Passionate about Pest Control

Rentokil Initial plc - Investor Seminar

7 November 2011

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The Experts in Pest Control

Passionate about Pest Control

Andy Ransom, Divisional MD, Rentokil

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Rentokil – Passionate About Pest Control

Objectives for the Day

- Provide deeper understanding of our Business and Markets
- Highlight our Core Capabilities
- Set out our Platform for Growth
- An opportunity to meet the Team
- Q&A

Rentokil Division

Senior Management Team

Divisional MD
Andy Ransom

North America John Myers	**UK, Ireland & Baltics** Phill Wood	**Continental Europe** Alain van Lidth	**Nordics** Dennis Willesen	**Southern Africa & Caribbean** Jon Wilkinson	**Mid East, North Africa & Turkey** Richard Jones
US **Canada** **Mexico**	**UK*** **Ireland*** **Estonia** **Lithuania**	**Germany** **Austria** **Switzerland** **Netherlands** **Belgium** **Luxembourg** **France** **Spain*** **Portugal*** **Greece**	**Denmark*** **Sweden*** **Norway*** **Finland***	**South Africa*** **Kenya*** **7 x Caribbean***	**Turkey** **Libya**
Revenue £165m	Revenue £90m	Revenue £144m	Revenue £16m	Revenue £25m	Libya exited Turkey – New Acquisition
Position: 4	Position: 1	Position: 1	Position: 2	Position: 1	Position: 2
2,000 Colleagues	1,400 Colleagues	1,600 Colleagues	150 Colleagues	500 Colleagues	75 Colleagues

Finance
Mark Gillespie

Marketing
Stewart Power

Technical
Peter Whittall

IT
Mark Purcell

HR
John Richardson

*Integrated operation with Initial Washroom Hygiene
Revenue relates to 2010, Pest businesses only

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The Rentokil Customer Promise

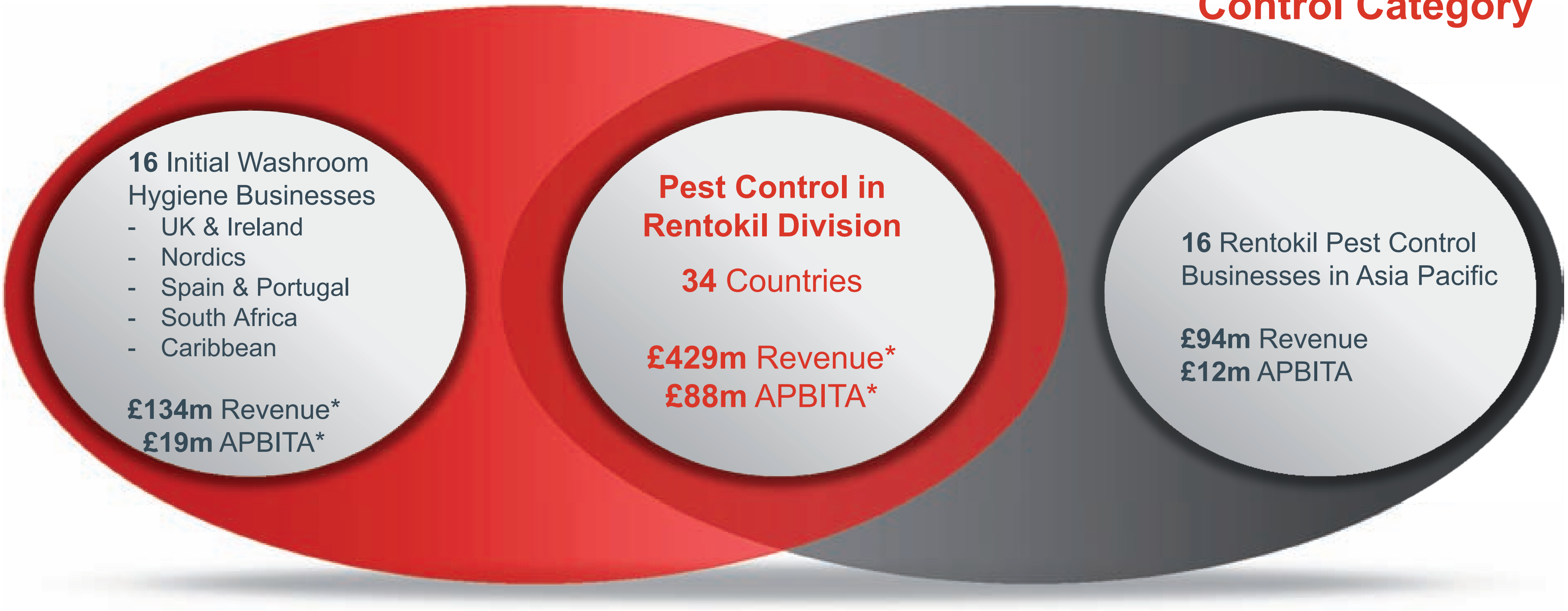
- **Prevent pest problems** and deal with them quickly if they occur
- **Respond rapidly** to resolve any queries, problems or emergencies
- **Deliver service you can rely on** from technicians who understand your needs
- **Give professional advice** making honest recommendations
- **Remain accurate and transparent** in all our records & communications
- **Minimise our environmental impact** by being efficient and reducing waste

Rentokil Around The World

Focusing on Pest Control in The Rentokil Division

Rentokil Division

Rentokil Pest Control Category



* Revenue and Profit Data relates to 2010 Full Year.
Profit includes share of Divisional Overheads, allocated as a proportion of Revenue.
Pest control includes UK products business and UK Property Care / Insurance business
Data excludes Libya.

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Scaling Our Business

Pest Control in The Rentokil Division

78% of revenue from Commercial Customers

Rentokil Pest Control By Revenue
Excludes Property Care, Insurance and Products

Predominantly A Contract Business (70-80% Recurring Contract Revenue)

Revenue Breakdown (Typical Country)

Typical annual contract value of under £1000 pa

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Rentokil – Investor Seminar
Agenda

09.45	Introduction & Divisional Overview (Andy Ransom)
10.00	Global Pest Control Market (Stewart Power)
10.15	Strategic Overview (Andy Ransom)
10.30	The Americas: Growth Opportunity (John Myers)
10.45	Introduction to Growth Initiatives & instructions re. Break Out Sessions (Andy Ransom, Phill Wood)
10.50	Coffee Break
11.00	Growth Pilot Break Out Sessions
12.00	Post Break Out Sessions Re-Cap (Phill Wood)
12.10	The Role of Information (Mark Purcell)
12.25	Service Productivity (Jon Wilkinson)
12.40	Technical Innovation (Peter Whitall)
12.55	Summary (Andy Ransom)
13.00	Q&A (Alan Brown, Jeremy Townsend and Pest Management)
13.30	Lunch

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The Global Market for Pest Control

Stewart Power, Marketing & Strategy Director

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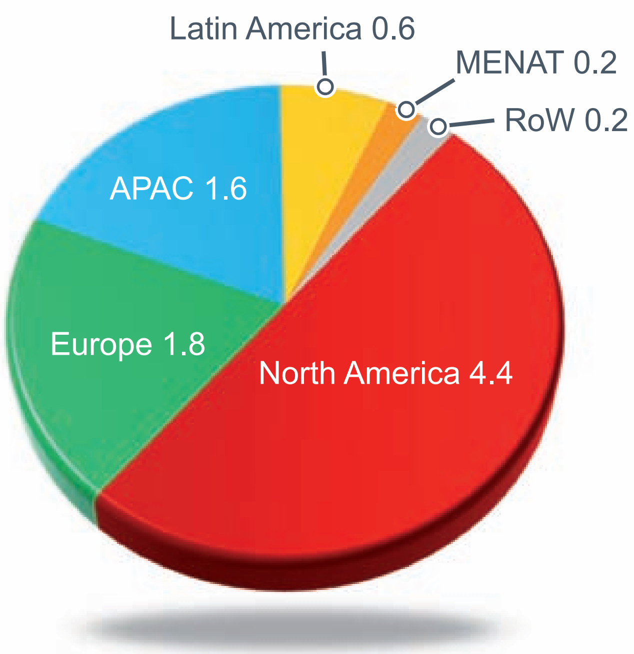
The Global Pest Control Market

Approaching A £9bn Market - Half In North America

Worldwide Pest Control - £8.8bn



Various Factors Define Weightings

- Economic Maturity
  - Service penetration
  - Cost-of-living
- Presence of Termites
  - Major pest in its own right
  - Primes the residential market
- Pest Burden
  - Principally insects in warmer climates

Source: Multiple Sources, Internal Estimates, Using Oct 2011 Exchange Rates to GBP
Note: Excludes public sector provision and vector control

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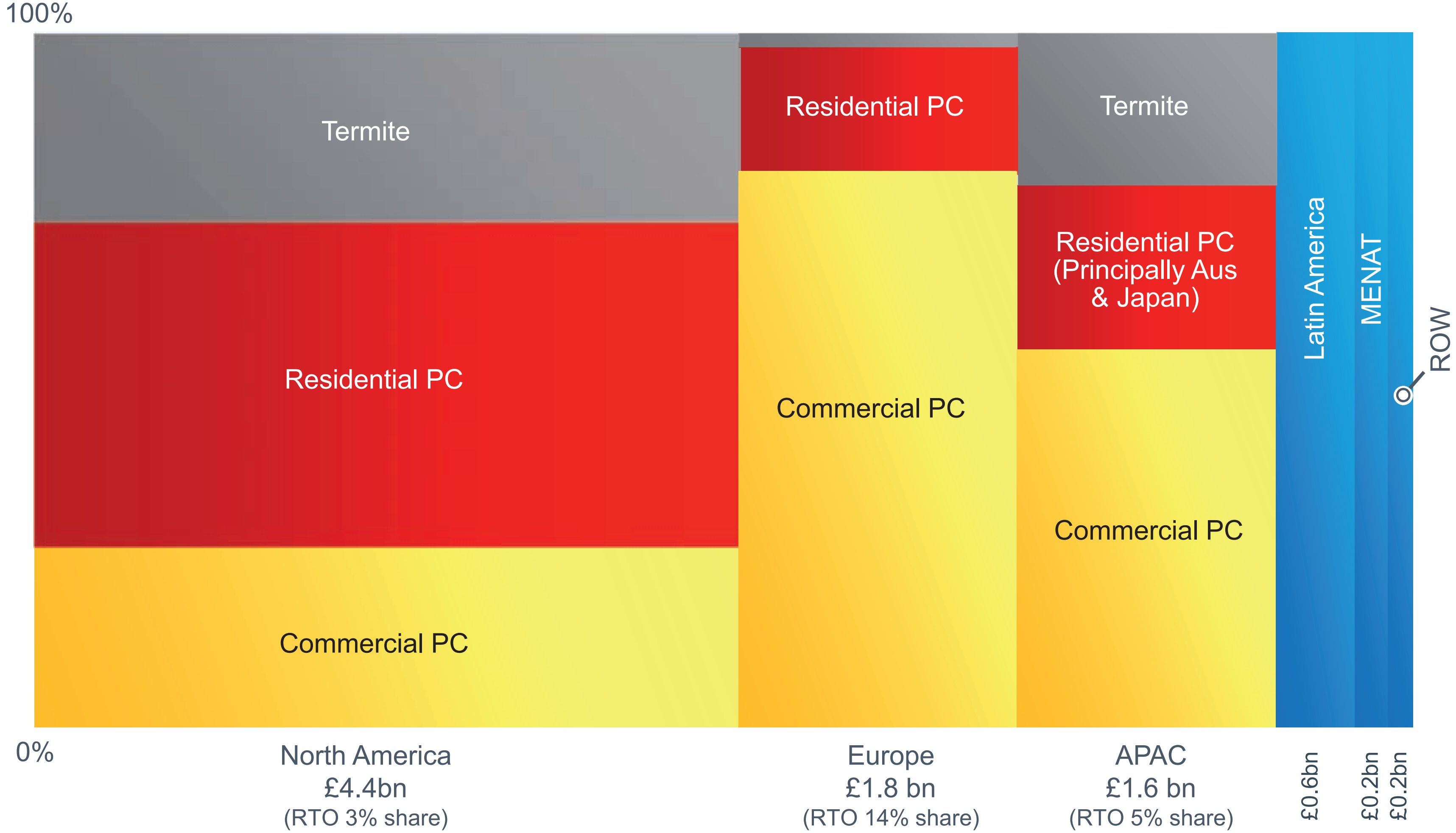
The Global Pest Control Market

Key Variability In Size of Residential / Termite Markets



Source: Multiple Sources, Internal Estimates, APAC segment split based on info excluding Japan

