

WELCOME TO THE



2004 PRELIMINARY RESULTS



Notes:



2004 PRELIMINARY RESULTS

HIGHLIGHTS

- PROFIT IN LINE WITH MARKET EXPECTATIONS
- EXCELLENT OPERATING CASH FLOW
- FULL YEAR DIVIDEND INCREASE OF 10.0% PROPOSED
- REINVESTMENT CONTINUES IN SALES, SERVICE, I.T., R&D, H.R. AND ACQUISITIONS
- AS YET NO NOTICEABLE IMPROVEMENT IN :-
 - CONTRACT PORTFOLIO DEVELOPMENT
 - TRADING RESULTS



1.

Notes:

2004 PRELIMINARY RESULTS

FINANCIAL SUMMARY

	2003 Average Exchange Rates	2004 Average Exchange Rates	% increase over 2003	
			Constant Exchange	Actual Exchange
TURNOVER *	2,473.7	2,435.3	+ 2.0	+ 0.4
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	350.8	347.2	- 14.1	- 15.0
INCREASE IN CONTRACT PORTFOLIO	33.5	32.8	-	-
OPERATING CASH FLOW	235.8	231.8	- 12.4	- 13.9
EARNINGS PER SHARE - ADJUSTED	-	14.30p	-	- 13.2
- BASIC	-	11.87p	-	- 25.0
DIVIDEND PER SHARE	-	6.71p	-	+ 10.0

* Turnover is from continuing operations



2.

Notes:

2004 PRELIMINARY RESULTS

SECTOR ANALYSIS - CONTINUING OPERATIONS

	TURNOVER		OPERATING PROFIT	
	2004 £m	% increase over 2003	2004 £m	% increase over 2003
<u>HYGIENE</u>				
Hygiene Services	767.2	+ 1.2	170.0	- 16.1
Pest Control	228.2	+ 1.7	77.5	- 8.6
<u>SECURITY</u>	591.4	+ 1.3	53.0	- 8.9
<u>FACILITIES MANAGEMENT</u>				
Facilities Management Services	456.6	+ 0.9	28.9	- 18.8
Tropical Plants	111.5	- 1.0	12.5	- 29.8
Conferencing	91.1	+ 6.2	25.3	- 4.2
<u>PARCELS DELIVERY</u>	227.7	+ 9.2	31.3	+ 1.6
TOTAL	<u>2,473.7</u>	<u>+ 2.0</u>	<u>398.5</u>	<u>- 12.6</u>

at constant 2003 average exchange rates



3.

Notes:

2004 PRELIMINARY RESULTS

GEOGRAPHIC ANALYSIS

	TURNOVER		OPERATING PROFIT	
	2004 £m	% increase over 2003	2004 £m	% increase over 2003
U.K.	1,214.9	+ 1.2	177.8	- 19.0
CONTINENTAL EUROPE	830.1	+ 3.0	162.8	- 4.9
NORTH AMERICA	291.4	+ 2.5	14.0	- 18.6
ASIA PACIFIC & AFRICA	137.3	+ 1.9	43.9	- 9.3
TOTAL	2,473.7	+ 2.0	398.5	- 12.6

at constant 2003 average exchange rates



4.

Notes:

2004 PRELIMINARY RESULTS

CASH FLOW

	<u>2004</u> <u>£m</u>	<u>2003</u> <u>£m</u>
PROFIT	297.8	396.8
NON CASH EXCEPTIONAL ITEM	49.4	11.7
DEPRECIATION	160.4	157.0
WORKING CAPITAL/OTHER	6.0	(2.3)
PROVISION SPEND	(8.1)	(10.8)
DIVIDEND FROM ASSOCIATE	3.8	1.3
TAX	<u>(98.1)</u>	<u>(111.9)</u>
TRADING FLOW	411.2	441.8
CAPEX	<u>(179.4)</u>	<u>(172.5)</u>
OPERATING CASH FLOW	231.8	269.3
DIVIDENDS	<u>(113.5)</u>	<u>(104.4)</u>
CASH FLOW BEFORE ACQUISITIONS	118.3	164.9
ACQUISITIONS	(27.9)	(23.7)
DISPOSALS	9.4	7.4
PURCHASE OF OWN SHARES (NET)	<u>(23.9)</u>	<u>(73.0)</u>
NET CASH FLOW	<u>75.9</u>	<u>75.6</u>
FOREX	(3.6)	(23.1)
CLOSING DEBT	<u>(1,135.6)</u>	<u>(1,207.9)</u>

