2 February 2017

AGM and Trading Update

Compass Group PLC is issuing a trading update ahead of its Annual General Meeting to be held at 12:00 noon today in the Live Room, Rugby Football Union, Rugby House, Twickenham, Middlesex TW2 7BA. At this meeting, shareholders will be provided with the following update on the Group's performance since 30 September 2016.

Group

Compass' organic revenue for the first three months to 31 December 2016 grew by 2.8%, in line with our expectations. We continue to see strong levels of new business wins and good retention rates. Like for like revenues increased modestly, with some pricing offsetting weak volumes in our Offshore & Remote sector.

Our operating margin moved forward slightly, as efficiencies generated through our management and performance (MAP) programme more than offset cost inflation and our investment in the exciting growth opportunities we see around the Group. In addition, the end of the restructuring programme in our Offshore & Remote business also contributed to the improvement in the operating margin in the quarter.

Regions

Organic revenue in North America increased by 7%, with very good growth across most sectors. Our core Business & Industry, Vending and Higher Education sub-sectors performed particularly well, whilst trading in our oil & gas business continued to be tough. In Europe, organic revenue was flat as expected. Net new business trends were in line with the last months of FY2016, and like for like revenues were unchanged as pricing offset weak volumes in the North Sea and France. Organic revenue in the Rest of the World declined by 6.5% due to the expected weakness in our commodity related business and a challenging environment in Brazil.

Currency

Currency movements, compared to the same quarter last year, had a positive translation impact on revenues and profit in the quarter of £924 million and £74 million respectively. If current spot rates were to continue for the remainder of the year, foreign exchange translation would positively impact 2016 revenue by £2.3 billion and operating profit by £186 million.

Outlook

Our outlook for 2017 remains positive and unchanged. Growth in North America is strong, and both Europe and Rest of World are performing as expected with growth weighted to the second half. We continue to focus on driving efficiencies throughout the business and our margin expectations are also unchanged. In the longer term, we remain excited about the significant structural growth opportunities globally and the potential for further revenue and margin growth.

Compass will hold a conference call for investors and analysts today 8:00a.m. (UK time).

Participants dial-in numbers:

UK Toll Number: +44 20 3139 4830
UK Toll-Free Number: 0808 237 0030

US Toll Number: 1 718 873 9077
US Toll-Free Number: 1866 928 7517

Pin number: 81742523#

You will be asked for your Name and Company Name and transferred into the waiting area until the call begins.

Replay facility:

UK Toll Number: +44 20 3426 2807
UK Toll-Free Number: 0808 237 0026

Conference Number: 681145#

Enquires:	Sandra Moura / Agatha Donnelly	+44 (0) 1932 573000
Media:	Clare Hunt	+44 (0) 1932 573000
Website:	www.compass-group.com	

Note to Editors

a) Compass Group PLC is one of the world's leading foodservice and support services companies which generated annual revenues of £19.9 billion in the year to 30 September 2016. It operates in over 50 countries, employs over 500,000 people and serves over 5 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 Guidance 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) 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.