To Luxembourg Stock Exchange
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ISS A/S

Interim Report January – June 2012

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Key figures and financial ratios

DKK million (unless otherwise stated)	Q2 2012	Q2 2011	H1 2012	H1 2011
KEY FIGURES [1]				
Income statement				
Revenue	19,779	19,575	39,080	38,559
Operating profit before other items	1,036	1,102	1,904	1,974
EBITDA	1,137	1,212	2,219	2,283
Adjusted EBITDA	1,250	1,328	2,330	2,412
Operating profit	923	986	1,793	1,845
Financial income	59	25	146	69
Financial expenses	(737)	(806)	(1,451)	(1,506)
Profit before goodwill impairment/amortisation and impairment of brands and customer contracts	(19)	(6)	106	98
Net profit/(loss) for the period	(178)	(413)	(294)	(438)
Cash flow				
Cash flow from operating activities	915	915	583	472
Acquisition of intangible assets and property, plant and equipment not related to acquisitions, net	(190)	(263)	(371)	(504)
Financial position				
Total assets	54,835	54,473	54,835	54,473
Goodwill	26,927	27,072	26,927	27,072
Additions to property, plant and equipment not related to acquisitions, gross	163	245	338	459
Carrying amount of net debt	31,050	31,522	31,050	31,522
Total equity (attributable to owners of ISS A/S)	1,754	1,937	1,754	1,937
Employees				
Number of employees at 30 June	537,400	535,600	537,400	535,600
Full-time employees, %	73	73	73	73
FINANCIAL RATIOS [1]				
Growth, %				
Organic growth	1.4	6.2	2.2	6.0
Acquisitions	-	0	-	0
Divestments	(2)	(1)	(2)	(1)
Currency adjustments	2	(0)	1	2
Total revenue growth	1	5	1	7
Other financial ratios, %				
Operating margin	5.2	5.6	4.9	5.1
Equity ratio	3.2	3.6	3.2	3.6
Interest coverage	1.8	1.7	1.8	1.7
Cash conversion LTM	99	87	99	87
Basic earnings per share (EPS), DKK	(1.8)	(4.1)	(3.0)	(4.4)
Diluted earnings per share, DKK	(1.8)	(4.1)	(3.0)	(4.4)
Adjusted earnings per share, DKK	(0.2)	(0.1)	1.1	1.0

[1] See definitions in the Annual Report 2011.

Financial Leverage

	As of and for the 12-month period ended			
DKK million	30 September 2011	31 December 2011	31 March 2012	30 June 2012
Pro Forma Adj. EBITDA	5,183	5,147	5,158	5,127
Carrying amount of net debt	31,316	29,905	30,702	31,050
Seasonality Adj. Carrying amount of net debt	30,209	29,905	29,758	30,027
Carrying amount of net debt / Pro Forma Adj. EBITDA	6.04x	5.81x	5.95x	6.06x
Seasonality Adj. Carrying amount of net debt / Pro Forma Adj. EBITDA	5.83x	5.81x	5.77x	5.86x

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 33-35 of this report for further information on Capital Structure.

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

For further information about ISS, see ISS's Annual Report 2011, which is available at the Group's website, www.issworld.com.

Business Highlights

ISS continues the transformation towards making ISS the world's best service company, demonstrated by the wins in July 2012 of two of our largest multinational integrated facility services (IFS) contracts to date. ISS continued to deliver a sound performance in challenging macroeconomic conditions by demonstrating healthy organic growth, operating profit in line with last year and strong cash conversion:

- Group revenue amounted to DKK 39.1 billion in the first six months of 2012, an increase of 1% compared with the same period in 2011, driven by organic growth of 2.2% and a positive effect from exchange rate movements of 1% which was partly offset by the successful divestment of non-core activities amounting to 2%.

- The organic growth amounted to 2.2% in the first six months of 2012. All regions except the North America and Pacific regions delivered a positive organic growth rate including Asia with a double-digit organic growth rate. The organic growth was influenced by the challenging macro-economic conditions, particularly in some Mediterranean countries where the main focus is to ensure a customer contract base with satisfactory payment and profitability conditions. This has led to the identification of contracts which have been exited in 2012.

- Operating profit before other items amounted to DKK 1,904 million in the first six months of 2012 compared with DKK 1,974 million in the same period in 2011. The operating margin (operating profit before other items as a percentage of revenue) was 4.9% for the first six months of 2012 compared with 5.1% for the same period in 2011. The operating margin, which is in line with expectations, was positively impacted by margin increases especially in the Nordics and certain Western European countries. However, this was offset by the negative impact resulting from operational challenges in the Netherlands and France and change in the business mix in Brazil. Furthermore, the margin was negatively impacted by the divestment of non-core activities including the damage control business in Germany and the coffee vending business in Denmark and Norway.

- Operating profit amounted to DKK 1,793 million in the first six months of 2012 compared with DKK 1,845 million in the same period of 2011. The operating profit was impacted by the decrease in operating profit before other items, which was partly offset by a reduction in Other income and expenses, net.

Operating results, H1 2012

	Revenue			Operating profit before other items			Operating margin [1]	
	DKK million			DKK million				
	H1 2012	H1 2011	Change	H1 2012	H1 2011	Change	H1 2012	H1 2011
Western Europe [2]	19,482	19,742	(1)%	1,020	1,067	(4)%	5.2 %	5.4 %
Nordic [3]	8,785	8,955	(2)%	493	486	1 %	5.6 %	5.4 %
Asia [4]	3,516	2,922	20 %	260	219	19 %	7.4 %	7.5 %
Pacific [5]	2,949	2,762	7 %	143	195	(27)%	4.8 %	7.1 %
Latin America [6]	1,885	1,818	4 %	87	104	(16)%	4.6 %	5.7 %
North America [7]	1,680	1,587	6 %	51	56	(9)%	3.1 %	3.5 %
Eastern Europe [8]	797	791	1 %	40	50	(20)%	5.1 %	6.3 %
Other Countries [9]	16	16	0 %	(1)	(0)	100 %	(4.3)%	(0.6)%
Corporate / eliminations	(30)	(34)		(189)	(203)	(7)%	(0.5)%	(0.5)%
Total	**39,080**	**38,559**	**1 %**	**1,904**	**1,974**	**(4)%**	**4.9 %**	**5.1 %**
Emerging Markets [10]	8,180	7,360	11 %	504	495	2 %	6.2 %	6.7 %

[1] The Group uses Operating profit before other items for the calculation of Operating margin.
[2] Western Europe comprises Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom.
[3] Nordic comprises Denmark, Finland, Greenland, Iceland, Norway and Sweden.
[4] Asia comprises Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand.
[5] Pacific comprises Australia and New Zealand.
[6] Latin America comprises Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, Uruguay and Venezuela.
[7] North America comprises Canada and the USA.
[8] Eastern Europe comprises Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia.
[9] Other Countries comprises Bahrain, Egypt, Nigeria, Pakistan, South Africa, Ukraine and United Arab Emirates.
[10] Emerging Markets comprises Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey.

- The net result improved from a loss of DKK 438 million in the first six months of 2011 to a loss of DKK 294 million in the first six months of 2012, positively impacted by growth in revenue, lower financial expenses, net, and lower non-cash expenses related to goodwill impairment. This was partly offset by a lower operating profit and higher income taxes.

- The LTM cash conversion for June 2012 was 99%, as a result of a strong cash flow performance in all regions reflecting continuing focus on securing payments for work performed and exiting customer contracts with unsatisfactory payment conditions. This led to a decrease in debtor days of 0.9 day compared with 30 June 2011.

- The emerging markets comprising Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey, where we have more than half of our employees, delivered organic growth of 11% and represent 21% of total revenue for the Group. In addition to significantly increasing organic growth, the emerging markets delivered an operating margin of 6.2% in the first six months of 2012, well above most mature markets.

On 16 August 2012, ISS announced that global long term investors Ontario Teachers' Pension Plan (Teachers') and KIRKBI Invest had agreed to invest EUR 500 million (approximately DKK 3,721 million) in ISS. According to the agreement, subject to closing, Teachers' will invest approximately DKK 2,605 million and KIRKBI Invest approximately DKK 1,116 million. The new investors will own approximately 26% of the ultimate holding company of ISS. The current owners, funds advised by EQT Partners ("EQT") and GS Capital Partners funds ("GSCP"), are not selling any shares as part of the transaction, and will remain majority owners of ISS. The proceeds from this investment are expected to be used to significantly deleverage the company by repaying the 11% Senior Notes due 2014 after the December 2012 call date. ISS is very pleased to welcome such respected and successful investors to ISS. This is a testament to the strength and attractiveness of ISS as an investment opportunity. This new investment will further strengthen ISS's commercial and financial position and ensures that ISS is on track to significantly deleverage ahead of a potential IPO within a few years.

