



Release

FS Funding A/S - High Yield Notes due 2016

ISS Global A/S - Euro Medium Term Notes due 2010 and 2014

FS Funding A/S Interim Report, January – March 2007

Copenhagen, 25 May 2007 – Today, FS Funding A/S announced its financial results for the first three months of 2007.

| Highlights | Q1 2007 | Q1 2006 |
|--|----------------|----------------|
| Revenue: | DKK 14.9 bn | DKK 12.6 bn |
| Operating profit before other items: | DKK 0.7 bn | DKK 0.6 bn |
| Operating margin before other items: | 4.7% | 4.6% |
| Pro Forma Interest-bearing net debt: | DKK 29.0 bn | DKK 27.0 bn |
| Seasonality Adj. PF Interest-bearing net debt: | DKK 28.1 bn | DKK 26.5 bn |
| PF adjusted EBITDA: | DKK 4.3 bn | DKK 3.6 bn |
| PF Interest-bearing net debt / PF adjusted EBITDA: | 6.74x | 7.42x |
| Seasonality Adj. PF Interest-bearing net debt / PF adjusted EBITDA: | 6.54x | 7.28x |

Telephone Conference:

FS Funding A/S will host a telephone conference today at 4.00 pm CET (3.00 pm London time).

The dial-in numbers are:

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

The Interim Report, January – March 2007 is enclosed with this announcement and will also be available from www.issworld.com.

Further Information:

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Enclosures:

FS Funding A/S Interim Report, January – March 2007 (34 pages)



To Luxembourg Stock Exchange
25 May 2007

FS Funding A/S Interim Report January – March 2007

Key Figures

| Amounts in DKK millions | Q1 2007 | Q1 2006 |
|---|---------|---------|
| Revenue | 14,930 | 12,555 |
| Operating profit before other items | 697 | 573 |
| Operating margin before other items, % | 4.7 | 4.6 |
| Operating profit | 675 | 533 |
| Net finance costs | (595) | (545) |
| Profit/(loss) before impairment/amortisation of intangibles | 79 | (19) |
| Net profit/(loss) for the period | (160) | (274) |
| Investments in property, plant and equipment, gross | 210 | 169 |
| Total assets | 52,014 | 48,514 |
| Goodwill | 26,419 | 24,456 |
| Carrying amount of net debt ¹⁾ | 27,597 | 25,252 |
| Total equity | 5,781 | 6,444 |

¹⁾ Excluding receivable/payable from/(to) affiliate regarding joint tax contribution.

Definitions

| | | |
|--|---|--|
| Operating margin before other items, % | = | $\frac{\text{Operating profit before other items} \times 100}{\text{Revenue}}$ |
| Carrying amount of net debt | = | Long-term debt + Short-term debt - Receivable from affiliates - Securities - Cash and cash equivalents |

Other Financial Measures

| Amounts in DKK millions | As of and for the 12-month period ended | | | |
|--|---|----------------------|---------------------|------------------|
| | 30 June 2006 | 30 September 2006 | 31 December 2006 | 31 March 2007 |
| Pro Forma Adj. EBITDA | 3,795 | 4,027 | 4,203 | 4,303 |
| Pro Forma Net Debt | 27,552 | 28,571 | 27,714 | 28,986 |
| Seasonality Adj. Pro Forma Net Debt | 26,957 | 27,708 | 27,714 | 28,136 |
| Pro Forma Net Debt / Pro Forma Adj. EBITDA | 7.26x | 7.09x | 6.59x | 6.74x |
| Seasonality Adj. Pro Forma Net Debt / Pro Forma Adj. EBITDA | 7.10x | 6.88x | 6.59x | 6.54x |

Note: The Pro Forma adjusted financial information set out above 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 April 2006 – 31 March 2007 occurred on 1 April 2006.

FS Funding 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. Other companies, including those in the Group's industry, may calculate similarly titled financial measures differently from the Group. Because all companies do not calculate these financial measures in the same manner, FS Funding's presentation of such financial measures may not be comparable to similarly titled measures of other companies. Funds depicted by certain of these measures may not be available for management's discretionary use due to covenant restrictions, debt service payments and other commitments. In addition, the calculations of some of these financial measures take into account estimates of pre-acquisition and post-acquisition results, which by their nature are uncertain.

See appendix on pages 29-34 of this report for further information on Other Financial Measures.

FS Funding A/S ("FS Funding" or "the Group") was incorporated on 11 March 2005 for the purpose of the May 2005 acquisition of ISS A/S ("ISS"), an international provider of facility services within cleaning, office support services, property services, catering and integrated facility services. FS Funding is a 100% owned subsidiary of FS Equity A/S, which is ultimately controlled by funds advised by EQT Partners and Goldman Sachs Capital Partners (the "Principal Shareholders").

FS Funding is a holding company, and its primary assets consist of shares in ISS and cash in its bank accounts. FS Funding has no revenue generating operations of its own, and thus FS Funding's cash flow and ability to service its indebtedness will depend primarily on the operating performance and financial condition of ISS and ISS's operating subsidiaries, and the receipt by FS Funding of funds from ISS and its subsidiaries etc. in form of dividends or otherwise.

For further information about FS Funding and ISS, including information about risk factors that could adversely impact the results of operations and financial position of the Group, see FS Funding's Annual Report 2006. The document is available from the Group's website, www.issworld.com.

Financial Review

Income Statement

Revenue for the first three months of 2007 amounted to DKK 14,930 million. This represented a revenue growth of 19% compared to the first three months of 2006. Acquisitions accounted for growth of 14%, partly offset by divestments of 1%. The impact of currency adjustments was slightly negative. The organic growth rate increased by approximately 1 percentage point from 5% in January - March 2006 to 6% in the same period of 2007.

In Northern Europe, FS Funding's revenue increased by approximately 10% to DKK 5,978 million for the first three months in 2007. The growth was primarily due to organic growth of 7%, an increase from 3% in Q1 2006, primarily driven by organic growth in the UK (9%) and Sweden (10%). With the exception of Ireland and Denmark, organic growth was positive in all countries in the region.

Acquisitions added 4% revenue growth in Q1 2007, partly offset by divestments of 1%. The impact from currency adjustments was neutral.

In the first three months of 2007 FS Funding's revenue in Continental Europe increased by approximately 16% to DKK 6,995 million. Growth from acquisitions, net, was 12% and organic growth was 4%. The impact from currency adjustments was neutral.

Revenue in Overseas increased by 83% from DKK 1,071 million in Q1 2006 to DKK 1,957 million in the first three months of 2007. The growth was primarily driven by acquisitions, most significantly the acquisition of Tempo Services in Australia in March 2006. Through two acquisitions in January 2007, FS Funding established operations with estimated aggregate annual revenue of approximately DKK 188 million in the Taiwanese market. Positive organic growth throughout the region contributed to an organic growth rate of 13% and currency adjustments decreased revenue by 4% compared to the first three months of 2006.

Operating profit before other items for the first three months of 2007 amounted to DKK 697 million. This represented an increase of 22% compared to the same period of last year. The operating margin before other items was 4.7% in the first three months of 2007 compared with 4.6% in the same period of 2006 and 5.8% for the financial year 2006. FS Funding's operating margin is typically lower in the first quarter of the year and higher in the third quarter of the year, compared to other quarters.

The operating margin before other items in Q1 2007 in Northern Europe decreased to 5.3% compared to 5.5% in the same period of 2006. This was due to a decrease in operating margin in Denmark from 7.3% to 6.0%, mainly due to lower than expected activities of snow-removal, partly offset by over-performance in the UK and positive development in Finland compared to the same period in 2006.

In Continental Europe, the operating margin before other items increased from 4.6% in January - March 2006 to 4.9% in the first three months of 2007, primarily resulting from operating margin increases in Switzerland and the Netherlands.

In Overseas, the operating margin before other items for the first three months of the year increased from 5.7% in 2006 to 5.8% in 2007. The improvement was primarily driven by margin increases in Israel and Brazil, partly offset by an expected decrease in operating margin before other items, as a result of the

FS Funding Revenue growth, January - March 2007

| | Revenue growth, % | | | Total |
|-------------------------|-----------------------|----------------|------------|-----------|
| | Organic ¹⁾ | Acq./Div., net | Currency | |
| Total FS Funding | 6 | 13 | (0) | 19 |
| Northern Europe | 7 | 3 | 0 | 10 |
| Continental Europe | 4 | 12 | (0) | 16 |
| Overseas | 13 | 74 | (4) | 83 |

¹⁾ For a description of the method applied in estimating organic growth, see FS Funding's Annual Report 2006, which is available from the Group's website, www.issworld.com.

