To Luxembourg Stock Exchange
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ISS Holding A/S

Interim Report January – September 2010

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Key Figures

Amounts in DKK millions (unless otherwise stated)	Q3 2010	Q3 2009	1 January - 30 September 2010	1 January - 30 September 2009
Revenue	18,584	17,112	54,777	51,134
Operating profit before other items	1,192	1,108	3,069	2,807
Operating margin before other items, % [1)]	6.4	6.5	5.6	5.5
EBITDA [1)]	1,385	1,255	3,385	3,158
Adjusted EBITDA [1)]	1,404	1,331	3,693	3,461
Operating profit [1)]	1,173	1,032	2,761	2,504
Net finance costs	(668)	(637)	(1,791)	(1,714)
Profit before goodwill impairment/amortisation of brands and customer contracts	309	183	553	369
Net profit/(loss) for the period	(29)	(114)	(338)	(963)
Additions to property, plant and equipment, gross	156	185	580	717
Cash flow from operating activities	973	1,005	1,924	1,879
Investments in intangible assets, property, plant and equipment, net	(190)	(174)	(633)	(679)
Total assets	55,253	54,194	55,253	54,194
Goodwill	28,108	27,735	28,108	27,735
Carrying amount of net debt [1)]	31,687	31,350	31,687	31,350
Total equity	2,462	2,718	2,462	2,718
Financial ratios				
Interest coverage [1)]	2.1	2.1	2.1	2.0
Cash conversion, % [1)]	72	88	61	65
Employees on full-time, %	73	70	73	70
Number of employees	524,200	485,300	524,200	485,300
Growth				
Organic growth, % [2)]	3.9	(0.2)	3.3	0.5
Acquisitions, net, %	(1)	2	(1)	3
Currency adjustments, %	6	(3)	5	(3)
Total revenue, %	9	(1)	7	0

[1)] See key figures and definitions in the Annual Report 2009.

[2)] 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 order to align to a single-string calculation methodology for acquisitions. The change has no significant impact on the reported figures. See Revenue growth overview on page 4 for definition of organic growth, %.

Financial Leverage

	As of and for the 12-month period ended			
Amounts in DKK million	31 December 2009	31 March 2010	30 June 2010	30 September 2010
Pro Forma Adj. EBITDA	4,773	4,846	4,920	4,958
Pro Forma Net Debt	31,261	32,023	32,476	32,227
Seasonality Adj. Pro Forma Net Debt	31,261	31,039	31,771	31,388
Pro Forma Net Debt / Pro Forma Adj. EBITDA	6.55x	6.61x	6.60x	6.50x
Seasonality Adj. Pro Forma Net Debt / Pro Forma Adj. EBITDA	6.55x	6.40x	6.46x	6.33x

Note: The Pro Forma adjusted financial information set out above is for informational purposes only. ISS includes these financial measures because it believes that they are useful measures of the Group's results of operations and liquidity; however, these items are not measures of financial performance under IFRS and should not be considered as a substitute for operating profit, net profit, cash flow or other financial measures computed in accordance with IFRS. See appendix on pages 39-41 of this report for further information on Capital Structure.

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

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

Business highlights

ISS has showed improvements on all key operational priorities in the first nine months of 2010. During the last couple of years ISS's business model and the strategic course as set out in "The ISS Way" strategy has been tested and proved its robustness. The sign of success in execution of our strategy continues to be evident through the pick-up in organic growth in 2010 that positions ISS competitively in the industry.

Furthermore, in April 2010, the International Association of Outsourcing Professionals (IAOP) announced that ISS is ranked number 6 on IAOP's list of the world's leading outsourcing providers – The Global Outsourcing 100. ISS thereby steps up one place 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 focus on meeting its customers's needs and thereby delivering a larger share of the customers's facility services needs. The continued successful implementation of The ISS Way strategy is the foundation for robust and profitable growth in the years to come.

ISS has, over the past decade, built global capability in the delivery of a well defined set of facility services which are equally well suited for delivery as a single service and as part of an integrated offering. The ISS Way is focused on leveraging this unique platform by the global implementation of best practices and standard processes. We are promoting a strong and uniform commercial culture and crafting market leading value propositions by customer segment. We are also putting our global footprint to work by meeting increased demand from multinational corporations for the delivery of integrated services across borders.

Implementation of The ISS Way is having a broad and positive impact on our business – allowing us to deliver to our customers both consistent excellence in single services and integrated services across borders. Continued successful implementation of The ISS Way will provide a boost to our key growth drivers – new sales, cross selling and retention.

Implementation of The ISS Way is also focused on securing excellence in leadership through the relentless application of uniform principles and values throughout the entire organisation. Successful implementation will align our corporate culture and contribute to reaching our high ambitions.

The strategic focus on delivering portfolio-based services has led to a continued organic growth in the portfolio business and resulted in the portfolio business's share of total revenue has remained stable between 75% - 80%.

Across ISS's regions, we continue to see strong demand for our integrated facility services (IFS) offering. Multi-service and IFS comprised 35% of the total revenue in the first nine months of 2010 compared with 33% in 2009. Multi-service and integrated facility service revenues allow ISS to exploit synergies in the provision of services and create a stronger relationship with customers.

Operating results

	Revenue			Operating profit before other items			Operating margin before other items [8]	
	DKK millions			DKK millions				
	YTD 2010	YTD 2009	Change	YTD 2010	YTD 2009	Change	YTD 2010	YTD 2009
Nordic [1]	12,684	12,088	5 %	897	875	3 %	7.1 %	7.2 %
Western Europe [2]	29,167	28,806	1 %	1,616	1,462	11 %	5.5 %	5.1 %
Eastern Europe [3]	1,195	1,146	4 %	81	76	7 %	6.8 %	6.6 %
Asia [4]	3,894	3,006	30 %	288	214	35 %	7.4 %	7.1 %
Latin America [5]	2,231	1,509	48 %	134	91	47 %	6.0 %	6.0 %
North America [6]	1,981	1,913	4 %	97	101	(4)%	4.9 %	5.3 %
Pacific [7]	3,666	2,690	36 %	239	179	34 %	6.5 %	6.7 %
Corporate / eliminations	(41)	(24)		(283)	(191)	48 %	(0.5)%	(0.4)%
Total	**54,777**	**51,134**	**7 %**	**3,069**	**2,807**	**9 %**	**5.6 %**	**5.5 %**

[1] Nordic comprises Denmark, Finland, Greenland, Iceland, Norway and Sweden.
[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] Eastern Europe comprises Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia.
[4] Asia comprises Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand.
[5] Latin America comprises Argentina, Brazil, Chile, Mexico and Uruguay.
[6] North America comprises Canada and the USA.
[7] Pacific comprises Australia and New Zealand.
[8] See Definitions in the Annual report 2009.

- Growth continued to accelerate with Q3 revenues of DKK 18.6 billion an increase by 8.6% compared with Q3 2009. Revenue for the first nine months of 2010 amounted to DKK 54.8 billion, an increase of 7% compared with the same period in 2009, mainly driven by double-digit growth rates in the emerging markets[1)], including Latin America and Asia, which delivered growth rates of 48% and 30%, respectively. The emerging markets now comprise 18% of the total revenue.

- The organic growth for the period was 3.3% compared with 0.5% for the first nine months of 2009. Six out of seven regions are now contributing positively to ISS's organic growth, with overall growth supported by solid organic growth of 3.9% in the quarter compared with a negative growth of 0.2% in the same period last year.

- Operating profit before other items for the first nine months increased by more than 9% to DKK 3.1 billion compared to the same period last year and operating margin before other items, i.e. the operating margin, amounted to 5.6%.

- The turnaround initiatives implemented in France continue to progress according to plan. Excluding France, ISS's operating profit before other items improved by 10% in the first nine months compared to the same period last year, the operating margin was 5.9% and the organic growth amounted to 4.3%.

- The pick-up in organic growth experienced in the first nine months of 2010 is considered sustainable and hence the full year organic growth is expected to be in line with the organic growth for the first nine months. ISS expects its operating margin for full year 2010 to be slightly above the level realised in 2009.

The performance of ISS's business year to date demonstrates the resilience of the business resulting from among other things the flexibility of ISS's cost base, the large size of ISS's portfolio business and rigorous financial and operational controls.

ISS's continued focus on cash flow resulted in a strong last twelve months cash conversion of 91%, which underlines that ISS continues to have a strong and stable cash generation.

In Q3, ISS completed the repayment of the outstanding 2010 EMTNs. The final EUR 200 million of the original EUR 850 million were redeemed at maturity on 20 September 2010.

In order to further strengthen the focus on sales growth and leadership development, ISS has in 2010 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 Client organisation continues to successfully leverage 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 HP Americas and the award of 3.5 years extension of the contract in EMEA and APAC, contract wins with Foreign & Commonwealth Office (FCO) in APAC and Sony Ericsson as well as Citi for the EMEA region. The new HP Americas contract includes delivery of cleaning, property services, support services, catering, project management as well as integrated facility management to more than 330 HP sites in 13 countries in Americas. FCO is an IFS contract comprising 28 sites and nearly 700 associated residential properties in 14 APAC countries. The Sony Ericsson contract covers facilities management and substantial self delivery of several facility services to 14 sites in 9 countries in the Americas, EMEA and APAC. The Citi contract includes delivery of full facility management services, project management, cleaning and technical property services to over 800 sites in 26 countries. These contract wins confirm ISS's strategic direction, as an increasing number of

Revenue growth, January - September 2010

	Revenue growth, %				
	Organic [1)]	**Acq./Div., net**	**Total growth excl. currency**	**Currency**	**Total growth**
Nordic	3	(4)	(1)	6	5
Western Europe	1	(2)	(1)	2	1
Eastern Europe	1	0	1	3	4
Asia	14	4	18	12	30
Latin America	28	-	28	20	48
North America	(0)	-	(0)	4	4
Pacific	9	1	10	26	36
Total	**3**	**(1)**	**2**	**5**	**7**

[1)] Calculated as comparable revenue in the current year less comparable revenue in the prior year, divided by comparable revenue in the prior year, multiplied by 100. Comparable revenue implies the exclusion of changes in revenue attributable to businesses acquired or divested and the effect of changes in foreign 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.

[1)] Emerging markets comprise Latin America, Asia, Eastern Europe, Turkey, Israel and South Africa global customers perceive ISS as one of the only companies that can deliver facility services in an integrated and standardised way globally.

