PROSPECTUS **Dated: 13 May 2008**

RENTOKIL INITIAL PLC

(incorporated with limited liability in England with registration number 5393279)

€500,000,000 4.625 per cent. Notes due 27 March 2014 (issued 22 March 2007)

The 4.625 per cent. Notes due 22 March 2014 (the **Notes**) were issued by Rentokil Initial plc (the **Issuer**) on 22 March 2007 under its €2,500,000,000 Euro Medium Term Note Programme (the **Programme**) and are constituted by a trust deed dated 9 December 2005 and made between the Issuer and the Trustee as modified by the supplemental trust deed dated 19 March 2007 and are the subject of a final terms document dated 22 March 2007 (the **Final Terms**).

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for the Notes to be admitted to the official list of the UK Listing Authority (the **Official List**). Application has also been made to the London Stock Exchange plc (the **London Stock Exchange**) for the Notes to be admitted to trading on the London Stock Exchange's regulated market. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

This Prospectus comprises a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all information which is deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*" below). This Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.

HSBC Corporate Trustee Company (UK) Limited (formerly HSBC Trustee (C.I.) Limited) (the **Trustee**) has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Notes. The Trustee accepts no liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Notes.

No person is or has been authorised by the Issuer or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the Trustee that any recipient of this Prospectus or any other information supplied in connection with any Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Trustee to any person to subscribe for or to purchase the Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee expressly does not undertake to review the financial condition or affairs of the Issuer while any Notes remain outstanding or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

This Prospectus has been prepared by the Issuer pursuant to Section 85(2) of the Financial Services and Markets Act 2000 solely in order to procure the listing of the Notes on the Official List.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction. The distribution of this Prospectus may be restricted by law in certain jurisdictions. The Issuer and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Trustee which would permit a public offering of the Notes outside the EEA states which have implemented the Prospectus Directive or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or the Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes.

All references in this Prospectus to "sterling" and "£" refer to pounds sterling, to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended and to "US$" refer to United States dollars.

Notice

This Prospectus contains certain statements that are or may be forward-looking regarding the Group's financial position and results, business strategy, plans and objectives. Such statements involve risk and uncertainty because they relate to future events and circumstances, and there are accordingly a number of factors which might cause actual results and performance to differ materially from those expressed or implied by such statements.

TABLE OF CONTENTS

INFORMATION INCORPORATED BY REFERENCE

The following information contained in the following documents which have previously been published and have been filed with the Financial Services Authority, shall be incorporated in, and form part of this Prospectus:

- The information concerning "Risk Factors" described under the following headings: "Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme" – The Notes may not be a suitable investment for all investors; Risks related to the structure of a particular issuer of Notes; Risks related to Notes generally: Modification, Notes where denominations involve integral multiples: definitive Notes; Risks related to the market generally: The secondary market generally, Exchange rate risks and exchange controls, Interest rate risk and Credit ratings may not reflect all risks; Legal investment considerations may restrict certain investments, set out on pages 14 to 17 (inclusive) of the base prospectus dated 19 March 2007 relating to the Issuer's Programme.

- Terms and conditions of the Notes (the **Terms and Conditions**) set out on pages 29 to 49 of the base prospectus dated 19 March 2007.

- The audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2007 (set out on pages 65 to 121 of such annual report).

- The audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2006 (set out on pages 54 to 115 of such annual report).

- Regulatory announcements in relation to City Link update as released on the 21 April 2008 and first quarter trading update for three months ended 31 March 2008 as released on the 2 May 2008.

Copies of the documents containing the information incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer.

The information contained in the parts of the documents referred to above not incorporated by reference in this Prospectus is either not relevant for investors in the Notes or covered elsewhere in this Prospectus.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Trading performance

The management of the group which is formed by the Issuer and its subsidiary undertakings (together, the "**Group**"), has stated that the Group's performance has been in decline over a number of years. This is partly the result of increasingly competitive markets, but is also due to the Group's internal operational inefficiencies, such as a lack of customer focus and lower service quality, resulting in increased contract termination rates.

The full year results for the year to 31 December, 2007 (the "**2007 Results**") indicated that the Group's reported adjusted operating profit for continuing operations (at constant exchange rates and before amortisation of intangible assets (excluding computer software and development costs) and items of a one-off nature (items of a one-off nature totalling £28.4 million (2006: £22.6 million)) was up by 8.8 per cent to £280.8 million compared to the same period in the previous year.

Although the Issuer's operating performance improved, the trading performance of its City Link division was below expectations. This division accounted for approximately 16 per cent of the Group's adjusted operating profits in the full year ended 31 December, 2007.

The new senior management team put in place at City Link in 2008 has begun to address the operational problems within the division. This team, consisting largely of individuals experienced in running non-franchise networks, has already enjoyed some success in improving service levels and in re-establishing relationships with customers.

However, the declining performance trend of the fourth quarter of 2007 has continued into the first quarter of 2008. This is a result of the difficulties experienced in integrating the City Link franchisees and the Target Express acquisition with the core City Link business. This has led to a greater than anticipated adjusted operating loss of £15.4 million in the City Link division for the first quarter 2008 (of which £10 million is attributable to non-recurring costs).

Although the full year outcome remains unclear, in light of first quarter trading and the current trends in revenue and costs, it now appears likely that the division will incur a significant full year loss.

This means that 2008 adjusted profit before tax for the Group is expected to be significantly lower than 2007 and will be heavily dependent on the performance of City Link.

The Group cannot assure Noteholders that its planned actions in relation to City Link, together with improvement initiatives across its other businesses will either be effective and properly executed, or will have a timely effect sufficient to improve its future trading performance.

Many of the Group's businesses operate in very competitive markets in which it is difficult or not currently possible to pass increases in costs through to customers by means of price increases. These businesses therefore require increased volumes or operating efficiency improvements if margins are to be maintained. The Group cannot assure Noteholders that such offsets can be achieved or maintained and profit margins may therefore fall.

Further, the Group cannot assure Noteholders that any improvements in its future trading performance will give rise to a correspondingly improved operating cash flow generation. A requirement to invest in the growth of its business, to support its business restructuring plans or to support its trading performance may give rise to an adverse impact upon the Group's operating cash flow compared to its historic performance which in turn may adversely affect the Group's liquidity position.

Operational change

In the Review of Performance section of the 2007 Results the Issuer's board updated stakeholders on progress made to address its operational problems; to develop a more customer focused, outward looking and dynamic business culture; to build on strong market positions; to regenerate revenue growth and to improve customer retention. The Issuer's board also directed stakeholders towards the new focus on generating productivity and process improvements and reducing the cost base of the Group.

In the Group's trading statement of 2 May 2008, Alan Brown, Chief Executive Officer of the Issuer, commented as follows:-

"A number of our businesses are making good progress in growing the top line, developing customer portfolios and reducing termination rates. However, we have struggled to implement major change programmes, which has affected our ability to turn top line growth into profit.

We have outlined our plan to restore City Link to operational and financial health but returning the business to its former levels of profitability is likely to take some time. The Group agenda is now to focus on operational excellence and efficiency, with improvements in customer service being the primary indicator of success in the short-term."

As part of the Group's plan to change the business culture there has been significant turnover in management, at all levels of seniority, during the last few years. This has been distracting for the Group and has also given rise to additional pressure on management resource at a critical time whilst it is addressing a number of deep-seated operational problems in some businesses. The Group cannot assure Noteholders that these changes will be successfully implemented or that these changes will be effective.

Competition

The Group operates in a number of highly competitive industries and it faces competition at local, national and international levels. Many of its competitors may have larger market shares and better financial resources than the Group. The entry barriers to most of the Group's markets are limited and, as a result, the entry of new competitors into its markets may affect the demand for its services as well as impose pressure on its pricing strategies. Its ability to compete depends on its ability to provide excellent services to its customers at a reasonable price; however, customers may elect to award contracts to the Group's competitors who are willing to accept a lower profit margin or expend more capital to obtain new businesses. The Group cannot assure Noteholders that such competition may not prevent it from effectively passing on cost rises in its business which may, for example, have arisen from changes to employment legislation, employment practices, wage cost, other inflationary cost increases or changes to energy prices. For example, in Europe, the washrooms and textiles business has been under pressure as competitors continue to compete fiercely on price and the pest control business has faced growing pressure both from increasingly aggressive international players and from local competition (including trained ex-Rentokil Initial operators who have set up their own businesses).

Customer contracts

The Group's success depends on the retention and renewal of its existing customer contracts and its ability to attract new customers. The Issuer's management have stated that in the past operational costs have been squeezed to an extent where quality of service has suffered. The Issuer's management believe that quality of service is often the single most important matter for the Group's customers and declining service has resulted in a high level of contract terminations. Whilst there has been some recent improvement in customer termination rates, the Group cannot assure Noteholders that this trend will continue and that it will be able to renew existing customer contracts at all or on favourable terms. The Group also recognises that the significant focus that it is placing upon its operational change initiatives may of itself cause key customers to re-evaluate their business relationships with the Group with potential adverse financial consequences. If the Group is successful at winning contracts from new customers, it cannot be certain that these contracts will be profitable or at a level of profitability consistent with past financial performance. Whilst the Group has increased its investment in sales and service, the Group cannot give any assurance that these actions will be successful in improving customer retention rates and the Group's profitability.

