



Interim Report 2003

SERVICES OVERVIEW

Rentokil Initial is one of the largest business service companies in the world, with some 92,000 employees, providing a range of support services. Our business operates in four markets: Hygiene, Security, Facilities Management and Parcels Delivery.

Across more than 40 countries, including the major economies in Europe, North America, Asia Pacific and Africa, the brands of Rentokil and Initial represent consistent quality of service.

HYGIENE

Hygiene Services An extensive range of hygiene services including specialist washroom services providing soap dispensers, tampon dispensers and disposal, warm air dryers and roller towels and towel dispensers. Textile services includes the design, manufacture, supply and rental of work garments and the supply of special floor mats. In addition, linen is provided and laundered for restaurants, hotels, hospitals and industry.

Pest Control Special emphasis is placed on health, safety and protection of the environment. Targeted research of pests provides effective and innovative solutions to pest control, which together with improved working practices, set higher standards of operational effectiveness and environmental care for the customer.

SECURITY

Effective security solutions are provided to meet customers' needs for personal safety and protection of property and contents. These are met through the application of advanced technologies and highly trained, skilled and motivated personnel. We are seeking progressively to provide a total security offering to our customers with a mix of electronic security and manned guarding, which is tailored to meet their individual needs.

FACILITIES MANAGEMENT

Facilities Management Services These businesses create the platform from which multi-service contracts are provided offering one point of customer contact. Contracts may include not only our services, but also sub-contracted services where required.

Tropical Plants Indoor tropical plants enhance the working environment. Offered to customers on a rental and maintenance or purchase and maintenance basis, they range from a single plant or tree to displays for the largest atrium.

Conferencing As the UK's premier provider of specialised education and training centres, our corporate and public sector customers are able to concentrate on their core activities whilst gaining maximum benefit from their training investments provided through our specialised conference facilities.

PARCELS DELIVERY

Whether it is a time sensitive package or an important letter to a customer, an urgent overnight deadline can be met together with access by our customers to proof of delivery via the internet.

INTERIM RESULTS

Rentokil Initial continues to deliver strong organic growth and cash flow

- Headlines**
- Turnover from continuing operations increased 6.5% to £1,222.2m.
 - Profits before tax increased 7.4% to £200.5m.
 - Earnings per share up 12.3% to 7.85p.
 - Strong operating cash flow at £118.1m.
 - Interim dividend up 10.8% to 1.75p.
 - Excellent performances in Security and Parcels Delivery.
 - Greater focus on European Hygiene and Security in the future.
 - Board expects strong growth in earnings per share for 2003 in line with market expectations.

Turnover Turnover from continuing operations increased by 6.5% to £1,222.2m, and by 5.0% at constant average exchange rates to June 2003. Total turnover increased by 6.1% to £1,223.9m and by 4.5% at constant average exchange rates to June 2003.

Profits before tax Profits before tax increased by 7.4% to £200.5m, and by 4.2% at constant average exchange rates to June 2003.

Earnings per share Earnings per share increased by 12.3% to 7.85p, benefiting from the good increase in profits, the strong cash flow and the share buy-back programme.

INTERIM RESULTS

Segmental commentary Total **Hygiene** turnover grew by 2.5% to £483.5m with operating profits up by 2.0% to £143.8m.

Hygiene Services was up by 2.4% in turnover at £373.4m and 1.2% in operating profits at £102.3m. Continental Europe was up 4.7% in turnover at £237.7m, with strong performances in France, The Netherlands, Portugal, Norway and Denmark and a good performance in Austria. UK turnover was down by 2.8% at £91.8m. Now half way through our two-year restructuring programme, the new UK management structure and combined sales force are now in place, the £5m investment in systems development is progressing well and our new washroom product range will be launched, as planned, in September 2003. North America turnover was down 6.7% at £3.1m whilst Asia Pacific and Africa increased turnover by 2.2% to £40.8m with excellent performances in Hong Kong and Indonesia and good performances in Malaysia and South Korea.

Pest Control turnover was up by 2.8% at £110.1m and operating profits up by 4.0% at £41.5m. UK turnover was up 2.8% at £34.3m and continental Europe up by 3.9% at £51.8m with excellent performances in Austria and Spain and strong performances in France, Ireland, Portugal and The Netherlands. North America turnover was up by 1.7% at £7.8m, although Asia Pacific and Africa turnover reduced by 0.2% to £16.2m.

