



Company announcement

Company announcement No. 2/2016
Copenhagen, 2 March 2016

Financial report for fourth quarter and full year 2015:

Strong organic growth and improved margin

ISS (ISS.CO, ISS DC), a leading global provider of facility services, announces its financial results for fourth quarter and full year 2015:

Highlights

- Strong organic revenue growth of 4.4% for the year (2014: 2.5%) and 4.8% in Q4 (Q3 2015: 4.8%)
- Improved operating margin of 5.7% for the year (2014: 5.6%) and 6.6% in Q4 (Q4 2014: 6.5%)
- Strong cash conversion over the last twelve months of 99% (Q3 2015: 99% and 2014: 98%)
- Profit before amortisation/impairment of acquisition-related intangibles increased to DKK 2,785 million (2014: DKK 1,816 million)
- Net profit more than doubled to DKK 2,218 million (2014: DKK 1,014 million)
- Proposed dividend for 2015 of DKK 7.40 (2014: DKK 4.90) per share of DKK 1, an increase of 51%, equivalent to a total of DKK 1,374 million
- Revenue generated from Integrated Facility Services (IFS) increased by 13% in Q4 (Q3 2015: 7%) in local currencies, leading to a share of 36% of Group revenue (Q3 2015: 33%)
- Revenue generated from Global Corporate Clients increased by 10% in Q4 (Q3 2015: 11%) in local currencies. Global Corporate Clients represent 11% of Group revenue (Q3 2015: 11%)
- Strategic initiatives continue to be implemented according to plan, including sharper focus on key customers, Business Process Outsourcing and the procurement programme
- The integration of the acquired GS Hall plc progressed well leading to a higher level of self-delivery of technical services that were previously subcontracted
- Six businesses divested during the year, including the call centre activities in Turkey, the temporary labour and staffing activities in Portugal and the route-based security activities in India
- In a separate announcement, ISS today launches a share buyback programme of up to DKK 150 million to hedge incentive scheme obligations
- ISS is in the process of establishing a Sponsored Level 1 American Depository Receipt (ADR) programme

Jeff Gravenhorst, Group CEO, ISS A/S, said:

"2015 was another year of significant progress for ISS, thanks to our numerous strategic initiatives, the high quality of our services and operations, and the dedicated work of our 504,816 colleagues. Our performance over the year, as well as in Q4, was underpinned both by strong growth in Integrated Facility Services as well as by margin improvements across several regions. The refinancing of our debt at fixed rates combined with a high cash conversion allowed us to significantly strengthen our financial flexibility, whilst also enabling us to pay attractive dividends to our shareholders. A number of notable recent contract wins with major customers such as Novartis, Rolls-Royce, PostNord and Norwegian Armed Forces, mean that we have a strong pipeline for future growth. We

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expect market conditions in 2016 to remain challenging, but are also confident that the accelerated implementation of our strategic initiatives will allow us to deliver robust growth and continued margin improvements.”

Outlook

We expect an organic revenue growth rate of 2-4%, an operating margin above the 5.7% achieved in 2015, and cash conversion above 90%.

Lord Allen of Kensington Kt CBE
Chairman

Jeff Gravenhorst
Group CEO

Conference call details

A conference call will be held on 2 March 2016 at 10:00 CET.

Presentation material will be available online prior to the conference call.

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About ISS

The ISS Group was founded in Copenhagen in 1901 and has grown to become one of the world's leading Facility Services companies. ISS offers a wide range of services such as: Cleaning, Catering, Security, property and Support Services as well as Facility Management. Global revenue amounted to DKK 79.6 billion in 2015 and ISS has approximately 505,000 employees and activities in more than 75 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers. For more information on the ISS Group, visit www.issworld.com.

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