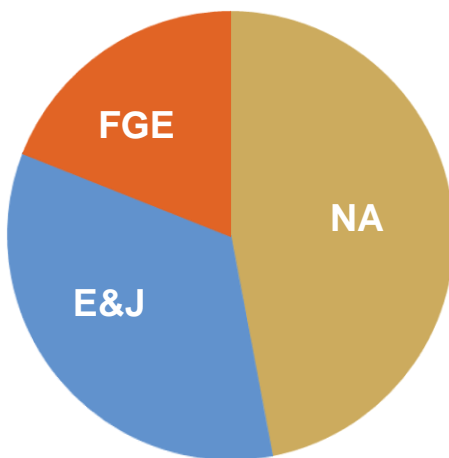
Geographic priorities

Emerging Markets increasing share

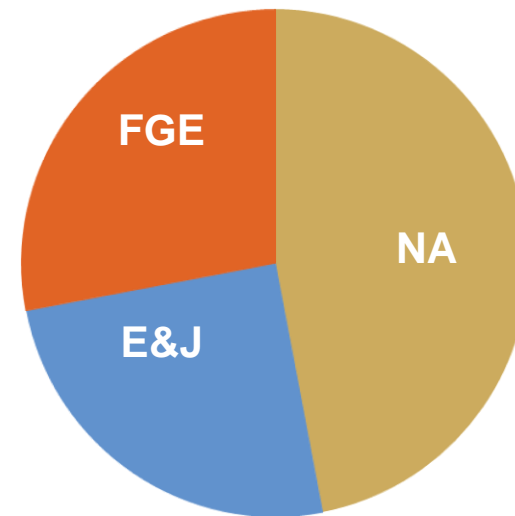
2003



2013



+10 years?



Region	Approach
North America	<i>Core growth engine</i>
Europe & Japan	<i>Return to growth</i>
Fast Growing & Emerging	<i>High growth balanced with investment</i>

Driving organic growth

MAP 1 & 2

map 1

- ✓ New business and retention
- ✓ Investment in sales and training
- ✓ International clients

map 2

- ✓ Participation and spend
- ✓ Service excellence, intelligent marketing
- ✓ Retail skills training



NOMURA



Morgan Stanley



MetLife



L'ORÉAL



ExxonMobil



North America

Core growth engine

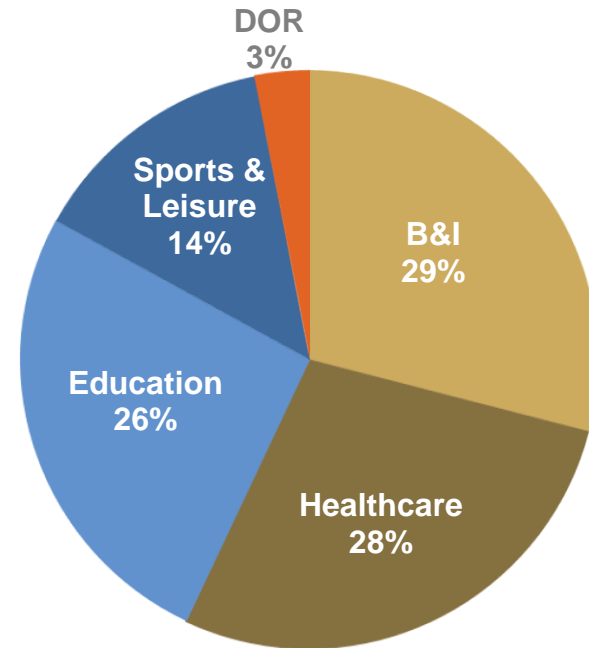
Revenue

- ✓ Market leadership in food, across all sectors
- ✓ Vibrant outsourcing culture
- ✓ \$72bn market, 65% in house and small players
- ✓ Excellent sales and retention processes

Margin

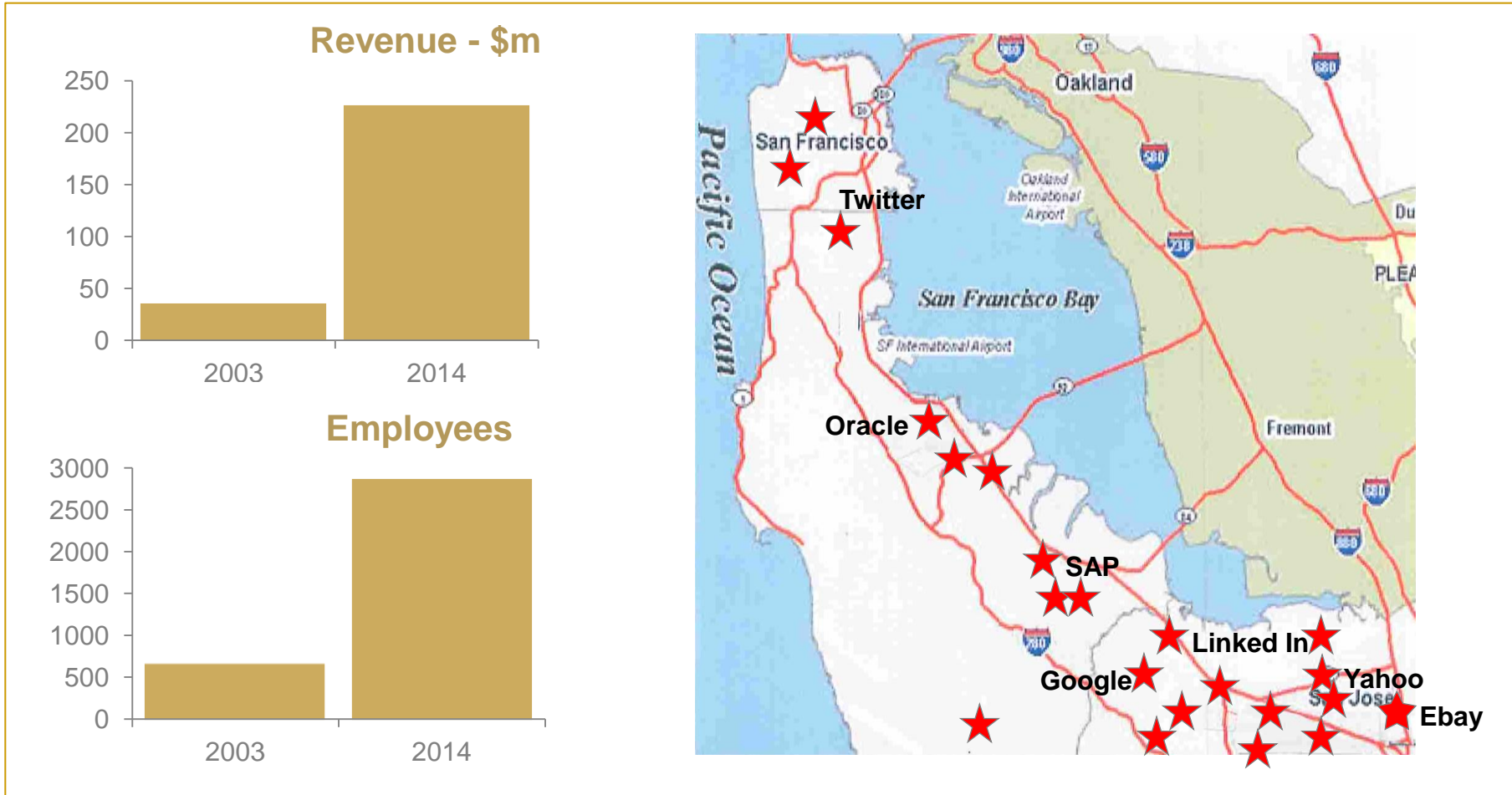
- ✓ Some headwinds to manage
- ✓ Ongoing opportunities; purchasing, labour, overheads