Security turnover was up 6.8% at £284.1m with operating profits up by 11.4% to £27.4m, the margins improving in both electronic and guarding. Excluding the results of the now disposed of Belgium cash-in-transit operation, continental Europe turnover was up 5.2% at £65.0m, with an excellent performance in France. North America turnover was up by 13.3% at £85.7m with strong growth in guarding contracts. UK turnover was up by 3.8% at £133.4m.

Total **Facilities Management** turnover grew by 3.4% to £351.3m, although operating profits reduced by 3.6% to £40.4m.

Facilities Management Services turnover grew by 3.3% to £255.2m, with operating profits, as expected, growing slower, by 1.0%, to £19.6m. Good growth in turnover in the UK was offset by the impact of the termination of some large cleaning contracts in the USA and Spain.

Tropical Plants turnover fell by 2.5% to £54.2m and operating profits by 10.2% to £7.9m. North America turnover was down by 5.2% at £28.5m and continental Europe turnover was up by 2.9% at £14.7m. UK turnover was flat at £6.3m. Asia Pacific and Africa turnover was down by 5.0% at £4.7m.

Conferencing turnover grew by 13.2% to £41.9m, largely as a result of additional capacity, with operating profits down by 5.8% to £12.9m reflecting the continuing lower levels of non-contracted occupancy and customers' discretionary spend and the expected start-up losses at the new centres.

Parcels Delivery turnover was up by 18.9% at £103.3m with operating profits at £13.7m up by 10.5%. UK turnover grew by 15.5% to £99.1m with a 9.1% increase in operating profits, the margin adversely impacted by the higher proportion of non-premium next day consignments.

Geographic commentary **UK** turnover grew by 6.2% to £601.8m and operating profits by 0.5% to £109.5m. Total Hygiene turnover was down by 1.3% at £126.1m, Security up by 3.8% to £133.4m, total Facilities Management up by 8.5% to £243.2m, and Parcels Delivery up by 15.5% to £99.1m.

Continental Europe turnover was up by 4.0% to £393.0m with operating profits up 6.2% to £83.9m. Total Hygiene turnover was up by 4.5% to £289.5m, Security up by 5.2% to £65.0m, and total Facilities Management down by 1.5% to £38.5m.

North America turnover was up by 2.7% to £158.7m whilst operating profits reduced by 5.7% to £8.2m. Total Hygiene turnover was down by 0.9% to £10.9m, Security up by 13.3% to £85.7m, and total Facilities Management down by 8.4% to £62.1m.

Asia Pacific and Africa turnover at £68.7m was up by 4.7% and operating profits by 2.2% to £23.7m. Total Hygiene turnover was up by 1.5% to £57.0m, total Facilities Management down by 11.3% to £7.5m, and there was an inflation-led performance in Parcels Delivery.

INTERIM RESULTS

Operating profits (EBIT)	Operating profits (EBIT) for the company increased by 5.7% to £225.1m, and by 2.5% at constant average exchange rates to June 2003.
Operating cash flow	Operating cash flow (before management of liquid resources, financing, dividends, acquisitions, disposals and adjusted for capital expenditure financed by leases) has been strong at £118.1m, up 10.4% on a comparable basis with 2002.
Acquisitions	Four bolt-on acquisitions have been made in Hygiene and Security, and in addition we entered the North American electronic security market with one acquisition, at a total cost of £20 million, these five businesses having aggregate annualised turnover of approximately £27 million.
Share buy-back	The company has purchased 32.4 million shares this year at a cost of £60m.
Borrowings	Net borrowings at the half-year were £1,303m.
Tax	The effective tax charge for the half year was 27.3%, compared with 27.4% in the first half of 2002.
Ashtead	As part of Ashtead Group PLC's short term re-financing, interest payments on the £134m convertible loan note have been deferred, although interest receivable continues to accrue. We continue to monitor closely developments at Ashtead and there are, currently, no intentions to reduce the carrying value of the loan note.
Pensions	Following the finalisation of the triennial revaluation of the company's UK defined benefit scheme as at 31st March 2002, the company will recommence cash contributions to the scheme, which are anticipated to be £8m in 2004. The profit and loss account charge, in line with SSAP 24, incorporating this revaluation, is anticipated to increase by 55% to £5m in 2003 and to £7m in 2004.
Dividend	The board has announced a 10.8% increase in the interim dividend to 1.75p.
The future	James Wilde, Chief Executive, said:

"My vision is for Rentokil Initial to be the international business services company, paramount in providing hygiene, safety and security solutions in all our geographic markets, with the strengths and experience of a multi-national company, whilst retaining the agility and characteristics of a local company.

