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Speakers:	Barbara Jensen, Group Treasurer Jeff Gravenhorst, CEO Henrik Andersen, CFO
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OPERATOR: Welcome to the ISS investor call. At this time, all participants are in a listen-only mode. Later we will conduct a question and answer session. Please note that this conference is being recorded. Your conference will begin momentarily.

A short introduction will now be played before the presentation begins, and after the introduction, the call will be turned over to Group Treasurer, Barbara Jensen.

RECORDED INTRODUCTION: Budget constraints in the public sector in most parts of the world have put outsourcing at the top of the political agenda. Outsourcing has become a means of developing public sector services without sending taxpayers a big bill. About one-third of ISS's global contracts include services associated with the public sector.

The Danish Great Belt Bridge was built by the government-owned A/S Storebælt. ISS carries out operation and maintenance work on the bridge, for example, toll booths, road maintenance and the bridge security patrols that are called upon to carry out large and small tasks around the clock.

Part of the key to the ISS success in the public sector lies in the company's many years of working systematically with processes and people management. ISS self-delivers its services with its own employees on a worldwide basis. This gives the company the opportunity to train, lead and apply satisfactory health and safety standards, ensure a high level of corporate responsibility, such as fair work conditions based on local practices and good commonsense. At ISS, the best contracts in the public sector are among those where ISS and the customer work in partnership to achieve common goals, for example, providing more healthy and nutritious food for schoolchildren, like here in the UK. By outsourcing to ISS, the school can focus on their core business, which is to provide education for children.

ISS, a world of service.

BARBARA JENSEN: Good morning, ladies and gentlemen. Welcome to the investor call and presentation of ISS results for the first six months of 2012, released earlier today. Please be aware the announcement, the report, as well as the slides used for this call can be found on our website, where the webcast will also be available following this call.

I would like to draw your attention to slide 2 in the presentation regarding the forward-looking statements. If you turn to slide 3, you can see the agenda for our call. We will give you an update on our business and the key events for the first half of the year, including a strategy update, the financials, capital structure as well as the outlook for the group. Please note that the lines will be open for Q&As following the presentation.

With me today I have Group CEO, Jeff Gravenhorst, and Group CFO, Henrik Andersen, and now I'd like to give the word to Group CEO, Jeff Gravenhorst.

JEFF GRAVENHORST: Thank you, Barbara, and good morning, everybody, and welcome to this presentation of the half-year result for ISS. I will start by going through a couple of headlines, the business update and key events for ISS during the first half year of 2012, and please turn to page number or slide number 5. The first major event I just want to talk everybody through is that we have now, on 16 August, announced that new investors have entered into the holding position of ISS. Basically, these are two investors. It is the Ontario Teachers' Pension Plan - called "Teachers" - and KIRKBI Invest, the company who actually also owns a major part of LEGO. They have agreed to invest together around €500 million, which is approximately DKK 3.7 billion, into the parent of ISS holding. The new investors, they will own around 26% of the ultimate holding company of ISS. The current owners, which is EQT and Goldman Sachs - or funds advised by EQT and Goldman Sachs - they are not selling any shares in this transaction and they will remain as the majority shareholders of ISS.

The proceeds of the DKK 3.7 billion are expected to be used to significantly de-leverage the company and it is expected that we would be repaying the 11% senior note 2014 after the December 2012 call date.

Following this announcement which we made last week, Moody's has upgraded the corporate rating from B1 to B2 with a stable outlook. Standard & Poor's have revised their outlook to positive, while remaining a DD- long-term corporate credit rating. This is of course extremely positive news also for the company, as it strengthens our commercial and financial position as a company also going forward, so we see it as a very important milestone for ISS going forward as well.

If you turn to page 6, I would like to go through other key events: impact on the first half year of this year, and of course also the future of the company.

Another two announcements have been made over the last month or so, where we have landed two of the largest contracts in the history of ISS. These contracts are contracts with Barclays and Norvartis, and I'll talk more about them in a second, but really it is just a testimony of the long-term value that we've had for ISS over the last few years of actually investing in and harvesting on the globalisation of the ISS markets or the facility services market.

