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ISS A/S
(former ISS Holding A/S)

Preliminary announcement of the annual results for 2010

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Key figures and financial ratios

DKK million (unless otherwise stated)	2010	2009	2008	2007	2006
KEY FIGURES [1)]					
Income statement					
Revenue	74,073	69,004	68,829	63,922	55,772
Operating profit before other items [2)]	4,267	3,874	4,061	3,835	3,234
EBITDA	4,999	4,145	4,622	4,484	3,764
Adjusted EBITDA [3)]	5,117	4,742	4,930	4,680	3,979
Operating profit [4)]	4,149	3,277	3,753	3,639	3,019
Financial income	198	223	242	199	230
Financial expenses	(2,566)	(2,531)	(2,973)	(3,216)	(2,581)
Profit before goodwill impairment/amortisation and impairment of brands and customer contracts	1,031	385	494	376	226
Net profit/(loss) for the year	(532)	(1,629)	(631)	(442)	(809)
Cash flow					
Cash flow from operating activities	4,036	3,732	4,334	3,713	3,195
Acquisition of intangible assets and property, plant and equipment not related to acquisitions, net	(886)	(897)	(718)	(715)	(843)
Financial position					
Total assets	55,435	54,354	53,605	55,348	52,253
Goodwill	27,747	27,434	27,259	27,593	26,178
Additions to property, plant and equipment not related to acquisitions, gross	861	954	964	938	907
Carrying amount of net debt [5)]	30,619	30,886	29,639	29,086	26,159
Total equity (attributable to owners of ISS A/S)	2,626	2,190	3,498	5,459	5,917
Employees					
Number of employees at 31 December	522,700	485,800	472,800	438,100	391,400
Full-time employees, %	73	71	69	68	66
FINANCIAL RATIOS [1)]					
Growth, %					
Organic growth [6)]	3.5	0.6	5.9	6.0	5.5
Acquisitions	0	3	7	10	17
Divestments	(2)	(1)	(2)	(1)	(2)
Currency adjustments [7)]	5	(3)	(3)	(0)	0
Total revenue growth	7	0	8	15	20
Other financial ratios, %					
Operating margin [3)]	5.8	5.6	5.9	6.0	5.8
Equity ratio	4.7	4.0	6.5	9.9	11.3
Interest coverage [3)]	2.2	2.1	1.8	1.6	1.7
Cash conversion [3)]	98	96	103	99	102
Basic earnings per share (EPS), DKK [1)]	(5.5)	(16.5)	(6.4)	(4.7)	(8.3)
Diluted earnings per share, DKK [1)]	(5.5)	(16.5)	(6.4)	(4.7)	(8.3)
Adjusted earnings per share, DKK [1)]	10.3	3.9	4.9	3.8	2.3

1) See page 22 for relevant definitions.

2) Excluding Other income and expenses, net, Acquisition and integration costs, Goodwill impairment and Amortisation and impairment of brands and customer contracts.

3) The Group uses Operating profit before other items for the calculations instead of Operating profit. Consequently, the Group excludes from the calculations Acquisition and integration costs and those items recorded under Other income and expenses, net, in which the Group includes income and expenses that it believes do not form part of the Group's normal ordinary operations, such as gains and losses arising from divestments, the winding up of operations, disposals of property and restructurings. Some of these items are recurring and some are non-recurring in nature.

4) Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.

5) With effect from 31 December 2010 the fair value of interest rate swaps hedging the interest rate of loans and borrowings has been reclassified from Other liabilities to Loans and borrowings. Comparative figures have been restated accordingly.

6) Previously, acquisitions with reported annual revenue of DKK 50 million or more as well as acquisition of businesses that established ISS presence in a new jurisdiction were excluded from the calculation of organic growth during the first 12 months of ISS ownership. This has been changed in 2010 in order to align to a single-string calculation methodology for acquisitions. The change has been implemented retroactively for the financial years 2008, 2009 and 2010. There was no significant impact on the reported figures for 2009 and 2010 while organic growth for 2008 increased from 5.3% to 5.9% under the new calculation principle. See page 22 for a definition of organic growth.

7) Calculated as total revenue growth less organic growth and less net acquisition/divestment growth. Currency adjustments thereby include the effect stemming from exclusion of currency effects from the calculation of organic growth and net acquisition/divestment growth.

ISS A/S ("ISS" or "the Group"), up until today named ISS Holding A/S, is a holding company, and its primary assets consist of shares in ISS World Services A/S, up until today named ISS A/S.

For further information about ISS, see ISS's Annual Report 2009, which is available from the Group's website, www.issworld.com.

Highlights of the year

In 2010, ISS has shown improvements on all key operational objectives.

- Group revenue amounted to DKK 74.1 billion, an increase of 7.3% compared with 2009, driven mainly by double-digit growth rates in the emerging markets, including Latin America and Asia, which delivered growth rates of 48% and 31%, respectively. The emerging markets comprising Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey now represent 18% of total Group revenue, 66% of total organic growth for the Group and more than 50% of our employees.

- Organic growth for the year was 3.5% compared with 0.6% in 2009. Five out of the seven regions contributed positively to ISS's organic growth, with Asia and Latin America once again delivering double-digit organic growth rates. The organic growth in Q4 2010 amounted to 4.0%.

- Operating profit before other items increased by 10% to DKK 4.3 billion in 2010 compared with 2009, and operating profit before other items as a percentage of revenue, i.e. the operating margin, increased to 5.8% from 5.6% in 2009.

- Operating profit increased by 27% from DKK 3,277 million in 2009 to DKK 4,149 million in 2010. The increase was a result of a decrease in expenses recognised as other income and expenses, net following the investments in restructuring projects in 2009 as well as the increase in operating profit before other items as described above.

- The turnaround initiatives initiated in France continue to progress. However, France remains in its recovery phase from exposure to the manufacturing and public sectors. In addition, the effects from the turnaround initiatives have yet to substantially materialise. Excluding France, ISS's operating profit before other items improved by 11% compared with 2009, with an operating margin of 6.0% and organic growth of 4.6%.

- Profit before goodwill impairment / amortisation and impairment of brands and customer contracts increased to DKK 1,031 million in 2010 from DKK 385 million in 2009 driven by the increase in operating profit partly offset by an increase in income taxes.