NA Split of revenue
H1 2014 - £4.2bn



Good revenue growth and steady margin progression

Silicon Valley & Bay Area Tech Business



22 accounts across Silicon Valley



North America

Healthcare & Seniors

- ✓ Healthcare & Seniors: \$16bn market
- ✓ First time outsourcing
- ✓ Consolidation of systems and facilities
- ✓ Food and support services
- ✓ Significant new wins in H1 2014

 **BAPTIST.**



HOUSTON HEALTHCARE
(Houston Medical Center)



Parkland



**YALE-NEW HAVEN
HOSPITAL**



Presence HealthSM



Sutter Health Plus

We Plus You



**Jackson-Madison County
General HospitalTM**

An affiliate of West Tennessee Healthcare

Double digit new business in H1



North America

Higher Education

- ✓ Education, \$23bn market
- ✓ Large institutions still self operated
- ✓ Continued trend to outsourcing
- ✓ Food and support services
- ✓ Significant new wins in H1 2014



Strong momentum, significant opportunity



Europe & Japan Recovery

Cost reduction

- ✓ Lower fixed labour costs
- ✓ Greater flexibility and productivity
- ✓ Simplified processes
- ✓ Overhead control

Top line growth

- ✓ Economy starting to improve
- ✓ Investing in sales
- ✓ Better retention processes
- ✓ Competitive offer

Efficiency ... investment ... return to growth

Europe & Japan

Driving new business



UK

- ✓ Important new contract with Royal Navy
- ✓ Government consolidation programme
- ✓ 12 sites, 15,000 population

Denmark



- ✓ Global wind energy company
- ✓ First time outsourcing
- ✓ Large, long term contract, 17 locations

Germany



OPEL



France



Fast Growing & Emerging

Sub regions

FY 13 £3.4bn (19% Group)

LATAM
£1.1bn

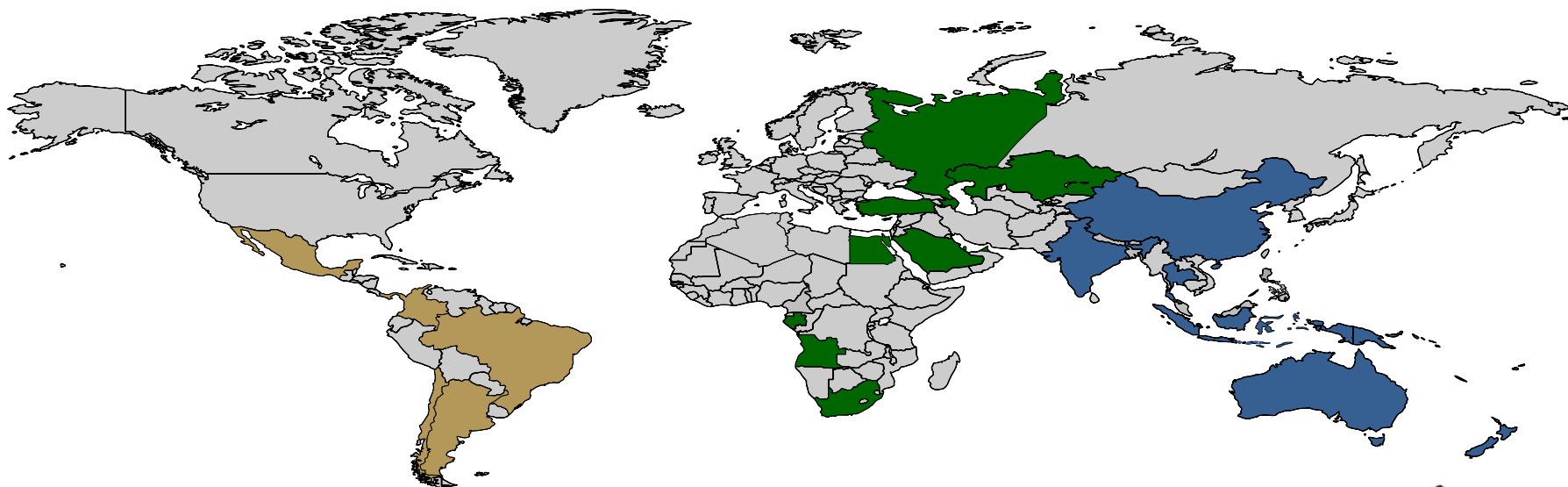
Argentina Brazil Chile
Colombia Mexico

CAMEAT
£0.8bn

Angola Azerbaijan Egypt
Gabon Kazakhstan Russia
Saudi Arabia South Africa Turkey
Qatar UAE

APAC
£1.5bn

Australia China & Hong Kong
India Indonesia
New Zealand PNG
Singapore Thailand



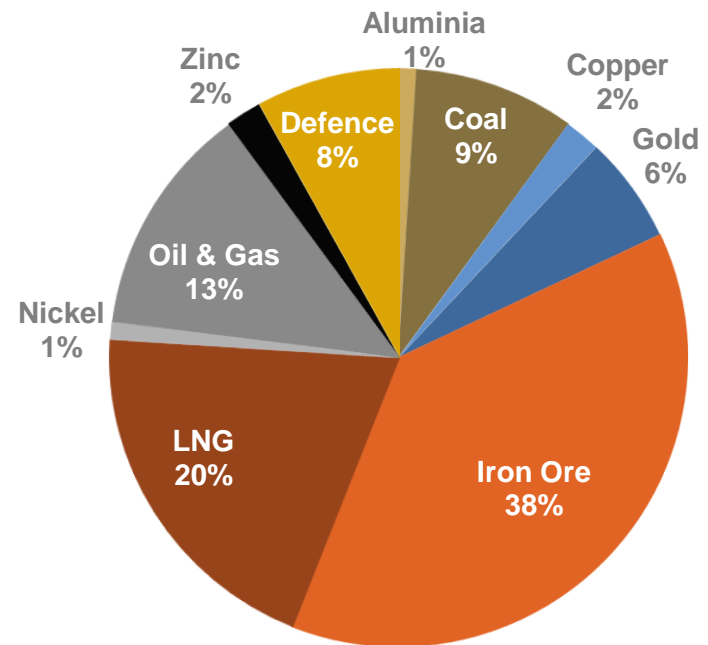
High potential countries: geographically diversified

Asia Pacific

Australia

- ✓ Important part of the Group
- ✓ c.80% DOR, well diversified
- ✓ Slowing, but large established business
- ✓ Growing Healthcare and Education sectors