FS Funding Operating results, January - March 2007

| | Revenue | | | Operating profit before other items | | | Operating margin before other items | |
|-------------------------|---------------|---------------|-------------|--|------------|-------------|--|--------------|
| | DKK millions | | | DKK millions | | | | |
| | Q1 2007 | Q1 2006 | Change | Q1 2007 | Q1 2006 | Change | Q1 2007 | Q1 2006 |
| Northern Europe | 5,978 | 5,436 | 10 % | 319 | 297 | 7 % | 5.3 % | 5.5 % |
| Continental Europe | 6,995 | 6,048 | 16 % | 341 | 280 | 22 % | 4.9 % | 4.6 % |
| Overseas | 1,957 | 1,071 | 83 % | 114 | 61 | 87 % | 5.8 % | 5.7 % |
| Corporate | - | - | | (77) | (65) | (18)% | (0.5)% | (0.5)% |
| Total FS Funding | 14,930 | 12,555 | 19 % | 697 | 573 | 22 % | 4.7 % | 4.6 % |

consolidation of Tempo from March 2006, which operates with a lower operating margin than the business operated in Australia prior to the acquisition of Tempo and the margin-dilutive effect of the country establishment in Mexico.

Net finance costs for the first three months of 2007 were DKK 595 million, including DKK 551 million of interest expenses, DKK 14 million of amortisation of financing fees and DKK 45 million of amortisation of market price adjustment and gains on interest rate swaps related to the Medium Term Notes issued by ISS Global (the "EMTNs")¹. Net finance costs increased 9% to DKK 595 million in Q1 2007 from DKK 545 million in Q1 2006.

Income taxes were DKK 43 million in January - March 2007. The finance costs exceed the taxable profit in the jointly taxed Danish subsidiaries, thus creating a tax loss. This tax loss can be carried forward indefinitely, but only the amount of the tax loss that can be utilised in the foreseeable future has been capitalised as a deferred tax asset.

Profit before impairment/amortisation of intangibles increased by DKK 114 million from a loss of DKK 78 million in Q1 2006 to a profit of DKK 36 million in Q1 2007. The increase was primarily due to improved operational performance.

Amortisation of brands and customer contracts amounted to DKK 275 million in the first three months of 2007 and DKK 276 million in Q1 2006 and was primarily related to customer contract portfolios and related customer relationships, which are amortised over the estimated useful lives of such portfolios and relationships applying the declining balance method.

Net loss for the period was DKK 160 million in January - March 2007, negatively impacted by net finance costs as well as non-cash charges related to amortisation of brands and customer contract portfolios and related customer relationships, net of tax. A loss of DKK 164 million was attributable to the equity holders of FS Funding, whereas a profit of DKK 4 million was attributable to minority interests. In Q1 2006 the net loss for the period was DKK 274 million.

Cash Flow Statement

Cash flow from operating activities in January - March 2007 was a net cash outflow of DKK 188 million, primarily due to cash outflow related to working capital. Cash outflow related to working capital was DKK 890 million, mainly stemming from an increase in receivables, which was partly driven by organic growth, as well as a decrease in account payables. In the first three months of 2006, changes in working capital were a cash outflow of DKK 800 million. Payments related to Other income and expenses, net was DKK 69 million in January - March 2007 of which DKK 45 million were payments related to the re-scoping of the IT outsourcing agreement with CSC, which was initiated in 2006.

Cash flow from investing activities in the first three months of 2007 was a cash outflow of DKK 854 million, predominantly affected by a cash outflow of DKK 642 million related to acquisitions. The largest acquisition was the acquisition of the remaining 60% of the shares in Norwegian Aircon, which was previously reported as an associated company of ISS, and 100% of the shares in Topman in Taiwan.

¹ The EMTNs were recognised at quoted market price in the opening balance sheet prepared as part of the purchase price allocation related to the acquisition of ISS (the "Opening Balance Sheet"). Net finance costs in the consolidated financial statements of FS Funding will over the remaining terms of the EMTNs be impacted by an expense equal to the difference between the quoted market price used in the Opening Balance Sheet and the nominal value of the EMTNs. An expense of DKK 50 million was recognised in the first three months of 2007 and the remaining market price adjustment amounted to DKK 1,060 million as at 31 March 2007.

FS Funding recognised a positive mark-to-market value of interest rate swaps hedging the EMTNs in the Opening Balance Sheet. The interest rate swaps were partially settled in June 2005 and the remaining part was settled in June 2006 resulting in a net gain, which will be recognised in the consolidated financial statements of FS Funding over the remaining term of the EMTNs. In the first three months of 2007 FS Funding recognised an income of DKK 5 million in the consolidated income statement. The remaining gain of DKK 42 million will be recognised over the remaining term of the EMTNs.

In the first three months of 2006, cash flow from investing activities was DKK 1,953 million, predominantly affected by a cash outflow of DKK 1,821 million related to acquisitions, most significantly the acquisition of the remaining 51% of the shares in Tempo.

Cash flow from financing activities amounted to a cash outflow of DKK 12 million in the first three months of 2007, primarily due to cash inflow of DKK 318 million from increased indebtedness to fund acquisitions and drawings under local credit facilities to fund working capital needs, which was more than offset by net interest payments of DKK 329 million. In Q1 2006, cash flow from financing activities was a cash inflow of DKK 1,617 million, primarily the result of increased indebtedness to fund acquisitions of DKK 2,050 million including a net of DKK 500 million upsizing of the senior facilities and a partial funding of the remaining 51% of the shares in Tempo.

Balance Sheet

Total assets were DKK 52,014 million as of 31 March 2007 compared with DKK 52,253 million as of 31 December 2006.

Intangible assets, of which the vast majority related to goodwill, brands and customer contracts, amounted to DKK 36,224 million as of 31 March 2007.

Total equity was DKK 5,781 million as of 31 March 2007 of which DKK 5,716 million was attributable to equity holders of FS Funding and DKK 65 million related to Minority interests. Total equity was equivalent to 11% of total assets.

Carrying amount of net debt is typically higher after the first quarter than at the end of a financial year due to acquisitions and the fact that FS Funding's operating cash flow tends to be lower in the first quarter of the year. Due to this seasonality and the effect of acquisitions during Q1 2007, the carrying amount of net debt amounted to DKK 27,597 million at 31 March 2007 of which long-term debt was DKK 28,041 million, short-term debt amounted to DKK 882 million while securities, cash and cash equivalents were DKK 1,239 million and receivables from affiliates were DKK 87 million.

For further information on the composition of the net debt as at 31 March 2007 see the appendix on pages 29-34 of this report.

Acquisitions

In the first three months of 2007 a total of 28 acquisitions were completed with an aggregate net purchase price of DKK 530 million. The total annual revenue of the acquisitions is estimated at approximately DKK 917 million based on expectations at the time of acquisition.

The acquisitions completed in the first three months of 2007 have been done at an average multiple of 6.8x EBITA.

Other Financial Measures

Pro forma Adjusted EBITDA for the period 1 April 2006 to 31 March 2007 amounted to DKK 4,303 million. Pro Forma Net Debt amounted to DKK 28,986 million at 31 March 2007. Seasonality Adjusted Pro Forma Net Debt, which further adjusts for seasonality in Changes in working capital, amounted to DKK 28,136 million at 31 March 2007. The calculation of these figures is conducted according to the principles described in the appendix on pages 29-34 of this report.

Interest Rate Risk

Net of interest rate hedges, approximately 77% of FS Funding's Senior and Subordinated credit facilities carried a fixed interest rate while approximately 23% carried a floating interest rate at 31 March 2007.

Management Changes

Effective 13 April 2007, Sir Francis Mackay was appointed chairman of the Board of Directors of FS Funding and ISS, succeeding Leif Östling. Simultaneously, Leif Östling was appointed vice-chairman of the Board of Directors of FS Funding and ISS.

Outlook

The expectations should be read in conjunction with "Forward-looking statements" on page 7.

In 2007, ISS will continue its strategic directions towards offering Integrated Facility Services and strengthening single service excellence and maintain its focus on its key operational objectives (i) cash flow; (ii) operating margin; and (iii) profitable organic growth. Furthermore, the Group intends to continue its strategy of making acquisitions to increase local scale and broadening its service competencies.

At the prevailing currency rates and including acquisitions and divestments completed up to 30 April 2007, FS Funding expects that revenue will increase by more than 10% and that the operating margin will be maintained at the current level in 2007.

FS Funding is expected to continue to generate net accounting losses in the foreseeable future, as a consequence of the significant indebtedness as well as non-cash expenses deriving from amortisation of intangible assets relating to the purchase price allocation conducted in connection with the change of ownership.

Subsequent Events

On 8 May 2007, FS Funding announced that it was contemplating a refinancing of a portion of the Group's existing debt and to raise new funding for future acquisitions. The proposed refinancing is expected to include new facilities comprised of approximately EUR 1,140 million of Term Loan Facilities, of which approximately EUR 1,000 million is expected to be borrowed by ISS Global and approximately EUR 140 million is expected to be borrowed by FS Funding, and approximately EUR 600 million of Second Lien Facility.

FS Funding does not contemplate paying any dividends to its shareholders in connection with the refinancing.

The use of proceeds from the new credit facilities will be determined by the Boards of Directors of FS Funding and its affiliates and may include the following: (i) refinancing the Company's drawn Acquisition Facilities in an amount of up to EUR 500 million; (ii) repayment of some or all of the 6.625% Subordinated Floating Rate Notes due 2016; and (iii) refinancing up to 70% of the EMTNs due 2014.

In connection with the refinancing, FS Funding has requested the Lenders under the Senior Facilities Agreement to consent to certain waivers and amendments of the Senior Facilities Agreement.

On 23 May 2007, FS Funding announced that ISS was launching operations in the U.S. through the acquisition of Sanitors Inc., a provider of cleaning, building maintenance, landscaping, bridge tending and security services. Sanitors, Inc. has annual revenue of approximately DKK 1.8 billion and 10,000 employees.

Subsequent to 31 March 2006, the Group has made 7 acquisitions and 2 divestments up until 30 April 2007. See note 4 Acquisition and divestment of businesses to the Condensed Consolidated Interim Financial Statements.

On 18 April 2007 the Danish Government introduced a bill to amend the Corporation Tax Act and various other tax laws. The bill contains, among other things, provisions that limit the right to deduct interest and reduce the possibility of certain tax depreciations. However, this limitation is partly compensated by a reduction of the corporate income tax rate from 28% to 25%. Primarily as a result of the substantial indebtedness of FS Funding the bill is expected to have an adverse effect on the tax position of FS Funding.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to 31 March 2007, which are expected to have a material impact on the Group's financial position.

Financial Calendar 2007

Interim Report, January - June 2007
Interim Report, January - September 2007

29 August 2007
29 November 2007

Telephone conference

A telephone conference will be held on Friday, 25 May 2007 at 4:00 PM CET (3:00 PM 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)

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. FS Funding 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 FS Funding. Although FS Funding 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 as a result of uncertainties relating to the following matters, among others:

- the demand for the services offered by FS Funding, which is primarily dependent upon outsourcing trends and macroeconomic conditions, including economic growth, inflation or deflation;
- risks related to FS Funding's growth strategy, including potential contingent liabilities of acquired businesses and failure to manage growth and integrate acquired businesses successfully;
- risks related to the substantial indebtedness including fluctuations in interest rates and limitations on additional debt to finance FS Funding's acquisition strategy and access to capital to finance its operations;
- FS Funding's ability to operate profitably, in particular under fixed-price or long-term contracts;
- FS Funding's exposure to currency-related risks, particularly the value of the Danish Kroner against other currencies;
- complexities related to compliance with regulatory requirements of many jurisdictions as a result of FS Funding's international operations and decentralized organizational structure;
- FS Funding's dependence on its management team and qualified personnel;
- FS Funding's potential liability for acts of its employees, including negligence, injuries, omissions and wilful misconduct;
- the threat, institution or adverse determination of claims against FS Funding;
- potential environmental liabilities; and
- any adverse effect on FS Funding's operating results and cash flows from the impact of changes to laws and regulations, including health and safety and environmental laws and regulations.

As a result, you should not rely on these forward-looking statements.

FS Funding 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.

Reference is also made to the description of risk factors beginning on page 22 in Annual Report 2006 of FS Funding A/S, which is available from the Group's website, www.issworld.com.

Signatures to the Interim Report

COPENHAGEN, 25 May 2007

The Board of Directors and the Executive Group Management have approved the interim report of FS Funding A/S for the period 1 January - 31 March 2007.

The interim report has not been audited and is 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 financial position at 31 March 2007 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 31 March 2007.

EXECUTIVE GROUP MANAGEMENT

Jørgen Lindegaard
Group Chief Executive Officer

Jeff Olsen Gravenhorst
Group Chief Financial Officer

Flemming Schandorff
Group Chief Operating Officer

BOARD OF DIRECTORS

Sir Francis Mackay
Chairman

Leif Östling
Vice-Chairman

Ole Andersen

Sanjay Patel

Richard Sharp

Christoph Sander

***Condensed Consolidated Interim Financial Statements
for FS Funding A/S***

Condensed Consolidated Interim Financial Statement

Condensed consolidated interim income statement

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

| Note | 2007 | 2006 |
|---|---------------|---------------|
| 3 Revenue | 14,930 | 12,555 |
| Staff costs | (9,798) | (8,352) |
| Cost of sales | (1,326) | (1,051) |
| Other operating expenses | (2,907) | (2,405) |
| Depreciation and amortisation | (202) | (174) |
| 3 Operating profit before other items | 697 | 573 |
| Other income and expenses, net | (10) | (14) |
| Integration costs | (12) | (26) |
| 3 Operating profit | 675 | 533 |
| Share of result from associates | (1) | (7) |
| Net finance costs | (595) | (545) |
| Profit/(loss) before tax and impairment/ amortisation of intangibles | 79 | (19) |
| Income taxes | (43) | (59) |
| Profit/(loss) before impairment/ amortisation of intangibles | 36 | (78) |
| Amortisation of brands and customer contracts ¹⁾ | (275) | (276) |
| Tax effect | 79 | 80 |
| Net profit/(loss) for the period | (160) | (274) |
| Attributable to: | | |
| Equity holders of FS Funding | (164) | (277) |
| Minority interests | 4 | 3 |
| Net profit/(loss) for the period | (160) | (274) |

¹⁾ Includes customer contract portfolios and related customer relationships.

Condensed consolidated interim cash flow statement

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

| Note | 2007 | 2006 |
|--|----------------|----------------|
| 3 Operating profit before other items | 697 | 573 |
| Depreciation and amortisation | 202 | 174 |
| Changes in working capital | (890) | (800) |
| Changes in provisions | (19) | 14 |
| Income taxes paid, net | (92) | (71) |
| Payments related to other income and expenses, net | (69) | (53) |
| Payments related to integration costs | (17) | (18) |
| Cash flow from operating activities | (188) | (181) |
| 4 Acquisition of businesses | (642) | (1,821) |
| 4 Divestment of businesses | 12 | (5) |
| Investments in intangible assets and property, plant and equipment, net | (194) | (141) |
| Investments in financial assets, net | (30) | 14 |
| Cash flow from investing activities | (854) | (1,953) |
| Net proceeds from financing | 318 | 2,050 |
| Interest paid, net ¹⁾ | (329) | (433) |
| Minority interests | (1) | - |
| Cash flow from financing activities | (12) | 1,617 |
| Total cash flow | (1,054) | (517) |
| Cash and cash equivalents at 1 January | 2,216 | 1,804 |
| Total cash flow | (1,054) | (517) |
| Foreign exchange adjustments | 3 | (4) |
| Cash and cash equivalents at 31 March | 1,165 | 1,283 |

¹⁾ Compared to Q1 2006, Interest paid, net has been reclassified from cash flow from operating activities to cash flow from financing activities. Comparative figures have been restated accordingly.

Condensed consolidated interim balance sheet

These condensed consolidated interim financial statements are unaudited.

Amounts in DKK millions

| Note | 31 March 2007 | 31 March 2006 | 31 December 2006 |
|---|------------------|------------------|---------------------|
| Assets | | | |
| Intangible assets | 36,224 | 34,281 | 36,032 |
| Property, plant and equipment | 2,206 | 1,986 | 2,163 |
| Investments in associates | 23 | 55 | 66 |
| Deferred tax assets | 539 | 720 | 525 |
| Other financial assets | 256 | 240 | 239 |
| Total non-current assets | 39,248 | 37,282 | 39,025 |
| Inventories | 325 | 310 | 324 |
| Trade receivables | 9,630 | 8,352 | 9,281 |
| Contract work in progress | 312 | 200 | 207 |
| Tax receivables | 280 | 247 | 217 |
| Other receivables | 980 | 797 | 924 |
| Securities | 74 | 43 | 59 |
| Cash and cash equivalents | 1,165 | 1,283 | 2,216 |
| Total current assets | 12,766 | 11,232 | 13,228 |
| Total assets | 52,014 | 48,514 | 52,253 |
| Equity and liabilities | | | |
| Total equity attributable to equity holders of FS Funding | 5,716 | 6,388 | 5,917 |
| Minority interests | 65 | 56 | 63 |
| Total equity | 5,781 | 6,444 | 5,980 |
| Long-term debt | 27,842 | 17,828 | 27,625 |
| Pensions and similar obligations | 912 | 990 | 885 |
| Deferred tax liabilities | 3,122 | 3,339 | 3,173 |
| Other provisions | 327 | 332 | 331 |
| Total long-term liabilities | 32,203 | 22,489 | 32,014 |
| Short-term debt | 1,081 | 8,750 | 1,015 |
| Trade payables | 2,164 | 1,594 | 2,595 |
| Tax payables | 219 | 149 | 167 |
| Other liabilities | 10,176 | 8,628 | 10,068 |
| Other provisions | 390 | 460 | 414 |
| Total current liabilities | 14,030 | 19,581 | 14,259 |
| Total liabilities | 46,233 | 42,070 | 46,273 |
| Total equity and liabilities | 52,014 | 48,514 | 52,253 |

