



To Luxembourg Stock Exchange
25 August 2009

ISS Holding A/S

Interim Report January – June 2009

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Key Figures

Amounts in DKK millions (unless otherwise stated)	Q2 2009	Q2 2008	1 January - 30 June 2009	1 January - 30 June 2008
Revenue	17,348	17,367	34,022	33,734
Operating profit before other items ¹⁾	984	1,088	1,699	1,860
Operating margin before other items, % ¹⁾	5.7	6.3	5.0	5.5
EBITDA ¹⁾	1,028	1,238	1,904	2,180
Adjusted EBITDA ¹⁾	1,199	1,303	2,130	2,276
Operating profit ¹⁾	813	1,023	1,473	1,764
Net finance costs	(507)	(610)	(1,078)	(1,276)
Profit before goodwill impairment/amortisation of brands and customer contracts	190	282	187	297
Net profit/(loss) for the period	(673)	97	(848)	(66)
Additions to property, plant and equipment, gross	315	249	531	435
Cash flow from operating activities	1,216	1,316	875	1,010
Investments in intangible assets, property, plant and equipment, net	(285)	(254)	(505)	(272)
Total assets	54,232	55,576	54,232	55,576
Goodwill	27,744	28,401	27,744	28,401
Carrying amount of net debt ¹⁾	31,297	30,829	31,297	30,829
Total equity ¹⁾	2,867	5,293	2,867	5,293
Financial ratios ¹⁾				
Interest coverage	2.4	2.1	2.0	1.8
Cash conversion, % ¹⁾	128	114	50	51
Employees on full-time, %	70	68	70	68
Number of employees	482,700	461,300	482,700	461,300
Growth				
Organic growth, %	(0.0)	5.6	0.7	5.8
Acquisitions, net, %	3	6	4	6
Currency adjustments, %	(3)	(2)	(4)	(2)
Total revenue, %	(0)	10	1	10

¹⁾ See key figures and definitions in the Annual Report 2008.

Financial Leverage

Amounts in DKK million	As of and for the 12-month period ended			
	30 September 2008	31 December 2008	31 March 2009	30 June 2009
Pro Forma Adj. EBITDA	5,038	5,064	5,002	4,871
Pro Forma Net Debt	31,956	29,978	31,716	32,148
Seasonality Adj. Pro Forma Net Debt	30,676	29,978	30,540	31,128
Pro Forma Net Debt / Pro Forma Adj. EBITDA	6.34x	5.92x	6.34x	6.60x
Seasonality Adj. Pro Forma Net Debt / Pro Forma Adj. EBITDA	6.09x	5.92x	6.11x	6.39x

Note: The Pro Forma adjusted financial information set out above is for informational purposes only. ISS 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. See appendix on pages 37-39 of this report for further information on Capital Structure.

ISS Holding A/S (“ISS” or “the Group”) is a holding company, and its primary assets consist of shares in ISS A/S.

For further information about ISS, see ISS Holding’s Annual Report 2008, which is available from the Group’s website, www.issworld.com.

Business highlights

During the first six months of 2009, ISS continued its strategic course as set out in “The ISS Way” strategy plan, which was introduced in 2008. The ISS Way continues to focus on the needs of the customers and to drive Integrated Facility Services (IFS) and efficiencies. Furthermore, the strategy takes new steps towards aligning the ISS business model and strengthening knowledge sharing across the Group. Simultaneously ISS maintained its focus on key operational objectives (i) cash flow; (ii) operating margin; and (iii) profitable organic growth.

Considering the turmoil in the financial markets and the severe economic challenges in the global economy experienced in the second half of 2008 and in 2009, ISS’s performance remained robust. Although ISS believes that its business will be fairly resilient during the current global economic slowdown, those countries most exposed to the industrial segments (e.g. automotive and manufacturing) have experienced slow downs, including France, Germany, Belgium and Spain. ISS has experienced a decline in its non-portfolio based business, whereas the portfolio-based business has continued to grow organically, despite some customers downsizing existing contracts. The increase in the portfolio-based business underlines the increasing demand for integrated facility services on a local, regional and international basis. In the countries most significantly impacted by the economic slow down, corrective actions have been taken to adapt to the current conditions in an

attempt to improve operating performance, including the implementation of turnaround plans for affected service types as well as an adaptation of the cost structure. In addition, ISS has recently initiated a Group-wide cost reduction initiative targeting the fixed costs, which is complementary to the ongoing and country specific turnaround plans. The fixed cost spend has continuously been lower than the new fixed cost target set out for Q2.

Revenue for the first six months of 2009 amounted to DKK 34.0 billion, an increase of 5%, excluding foreign exchange adjustments, compared with the same period in 2008.

The organic growth for the period was 0.7% compared with 5.8% for the first six months of 2008. Apart from Western Europe and Eastern Europe all regions contributed to the organic growth.

The operating profit before other items for the first six months of 2009 amounted to DKK 1,699 million, a decrease of 5%, excluding foreign exchange adjustments, compared with the same period in 2008. Operating margin before other items, i.e. the operating margin, for the first six months of 2009 amounted to 5.0%, down by 0.5 percentage-point compared with the same period last year, primarily a result of the performance in certain countries in Western Europe.

In July 2009, ISS successfully issued EUR 525 million of new Senior Notes due 2014 (the “Notes”) and thereby completed the first step of the refinancing of the EUR 850 million Medium Term Notes maturing in September 2010 (the “2010 EMTNs”).