Other than that, we of course also had country by country some successes with IFS contracts. That is selling the broader service contracts, where the services are integrated between the various service pillars. This is happening also with increased success in the countries. On top of that, the operating margin, where there is no doubt that we see some challenging macroeconomic conditions, this includes that we've had some austerity measures that is hitting the industry, like a reduction in subsidies on disabled people; it is extra payable taxes in the US; we're talking about extra payroll to all individuals in Finland etc, so despite all these challenges, we are seeing a sound development also in our operating performance.

The emerging markets are continuing with a strong performance with good growth and good margins, and basically, as we've announced before, we are continuing to streamline the business by selling off non-core activities, which gives us two benefits: obviously stronger focus on the core of where we're going with the company, and we'll talk more about that later on in this presentation, and then of course also adding to the de-leveraging in absolute terms in ISS. We have divested businesses in Norway and Finland in the first half year and we expect to have additional sell-off for the remainder of the year. So basically we're following the trend, the path of our ISS Way strategy, which we have presented a few times before, but I will come back to and go through the headlines on this again today, but basically just on track to deliver on the ISS Way strategy.

Please turn to slide 7. These are the two large multi-national IFS contracts that we've entered into over the last month. Barclays has now outsourced all of their facility services to ISS, except for the African market, so basically we are rolling this out in the United Kingdom, Europe, the Americas, Asia Pacific and Middle East. This is expected to happen over the next six months, and within that period, it is the contract will be up and running in full, starting with the US on 1 September.

Norvartis obviously is a worldwide pharmaceutical company. They have outsourcing in one lot in Europe, which is the 4 countries, covering 22 sites. Also, this will start off, expected to start off on 1 January 2013. So those two, it really is, as I said before, a testimony of the strategy that we're pursuing and I assess that we're capable of delivering a broad range of services in an integrated manner across the world, basically, as I said before, in line with ISS Way strategy.

On page 8 we also mention that of course in the local markets and other regions, we have had success on selling and starting up large IFS contracts, particularly the start-up of Deutsche Bank, covering both Italy and Iberia, again a testimony of being able to sell and operate broad facility services contracts.

Locally, we've been focused on the single service markets, of course, with good success, but also with expanding our IFS presence within the business services and IT segment, which is clearly a segment which is attractive for this service offering, but also the healthcare segment, which again where we deliver all services from portering services, security, catering, patient feeding, cleaning and building maintenance for hospitals. These are segments which we have had good success with and continued to see an increase in demand for the larger broader-based service contracts.

Turn to page 9, slide 9, the operating performance for the group. Overall, there is no doubt that of course the world is not as booming as we expected it to be. I would say we have seen a little bit of setback on some areas. Clearly on the turnover side, there's a lower movement on the incremental spend, there's a little bit of reluctance on spending the extra money on the contracts, so therefore we will also see - we will go through it a bit later - a little bit lower once-only sales, which of course impact the organic growth for the group year to date. On the other hand, we had the larger IFS contract coming in, so that actually helps on the organic growth overall.

From an organic growth point of view also in the Mediterranean area, where we have dissatisfactory payment terms and then payment patterns, basically we have chosen to be a little bit more cautious and de-risk our presence in this region, particularly in Greece, by expecting and planning to have negative organic growth in this country with a double-digit negative organic growth. Basically we're on track with this, so that means that we are exiting some public contracts where we have difficulty in collecting the payments. This is on plan, this is what we expected, so that also holds down overall the organic growth for the group.

In the other Mediterranean companies like Spain, we see a little bit of reluctance again on the once-only income, so it's a low organic growth, it's basically flat, but we are doing quite okay on, but not having organic growth in the Spanish market.

The operating margin of course also impacted. Overall, we are doing in line with expectations, but of course there are some positives and some negatives in this. The positives are a very strong performance in some of the Western European and Nordic markets, also in emerging markets like Asia, but the negative impact comes from some of the austerity measures, like the extra payroll we had to pay in the first half year in Finland. We have seen some subsidies going away on disabled people in some parts of the world and we expect some of that to continue through the year, and we also had an increase in payroll taxes and all of these items that we mentioned already in Q1, so none of them are actually surprises, but it's just of course putting the operating margin under a little bit of pressure. We do expect that we can continue to operate in line with last year throughout the rest of the year as well. So obviously good solid performance in a challenging macroeconomic environment.

