To Luxembourg Stock Exchange
June 29, 2006

FS Funding A/S
Interim Report
January – March 2006

Key Figures [1)]

Amounts in DKK millions	As of and for the quarter ended March 31, 2006
Revenue	12,555
Operating profit before other items	573
Operating margin before other items, %	4.6
Operating profit	533
Profit/(loss) before impairment/amortization of intangibles	(78)
Net profit/(loss) for the period	(274)
Total assets	48,514
Goodwill	24,456
Carrying amount of net debt	25,252
Total equity	6,444

[1)] As FS Funding was incorporated on March 11, 2005 and did not have operating activities prior to the acquisition of ISS in May 2005, no comparative figures are available for the operating activities of the Group in Q1 2005.

Definitions

Operating margin before other items, %	=	Operating profit before other items x 100 / Revenue
Carrying amount of net debt	=	Long-term debt + Short-term debt - Receivables from affiliates - Securities - Cash and cash equivalents

Other Financial Measures

Amounts in DKK millions	As of and for the 12-month period ended March 31, 2006
Pro forma Adjusted EBITDA	3,639
Pro forma Adjusted Net Debt	27,004

Note: The pro forma adjusted financial information set out above are 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 April 1, 2005 – March 31, 2006 occurred on April 1, 2005.

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 or as a measure of the Group's results of operations or liquidity. 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 other 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 23-28 of this report for further information.

FS Funding A/S ("FS Funding" or "the Group") was incorporated on March 11, 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.

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.

For further information about FS Funding and ISS, including information about risk factors that could adversely impact the results of the operations and financial position of the Group, please see FS Funding's Offering Memorandum dated April 28, 2006, and the ISS A/S Annual Report 2005. These documents are available from the Group's website, www.issworld.com.

As FS Funding was incorporated on March 11, 2005 and did not have operating activities prior to the acquisition of ISS in May 2005, no comparative figures are available for the operating activities of the Group in Q1 2005. Consequently, the analysis of revenue and operating profit before other items set out below is based on the operating activities of ISS.

Financial Review

Income Statement

Revenue in Q1 2006 was DKK 12,555 million. For ISS this represented a revenue growth of 16% from Q1 2005 of which 10% stemmed from acquisitions. The organic growth rate increased by approximately 3 percentage points from 2% in Q1 2005 to 5% in Q1 2006. As announced by ISS in February 2005, the effect of the phased-out hospital cleaning services business in Germany is excluded from the calculation of organic revenue growth. Currency adjustments increased revenue by approximately 1% in Q1 2006.

In Northern Europe, ISS's revenue increased by approximately 13% to DKK 5,436 million in Q1 2006. The growth primarily stemmed from 9% acquisitive growth, 3% organic growth and currency adjustments of 1%. The organic growth increased by approximately 2 percentage points compared to Q1 2005, primarily driven by double-digit organic growth rates in Norway and Ireland. With the exception of Finland, organic growth was positive in all major countries in the region.

In Q1 2006 ISS's revenue in Continental Europe increased by approximately 13% to DKK 6,049 million. Organic growth increased by approximately 2 percentage points to 5%, primarily driven by France, Austria and Spain. Growth from acquisitions, net, was 8% and the impact from currency adjustments was almost neutral.

Revenue in Overseas increased by 108% from DKK 515 million in Q1 2005 to DKK 1,070 million in Q1 2006. The growth was primarily driven by acquisitions, most significantly the acquisition of the remaining 51% of the shares in Australian-based Tempo Services Ltd. ("Tempo") with estimated annual revenue of approximately DKK 2.9 billion. Positive organic growth throughout the region contributed to an organic growth rate of 14% and currency adjustments increased revenue by 12% compared to Q1 2006.

In 2005, ISS discontinued its Health Care business and its operations in Japan which led to a DKK 175 million decrease in revenue compared to Q1 2005.

Operating profit before other items amounted to DKK 573 million. The operating margin before other items of ISS was 4.6% in Q1 2006 compared with 4.5% in Q1 2005 and 5.7% for the financial year 2005. ISS'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.

ISS Revenue growth, Q1 2006

	Revenue growth, %			
	Organic[1)]	**Acq., net**	**Currency**	**Total**
Total ISS	**5**	**10** [2)]	**1**	**16**
Northern Europe	3	9	1	13
Continental Europe	5	8	0	13
Overseas	14	82	12	108

[1)] For a description of the method applied in estimating organic growth, see FS Funding's Offering Memorandum dated April 28, 2006, which is available from the Group's website, www.issworld.com.
[2)] Includes the reduction in revenue stemming from the discontinuation of the Health Care operations and the operations in Japan.

ISS's operating margin in Northern Europe increased from 5.4% in Q1 2005 to 5.5% in Q1 2006. The increase primarily stemmed from operating margin increases in Denmark and Sweden, partially offset by a decrease in Norway.

In Continental Europe, ISS increased the operating margin by 0.3 percentage points to 4.6% in Q1 2006, primarily resulting from operating margin increases in the Netherlands and Switzerland. In addition to this, consolidation of the operations in Turkey, which were acquired in 2005,

ISS Operating results

	Revenue			Operating profit before other items			Operating margin before other items	
	DKK millions			DKK millions			%	
	Q1 2006	Q1 2005	Change	Q1 2006	Q1 2005	Change	Q1 2006	Q1 2005
Northern Europe	5,436	4,821	13 %	297	261	14 %	5.5 %	5.4 %
Continental Europe	6,049	5,334	13 %	281	230	22 %	4.6 %	4.3 %
Overseas	1,070	515	108 %	60	28	114 %	5.6 %	5.4 %
Discontinued operations	-	175	(100)%	-	21	(100)%	-	12.0 %
Corporate	-	-		(61)	(52)	(17)%	(0.5)%	(0.5)%
Total ISS	**12,555**	**10,845**	**16 %**	**577**	**488**	**18 %**	**4.6 %**	**4.5 %**

also contributed positively to the increase in operating margin.

In Overseas, ISS's operating margin increased from 5.4% in Q1 2005 to 5.7% in Q1 2006, despite the consolidation of Tempo in Australia from February 2006 with an operating margin below average. The increase was primarily due to operating margin increases in Hong Kong and Thailand.

Operating profit before other items for the discontinued businesses was DKK 21 million in Q1 2005. Thus the discontinuation negatively impacted the Q1 2006 operating margin by approximately 0.1 percentage point.

Net finance costs were DKK 545 million, including DKK 51 million of amortization of financing fees related to the acquisition of ISS and DKK 44 million of amortization of market price adjustment and swap gains related to the Medium Term Notes issued by ISS Global (the "EMTNs"), with expiry in 2010 and 2014, respectively[1].

Income taxes were DKK 59 million. 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 utilized in the foreseeable future has been capitalized as a deferred tax asset.

Amortization of brands and customer contracts amounted to DKK 276 million and was primarily related to customer contract portfolios and related customer relationships which are amortized over the estimated useful lives of such portfolios and relationships applying the declining balance method.

Net loss for the period was DKK 274 million, negatively impacted by net finance costs as well as non-cash charges related to amortization of brands and customer contract portfolios and related customer relationships, net of tax. A loss of DKK 277 million was attributable to the equity holders of FS Funding, whereas a profit of DKK 3 million was attributable to minority interests.

Cash Flow Statement

Cash flow from operating activities was a net cash outflow of DKK 614 million, as expected, of which DKK 800 million related to working capital. This mirrors the fact that the Groups working capital requirement is impacted by seasonality due to a number of cash payments relating to, among other things, pension contributions, insurance premium payments and holiday payments in the first quarter of the year.

Cash flow from operating activities was also impacted by interest paid, net, which amounted to DKK 433 million. Payments related to Other income and expenses, net was DKK 53 million of which the largest item was DKK 31 million deriving from a Group restructuring project, which was initiated in 2005.

Cash flow from investing activities was a cash outflow of DKK 1,953 million, predominantly affected by a cash outflow of DKK 1,821 million related to acquisitions. The largest acquisition was the acquisition of the remaining 51% of the shares in Tempo. The Group now holds 100% of Tempo. The net purchase price amounted to DKK 1,051 million.

Investments in intangible and tangible fixed assets, net (excluding goodwill) amounted to DKK 141

[1] The EMTNs were recognized 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 recognized in Q1 2006 and the remaining market price adjustment amounted to DKK 1,259 million as at March 31, 2006.

FS Funding recognized 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 with a net gain, which will be recognized in the consolidated financial statements of FS Funding over the remaining term of the EMTNs. In Q1 2006 FS Funding recognized an income of DKK 6 million in the consolidated income statement. The remaining gain of DKK 105 million will be recognized over the remaining term of the EMTNs.

million equalling 1.1% of revenue, while depreciation constituted 1.4% of revenue.

Cash flow from financing activities amounted to DKK 2,050 million including a net 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 48,514 million as of March 31, 2006 compared with DKK 46,456 million as of December 31, 2005.

Intangible assets, of which the vast majority related to goodwill, brands and customer contracts amounted to DKK 34,281 million as of March 31, 2006.

Total equity was DKK 6,444 million as of March 31, 2006 of which DKK 6,388 million was attributable to equity holders of FS Funding and DKK 56 million related to Minority interests. Total equity was equivalent to 13% of total assets.

Carrying amount of net debt is typically higher after the first quarter than at the end of a financial year as ISS's operating cash flow tends to be lower in the first quarter of the year and due to the effect of acquisitions. Due to this seasonality and the effect of acquisitions during Q1 2006, carrying amount of net debt amounted to DKK 25,252 million of which long-term debt was DKK 17,828 million, short-term debt amounted to DKK 8,750 while securities, cash and cash equivalents were DKK 1,326 million.

The short term debt included DKK 6,642 million related to a high yield bridge facility, which was refinanced on May 8, 2006, see Subsequent Events.

On January 10, 2006 the syndication of all senior credit facilities was completed. For further information, see press release of December 22, 2005, which is available from the Group's website www.issworld.com.

For further information on the composition of the net debt as at March 31, 2006 see the appendix on pages 23-28 of this report.

Acquisitions 2006

In Q1 2006 a total of 39 acquisitions were completed with an aggregate net purchase price of DKK 1,624 million. The total annual revenue of the acquisitions is estimated at approximately DKK 4.2 billion based on expectations at the time of acquisition.

As mentioned above, the acquisition of the remaining 51% shares in Australia-based Tempo was the largest acquisition completed in Q1 2006.

Other Financial Measures

Pro forma Adjusted EBITDA for the period April 1, 2005 to March 31, 2006 amounted to DKK 3,639 million. Pro forma Adjusted Net Debt amounted to DKK 27,004 million.

The calculation of these figures is conducted according to the principles described in the appendix on pages 23-28 of this report.

Expectations

The expectations should be read in conjunction with "Forward-looking statements" on page 6.

As mentioned in FS Funding's annual report 2005 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 amortization of intangible assets relating to the purchase price allocation conducted in connection with the change of ownership.

Subsequent Events

The Group has made a number of acquisitions subsequent to March 31, 2006, see note 5 Acquisition and divestment of businesses to the Condensed Consolidated Interim Financial Statements.

As per April 1, 2006 the Group divested 51% of Industri och Skadeservice AB in Sweden with annual revenue of DKK 188 million. The divestment resulted in an accounting loss of DKK 2 million.

Effective April 6, 2006 Mr. Jørgen Lindegaard and Mr. Christoph Sander were elected new members of the Board of Directors.

On May 8, 2006 FS Funding completed a high yield offering comprising two tranches; a EUR 454 million tranche with a coupon of 8.875% per annum and a EUR 850 million floating rate tranche bearing interests at a rate per annum equal to 3 month Euribor plus 6.625%, reset quarterly. Both tranches expire on May 15, 2016. The purpose of this offering was to refinance a high yield bridge facility and a payment-in-kind bridge facility. The excess proceeds were used to partly repay acquisition facilities and for general corporate purposes.

Pursuant to the senior facilities agreement FS Funding is required to repay all outstanding indebtedness, DKK 1,250 million, incurred by FS Funding under the senior facilities by August 31, 2006. On May 30, 2006 FS Funding repaid DKK 800 million with proceeds from dividends received from ISS and ISS Global A/S. This was financed by further borrowings by ISS Global A/S under the senior facilities.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to March 31, 2006, which are expected to have a material impact on the Group's financial position.

Financial Calendar 2006

Interim Report, January - June 2006:	August 29, 2006
Interim Report, January - September 2006:	November 29, 2006

Telephone conference

A telephone conference will be held on Thursday, June 29, 2006 at 3:30 PM CET (2:30 PM UK time).

The telephone numbers for the conference are:

+45 70 26 50 40 (Denmark)
+44 207 769 6432 (UK)
+1 718 354 1230 (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 on pages 33-52 of the Offering Memorandum dated April 28, 2006, which is available from the Group's website, www.issworld.com.

Signatures to the Interim Report

COPENHAGEN, June 29, 2006

The Board of Directors and the Executive Management have approved the interim report of FS Funding A/S for the period January 1 - March 31, 2006.

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 March 31, 2006 and of the results of the Group's operations and consolidated cash flows for the financial period January 1 - March 31, 2006.

EXECUTIVE MANAGEMENT

Steen Parsholt
Managing Director

BOARD OF DIRECTORS

Leif Östling
Chairman

Richard Sharp
Vice-Chairman

Ole Andersen

Sanjay Patel

Jørgen Lindegaard

Christoph Sander

Condensed Consolidated Interim Financial Statements for FS Funding A/S

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

Note		January 1 - March 31, 2006	March 11 - March 31, 2005 [1)]
2	**Revenue**	**12,555**	**-**
	Staff costs	(8,352)	-
	Cost of sales	(1,051)	-
	Other operating expenses	(2,405)	-
	Depreciation and amortization	(174)	-
2	**Operating profit before other items**	**573**	**-**
	Other income and expenses, net	(14)	-
	Integration costs	(26)	-
2	**Operating profit**	**533**	**-**
	Share of profit from associates	(7)	-
	Net finance costs	(545)	-
	Profit/(loss) before tax and impairment/ amortization of intangibles	**(19)**	**-**
	Income taxes	(59)	-
	Profit/(loss) before impairment/ amortization of intangibles	**(78)**	**-**
	Amortization of brands and customer contracts [2)]	(276)	-
	Tax effect	80	-
	Net profit/(loss) for the period	**(274)**	**-**
	Attributable to:		
	Equity holders of FS Funding	(277)	-
	Minority interests	3	-
	Net profit/(loss) for the period	**(274)**	**-**
4	Earnings per share before impairment/ amortization of intangibles, DKK	(0.8)	-
4	Basic earnings per share, DKK	(2.8)	-
4	Diluted earnings per share, DKK	(2.8)	-

[1)] The company was founded on March 11, 2005.
[2)] Includes customer contract portfolios and related customer relationships.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

Note		January 1 - March 31, 2006	March 11 - March 31, 2005
	Operating profit before other items	573	-
	Depreciation and amortization	174	-
	Changes in working capital	(800)	-
	Changes in provisions	14	-
	Interest paid, net	(433)	-
	Income taxes paid, net	(71)	-
	Payments related to other income and expenses, net	(53)	-
	Payments related to integration costs	(18)	-
2	**Cash flow from operating activities**	**(614)**	**-**
5	Acquisition of businesses	(1,821)	-
5	Divestment of businesses	(5)	-
	Investments in intangible assets and property, plant and equipment, net	(141)	-
	Sale of financial assets, net	14	-
	Cash flow from investing activities	**(1,953)**	**-**
	Financial payments, net	2,050	-
	Cash flow from financing activities	**2,050**	**-**
	Total cash flow	**(517)**	**-**
	Cash and cash equivalents at January 1, 2006 / March 11, 2005	1,804	1
	Total cash flow	(517)	-
	Foreign exchange adjustments	(4)	-
	Cash and cash equivalents at March 31	**1,283**	**1**

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

Note		March 31, 2006	March 31, 2005	December 31, 2005
	Assets			
	Intangible assets	34,281	-	32,672
	Property, plant and equipment	1,986	-	1,956
	Investments in associates	55	-	132
	Deferred tax assets	720	-	599
	Other financial assets	240	-	234
	Total non-current assets	**37,282**	**-**	**35,593**
	Inventories	310	-	300
	Trade receivables	8,352	-	7,564
	Contract work in progress	200	-	153
	Tax receivables	247	-	139
	Other receivables	797	-	844
	Securities	43	-	59
	Cash and cash equivalents	1,283	1	1,804
	Total current assets	**11,232**	**1**	**10,863**
	Total assets	**48,514**	**1**	**46,456**
	Equity and liabilities			
	Total equity attributable to equity holders of FS Funding	6,388	1	6,714
	Minority interests	56	-	60
	Total equity	**6,444**	**1**	**6,774**
	Long-term debt	17,828	-	15,699
	Pensions and similar obligations	990	-	833
	Deferred tax liabilities	3,339	-	3,302
	Other provisions	332	-	239
	Total long-term liabilities	**22,489**	**-**	**20,073**
	Short-term debt	8,750	-	8,986
	Trade payables	1,594	-	1,952
	Tax payables	149	-	81
	Other liabilities	8,628	-	8,110
	Other provisions	460	-	480
	Total current liabilities	**19,581**	**-**	**19,609**
	Total liabilities	**42,070**	**-**	**39,682**
	Total equity and liabilities	**48,514**	**1**	**46,456**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF TOTAL RECOGNIZED INCOME AND EXPENSE AND CHANGES IN EQUITY

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

	Attributable to equity holders of FS Funding						
	Share capital	Retained earnings	Cumula-tive fx adj.	Realized gain/(loss) on hedges	Unrealized gain/(loss) on hedges	Minority interests	Total equity
January 1 - March 31, 2006							
Total recognized income and expense							
Net profit/(loss) for the period	-	(277)	-	-	-	3	(274)
Foreign exchange adj. of subsidiaries and minorities	-	-	(69)	-	-	(1)	(70)
Gain on hedges, net	-	1	-	12	8	-	21
Other	-	4	-	-	-	-	4
Tax on entries recognized directly in equity	-	0	-	(3)	(2)	-	(5)
Net income and expense recognized directly in equity	**-**	**5**	**(69)**	**9**	**6**	**(1)**	**(50)**
Total recognized income and expense for the period	**-**	**(272)**	**(69)**	**9**	**6**	**2**	**(324)**
Equity at January 1, 2006	**100**	**6,514**	**124**	**(18)**	**(6)**	**60**	**6,774**
Changes in equity							
Total recognized 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 March 31, 2006	**100**	**6,242**	**55**	**(9)** [1]	**-**	**56**	**6,444**

[1] Net of taxes.

	Share capital	Retained earnings	Cumula-tive fx adj.	Realized gain/(loss) on hedges	Unrealized gain/(loss) on hedges	Minority interests	Total equity
March 11 - March 31, 2005							
Total recognized income and expense							
Net profit/(loss) for the period	-	-	-	-	-	-	-
Total recognized income and expense for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity at March 11, 2005 (foundation)	**1**	**-**	**-**	**-**	**-**	**-**	**1**
Changes in equity							
Total recognized income and expense for the period	-	-	-	-	-	-	-
Total changes in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity at March 31, 2005	**1**	**-**	**-**	**-**	**-**	**-**	**1**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

1. Significant accounting policies

The condensed consolidated interim financial statements of FS Funding A/S for the period January 1 - March 31, 2006, 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. 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 of and for the year ended December 31, 2005.

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 December 31, 2005.

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 December 31, 2005.

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

2. Segment information

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

January 1 - March 31, 2006

Geographical (Primary Segment)	External revenue	Total revenue [1]	Operating profit before other items	Operating margin before other items %	Operating profit [2]
France	2,326	2,326	121	5.2	119
UK	1,606	1,607	95	5.9	81
Norway	1,108	1,108	53	4.8	51
Denmark	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	619	619	37	5.9	36
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
Hong Kong	183	183	13	7.2	12
Central Eastern Europe	164	164	9	5.3	8
Ireland	137	137	10	7.2	10
Brazil	135	135	7	5.3	7
Singapore	114	114	7	5.9	4
Israel	96	96	4	4.4	4
Turkey	96	96	5	5.4	5
Portugal	85	85	5	6.3	5
Thailand	49	49	4	7.3	4
Greece	46	46	3	5.7	3
Italy	41	41	(0)	(0.6)	(0)
Iceland	36	36	3	8.3	3
Indonesia	35	35	3	9.3	3
New Zealand	30	30	1	3.8	1
Estonia	24	24	0	0.6	0
Argentina	21	21	1	2.7	1
Chile	21	21	1	6.3	1
Greenland	20	20	1	2.7	(0)
Malaysia	20	20	1	5.4	1
Poland	19	19	1	2.7	(0)
China	19	19	0	1.8	0
India	9	9	0	1.0	0
Russia	6	6	(1)	(23.6)	(1)
Sri Lanka	6	6	0	4.0	0
Brunei	4	4	1	20.7	1
Uruguay	1	1	0	5.0	0
Regional cost, not allocated to countries	-	-	(8)	-	(8)
Subtotal	**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] Excluding internal royalty to corporate functions.

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

3. Seasonality

ISS'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. ISS's 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. ISS's cash flow from operations is typically positive in the second quarter of the year, becomes increasingly positive throughout the year and is usually highest in the fourth quarter of the year, when it collects revenue recognized in the third quarter of the year.

4. Earnings per share	January 1 - March 31, 2006
Profit/(loss) before goodwill impairment and amortization of customer contracts	(78)
Net profit/(loss) for period attributable to equity holders of FS Funding	(277)
Weighted average number of shares:	
Number of shares at January 1, 2006 / March 11, 2005	100,000,000
Weighted average number of shares	100,000,000
Basic earnings per share before goodwill impairment and amortization of customer contracts, DKK	**(0.8)**
Basic earnings per share, DKK	**(2.8)**
Diluted earnings per share, DKK	**(2.8)**

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses

The Group made 39 acquisitions from January 1 - March 31, 2006 (0 from March 11 - March 31, 2005). The total purchase price amounted to DKK 1,692 million. The total annual revenue of the acquisitions is estimated at approximately DKK 4,216 million based on the expectations at the time of acquisition. The balance sheet items etc. relating to acquisitions and divestments are specified below:

	Acquisition of Tempo Services Ltd. [1]		Total acquisitions		
Acquisitions and divestments January 1 - March 31, 2006	Net book value before takeover	Fair value at takeover	Net book value before takeover	Fair value at takeover	Total divestments
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/divestment 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/receivable sales prices		(9)		36	(5)
Changes in prepayments regarding acquisitions in the coming year		-		125	-
Acquisition/divestment 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. Such disclosure is impracticable, because 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 programs 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 United Kingdom and Tempo Services Ltd. in Australia.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)	January 1 - March 31, 2006
Pro forma revenue [1]	
Revenue recognized in the income statement	12,555
Adjustment, assuming all acquisitions from January 1 - March 31, 2006 were included as of January 1	333
Revenue for the Group assuming all acquisitions from January 1 - March 31, 2006 were included as of January 1	12,888
Adjustment, assuming all divestments signed from January 1 - March 31, 2006 were carried out as of January 1	-
Revenue for the Group assuming all acquisitions and divestments from January 1 - March 31, 2006 were carried out as of January 1	**12,888**
Pro forma operating profit before other items [1]	
Operating profit before other items recognized in the income statement	573
Adjustment, assuming all acquisitions from January 1 - March 31, 2006 were included as of January 1	18
Operating profit before other items for the Group assuming all acquisitions from January 1 - March 31, 2006 were included as of January 1	591
Adjustment, assuming all divestments signed from January 1 - March 31, 2006 were carried out as of January 1	-
Operating profit before other items for the Group assuming all acquisitions and divestments from January 1 - March 31, 2006 were carried out as of January 1	**591**

[1] The adjustment for revenue and operating profit before other items assuming all acquisitions and divestments were included as of January, 1 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. This information does not represent the results the Group would have achieved had the divestments and acquisitions during the period January 1 - March 31 occurred on January 1. In addition, the information should not be used as the basis for or prediction of any annualized calculation.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

From January 1, 2006 to March 31, 2006, the Group made 39 acquisitions [1)]

Company	Country	Income statement consolidated from	Percentage interest	Annual revenue [2)]	Number of employees [2)]
Ejendomsforeningen Danmark	Denmark	January	Activities	0	0
ASM	Portugal	January	Activities	5	17
Sinon International srl	Romania	January	100%	10	365
Sistems Horticulture	Australia	January	Activities	12	35
Insinööritoimisto Frenta Oy	Finland	January	100%	3	4
PH-Palvelut Oy	Finland	January	Activities	3	6
Vaktmestersentralen AS	Norway	January	100%	12	28
Matpartner	Norway	January	Activities	21	20
Aquaris	Norway	January	Activities	5	4
Planteservice	Norway	January	Activities	6	11
Planterike	Norway	January	Activities	2	4
Raise Contact Center	Denmark	January	Activities	17	248
Terrakultur Stockholm AB and Codeum Finans AB	Sweden	January	100%	26	65
Agro Top Services SARL	France	January	100%	7	15
Pegasus Security Holdings Limited	United Kingdom	January	100%	427	1,581
MPA Securitas Limited	Thailand	January	100%	50	3,500
National Services Company B.V.	Netherlands	January	100%	20	86
K+S Hygiene GmbH	Austria	January	100%	4	12
Holland Security Group B.V. [3)]	Netherlands	January	100%	56	271
Cleaning Plus	New Zealand	February	Activities	34	370
Hygeco SAS	France	February	100%	12	14
Charlestown SA	France	February	100%	159	323
Fruktbilen i Stockholm AB	Sweden	February	100%	6	10
Mats & Gun Wahlin AB	Sweden	February	100%	1	2
Optimal Group	Czech Republic	February	100%	74	415
Janco Pest Management	Australia	February	Activities	1	2
Bluebell Hospitality	India	February	Activities	2	90
Grundell	Finland	February	100%	21	80
B&S Virityspalvelu	Finland	February	Activities	8	16
Tempo Services Ltd. [4)]	Australia	February	100%	2,923	17,136
Coffee-team	Norway	March	Activities	6	4
EW Service Group	Switzerland	March	Activities	4	30
OS Verktakar	Iceland	March	Activities	2	12
Mandresa AB	Sweden	March	100%	43	29
JB Security Ltd.	Ireland	March	100%	14	54
Merusa	Spain	March	100%	57	239
PT Dimas Jaya	Indonesia	March	Activities	10	1,320
Münchener Kindl	Germany	March	100%	83	803
Dr. Rantasa	Austria	March	100%	70	350
Total				**4,216**	**27,571**

[1)] Includes all acquisitions completed prior to March 31, 2006.
[2)] Unaudited approximate figures based on information available at the time of acquisition.
[3)] The acquisition has not yet been included in the March figures.
[4)] The acquisition comprises the remaining 51% shares in Tempo Services Ltd., not already owned by ISS.

From January 1, 2006 to March 31, 2006, the Group made no divestments.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

The Group made 7 acquisitions from April 1 - April 30, 2006. The total purchase price amounted to DKK 64 million.

	Total acquisitions	
Acquisitions and divestments April 1 - April 30, 2006 [1)]	Net book value before takeover	Fair value at takeover
Goodwill	1	-
Customer contract portfolios and related customer relationships	-	14
Other non-current assets	0	1
Trade receivables	22	21
Other current assets	7	6
Other provisions	(0)	(0)
Pensions, deferred tax liabilities and minorities	(2)	(4)
Long-term debt	(0)	(0)
Short-term debt	(5)	(5)
Other current liabilities	(20)	(24)
Net identifiable assets	**3**	**9**
Goodwill		59
Acquisition costs, net of tax		(4)
Purchase price		**64**
Cash and cash equivalents in acquired companies		(8)
Net purchase price		**56**

[1)] In accordance with usual procedures for purchase price allocation, opening balances for acquisitions subsequent to April 30, 2006 are not yet available.

Acquisitions from April 1 to April 30, 2006

Company	Country	Income statement consolidated from	Percentage interest	Annual revenue [2)]	Number of employees [2)]
San Rafael S.A. and Tap New S.A.	Mexico	April	100%	276	9,500
Lyon y Compañia Ltda.	Chile	April	100%	66	2,054
De Kobra Services	Belgium	April	Activities	12	29
El-Partners A/S	Denmark	April	100%	26	28
Demogruppen AB	Sweden	April	100%	40	370
Germtech Hygiene	New Zealand	April	Activities	3	2
Fruitservice	Sweden	May	Activities	1	0
Total				**424**	**11,983**

[1)] Includes all acquisitions made from April 1 to April 30, 2006.
[2)] Unaudited approximate figures based on information available at the time of acquisition.

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

6. Contingent liabilities, pledges etc.

Senior Facility Agreement

On November 7, 2005, FS Funding announced that it had finalized the financing arrangements relating to its acquisition of ISS A/S. FS Funding was the original borrower and guarantor under the senior facilities and the subordinated bridge facility, which were entered into on March 28, 2005, (subsequently amended and restated) and used for financing the acquisition of ISS A/S. FS Funding has executed a share pledge over its shares in ISS A/S as security for the senior facilities and the subordinated bridge facility. On July 26, 2005, ISS Global A/S, a 100% owned subsidiary of ISS A/S, acceded to the senior facilities agreement and thereby obtained a right to make future borrowings under the senior facilities.

ISS A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Belgium, Denmark, Finland, France, The Netherlands, Norway, Spain, Sweden 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 395 million (March 31, 2005: DKK 0 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 March 31, 2006	1,029	776	519	324	216	331	3,195

Commitment vehicle leases

The Group has entered into a global car fleet lease framework agreement for three years, including an option for extension for a further 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 liablity includes the Group's total leasing commitment assuming no early termination of any agreement.

Guarantee commitments

Indemnity and guarantee commitments at March 31, 2006 amounted to DKK 216 million (March 31, 2005: DKK 0 million).

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,220 million (March 31, 2005: DKK 0 million) of which DKK 1,029 million (March 31, 2005: DKK 0 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 obligation related to the agreement at March 31, 2006 amounted to approximately DKK 400 million (March 31, 2005: DKK 0 million). The Group and CSC are currently in discussions on implications of certain aspects of the outsourcing agreement. These discussions include various claims of each party and can lead to change of scope of the contract.

Divestments

The Group makes provisions for claims from purchasers or other parties in connection with divestments. Management believes that provisions made at March 31, 2006 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.

In February 2005, ISS sold its Health Care operations to a newly formed joint venture entity, now named Aleris Holding AB ("Aleris"), owned by EQT III Limited, ISS and Aleris's management. In June 2005, ISS sold its interest in Aleris to EQT III Limited. Following the sale of the Health Care operations, Aleris has claimed that the purchase price should be reduced by DKK 35 million. The Group disputes the claim.

Continues

6. Contingent liabilities, pledges etc. (continued)

Legal proceedings
The Group is party to certain legal proceedings. Management believes that these proceedings (which are to a large extent labor cases incidental to its business) will not have a material impact on the Group's financial position.

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 realization of inflationary gain, federal taxes related to 1999 and other federal taxes and social security costs amounting to DKK 80 million. These claims and inquiries are unlikely to be resolved in the short to medium term and the outcome is uncertain.

7. Related party transactions

The sole shareholder of FS Funding A/S, FS Equity A/S, has controlling influence in FS Funding. The ultimate controlling company of FS Funding is FS Invest Sarl (Luxembourg) which is 55% owned by funds advised by EQT. Related parties to the Group with a significant, but not controlling influence are:

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

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.

Sale of Health Care operations
In February 2005, ISS acquired the remaining 51% stake in CarePartner and subsequently sold its Health Care operations to a newly formed joint venture entity, now named Aleris Holding AB ("Aleris"), owned by EQT III Limited, ISS and Aleris's management. In June 2005, ISS sold its interest in Aleris to EQT III Limited. A contingent liabilitiy exists related to this sale, see note 6, Contingent liabilities.

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

Affiliates
The Group had the following transactions with affiliates. All transactions were made on market terms.
• The Group paid interest to affiliates.
• The Group paid/received joint taxation contribution equal to 28% of taxable income to/from FS Equity A/S (the ultimate parent company in Denmark).

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

8. Subsequent events

The Group has made a number of acquisitions subsequent to March 31, 2006, see note 5 Acquisition and divestment of businesses.

As per April 1, 2006 the Group divested 51% of Industri och Skadeservice AB in Sweden with annual revenue of DKK 188 million. The divestment resulted in an accounting loss of DKK 2 million.

Effective April 6, 2006 Mr. Jørgen Lindegaard and Mr. Christoph Sander were elected new members of the Board of Directors.

On May 8, 2006 FS Funding completed a high yield offering comprising two tranches; a EUR 454 million tranche with a coupon of 8.875% per annum and a EUR 850 million floating rate tranche bearing interests at a rate per annum equal to 3 month Euribor plus 6.625%, reset quarterly. Both tranches expire on May 15, 2016.

The purpose of this offering was to refinance two bridge facilities being a high yield bridge facility and a payment-in-kind bridge facility. The excess proceeds are being used for general corporate purposes.

Pursuant to the senior facilities agreement FS Funding is required to repay all outstanding indebtedness, DKK 1,250 million, incurred by FS Funding under the senior facilities by August 31, 2006. On May 30, 2006 FS Funding repaid DKK 800 million with proceeds from dividends received from ISS and ISS Global A/S. This was financed by further borrowings by ISS Global A/S under the senior facilities.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to March 31, 2006, which are expected to have a material impact on the Group's financial position.

APPENDIX: Other Financial Measures

The estimated pro forma information presented herein 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 April 1, 2005 – March 31, 2006 occurred on April 1, 2005.

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 or as a measure of the Group's results of operations or liquidity. 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 other 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 amortization. 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 months ended March 31, 2006 (DKK millions)
Operating profit	2,061
Depreciation and amortization	625
EBITDA	2,687
Other Income and expenses, net	377
Integration costs	66
Adjusted EBITDA	**3,130**

ESTIMATED PRO FORMA ADJUSTED EBITDA

	12 months ended March 31, 2006 (DKK millions)
Adjusted EBITDA	3,130
Estimated Pro Forma adjusted EBITDA of acquired and divested businesses	509
Estimated Pro Forma adjusted EBITDA	**3,639**

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 April 1, 2005 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 April 1, 2005 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 March 31, 2006 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 standardized 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 March 31, 2006 was prepared using the following methodology:

(i) First, by estimating the 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 March 31, 2006 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 March 31, 2006 prior to its acquisition by ISS, by applying a rate of depreciation equal to the overall rate of depreciation of the Group in 2005, expressed as a percentage of revenue, to the revenues of each such entity acquired during the twelve-month period ended March 31, 2006 and allocating the result in equal pro rata amounts to each month of the period;

(iii) Third, by estimating the annual EBITDA of discontinued operations:

- the estimated adjusted EBITDA of the divested Health Care operations and of the divested operations in Japan was derived from ISS's unaudited management accounts;

(iv) Fourth, by estimating the EBITDA of the Smaller Divested Businesses:

- the estimated EBITA of the Smaller Divested Businesses was derived from the unaudited management accounts of those Smaller Divested Businesses; and
- the total estimated EBITA for all of the Smaller Divested Businesses was then adjusted to add back an amount of depreciation for each of the Smaller Divested Businesses, 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 equal to the rate of depreciation of the Group in 2005, expressed as a percentage of revenue, to the revenues of each such entity divested during the twelve-month period ended March 31, 2006.

Pro Forma Net debt

The following table sets forth FS Funding's consolidated cash and cash equivalents and securities and capitalization as of March 31, 2006 and as adjusted to give effect to FS Funding's issue of high yield notes on May 8, 2006 as if this event had occurred on March 31, 2006.

With the exception of the line item Debt to affiliate and Total adjusted long-term debt, the amounts set forth under the column entitled "Consolidated Actual" are derived from and should be read in conjunction with the condensed consolidated interim financial statements of FS Funding as of and for the period ended March 31, 2006 and the related notes thereto.

The line item Debt to affiliate in the capitalization table represents a deeply Subordinated Shareholder Loan provided by FS Funding's direct parent, FS Equity, to partially finance the Acquisition. This loan was repaid with the proceeds from the issue of high-yield notes on May 8, 2006. For the purposes of the presentation in the capitalization table, this Debt to affiliate has been excluded from Long-term debt and has been included under Shareholders' funding.

CAPITALIZATION TABLE

	Consolidated Actual	Accounting Adjustments(1)		Offering Adjustments(2)		Consolidated As Adjusted
	As of March 31, 2006 (DKK millions)					
Cash and cash equivalents and securities:						
Cash and cash equivalents	1,283			570	(v)	1,853
Securities(3)	43					43
Total cash and cash equivalents and securities	1,326					1,896
Short-term debt:						
Other short term debt(4), (5)	901					901
Subordinated Bridge Facility	6,642	20	(iii)	(6,662)	(ii)	-
Term Facility B(5)	1,208	38	(iii)			1,246
Total short-term interest-bearing debt	8,751					2,147
Long-term debt:						
Senior Facilities(5):						
Term Facility A	1,876	24	(iii)			1,900
Term Facility B	3,675	43	(iii)			3,718
Acquisition Facilities	2,086	29	(iii)	(1,026)	(iv)	1,089
Medium Term Notes (6)						-
Medium Term Notes due 2010(a)	5,863	480	(i)			6,343
Medium Term Notes due 2014(b)	2,952	779	(i)			3,731
Interest rate swaps	103	(103)	(ii)			-
Other long-term debt(7)	241					241
Senior Subordinated Floating Rate Notes				6,343	(i)	6,343
8.875% Senior Subordinated Notes				3,388	(i)	3,388
Total long-term debt	16,796					26,753
Shareholders' funding:						
Debt to affiliated companies(8)	1,032	2	(iii)	(1,034)	(iii)	-
Shareholders' equity	6,388			(16)	(vi)	6,372
Total shareholders' funding	7,420					6,372
Minority interests	56					56
Total capitalization	33,023					35,328
Total adjusted net debt(9)	24,221					27,004

Notes:

(1) Accounting Adjustments:

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

The Medium Term Notes issued by ISS Global were recognized in the opening balance sheet at their market price as of May 9, 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 amortized in the consolidated financial statements of FS Funding over the remaining term of the Medium Term Notes. The unamortized market price adjustment as at March 31, 2006, amounting to DKK 480 million related to the Medium Term Notes due 2010 and DKK 779 million related to the Medium Term Notes due 2014, is reversed in the above table to reflect the principal amount of the Medium Term Notes.

Continues

CAPITALIZATION TABLE (continued)

(ii) Realized and unrealized gains on interest rate swaps:
In June 2005, ISS partially settled the interest rate swaps hedging the Medium Term Notes issued by ISS Global and realized a gain, which is being recognized in the income statement over the remaining term of the Medium Term Notes. At March 31, 2006, the unamortized portion of the gain amounted to DKK 105 million, which is reversed in the above table to reflect the principal amount of the hedged Medium Term Notes.

The unrealized negative fair market value of the outstanding interest rate swap as at March 31, 2006, amounted to DKK 2 million, which is reversed in the above table to reflect the principal amount of the hedged Medium Term Notes.

The total net accounting adjustments related to interest rate swaps amount to DKK 103 million.

(iii) Unamortized 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 unamortized financing fees and is amortized through the income statement over the term of the relevant liability.

To reflect the principal amount of loan liabilities at March 31, 2005, unamortized financing fees of DKK 38 million related to the short-term borrowings under Term Loan B, DKK 20 million related to the Subordinated Bridge Facility, DKK 29 million related to Acquisition Facilities, DKK 24 million related to Term Facility A, DKK 43 million related to the long-term borrowings under Term Loan B and DKK 2 million related to the deeply Subordinated Shareholder Loan are reversed.

(2) Offering adjustments:

The adjustments below are made to reflect the impact of the issue of high-yield notes on May 8, 2006 and the application of the proceeds from there.

(i) Note offering:
The offering of EUR 1,304 million aggregate principal amount of notes, or DKK 9,731 million, comprised of EUR 850 million, or DKK 6,343 million, senior subordinated floating rate notes and EUR 454 million, or DKK 3,388 million, 8.875% senior subordinated notes.

(ii) Subordinated Bridge Facility:
The repayment of DKK 6,662 million outstanding under the Subordinated Bridge Facility as of March 31, 2006 was made with the proceeds of the Senior Subordinated Notes offered hereby.

(iii) Subordinated Shareholder Loan:
The repayment of DKK 1,034 million outstanding under the Subordinated Shareholder Loan as of March 31, 2006 was made with the proceeds of the notes offered hereby.

(iv) Acquisition Facilities:
The partial repayment of DKK 1,026 million outstanding under the Acquisition Facilities as of March 31, 2006 was made with the proceeds of the notes offered hereby.

(v) Cash and cash equivalents:
The net cash proceeds from the offering amounted to DKK 570 million after deducting:

- DKK 6,736 million for the repayment of the Subordinated Bridge Facility, of which DKK 6,662 million represented the amount outstanding at March 31, 2006 and DKK 74 million related to accrued interest, foreign exchange adjustments and prepayment costs.
- DKK 1,034 million for partial repayment of the Acquisition Facilities, of which DKK 8 million related to accrued interest.
- DKK 1,049 million for the repayment of the Subordinated Shareholder Loan, of which DKK 1,034 million represented the amount outstanding at March 31, 2006 and DKK 15 million related to accrued interest and estimated prepayment costs
- DKK 309 million for estimated discounts, fees and expenses. The Proceeds Loans, in the amount of EUR 50 million, is on-lent to certain subsidiaries of ISS Global in the United Kingdom, France, Norway and Spain; and
- DKK 33 million for estimated additional expenses related to the change of ownership of ISS, which are expected to be paid by the Group.

(vi) Total equity attributable to equity holders of FS Funding:
The impact on Total equity attributable to equity holders of FS Funding reflects the unwinding of unamortized financing fees related to the Subordinated Bridge Facility and the Subordinated Shareholder Loan less the related tax effect. Assuming a 28% effective tax rate, the impact is DKK 16 million.

Continues

CAPITALIZATION TABLE (continued)

(3) Consists mainly of Danish listed mortgage bonds.

(4) Other 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) The Senior Facilities comprise the following:

(a) term loans in an amount equivalent to DKK 6,897 million (Term Facility A in an amount equivalent to DKK 1,900 million and Term Facility B in an amount equivalent to DKK 4,964 million), both of which are fully drawn.

(b) a revolving credit facility (the ''Revolving Credit Facility'') in an amount equivalent to DKK 1,750 million, of which amounts equivalent to DKK 725 million were drawn as of March 31, 2006. 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 audited consolidated financial statements.

(c) Acquisition Facility A in an amount equivalent to DKK 1,425 million, which was fully drawn as at March 31, 2006 and Acquisition Facility B in an amount equivalent to DKK 3,500 million, which was committed by the Senior Lenders on March 3, 2006, of which DKK 690 million was drawn as at March 31, 2006.

(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 financial statements.

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

(6) Medium Term Notes

(a) In September 2003, ISS Global issued EUR 850 million of euro-denominated Medium Term Notes. The notes have an annual coupon of 4.75%, payable annually in arrears, and mature on September 18, 2010.

(b) In December 2004, ISS Global issued EUR 500 million of euro-denominated Medium Term Notes. The notes have an annual coupon of 4.50%, payable annually in arrears, and mature on December 8, 2014.

(7) Other long-term debt includes finance leases, mortgage debt and other debt.

(8) In the condensed consolidated interim financial statements of FS Funding as of and for the period January 1, 2006 to March 31, 2006 the deeply Subordinated Shareholder Loan is, in accordance with IFRS, accounted for as Debt to affiliate and classified as "long term debt". The Subordinated Shareholder Loan will be subordinated to the Senior Facilities and the Subordinated Bridge Facility pursuant to the Intercreditor Agreement. The Subordinated Shareholder Loan matures on December 31, 2017 and, except in certain limited circumstances, no cash interest or principal payments may be made under the loan until the Senior Facilities and the Subordinated Bridge Facility have been repaid in full.

Consequently, the deeply Subordinated Shareholder Loan has been reclassified under Shareholders' funding for purposes of presentation in the capitalization table.

The Subordinated Shareholder Loan was fully repaid and cancelled on May 8, 2006.

(9) Total adjusted net debt represents total short-term debt and total long-term debt, excluding the deeply subordinated shareholder's funding, less total cash and cash equivalents and securities.