- The net result for the year improved from a loss of DKK 1,629 million in 2009 to a loss of DKK 532 million in 2010, which was positively impacted by growth in revenue and improved operational performance in 2010, combined with a decrease in net expenses recognised as other

Operating results 2010

	Revenue			Operating profit before other items			Operating margin [1]	
	DKK millions			DKK millions				
	2010	2009	Change	2010	2009	Change	2010	2009
Western Europe [2]	39,121	38,632	1 %	2,278	2,056	11 %	5.8 %	5.3 %
Nordic [3]	17,301	16,367	6 %	1,228	1,219	1 %	7.1 %	7.4 %
Asia [4]	5,401	4,120	31 %	407	308	32 %	7.5 %	7.5 %
Pacific [5]	5,018	3,768	33 %	333	259	29 %	6.6 %	6.9 %
Latin America [6]	3,070	2,077	48 %	178	131	36 %	5.8 %	6.3 %
North America [7]	2,625	2,515	4 %	132	134	(1)%	5.0 %	5.3 %
Eastern Europe [8]	1,602	1,561	3 %	113	106	7 %	7.1 %	6.8 %
Corporate / eliminations	(65)	(36)		(402)	(339)	19 %	(0.5)%	(0.5)%
Total	**74,073**	**69,004**	**7 %**	**4,267**	**3,874**	**10 %**	**5.8 %**	**5.6 %**
Emerging Markets [9]	13,574	10,632	28 %	927	732	27 %	6.8 %	6.9 %

[1] The Group uses Operating profit before other items for the calculation of Operating margin

[2] Western Europe comprises Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, South Africa, Spain, Switzerland, Turkey and the United Kingdom.

[3] Nordic comprises Denmark, Finland, Greenland, Iceland, Norway and Sweden.

[4] Asia comprises Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand.

[5] Pacific comprises Australia and New Zealand.

[6] Latin America comprises Argentina, Brazil, Chile, Mexico and Uruguay.

[7] North America comprises Canada and the USA.

[8] Eastern Europe comprises Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia.

[9] Emerging Markets comprises Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey.

income and expenses, net as well as lower non-cash expenses related to goodwill impairment and amortisation and impairment of brands and customer contracts compared with 2009.

In April 2010, the International Association of Outsourcing Professionals (IAOP) announced that ISS had been ranked number six on IAOP's list of the world's leading outsourcing providers – The Global Outsourcing 100. This is one step up from last year and underlines that ISS is a professional and reliable outsourcing partner of choice.

In line with The ISS Way strategy, ISS continued to promote a strong and uniform commercial culture by focusing on meeting its customers' needs and thereby delivering a larger share of customers' facility services requests, including demand from multinational corporations for integrated facility service solutions. Our focus has been on further developing and refining the value propositions for customers within selected customer segments, such as Business services & IT, Public administration and Healthcare.

Over the past decade, ISS has built its global capability in the delivery of a well-defined set of facility services that are equally well suited for delivery as single services and as part of an integrated offering. In order to fully leverage on its unique platform, ISS continued to drive the global implementation of best practices and standard processes during 2010.

The implementation of The ISS Way has a broad and positive impact on our business – allowing us to deliver to our customers consistent excellence in single services and integrated services across borders. Evidence of the successful execution of our strategy was reflected in the continued increase in organic growth in 2010, which positions ISS competitively in the industry. Continued successful implementation of The ISS Way will boost our key growth drivers – new sales, cross-sales and customer retention.

Implementation of The ISS Way also focuses on securing excellence in leadership through the relentless application of uniform principles and values throughout the entire organisation. Successful implementation aligns our corporate culture and contributes to achieving our high ambitions.

Our strategic focus on delivering portfolio-based services has led to continued organic growth in the portfolio business. Historically, the portfolio business' share of total revenue has been between 75% - 80% and during 2009 and 2010 there was an increasing trend in the portfolio business' share of total revenue within this range.

Across ISS regions, we saw strong demand for our integrated facility services (IFS) offering in 2010. Multi-service and IFS, where we deliver two or more services to the same customer comprised 35% of total Group revenue in 2010 compared with 33% in 2009. Multi-service and IFS revenues allow ISS to exploit synergies in the provision of services, and create stronger customer relationships.

The performance of ISS's business in 2010 demonstrates the resilience of the business as a result of the flexibility of ISS's cost base, the large size of ISS's portfolio business and rigorous financial and operational control.

ISS's continued focus on cash flow resulted in a reduction of 0.9 debtor days compared with 2009, leading to a robust cash conversion of 98%, which underlines ISS' continued robust and stable cash generation.

In order to further strengthen our focus on sales growth and leadership development, in 2010 ISS established and appointed a Group Chief Commercial Officer (CCO) and recruited a new Group HR Director. Both have an international profile through several international positions and are part of ISS's Group Management Board.

The Global Corporate Clients organisation continues to successfully leverage on ISS's global footprint to pursue and win multi-national contracts. ISS followed up on the EDS and Shell contract wins in 2009 by entering into a new international IFS contract with

Revenue growth 2010

	Revenue growth, %					
	Organic	**Acq.**	**Div.**	**Total growth excl. currency**	**Currency [1)]**	**Total growth**
Western Europe	1	0	(2)	(1)	2	1
Nordic	4	0	(3)	1	5	6
Asia	13	5	(0)	18	13	31
Pacific	8	1	(0)	9	24	33
Latin America	29	-	-	29	19	48
North America	(1)	-	-	(1)	5	4
Eastern Europe	(0)	0	-	(0)	3	3
Total	3.5	0	(2)	2	5	7
Emerging Markets	14	2	(0)	16	12	28

1) Calculated as a residual of total revenue growth, organic growth and net acquisition/divestment growth. Currency adjustments thereby include the effect stemming from the exclusion of currency effects from the calculation of organic growth and net acquisition/divestment growth.

Hewlett-Packard (HP) covering the Americas, and a 3.5-year extension of the EMEA and APJ contracts. Additional, contract wins included the United Kingdom Foreign Commonwealth Office (FCO) in APJ and Citi in EMEA as well as Sony Ericsson in APJ, EMEA and North America. After winning the HP Americas contract, ISS now services 830 HP sites in more than 50 countries in APJ, EMEA, and the Americas, which includes delivery of cleaning services, property services, support services, catering services, project management and integrated facility management. FCO is an IFS contract comprising 28 diplomatic posts and over 700 diplomatic residential properties in 14 APJ countries. The Sony Ericsson contract covers facilities management and substantial self delivery of several facility services to 14 sites in nine countries in APJ, EMEA and North America. The Citi contract includes delivery of full facility management services, project management, cleaning services and technical property services to over 800 sites in 26 countries. These contract wins confirm ISS's strategic direction, as an increasing number of global customers now perceive ISS as one of the only companies that can deliver facility services in an integrated and standardised way on a global scale.

In September 2010, ISS completed the repayment of the outstanding 2010 EMTNs. The remaining EUR 200 million of the original EUR 850 million were redeemed at maturity on 20 September 2010.

By the end of the year, ISS had more than 522,000 employees worldwide. Since year-end 2009, a net increase of almost 37,000 employees joined the company as a result of organic growth and the acquisition of SDB Cisco in India, which added approximately 27,000 employees.

Strategy Update

Implementation of The ISS Way is well under way and has experienced substantial progress during 2010. We are uniquely positioned to take advantage of the huge opportunities in our markets, not least delivering integrated facility service solutions to local companies as well as to multinational corporations across numerous countries.

Several strategic priorities, such as our Excellence Centres, Corporate Clients and leadership efforts, have helped to ensure that we are continuously strengthening our platform and organisational capabilities. For example, our Excellence Centres are coordinating how we increase our efficiency and consistency in delivery through standardisation, best practice and knowledge sharing across the organisation. The Excellence Centres' activities thereby ensure continuous improvement of the methods, technologies and business systems for providing service excellence within each service category – and also work on further developing and enhancing our service offering with tailored value propositions for specific customer segments.