If you turn to slide 10, we can see that the emerging markets are still going strong. We have a bigger proportion of the revenue now in emerging markets. Now we have 21% of our revenue coming out of Latin America and Asia, plus the other fast-growing areas. We have organic growth is now 96% coming from the emerging markets and overall 53% of our employees are situated in the emerging markets. Clearly this is because of the strength of the business in these regions and we expect of course that will continue, to see that our presence in these markets gives us some competitive benefits, to be able to sell services across those regions, which is some of the areas where the big international customers who are concentrating their procurement and facility services contract, they see the benefit of us being able to deliver a blue chip service throughout these regions where governance is in high demand.

So basically that summarised the key events, so it's been a good first half year, I think with some challenge and some upside, clearly some good testimony that we're on the right track with the strategy we've been able to sell to the big ticket items like Barclays and Novartis, operating the big contracts from last year. All of them are going well, all of the contracts we started last year with the international customers and the local IFS contracts as well. On top of that, we've had investors actually understanding and buying into the strategy of ISS, coming with an investment of €500 million, and of course then we have some challenges on the operations, partly due to the austerity measures, but partly due to the some operational challenges still sitting in the Netherlands and in France. In Netherlands and France and in Brazil, we have taken measures to of course strengthen our position in these countries and that means that we've also changed the country management teams basically in all three areas.

So if we move into the strategy and update going forward, I would like to turn to slide 12. Basically, we are convinced with everything that we do that the strategy is the right path for what we're doing, the demand from the customers are a testimony to that, so we have a global leadership and a unique offering. Again, we can see that we can land some of the big contracts where the demand for these services are clear. What the customers are asking for is consistency in delivery. It is a good-governed company, and thereby the knowledge about the fact that we can deliver these services on a consistent basis day in and day out in a competitive manner.

We have positioned ourselves good in the emerging markets, so thereby capturing some of the high-growth opportunities in the market. We have had good operational efficiencies, good business risk development, but of course also some challenging on some of the macroeconomic conditions in particular in Europe, but overall that just means we're continuing with the same strategic path.

The business model, it's resilient, despite these macroeconomic conditions. We're still growing the company, we have organic growth and we're still keeping our margins, and particularly our cashflow is extremely strong also for the first half year of 2012, with good debtor days.

So with that, let's just remind ourselves overall on the ISS Way on slide 13. We're going through the continuation of the alignment process. That means we are a big business, we are more than 530,000 people around the world, one of the largest companies in terms of employees in the world and that means that we need to really be hard on driving the alignment process. Part of this alignment process is of course that we are sharing best practices, again the harvesting of the big contracts that goes across regions is a very important part of this, because delivering a shared vision, shared values, good cornerstones and having the customer in mind all through the services we deliver helps us to actually share the best practices around the group, share the knowledge that we have and thereby again creating a more competitive company. So this ensures that we remain and continue to improve our one brand, one company and one culture strategy applied throughout the whole group.

This alignment process on slide 14 of course also means that we are divesting some of our non-core activities. The key driver for divesting non-core activities is clearly to become better and better at our core, so the ISS Way strategy of being able to deliver the full range of services which is needed to run a hospital, which is needed to run a hotel, which is needed to run an office building, those are the services that we are focusing on going forward. That means that we can sell off some of the activities which are not related to this or directly to these services. That means that we have gone in and we have made some divestments of activities which are not directly related to this, meaning we can focus on delivering the core to our customers. With this, we have sold off a governmental outplacing service in Norway; that's called Reaktorskolen. Basically, that is giving training services to job centres and the like in Norway which basically is not part of our core strategy going forward, so that's one example of that. There are more examples here listed in this presentation. We still have another six non-core businesses identified which we expect to be sold off, and these have been classified assets held for sale in the accounts that we're releasing today. So this is an important part of the alignment process, basically enabling us to spend the time on the core and expanding our capabilities with these businesses.

