Investor Presentation

Q1 Interim Results

14 May 2014

Forward-looking statements

This presentation contains forward-looking statements, including, but not limited to, the statements and expectations contained in the “Outlook” section of this presentation. 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 2013 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 2013 of ISS A/S is available at the Group’s website, www.issworld.com.

Agenda

- Highlights
- Regional Performance
- Financial Results
- Outlook
- Q&A

Highlights

Business Highlights Q1

Solid performance

- Organic growth, operating margin and cash conversion in line with expectations
- IFS revenue amounted to DKK 5.3 billion, approximately 29% of our total revenue (26% Q1 2013)
- Global Corporate Clients revenue increased 11%, representing 8.7% of Group revenue (7.4% Q1 2013)
- Largest global contract delivering IFS to HP extended until 2018
- 2014 outlook remains unchanged

IPO and Refinancing

- ISS successfully listed as the largest ever in Denmark
- Refinancing of EUR 2.85 billion Senior Facilities with 10 relationship banks. Old Senior secured facilities repaid
- Senior Subordinated Notes Due 2016, EMTNs and securitisation to be repaid during 2014
- ISS upgraded to Investment Grade

Procurement project

- Project progressing according to plans
- Phase 1 completed with identified savings of about DKK 200-250 million to be realised during 2014-2016
- Phase 2 has been launched targeting additional savings
- While some cost savings will increase margins, some will be invested into strengthening competitiveness

Customer segmentation and organisational optimisation

- Review progressing according to plans
- Analysis phase completed in five countries in the Nordic region and Western Europe
- Analysis phase ongoing in two additional countries in Western Europe with expected completion in Q2
- Following the analysis phase in the seven countries more than 45% of Group revenue will have been mapped

Divestments

- ISS continues to review the strategic rationale and fit of business activities
- 5 divestments with around DKK 3.2 billion in annual revenue completed in Q1 2014
- Q1 2014 net proceeds of DKK 1 billion

Financial Highlights Q1

Organic Growth 2.8%

- **Organic growth was 2.8% in Q1 2014 compared with 4.3% for FY 2013 and 2.8% in Q1 2013**
- All regions, apart from Eastern Europe, delivered positive organic growth rates with both Asia and Latin America reporting a double-digit performance
- Driven by start-up of new contracts, strong retention and emerging markets
- Offset by challenging market conditions, particularly in certain European countries, and a relatively low level of demand for non-portfolio services

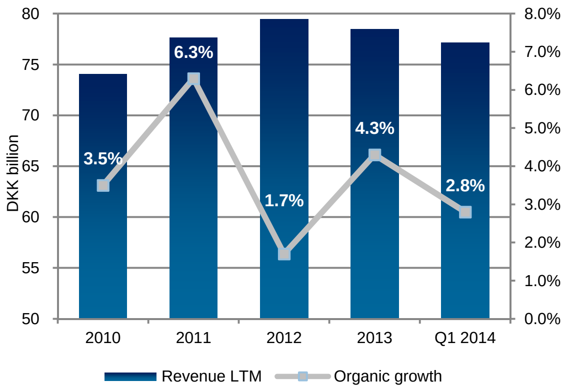
Operating Margin[1] 4.3%

- **Operating margin was 4.3% compared with 4.4% in Q1 2013**
- **Adjusted for Pest Q1 2014 margin increased 0.1 pp. from 4.2% to 4.3%**
- In line with expectations
- Supported by improved margins in Latin America and Nordic and partly offset by the strategic divestments of non-core activities as well as the impact from operational challenges in a few countries in Europe
- Initiatives are in progress to address these challenges including a review of the customer base and implementation of structural changes

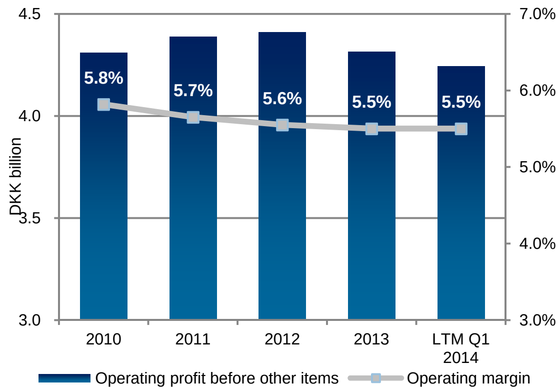
Cash Conversion[2] 98%

- **LTM cash conversion was 98% in Q1 2014 compared with 99% for Q1 2013**
- Ensuring a strong cash performance continues to be a key priority
- Cash flow performance reflects our efforts to ensure payments for work performed and to exit customer contracts with unsatisfactory payment conditions
- Efforts led to a decrease in debtor days of more than two days compared with Q1 2013