In July 2012, ISS won two new multinational IFS contracts. Firstly, a new global facility management partnership with Barclays Bank, a major global financial services provider. The five year contract covers a fully integrated facility services solution including catering, property, cleaning, support and, in some regions, security services to Barclays' operations in the United Kingdom, Europe, the Americas, Asia Pacific and the Middle East covering more than 5,000 sites. Secondly, an IFS contract with Novartis, a large pharmaceutical company, covering 22 sites in Switzerland, Germany, Austria and Slovenia. These contracts are some of the largest in the history of ISS and represent a significant milestone for ISS in confirming our position as a leading global facility services provider.

In the next nine months our Global Corporate Clients organisation will focus on mobilisation and start-up of the two new contracts as well as winning new contracts within selected customer segments where ISS can offer market leading value propositions.

ISS has in the first half of 2012 focused on the operation of several large integrated facility services (IFS) contracts started up in 2011, as well as the start-up of the IFS contract with Deutsche Bank covering Italy and Iberia. These efforts are in aggregate progressing well and operating margins and debtor days are improving gradually towards the anticipated run rate levels.

In addition to winning the contracts with Barclays Bank and Novartis, there have been several other

Revenue growth, H1 2012

	Revenue growth, % [1]					
	Organic	**Acq.**	**Div.**	**Total growth excl. currency**	**Currency**	**Total growth**
Western Europe	1	-	(4)	(3)	2	(1)
Nordic	1	-	(3)	(2)	0	(2)
Asia	16	-	(1)	15	5	20
Pacific	(1)	-	-	(1)	8	7
Latin America	6	-	-	6	(2)	4
North America	(2)	-	-	(2)	8	6
Eastern Europe	4	-	-	4	(3)	1
Other Countries	7	-	-	7	(3)	4
Total	**2.2**	**-**	**(2)**	**(0)**	**1**	**1**
Emerging Markets	11	-	0	11	0	11

[1] For a description of the method applied in calculating organic growth and the other revenue growth components, see ISS's Annual Report 2011, which is available at the Group's website, www.issworld.com.

important contract wins in 2012 where we have secured new or expanded the scope of existing contracts including contracts within our chosen customer segments, e.g. the Business Services & IT segment as well as the Healthcare segment.

The strategic rationale and fit of our business units continue to be reviewed on an ongoing basis in the light of The ISS Way strategy, which leads to the identification and evaluation of certain activities that are either non-core to The ISS Way strategy or lack critical mass. As part of this evaluation, ISS has in the first six months of 2012 completed the divestments of the non-core specialised consulting business in Finland and the governmental outplacing services in Norway. A further six businesses in the Nordic and Western Europe regions have been identified as non-core and have been classified as assets held for sale.

Strategy Update

ISS's business model is based on creating value for our customers by offering a range of facility services within cleaning services, support services, property services, catering services, security services and facility management services. ISS's facility management approach represents a unique offering whereby the service delivery can be integrated into one seamless solution – our integrated facility services (IFS) solution.

The ISS Way strategy, launched in 2008, is based on our four strategic cornerstones; customer focus, people management, the IFS strategy and multi-local approach. Combined with our corporate values and leadership principles, these cornerstones provide the foundation on which we pursue our vision to "Lead facility services globally – by leading facility services locally".

ISS has, over the past decade, built global capabilities in the delivery of a well-defined set of services which are equally well suited to deliver as a single service and as part of an integrated facility services 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 uniquely positioned to grasp the huge opportunities in our markets and we are putting our global footprint to work by meeting increased demand from multinational corporations for the delivery of integrated facility services across borders.

Implementation of The ISS Way strategy is progressing well. Our focus on emerging markets continues to enhance growth as does our strong market position within the delivery of services to multinational corporations.

The implementation of global standards continues to be a priority. We are rolling out our process frameworks which ensure consistency across the entire contract lifecycle from sales to operations. We are also introducing additional standard measures of performance such as net promoter scores for both customers and employees. The implementation of best practices is focused on a few high value at stake initiatives such as procurement.

We have a number of initiatives underway which are addressing performance issues in selected Western European markets and are deliberately reducing our exposure to certain customer segments particularly in certain Mediterranean countries mostly relating to the public sector.

We remain focused on aligning our business behind the services demanded by our customer segments and, in this regard, have divested certain non-core activities during the period. This is an on-going process and further divestments can be expected.

The divestment of non-core activities focuses management's attention to our operational excellence in the recurring core activities and also accelerates our deleverage further towards a potential IPO within a few years.

Financial Review

Western Europe

Revenue in the Western Europe region decreased by 1% to DKK 19,482 million (2011: DKK 19,742 million) in the first six months of 2012. Organic growth was positive by 1% and currency adjustments increased revenue for the region by 2%. The revenue was reduced by the successful divestment of non-core activities in prior years, representing 4% of revenue. Operating profit before other items decreased by 4% to DKK 1,020 million (2011: DKK 1,067 million) influenced by margin decreases in France and the Netherlands as well as certain divestments in 2011 resulting in an operating margin of 5.2%, a decrease of 0.2 percentage point compared with the first six months of 2011.

The development and performance across the region is diverse with strong performances in countries such as the United Kingdom, Austria, Switzerland and Germany while France and the Netherlands continue to experience challenges. The Netherlands is experiencing a very competitive market, has had a conflicted labour market combined with operational challenges, mainly in parts of the cleaning business while we have divested the non-core landscaping activities in July. Focus in France and the Netherlands continues to be on resolving certain structural and operational challenges. We have made changes to the country management teams in both countries.

Several countries delivered strong organic growth rates, especially Italy and Turkey with double digit growth as well as the United Kingdom and Germany which also contributed to the positive development. Generally, even with challenging conditions in some Mediterranean countries, the Western Europe region begins to harvest on the commercial strategies and customer segmented sales strategy, which continue to be rolled out across the region.

Major contract wins and extensions in the second quarter of 2012 included a large cleaning contract with the University of Gent in Belgium. Furthermore, ISS in the United Kingdom, in partnership with Absolute Taste, catered Westfield Stratford City sites during the 2012 Olympic Games in London as well as continued the significant increase in the contract with the Royal Air Force.

Nordic

Organic growth amounted to 1% in the Nordic region leading to revenue of DKK 8,785 million (2011: DKK 8,955 million) in the first six months of 2012. The revenue was reduced by 3% stemming from the successful divestment of non-core activities in 2011 and 2012. Operating profit before other items amounted to DKK 493 million (2011: DKK 486 million), reflecting an operating margin of 5.6% compared with 5.4% in 2011.

The organic growth of 1% was mainly driven by a good development in Norway and Finland partly offset by negative organic growth in Denmark and Sweden. The overall positive development in the region was achieved despite a significantly lower level of non-recurring services, such as snow removal, in the first months of 2012 compared with the same period in 2011.

The increase in the operating margin to 5.6% was a result of margin increases in Norway and Sweden due to improvement in the operational performance across all services. These positive developments were offset by margin decreases in Finland and Denmark due to a lower level of non-recurring services, such as snow removal, certain one-off austerity measures in Finland related to a special employee related levy paid in H1 2012 as well as the divestment of the coffee vending business in 2011.

Contract wins in the region in the second quarter of 2012 included a contract with PostNord, the postal services in Sweden and Denmark, and an IFS contract with Rambøll, an engineering, design and consultancy company based in Denmark.

Asia

The Asia region delivered a strong performance in the first six months of 2012. Revenue was DKK 3,516 million (2011: DKK 2,922 million), an increase of 20%, driven by organic growth of 16%. Currency adjustments impacted revenue positively by 5%. Operating profit before other items increased by 19% to DKK 260 million reflecting an operating margin of 7.4%, whereby Asia again delivered the highest margin of any ISS region.

Double-digit organic growth rates were seen in several countries, positively impacted by successful results of implementing a sales strategy targeting selected segments such as the Transportation & Infrastructure segment and the Energy & Resources segment. India was once again the largest nominal contributor to the organic growth in the region with an organic growth rate of 28%. China, Indonesia and Hong Kong also continued last year's positive trends driven by a strong retention of existing customers as well as a high rate of new sales, delivering organic growth of 37%, 20% and 12%, respectively.

During the second quarter of 2012, ISS Hong Kong won a significant contract with the Airport Authorities comprising support services. Furthermore, ISS Thailand has won a large security contract with Thai Oil.

Pacific

Revenue in the Pacific region increased by 7% to DKK 2,949 million for the first six months of 2012 (2011: DKK 2,762 million) driven by positive currency adjustments of 8% partly offset by negative organic growth of 1%. Operating profit before other items amounted to DKK 143 million (2011: DKK 195 million) equal to an operating margin of 4.8%.

The delayed start-up of certain contract wins as well as a number of remote sites in Australia being forced to a temporary shut-down due to cyclones in early 2012 impacted the organic growth negatively in the region.