Condensed consolidated interim statement of total recognised income and expense and changes in equity

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

| 2007 | Attributable to equity holders of FS Funding | | | | | | Total equity |
|---|--|-------------------|--------------------|--------------------------------|----------------------------------|--------------------|--------------|
| | Share capital | Retained earnings | Cumulative fx adj. | Realised gain/(loss) on hedges | Unrealised gain/(loss) on hedges | Minority interests | |
| Total recognised income and expense | | | | | | | |
| Net profit/(loss) for the period | - | (164) | - | - | - | 4 | (160) |
| Foreign exchange adj. of subsidiaries and minorities | - | - | (21) | - | - | - | (21) |
| Gain/(loss) on hedges, net | - | - | - | - | (9) | - | (9) |
| Share-based payments | - | 0 | - | - | - | - | 0 |
| Tax of entries recognised directly in equity | - | (0) | - | - | (7) ¹⁾ | - | (7) |
| Net income and expense recognised directly in equity | - | 0 | (21) | - | (16) | - | (37) |
| Total recognised income and expense for the period | - | (164) | (21) | - | (16) | 4 | (197) |
| Equity at 1 January 2007 | 100 | 5,716 | 14 | (7) ²⁾ | 94 ²⁾ | 63 | 5,980 |
| Changes in equity | | | | | | | |
| Total recognised income and expense for the period | - | (164) | (21) | - | (16) | 4 | (197) |
| Dividends paid | - | - | - | - | - | (2) | (2) |
| Total changes in equity | - | (164) | (21) | - | (16) | 2 | (199) |
| Equity at 31 March 2007 | 100 | 5,552 | (7) | (7) ²⁾ | 78 ²⁾ | 65 | 5,781 |

¹⁾ Net of impact from change in tax rate applied.

²⁾ Net of taxes.

Continues

Condensed consolidated interim statement of total recognised income and expense and changes in equity

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

| | Attributable to equity holders of FS Funding | | | | | | Total equity |
|---|--|-------------------|--------------------|--------------------------------|----------------------------------|--------------------|--------------|
| | Share capital | Retained earnings | Cumulative fx adj. | Realised gain/(loss) on hedges | Unrealised gain/(loss) on hedges | Minority interests | |
| 2006 | | | | | | | |
| Total recognised income and expense | | | | | | | |
| Net profit/(loss) for the period | - | (277) | - | - | - | 3 | (274) |
| Foreign exchange adj. of subsidiaries and minorities | - | - | (69) | - | - | (1) | (70) |
| Gain/(loss) on hedges, net | - | 1 | - | 12 | 8 | - | 21 |
| Actuarial gains, net | - | 4 | - | - | - | - | 4 |
| Tax of entries recognised directly in equity | - | - | - | (3) | (2) | - | (5) |
| Net income and expense recognised directly in equity | - | 5 | (69) | 9 | 6 | (1) | (50) |
| Total recognised income and expense for the period | - | (272) | (69) | 9 | 6 | 2 | (324) |
| Equity at 1 January 2006 | 100 | 6,514 | 124 | (18) ¹⁾ | (6) ¹⁾ | 60 | 6,774 |
| Changes in equity | | | | | | | |
| Total recognised income and expense for the period | - | (272) | (69) | 9 | 6 | 2 | (324) |
| Impact from acquired and divested companies, net | - | - | - | - | - | (3) | (3) |
| Dividends paid | - | - | - | - | - | (3) | (3) |
| Total changes in equity | - | (272) | (69) | 9 | 6 | (4) | (330) |
| Equity at 31 March 2006 | 100 | 6,242 | 55 | (9) ¹⁾ | 0 | 56 | 6,444 |

¹⁾ Net of taxes.

Notes to the condensed consolidated interim financial statements

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Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

1. Significant accounting policies

The condensed consolidated interim financial statements of FS Funding A/S for the period 1 January - 31 March 2007, comprise FS Funding A/S and its subsidiaries (together referred to as "the Group") and the Group's interests in associates and jointly controlled entities.

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements 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 of and for the year ended 31 December 2006.

ACCOUNTING POLICIES

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 of and for the year ended 31 December 2006.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 of and for the year ended 31 December 2006.

2. Seasonality

The operating margin 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.

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

3. Segment information

In line with the internal management structure, the geographical segment is the primary segment.

| Geographical (Primary Segment) | External revenue | Total revenue ¹⁾ | Operating profit before other items | Operating margin % | Operating profit ²⁾ |
|--|---------------------|--------------------------------|---|-----------------------|-----------------------------------|
| 1 January – 31 March 2007 | | | | | |
| France | 2,435 | 2,435 | 129 | 5.3 | 138 |
| United Kingdom | 1,838 | 1,839 | 114 | 6.2 | 114 |
| Norway | 1,252 | 1,252 | 64 | 5.1 | 64 |
| Sweden | 925 | 925 | 35 | 3.8 | 35 |
| Denmark ³⁾ | 915 | 918 | 55 | 6.0 | 51 |
| Netherlands | 889 | 889 | 34 | 3.8 | 31 |
| Spain | 885 | 885 | 33 | 3.7 | 32 |
| Finland | 806 | 806 | 48 | 5.9 | 42 |
| Australia | 777 | 777 | 46 | 5.9 | 46 |
| Belgium and Luxembourg | 682 | 683 | 43 | 6.4 | 30 |
| Asia ⁴⁾ | 571 | 571 | 35 | 6.1 | 33 |
| Germany | 544 | 544 | 19 | 3.5 | 19 |
| Switzerland | 531 | 531 | 24 | 4.5 | 24 |
| Austria | 418 | 418 | 23 | 5.5 | 22 |
| Latin America ⁵⁾ | 333 | 333 | 17 | 5.0 | 16 |
| Central and Eastern Europe ⁶⁾ | 257 | 257 | 14 | 5.3 | 13 |
| Israel | 226 | 226 | 14 | 6.3 | 14 |
| Turkey | 164 | 164 | 11 | 6.5 | 11 |
| Ireland | 139 | 139 | 5 | 3.7 | 5 |
| Portugal | 118 | 118 | 8 | 6.6 | 8 |
| Greece | 71 | 71 | 4 | 6.2 | 4 |
| New Zealand | 51 | 51 | 3 | 5.5 | 3 |
| Iceland | 41 | 41 | 4 | 9.1 | 4 |
| Italy | 41 | 41 | (1) | (2.5) | (1) |
| Greenland | 21 | 21 | 1 | 5.9 | 1 |
| Regional items, not allocated to countries | - | - | (8) | - | (7) |
| Total operations | 14,930 | 14,935 | 774 | 5.2 | 752 |
| Corporate functions / eliminations | - | (5) | (77) | - | (77) |
| Total | 14,930 | 14,930 | 697 | 4.7 | 675 |

¹⁾ Internal revenue has not been disclosed due to immateriality.

²⁾ Before internal royalty to corporate functions.

³⁾ Including the Faroe Islands.

⁴⁾ Asia comprises Brunei, China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand.

⁵⁾ Latin America comprises Argentina, Brazil, Chile, Mexico and Uruguay.

⁶⁾ Central and Eastern Europe comprises Bosnia and Herzegovina, the Czech Republic, Croatia, Estonia, Hungary, Poland, Romania, Russia, Slovenia and Slovakia.

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Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

3. Segment information (continued)

| Geographical (Primary Segment) | External revenue | Total revenue ¹⁾ | Operating profit before other items | Operating margin % | Operating profit ²⁾ |
|--|---------------------|--------------------------------|---|-----------------------|-----------------------------------|
| 1 January – 31 March 2006 | | | | | |
| France | 2,326 | 2,326 | 121 | 5.2 | 119 |
| United Kingdom | 1,606 | 1,607 | 95 | 5.9 | 81 |
| Norway | 1,108 | 1,108 | 53 | 4.8 | 51 |
| Denmark ³⁾ | 925 | 928 | 67 | 7.2 | 68 |
| Sweden | 803 | 803 | 35 | 4.4 | 36 |
| Netherlands | 799 | 799 | 24 | 3.0 | 25 |
| Finland | 771 | 771 | 35 | 4.6 | 35 |
| Spain | 730 | 730 | 27 | 3.7 | 27 |
| Belgium and Luxembourg | 619 | 619 | 37 | 5.9 | 36 |
| Asia ⁴⁾ | 439 | 439 | 26 | 6.0 | 22 |
| Germany | 425 | 425 | 14 | 3.3 | 11 |
| Switzerland | 351 | 351 | 15 | 4.2 | 15 |
| Austria | 348 | 348 | 20 | 5.7 | 20 |
| Australia | 327 | 327 | 24 | 7.3 | 11 |
| Central and Eastern Europe ⁵⁾ | 213 | 213 | 9 | 4.2 | 7 |
| Latin America ⁶⁾ | 178 | 178 | 9 | 5.1 | 9 |
| Ireland | 137 | 137 | 10 | 7.2 | 10 |
| Israel | 96 | 96 | 4 | 4.4 | 4 |
| Turkey | 96 | 96 | 5 | 5.4 | 5 |
| Portugal | 85 | 85 | 5 | 6.3 | 5 |
| Greece | 46 | 46 | 3 | 5.7 | 3 |
| Italy | 41 | 41 | (0) | (0.6) | (0) |
| Iceland | 36 | 36 | 3 | 8.3 | 3 |
| New Zealand | 30 | 30 | 1 | 3.8 | 1 |
| Greenland | 20 | 20 | 1 | 2.7 | (0) |
| Regional items, not allocated to countries | - | - | (5) | - | (5) |
| Total operations | 12,555 | 12,559 | 638 | 5.1 | 599 |
| Corporate functions / eliminations | - | (4) | (65) | - | (66) |
| Total | 12,555 | 12,555 | 573 | 4.6 | 533 |

¹⁾ Internal revenue has not been disclosed due to immateriality.