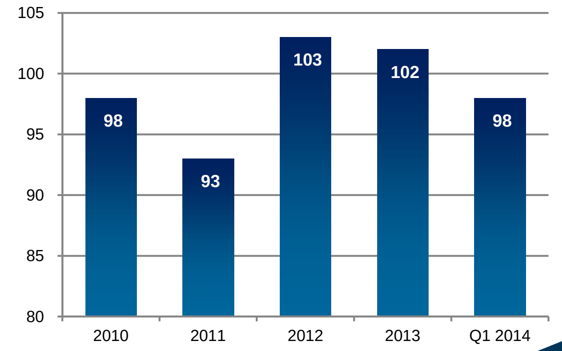
REVENUE AND ORGANIC GROWTH



OPERATING PROFIT AND OPERATING MARGIN



CASH CONVERSION (LTM)

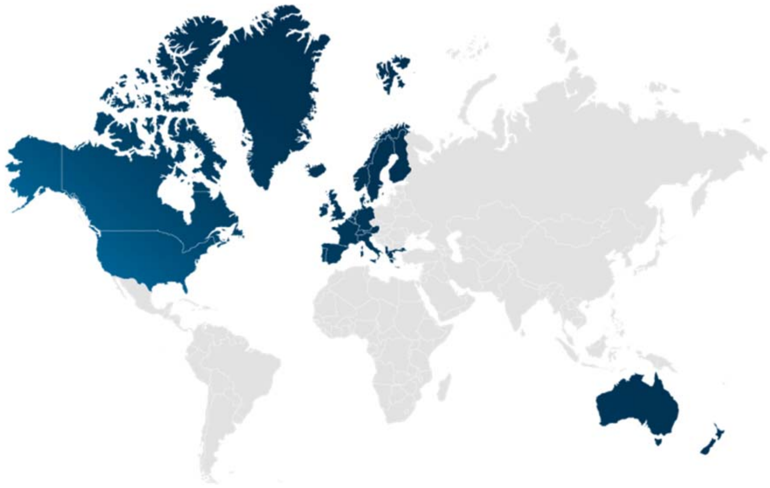


1) Operating profit before other items
2) Cash conversion is defined as Operating profit before other items plus Changes in working capital as a percentage of Operating profit before other items

Regional Performance

Regional Performance (1)

Developed Markets



77%

of Group revenue

43%

of Group employees

0.4%

Organic growth

4.5%

Operating margin[1)]

Emerging Markets[2)]

23%

of Group revenue

57%

of Group employees

11.7%

Organic growth

6.0%

Operating margin[1)]

1) Operating profit before other items and corporate costs
2) Emerging Markets comprises Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey

A WORLD OF SERVICE

Regional Performance (2)

Western Europe

1%

Organic growth

(3% Q1 2013)

- Strong organic growth in Turkey, the United Kingdom and Austria
- Non-portfolio services remains at a relatively low level
- Operational challenges in Netherlands and Belgium

4.6%

Operating margin[1)]

(4.6% Q1 2013)

- Strong performance in the United Kingdom, Turkey, Switzerland and Austria
- Challenging macroeconomic conditions and operational challenges in certain countries
- Divestment of the margin accretive pest control activities (May 2013) as well as landscaping activities in France (February 2014)

Nordic

1%

Organic growth

(-1% Q1 2013)

- Strong performance in Norway and Denmark driven by higher activity on existing customers and start-up of new contracts
- Negative organic growth in Finland and Sweden due to certain contract exits in 2013 as well as non-portfolio services at a lower level

5.0%

Operating margin[1)]

(4.9% Q1 2013)

- Margin increase in Denmark due to customer segmentation and an optimised organisational structure as well as more non-portfolio services
- Margin decrease in Norway due to the divestment of the margin accretive damage control and landscaping activities in 2013

1) Operating profit before other items and corporate costs

Regional Performance (3)

Asia

13%

Organic growth

(13% Q1 2013)

- 35 consecutive quarters with double digit organic growth
- Indonesia largest nominal contributor with high double-digit organic growth, partly due to higher minimum wages passed on to customers
- India, Hong Kong, China and Thailand also continued positive trends driven by an increase in non-portfolio services as well as strong customer retention

7.1%

Operating margin[1)]