As a result, every company, in any business, anywhere in the Rentokil Initial world, should benefit from at least one of our services.

With our new sectoral structure, there will be a heightened emphasis on finding and making more strategic and bolt-on acquisitions in Hygiene and Security. To accelerate organic growth, we will increase sales staff with a view to expanding coverage and density of our services, together with service quality programmes to optimise customer retention.

We will concentrate on accelerating the growth in our Hygiene and Security businesses, which today represent some 63% of our turnover. Although continuing our development as a global company, including North America and Asia Pacific, the main thrust for our growth over the next five years will be focussed on Europe.

Rentokil Initial is substantially a European company with 81% of its turnover generated in Europe (49% UK and 32% continental Europe). The population in continental Europe is six times greater than that of the UK, giving us a significant opportunity to increase our sales and profits.

INTERIM RESULTS

With the expansion of the European Union, a further ten countries with a total population of some 75 million are expected to become members in 2004. The population of the European Union should enjoy rising living standards which will provide us with considerable opportunities for growth which can be further enhanced by increasing the coverage and density of our services from both organic growth and acquisitions.

In time, we see the development of a pan-European business for our services, assisted by the progressive lowering of barriers to trade within the European Union and the benefits of our new structure. This will allow us to provide services in many cases on a cross-border basis, taking advantage of improved route efficiencies and containment of overhead costs.

I believe this path could provide the opportunity for us to achieve, for the foreseeable future, strong growth in earnings per share and, on this basis, the board is confident of increasing the full-year dividend by at least 10% per annum."

Prospects for 2003

James Wilde, Chief Executive, said:

"We expect that good underlying organic growth in turnover and pre-tax profits and the generation of strong operating cash flow, which will be used to finance bolt-on acquisitions and share buy-backs, will continue throughout the year.

The board expects strong growth in earnings per share in line with market expectations."

Directors and Secretary

Sir Clive Thompson, Non-Executive Chairman
B D McGowan, Non-Executive Deputy Chairman
J C F Wilde, Chief Executive
R C Payne, Finance Director
E F Brown, Executive Director
I Harley, Non-Executive Director
P J Long, Non-Executive Director
P Mason, Non-Executive Director
R R Spinney, Non-Executive Director

Rentokil Initial plc
Felcourt
East Grinstead
West Sussex, RH19 2JY

R Ward-Jones, Secretary

28th August 2003

SEGMENTAL ANALYSIS

	6 MONTHS TO 30TH JUNE 2003 £m (unaudited)	6 MONTHS TO 30TH JUNE 2002 £m (unaudited)	YEAR TO 31ST DECEMBER 2002 £m (audited)
Business analysis At June 2003 average exchange rates			
Turnover			
Continuing operations:			
Hygiene Services	373.4	364.8	737.3
Pest Control	110.1	107.1	219.4
Hygiene	483.5	471.9	956.7
Security	284.1	266.0	544.7
Facilities Management Services	255.2	247.0	488.9
Tropical Plants	54.2	55.6	118.3
Conferencing	41.9	37.0	77.6
Facilities Management	351.3	339.6	684.8
Parcels Delivery	103.3	86.9	185.9
Total continuing operations at June 2003 average rates	1,222.2	1,164.4	2,372.1
Exchange	-	(17.0)	(44.4)
Continuing operations	1,222.2	1,147.4	2,327.7
Discontinued operations	1.7	6.3	11.8
Total as reported	1,223.9	1,153.7	2,339.5
Operating Profits			
Continuing operations:			
Hygiene Services	102.3	101.1	208.3
Pest Control	41.5	39.9	82.2
Hygiene	143.8	141.0	290.5
Security	27.4	24.6	53.1
Facilities Management Services	19.6	19.4	36.5
Tropical Plants	7.9	8.8	20.7
Conferences	12.9	13.7	26.8
Facilities Management	40.4	41.9	84.0
Parcels Delivery	13.7	12.4	28.3
Total continuing operations at June 2003 average rates	225.3	219.9	455.9
Exchange	-	(6.7)	(13.9)
Continuing operations	225.3	213.2	442.0
Discontinued operations	(0.3)	(0.4)	(0.3)
Total as reported	225.0	212.8	441.7
Share of profit of other associate	0.1	0.2	0.3
Total as reported	225.1	213.0	442.0