Strategic Review Process

In Q3, ISS Holding A/S together with its shareholders decided to initiate a strategic review process which includes considering an initial public offering.

ISS and its shareholders have appointed Goldman Sachs and Morgan Stanley to assist in the review. Rothschild is acting as adviser to ISS and its shareholders.

The process is progressing as planned. ISS does not expect to publicly disclose additional information regarding the status of the process, including the options available, their likelihood or possible timing, until the review has been completed. There can be no assurance that any particular course of action will be pursued nor of what the timing will be.

Financial Review

Income Statement

Revenue for the first nine months of 2010 amounted to DKK 54,777 million representing a revenue growth of 7% compared with the first nine months of 2009. Revenue growth was driven by 3% organic growth and currency exchange rate movements of 5%. This was partly offset by the impact from planned divestments, leading to growth from acquisitions and divestments, net, of -1%. The organic growth was driven by double-digit growth rates in Latin America and Asia. Revenue in Q3 2010 was DKK 18,584 million, an increase of 9% compared with the same period in 2009.

In the first nine months of 2010, revenue in the Nordic region increased by 5% from DKK 12,088 million in the first nine months of 2009 to DKK 12,684 million. Organic growth amounted to 3% and was, with the exception of Greenland, positive throughout the region, with the main contributors Norway, Finland and Sweden. The impact from acquisitions and divestments, net, reduced revenue by 4%, primarily a result of the divestments completed in Sweden and Norway in 2009 and 2010. Currency adjustments increased revenue for the region by approximately 6% mainly stemming from an appreciation of NOK and SEK against DKK.

In the first nine months of 2010, revenue in the Western European region increased by 1% to DKK 29,167 million. Organic growth was positive by 1% and currency adjustments increased revenue for the region by approximately 2%. This was offset by negative growth from acquisitions and divestments of 2%. A number of countries including Turkey, Germany, the United Kingdom, Israel and Spain all delivered positive organic growth rates. This positive effect was partly offset by France and certain other countries in the region, which realised negative organic growth rates.

Revenue in Eastern Europe increased by 4% to DKK 1,195 million in the first nine months of 2010. Organic growth amounted to 1%, stemming primarily from Romania, Slovenia, Russia and Hungary. Certain of the Eastern European economies are yet to recover from the economic recession in the region. Currency adjustments increased the revenue for the region by 3%.

In Asia, revenue increased by 30% to DKK 3,894 million for the first nine months of 2010. The increase was primarily driven by organic growth of 14% and positive impact of 12% from currency adjustments as well as growth from acquisitions and divestments of 4%. All countries in the region except the Philippines contributed to the organic growth. Hong Kong, Indonesia, Thailand, India, China, Malaysia and Japan all delivered double-digit organic growth rates.

Revenue in Latin America increased by 48% from DKK 1,509 million for the first nine months of 2009 to DKK 2,231 million for the same period in 2010. Organic growth amounted to 28% mainly driven by an organic growth of 36% in Brazil while the remaining countries in the region also delivered double-digit organic growth rates. Currency adjustments increased the revenue for the region by approximately 20%.

Revenue in the North American region increased by 4% to DKK 1,981 million for the first nine months of 2010. Organic growth amounted to 0% while currency adjustments increased revenue for the region by 4%.

Revenue in the Pacific region increased by 36% to DKK 3,666 million for the first nine months of 2010. Organic growth increased revenue by 9% mainly stemming from organic growth in Australia while growth from acquisitions increased revenue by 1%. Currency adjustments increased revenue for the region by approximately 26%.

Operating profit before other items for the first nine months of 2010 amounted to DKK 3,069 million representing an increase of 9% compared with the same period of 2009. Operating profit before other items as a percentage of revenue, i.e. operating margin, was 5.6% for the first nine months of 2010, up by 0.1 percentage points compared with the same period in 2009. Western Europe, Eastern Europe and Asia increased their margin compared with 2009, which to a large extent is a result of increasing organic revenue growth combined with the actions that were taken in 2009 in many countries, including implementing turnaround plans, adapting the cost structures and the Group-wide cost reduction initiative targeting fixed costs.

The operating profit before other items in the Nordic region amounted to DKK 897 million for the first nine months of 2010 compared with DKK 875 million in the same period of 2009. The operating margin in the region was 7.1% for the first nine months of 2010 or 0.1 percentage points lower compared with the same period of 2009. The lower operating margin was mainly driven by Norway and Finland and mainly related to increased use of subcontractors.

The operating profit before other items in Western Europe increased 11% to DKK 1,616 million for the first nine months of 2010. The operating margin of 5.5% was 0.4 percentage points higher compared with the same period of 2009. The increase was a result of 11 out of the 15 countries in the region increasing their operating margin compared with the same period of 2009, despite the challenges experienced in certain countries in the region. The margin improvements are to a large extent a result of the actions taken in 2009 to increase efficiencies and improve profitability. In France the margin was 0.2 percentage points higher for the first nine months of 2010 compared with the same period of 2009. The increase is a result of a positive effect from the turnaround plan, which was introduced in 2009 and progressing as planned in 2010. However, France is still suffering from its exposure to the industrial and manufacturing segments. Furthermore, certain other countries in Western Europe, especially in the Mediterranean area, continue to experience difficult market conditions as a result of the economic slowdown and macro economic trends.

The operating profit before other items in Eastern Europe amounted to DKK 81 million for the first nine months of 2010 compared with DKK 76 million for the same period of 2009. The operating margin for the first nine months of 2010 was 6.8% compared with 6.6% for the same period of 2009. All countries in the region increased their operating margin, apart from the Czech Republic and Romania. The margin increase of the region was mainly driven by Slovenia, Slovakia and Hungary.

The operating profit before other items in Asia increased by 35% to DKK 288 million for the first nine months of 2010 compared with DKK 214 million in the same period of 2009. The operating margin increased to 7.4% compared with 7.1% for the same period of 2009. The margin increase was mainly driven by a solid performance in the region resulting in 8 out of 11 countries increasing their operating margin compared with the same period of 2009.

The operating profit before other items in Latin America increased by 47% to DKK 134 million for the first nine months of 2010. The operating margin of 6.0% for the first nine months of 2010 was in line with 2009. Brazil, Mexico and Uruguay increased their margin compared with 2009 which was offset by margin decreases in Chile and Argentina. In Chile, the margin was impacted by the effects of the earthquake earlier in 2010.

The operating profit before other items in North America amounted to DKK 97 million for the first nine months of 2010 compared with DKK 101 million for the same period of 2009. The operating margin for the first nine months of 2010 was 4.9% compared with 5.3% for the first nine months of 2009. The decrease in margin compared with 2009 was primarily a result of start-up costs on large contracts won in 2010 and a flat organic revenue growth.

In the Pacific region the operating profit before other items increased by 34% to DKK 239 million for the first nine months of 2010. The operating margin in the region amounted to 6.5% for the first nine months of 2010, compared with 6.7% for the same period of 2009. The decrease primarily related to New Zealand, as a result of wage increases that were not able to be fully passed down to customers.

Other income and expenses, net represented a net expense of DKK 300 million for the first nine months of 2010 compared with a net expense of DKK 278 million for the same period last year. In 2010, DKK 173 million related to divestment of businesses, mainly related to ISS's waste management activities and security activities in France and DKK 113 million related to a prior year adjustment in ISS Norway. In 2009, other income and expenses, net, mainly related to restructuring projects in France, Germany, Spain, Belgium, Denmark, Finland and the United Kingdom.

Net finance costs increased by 4% from DKK 1,714 million for the first nine months of 2009 to DKK 1,791 million for the first nine months of 2010. The increase of DKK 77 million was primarily a result of an accounting loss of DKK 32 million recognised in connection with the completed tender offer for EUR 150 million of the outstanding 2010 EMTNs plus higher net interest expenses as well as a lower net gain on foreign exchange rates, partly offset by lower amortised financing fees compared with the same period of 2009. The higher interest expense was partly due to simultaneous interest costs related to the launch of securitisation in a few countries prior to redemption of the 2010 EMTNs.

Income taxes amounted to DKK 425 million in the first nine months of 2010 compared with DKK 425 million in the first nine months of 2009. The effective tax rate was 43.5% in the first nine months of 2010, compared with 53.5% in the same period of 2009, calculated as the consolidated tax expense of DKK 425 million divided by the Profit before tax and goodwill impairment amortisation of brands and customer contracts of DKK 978 million. The tax expense in the first nine months of 2010 was adversely impacted by the rules on limitation on the deductibility of financial expenses in Denmark of approximately DKK 544 million in the first nine months of 2010. The effective tax rate amounts to 29.3% when adjusted for the impact of the limitation on deductibility of financial expenses. The net effect on the interest limitation in the first nine months of 2010 amounted to DKK 135 million which has been partly offset by Danish credit possibilities for paid withholding taxes that are non-proportional to the profit before tax.

Goodwill impairment and write-down The intangibles of the Group relate, among others, to the intangibles allocated in the purchase price allocation following the take-over of ISS on 9 May 2005. At the date of the take-over, the value in use of all individual cash generating units (CGUs) was close to the carrying amount. Consequently, a decline in value in use of an individual CGU subsequent to the purchase price allocation will trigger impairment. Goodwill impairment and write-down amounted to DKK 403 million mainly related to impairment losses in ISS's businesses in Greece and Ireland of DKK 329 million and DKK 70 million, respectively. The loss in Greece is mainly a result of an increase in the discount rate applied following an increase in the interest rate in the country but the challenging market conditions have also increased the loss. In Ireland the loss is mainly a result of an increase in the discount rate. In addition to the impairment loss on goodwill in ISS Greece of DKK 329 million, impairment losses on brands and customer contracts of DKK 8 million and DKK 33 million, respectively, have been recognised in the line Amortisation of brands and customer contracts.

In the first nine months of 2009, goodwill impairment and write-down amounted to DKK 797 million of which DKK 450 million related to goodwill impairment in ISS's business in France and DKK 100 million related to ISS's business in Germany resulting from weakening market conditions within certain business activities in which ISS operates, especially the industrial segments, combined with an increase in the discount rate applied. The write-down amounted to DKK 247 million of which DKK 136 million related to the sale of ISS's non-strategic landscaping business in Sweden. The remaining write-down of DKK 111 million related to the call centre activities in the Netherlands and the pest control activities in the United Kingdom which were classified as held for sale on 30 September 2009 and subsequently sold.