The Group also faces the risks associated with meeting its contractual performance obligations under existing or future contracts in which indemnities have not been properly negotiated by the Group's representatives. As a result, in performing such contracts, the Group may be exposed to uninsured and/or uninsurable claims resulting in potentially large exposures for the Group.

Senior leadership group

The Group is currently undergoing a period of considerable change. In order to reenergise the business culture, address deep-seated operational problems, and put the business back on the path to growth, significant changes have been made to the senior leadership structure of the business. New senior management positions have been filled with managers who have broad ranging industry experience and come from a variety of professional backgrounds. New management remuneration and benefit packages, including long term incentive plans, have been implemented with a view to ensuring that the senior management team are appropriately incentivised to successfully execute the required business turnaround initiatives. The Group cannot assure Noteholders that such steps will be sufficient to retain key individuals or their management teams, on whose success key business projects and turnaround initiatives, and thereby the Group's future profitability, relies.

Further, Noteholders should note that the Group announced on 20 March 2008 the appointment of Dr John McAdam as Chairman to be approved at the 14 May 2008 Annual General Meeting and Alan Brown as Chief Executive with effect from 1 April 2008 and Andy Ransom as Executive Director, Corporate Development with effect from 1 May 2008. Together with Andrew Macfarlane, Chief Financial Officer, and other members of senior management, they will form a new leadership team for the Group. On 19 March 2008 Doug Flynn, Chief Executive, resigned with immediate effect and Brian McGowan, the Chairman, who had already announced his intention to step down no later than the annual general meeting, also resigned on 19 March 2008.

Staff

The Group's future trading performance depends on its ability to attract, train and retain staff with qualifications and experience that match its requirements in order for it to meet and then exceed its customers' expectations. Effective staff personal development and succession planning is critical to the Group if it is to meet its changing business needs. The Group's industry is generally characterised by a relatively high staff turnover. If the Group is unable to offer satisfactory wages and working conditions to its employees, it may suffer from labour shortages in its sales, service and management positions and this may have an adverse effect on its activities. The Group cannot assure Noteholders that its employee recruitment, retention, training, personal development and succession planning activities will be sufficient for it to achieve all of its business objectives.

The Group has policies and practices in place to ensure that it employs, remunerates and manages its staff in accordance with applicable laws and regulations. These policies and practices include a requirement for its businesses to comply with local employment legislation covering all forms of potential discrimination in the workplace and minimum wage, maximum working hours, retirement pensions and health and safety requirements. The Group cannot assure Noteholders that these policies will be effective in all circumstances and that there might not be a material adverse financial impact on the Group arising from a claim or claims by members of staff relating to a breach of employment legislation or regulation.

In addition, under existing or future contracts, the Group may not be able to fully recover from its customers any incremental labour costs arising for any reason, including but not limited to annual pay awards, employment regulation and pension legislation. The Group's facilities services businesses in its operating services division have lower operating profit margins than its other businesses. As a result these businesses are more likely to be exposed to adverse financial effects arising from operational issues or from cost increases arising from changes to employment legislation which cannot be passed on to their customers in full.

Most of the Group's services require it to place its employees in the customers' premises. This involves a risk of claims in connection with damage to property, unauthorised use of the customers' property and other criminal or tortious acts, all of which may expose the Group to negative media publicity and/or uninsured or uninsurable claims.

Strike Action

The Group carries out activities that are labour intensive. Many of its employees are members of local trade unions or similar organisations. The Group tries hard to work with local trade unions to ensure good labour relations. Nevertheless, the Group cannot assure Noteholders that there will not, from time to time, be employee strike action leading to business disruption.

Change of control

If any takeover of the Issuer is successful, this will constitute a Put Event as defined in condition 6(g) of the terms and conditions of the Notes (Condition 6(g)). If, while any Note is outstanding, a Put Event occurs and, as more particularly described in Condition 6(g), either the Notes are downgraded to a non investment grade rating, their rating is withdrawn, or the Notes were not at the time rated, the holder of such Note can require the Issuer to redeem that Note on a particular date at its Early Redemption Amount, as defined in Condition 6(g), together if appropriate, with any accrued interest. If the holders of such Notes exercise their right to redeem the Notes, this could affect the liquidity of the Group.

Pension fund

The Group's pension funds are required to be accounted for under IAS 19 in its financial statements. The UK defined benefit pension scheme, although now closed to new accruals, accounts for substantially all of the Group's pension exposure. In March 2005 a triennial actuarial review was carried out by the actuaries of the UK scheme This resulted in the Issuer and the UK scheme trustees agreeing on a formal employer contribution to fund the deficit by 2012 (through a series of annual contribution payments), along with a change in the UK scheme's asset allocation. This contribution schedule resulted in a £200m initial contribution being paid into the UK scheme in December 2005 and, as a result, the Group reporting an IAS 19 deficit on the UK scheme of approximately £170 million at 31 December, 2005. In April 2006 the UK scheme's assets were switched from being 80%/20% equities/fixed interest bonds to 20%/80% equities/fixed interest bonds. Shortly thereafter the UK scheme also undertook inflation and interest hedging actions. These actions were undertaken so as to increase the likelihood that the UK scheme's assets, taken together with the Issuer's agreed future employer contributions, would be sufficient to meet its anticipated financial commitments to UK scheme members. Notwithstanding these actions, the Group is still exposed to the following principal risks within the UK scheme: changes in the market value of the remaining 20 per cent. of underlying equity assets; a movement in the interest rate used to discount liabilities for reporting purposes under IAS 19; changes over time to actuarial mortality assumptions; defaults on bonds and, to a lesser extent, inflation (as mitigated by the inflation hedges put in place). As at 31 December, 2007, the Group reported an IAS 19 UK scheme surplus of approximately £64 million.

The Issuer also cannot assure Noteholders that the pension fund trustees and the pensions regulator will not issue a contributory notice to the Issuer requesting it to fund the deficit fully (or that the pension fund trustees will not require a more stringent funding standard than IAS 19 (short of buy-out), which could result in a drain on the Issuer's cash resource). Such a contributory notice might require, or the Issuer might separately decide in appropriate circumstances, that the deficit should be funded on a "buyout" basis. This would require funding materially in excess of that required to fund a deficit calculated under IAS 19. If the Issuer is required or decides to fund the deficit fully (either on a "buyout basis" or in order to remedy a deficit calculated under IAS 19) this may have a significant effect on the Issuer's liquidity in the short term.

Acquisitions

During 2007, the Group acquired businesses for a total net consideration of £201 million. The Group may in the future continue to acquire businesses which may be larger, at greater cost. The Group cannot assure Noteholders that its acquisitions will improve its financial performance in the short or long term or at all because the Group may not successfully integrate the acquired businesses into its management systems. There is a risk that the Group's acquisitions could distract the Group's management from its work on internal efficiency improvements. The benefits of the acquisitions may not be as significant as anticipated because the acquired businesses may have liabilities or adverse operating issues which the Group may have failed to discover prior to the acquisition. Difficulties in integrating the acquired businesses and liabilities relating to the acquired businesses may have a material adverse effect on the Group's operating results and financial condition.

Disposals

During the past three years the Group has sold its UK Style Conferences business, Manned Guarding businesses in the UK, USA, Canada and Belgium and Electronic Security businesses in the UK, USA, France and

Netherlands, together with a number of smaller businesses, for a total consideration of approximately £1,094 million.

The Group cannot assure Noteholders that it will retain all of its remaining business streams, or that in the event of a sale of any of them that any proceeds received will either be reinvested within the existing business streams in line with the current strategy, or alternatively be used to pay down debt.

Under the contracts it enters into when disposing of businesses the Group provides warranties and indemnities to purchasers. Accordingly, the Group makes provision, in its financial statements, for its potential liabilities and costs relating to the disposed business and the warranties and indemnities entered into on a sale. It may also make provision in its financial statements, under certain circumstances, for amounts to cover legal or regulatory claims which are known to be outstanding at the time of sale, or which may subsequently become apparent. The Group cannot assure Noteholders that such provisions will be sufficient to cover its eventual financial loss, and therefore disposals of businesses carried out by it may subsequently give rise to a potential adverse impact on its future trading performance and liquidity.

Share buy back programme/dividend policy

The Group has previously implemented a share buy back programme worth £1.9 billion. The Group has no current plans to implement a similar programme but it cannot assure Noteholders that a share buy back programme will not occur in the future. The Group also has a recent history of paying an increased dividend despite a decline in profits in the same period. In the 2007 Results the Group stated that its dividend policy is unchanged and that it would continue to take a cautious approach to dividend growth until its business recovery is well established. As explained in the Group's first quarter trading update, the dividend policy will be reviewed at the time of the Group's interim results.