Australia DOR Revenue



Asia Pacific

India and China



India

- ✓ 1.2bn population
- ✓ We serve c.100,000 meals a day
- ✓ Key sectors - B&I & private Healthcare
- ✓ Investing for growth
- ✓ Excellent long term potential



China

- ✓ 1.3bn population
- ✓ We serve c.120,000 meals a day
- ✓ HSE controls and governance
- ✓ Key sectors - B&I & private Education
- ✓ High growth - domestic international clients



Asia Pacific B&I in China

- ✓ World's 3rd largest internet company
- ✓ 12,000 meals a day in 5 cities
- ✓ Significant growth potential

Tencent 腾讯

- ✓ Roche HQ in China
- ✓ 2,500 meals a day, tripled since start
- ✓ Significant growth potential

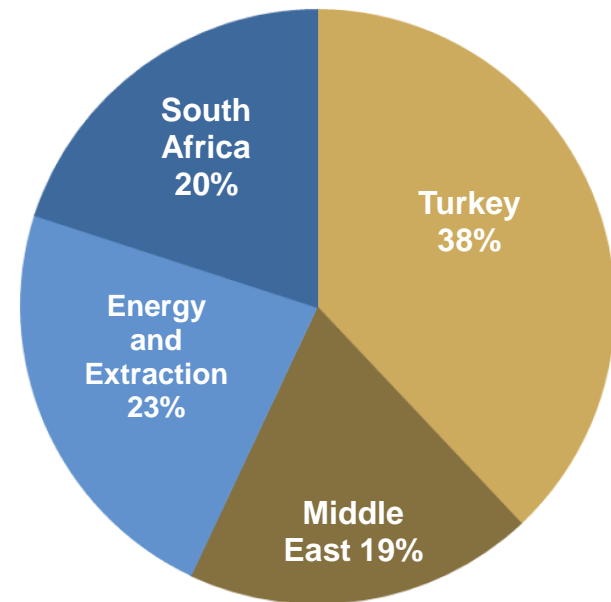
Roche

Health, safety and governance driving demand

CAMEAT

- ✓ Market leading position in Energy & Extraction
- ✓ Middle East - strong businesses across the region
- ✓ Strong B&I businesses in Turkey and South Africa
- ✓ Growing Healthcare and Education

H1 2014 revenue: £0.4bn



DE BEERS

IBM


The Oberoi

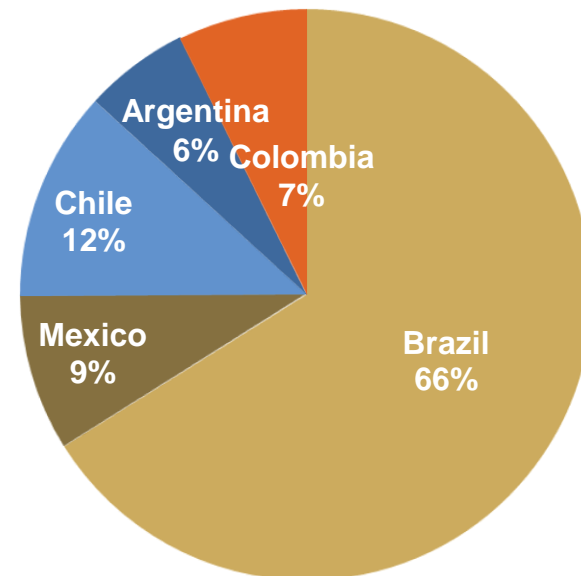
Bloomberg



LATAM



H1 2014 revenue: £0.5bn



Accelerating growth, huge opportunities, balanced investment

Brazil

B&I: 69%

- ✓ Competitive offer, lower costs
- ✓ Regional expansion



Healthcare: 10%

- ✓ Increased professionalism and investment
- ✓ Underpenetrated sector



DOR: 11%

- ✓ Significant opportunities
- ✓ Vale contract: 10m+ meals, 25 sites



Education: 3%

- ✓ Acceleration in outsourcing
- ✓ Significant opportunity



200 million population, market leading position

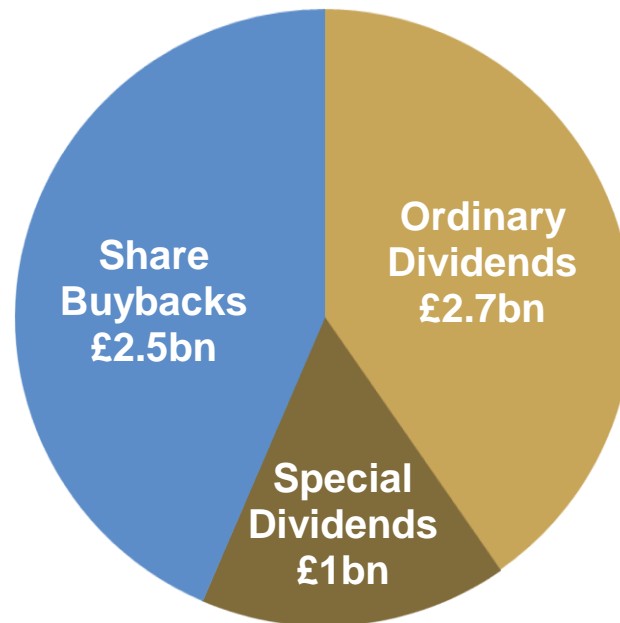
Commitment to shareholder value

- ✓ Consistent top line growth and margin progression, strong cash flows
- ✓ Appropriate investment, opex and capex to support growth
- ✓ Progressive dividend policy
- ✓ Infill M&A opportunities
- ✓ Refined balance sheet efficiency, new £1bn return and ongoing buyback