at average exchange rates



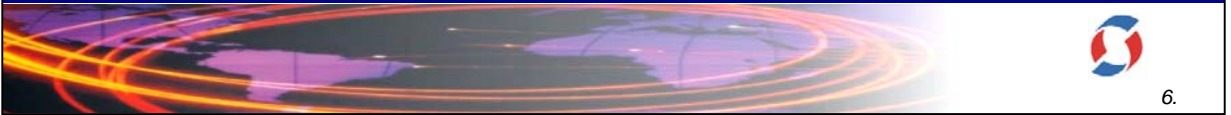
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Notes:

2004 PRELIMINARY RESULTS

PROSPECTS 2005

- NO CHANGE TO GUIDANCE GIVEN ON 30.11.04.
- REINVESTMENT TO CONTINUE AT PRESENT LEVELS.
- H1 TRADING RESULTS WILL SHOW FURTHER DETERIORATION.
- BENEFITS OF INVESTMENTS AND CULTURAL CHANGES SHOULD START TO SHOW THROUGH IN H2.
- YEAR AS A WHOLE LIKELY TO GIVE WEAKER PERFORMANCE THAN 2004.
- IN THE ABSENCE OF UNFORSEEN CIRCUMSTANCES THE INTENTION IS TO RECOMMEND A FURTHER DIVIDEND INCREASE OF 10% IN 2005.



6.

Notes:

Update on operational actions



7.

Notes:

Dr. Trevor Lawson

Group R&D Director



8.

Notes:

Research & Development

- creating market leadership through
technical innovation



9.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

Main drivers

- Environment
- Hygiene
- Performance
- Information



10.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Pest Control: Pestconnect**

- 24/7 pest monitoring
- Rapid response to infestation
- Real-time threat assessment
- Web-based client information

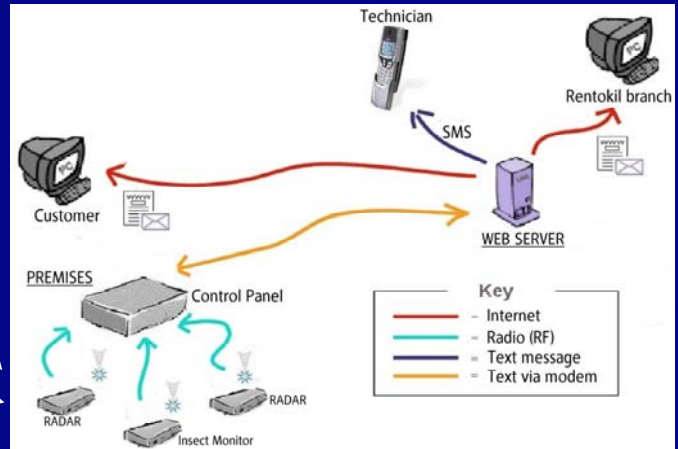


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Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Pest Control: Pestconnect**



12.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Pest Control: Insect Monitor Unit**

- Small insect detection (1mm)
- Instant alert signal
- Pestconnect compatible
- Rapid response
- Insect identification



13.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Pest Control: Insect Monitor Unit**

- Small insect detection (1mm)
- Instant alert signal
- Pestconnect compatible
- Rapid response
- Insect identification



14.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Security: FaceCheck**

- Low grade criminal targets
- Video camera face capture
- Face match to database
- Alert to security personnel
- High recognition success