Net loss for the period decreased from a loss of DKK 963 million for the first nine months of 2009 to a loss of DKK 338 million for the first nine months of 2010, positively impacted by improved operational performance in 2010, combined with lower non-cash charges related to goodwill impairment and write-down compared with 2009. A loss of DKK 352 million was attributable to the owners of ISS, whereas a profit of DKK 14 million was attributable to the non-controlling interests.

Cash Flow Statement

Cash flow from operating activities was a net inflow of DKK 1,924 million for the first nine months of 2010 compared with a net inflow of DKK 1,879 million in the same period of 2009. Cash flow from operating activities for the first nine months of the year was impacted by normal seasonality leading to a working capital cash outflow. The increase in cash inflow from operating activities compared with last year was primarily due to higher operating profit before other items of DKK 262 million as well as a decrease in cash outflow regarding payments related to other income and expenses, net of DKK 123 million partly offset by changes in working capital of DKK 219 million and higher tax payments of DKK 121 million.

Payments related to other income and expenses, net of DKK 153 million mainly related to restructuring projects initiated and expensed in 2009.

Cash outflow from changes in provisions decreased from DKK 51 million for the first nine months of 2009 to DKK 43 million for the first nine months of 2010. The amount comprises the effect of net changes in provisions charged to the income statement during 2009 and payments made in relation to such provisions.

The cash flows from operations for the individual periods depend on the timing of a number of payments towards the end of the individual months and quarters. For further information on seasonality, see note 3 to the Condensed Consolidated Interim Financial Statements.

Cash flow from investing activities for the first nine months of 2010 was a net cash outflow of DKK 676 million, of which DKK 633 million was related to investments in intangible assets and property, plant and equipment, net (excluding acquisition related intangibles) and DKK 394 million related to the acquisition of 49% ownership of SDB Cisco Ltd. in India as well as payments of earn-outs and deferred payments on acquisitions completed in previous years. The cash outflow was partly offset by DKK 333 million related to divestments, most significantly in Norway and France and a cash inflow from investments in financial assets, net of DKK 18 million primarily related to sale of government bonds in ISS's captive company.

For the first nine months of 2009 net cash flow from investing activities represented an outflow of DKK 1,560 million, of which DKK 853 million were related to acquisitions completed during 2009, most significantly in India, the USA, Indonesia, Italy and Turkey, and payment of earn-outs and deferred payments on acquisitions completed in previous years. Investments in intangible assets and property, plant and equipment, net (excluding acquisition related intangibles), amounted to DKK 679 million.

Cash flow from financing activities in the first nine months of 2010 was a net cash outflow of DKK 1,908 million. This was mainly a result of repayment of borrowings of DKK 3,173 million and interest payments of DKK 1,452 million, partly offset by proceeds from borrowings of DKK 2,725 million. Repayment of borrowings was mainly a result of DKK 1,157 million related to completion of the tender offer on 22 January 2010 for EUR 150 million of the 2010 EMTNs plus accrued interest, DKK 1,490 million related to repayment of EUR 200 million of the 2010 EMTNs plus accrued interests at maturity in September 2010 and repayment of DKK 526 million on the Acquisition and Term Loan facilities. Proceeds from borrowings mainly related to the issuance of EUR 127.5 million in debt through a tap issue in the existing High Yield Notes due

2016 and additional debt raised under the securitisation programme of DKK 1,604 million since year-end 2009.

Cash flow from financing activities in the first nine months of 2009 was a net cash outflow of DKK 1,250 million. This was mainly a result of interest payments of DKK 1,512 million and amortisation of loans of DKK 4,688 million primarily due to settlement of EUR 500 million of the 2010 EMTNs in July 2009. This was partly offset by drawings on credit facilities of DKK 4,963 million primarily stemming from the issuance of new Senior Notes due 2014 in July 2009 and the launch of a securitisation programme in Spain in September 2009.

Balance Sheet

Total assets amounted to DKK 55,253 million at 30 September 2010, of which DKK 38,956 million were non-current assets, primarily intangible assets, and DKK 16,297 million were current assets, primarily trade receivables of DKK 11,393 million.

Intangible assets amounted to DKK 35,805 million at 30 September 2010. The vast majority of intangible assets were acquisition-related intangibles and comprised DKK 28,108 million of goodwill, DKK 5,732 million of customer contract portfolios and related customer relationships and DKK 1,601 million of brands.

Total equity amounted to DKK 2,462 million at 30 September 2010, DKK 249 million higher than at 31 December 2009. Total comprehensive income increased equity by DKK 257 million. This included positive currency adjustments relating to investments in foreign subsidiaries of DKK 663 million and fair value adjustment of hedges net of taxes of DKK 31 million, partly offset by a net loss for the period of DKK 338 million and actuarial losses net of tax of DKK 101 million.

Carrying amount of net debt amounted to DKK 31,687 million at 30 September 2010, an increase of DKK 1,057 million from DKK 30,630 million at 31 December 2009. Currency adjustments increased net debt by approximately DKK 563 million. In addition, the carrying amount of net debt is typically higher after the first nine months than at the end of the previous financial year as a result of seasonality in operating cash flow.

At 30 September 2010, Long-term debt amounted to DKK 29,150 million, Short-term debt amounted to DKK 5,477 million while Securities, Cash and cash equivalents and receivable from affiliates amounted to DKK 2,940 million.

For further information on the composition of the net debt at 30 September 2010 see the Capital Structure on pages 39 - 41 of this report.

Acquisitions and Divestments

Following several years with a high number of acquisitions in order to build the business platform globally, ISS has now significantly reduced the pace of acquisitions in order to fully focus on delivering profitable organic growth. In the first nine months of 2010, one acquisition was completed. On 9 August 2010, ISS acquired a 49% ownership share of SDB Cisco Ltd. in India and thereby added security services to the service offering in India. SDB Cisco generates annual revenue of approximately DKK 400 million and employs approximately 27,000 employees.

From 2004-2009, ISS completed over 450 acquisitions ranging from small bolt-on acquisitions to platform-developing acquisitions and entries into new geographies. As part of The ISS Way strategy process, the strategic rationale behind selected acquisitions was reviewed in 2009, 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 in the first nine months of 2010 a total of 6 divestments were completed. The divestments 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 and contact centres in Denmark.

The divestments completed in 2010, of which the majority of the businesses were classified as held for sale at 31 December 2009, resulted in non-cash charges recognised in the income statement of DKK 181 million net of tax, of which DKK 173 million was recognised in other income and expenses, net.

Financing

ISS has committed long-term financing in place, following a repayment of the remaining EUR 200 million of the 2010 EMTNs which matured in September 2010.

The final repayment was completed through proceeds from a receivables-backed securitisation programme. The programme was launched in five countries in the second half of 2009 and additional five countries have been included in 2010.

At December 2009, EUR 350 million of the original EUR 850 million 2010 EMTNs were outstanding. EUR 150 million were tendered in January 2010 and the remaining EUR 200 million were repaid at maturity in September 2010.

In March 2010, ISS successfully raised EUR 127.5 million through a tap bond issue under its existing High Yield Notes documentation due 2016.

For further information, see the Capital Structure on pages 39 - 41 of this report.

Financial Leverage

Pro forma Adjusted EBITDA for the 12-month period ended 30 September 2010 amounted to DKK 4,958 million. Pro Forma Net Debt amounted to DKK 32,227 million at 30 September 2010.

The calculation of these figures is prepared according to the principles described in the Capital Structure on pages 39 - 41 of this report.

Interest Rate Risk

The interest rate risk primarily relates to ISS's interest-bearing debt, consisting of bank loans (Senior Secured Facilities), fixed-rate bonds and securitisation debt. The bank loans and securitisation debt generally carry floating interest rates, which are established from a base rate (EURIBOR or applicable LIBOR) plus a margin.

To reduce some of the floating rate exposure, a part of ISS's interest payments on the bank loans have been swapped to fixed rates with maturities between March 2011 and June 2012. Including the interest rate hedges, 69% of ISS's net debt carried fixed interest rates while 31% carried floating interest rates at 30 September 2010, and the interest rate duration of the total debt was 1.8 years.

Management Changes

On 1 April 2010, the former Group COO Jeff Gravenhorst took over the responsibility as new Group CEO replacing Jørgen Lindegaard. The Executive Group Management team consists of Group CEO Jeff Gravenhorst and Group CFO Jakob Stausholm.

On 6 April 2010, Jørgen Lindegaard was elected as new member of the Board of Directors of ISS.

On 9 July 2010, Michel Combes was elected as new member of the Board of Directors of ISS replacing Christoph Sander and on 25 August 2010, Marcus Brennecke and Casper von Koskull stepped down as members of the Board of Directors of ISS.

Outlook

The expectations should be read in conjunction with "Forward-looking statements" as shown in the table below.

ISS will maintain its focus on key operational objectives (i) cash flow; (ii) operating margin; and (iii) profitable organic growth.

The pick-up in organic growth experienced in the first nine months of 2010 is considered sustainable and hence the full year organic growth is expected to be in line with the organic growth for the first nine months. ISS has in the first nine months of 2010 delivered a solid operating margin. Combined with the generally flexible cost base, the extensive restructuring initiatives and the Group-wide fixed cost-reduction initiative carried out in 2009, ISS expects its operating margin for full year 2010 to be slightly above the level realised in 2009.

ISS will continue to prioritise cash flow and expects the full year cash conversion will remain strong and competitive. We will focus on managing the absolute level of debt supported by significantly less acquisition spending and continued high cash conversion. ISS expects to make only a small number of acquisitions in the short term, primarily in the growth regions of Asia and Latin America.

Subsequent Events

Apart from the events described in this interim report, the Group is not aware of events subsequent to 30 September 2010 that are expected to have a material impact on the Group's financial position.

Forward-looking statements

This report may contain forward-looking statements. 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 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 Holding A/S is available from the Group's website, www.issworld.com.

Telephone conference

A telephone conference will be held on Thursday, 11 November 2010 at 15:00 CET (14:00 UK time).

The telephone numbers for the conference are:

+45 70 26 50 40 (Denmark)
+44 208 817 9301 (UK)
+1 718 354 1226 (US)

Management Statement

COPENHAGEN, 11 November 2010

The Board of Directors and the Executive Group Management have today discussed and approved the interim report of ISS Holding A/S for the period 1 January – 30 September 2010.

The interim report has not been reviewed or audited and has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2010 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 September 2010.

Furthermore, in our opinion the Management's review gives a fair review of the development and performance of the Group's activities and of the Group's financial position taken as a whole, together with a description of the most significant risks and uncertainties that the Group may face.