A proven and sustainable model

Rewarding shareholders

Committed shareholder returns 2006 to date

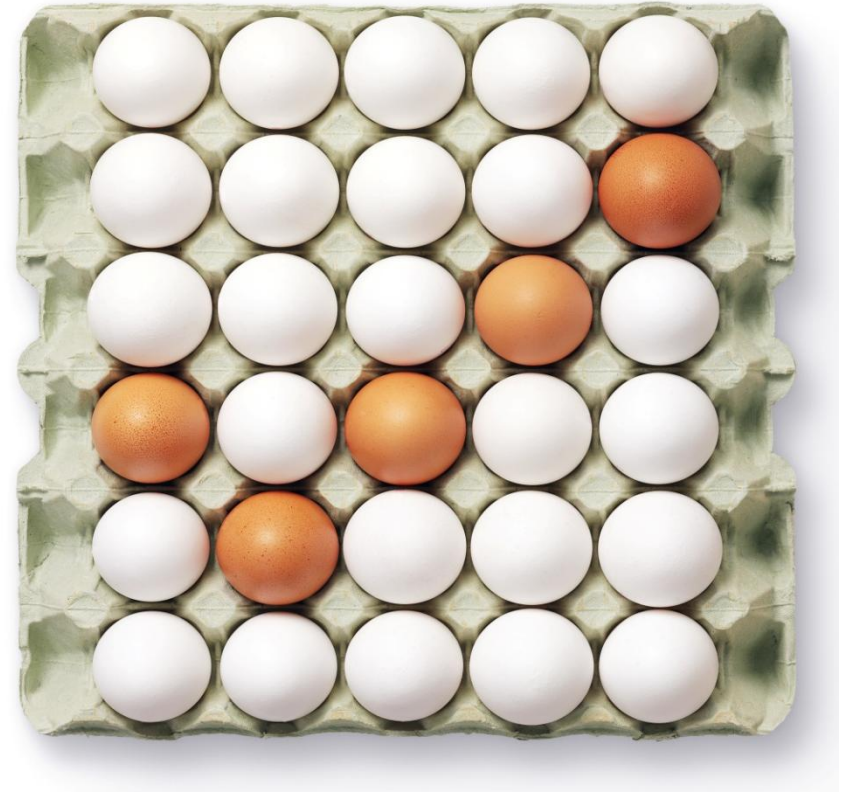


Over £6 billion returned to shareholders

Summary and outlook

- ✓ A good first half with solid organic growth and margin progression
- ✓ Ongoing strength in North America and Fast Growing & Emerging
- ✓ Improving outlook in Europe & Japan
- ✓ £1bn special dividend, 10% increase in interim dividend, buyback ongoing
- ✓ Strong pipeline and significant structural growth opportunities

On track to deliver



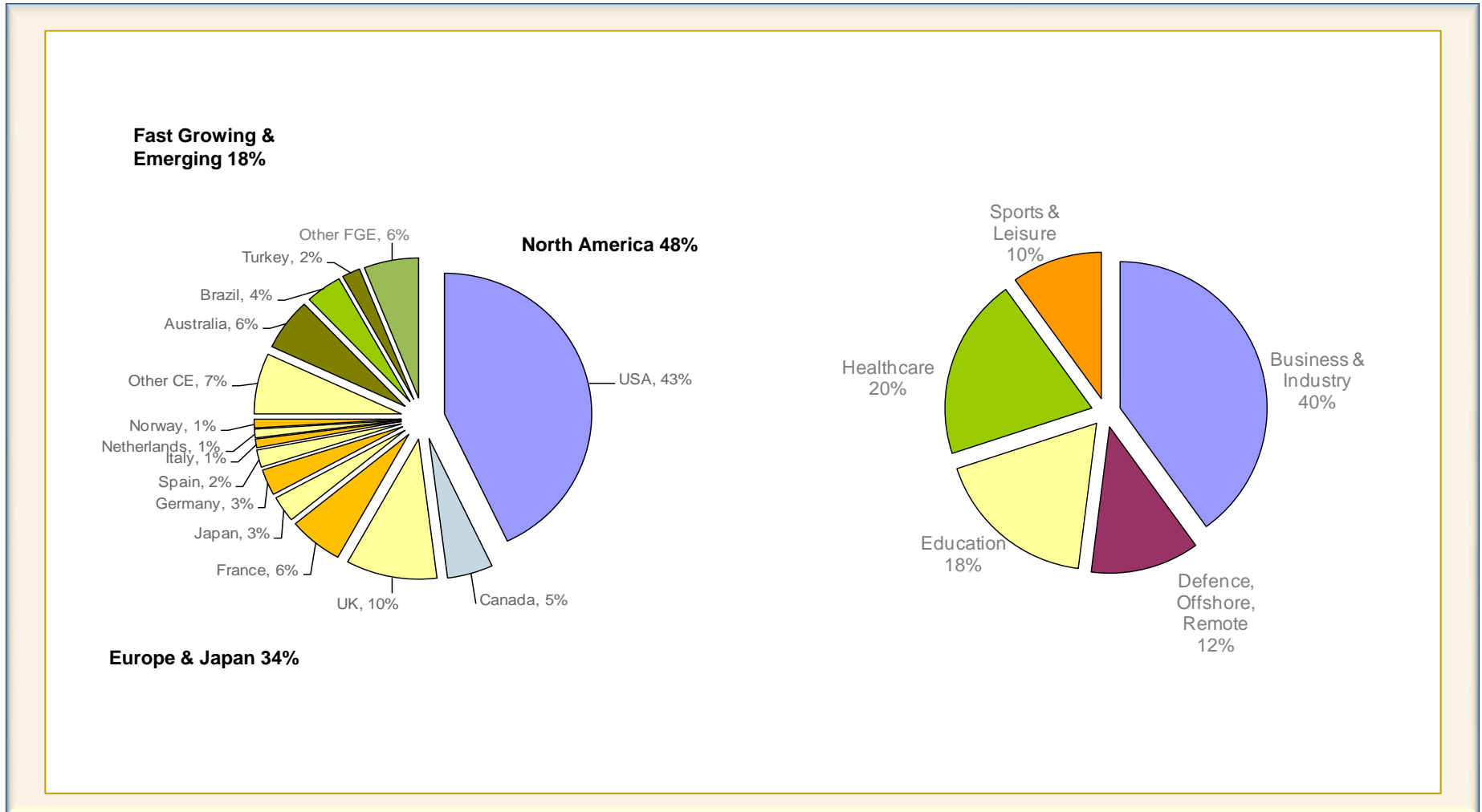
Supplementary Information

2014 Half Year Results

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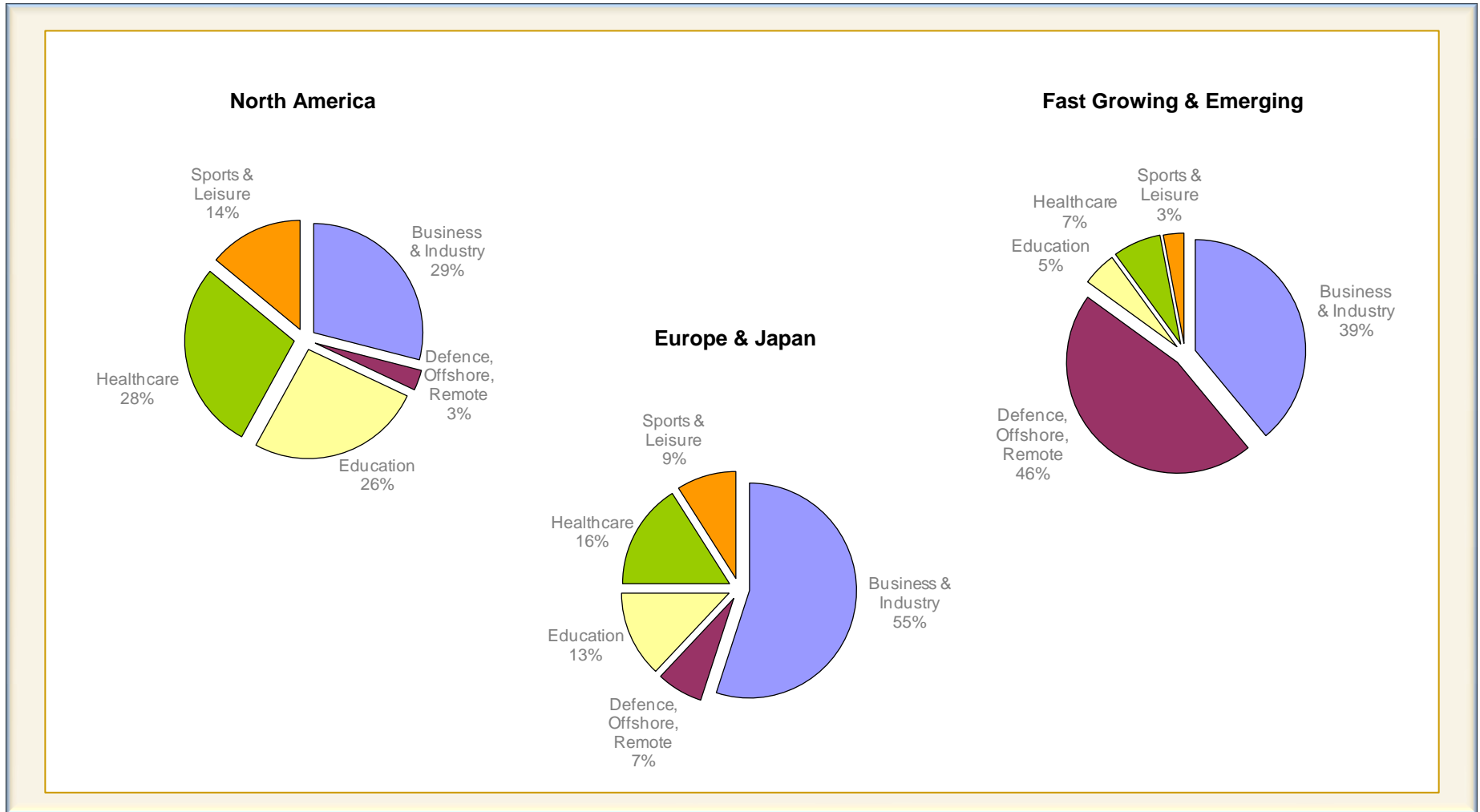
Group revenue – by geography & sector