The global Corporate Client organisation followed up on the HP contract win in 2008 by entering into two new international IFS contracts with EDS, a

Operating results								
	Revenue			Operating profit before other items			Operating margin before other items	
	DKK millions			DKK millions				
	H1 2009	H1 2008	Change	H1 2009	H1 2008	Change	H1 2009	H1 2008
Nordic ¹⁾	8,106	8,507	(5)%	516	543	(5)%	6.4 %	6.4 %
Western Europe ²⁾	19,184	19,453	(1)%	884	1,124	(21)%	4.6 %	5.8 %
Eastern Europe ³⁾	747	787	(5)%	41	52	(21)%	5.5 %	6.6 %
Asia ⁴⁾	1,990	1,395	43 %	137	91	51 %	6.9 %	6.5 %
Latin America ⁵⁾	976	858	14 %	57	50	14 %	5.8 %	5.8 %
North America ⁶⁾	1,309	940	39 %	70	54	30 %	5.4 %	5.7 %
Pacific ⁷⁾	1,726	1,803	(4)%	115	108	6 %	6.6 %	6.0 %
Corporate / eliminations	(16)	(9)		(121)	(162)	(25)%	(0.3)%	(0.5)%
Total	34,022	33,734	1 %	1,699	1,860	(9)%	5.0 %	5.5 %

¹⁾ Nordic comprises Denmark, the Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden.
²⁾ Western Europe comprises Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, South Africa, Switzerland, Turkey and the United Kingdom.
³⁾ Eastern Europe comprises Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia.
⁴⁾ Asia comprises Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand.
⁵⁾ Latin America comprises Argentina, Brazil, Chile, Mexico and Uruguay.
⁶⁾ North America comprises Canada and the USA.
⁷⁾ Pacific comprises Australia and New Zealand.

global IT company, and Shell. The contract with EDS covers 28 countries in Europe, Middle East, Asia, Pacific and Africa. The contract with Shell covers Facility Management and substantial self-delivery functions in eight countries in Asia and Pacific of up to 33 million square metres. These new contract wins confirm ISS's strategic direction. The focus on IFS contracts with large multinational or global clients is fully in line with the corporate vision of being the leading global Facility Services provider.

Financial Review

Income Statement

Revenue for the first six months of 2009 amounted to DKK 34,022 million representing a revenue growth of 5%, excluding foreign exchange adjustments, compared with the first six months of 2008. Revenue growth was driven by 0.7% organic growth and 5% growth from acquisitions. This was partly offset by divestments of 1% and adverse currency exchange rate movements of 4%. The organic growth was as expected, driven by double-digit growth rates in Asia and Latin America. Stable organic growth was experienced in the Nordic, North American and Pacific regions whereas Eastern Europe and Western Europe experienced negative organic growth rates as a result of the economic slow down affecting in particular the industrial segments. Revenue in Q2 2009 was DKK 17,348 million, an increase of 4%, excluding foreign exchange adjustments, compared with the same period in 2008.

In the first six months of 2009, revenue in the Nordic region decreased by 5% from DKK 8,507 million in the first six months of 2008 to DKK 8,106 million. Organic growth amounted to 2% and was, with the exception of Iceland and Greenland, positive throughout the region, with the main contributors being Sweden, Norway and Finland. Growth from acquisitions, net amounted to 1%. Currency adjustments reduced revenue for the region by 8%, mainly stemming from depreciation of NOK and SEK against DKK.

In the first six months of 2009, revenue in the

Western European region decreased by 1% to DKK 19,184 million. Organic growth was negative by 1% while currency adjustments decreased revenue for the region by approximately 3%. Acquisitions, net, increased revenue by approximately 3%. The organic growth rates decreased as a number of countries in the region are exposed to the industrial segments (e.g. automotive and manufacturing) which are negatively impacted by the global economic slow down. The main contributors were France, Spain, the Netherlands and Austria all realising negative organic growth rates. This negative effect was partly offset by Ireland, Italy, and Greece, all of which delivered double-digit organic growth rates.

Revenue in Eastern Europe decreased by 5% to DKK 747 million in the first six months of 2009. Growth from acquisitions, net, amounted to 4%, while negative organic growth reduced revenue by 3%, mainly stemming from the Czech Republic, Slovenia, Slovakia, Estonia and Croatia. Currency adjustments reduced revenue for the region by 6%.

In Asia, revenue increased by 43% to DKK 1,990 million for the first six months of 2009. The increase was driven by 19% growth from acquisitions and organic growth of 13% as well as a positive impact of 11% from currency adjustments. All countries in the region except the Philippines and Malaysia contributed to the organic growth. Singapore, Indonesia, Taiwan, India, China and Brunei all delivered double-digit organic growth rates.

Revenue in Latin America increased by 14% to DKK 976 million for the first six months of 2009. Growth from acquisitions was 13% and organic growth amounted to 13% and all countries in the region delivered positive organic growth rates with Mexico, Chile, Argentina and Uruguay all delivering double-digit growth rates. Currency adjustments decreased the revenue for the region by approximately 12%.

Revenue in North America increased by 39% to DKK 1,309 million for the first six months of 2009, with organic growth contributing 1%. Growth from acquisitions was 20% and is primarily related to the acquisition of BGM Industries in April 2008 adding

Revenue growth, January - June 2009

	Revenue growth, %				
	Organic ¹⁾	Acq./Div., net	Total growth excl. currency	Currency	Total growth
Nordic	2	1	3	(8)	(5)
Western Europe	(1)	3	2	(3)	(1)
Eastern Europe	(3)	4	1	(6)	(5)
Asia	13	19	32	11	43
Latin America	13	13	26	(12)	14
North America	1	20	21	18	39
Pacific	1	9	10	(14)	(4)
Total	1	4	5	(4)	1

¹⁾ For a description of the method applied in estimating organic growth, see ISS Holding's Annual Report 2008, which is available at the Group's website, www.issworld.com.

approximately DKK 510 million in annual revenue. Currency adjustments increased the revenue for the region by approximately 18%. In 2009, ISS further expanded its North American platform in Canada through a greenfield establishment.

Revenue in the Pacific region decreased by 4% to DKK 1,726 million for the first six months of 2009. Organic growth increased revenue by 1% driven by double-digit organic growth in New Zealand while growth from acquisitions increased revenue by 9%. This was more than offset by adverse currency adjustments, which decreased revenue by approximately 14%.