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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Condensed Consolidated Interim Financial Statements for ISS Holding A/S

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

These condensed consolidated interim financial statements are not reviewed and are unaudited

1 January – 30 September. Amounts in DKK million

Note		Q3 2010	Q3 2009	YTD 2010	YTD 2009
4	**Revenue**	**18,584**	**17,112**	**54,777**	**51,134**
	Staff costs	(11,660)	(10,901)	(35,400)	(33,278)
	Cost of sales	(1,544)	(1,452)	(4,607)	(4,406)
	Other operating expenses	(3,976)	(3,428)	(11,077)	(9,989)
	Depreciation and amortisation [1]	(212)	(223)	(624)	(654)
4	**Operating profit before other items [2]**	**1,192**	**1,108**	**3,069**	**2,807**
5	Other income and expenses, net	(13)	(68)	(300)	(278)
	Acquisition and integration costs	(6)	(8)	(8)	(25)
4	**Operating profit [1]**	**1,173**	**1,032**	**2,761**	**2,504**
	Share of result from associates	5	2	8	4
	Net finance costs	(668)	(637)	(1,791)	(1,714)
	Profit before tax and goodwill impairment/ amortisation of brands and customer contracts	**510**	**397**	**978**	**794**
	Income taxes [3]	(201)	(214)	(425)	(425)
	Profit before goodwill impairment/ amortisation of brands and customer contracts	**309**	**183**	**553**	**369**
6	Goodwill impairment and write-down	(159)	(113)	(403)	(797)
	Amortisation of brands and customer contracts [4]	(240)	(246)	(667)	(730)
	Income tax effect [5]	61	62	179	195
	Net profit/(loss) for the period	**(29)**	**(114)**	**(338)**	**(963)**
	Attributable to:				
	Owners of ISS Holding	(32)	(118)	(352)	(977)
	Non-controlling interests	3	4	14	14
	Net profit/(loss) for the period	**(29)**	**(114)**	**(338)**	**(963)**

[1] Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

[2] Other items comprise Other income and expenses, net, Acquisition and integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

[3] Excluding tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

[4] Includes customer contract portfolios and related customer relationships.

[5] Income tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

These condensed consolidated interim financial statements are not reviewed and are unaudited

1 January – 30 September. Amounts in DKK million

	Q3 2010	Q3 2009	YTD 2010	YTD 2009
Net profit/(loss) for the period	**(29)**	**(114)**	**(338)**	**(963)**
Other comprehensive income				
Foreign exchange adj. of subsidiaries and non-controlling interests	(321)	(98)	663	262
Fair value adjustment of hedges, net	20	(31)	(169)	(316)
Fair value adjustment of hedges, net, transferred to Net finance costs	52	97	211	214
Actuarial gains/(losses)	(50)	-	(138)	-
Share-based payments	1	-	2	2
Tax regarding other comprehensive income	9	-	26	(1)
Other comprehensive income	**(289)**	**(32)**	**595**	**161**
Total comprehensive income for the period	**(318)**	**(146)**	**257**	**(802)**
Attributable to:				
Owners of ISS Holding	(320)	(149)	243	(815)
Non-controlling interests	2	3	14	13
	(318)	**(146)**	**257**	**(802)**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

These condensed consolidated interim financial statements are not reviewed and are unaudited

1 January – 30 September. Amounts in DKK million

Note		Q3 2010	Q3 2009	YTD 2010	YTD 2009
4	Operating profit before other items	1,192	1,108	3,069	2,807
	Depreciation and amortisation	212	223	624	654
	Changes in working capital	(339)	(133)	(1,195)	(976)
	Changes in other provisions, pensions and similar obligations	(12)	(23)	(43)	(51)
	Payments related to other income and expenses, net	(15)	(87)	(153)	(276)
	Payments related to integration costs	(3)	(12)	(11)	(33)
	Income taxes paid, net	(62)	(71)	(367)	(246)
	Cash flow from operating activities	**973**	**1,005**	**1,924**	**1,879**
7	Acquisition of businesses	(210)	(86)	(394)	(853)
7	Divestment of businesses	91	23	333	23
	Investments in intangible assets and property, plant and equipment, net	(190)	(174)	(633)	(679)
	Investments in financial assets, net	(48)	(21)	18	(51)
	Cash flow from investing activities	**(357)**	**(258)**	**(676)**	**(1,560)**
	Proceeds from borrowings	183	4,295	2,725	4,963
	Repayment of borrowings	(1,490)	(4,183)	(3,173)	(4,688)
	Interest paid, net	(402)	(638)	(1,452)	(1,512)
	Non-controlling interests	(2)	(2)	(8)	(13)
	Cash flow from financing activities	**(1,711)**	**(528)**	**(1,908)**	**(1,250)**
	Total cash flow	**(1,095)**	**219**	**(660)**	**(931)**
	Cash and cash equivalents at beginning of the period	3,916	1,844	3,364	2,961
	Total cash flow	(1,095)	219	(660)	(931)
	Foreign exchange adjustments	(36)	7	81	40
	Cash and cash equivalents at 30 September	**2,785**	**2,070**	**2,785**	**2,070**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

These condensed consolidated interim financial statements are not reviewed and are unaudited

1 January – 30 September. Amounts in DKK million

Note		30 September 2010	30 September 2009	31 December 2009
	Assets			
8	Intangible assets	35,805	36,142	35,452
	Property, plant and equipment	2,065	2,359	2,004
	Investments in associates	28	27	21
	Deferred tax assets	682	468	514
	Other financial assets	376	292	281
	Total non-current assets	**38,956**	**39,288**	**38,272**
	Inventories	319	294	303
	Trade receivables	11,393	10,621	10,130
	Contract work in progress	275	265	195
	Tax receivables	293	329	308
	Other receivables	1,035	1,091	1,071
	Securities	15	104	97
	Cash and cash equivalents	2,785	2,070	3,364
9	Assets held for sale	182	132	614
	Total current assets	**16,297**	**14,906**	**16,082**
	Total assets	**55,253**	**54,194**	**54,354**
	Equity and liabilities			
	Total equity attributable to owners of ISS Holding	2,433	2,683	2,190
	Non-controlling interests	29	35	23
	Total equity	**2,462**	**2,718**	**2,213**
10	Long-term debt	29,150	31,987	28,486
	Pensions and similar obligations	1,041	866	837
	Deferred tax liabilities	2,257	2,447	2,356
	Other provisions	340	385	379
	Total long-term liabilities	**32,788**	**35,685**	**32,058**
10	Short-term debt	5,477	1,698	5,617
	Trade payables	2,397	2,292	2,624
	Tax payables	447	281	306
	Other liabilities	11,206	11,048	10,734
	Other provisions	422	410	423
9	Liabilities related to assets held for sale	54	62	379
	Total current liabilities	**20,003**	**15,791**	**20,083**
	Total liabilities	**52,791**	**51,476**	**52,141**
	Total equity and liabilities	**55,253**	**54,194**	**54,354**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

These condensed consolidated interim financial statements are not reviewed and are unaudited

1 January – 30 September. Amounts in DKK million

	Attributable to owners of ISS Holding						
2010	**Share capital**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-controlling interests**	**Total equity**
Equity at 1 January 2010	**100**	**3,061**	**(683)**	**(288)**	**2,190**	**23**	**2,213**
Total comprehensive income for the period							
Net profit/(loss) for the period	**-**	**(352)**	**-**	**-**	**(352)**	**14**	**(338)**
Other comprehensive income							
Foreign exchange adj. of subsidiaries and non-controlling interests	-	-	663	-	**663**	**0**	**663**
Fair value adjustment of hedges, net of tax	-	-	-	(127)	**(127)**	**-**	**(127)**
Fair value adjustment of hedges, net of tax, transferred to Net finance costs	-	-	-	158	**158**	**-**	**158**
Actuarial gains/(losses), net of tax	-	(101)	-	-	**(101)**	**-**	**(101)**
Share-based payments, net of tax	-	2	-	-	**2**	**-**	**2**
Total other comprehensive income	**-**	**(99)**	**663**	**31**	**595**	**0**	**595**
Total comprehensive income for the period	**-**	**(451)**	**663**	**31**	**243**	**14**	**257**
Transactions with owners							
Dividends paid	-	-	-	-	**-**	**(8)**	**(8)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**(8)**	**(8)**
Total changes in equity	**-**	**(451)**	**663**	**31**	**243**	**6**	**249**
Equity at 30 September 2010	**100**	**2,610**	**(20)**	**(257)**	**2,433**	**29**	**2,462**

continues

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

These condensed consolidated interim financial statements are not reviewed and are unaudited

1 January – 30 September. Amounts in DKK million

	Attributable to owners of ISS Holding						
2009	**Share capital**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-controlling interests**	**Total equity**
Equity at 1 January 2009	**100**	**4,729**	**(1,047)**	**(284)**	**3,498**	**35**	**3,533**
Total comprehensive income for the period							
Net profit/(loss) for the period	**-**	**(977)**	**-**	**-**	**(977)**	**14**	**(963)**
Other comprehensive income							
Foreign exchange adj. of subsidiaries and non-controlling interests	-	-	263	-	**263**	**(1)**	**262**
Fair value adjustment of hedges, net of tax	-	-	-	(237)	**(237)**	**-**	**(237)**
Fair value adjustment of hedges, net of tax, transferred to Net finance costs	-	-	-	160	**160**	**-**	**160**
Limitation to interest deduction	-	-	-	(25)	**(25)**	**-**	**(25)**
Share-based payments, net of tax	-	1	-	-	**1**	**-**	**1**
Total other comprehensive income	**-**	**1**	**263**	**(102)**	**162**	**(1)**	**161**
Total comprehensive income for the period	**-**	**(976)**	**263**	**(102)**	**(815)**	**13**	**(802)**
Transactions with owners							
Dividends paid	-	-	-	-	**-**	**(13)**	**(13)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**(13)**	**(13)**
Total changes in equity	**-**	**(976)**	**263**	**(102)**	**(815)**	**-**	**(815)**
Equity at 30 September 2009	**100**	**3,753**	**(784)**	**(386)**	**2,683**	**35**	**2,718**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are not reviewed and are unaudited

1 January – 30 September. Amounts in DKK million

1. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements of ISS Holding A/S for the period 1 January - 30 September 2010 comprise ISS Holding A/S and its subsidiaries (together referred to as "the Group"), jointly controlled entities and associates.

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2009.

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements 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.