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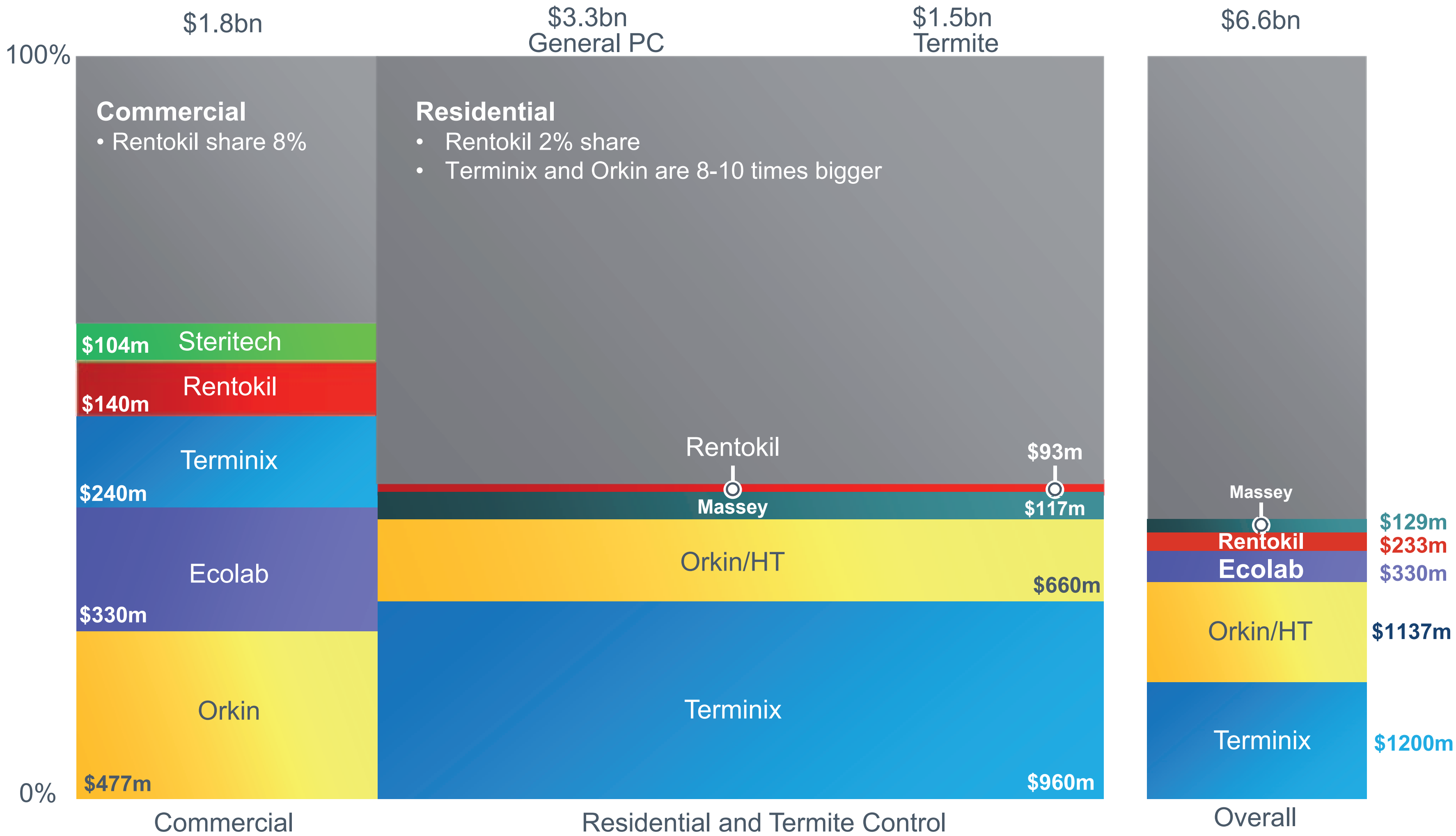
The North American Market

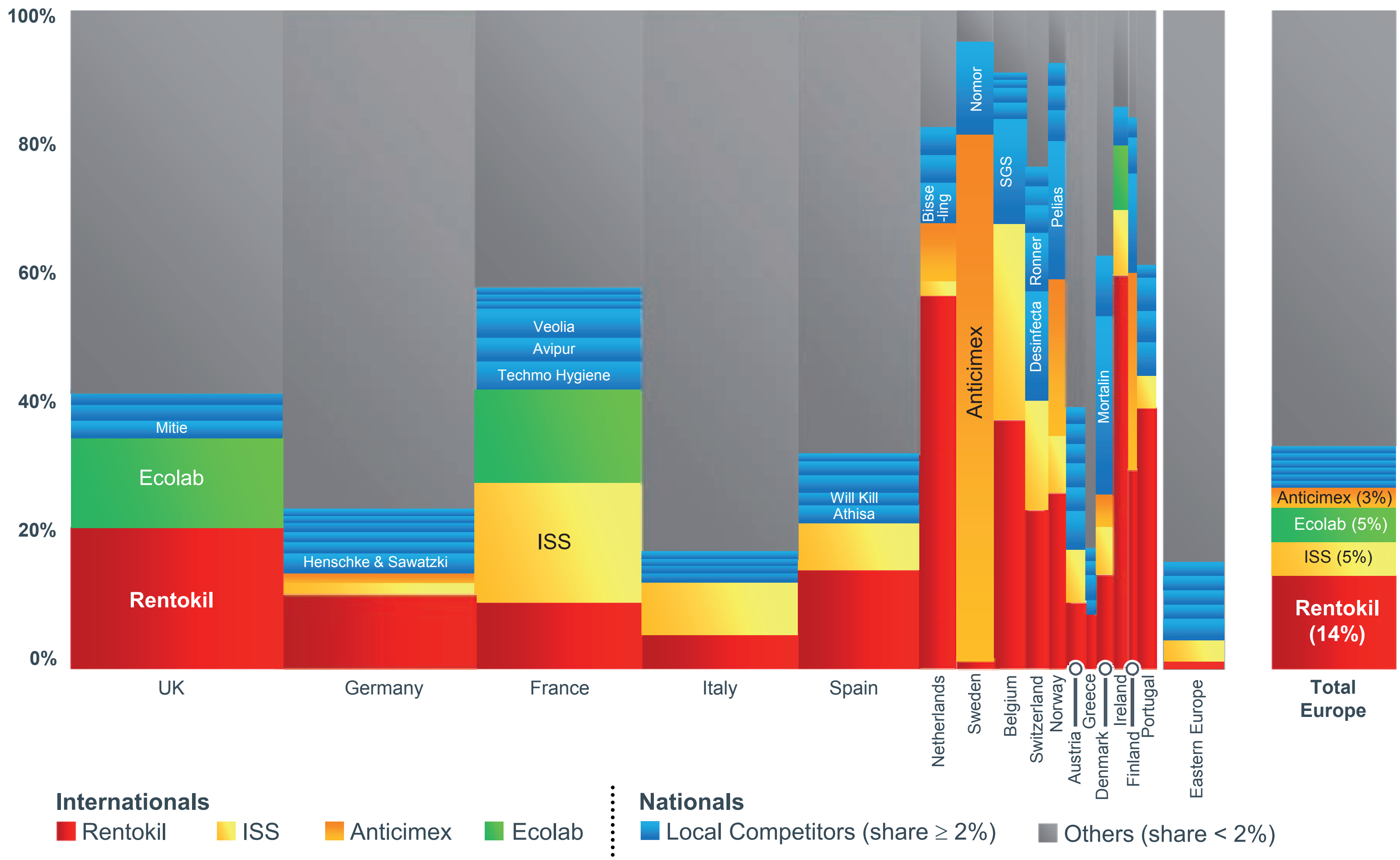
3.5% Share of a £4.4bn ($6.6bn) Market



Source: Company revenues and splits between Commercial/Domestic and General PC/Termite from PCT 2010

The European Market

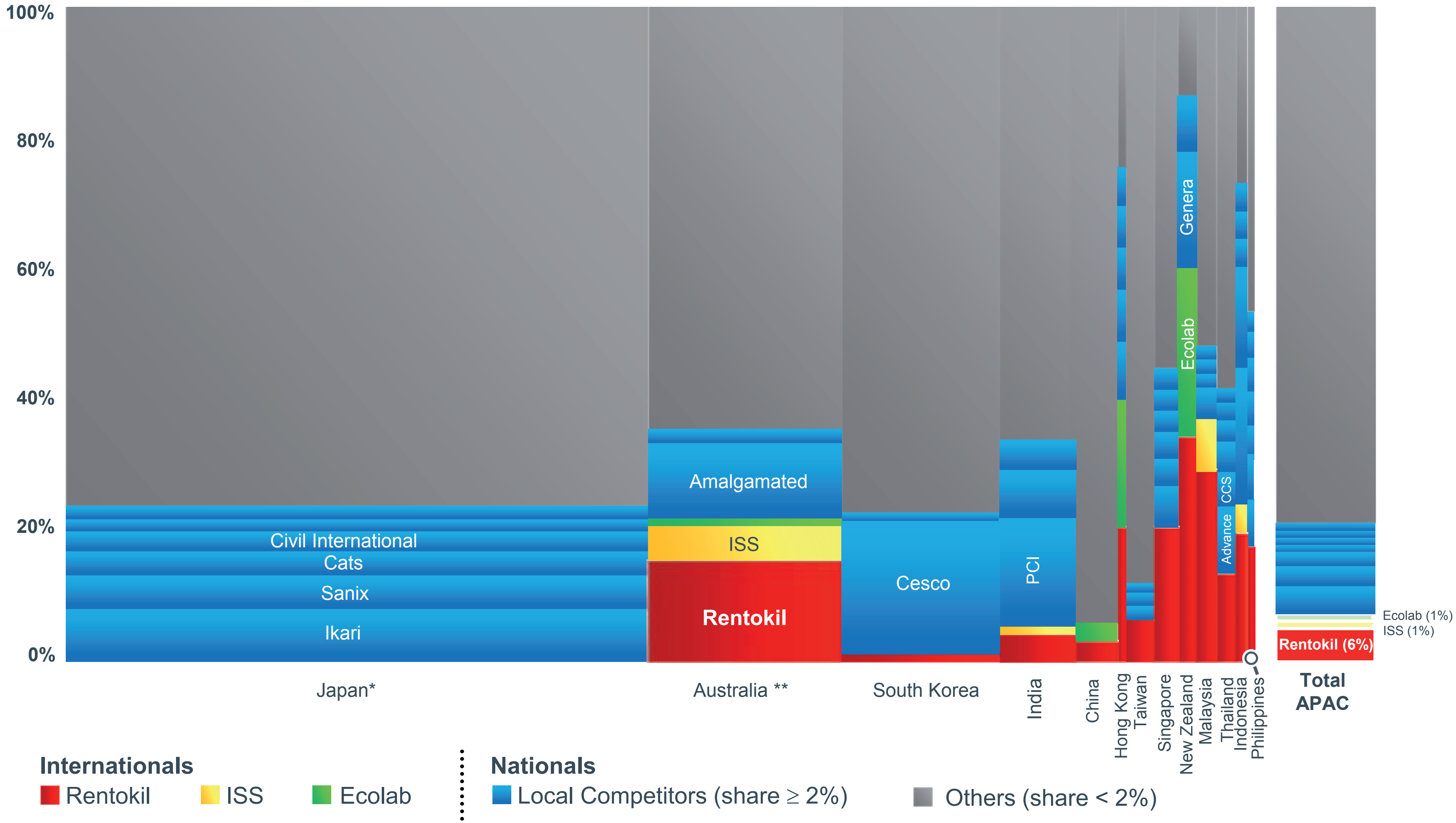
14% Share of a £1.8bn Market



Source: Internal competitor database developed from market reports and country managers

The Asia Pacific Market

6% Share of a £1.6bn Market

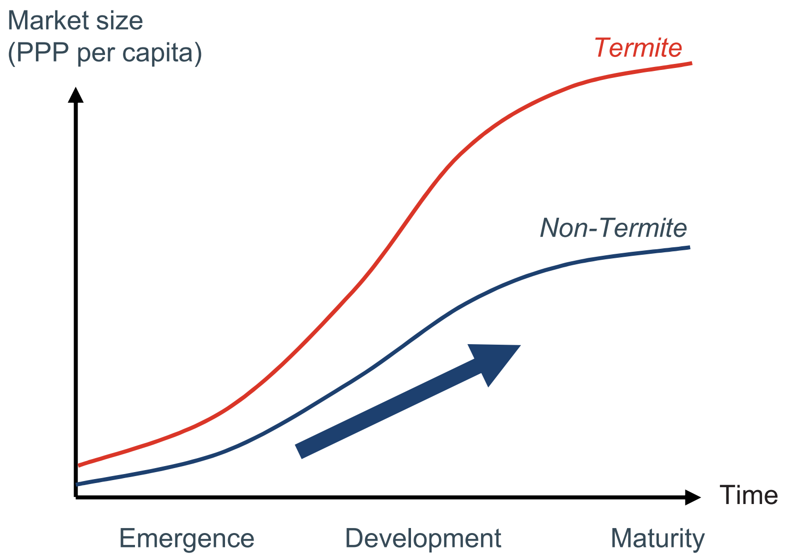


Source: Internal competitor database developed from market reports and country managers
* Very limited market insight ** Have used 50% of IBIS market size estimate