On page 15, the whole transformation is just highlighted one more time, so in order to be able to provide the full range of services to the chosen segments like hotels, like the public administration we just heard in the introduction video, like the office buildings, business services and IT, we need to go through this transformation and we're well on the way in this. Number one is expansion of the capabilities. That basically is a tick mark; we have all the capabilities needed to run these services across the world, so providing all facility services to the chosen customer.

Number two is develop the market from being a local player or more often a European player to a global player. We now have representation in more than 90% of the world's GDP, i.e. we can cover the globe with a full facility services range. In this process of choosing the customers, we're going from a product orientation to a customer orientation, hence the focus on the customer segment, and again, this is where banks, bank industry, the IT industry, clearly the testimonies are the contracts that we are now running on a worldwide scale for these segments, also the hospital segments where we have a very big presence throughout the world, this is a testimony of this customer orientation.

That also means that we don't need the same acquisitions as we did in the past, and that's the reason why we continue to be focusing on organic growth development and not doing the acquisitions, basically because we have the capability, we have the presence, and this is working on the sales processes, and that leads us to process. The last part of the transformation is the implementation. Operation process, sales processes, transformation processes are well on the way throughout the entire world. Again, all of this transformation can be sort of testimonied by the fact that we can run consistent contracts across the world with some of the world's largest companies. We're well on the way with this and there is basically no changes to this strategy, what we've said before, we continue the path and the result for this year again shows us that that is the right thing to do.

On page 16 is a little bit of an overview of how we developed the global footprint over the last few years, so this is basically from the year before we were taken private until today. Just a little bit of a reminder of we started this company on this journey with the private equity or delisting the company back in 2005. We had DKK 40 billion in turnover. We are now close to the DKK 80 billion mark, so '11 was DKK 77.6 billion, and with growth this year, we're getting closer to DKK 80 billion, so almost a double-up. The same thing is that we've gone from 274,000 in 2004 to 535,000 people at the end of 2011, and basically at the half year that also keeps increasing, meaning that we have a stronger service power throughout the world.

The emerging market in this process has been a key factor to our strategy, is that we have moved from that being 6% of our turnover to now being more than 20%; as we also saw in the earlier presentation, last year it was around 20% and now we're up around the 20%, 21%.

So basically just a testimony of where we are today, it's following the path towards our exposure to the emerging market and higher exposure to the broader service market. This we do through a different shared offering, and that is shown on slide 17. Basically on the left-hand side, you have traditional facilities management or what you call the "managing agent" model, which shows that customers would be outsourcing either directly to some silos, subcontractors - that could be cleaning, catering, security, building maintenance - or choose to use an FM provider as a management agent model, where the FM provider will then outsource to subcontractors and then render the services to the customer. The benefit of the model that we work with, which is the self-delivery model, which is on the right-hand side, is of course the people who are delivering the catering, delivering the cleaning, delivering the building maintenance are coming out of the same value system, the same education system with the same aim and purpose as ISS, and which is the same aim as the customer segment that we're working for, i.e. we're working for a hospital, then the aim is of course healing people, helping the customer to be able to heal the patient in order to achieve their core objectives. Our aim is of course to help the customers in doing the same. Because it's done with our training system and with our people on the ground, that of course in itself will give a better result than using a bundle of different subcontractors with different aims and objectives. This is the model which has given us some of the bigger IFS contracts on a local, regional and worldwide scale, and this is the model that we believe is the model for the future. It of course also gives us the opportunity to integrate the services and thereby have the synergies on the delivery of the services, and of course make it a more competitive product to the customer.

On page 18, it's just an overview of the competitive landscape. It is basically nothing new in this. It's clearly that ISS, we are very strongly positioned to conquer this market or to win the contracts in the integrated facility services market because of the strength and the breadth in our services, covering from cleaning and support services, property, catering, security and within the facilities management services. This is an overview done by an external part basically on the review of the types of international competitors on our field. This allows us of course to capture some of the market trends in the integrated facility services.