Operating profit before other items for the first six months of 2009 amounted to DKK 1,699 million representing a decrease of 5%, excluding foreign exchange adjustments, compared with the same period of 2008. Operating profit before other items as a percentage of revenue, i.e. the operating margin was 5.0% for the first six months of 2009, or 0.5 percentage point lower than for the same period in 2008. The decrease was mainly due to lower profitability in France, the Netherlands and Germany. In Q2 2009 the operating profit before other items was DKK 984 million representing a decrease of 6%, excluding foreign exchange adjustments, compared with the same period in 2008. The operating margin was 5.7%, or 0.6 percentage point lower than Q2 2008. The decrease was a result of the factors described above.

The operating profit before other items in the Nordic region amounted to DKK 516 million for the first six months of 2009 compared with DKK 543 million in the same period of 2008. The operating margin in the region was 6.4% for the first six months of 2009, thereby at the same level as for the same period in 2008. This was due to operating margin increases in Norway, Finland and Greenland offset by margin decreases in Sweden, Denmark and Iceland.

The operating profit before other items in Western Europe amounted to DKK 884 million for the first six months of 2009 compared with DKK 1,124 million in the same period of 2008. The operating margin of 4.6% was 1.2 percentage points lower compared with the same period of 2008 which was mainly due to France and partly due to the Netherlands and Germany. In France, as well as a number of other countries in the region, ISS is negatively impacted by the global economic slow down which has especially impacted the European industrial segments (e.g. automotive and manufacturing). Consequently, this has negatively impacted ISS's revenue and operating profit in those countries with significant exposure to these industries. ISS is vigorously adapting the cost structure in the affected countries to the changed market conditions. Turnaround plans are being implemented, including changes in organisational set up and business processes. Despite the economic downturn, Switzerland, Austria, Ireland, Israel and Greece all realised slightly higher margins compared with the same period of 2008.

The operating profit before other items in Eastern Europe decreased by 21% to DKK 41 million for the first six months of 2009. The operating margin was 5.5% for the first six months of 2009, 1.1 percentage points lower than for the same period in 2008. This was mainly due to operating margin decreases in Slovakia, the Czech Republic, Slovenia and Hungary where ISS has been negatively impacted by the general slow down in the Eastern European economies.

The operating profit before other items in Asia increased by 51% to DKK 137 million for the first six months of 2009 compared with DKK 91 million in the same period of 2008. The operating margin increased to 6.9% compared with 6.5% for the same period of 2008. All countries in the region, with the exception of the Philippines, Thailand and India realised margin increases compared with the same period of 2008.

The operating profit before other items in Latin America increased by 14% to DKK 57 million for the first six months of 2009. The operating margin was 5.8%, in line with the margin realised in the first six months of 2008. All countries in the region except Brazil realised a higher operating margin in the first six months of 2009 compared with the same period in 2008.

The operating profit before other items in North America amounted to DKK 70 million for the first six months of 2009 compared with DKK 54 million for the same period of 2008. The operating margin for the first six months of 2009 was 5.4% compared with 5.7% for the first six months of 2008. The decrease was primarily a result of a decline in non-portfolio-based services.

The operating profit before other items in Pacific amounted to DKK 115 million for the first six months of 2009 compared with DKK 108 million in the same period of 2008. The operating margin in the region amounted to 6.6% for the first six months of 2009, compared with 6.0% for the first six months of 2008 in line with expectations.

Other income and expenses, net represented a net expense of DKK 209 million for the first six months of 2009 compared with a net expense of DKK 72 million for the same period last year. This was primarily related to restructuring projects in France, Germany, Spain, Belgium, Denmark and Finland. The restructuring projects generally comprise closure of certain business units or divisions as well as changes in the organisational setup and other efficiency improvements.

Net finance costs decreased by 16% from DKK 1,276 million for the first six months of 2008 to DKK 1,078 million for the first six months of 2009, primarily as a result of a gain on foreign exchange compared with a loss in 2008 and lower interest expenses, net. Net finance costs included DKK 1,041 million of net interest expenses, DKK 80 million of amortisation of financing fees and DKK 42 million of gains on foreign exchange. Net finance

costs for the first six months of 2008 included DKK 1,118 million of net interest expenses, DKK 78 million of amortisation of financing fees and DKK 79 million of loss on foreign exchange.

Income taxes amounted to DKK 211 million in the first six months of 2009 compared with DKK 191 million in the first six months of 2008. The tax expense in the first six months of 2009 was adversely impacted by the limitation in deduction of financial expenses rules in Denmark. The Group is subject to limitations in deduction of financial expenses of approximately DKK 345 million in the first six months of 2009. The net income tax effect in the income statement from the limitation in deduction of financial expenses in the first six months of 2009 amounts to DKK 44 million.

In addition, the tax expense in the first six months of 2009 has been adversely impacted by withholding taxes that are non-proportional to the profit before tax.

The effective tax rate was 53.0% in the first six months of 2009 compared with 39.1% in the same period of 2008, calculated as the consolidated tax expense of DKK 211 million divided by the Profit before tax and goodwill impairment amortisation of brands and consumer contracts of DKK 398 million.

Goodwill impairment and write-down The intangibles of the Group relate, among others, to the intangibles allocated in the purchase price allocation following the take-over of ISS on 9 May 2005. At the date of the take-over, the value in use of all individual cash generating units (CGUs) was close to the carrying amount. Consequently, a decline in value in use of an individual CGU subsequent to the purchase price allocation will trigger impairment. Goodwill impairment and write-down amounted to DKK 684 million of which DKK 450 million related to ISS's business in France and DKK 100 million related to ISS's business in Germany resulting from weakening market conditions within certain business activities in which ISS operates, especially the industrial segments, combined with an increase in the discount rate applied. The remaining write-down of DKK 134 million related to ISS's non-strategic landscaping business in Sweden which is classified as held for sale on 30 June 2009 and which has subsequently been sold.

