

WELCOME TO THE
 **Rentokil Initial**

AGM PRESENTATION

27th May 2004



Notes:

JAMES WILDE
CHIEF EXECUTIVE



1.

Notes:

COMPANY OVERVIEW

Rentokil Initial is one of the largest business services companies in the world, with some 93,000 employees, providing a range of support services. Our business operates in four markets: Hygiene, Security, Facilities Management and Parcels Delivery.

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

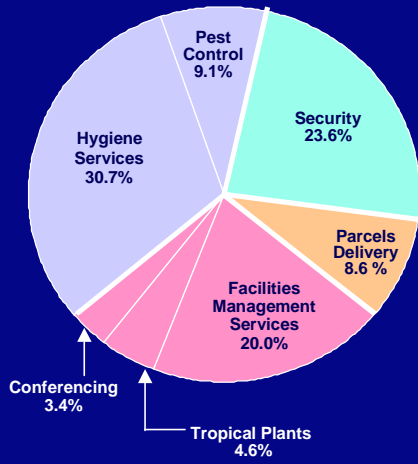


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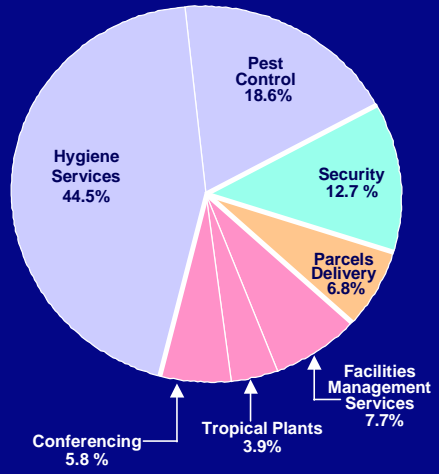
Notes:

2003 SECTOR ANALYSIS

Turnover £2,471.1m



Operating Profit £455.8m

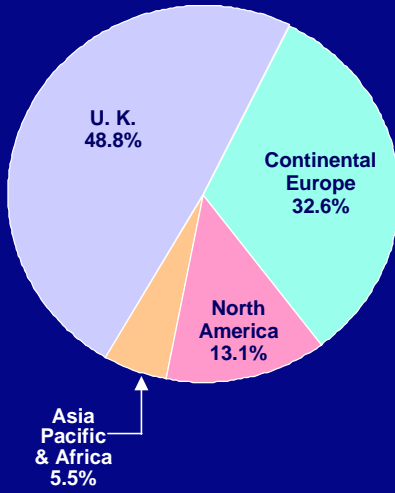


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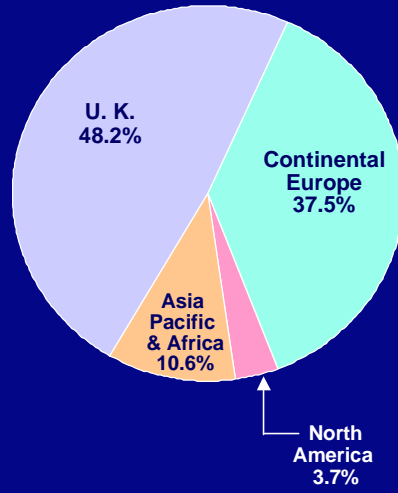
Notes:

2003 GEOGRAPHIC ANALYSIS

Turnover £2,471.1m



Operating Profit £455.8m



4.

Notes:

HYGIENE SERVICES OVERVIEW

- Washroom services across 40 countries
 - Broad spread of customers – especially SME's
 - Sold and serviced locally to improve operating efficiency
 - 4 key services and up to 6 additional services
 - New 'Elite' product range
- Floorcare
 - Mat rental for hygiene, health and safety and promotion including client specific logo mats



5.

Notes:

HYGIENE SERVICES OVERVIEW (continued)

- Textiles - garment rental
 - Value added business for safety, comfort and an improved image for customers' employees
 - Wide range of contract values
 - Continued innovation of processes to increase productivity and reduce costs
- Textiles - linen rental
 - Primarily to hospitality and healthcare markets
 - Price sensitive
 - Less opportunity for service differentiation



6.

Notes:

SECURITY SERVICES OVERVIEW

- Well positioned in both guarding and electronic security in UK
- New UK legislation will benefit Rentokil Initial in the long term
- Established electronic security offering in France, The Netherlands and guarding and electronic security in Belgium
- Strong regional position in guarding services in North America and first acquisition into electronic security in 2003
- Develop through organic growth and acquisitions



7.

Notes:

MARKET ENVIRONMENT

- Inherent demand for our services
- Increasing sophistication of customer base
 - Expectation of continually improving service
 - Increasing competitive pricing pressure
- New routes to market
- Customer relationships enhanced by technology



8.

Notes:

SPECIFIC ISSUES IMPACTING TRADING

- To position the business for long term growth :-
 - Additional and sustained investment in sales, service and technology
 - UK Hygiene restructuring programme
- However, the benefits of these actions are taking time to come through :-
 - Delays in achieving expected levels of new business
 - Improvement in contract retention slow to materialise
- Against a backdrop of :-
 - Accelerating pressure on pricing and gross margins



9.

Notes:

MARKET OPPORTUNITY

- Capitalise on presence in major world economies
- Ability to apply universal standards locally
- Competitive edge through research & development
- Increase penetration in Europe
- Additional and enhanced services for existing customers
- Standardisation increasing efficiency



10.

Notes:

MANAGEMENT ACTIONS

- Created sector structure to embrace opportunities and meet challenges
- Drive to become more responsive, innovative and market focused
- Strive to increase sales and service productivity
- Enhancing customer service information
- Sector and business specific training
- Line managers to identify more bolt-on acquisition opportunities



11.

Notes:

WINNING NEW BUSINESS

- Strengthening branch and sales management
- Increasing number of sales staff
- Developing :-
 - National accounts offering
 - Technology to improve reporting and planning
- Focus research & development to anticipate customer needs
- Identify target markets and customers more effectively



12.

Notes:

ENHANCING SERVICE DELIVERY

- Continually reviewing our service offering
- On-going attention to training and motivation of service staff
- Harnessing technology to increase efficiency and productivity
- Worldwide roll-out of IT platforms specific to each sector
- Internet accessible 'state of service' reports for customers and internal quality monitoring



13.

Notes:

SUMMARY

“I am confident in our plan to continue to develop our four markets, Hygiene, Security, Facilities Management and Parcels Delivery. The main emphasis will be concentrated on Hygiene and Security within Continental Europe where there is a good opportunity to replicate the density and coverage of our UK operations. The key to generating growth and thereby shareholder value over the long term, is by a strong and committed management team investing in, and concentrating on, the basics.”



14.

Notes:



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