On page 19, we've shown you the development in the single services, the multi-services and in the integrated facility services. This again shows the growth within the various segments is quite different. Within single services, the annual growth in the period is 3.5% on an annual basis; in multi-services, where we sell more than one service through different contracts to the same customer, grown by 10.6%, but in IFS, the growth is 17% and most of that is organic growth, so again this is because of the breadth and the capabilities we have that's actually giving us the capability of delivering these services.

So basically, the conclusion from a specific point of view is that there is no change. We strongly believe in delivering a consistent service with a good governance system on top of it, focusing on corporation social responsibility and delivering our single services, our multi-services, but particularly also our integrated services, which we believe is a very important part of the future market within FS. That combined with the first half-year result, I would like to go into more details on that, so Henrik, if you could take us through the financials, I will pass over to our CFO, Henrik Andersen.

HENRIK ANDERSEN: Thank you, Jeff, and just to go through the financials, we start at slide 21, and here we see that we grew by 3% from the continuing business. The overall topline revenue increased by 1%. As we already said, operating margin was 4.9, which was very much in line with our expectations. On the cashflow, clearly we have had a good first half year, and that also means that we are now ending at an LTM cash conversion end of June at 99%, and I will come back with a little bit more details on that later on. In terms of organic growth, we finished the first half at 2.2% organic growth and as clearly you picked up from Jeff's introduction, clearly we are affected by the macroeconomic conditions in Europe, and we also see that generally across most areas in the world that we are still having a lower activity in terms of once-only spend on clients, at least for the first half of the year.

I think it's fair saying all regions except for North America and Pacific delivered a positive organic growth rate, and especially in Asia we had a double-digit organic rate for the first half of the year. Emerging markets delivered an organic growth of 11% and clearly well-supported by especially Asia in this set-up.

Operating margin, we were 4.9% compared to a 5.1 for the first half of 2011. As we said, it's in line with expectations. We have had positives coming out of the Nordics and certain Western European countries, but we also have to say fairly enough that both Netherland, France and to some extent the change of business mix in Brazil still makes us having a negative impact on the margin versus last year. Our emerging markets delivered an operating margin of 6.2% which was clearly well above most other mature markets.

In terms of cashflow, I'm sure everyone will say exactly the same, that life is - and especially life in Europe - tough right now, not only for the financial industry, but generally for most industries, therefore I think it's a testament to what we have been doing in the first half of the year that we ended at a cash conversion end of June at 99%. I also say that that is down to a very good control and management of especially debtors and outstanding debtor days across the globe, and we ended at debtor days which was 0.9 days lower than 30 June 2011, so that's really well done. And that is also supported by, of course, that our key is to receive the payments and therefore also again if that is the alternative, then we might exit contracts where we're not being paid on time.

On page 22, this is just a summary of similar numbers, just to put them into perspective since 2009, and of course there you will see organic growth been since 2009, where we are year to date, first half 2.2%, and as Jeff just alluded to, some of those quarters will of course be affected when we do have larger contracts starting and we see the 2.2% being a fairly good result for first half 2012, as we have not a mass of global last contracts starting in that period. We see at the operating margin the first half was 4.9 and the LTM end of June, last 12 months, was 5.5. We are still comfortable with our outlook for the year in terms of margin that it will be at the similar level to last year.

In terms of cash conversion, as we said, we ended at 99 at the first half LTM, and this is just for you to compare and have an opportunity to compare over previous years, and I think we can proudly say we are definitely very much in control of that and that is down to a large action plan also from all countries across the world.

If we go into the revenue development on slide 23, here you will see the half years since 2007, and what we just said here, if you look at the right-hand corner, we have had organic growth of 2.2%. We have had FX positive with 1%, so that means the growth from the continuing business was 3%. We have made divestments of 2%, which means our topline in total is growing with 1% and, yes, that is very much straightforward. You will see the split of our revenue by regions in the box below, and I think fairly in here, organic growth, again it is the year once-only which is of course also affecting this for the first half of the year are slightly negative.

If we go down to see the organic growth and the revenue growth split by region on slide 24, please note that the FX numbers are in the bottom of the chart. There you will see that in Western Europe, we are coming out with an organic growth just a little bit more than 1%, Nordic slightly positive organic growth, but in both areas we have divested businesses to the tune of respectively 4% and 3% and that is something we expect to continue in some of these areas.