The decrease in operating margin was mainly a result of the termination of a workers compensation incentive scheme, whereby ISS in prior years has received income from the Australian Government. Furthermore, a contractual dispute regarding services to a large public hospital in Australia as well as the temporary forced shut-down of certain remote sites has negatively impacted the margin.

During the second quarter of 2012, ISS Australia won a significant contract with Australia National University providing cleaning services as well as a strategic contract with Coles, one of Australia's leading retail organisations, providing security services with a phased start-up in the second half of 2012.

Latin America

Revenue in Latin America was DKK 1,885 million (2011: DKK 1,818 million) in the first six months of 2012, an increase of 4%, driven by organic growth of 6%, while currency adjustments decreased revenue by 2%. Operating profit before other items decreased by 16% to DKK 87 million, reflecting an operating margin of 4.6% which was 1.1 percentage points lower than in the first six months of 2011.

All countries in the region, except for Brazil, delivered double-digit organic growth rates driven by a continued high level of new sales, a result of the continuation and further development of the successful sales strategy implemented in 2011. Brazil realised a negative organic growth of 4% mainly as a result of a decision to exit certain less profitable contracts and change in the business mix. Furthermore, a new Country Manager has joined ISS in Brazil in May 2012.

All of the countries in the region, except for Brazil, increased their operating margin compared with the same period of 2011. The operating margin decrease in Brazil was mainly a result of changes in the business mix which will continue in the second half of 2012.

Contract wins in the region in the second quarter of 2012 included the win of a large facility management contract with ICA Fluor in ISS Mexico with a phased start-up in 2012 and 2013.

North America

Revenue in the North America region increased by 6% to DKK 1,680 million (2011: DKK 1,587 million) in the first six months of 2012. Organic growth was negative with 2% while currency adjustments increased revenue by 8%. Operating profit before other items in North America amounted to DKK 51 million (2011: DKK 56 million) in the first six months of 2012, resulting in an operating margin of 3.1% compared with 3.5% in 2011.

The negative organic growth of 2% was primarily driven by a general reduction in non-recurring services such as project work.

The operating margin was positively impacted by an IFS contract with a large technology company which started up in 2011, where the margin is in the process of reaching its anticipated run rate level. This, however, was offset by general increases in payroll taxes in the USA.

Eastern Europe

Revenue in Eastern Europe increased to DKK 797 million (2011: DKK 791 million) in the first six months of 2012. Organic growth was 4% while currency adjustments decreased revenue by 3%. Operating profit before other items decreased to DKK 40 million (2011: DKK 50 million) reflecting an operating margin of 5.1%, 1.2 percentage points lower than in the first six months of 2011.

The organic growth of 4% was mainly driven by a good development in Poland and the Czech Republic, however, the majority of the countries in the region contributed with positive organic growth. The positive development was achieved through high non-recurring revenue and a high customer retention rate.

The negative operating margin development was mainly a result of general pressure on prices as well as unexpected minimum wage increases that, despite a continued focus to pass these on to customers, have had a negative impact in the period due to timing.

Eastern Europe continued the sales strategy focused on delivering services to blue chip companies and is continuously progressing. This is illustrated by the wins of IFS contracts with Danone in the Czech Republic and AstraZeneca in Russia.

Other income and expenses, net represented a net expense of DKK 111 million in the first six months of 2012 compared with a net expense of DKK 129 million in the same period of 2011. DKK 37 million was related to gain on divestments in the Nordic region. The income was offset by costs related to restructuring projects in primarily the Netherlands, France and Norway of DKK 43 million, DKK 35 million regarding misstatement of accounts in Uruguay, DKK 30 million related to remeasurement of assets classified as held for sale, DKK 25 million related to the strategic build-up of IFS capabilities in North America and DKK 10 million related to redesign of the Management Participation Programme (MPP).

Financial income and expenses, net decreased by DKK 132 million, or 9%, to a net expense of DKK 1,305 million in the first six months of 2012 from DKK 1,437 million in the same period of 2011. The main reason for this development was a decrease in amortisation of financing fees of DKK 134 million combined with a decrease in net losses on foreign exchange of DKK 21 million, partly offset by an increase in interest expenses, net including financing fees of DKK 23 million mainly due to a margin increase following the Amend and Extend in 2011.

In the first six months of 2012, financial income and expenses, net, mainly comprised DKK 1,107 million of net interest expenses, DKK 72 million in non-cash amortisation of financing fees, DKK 40 million regarding financial fees and DKK 86 million in net losses on foreign exchange.

Income taxes increased from DKK 310 million in the first six months of 2011 to DKK 383 million in the same period of 2012. The effective tax rate in the first six months of 2012 was 78.3% compared with 76.0% in the same period of 2011, calculated as the consolidated tax expense of DKK 383 million divided by the Profit before tax and goodwill impairment / amortisation and impairment of brands and customer contracts of DKK 489 million. The effective tax rate was impacted by a valuation allowance on deferred tax asset in France. The rules of limitation on the deductibility of financial expenses in Denmark impacted the tax expense adversely by approximately DKK 44 million in the first six months of 2012. The effective tax rate amounted to 69.3% when adjusted for the impact of the limitation on deductibility of financial expenses.

Net loss improved from a loss of DKK 438 million in the first six months of 2011 to a loss of DKK 294 million in the same period of 2012, positively impacted by growth in revenue, lower financial expenses, net, and lower non-cash expenses related to goodwill impairment from divestments. This was partly offset by higher income taxes.

Cash Flow Statement

Cash flow from operating activities represented a cash inflow of DKK 583 million in the first six months of 2012, an improvement of DKK 111 million from a net inflow of DKK 472 million in the same period of 2011. The improvement was primarily due to a decrease in cash outflow from changes in working capital of DKK 295 million, partly offset by an increase in cash outflow on income taxes paid net, of DKK 91 million and a decrease in operating profit before other items of DKK 70 million.

The decrease in cash outflow from changes in working capital compared with the same period last year was primarily a result of fewer funds being tied up in trade receivables due to increased focus on billing and collection throughout the Group as well as a lower organic growth compared with 2011. Partly offsetting this positive development was an increase in cash outflow regarding other external payments compared with the same period last year.

Other expenses paid of DKK 147 million mainly related to restructuring projects initiated and expensed in 2011 as well as build-up of IFS capabilities in North America.

Income taxes paid increased from DKK 352 million in the first six months of 2011 to DKK 443 million in the same period of 2012. The development is mainly impacted by received tax refunds in the first six months of 2011.

Cash flow from investing activities for the first six months of 2012 was a net cash outflow of DKK 415 million. DKK 371 million related to investments in intangible assets and property, plant and equipment, net (excluding acquisition-related intangibles) representing 0.9% of revenue, DKK 89 million related to investments in financial assets which was partly offset by a cash inflow of DKK 72 million from divestments, most significantly in Norway.

Cash flow from investing activities for the first six months of 2011 was a net cash outflow of DKK 415 million. DKK 504 million related to investments in intangible assets and property, plant and equipment, net (excluding acquisition-related intangibles) representing 1.3% of revenue, DKK 36 million related to payment of earn-outs and deferred payments on acquisitions completed in previous years. This was offset by a cash inflow of DKK 98 million from divestments and DKK 27 million from disposal of financial assets.

Cash flow from financing activities in the first six months of 2012 was a net cash outflow of DKK 947 million. This was mainly a result of interest payments, net of DKK 1,077 million and repayment of borrowings of DKK 726 million partly offset by proceeds from borrowings of DKK 856 million. Repayment of borrowings was mainly related to repayments of the remaining part of Term Loan A and Acquisition Facility A. Proceeds from borrowings were related to drawings on working capital facilities as a result of the typical seasonality in the first six months of the year.

Cash flow from financing activities in the first six months of 2011 was a net cash outflow of DKK 1,093 million. This was mainly a result of interest payments, net of DKK 1,054 million and repayment of borrowings of DKK 628 million, partly offset by proceeds from borrowings of DKK 597 million.

Balance Sheet

Total assets amounted to DKK 54,835 million at 30 June 2012 of which DKK 36,531 million represented non-current assets, primarily acquisition-related intangible assets, and DKK 18,304 million represented current assets, primarily trade receivables of DKK 12,052 million.

Intangible assets amounted to DKK 33,566 million at 30 June 2012. The vast majority of intangible assets were acquisition-related intangibles and comprised DKK 26,927 million of goodwill, DKK 4,564 million of customer contract portfolios and related customer relationships and DKK 1,623 million of brands.

Assets and liabilities held for sale amounted to DKK 987 million and DKK 461 million, respectively, and include the assets and liabilities attributable to non-core activities in the Nordic and Western Europe regions which are expected to be divested within 12 months.