However, the Group cannot assure Noteholders that a higher dividend will not be paid in the future even if profits have declined in the corresponding period.

Increases in energy prices

The Group's businesses are exposed to potential adverse rises in energy prices which, in order to remain competitive, it may not be able to pass on fully to its customers. The Group's energy usage arises particularly from its textile/laundry businesses and through the operation of its vehicle fleet. Performance of the Group's services requires its sale and service staff to drive between customers' premises. The Group also has a UK parcel delivery service. Any increase in prices that the Group is unable to pass on to its customers will have an adverse effect on its profitability.

Market trend

The Group's business and growth strategies depend in large part on the continuation of a trend towards outsourcing services. The decision to outsource will depend upon the customers' perception that outsourcing provides higher quality services at a lower overall cost and ultimately this will permit them to focus on their core business activities. Although the Group believes that there is currently no slowdown in the overall long-term trend towards outsourced services, it may be wrong in its judgment. If the trend towards outsourcing services continues, the Group cannot be certain that it will be able to successfully capitalise on it.

Administration and Business Continuity Planning

The Group's information technology infrastructure lacks resilience and has been recognised by management not to support business needs fully. In particular the Group's management are taking steps to address a lack of comprehensive and effective disaster recovery and business continuity plans. The Group cannot assure Noteholders that, in the event of either information technology or other operational problems, existing disaster recovery and continuity plans will be sufficiently robust and comprehensive to support the effective management of a material incident arising in a major business unit or process and thus limiting its potential adverse impact on the Group's business operations and possible financial loss.

The Group is also taking steps to increase efficiency in its administrative processes, for example the setting up of a UK based Shared Service Centre. The Group cannot assure Noteholders that these new plans will be effective and/or will generate cost savings.

However, the Group believes that its financial and other systems are sufficient to ensure its compliance with the requirements of the UK Listing Authority's disclosure and transparency rules.

Interest rate exposure

The Group's policy is to manage interest rate exposures on a 12-month rolling basis (measured quarterly). Unless otherwise agreed by the Issuer's board, a minimum of 50 per cent. of the Group's estimated future interest rate exposures will be fixed (or capped) for a minimum period of 9 months forward. However, there can be no assurance that the Group's activities, operating results and financial position will not be adversely affected by changes in the level of interest rates.

Currency exposure

The Group conducts its operations primarily in the United Kingdom, Europe, North America and the Far East. The Group's turnover comprises many different currencies but the primary currencies are Sterling, US dollars and Euros. The Group's policy is not to hedge transactional exposure but to fund business operations centrally with borrowings that are substantially denominated (90 per cent. or greater) in the same actual or effective currencies as in the proportion of the Group's forecast cash flows generated by the business operation. As a result reported results may be materially affected by movements in foreign currency exchange rates.

Liquidity

The Issuer cannot assure Noteholders, in light of current bond and money market illiquidity, that there is not a higher risk of the Issuer's own liquidity becoming constrained.

Environmental issues

The Group's policy is to operate its businesses in a manner that seeks to reduce the environmental impact of its businesses. However, the environmental requirements imposed on service industries are increasingly rigorous. To the extent that the Group is unable to pass costs associated with complying with stricter regulatory requirements on to its customers, it may have an adverse effect on the Group's operating result and financial position.

The Group also has certain obligations to environmentally remediate premises that it owned or previously occupied whilst conducting businesses that it formerly owned. Whilst the Group has made provisions for such environmental obligations, it cannot assure Noteholders that these provisions will be sufficient and that it will have adequate liquidity to fund remediation to the required regulatory standards that may vary over time. The Group also cannot assure Noteholders that it has identified all the sites where remediation work is required and it is possible that further sites where remediation is needed may be identified in the future.

International operations

The Group currently operates some of its activities, such as Pest Control and Textiles & Washrooms, in over 40 countries. Because of the international nature of its businesses, it faces a number of risks and challenges, including the management of a decentralised global business operation and compliance with increasing legislative requirements in various jurisdictions. The Group's international activities also expose it to political unrest and economic instability that may prevent it from carrying out its business for a short or a long period of time. The Group's strategy of seeking to become the market leader in the supply of its particular services can itself increase the risk of challenges by government regulators in certain jurisdictions both in respect of competition and foreign ownership laws. The economies of some of the countries in Europe in which the Group operates are not growing. The Group cannot assure Noteholders that its activities will not be affected by these factors.

Regulatory issues

The Group seeks to work within local regulations but it cannot assure Noteholders that from time to time, particularly in view of the development and introductions of competition laws in certain overseas territories, it will not be challenged over its adherence to these regulations (including but not limited to competition law) which may lead to a risk of both financial and reputational loss.

However, this risk factor should not be read by Noteholders as implying that the Issuer is or will be unable to comply with its obligations as a company with securities admitted to the UK's Official List.

RENTOKIL INITIAL PLC

History and development

Rentokil Initial plc (the "**Issuer**") was incorporated in England and Wales on 15 March 2005 as a public limited company limited under the name of Rentokil Initial 2005 plc. The Issuer's registration number is 5393279 and its registered address is Portland House, Bressenden Place, London SW1E 5BH (telephone number 020 7592 2700).

The Issuer was incorporated as part of a corporate reorganisation effected by way of a court sanctioned scheme of arrangement under section 425 of the Companies Act 1985 between Rentokil Initial 1927 plc and the shareholders of Rentokil Initial 1927 plc. The scheme of arrangement was approved by the court on 21 June, 2005. The purpose of incorporating the Issuer was to create a newly listed holding company for the Group comprising the Issuer and its subsidiary undertakings (the "**Group**").

The Issuer holds all the issued share capital of Rentokil Initial 1927 plc which was the previous parent company of the Group and previously was called Rentokil Initial plc. In turn, Rentokil Initial 1927 plc is organised as a holding company of its subsidiary undertakings.

The Group's businesses are undertaken through legal entities in the country of their operation. Such legal entities are predominantly indirectly wholly owned subsidiaries of the Issuer, although in a number of cases such services are provided as separate divisions of wholly owned subsidiaries or in a very limited number of instances as joint ventures.

On 21 December 2005, the Issuer was substituted in place of Rentokil Initial 1927 plc as primary obligor of the notes that were then in issue under the Rentokil Initial 1927 plc €2,500,000,000 Euro Medium Term Note Programme constituted in 2001 (the "**Old Programme**"). Under a deed of guarantee (the "**Old Programme Guarantee**") Rentokil Initial 1927 plc guarantees the payment of interest and principal of notes issued by Rentokil Initial 1927 plc pursuant to the Old Programme. The Old Programme Guarantee will terminate on the maturity of the last of such notes to remain outstanding, which is scheduled to occur on 19 November 2008.

In addition, under a further deed of guarantee (the "**New Programme Guarantee**") Rentokil Initial 1927 plc guarantees the payment of interest and principal of notes issued by the Issuer pursuant to the Programme. The New Programme Guarantee will terminate on the same date as the Old Programme Guarantee.

Accounting

The consolidated financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union ("EU") and implemented in the United Kingdom. The 2007 Results were prepared in accordance with IFRS.

IFRS are subject to possible amendment by, and interpretive guidance from, the International Accounting Standards Board as well as ongoing review and endorsement by the EU, and are therefore subject to change.

Principal Operating Subsidiaries and Associated Undertakings

Certain details of the principal operating subsidiaries and associated undertakings of the Issuer as at the date of this Prospectus are shown below:

Name	**Country of Incorporation**	**Principal Activities**
Rentokil Initial 1927 plc	England & Wales	Holding company for all the entities listed below
City Link Limited	England & Wales	Parcels Delivery
Dudley Industries Limited	England & Wales	Facilities Management Services
Enviro-Fresh Limited	England & Wales	Washroom
Initial Building Services Limited	England & Wales	Facilities Management Services