In Asia, we have had a great first half of the year, 16% up. You will be helped to some extent by the FX as well, so actually Asia measured in Danish krones are growing to the tune of 20% for the year for the first half. Pacific is fairly flat. We have had a delay in especially in one contract in Australia, therefore we are flat with a slight negative organic growth for the first half, but we expect that to become towards neutral to positive in the second half of the year. Latin America, 6% up, not helped by FX at all out there. We haven't clearly any acquisitions or divestments in Latin America and I will say most countries outside Brazil are performing positively here, so it is predominantly our change in business mix in Brazil that is taking that number slightly lower. North America, another example of a market where we know we have been affected by lower once-only jobs, so we'll see that the organic growth in North America is negative with 2%, clearly helped quite well with FX what has happened in the first half of the year, so overall, North America has a positive 6%.

Eastern Europe: we're seeing organic growth in Eastern Europe and we see Eastern being one of the areas where we have larger private corporations wanting to purchase our services in the right way in Eastern Europe, and therefore Eastern Europe will continue to be supported by we believe organic growth, by corporations, private corporations taking the right decisions, and overall, that is where you will see that it leads for the group to 2.2, as said previous slide, divestments of 2% and a positive 1% for FX.

If we go to slide 25 in terms of the operating margin, I will say Western Europe we are 2% lower than last year and that is predominantly down to what we have seen in the Netherlands and to some extent France. If we see Nordic, Nordic is 2% up. Asia is 1% down, but still at a very high level of 7.4%. Pacific is down 4.8% and we have previously said in Pacific, it's predominantly Australia, where we have had an outstanding dispute with a hospital trust in Australia that has taken the margin lower. Latin America we are slightly lower than last year. We are 4.6 versus 5.7, and that is all down to what we have seen happening in Brazil in the first half of the year.

North America we are 4% lower than last year. We have had the payroll taxes in North America, but we also have initiated across the piece a saving plan where North America will benefit part of that, so we are looking ahead towards an improvement in North America from here. Eastern Europe from 6.3 to 5.1. Some of that is the start-up of contracts and others are that we have had one or two countries being slightly below what was last year, but overall for Eastern Europe, we are still quite positive of development in our Eastern Europe business.

So that in total comes to a 4.9 versus a 5.1 for the first half of the year, which is, as we said, in line with our expectations for the first half of the year.

And then just to briefly have the summary on slide 26, and I think that very much sums up the numbers we've just been through, so I will leave that slide with you to go through.

That means I'm finished from here. I'll pass over to Barbara on the capital structure, Barbara, so please --

BARBARA JENSEN: Thank you very much, Henrik. If you turn to slide 28, you can see the overall leverage of the company, so bearing in mind that we do have seasonality in the cashflows, where the first half of the year typically is impacted by pension contributions, insurance premium payments, holiday payments etc etc, we are at an overall leverage of 586 pro forma adjusted for the seasonality. This is also impacted by the higher interest rate following the amend and extend last year and a few increased tax payments. In absolute terms though, it's important to bear in mind that we are down with almost DKK 0.5 billion compared to the same time last year, so that is important to bear in mind.

With the investment that Jeff announced or went through earlier in this presentation, it's important to bear in mind that pro forma adjusted for this investment, our seasonality adjusted leverage will be at 5.15 at the end of

June, so a significant part of the leverage is impacted by the investment. So very positive news, and it's something that is absolutely confirming the commitment that the company has to de-lever, and again has been affirmed by the rating upgrade to B1 by Moody's and the positive outlook by Standard and Poor's.

If you turn to slide number 29, you can see that as at 30 June 2012, there are no major changes compared to previously. Again, because of the seasonality, we have had some larger drawings under the working capital facility, but it is important to bear in mind that we have now repaid all A facilities, both the term loans and the acquisition facilities, so what we have outstanding is the non-rolled facilities under the B term loan and acquisition facility and then the majority being out in 14 and 15.