Another focus area, our Corporate Clients, selectively targets multinational corporations to win large international contracts. This is a huge market opportunity for ISS and The ISS Way will continue to contribute to ISS's ability to both win contracts and successfully deliver to these customers.

ISS believes that it is in a position to capture high-growth opportunities, which we believe will result from an increase in service integration, more international contracts and increased emerging markets exposure, combined with attractive underlying market growth. ISS has a target of reaching a revenue growth rate of at least 6% per year over the medium term, assuming no effect from acquisitions and divestments and assuming constant foreign exchange rates.

ISS believes that there are significant opportunities to enhance further its margins as a result of further implementation of The ISS Way strategy including cross selling of services and procurement savings, tight cost control, the positive impact from our growing exposure to emerging markets and the recovery in our business in France and in our non-portfolio business, both of which were adversely affected by the recent economic downturn. ISS has a target of reaching an operating margin of 6.5% over the medium term.

ISS believes it has an attractive financial model and a platform in place that supports strong organic growth at attractive operating margins that will lead to value creation. ISS has experienced consistent robust cash conversion, reflecting a continuous focus on improving working capital requirements. ISS has low and predictable working capital requirements as well as a limited and steady need for capital expenditure to grow its business. Net capital expenditure not related to acquisitions amounted to between 1.0% and 1.3% of revenues in each year from 2007 to 2010. Over the medium term, ISS targets a consistent robust cash conversion.

Contemplated initial public offering on NASDAQ OMX Copenhagen

Today ISS announced that it contemplates launching an Initial Public Offering ('IPO') of shares and to list its shares on NASDAQ OMX Copenhagen.

The contemplated IPO is expected to support ISS' future growth and operational strategy, advance the company's public and commercial profile, and provide improved access to public capital markets along with a diversified base of new Danish and international shareholders. As part of the preparations for the contemplated IPO, the name of the parent company, ISS Holding A/S, has been changed to ISS A/S. Simultaneously, the name of the directly owned subsidiary ISS A/S has been changed to ISS World Services A/S.

The contemplated IPO is expected to consist primarily of a sale of new shares to raise gross proceeds of approximately DKK 13.3 billion, which are proposed, together with amounts drawn under a new facilities agreement to repay all amounts under our current senior secured facilities and our second lien facility. A partial secondary sell-down of shares by our existing shareholder, FS Invest II S.àr.l., which is indirectly controlled by certain funds advised by EQT Partners and funds affiliated with Goldman Sachs & Co., is also expected to cover the obligations under our management participation programme.

The new facilities agreement, which is intended to be put in place prior to the receipt of IPO proceeds, will be able to be drawn upon subject to satisfaction of certain conditions precedent, including that the offering of the shares contemplated by the IPO has occurred or will occur contemporaneously with the new facilities agreement first utilisation.

In line with previous years the Annual Report for 2010 including the financial statements will be prepared based on the rules applicable for Class-D companies and rules for companies with listed debt instruments.

For further information regarding the proposed IPO, please refer to the announcement relating to the contemplated IPO.

Financial Review

Income Statement

Revenue amounted to DKK 74,073 million representing year-on-year revenue growth of 9%, excluding the impact of acquisitions and divestments. Revenue growth was driven by positive exchange rate movements of 5%, organic growth of 3.5% and 2% negative growth from acquisitions and divestments, net. Five of seven regions delivered positive organic growth rates, with Latin America and Asia once again delivering double-digit organic growth rates. The positive exchange rate movement of 5% was mainly stemming from an appreciation of AUD, NOK and SEK against DKK.

In 2010, revenue in the Western European region increased by 1% to DKK 39,121 million. Organic growth was positive by 1% and currency adjustments increased revenue for the region by approximately 2%. This was offset by 2% negative growth from acquisitions and divestments, net. Turkey, Germany, the United Kingdom, Israel, Spain, Italy, Portugal and the Netherlands all delivered positive organic growth rates resulting in a weighted organic growth rate of 3.7% for these countries. The organic growth was a result of improved economic conditions combined with successful sales efforts. This positive effect was partly offset by mainly France still suffering from exposure to the manufacturing and public sectors. In addition, the effect from the turnaround initiatives have yet to substantially materialise. Finally, Greece and Ireland were negatively impacted by the economic instability, leading to negative organic growth as both public and private spending was reduced.

In 2010, revenue in the Nordic region increased by 6% from DKK 16,367 million in 2009 to DKK 17,301 million. Organic growth amounted to 4% and resulted from strategic initiatives focused on sales combined with a positive effect from non-recurring services such as snow removal. The impact from divestments was a revenue reduction of 3%, resulting primarily from the divestments completed in Sweden and Norway in 2009 and 2010. Currency adjustments increased revenue for the region by approximately 5%, which stemmed mainly from an appreciation of NOK and SEK against DKK.

Revenue in Asia increased by 31% from DKK 4,120 million in 2009 to DKK 5,401 million in 2010. The increase was driven by organic growth of 13% and acquisition-driven growth of 5% as well as a positive impact of 13% from currency adjustments. All countries in the region except for the Philippines, Singapore, Brunei and Japan delivered double-digit organic growth rates. The continued strong organic growth was driven by strong GDP development in the countries in the region. However, in most countries in the region, ISS delivered organic growth rates in excess of the GDP growth as a result of among other things new sales and cross-selling activities within property services and security services.

Revenue in the Pacific region increased by 33% to DKK 5,018 million in 2010. Organic growth increased revenue by 8%, which stemmed mainly from an all-time high organic growth of 8.6% in Australia due to positive effects of maintaining and increasing revenue from the existing client base combined with the positive effect from a large new contract within the Healthcare segment. Growth from acquisitions increased revenue by 1%. Currency adjustments increased revenue for the region by approximately 24%.

Revenue in Latin America increased by 48% from DKK 2,077 million in 2009 to DKK 3,070 million in 2010. Organic growth amounted to 29%, which was driven mainly by organic growth of 37% in Brazil and double-digit organic growth rates in the remaining countries in the region. The strong organic growth in Brazil was driven by several contract wins within mainly the telecommunications sector and with shopping malls. Currency adjustments increased revenue for the region by approximately 19%.

Revenue in the North American region increased by 4% to DKK 2,625 million in 2010. Organic growth was negative by 1% while currency adjustments increased revenue for the region by 5%. The slightly negative organic growth is a result of difficult market conditions that is still influenced by the uncertainty in the North American economy and consequential low level of new sales.

Revenue in Eastern Europe increased by 3% from DKK 1,561 million in 2009 to DKK 1,602 million in 2010. This increase was driven by currency adjustments of 3%. Organic growth was 0% and was impacted by a general request for price reductions from customers resulting from the still challenging economic climate. Double-digit growth rates were seen in Russia, Romania and Slovenia and were driven by a strong development within IFS services in Russia and Romania and a strong development in catering in Slovenia. The strong development in these countries was offset by the development in Czech Republic and Slovakia, where revenue decreased mainly as a result of lower demand within property services.