²⁾ Before internal royalty to corporate functions.

³⁾ Including the Faroe Islands.

⁴⁾ Asia comprises Brunei, China, Hong Kong, India, Indonesia, Malaysia, Singapore, Sri Lanka and Thailand.

⁵⁾ Central and Eastern Europe comprises the Czech Republic, Croatia, Estonia, Hungary, Poland, Romania, Russia, Slovenia and Slovakia.

⁶⁾ Latin America comprises Argentina, Brazil, Chile and Uruguay.

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

4. Acquisition and divestment of businesses

The Group made 28 acquisitions from 1 January - 31 March 2007 (39 during 1 January - 31 March 2006). The total purchase price amounted to DKK 530 million (DKK 1,692 million during 1 January - 31 March 2006). The total annual revenue of the acquired businesses (unaudited approximate figure) is estimated at approximately DKK 917 million (DKK 4,216 million during 1 January - 31 March 2006) based on expectations at the time of acquisition. The balance sheet items etc. relating to acquisitions and divestments (including adjustments to acquisitions and divestments in prior years) are specified below:

| | Total acquisitions | | Total divestments |
|--|--------------------------------------|---------------------------|----------------------|
| | Net book value before takeover | Fair value at takeover | |
| Acquisitions and divestments 1 January - 31 March 2007 | | | |
| Customer contract portfolios and related customer relationships | - | 246 | - |
| Other non-current assets | 49 | 55 | (16) |
| Trade receivables | 165 | 167 | - |
| Other current assets | 142 | 140 | (1) |
| Other provisions | (10) | (5) | - |
| Pensions, deferred tax liabilities and minorities | (28) | (89) | - |
| Long-term debt | (4) | (4) | - |
| Short-term debt | (35) | (33) | - |
| Other current liabilities | (178) | (180) | - |
| Net identifiable assets | 101 | 297 | (17) |
| Hereof previously recognised as associates | | (42) | - |
| Net identifiable assets | | 255 | (17) |
| Goodwill ¹⁾ | | 299 | - |
| Loss/(gain) on divestment of businesses | | - | 10 |
| Acquisition costs, net of tax ²⁾ | | (24) | (3) |
| Purchase/(sales) price | | 530 | (10) |
| Cash and cash equivalents in acquired/divested companies | | (122) | - |
| Net purchase/(sales) price | | 408 | (10) |
| Changes in deferred payments | | 220 | (4) |
| Changes in prepayments regarding acquisitions in the coming period | | (15) | - |
| Acquisition/divestment costs paid, net of tax | | 29 | 2 |
| Net payments regarding acquisition/divestment of businesses | | 642 | (12) |

The amount of the acquiree's profit or loss since the acquisition date included in the income statement for the period is not disclosed, since such disclosure is impracticable, as acquired companies are typically merged with (or activities transferred to) existing companies shortly after completion of the acquisition.

¹⁾ The following intangibles are subsumed into goodwill; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes and iv) platform for growth. As the Group is a service company that acquires businesses in order to apply the ISS model and generate value by restructuring and refining the acquired business, the main impact from acquisitions derives from synergies, the value of human resources and the creation of platforms for growth.

²⁾ Acquisition costs, net of tax amounting to DKK 24 million related mainly to the acquisitions of Topman and Fealty in Taiwan, JV Strong in the UK and the remaining 40% of Aircon in Norway.

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Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

4. Acquisition and divestment of businesses (continued)

| | Acquisition of Tempo Services Ltd. ¹⁾ | | Total acquisitions | | Total divestments |
|---|--|------------------------|--------------------------------|------------------------|-------------------|
| | Net book value before takeover | Fair value at takeover | Net book value before takeover | Fair value at takeover | |
| Acquisitions and divestments 1 January - 31 March 2006 | | | | | |
| Goodwill | 776 | - | 776 | - | - |
| Customer contract portfolios and related customer relationships | 157 | 279 | 161 | 470 | - |
| Other non-current assets | 57 | 85 | 101 | 135 | - |
| Trade receivables | 481 | 479 | 670 | 666 | - |
| Other current assets | 38 | 38 | 123 | 119 | - |
| Other provisions | (45) | (77) | (47) | (105) | - |
| Pensions, deferred tax liabilities and minorities | (48) | (85) | (73) | (135) | - |
| Long-term debt | (1) | (1) | (20) | (20) | - |
| Short-term debt | (181) | (181) | (227) | (226) | - |
| Other current liabilities | (506) | (571) | (694) | (771) | - |
| Net identifiable assets | 728 | (34) | 770 | 133 | - |
| Goodwill ²⁾ | | 1,112 | | 1,586 | - |
| Acquisition costs, net of tax ³⁾ | | (6) | | (27) | - |
| Purchase/(sales) price | | 1,072 | | 1,692 | - |
| Cash and cash equivalents in acquired/divested companies | | (21) | | (68) | - |
| Net purchase/(sales) price | | 1,051 | | 1,624 | - |
| Changes in deferred payments | | (9) | | 36 | 5 |
| Changes in prepayments regarding acquisitions in the coming period | | - | | 125 | - |
| Acquisition costs paid, net of tax | | - | | 36 | - |
| Net payments regarding acquisition/ divestment of businesses | | 1,042 | | 1,821 | 5 |

The amount of the acquiree's profit or loss since the acquisition date included in the income statement for the period is not disclosed, since such disclosure is impracticable, as acquired companies are typically merged with (or activities transferred to) existing companies shortly after completion of the acquisition.

¹⁾ In 2006, only the acquisition of Tempo Services Ltd. accounted for more than 2% of the Group's revenue on an individual basis.

²⁾ The following intangibles are subsumed into goodwill; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes and iv) platform for growth. As the Group is a service company that acquires businesses in order to apply the ISS model and generate value by restructuring and refining the acquired business, the main impact from acquisitions derives from synergies, the value of human resources and the creation of platforms for growth.

³⁾ Acquisition costs, net of tax, amounting to DKK 27 million related mainly to the acquisitions of Pegasus in the UK and Tempo Services Ltd. in Australia.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

4. Acquisition and divestment of businesses (continued)

2007 2006

Pro forma revenue ¹⁾

| | | |
|---|--------|--------|
| Revenue recognised in the income statement | 14,930 | 12,555 |
| Adjustment, assuming all acquisitions from 1 January - 31 March were included as of 1 January | 71 | 333 |

| | | |
|---|--------|--------|
| Revenue for the Group assuming all acquisitions from 1 January - 31 March were included as of 1 January | 15,001 | 12,888 |
| Adjustment, assuming all divestments signed from 1 January - 31 March were carried out as of 1 January | (13) | - |

| | | |
|--|---------------|---------------|
| Revenue for the Group assuming all acquisitions and divestments from 1 January - 31 March were carried out as of 1 January | 14,988 | 12,888 |
|--|---------------|---------------|

Pro forma operating profit before other items ¹⁾

| | | |
|---|-----|-----|
| Operating profit before other items recognised in the income statement | 697 | 573 |
| Adjustment, assuming all acquisitions from 1 January - 31 March were included as of 1 January | 6 | 18 |

| | | |
|---|-----|-----|
| Operating profit before other items for the Group assuming all acquisitions from 1 January - 31 March were included as of 1 January | 703 | 591 |
| Adjustment, assuming all divestments signed from 1 January - 31 March were carried out as of 1 January | (1) | - |

| | | |
|--|------------|------------|
| Operating profit before other items for the Group assuming all acquisitions and divestments from 1 January - 31 March were carried out as of 1 January | 702 | 591 |
|--|------------|------------|

¹⁾ The adjustment for revenue and operating profit before other items assuming all acquisitions and divestments were included as of 1 January is based on estimates of local ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the times of such acquisitions and divestments or actual results where available. Synergies from acquisitions are not included for periods in which such acquisitions were not controlled by the Group. 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 and have not been audited. This information does not represent the results the Group would have achieved had the divestments and acquisitions 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.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