Name	Country of Incorporation	Principal Activities
Initial Catering Services Limited[1]	England & Wales	Catering
Initial Facilities Management Limited	England & Wales	Facilities Management Services
Initial Hospital Services Limited	England & Wales	Hospital Services
Insitu Cleaning Limited	England & Wales	Cleaning
Lancaster Office Cleaning Company Limited	England & Wales	Cleaning
Rentokil Initial Facilities Services (UK) Limited	England & Wales	Facilities Management Services
Rentokil Initial UK Limited	England & Wales	Hygiene, Pest Control, Tropical Plants and Facilities Management Services
Rentokil Initial Services Limited	England & Wales	Textiles and Washroom
Rentokil Insurance Limited	England & Wales	Insurance for Property Services
Retail Cleaning Services Limited[2]	England & Wales	Cleaning
Target Express Parcels Limited	England & Wales	Parcels Delivery
Rentokil Initial Pty Limited	Australia	Pest Control, Washroom, Tropical Plants
Rentokil Initial GmbH	Austria	Pest Control
Textilservice Pointner GmbH	Austria	Textiles and Washroom
Rentokil Initial (Bahamas) Limited	Bahamas	Pest Control and Washroom
Rentokil Initial (Barbados) Limited	Barbados	Pest Control and Washroom
Initial Textiles NV	Belgium	Textiles and Washroom
Rentokil Initial NV	Belgium	Pest Control and Tropical Plants
Rentokil Initial (B) Sdn Bhd[3]	Brunei	Pest Control
Rentokil Pest Control Canada Limited	Canada	Pest Control
Initial Tropical Plants Canada Limited	Canada	Tropical Plants
Rentokil Initial (Shanghai) Limited	People's Republic of China	Pest Control and Washroom
Rentokil Tai Ming China Co Limited[4]	People's Republic of China	Pest Control
Initial Ecotex sro	Czech Republic	Textiles and Washroom
Rentokil Initial A/S	Denmark	Pest Control, Tropical Plants and Washroom
Rentokil Initial Limited	Republic of Ireland	Pest Control, Tropical Plants and Washroom
PPS Eesti OU	Estonia	Pest Control

[1] The Issuer holds, directly or indirectly, 75 per cent. of the issued shares of this entity.
[2] The Issuer holds, directly or indirectly, 51 per cent. of the issued shares of this entity.
[3] The Issuer holds, directly or indirectly, 70 per cent. of the issued shares of this entity.
[4] The Issuer holds, directly or indirectly, 65 per cent. of the issued shares of this entity.

Name	Country of Incorporation	Principal Activities
Rentokil Initial Limited	Fiji	Pest Control and Washroom
Oy Rentokil Initial AB	Finland	Pest Control, Tropical Plants and Washroom
Initial BTB SA	France	Textiles and Washroom
Rentokil Initial SAS	France	Pest Control and Washroom
Ambius SAS	France	Tropical Plants
Technivap Paris SAS	France	Washroom
Technivap Lyon SAS	France	Washroom
Rentokil Initial Martinique SARL	France – overseas region	Pest Control and Washroom
Initial Textil Service GmbH & Co KG	Germany	Textiles and Washroom
Medentex GmbH	Germany	Hygiene
Rentokil Initial GmbH	Germany	Pest Control and Tropical Plants
Rentokil Initial Hellas EPE	Greece	Pest Control and Washroom
Felcourt Insurance Co. Limited	Guernsey	Insurance
Rentokil Initial Guyana Limited	Guyana	Pest Control and Washroom
Rentokil Initial Hong Kong Limited	Hong Kong	Pest Control and Washroom
Po Hong Hong Kong Limited	Hong Kong	Cleaning
Initial Textile Services Kft	Hungary	Textiles and Washroom
Rentokil India Pte Limited	India	Pest Control
PT Calmic Indonesia	Indonesia	Washroom
PT Rentokil Indonesia	Indonesia	Pest Control
Rentokil Initial Italia SpA	Italy	Pest Control and Washroom
Rentokil Initial Jamaica Limited	Jamaica	Pest Control and Washroom
Nippon Calmic Limited[5]	Japan	Pest Control and Washroom
Rentokil Initial Kenya Limited	Kenya	Pest Control and Washroom
Rentokil Luxembourg Sarl	Luxembourg	Pest Control
Initial Textile Luxembourg Sarl	Luxembourg	Textiles and Washroom
Rentokil Initial (M) Sdn Bhd	Malaysia	Pest Control and Washroom
Initial Hokatex BV	Netherlands	Textiles and Washroom
Rentokil Initial BV	Netherlands	Pest Control and Washroom
Ambius BV	Netherlands	Tropical Plants
Rentokil Initial Limited	New Zealand	Pest Control, Tropical Plants and Washroom

[5] The Issuer holds, directly or indirectly, 49 per cent. of the issued shares of this entity.

Name	Country of Incorporation	Principal Activities
Rentokil Initial Norge AS	Norway	Pest Control, Tropical Plants and Washroom
Rentokil Initial (Philippines) Inc	Philippines	Pest Control and Washroom
Electronic Security Corporation Inc	Philippines	Electronic Security
Matadoor Sp. z.o.o.	Poland	Washroom
Rentokil Initial Portugal-Serviços De Protecção Ambiental Lda	Portugal	Pest Control and Washroom
Rentokil Initial Singapore Pte Limited	Singapore	Pest Control and Washroom
Ademco (Far East) Pte Limited	Singapore	Electronic Security
Pesterminator Pte Ltd	Singapore	Pest Control
Initial Textile Services Sro	Slovak Republic	Textiles and Washroom
Rentokil Initial (Pty) Limited[6]	South Africa	Pest Control, Tropical Plants and Washroom
Rentokil Initial Korea Limited	South Korea	Pest Control
Rentokil Enguard Limited[7]	South Korea	Electronic Security
Yu Yu Calmic Co Limited[8]	South Korea	Pest Control and Washroom
Initial Gaviota SA	Spain	Textile and Washroom
Limpiezas Initial SA	Spain	Cleaning
Rentokil Initial España SA	Spain	Pest Control and Tropical Plants
Rentokil Initial AB	Sweden	Pest Control, Tropical Plants and Washroom
Rentokil Initial AG	Switzerland	Pest Control and Washroom
Initial Hygiene Taiwan Co Limited	Taiwan	Washroom
Rentokil Ding Sharn Co Limited	Taiwan	Pest Control
Rentokil Initial (Thailand) Limited	Thailand	Pest Control and Washroom
Rentokil Initial (Trinidad) Limited	Trinidad	Pest Control and Washroom
Initial Tropical Plants Inc	USA	Tropical Plants
J. C. Ehrlich Inc	USA	Pest Control
Initial Services Co Limited[9]	Vietnam	Washroom

Notes:

[6] The Issuer holds, directly or indirectly, 74.9 per cent. of the issued shares of this entity.
[7] The Issuer holds, directly or indirectly, 70 per cent. of the issued shares of this entity.
[8] The Issuer holds, directly or indirectly, 50 per cent. of the issued shares of this entity.
[9] The Issuer holds, directly or indirectly, 85 per cent. of the issued shares of this entity.

Management Structure

As at the date of this document the directors of the Issuer and their positions are as follows:

Name	Position	Other principal directorships
Executive Directors		
Alan J. Brown	Chief Executive Officer	
Andrew E. Macfarlane	Chief Financial Officer	
Andy M. Ransom	Director, Corporate Development	
Non-executive Directors		
Peter J. Long	Senior Independent Director and Chairman of the Remuneration Committee	Chief Executive of TUI Travel PLC
		Non-executive Director of Debenhams PLC
Duncan Tatton-Brown	Director and Chairman of the Audit Committee	Group Finance Director of Kingfisher PLC
William Rucker	Director	Chief Executive of Lazard & Co Ltd
		Deputy Chief Executive of Lazard's European Investment Banking
		Deputy Chairman of Lazard LLC
Alan Giles	Director	A Director of the Office of Fair Trading
		Chairman of Fat Face plc
		Non-Executive Director of Book Tokens Limited
Peter Bamford	Director	Non-executive Director of Woolworths plc
		Chairman of The Key Revolution Ltd
		Non-Executive Director of BGT Racing Services Limited

Richard Burrows	Director	Governor of the Bank of Ireland Non-executive Director of Pernod Ricard S.A. Non-executive Director of Mey Icki (Turkey) Non-executive Director of City Jet Limited (Ireland) Non-Executive Director of Chivas Brothers (Holdings) Limited

The business address of each of the above is Portland House, Bressenden Place, London SW1E 5BH.

There are no potential conflicts of interest between any duties to the Issuer of any of the directors and their private interests or other duties.

BUSINESS OF THE GROUP

(In all cases, references in this section of this Prospectus to operating profit are for continuing businesses before amortisation of intangible assets (other than computer software and development costs). References to the Group's adjusted operating profit and adjusted profit before tax also exclude items of a one-off nature of £28.4 million. The one-off items primarily relate to the Group's restructuring programme and are not considered to represent normal ongoing expenditure for continuing operations.)

The Group currently has some 79,000 employees providing a range of business support services across more than 49 countries, including the major developed economies in Europe, North America, Asia Pacific and Africa.

Full year 2007 revenue of £2,216.7 million was 20.3% higher than in 2006 with all divisions increasing their revenue. The Group's organic growth was 3.0% with all businesses except City Link reporting positive outcomes for 2007. Excluding the City Link division, the Group's organic growth for 2007 was 3.8% compared with 2.7% in 2006. The Group's contract portfolio expanded by £119.2 million or 8.4%. New business wins contributed £173.9 million, acquisitions/disposals £72.7 million and net additions/reductions £49.6 million whilst terminations were £177.0 million. The Group's overall customer retention rate for 2007 was 87.5% compared to 88.4% for 2006.

