2007 Preliminary Results

28 February 2008

Rentokil Initial

Doug Flynn

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2007 Group Overview

- Revenue up 20.3% to £2,216.7m
- Adjusted PBITA up 8.8% to £280.8m
- Adjusted PBTA up 1.1% to £211.4m
- Profit before income tax from continuing operations of £142.0 million (2006: £165.4 million)
- Total dividend maintained at 7.38p
- Performance from Textiles & Washroom, Pest Control, Asia Pacific, Facilities Services and Ambius divisions in line with expectation
- Overall group performance marred by City Link

City Link – What Happened (Overview)

- Not wholly a market issue – largely self inflicted problems
- New business dropped significantly
- Account losses increased
- Further decline in revenue per consignment
- Revenues fell well short of expectation
- Carried some excess cost in Q4, but anticipated pre-Christmas volume surge failed to materialise
- Dropping straight through to bottom line = significant profit shortfall in Q4 and into 2008
- May not trade better than break even in 2008

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City Link – What Happened (Details)

- Foundation for integration not solid enough and trying to make too many changes concurrently:
  - City Link franchises not fully bedded down since acquisition
  - Inadequate account management of the former franchise customer base
  - Management stretch in taking on integration of Target Express
- Hiatus in new business pipeline development:
  - Sales structure and accountability unclear
  - Sales team under-manned
- Integration programme impacted service levels (Hub change, Swindon pilot):
  - Decline in RPC greater than planned
  - Customers lost
  - Some downtrading by remaining customers (volumes through other carriers)
  - Increase in service credits
- Compounded by cost – Christmas didn’t happen for us

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City Link – Why we didn’t see it coming

- Operational issues masked by strong revenue growth in first nine months
- Financial performance tracked budget until October
- November management accounts made it clear there was a year end problem
- KPIs, data capture and financial systems found wanting in providing visibility

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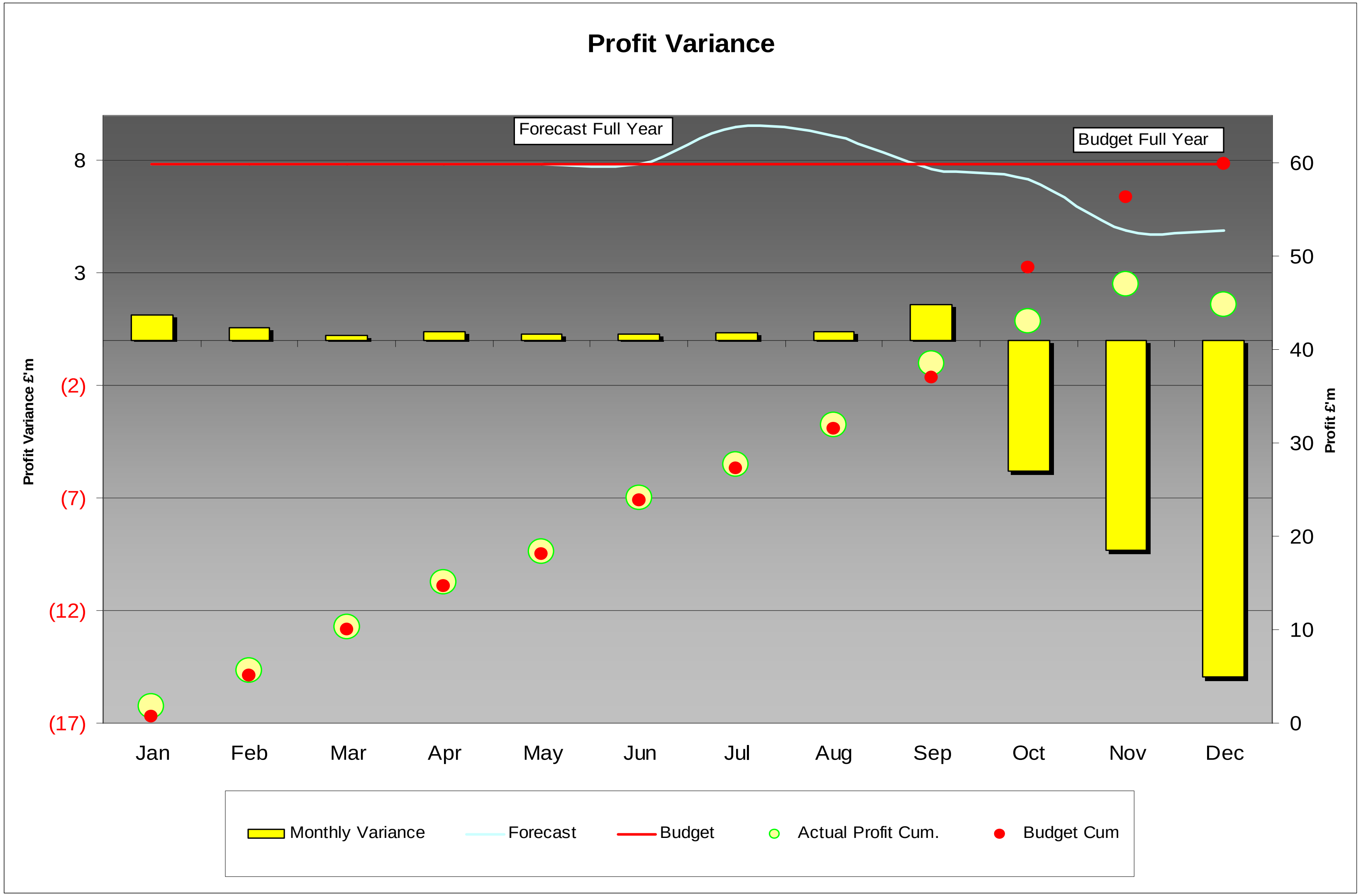
What happened: Profit



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City Link - Actions & Solutions

- Go back to basics and ensure ongoing service quality
- Establish the right leadership team
- Deliver strong account management for customers
- Improve customer facing systems and processes
- Ensure information systems provide visibility and control
- New sales generation both through key accounts and field sales activity
- Tighter management of cost
- Pause physical integration until systems, processes, account management & culture are brought together

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Actions – Account Management

- Roll out of new account management structure:
  - Customers managed at local, not regional level
  - Direct customer relationships at depot level
  - Recruitment of additional customer relationship managers
  - Training programmes underway

Actions – Sales

- New senior leadership team in place
- Sales team restructured
- Pipeline development improved
- Conversion of pipeline into new account wins
- Recruitment continuing for field sales

Actions – Service

- Pausing and reviewing depot integration to ensure service continuity
- Hub sort times and last trunk arrivals on plan
- Roll-out of mechanical handling equipment improving depot sort
- Roll-out of hand-held, real-time PODs for C&D drivers continues:
    - Speed, transparency, quality of information and service
- Improved depot scanners ensure end-to-end visibility and control
- Autogazetteer on customer sites to ensure correct labelling & routing

Integration – The Next Steps

- Ongoing:
  - Roll-out of Phase 1 integration programme:
    - mechanical handling equipment and hand held scanners
  - Systems harmonisation – finance and operations
  - Establishment of a strong and unified culture
  - Single customer proposition
  - Network wide “Platform for Growth” leadership training programme
- On hold:
  - Depot rationalisation/closure programme
  - Alignment of hub and trunking systems

