



6 February 2014

Compass Group PLC
AGM and Interim Management Statement

Compass Group PLC is today issuing its first Interim Management Statement for 2014 ahead of its Annual General Meeting to be held at 12:00 noon today at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE. At this meeting, shareholders will be provided with the following update on the Group's performance since 30 September 2013.

Group

Compass has had a good start to the new financial year. Organic revenue growth was approximately 4% (at constant currency). We have delivered good levels of new business, the retention rate for the Group overall has remained stable and like for like revenue has continued to be positive. The underlying trends in our three regions have been consistent with the second half of 2013.

The ongoing focus on embedding our management and performance (MAP) programme deeper into the organisation has enabled us to deliver further operating efficiencies and achieve good leverage of our overhead base. We are using these efficiencies to invest in the exciting growth opportunities in the business and manage the economic conditions in Europe. They also underpin our expectation of delivering a further improvement in the operating margin.

Regions

North America has started the year well. The underlying trends in 2013 have continued into the first quarter of 2014. We have won good levels of new business across the sectors and retention remains high. Like for like revenue remains broadly flat. Whilst economic conditions in Europe & Japan continue to be difficult and overall organic revenue in the first quarter remains negative, we are starting to see some signs of stabilisation. The cost reduction plans are progressing well and we continue to focus on MAP 1, driving new business and retention. In Fast Growing & Emerging, the slowdown in the Australian mining sector has continued. However, elsewhere, despite economic challenges in some countries, organic revenue growth remains strong, underpinned by the continuing trend to outsourcing.

Financial position

Since 30 September 2013, we have committed c. £50 million to infill acquisitions. We have also concluded the £400 million share buyback that was announced in November 2012. In total, 47,061,483 shares were purchased for cancellation at an average price of 849.49 pence per share. The Group announced a further £500 million share buyback at its final results in November 2013, which commenced in January 2014. As at 5 February 2014, 3.3 million shares have been purchased for cancellation for a total of £31.1 million.

Currency

Trading results from our overseas operations are converted at the average exchange rates for the year. In the first quarter of 2014, sterling has continued to strengthen against many of the Group's key currencies (including the US dollar, Euro, Yen, Australian dollar and

Brazilian real). If the current spot rates were to continue through 2014 we would expect a negative currency impact of 5.4%, or £942 million, on 2013 reported revenues and 5.7%, or £72 million, on 2013 underlying profit. The impact of currency movements is translation only.

Chairman

At the Company's AGM on 7 February 2013, Sir Roy Gardner announced his intention to retire as Chairman and a Director of the Company at the conclusion of today's AGM. As announced on 20 June 2013, Paul Walsh was appointed to the Board as a Non-Executive Director on 1 January 2014 and will become Non-Executive Chairman from the conclusion of the AGM. The Board would like to thank Sir Roy for his contribution to Compass Group and to welcome Paul Walsh into his new role.

Summary & outlook

Compass has had a good first quarter and our expectations for the full year remain positive and unchanged, notwithstanding the translation impact of ongoing movements in foreign currencies. The pipeline of new contracts is encouraging and our focus on efficiencies gives us confidence in another year of delivery. In the longer term, we remain excited about the significant structural growth opportunities in both food and support services globally and the potential for further revenue and margin growth.

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Note to Editors

- a) Compass Group PLC is a world leading food and support services company, which generated annual revenues of £17.6 billion in the year to 30 September 2013. It operates in around 50 countries, employs over 500,000 people and serves over 4 billion meals every year. The Company specialises in providing food and a range of support services across the core sectors of Business & Industry, Healthcare & Seniors, Education, Defence, Offshore & Remote, Sports & Leisure and Vending with an established brand portfolio.
- b) MAP (Management and Performance) 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) Organic revenue growth, a term used throughout the announcement, is calculated by adjusting for acquisitions (excluding current period acquisitions and including a full period in respect of prior period acquisitions), disposals (excluded from both periods) and exchange rate movements (translating the prior period at current period exchange rates).
- d) Forward looking statements

Certain information included in this 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 Conduct 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.

- e) Further to the announcements made on 7 February 2013 and 20 June 2013 that Sir Roy Gardner intended to step down as Chairman of Compass Group PLC at the conclusion of the 2014 Annual General Meeting, Compass Group PLC confirms that Sir Roy Gardner will retire from the Board and leave the Group following the conclusion of today's meeting. He will be immediately succeeded by Paul Walsh, a Non-Executive Director of the Company, as Non-Executive Chairman.

In line with Sir Roy's letter of engagement and the Remuneration Committee's policy on termination of employment, no compensation for loss of office is payable to, or receivable by, him. Sir Roy's appointment is terminable without compensation on six months' notice and he has no entitlement to any pension scheme membership, bonus or incentive arrangements.

- f) A copy of this release, together with all other recent announcements and presentations can be found on Compass Group's website at www.compass-group.com.