Notes:

1. Based on continuing operations

Revenue by sector – external geographies



Notes:

1. Based on continuing operations

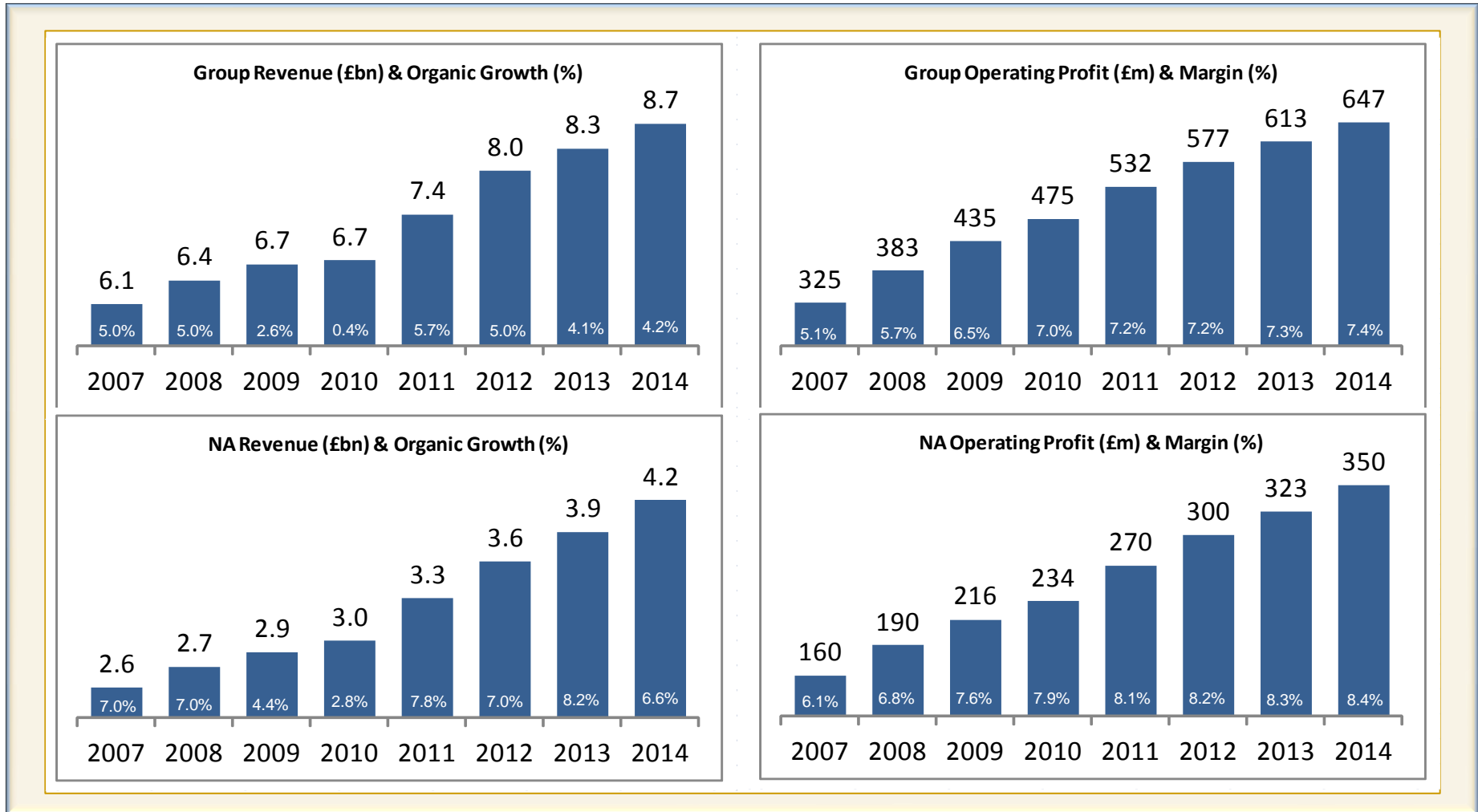
Geographic financials - Group

	North America £m	Europe & Japan £m	Fast Growing & Emerging £m	Other ² £m	Total £m
2014					
Revenue	4,151	2,951	1,557		8,659
Organic growth	6.6%	(1.6)%	9.7%		4.2%
Operating profit ¹	350	213	110	(26)	647
Margin ³	8.4%	7.2%	7.1%		7.4%
Cash flow ⁴	323	162	68	(208)	345
Cash flow conversion	92%	76%	62%		53%
2013					
Revenue	4,059	3,080	1,665		8,804
Organic growth	8.2%	(3.6)%	10.5%		4.1%
Operating profit ¹	338	212	126	(26)	650
Margin ³	8.3%	6.9%	7.6%		7.3%
Cash flow ⁴	339	174	62	(189)	386
Cash flow conversion	100%	82%	49%		59%

Notes:

1. Operating profit based on underlying operations, excluding European exceptional, amortisation of intangibles arising on acquisitions, acquisition transaction costs and adjustment to contingent consideration on acquisitions
2. Other operating profit includes unallocated overheads of £32m (2013: £32m) and share of profit of associates £6m (2013: £6m). Other cash flow also includes net interest and tax
3. Margin excludes share of profit of associates
4. Cash flow excludes the cash impact of the European exceptional £21m (2013: £43m)