(7.3% Q1 2013)

- Decline mainly due to the divestment of the margin accretive pest control activities in India in 2014

Latin America

10%

Organic growth

(7% Q1 2013)

- Highest organic growth since Q4 2011
- Majority of countries reported high organic growth driven by a continued high level of new sales and increases from existing contracts especially in Chile, Argentina and Brazil

5.0%

Operating margin[1)]

(3.7% Q1 2013)

- Highest operating margin since Q4 2011
- Improved margins across region - Chile, Brazil and Mexico main contributors
- Higher new sales and higher demand for non-portfolio services
- Positive effect from efforts initiated in 2013 to improve operational efficiencies, including amending or exiting certain customer contracts

1) Operating profit before other items and corporate costs

Regional Performance (4)

Pacific

6%

Organic growth

(-2% Q1 2013)

- Highest organic growth since Q2 2011
- Contract wins and extensions in Q4 2013 as well as a significant contract win in Q1 2014

4.4%

Operating margin[1)]

(4.7% Q1 2013)

- Decline due the divestment of the margin accretive pest control activities in May 2013

North America

1%

Organic growth

(7% Q1 2013)

- Primarily driven by the airport contract wins at the end of 2013
- Higher demand for non-portfolio services from especially our IFS business

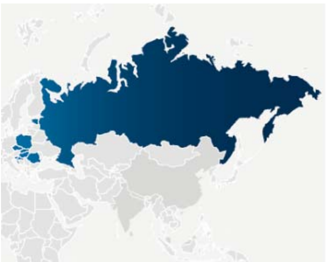
2.3%

Operating margin[1)]

(2.9% Q1 2013)

- Continuing transformation towards more focus on IFS and larger customers
- Appointment of new Country Manager in May

Eastern Europe



-3%

Organic growth

(0% Q1 2013)

- Lower demand for non-portfolio services and termination of less profitable contracts especially in the Czech Republic, Slovakia and Poland

4.0%

Operating margin[1)]

(3.8% Q1 2013)

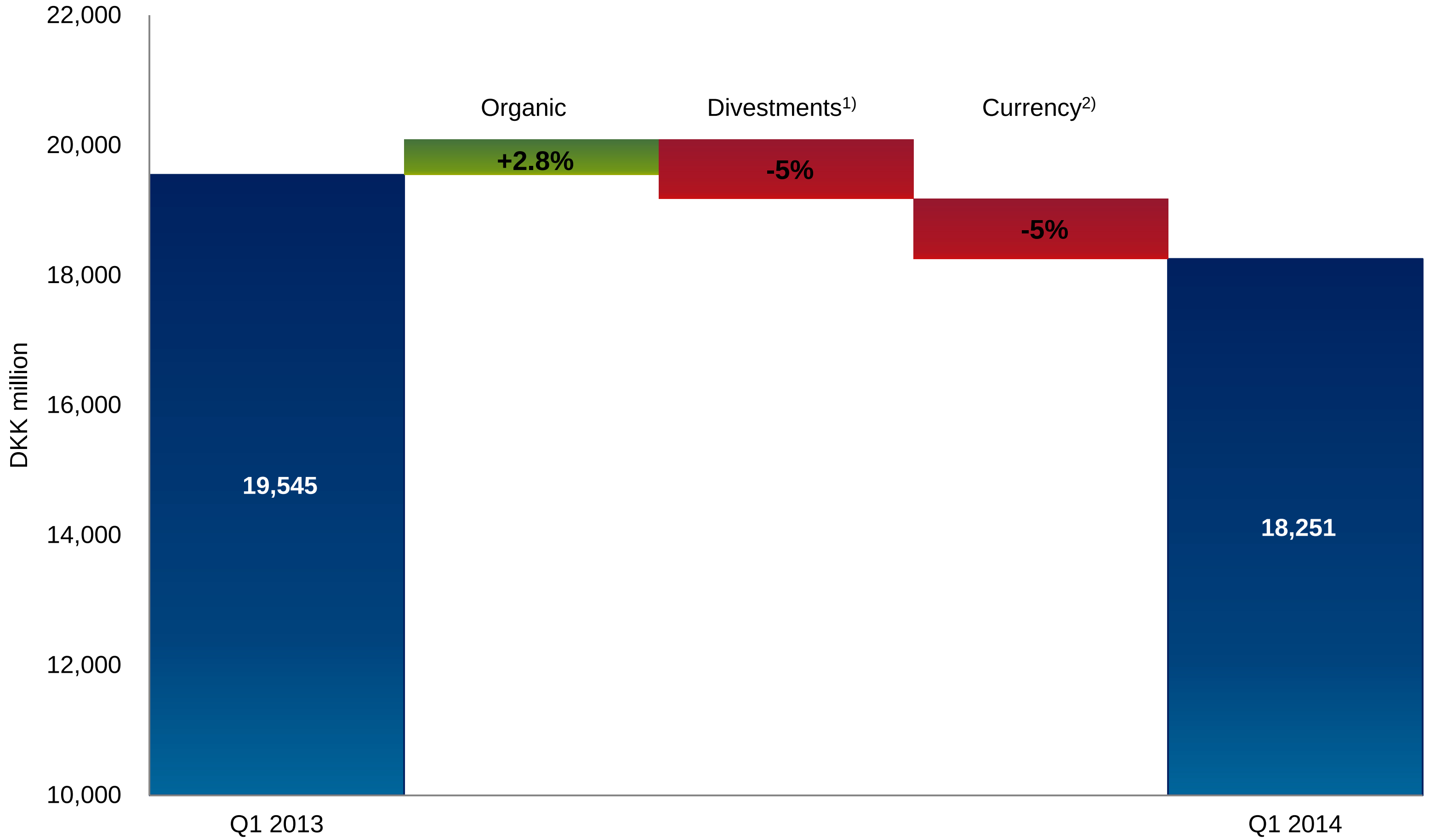
- Improved margin in Poland, Slovakia and Hungary mainly due to continued focus on operational efficiencies and cost savings