Net loss for the period increased from a loss of DKK 66 million for the first six months of 2008 to a loss of DKK 848 million for the first six months of 2009, negatively impacted the operational performance, higher costs related to other income and expenses, net, higher income tax expenses and higher non-cash charges related to goodwill impairment and write-down. This was partly offset by lower net finance costs. A loss of DKK 859 million was attributable to the owners of ISS, whereas a profit of DKK 11 million was attributable to the non-controlling interests.

Cash Flow Statement

Cash flow from operating activities was a net inflow of DKK 875 million for the first six months of 2009 compared with a net inflow of DKK 1,010 million in the same period of 2008. Cash flow from operating activities for the first six months of the year was impacted by normal seasonality leading to a working capital cash outflow. The decrease in cash inflow from operating activities compared with last year was primarily due to lower operating profit before other items of DKK 161 million as well as an increase in cash outflow regarding Payments related to other income and expenses, net of DKK 67 million compared with the same period last year. Payments of DKK 152 million were primarily related to restructuring projects and organisational changes primarily in France, the United Kingdom, Germany, Spain and Denmark. Partly offsetting these negative deviations was the decrease in cash outflow from working capital of DKK 67 million compared with last year as a result of fewer funds being tied up in trade receivables due partly to increased focus on billing and collection throughout the Group.

Cash outflow from changes in provisions increased from DKK 5 million for the first six months of 2008 to DKK 26 million for the first six months of 2009. The amount comprises the effect of net changes in provisions charged to the income statement during 2009 and payments made in relation to such provisions.

In Q2 2009 cash flow from operating activities was DKK 1,216 million compared with DKK 1,316 million in the same period in 2008. The cash flows from operations for the individual periods depend on the timing of a number of payments towards the end of the individual months and quarters. For further information on seasonality, see note 2 to the Condensed Consolidated Interim Financial Statements.

Cash flow from investing activities for the first six months of 2009 was a net cash outflow of DKK 1,302 million, of which DKK 766 million were related to acquisitions completed during 2009, most significantly in Turkey, the USA, Indonesia, India and Spain, and payment of earn-outs and deferred payments on acquisitions completed in previous years. Investments in intangible assets and property, plant and equipment, net (excluding acquisition related intangibles), amounted to DKK 505 million.

For the first six months of 2008 net cash flow from investing activities represented an outflow of DKK 1,420 million, mainly due to payments of DKK 1,385 million related to acquisitions partly offset by proceeds from divestments of DKK 267 million, primarily related to the divestment of the remaining energy activities in France. Cash flow from Investments in intangible assets and property plant and equipment, net, for the first six months of 2008 included a cash inflow of DKK 165 million from sale of an option related to a property located in Norway.

In Q2 2009 cash flow from investing activities was a cash outflow of DKK 611 million, mainly due to payments of DKK 312 million regarding acquisitions and DKK 285 million regarding investment in intangible and tangible fixed assets, net (excluding acquisition related intangibles).

Net Cash flow from financing activities in 2009 was a net cash outflow of DKK 721 million. This was mainly a result of interest payments of DKK 873 million and amortisation of loans of DKK 505 million, of which DKK 366 million was unscheduled, partly offset by drawings on credit facilities primarily to fund working capital and acquisitions of DKK 668 million.

Net cash flow from financing activities in the first six months of 2008 amounted to a net cash outflow of DKK 784 million. This was primarily the result of interest payments of DKK 968 million, partly offset by net drawings on credit facilities to fund working capital and acquisitions of DKK 201 million.

In Q2 2009 cash flow from financing activities were and outflow of DKK 774 million, mainly due to interest payments of DKK 506 million and amortisation of loans of DKK 505 million partly offset by drawings on credit facilities of DKK 247 million.

Balance Sheet

Total assets amounted to DKK 54,232 million at 30 June 2009, of which DKK 39,653 million were non-current assets, primarily intangible assets, and DKK 14,579 million were current assets, primarily trade receivables of DKK 10,795 million.

Intangible assets amounted to DKK 36,398 million at 30 June 2009. The vast majority of intangible assets were acquisition-related intangibles and comprised 27,744 million of goodwill, DKK 6,769 million of customer contract portfolios and related customer relationships and DKK 1,559 million of brands.

Total equity amounted to DKK 2,867 million at 30 June 2009, DKK 666 million lower than at 31 December 2008. Total comprehensive income recognised in equity reduced equity by DKK 655 million. This included a net loss for the period of DKK 848 million and negative fair value adjustment of hedges, net, of DKK 168 million, partly offset by positive currency adjustments relating to investments in foreign subsidiaries of DKK 360 million.

Carrying amount of net debt amounted to DKK 31,297 million, at 30 June 2009 an increase of DKK 1,912 million from DKK 29,385 million at 31 December 2008. Carrying amount of net debt is typically higher after the first six months than at the end of the previous financial year due to the fact that ISS's operating cash flow is lower in the first half of the year and the effect of acquisitions completed in the first six months of 2009. At 30 June 2009, Long-term debt amounted to DKK 31,661 million, Short-term debt amounted to DKK

1,682 million while Securities, Cash and cash equivalents and receivable from affiliates amounted to DKK 2,046 million.

For further information on the composition of the net debt at 30 June 2009 see the Capital Structure on pages 37-39 of this report.

Acquisitions

In the first six months of 2009, a total of 20 acquisitions were completed with total annual revenue estimated at approximately DKK 0.9 billion based on expectations at the time of acquisition.

The most significant acquisitions include U.S.-based Central Property Services, which expands ISS's platform in Property Services within the Pittsburgh area; Sunparking and Andrawina in Indonesia providers of Security Services and Catering, respectively, which strengthens the service platform and national coverage; Mettek in Turkey whereby ISS gains further critical mass within Cleaning and Security in Istanbul and the surrounding region; Chubb Security in Ireland, which provides ISS with critical mass within Security in Ireland.

The acquisitions completed in 2009 have been carried out at an average multiple of 5.8x EBITA compared with an average multiple of 7.6x EBITA for acquisitions completed in 2008.