Market Maturity Model

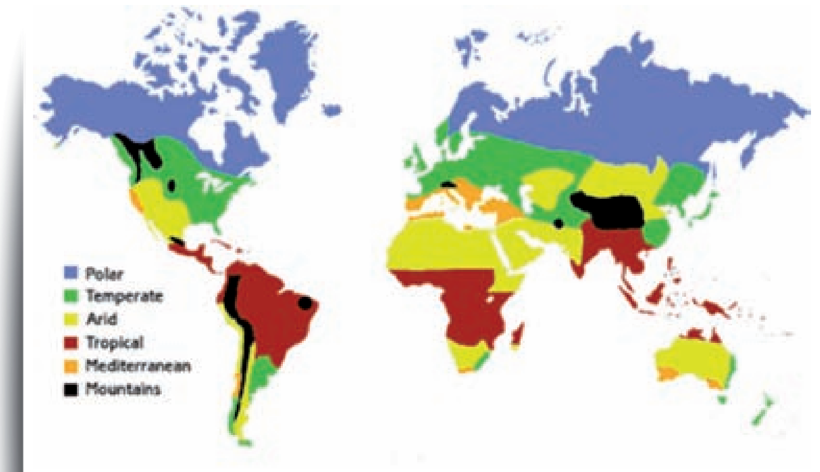
Spend on Pest Control Increases as Economies Mature

Market Evolution Model



- As a rule of thumb, pest markets grow at about 1.25 - 1.50 times GDP growth
- Termites (plus wooden homes) sensitise residential market to contract pest control

More Nuanced Version With Climate



- Warmer climates tend to be higher on maturity curves due to pest burden
- Principally driven by year-round presence of flying and crawling insects

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Market Maturity Model

Market Characteristics Differ By Stage of Maturity

	Emerging eg Uganda	**Developing** eg Turkey / Middle East / Poland	**Early Maturity** eg Spain / Portugal / Hungary	**Mature** eg UK / US / NL / Aus
Pest control services	• Basic service focused on agriculture and public health • Government is key provider	• Customers in Food, Pharma & Branded Hospitality lead drive for higher standards in pest control	• Quality of services improves • PC services widely outsourced in commercial segment	• Segmentation in services • Move to prevention through control and monitoring of pest environment
Residential Offer	• Principally DIY • Residential service for HNWI	• Principally DIY • Growth in HNWI market	• Residential contracts becoming established in termite markets • Pest jobs for difficult pest problems in non-termite markets	• Strong residential in termite markets • Lower tolerance of pests increases job volumes
Price	• Low	• Relatively high for food & pharma • Low prices for general pest control	• Price point for the mass market moves up	• Price point set by leader, in absence of leader, competition drives price down to commodity
Products used	• Mechanical • Toxic	• Awareness of toxicity	• Restrictions on actives apply	• Environmental awareness • Drive towards non-chemical
Regulation	• Very limited regulation	• Stricter food safety legislation • Starts to restrict pest products	• Enforcement of legislation • PC companies start to be regulated (training, licensing)	• Environmental safety • Withdrawal of some DIY products
Competitive landscape	• Limited number of private companies	• International pest companies arrive (owned or franchised) • Start-ups spin off from international players	• Regulations start to take out non-professional companies • International start consolidation	• Consolidated market lead by multinationals • High end with branded multinationals
Branding	• Few or no branded companies present	• Pull for international brands in commercial/government segments • Brands start to establish	• Markets will have lead brands, but general awareness is low • Awareness higher in termite markets	• Branding established and driving enquiries • Prompted awareness high, unprompted may be low to high

Market Maturity Model

Generic Strategies for Markets

	Emerging	Developing	Early Maturity	Mature
Theme	*Establish for growth*	*Shaping the market*	*Establish leadership*	*Leading the industry*
Focus of Strategy	• Establish positions in high potential markets • Focus on principal commercial cities • Public health agenda – Vector control – Rats & Cockroaches • Deploy 'ideal' model, but limited deployment of field IT at this time	• Build density on principal cities and start to infill • Establish service model • Focus on audited and high profile segments: – Food & Pharma – International Brands • Lobby to regulate and professionalise industry	• All commercial segments • Residential in termite sensitive markets • Building density & scale • Drive consolidation • Increase brand awareness (eg PR)	• Differentiation through segmented offers • Risk-based info • Lobby to raise standards & professionalise the industry

Market Structure

Hundreds of Pest Control Companies But Few With Scale

Typical Market Breakdown (Europe)

- Size and structure varies by market
- Non-Food: Protecting People & Assets
  - Duty of care to colleagues
  - Protecting assets (esp stock & IT)
  - Generally low penetration
- Driven by Food Hygiene Legislation
  - High Penetration of Pest Control
  - But Variable Focus on Quality
- Very Low Tolerance to Pest Risks
  - High Dependency on Pest Control

Competitive Dynamics

- 100s of local pest control companies
  - Typically sole traders
  - Approx one company per 30,000 population
  - Focused on residential and local SMEs
  - Compete primarily on price
- Handful of regional businesses
  - Often good penetration into local cities
  - Limited access to higher dependency customers or national accounts
  - Local brand strength (word of mouth)
- National and International Players
  - Competes across the commercial market
  - But differentiated for higher dependency and national customers
  - Scale to support stronger brand awareness

Driving Profitable Growth

Key Drivers for Higher Profit

Price Leadership

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- Brand strength*
  - Reputation (service quality, expertise, innovation)
  - PR, advertising, visibility
- Relative market share*
  - Leader sets price benchmark
  - Important nationally & locally
- Customer targeting strategy
  - Customers seeking assurance of higher value service

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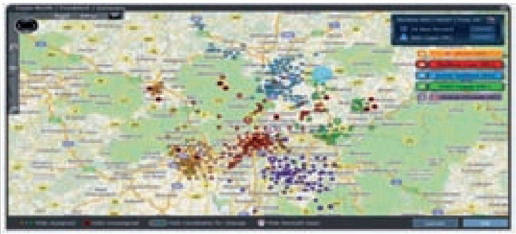
Cost-to-Serve



- Productive Time on Site
  - Relative density of customers*
  - Average visit duration
- Productivity Initiatives
  - Optimising time onsite
- Reducing call-outs
  - Non-productive visits
- Absolute scale*
  - Admin & overhead coverage

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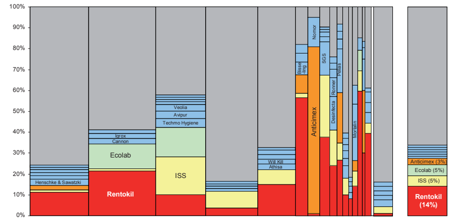
Volume



- Existing customers
  - Customer retention
  - Services per customer
- Sales growth
  - Key Accounts*
  - SMEs
  - Residential
- Acquisitions for scale
  - Synergy benefits

*** Relative share at local/national level is a key underlying driver of profit**
(alongside customer care, sales effectiveness and productivity)

Strategy

Andy Ransom, Divisional MD, Rentokil

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Strategy

The Story So Far

Coming from…

- Strong regional / national businesses
- Disparate systems
- Varied processes and measures
- Limited functional leadership
- “Not Invented Here” mindset
- Internally focused
- Acting locally

Moving to…

- One Global Business, One Rentokil Mentality
- One core system and suite of applications
- Core processes and common KPIs
- Strong functions
- Global network for sharing best practice
- Customer focused
- Global business implementing locally

Strategy

The Key Levers for Creating Shareholder Value

Colleagues

- Recruitment & Training
- Safety Culture (LTA)
- Colleague Engagement
- Colleague Retention

Service & Operational Excellence

Customers

- Delivering to SLAs and our customer promise
- Customer Satisfaction
- Customer value and retention rates

Long-lasting Customer Relationships

Shareholders

- Revenue growth
- APBITA margin
- Cash conversion

Profitable Growth

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Colleagues

A Service-Focused Organisation

Colleague Training

- Delivered through The Academy
  - Consistent approach delivered locally
  - New learning management system 2012
- Front line training rolled out to all branches
  - Technician Performance Assessment
  - Sales Performance Assessment
- Front line manager training to upgrade from management to leadership skills
- eg 4,400 training days pa in UK

Colleague Engagement

- Your Voice Counts colleague survey
  - 96% Response Rate for Rentokil Division
  - Action plans for every branch & team
- Engagement Score 80%
  - 3% Above Hay Group's High Performing norm (includes Amazon, Barclays, Nestlé & Siemens)
- Other indicative scores
  - 91% - I know what is expected in my job
  - 83% - I feel proud to work for this company
  - 82% - Finding better ways of meeting customer needs is a priority at work

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Customers

From Customer Satisfaction to Advocacy

Meeting Customers Expectations

- Measuring our performance
  - 100,000 customer satisfaction calls per year
  - 65% Net Promoter Score (2010)
  - “Mystery Shop” to assess call handling
  - Root cause analysis of all complaints
- Responding to the feedback
  - State of Service 98%
  - Tightening internal SLAs
  - Tiered Customer Care model
  - Colleague recognition and incentives

Our New Customer Promise

Promise+

Do something **amazing** today

- Prevent problems
- Respond rapidly
- Outcome focused
- Make recommendations
- Insightful expertise
- Straight & honest
- Efficient, effective, environmentally sound

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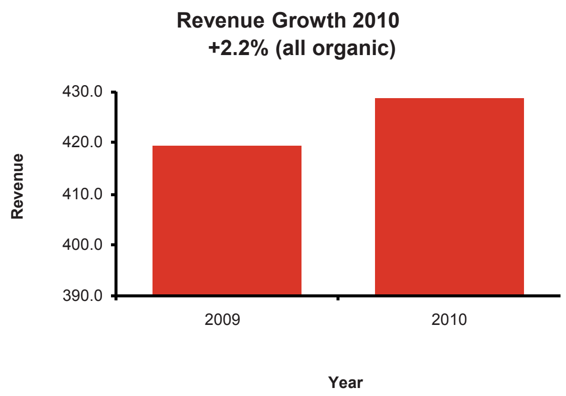
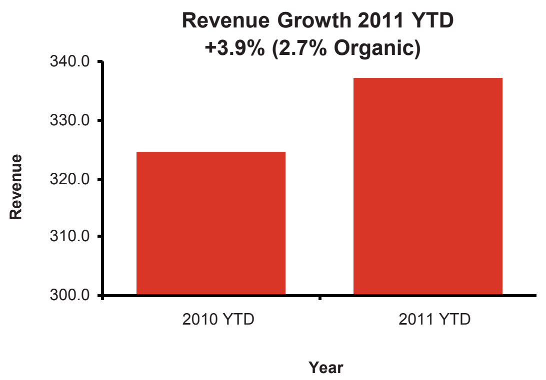
Driving Shareholder Value

Continuing to Grow in Tough Markets

Revenue Growth

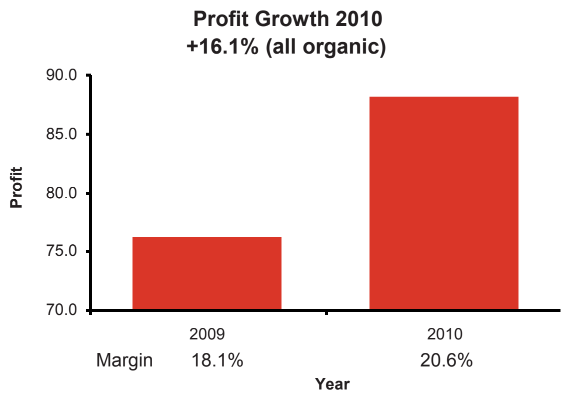


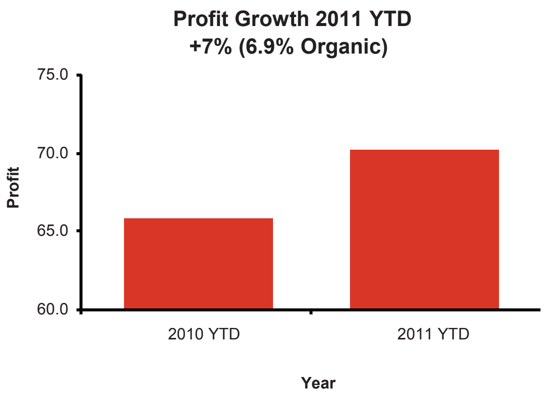


Revenue Growth

Region	2010 % Growth	2011 YTD % Growth
UK, Ireland, Baltics	+0.1%	+4.0%
Europe	+0.3%	+1.4%
Nordics	+2.2%	+3.4%
North America	+5.2%	+5.4%
Africa, Caribbean	+4.3%	+6.6%

Profit Growth





Profit Growth

Region	2010 % Growth	2011 YTD % Growth
UK, Ireland, Baltics	+8.6%	+6.3%
Europe	+14.9%	+5.9%
Nordics	+26.3%	+19.6%
North America	+13.7%	+5.7%
Africa, Caribbean	+15.6%	+10.9%

Notes:
- Region profit growth includes regional overheads
- Total division profit includes apportioned overheads on the basis of Pest revenue as a proportion of total Divisional revenue
- Data excludes Libya.