The Group's adjusted operating profit rose by 8.8% for 2007 to £280.8 million with gains delivered by the City Link division as a result of acquisitions and the Asia Pacific, Facilities Services and Ambius divisions. Full year 2007 profits in the Pest Control and Textiles and Washroom divisions were flat, held back in each case by the performance of their UK businesses, which remain the subject of turnaround initiatives. In both cases, however, these businesses improved their profitability during each quarter of 2007. The Group's adjusted profit before tax of £211.4 million for 2007 represented a 1.1% increase on last year as second half profit growth offset the decline in first half profit . Net margin was 9.5% for 2007 as a whole, compared with 11.3% in 2006. Although full year margins were lower than 2006, the trend improved each quarter.

The Group principally operates (although not every division operates in all the countries where the Group has a presence) in the following six divisions: Textiles and Washroom Services, Pest Control Ambius (formerly known as Tropical Plants), Parcel Delivery, Facilities Services, Asia Pacific and Other (South Africa).

Textiles and Washroom Services

This division provides its services across 21 European countries (including the United Kingdom) although its full range of services is not provided in all countries. Textiles and Washroom Services offers a total washroom solution service and floor mat, garments and flat linen rental services. The Textile business supplies bespoke workwear to commercial, industrial and hospitality customers, with full inventory management available. Specialist high-performance workwear is designed and produced for sectors such as the medical, hi-tech and emergency services. Flat linen (primarily table and bedroom linen) is rented and laundered for corporate and hospitality customers and health service providers. The Washroom Services business rents and services dispensers, drying equipment and disposable systems for workplace washrooms. It also provides protective floor mats to a wide customer base.

Although adjusted operating profit was broadly flat compared with 2006, the Textiles and Washroom Services division performed significantly better in 2007. The business was stabilised and returned to year on year profit growth after the first quarter. This represents a considerable improvement on 2006 when the division posted an 18.7% decline in adjusted operating profit on flat revenue. Revenue growth was 1.3% of which organic growth was 2.3%.

Following a year of flat revenue in 2006 efforts were focused on restoring the division to sales growth in 2007 and the business has achieved some steady portfolio gains throughout the period in continental Europe. Operating profit for 2007 was down on 2006 in the first half of the year but showed modest growth in the second.

The UK business, which accounts for 12% of divisional revenue, has remained the most challenged part of the division, undergoing a major re-engineering programme during the year. Following the closure of its loss making linen and garment activities in 2006, and its wipers business in the second half of 2007, the infrastructure of the washroom business has been completely changed. This was a necessary step in the Group's plan to return this important part of the business to growth.

Although they remain challenging, the market and economic conditions experienced in continental Europe during 2006 eased slightly with customer garment volumes improving modestly. Pricing is competitive in this market and is expected to remain so in 2008 therefore there is expected to be limited scope to increase revenue through price increases.

During 2007 a management restructuring of the continental European business was completed, creating a new role of Operations Director and merging the former 19-country national structure into seven regions. This move is improving efficiency and will also help to develop and manage a number of international accounts.

The biggest turnaround programme during 2007 centred on the UK Washroom Services business which underwent major infrastructure changes. In the fourth quarter of 2007 there was an announcement of the closure of the plants at Bradford and Chorley allowing the completion of the transfer of roller-towel and mats processing to three new modern sites in Reading, Birmingham and Glasgow by the end of January 2008, and the Group's exit from the wipers business. The development of these three new laundry plants and a significant number of new service centres were major achievements for 2007. The physical infrastructure changes to this business are now complete. Despite the reorganisation, the UK business was able to reduce the rate of washroom portfolio attrition during 2007. The overall effect has been a deceleration in the rate of decline of performance ending with profit for the last quarter of 2007 level with the comparable period in 2006. For the 2007 full year, profits were £3.3 million lower than 2006, but the restructured business enters 2008 positioned for future development.

In France, the industrial sector of the Textiles business saw a steady trend of customer development during 2007 and as a result the business exited 2007 with a number of important contract wins. The revised organisational structure put in place during 2006 has restored greater profit and loss accountability within this business, which is the largest contributor to profit in the division. The Washroom Services business has seen consistent portfolio growth throughout 2007. This can be attributed to a combination of some creative client solutions and also the impact of the sale of the CWS business to Elis. On the strength of its return to profit and revenue growth (up by £8.0 million and 3.8% respectively over 2006) the Washroom Services business in France was taken off the turnaround list during 2007.

During 2007, the Netherlands business returned to profit and revenue growth, posting full year increases of £2.0 million and 2.1% respectively. This is a result of a new management team introduced in 2007, a smaller but more effective sales team and an improving contract portfolio position.

In the results for 2006 there was an announcement of plans to exit the loss-making hospital services business in Germany. A successful exit from the business was secured in the fourth quarter of 2007. This led to a 6.9% decline in revenue compared to 2006, but has assisted profit which was up £0.8 million in 2007.

2007 revenue increased in the division's business in Belgium by 3.2% over 2006 but higher costs associated with the settling down of the new plant at Lokeren resulted in a decline in adjusted operating profit in the second half of 2007, which held full year profits growth to £0.2 million.

All of the division's smaller continental European businesses recorded higher revenue in 2007 and, in general, higher profits. The change from a country to a regional management structure will help reduce overheads in these businesses in 2008. Some small acquisitions have been undertaken during the year in Poland and Sweden to build scale.

A number of capital investment programmes continued in continental Europe in 2007. The developments in Amstetten in Austria, Lokeren in Belgium and Brie-Comte Robert in France were all completed to budget and on time. A new plant for Prague in the Czech Republic continues in development and is due to open on schedule in the autumn of 2008. The total investment associated with these projects is estimated to be £21.0 million, of which £17.5 million was spent in 2006 and 2007 with the balance to be spent in 2008.

Restructuring and other one-off costs in the division were a net £2.1 million (2006: £16.3 million), because costs were offset by the profit on sale of surplus UK washroom property of £10.7 million. Costs were incurred in plant closure in Belgium, the closure of the wipers business in the UK, UK branch closures and management reorganisation and redundancy. The division continues to explore opportunities to improve procurement and supply chain efficiency, but it is not yet clear whether this will result in restructuring or other one-off costs being incurred in 2008.

Pest Control & Ambius

The Issuer provides primarily Pest Control and Tropical Plants services within this division.

Pest Control

Pest Control provides a service for the prevention of a wide variety of pests in the commercial, industrial and residential sectors. The largest operations are in the USA, the United Kingdom, France, Germany, Belgium and the Netherlands.

Overall, 2007 was a year of strong performance in Pest Control with results accelerating as anticipated in the last three months of 2007. Fourth quarter 2007 adjusted operating profit increased by 15.6% on revenue up 15.7% year on year. The major drivers of improvement in the fourth quarter were the tighter management of off-season productivity in North America, contributions from Presto-X in-line with the acquisition business case and strong growth, both organic and acquired, in Europe. Full year 2007 revenue increased by 11.5% and adjusted operating profit was down 3.1% on 2006. However, had it not been for the impact of the inclusion of a full first quarter of seasonal losses in the US business acquired on 1 March 2006, profit would have shown an improvement year on year. In addition, comparisons with 2006 reflect the transfer of research and development costs previously borne centrally to the division which took place at the end of 2006 and which amounted to some £3.0 million per annum. Divisional margin performance improved as 2007 progressed, beginning the year 9.5 percentage points down on the first quarter of 2006 and closing at the same levels as the last quarter of 2006.

The new Rentokil.com website was successfully rolled out to Rentokil branded businesses representing 91% of divisional revenue. By December 2007 the site experienced a fourfold increase in the number of visitors over 2006 and web-based enquiries are now higher than enquiries sourced from the Yellow Pages in both the UK and Spain.

During 2007 new residential propositions were launched in the UK, Belgium, Ireland and Portugal and, whilst outside North America the overall contribution from these customers is still small, there is now the potential for a residential service offering which will make a contribution over the next few years.

The divisional spend on acquisitions in 2007 was £42.3 million. The major acquisitions were Presto-X in North America and a further six in Spain including Ambigest, to expand Rentokil Spain's Pest Control operation.

Continental Europe continued to build on the progress delivered in 2005 and 2006 and demonstrated a strong performance throughout 2007. Revenue grew by 10% driving profit growth of £2.9 million. Overall organic growth was 5.7% and was particularly good in the important markets of Spain (10.6%), Italy (7.6%), Ireland (9.3%) and the Netherlands (7.3%). In addition, good progress was made in gaining market share through acquisitions in Spain, Italy, Germany and France. During 2007 there was also the first step into the Baltic States, entering Estonia through the acquisition of two small businesses.

