

Key performance indicators

Categories	Goals	Results		
		2009	2008 ¹	
Colleagues	Colleague engagement	71%	N/A	●
	Sales colleague retention	63.5%	54.6%	●
	Service colleague retention	74.4%	74.2%	●
	Health and safety (H&S) lost time through accidents (LTA) rate	1.53	1.82	●
Customers	Gross sales % of opening portfolio	15.2%	18.8%	●
	Customer retention %	79.6%	81.0%	●
	Net gain % of opening portfolio	-3.6%	2.8%	●
	Job revenue % of total revenue	24.0%	25.2%	●
	State of Service	98.1%	88.5%	●
	Customer satisfaction (Net Promoter Score)	21	N/A	●
Shareholders	Organic revenue growth	-3.1%	-1.7%	●
	Total revenue growth (inc. acquisitions)	-2.2%	2.5%	●
	APBITA margin (%)	8.3%	6.9%	●
	Debtors (days sales outstanding – DSO)	49	61	●
	Cost savings delivered in year	£82m	–	●
	Cash conversion targets as % of operating profit	143%	75.2%	●
	Gross capex as % of depreciation	83%	116%	●

How are we doing?

● Strong progress ● Progress ● Limited progress

¹ Restated to conform with 2009 basis.

Measuring achievement in 2009

The board uses 17 key performance indicators (KPIs) to judge progress towards strategic objectives. They are grouped within three categories, **Colleagues, Customers and Shareholders**. The group's progress against these KPIs and explanations of each one is shown opposite.

Explanation of 2009 KPIs

Colleague engagement – “Your Voice Counts” is an employee engagement survey and represents the aggregate engagement rating from these reports.

Colleague engagement was surveyed across the group for the first time in 2009. Previously only Rentokil (78% in 2008 to 81% in 2009) and Ambius (70% in 2008 to 73% in 2009) were surveyed.

Sales colleague retention is the reciprocal of total sales heads leaving in the year as a percentage of the sales head count at the beginning of the year. Service colleague retention is the reciprocal of total service heads leaving in the year as a percentage of the service head count at the beginning of the year.

H&S lost time through accidents (LTA) is defined as a work-related injury or illness to an employee which results in them being absent from work for one day/shift or more (this excludes the day/shift in which the accident occurred). The number of lost time accidents is expressed as a rate per 100,000 standard working hours.

Gross sales percentage of opening portfolio are additions to the portfolio (new business and additions to existing business but excluding price increases) expressed as a percentage of the opening portfolio. Customer retention percentage is the reciprocal of total terminations (reductions and terminations) expressed as a percentage of opening portfolio. Net gain percentage of opening portfolio is the movement in the portfolio expressed as a percentage of the opening portfolio.

Job revenue percentage is expressed as a percentage of total revenue.

State of Service is the total number of service visits performed divided by the total number of visits due. Customer satisfaction (Net Promoter Score) is measured by the average Net Promoter Score rating across all branches in the business.

Organic revenue growth is revenue growth excluding the effect of acquisitions. Total revenue growth (inc. acquisitions) is the year-on-year increase in total revenue expressed as a percentage of the previous year revenue. Both measures are at constant exchange rates.

APBITA margin (%) is the adjusted profit before interest, tax and amortisation (“APBITA”) expressed as a percentage of total revenue.

Debtors (days sales outstanding – DSO) are trade debtors gross of provisions calculated on the exhaust basis (i.e. going back over the relevant number of preceding days' invoicing until the debt balance is zero). The number of days this takes is the debtor days.

Cost savings delivered in year is expressed as a percentage of the total cost base (everything between revenue and APBITA gross of the identified savings) prior to the savings being achieved. Cash conversion targets as percentage of operating profit is operating cash flow expressed as a percentage of APBITA.

Gross capex as percentage of depreciation means cash capital additions (net of proceeds from disposals) expressed as a percentage of depreciation.