Financing

ISS has committed long term financing in place with only a part to be refinanced in the second half of 2010. ISS has explored a range of different refinancing options in order to be well prepared for the upcoming refinancing of the EUR 850 million Medium Term Notes maturing in September 2010. In July 2009 ISS has successfully issued EUR 525 million of new Senior Notes due 2014. The Notes have been issued through ISS Financing Plc, a newly formed special purpose vehicle and the Notes are listed on the Luxembourg Stock Exchange. The proceeds from these Notes have been on-lent to ISS Global and were used to settle the completed tender offer for EUR 500 million of the 2010 EMTNs plus accrued interest. The 2010 EMTNs which were acquired at nominal value had a net book value lower than nominal value due to the market value adjustment made in connection with ISS Holding A/S's acquisition of ISS A/S and consequently an accounting loss of approximately DKK 60 million will be recognised in the Condensed Consolidated Interim Financial Statements of Q3 2009.

As part of its strategy to refinance the remaining EUR 350 million of the 2010 EMTNs, ISS has studied the feasibility of securitizing a portion of its trade receivables in certain countries. ISS intends to implement its planned securitization program in phases. ISS has mandated HSBC plc and Nordea Bank Danmark A/S to arrange and participate in a securitization program of up to EUR 500 million.

As a result of a strategic decision to slow down the pace of acquisitions and further increase focus on organic growth, ISS cancelled DKK 1 billion of un-drawn Acquisition Facility B reducing the availability under this credit line to DKK 2,500 million with effect from 14 April 2009. On 11 May 2009, the expiration date of the availability period for Acquisition Facility B, ISS had drawn a total of DKK 2,149 million of the facility and an un-drawn amount of DKK 351 million was automatically cancelled.

In accordance with the provisions of the Senior Facilities Agreement to repay 50% of the Excess Cash flow relating to the previous financial year, ISS repaid DKK 366 million under Acquisition Facility A on 26 May 2009. Following the repayment, ISS's borrowings under Acquisition Facility A were reduced to DKK 1,056 million.

For further information, see the Capital Structure on pages 37-39 of this report.

Financial Leverage

Pro forma Adjusted EBITDA for the 12-month period ended 30 June 2009 amounted to DKK 4,871 million. Pro Forma Net Debt (pro forma adjusted for the July 2009 refinancing) amounted to DKK 32,148 million at 30 June 2009.

The calculation of these figures is prepared according to the principles described in the Capital Structure on pages 37-39 of this report.

Interest Rate Risk

The interest rate risk primarily relates to ISS's interest-bearing debt, consisting of bank loans (Senior Secured Facilities) and fixed-rate bonds. The bank loans generally carry floating interest rates, which are established from a base rate (EURIBOR or applicable LIBOR) plus a margin.

To reduce some of the floating rate exposure, a part of ISS's interest payments on the bank loans have been swapped to fixed rates with maturities between March 2010 and March 2012. Including the interest rate hedges, 74% of ISS's net debt carried fixed interest rates while 26% carried floating interest rates at 30 June 2009, and the interest rate duration of the total debt was 2.2 years.

Management changes

On 27 May 2009 Marcus Brennecke took up the position as new member of the Board of Directors of ISS replacing Christian Sinding.

Outlook

The expectations should be read in conjunction with "Forward-looking statements" as shown in the table on page 9.

In 2009 ISS will continue the roll out of the initiatives included in its strategy plan - The ISS Way, which focuses on further aligning the business model and strengthening of knowledge-sharing abilities. The

initiatives include the continued development of single-service excellence concepts and Integrated Facility Services capabilities, regional and global knowledge and best-practice sharing, as well as increased focus on cross-border sales by strengthening the global Corporate Client organisation. Simultaneously ISS will maintain focus on its key operational objectives (i) cash flow; (ii) operating margin; and (iii) profitable organic growth.

Some of ISS's customers have been severely affected by the current economic climate. ISS has during 2009 actively worked with those customers to help them adjust service levels. This has resulted in reductions in a number of contracts and much less non-portfolio work being carried out. As a result, customer retention has been satisfactory. Despite much lower organic growth in first half 2009 than in the first half of 2008, ISS's contract portfolio has developed satisfactory. New portfolio contract sales in 2009 have been at the same level as in the first half of 2008. In addition, the economic climate stimulates outsourcing thereby providing good opportunities for new sales. On that basis the broadly flat organic growth is expected to continue in the second half of 2009.

The generally flexible cost base, the extensive restructuring initiatives carried out during the last nine months and the Group-wide fixed cost reduction initiative is expected to protect the margin well during the remainder of 2009. The operating margin for 2009 is expected to be slightly below the level realised in 2008.

ISS will further tighten its priority on cash flow and the health of its balance sheet. Focus will move to managing the absolute level of debt supported by significantly less acquisition spend and a continued high cash conversion. ISS only expects in exceptional cases to complete smaller acquisitions.

Subsequent Events

Subsequent to 30 June 2009, the Group has made no acquisitions up until 31 July 2009.

On 14 July the landscaping business in Sweden, classified as assets and liabilities held for sale on 30 June 2009, was sold.

As mentioned above under Financing, ISS has in July 2009 successfully issued EUR 525 million of new Senior Notes due 2014. The Notes have been issued through ISS Financing Plc, a newly formed special purpose vehicle and the notes are listed on the Luxembourg Stock Exchange. The proceeds from these Notes have been on-lent to ISS Global and were used to settle the completed tender offer for EUR 500 million of the 2010 EMTNs plus accrued interest. The completed tender offer of the 2010 EMTNs resulted in an accounting loss of approximately DKK 60 million which will be recognised in the Condensed Consolidated Interim Financial Statements of Q3 2009.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to 30 June 2009, which are expected to have a material impact on the Group's financial position.

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. 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 2008 of ISS Holding 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 2008 of ISS Holding A/S is available from the Group's website, www.issworld.com.

Financial Calendar 2009

Interim Report, January – September 2009

25 November 2009

Telephone conference

A telephone conference will be held on Wednesday, 25 August 2009 at 15:00 CET (14:00 UK time).