CHANGES IN ACCOUNTING POLICIES

With effect from 1 January 2010, the Group has implemented IFRS 3 (revised 2008) "Business Combinations", IAS 27 (amended 2008) "Consolidated and Separate Financial Statements", amendments to IAS 39 "Financial Instruments: Recognition and Measurement: Eligible Hedged Items", parts of "Improvements to IFRSs May 2008", amendments to IFRIC 9 and IAS 39 "Reassessment of Embedded Derivatives", amendments to IFRS 2 "Group Cash-settled Share-based Payment Transactions", amendments to IFRS 1 "Additional Exemptions for First-Time Adopters" and parts of "Improvements to IFRSs April 2009".

Except for IFRS 3 and IAS 27 the adoption of these Standards and Interpretations did not affect recognition and measurement in the condensed consolidated interim financial statements.

The adoption of IFRS 3 (revised 2008) and IAS 27 (amended 2008) has changed the Group's accounting policy in the following areas:

* Transaction costs that the Group incurs in connection with business combinations, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred. Previously such costs were considered part of the consideration paid and included in the cost price.

* Contingent consideration (earn-outs) are recognised at fair value at the acquisition date, and subsequent adjustments are recognised in the income statement as incurred. Previously such adjustments were recognised against the original price.

* When less than 100% of a subsidiary is acquired, the Group elects on a transaction-by-transaction basis to either recognise goodwill relating only to its present ownership interest in the acquiree or to recognise 100% goodwill. Previously, only goodwill relating to the present ownership interest was recognised.

* In business combinations achieved in stages, the Group remeasures its previously held equity interest at its acquisition-date fair value and recognises the related gain or loss in the income statement. Previously, in step acquisitions goodwill was measured separately for each transaction.

* Acquisition/disposal of non-controlling interests, when control is maintained, is accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised for such transactions as the excess of the cost of the additional investment over the carrying amount of the non-controlling interest.

The change in accounting policy relating to IFRS 3 and IAS 27 was applied prospectively for business combinations occuring in the financial year starting 1 January 2010. During the interim period 1 January 2010 - 30 September 2010 the change impacted Acquisition and Integration costs in the income statement negatively by DKK 4 million.

Business combinations occuring before 1 January 2010 are accounted for in accordance with the previous IFRS 3 whereby subsequent adjustments to contingent consideration and transaction costs continue to be recognised in goodwill.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2009. However, as the carrying amount of assets held for sale at 30 September 2010 was reduced significantly compared to 31 December 2009, the estimation uncertainty related hereto was also reduced. The reduction in the carrying amount was due to the fact that all businesses held for sale at 31 December 2009 have been divested during the first nine months of 2010. At 30 September 2010, Industrial services in Belgium was the only business classified as held for sale.

3. SEASONALITY

The operating margin before other items is typically lower in the first quarter of the year and higher in the third quarter of the year, compared to other quarters. Cash flow from operations tends to be lower in the first quarter of the year due to a number of cash payments relating to, among other things, pension contributions, insurance premium payments, holiday payments and the payment of bonuses earned in the prior year. Cash flow from operations becomes increasingly positive throughout the year and is usually highest in the fourth quarter of the year, when revenue recognised in the third quarter of the year is collected.

4. SEGMENT REPORTING

Reportable segments

ISS is a global facility services company, that operates in more than 50 countries and delivers a wide range of services within the areas Cleaning, Support Services, Property Services, Catering, Security and Facility Management.

Operations are managed based on a geographical structure in which countries are grouped into 7 regions. The regions have been identified based on a key principle of grouping countries that share market conditions and cultures.

The segment reporting is prepared in a manner consistent with the Group's internal management and reporting structure. Segment revenue, costs, assets and liabilities comprise items that can be directly referred to the individual segments.

DKK million	Nordic	Western Europe	Eastern Europe	Asia	Latin America	North America	Pacific	Total reportable segments
1 January - 30 September 2010								
Income statement								
Revenue [1]	**12,684**	**29,167**	**1,195**	**3,894**	**2,231**	**1,981**	**3,666**	**54,818**
Depreciation and amortisation [2]	(189)	(281)	(16)	(53)	(22)	(11)	(32)	(604)
Operating profit before other items [3]	**897**	**1,616**	**82**	**287**	**134**	**97**	**239**	**3,352**
Other income and expenses, net	(114)	(168)	0	0	-	-	-	(282)
Acquisition and integration costs	0	(4)	-	(4)	-	-	-	(8)
Operating profit [2]	**783**	**1,444**	**82**	**283**	**134**	**97**	**239**	**3,062**
Goodwill impairment and write-down	(4)	(399)	-	-	-	-	-	(403)
Amortisation of brands and customer contracts	(148)	(385)	(17)	(41)	(8)	(32)	(36)	(667)
Statement of financial position								
Total assets	**13,880**	**31,306**	**1,346**	**3,842**	**1,679**	**1,657**	**3,183**	**56,893**
Additions excluding acquisitions/divestments	153	318	15	61	44	11	55	657
Additions from acquisitions/divestments [4]	(86)	2	34	174	-	(1)	(2)	121
Additions to non-current assets [5]	**67**	**320**	**49**	**235**	**44**	**10**	**53**	**778**
Total liabilities	**9,116**	**20,959**	**719**	**1,852**	**1,373**	**1,199**	**2,424**	**37,642**

[1] Segment revenue comprises total revenue of each segment. Due to the nature of the business internal revenue is insignificant and is therefore not disclosed.

[2] Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

[3] Other items comprise Other income and expenses, net, Acquisition and integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

[4] Additions from acquisitions/divestments does not include Intangible assets and Property, plant and equipment from divestments that have been classified as held for sale.

[5] Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

continues

4. SEGMENT REPORTING (CONTINUED)

DKK million	Nordic	Western Europe	Eastern Europe	Asia	Latin America	North America	Pacific	Total reportable segments
1 January - 30 September 2009								
Income statement								
Revenue [1]	**12,088**	**28,806**	**1,146**	**3,006**	**1,509**	**1,913**	**2,690**	**51,158**
Depreciation and amortisation [2]	(177)	(338)	(17)	(43)	(17)	(12)	(26)	(630)
Operating profit before other items [3]	**875**	**1,462**	**76**	**214**	**91**	**101**	**179**	**2,998**
Other income and expenses, net	(34)	(232)	(1)	(1)	-	-	0	(268)
Acquisition and integration costs	(3)	(12)	(1)	(5)	(1)	(2)	(1)	(25)
Operating profit [2]	**838**	**1,218**	**74**	**208**	**90**	**99**	**178**	**2,705**
Goodwill impairment and write-down	(136)	(661)	-	0	-	-	-	(797)
Amortisation of brands and customer contracts	(175)	(413)	(21)	(40)	(13)	(35)	(33)	(730)
Statement of financial position								
Total assets	**13,541**	**31,440**	**1,357**	**2,942**	**1,225**	**1,528**	**2,643**	**54,676**
Additions excluding acquisitions/divestments	239	406	14	50	29	8	48	794
Additions from acquisitions/divestments	(180)	295	7	303	4	83	45	557
Additions to non-current assets [4]	**59**	**701**	**21**	**353**	**33**	**91**	**93**	**1,351**
Total liabilities	**9,015**	**20,667**	**837**	**1,455**	**1,020**	**1,102**	**2,059**	**36,155**

[1] Segment revenue comprises total revenue of each segment. Due to the nature of the business internal revenue is insignificant and is therefore not disclosed.

[2] Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

[3] Other items comprise Other income and expenses, net, Acquisition and integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

[4] Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

Grouping of countries into regions

Nordic:	Denmark, Finland, Greenland, Iceland, Norway and Sweden
Western Europe:	Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, South Africa, Switzerland, Turkey and the United Kingdom
Eastern Europe:	Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia
Asia:	Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand
Latin America:	Argentina, Brazil, Chile, Mexico and Uruguay
North America:	Canada and the USA
Pacific:	Australia and New Zealand

continues

4. SEGMENT REPORTING (CONTINUED)

Reconciliations

DKK million

1 January - 30 September	**2010**	**2009**
Revenue		
Revenue for reportable segments	54,818	51,158
Elimination of internal revenue	(41)	(24)
Revenue according to the income statement	**54,777**	**51,134**
Operating profit		
Operating profit for reportable segments	3,062	2,705
Elimination of internal profit	0	0
Unallocated corporate costs	(283)	(191)
Unallocated other income and expenses, net	(18)	(10)
Operating profit according to the income statement	**2,761**	**2,504**
Unallocated:		
Share of result from associates	8	4
Net finance costs	(1,791)	(1,714)
Profit before tax and goodwill impairment/amortisation of brands and customer contracts according to the income statement	**978**	**794**
Total assets		
Total assets for reportable segments	56,893	54,676
Elimination of internal assets [1)]	(34,064)	(29,701)
Unallocated assets	32,424	29,219
Total assets according to the statement of financial position	**55,253**	**54,194**
Additions to non-current assets [2)]		
Additions for non-current assets for reportable segments	778	1,351
Unallocated additions to non-current assets	20	21
Total additions to non-current assets according to the statement of financial position	**798**	**1,372**
Total liabilities		
Total liabilities for reportable segments	37,642	36,155
Elimination of internal liabilities [1)]	(33,568)	(29,256)
Unallocated liabilities	48,717	44,577
Total liabilities according to the statement of financial position	**52,791**	**51,476**

[1)] Eliminations mainly relate to intra-group balances.

[2)] Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

5. OTHER INCOME AND EXPENSES, NET

DKK million **1 January - 30 September**	**2010**	**2009**
Gain on divestments	3	-
Other	3	-
Other income	**6**	**-**
Loss on divestments	(176)	(12)
Accounting irregularities in Norway in prior years	(113)	-
Redundancy and severance payments relating to senior management changes	(17)	(35)
Restructuring projects	(0)	(220)
Other	(0)	(11)
Other expenses	**(306)**	**(278)**
Other income and expenses, net	**(300)**	**(278)**

Other income

Gain on divestments in 2010 mainly related to completion of the sale of the industry service activities in Norway which were classified as held for sale on 31 December 2009.

Other expenses

Loss on divestments in 2010 primarily related to completion of the sale of ISS's waste management activities and security business in France which were classified as held for sale on 31 December 2009 and the divestment of the call center activities in Denmark. In 2009, the loss mainly related to the landscaping activities in Norway.