SEGMENTAL ANALYSIS

	6 MONTHS TO 30TH JUNE <u>2003</u> £m (unaudited)	6 MONTHS TO 30TH JUNE 2002 £m (unaudited)	YEAR TO 31ST DECEMBER 2002 £m (audited)
Geographic analysis At June 2003 average exchange rates			
Turnover			
Continuing operations:			
United Kingdom	601.8	566.4	1,153.4
Continental Europe	393.0	377.9	771.7
North America	158.7	154.5	315.1
Asia Pacific and Africa	68.7	65.6	131.9
Total continuing operations at June 2003 average rates	1,222.2	1,164.4	2,372.1
Exchange	-	(17.0)	(44.4)
Continuing operations	1,222.2	1,147.4	2,327.7
Discontinued operations	1.7	6.3	11.8
Total as reported	1,223.9	1,153.7	2,339.5
Operating Profits			
Continuing operations:			
United Kingdom	109.5	109.0	225.2
Continental Europe	83.9	79.0	165.1
North America	8.2	8.7	19.3
Asia Pacific and Africa	23.7	23.2	46.3
Total continuing operations at June 2003 average rates	225.3	219.9	455.9
Exchange	-	(6.7)	(13.9)
Continuing operations	225.3	213.2	442.0
Discontinued operations	(0.3)	(0.4)	(0.3)
Total as reported	225.0	212.8	441.7
Share of profit of other associate	0.1	0.2	0.3
Total as reported	225.1	213.0	442.0

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	6 MONTHS TO 30TH JUNE <u>2003</u> £m (unaudited)	6 MONTHS TO 30TH JUNE <u>2002</u> £m (unaudited)	YEAR TO 31ST DECEMBER <u>2002</u> £m (audited)
Turnover (including share of associate and franchisees)			
Continuing operations	1,217.9	1,147.4	2,327.7
Acquisitions	4.3	-	-
Continuing operations	1,222.2	1,147.4	2,327.7
Discontinued operations	1.7	6.3	11.8
Turnover (including share of associate and franchisees)	1,223.9	1,153.7	2,339.5
Less:			
Share of turnover of associate (all continuing)	(9.2)	(9.2)	(18.4)
Turnover of franchisees (all continuing)	(44.8)	(41.8)	(87.9)
Group turnover	1,169.9	1,102.7	2,233.2
Operating expenses	(946.6)	(891.6)	(1,794.8)
Operating profit			
Continuing operations	223.3	211.5	438.7
Acquisitions	0.3	-	-
Continuing operations	223.6	211.5	438.7
Discontinued operations	(0.3)	(0.4)	(0.3)
Group operating profit	223.3	211.1	438.4
Share of profit of associates			
Continuing	1.7	1.7	3.3
Other	0.1	0.2	0.3
Profit on ordinary activities before interest	225.1	213.0	442.0
Interest payable (net)	(24.6)	(26.4)	(51.7)
Profit on ordinary activities before taxation	200.5	186.6	390.3
Tax on profit on ordinary activities	(54.7)	(51.1)	(104.6)
Profit on ordinary activities after taxation	145.8	135.5	285.7
Equity minority interests	(0.9)	(0.8)	(1.1)
Profit for the financial period attributable to shareholders	144.9	134.7	284.6
Equity dividends	(31.3)	(28.4)	(101.6)
Profit retained for the financial period	113.6	106.3	183.0
Basic earnings per 1p share	7.85p	6.99p	15.00p
Diluted earnings per 1p share	7.84p	6.95p	14.94p
Dividends per 1p share	1.75p	1.58p	5.53p
Weighted average number of shares (million)	1,846	1,926	1,897
Number of shares in issue at period end (million)	1,830	1,882	1,861

CONSOLIDATED BALANCE SHEET

		AT 30TH JUNE	AT 30TH JUNE	AT 31ST DECEMBER
		2003 £m (unaudited)	2002 £m (unaudited)	2002 £m (audited)
Fixed assets	Intangible assets	197.3	172.8	177.0
	Tangible assets	643.6	600.3	624.3
	Investments	161.4	159.7	157.8
		1,002.3	932.8	959.1
Current assets	Stocks	49.1	47.0	45.4
	Debtors	514.0	501.4	493.1
	Short term deposits and cash	127.5	333.6	246.5
		690.6	882.0	785.0
Creditors – amounts falling due within one year	Creditors	(688.7)	(666.2)	(719.4)
	Bank and other borrowings	(82.6)	(96.1)	(65.0)
		(771.3)	(762.3)	(784.4)
	Net current (liabilities)/assets	(80.7)	119.7	0.6
	Total assets less current liabilities	921.6	1,052.5	959.7
Creditors – amounts falling due after more than one year	Creditors	(10.3)	(9.7)	(9.7)
	Bank and other borrowings	(1,347.9)	(1,545.1)	(1,441.9)
		(1,358.2)	(1,554.8)	(1,451.6)
	Provisions for liabilities and charges	(206.9)	(227.6)	(209.7)
	Net liabilities	(643.5)	(729.9)	(701.6)
Equity capital and reserves	Called up share capital	18.3	18.8	18.6
	Share premium account	47.9	45.9	46.3
	Capital redemption reserve	19.5	19.0	19.2
	Other reserves	8.6	5.9	8.2
	Profit and loss account	(744.7)	(825.7)	(800.2)
	Equity shareholders' funds	(650.4)	(736.1)	(707.9)
	Equity minority interests	6.9	6.2	6.3
	Capital employed	(643.5)	(729.9)	(701.6)

CONSOLIDATED CASH FLOW STATEMENT

	6 MONTHS TO 30TH JUNE	6 MONTHS TO 30TH JUNE	YEAR TO 31ST DECEMBER
	2003 £m (unaudited)	2002 £m (unaudited)	2002 £m (audited)
Operating activities			
Operating profit	223.3	211.1	438.4
Depreciation charge (net of recovery on disposals)	78.6	75.4	152.4
Net movement in working capital	(19.1)	(27.0)	(14.9)
Net cash inflow from operating activities	282.8	259.5	575.9
Associates' dividends			
Dividends received from associates	1.8	-	2.0
Returns on investments and servicing of finance			
Interest received	24.7	30.5	54.4
Interest paid	(55.5)	(60.2)	(109.2)
Interest element of finance lease payments	(1.0)	(1.1)	(2.1)
Dividends paid to minority interests	(0.3)	(0.3)	(0.6)
Net cash outflow from returns on investments and servicing of finance	(32.1)	(31.1)	(57.5)
Taxation			
Tax paid	(50.2)	(42.0)	(104.7)
Capital expenditure and financial investments			
Purchase of tangible fixed assets	(89.8)	(83.4)	(183.5)
Less: financed by leases	5.2	4.0	11.4
	(84.6)	(79.4)	(172.1)
Sale of tangible fixed assets	5.6	4.0	10.9
Net cash outflow from capital expenditure and financial investment	(79.0)	(75.4)	(161.2)
Acquisitions and disposals			
Purchase of companies and businesses	(17.7)	(30.7)	(34.5)
Disposal of companies and businesses	2.1	-	-
Net cash outflow from acquisitions and disposals	(15.6)	(30.7)	(34.5)
Equity dividends paid			
Dividends paid to equity shareholders	(72.6)	(68.1)	(97.7)
Net cash inflow before use of liquid resources and financing	35.1	12.2	122.3
Management of liquid resources			
Movement in short term deposits with banks	118.6	(6.6)	83.5
Financing			
Issue of ordinary share capital	1.6	4.8	5.2
Own shares purchased	(53.3)	(177.8)	(234.6)
Net loan movement	(56.0)	400.2	297.6
Capital element of finance lease payments	(6.1)	(6.5)	(13.2)
Net cash outflow from financing	(113.8)	220.7	55.0
Net cash			
Increase in net cash in the period	39.9	226.3	260.8

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	6 MONTHS TO 30TH JUNE	6 MONTHS TO 30TH JUNE	YEAR TO 31ST DECEMBER
	2003 £m	2002 £m	2002 £m
	(unaudited)	(unaudited)	(audited)
Profit for the financial period	144.9	134.7	284.6
Currency translation adjustments	2.9	(7.2)	(11.9)
Total gains recognised in the financial period	147.8	127.5	272.7