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City Link – Summary

- New measures to increase transparency on key business drivers
- Close ongoing scrutiny at plc level
- 2008 will be about:
  - Service
  - Account management
  - New business generation
  - Process & systems harmonisation
- Physical integration to follow later
- Significant impact on profitability, but long-term potential remains

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Basis of Preparation

- Electronic Security — Discontinued
  - UK/NL/US: sold for £533.4m on 2 July
  - France: sold for £91.6m on 27 December
  - Interest benefit £15m in 2H
- German hospital services — Continuing up to sale at various dates during 2007

  Proceeds £3.3m; loss on disposal £1.0m
- NL Cleaning — Continuing up to sale in August 2007

  Proceeds £2.8m; profit on sale £1.2m
- Wipers — Closed Q4 2007; costs treated as one-off

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Financial Highlights

Continuing operations Constant Exchange Rates	Q4			FULL YEAR		
	2007	**2006**	**%**	**2007**	**2006**	**%**
Revenue	576.0	517.8	11.2	2,216.7	1,843.2	20.3
EBITA	63.0	57.9	8.8	252.4	235.6	7.1
Interest	(17.8)	(16.4)	(8.5)	(71.6)	(51.1)	(40.1)
Associates	0.4	0.4	-	2.2	2.0	10.0
PBTA	45.6	41.9	8.8	183.0	186.5	(1.9)
Add back one-off items	18.1	16.7	8.4	28.4	22.6	25.7
Adjusted PBTA	63.7	58.6	8.7	211.4	209.1	1.1
Free cash flow (actual exchange rates)				102.1	128.6	(20.6)
Basic EPS (continuing operations)				6.00p	7.20p	(16.7)
Final Dividend				5.25p	5.25p	-
FCF per share				5.65p	7.12p	(20.6)

Adjusted PBTA

Constant Exchange Rates	Q4		FULL YEAR	
	£m	%	£m	%
City Link	6.3	(59.6)	44.8	24.1
Textiles & Washrooms	26.8	0.8	108.0	(0.4)
Pest Control	17.8	15.6	66.1	(3.1)
Facilities Services	11.5	42.0	38.9	24.7
Asia Pacific	10.2	27.5	31.0	31.4
Ambius	5.1	13.3	9.1	13.8
Other	3.3	(2.9)	11.4	-
Central Costs	0.1	-	(28.5)	0.7
Adjusted EBITA	81.1	8.7	280.8	8.8
Associates	0.4	-	2.2	10.0
Interest	(17.8)	(8.5)	(71.6)	(40.1)
Adjusted PBTA	63.7	8.7	211.4	1.1

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City Link

	Q1 £m	Q2 £m	Q3 £m	Q4 £m	FULL YEAR 2007 £m	FULL YEAR 2006 £m
Revenue						
2007 Budget	93.1	112.5	102.9	127.9	436.4	181.3
2007 Actual	94.5	108.5	107.6	106.5	417.1	213.3
Variance	1.4	(4.0)	4.7	(21.4)	(19.3)	32.0
Adjusted PBITA[1]						
2007 Budget	10.0	13.8	13.1	22.9	59.8	31.4
2007 Actual	10.2	13.9	14.4	6.3	44.8	36.1
Variance	0.2	0.1	1.3	(16.6)	(15.0)	4.7

[1] Excluding integration costs

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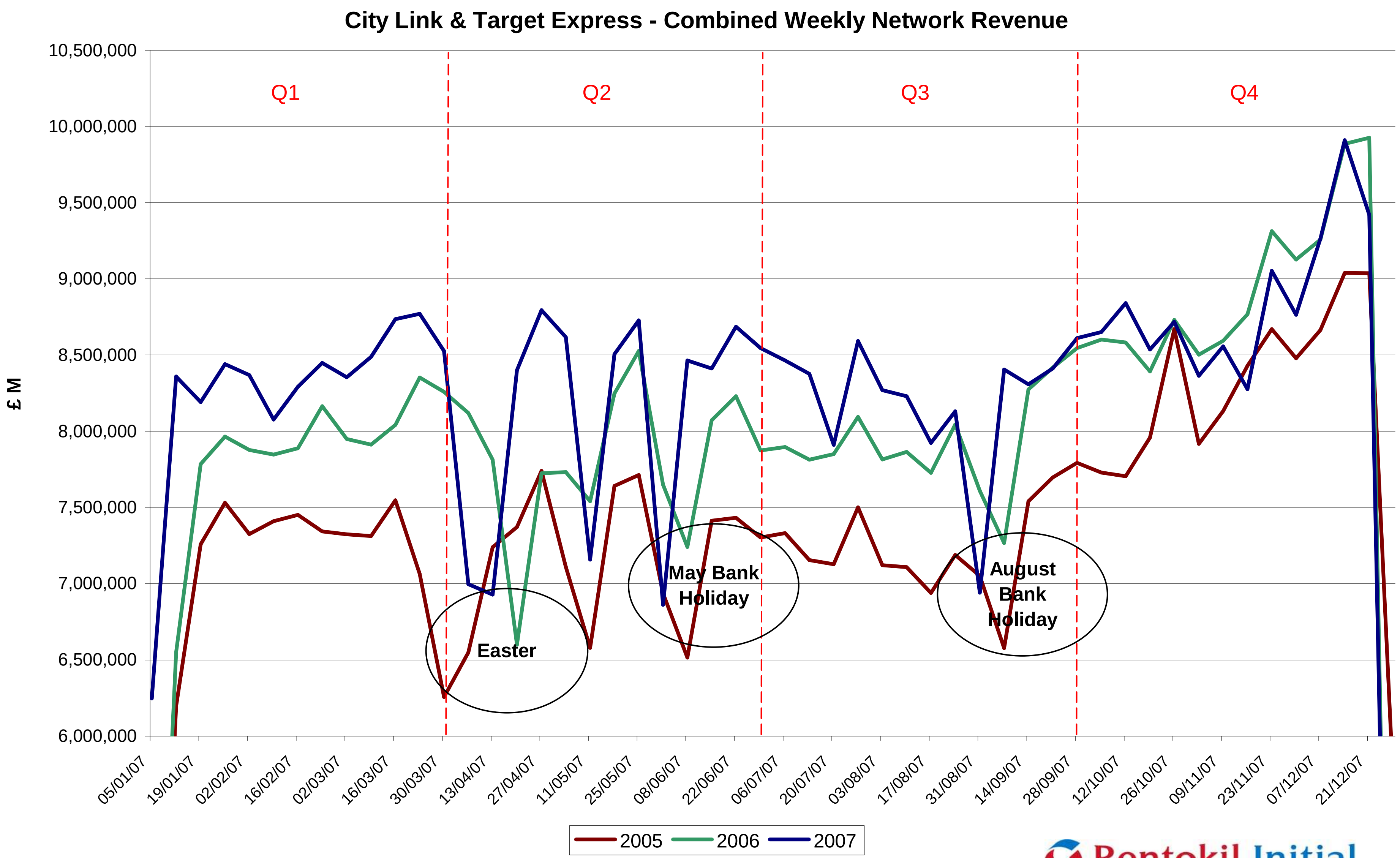
Combined Weekly Network Revenue