Accounting irregularities in Norway in prior years related to one of ISS Norway's subsidiaries and took place in the period from 2005 to 2010 resulting in an accumulated impact of DKK 118 million stemming from an overstatement of revenue of DKK 75 million and an understatement of costs of DKK 43 million. The impact from accounting irregularities carried out in prior years amounts to DKK 113 million and has been recognised as part of Other income and expenses, net.

Restructuring projects in 2009 related to France, Germany, Spain, Belgium, Denmark, Finland and the United Kingdom. In France a re organisation of the organisational setup covering several business units as well as head office was initiated amounting to an estimated DKK 160 million of which DKK 138 million was expensed at 30 September 2009. In Germany a re-organisation of a business unit including close-down of two divisions and efficiency improvements was initiated amounting to an estimated DKK 88 million of which DKK 39 million was expensed at 30 September 2009. In Spain a close-down of certain project-based activities within the Building Maintenance division was initiated. In Denmark a merger of the route-based back office organisation into the site-based organisation was initiated. In Finland and the United Kingdom close-down of certain project-based activities across certain business units were initiated, and in Belgium a margin improvement project covering primarily head office was initiated. Generally restructuring projects include primarily redundancy payments, termination of leaseholds and relocation costs.

6. GOODWILL IMPAIRMENT AND WRITE-DOWN

DKK million **1 January - 30 September**	**2010**	**2009**
Impairment	(399)	(550)
Write-down	(4)	(247)
Goodwill impairment and write-down	**(403)**	**(797)**

Goodwill impairment of DKK 399 million in the first nine months of 2010 related to ISS Greece of DKK 329 million and ISS Ireland of DKK 70 million. For further description see note 8, Impairment tests. In 2009, impairment losses amounted to DKK 550 million for the first nine months of which DKK 450 million related to France and DKK 100 million to ISS Germany.

W*rite-down* of DKK 4 million in 2010 related to the divestment of the non-strategic contact centre activities in Denmark. In 2009, the write-down of DKK 247 million comprised DKK 136 million related to the sale of ISS's non-strategic landscaping business in Sweden and DKK 69 million and DKK 42 million related to the call centre activities in the Netherlands and the pest control activities in the United Kingdom. The assets and liabilities of the call centre in the Netherlands and the pest control activities in the United Kingdom were classified as held for sale on 30 September 2009 and subsequently sold.

7. ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

The Group uses acquisitions as a tool in the continued development of the business platform. Acquisitions are used selectively to improve competitiveness, build critical mass and increase service capabilities and capacity where and when appropriate.

When acquiring businesses the Group seeks to generate value by restructuring and refining the acquired business by applying "The ISS Way". The main impact from acquisitions derives from synergies, the value of human resources and the creation of platforms for growth. Consequently, goodwill recognised on acquisition is attributable mainly to; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes and iv) platform for growth.

Acquisitions occuring on or after 1 January 2010 are accounted for in accordance with IFRS 3 (revised 2008), whereas acquisitions occuring before 1 January 2010 are accounted for in accordance with the previous IFRS 3. Consequently, for the latter adjustments to contingent consideration and transaction costs continue to be recognised in goodwill as described in note 1, Significant accounting policies.

Acquisitions during 1 January - 30 September 2010
The Group made 1 acquisition during 1 January - 30 September 2010. The acquisition and adjustments to prior years' acquisitions had the following effect on the Group's assets and liabilities at 30 September 2010:

DKK million **1 January - 30 September 2010**	**SDB Cisco**	**Adjustments to prior years' acquisitions**	**Total acquisitions**
Customer contracts	48	-	48
Other non-current assets	16	(2)	14
Trade receivables	70	(19)	51
Other current assets	105	(8)	97
Other provisions	-	2	2
Pensions, deferred tax liabilities and non-controlling interests	(18)	-	(18)
Long-term debt	(1)	-	(1)
Other current liabilities	(113)	5	(108)
Total identifiable net assets	**107**	**(22)**	**85**
Goodwill	109	34	143
Acquisition costs, net of tax	-	(1)	(1)
Consideration paid	**216**	**11**	**227**
Cash and cash equivalents in acquired businesses	(49)	-	(49)
Cash consideration paid	**167**	**11**	**178**
Contingent consideration and deferred payments	(8)	223	215
Acquisition costs paid, net of tax	-	1	1
Total payments regarding acquisition of businesses	**159**	**235**	**394**

continues

7. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Acquisition of businesses

SDB Cisco Ltd.

On 9 August 2010, the Group acquired the Indian security company SDB Cisco Ltd. together with two employee welfare trusts. ISS owns 49% of the shares and voting interests. By virtue of written agreements, the Group has the power to govern the financial and operating policies in order to obtain a return or other benefits from the activities. Consequently, in accordance with IFRS, SDB Cisco is consolidated as a full subsidiary.

Acquiring SDB Cisco adds security services to the service offerings of ISS India, provides national coverage within security services and secures ISS a leading position in the market for outsourced services in India.

The total annual revenue of SDB Cisco is estimated at DKK 400 million (approximate figures extracted from unaudited financial information) based on expectations at the time of the acquisition. In the period from the acquisition date to 30 September 2010, SDB Cisco contributed revenue of DKK 67 million and operating profit before other items of DKK 4 million. Total number of employees taken over is approx. 27,000.

Total consideration transferred amounted to DKK 216 million of which DKK 208 million was cash payment and DKK 8 million is deferred. No contingent consideration has been agreed as part of the transaction.

The Group incurred acquisition-related costs of DKK 4 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the income statement in the line Acquisition and integration costs.

Due to the short period of time between the acquisition date and the reporting date, the review of the opening balance of SDB Cisco has not yet been completed. Consequently, the opening balance is provisionally determined as at 30 September 2010. This is in line with usual Group procedures for completion of opening balances of acquired businesses.

Trade receivables of DKK 70 million are included in the provisionally determined opening balance. The trade receivables comprise gross contractual amounts of DKK 74 million, of which DKK 4 million were expected to be uncollectible at the acquisition date based on the preliminary assessment.

Based on the provisionally determined fair values of identifiable net assets goodwill amounts to DKK 109 million. The goodwill recognised is not expected to be decuctible for income tax purposes.

Adjustments to prior years' acquisitions

Adjustments to prior years' acquisitions comprise various minor adjustments to the identifiable net assets of a number of acquisitions. The goodwill addition is mainly related to acquiring the remaining 49% of ISS Estonia through settlement of a purchase obligation. The amount recognised in goodwill reflects the excess over the originally estimated purchase obligation already recognised in the statement of financial position in prior years.

continues

7. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Acquisition of businesses

Acquisitions during 1 January - 30 September 2009

The Group made 21 acquisitions during 1 January - 30 September 2009. The total purchase price amounted to DKK 684 million. The total annual revenue of the acquired businesses (approximate figures extracted from unaudited financial information) is estimated at DKK 958 million based on expectations at the time of acquisition.

Acquisitions made during 1 January - 30 September 2009 (including adjustments to acquisitions in prior years) had the following effect on the Group's assets and liabilities on the acquisition date:

DKK million **1 January - 30 September 2009**	**Total acquisitions** **Pre-acquisition carrying amounts**	**Fair value adj.** **Current year acquisitions**	**Prior year acquisitions**	**Recognised values on acquisition**
Customer contracts	-	158	-	158
Other non-current assets	23	5	2	30
Trade receivables	111	9	(13)	107
Other current assets	34	-	0	34
Other provisions	-	(9)	4	(5)
Pensions, deferred tax liabilities and non-	(9)	(36)	(4)	(49)
Long-term debt	(2)	(1)	-	(3)
Short-term debt	(18)	2	(2)	(18)
Other current liabilities	(120)	(4)	(9)	(133)
Total identifiable net assets	**19**	**124**	**(22)**	**121**
Goodwill			97	590
Acquisition costs, net of tax			(0)	(27)
Consideration paid			**75**	**684**
Cash and cash equivalents in acquired businesses				(16)
Cash consideration paid				**668**
Contingent consideration and deferred payments				163
Prepaid acquisitions				(3)
Acquisition costs paid, net of tax				25
Total payments regarding acquisition of businesses				**853**

In the first nine months of 2009, no acquisitions accounted for more than 2% of the Group's revenue on an individual basis. Consequently, all acquisitions are deemed individually immaterial and are therefore shown in aggregate.

The purchase price of prior years' acquisitions increased by DKK 75 million, mainly due to revised estimates relating to earnouts for the acquisitions of Inbuilt in Singapore of DKK 74 million and Sardunya in Turkey of DKK 36 million, offset mainly by Carlos Rocha in Spain of DKK 21 million and Gastronomia in Spain of DKK 17 million. Furthermore, net assets of prior year's acquisitions were reduced by DKK 22 million relating to various acquisitions. Accordingly, goodwill has been adjusted.

Acquisition costs mainly comprise fees to lawyers, auditors and consultants (paid in relation to the acquisition).

continues

7. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Divestment of businesses

The Group made 6 divestments during 1 January - 30 September 2010 (4 during 1 January - 30 September 2009). The total sales price amounted to DKK 149 million (DKK 24 million during 1 January - 30 September 2009). The total annual revenue of the divested businesses (unaudited approximate figure) is estimated to DKK 1,385 million (DKK 397 million during 1 January - 30 September 2009) based on expectations at the time of divestment.

The divestments had the following effect on the Group's assets and liabilities (carrying amounts) on the divestment date:

DKK million

1 January - 30 September	**2010**	**2009**
Goodwill	15	1
Customer contracts	54	23
Other non-current assets	273	12
Trade receivables	218	23
Other current assets	85	2
Other provisions	(79)	0
Pensions, deferred tax liabilities and non-controlling interests	(16)	0
Long-term debt	(2)	(5)
Short-term debt	(2)	(2)
Other current liabilities	(261)	(20)
Total identifiable net assets	**285**	**34**
Gain/(loss) on divestment of businesses, net	(173)	(12)
Divestment costs, net of tax	37	2
Consideration received	**149**	**24**
Cash and cash equivalents in divested businesses	(3)	(1)
Cash consideration received, net	**146**	**23**
Deferred consideration and contingent consideration (earn-outs)	214	1
Divestment costs paid, net of tax	(27)	(1)
Net proceeds regarding divestment of businesses	**333**	**23**

The 6 divestments[1)] made by the Group during 2010 are listed below:

Company/activity	**Country**	**Service type**	**Excluded from the income statement**	**Percentage interest**	**Annual revenue [2)]**	**Number of employees [2)]**
Refrigeration	Spain	Property	March	Activities	163	163
Industriservice	Norway	Property	March	100%	205	254
Contact Centre	Denmark	Support	March	Activities	127	680
Securite	France	Security	April	100%	191	1,090
Europe Filtration	France	Property	May	100%	1	10
Waste management	France	Property	September	100%	698	850
Total					**1,385**	**3,047**

[1)] Includes all divestments completed prior to 1 October 2010.