During 2007 the extensive reorganisation of the UK Pest Control business was completed. Its new management team has focused on growing the business by driving sales and improving customer retention through higher quality service delivery. Against 2006, the last quarter's revenue grew by 5.8% (against a decline of 9.6% in the first quarter). Retention levels strengthened further during the quarter to an annualised rate of 81.8% and the contract portfolio has now grown by 2.5% since the beginning of 2007. The last quarter's profit, however, still lagged 2006 by £0.6 million as the business adjusted to its new operating model, but represents a significant improvement on the £1.2 million decline posted in the first quarter. Returning this business to profit growth in 2008 is a priority for the Pest Control division.

North America in 2007 recovered from a weak start to finish strongly. The cool weather and a late start to the season adversely impacted profit in the first half, but actions to improve J C Ehrlich's off-season productivity in the last quarter of 2007 have been partly responsible for improving profit by 12.0% on like for like revenue up by 6.2% on 2006. Presto-X is a new acquisition, and so far is delivering to expectations. The Group is confident that it has acquired a high-quality business that expands its national footprint in the United States into an additional 16 states. This is a continuation of the Group's strategy to build market share through regional anchors delivering both residential and commercial pest control.

Copesan, a US organisation of independent pest control companies, has recently taken steps to exclude JC Ehrlich and Presto-X from membership. This matter is under negotiation but represents a small risk to the division's US revenue base in the short-term.

The recent indications of economic slowdown have not yet impacted demand for pest control services and at this stage the Group anticipates largely unchanged market conditions for 2008. The Group will continue to focus on growing organically through improved sales and marketing capability, better and more integrated systems and high levels of customer service.

Ambius

Tropical Plants are offered to customers on a rental and maintenance or purchase and maintenance basis, ranging from a single plant or tree to displays for the largest atrium. The Group's design and development team also offers a range of services to facilities managers, interior designers and architects, to introduce plants as an integral part of building design and refurbishment.

The largest market for the business is in the USA and it also operates in the United Kingdom and a number of Continental European countries.

2007 was a significant year for the business. All 11 European countries in which the Group operates were rebranded to Ambius and North America will follow in the first quarter of 2008.

Ambius' total revenue of £112.4 million for 2007 represented an increase of 6.2% over 2006, generating adjusted operating profit of £9.1 million, an increase of 13.8% over 2006. Operating margin increased in 2007 from 7.6% in 2006 to 8.1%, despite the £1.0 million of re-branding costs charged against operating costs.

The North American business, the division's largest operation, representing 57% of 2007 revenues, continued to build on the solid progress achieved in 2006. This business is the only player in the market able to offer a national service to large, multi-site organisations. Revenue grew by 6.4% during 2007. A combination of strict control on costs and record sales of higher-margin Christmas items generated a growth in profit of 17.3%.

With the exception of the UK, Europe delivered excellent performance during 2007 growing revenue by 9.9% leading to profit improvement of 68.8% over 2006. Revenue and profit in the UK declined 5.6% and 29.2% respectively year on year but the new management team recruited in 2007 is making progress in addressing performance issues in this market. Quarterly revenue trends are now improving, although this has yet to show through in profits.

During the course of 2007, Ambius made a number of acquisitions for a consideration of £3.1 million. In addition, it has expanded its product and service offerings to include ambient scenting, art sales and rentals, fresh fruit baskets delivery and online order and delivery of fresh cut flowers in selected markets.

The business has some exposure to economic downturn in the US which could affect plant sales and customer retention in affected customer segments (e.g. financial institutions). However, despite weakened consumer confidence towards the end of 2007, Ambius produced record sales in the approach to Christmas. The Group is seeing less evidence of economic pressure in Europe. Brand extension services across the business will aim to offset any downturn in trading.

City Link

The Group's City Link parcel delivery operation is a UK premium express service with options for next-day or specific delivery times. Its preferred traffic is parcels which are generally smaller in size and of relatively high value. Prior to 2005, City Link was largely a franchised network. Typically, franchisees were responsible for the local collection and delivery of parcels while City Link operated the trunking network and parcel sorting in the hubs. In 2005 City Link took steps to buy in the 20 franchisees businesses. This was done progressively during 2006 and 2007. The last franchisee was acquired on 28 February 2008. In November 2006, City Link acquired Target Express, a similar UK business, with a view to merging it with City Link's operations to create a leading UK next day parcel business. The enlarged business was branded City Link on 1 May 2007. The business integration plan called for depots to be progressively combined. The integration plan was suspended in early 2008.

Revenue from City Link increased by 95.5% during 2007 delivering a 24.1% increase in adjusted operating profit before tax, reflecting the impact of the acquisitions of the former City Link franchises and the Target Express business. Network turnover grew only by a modest 1.9% during 2007, depressed as a result of poor volumes in the fourth quarter of 2007 when the expected surge of volumes in the approach to Christmas did not occur.

Until October 2007, City Link's performance tracked budget month-by-month and the business exited the third quarter of 2007 with network growth up 4.7%. However in December 2007 the Group issued a trading statement stating that fourth quarter 2007 profits for City Link were likely to be up to £10 million below expectations as a result of a further volume decline in the business to consumer segment in the ten weeks before Christmas. The Group attributed this slowdown to weaker consumer spending in a challenging retail environment.

Since then the Group has conducted a detailed analysis of the trends in City Link's revenue base. The Group has concluded that although there was an impact from downtrading in the business to consumer segment of the business, this played only a part in a downturn that can essentially be attributed to the fact that the integration programme tried to do too much too quickly without establishing a sound base. This had the effect of impacting service. In addition, some of the actions the business undertook, most notably with the former City Link franchises, had a negative effect on the division's performance.

The profit shortfall in the last quarter of 2007 anticipated at the time of the December 2007 trading statement can be explained as follows. Revenues during the fourth quarter of 2007 fell well short of expectation as a result of down trading by existing customers, a modest increase in customer attrition and the fact that this lost revenue was not replaced by sales generated from new business. In addition, the UK parcels industry has over the years experienced a gradual decline in revenue per consignment (RPC) – the Group's measure of average price. Historically this has not had a detrimental effect on City Link profits because strong volume growth and the benefits from operational leverage on the business's fixed cost base have offset price erosion. However in 2007, City Link's network RPC fell somewhat further than expected and this combination of lower volumes at lower RPC is the principal reason for the 2007 profit shortfall in the last quarter. This was further compounded by the fact that City Link carried excess cost in the last quarter of 2007 in anticipation of the pre-Christmas surge in volumes which failed to materialise.

The business's foundation for integration was not solid enough to cope with the degree of changes being put through the combined networks and the depot integration programme had a temporary negative impact on service levels, most notably around the time of the introduction of cage handling into the Target Express network and the integration pilot in the late summer. As a result the business lost some customers, and unsettled others causing them to down trade and issued an increased number of service credits as compensation for poor service. These service credits exacerbated the fall in RPC. A hiatus in sales management during the first half of 2007 also led to an inadequate new business pipeline.

In addition to the mid-2007 service issues described above, poor account management of the small to mid-size ex-franchise customers may be the other principal reason for the lost business highlighted above. The move from a local to more centralised account management system unsettled customers who had formed strong relationships with former franchisees, most of whom left the business post acquisition. In addition, as the business moved to integrate depots, relevant management positions were not appointed quickly enough to take effective ownership of their additional new customer base.

The issues outlined above became apparent very suddenly and with no obvious warning and have seriously impacted the financial performance of City Link. Despite regular reviews and updates, nothing untoward came to light or was expected. The underlying issues were masked by increased volumes of business from the business's continuing customers. When that trend reversed in the fourth quarter of 2007 this, combined with poor new business generation caused a sudden and marked effect on revenue and profit.

The Group took immediate action to address these issues. Peter Cvetkovic, the former CEO of Target Express, replaced Michael Cooke as Managing Director of City Link on 18 February 2008 with a clear focus on restoring the profitability of the business. In order to ensure continuity of customer service the Group has taken the decision to pause the depot rationalisation programme until such time as the Group's systems, processes and account management have been improved. The Group will however continue with the first phase of the integration, the roll out of mechanical handling equipment and handheld consignment scanners, as they are delivering service and operational benefits within the depots.

The mid-year 2007 service issues experienced at the time of the depot closure pilot and the change to cage handling in the Target Express network have been resolved. The operation of the hubs, their sort times and last trunk arrivals is on plan. The roll-out of hand-held, real-time proof of delivery equipment is resulting in faster, better and more transparent service information, and improved depot scanners are ensuring end-to-end visibility and control. A project is nearing completion to allow online updating of autogazetteers on customer sites which will help ensure that timed deliveries are not delayed by incorrect labelling and routing.

The new senior management team put in place at City Link has begun to address the operational problems within the division. This team, consisting largely of individuals experienced in running non-franchise networks, has already enjoyed some success in improving service levels and in re-establishing relationships with customers.