The telephone numbers for the conference are:

+45 70 26 50 40 (Denmark)

+44 208 817 9301 (UK)

+1 718 354 1226 (US)

Country overview

Country	H1 2009				H1 2008			
	DKK million				DKK million			
	Total revenue	Operating profit before other items	Operating margin %	Organic growth %	Total revenue	Operating profit before other items	Operating margin %	Organic growth %
France	4,434	145	3.3	(6)	4,681	295	6.3	2
United Kingdom	3,433	216	6.3	2	3,836	246	6.4	12
Norway	2,601	189	7.3	2	2,836	195	6.9	5
Spain	2,285	85	3.7	(7)	2,279	106	4.7	7
Denmark	1,871	120	6.4	0	1,850	127	6.9	2
Finland	1,794	134	7.5	2	1,730	120	7.0	5
Sweden	1,756	68	3.9	4	1,953	89	4.5	4
Netherlands	1,712	40	2.4	(3)	1,762	79	4.5	(2)
Belgium and Luxembourg	1,602	91	5.7	3	1,522	103	6.8	2
Australia	1,565	105	6.7	(0)	1,694	103	6.1	3
USA	1,308	70	5.4	1	940	54	5.7	3
Switzerland	1,300	98	7.5	2	1,197	78	6.5	9
Germany	1,177	11	0.9	2	1,151	44	3.8	5
Turkey	706	53	7.5	10	527	39	7.5	25
Israel	705	34	4.8	2	695	33	4.7	9
Austria	688	38	5.5	(4)	861	44	5.1	1
Hong Kong	608	47	7.7	9	440	33	7.5	14
Brazil	483	27	5.6	8	456	28	6.2	12
Greece	405	29	7.2	14	335	24	7.1	28
Singapore	402	26	6.4	12	311	20	6.4	17
Ireland	281	13	4.5	13	228	9	3.9	2
Portugal	275	19	7.1	1	256	18	7.1	3
Indonesia	263	26	9.7	22	155	15	9.7	39
Thailand	251	15	6.0	4	137	9	6.7	10
Czech Republic	201	11	5.4	(7)	233	17	7.3	2
Mexico	201	12	5.9	18	172	9	5.0	12
Italy	181	11	6.3	17	123	8	6.9	3
New Zealand	161	9	5.6	13	110	5	4.6	6
Chile	153	10	6.5	21	120	8	6.4	25
Slovakia	142	5	3.9	(9)	156	12	7.6	2
China	128	5	4.0	16	93	5	6.0	34
India	122	7	5.8	22	86	5	5.9	91
Argentina	111	6	5.1	13	94	4	4.5	34
Taiwan	109	8	7.1	25	82	6	7.0	(4)
Poland	91	3	3.5	18	76	3	3.6	14
Slovenia	76	2	3.0	(12)	84	4	4.9	25
Romania	69	13	19.6	10	62	9	14.7	22
Hungary	66	2	2.4	3	64	3	4.7	30
Estonia	64	4	6.6	(4)	67	4	5.2	9
Greenland	52	4	7.1	(1)	53	4	6.9	22
Philippines	44	(1)	(1.3)	(9)	48	2	3.6	29
Malaysia	34	2	6.5	(9)	36	2	6.4	14
Iceland	33	2	7.1	(5)	78	6	7.4	15
Uruguay	29	2	7.4	31	16	1	7.2	60
Russia	25	0	1.1	(1)	30	0	1.0	30
Japan	20	(0)	(0.6)	-	-	-	-	-
Croatia	14	0	2.2	(3)	15	1	3.6	20
Brunei	10	2	23.1	18	8	2	20.4	4
Canada	1	(0)	(7.0)	-	-	-	-	-
Faroe Islands	-	-	-	-	5	0	2.6	20
South Africa	0	(0)	(9.1)	-	-	-	-	-
Regional cost / eliminations	(4)	1	-	-	-	(9)	-	-
Corporate functions / eliminations	(16)	(121)	(0.3)	-	(9)	(162)	(0.5)	-
Total	34,022	1,699	5.0	1	33,734	1,860	5.5	6

Management Statement

COPENHAGEN, 25 August 2009

The Board of Directors and the Executive Group Management have today discussed and approved the interim report of ISS Holding A/S for the period 1 January – 30 June 2009.

The interim report has not been reviewed or audited and has been 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 30 June 2009 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 June 2009.

Furthermore, in our opinion the Management Review includes a fair review of the development and performance of the Group's activities and of the Group's financial position taken as a whole, together with a description of the most significant risks and uncertainties that the Group may face.

EXECUTIVE GROUP MANAGEMENT

Jørgen Lindegaard
Group Chief Executive Officer

Jeff Gravenhorst
Group Chief Operating Officer

Jakob Stausholm
Group Chief Financial Officer

BOARD OF DIRECTORS

Ole Andersen
Chairman

Leif Östling
Vice-Chairman

John Murray Allan

Marcus Brennecke

Peter Korsholm

Sanjay Patel

Christoph Sander

Steven Sher

Condensed Consolidated Interim Financial Statements for ISS Holding A/S

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

These condensed consolidated interim financial statements are unaudited

1 January – 30 June. Amounts in DKK million

Note	Q2 2009	Q2 2008	H1 2009	H1 2008
3 Revenue	17,348	17,367	34,022	33,734
Staff costs	(11,340)	(11,194)	(22,377)	(21,972)
Cost of sales	(1,505)	(1,576)	(2,954)	(3,016)
Other operating expenses	(3,304)	(3,294)	(6,561)	(6,470)
Depreciation and amortisation ¹⁾	(215)	(215)	(431)	(416)
3 Operating profit before other items ²⁾	984	1,088	1,699	1,860
4 Other income and expenses, net	(161)	(51)	(209)	(72)
Integration costs	(10)	(14)	(17)	(24)
3 Operating profit ¹⁾	813	1,023	1,473	1,764
Share of result from associates	5	3	3	0
Net finance costs	(507)	(610)	(1,078)	(1,276)
Profit before tax and goodwill impairment/ amortisation of brands and customer contracts	311	416	398	488
Income taxes ³⁾	(121)	(134)	(211)	(191)
Profit before goodwill impairment/ amortisation of brands and customer contracts	190	282	187	297
5 Goodwill impairment and write-down	(684)	-	(684)	-
Amortisation of brands and customer contracts ⁴⁾	(247)	(256)	(484)	(504)
Income tax effect ⁵⁾	68	71	133	141
Net profit/(loss) for the period	(673)	97	(848)	(66)
Attributable to:				
Owners of ISS Holding	(679)	89	(859)	(71)
Non-controlling interests	6	8	11	5
Net profit/(loss) for the period	(673)	97	(848)	(66)