4. Acquisition and divestment of businesses (continued)

From 1 January 2007 to 31 March 2007, the Group made 28 acquisitions ¹⁾

| Company | Country | Income statement consolidated from | Percentage interest | Annual revenue ²⁾ | Number of employees ²⁾ |
|-------------------------|------------|------------------------------------|---------------------|------------------------------|-----------------------------------|
| FM-Complete | Austria | January | 100% | 22 | 27 |
| Advanced Group | UK | January | Activities | 9 | 17 |
| JV Strong | UK | January | 100% | 98 | 250 |
| Jobbcoach | Norway | January | Activities | 3 | 2 |
| Karitza KV Holdus | Estonia | January | 100% | 2 | 51 |
| Fealty | Taiwan | January | 100% | 41 | 82 |
| Topman | Taiwan | January | 100% | 147 | 1,700 |
| Prestanet | France | February | 100% | 16 | 100 |
| Jardi Breiz | France | February | 100% | 42 | 50 |
| Omni Net Services | France | February | 100% | 18 | 113 |
| PCC | Belgium | February | 100% | 24 | 30 |
| Top Service | Argentina | February | 100% | 42 | 940 |
| Nadese S.L. | Spain | February | 100% | 19 | 140 |
| SMV | Brazil | February | 100% | 99 | 513 |
| Plantiago | Portugal | March | 100% | 23 | 95 |
| Group Suprema | Portugal | March | 100% | 62 | 800 |
| Megalimpa | Portugal | March | Activities | 9 | 113 |
| Lux Interim | Luxembourg | March | 100% | 39 | 5 |
| J.P.S. servis | Slovakia | March | 100% | 8 | 335 |
| Morel | France | March | 100% | 45 | 400 |
| Morwar | Poland | March | 100% | 17 | 276 |
| FDV | Norway | March | Activities | 4 | 4 |
| Sensa Advena | Norway | March | 100% | 2 | 5 |
| Actum Rogaland | Norway | March | 100% | 6 | 6 |
| Erlacher | Austria | March | Activities | 4 | 5 |
| Steinle | Germany | March | 100% | 4 | 4 |
| Aircon | Norway | March | 100% | 107 | 380 |
| Pro Exhibition Services | Thailand | April | Activities | 5 | 160 |
| Subtotal | | | | 917 | 6,603 |

¹⁾ Includes all acquisitions completed prior to 1 April 2007.

²⁾ Unaudited approximate figures based on information available at the time of acquisition.

From 1 January to 31 March 2007, the Group made 4 divestments ¹⁾

| Company/activity | Country | Month of disposal | Annual revenue ²⁾ |
|-------------------|----------|-------------------|------------------------------|
| Move Business | Finland | February | 54 |
| Niaga Suria Group | Malaysia | February | 15 |
| Dust Control | Denmark | March | 5 |
| Trio | Denmark | March | 8 |
| Total | | | 82 |

¹⁾ Includes all divestments completed prior to 1 April 2007.

²⁾ Unaudited approximate figures based on information available at the time of divestment.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

4. Acquisition and divestment of businesses (continued)

Acquisitions and divestments recognised in the period 1 April - 30 April 2007.

In accordance with usual procedures for purchase price allocation, opening balances for acquisitions subsequent to 31 March 2007 are not yet available.

From 1 April to 30 April 2007, the Group made 7 acquisitions ¹⁾

| Company | Country | Income statement consolidated from | Percentage interest | Annual revenue ²⁾ | Number of employees ²⁾ |
|----------------|-----------|------------------------------------|---------------------|------------------------------|-----------------------------------|
| PT SAS | Indonesia | April | Activities | 18 | 1,470 |
| Ledan | Chile | April | 100% | 12 | 379 |
| Hanyang | China | April | 100% | 35 | 2,400 |
| Perfect Choice | Norway | May | Activites | 16 | 30 |
| Krogab | Norway | May | Activites | 5 | 1 |
| Caterhouse | UK | May | 100% | 102 | 8 |
| THP | France | May | 100% | 32 | 370 |
| Total | | | | 220 | 4,658 |

¹⁾ Includes all acquisitions signed prior to 1 May 2007 regardless of consolidation date.

²⁾ Unaudited approximate figures based on information available at the time of acquisition.

From 1 April to 30 April 2007, the Group made 2 divestments ¹⁾

| Company/activity | Country | Month of disposal | Annual revenue ²⁾ |
|------------------|-------------|-------------------|------------------------------|
| ES Business | Taiwan | April | 12 |
| Landscaping | Switzerland | April | 41 |
| Total | | | 53 |

¹⁾ Includes all divestments completed prior to 1 May 2007.

²⁾ Unaudited approximate figures based on information available at the time of divestment.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

5. Contingent liabilities

Senior Facility Agreement

FS Funding A/S has executed a share pledge over its shares in ISS A/S as well as over proceeds of certain intercompany loans as security for the Group's senior facilities, and a secondary share pledge over such shares and such proceeds as security for the subordinated notes issued by FS Funding A/S.

ISS A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Australia, Belgium, Denmark, Finland, France, the Netherlands, Norway, Spain, Sweden, Turkey and the United Kingdom have provided guarantees for ISS Global A/S' borrowings under the senior facilities. The guarantees have been backed up by security over bank accounts, trade receivables, intra-group receivables and intellectual property rights of ISS A/S and these subsidiaries. In addition, the shares in the material subsidiaries and shares in certain of their subsidiaries as well as shares in certain subsidiaries in Austria, Germany, Hong Kong, Ireland, Portugal, Singapore and Switzerland have been pledged. Neither ISS A/S nor any of its direct or indirect subsidiaries have guaranteed or granted any security for FS Funding's borrowing used for financing the acquisition of ISS A/S.

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 amounted to DKK 436 million (1 January - 31 March 2006: DKK 395 million). Assuming the current car fleet etc. is maintained, the future minimum lease payments under operating leases are:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | After 5 years | Total lease payment |
|------------------|--------|--------|--------|--------|--------|------------------|------------------------|
| At 31 March 2007 | 1,158 | 834 | 593 | 403 | 272 | 432 | 3,692 |
| At 31 March 2006 | 1,029 | 776 | 519 | 324 | 216 | 331 | 3,195 |

Commitment vehicle leases

On 1 January 2005 the Group entered into a global car fleet lease framework agreement for three years, including an option for extension for another subsequent three year term. The framework agreement contains an option for the Group to terminate the underlying agreement for an entire country or the entire commitment with four weeks notice, to the end of a quarter 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 31 March 2007 amounted to DKK 353 million (31 March 2006, DKK 346 million).

Performance guarantees

The Group has issued performance bonds for service contracts with an annual revenue of DKK 977 million (31 March 2006, DKK 864 million) of which DKK 764 million (31 March 2006, DKK 673 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 31 March 2007 amounted to approximately DKK 388 million (31 March 2006: DKK 400 million). As of 1 April 2007 the agreement has been re-scoped, which has led to a reduction of the contractual obligation to DKK 200 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 31 March 2007 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.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

5. Contingent liabilities (continued)

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 balance sheet at 31 March 2007.

Other contingent liabilities

The Brazilian tax authorities have filed two claims and raised certain other inquiries against ISS Brazil relating to corporate income tax for the year 1995 on realisation of inflationary gain, federal taxes related to 1999 and other federal taxes and social securities amounting to DKK 87 million. These claims and inquiries are unlikely to be resolved in the short to medium term and the outcome is uncertain.

6. Related party transactions

The sole shareholder of FS Funding A/S, FS 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 Goldman Sachs Capital Partners.

Members of the Board of Directors and Executive Group Management

Apart from remuneration there were no significant transactions with members of the Board of Directors or Executive Group Management during the period.

Incentive Programmes

The Principal Shareholders have offered a management participation programme, under which the Executive Group Management and a number of senior officers of the Group were offered to make an investment. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest, FS Funding A/S's ultimate parent, amounting to DKK 176 million in total. Furthermore, certain officers were granted a total of 784,272 warrants in FS Invest. The management participation programme was rolled out in July 2006 and from the outset 138 eligible officers participated in the programme.

Non-executive members of the Board of Directors (except representatives of the Principal Shareholders) have been 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 6 million in total. In addition they have co-invested with the Principal Shareholders for approximately DKK 17.6 million in total.

Joint ventures and associates

Transactions with joint ventures and associates are limited to transactions related to shared service agreements. There were no significant transactions with joint ventures and associates during the period. All transactions are made on market terms.