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	6 MONTHS TO 30TH JUNE	6 MONTHS TO 30TH JUNE	YEAR TO 31ST DECEMBER
	2003 £m	2002 £m	2002 £m
	(unaudited)	(unaudited)	(audited)
Profit for the financial period	144.9	134.7	284.6
Equity dividends	(31.3)	(28.4)	(101.6)
Profit retained for the financial period	113.6	106.3	183.0
New share capital issued	1.6	4.8	5.2
Own shares purchased	(59.6)	(193.3)	(237.5)
Goodwill written back on disposals	(1.0)	-	-
Currency translation adjustments	2.9	(7.2)	(11.9)
Net change in equity shareholders' funds	57.5	(89.4)	(61.2)
Opening equity shareholders' funds	(707.9)	(646.7)	(646.7)
Closing equity shareholders' funds	(650.4)	(736.1)	(707.9)

RECONCILIATION OF MOVEMENT IN NET DEBT

	6 MONTHS TO 30TH JUNE	6 MONTHS TO 30TH JUNE	YEAR TO 31ST DECEMBER
	2003 £m	2002 £m	2002 £m
	(unaudited)	(unaudited)	(audited)
Opening net debt	(1,260.4)	(1,127.0)	(1,127.0)
Increase in net cash in the period	39.9	226.3	260.8
Movement in deposits and loans	(62.6)	(393.6)	(381.1)
Finance lease movements	0.9	2.5	1.8
Acquisitions	(2.5)	-	-
Disposals	0.8	-	-
Currency translation adjustments	(19.1)	(15.8)	(14.9)
Closing net debt	(1,303.0)	(1,307.6)	(1,260.4)

NOTES

1. The profit and loss accounts and cash flow statements for the half years to 30th June 2002 and 2003 and for the year to 31st December 2002 have been translated at average rates of exchange for the relevant periods. Balance sheets have been translated at period end rates of exchange. The Segmental and Geographic commentaries are at constant average exchange rates to June 2003.
2. Between 1st January 2003 and 30th June 2003, the company had purchased 32.4m of its own shares in the market (representing 1.7% of the company's issued share capital at 1st January 2003) under the authority given by shareholders at the annual general meetings held on 30th May 2002 and 29th May 2003. These shares have been (or were being) cancelled and their nominal value transferred to the capital redemption reserve on the balance sheet. They have been excluded in calculating the weighted average number of shares in issue after the date of their purchase by the company. The shareholders, at the annual general meeting on 29th May 2003, authorised further buy-backs of up to 277m shares representing 15% of the company's issued share capital at that date.
3. The financial information has been prepared on the basis of the accounting policies set out in the annual report 2002. Full year 2002 figures are taken from the accounts filed with the Registrar of Companies. The results for the six months to 30th June 2003 and 30th June 2002 have not been audited but have been reviewed by PricewaterhouseCoopers LLP, the company's auditors.
4. Tax comprises UK Corporation Tax (less double taxation relief) £20.3m (2002: £18.2m) and overseas tax £34.4m (2002: £32.9m).
5. Interim dividend to be paid on 31st October 2003 to shareholders on the register on 3rd October 2003.
6. The financial information in this statement does not constitute statutory accounts within the meaning of s.240 of the Companies Act 1985 (as amended).

INDEPENDENT REVIEW REPORT

Introduction We have been instructed by the company to review the financial information which comprises a summarised profit and loss account, a statement of total gains and losses, summarised balance sheet information as at 30th June 2003, a summarised cash flow statement, comparative figures and associated notes. We have read the other information contained in the interim report and considered whether it contains any apparent mis-statements or material inconsistencies with the financial information.

Directors' responsibilities The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th June 2003.

PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS 

28th August 2003

PricewaterhouseCoopers LLP
Chartered Accountants
London
WC2N 6RH

Rentokil Initial plc
Felcourt
East Grinstead
West Sussex
RH19 2JY

Telephone: +44 (0) 1342 833022
Fax: +44 (0) 1342 326229
Web: www.rentokil-initial.com
Contact: investors@rentokil-initial.co.uk

Registrars: Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Telephone (in UK): 0870 162 3100
Telephone (from overseas): +44 20 8639 2157
Fax: +44 (0) 20 8639 2342
E-mail: ssd@capitaregistrars.com
DX 91750 Beckenham West