¹⁾ Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

²⁾ Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

³⁾ Excluding tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

⁴⁾ Includes customer contract portfolios and related customer relationships.

⁵⁾ Income tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

These condensed consolidated interim financial statements are unaudited
1 January - 30 June. Amounts in DKK million

	Q2 2009	Q2 2008	H1 2009	H1 2008
Net profit/(loss) for the period	(673)	97	(848)	(66)
Other comprehensive income				
Foreign exchange adj. of subsidiaries and non-controlling interests	142	72	360	(199)
Fair value adjustment of hedges, net	(89)	207	(285)	159
Fair value adjustment of hedges, net, transferred to Net finance costs	83	(37)	117	(82)
Actuarial gains/(losses)	-	8	-	8
Share-based payments	2	5	2	7
Tax regarding other comprehensive income	(1)	(46)	(1)	(24)
Other comprehensive income	137	209	193	(131)
Total comprehensive income for the period	(536)	306	(655)	(197)
Attributable to:				
Owners of ISS Holding	(540)	298	(665)	(201)
Non-controlling interests	4	8	10	4
	(536)	306	(655)	(197)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

These condensed consolidated interim financial statements are unaudited

1 January – 30 June. Amounts in DKK million

Note	Q2 2009	Q2 2008	H1 2009	H1 2008
3 Operating profit before other items	984	1,088	1,699	1,860
Depreciation and amortisation	215	215	431	416
Changes in working capital	279	157	(843)	(910)
Changes in other provisions, pensions and similar obligations	5	2	(26)	(5)
Payments related to other income and expenses, net	(148)	(59)	(189)	(122)
Payments related to integration costs	(11)	(12)	(22)	(23)
Income taxes paid, net	(108)	(75)	(175)	(206)
Cash flow from operating activities	1,216	1,316	875	1,010
6 Acquisition of businesses	(312)	(855)	(766)	(1,385)
6 Divestment of businesses	(1)	(7)	(1)	267
Investments in intangible assets and property, plant and equipment, net ¹⁾	(285)	(254)	(505)	(272)
Investments in financial assets, net	(13)	(19)	(30)	(30)
Cash flow from investing activities	(611)	(1,135)	(1,302)	(1,420)
Proceeds from borrowings	247	734	668	848
Repayment of borrowings	(505)	(647)	(505)	(647)
Interest paid, net	(506)	(510)	(873)	(968)
Non-controlling interests	(10)	(12)	(11)	(17)
Cash flow from financing activities	(774)	(435)	(721)	(784)
Total cash flow	(169)	(254)	(1,148)	(1,194)
Cash and cash equivalents at beginning	1,996	1,608	2,961	2,581
Total cash flow	(169)	(254)	(1,148)	(1,194)
Foreign exchange adjustments	17	20	31	(13)
Cash and cash equivalents at 30 June	1,844	1,374	1,844	1,374

¹⁾ In the period 1 January - 30 June 2008, Investments in intangible assets and property plant and equipment, net, included a cash inflow of DKK 165 million from sale of an option related to property located in Norway.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

These condensed consolidated interim financial statements are unaudited

Amounts in DKK million

Note	30 June 2009	30 June 2008	31 December 2008
Assets			
7 Intangible assets	36,398	37,853	36,001
Property, plant and equipment	2,430	2,235	2,276
Investments in associates	27	28	24
Deferred tax assets	518	632	472
Other financial assets	280	271	238
Total non-current assets	39,653	41,019	39,011
Inventories	287	285	264
Trade receivables	10,795	11,033	10,097
Contract work in progress	212	247	182
Tax receivables	312	383	228
Other receivables	984	1,153	776
Assets held for sale	51	-	-
Securities	94	82	86
Cash and cash equivalents	1,844	1,374	2,961
Total current assets	14,579	14,557	14,594
Total assets	54,232	55,576	53,605
Equity and liabilities			
Total equity attributable to owners of ISS Holding	2,833	5,258	3,498
Non-controlling interests	34	35	35
Total equity	2,867	5,293	3,533
Long-term debt	31,661	30,971	31,210
Pensions and similar obligations	853	774	834
Deferred tax liabilities	2,490	2,736	2,498
Other provisions	405	319	397
Total long-term liabilities	35,409	34,800	34,939
Short-term debt	1,682	1,391	1,279
Trade payables	2,423	2,568	2,835
Tax payables	196	209	123
Other liabilities	11,195	10,964	10,461
Other provisions	435	351	435
Liabilities held for sale	25	-	-
Total current liabilities	15,956	15,483	15,133
Total liabilities	51,365	50,283	50,072
Total equity and liabilities	54,232	55,576	53,605