In addition to the above and except from intra-group transactions, which have been eliminated in the consolidated accounts, there were no material transactions with related parties and shareholders during the period.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

6. Related party transactions (continued)**The Group's Board of Directors' and Executive Group Management's external directorships and external executive positions**

| Board of Directors | Board Member | Executive Position |
|-----------------------------------|---|--|
| Sir Francis Mackay | Chairman Carlton Financial Group and Trustee of English National Opera | None |
| Leif Östling | Scania AB, AB SKF, Svenskt Näringsliv (Confederation of Swedish Enterprise) and Teknikföretagen (The Association of Swedish Engineering Industries) | President and CEO of Scania AB |
| Ole Andersen | Contex Holding A/S, Aleris AB and BTX Group A/S | Head of the Copenhagen office of EQT Partners |
| Sanjay Patel | Ahlsell AB | Co-head of Private Equity in Europe for the Principal Investment Area of Goldman |
| Christoph Sander | Europackaging Group (MidOcean Partners Appointee), Casper Limited and 2 subsidiaries of Casper Limited | Co-founder and CEO of Casper Limited |
| Richard Sharp | Cognis GmbH & Co. KG | Advisory Director of Goldman Sachs International |
| Peter Korsholm (alternate) | Contex Holding A/S (deputy director) and BTX Group A/S | Partner at EQT Partners |
| Steven Sher (alternate) | Ahlsell AB and Rhiag Group Ltd. | Managing Director, Goldman Sachs International, Principal Investment Area |
| Executive Group Management | Board Member | Executive Position |
| Jørgen Lindegaard | Telenor ASA and Efsen Engineering A/S | None |
| Flemming Schandorff | None | None |
| Jeff Gravenhorst | None | None |

Affiliates

In the first quarter of 2007, the Group had the following transactions with affiliates. All transactions were made on market terms.

- the Group received/paid interest from/to affiliates.

- 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 and in Russia have entered into Facility Services agreements with local Goldman Sachs affiliates. The annual revenue from these agreements is estimated at DKK 4.5 million.

Apart from the above there were no other material transactions with related parties and shareholders during the period.

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 31 March. Amounts in DKK millions

7. Subsequent events

Corporation Tax Act

On 18 April 2007 the Danish Government introduced a bill to amend the Corporation Tax Act and various other tax laws. The bill contains, among other things, provisions that limit the right to deduct interest and reduce the possibility of certain tax depreciations. However, this limitation is partly compensated by a reduction of the corporate income tax rate from 28% to 25%. Primarily as a result of the substantial indebtedness of FS Funding the bill is expected to have an adverse effect on the tax position in the Danish part of FS Funding.

FS Funding's refinancing

On 8 May 2007, FS Funding announced that it was contemplating a refinancing of a portion of the Group's existing debt and to raise new funding for future acquisitions. The proposed refinancing is expected to include new facilities comprised of approximately EUR 1,140 million of Term Loan Facilities, of which approximately EUR 1,000 million is expected to be borrowed by ISS Global and approximately EUR 140 million is expected to be borrowed by FS Funding, and approximately EUR 600 million of Second Lien Facility. FS Funding does not contemplate paying any dividends to its shareholders in connection with the refinancing.

The use of proceeds from the new credit facilities will be determined by the Boards of Directors of FS Funding and its affiliates and may include the following: (i) refinancing the Company's drawn Acquisition Facilities in an amount of up to EUR 500 million; (ii) repayment of some or all of the 6.625% Senior Subordinated Floating Rate Notes due 2016; and (iii) refinancing up to 70% of the EMTNs due 2014.

In connection with the refinancing, FS Funding has requested the Lenders under the Senior Facilities Agreement to consent to certain waivers and amendments of the Senior Facilities Agreement.

Acquisition in the U.S.

On 23 May 2007, FS Funding announced that ISS was launching operations in the U.S. through the acquisition of Sanitors Inc., a provider of cleaning, building maintenance, landscaping, bridge tending and security services. Sanitors, Inc. has annual revenue of approximately DKK 1.8 billion and 10,000 employees.

Apart from the above and the events described in this Annual Report, the Group is not aware of events subsequent to 31 March 2007, which are expected to have a material impact on the Group's financial position.

APPENDIX: Other Financial Measures

The estimated pro forma information presented in this appendix is unaudited and 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 April 2006 – 31 March 2007 occurred on 1 April 2006.

FS Funding 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. Other companies, including those in the Group's industry, may calculate similarly titled financial measures differently from the Group. Because all companies do not calculate these financial measures in the same manner, FS Funding's presentation of such financial measures may not be comparable to similarly titled measures of other companies. Funds depicted by certain of these measures may not be available for management's discretionary use due to covenant restrictions, debt service payments and other commitments. In addition, the calculations of some of these financial measures take into account estimates of pre-acquisition and post-acquisition results, which by their nature are uncertain.

Adjusted EBITDA

Adjusted EBITDA, as calculated by FS Funding, represents operating profit before other items plus depreciation and amortisation. By using operating profit before other items as a starting point for the calculation of adjusted EBITDA instead of operating profit, the Group excludes from the calculation of adjusted EBITDA integration costs relating to acquisitions and items recorded under the line item Other income and expenses, net. This line item includes income and expenses that FS Funding believes are not a part of its normal ordinary operations, such as gains and losses arising from divestments, the winding-up of operations, disposals of property, restructurings and certain acquisition related costs. Some of the items that FS Funding records under the line item Other income and expenses, net are recurring and some are non-recurring in nature.

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

| | 12-month period ended 31 March 2007 (DKK millions) |
|--------------------------------|--|
| Operating Profit | 3,161 |
| Depreciation and amortisation | 773 |
| EBITDA | 3,934 |
| Other income and expenses, net | 105 |
| Integration costs | 92 |
| Adjusted EBITDA | 4,131 |

ESTIMATED PRO FORMA ADJUSTED EBITDA

| | 12-month period ended 31 March 2007 (DKK millions) |
|---|--|
| Adjusted EBITDA | 4,131 |
| Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses | 172 |
| Estimated Pro Forma Adjusted EBITDA | 4,303 |

Notes:

Estimated adjusted EBITDA of acquired and divested businesses represents the net aggregate estimated adjusted EBITDA for each of the acquired or divested businesses for the period from 1 April 2006 to the date of its acquisition by the Group. These amounts are estimates in part because (i) the historical income statement information that was available for the acquired businesses for the periods from 1 April 2006 to the date of their acquisition by the Group has been converted and adjusted by the Group as described below, and (ii) income statement information was generally not available for any of the Acquired Businesses for the portions of the twelve-month period ended 31 March 2007 from the dates of the last annual or interim financial statements of the Acquired Businesses until the date on which they were purchased by the Group.

Continues

ESTIMATED PRO FORMA ADJUSTED EBITDA (CONTINUED)

These estimates are based on estimates of the EBITA of the acquired businesses for pre-acquisition portions of the financial year in which the acquisition occurred and for the preceding financial year and originally included in standardised reports of potential acquisitions prepared in the normal course of business by ISS local management. The definition of EBITA is the same as that of adjusted EBITDA, but after depreciation.

The estimated pro forma adjusted EBITDA for the 12-month period ended 31 March 2007 was prepared using the following methodology:

- (i) First, by estimating the annual EBITA of the Acquired Businesses:
 - EBITA estimates of the Acquired Businesses for historical periods were based on the historical annual or interim financial statements of the Acquired Businesses;
 - in some cases, EBITA estimates for historical periods were based on financial statements of the Acquired Businesses, prepared under relevant local generally accepted accounting principles;
 - where the financial statements of the Acquired Businesses were not audited by the local auditors of such businesses, EBITA for historical periods was estimated with reference to unaudited internal management accounts of those entities;
 - EBITA estimates of the Acquired Businesses were then converted to ISS accounting policies by local ISS management for inclusion in the acquisition reports;
 - EBITA estimates included in the acquisition reports did not take account of seasonality or expected synergies, but were adjusted on a case-by-case basis to take into account additional information regarding known material positive or negative changes in the Acquired Businesses, such as contract gains and losses, available at the time of acquisition from interim reports, management accounts of the Acquired Businesses and other sources;
 - the estimated annual EBITA for each of the Acquired Businesses was allocated in an equal pro rata amount to each month of the portion of the twelve-month period ended 31 March 2007 prior to its acquisition by ISS;
- (ii) Second, by estimating the annual EBITDA of the Acquired Businesses:
 - the total estimated EBITA for all of the Acquired Businesses was then adjusted to add back an amount of estimated depreciation for each of the Acquired Businesses for the portion of the twelve-month period ended 31 March 2007 prior to its acquisition by ISS, by applying a rate of depreciation of 1.5% to the revenues of each such entity acquired during the twelve-month period ended 31 March 2007 and allocating the result in equal pro rata amounts to each month of the period;
- (iii) Third, by estimating the EBITDA of the Smaller Divested Businesses and discontinued operations:
 - the estimated EBITA of the Smaller Divested Businesses and discontinued operations was derived from the unaudited management accounts of those Smaller Divested Businesses and discontinued operations; and
 - the total estimated EBITA for all of the Smaller Divested Businesses and discontinued operations was then adjusted to add back an amount of depreciation for each of the Smaller Divested Businesses and discontinued operations, by applying the reported depreciation of the divested entity if the entity was separately reported in the unaudited management accounts or, if the depreciation of the entity was not separately reported in the unaudited management accounts, by applying a rate of depreciation of 1.5% to the revenues of each such entity divested during the twelve-month period ended 31 March 2007.

Pro Forma Net debt

The following table sets forth FS Funding's consolidated cash and cash equivalents and securities and capitalisation as of 31 March 2007.