1) Operating profit before other items and corporate costs

Financial Results

Revenue bridge

-6.6% revenue growth



1) Impacted by a range of divestments – primarily Damage Control (Nordic), Landscaping (Norway), Landscaping (France) and Pest Control (12 countries)
2) Net negative currency effect due primarily to AUD, TRY, NOK and BRL

Operating profit[1)]

- Operating margin in line with expectations
- Adjusted for the divestment of margin accretive pest control activities in May 2013 the operating margin improved 0.1 pp. from 4.2% to 4.3%
- Supported by improved margins in Latin America and Nordic
- Partly offset by the strategic divestments of non-core activities as well as the impact from operational challenges in a few countries in Europe
- Strategic projects to improve profitability and competitiveness progressing according to plans

DKK million	Q1 2014	Q1 2013	Change
Revenue	**18,251**	**19,545**	**(1,294)**
Staff costs	(12,342)	(13,114)	*(772)*
Consumables	(1,583)	(1,692)	*(109)*
Other operating expenses	(3,361)	(3,684)	*(323)*
Depreciation and amortisation	(180)	(200)	*(20)*
Operating profit[1)]	**785**	**855**	***(70)***
Operating margin[1)]	*4.3%*	*4.4%*	*- 0.1 pp.*
Operating margin[1)], adjusted for Pest	***4.3%***	***4.2%***	***+0.1 pp.***

1) Operating profit before other items

Income Statement

DKK million	Q1 2014	Q1 2013	Change
Revenue	**18,251**	**19,545**	**(1,294)**
Operating expenses	(17,466)	(18,690)	*+1,224*
Operating profit before other items	**785**	**855**	***(70)***
Other income and expenses, net	(104)	(57)	*(47)*
Operating profit	**681**	**798**	***(117)***
Share of result from associates	1	0	*+1*
Financial income and expenses, net	(558)	(444)	*(114)*
Profit before tax and goodwill impairment and amortisation/impairment of brands and customer contracts	**124**	**354**	***(230)***
Income taxes	(51)	(120)	*+69*
Profit before goodwill impairment and amortisation/impairment of brands and customer contracts	**73**	**234**	***(161)***
Goodwill impairment	-	(63)	*+63*
Amortisation and impairment of brands and customer contracts	(150)	(136)	*(14)*
Income tax effect	44	36	*+8*
Net profit/(loss) for the period	**(33)**	**71**	***(104)***
Adjusted earnings per share, DKK[1)]	**0.5**	**1.7**	***-1.2***

DKK 104 million related to the IPO

DKK 152 million extraordinary amortisation of financing fees following the refinancing

On top of this net interest expenses, ordinary amortisation, other fees and FX

Effective tax rate 41%

- Interest limitation (1%)

- Non-deductible IPO costs (10%)

Underlying tax rate 30%

DKK 329 million excluding the impact from the IPO and the refinancing (DKK +95 million y/y)