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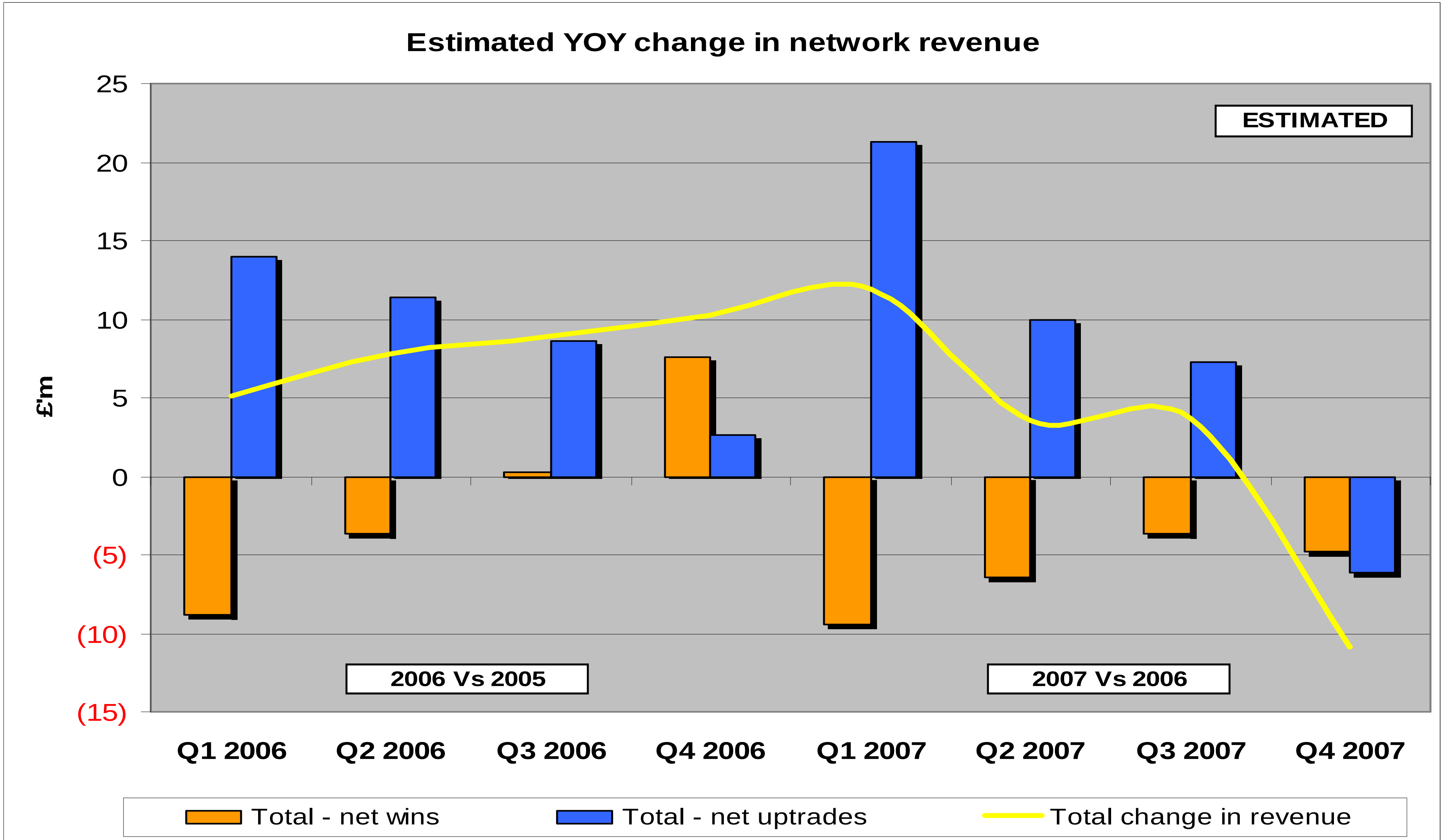
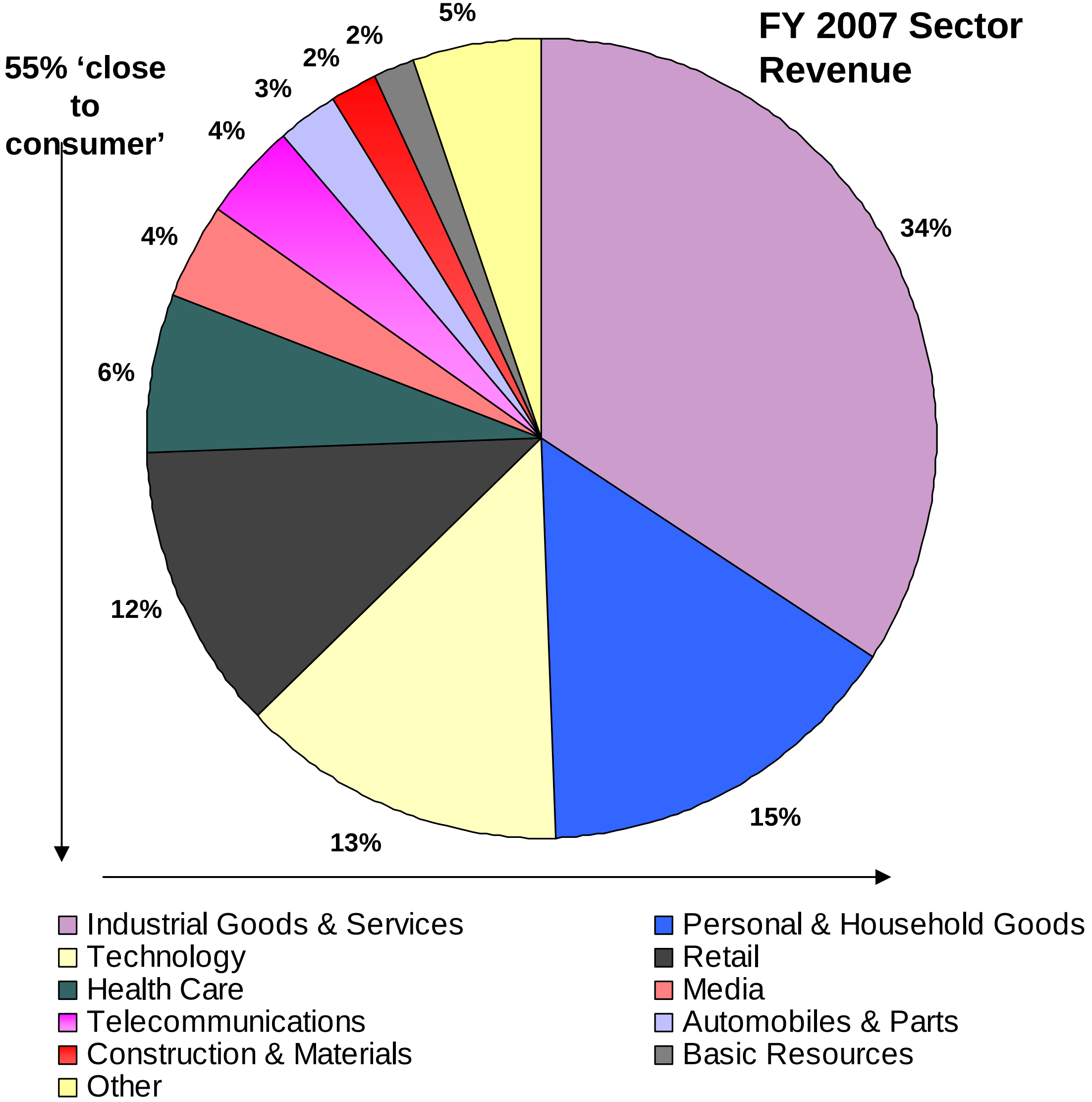
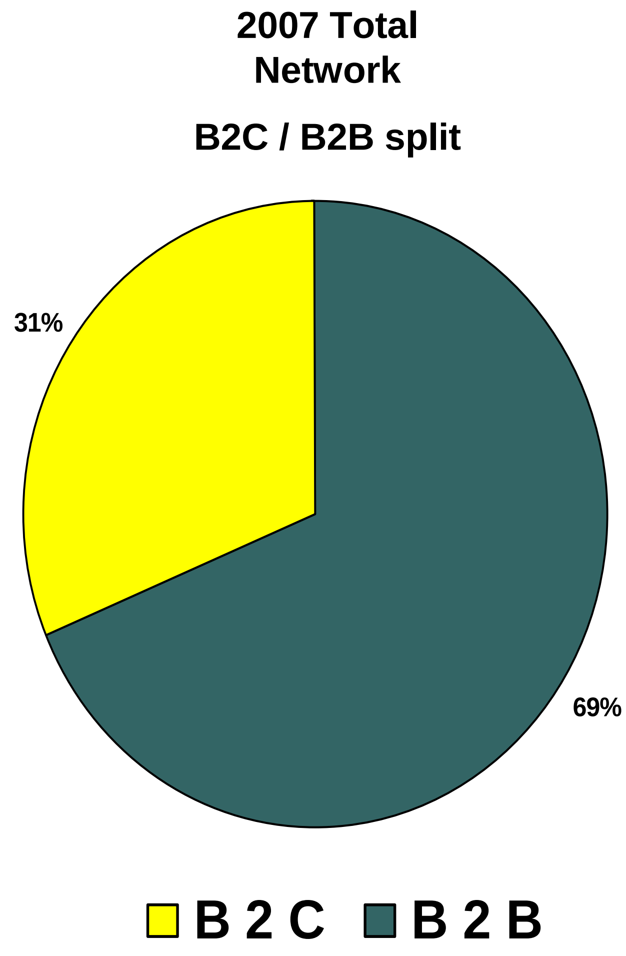
City Link – Year-on-year change in network revenue