Operating profit before other items amounted to DKK 4,267 million in 2010, an increase of 10% from DKK 3,874 million in 2009. The increase was a result of improved operational performance and an increase in revenue as a result of organic growth and positive exchange rate movements. The operating margin increased to 5.8% compared with 5.6% in 2009. This was due mainly to an increase in operating margin in Western Europe and to a large extent a result of the actions taken in 2009 to increase efficiencies and improve profitability. Corporate overhead costs were 0.5% of revenue in 2010, unchanged from 2009.

Operating profit before other items in Western Europe increased by 11% to DKK 2,278 million in 2010. The operating margin of 5.8% was 0.5 percentage point higher compared with 2009. The increase was a result of a generally strong development in operating margin across the region despite a still challenging economic environment, with the exception of Greece, where the operating margin decreased significantly due to economic instability in the country. To a large extent, the operating margin improvements are a result of the actions taken in 2009 to increase efficiencies and improve profitability. In France, the operating margin was 4.2% which was an increase of 0.4 percentage point compared with 2009. The increase was mainly a result of a positive effect stemming from the newly introduced Contribution économique territoriale (CET), which is recognised as part of income taxes, replacing the Taxe professionnelle, which historically has been recognised as part of staff costs as well as a positive effect from the turnaround plan initiated in 2009. However, France remains in its early recovery phase from the exposure to the manufacturing sector, as well as to the public sector where reduced public spending had a negative impact especially on landscaping services, which led to an overall negative organic growth and consequential pressure on the operating margin. In addition, the operating margin in France was in 2010 negatively impacted by further organisational changes related to the turnaround initiatives started in 2009.

Operating profit before other items in the Nordic region amounted to DKK 1,228 million in 2010 compared with DKK 1,219 million in 2009. The operating margin in the region remained above 7.0%, in 2010 at 7.1% compared with 7.4% in 2009. The operating margin in 2010 was positively impacted by one-off income related to sale of certain assets. The drivers behind the continued high operating margin in the Nordic region are ISS's high market share and broad service offering combined with a successful effort to increase the services delivered to existing customers.

Operating profit before other items in Asia increased by 32% to DKK 407 million in 2010 compared with DKK 308 million in 2009. The operating margin was maintained at 7.5% in 2010, the highest margin of any ISS region, and reflects a relatively stable development in most countries in the region supported by the double-digit growth rates and a continued focus on contract efficiencies.

In the Pacific region, operating profit before other items increased by 29% to DKK 333 million in 2010. The operating margin in the region amounted to 6.6% in 2010, compared with 6.9% in 2009. The decrease in operating margin related primarily to New Zealand, where the full-year effect of margin improvement initiatives implemented during 2010 will not fully materialise until 2011. The operating margin in Australia was in line with expectations – slightly below the level realised in 2009, mainly as a result of start-up costs concerning a large new contract within the Healthcare segment.

In Latin America, operating profit before other items increased by 36% to DKK 178 million in 2010. The operating margin was 5.8% in 2010, 0.5 percentage point lower than in 2009. Brazil, Mexico and Uruguay increased their margin compared with 2009 as a result of strong organic growth combined with the continued focus on contract efficiencies, which was more than offset by margin decreases in Chile and Argentina. In Chile, the margin was impacted partly by the effects of the earthquake earlier in 2010.

Operating profit before other items in North America amounted to DKK 132 million in 2010 compared with DKK 134 million in 2009. The operating margin in 2010 was 5.0% compared with 5.3% in 2009. 2010 was a transformational year where investments in building up competencies led to the HP Americas contract win. This together with the slightly negative organic revenue growth and start-up costs for large contracts won in 2010 led to the small margin decrease.

Operating profit before other items in Eastern Europe increased by 7% to DKK 113 million in 2010. Despite requests for price reductions from customers, the operating margin increased by 0.3 percentage point to 7.1% in 2010. This was due mainly to operating margin improvements in Slovakia, Slovenia, Hungary and Poland, and was a result of cost savings and increased contract efficiencies following roll-out and implementation of best practices.

Other income and expenses, net represented a net expense of DKK 112 million in 2010 compared with a net expense of DKK 551 million in 2009. Expenses of DKK 113 million related to prior year adjustments in Norway, DKK 16 million related to redundancy and severance payments related to senior management changes and DKK 17 million comprised costs related to the initiated IPO process. Partly offsetting these expenses was a net gain of DKK 46 million related to divestments, mainly stemming from a gain from the divestment of the washroom activities in Denmark, Norway and Sweden partly offset by a loss from divestment of mainly the waste management activities and the security activities in France, both of which were classified as held for sale at 31 December 2009.

In 2009, other income and expenses, net, represented a net expense of DKK 551 million mainly related to restructuring projects of DKK 426 million in France, Germany, Spain, Australia, Belgium, Denmark, Finland and the United Kingdom as well as impairment losses related to activities classified as held for sale of DKK 159 million partly offset by a net gain from divestments of DKK 83 million primarily related to the sale of the non-core laundry activities in Sweden and Norway.

Financial income and expenses, net represented an increase in net expenses of DKK 60 million, or 3%, to DKK 2,368 million in 2010 from DKK 2,308 million in 2009. The reason for the increase was mainly an increase in interest expenses, net of DKK 121 million and an increase in amortisation of financing fees of DKK 66 million partly offset by mainly a decrease in expenses related to changes in fair value of hedges of DKK 66 million and a decrease in amortisation of fair value adjustment of issued bonds of DKK 59 million.

In 2010, financial income and expenses, net mainly comprised DKK 1,964 million of net interest expenses, DKK 259 million in expenses related to changes in fair value of hedges, DKK 123 million in amortisation of financing fees, DKK 48 million in net gains on foreign exchange, DKK 40 million related to amortisation of fair value adjustment of issued bonds and a loss of DKK 32 million related to repayment of the 2010 EMTNs acquired at nominal value with a carrying amount lower than nominal value due to the market value adjustment made in connection with the acquisition of the former ISS A/S.

Income taxes increased from DKK 588 million in 2009 to DKK 760 million in 2010. The effective tax rate was 42.4% in 2010 compared with 60.4% in 2009, calculated as the consolidated tax expense of DKK 760 million divided by the Profit before tax and goodwill impairment / amortisation and impairment of brands and customer contracts of DKK 1,791 million. The tax expense in 2010 was adversely impacted by the rules on limitation on the deductibility of financial expenses in Denmark of approximately DKK 615 million. The effective tax rate amounts to 33.8% when adjusted for the impact of the limitation on deductibility of financial expenses. The net effect on the interest limitation in 2010 amounted to DKK 154 million. In addition, the tax expense in 2010 was adversely impacted by the newly introduced Contribution économique territoriale (CET) in France replacing the Taxe professionnelle which historically has been recognised as part of staff costs as well as write down of tax assets in certain countries in Western Europe following divestments and classification of activities as held for sale. These negative effects have been partly offset by Danish credit possibilities for paid withholding taxes that are non-proportional to the profit before tax.