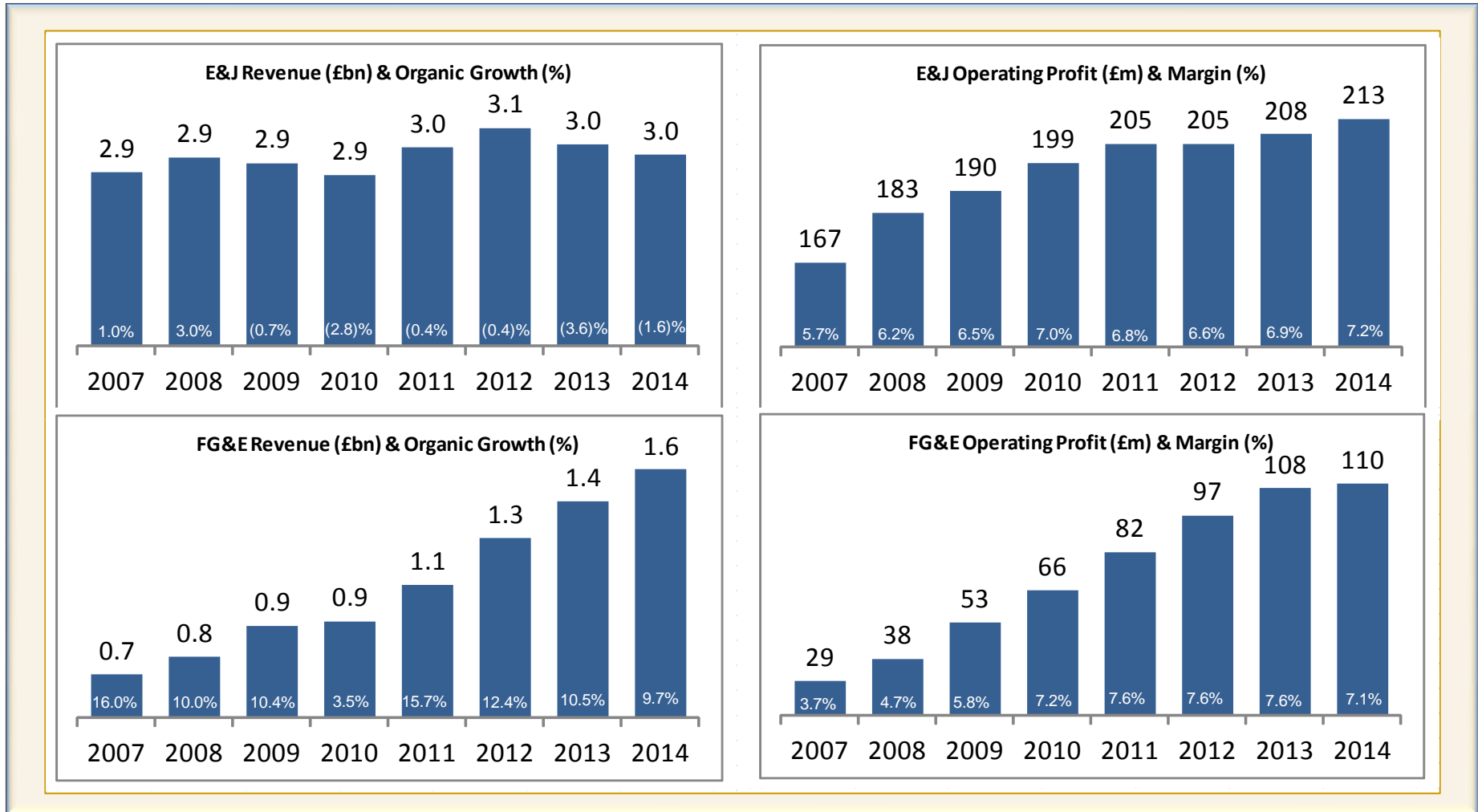
Geographic financials – Group and NA trends



Notes:

1. Data presented on a constant currency basis at the 2014 HY average exchange rates

Geographic financials – E&J and FG&E trends



Notes:

1. Data presented on a constant currency basis at the 2014 HY average exchange rates

EPS/dividends – earnings & dividends per share

	2014	2013
<u>Earnings per share</u>		
Continuing and discontinued operations	24.8p	23.1p
Other adjustments ¹	0.5p	1.4p
Underlying earnings per share	25.3p	24.5p
<u>Dividends per share</u>		
Interim dividend	8.8p	8.0p
Final dividend		16.0p
Total dividend		24.0p

Notes:

1. Other adjustments include the impact of European exceptional, amortisation of intangibles arising on acquisition, acquisition transaction costs, adjustment to contingent consideration on acquisitions, loss on disposal of US Corrections business, the tax attributable to these amounts and adjustments to the exceptional recognition of tax losses in prior years

EPS/dividends – dividend cover

	2013	2012	2011	2010	2009
<u>Per share (pence)</u>					
Dividend (interim plus final)	24.0p	21.3p	19.3p	17.5p	13.2p
Underlying earnings ¹	47.7p	42.6p	39.0p	35.7p	30.0p
Dividend earnings cover	2.0x	2.0x	2.0x	2.0x	2.3x
<u>Cash (£m)</u>					
Cash cost of dividend (in the year)	404	378	360	258	229
Underlying free cash flow ²	834	760	693	670	593
Dividend cash cover	2.1x	2.0x	1.9x	2.6x	2.6x

Notes:

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

Free cash flow – reconciliation of reported to underlying

£m	2014				2013			
	Reported	Adjs ⁴	Other ⁵	Underlying	Reported	Adjs ⁴	Other ⁵	Underlying
Operating profit ²	634	-	(13)	647	615	(20)	(15)	650
Depreciation and amortisation	166	-	11	155	159	-	14	145
EBITDA	800	-	(2)	802	774	(20)	(1)	795
Net capital expenditure ³	(203)	-	-	(203)	(217)	-	-	(217)
Trade working capital	(59)	-	-	(59)	(12)	-	-	(12)
Provisions	(35)	(31)	-	(4)	(42)	(32)	-	(10)
Post employment benefits	(22)	-	-	(22)	(26)	-	-	(26)
Net interest	(35)	-	-	(35)	(33)	-	-	(33)
Net tax	(128)	10	-	(138)	(111)	9	-	(120)
Net other items	6	-	2	4	10	-	1	9
Free cash flow	324	(21)	-	345	343	(43)	-	386