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Profitable Growth

A Wide Set of Initiatives

Services	Customers: Existing	Customers: New
New	• Product and Service Innovation* • Up-selling of core service lines – eg *PestNetOnline* * *Heat Treatment* * *PestConnect* * • Cross-selling (including *Maximise**)	• Food Hygiene – Integrated propositions in pilot • Vector Control – Target Dengue Fever
Existing	The Customer Service Agenda • Delivering our Customer Promise • Customer Satisfaction Programme • Proactive complaint management* • Customer care (incl *Advantage**)	• Inbound Sales Opportunities* – Enquiry Generation – Residential (Online & Telesales) • Business Development * – Targeted prospecting – Key Accounts & FM (incl *Atlas**) – Sales Effectiveness (incl *Advantage**) • Acquisition Strategy* • New Branch Openings

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* Previewed later in the agenda

Profitable Growth

The Acquisition Strategy

Acquisition Prioritisation

Growth Potential	Potential for Relative Market Share: Low	Potential for Relative Market Share: High
High	**Core focus** North America	**New Entry** Mexico & Latin America Middle East, North Africa & Turkey
Low	**Avoid** Russian Federation Other CIS Central Africa	**Opportunistic** Europe

Potential for Relative Market Share

M&A Strategy

- Objectives
  - Build nationwide business across North America for scale and national accounts
  - Establish lead positions in emerging markets for mid to long-term growth
  - Consolidation in Europe to reinforce lead
- Market Selection Criteria
  - GDP growth prospects
  - Macroeconomic & political stability
  - FDI benchmarks
  - Climate / pest burden
  - Entry of strategic customers (eg Food & Beverage or branded hospitality)
- Typical deal size ~£10m

- **Proven Execution Capability**
- **Good Pipeline Focused on Target Geographies**

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Growth in North America

John Myers, CEO, North America Pest Control

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Rentokil North America

The Story So Far - Organic Growth Through Acquired Businesses

	2005	2006	2007	2008	2009	2010	2011
Acquisitions	1 bolt-on acquisition	Plus 5 bolt-on acquisitions	Plus 5 bolt-on acquisitions	Plus 7 bolt-on acquisitions	3 bolt-on acquisitions	3 bolt-on acquisitions	Plus 4 bolt-on acquisitions (ytd)
Branches	16	56	74	78	82	86	103
Colleagues	300	1,200	1,500	1,850	1,925	1,950	2,100
Revenue	$27m	$146m	$174m	$218m	$227m	$239m	$250m
Organic Growth			+6.6%	+3.1%	+2.8%	+4.6%	+4.5%

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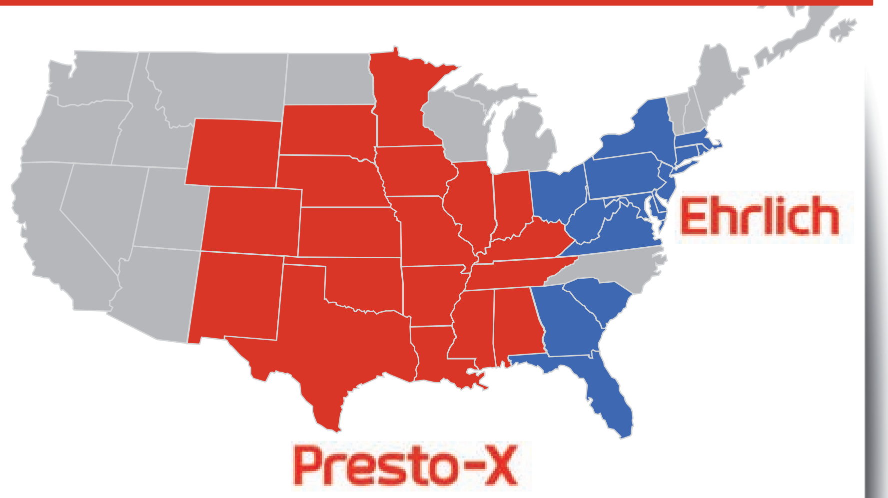
Our Position in North America

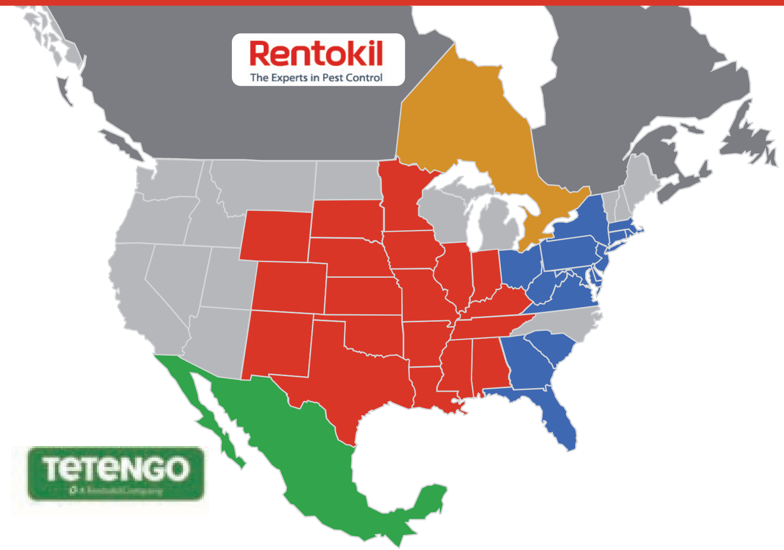
Strong Regional Brands Aligned to The Rentokil Framework

US Coverage



- Residential in 9 Northeast and Mid-Atlantic states
- Commercial coverage across 32 states

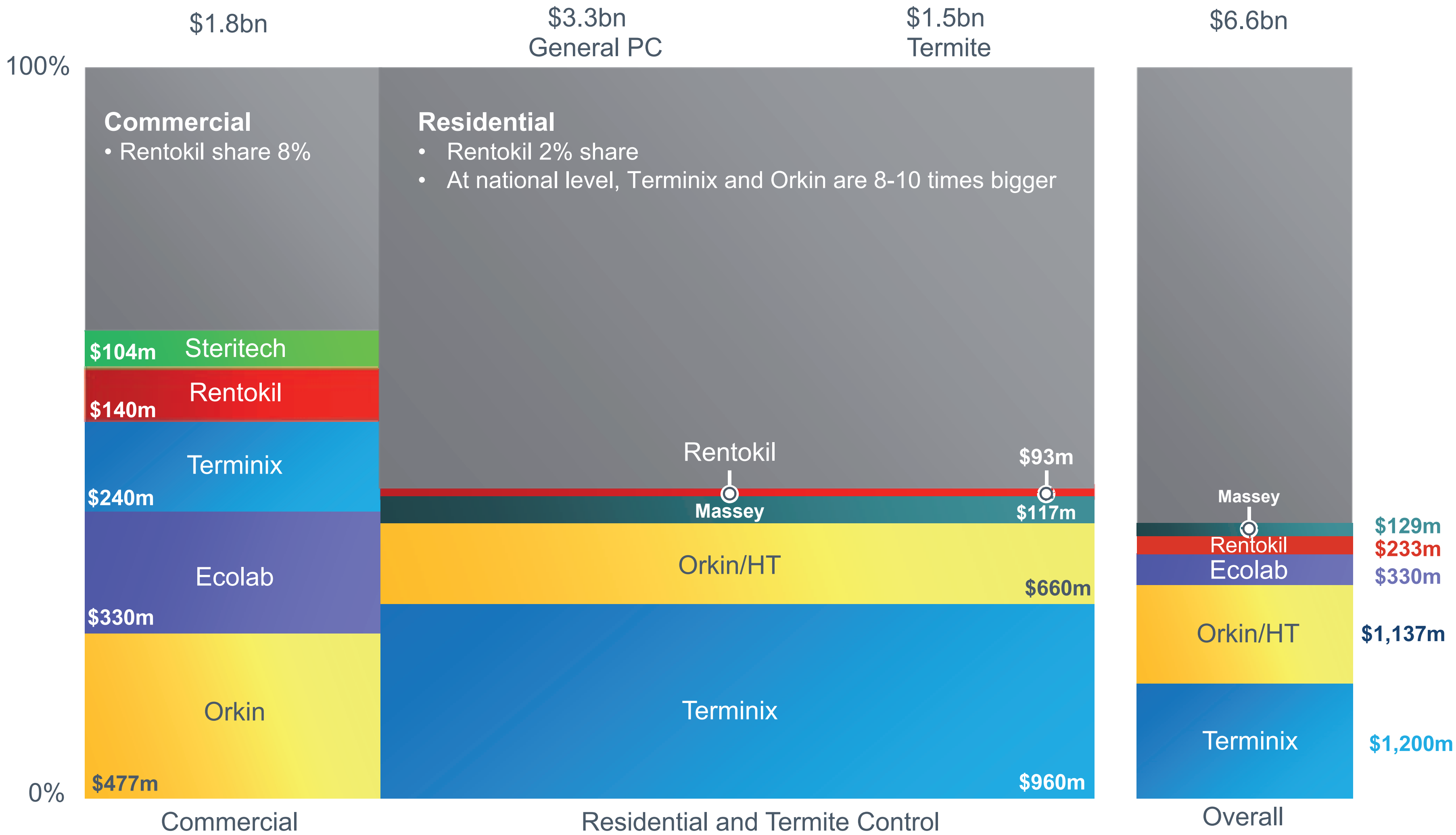
Extending Our North American Footprint



- Commercial coverage across Mexico
- Rentokil Canada providing commercial coverage for Ontario Province

Recap - The North American Market

3.5% Share of a $6.6bn market



Source: Company revenues and splits between Commercial/Domestic and General PC/Termite from PCT 2010

M&A Strategy

4 Drivers for M&A Programme – National Presence & Scale

	Rationale	Strategy
Access to National Accounts	• More than 30% of the commercial pest control market is national accounts (>$550m) – Few players offer true national coverage – We have strong credentials if combined with (close to) national coverage	• Extend our footprint through medium-sized, regional acquisitions • New branch openings where no suitable targets exist
Go Where The Market Is	• We need to strengthen our share where the largest demand exists: – South East: 31% of market revenue – The West: 19% of market revenue – South: 15% of market revenue	• Target acquisition prospects that operate in high population cities with strong pest pressures
Building Local Scale	• Relative route density is a key determinant of operational success and profitability – Bolt-on acquisitions provide a high level of synergy for sub-scale branches	• Prioritise acquisition efforts to sub-scale locations • Standard process for acquiring and integrating new companies effectively and efficiently
The Residential Opportunity	• Two thirds of the North American opportunity is residential or termite • The Residential market particularly benefits from absolute scale particularly in marketing efficiency	• Once regions achieve scale in commercial, then target bolt-on residential acquisitions

Organic Growth

Differentiating On Quality of Offer and Our Service Delivery

Differentiating Through Our Offer

- The most innovative products and services
  - Drawing from our global capability
  - Drives win rate and up-sell
- Clear view of our target customers
  - Focused sales and marketing campaigns
  - Integrated offers to meet their specific needs
  - Focused sales training to articulate the offer
- Differentiating through our sales force
  - High-performing, career salespeople in an industry where sales skills are generally low

Differentiating Through Our Service

- The best service technicians in the industry
  - Recruitment, training and engagement
- Absolute commitment to Customer Promise
  - Delivering the service customers expect
  - Swiftly dealing with any problems or issues
  - Building long-lasting customer relationships
- Translating into increased retention
  - Increased from 82% in 2007 to 86% in 2011
- Recognised through our exceptional CVC
  - 83% is a truly world class score

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Case Study - Driving Organic Growth

Capturing The Growth Opportunity from Bedbugs

Bedbugs – The Opportunity

- Bed bugs are back with a vengeance
  - Endemic after almost being wiped out in 1950s
- The perfect storm
  - Invasive and difficult-to-treat pest
  - High awareness and concern
  - A rapidly growing problem in the US & Canada