Total equity amounted to DKK 1,766 million at 30 June 2012, DKK 316 million lower than at 31 December 2011. Total comprehensive income reduced equity by DKK 24 million. This included actuarial losses net of tax of DKK 281 million, a net loss for the period of DKK 294 million and negative fair value adjustment of hedges, net of DKK 30 million. This was partly offset by positive currency adjustments relating to investments in foreign subsidiaries of DKK 287 million.

Carrying amount of net debt amounted to DKK 31,050 million at 30 June 2012, an increase of DKK 1,145 million from DKK 29,905 million at 31 December 2011. The carrying amount of net debt is typically higher after the first six months of the financial year than at year-end of the previous financial year as a result of seasonality in operating cash flow. The carrying amount of net debt was reduced by DKK 472 million compared with 30 June 2011. At 30 June 2012, non-current loans and borrowings amounted to DKK 27,963 million, current loans and borrowings amounted to DKK 6,466 million while securities, cash and cash equivalents totalled DKK 3,311 million, and receivables from affiliates were DKK 68 million.

Acquisitions and Divestments

ISS has in the first six months of 2012 completed the acquisition of Shanghai B&A Property Management Co. Ltd. in China. The acquisition is a strong strategic fit for ISS China and it provides ISS with a good platform to continue developing our operations in one of the world's most promising and fastest growing markets.

We review the strategic rationale and fit of our business units on an on-going basis and in the light of our strategy and customer needs. This review leads to the identification and evaluation of certain activities that are either non-core to The ISS Way strategy or lack critical mass. In the first six months of 2012 ISS has completed the divestment of the non-core specialised consulting business in Finland and the governmental outplacing services in Norway.

Apart from the above mentioned there have been no acquisitions or divestments in the first six months of 2012.

Sales processes have been initiated for certain non-core activities in the Nordic and Western Europe regions, which have been classified as held for sale at 30 June 2012.

We expect to continue evaluating our activities in the light of our plan to accelerate The ISS Way strategy focusing on our core businesses and to deleverage debt.

The divestments completed in the first six months of 2012 resulted in a positive effect of DKK 37 million on other income and expenses, net. Remeasurement of the Landscaping activities in the Netherlands, which were sold in July 2012, resulted in a loss of DKK 30 million. In addition, classification of certain non-core activities in the Western Europe region as held for sale during 2012 has resulted in a non-cash impairment loss on goodwill of DKK 163 million.

Financial Leverage

Pro Forma Adjusted EBITDA for the 12 months period ended 30 June 2012 amounted to DKK 5,127 million. Carrying amount of net debt amounted to DKK 31,050 million at 30 June 2012, which is a decrease compared with 30 June 2011 of DKK 472 million. The calculation of these figures is prepared according to the principles described in the Capital Structure on pages 33–35 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. Including the interest rate hedges, 53% of ISS's net debt carried fixed interest rates while 47% carried floating interest rates at 30 June 2012, and the interest rate duration of the total debt was 1.2 years.

Outlook

This section should be read in conjunction with "Forward-looking statements" as shown in the table on page 10.

The outlook for 2012 is based on a continued challenging macroeconomic outlook and difficult market conditions in Europe – in particular certain Mediterranean countries. We expect a continued strong growth in emerging markets.

ISS experienced a strong positive trend in organic growth in 2011 following the start-up of several large integrated facility services (IFS) contracts leading to organic growth of 6.2% for the Group. The organic growth is negatively impacted by the challenging macroeconomic conditions, however, combined with the start-up of recent multinational IFS contract wins we are aiming at a continuation of the organic growth expectation for 2012 in the 3-5% range.

The operating margin for 2012 is expected to be around the level realised in 2011. Cash conversion is expected to be around 90%.

Subsequent Events

Subsequent to 30 June 2012, the Group has divested the non-core Landscaping activities in the Netherlands, which were classified as held for sale at the reporting date.

On 16 August 2012, ISS announced that Ontario Teachers' Pension Plan (Teachers') and KIRKBI Invest had agreed to invest EUR 500 million (approximately DKK 3,721 million) in ISS. The new investors will own approximately 26% of the ultimate holding company of ISS. The current owners, funds advised by EQT Partners ("EQT") and GS Capital Partners funds ("GSCP"), are not selling any shares as part of the transaction, and will remain majority owners of ISS. The proceeds from this investment are expected to be used to significantly deleverage the company by repaying the 11% Senior Notes due 2014 after the December 2012 call date. Following the announcement of the investment, Moody's have upgraded the corporate rating of ISS to B1 from B2 with a stable outlook, and S&P have revised their outlook to Positive while maintaining the BB- long term corporate credit rating.

Finally, in order to address the maturity profile of the credit facilities, it has in August been decided to extend the maturity on the securitisation programme with an additional year, from September 2013 to September 2014. The size and price of the programme remain unchanged.

Apart from the above and the events described in this Interim Report, the Group is not aware of events subsequent to 30 June 2012, which are expected to have a material impact on the Group's financial position.

Financial Calendar 2012

Interim Report, January – September 2012	7 November 2012

Presentation

A presentation regarding the interim results 1 January – 30 June 2012 will be held on Wednesday, 22 August at 10:00 CET (09:00 UK time).

The presentation is available on live audio webcast. If you wish to view the presentation, please visit:

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

The webcast can also be accessed through a conference call. The telephone numbers for the conference are listed below. You will be asked for your name and will then be able to listen to the call.

+45 36 95 41 87 (Denmark)
+44 (0) 2030 432 436 (UK)

Forward-looking statements
This report contains forward-looking statements including, but not limited to, the statements and expectations contained in the Outlook section on page 9. 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 2011 of ISS 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 2011 of ISS A/S is available at the Group's website, www.issworld.com.

Management Statement

COPENHAGEN, 22 August 2012

The Board of Directors and the Executive Group Management Board have today discussed and approved the interim report of ISS A/S for the period 1 January – 30 June 2012.

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 June 2012 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 June 2012.

Furthermore, in our opinion the Management 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 BOARD

Jeff Gravenhorst
Group Chief Executive Officer

Henrik Andersen
Group Chief Financial Officer

BOARD OF DIRECTORS

Ole Andersen
Chairman

Leif Östling
Deputy Chairman

Jennie Chua

Michel Combes

Harry Klagsbrun

Steven Sher

Pernille Benborg [1)]

Palle Fransen Queck [1)]

Joseph Nazareth [1)]

[1)] Employee representative

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Condensed Consolidated Interim Financial Statements for ISS A/S

Condensed consolidated income statement

1 January – 30 June

DKK million	Note	Q2 2012	Q2 2011	H1 2012	H1 2011
Revenue	4	**19,779**	**19,575**	**39,080**	**38,559**
Staff costs		(13,053)	(12,541)	(25,898)	(25,015)
Consumables		(1,716)	(1,682)	(3,388)	(3,291)
Other operating expenses		(3,760)	(4,024)	(7,464)	(7,841)
Depreciation and amortisation [1]		(214)	(226)	(426)	(438)
Operating profit before other items [2]		**1,036**	**1,102**	**1,904**	**1,974**
Other income and expenses, net	5	(113)	(116)	(111)	(129)
Operating profit [1]	4	**923**	**986**	**1,793**	**1,845**
Share of result from associates		1	(0)	1	0
Financial income		59	25	146	69
Financial expenses		(737)	(806)	(1,451)	(1,506)
Profit before tax and goodwill impairment/ amortisation and impairment of brands and customer contracts		**246**	**205**	**489**	**408**
Income taxes [3]		(265)	(211)	(383)	(310)
Profit before goodwill impairment/ amortisation and impairment of brands and customer contracts		**(19)**	**(6)**	**106**	**98**
Goodwill impairment	6	(40)	(283)	(163)	(283)
Amortisation and impairment of brands and customer contracts		(156)	(183)	(319)	(366)
Income tax effect [4]		37	59	82	113
Net profit/(loss) for the period		**(178)**	**(413)**	**(294)**	**(438)**
Attributable to:					
Owners of ISS A/S		(179)	(414)	(296)	(442)
Non-controlling interests		1	1	2	4
Net profit/(loss) for the period		**(178)**	**(413)**	**(294)**	**(438)**
Earnings per share:					
Basic earnings per share (EPS), DKK		(1.8)	(4.1)	(3.0)	(4.4)
Diluted earnings per share, DKK		(1.8)	(4.1)	(3.0)	(4.4)
Adjusted earnings per share, DKK [5]		(0.2)	(0.1)	1.1	1.0

[1] Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[2] Excluding Other income and expenses, net, Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[3] Excluding tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[4] Income tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[5] Calculated as Profit before goodwill impairment/amortisation and impairment of brands and customer contracts divided by the average number of shares (diluted).

Condensed consolidated statement of comprehensive income

1 January – 30 June

DKK million	Q2 2012	Q2 2011	H1 2012	H1 2011
Net profit/(loss) for the period	**(178)**	**(413)**	**(294)**	**(438)**
Other comprehensive income				
Foreign exchange adjustments of subsidiaries and non-controlling interests	250	36	287	(313)
Fair value adjustment of hedges, net	20	(9)	(8)	22
Fair value adjustment of hedges, net, transferred to Financial expenses	(36)	25	(22)	65
Actuarial gains/(losses)	(364)	-	(364)	-
Tax on other comprehensive income	83	(4)	83	(22)
Total other comprehensive income	**(47)**	**48**	**(24)**	**(248)**
Total comprehensive income for the period	**(225)**	**(365)**	**(318)**	**(686)**
Attributable to:				
Owners of ISS A/S	(225)	(366)	(319)	(690)
Non-controlling interests	0	1	1	4
Total comprehensive income for the period	**(225)**	**(365)**	**(318)**	**(686)**

Condensed consolidated statement of cash flows

1 January – 30 June

DKK million	Note	Q2 2012	Q2 2011	H1 2012	H1 2011
Operating profit before other items	4	1,036	1,102	1,904	1,974
Depreciation and amortisation		214	226	426	438
Changes in working capital		31	(79)	(1,045)	(1,340)
Changes in provisions, pensions and similar obligations		(35)	(62)	(112)	(123)
Other expenses paid		(106)	(72)	(147)	(125)
Income taxes paid		(225)	(200)	(443)	(352)
Cash flow from operating activities		**915**	**915**	**583**	**472**
Acquisition of businesses	7	(24)	(26)	(27)	(36)
Divestment of businesses	7	(8)	109	72	98
Acquisition of intangible assets and property, plant and equipment		(226)	(291)	(436)	(539)
Disposal of intangible assets and property, plant and equipment		36	28	65	35
(Acquisition)/disposal of financial assets		(23)	(0)	(89)	27
Cash flow from investing activities		**(245)**	**(180)**	**(415)**	**(415)**
Proceeds from borrowings		434	363	856	597
Repayment of borrowings		(590)	(550)	(726)	(628)
Interest received		46	22	118	56
Interest paid		(784)	(739)	(1,195)	(1,110)
Non-controlling interests		0	(6)	(0)	(8)
Cash flow from financing activities		**(894)**	**(910)**	**(947)**	**(1,093)**
Total cash flow		**(224)**	**(175)**	**(779)**	**(1,036)**
Cash and cash equivalents at the beginning of the period		3,490	2,698	4,037	3,606
Total cash flow		(224)	(175)	(779)	(1,036)
Foreign exchange adjustments		28	2	36	(45)
Cash and cash equivalents at 30 June		**3,294**	**2,525**	**3,294**	**2,525**

Condensed consolidated statement of financial position

DKK million	Note	30 June 2012	30 June 2011	31 December 2011
Assets				
Intangible assets	6, 8	33,566	34,223	34,097
Property, plant and equipment		1,990	2,037	2,077
Investments in associates		7	9	7
Deferred tax assets		572	686	551
Other financial assets		396	291	300
Non-current assets		**36,531**	**37,246**	**37,032**
Inventories		350	343	334
Trade receivables		12,052	12,025	11,871
Contract work in progress		102	197	129
Tax receivables		293	312	330
Other receivables		357	335	434
Prepayments		852	771	674
Securities		17	17	17
Cash and cash equivalents		3,294	2,525	4,037
Assets classified as held for sale	9	987	702	165
Current assets		**18,304**	**17,227**	**17,991**
Total assets		**54,835**	**54,473**	**55,023**
Equity and liabilities				
Total equity attributable to owners of ISS A/S		1,754	1,937	2,070
Non-controlling interests		12	21	12
Total equity		**1,766**	**1,958**	**2,082**
Loans and borrowings		27,963	28,374	28,181
Pensions and similar obligations	10	1,532	1,013	1,172
Deferred tax liabilities		1,875	2,134	2,051
Provisions		354	332	338
Non-current liabilities		**31,724**	**31,853**	**31,742**
Loans and borrowings		6,466	5,664	5,778
Trade payables		3,066	2,926	3,466
Tax payables		354	397	422
Other liabilities		10,762	11,207	11,188
Provisions		236	323	255
Liabilities classified as held for sale	9	461	145	90
Current liabilities		**21,345**	**20,662**	**21,199**
Total liabilities		**53,069**	**52,515**	**52,941**
Total equity and liabilities		**54,835**	**54,473**	**55,023**

Condensed consolidated statement of changes in equity

1 January – 30 June

DKK million	Attributable to owners of ISS A/S							
H1 2012	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-con-trolling interests**	**Total equity**
Equity at 1 January	**100**	**7,772**	**(5,947)**	**177**	**(32)**	**2,070**	**12**	**2,082**
Comprehensive income for the period								
Net profit/(loss) for the period	**-**	**-**	**(296)**	**-**	**-**	**(296)**	**2**	**(294)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	288	-	288	(1)	287
Fair value adjustment of hedges, net	-	-	-	-	(8)	(8)	-	(8)
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	-	(22)	(22)	-	(22)
Actuarial gains/(losses)	-	-	(364)	-	-	(364)	-	(364)
Limitation to interest deduction	-	-	-	-	(7)	(7)	-	(7)
Tax on other comprehensive income	-	-	83	-	7	90	-	90
Total other comprehensive income	**-**	**-**	**(281)**	**288**	**(30)**	**(23)**	**(1)**	**(24)**
Total comprehensive income for the period	**-**	**-**	**(577)**	**288**	**(30)**	**(319)**	**1**	**(318)**
Transactions with owners								
Impact from acquired and divested companies, net	-	-	-	-	-	-	(1)	(1)
Dividends paid	-	-	-	-	-	-	(0)	(0)
Share-based payments	-	-	3	-	-	3	-	3
Total transactions with owners	**-**	**-**	**3**	**-**	**-**	**3**	**(1)**	**2**
Total changes in equity	**-**	**-**	**(574)**	**288**	**(30)**	**(316)**	**(0)**	**(316)**
Equity at 30 June	**100**	**7,772**	**(6,521)**	**465**	**(62)**	**1,754**	**12**	**1,766**

Dividends

No dividends have been proposed or declared.

Condensed consolidated statement of changes in equity

1 January – 30 June

DKK million

H1 2011	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Total	Non-con-trolling interests	Total equity
	Attributable to owners of ISS A/S							
Equity at 1 January	**100**	**7,772**	**(5,276)**	**227**	**(197)**	**2,626**	**25**	**2,651**
Comprehensive income for the period								
Net profit/(loss) for the period	**-**	**-**	**(442)**	**-**	**-**	**(442)**	**4**	**(438)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	(313)	-	(313)	(0)	(313)
Fair value adjustment of hedges, net	-	-	-	-	22	22	-	22
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	-	65	65	-	65
Tax on other comprehensive income	-	-	-	-	(22)	(22)	-	(22)
Total other comprehensive income	**-**	**-**	**-**	**(313)**	**65**	**(248)**	**(0)**	**(248)**
Total comprehensive income for the period	**-**	**-**	**(442)**	**(313)**	**65**	**(690)**	**4**	**(686)**
Transactions with owners								
Dividends paid	-	-	-	-	-	-	(8)	(8)
Share-based payments	-	-	1	-	-	1	-	1
Total transactions with owners	**-**	**-**	**1**	**-**	**-**	**1**	**(8)**	**(7)**
Total changes in equity	**-**	**-**	**(441)**	**(313)**	**65**	**(689)**	**(4)**	**(693)**
Equity at 30 June	**100**	**7,772**	**(5,717)**	**(86)**	**(132)**	**1,937**	**21**	**1,958**

Dividends

No dividends have been proposed or declared.

Notes to the condensed consolidated financial statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements of ISS A/S for the period 1 January - 30 June 2012 comprise ISS 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. In addition, the condensed consolidated interim financial statements have been prepared in compliance with the IFRSs issued by the IASB. 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 2011.

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 2011. A full description of the Group's accounting policies is included in the consolidated financial statements for 2011.

CHANGES IN ACCOUNTING POLICIES

With effect from 1 January 2012, the Group has implemented amendments to IFRS 7 "Financial Instrument Disclosures", amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and amendments to IAS 12 "Deferred tax: Recovery of Underlying Assets". The adoption of these Standards and Interpretations did not affect recognition and measurement in the first six months of 2012.

NOTE 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.

During the first six months of 2012, management has changed judgements and estimates relating to the following:

* Disposal groups classified as held for sale (see note 9)
* Pensions and similar obligations (see note 10)
* Deferred tax assets, where a reassessment of the tax assets in France has lead to an increase in the valuation allowance of DKK 119 million.

Except for the above, 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 2011.

NOTE 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.

NOTE 4 SEGMENT INFORMATION

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 services, support services, property services, catering services, security services and facility management services.

Operations are generally managed based on a geographical structure in which countries are grouped into seven regions. The regions have been identified based on a key principle of grouping countries that share market conditions and cultures. However, countries with newly established activities managed by the central Corporate Clients organisation are excluded from the geographical segments and combined in a separate segment called "Other countries".

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	Western Europe	Nordic	Asia	Pacific	Latin America	North America	Eastern Europe	Other countries	Total reportable segments
H1 2012									
Revenue [1]	19,482	8,785	3,516	2,949	1,885	1,680	797	16	**39,110**
Operating profit before other items [2]	1,020	493	260	143	87	51	40	(1)	**2,093**
Operating profit [3]	966	519	257	142	48	27	40	(1)	**1,998**
Total assets	30,298	14,646	4,399	3,595	2,043	1,870	1,274	7	**58,132**
H1 2011									
Revenue [1]	19,742	8,955	2,922	2,762	1,818	1,587	791	16	**38,593**
Operating profit before other items [2]	1,068	486	219	195	104	56	50	(0)	**2,178**
Operating profit [3]	1,050	492	219	195	101	33	49	(0)	**2,139**
Total assets	31,071	14,531	3,946	3,321	1,946	1,735	1,379	7	**57,936**

Transactions between reportable segments are made on market terms.

[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 Other income and expenses, net, Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[3] Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.

Grouping of countries into regions

Western Europe:	Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom
Nordic:	Denmark, Finland, Greenland, Iceland, Norway and Sweden
Asia:	Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand
Pacific:	Australia and New Zealand
Latin America:	Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, Uruguay and Venezuela
North America:	Canada and the USA
Eastern Europe:	Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia
Other countries:	Bahrain, Egypt, Nigeria, Pakistan, South Africa, Ukraine and United Arab Emirates

NOTE 4 SEGMENT INFORMATION (CONTINUED)

Reconciliation of operating profit

DKK million	H1 2012	H1 2011
Operating profit for reportable segments	1,998	2,139
Unallocated corporate costs	(189)	(204)
Unallocated other income and expenses, net	(16)	(90)
Operating profit according to the income statement	**1,793**	**1,845**

NOTE 5 OTHER INCOME AND EXPENSES, NET

DKK million	H1 2012	H1 2011
Gain on divestments	37	0
Gain on sale of investment in associates	-	6
Other income	**37**	**6**
Restructuring projects	(43)	-
Misstatement of accounts in Uruguay	(35)	-
Loss on divestments and assets classified as held for sale	(30)	(19)
Build-up of IFS capabilities in North America	(25)	(23)
Redesign of the Management Participation Programme (MPP)	(10)	-
Costs related to exit processes	-	(90)
Acquisition and integration costs	(3)	0
Other	(2)	(3)
Other expenses	**(148)**	**(135)**
Other income and expenses, net	**(111)**	**(129)**

Gain on divestments in 2012 mainly related to the sale of Reaktorskolen AS, the governmental outplacing services in Norway.

Gain on sale of investment in associates in 2011 related to the associate ISS Industriservice AB, which was classified as held for sale at 31 December 2010, and subsequently sold in the first quarter of 2011.

Restructuring projects in 2012 amounted to DKK 43 million and mainly related to structural adjustments in the Netherlands and France, consolidation of office locations and other effenciency improvements in Norway as well as redundancy and severance payments relating to senior management changes. The restructuring projects include cost reductions to make ISS more efficient going forward and primarily comprise redundancy payments, termination of leaseholds and relocation costs.

Misstatement of accounts in Uruguay related to the period 2008 to May 2012. The matter is under investigation and at 30 June 2012, the estimated impact amounted to DKK 35 million.

Loss on divestments and assets classified as held for sale in 2012 related to the remeasurement of the Landscaping activities in the Netherlands, which were classified as held for sale at 31 December 2011. The activities have subsequently been sold in July 2012, see note 7 Acquisition and divestment of businesses. In 2011, the loss related mainly to completion of the sale of ISS Industrial Services in Belgium.

Build-up of IFS capabilities in North America in 2012 amounted to DKK 25 million and comprised costs incurred in relation to the strategic build-up of the IFS platform to support and deliver on major contracts in the US. In 2011, the expenses amounted to DKK 23 million.

NOTE 5 OTHER INCOME AND EXPENSES, NET (CONTINUED)

Redesign of the Management Participation Programme (MPP) in 2012 related mainly to the settlement of warrants including costs for external advisors in connection with the redesign of the MPP programme, see note 13, Related parties.

Costs related to exit processes in 2011 comprised costs for external advisors incurred mainly as part of the initiated IPO process. The IPO was cancelled in March 2011 due to the extraordinary high level of uncertainty and volatility in the global financial markets.

NOTE 6 GOODWILL IMPAIRMENT

DKK million	H1 2012	H1 2011
Impairment losses derived from divestment of businesses	163	83
Impairment losses derived from impairment tests	-	200
Goodwill impairment	**163**	**283**

Impairment losses derived from divestment of businesses

In 2012, impairment losses derived from divestment of businesses of DKK 163 million mainly related to the remeasurement of net assets of non-core activities in Western Europe, which were classified as held for sale in March 2012. In 2011, the impairment loss of DKK 83 million related to remeasurement of net assets of the damage control business in Germany and divestment of three minor activities in Norway.

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 June 2012, the Group performed a review for indications of impairment of the carrying amount of intangibles. It is management's opinion that there are no significant changes to the assumptions applied in the impairment tests presented in note 16 in the consolidated financial statements for 2011 where a sensitivity analysis on the key assumptions is also presented. It is management's assessment that the value in use exceeds the carrying amount of intangibles at 30 June 2012.

At 30 June 2011, impairment losses amounted to DKK 200 million and related to Spain mainly due to difficult macroeconomic conditions combined with an increase in the discount rate applied following the amendment and extension of the Senior Facilities Agreement.

[1)] Intangibles cover the value of goodwill, brands and customer contracts.

NOTE 7 ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

The Group made one acquisition during 1 January - 30 June 2012 (no acquisitions during 1 January - 30 June 2011). The acquisition and adjustments to prior years' acquisitions had the following effect on the Group's condensed consolidated financial statements at the reporting date:

DKK million	H1 2012			H1 2011	
	SBA Co. Ltd	Adjustments to prior years' acquisitions	Total acquisitions	Adjustments to prior years' acquisitions	Total acquisitions
Goodwill	-	-	-	20	20
Consideration transferred	**-**	**-**	-	**20**	**20**
Contingent and deferred consideration	-	10	10	15	15
Acquisition costs paid, net of tax	-	-	-	1	1
Prepaid purchase price	17	-	17	-	-
Total payments regarding acquisition of businesses	**17**	**10**	**27**	**36**	**36**

Shanghai B&A Property Management Co. Ltd.

On 30 June 2012, the Group acquired 100% of the shares of the Chinese security company Shanghai B&A Property Management Co. Ltd. (SBA). The acquisition adds licensed security and property management services to the service offerings of ISS China.

The total annual revenue of SBA is estimated at DKK 49 million (approximate figures extracted from unaudited financial information) based on expectations at the time of the acquisition. SBA will be consolidated with effect from 1 July 2012 and consequently has not contributed to the Group's revenue and result for the period 1 January to 30 June 2012. The total number of employees taken over is approx. 929.

Total consideration transferred amounts to DKK 25 million of which DKK 17 million was paid in cash at 30 June 2012, DKK 2 million were deferred and DKK 6 million are contingent.

The Group incurred acquisition-related costs of DKK 3 million related to external legal fees and due diligence costs. The acquisition-related costs have been included in the income statement in the line Other income and expenses, net.

Due to the acquisition date being identical to the reporting date, the opening balance of SBA has not yet been reviewed or completed. This is in line with usual Group procedures for completion of opening balances of acquired businesses.

Divestment of businesses

The Group made 2 divestments during 1 January - 30 June 2012 (6 during 1 January - 30 June 2011). The total sales price amounted to DKK 108 million (DKK 141 million during 1 January - 30 June 2011). The total annual revenue of the divested businesses (approximate figures extracted from unaudited financial information) is estimated at DKK 184 million (DKK 449 million during 1 January - 30 June 2011) based on expectations at the time of divestment.

The divestments had the following impact on the Group's condensed consolidated financial statements at the reporting date:

DKK million	H1 2012	H1 2011
Goodwill	69	80
Customer contracts	4	29
Other non-current assets	6	9
Trade receivables	30	78
Other current assets	9	6
Provisions	(0)	(1)
Pensions, deferred tax liabilities and non-controlling interests	(1)	(1)
Non-current loans and borrowings	(26)	-
Current loans and borrowings	-	(11)
Other current liabilities	(27)	(59)
Total identifiable net assets	**64**	**130**
Gain/(loss) on divestment of businesses, net	37	(19)
Divestment costs, net of tax	7	30
Consideration received	**108**	**141**
Cash and cash equivalents in divested businesses	(1)	(0)
Cash consideration received	**107**	**141**
Contingent and deferred consideration	(0)	(20)
Divestment costs paid, net of tax	(35)	(23)
Net proceeds regarding divestment of businesses	**72**	**98**

The 2 divestments completed by the Group before 30 June 2012 are listed below:

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue [1] (DKK million)	Number of employees [1]
ISS Proko Infra Oy	Finland	Facility Management	March	64%	9	14
Reaktorskolen AS	Norway	Support Services	April	100%	175	143
Total					**184**	**157**

[1] Approximate figures based on information available at the time of divestment extracted from unaudited financial information.

NOTE 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 June were included as of 1 January the effect on revenue and operating profit before other items is estimated as follows:

DKK million	H1 2012	H1 2011
Pro forma revenue		
Revenue recognised in the income statement	39,080	38,559
Acquisitions	-	-
Revenue adjusted for acquisitions	39,080	38,559
Divestments	(50)	(174)
Pro forma revenue	**39,030**	**38,385**
Pro forma operating profit before other items		
Operating profit before other items recognised in the income statement	1,904	1,959
Acquisitions	-	-
Operating profit before other items adjusted for acquisitions	1,904	1,959
Divestments	(6)	(5)
Pro forma operating profit before other items	**1,898**	**1,954**

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 June 2012

Divestments made by the Group in the period from 1 July to 31 July 2012 are listed below. No acquisitions were completed in the period.

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue [1] (DKK million)	Number of employees [1]
ISS Landscaping	Netherlands	Landscaping	July	100%	268	261
Total					**268**	**261**

In accordance with usual Group procedures, divestment balances are finalised during the first months following the divestment.

[1] Approximate figures based on information available at the time of divestment extracted from unaudited financial information.

NOTE 8 GOODWILL

DKK million	30 June 2012	30 June 2011
Cost at 1 January	29,366	29,748
Foreign exchange adjustments	353	(397)
Additions	-	20
Disposals through divestment of businesses	(69)	(10)
Disposals	-	(22)
Reclassification to Assets classified as held for sale	(527)	(65)
Cost at 30 June	**29,123**	**29,274**
Amortisation and impairment losses at 1 January	(2,196)	(2,001)
Foreign exchange adjustments	-	(1)
Impairment losses	(163)	(283)
Other disposals	-	22
Reclassification to Assets classified as held for sale	163	61
Amortisation and impairment losses at 30 June	**(2,196)**	**(2,202)**
Carrying amount at 30 June	**26,927**	**27,072**

NOTE 9 ASSETS HELD FOR SALE

At 31 December 2011, two non-core activities in Western Europe were classified as held for sale and presented in separate line items in the statement of financial position. At 30 June 2012, sales processes were still ongoing and the activities continued to be classified as held for sale. However, a reassessment of the fair value less costs to sell at 30 June 2012 resulted in the recognition of a loss of DKK 30 million, which was recognised in the income statement in the line Other income and expenses, net. Subsequent to 30 June 2012, one of the non-core activities, Landscaping in the Netherlands, was divested.

During the first six months of 2012, the continued evaluation of our activities to focus on our core business has lead to sales processes being initiated for additionally six non-core activities of the Group; four in the Nordics and two in Western Europe. At 30 June 2012, these activities are classified as held for sale and presented in separate line items of the statement of financial position at the lower of the carrying amount and fair value less costs to sell. The revaluation resulted in a loss of DKK 163 million, which was recognised in the income statement in the line Goodwill impairment.

NOTE 10 PENSIONS AND SIMILAR OBLIGATIONS

Generally, for interim periods the Group's defined benefit obligations are based on valuations from external actuaries carried out at the end of the prior financial year taking into account any subsequent movements in the obligation due to pension costs, contributions etc. up until the reporting date. For interim periods actuarial calculations are only updated to the extent that significant changes in applied assumptions have occurred. Based on an overall analysis carried out by management it is determined whether updated actuarial calculations should be obtained for interim periods.

At 30 June 2012, management carried out an overall evaluation, which resulted in updated actuarial calculations being obtained for Switzerland, the Netherlands and the United Kingdom due to significant decreases in discount rates. As a consequence of the updated calculations, at 30 June 2012 actuarial losses of DKK 364 million (DKK 281 million net of tax) have been recognised in Other comprehensive income with a resulting increase in the defined benefit obligation at 30 June 2012.

NOTE 11 CONTINGENT LIABILITIES, PLEDGES AND GUARANTEES

Senior Facility Agreement

ISS A/S has executed a share pledge over its shares in ISS World Services 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 A/S.

ISS World Services 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 World Services A/S and these subsidiaries. At 30 June 2012, the aggregate values of assets provided as security for the borrowings under the senior facilities were:

DKK billion	30 June 2012	30 June 2011
Goodwill	4.2	3.8
Customer contracts	0.8	0.8
Intellectual property rights	1.6	1.6
Other intangible and tangible assets	0.4	0.4
Trade receivables	2.1	1.7
Other receivables	0.3	0.2
Bank accounts	0.7	0.5
Total	**10.1**	**9.0**

In addition, the shares in ISS Global A/S's 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, Portugal, New Zealand, Singapore and Switzerland have been pledged.

Securitisation

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 June 2012, trade receivables of DKK 4,789 million (30 June 2011: DKK 5,277 million) have been placed as security for securitisation debt with a face value of DKK 2,624 million (30 June 2011: DKK 2,524 million). In addition hereto DKK 1,298 million (30 June 2011: DKK 975 million) cash held by the Group's consolidated SPEs handling the Group's securitisation programme was pledged as security for securitisation debt. Of the total amount of cash held by the Group's SPEs DKK 102 million (30 June 2011: DKK 106 million) was not considered readily available for general use by the parent company or other subsidiaries.

Guarantee commitments

Indemnity and guarantee commitments at 30 June 2012 amounted to DKK 752 million (30 June 2011: DKK 581 million).

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,385 million (30 June 2011: DKK 1,472 million) of which DKK 1,216 million (30 June 2011: DKK 1,104 million) were bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

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 June 2012 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 (many of which are labour related cases incidental to the 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 June 2012.

Restructurings

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 June 2012.

NOTE 12 OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

DKK million	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years	Total lease payments
At 30 June 2012	1,393	968	660	424	254	367	**4,066**
At 30 June 2011	1,410	947	653	401	261	406	**4,078**

During 1 January - 30 June 2012, DKK 1,064 million (DKK 1,071 million during 1 January - 30 June 2011) was recognised as an expense in the income statement in respect of operating leases.

The Group leases a number of properties, vehicles (primarily cars) and other equipment under operating leases. The leases typically run for a period of 2-5 years, with an option to renew the lease after that date.

Leasing of cars is primarily entered under an international car fleet lease framework agreement that was renewed effective 1 January 2011 and is valid until end 2013. The framework agreement contains a quarterly 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 lifetime duration of 3-5 years.

The disclosed non-cancellable operating lease rentals assume no early termination of any agreement.

NOTE 13 RELATED PARTIES

Parent and ultimate controlling party

The sole shareholder of ISS A/S, FS Invest II S.à r.l (FS Invest II), 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 during the first six months of 2012. Transactions with the ultimate controlling party are described below under Other related party transactions.

Key management personnel

Members of the Board of Directors, the Executive Group Management Board 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 six months of 2012 with members of the Board of Directors, the Executive Group Management Board or Corporate Senior Officers.

Co-investment programmes The Principal Shareholders have established a Management Participation Programme (MPP), in which the Executive Group Management Board and a number of senior officers[1)] of the Group have invested. The programme was re-designed in March 2012 to introduce two investment profiles. The Executive Group Management Board and certain senior officers of the Group remain as indirect investors in a mix of shares and warrants of FS Invest, whereas the remaining senior officers of the Group - having had the opportunity to settle partly in cash - invest directly or indirectly in shares or loan notes of FS Invest. As of 30 June 2012, the investments amounted to DKK 194.6 million in total for 140 executives and officers.

In addition to the investments – as part of the initial MPP programme – the Executive Group Management Board and a number of Corporate Officers[2)] were granted warrants in FS Invest with a vesting schedule (based on value of shares and time). At 31 December 2011, 277,632 of these warrants were outstanding. As part of the redesign of the MPP programme in March 2012 these warrants were all settled and consequently, the remaining fair value in respect of the granted warrants of DKK 3 million was recognised under Other income and expenses, net.

Certain members of the Board of Directors participate in a Directors Participation Programme (DPP), which was also re-designed in March 2012, and under which they remain to have invested in a mix of shares and warrants of FS Invest or loan notes issued by FS Invest amounting to approximately DKK 11.7 million in total. In addition, they have co-invested with the Principal Shareholders for approximately DKK 7.5 million in total.

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

NOTE 13 RELATED PARTIES (CONTINUED)

Other related party transactions

During the first six months of 2012, the Group had the following transactions with other related parties, which were all made on market terms:

- the Group and Goldman Sachs International 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 to DKK 105 million. Furthermore, the Group has local agreement terms with Goldman Sachs in France, Ireland, Singapore, Brazil and China. Finally, ISS in Italy is subcontractor to local Goldman Sachs suppliers. The annual revenue from the local and subcontractor agreements is estimated to DKK 10 million.

- the Group and Goldman Sachs International have entered into various agreements on provision of financing and banking related services.

- affiliates of Goldman Sachs Capital Partners are lenders under the senior facilities and holders of 2014 EMTNs.

- the Group has entered into local facility services agreements with various companies owned by EQT. The annual revenue from these agreements is estimated at DKK 55 million.

- the Group has issued a loan of DKK 66 million to FS Invest (the ultimate controlling party). During the first six months of 2012 the Group received interest income of DKK 1.6 million related to the loan, and at 30 June 2012 the outstanding balance was DKK 68 million.

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 the first six months of 2012. 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 the first six months of 2012.

NOTE 14 SUBSEQUENT EVENTS

Subsequent to 30 June 2012, the Group has divested the non-core Landscaping activities in the Netherlands, which were classified as held for sale at the reporting date.

On 16 August 2012, ISS announced that Ontario Teachers' Pension Plan (Teachers') and KIRKBI Invest had agreed to invest EUR 500 million (approximately DKK 3,721 million) in ISS. The new investors will own approximately 26% of the ultimate holding company of ISS. The current owners, funds advised by EQT Partners ("EQT") and GS Capital Partners funds ("GSCP"), are not selling any shares as part of the transaction, and will remain majority owners of ISS. The proceeds from this investment are expected to be used to significantly deleverage the company by repaying the 11% Senior Notes due 2014 after the December 2012 call date. Following the announcement of the investment, Moody's have upgraded the corporate rating of ISS to B1 from B2 with a stable outlook, and S&P have revised their outlook to Positive while maintaining the BB- long term corporate credit rating.

Finally, in order to address the maturity profile of the credit facilities, it has in August been decided to extend the maturity on the securitisation programme with an additional year, from September 2013 to September 2014. The size and price of the programme remain unchanged.

Apart from the above and the events described in these condensed consolidated financial statements, the Group is not aware of events subsequent to 30 June 2012, which are expected to have a material impact on the Group's financial position.

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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 July 2011 – 30 June 2012 occurred on 1 July 2011.

For further information and definitions, reference is made to the appendix Capital Structure set out in the ISS A/S Annual Report 2011, 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 June 2012**
Adjusted EBITDA	5,162
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	(35)
Pro Forma Adjusted EBITDA	**5,127**

Carrying amount of Net Debt

The following table sets forth ISS's Carrying amount of Net Debt as of 30 June 2012.

Net Debt as of 30 June 2012 **DKK million**	**Carrying Value**	**Leverage (x Pro forma EBITDA)**	**% of Total**
Senior Facilities	17,748	3.46x	58%
Second lien	4,447	0.87x	15%
Senior Subordinated Notes due 2016	4,268	0.83x	14%
Senior Notes due 2014	3,818	0.74x	12%
Medium term notes due 2014	771	0.15x	2%
Securitisation	2,597	0.51x	8%
Derivatives	87	0.02x	0%
Other current and non-current loans and borrow ings	693	0.14x	2%
	34,429	**6.72x**	**111%**
Total cash and cash equivalents and securities [1]	(3,379)	(0.66x)	(11%)
Carrying amount of net debt	**31,050**	**6.06x**	**100%**
Changes in w orking capital, 1 January - 30 June 2012	(1,045)		
Changes in w orking capital, 1 July 2011 - 30 June 2012	22		
Seasonality adjusted carrying amount of net debt	**30,027**	**5.86x**	

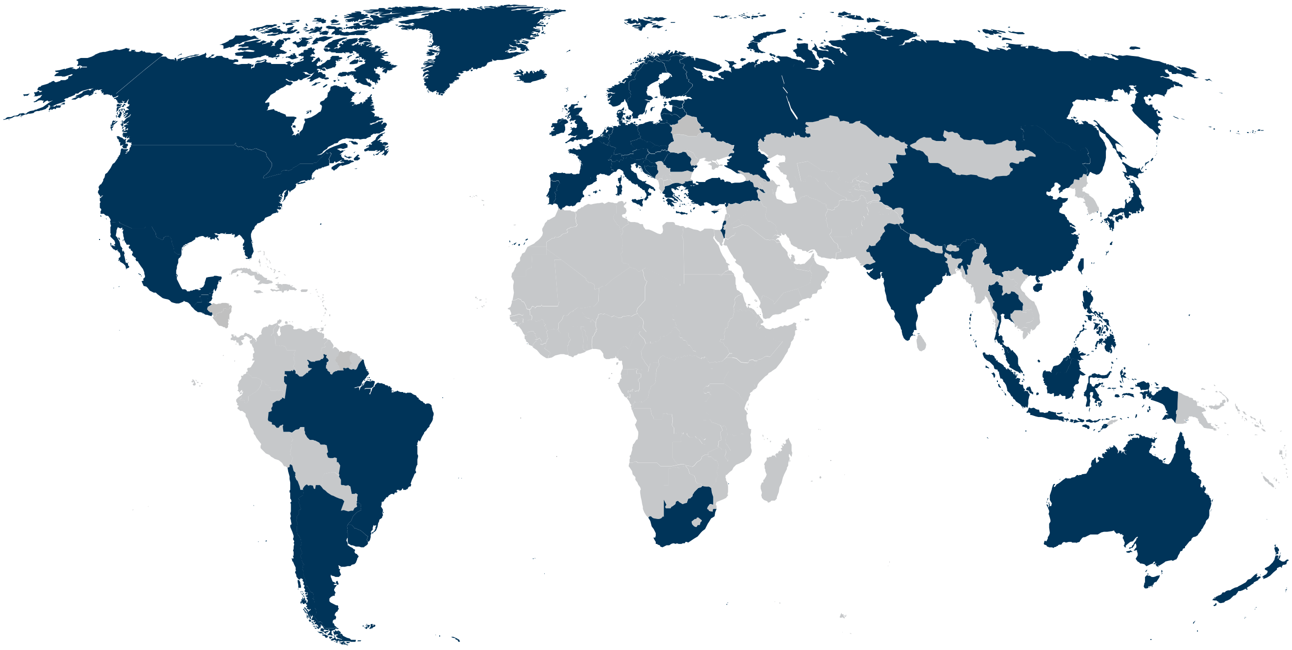
[1)] Includes a receivable from FS Invest of DKK 68m

Summary of Credit Facilities

Summary of Credit Facilities DKK million	**Principal Value**	**Drawn**	**Currency**	**Coupon / margin**	**Maturity**
Bank loans:					
Senior Facilities:					
Term Facility B	480	480	EUR, GBP	+ 200bps	31 Dec 2013
Term Facility B	12,513	12,513	EUR, GBP	+ 350bps	30 Apr 2015
Acquisition Facility B	58	58	Multi Currency	+ 225bps	31 Dec 2013
Acquisition Facility B	1,922	1,922	Multi Currency	+ 375bps	30 Apr 2015
Revolving Credit Facility	3,762	2,692	Multi Currency	+ 375bps	31 Dec 2014
Letter of Credit Facility	484	194	Multi Currency	+ 375bps	31 Dec 2014
Second Lien Facility	597	597	EUR	+ 375bps	30 Jun 2015
Second Lien Facility	3,864	3,864	EUR	+ 425bps	30 Jun 2015
Securitisation [1)]	2,978	2,624	Multi Currency	+ 275bps	14 Sep 2014
	26,658	**24,944**			
Bonds:					
Senior Subordinated Notes due 2016	4,323	4,323	EUR	8.875%	15 May 2016
Senior Notes due 2014	3,903	3,903	EUR	11.00%	15 Jun 2014
2014 Medium Term Notes	821	821	EUR	4.50%	8 Dec 2014
	9,047	**9,047**			
Total Credit Facilities	**35,705**	**33,991**			

[1)] In August, the securitisation programme was extended till September 2014

The ISS representation around the globe



The ISS Group was founded in Copenhagen in 1901 and has grown to become one of the world's leading Facility Services companies. ISS offers a wide range of services such as: Cleaning, Catering, Security, Property and Support Services as well as Facility Management. Global revenue amounted to DKK 78 billion in 2011 and ISS now has more than 530,000 employees and local operations in more than 50 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers.

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