15.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Security: FaceCheck**

- Retail - shoplifting
- Leisure - troublemakers
- Sport - football hooligans
- Healthcare - patient tracking



16.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Hygiene: Anti-microbial fabrics**

- Rapid bacterial kill
- Long lasting treatment
- Re-treatment after washing
- Application to cotton and polycotton fabrics



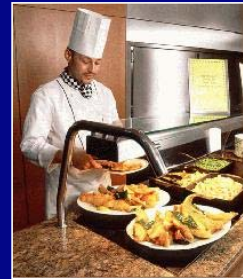
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Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Hygiene: Anti-microbial fabrics**

- Healthcare garments
- Healthcare bed linen
- Chef wear
- Food preparation garments



18.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Hygiene: Hygiene Portals**
 - Residual hand sanitizer detection
 - **Pass** / **Fail** signal
 - Hand hygiene management system



19.

Notes:

CREATING MARKET LEADERSHIP THROUGH TECHNICAL INNOVATION

- **Hygiene: Hygiene Portals**

- Door handles
- Control points
- Access control
- Hygiene Management



20.

Notes:

Research & Development

- creating market leadership through
technical innovation



21.

Notes:

2004
PRELIMINARY RESULTS



22.

Notes:

APPENDICES



23.

Notes:

2004 PRELIMINARY RESULTS

HYGIENE SERVICES

	<u>TURNOVER</u>		<u>OPERATING PROFIT</u>	
	<u>2004 £m</u>	<u>% increase over 2003</u>	<u>2004 £m</u>	<u>% increase over 2003</u>
UK	176.3	- 3.1	29.7	- 45.2
Continental Europe	500.4	+ 2.8	109.5	- 3.7
North America	6.0	- 0.8	1.3	- 27.1
Asia Pacific & Africa	84.5	+ 1.2	29.5	- 10.3
TOTAL	767.2	+ 1.2	170.0	- 16.1

at constant 2003 average exchange rates



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Notes:

2004 PRELIMINARY RESULTS

PEST CONTROL

	TURNOVER		OPERATING PROFIT	
	2004 £m	% increase over 2003	2004 £m	% increase over 2003
UK	69.4	- 0.8	31.9	- 9.7
Continental Europe	107.0	+ 0.9	33.8	- 8.2
North America	16.6	+ 6.3	2.5	- 1.9
Asia Pacific & Africa	35.2	+ 7.2	9.3	- 7.4
TOTAL	228.2	+ 1.7	77.5	- 8.6

at constant 2003 average exchange rates



25.

Notes:

2004 PRELIMINARY RESULTS

SECURITY

	TURNOVER		OPERATING PROFIT	
	2004 £m	% increase over 2003	2004 £m	% increase over 2003
UK	261.5	- 2.9	33.4	- 13.3
Continental Europe	143.7	+ 6.2	13.0	- 1.9
North America	186.2	+ 3.8	6.6	+ 4.0
TOTAL	591.4	+ 1.3	53.0	- 8.9

at constant 2003 average exchange rates



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Notes:

2004 PRELIMINARY RESULTS

FACILITIES MANAGEMENT SERVICES

	<u>TURNOVER</u>		<u>OPERATING PROFIT</u>	
	<u>2004 £m</u>	<u>% increase over 2003</u>	<u>2004 £m</u>	<u>% increase over 2003</u>
UK	380.2	+ 0.6	25.5	- 19.3
Continental Europe	51.0	+ 4.0	2.4	- 20.1
North America	21.2	- 2.6	(1.2)	-
Asia Pacific & Africa	4.2	+ 7.7	2.2	+ 29.4
TOTAL	456.6	+ 0.9	28.9	- 18.8

at constant 2003 average exchange rates



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Notes:

2004 PRELIMINARY RESULTS

TROPICAL PLANTS

	TURNOVER		OPERATING PROFIT	
	2004 £m	% increase over 2003	2004 £m	% increase over 2003
UK	12.8	+ 5.3	2.0	- 51.3
Continental Europe	28.0	- 4.4	4.1	- 4.4
North America	61.4	- 0.3	4.8	- 34.0
Asia Pacific & Africa	9.3	- 2.7	1.6	- 29.7
TOTAL	111.5	- 1.0	12.5	- 29.8

at constant 2003 average exchange rates



28.