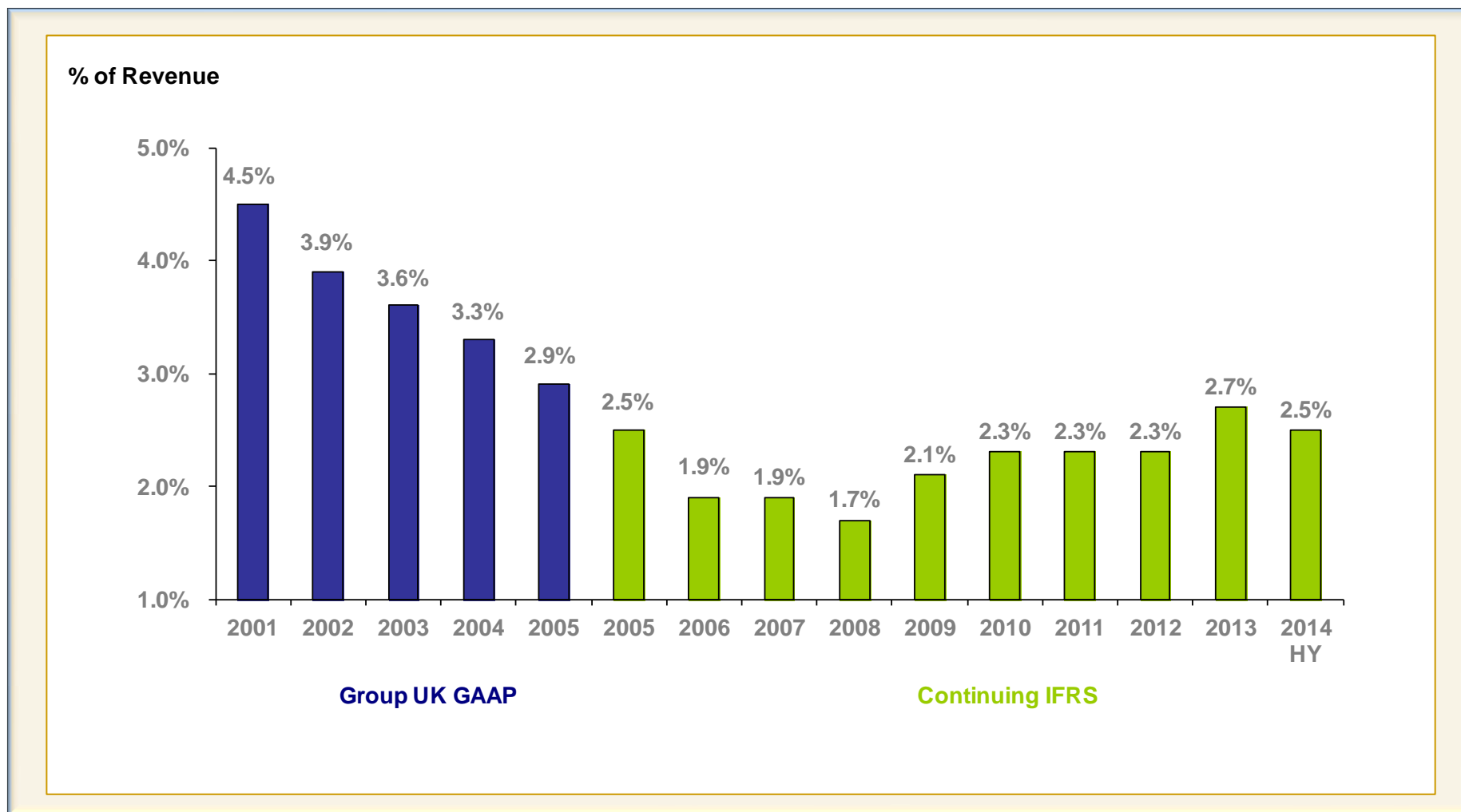
Notes:

1. Based on continuing operations
2. Operating profit includes share of profit of associates
3. Gross capital expenditure including finance leases is £216m, 2.5% of revenue (2013: £234m, 2.7% of revenue)
4. Adjustments include European exceptional, net of tax and non-recurring tax issues
5. Other includes amortisation of intangibles arising on acquisition, acquisition transaction costs and adjustments to contingent consideration on acquisitions

Balance sheet - overview

	2014 HY £m	2013 HY £m	2013 FY £m
Goodwill	3,551	4,169	3,620
Other non-current assets	1,775	1,764	1,725
Working capital	(673)	(602)	(719)
Provisions	(471)	(579)	(531)
Post employment benefit obligations	(158)	(310)	(209)
Current tax payable	(130)	(146)	(130)
Deferred tax	211	264	227
Net debt	(1,405)	(1,310)	(1,193)
Net assets	2,700	3,250	2,790
Shareholders equity	2,693	3,240	2,781
Non-controlling interests	7	10	9
Total equity	2,700	3,250	2,790

Balance sheet – capital expenditure % of revenue



Notes:

1. For 2001 to 2005 total Group is shown on a UK GAAP basis
2. For 2005 to 2014, the continuing business is shown on an IFRS basis
3. All data is based on gross capital expenditure for both tangible and intangible assets, including assets acquired under finance leases

Financing – components of net debt

	£m
Bonds	748
Private placements	1,032
Bank loans	300
	2,080
Finance leases	19
Other loans and fair value accounting adjustments	32
Derivatives	(51)
Gross debt	2,080
Cash net of overdrafts	(675)
Closing net debt at 31 March 2014	(1,405)

Notes:

1. Based on nominal value of borrowings as at 31 March 2014, except the £250m 7% bond maturing in December 2014 which is recorded at its fair value to the Group on acquisition, less amortisation