Goodwill impairment amounted to DKK 938 million of which DKK 929 million derived from impairment tests and DKK 9 million derived from divestment of businesses. Impairment losses derived from impairment tests of DKK 929 million related to ISS France of DKK 335 million, ISS Greece of DKK 329 million, ISS Spain of DKK 150 million and ISS Ireland of DKK 115 million. The loss in France was mainly a result of a slight extension of the turnaround plan compared with prior expectations. The loss in Greece was mainly a result of an increase in the discount rate applied following an increase in the interest rate as well as challenging market conditions. In Spain and Ireland the losses were mainly a result of an increase in the interest rate. Impairment losses of DKK 9 million derived from divestment of businesses related to the divestment of the non-strategic call centre activities in Denmark and the property services activities in Ireland.

In 2009, goodwill impairment amounted to DKK 1,246 million, of which DKK 550 million derived from impairment tests and DKK 696 million derived from divestment of businesses, including classification of activities as held for sale. Impairment losses derived from impairment tests comprised losses of DKK 450 million and DKK 100 million in France and Germany, respectively, whereas impairment losses derived from divestments of DKK 696 million mainly comprised losses related to the waste management activities in France classified as held for sale on 31 December 2009 as well as certain other activities sold during 2009 or classified as held for sale on 31 December 2009.

Of the total goodwill impairment in 2010 and 2009, DKK 679 million and DKK 525 million, respectively, resulted from charges relating to the purchase price allocation in May 2005 in connection with the acquisition of the former ISS A/S.

Net loss improved from a loss of DKK 1,629 million in 2009 to a loss of DKK 532 million in 2010, and was positively impacted by growth in revenue and improved operational performance in 2010, combined with a decrease in net expenses recognised as other income and expenses, net as well as lower non-cash expenses related to goodwill impairment and amortisation and impairment of brands and customer contracts compared with 2009. A loss of DKK 552 million was attributable to the owners of ISS, whereas a profit of DKK 20 million was attributable to non-controlling interests.

Cash Flow Statement

Cash flow from operating activities was DKK 4,036 million in 2010, up DKK 304 million from DKK 3,732 million in 2009. The development was due primarily to an increase in operating profit before other items of DKK 393 million, a decrease in cash outflow regarding payments related to other income and expenses, net of DKK 174 million and a decrease in outflow from changes in working capital of DKK 50 million partly offset by higher tax payments of DKK 303 million.

Cash outflow from changes in working capital of DKK 87 was due to a negative cash flow from trade receivables as a result of the increase in revenue of 7% and despite a reduction of debtor days by approximately one day. This negative effect was partly offset by a positive impact from trade payables mainly stemming from the increase in activity level.

Payments related to other income and expenses, net of DKK 197 million mainly related to restructuring projects initiated and expensed in 2009.

Income taxes paid increased from DKK 394 million in 2009 to DKK 697 million in 2010 as a result of improved performance in 2010 leading to higher tax payments. In addition, income taxes paid in 2009 were impacted by tax refunds.

Cash flow from investing activities in 2010 was a net cash outflow of DKK 717 million, of which DKK 470 million related to acquisitions completed during 2010 and payment of earn-outs and deferred payments on acquisitions completed in previous years. The sole acquisition completed in 2010 was the 49% ownership in SDB Cisco Ltd. in India. The cash outflow from acquisitions was more than offset by proceeds from divestments of DKK 591 million that related primarily to the divestments of non-core activities in the Nordic region and France. Investments in intangible assets and property, plant and equipment, net, (excluding acquisition-related intangibles) amounted to DKK 886 million in 2010, representing 1.2% of revenue. Investments in financial assets, net, amounted to an inflow of DKK 48 million in 2010 primarily related to sale of government bonds in ISS's insurance captive company which activities ceased in second half of 2010.

Cash flow from investing activities in 2009 was a net cash outflow of DKK 1,832 million, of which DKK 914 million related to acquisitions completed during 2009 and payment of earn-outs and deferred payments on acquisitions completed in previous years partly offset by DKK 22 million related to divestments. Investments in intangible assets and property, plant and equipment, net, (excluding acquisition-related intangibles) totalled DKK 897 million in 2009, representing 1.3% of revenue. Investments in financial assets, net, totalled an outflow of DKK 43 million in 2009.

Cash flow from financing activities in 2010 was a net cash outflow of DKK 3,186 million. This was mainly a result of repayment of borrowings of DKK 3,395 million and interest payments, net of DKK 2,278 million, partly offset by proceeds from borrowings of DKK 2,496 million. Repayment of borrowings was a result of DKK 2,606 million related to repayment of the 2010 EMTNs and repayment of DKK 789 million on the Acquisition and Term Loan facilities. Proceeds from borrowings mainly related to the issuance of DKK 950 million (EUR 127.5 million) in debt through a tap issue in the existing High Yield Notes 2016 and additional debt raised under the securitisation programme of DKK 1,529 million since year-end 2009.

Cash flow from financing activities in 2009 was a net cash outflow of DKK 1,547 million. This was mainly a result of net interest payments of DKK 2,205 million and repayment of borrowings of DKK 5,177 million due primarily to settlement of EUR 500 million of the 2010 EMTNs in July 2009 as well as amortisation on senior facilities. This was partly offset by drawings on credit facilities of DKK 5,849 million stemming mainly from the issuance of new Senior Notes due in 2014 in July 2009, the launch of a securitisation programme in the last quarter of 2009 as well as drawings on the acquisition facility up until 11 May 2009 when the acquisition facility expired.

Balance Sheet

Total assets amounted to DKK 55,435 million at 31 December 2010, of which DKK 38,367 million represented non-current assets, primarily acquisition-related intangible assets, and DKK 17,068 million represented current assets, primarily trade receivables of DKK 10,896 million.

Intangible assets amounted to DKK 35,358 million at 31 December 2010. The vast majority of intangible assets were acquisition-related intangibles and comprised DKK 27,747 million of goodwill, DKK 5,612 million of customer contract portfolios and related customer relationships and DKK 1,612 million of brands.

Total equity increased from DKK 2,213 million at 31 December 2009 to DKK 2,651 million at 31 December 2010, of which DKK 2,626 million was equity attributable to the equity holders of ISS A/S. The total change in equity for the year attributable to the equity holders of ISS was an increase of DKK 436 million.

Net income and expenses recognised in equity increased equity by DKK 357 million. This included positive currency adjustments of DKK 911 million relating to investments in foreign subsidiaries and a positive effect of DKK 91 million related to hedges net of tax. Partly offsetting this was a net loss of DKK 532 million for the year and actuarial losses, net, including the effect of the asset ceiling on defined benefit pension schemes that amounted to DKK 113 million.

Carrying amount of net debt amounted to DKK 30,619 million at 31 December 2010, down DKK 267 million from DKK 30,886 million at 31 December 2009. The decrease was mainly related to repayments on the Acquisition and Term Loan facilities as well as net proceeds from divestments and acquisitions, partly offset by a negative impact from foreign exchange. At 31 December 2010, non-current loans and borrowings was DKK 29,032 million, current loans and borrowings amounted to DKK 5,212 million while securities, cash and cash equivalents and receivables from companies within the ISS Group totalled DKK 3,625 million.