However, the declining performance trend of the fourth quarter of 2007 has continued into the first quarter of 2008. This is a result of the difficulties experienced in integrating the City Link franchisees and the Target Express acquisition with the core City Link business. This has led to a greater than anticipated first quarter 2008 operating loss (before amortisation of intangible assets) of £16.9 million, of which £10 million is attributable to non-recurring costs. In accordance with the Issuer's policy £1.5 million of these costs, relating primarily to depot integration, have been treated as one off items. The adjusted operating loss for the first quarter 2008 was therefore £15.4 million (2007: profit £10.2 million).

Network revenue was 11% lower than first quarter 2007. Adjusted for fewer trading days in 2008, revenue was down 8.0%. Revenue from the top 50 customers, which accounts for 26% of total revenue, has grown year on year. The loss of revenue is primarily from small accounts, which have been particularly adversely affected by the buy-back of franchisees and the problems experienced as a result of the attempted integration of Target Express and City Link.

Headline costs have risen sharply from £84.3 million in first quarter 2007 to £110.6 million (adjusted to exclude one-off items of £1.5 million) in first quarter 2008. Approximately £13 million of this increase is attributable to the cost bases of the acquired franchisees (offset by the acquired revenue). A further £8.5 million is attributable to non-recurring costs which were not restructuring costs and do not meet the Group's definition of one-off items and the balance of £5 million to underlying cost increases.

As announced on 21 April, in light of first quarter trading and the current trends in revenue and costs, it now appears likely that the division will incur a significant full year loss.

Although City Link's new management team has made progress in sales generation and improved account management, the team has a number of challenges to address and will work to a seven-point plan which will involve:

- Re-instituting a service orientated culture by ensuring customer services are in close proximity to the division's customers;
- Establishing operating systems that enable information to be shared across the combined network, reliably and securely;
- Establishing control systems and processes that enable transparency of information and enable central control of costs, where appropriate, rather than the dispersal of costs and controls across each of the 94 depots;
- Reviewing the size, number and location of hubs and depots;
- Right-sizing resources to match the cost base to current levels of revenue;
- Considering how to capitalise on the growth opportunities in the parcels market; in particular the growth of business to customer driven by Internet purchases; and
- Ensuring that the organisation has the capability to drive this agenda efficiently and effectively.

Although the full year outcome remains unclear, in light of first quarter trading and the current trends in revenue and costs, it now appears likely that the division will incur a significant full year loss.

For the five years up to 2006, City Link and Target Express businesses were the UK's leading and fastest growing overnight parcels delivery businesses, consistently outpacing market growth. Their positioning, service profiles and geographies represented a tight fit and the economies of putting the two businesses together looked compelling. The problem has been in execution of the plan. Despite the business's unacceptable short-term financial performance, the new management team is highly motivated to achieve the business's original financial goals and potential. The priorities for 2008 will be on delivering strong account management for customers, improving customer facing systems and processes and ensuring that the business's information systems provide greater visibility and control.

City Link incurred one-off integration costs of £25.4 million in 2007 (2006: £1.3 million). The largest component of this, £16.3 million, is a provision for the costs of exiting surplus leasehold depots.

Facilities Services

The Facilities Services division now incorporates cleaning, catering, hospital services and building services. Cleaning, catering, hospital services and building services are provided individually, but also create the platform for multi-service contracts offering one point of customer contact. In addition, this division includes the group's specialist hygiene businesses and product supply companies. The bulk of the division's revenues and profits are derived in the UK. Cleaning is the division's largest operation.

Facilities Services delivered a good performance in 2007, increasing revenue by 12.8% and adjusted operating profit by 24.7%. The Netherlands cleaning business was sold in the third quarter. Excluding acquisitions and disposals, revenue grew organically by 3.9%. The focus on expanding group services into existing customers, an activity in which this division takes the lead, is also beginning to show rewards.

In the UK, cleaning revenue in 2007 increased by 22.1% to £318.8 million (2006: £261 million), largely as a result of increased contract turnover and portfolio growth coming from the acquisitions of InSitu and Lancaster. Adjusted 2007 operating profit from cleaning was £2.3 million higher than in 2006 due principally to higher volumes and acquisitions. Margins remain under pressure and management remains focused on cost and productivity. The business is implementing a number of service initiatives including the "SmartClean" daytime cleaning concept; "RAPID" customer account management – an industry first in remote management of cleaning contracts; and streamlining its operating structure to offset price pressure. Annualised customer retention rates fell in the second half largely as a result of one major loss and a 25% reduction in contract scope by its largest customer.

During 2007, revenues in the catering service business declined to £59.7m following the decision to exit a number of unprofitable schools contracts. Contract wins effective from the last quarter of 2007 will offset much of this revenue loss and at better margins. The catering business is now profitable (it made a loss of £0.8m in 2006) due to both the above factors and the success of procurement initiatives on food purchasing and distribution.

Hospital Services, which provides cleaning, catering and porterage services to NHS hospitals in the UK and to the independent healthcare sector, recorded 2007 revenue up 10.5% at £62.8 million and profit up 33.8%. Its focus has been on improving efficiency generally and addressing a number of unprofitable contracts.

The specialist hygiene businesses increased 2007 revenues by 26% to £52.0 million and profit by £1.1 million, largely as a result of the acquisition of Technivap in France in January 2007.

Improved profitability in catering and hygiene services offset the continued margin pressure in UK cleaning to give a divisional margin of 6.6% for 2007, compared with 6.0% for 2006.

In UK cleaning, market conditions during 2008 are expected to remain unchanged from 2007 with pressure on margins continuing, particularly in the retail sector. The business continues to roll out service initiatives to add value and differentiate itself from competitors. Retention and new business will be a key focus for 2008. In catering the focus for growth is on the business and industry segment but returns on education contracts are improving. In hospital services the business will continue to focus on growth opportunities outside the NHS.

Asia Pacific

This division currently operates in 16 countries, throughout the Asia Pacific region, predominantly in the areas of washroom and hygiene services, pest control and, to a lesser extent, tropical plants and electronic security. Hygiene services include deep cleaning for hygiene sensitive environments such as washrooms, water purifying systems, dust control mats rental and air quality control services, as well as an office electronic equipment hygiene service. The division's largest operations are in Australia, New Zealand, Malaysia, Indonesia and Singapore.

Asia Pacific achieved strong double-digit growth in 2007 with revenue up 55% at £158.3 million and adjusted profits up 31.4% at £31 million. Organic revenue growth was 12.0% compared with 5.7% for 2006. The division's contract portfolio grew by 29.3%, 18.2% excluding acquisitions. The strongest revenue and profit growth came from Rentokil Pest Control.

Pest control continued to demonstrate strong performance and achieved triple-digit growth in revenue and profit, boosted by the Hong Kong Government pest control contract and strong organic growth and acquisitions in Australia, New Zealand, Malaysia, Singapore, Thailand and China. The financial and commercial performance of Rentokil Tai Ming (China) and Rentokil Ding Sharn (Taiwan) was particularly encouraging. Pest control 2007 revenue was £64.8 million (2006: £31.5 million).

Washroom services ended 2007 well ahead of 2006, achieving double-digit growth in revenue and profit in its key markets of Australia, Singapore, Malaysia, Indonesia and Hong Kong. Washroom 2007 revenue (excluding the associate business in Japan) was £74 million (2006: £61.7 million).

Ambius tropical plants in Australia demonstrated solid progress with both revenue and profit more than double that of 2006 as a result of strong organic growth and acquisition activity during 2007.

During 2007 the business continued its strategy of building stronger market positions to expand its footprint, investing £74.5 million on acquisitions. The largest transaction was Campbell Brothers, an Australian pest control business. Other notable acquisitions included Taiming Pest Control in China, One-Stop Fumigation and Pesterminator in Singapore.

First Quarter 2008 revenue from Asia Pacific increased 28.8% year-on-year. The contract portfolio grew at an annualized rate of 7.5%. Operating profit rose 1.7% (3.4% if reallocated central charges are taken into account) but was £1 million below expectations, a result of a disappointing first quarter performance from the Australian residential pest control business and operational challenges experienced in the washroom business in Sydney. In residential pest control, most work is done on job (i.e. non-contract basis). Poor weather led to low job sales which reduced profit because the cost base has not yet been made sufficiently flexible to adapt changes to revenue. In washrooms, sales were behind plan and contract terminations higher than expected. Actions are underway to rectify both problems.

Other (South Africa)

This division comprises the Group's activities in South Africa, principally pest control, washroom services and tropical plants.

Adjusted 2007 operating profit in the South African business was unchanged from 2006 although revenue increased by 2.4%. The pest control division was the main driver of growth, increasing revenue by 11.2% and adjusted profit by 14.6%. The turnaround of the larger washroom business has been the main focus of 2007 where turnover and adjusted profit were flat.

Environmental Issues

Many of the Issuer's businesses provide services to corporate customers to improve the working environment for their own employees and customers. Such activities generally have a lower impact on the environment than results from manufacturing processes or extractive industries. The Issuer has a policy of operating its businesses in a manner that minimises damage to the environment and has an environmental management system, with good practice procedures covering the main areas of environmental impact within the business.