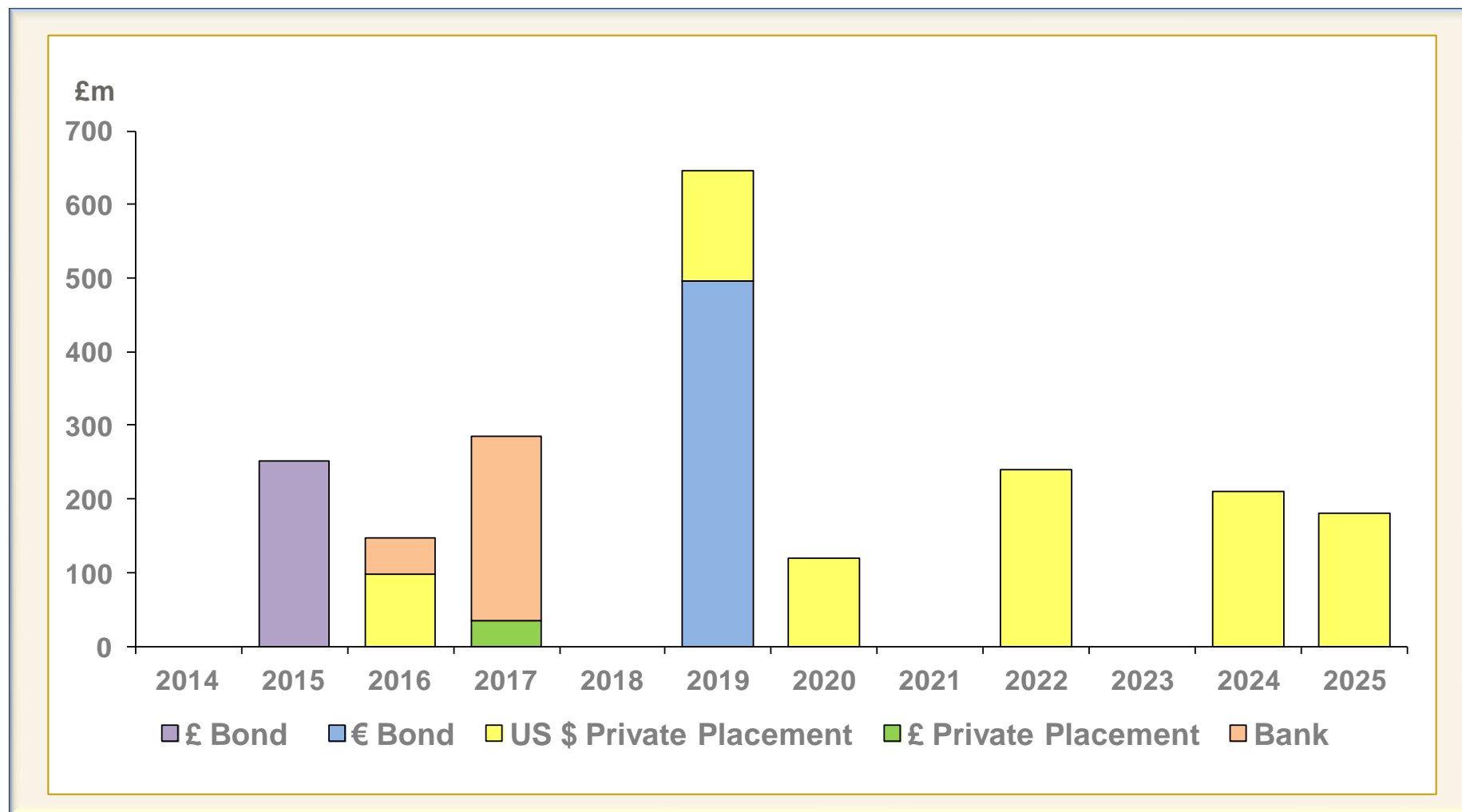
Financing – principal borrowings

	Coupon	Maturing in Financial Year	£m
<u>Bonds</u>			
£250m ⁴	7.00%	2014	252
€600m	3.125%	2019	496
Total			748
<u>US private placements</u>			
\$162m (2008 Notes)	6.72%	2015	97
£35m (2008 Notes)	7.55%	2016	35
\$1000m (2011 Notes)	3.31% - 4.12%	2018 - 2023	600
\$500m (2013 Notes)	3.09% - 3.81%	2020 - 2025	300
Total			1,032
<u>Bank loans</u>			
£700m syndicated facility	Libor + 45bps	2018	-
£300m (bilaterals)	Libor + 40 to 45bps	2016	300
Total			300

Notes:

1. Based on nominal value of borrowings as at 31 March 2014
2. Interest rates shown are those at which the debt was issued
3. The Group uses interest rate swaps to manage its effective interest rate
4. The £250m 7% bond maturing in December 2014 is recognised at its fair value to the Group on acquisition, less amortisation
5. No other adjustments have been made for hedging instruments, fees or discounts
6. All bonds, private placements and bank loans shown above are held by Compass Group PLC

Financing – maturity profile of principal borrowings



Notes:

1. Based on borrowings and facilities in place as at 31 March 2014, maturing in the financial years ending 30 September
2. The average life of the Group's principal borrowings as at 31 March 2014 was 5.5 years (2013: 5.4 years)

Financing – debt ratios and credit ratings

Ratings

		<i>Outlook</i>	<i>Confirmed</i>
Standard & Poors	A	Stable	18-Feb-13
Moody's	Baa1	Positive	04-Jul-13
Fitch (unsolicited)	A-	Stable	24-Feb-14

Ratios

	2014	2013
Net debt ¹ / EBITDA ²	1.0x	0.9x
EBITDA ² / net interest ³	20.4x	19.3x
Net debt ¹ / adjusted total capitalisation ⁴	24%	21%

Notes:

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

Exchange rates – rates used in consolidation

	Income Statement ²		Balance Sheet ³	
	2014 per £	2013 per £	2014 per £	2013 per £
Australian Dollar	1.80	1.52	1.80	1.46
Brazilian Real	3.79	3.21	3.76	3.06
Canadian Dollar	1.77	1.59	1.84	1.54
Euro	1.20	1.21	1.21	1.18
Japanese Yen	166.95	136.37	171.69	142.77
Norwegian Krone	9.96	8.97	9.98	8.86
South African Rand	17.18	13.87	17.54	13.93
Swedish Krona	10.63	10.32	10.81	9.87
Swiss Franc	1.47	1.47	1.47	1.44
Turkish Lira	3.47	2.83	3.57	2.75
UAE Dirhams	6.04	5.81	6.12	5.58
US Dollar	1.64	1.58	1.67	1.52

Notes:

1. Rounded to 2 decimal places
2. Income statement uses average monthly closing rates for the six months to 31 March
3. Balance sheet uses the closing rates as at 31 March

Exchange rates – effect on 2013 revenue & profit

US Dollar			Canadian Dollar			Euro		
£m incremental change for an incremental 5 cent movement			£m incremental change for an incremental 5 cent movement			£m incremental change for an incremental 5 cent movement		
Exchange Rate	Revenue Change	Profit Change	Exchange Rate	Revenue Change	Profit Change	Exchange Rate	Revenue Change	Profit Change
1.82	(181)	(15.0)	1.84	(19)	(1.3)	1.44	(81)	(5.7)
1.77	(191)	(15.8)	1.79	(20)	(1.5)	1.39	(87)	(6.1)
1.72	(203)	(16.8)	1.74	(21)	(1.6)	1.34	(94)	(6.6)
1.67	(215)	(17.8)	1.69	(23)	(1.7)	1.29	(101)	(7.1)
1.62	(229)	(19.0)	1.64	(24)	(1.8)	1.24	(110)	(7.7)
1.57	-	-	1.59	-	-	1.19	-	-
1.52	244	20.2	1.54	26	1.9	1.14	119	8.4
1.47	261	21.6	1.49	27	2.1	1.09	130	9.2
1.42	279	23.1	1.44	29	2.2	1.04	143	10.1
1.37	300	24.8	1.39	31	2.4	0.99	157	11.1

Notes:

1. Incremental revenue and operating profit change arising by restating the 2013 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown

Exchange rates – effect on 2013 revenue & profit

Australian Dollar			Brazilian Real			Japanese Yen		
£m incremental change for an incremental 5 cent movement			£m incremental change for an incremental 10 centavo movement			£m incremental change for an incremental 10 yen movement		
Exchange Rate	Revenue Change	Profit Change	Exchange Rate	Revenue Change	Profit Change	Exchange Rate	Revenue Change	Profit Change
1.83	(29)	(2.8)	3.80	(17)	(1.0)	193.83	(29)	(1.9)
1.78	(30)	(3.0)	3.70	(18)	(1.2)	183.83	(32)	(2.1)
1.73	(32)	(3.2)	3.60	(19)	(1.3)	173.83	(36)	(2.4)
1.68	(34)	(3.4)	3.50	(20)	(1.3)	163.83	(40)	(2.7)
1.63	(36)	(3.6)	3.40	(21)	(1.4)	153.83	(46)	(3.1)
1.58	-	-	3.30	-	-	143.83	-	-
1.53	38	3.8	3.20	23	1.5	133.83	53	3.5
1.48	41	4.1	3.10	24	1.6	123.83	61	4.1
1.43	44	4.4	3.00	26	1.7	113.83	72	4.8
1.38	47	4.7	2.90	28	1.8	103.83	86	5.7

Notes:

- Incremental revenue and operating profit change arising by restating the 2013 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown



COMPASS
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