Acquisitions and Divestments

Following several years with a high number of acquisitions in order to build the business platform globally, since mid-2008 ISS has tightened its strategic and financial filter, leading to a more disciplined acquisition policy and to a focus on exploiting the platform to generate organic growth and improved operational performance. In 2010, one acquisition was completed.

In August, ISS acquired a 49% ownership share of SDB Cisco Ltd. in India, a well-recognised security services provider in India, with approximately 80% of revenue stemming from manned guarding. Through the acquisition, ISS in India added security services to its service platform, and can now provide the full house of services. The acquisition added approximately DKK 400 million in annual revenue and 27,000 employees.

The strategic rationale behind selected acquisitions was reviewed in the light of the ISS Way strategy, which led to the identification and evaluation of certain activities that were either non-core to The ISS Way strategy or lacked critical mass. Some of these activities were divested in 2009, and additional nine divestments were completed in 2010. The divestments in 2010 comprise the non-core waste management activities and security activities in France, non-core building maintenance activities in Spain, non-core property service activities in Norway, contact centres in Denmark and the washroom activities in Denmark, Norway and Sweden.

The divestments completed in 2010, of which the majority of the activities were classified as held for sale at 31 December 2009, resulted in a positive effect of DKK 46 million in other income and expenses, net and an impairment loss on goodwill of DKK 9 million.

Towards the end of 2010, sales processes have been initiated for additionally two non-core activities in Western Europe, which have been classified as held for sale at 31 December 2010.

We expect to continue a disciplined acquisition policy in the future and expect that such acquisition activities will primarily take place in emerging markets, either by expanding our presence in existing markets through bolt-on acquisitions or by establishing a service platform in new markets. Future acquisitions might also include selective competence enhancing acquisitions in developed markets. We expect that the average annual amount to be spent on acquisitions in the short term will be approximately half a billion Danish kroner (although the actual amount in any given year will depend on the timing of transactions).

Accounting Policies

The Preliminary announcement of the annual results for 2010, which has not been reviewed or audited, has been prepared in accordance with recognition and measurement requirements according to the International Financial Reporting Standards (IFRS) as adopted by the EU.

Except as described in note 1 of the Interim Report January – September 2010, the accounting policies applied by the Group in this preliminary announcement of the annual results are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009. A full description of the Group's accounting policies is included in the Annual Report for 2009.

The presented financial information in this announcement does not include all the information required for full annual financial statements, and should therefore be read in conjunction with the audited consolidated financial statements of the Group as of and for the year ended 31 December 2010, which will be released on 3 March 2011.

Outlook

This section should be read in conjunction with "Forward-looking statements" as shown in the table on page 11.

In 2011, ISS will maintain its focus on key operational objectives; (i) organic growth, (ii) operating margin and (iii) cash conversion.

The increased economic stability seen in 2010 in several of the markets in which ISS operates is expected to continue. In addition, the economic uncertainty experienced in certain countries in Western Europe is expected to continue to impact the countries in which ISS operates in this region. The general increase in demand for our services seen in 2010 is expected to continue in 2011. In addition, the three major Corporate Clients contract wins in the second half of 2010 will positively affect revenue growth in 2011. Consequently, ISS expects revenue growth in 2011 to be approximately 4% assuming constant foreign exchange rates and before the impact of any acquisition or divestment in 2011. This expected revenue growth is negatively impacted by approximately 1%-point related to the net effect of the acquisition and the divestments completed in 2010.

ISS increased its profitability in 2010 and delivered an operating margin of 5.8% compared with 5.6% in 2009. Through the increase in revenue combined with a general margin improvement, ISS expects its operating margin for 2011 to be slightly above the level realised in 2010.

ISS will continue to prioritise cash flow and we will focus on managing the absolute level of debt supported by a continued low level of acquisition spending and continued robust cash conversion, which in 2011 is expected to be at the level realised in 2010.

Subsequent Events

Apart from the above and the events described in this preliminary announcement of the annual results, the Group is not aware of events subsequent to 31 December 2010, which are expected to have a material impact on the Group's financial position.

Forward-looking statements
This report contains forward-looking statements including, but not limited to, the statements and expectations contained in the Outlook section on page 10 and 11. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words ''may'', "will", "should", ''expect'', ''anticipate'', ''believe'', ''estimate'', ''plan'', "predict," ''intend' or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. ISS has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of ISS. Although ISS believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the facility service industry in general or ISS in particular including those described in the annual report 2009 of ISS A/S (former ISS Holding A/S) and other information made available by ISS.

As a result, you should not rely on these forward-looking statements. ISS undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

The Annual Report 2009 of ISS A/S (former ISS Holding A/S) is available from the Group's website, www.issworld.com.

Financial Calendar 2011

Annual Report, 2010	3 March 2011

Telephone conference

A telephone conference will be held on Thursday, 17 February 2011 at 14:00 CET (13:00 UK time).

The telephone numbers for the conference are:

+45 36 92 76 07 (Denmark)
+44 (0) 1452 555 566 (UK)
Conference ID: 44 52 86 43

The conference call will also be available on live audio webcast. If you wish to listen to the conference call and view the presentation simultaneously, please visit:

http://inv.issworld.com/events.cfm

Management Statement

COPENHAGEN, 17 February 2011

The Board of Directors and the Executive Group Management have today discussed and approved the preliminary announcement of the annual results for 2010 of ISS A/S.

The preliminary announcement of the annual results which has not been reviewed or audited has been prepared in accordance with recognition and measurement requirements according to the International Financial Reporting Standards (IFRS) as adopted by the EU.

In our opinion, the preliminary announcement of the annual results gives a true and fair view of the Group's assets, liabilities and financial position at 31 December 2010 and of the results of the Group's operations and consolidated cash flows for the financial year 2010.

EXECUTIVE GROUP MANAGEMENT

Jeff Gravenhorst
Group Chief Executive Officer

Jakob Stausholm
Group Chief Financial Officer

BOARD OF DIRECTORS

Ole Andersen
Chairman

Leif Östling
Vice-Chairman

John Allan

Michel Combes

Peter Korsholm

Jørgen Lindegaard

Steven Sher

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Consolidated Financial Statements for ISS A/S

Consolidated income statement

1 January – 31 December

DKK million	2010	2009
Revenue	**74,073**	**69,004**
Staff costs	(47,990)	(44,781)
Consumables	(6,359)	(6,044)
Other operating expenses	(14,607)	(13,437)
Depreciation and amortisation [1)]	(850)	(868)
Operating profit before other items [2)]	**4,267**	**3,874**
Other income and expenses, net	(112)	(551)
Acquisition and integration costs	(6)	(46)
Operating profit [1)]	**4,149**	**3,277**
Share of result from associates	10	4
Financial income	198	223
Financial expenses	(2,566)	(2,531)
Profit before tax and goodwill impairment/ amortisation and impairment of brands and customer contracts	**1,791**	**973**
Income taxes [3)]	(760)	(588)
Profit before goodwill impairment/ amortisation and impairment of brands and customer contracts	**1,031**	**385**
Goodwill impairment	(938)	(1,246)
Amortisation and impairment of brands and customer contracts [4)]	(869)	(1,129)
Income tax effect [5)]	244	361
Net profit/(loss) for the year	**(532)**	**(1,629)**
Attributable to:		
Owners of ISS A/S	(552)	(1,647)
Non-controlling interests	20	18
Net profit/(loss) for the year	**(532)**	**(1,629)**
Earnings per share:		
Basic earnings per share (EPS), DKK	(5.5)	(16.5)
Diluted earnings per share, DKK	(5.5)	(16.5)
Adjusted earnings per share, DKK	10.3	3.9

1) Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.