[2)] Unaudited approximate figures in DKK million based on information available at the time of divestment.

continues

7. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Pro forma revenue and operating profit before other items

Assuming all acquisitions and divestments during 1 January - 30 September were included as of 1 January the effect on revenue and operating profit before other items is estimated as follows:

DKK million

1 January - 30 September	2010	2009
Pro forma revenue		
Revenue recognised in the income statement	54,777	51,134
Acquisitions	233	153
Revenue adjusted for acquisitions	55,010	51,287
Divestments	(596)	(171)
Pro forma revenue	**54,414**	**51,116**
Pro forma operating profit before other items		
Operating profit before other items recognised in the income statement	3,069	2,807
Acquisitions	19	16
Operating profit before other items adjusted for acquisitions	3,088	2,823
Divestments	(27)	1
Pro forma operating profit before other items	**3,061**	**2,824**

Applied assumptions

The adjustment of revenue and operating profit before other items is based on estimates made by local ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the time of such acquisition and divestment or actual results where available. Synergies from acquisitions are not included for periods in which such acquisitions were not controlled by the Group. The estimates are based on unaudited financial information.

These adjustments and the computation of total revenue and operating profit before other items calculated on a pro forma basis based on such adjustments are presented for informational purposes only. This information does not represent the results the Group would have achieved had the acquisitions and divestments during the year occurred on 1 January. In addition, the information should not be used as the basis for or prediction of any annualised calculation.

Acquisitions and divestments subsequent to 30 September 2010

No acquisitions or divestments were completed subsequent to 30 September 2010.

8. IMPAIRMENT TESTS

The Group performs impairment tests on intangibles[1)] annually and whenever there is an indication that intangibles may be impaired. The annual impairment test is performed as per 31 December based on financial budgets approved by management covering the following financial year.

At 30 September 2010, the Group performed a review for indications of impairment of the carrying amount of intangibles. Except for Greece and Ireland, it is management's opinion that there are no material changes to the assumptions applied in the impairment tests presented in note 15 in the consolidated financial statement for 2009. Based on the impairment tests performed, impairment losses of DKK 440 million have been recognised during the first nine months of 2010. Of the total amount DKK 370 million related to ISS Greece and DKK 70 million related to ISS Ireland.

ISS Greece

At 30 June 2010, the impairment test for ISS Greece resulted in recognition of an impairment loss of DKK 200 million mainly due to an increase in the discount rate. However, as a consequence of the continuing challenging market conditions in Greece the assumptions applied were reassessed at 30 September 2010, which resulted in recognition of an additional impairment loss of DKK 170 million. Consequently, during the first nine months of 2010, the total recognised impairment loss for ISS Greece amounted to DKK 370 million of which DKK 329 million related to goodwill, DKK 8 million related to brands and DKK 33 million related to customer contracts.

ISS Ireland

The impairment test for ISS Ireland was updated at 30 June 2010 due to a significant increase in the discount rate, which resulted in the recognition of an impairment loss of DKK 40m. Due to a continued increase in the discount rate, the impairment test for ISS Ireland was updated again at 30 September 2010, which resulted in recognition of an additional impairment loss of DKK 30 million. The total impairment loss during the first nine months of 2010 of DKK 70 million was all related to goodwill.

[1)] In this context intangibles cover the value of goodwill, brands and customer contracts resulting from the acquisition of companies.

9. ASSETS AND LIABILITIES HELD FOR SALE

During the first nine monts of 2010, all the businesses classified as held for sale at 31 December have been divested. The divestments comprise the waste management activities and the security business in France, the industry service activities in Norway and a part of the building maintenance activities in Spain and resulted in a net loss of DKK 168 million in addition to the write-downs made at 31 December 2009 in connection with classifying the businesses as held for sale. The additional net loss of DKK 168 million has been recognised in Other income and expenses, net, see note 5, Other income and expenses, net.

At 30 September 2010 the Industrial Services in Belgium was classified as held for sale and were presented separately in the statement of financial position at the lower of the carrying amount at the date of the classification as held for sale and fair value less costs to sell.

10. BORROWINGS

Repayments

On 22 January 2010, the Group completed a tender offer for EUR 150 million of the outstanding 2010 EMTNs. The notes were acquired at a purchase price of EUR 1,020 per EUR 1,000 principal amount and resulted in an accounting loss of DKK 32 million, which has been recognised in the income statement under Net finance costs. The accounting loss resulted primarily from the purchase price being above nominal value, and additionally from the carrying amount being below nominal value due to the fair value adjustment made in connection with ISS Holding A/S's acquisition of ISS A/S 9 May 2005.

On 20 September 2010, the Group redeemed the outstanding 2010 EMTNs of EUR 200 million at maturity.

New issues

On 25 March 2010, the Group completed an EUR 127.5 million tap bond offering of its existing subordinated notes due 2016. Proceeds from the offering has been on-lent to ISS Global A/S.

11. CONTINGENT LIABILITIES

Senior Facility Agreement

ISS Holding A/S has executed a share pledge over its shares in ISS A/S as security for the Group's senior facilities and a secondary share pledge over such shares as security for the subordinated notes issued by ISS Holding A/S.

ISS A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Australia, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the USA have provided guarantees for ISS Global A/S's borrowings under the senior facilities. The guarantees have been backed up by security over bank accounts, trade receivables, intra-group receivables, other receivables, properties, production equipment and intellectual property rights of ISS A/S and these subsidiaries. At 30 June 2010, the aggregate approximate values of assets provided as security for the borrowings under the senior facilities were:

DKK billion	30 September 2010	30 September 2009
Goodwill	3.7	3.0
Customer contracts	0.9	0.9
Intellectual property rights	1.6	1.6
Other intangible and tangible assets	0.3	0.3
Trade receivables	1.9	3.0
Other receivables	0.3	0.3
Bank accounts	0.9	1.1
Total	**9.6**	**10.2**

In addition, the shares in the material subsidiaries and shares in certain of their subsidiaries as well as shares in certain subsidiaries in Austria, Brazil, the Czech Republic, Hong Kong, Ireland, Israel, New Zealand, Portugal, Singapore and Switzerland have been pledged.

Securitisation

As part of the refinancing of the EMTNs that matured and were repaid in September 2010 the Group has during 2009 and 2010 launched a securitisation programme in 10 major countries. Under the securitisation programme securitised trade receivables of the participating countries are provided as security for the securitisation debt. As at 30 September 2010, trade receivables of DKK 4,403 million recognised in the statement of financial position have been placed as security for securitisation debt.

Operating leases

Operating leases consist of leases and rentals of properties, vehicles (primarily cars) and other equipment. The total expense under operating leases in the income statement in Q3 2010 amounted to DKK 1,571 million (DKK 1,518 million in Q3 2009). Assuming the current car fleet etc. is maintained, the future minimum lease payments under operating leases are:

DKK million	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years	Total lease payment
At 30 September 2010	1,395	932	612	372	249	376	3,936
At 30 September 2009	1,359	950	650	398	265	437	4,059

Commitment vehicle leases

On 1 January 2008 the Group extended the global car fleet lease framework agreement for another three year term to 31 December 2010. The framework agreement contains an option for the Group to terminate the fleet of an entire country or the entire fleet under the framework agreement with four weeks notice subject to payment of a termination amount. The majority of the underlying agreements have a duration of 3-5 years. The disclosed contingent liability includes the Group's total leasing commitment assuming no early termination of any agreement.

Guarantee commitments

Indemnity and guarantee commitments at 30 September 2010 amounted to DKK 492 million (30 September 2009: DKK 422 million).

continues

11. CONTINGENT LIABILITIES (CONTINUED)

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,441 million (30 September 2009: DKK 1,546 million) of which DKK 1,092 million (30 September 2009: DKK 1,275 million) were bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

Outsourcing of IT

The Group has an IT outsourcing agreement with Computer Sciences Corporation (CSC) running until 2015. The Group's contractual obligations related to the agreement at 30 September 2010 amounted to approximately DKK 29 million (30 September 2009: DKK 45 million).

Divestments

The Group makes provisions for claims from purchasers or other parties in connection with divestments and representations and warranties given in relation to such divestments. Management believes that provisions made at 30 September 2010 are adequate. However, there can be no assurance that one or more major claims arising out of the Group's divestment of companies will not adversely affect the Group's activities, results of operations and financial position.

Legal proceedings

The Group is party to certain legal proceedings. Management believes that these proceedings (which are to a large extent labour cases incidental to its business) will not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the statement of financial position at 30 September 2010.

Furthermore, restructuring projects aiming at adjusting capacity to lower activity have been undertaken across different geographies and service areas. Labour laws especially in Europe include restrictions on dismissals and procedural rules to be followed. The procedures applied by ISS could be challenged in certain jurisdictions resulting in liabilities. Management believes that this would not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the statement of financial position at 30 September 2010.

12. RELATED PARTIES

Parent and ultimate controlling party

The sole shareholder of ISS Holding A/S, ISS Equity A/S, has controlling influence in the Group. The ultimate controlling company of the Group is FS Invest S.à r.l ("FS Invest"), which is 54% owned by funds advised by EQT Partners and 44% owned by funds advised by Goldman Sachs Capital Partners, together The Principal Shareholders. There were no significant transactions with the parent company or the ultimate controlling party during the first nine months of 2010.

Key management personnel

Members of the Board of Directors, the Executive Group Management and Corporate Senior Officers

Members of the Board of Directors, the Executive Group Management and Corporate Senior Officers have authority and responsibility for planning, implementing and controlling the Group's activities and are therefore considered as the Group's key management personnel. Apart from remuneration and co-investment programmes described below there were no significant transactions during the first nine months of 2010 with members of the Board of Directors, the Executive Group Management or Corporate Senior Officers.

Co-investment programmes

The Principal Shareholders have established a Management Participation Programme, under which the Executive Group Management and a number of senior officers [1)] of the Group were offered to invest. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest, ISS Holding A/S's ultimate parent. As at 30 September 2010, the investments amounted to DKK 187.1 million in total for 155 executives and officers. As part of the initial programme - in addition to the investments - the Executive Group Management and a number of Corporate Officers [2)] were granted warrants in FS Invest with a vesting schedule (based on value of shares and time). As at 30 September 2010, 277,632 were outstanding.