Notes:

2004 PRELIMINARY RESULTS

CONFERENCING

	<u>TURNOVER</u>		<u>OPERATING PROFIT</u>	
	<u>2004 £m</u>	<u>% increase over 2003</u>	<u>2004 £m</u>	<u>% increase over 2003</u>
TOTAL	91.1	+ 6.2	25.3	- 4.2

at constant 2003 average exchange rates



29.

Notes:

2004 PRELIMINARY RESULTS

PARCELS DELIVERY

	<u>TURNOVER</u>		<u>OPERATING PROFIT</u>	
	<u>2004 £m</u>	<u>% increase over 2003</u>	<u>2004 £m</u>	<u>% increase over 2003</u>
TOTAL	227.7	+ 9.2	31.3	+ 1.6

at constant 2003 average exchange rates



30.

Notes:

**PRO-FORMA UN-AUDITED ANNUALISED VALUE OF CONTRACT PORTFOLIO
OF CONTINUING BUSINESSES**

£m at constant 2003 average exchange rates	1.1.04	New Business	Terminations	Net Additions/ Reductions	Acquisitions	31.12.04
Hygiene Services	726.5	81.0	(81.5)	12.1	4.5	742.6
Pest Control	179.8	31.9	(34.5)	6.3	1.0	184.5
Total Hygiene	<u>906.3</u>	<u>112.9</u>	<u>(116.0)</u>	<u>18.4</u>	<u>5.5</u>	<u>927.1</u>
Electronic	81.5	7.0	(7.5)	4.0	5.5	90.5
Manned Guarding	314.2	49.0	(47.6)	0.4	-	316.0
Total Security	<u>395.7</u>	<u>56.0</u>	<u>(55.1)</u>	<u>4.4</u>	<u>5.5</u>	<u>406.5</u>
Facilities Management Serv.	380.1	47.5	(56.7)	9.3	-	380.2
Tropical Plants	91.7	10.5	(14.7)	3.3	1.1	91.9
Conferencing	35.8	1.9	(0.5)	0.2	-	37.4
Total Facilities Management	<u>507.6</u>	<u>59.9</u>	<u>(71.9)</u>	<u>12.8</u>	<u>1.1</u>	<u>509.5</u>
TOTAL	<u>1,809.6</u>	<u>228.8</u>	<u>(243.0)</u>	<u>35.6</u>	<u>12.1</u>	<u>1,843.1</u>



31.

Notes:

2004 PRELIMINARY RESULTS

BALANCE SHEET

	<u>2004</u>	<u>2003</u> *
	<u>£m</u>	<u>£m</u>
FIXED ASSETS	675.7	662.8
WORKING CAPITAL	(139.3)	(154.3)
ASHTEAD	143.4	143.0
LONG TERM LIABILITIES/PROVISIONS	<u>(219.9)</u>	<u>(196.6)</u>
NET OPERATING ASSETS	459.9	454.9
INVESTMENTS	9.6	11.7
DIVIDEND	(86.2)	(79.0)
NET DEBT	<u>(1,135.6)</u>	<u>(1,207.9)</u>
NET TANGIBLE LIABILITIES	(752.3)	(820.3)
INTANGIBLE ASSETS	<u>192.9</u>	<u>195.7</u>
NET LIABILITIES	<u>(559.4)</u>	<u>(624.6)</u>
EQUITY SHAREHOLDERS FUNDS	(569.6)	(631.1)
EQUITY MINORITY INTERESTS	<u>10.2</u>	<u>6.5</u>
CAPITAL EMPLOYED	<u>(559.4)</u>	<u>(624.6)</u>

at closing exchange rates

** Restated*



32.

Notes: