



**FS Funding A/S**  
**Investor Presentation - Full Year 2006**

10 April 2007



# Forward-looking Statements

## Forward-looking statements

This presentation 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 in FS Funding A/S’s Annual Report 2006, which is available from the Group’s website, [www.issworld.com](http://www.issworld.com).

# Agenda

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- Key Events 2006
- The Strategy
- Financial Results 2006
- Acquisitions
- Other Financial Measures

# Key Events 2006

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- Achieved 2006 objectives
- Strengthened service offerings
- Strengthened geographical footprint
- Changes in management team
- Issued HY notes in May
- Implemented management incentive program



## **The Strategy**



# The Strategy - IFS House



# The Strategy - Continued Execution

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## Operational efficiency

- Cash flow
- Operating margin
- Profitable growth
- Reduce financial leverage on a multiple basis

## Increase IFS capabilities

- Transforming into a Facility Services company
- Added Security as a new pillar
- Focus on Single Service Excellence
- Strengthen customer relationships and realize benefits

## Continue disciplined acquisition process

- Broaden the scope of service offerings
- Increase operational density and expand geographically
- Continued focus on high growth countries
- Focus on bolt-on acquisitions, may pursue larger acquisitions
- Leverage the experience of local management teams



**Full Year 2006**

Financial Results



# Key Figures 2006

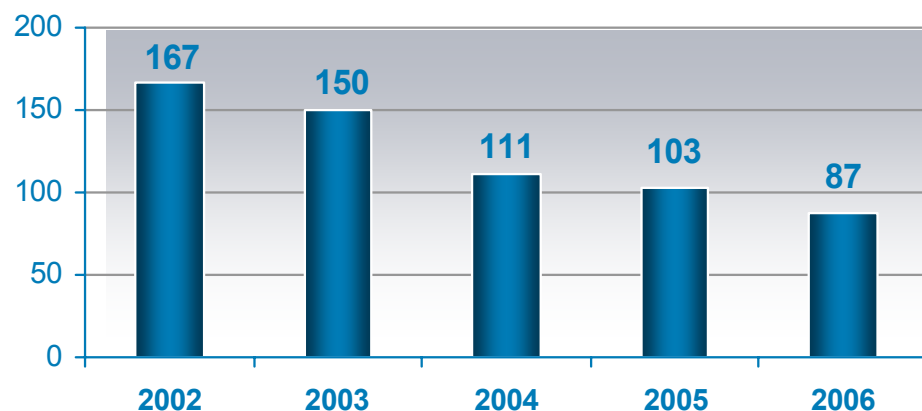
<b>DKKm</b>	<b>2006</b>	<b>Growth (ISS)</b>	
Revenue	55,772	Organic	5.5%
Operating profit before other items	3,234	Acquisitions, net	15%
Operating margin before other items	5.8%	FX adjustments	0%
		Total	20%
Pro Forma Net Cash Pay Debt	27,714		
Estimated Pro Forma Adj. EBITDA	4,203		
PF Net Debt / PF EBITDA	6.59x		

# ISS A/S - Key Figures

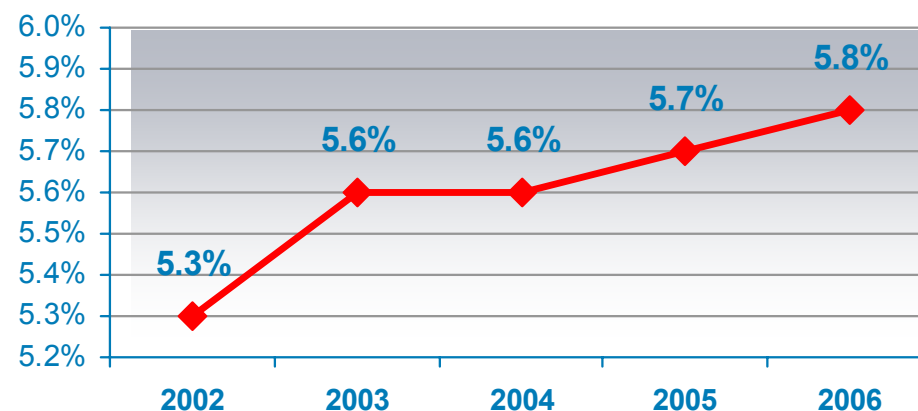
DKKm	2006	2005	Δ
Revenue	55,772	46,440	+20%
Operating profit before other items	3,244	2,260	+22%
Operating margin before other items	5.8%	5.7%	
Operating profit	3,029	2,296	
Net result	911	948	
Organic growth	5.5%	3.0%	
Acquisition growth	15%	11%	
Δ working capital	62	-234	

# Key Priorities

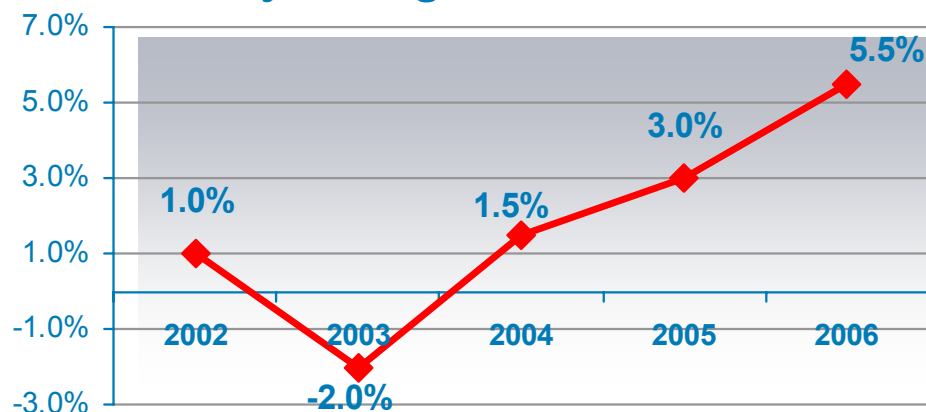
## Priority 1: Cash Conversion



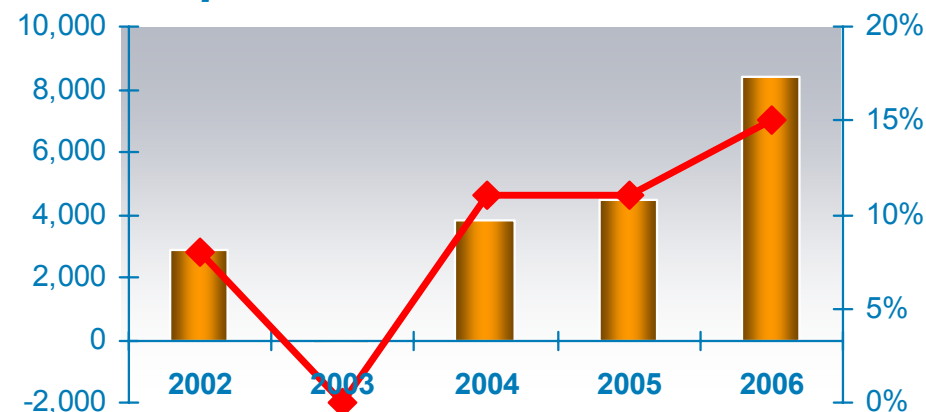
## Priority 2: Operating Margin



## Priority 3: Organic Growth

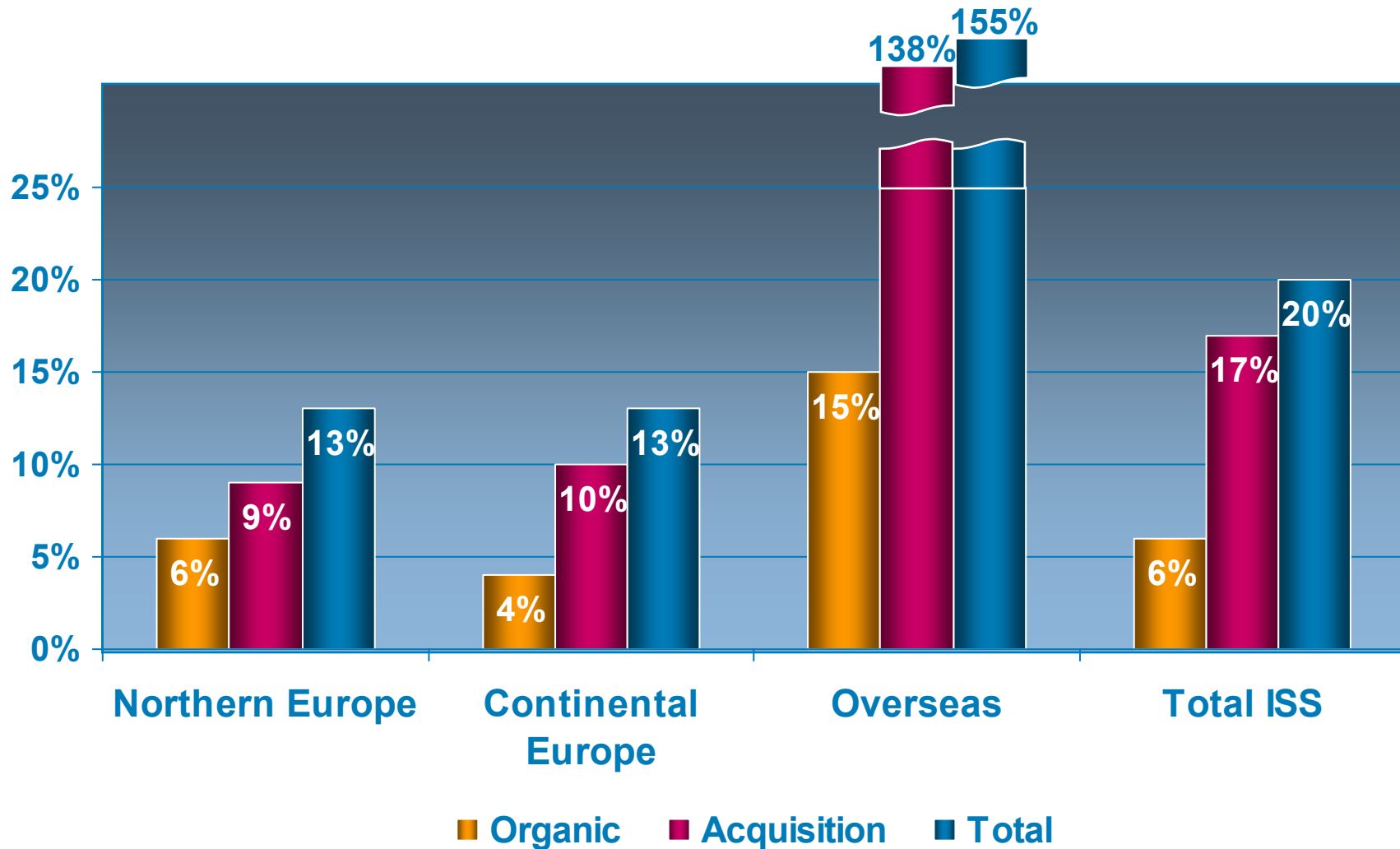


## Acquisitive Growth



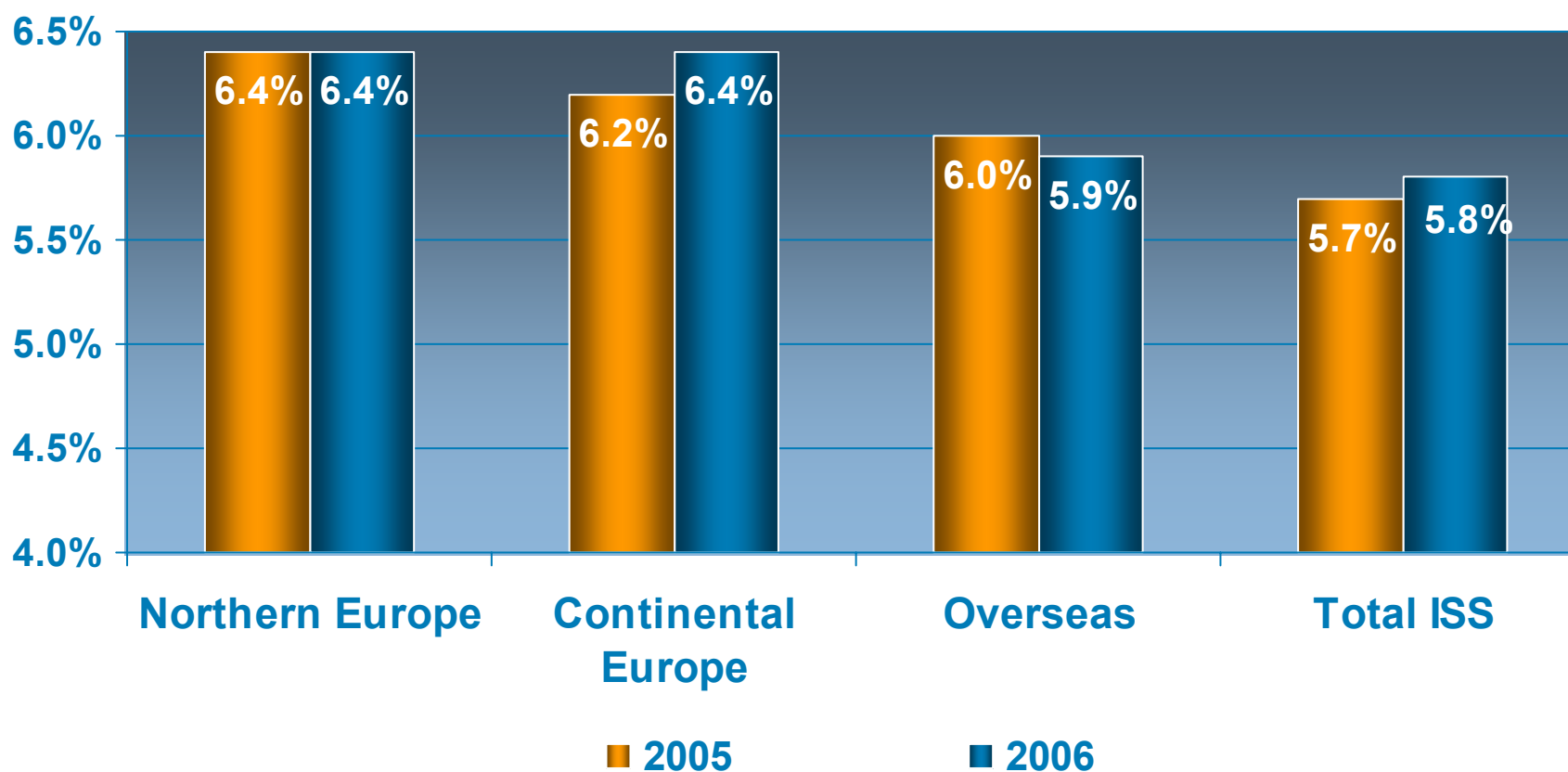
For comparison reasons, figures for ISS A/S are used

# Revenue Growth 2006



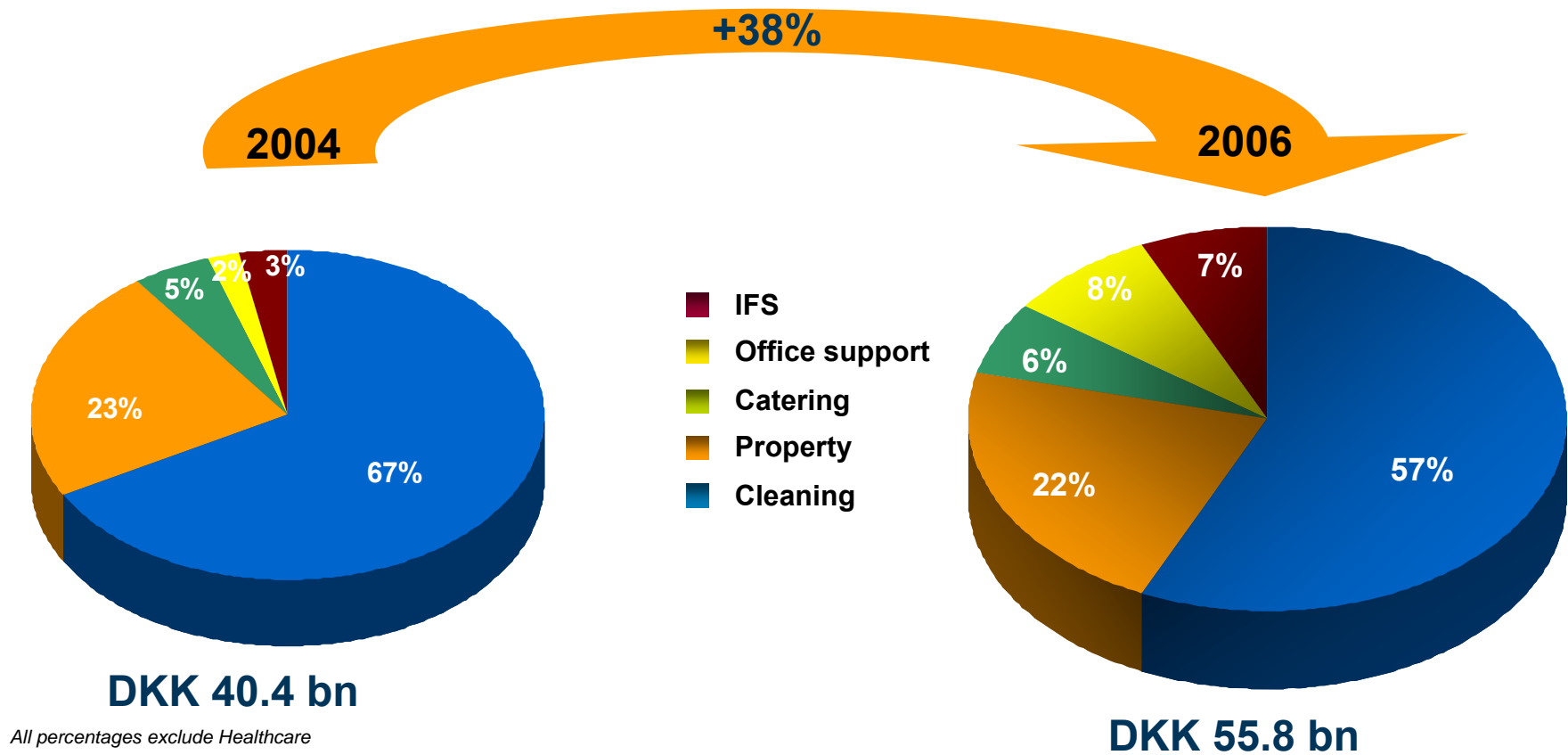
For comparison reasons, figures for ISS A/S are used

# Operating Margin before other items 2006, %



For comparison reasons, figures for ISS A/S are used

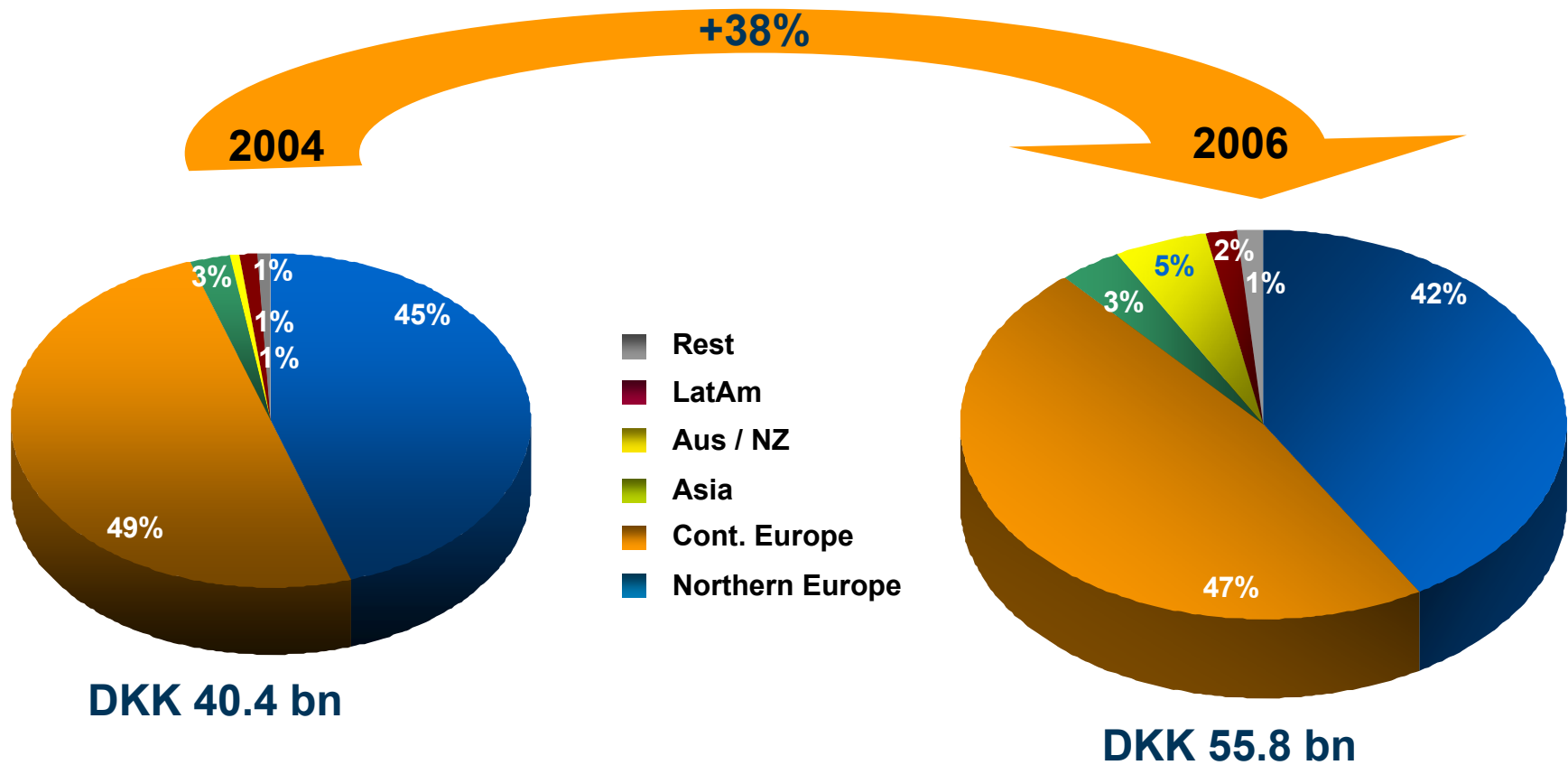
# Revenue by Service



*All percentages exclude Healthcare  
Cleaning Services includes Food Hygiene  
Property Services includes Damage Control*

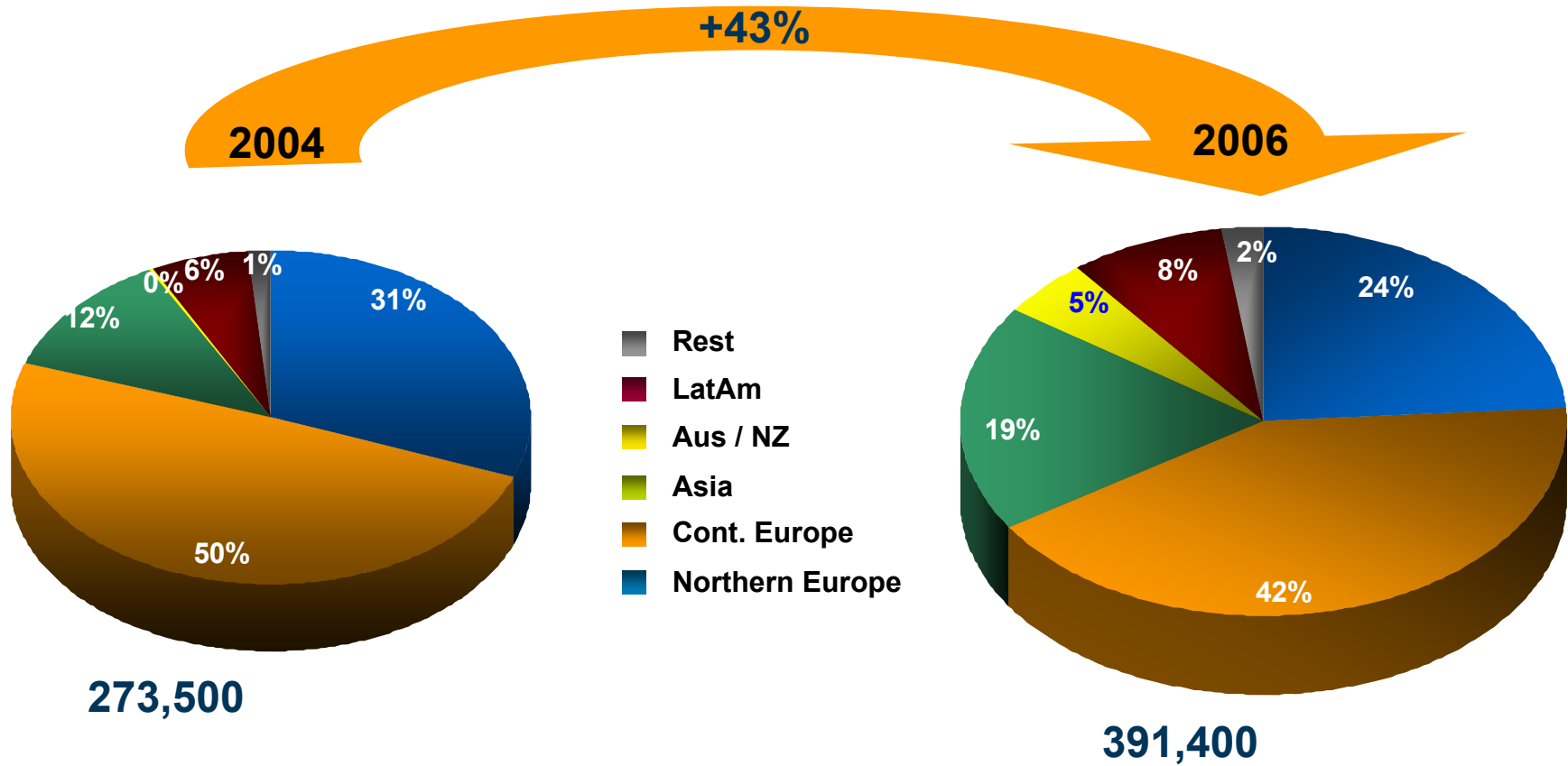
For comparison reasons, figures for ISS A/S are used

# Revenue by Region



For comparison reasons, figures for ISS A/S are used

# Employees by Region



For comparison reasons, figures for ISS A/S are used



# Tax Proposal, Denmark

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- Ministry of Taxation published draft bill for public hearing in February 2007, revised in April 2007
- Proposed amendments include
  - Reduction of corporate tax rate
  - Reduction of deduction of interest expenses
  - Amendments to Controlled Foreign Company (CFC) taxation
- Final outcome and impact on Group remain unclear

# Outlook

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- *The outlook set out below should be read in conjunction with "Forward-looking statements" on page 2 of this presentation*
- The Group will continue focusing on
  - Broadening facility services and strengthening single service excellence
  - Key operational objectives
    - Cash flow
    - Operating margin
    - Profitable organic growth
    - Deleveraging on a multiple basis
  - Making acquisitions to increase local scale and broadening service competencies
- For 2007 it is expected that<sup>(1)</sup>
  - Revenue will increase by more than 10%
  - Operating margin will be maintained at current level
  - Non cash expenses are expected to lead to net accounting losses

(1) At the prevailing currency rates and including acquisitions and divestments up to 10 April 2007



## Acquisitions



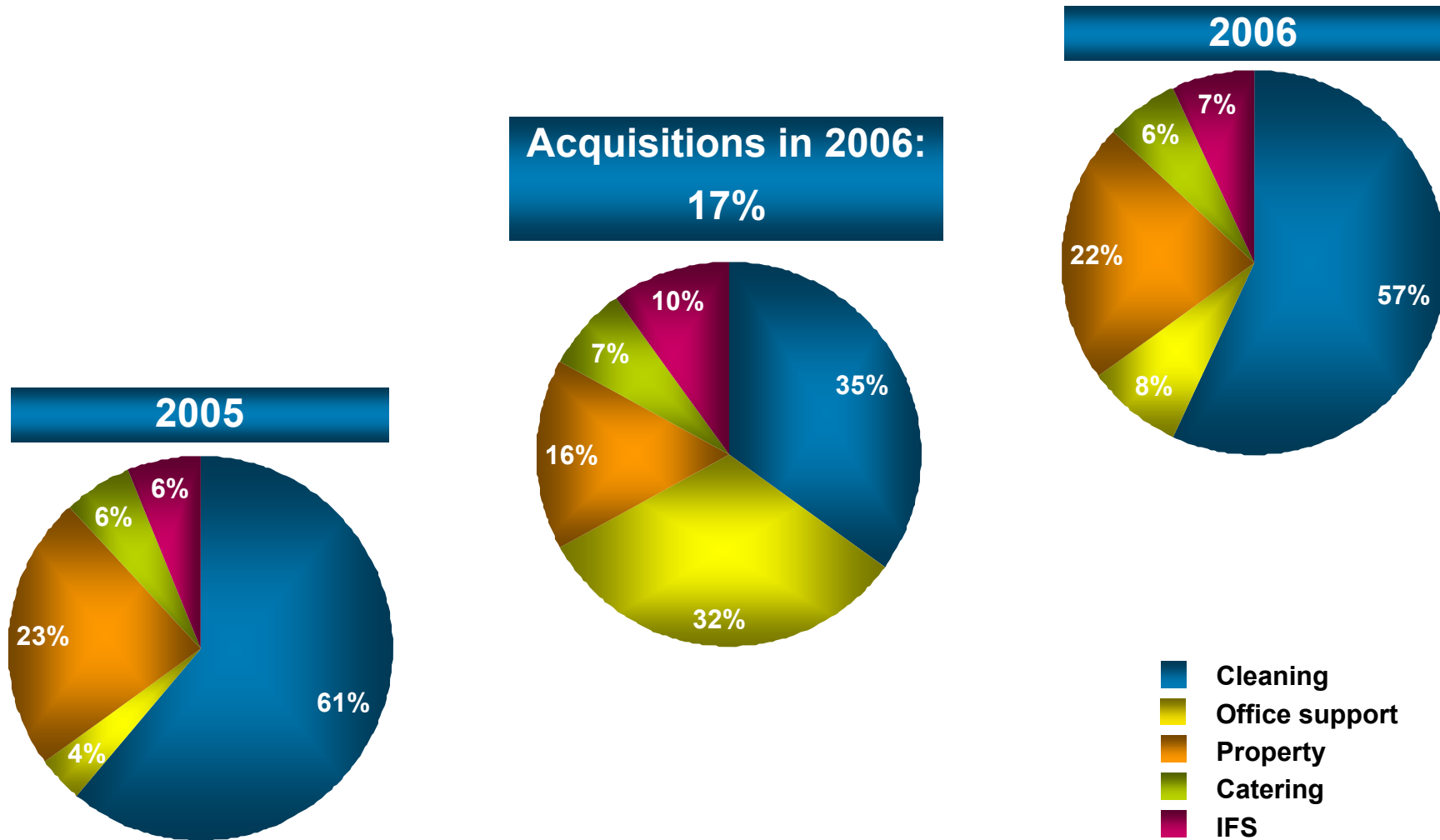
# Acquisition Strategy - Priorities

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- Strategic fit
  - Build IFS house
  - Growth potential
  - Corporate values
- Value creation
- Manageable

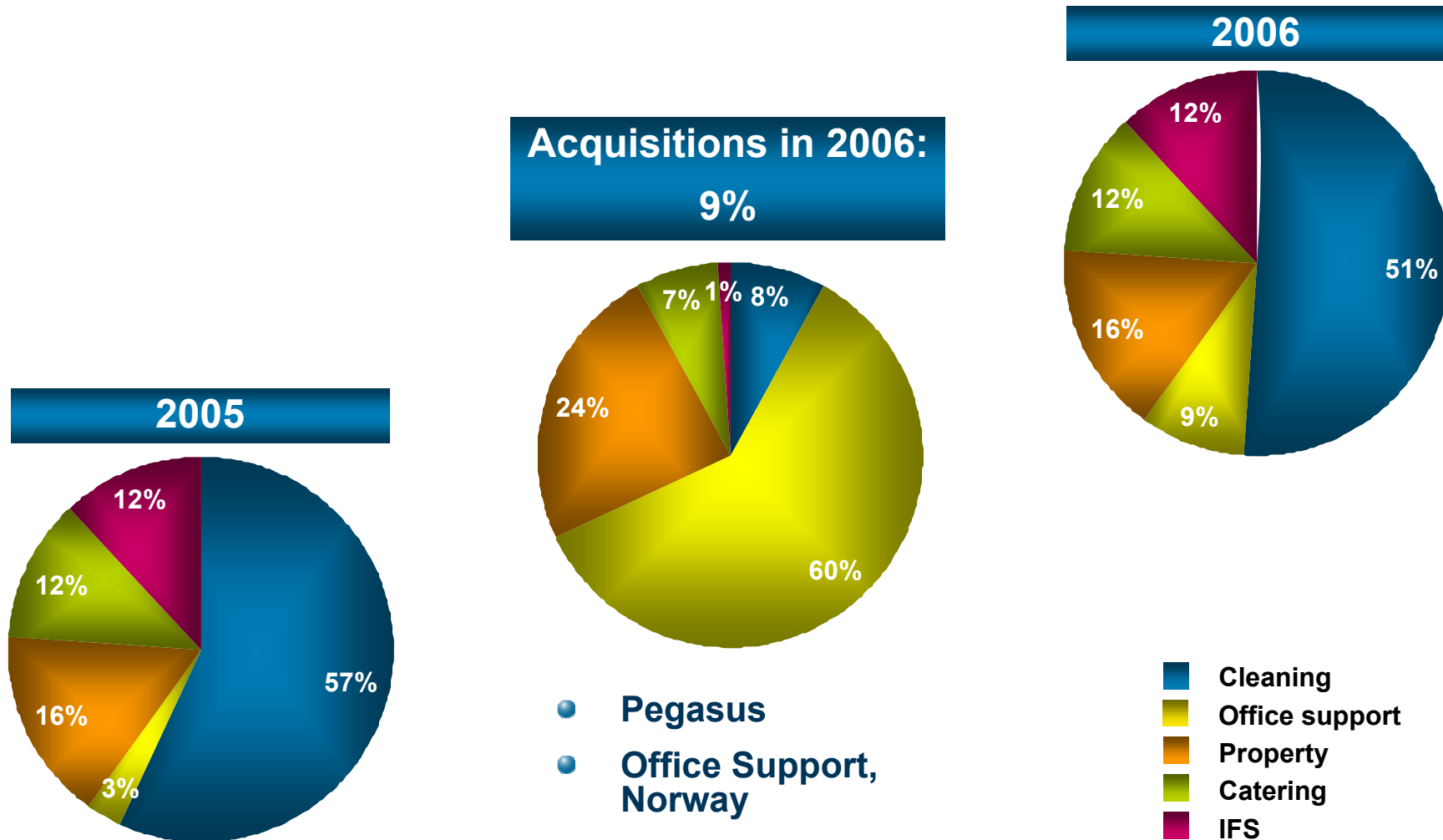


# Service mix driven by acquisitions



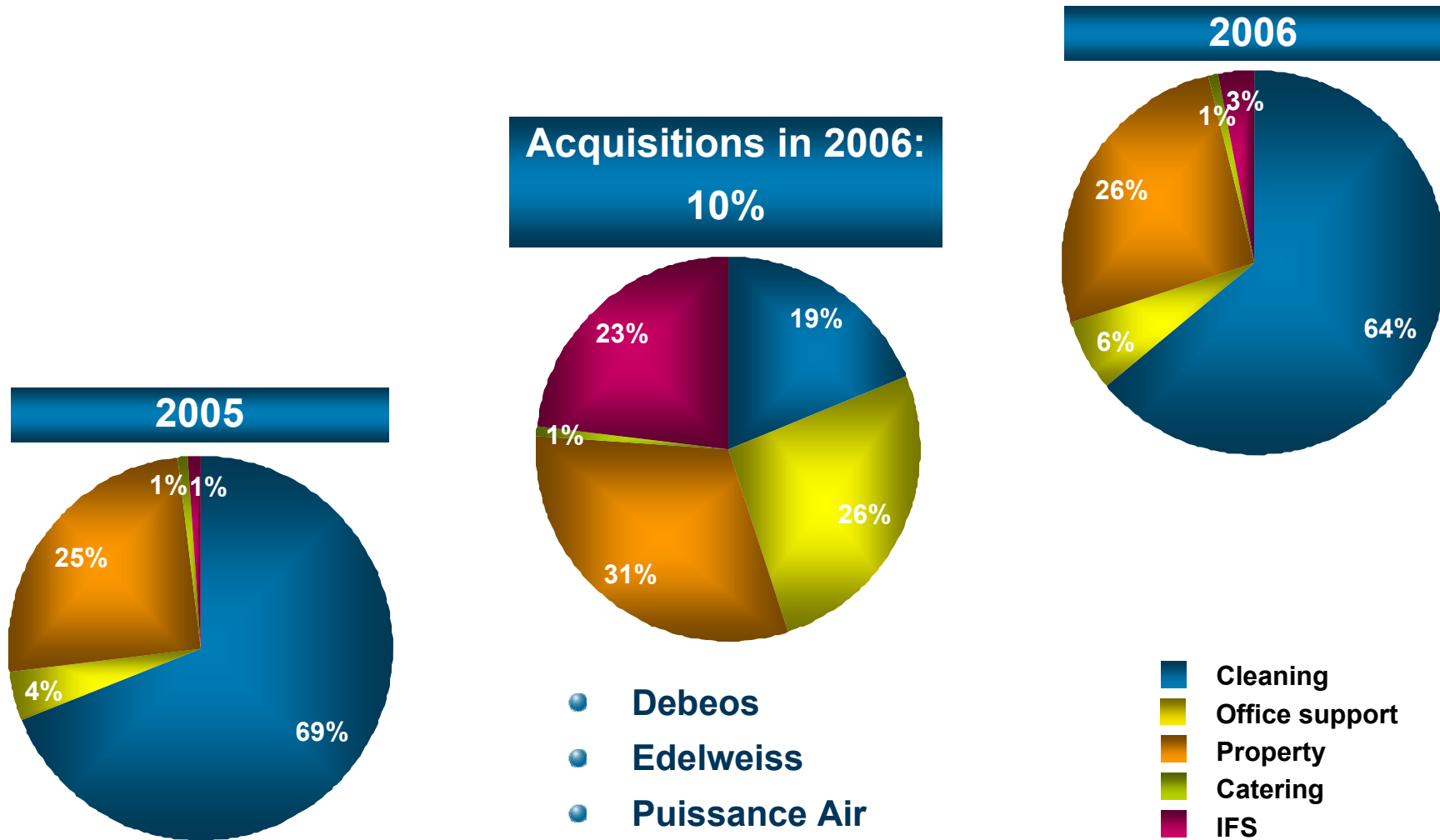
For comparison reasons, figures for ISS A/S are used

# Northern E - Service mix driven by acquisitions



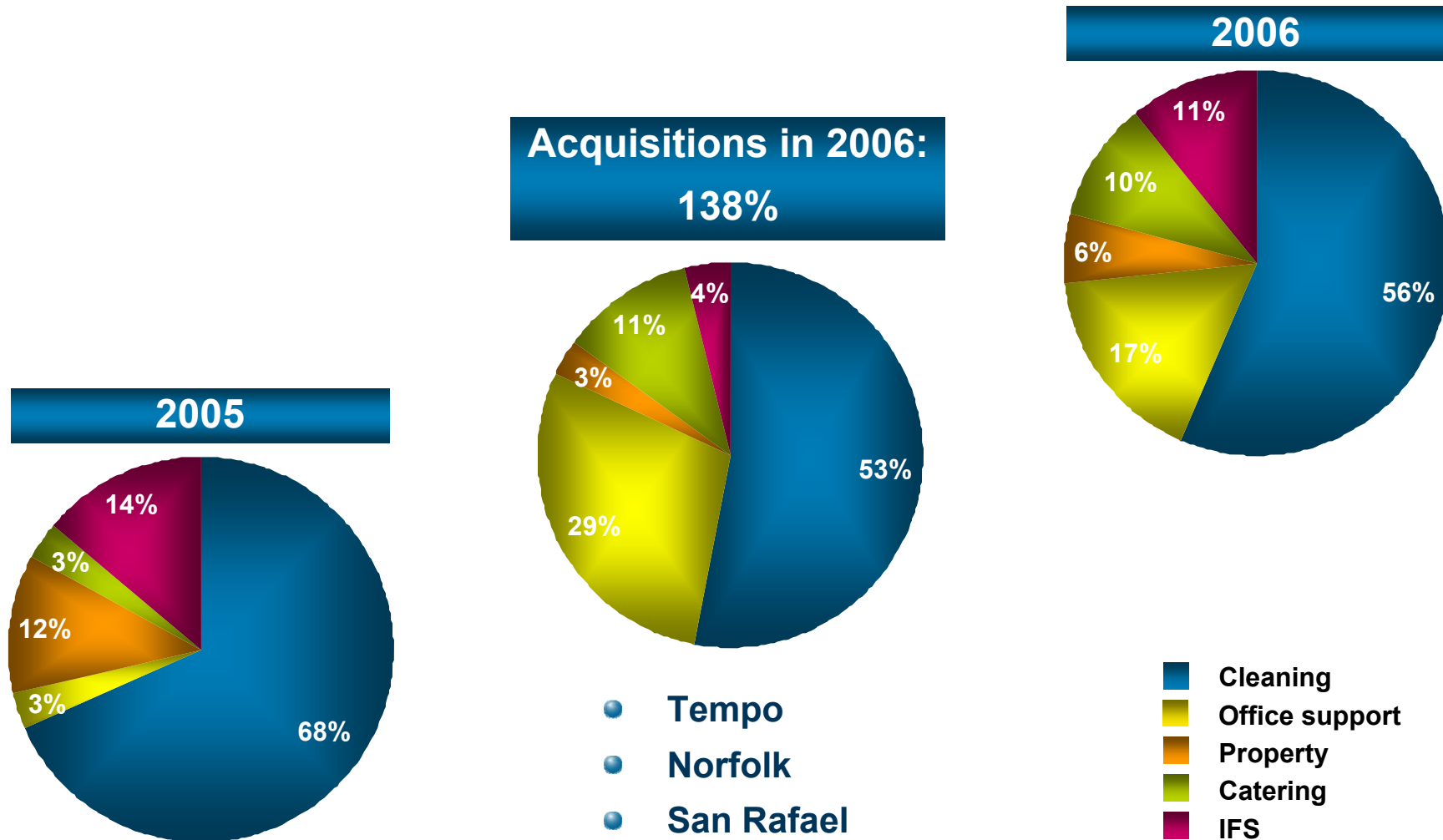
For comparison reasons, figures for ISS A/S are used

## Cont. E - Service mix driven by acquisitions



For comparison reasons, figures for ISS A/S are used

# Overseas - Service mix driven by acquisitions



For comparison reasons, figures for ISS A/S are used



# Acquisitions 2006

	Services	Revenue, DKKm <sup>*)</sup>
<b>Tempo, Australia</b>	<b>Facility Services</b>	<b>2,923</b>
<b>Edelweiss, Switzerland</b>	<b>Facility Services</b>	<b>732</b>
<b>Debeos, Germany</b>	<b>Facility Services</b>	<b>525</b>
<b>Pegasus, UK</b>	<b>Security</b>	<b>427</b>
<b>Norfolk, Israel</b>	<b>Catering</b>	<b>374</b>
<b>San Rafael, Mexico</b>	<b>Cleaning</b>	<b>276</b>
<b>Puissance Air, France</b>	<b>Property Services</b>	<b>212</b>
<b>6 acquisitions with DKK 100-200m in revenue</b>		<b>916</b>
<b>Subtotal</b>		<b>6,385</b>
<b>91 acquisitions with less than DKK 100m in revenue</b>		<b>2,023</b>
<b>Total</b>		<b>8,408</b>

<sup>\*)</sup> Unaudited approximate figures based on information available at the time of acquisition.



## **Other Financial Measures**



# Other Financial Measures

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## Pro Forma Adjusted EBITDA

### Pro Forma calculation<sup>(1)</sup>

DKKm 12 months ended 31 December 2006

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**Adjusted EBITDA** **3,979**

Estimated Pro Forma adjusted EBITDA of  
acquired and divested businesses 224

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**Estimated Pro Forma Adjusted EBITDA** **4,203**

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*The calculations of pro forma adjusted EBITDA are based in part on management estimates and the unaudited internal management accounts of the acquired businesses. These numbers have not been, and cannot be, audited. The Pro Forma EBITDA is based on "Last Twelve Months" figures.*

# Other Financial Measures (cont.)

## Pro Forma Capital Structure – December 31, 2006

Capitalization <sup>(1)</sup>	DKKm <sup>(2)</sup>	% of Total
Cash <sup>(3)</sup>	(2,275)	(7%)
Other Indebtedness	942	3%
Senior Facilities	9,258	27%
EMTNs	10,066	30%
<b>Total Net Senior Debt</b>	<b>17,991</b>	<b>53%</b>
Senior Subordinated Notes	9,723	29%
<b>Total Net Cash Pay Debt</b>	<b>27,714</b>	<b>82%</b>
Shareholders Funding <sup>(4)</sup>	5,917	18%
Minorities	63	0%
<b>Total <sup>(5)</sup></b>	<b>33,694</b>	<b>100%</b>

<sup>(1)</sup> This Capitalization table reflects the Capitalization Table included in FS Funding A/S's Annual Report 2006.

<sup>(2)</sup> Converted to DKK as per exchange rate of December 31, 2006.

<sup>(3)</sup> Cash includes cash equivalents and securities.

<sup>(4)</sup> Equity contribution at the date of the take-over amounted to DKK 7,693 millions. Reduction of Shareholders Funding relates to accounting items.

<sup>(5)</sup> The Total amount in the above table differs from the total capitalization, Consolidated As Adjusted, in FS Funding A/S's Annual Report 2006.

# Other Financial Measures (cont.)

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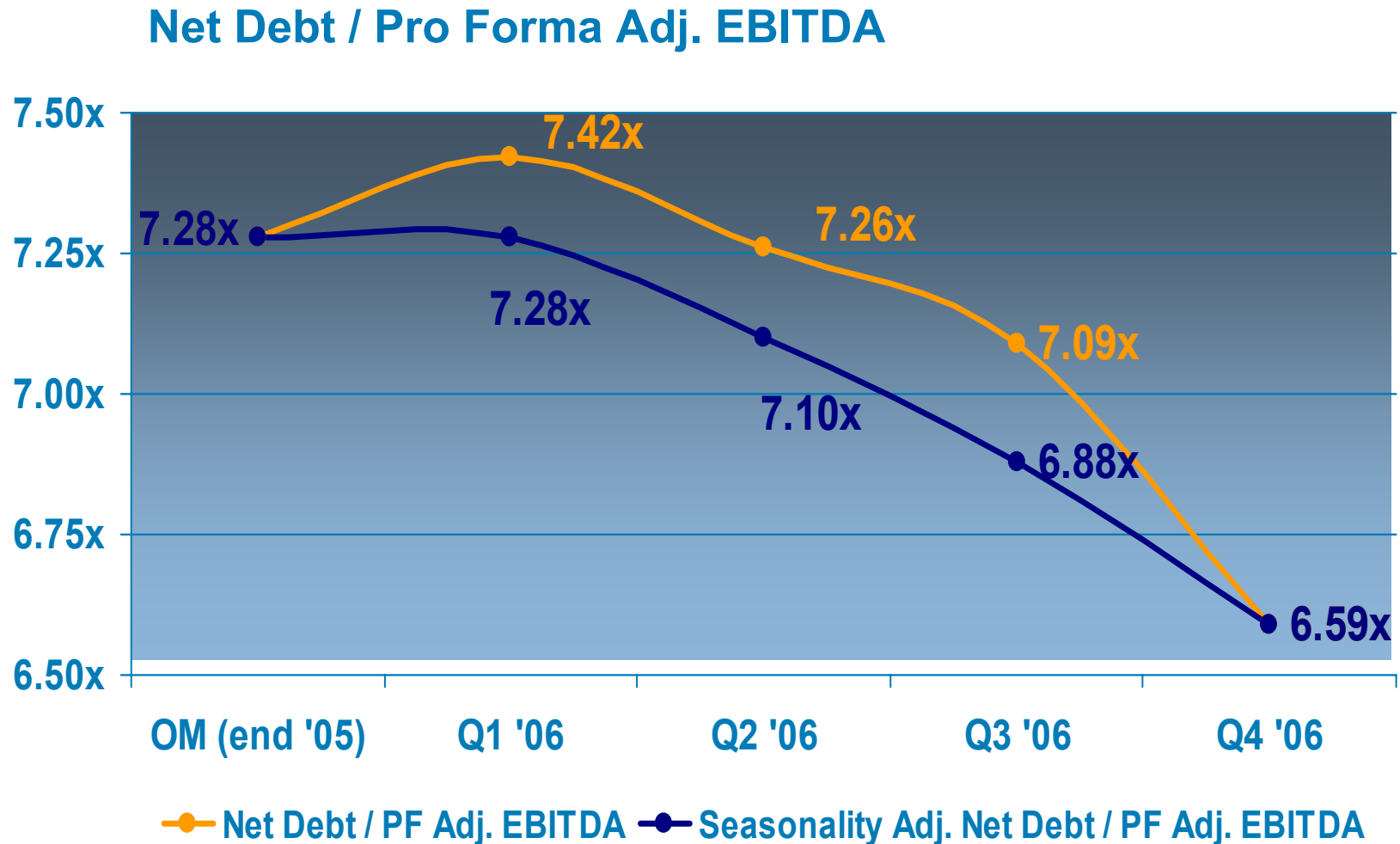
## Pro Forma Credit Ratios - December 31, 2006

Pro Forma Net Cash Pay Debt / Pro Forma EBITDA	6.59x
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Pro Forma Net Senior Debt (incl. EMTNs) / Pro Forma EBITDA	4.28x
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Pro Forma Net Senior Debt (excl. EMTNs) / Pro Forma EBITDA	1.89x
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# Deleveraging on a Multiple Basis



# Funding

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- Capital structure is continuously assessed
  - Amendments are subject to existing documentary requirements and market conditions
- Additional financing during 2007 is considered to support growth
  - Acquisitions
  - Organic growth initiatives
- The objective is to deleverage on a multiple basis

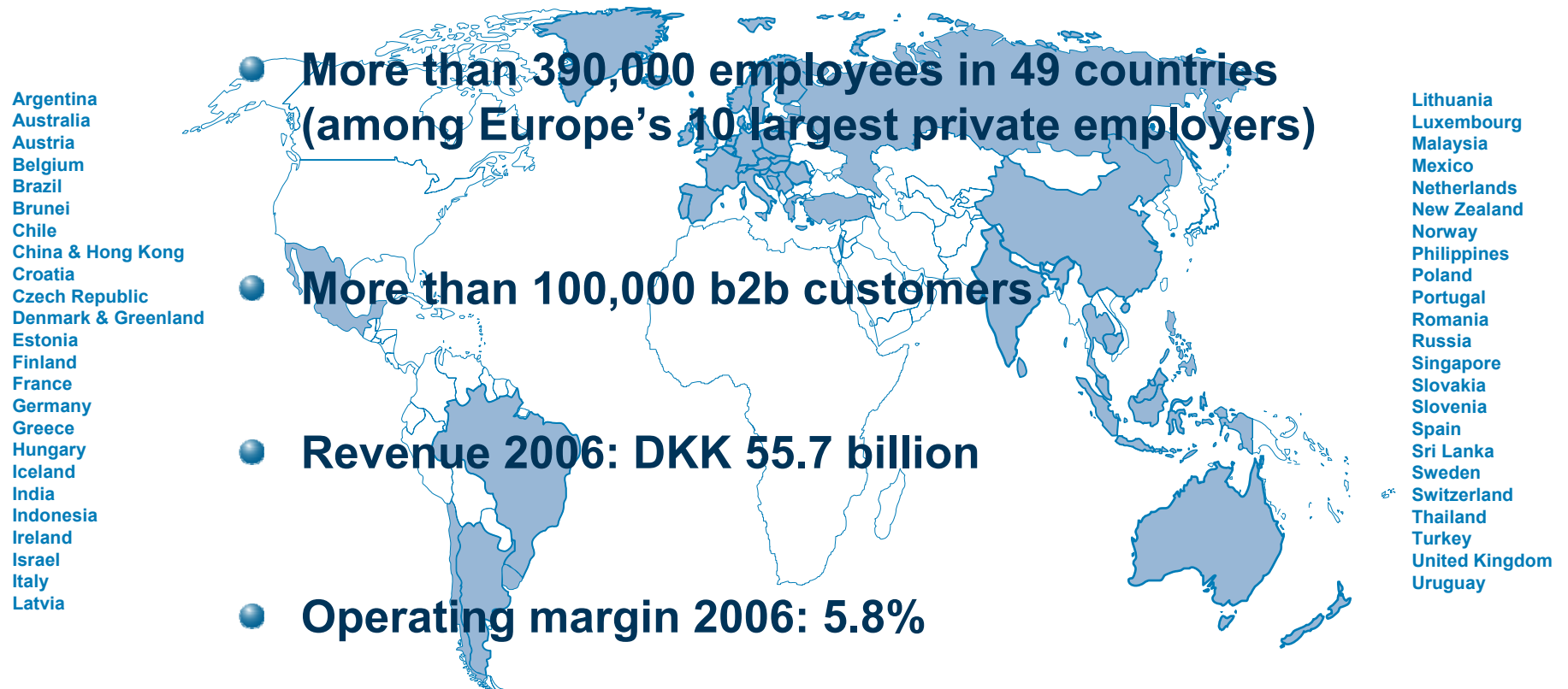


## **Appendices**





# ISS Today



# Executive Group Management

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- Jorgen Lindegaard (57), Group CEO
  - Previously with SAS, GN, TDC
  - Board member of ISS since Spring 2006
- Jeff Gravenhorst (44), Group CFO
  - With ISS since 2002
- Flemming Schandorff (58), Group COO
  - With ISS from 1973-1994 and since 2000



# Management of ISS

ISS Management Team	Operational Board	Executive Group Management	Jørgen Lindegaard (1948) Group CEO	Jeff Olsen Gravenhorst (1962) Group CFO	Flemming Schandorff (1948) Group COO		
			Allan Aebischer (1954) COO	Martin Gaarn Thomsen (1970) COO	Jacob Götzsche (1967) COO	Stig Pastwa (1967) COO	Jens Ebbe Olesen (1962) Head of M&A
			Helle Havgaard (1959) Head of Human Capital	Christian K. Jakobsen (1970) Group Treasurer	Bjørn Raasten (1964) Group General Counsel	Henrik Trepka (1963) Head of Group IT	