2) Excluding Other income and expenses, net, Acquisition and integration costs, Goodwill impairment and Amortisation and impairment of brands and customer contracts.

3) Excluding tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.

4) Including customer contract portfolios and related customer relationships.

5) Income tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.

Consolidated statement of comprehensive income

1 January – 31 December

DKK million	2010	2009
Net profit/(loss) for the year	**(532)**	**(1,629)**
Other comprehensive income		
Foreign exchange adjustments of subsidiaries and non-controlling interests	911	364
Fair value adjustment of hedges, net	(138)	(327)
Fair value adjustment of hedges, net, transferred to Financial expenses	259	325
Actuarial gains/(losses)	(129)	(45)
Impact from asset ceiling	(20)	18
Tax regarding other comprehensive income	6	2
Total other comprehensive income	**889**	**337**
Total comprehensive income for the year	**357**	**(1,292)**
Attributable to:		
Owners of ISS A/S	336	(1,310)
Non-controlling interests	21	18
	357	**(1,292)**

Consolidated statement of cash flows

1 January – 31 December

DKK million	2010	2009
Operating profit before other items	4,267	3,874
Depreciation and amortisation	850	868
Changes in working capital	(87)	(137)
Changes in provisions, pensions and similar obligations	(85)	(50)
Other expenses paid	(197)	(371)
Integration costs paid	(15)	(58)
Income taxes paid	(697)	(394)
Cash flow from operating activities	**4,036**	**3,732**
Acquisition of businesses	(470)	(914)
Divestment of businesses	591	22
Acquisition of intangible assets and property, plant and equipment	(987)	(1,007)
Disposal of intangible assets and property, plant and equipment	101	110
(Acquisition)/disposal of financial assets	48	(43)
Cash flow from investing activities	**(717)**	**(1,832)**
Proceeds from borrowings	2,496	5,849
Repayment of borrowings	(3,395)	(5,177)
Interest received	105	82
Interest paid	(2,383)	(2,287)
Non-controlling interests	(9)	(14)
Cash flow from financing activities	**(3,186)**	**(1,547)**
Total cash flow	**133**	**353**
Cash and cash equivalents at 1 January	3,364	2,961
Total cash flow	133	353
Foreign exchange adjustments	109	50
Cash and cash equivalents at 31 December	**3,606**	**3,364**

Consolidated statement of financial position

At 31 December

DKK million	2010	2009
Assets		
Intangible assets	35,358	35,452
Property, plant and equipment	2,055	2,004
Investments in associates	9	21
Deferred tax assets	655	514
Other financial assets	290	276
Non-current assets	**38,367**	**38,267**
Inventories	318	303
Trade receivables	10,896	10,130
Contract work in progress	125	195
Tax receivables	386	308
Other receivables	348	551
Prepayments	546	525
Securities	19	97
Cash and cash equivalents	3,606	3,364
Assets held for sale	824	614
Current assets	**17,068**	**16,087**
Total assets	**55,435**	**54,354**

Equity and liabilities

Total equity attributable to owners of ISS A/S	2,626	2,190
Non-controlling interests	25	23
Total equity	**2,651**	**2,213**
Loans and borrowings	29,032	28,649
Pensions and similar obligations	1,053	837
Deferred tax liabilities	2,305	2,356
Provisions	361	379
Non-current liabilities	**32,751**	**32,221**
Loans and borrowings	5,212	5,710
Trade payables	2,830	2,624
Tax payables	411	306
Other liabilities	10,946	10,478
Provisions	379	423
Liabilities related to assets held for sale	255	379
Current liabilities	**20,033**	**19,920**
Total liabilities	**52,784**	**52,141**
Total equity and liabilities	**55,435**	**54,354**

Consolidated statement of changes in equity

1 January – 31 December

DKK million	Attributable to owners of ISS A/S							
2010	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-con-trolling interests**	**Total equity**
Equity at 1 January	**100**	**7,772**	**(4,711)**	**(683)**	**(288)**	**2,190**	**23**	**2,213**
Comprehensive income for the year								
Net profit/(loss) for the year	**-**	**-**	**(552)**	**-**	**-**	**(552)**	**20**	**(532)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	910	-	**910**	**1**	**911**
Fair value adjustment of hedges, net of tax	-	-	-	-	(103)	**(103)**	**-**	**(103)**
Fair value adjustment of hedges, net of tax, transferred to Financial expenses	-	-	-	-	194	**194**	**-**	**194**
Actuarial gains/(losses), net of tax	-	-	(93)	-	-	**(93)**	**-**	**(93)**
Impact from asset ceiling	-	-	(20)	-	-	**(20)**	**-**	**(20)**
Total other comprehensive income	**-**	**-**	**(113)**	**910**	**91**	**888**	**1**	**889**
Total comprehensive income for the year	**-**	**-**	**(665)**	**910**	**91**	**336**	**21**	**357**
Transactions with owners								
Grant from parent company	**-**	**-**	98	**-**	**-**	**98**	**-**	**98**
Impact from acquired and divested companies, net	**-**	**-**	**-**	**-**	**-**	**-**	**(10)**	**(10)**
Dividends paid	-	-	-	-	-	**-**	**(9)**	**(9)**
Share-based payments	-	-	2	-	-	**2**	**-**	**2**
Total transactions with owners	**-**	**-**	**100**	**-**	**-**	**100**	**(19)**	**81**
Total changes in equity	**-**	**-**	**(565)**	**910**	**91**	**436**	**2**	**438**
Equity at 31 December	**100**	**7,772**	**(5,276)**	**227**	**(197)**	**2,626**	**25**	**2,651**

Dividends

No dividends have been proposed or declared.