Bedbugs - Our Approach

- Best technical solutions and training
- Building awareness and responsiveness
  - Building profile in verticals (e.g. hotels, multi-family housing, and healthcare facilities)
  - Targeted customer symposiums
  - Involvement in Local and State associations
- Enquiry generation especially through web

Revenue growth from $2.2m in 2008 to $17m forecast for 2011

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Driving Profitable Growth

Andy Ransom Divisional MD, Rentokil
Phill Wood Area MD, UK, Ireland & Baltics

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Profitable Growth

A Wide Set of Initiatives

Services: New / Customers: Existing

- Product and Service Innovation*
- Up-selling of core service lines
  - eg *PestNetOnline* *
    Heat Treatment *
    PestConnect *
- Cross-selling (including *Maximise**)

Services: New / Customers: New

- Food Hygiene
  - Integrated propositions in pilot
- Vector Control
  - Target Dengue Fever

Services: Existing / Customers: Existing

The Customer Service agenda

- Delivering our Customer Promise
- Customer Satisfaction Programme
- Proactive complaint management*
- Customer care (incl *Advantage**)

Services: Existing / Customers: New

- Inbound Sales Opportunities*
  - Enquiry Generation
  - Residential (Online & Telesales)
- Business Development *
  - Targeted prospecting
  - Key Accounts & FM (incl *Atlas**)
  - Sales Effectiveness (incl *Advantage**)
- Acquisition Strategy*
- New Branch Openings

Services: New, Existing
Customers: Existing, New

* Previewed later in the agenda

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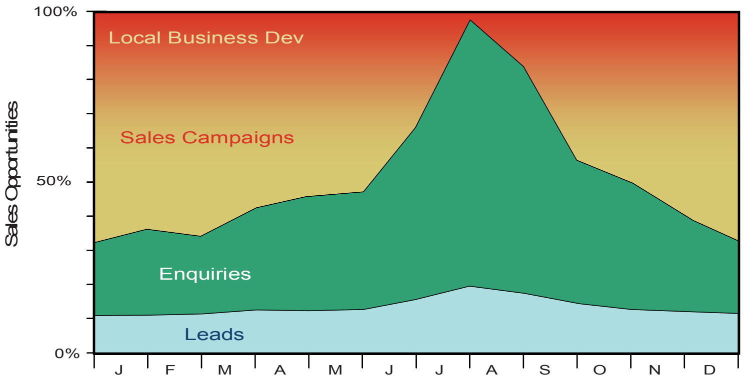
Profitable Growth

Finding New Customers

Inbound Sales Opportunities



- Leads and enquiries are the most important channels for new business
- Continue emphasis to drive enquiries but particular push on B2B and out-of-season
  - Focus on web optimisation
  - Managed approach to Social Media
- To be underpinned by brand building particularly through PR

Business Development

- Business development goes on around the peak enquiry volumes
- Much of the focus is about filling in either side of the peak with warm prospects
  - Focused sales campaigns
  - Teleappointing
  - Cross-sell
- Increasing importance of Key Accounts

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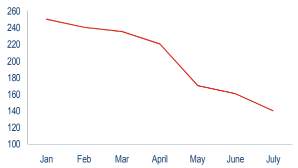
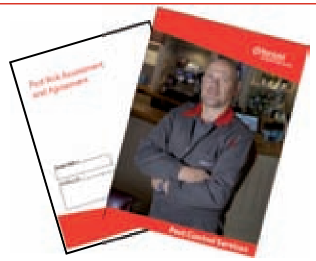
Growth Initiatives

Break-Outs Highlighting Four of Our Initiatives

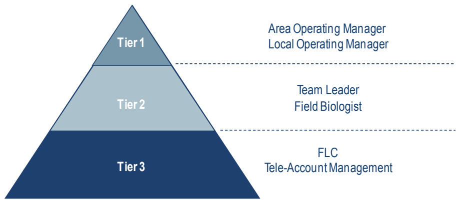
Theme	Where we were…		Initiative	First Room (11.00am)
Key Accounts		• Focused on SMEs • Losing Share • Commodity Pricing	**Creating Value Through Key Accounts**	Room 39/40
Sales Tools		• Paper-based • Local deployment • Not integrated • Inefficient paper processing • Standard pricing models	**Better Selling Through Advantage**	Room 31/32
Account Management		• Reactive approach • Local ad hoc protocol • Operational relationships	**Taking Care of our Customers**	Room 28
Cross Selling	Rentokil Initial ambius City Link	• Multiple decision makers • Multiple systems • No integration of data • Silo model	**Maximise for Targeted Selling**	Room 27

Coffee and break-out sessions on Growth Pilots

Main Seminar will resume at **12 noon**

Growth Initiatives

Summary of the Break-Outs

Initiative	Where we were…	Where we're going…	
Creating Value Through Key Accounts	• Focused on SMEs • Losing Share • Commodity Pricing		• Proven model • Differentiated offer • High win rates • Sophisticated margin model
Better Selling Through Advantage	• Paper-based • Local deployment • Not integrated • Paper processing • Standard pricing models		• Tablet multimedia/e-enabled • Auto-sync of data • Product / Service knowledge • Decision making support tool • Intelligent pricing (risk)
Taking Care of our Customers	• Reactive approach • Local ad hoc protocol • Operational relationships		• Clear responsibilities, processes & targets • Positive customer effect - retention up
Maximise for Targeted Selling	• Multiple decision makers • Multiple systems • No integration of data • Silo model	Maximise Rentokil Initial ambius City Link	• Unique to Rentokil Initial • Central system solution • Aligned to our Google platform • Uses RI data to drive sales • Sales productivity improvement

Information Systems & Technology

Mark Purcell, Divisional IT Director

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Growth Initiatives

The Role of Information Technology

Better and Faster Decisions Enabled By Information Technology

Management Sales Service Customers

Using our Information As A Core Differentiator

- Prospecting and mining our databases
- Professional selling
- Risk-based pricing
- Driving service quality and productivity
- Providing risk-based information to our customers as a service

IT Strategy
Value creation through Standard Systems

- Repeatable
  - Infrastructure
  - Hardware
  - Systems

- Consistent business model & processes

- Step change in systems & technology

- Deployed across virtually all of Rentokil Pest Control - including Asia Pacific

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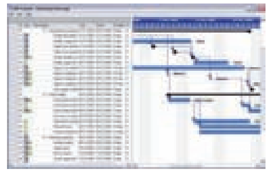
Olympic Deployment

Delivering through Our Standard Framework

- Divisional IS/IT team – 26 dedicated people
  - Project & Change Managers
  - Business Analysts
  - Systems & Data Analysts



- Building a deployment plan for next 12-18 mths

- Packaging projects

- Take pilots that have been proven in the UK into deployment mode

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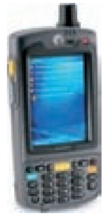
Systems Innovation

Two Linked Examples

Service PDA



- Provides technician with latest data
  - Customer service and contact information
  - Site risk assessment
  - Previous service history
  - Open customer recommendations
- Record service visit details
  - Infestations
  - Preparations used
  - Recommendations
  - Customer signature
  - Photographs
  - Leads and Alerts
- Service visit report
  - Printed copy on site
  - Email copy
  - Data held in iCABS

PestNet Online

PestNetOnline

- On-line Pest Control reporting system
  - Barcodes to identify unique pest control points
- Provides customers with
  - Proof of service
  - Risk records and recommendations
  - Risk escalation process
  - All pest related information for auditing bodies
- Features include:
  - Single and multi-site
  - Displays real-time data uploaded from technician's PDA
  - Information displayed on customer floor plans
  - Trend analysis for assessing changing risk
  - Pre-scheduled reporting

Systems Innovation

PestNetOnline Demonstration

PestNetOnline

Demo

Systems Innovation

PestNetOnline Extranet

Benefit to Customers

- Peace of mind
  - Visibility of recommendations and tasks
  - Platform to communicate directly with Rentokil
- Can be tailored to meet customer needs
  - Configurable at both site and user level
  - Multi-site functionality
  - Interactive tools to identify areas of infestation
- A safe place for their pest control records
  - System is password protected and encrypted
  - PNOL server is secured in data centre with restricted access and frequent back-ups
- Quick and easy way to present all pest risk information to food hygiene auditors

Benefit to Rentokil

- Increased win rate as a key differentiator
- A chargeable service
  - Installation
  - Recurring contract uplift
- A retention tool and barrier to exit
  - Retention rate > 90% for PNOL customers
- Highlights recommendations for customers to improve their pest risk profile
  - Can translate into chargeable jobs
- Demonstrates the quality of our service

PestNetOnline

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IT Strategy

Conclusion

- We can take what you have seen and deploy across the Division
- Global scale through a repeatable model
- We have the skills and ability to deploy projects
- Using business information creates significant opportunity and value
  - Customer: Ability to provide Information as a Service
  - Rentokil: Information is key enabler in delivering Operational Excellence
- Benefits to Rentokil
  - Lower cost
  - Efficiency
  - Use of information across all areas of the business

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Planning & Scheduling Systems

Jon Wilkinson, Performance Director

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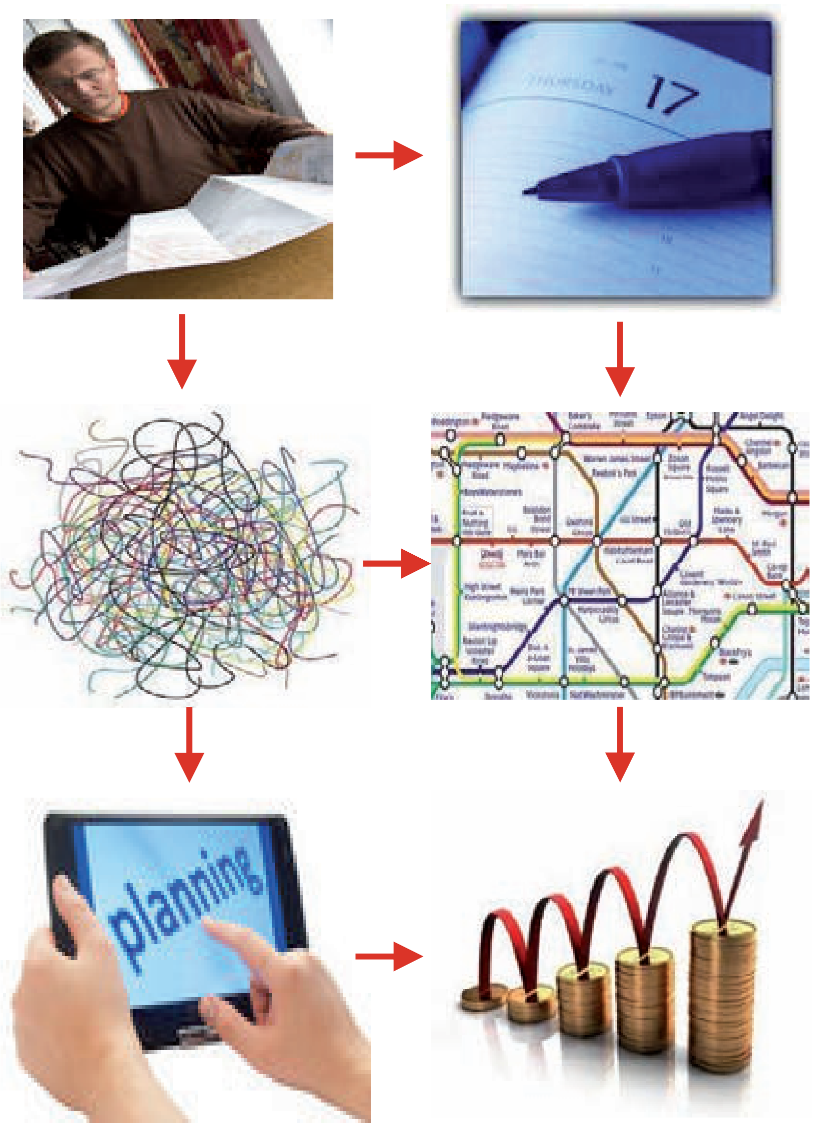
Planning & Scheduling

Pest Control – Historically a Low Tech Industry



- Home based workforce;
  - Within an assigned territory & portfolio
  - technicians plan for themselves
  - Daily work and planned routes
  - Customer knowledge
  - Customer visit patterns

- A complex industry to plan for manually;
  - 000's of technicians
  - 0,000's of customers
  - 00,000's of visits – 20% restricted
  - Multi frequency and variable durations
  - 20-30% reactive work (jobs)
  - Evolving customer base

- Opportunities to improve customer service and gross margin and….
  - Improve integration of new customers
  - Rapid integration of acquisitions
  - Target density improvement
  - Inform pricing strategy
  - Improve Technician recruitment decisions