DKK 223 excluding the impact from the IPO and the refinancing (DKK +152 million y/y)

1) Calculated as ‘Profit before goodwill impairment and amortisation/impairment of brands and customer contracts’ / ‘Average number of diluted shares’. Hence, the figure is not adjusted for ‘Other income and expenses’

Cash flow

DKK million	Q1 2014	Q1 2013	Change
Operating profit before other items	785	855	*(70)*
Depreciation and amortisation	180	200	*(20)*
Changes in working capital	(1,361)	(1,218)	*(143)*
Changes in provisions, pensions and similar obligations	(42)	(19)	*(23)*
Other expenses	(134)	(69)	*(65)*
Income taxes paid	(172)	(212)	*+40*
Cash flow from operations	**(744)**	**(463)**	***(281)***
Acquisitions/divestments net.	1,012	(11)	*+1,023*
CAPEX	(195)	(171)	*(24)*
Acquisition/disposal of financial assets	55	(11)	*+66*
Cash flow from investing activities	**872**	**(193)**	***+1,065***
Net change in borrowing	(7,677)	469	*(8,146)*
Net interest expenses	(296)	(293)	*(3)*
Proceeds from issuance of share capital	7,788	-	*+7,788*
Purchase of treasury shares	(140)	-	*(140)*
Cash flow from financing activities	**(325)**	**176**	***(501)***
Total cash flow	**(197)**	**(480)**	***+283***

DKK 95 million IPO costs paid and expensed over P&L

Mainly landscaping in France, pest control activities in India and commercial security business in Pacific

Senior secured facilities repaid on 18 March 2014 using IPO proceeds

Capital Structure

- Leverage at 3.2x Pro Forma Adj. EBITDA as expected slightly up compared with the IPO leverage due to the usual negative Q1 cash flow seasonality
- New senior facilities:
  - Term A EUR 1.2 billion 3 years Margin: 125 bps
  - Term B EUR 800 million 5 years Margin: 150 bps
  - RCF EUR 850 million 5 years Margin: 150 bps
- Repayment of old capital structure:
  - Senior secured facilities fully repaid 18 March 2014
  - Full redemption of Senior Subordinated Notes Due 2016 to take place 15 May 2014
  - Securitisation programme expected to be repaid during Q2 2014
  - EMTNs are due 8 December 2014
- Following the IPO, ISS was upgraded to Investment Grade by two rating agencies assigning corporate ratings of BBB-/Stable (S&P) and Baa3/Stable (Moody's)

Outlook

Outlook 2014

The outlook for 2014 remains unchanged and is based on a mixed global macroeconomic forecast. We expect continued low positive GDP growth and challenging macroeconomic conditions with possible improvements in parts of Europe. In emerging markets, we expect to continue to deliver high growth rates which are expected to be negatively impacted by the slow-down in certain economies, especially in Asia.

Organic growth

We expect organic revenue growth in 2014 to be 3% to 4%. Changes in foreign exchange rates are expected to negatively impact revenue growth in 2014 by approximately 3 percentage points[1)]. Divestments and acquisitions completed in 2013 and divestments completed in 2014 are expected to negatively impact revenue growth in 2014 by 5-6 percentage points[2)]. We expect total revenue growth in 2014 to be negative by approximately 5%.

Operating margin

Operating margin in 2014 is expected to be above the 5.5% realised in 2013

Cash Conversion

Cash Conversion in 2014 is expected to be above 90%

1) Calculated revenue for 2014 at exchange rates at 30 April 2014, less the same revenue calculated at the average exchange rates for the financial year 2013, relative to revenue realised in 2013 less estimated revenue from divestments completed in 2013 and 2014

2) The outlook includes only divestments completed as of and including 30 April 2014, comprising the landscaping activities in France, the pest control activities in India, the security activities in Israel, the property service activities in Belgium, the commercial security activities in Australia and New Zealand and the personnel and hardware service activities in Germany

Policies

Dividend	Proposed dividend pay-out ratio of approximately 50%[1)] to evolve based on Group performance and strategic priorities. Dividend payments will commence in 2015 based on 2014 performance
Capital Structure	Clear financial objective to maintain Investment Grade rating by targeting a leverage below 2.5x Pro Forma Adj. EBITDA
Divestments/ Acquisitions	We continue to review our existing business for potential divestments of non-core activities and likewise consider a limited number of competence enhancing acquisitions subject to tight strategic and financial filters

1) Profit before goodwill impairment and amortisation/impairment of brands and customer contracts

Q&A