Consolidated statement of changes in equity

1 January – 31 December

DKK million	Attributable to owners of ISS A/S							
2009	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-controlling interests**	**Total equity**
Equity at 1 January	**100**	**7,772**	**(3,043)**	**(1,047)**	**(284)**	**3,498**	**35**	**3,533**
Comprehensive income for the year								
Net profit/(loss) for the year	**-**	**-**	**(1,647)**	**-**	**-**	**(1,647)**	**18**	**(1,629)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	364	-	**364**	**-**	**364**
Fair value adjustment of hedges, net of tax	-	-	-	-	(245)	**(245)**	**-**	**(245)**
Fair value adjustment of hedges, net of tax, transferred to Financial expenses	-	-	-	-	244	**244**	**-**	**244**
Limitation to interest deduction in Denmark			-	-	(3)	**(3)**		**(3)**
Actuarial gains/(losses), net of tax	-	-	(41)	-	-	**(41)**	**-**	**(41)**
Impact from asset ceiling	-	-	18	-	-	**18**	**-**	**18**
Total other comprehensive income	**-**	**-**	**(23)**	**364**	**(4)**	**337**	**-**	**337**
Total comprehensive income for the year	**-**	**-**	**(1,670)**	**364**	**(4)**	**(1,310)**	**18**	**(1,292)**
Transactions with owners								
Impact from acquired and divested companies, net	**-**	**-**	**-**	**-**	**-**	**-**	(16)	**(16)**
Dividends paid	-	-	-	-	-	**-**	(14)	**(14)**
Share-based payments	-	-	2	-	-	**2**	**-**	**2**
Total transactions with owners	**-**	**-**	**2**	**-**	**-**	**2**	**(30)**	**(28)**
Total changes in equity	**-**	**-**	**(1,668)**	**364**	**(4)**	**(1,308)**	**(12)**	**(1,320)**
Equity at 31 December	**100**	**7,772**	**(4,711)**	**(683)**	**(288)**	**2,190**	**23**	**2,213**

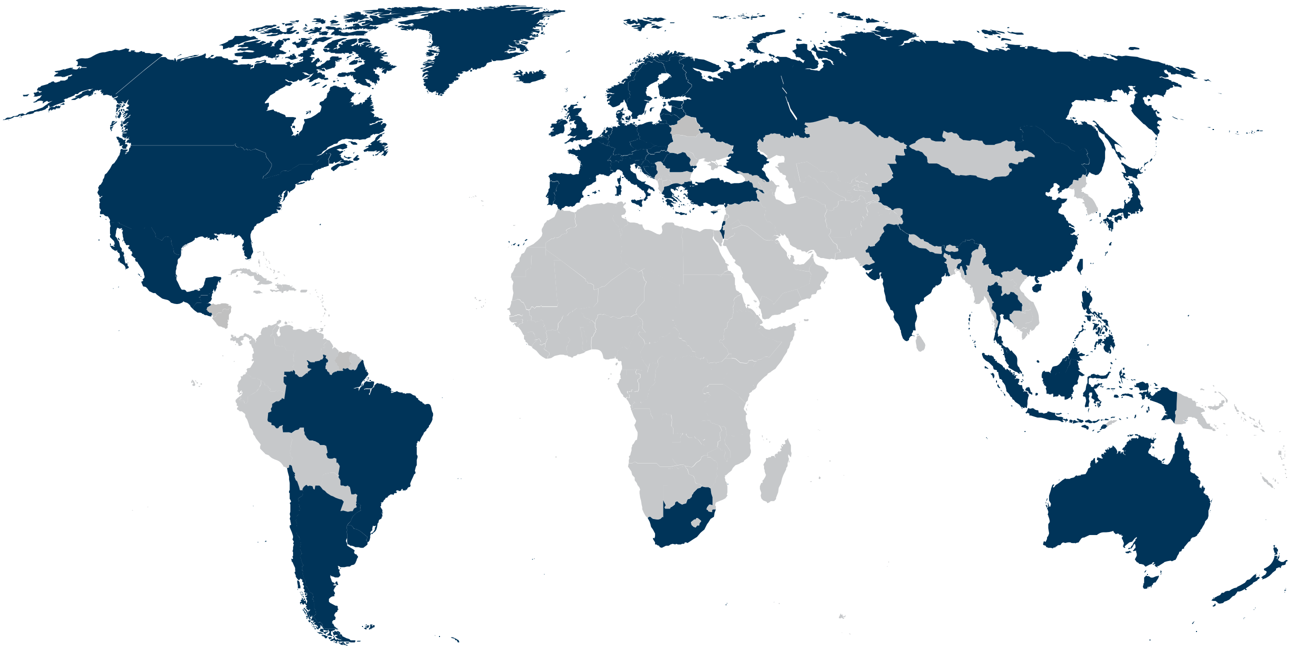
Dividends

No dividends have been proposed or declared.

Definitions

Acquisitions, %	=	Revenue from acquired businesses[1] x 100 / Revenue prior year at current year's exchange rates 1) Revenue from acquired businesses is based on management's expectations at the acquisition date.
Adjusted earnings per share	=	Profit before goodwill impairment/amortisation and impairment of brands and customer contracts / Average number of shares, diluted
Adjusted EBITDA	=	Operating profit before other items + Depreciation and amortisation
Basic earnings per share (EPS)	=	Net profit/(loss) for the year attributable to owners of ISS A/S / Average number of shares
Carrying amount of net debt	=	Non-current loans and borrowings + Current loans and borrowings - Receivables from companies within the ISS Group - Securities - Cash and cash equivalents - Positive fair value of interest rate swaps
Cash conversion, %	=	(Operating profit before other items + Changes in working capital) x 100 / Operating profit before other items
Diluted earnings per share	=	Net profit/(loss) for the year attributable to owners of ISS A/S / Average number of shares, diluted
Divestments, %	=	Revenue from divested businesses [1] x 100 / Revenue prior year at current year's exchange rates 1) Revenue from divested businesses is based on estimates or actual revenue where available at the divestment date.
EBITDA	=	Operating profit + Depreciation and amortisation
Equity ratio, %	=	Total equity attributable to owners of ISS A/S x 100 / Total assets
Interest coverage	=	Operating profit before other items + Depreciations and amortisation / Financial income and financial expenses, net
Operating margin, %	=	Operating profit before other items x 100 / Total revenue
Organic growth [1], %	=	(Comparable revenue[1] current year - comparable revenue[1] prior year) x 100 / Comparable revenue[1] prior year 1) Comparable revenue implies the exclusion of changes in revenue attributable to businesses acquired or divested and the effect of changes in foreign exchange rates. In order to present comparable revenue and thereby organic growth excluding any effect from changes in foreign currency exchange rates, comparable revenue in the prior year is calculated at the subsequent year's foreign currency exchange rates. Acquisitions of businesses are treated as having been integrated into ISS upon acquisition and ISS's calculation of organic growth includes changes in revenue of these acquired businesses compared with revenue expectations at the date of acquisition. Organic growth is not a measure of financial performance under Danish GAAP or IFRS and the organic growth figures have not been audited.
Total revenue growth, %	=	(Revenue current year - revenue prior year) x 100 / Revenue prior year

The ISS representation around the globe



The ISS Group was founded in Copenhagen in 1901 and has since grown to become one of the leading facility services companies in the world. ISS offers a wide range of services within the following business areas: cleaning services, support services, property services, catering services, security services and facility management services. The ISS Group's revenue amounted to DKK 74 billion in 2010 and ISS now has more than 520,000 employees in over 60 countries across Europe, Asia, North America, South America and Pacific, serving more than 200,000 business to business customers every day.

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