Planning & Scheduling

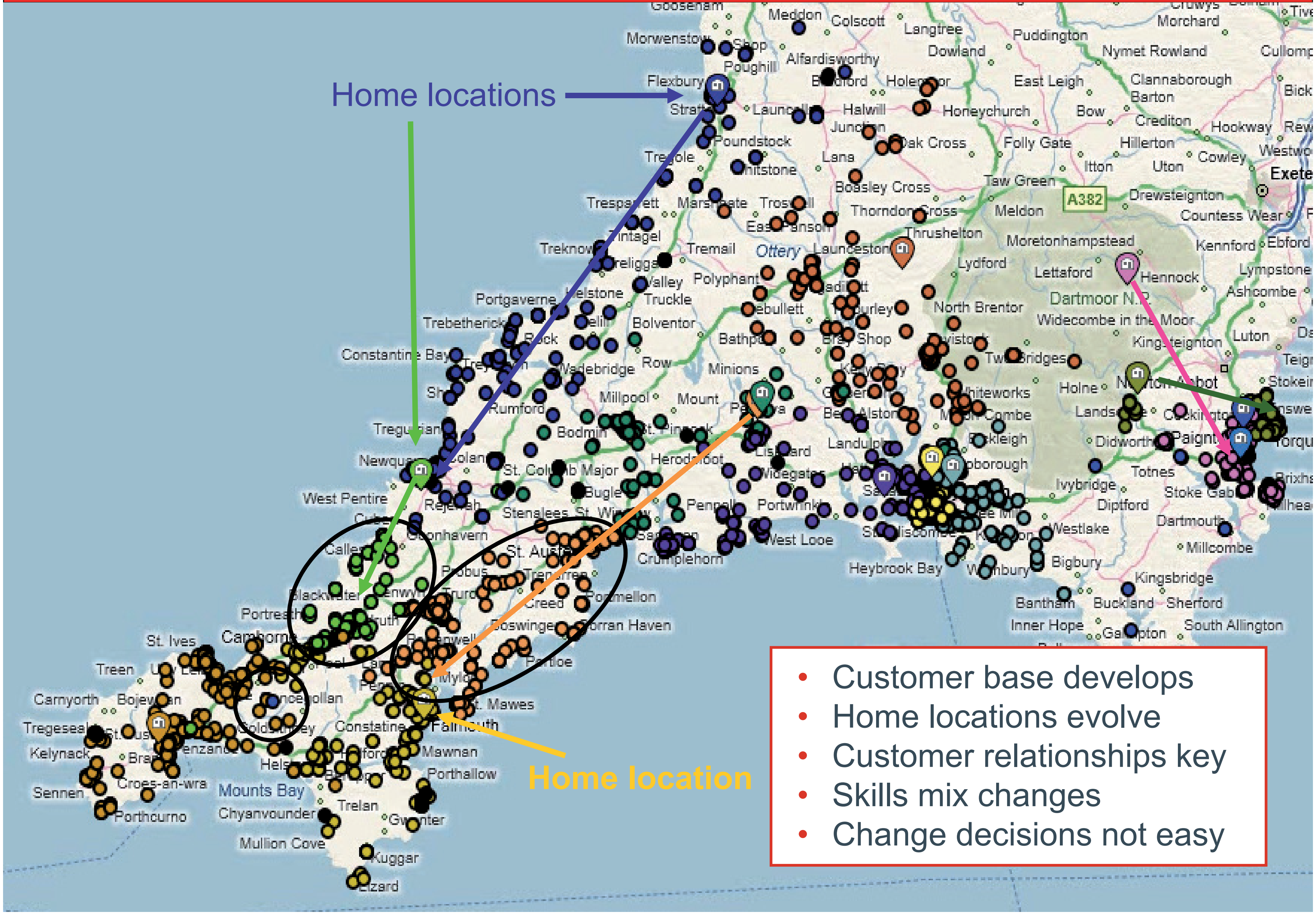
The Opportunity

- **43% of our cost base**
- *Indicatively*
  - 2 million visits - USA
  - 1million visits - Europe
  - 500,000 – UK
  - 250,000 – SA
  - 3,500 technicians
  - 750,000 working days
  - 3,500 vehicles
  - 5 million Journeys
  - 70 million miles pa.

The technical solution

- Intelligent territory design
- Optimised capacity utilisation
- Manpower & work planning
- Skills & resource management
- Customer requirements and restrictions
- Optimised route sequence and journey planning

Typical planning outcomes without systems support



- Customer base develops
- Home locations evolve
- Customer relationships key
- Skills mix changes
- Change decisions not easy

Without planning support; The range of work content = *45% - *89%

Review these 6 areas which range from 55% to 89% capacity utilisation

ID	Name	P (£)	V (No)	C (%)	O (%)		TT (h)	TS (h)	DT (h)	ST (h)		Tot. M	St. M
			1299	70	30		1,316	775	541	318		16,748	9,932
	Technician		1303	63	37		1,184	906	277	85		8,768	2,621
			1014	* 45	55		850	723	127	59		3,368	1,379
			1416	58	42		1,088	772	316	181		8,948	5,104
	1		1070	62	38		1,171	774	397	204		13,360	6,621
			1815	84	16		1,580	856	724	381		28,980	16,002
	2		1878	69	31		1,292	996	295	100		8,621	2,759
			1495	60	40		1,121	859	263	89		8,109	3,035
	3		1408	60	40		1,128	943	186	78		4,446	1,655
			1067	53	47		1,001	929	72	26		1,743	552
	4		1006	55	45		1,033	832	201	52		5,259	966
	5		1735	71	29		1,336	1,127	209	107		4,553	2,345
	6		[illegible]	* 89	11		1,676	936	741	366		26,241	13,105
			1056	87	13		1,632	1,322	310	104		10,905	3,587

capacity 10,000 “services”
& 60,000 miles

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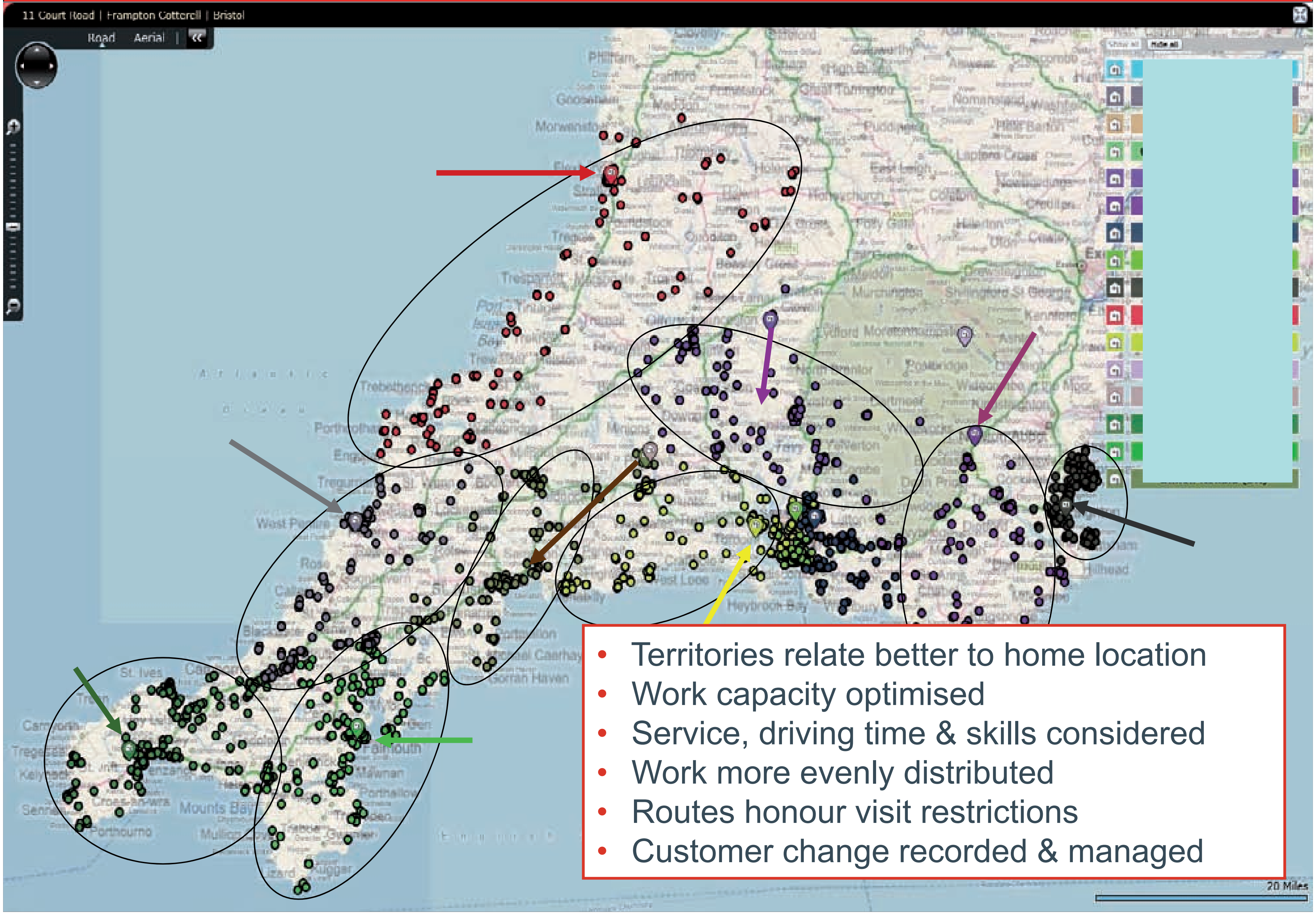
Typical outcomes using advanced planning systems



- Territories relate better to home location
- Work capacity optimised
- Service, driving time & skills considered
- Work more evenly distributed
- Routes honour visit restrictions
- Customer change recorded & managed

6 Optimised Territories, with routes and service visits all planned

Now re- planned the service region with focus on the 6;

- Significantly less overall mileage
- More visits per serviceman

Technician

ID	Name	P (£)	V (No)	C (%)	O (%)	TT (h)	TS (h)	DT (h)	ST (h)	Tot. M	St. M
			1382	68	32	1,269	784	485	300	14,151	8,828
			1238	67	33	1,256	998	257	115	7,901	3,311
			1032	45	55	843	723	121	59	3,169	1,379
			1409	60	40	1,133	832	300	170	9,984	5,932
			1455	58	42	1,094	850	243	89	7,611	3,035
			1314	74	26	1,386	1,027	358	181	12,741	6,483
6			1326	67	33	1,259	826	433	207	14,560	7,035
			1084	53	47	997	929	68	26	1,642	552
2			2411	77	23	1,439	1,145	294	52	8,538	1,241
5			1806	71	29	1,326	1,127	199	107	4,327	2,345
1			2289	79	21	1,487	1,177	310	122	9,682	3,724
3			1633	78	22	1,461	1,256	205	74	5,001	1,517
4			2381	78	22	1,458	1,209	249	67	7,256	1,931

Prior was 89%
26,000 miles

Work & capacity balanced

Capacity 12,000 "services"
& 50,000 miles

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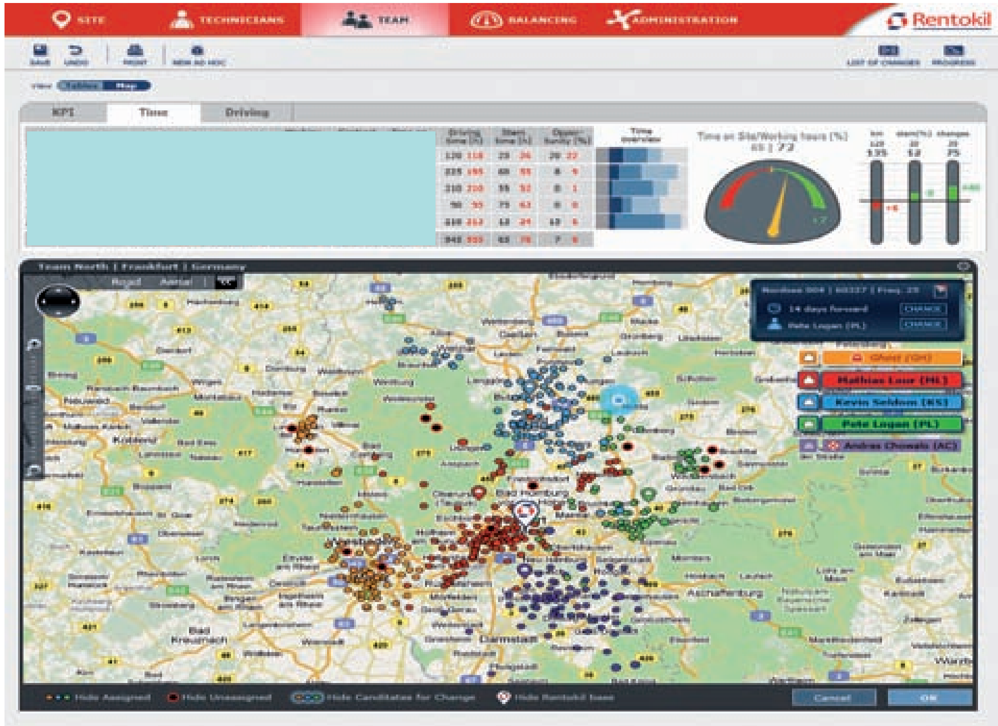
Planning/Systems system schematic