Caution: Some ambiguity between “new customer” and “uptrading” and between “lost business” and “downtrading” but trends are meaningful.



Sector and B2B/B2C Revenue split





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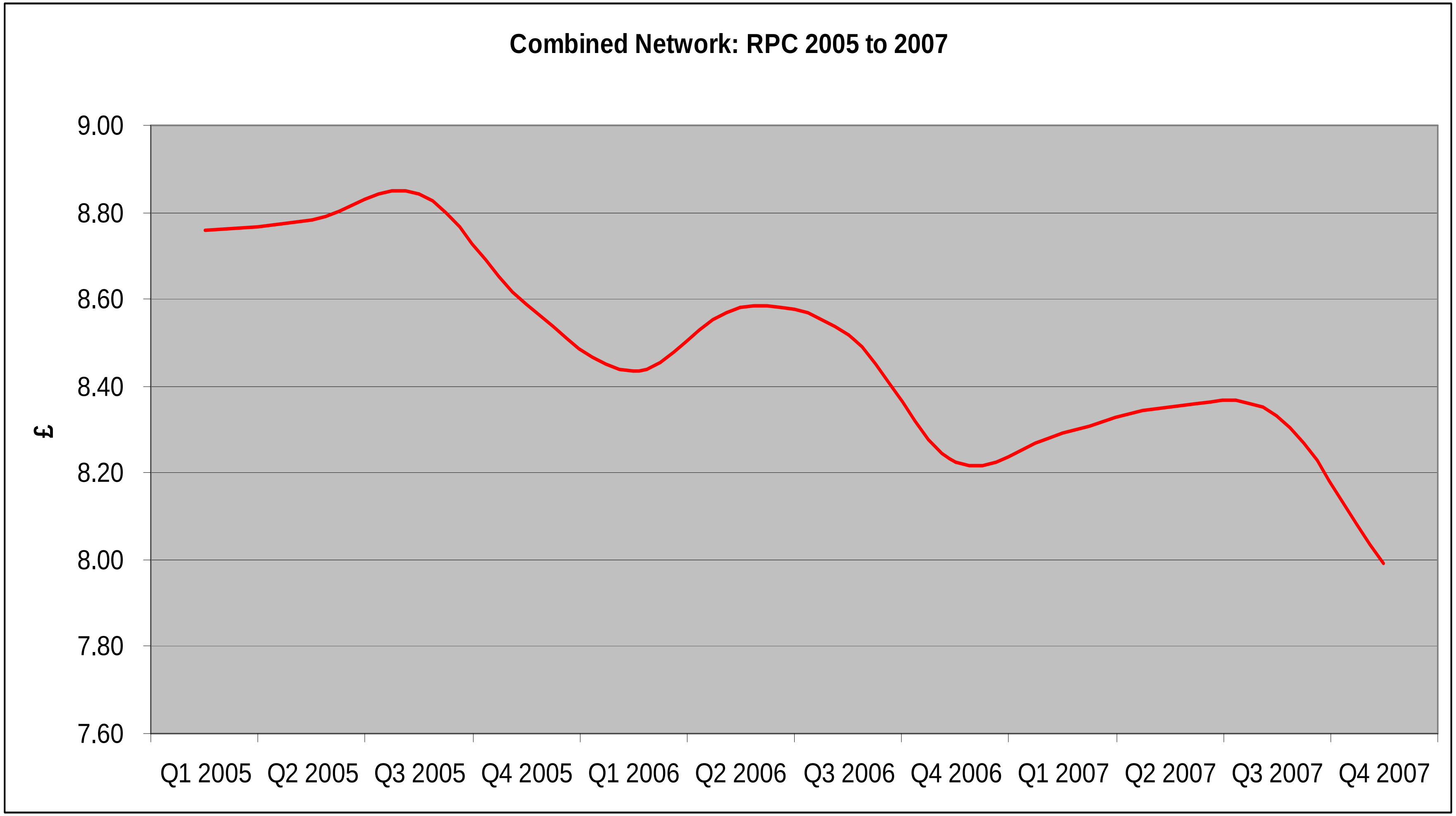
Combined Network RPC: 2005 to 2007



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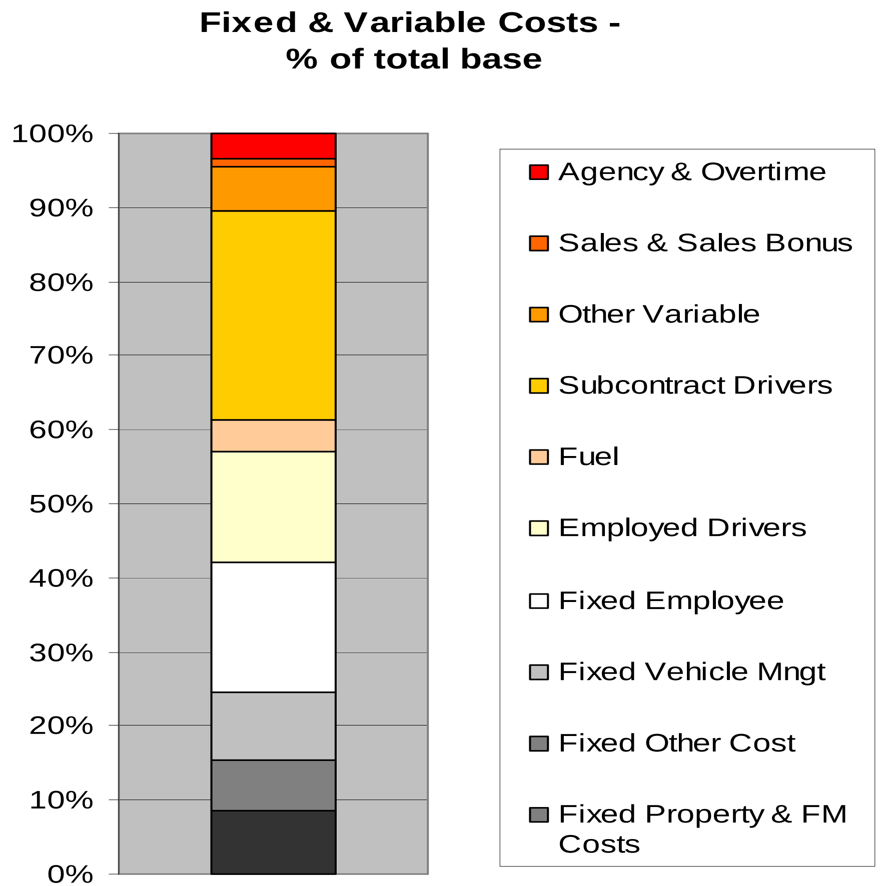
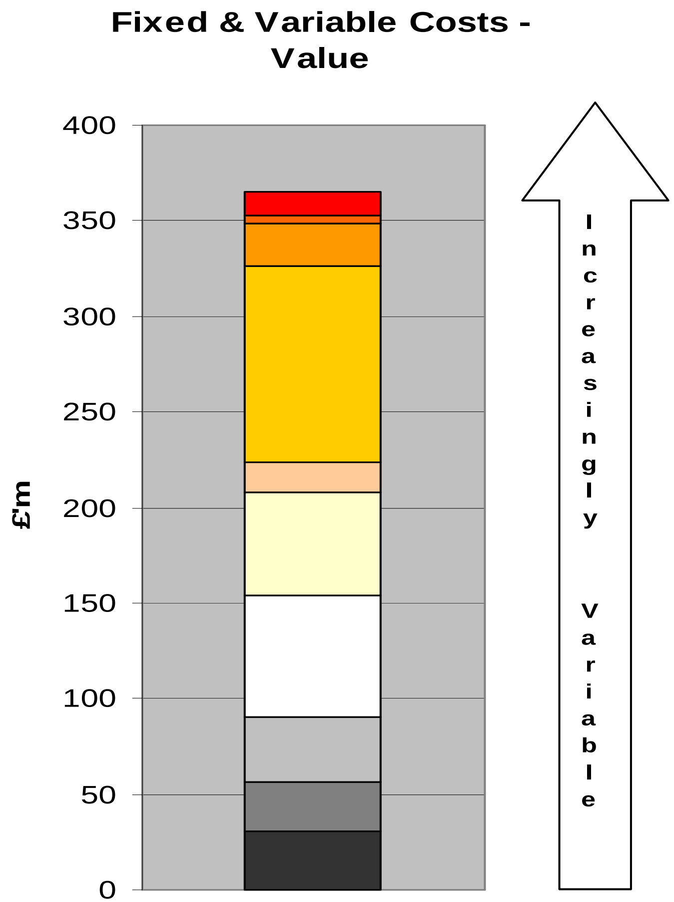
City Link – 2007 Cost Base





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City Link – Effect on Q4 profits

	£m
▪ **Budget Profit**	23
▪ £25m revenue shortfall (down-trading, poor new business) at 40% budgeted drop through	(10)
▪ 14m consignments at lower - than - expected RPC	(4)
▪ 14m consignments at higher cost per delivery	(3)
Actual profits Q4	6

City Link/Target Express Integration

Synergies

- Interims estimate of 2007 in year benefit £2-3m : achieved
- Potential >£15m p.a. unchanged. Timing subject to depot integration programme.

Costs	Interim Estimate	Actual / Revised
2007	9.0	25.4*
2008	12.0	5.0
	21.0	30.4*

* Includes £16.3m leasehold property exit provision

- Property costs about £8m higher than expected – softer market
- Future costs around £5m. Timing subject to depot integration programme.

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City Link – 2008 Outlook

- Adverse trends continuing in January and February
  - Volumes between 2005 and 2006 levels
  - RPC at Q4 levels
  - Poor 2007 new business continues to hurt revenue
  - January loss-making - £4m worse than 2007
- Recovery actions underway, but in-year benefit hard to assess at the moment
  - Sales pipeline good – main benefit in 2H
  - Risk of service disruption associated with depot integration may constrain ability to remove cost in the short term
  - 2008 synergies dependent on timing of integration
- Possible business may not trade better than breakeven this year

Initial Textiles & Washroom Services

Constant exchange rates

% change versus prior year

	2006 vs. 2005				2007 vs. 2006			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Revenue (%)	1.0	(1.2)	(0.7)	3.5	1.8	2.0	2.0	(0.5)
Organic revenue (%)	(0.3)	(1.4)	(0.8)	3.5	2.3[1]	2.8[1]	3.2[1]	1.0[1]
Adjusted EBITA (%)	(16.5)	(21.0)	(22.5)	(14.4)	(8.1)	1.4	4.5	0.8
Retention rate (pa)	89.1	89.4	90.6	90.7	89.7	90.2	92.2	90.5
Net gain[2] – change in quarter (£m)	£0.3m	£0.4m	£2.2m	£6.6m	£6.4m[1]	£2.7m[1]	£5.3m[1]	£5.3m[1]

[1]Excludes German hospital services and the last UK garment contract
[2]Includes acquisitions

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Initial Textiles & Washroom Services

Constant exchange rates

	Revenue £m			Portfolio ave. price change %		Change in adjusted EBITA £m	
	2007	2006	Change	2007 v. 2006	2006 v. 2005	2007 v. 2006	2006 v. 2005
France	221.2	213.2	3.8%	+0.6%	+0.8%	3.1	(6.6)
Netherlands	75.4	73.9	2.0%	+0.7%	+0.4%	2.0	(0.9)
Belgium	67.9	65.7	3.3%	+0.8%	+3.3%	0.2	(0.4)
Germany[1]	67.9	73.0	(7.0)%	-	+1.4%	0.8	(0.8)
Others/divisional centre	88.3	79.1	11.6%			(2.9)	(2.4)
	520.7	504.9	3.1%			3.2	(11.1)
UK[2]	82.3	90.5	(9.1)%			(3.6)	(13.9)
Divisional Total	603.0	595.4	1.3%			(0.4)	(25.0)

[1] Includes German Hospital Services sold during 2007 – Revenue £4.7m (2006: £12.2m)
[2] Includes Wipers activities closed during Q4 2007 - Revenue £5.8m (2006: £7.3m)

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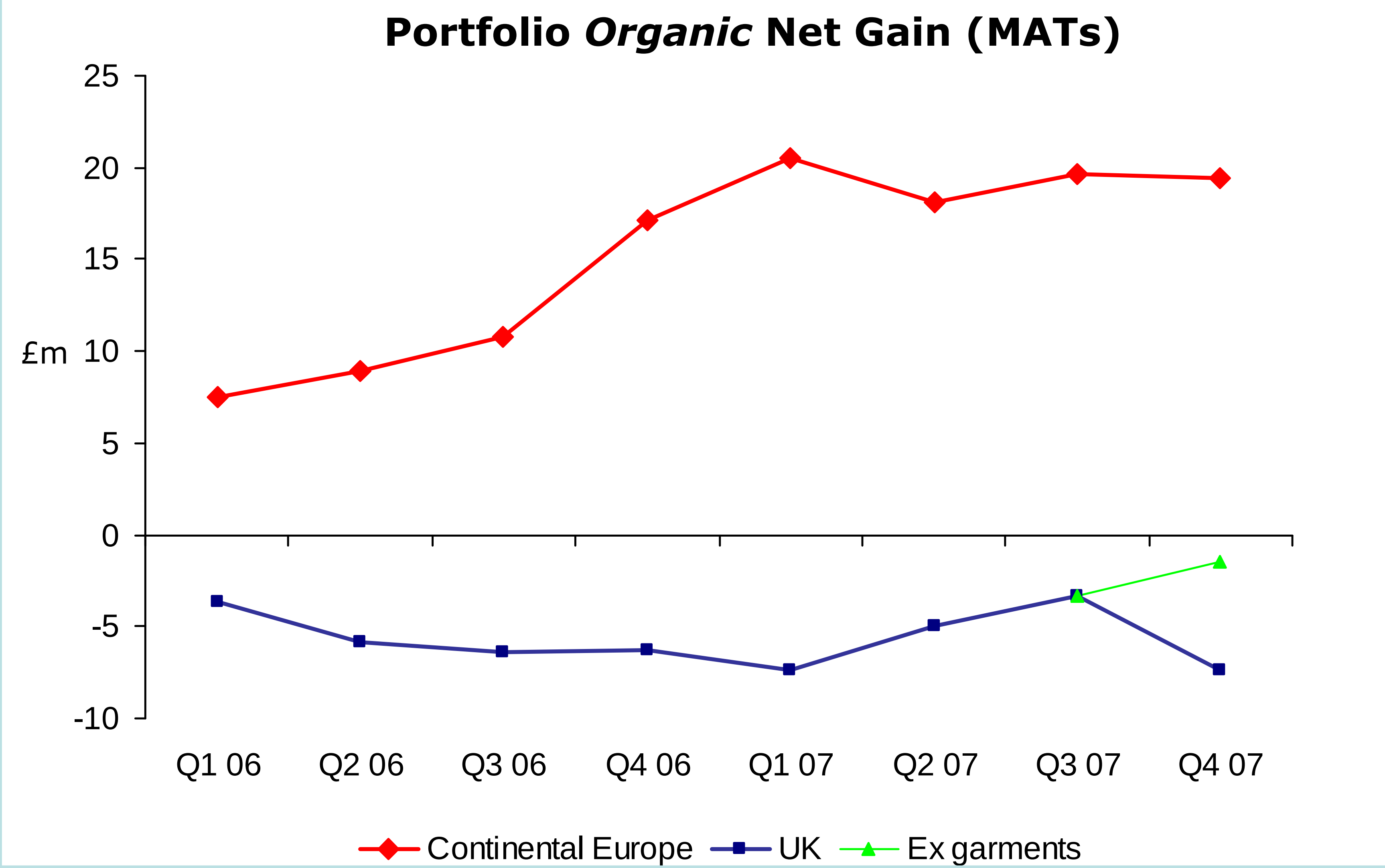
Initial Textiles & Washroom Services



ex GHS

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Rentokil Pest Control

	Revenue		Retention		Change in adj. PBITA	
	2007 £m	2006 £m	2007 %	2006 %	2007 v. 2006	2006 v. 2005
USA	97.4	76.7	82.1	84.3	1.0	5.5
Europe	126.1	114.7	87.0	86.3	2.7	2.6
UK	65.3	65.8	81.5	81.5	(3.4)	(4.5)
Divisional Costs/other	21.6	21.1	90.0	88.6	(2.4)	(0.6)
	310.4	278.3	84.5	84.6	(2.1)	3.0

	2007	2006
TOTAL PBITA	£66.1m	£68.2m
Organic growth	5.7%	1.2%

Constant exchange rates

UK Pest Control

	2005		2006		2007	
	H1	H2	H1	H2	H1	H2
Revenue £m	34.1	34.4	33.0	32.8	31.2	34.1
Portfolio net gain £m	0.1	(0.4)	(0.6)	(0.5)	0.3	1.0
Adjusted EBITA change £m			(2.1)	(2.4)	(2.1)	(1.3)

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Initial Facilities Services

	Revenue		Retention		Change in adj. PBITA	
	2007 £m	2006 £m	2007 %	2006 %	2007 v. 2006	2006 v. 2005
Cleaning	376.7	318.7	85.4	92.3	1.5	(1.2)
Catering	59.7	66.5	NA	NA	1.5	(1.2)
Hospitals	62.8	56.8	93.4	96.4	0.9	0.5
Other / Div. overheads	86.5	77.2	82.6	78.7	3.8	(2.5)
	585.7	519.2	86.2	91.1	7.7	(4.4)

	2007	2006
TOTAL PBITA	£38.9m	£31.2m
Organic growth	3.9%	8.2%

Constant exchange rates

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Rentokil Initial Asia Pacific

	Revenue		Retention		Change in adj. PBITA	
	2007 £m	2006 £m	2007 %	2006 %	2007 v. 2006	2006 v. 2005
North Asia	25.4	10.4	78.5	80.6	1.4	0.1
South Asia	43.6	27.6	81.3	77.0	2.1	1.4
Pacific	89.4	64.1	89.1	88.2	5.2	0.6
Div. Overheads	-	-	-	-	(1.3)	(1.2)
	158.3	102.1	86.0	84.6	7.4	0.9

	2007	2006
TOTAL PBITA	£31.0m	£23.6
Organic growth	12.0%	5.7%

Constant exchange rates

Central Costs

Adjusted PBITA

	2007					2006
	Q1	Q2	Q3	Q4	FY	
	£m	£m	£m	£m	£m	£m
Central Costs	(10.4)	(10.2)	(8.0)	0.1	(28.5)	(28.9)

- Costs higher in 1H due to set up of UK Shared Service Centre
- Run-rate fell in Q3 – efficiency savings
- Q4 reflects bonus and property provision adjustments
- 2008 costs are estimated at £9m per quarter

Interest

Actual exchange rates

Continuing operations

	2007 Q1 £m	2007 Q2 £m	2007 Q3 £m	2007 Q4 £m	2007 FY £m	2006 FY £m
Net interest on bank/bond/finance lease debt*	(17.7)	(20.0)	(14.4)	(17.4)	(69.5)	(48.6)
Expected return on pension scheme assets	12.7	12.7	13.4	13.5	52.3	47.4
Interest on pension scheme liabilities	(12.9)	(12.8)	(12.8)	(13.0)	(51.5)	(48.4)
	(0.2)	(0.1)	0.6	0.5	0.8	(1.0)
Fees and South Africa BEE note	(0.1)	(0.6)	(0.1)	(0.4)	(1.2)	(1.4)
Unwind of discount on provisions	(0.6)	(0.5)	(0.4)	-	(1.5)	(2.0)
Mark-to-market/forex adjustments	(0.5)	1.7	(1.1)	(0.6)	(0.5)	1.9
Per income statement	(19.1)	(19.5)	(15.4)	(17.9)	(71.9)	(51.1)
Average interest rate on bank/bond/finance/lease debt (incl margin)	5.7%	6.1%	6.4%	6.9%	6.2%	4.9%
Average net debt	1,267	1,320	890	992	1,116	987

*After interest received on fair value hedges

Taxation

At actual exchange rates

	2007		2006	
	£	%	£	%
Profit before tax (continuing ops)	140.7	*100.0*	165.4	*100.0*
<u>Explanation of tax charge</u>				
Expected charge[1]	42.6	*30.0*	50.8	*30.7*
Recurring factors affecting tax charge	(4.3)	*(3.1)*	(3.0)	*(1.8)*
	38.3	*26.9*	47.8	*28.9*
Deferred tax on unremitted profits	0.7	*0.5*	(0.4)	*(0.2)*
One-off items	1.1	*0.8*	1.1	*0.6*
Prior year adjustments	(9.8)	*(6.9)*	(15.2)	*(9.2)*
Actual tax charge	30.3	*21.3*	33.3	*20.1*
Current tax	20.9	*14.7*	15.9	*9.6*
Deferred tax	9.4	*6.6*	17.4	*10.5*
Tax charge	30.3	*21.3*	33.3	*20.1*
Cash tax paid	27.1		38.5	

[1] Expected charge = Profit before tax x blended rate. The 2008 blended rate is estimated at 29.3%

Operating Cash Flow

Actual exchange rates

	2006	2007				2006
	Continuing activities before one-off items[1]	Continuing activities before one-off items	Discontinued activities	One-off items	Total	Total
EBIT	237.1	240.3	24.1	(28.4)	236.0	239.6
Amortisation[2]	21.1	39.2	1.4	-	40.6	27.5
Depreciation	153.4	155.6	2.3	-	157.9	162.1
Non-cash items[3]	(7.7)	(7.4)	(0.1)	-	(7.5)	(38.4)
EBITDA	403.9	427.7	27.7	(28.4)	427.0	390.8
Working Capital-divs	4.9	(20.2)	2.5	(0.7)	(18.4)	16.5
Working Capital-centre	(38.6)	(49.7)	-	-	(49.7)	(38.6)
Net capex[4]	(171.3)	(166.2)	(4.6)	-	(170.8)	(157.7)
Operating cash flow	198.9	191.6	25.6	(29.1)	188.1	211.0

- European major plant capex £11.5m (2006: £27.1m)

1 As reported in 2006, adjusted to exclude Electronic Security
2 Excluding computer software and development costs
3 Impairment charges, profit on sale of fixed assets, pension curtailment etc.
4 Net of disposal proceeds of £57.9m (2006: £42.5m – includes finance leases)

Free Cash Flow and Movement in Net Debt

Actual exchange rates

	£ million	
	2007	**2006**
Total operating cash flow	188.1	211.0
Interest[1]	(58.9)	(43.9)
Tax	(27.1)	(38.5)
Free cash flow	102.1	128.6
Equity dividend	(133.4)	(133.3)
Acquisitions[2]	(197.4)	(417.8)
Disposals	596.8	144.2
Pension contribution	(80.0)	-
FX/other	(47.0)	30.4
Decrease\(Increase) in net debt	241.1	(247.9)

[1] Including finance leases
[2] Cash plus acquired debt

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Net Debt and Liquidity

	At 31/12/07 £m	
Cash / Bank	55.6	- £252m facility to February 2010 (inc 12 month term-out option) - £500m RCF to October 2012
€100m note	(74.5)	July 2008
£250m bond	(250.1)	November 2008
€500m bond	(373.4)	March 2014
£300m bond	(304.7)	March 2006
NET DEBT	**(947.1)**	

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The Rentokil Initial Journey

Declining profitability	Stabilisation	Signs of growth	Sustainable growth

2005 **2006** **2007** **2008** **2009** →

- The need for change

- Portfolio reshaping
- Structure
- Leadership team

- Portfolio reshaping
- Retention and sales
- Operational efficiency

- Strengthened market positions
- Sustainable growth in sales, profits & margins

Group strategic objectives

- To return the company to sustainable profits growth thereby maximising shareholder value:
  1. Restart revenue growth
     - Improve service ➔ increase retention
     - Improve sales and marketing effectiveness
     - Leverage power of brands
  2. Reshape the portfolio
     - Dispose of businesses where limited opportunity to add value
     - Build towards leading market positions
     - Growth sectors
  3. Improve efficiency and productivity across divisions
     - Sales & service productivity
     - Cost reductions
     - IT systems & processes improvements

2007 actions

- New structures in place within UK Pest Control and UK Washroom
  - Stable platform on which to build
- Exited unprofitable contracts (hospitals/catering) and business (wipers)
  - Although negative short term impact on retention rate
- Ongoing drive to deliver operational & financial efficiencies across the group
  - Procurement delivered £8m savings across 56 projects
- £201 million invested towards building stronger market positions/growth businesses
- Disposal of businesses where limited opportunity to add value including completion of sale of Electronic Security for £595m

Strategic Direction - Division

- **Group strategic objectives:**
  1. Restart revenue growth
  2. Reshape the portfolio
  3. Improve efficiency and productivity

- **Divisional strategic objectives:**
  1. Textiles & Washroom Services
  2. Pest Control
  3. City Link
  4. Facilities Services
  5. Ambius
  6. Asia Pacific

Initial Textiles & Washroom Services

- The objective
  - To become Europe's leading textiles and washroom operator, driving value through operational efficiencies and organic sales growth
- Strategic priorities
  - Operational efficiency improvements (processing, route logistics, supply chain)
  - Organic sales growth in continuing tough markets (cross selling, range selling, new accounts)
  - Opportunity to participate in value-enhancing consolidation of European textiles and washroom markets