The amounts set forth under the column entitled "Consolidated Actual" are derived from and should be read in conjunction with the Consolidated Financial Statements of FS Funding as of and for the period ended 31 March 2007 and the related notes thereto.

CAPITALISATION TABLE

| | As of 31 March 2007 | | |
|---|------------------------|--|-----------------------------|
| | Consolidated Actual | Accounting Adjustments ⁽¹⁾ | Consolidated As Adjusted |
| | (DKK millions) | | |
| Cash and cash equivalents and securities: | | | |
| Cash and cash equivalents | 1,165 | | 1,165 |
| Securities ⁽²⁾ | 74 | | 74 |
| Total cash and cash equivalents and securities | 1,239 | | 1,239 |
| Short-term debt: | | | |
| Senior Facilities ⁽³⁾ : | | | |
| Term Facility A | 199 | | 199 |
| Other short-term debt ⁽⁴⁾ | 882 | (87) ^(iv) | 795 |
| Total short-term debt | 1,081 | | 994 |
| Long-term debt: | | | |
| Senior Facilities ⁽³⁾ : | | | |
| Term Facility A | 1,466 | 17 ⁽ⁱⁱⁱ⁾ | 1,483 |
| Term Facility B | 4,950 | 51 ⁽ⁱⁱⁱ⁾ | 5,001 |
| Acquisition Facilities | 2,716 | 26 ⁽ⁱⁱⁱ⁾ | 2,742 |
| Euro Medium Term Notes ⁽⁵⁾ : | | | |
| 4.75% Notes due 2010 ^(a) | 5,962 | 371 ⁽ⁱ⁾ | 6,333 |
| 4.50% Notes due 2014 ^(b) | 3,036 | 689 ⁽ⁱ⁾ | 3,725 |
| Subordinated Notes ⁽⁶⁾ : | | | |
| Floating Rate Notes due 2016 ^(a) | 6,152 | 181 ⁽ⁱⁱⁱ⁾ | 6,333 |
| 8.875% Notes due 2016 ^(b) | 3,287 | 96 ⁽ⁱⁱⁱ⁾ | 3,383 |
| Interest rate swaps | 42 | (42) ⁽ⁱⁱ⁾ | - |
| Other long-term debt ⁽⁷⁾ | 231 | | 231 |
| Total long-term debt | 27,842 | | 29,231 |
| Shareholders' funding: | | | |
| Shareholders' equity | 5,716 | | 5,716 |
| Minority interests | 65 | | 65 |
| Total capitalisation | 34,704 | | 36,006 |
| Total adjusted net debt ⁽⁸⁾ | 27,684 | | 28,986 |

Notes:

(1) Accounting Adjustments:

(i) Market price adjustments of Euro Medium Term Notes:

The Euro Medium Term Notes issued by ISS Global were recognised in the opening balance sheet at their market price as of 9 May 2005, the date of FS Funding's acquisition of ISS, as part of FS Funding's purchase price allocation prepared in connection with the Acquisition. The difference between this market price and the principal amount is being amortised in the consolidated financial statements of FS Funding over the remaining term of the Euro Medium Term Notes. The unamortised market price adjustment as at 31 March 2007, amounting to DKK 371 million related to the Euro Medium Term Notes due 2010 and DKK 689 million related to the Euro Medium Term Notes due 2014, is reversed in the above table to reflect the principal amount of the Euro Medium Term Notes.

Continues

CAPITALIZATION TABLE (continued)

(ii) Gains on interest rate swaps:

In June 2005 and June 2006, ISS settled the interest rate swaps hedging the Euro Medium Term Notes issued by ISS Global and realised a gain, which is being recognised in the income statement over the remaining term of the Euro Medium Term Notes. At 31 March 2007, the unamortised portion of the gain amounted to DKK 42 million, which is reversed in the above table to reflect the principal amount of the hedged Euro Medium Term Notes.

(iii) Unamortised financing fees:

According to IFRS, a liability in respect of a loan is recorded at an amount equal to the net proceeds received from such loan and not its principal amount. The difference between the principal amount required to be repaid at maturity and the net proceeds received represents unamortised financing fees and is amortised through the income statement over the term of the relevant liability.

To reflect the principal amount of loan liabilities at 31 March 2007, unamortised financing fees of DKK 17 million related to Term Facility A, DKK 51 million related to Term Facility B, DKK 26 million related to Acquisition Facilities, DKK 181 million related to the Subordinated Floating Rate Notes, and DKK 96 million related to the 8.875% Subordinated Notes are reversed.

(iv) Debt related to joint taxation:

The Issuer and ISS are jointly taxed with FS Equity and its Danish resident subsidiaries. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income. At 31 March 2007, the condensed consolidated interim financial statements of FS Funding included a liability of DKK 87 million to FS Equity, the ultimate Danish parent of the Group. In the absence of the joint taxation scheme, this liability would not have been recorded under short-term debt but under tax payables. To adjust for the accounting effect of the joint taxation scheme, DKK 87 million is excluded from short-term debt.

(2) Consists mainly of Danish listed government bonds.

(3) The Senior Facilities comprise the following:

- (a) term loans in an amount equivalent to DKK 6,683 million (Term Facility A in an amount equivalent to DKK 1,682 million, of which DKK 199 million are included in short-term debt and DKK 1,483 million are included in long-term debt, and Term Facility B in an amount equivalent to DKK 5,001 million), both of which are fully drawn.
- (b) a revolving credit facility (the "Revolving Credit Facility") in an amount equivalent to DKK 2,400 million, of which amounts equivalent to DKK 750 million were drawn as of 31 March 2007. Borrowings under the Revolving Credit Facility are primarily provided by local lenders to certain subsidiaries and are included in "other short-term debt" and "other long-term debt" in FS Funding's consolidated financial statements.
- (c) Acquisition Facility A in an amount equivalent to DKK 1,425 million, which was fully drawn as at 31 March 2007 and Acquisition Facility B in an amount equivalent to DKK 3,500 million of which DKK 1,317 million was drawn as at 31 March 2007.
- (d) a letter of credit facility in an amount equivalent to DKK 500 million. Letters of credit are primarily issued in support of borrowings, other than borrowings under the Revolving Credit Facility or the Secured Local Facilities, and, to the extent these borrowings are deemed to constitute indebtedness, the borrowings are included in "other short-term debt" and "other long-term debt" in FS Funding's Consolidated Financial Statements.

The Senior Facilities have been drawn in certain currencies in addition to Danish Kroner as specified under the Senior Facilities Agreement.

(4) Total short-term debt includes borrowings under the Revolving Credit Facility which are primarily provided by local lenders to certain subsidiaries primarily to fund working capital requirements, other local credit facilities and finance leases.

(5) Euro Medium Term Notes

- (a) In September 2003, ISS Global issued EUR 850 million of Euro Medium Term Notes. The notes have an annual coupon of 4.75%, payable annually in arrears, and mature on 18 September 2010.
- (b) In December 2004, ISS Global issued EUR 500 million of Euro Medium Term Notes. The notes have an annual coupon of 4.50%, payable annually in arrears, and mature on 8 December 2014.

Continues

CAPITALISATION TABLE (continued)

- (6) Subordinated Notes
- (a) In May 2006, FS Funding issued EUR 850 million of Subordinated Floating Rate Notes. The notes bear interest at a rate per annum equal to 3 month Euribor plus 6.625%, reset quarterly and mature on 15 May 2016. As of 31 March 2007, the interest rate of EUR 540 million of the Subordinated Floating Rate Notes was fixed through an interest rate swap.
- (b) In May 2006, FS Funding issued EUR 454 million of Subordinated Notes. The notes have an annual coupon of 8.875%, payable semi-annually in arrears, and mature on 15 May 2016.
- (7) Other long-term debt includes finance leases, mortgage debt and other debt.
- (8) Total adjusted net debt represents total short-term debt and total long-term debt less total cash and cash equivalents and securities.

Seasonality Adjusted Pro Forma Net debt

Seasonality Adjusted Pro Forma Net Debt, as calculated by FS Funding, represents Pro Forma Net Debt less changes in working capital for the 3-month period ending 31 March 2007, plus changes in working capital for the 12-month period ending 31 March 2007. By applying changes in working capital for the 12-month period ending 31 March 2007 instead of the 3-month period ending 31 March 2007, FS Funding adjusts Pro Forma Net Debt for seasonality in working capital and thus the Seasonality Adjusted Pro Forma Net Debt is comparable to FS Funding's Pro Form Net Debt at the end of a financial year. For further information on seasonality, see note 2 to the Condensed Consolidated Interim Financial Statements.

SEASONALITY ADJUSTED PRO FORMA NET DEBT

| | |
|--|---------------|
| Pro Forma Net Debt | 28,986 |
| Changes in working capital, 1 January - 31 March 2007 | (890) |
| Changes in working capital, 1 April 2006 - 31 March 2007 | 41 |
| Seasonality Adjusted Pro Forma Net Debt | 28,136 |