Global, host system for
all customer data

Secure Web based planning system



Customer visit
Technician,
Product &
vehicle data

PDAs hold
work plans and record activity

Sequenced,
routed
Service plans
by day/week

Optimised Branch
Service plans
for complete
plan period

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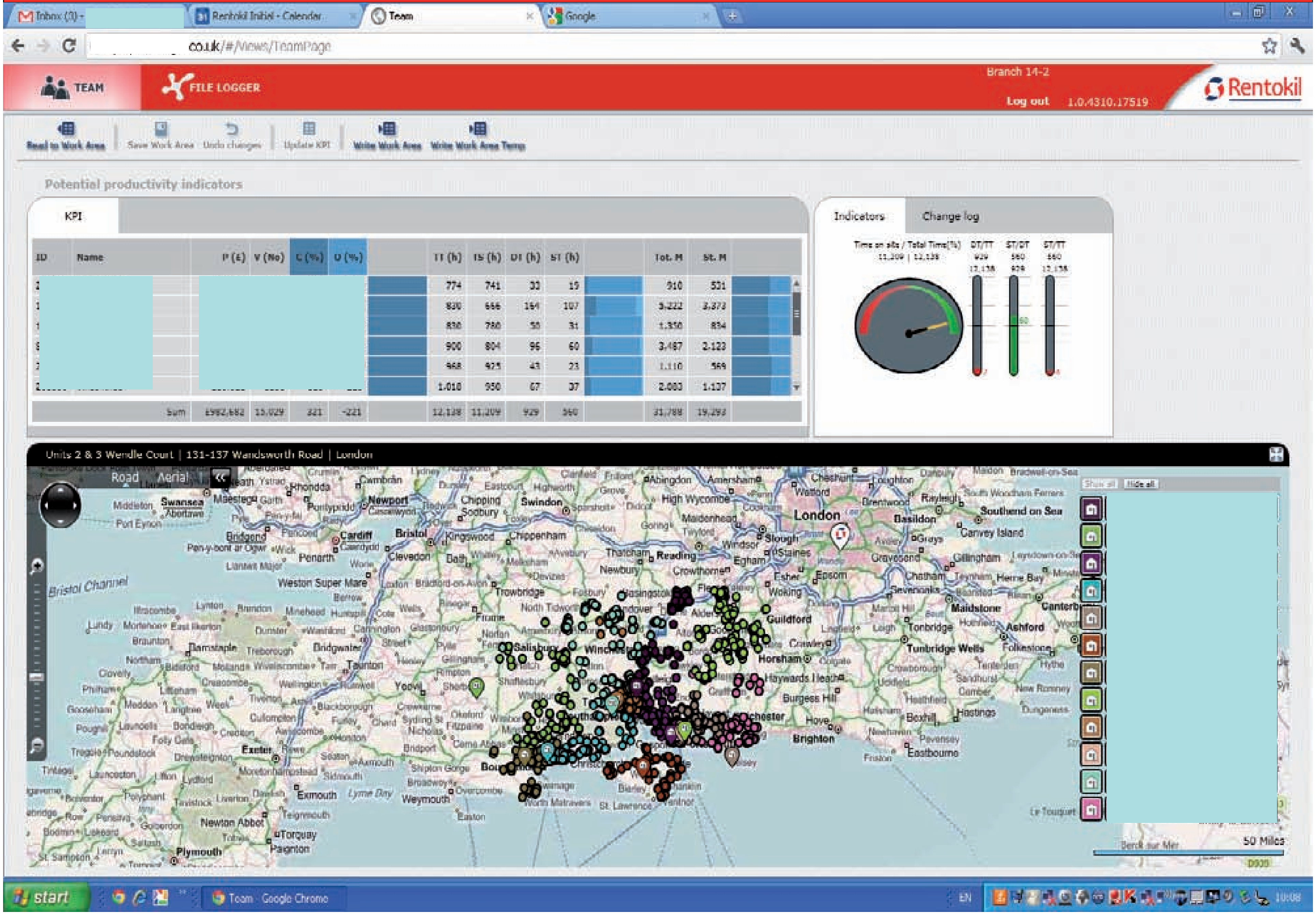
System demonstration available



Product & Service Innovation

Peter Whittall, Technical Director

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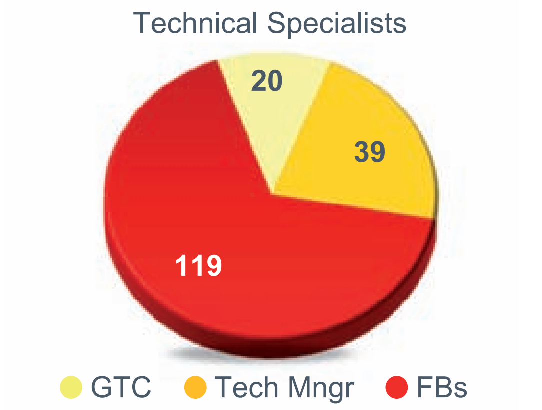
Product & Service Innovation

Being The Experts in Pest Control

Expert: The highest degree of skill or knowledge that can be attained in a subject

Global Technical Centre (GTC) – Horsham UK



GTC = Global Technical Centre
FB = Field Biologist

- Rentokil is the only Pest Management Company to have its own dedicated Global Technical Centre
  - Based in Horsham, UK
  - Populated with industry specialists who link internationally via regional centres of expertise
  - Highly qualified entomologists, zoologists, chemists, physicists, biologists & engineers
  - Regulatory Compliance / product assessment
- Connected to operations through global network of technical managers responsible for in field commercialisation, deployment and compliance
- Local field biologists support customers with problem solving and oversee consistent development of technicians with performance assessment and training
- Coordinated via the Technical Steering Group – chaired by the Divisional Technical Director

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Product & Service Innovation

Our Vision – To Be The Innovator For The Industry

Key objective:

To develop & then exploit industry differentiating combinations of expertise, skill, & technology capability – which further justifies **‘the experts in Pest control’** strap line

Why innovate?

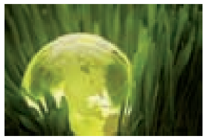
Meet customer needs & wants

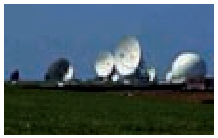
- No pests / disruption
- Professional-specialist advice
- Reliable & responsive service
- Easy to do business with

Increase win rate

- Low costs
- Ease of selling / new news
- Easier to service
- Fix this issue

Leverage mega market trends





- Sustainability
- Risk management
- Instant information

New & emerging markets

- Public health
  - Vector control
  - Hygiene

Competitor intelligence & leveraging 3rd party suppliers

Spectrum:

Rectification / renovation	New service development / innovation	Reinvention

Our strategy dictates the balance of projects across this spectrum

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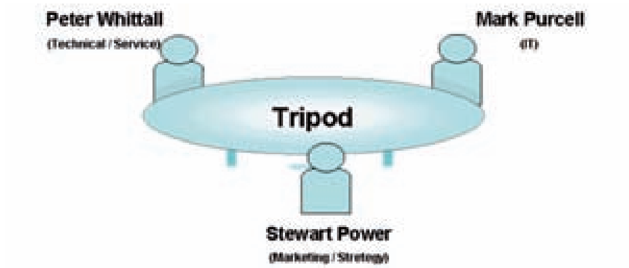
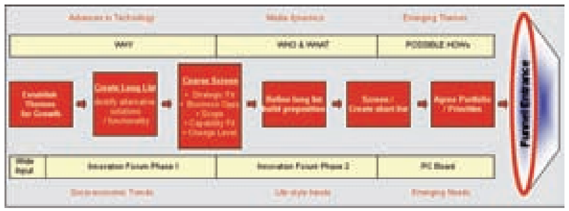
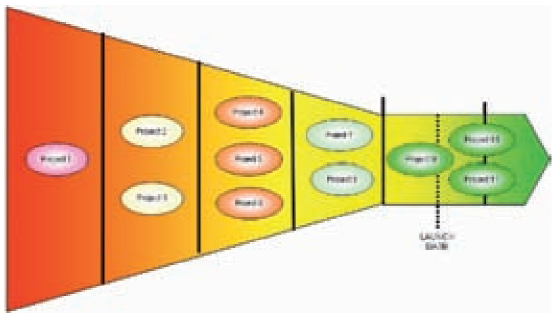
Product & Service Innovation

Managing The Innovation Process



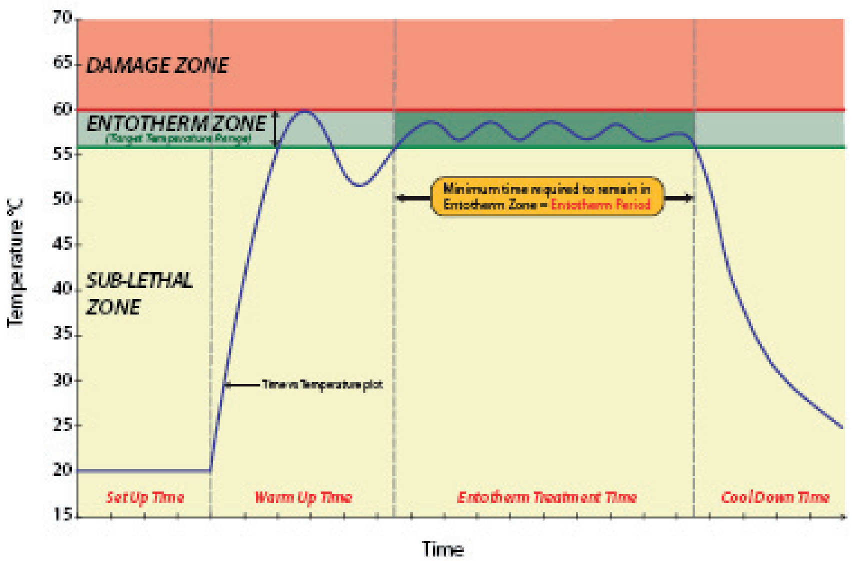


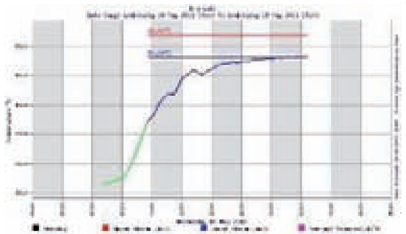


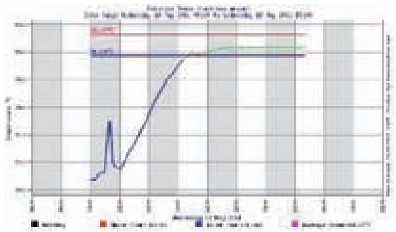
- Tripod: a robust process to manage our projects portfolio reporting to the Pest Control Board
  - A balanced portfolio of projects derived from market and customer intelligence
- Steering projects using a stage gate process for delivering 2011 – 2014
  - Immediate roll out
  - Product & service upgrades (launch 6 – 18 months)
  - New Developments / Services of the future (24 months plus)
- Lead operating businesses and technical team from around the world ensure fitness for purpose
- New scientific inputs from relationships with tier one suppliers, niche technology companies & academia

Entotherm Heat Treatment

Non-Toxic Fumigation







Technical Principle

- High temperatures above 55^{O}C kill insects.
- Temperatures above 60^{O}C can damage assets.
- Time, temperature control, and thermal capacity are key critical technical control points.
- Currently being rolled out across all regions; one training model across four continents

What it means for Customers…

- Chemical free process with no residues
  - Traditional control uses chemicals (resistance)
  - Hotel rooms out of commission for up to 14 days.
- Rapid control of insects in most locations.
- Minimal disruption for customer
  - Single rapid treatment
  - Furnishings & bedding can be treated
  - Kills all insect lifecycle stages.
  - Area can be reused immediately after treatment
- Savings for customers (e.g. room occupancy)

