

WELCOME TO THE
 **Rentokil Initial**

TRADING UPDATE

30th November 2004



Notes:

Finance Director

Roger Payne



1.

Notes:

TRADING UPDATE

10 months ended 31st October 2004

FINANCIAL SUMMARY

- Turnover from continuing operations: + 1.9% to £2,059.9m
- Operating Profit from continuing operations: - 11.1% to £332.5m
- Profit before Tax: - 11.9% to £293.9m
- Operating Cash Flow: good and in line with our expectations
- Contract Portfolio: + £32.7m annualised



2.

Notes:

TRADING UPDATE

10 months ended 31st October 2004

SEGMENTAL ANALYSIS

	Turnover £m	% Increase	Operating Profit £m	% Increase
<u>HYGIENE</u>				
- Hygiene Services	638.7	+ 1.2%	144.2	- 14.7%
- Pest Control	190.5	+ 1.6%	65.5	- 6.4%
<u>SECURITY</u>	490.6	+ 1.0%	43.3	- 7.3%
<u>FACILITIES MANAGEMENT</u>				
- Facilities Management Services	381.2	+ 1.4%	25.5	- 13.3%
- Tropical Plants	87.7	- 1.9%	8.1	- 32.0%
- Conferencing	76.1	+ 5.4%	21.4	- 5.5%
<u>PARCELS DELIVERY</u>	195.1	+ 8.3%	24.5	+ 0.5%
<u>CONTINUING</u>	<u>2,059.9</u>	<u>+ 1.9%</u>	<u>332.5</u>	<u>- 11.1%</u>
<u>INTEREST</u>			(39.1)	+ 1.3%
<u>SUB TOTAL</u>			<u>293.4</u>	<u>- 12.3%</u>
<u>DISCONTINUED</u>			0.5	-
<u>PROFIT BEFORE TAX</u>			<u>293.9</u>	<u>- 11.9%</u>

At constant 2003 average exchange rates.



3.

Notes:

TRADING UPDATE

10 months ended 31st October 2004

PROSPECTS 2004

£m

- Board's current view on 2004 profit before tax :-
 - Pre-exceptionals at constant average 2003 exchange rates 350
 - Estimated exchange effect (5)
 - Anticipated exceptional one-off items (35)
- Board re-affirms intention to recommend a total dividend of 6.71p, up 10% on 2003.



4.

Notes:

TRADING UPDATE

10 months ended 31st October 2004

PROSPECTS 2005

- Board convinced right actions being taken to return to sustainable growth over the medium to long term.
- Board anticipates, however, a further deterioration in trading results into the first half of 2005, although benefits should start to come through thereafter.
- 2005 as a whole likely to give a weaker performance than 2004.
- As previously announced, in absence of unforeseen circumstances, the Board restates its intention to recommend an increase in full year dividend of 10% to 7.38p.



5.

Notes:

Managing Director

Henry Chandler



6.

Notes:

REASONS FOR DISPOSAL

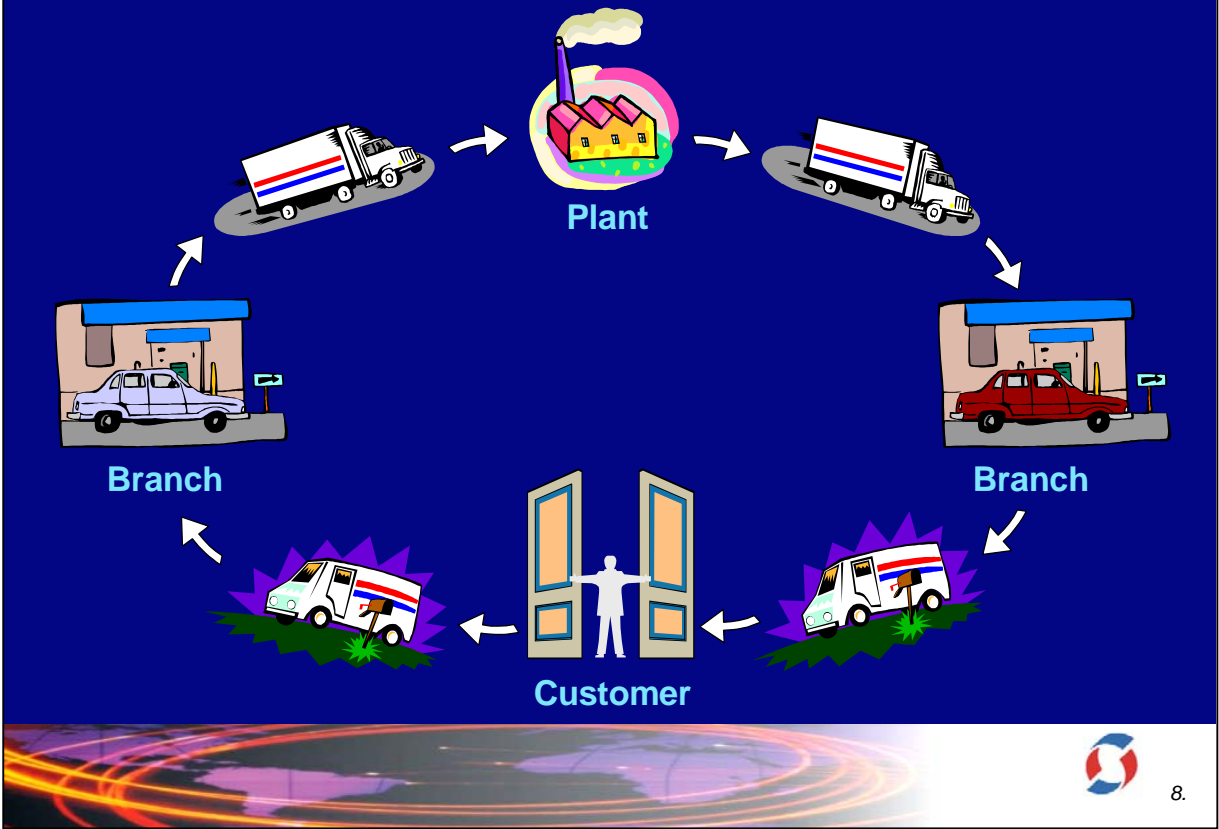
- MARGIN / MIX
- CUSTOMER PROFILE
- EFFECT OF LARGE CUSTOMERS
- DISTRIBUTION
- COMPLEXITY & TIME TO FIX



7.

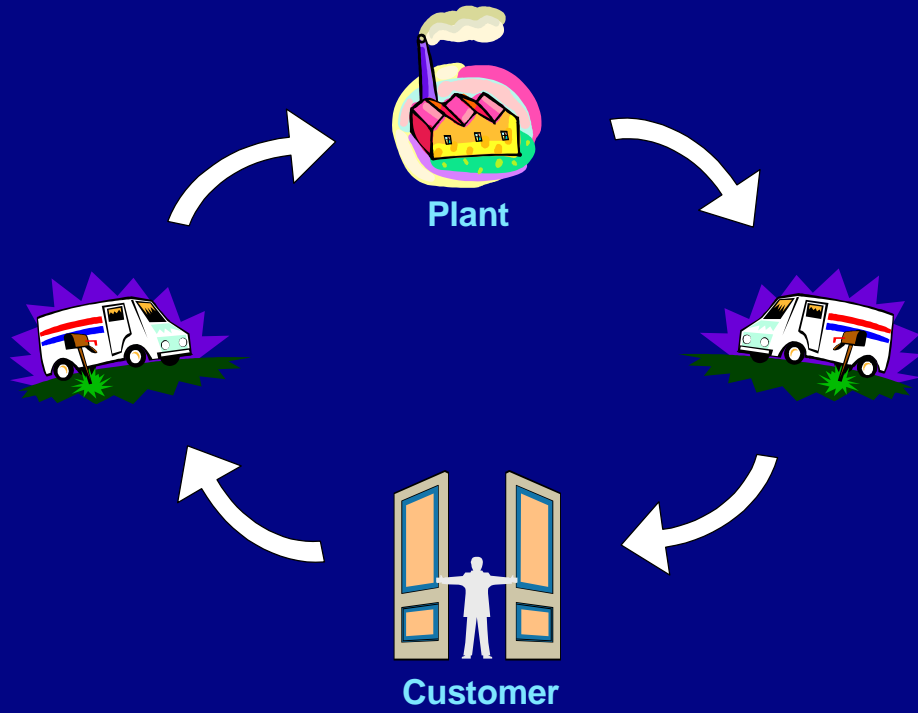
Notes:

OUR LINEN OPERATION



Notes:

COMPETITOR LINEN OPERATION



9.

Notes:

KEY ISSUES IN DISPOSAL

- **MANAGING THE TRANSITION**

- Customers
- Employees
- Suppliers

- **RESTRUCTURING**

- Practicalities
- Timetable



10.

Notes:

KEY ISSUES IN DISPOSAL (2)

- POTENTIAL BUYERS
- GARMENT MANUFACTURING
- PLANT
 - Autoroll and Mat Washing



11.

Notes:



Notes: