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Q3 2011 Trading Update

7 November 2011

Highlights

Alan Brown
Chief Executive Officer

Q3 Highlights

- Continued revenue growth despite tough market conditions
- Textiles & Hygiene Benelux performing ahead of plan
- City Link losses continue in Q3 but Q4 projected to improve significantly:
  - Operational improvements in place ahead of key Christmas trading with strong service levels but further progress required on productivity
  - New business has delivered strongly for Q4 (c.£25m annualised contract wins)
- Improving trend in operating cash flow at £56.5m (at AER); further improvement anticipated in Q4
- £37m cost savings year to date; full year expectations reduced to £50m-£55m reflecting the need for more progress on City Link productivity

Group, excluding City Link, trading robustly in challenging conditions

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Q3 Review

Jeremy Townsend
Chief Financial Officer

Financial Highlights

	Q3			YTD		
	2011 £m	2010 £m	△	2011 £m	2010 £m	△
Revenue at CER	630.7	626.8	0.6%	1,867.1	1,854.8	0.7%
Adjusted PBITA at CER	62.4	69.7	(10.5%)	153.1	172.3	(11.1%)
Adjusted PBTA at CER	51.6	58.0	(11.0%)	122.5	134.1	(8.7%)
Adjusted PBTA at AER	53.1	57.3	(7.3%)	126.6	133.8	(5.4%)
Operating Cash Flow at AER	56.5	66.5	(15.0%)	81.0	136.5	(40.7%)

CER = constant exchange rates AER = actual exchange rates

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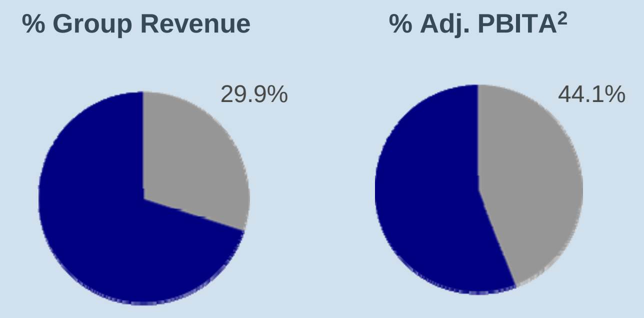
Textiles & Hygiene

At constant exchange rates

- Revenue +2.9% (+1.8% organic), aided by Germany, France and Benelux but held back by difficult trading in Italy and Eastern Europe
- YOY retention +0.8% to 87.1%
- Profit +3.6% (+2.6% organic) reflecting improved performance from Benelux



	Q3 2011	YTD 2011	△ Q3	△ YTD
Revenue	192.4	575.6	2.9%	2.7%
Adj. PBITA[1]	31.6	81.5	3.6%	(2.2%)

[1] before amortisation and impairment of intangible assets and one-off items
[2] % excludes central costs

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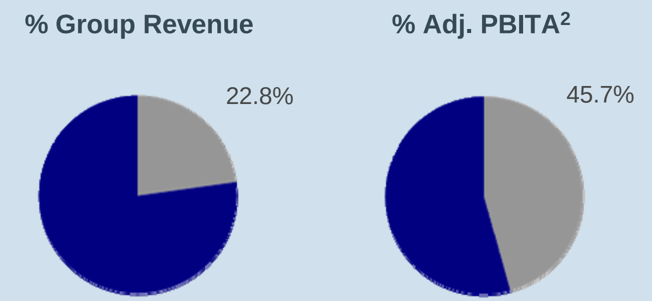
Pest Control

At constant exchange rates

- Revenue +0.7% (+3.5% excluding disposals and Libya):
  - Strong performance in North America and most European markets offset by Portugal, Greece & Spain
  - UK Pest +14.6%, of which Santia acquisition 7.3%
  - UK & Ireland Hygiene rate of decline improved to -5.7% (Q2: -6.8%)
- Profit +1.5% reflecting ongoing cost control
- First time presence in Mexico through acquisition of Monterrey-based Tetengo



	Q3 2011	YTD 2011	△ Q3	△ YTD
Revenue	154.0	437.5	0.7%	(0.9%)
Adj. PBITA[1]	33.6	84.5	1.5%	2.8%

[1] before amortisation and impairment of intangible assets and one-off items
[2] % excludes central costs
* Consistent with contract structure

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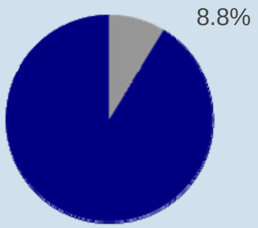
Asia Pacific

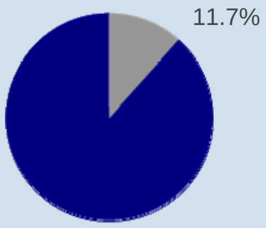
At constant exchange rates

- Revenue +4.4% (+3.7% organic):
  - Asia +5.5%:
    - Momentum continues in established markets (Indonesia, Thailand, Philippines, China, Malaysia) reflecting sales & marketing and growth initiatives…
    - …and in emerging businesses (Vietnam and India)
    - Asia portfolio now in double digit growth
    - Stabilisation of management issue in China albeit at higher YOY costs
  - Pacific +3.4% (+2.2% organic)
- Profit +3.0%:
  - Price increases and cost savings offsetting inflationary pressures
  - Investment in sales & marketing now delivering to bottom line

% Group Revenue



% Adj. PBITA[2]



	Q3 2011	YTD 2011	△ Q3	△ YTD
Revenue	56.9	169.0	4.4%	3.9%
Adj. PBITA[1]	6.8	21.7	3.0%	-

[1] before amortisation and impairment of intangible assets and one-off items
[2] % excludes central costs

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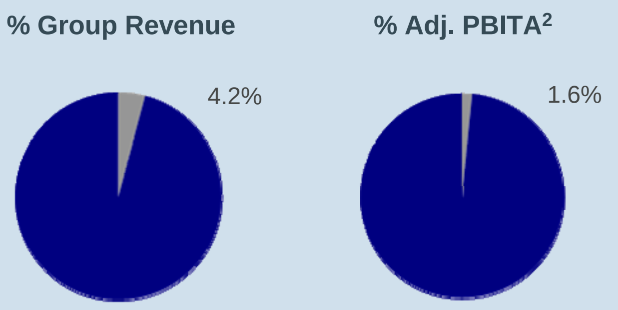
Ambius

At constant exchange rates

- Revenue +2.3%, reflecting 14.3% increase in European job sales
- Profit -13.3% due to cost inflation on plants and fuel and changes in business mix
- Acquisition of Westplant cements Ambius' market position in Netherlands



	Q3 2011	YTD 2011	△ Q3	△ YTD
Revenue	27.1	81.2	2.3%	0.5%
Adj. PBITA[1]	1.3	2.9	(13.3%)	(23.7%)

[1] before amortisation and impairment of intangible assets and one-off items
[2] % excludes central costs

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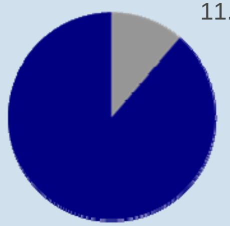
City Link

At constant exchange rates

- Q3 operating loss of £6.8m, volumes show improving trend at -5.5%; performance expected to improve significantly in Q4:
  - Operational improvements in place for Xmas trading period
  - Service levels strong
  - New business pipeline has delivered strongly for Q4, encouraging for 2012
  - Further progress required on productivity
- New FD in place, MD to join early December

% Group Revenue



	Q3 2011	YTD 2011	△ Q3	△ YTD
Revenue	74.4	218.9	(7.9%)	(11.7%)
Adj. PBITA[1]	(6.8)	(24.6)	N/A	N/A

[1] before amortisation and impairment of intangible assets and one-off items

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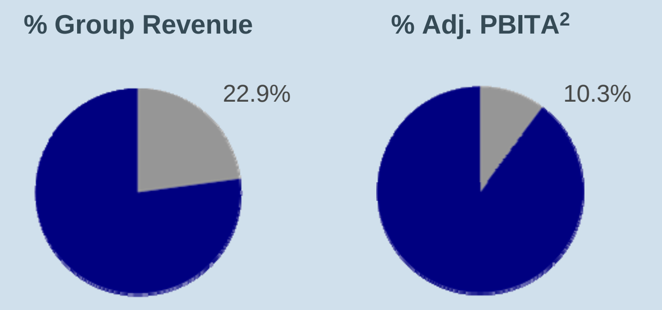
Initial Facilities

At constant exchange rates

- A steady Q3 performance in difficult market conditions
- Revenue +3.7% (-1.4% organic) assisted by Knightsbridge and Santia acquisitions
- Profit +4.5% (broadly flat exc. acquisitions), reflecting operational efficiency and cost reductions
- Divisional restructuring to improve efficiency and drive growth progressing well



	Q3 2011	YTD 2011	△ Q3	△ YTD
Revenue	144.7	440.6	3.7%	8.5%
Adj. PBITA[1]	7.0	19.0	4.5%	13.8%

[1] before amortisation and impairment of intangible assets and one-off items
[2] % excludes central costs

Outlook

- Revenue projections for City Link have improved significantly for Q4 and 2012:
  - Financial performance expected to improve also in Q4, assuming no repetition of the exceptional weather conditions in Q4 2010
  - New business pipeline remains very strong
  - Operational excellence initiatives in place for key Xmas trading but greater progress required on productivity
- Textiles & Hygiene Benelux to deliver profit growth in Q4
- Elsewhere, anticipate a solid Q4 performance across the group

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