Numerous extensions now being developed

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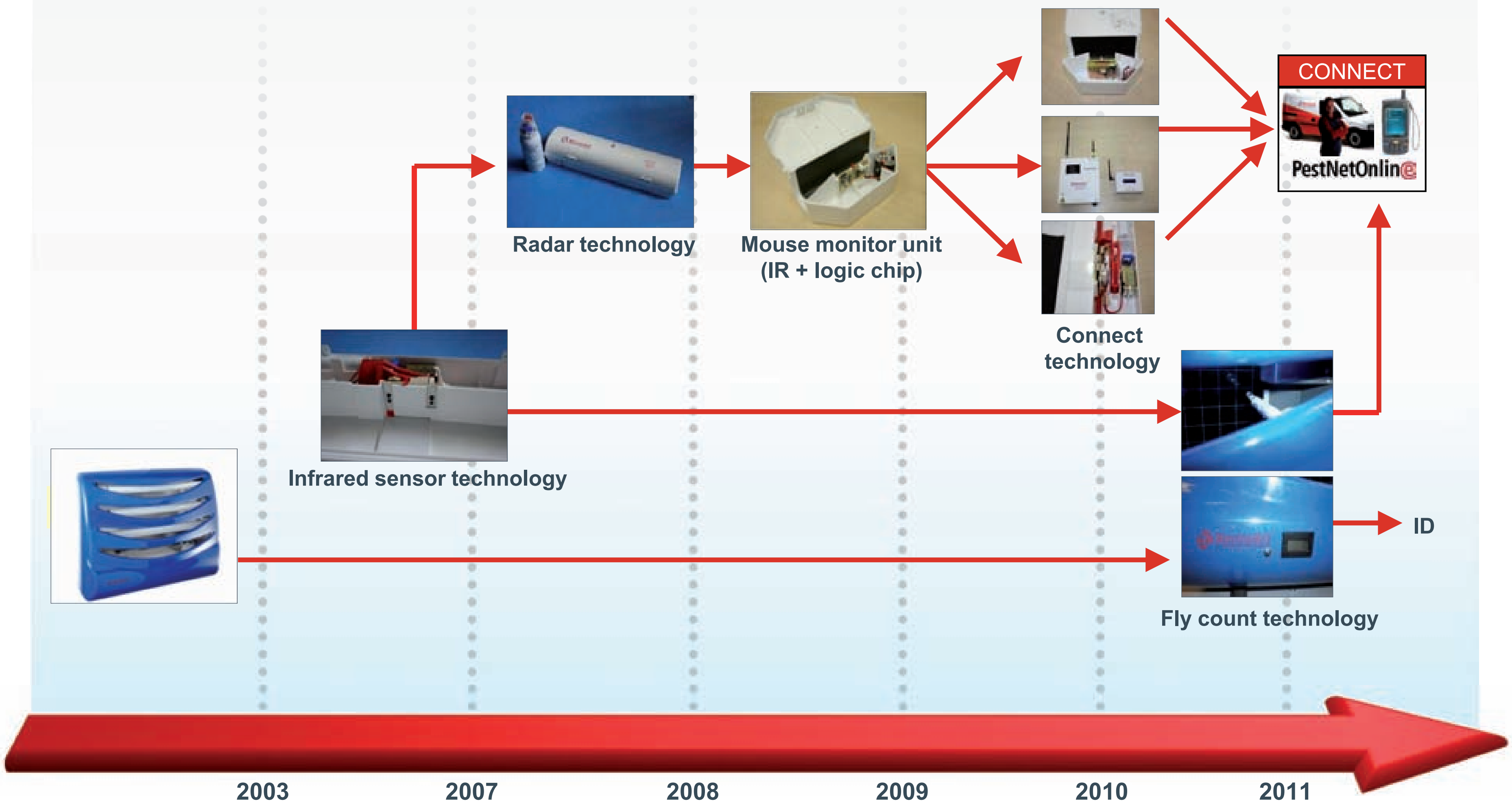
Product & Service Innovation

Innovation Through Technology Sequencing



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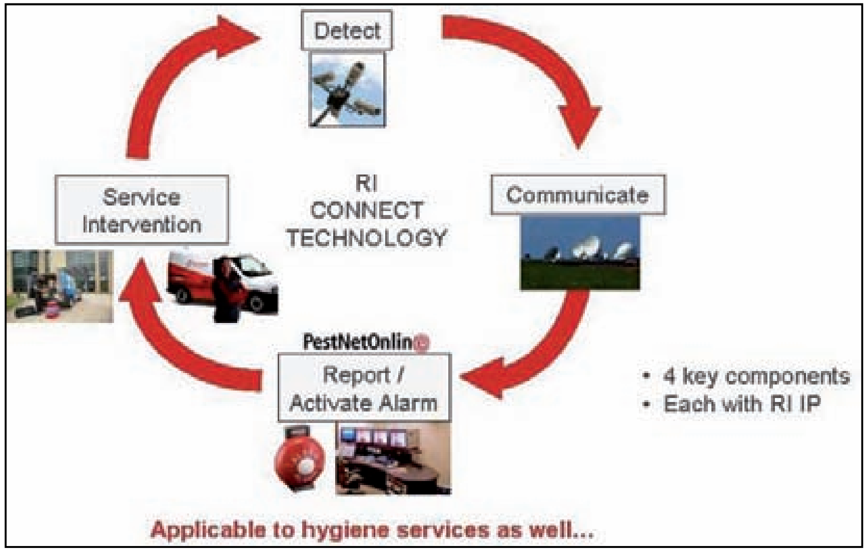
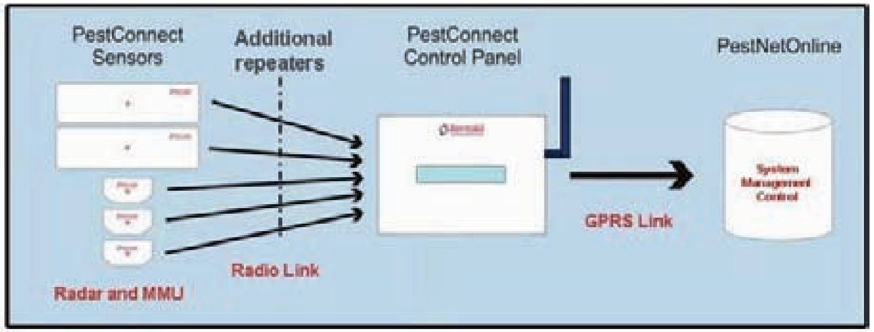
Pest Connect

24/7/365 Peace of Mind





Technical Principle

- Professional pest control relies upon integrated pest management (IPM).
- Rentokil control strategy based upon **E**xclusion, **R**estriction, **D**estruction, & **M**onitoring.
- Inspection / Monitoring is the beginning & end of these sequential processes.
- Connect technology integrates the processes of detection, communication and directing a timely service intervention.

What it means for Customers…

- Affordable 24/7/365 monitoring, continual pest status reporting and instant alerts
- Earlier intervention reduces risk and pesticide usage
- Demonstrate due diligence for principle audit bodies
- Proof of service and effectiveness
- Technical, service and commercial IT platforms are linked meaning that we can be more responsive & offer a totally integrated service

A new technology platform which underpins our 'control without chemicals' proposition & wider environmental monitoring

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Product & Service Innovation

Future Horizons…Emerging Today

Mosquito Control

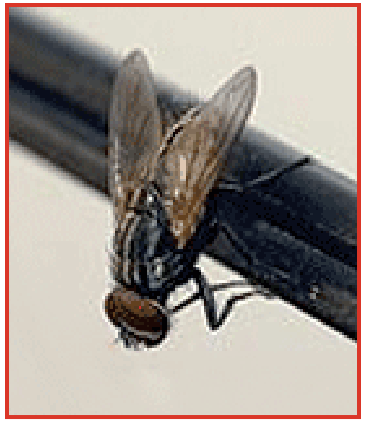
- Dengue alerts via Aedes Connect
- GMO sterile insect technology

Cockroach Control

- Entomopathogenic Fungi

Bed Bugs (& others)

- Early detection using Chemical sensors



Flies & Insect Control

- Parasitic Wasps

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Passionate about Pest Control

Summary

Rentokil

The Experts in Pest Control

The Rentokil Story

In Summary

- A World Class Business built on a relentless focus on Colleagues, Customers and Shareholder Value
- Attractive Industry with profitable growth markets and opportunities for further consolidation
- Differential capability vs competitors:
  - Strength of brand in many markets
  - Global reach
  - Technical Innovation
  - Information Technology
  - People
- Good prospects for profitable growth over the medium term despite current economic conditions

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Pest Control Senior Management Team

Biographies

Andy Ransom, Managing Director

Aged 48. Solicitor. Appointed an executive director in May 2008. Responsible for the Pest Control and Ambius divisions, for the group legal and M&A functions and previously responsible for the group's Asia Pacific businesses. Formerly a senior executive at ICI (1987-2008) where he was responsible for a number of group functions and international businesses including ICI's regional and industrial divisions.

Mark Gillespie, Divisional Finance Director

Age 39. Appointed in May 2011. Mark has held a range of roles within the group, including that of Group Internal Audit Director in 2004, and MD of a small acquisition within Hygiene, before accepting the role of Finance Director of the UK Pest Control and UK Washrooms business in 2008. Mark is a qualified Chartered Accountant and has held previous finance roles with Novar Plc, Marks and Spencer Plc and Pfizer inc.

Stewart Power, Marketing & Strategy Director

Age 41. Appointed in February 2006. Formerly Director of Marketing & Strategy for RAC Business Solutions and prior to this Business Solutions Director at Capita. His earlier career was at The Boston Consulting Group and BOC.

Peter Whittall, Divisional Technical Director

Aged 54. Appointed in October 2006. Formerly European R&D and Quality Director of Griffith Laboratories. Prior to this he held a wide range of global and regional positions with Unilever, Best Foods, and McCormick in general technical / quality management, factory management and research & development. He is a chartered chemist and received his DPhil and first degrees in chemistry whilst working for Shell and ICI respectively.

Mark Purcell, Divisional IT Director

Aged 45. Appointed in June 2006. He joined Rentokil Initial in 1991 and has held a wide variety of positions across the group in application development, business analysis, project and programme management, most noticeably IT Director for UK Washrooms. His previous career was with the Civil Service.

Pest Control Senior Management Team

Biographies

John Richardson, HR Director

Aged 40. Appointed in December 2010. Formerly in a number of roles, most recently, Global HR Director, Avery Dennison, Speciality Tapes Division. Prior to this he held a wide range of HR positions with Black & Decker and PepsiCo as well as general and HRM positions in two private equity ventures. During his career to date John has lived and / or worked across thirty countries and five continents.

John Myers – President and CEO, North America

Age 54. Appointed in December 2008. Previously worked at Cintas for 9 years in a series of senior management roles including Senior Vice President of Sales and Marketing. Prior to Cintas, he has held senior roles in Sales Management, Manufacturing, Business Development, Strategic Planning, and International Marketing.

Dennis Willesen, Regional Managing Director, Nordic & Poland

Age 55. Appointed in December 2007. Previously worked for nine years with DPWN/DHL (Logistic) Denmark/Nordic, having been Vice President, Integration Director and CFO. Prior to that he spent 12 years with UTC/OTIS Denmark/Nordic (Technology) as Vice President and CFO. He is a Chartered Accountant.

Phill Wood, Area Managing Director UK & Ireland

Age 45. Appointed in 2009. Previously 15 years with RAC Plc (formerly Lex Service) in a series of General Management roles across a variety of B2B business services - inclusive of Asset Management , Rental and Outsourcing. Joined the group in 2006 and spent three years within Rentokil as Area MD of Europe, Africa and Caribbean before taking over the UK Rentokil business in 2009. In 2010 he extended responsibility for Initial Washrooms in the UK & Ireland.

Alain van Lidth de Jeude, Regional Managing Director, Pest Europe

Age 51. Appointed in 2006. Joined Rentokil in 2001 as Managing Director ManGuarding Europe. Formerly Operations Director and member of the Executive Board of Quick Restaurants in Europe in which he also held positions as Franchise Director and Marketing Director. He has also worked as Sales & Marketing Director for Liberty Inc (UPC Belgium). Board member of several professional associations.

Pest Control Senior Management Team

Biographies

Jon Wilkinson, Performance Director Pest Control Division

Aged 50. Appointed in November 2010. Formerly with Initial Facilities Services managing a group of six separate specialist FM businesses. Prior to this he worked for 20 years in the Distribution and Logistics industries, with both UK and International experience, working with Parcel-Force, DHL, and Deutsche Post AG. Jon has worked across sales, marketing, operations and general management roles, having extensive experience in both planning & scheduling systems, supply chain and logistics, as well as transformational change programs.

Richard Jones, Regional Director, MENAT

Aged 36. Appointed in January 2007, initially as UK Key Account Director before moving on to become General Manager of Libya operations. Previous career with Visteon Automotive Systems in a variety of engineering project management, strategic planning and commercial management roles. He is a Chartered Engineer.