Regulation

The Group is required in certain jurisdictions to comply with licensing requirements in relation to its security businesses (for example, manned guarding and electronic security). So far as the Group is aware, such businesses are in material compliance with the relevant legal requirements and, to date, none of such businesses have been prevented from operating by a failure to obtain or comply with the relevant licences.

Recent Developments

Recent Board Appointments

On the recommendation of the Issuer's nomination committee, Richard Burrows was appointed a director on 14 January 2008 and William Rucker was appointed a director on 15 February 2008. Under the Issuer's articles of association both will offer themselves for re-appointment at the annual general meeting on 14 May 2008. Neither Richard Burrows nor William Rucker has a service contract with the Issuer.

Following the resignation of Brian McGowan and Doug Flynn as Chairman and Chief Executive respectively on 19 March 2008, it was announced on 20 March 2008 that John McAdam will be proposed for appointment as a director and Chairman at the 2008 annual general meeting. Alan Brown was appointed a director and Chief Executive on 1 April 2008 and Andy Ransom was appointed a director on 1 May 2008, both of whom will submit themselves for election at the 2008 annual general meeting.

Recent Acquisitions

During the first quarter of 2008 the Group has purchased companies and businesses for a total consideration of approximately £21.1 million.

City Link

The new senior management team put in place at City Link has begun to address the operational problems within the division. This team, consisting largely of individuals experienced in running non-franchise networks, has already enjoyed some success in improving service levels and in re-establishing relationships with customers.

However, the declining performance trend of the fourth quarter of 2007 has continued into the first quarter of 2008. This is a result of the difficulties experienced in integrating the City Link franchisees and the Target Express acquisition with the core City Link business.

Although the full year outcome remains unclear, in light of first quarter trading and the current trends in revenue and costs, it now appears likely that the division will incur a significant full year loss.

The Group released an update on City Link's trading (21 April 2008) and its first quarter (2 May 2008) and more detail on this can be found in the City Link section above.

CONFORMED

FINAL TERMS

22 March 2007

RENTOKIL INITIAL PLC

Issue of €500,000,000 4.625 per cent. Notes due 2014
under the €2,500,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 19 March 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing on the website of the London Stock Exchange and is available for viewing at, and copies may be obtained from, the registered office of the Issuer at Belgrave House, 76 Buckingham Palace Road, London SW1W 9RF, United Kingdom.

1.	(i)	Series Number:	18
	(ii)	Tranche Number:	1
2.	Specified Currency or Currencies:		euro ("€")
3.	Aggregate Nominal Amount:		
	(i)	Series:	€500,000,000
	(ii)	Tranche:	€500,000,000
4.	Issue Price:		98.173 per cent. of the Aggregate Nominal Amount
5.	(i)	Specified Denominations:	€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Notes in definitive form will be issued with a denomination above €99,000.
	(ii)	Calculation Amount:	€1,000
6.	(i)	Issue Date and Interest Commencement Date:	27 March 2007

	(ii) Interest Commencement Date (if different from the Issue Date):	Not Applicable
7.	Maturity Date:	27 March 2014
8.	Interest Basis:	4.625 per cent. Fixed Rate (further particulars specified below)
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest Basis or Redemption/ Payment Basis:	Not Applicable
11.	Put/Call Options:	Not Applicable
12.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions	Applicable
	(i) Rate(s) of Interest:	4.625 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	27 March in each year up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	€46.25 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Date(s):	27 March in each year
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
14.	Floating Rate Note Provisions	Not Applicable
15.	Zero Coupon Note Provisions	Not Applicable
16.	Index Linked Interest Note Provisions	Not Applicable

CONFORMED

17.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

18.	Issuer Call:	Not Applicable
19.	Investor Put:	Condition 6(d) is not applicable
20.	Final Redemption Amount of each Note:	€1,000 per Calculation Amount
21.	Early Redemption Amount of each Note payable on the occurrence of a Put Event as described in Condition 6(g), redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)):	As set out in Condition 6(e)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
23.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
24.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
25.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
26.	Details relating to Instalment Notes:	
	(i) Instalment Amount(s):	Not Applicable

CONFORMED

	(ii)	Instalment Date(s):	Not Applicable
27.	Redenomination applicable:		Redenomination not applicable
28.	Other Final Terms:		Not Applicable

DISTRIBUTION

29.	(i)	If syndicated, names of Managers:	Barclays Bank PLC BNP PARIBAS The Royal Bank of Scotland plc
	(ii)	Date of Subscription Agreement:	22 March 2007
	(iii)	Stabilising Manager (if any):	The Royal Bank of Scotland plc
30.	If non-syndicated, name of relevant Dealer:		Not Applicable
31.	Whether TEFRA C or TEFRA D rules applicable or TEFRA rules not applicable:		TEFRA D
32.	Additional selling restrictions:		Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the details required to list the issue of Notes described herein pursuant to the listing of the €2,500,000,000 Euro Medium Term Note Programme of Rentokil Initial plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: ANDREW MACFARLANE COLIN TYLER

Duly authorised

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PART B – OTHER INFORMATION

1. LISTING

(i)	Listing:	London
(ii)	Admission to trading:	Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest market with effect from 27 March 2007.
(iii)	Estimate of total expenses related to admission to trading:	£4,300

2. RATINGS

Ratings: The Notes to be issued have been rated:

S & P: BBB

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i)	Reasons for offer:	Not Applicable
(ii)	Estimated net proceeds:	Not Applicable
(iii)	Estimated total expenses:	Not Applicable

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: 4.94 per cent. annual (re-offer yield)

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

CONFORMED

6. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index-Linked Notes only*)

Not Applicable

7. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

Not Applicable

8. OPERATIONAL INFORMATION

(i)	ISIN Code:	XS0293496815
(ii)	Common Code:	029349681
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification numbers(s):	Not Applicable
(iv)	Delivery:	Delivery against payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of the Notes have been duly authorised by resolutions of the board of the directors of the Issuer dated 14 July 2005 and a resolution of a committee of the board of directors of the Issuer dated 22 March 2007.

Documents available

So long as any Notes are outstanding, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

(i) the Memorandum and Articles of Association of the Issuer;

(ii) the consolidated audited financial statements of the Issuers in respect of the financial years ended 31 December, 2006 and 31 December, 2007 in each case together with the audit reports prepared in connection therewith;

(iii) the most recently published audited annual financial statements of the Issuer;

(iv) a copy of this Prospectus and the Guarantee (as defined below).

Guarantee of Rentokil Initial 1927 plc

The Notes issued under this Prospectus are irrevocably and unconditionally guaranteed by way of a deed of guarantee (the **Guarantee**) dated 9 December 2005 by Rentokil Initial 1927 plc (the **Guarantor**).

The Guarantee is an unsecured, unsubordinated obligation of the Guarantor, guaranteeing all monies due under the Notes, and will terminate on the date on which the GBP 250,000,000 6.125 per cent. Notes due 19 November 2008 (XS0138467237), which is the last issue of notes under the €2.500,000,000 Euro Medium Term Note Programme of Rentokil Initial 1927 plc, as constituted in 2001 and subsequently amended, to remain outstanding, ceases to be outstanding.

Significant or Material Change

Except as disclosed under "*Recent Developments*" above, there has been no significant change in the financial or trading position of the Group since 31 December 2007.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Litigation

Neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this document which may have, or have had in such period, a significant effect on the financial position or profitability of the Group.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers LLP (Chartered Accountants and Registered Auditors). The auditors of the Issuer have no material interest in the Issuer. PricewaterhouseCoopers LLP have audited the Issuer's accounts, prepared in accordance with Section 273 of the Companies Act 1985, without qualification, in accordance with generally accepted auditing standards in the United Kingdom, for each of the two financial years ended on 31 December 2006 and 31 December 2007.

The above was recommended in guidance issued by the Institute of Chartered Accountants in England and Wales for inclusion in all Section 235 audit reports produced by audit firms.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any Notes.

Final Terms - Listing

Notwithstanding Part B 1(ii) of the Final Terms, admission to trading was not granted for the Notes on 27 March 2007. Application has been made for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from May 2008

Governing Law

The Notes are governed by, and construed in accordance with English law.

REGISTERED AND HEAD OFFICE OF THE ISSUER

Portland House
Bressenden Place
London
SW1E 5BH

TRUSTEE

HSBC Corporate Trustee Company (UK) Limited
8 Canada Square
London
E14 5HQ

ISSUING AND PRINCIPAL PAYING AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ

PAYING AGENT

Dexia Banque Internationale à Luxembourg
69 route d'Esch
L-1470 Luxembourg

LEGAL ADVISERS

To the Issuer
Denton Wilde Sapte LLP
1 Fleet Place
London EC4M 7WS

AUDITORS

To the Issuer
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH