

Business overview

Initial Textiles and Washroom Services

£772.1m
2009 revenue

2.5%
% change

£115.1m
2009 APBITA

(6.7%)
% change

10,719
Employees

The Textiles and Washroom Services division comprises the washroom, linen hire, garment rental, floorcare, medical services and specialist hygiene activities in the UK and continental Europe. It provides services to customers in a diverse range of industries from manufacturing to retail and from banking to hospitality.



% Group revenue



31.9% Group revenue

Geographical spread



38.7% France
13.1% Netherlands
11.4% Belgium
11.2% Germany
7.4% UK
3.6% Austria
3.5% Spain
3.2% Italy
7.9% Other

Activities



53.3% Textiles
32.6% Washrooms
14.1% Other

Rentokil Pest Control

£396.7m
2009 revenue

3.3%
% change

£75.2m
2009 APBITA

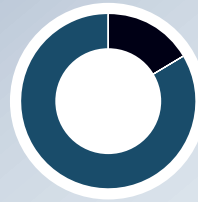
1.9%
% change

6,733
Employees

Rentokil Pest Control seeks to be the finest provider of pest control services in all major international markets. It aims to satisfy the needs of both commercial and residential customers who seek protection from health and financial risks and the reassurance that comes from dealing with the industry's finest service provider. The division has leading market positions in the UK, continental Europe and North America.



% Group revenue



16.4% Group revenue

Geographical spread



30.9% USA
15.2% UK
7.5% South Africa
7.3% Netherlands
7.2% Germany
5.3% France
5.2% Spain
3.3% Belgium
2.7% Portugal
2.6% Libya
2.5% Ireland
10.3% Other

Activities



100.0% Pest control

Asia Pacific

£183.4m
2009 revenue

(6.7%)
% change

£19.8m
2009 APBITA

(16.1%)
% change

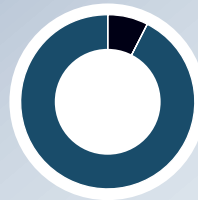
6,465
Employees

Asia Pacific covers all the group's activities in the region, principally washroom services, pest control and tropical plants.

Excludes share of associate in Japan



% Group revenue



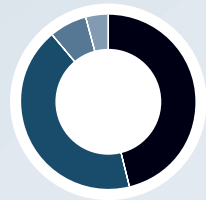
7.6% Group revenue

Geographical spread



45.5% Australia
10.7% New Zealand
10.5% Singapore
8.8% Malaysia
5.6% Indonesia
5.1% Hong Kong
4.3% South Korea
2.8% Thailand
1.2% China
5.5% Other

Activities



46.3% Washrooms
42.7% Pest control
6.9% Tropical plants
4.1% Security

Ambius

£106.8m

2009 revenue

(10.5%)

% change

£7.6m

2009 APBITA

(23.2%)

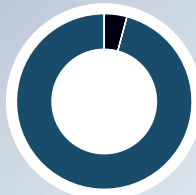
% change

1,725

Employees

The Ambius division (formerly referred to as Tropical Plants) provides interior landscaping, design installation and maintenance services in North America, the UK and continental Europe.

% Group revenue



Geographical spread



Activities



City Link

£353.1m

2009 revenue

(7.5%)

% change

£(5.6)m

2009 APBITA

87.1%

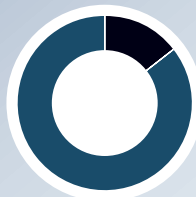
% change

5,681

Employees

City Link is a leading overnight parcel delivery service operating in the UK. In November 2006 it acquired Target Express.

% Group revenue



Geographical spread



Activities



Initial Facilities Services

£608.6m

2009 revenue

(6.8%)

% change

£26.3m

2009 APBITA

42.9%

% change

36,050

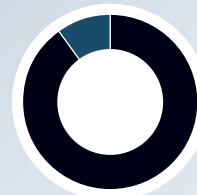
Employees

The Facilities Services division comprises a number of related businesses including Cleaning, Catering, Hospital Services and Specialist Hygiene Services in the UK.

% Group revenue



Geographical spread



Activities



All numbers at 2008 average exchange rates.

Business review

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This review of performance takes a close look at each of our business areas – **Textiles and Washroom Services, Pest Control, Asia Pacific, Ambius, City Link, and Facilities Services**. In each case we report on market conditions, record our progress against key performance indicators and discuss the most important developments in 2009 and our expectations for 2010.

Basis of preparation

Segmental information has been presented in accordance with IFRS 8 “Operating Segments” which the group has implemented with effect from 1 January 2009. This review also reflects internal organisation changes made in the third quarter resulting in some businesses moving from Pest Control to Textiles and Washroom Services. Prior year comparisons and prior year periods have been restated. In all cases references to operating profit are for continuing businesses before amortisation and impairment of intangible assets (other than computer software). References to adjusted operating profit and adjusted profit before income tax also exclude items of a one-off nature, totalling a net cost of £37.1 million (2008: £19.6 million) that have had a significant impact on the results of the group. They relate directly to the group’s various performance improvement initiatives and consist mainly of redundancy and other reorganisation costs including consultancy, plant and office closure costs net of the profit on sale of certain properties, profit or loss on disposal of businesses not classified as discontinued and acquisition integration cost. They have been separately identified as they represent an investment in the future performance of the group and are not considered to be “business as usual” expenses and have a varying impact on different businesses and reporting periods. All comparisons are at constant 2008 full year average exchange rates.

Full year financial overview

Full year revenue of £2,355.8 million (at constant exchange rates) declined by 2.2% on the same period last year, but grew 5.0% at actual exchange rates. Revenue performance was held back principally by City Link and Initial Facilities Services, both of which experienced particularly difficult market conditions in 2009. Despite the weakened economy, Textiles and Washroom Services and Pest Control reported revenue growth of 2.5% and 3.3% respectively with some notably robust country performances in both divisions. The contract portfolio decreased by 3.6% year-on-year reflecting customer terminations and a slowdown in new business which we attribute directly to the economic downturn. Group operating profit (before amortisation and impairment of intangible assets) increased by 7.2% to £158.2 million and adjusted operating profit (again before amortisation and impairment of intangible assets) amounted to £195.3 million, an increase of 16.8% on the prior year. Group full year adjusted profit before tax and amortisation grew by 29.8% to £140.1 million. Profit before income tax from continuing operations was £47.2 million (2008: £22.8 million), an increase of 107.0%. This profit reflects £55.8 million of amortisation and goodwill impairment charges (2008: £65.5 million) and is stated after charging one-off costs of £37.1 million (2008: £19.6 million). Full details of divisional performance can be found on pages 11 to 15.