Non-executive members of the Board of Directors (except representatives of the Principal Shareholders) were offered to participate in a Directors Participation Programme, under which they have invested in a mix of shares and warrants of FS Invest amounting to approximately DKK 19.2 million in total. In addition, they have co-invested with the Principal Shareholders for approximately DKK 8.2 million in total.

[1)] Senior officers of the Group comprises Corporate Senior Officers (members of Group Management other than members of the Executive Group Management) and other Corporate Officers as well as certain members of Country Management of each country.

[2)] Corporate Officers of the Group comprises Corporate Senior Officers (members of Group Management other than members of the Executive Group Management) and other Corporate Officers.

continues

1 January – 30 September. Amounts in DKK million

12. RELATED PARTIES (CONTINUED)

External directorships and external executive positions of the Board of Directors at 30 September 2010

Board of Directors	Board Member	Executive Position
Ole Andersen (Chairman)	Chr. Hansen Holding A/S (Chairman), Privathospitalet Hamlet A/S (Chairman), Danske Bank A/S, Bang & Olufsen a/s, Georg Jensen A/S and Kommunekemi A/S	None
Leif Östling (Vice-Chairman)	Scania AB, AB SKF (Chairman), Svenskt Näringsliv (Confederation of Swedish Enterprise) and Teknikföretagen (The Association of Swedish Engineering Industries) (Chairman)	President and CEO of Scania AB
Michel Combes	Vodafone Plc, Supervisory Board of Assystem SA (Chairman)	Chief Executive Officer for the Europe Region of Vodafone Plc
Steven Sher	Ahlsell Sverige AB, Edam Acquisition I Cooperatief U.A. and Endemol B.V.	Managing Director, Goldman Sachs International, Principal Investment Area
Peter Korsholm	BTX Group A/S, CaridianBCT Holding Corp and Gambro AB	Partner and Head of the Copenhagen office of EQT Partners
John Allan	National Grid plc, DSG International plc (Chairman), 3i Group plc	None
Jørgen Lindegaard	AVT Business School A/S (Chairman), Parken Sport & Entertainment A/S, Efsen Engineering A/S, Trifina Holding ApS and Vimmelskaftet 39-41, 2004 ApS	Director, Trifina Holding ApS and Director, JL Rungsted Holding ApS

External directorships and external executive positions of the Executive Group Management at 30 September 2010

Executive Group Management	Board Member	Executive Position
Jeff Gravenhorst	Danish Crown	None
Jakob Stausholm	Statoil ASA	None

Other related party transactions

In the period 1 January - 30 September 2010, the Group had the following transactions with other related parties, which were all made on market terms:

- the Group received/paid interest from/to ISS Equity A/S.
- the Group received/paid joint taxation contribution equal to 25% of taxable income from/to ISS Equity A/S (the ultimate parent company in Denmark).
- the Group and Goldman Sachs have agreed general terms and conditions for the supply of Facility Services to be applied by local ISS operations and local Goldman Sachs affiliates when contracting with each other. ISS in Switzerland, Russia and the United Kingdom have entered into Facility Services agreements with local Goldman Sachs affiliates. The annual revenue from these agreements is estimated at DKK 83 million. Furthermore, the Group has local agreement terms with Goldman Sachs in France, Italy, Ireland, Singapore, Brazil and China. The annual revenue from these agreements is estimated at DKK 9 million.
- the Group and Goldman Sachs have entered into various agreements on provision of financing and banking related services.

continues

12. RELATED PARTIES (CONTINUED)

Associates and joint ventures
Transactions with associates and joint ventures are limited to transactions related to shared service agreements. There were no significant transactions with associates and joint ventures during 1 January - 30 September 2010. All transactions were made on market terms.

Other
In addition to the above and except for intra-group transactions, which have been eliminated in the consolidated accounts, there were no material transactions with other related parties and shareholders during 1 January - 30 September 2010.

13. SUBSEQUENT EVENTS

Apart from the events described in the financial statements, the Group is not aware of events subsequent to 30 September 2010, that are expected to have a material impact on the Group's financial position.

Capital Structure

The estimated pro forma information presented below is for informational purposes only. This information does not represent the results the Group would have achieved had each of the acquisitions and divestments during the period 1 October 2009 – 30 September 2010 occurred on 1 October 2009.

For further information and definitions, reference is made to the appendix Capital Structure set out in the ISS Holding A/S Annual Report 2009, which can be downloaded from www.issworld.com.

Pro Forma Adjusted EBITDA

Adjusted EBITDA, as calculated by ISS, represents operating profit before other items plus depreciation and amortisation.

Pro Forma Adjusted EBITDA (amounts in DKK million)	**12-month period ended 30 September 2010**
Adjusted EBITDA	4,975
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	(17)
Pro Forma Adjusted EBITDA	**4,958**

Pro Forma Net Debt

The following table sets forth ISS's Pro Forma Net Debt as of 30 September 2010 adjusted for certain non-cash accounting items to reflect the principal value of loan liabilities.

Pro Forma Net Debt as of 30 September 2010
(amounts in DKK million)

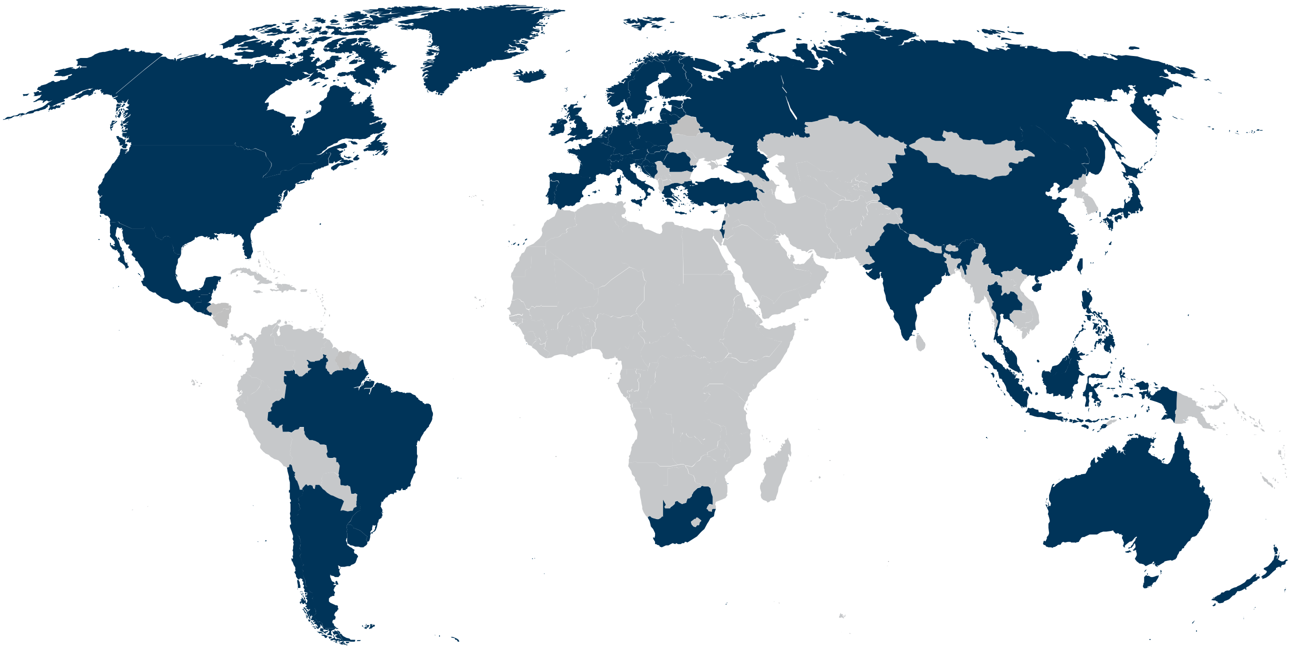
	Consolidated as Adjusted, 30 September 2010 [1)]
Short-term debt:	
Senior Facilities (including drawings under revolving credit facility):	
Term Facility A	416
Acquisition Facilities	500
Revolver	1,351
Euro Medium Term Notes, 4.75% Notes due 2010	-
Securitisation	2,541
Other short-term debt	587
Total short-term debt	5,395
Long-term debt:	
Senior Facilities:	
Term Facility A	520
Term Facility B	13,111
Acquisition Facilities	2,293
Euro Medium Term Notes, 4.50% Notes due 2014	823
Senior Notes	3,912
Second Lien Facility	4,471
8.875% Subordinated Notes due 2016	4,333
Other long-term debt	169
Total long-term debt	29,632
Total long and short-term debt	35,027
- Total cash and cash equivalents and securities	(2,800)
Pro Forma Net Debt	**32,227**
Changes in working capital, 1 January - 30 September 2010	(1,194)
Changes in working capital, 1 October 2009 - 30 September 2010	355
Seasonality Adjusted Pro Forma Net Debt	**31,388**

[1)] Adjustments of DKK 400 million were made to reflect the principal value of loan liabilities as of 30 September 2010. The adjustments primarily related to non-cash accounting items such as market price adjustment of EMTNs and unamortised financing fees.

Summary of Credit Facilities

Credit Facility	Size (DKK)	Drawdown	Coupon / margin	Repayment	Maturity
Senior Facilities:					
Term Facility A	936	SEK, NOK, CHF	+ 200bps	Amortising	30 Jun 2012
Term Facility B	13,111	EUR, GBP	+ 200bps	Two bullets, equal installments	31 Dec 2013
Acquisition Facility A	666	EUR	+ 225bps	Amortising	30 Jun 2012
Acquisition Facility B	2,127	EUR	+ 225bps	Two bullets, equal installments	31 Dec 2013
Revolving Credit Facility	2,448	Multi Currency	+ 225bps	Bullet	30 Jun 2012
EMTNs:					
EMTNs due 2014	823	EUR	4.50%	Bullet	8 Dec 2014
Senior Notes	3,912	EUR	11.00%	Bullet	15 Jun 2014
Second Lien Facility	4,471	EUR	+ 375bps	Bullet	30 Jun 2015
Subordinated Notes	4,333	EUR	8.875%	Bullet	15 May 2016
Securitisation	2,541	EUR	+ 300bps	Bullet	14 Sep 2012

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, Support Services, Property Services, Catering, Security and Facility Management. The ISS Group's revenue amounted to DKK 69 billion in 2009 and ISS now has more than 520,000 employees in over 50 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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