That brings me to the maturity profile, if you can see it, on slide 30, where you can see how the maturity profile looks per 30 June this year. There are two major things that we like to highlight here. First of all, again to mention the profit from the investment which we expect to use for repaying the senior notes due 2014 after the December 2012 call date, so that will address the 3.9 billion in 2014, and additionally, you will notice that compared to the last quarter, we have now extended the securitisation programme from 2013 to 2014, hence we do not have any upcoming maturities until 2014.

So overall, a quarter where we have had significant development again on our capital structure and again certified by the upgrade from the rating agencies.

Before we end this session with the Q&A, I will hand over to Jeff to give the highlights of our outlook.

JEFF GRAVENHORST: Thank you very much, Barbara, thank you, Henrik. Overall I would say that the first half year of 2012 has been a very exciting year for ISS, I would say almost as usual. We have landed some very big blue chip customers, landmark contracts, in line with what we did the year before, so very comfortable with that. Also we have of course the two new investors coming in with the €500 million. That is all positive. Of course we are all working in a world which is a little bit challenging from a macroeconomic perspective and we have some of our challenges also operationally, so basically all of that in mind, I think the first half year has been a decent year.

The half year, we expect that to be continuing with some challenging macroeconomics for the last six months of this year, particularly around the Mediterranean area. We do expect cashflow to continue to be strong. We're saying cash conversion around 90% on that. We will see organic growth. We expect a continuation of organic growth expectations, as we said earlier, of 3% to 5%, particularly due to the wins that we have just gone through and the expectations and pick up in some of the once-only on the larger contracts during the last half year.

Operating margin: we still expect that to be around the levels of 2011, so all in all, that's it for the first half year, so now we'll turn over to the Q&A. Thank you very much.

OPERATOR: Thank you. We will now begin the question and answer session. If you have a question, please press star then 1 on your touchtone phone. If you wish to be removed from the queue, please press star then 2. If you are using a speaker phone, you may need to pick up the handset before pressing the numbers. Once again, if you have a question, please press star then 1 on your touchtone phone. We have no questions on the telephone.

We have a question from Mr Simon Seck(?) from Goldbridge. Please go ahead.

THOMAS ASHER(?): Yes, hello. It's Thomas Asher from Goldbridge here. Just a question on the securitisation. Could you just give the terms of the extension and the new maturity date, please?

BARBARA JENSEN: Yes, it is extended at the same price and the same size of the programme as it is today, so 275 basis points in the margin and a committed facility of up to €400 million, and the maturity date is in September 2014 now instead of September 2013.

THOMAS ASHER: Thank you.

OPERATOR: If you have a question, please press 01 -- I apologise, you need to press 01 to ask a question.

Our next question comes from Miss Nicola Davies from BlueBay Asset Management. Please go ahead.

NICOLA DAVIES: Hi. Yes, with all the headwind from the economies that we're seeing at the moment with government austerity coming through and sticking for a while, can you just explain where you expect to make up the additional margin in the second half of the year?

JEFF GRAVENHORST: Yes, thank you. I think there's two things. One is that the headwind that comes in, which is, as you say, the austerity measures on extra salary in Finland or the payroll taxes, of course the point is that that just means that the cost of our business is higher and therefore we have to pass on price increases, so there is a timing element in that, so we are working of course on extraordinary price increases, which by and large is going okay. So that's going to come through somewhat in the second half year, but more importantly though, we are of course adjusting the business. So we have a cost reduction programme that's run for the last quarter, which has taken effect from now on throughout the rest of the year, and of course also running for next year, so basically it's going to be supported by cost reductions during this period.

NICOLA DAVIES: Okay, great. And just can you quantify the size of the new Novartis and Barclays contracts?

JEFF GRAVENHORST: I'm afraid we cannot say that, and that's the reason why we have listed sort of the sites and the number of sites, but there has been some numbers around, but we are not allowed to disclose those figures.

NICOLA DAVIES: All right, thank you.

OPERATOR: A reminder that if you'd like to ask a question, please press 01 on your telephone keypad. There are no further questions at this time.

BARBARA JENSEN: Thank you very much, so we'll close the Q&A session and thank you for dialling into this presentation of the half-year results.

OPERATOR: Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.