Textiles & Washroom – Progress against Plan

- New seven-region divisional structure
  - Maximising efficiencies: across borders, people, facilities, logistics, supply chain
- Driving strong growth in higher margin segments
  - Medical, clean room, mats, safety equipment and high-visibility
- Considerable operational improvement
  - French business now on growth trajectory
  - New processing facilities in Austria, France & Belgium completed on time/budget
  - New facility in Prague is due to open on schedule this autumn
- Physical restructuring complete in UK Washroom
  - New infrastructure in place – processing and service centres
  - Exit of last textiles contract, closure of wipers business in Q4
  - Portfolio attrition declining

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Rentokil Pest Control

- The objective
  - To create the world’s finest & most profitable specialist pest control company, establishing leadership positions in mostly fragmented markets
- Strategic priorities
  - Organic growth through improved retention and new sales
  - Ensure strong and sustainable platform through service and operational excellence
  - Return UK to profit growth

Rentokil Pest Control – Progress Against Plan

- Establishing strong position in world's largest market
  - Presto-X delivering to expectation; expands footprint into additional 16 states
  - JC Ehrlich – strong finish - improvements in off-season productivity & cost flexibility
- New sales driving European growth
  - Revenue ↑, retention ↑, contract portfolio ↑, profit ↑
  - 5.7% organic growth: 10.6% Spain, 9.3% Ireland, 7.6% Italy, 7.3% Netherlands
  - Brand strength and building on-line presence
- New UK structure in place
  - Revenue ↑, retention ↑, contract portfolio ↑
  - Good growth in national accounts; challenge remains to deliver growth in SME sector
  - Productivity improvement in H2 following the bedding in of new structure in H1
  - 200% increase in on-line enquiries
  - Return to profit growth in 2008
- Re-energised culture with rising self belief

Initial Facilities Services

- The objective
  - To become the UK’s leading cleaning and facilities services company exploiting high quality client list to drive specialist & bundled cleaning and support services
- Strategic priorities
  - Drive organic sales in core cleaning disciplines
  - Single minded focus on cost and productivity
  - Optimise non-cleaning service offering

Facilities Services – Progress Against Plan

- Cleaning: increased contract turnover and portfolio growth
  - Greater use of “RAPID” and “SmartClean” initiatives
  - Expansion of group services into existing customers showing rewards
  - Streamlining operational structure
- Catering/Hospital Services: active client profitability management
  - Exited unprofitable contracts
    - Revenue loss largely offset by new contracts effective Q4 2007
  - Greater focus on business catering segment; education returns improving
  - Procurement initiatives (food purchasing & distribution)

Ambius

- The objective
  - To leverage existing positions to become the premier creator of workplace ambience products & service
- Strategic priorities
  - Organic growth through new sales and sales productivity
  - Focus on increasing operating profit margins
  - Use Ambius brand to increase revenue per customer through product/service extensions
  - Turnaround UK

Ambius – Progress Against Plan

- Improved operating margins in larger businesses - US, Sweden and Netherlands
  - US top line growth up 6.4%; adjusted operating profit up 17% year on year
  - Leveraging scale to drive bottom line
- Record holiday season in US business
  - Sales up 8.4% to $12.4m – improved processes to handle greater volume
- Successfully launched Ambius brand throughout Europe
  - N. America to follow Q1 2008
  - Customer and employee feedback very positive
- Expansion of service offering
  - Exploring a range of options to access bigger market opportunity than plants
  - Ambient scenting in US and Europe, artwork, fresh fruit delivery in Europe
- New management addressing performance issues in UK
  - Signs of customer retention improvements

Rentokil Initial

Rentokil Initial Asia Pacific

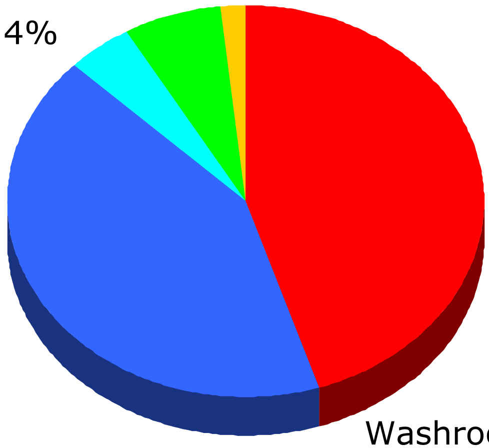
- The objective
  - To build and capitalise upon market leading positions in core group businesses in the world's fastest growing markets
- Strategic priorities
  - Drive organic growth ahead of market
  - Deepen pest control market positions
  - Secure acquisition synergy benefits in Washroom (Australia and South East Asia)

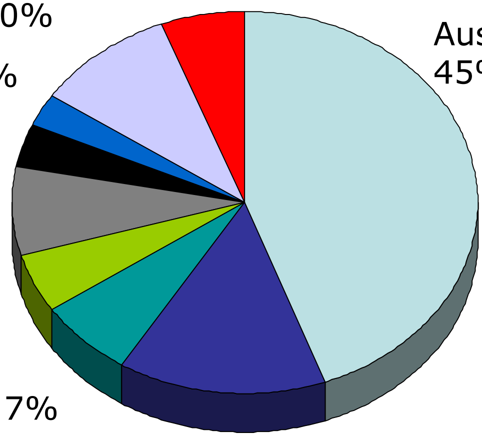
Asia Pacific – Progress Against Plan

- Excellent growth in pest control
  - Particularly in Australia, New Zealand, Malaysia and Indonesia
  - Hong Kong contract (largest in group); redefining pest control standard in region
- Entered Chinese residential pest control market
  - Taiming: unique business model; strong relationships with government
- Launched service extensions
  - Launch of fumigation services in Australia, New Zealand, Philippines, Singapore & Thailand; residential proposition in Australia and China
  - Security and IT Hygiene
- Integration benefits (CWS Washrooms) in South East Asia
- Website launches
  - 16 sites launched to support local businesses; establishes e-marketing platform
- Expansion of geographic footprint in high growth markets
  - Inc. Korea, Vietnam, India, Brunei, China and Macau

Asia Pacific – Revenue by Geography & business

Revenue Analysis (pro forma)[1]





[1] Includes full year of 2007 acquisitions plus our share of Japanese associate.

Group Priorities for 2008

- Restore City Link to profitability
- Whilst maintaining momentum across the rest of the group

Rentokil Initial

Outlook for 2008

- Expect a limited impact from softer global market conditions:
  - Spread of business activities, geographic reach and self-help measures offer resilience to economic downturn
- Modest growth expected from Textiles & Washroom, Pest Control, Asia Pacific, Facilities Services and Ambius
- City Link – may not trade better than break even
- Group adjusted PBTA for 2008 significantly lower than 2007 but predicated by City Link performance

Rentokil Initial

2007 Preliminary Results

28 February 2008

APPENDICES

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2007 Textiles & Washroom One-off Costs (APPENDIX)

	£m	Benefit
Plant closure cost - Belgium	2.9	▪ Move to more efficient plants
Disposal of Wipers business	2.5	▪ Exit of loss making business
UK Branch closures	4.0	▪ Move to efficient branch/processing
Reorganisation / redundancy	3.5	▪ Move to more efficient management
Profit on property disposals	(10.7)	
	2.2	

- 2007 plant capex £10.4m (Lokeren, Amstetten, Brie Comte Robert, Prague)
- 2008 plant capex estimated at £3.5m (Brie Comte Robert, Prague)

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