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

These condensed consolidated interim financial statements are unaudited

At 30 June. Amounts in DKK million

	Attributable to owners of ISS Holding					Non-controlling interests	Total equity
	Share capital	Retained earnings	Translation reserve	Hedging reserve	Total		
H1 2009							
Equity at 1 January 2009	100	4,626	(1,047)	(181)	3,498	35	3,533
Total comprehensive income for the period	-	(900)	361	(126)	(665)	10	(655)
Dividends paid	-	-	-	-	-	(11)	(11)
Total changes in equity	-	(900)	361	(126)	(665)	(1)	(666)
Equity at 30 June 2009	100	3,726	(686)	(307)	2,833	34	2,867
H1 2008							
Equity at 1 January 2008	100	5,486	(256)	129	5,459	59	5,518
Total comprehensive income for the period	-	(61)	(198)	58	(201)	4	(197)
Impact from acquired and divested companies, net	-	-	-	-	-	(11)	(11)
Dividends paid	-	-	-	-	-	(17)	(17)
Total changes in equity	-	(61)	(198)	58	(201)	(24)	(225)
Equity at 30 June 2008	100	5,425	(454)	187	5,258	35	5,293

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries/joint ventures and investments in associates as well as from the translation of long-term intra-group balances which are considered an addition to the net assets of subsidiaries/joint ventures, loans in foreign currency and derivatives hedging net investments in foreign subsidiaries/joint ventures.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. The reserve is presented net of the estimated tax effect.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited

1. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements of ISS Holding A/S for the period 1 January - 30 June 2009 comprise ISS Holding 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 IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports.

Except for the changes described below, 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 31 December 2008.

A full description of the Group accounting policies is included in the Annual Report for 2008.

CHANGES IN ACCOUNTING POLICIES

The Group has with effect from 1 January 2009 implemented IAS 1 (revised 2007) "Presentation of Financial Statements", IAS 23 (revised 2007) "Borrowing Costs", IFRS 2, "Share-Based Payment: Vesting Conditions and Cancellations", "amendments to IAS 32 and IAS 1", "amendments to IAS 39", "amendments to IFRS 1 and IAS 27", IFRIC 13 "Customer Loyalty Programmes" and parts of "improvements to IFRSs May 2008". In 2009, IFRIC 15 "Agreement for the Construction of Real Estate", IFRIC 16 "Hedges of Net Investments in a Foreign Operation" and IFRIC 17 "Distribution of Non-cash Assets to Owners" have been approved with different effective dates in the EU than the corresponding effective dates under IASB. Consequently, the Group has early adopted these with effect from 1 January 2009 so that the implementation follows the effective dates under IASB.

The adoption of these Standards and Interpretations did not affect the recognition and measurement. The new Standards and Interpretations only resulted in changes to the presentation and disclosure in the notes. Comparative figures have been adjusted accordingly.

IAS 1 "Presentation of Financial Statements" introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The Group has chosen the latter of the two alternatives. Furthermore, changes in equity resulting from transactions with owners must be presented in a separate statement.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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 31 December 2008.

2. SEASONALITY

The operating margin before other items is typically lower in the first quarter of the year and higher in the third quarter of the year, compared to other quarters. 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. Cash flow from operations becomes increasingly positive throughout the year and is usually highest in the fourth quarter of the year, when revenue recognised in the third quarter of the year is collected.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited

3. SEGMENT REPORTING

Reportable segments

ISS is a global Facility Services company, that operates in more than 50 countries and delivers a wide range of services within the areas cleaning, office support, property services, catering, security and facility management.

Operations are managed based on a geographical structure in which countries are grouped into 7 regions. The regions have been identified based on a key principle of grouping countries that share market conditions and culture.

The segment reporting is prepared in a manner consistent with the Group's internal management and reporting structure. Segment revenue, costs, assets and liabilities comprise items that can be directly referred to the individual segments.

<i>DKK million</i>	Nordic	Western Europe	Eastern Europe	Asia	Latin America	North America	Pacific	Total reportable segments
H1 2009								
Income statement								
Revenue ¹⁾	8,106	19,184	747	1,990	976	1,309	1,726	34,038
Depreciation and amortisation ²⁾	(116)	(224)	(10)	(30)	(11)	(8)	(16)	(415)
Operating profit before other items ³⁾	516	884	41	137	57	70	115	1,820
Other income and expenses, net	(30)	(169)	(1)	(0)	-	-	-	(200)
Integration costs	(2)	(9)	(0)	(3)	(1)	(0)	(2)	(17)
Operating profit ²⁾	484	706	40	134	56	70	113	1,603
Goodwill impairment and write-down	(134)	(550)	-	-	-	-	-	(684)
Amortisation of brands and customer contracts	(122)	(267)	(14)	(27)	(8)	(25)	(21)	(484)
Statement of financial position								
Total assets	13,255	31,033	1,342	2,981	1,204	1,626	2,504	53,945
Additions excluding acquisitions	179	312	8	38	15	5	32	589
Additions from acquisitions, net	31	296	11	235	4	85	16	678
Additions to non-current assets ⁴⁾	210	608	19	273	19	90	48	1,267
Total liabilities	8,937	20,053	836	1,527	993	1,184	1,954	35,484

¹⁾ Segment revenue comprises total revenue of each segment. Due to the nature of the business internal revenue is insignificant and is therefore not disclosed.

²⁾ Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

³⁾ Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

⁴⁾ Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

continues

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited

3. SEGMENT REPORTING (CONTINUED)

<i>DKK million</i>	Nordic	Western Europe	Eastern Europe	Asia	Latin America	North America	Pacific	Total reportable segments
H1 2008								
Revenue ¹⁾	8,506	19,454	787	1,395	858	940	1,803	33,743
Depreciation and amortisation ²⁾	(98)	(226)	(13)	(20)	(8)	(6)	(18)	(389)
Operating profit before other items ³⁾	543	1,124	52	91	50	54	108	2,022
Other income and expenses, net	(12)	(35)	-	(0)	-	-	(2)	(49)
Integration costs	(5)	(12)	(1)	(1)	(2)	(2)	(1)	(24)
Operating profit ²⁾	526	1,078	51	90	48	52	105	1,950
Goodwill impairment and write-down	-	-	-	-	-	-	-	-
Amortisation of brands and customer contracts	(126)	(292)	(16)	(20)	(8)	(20)	(22)	(504)
Statement of financial position								
Total assets	13,815	32,910	1,439	2,149	1,063	1,409	2,848	55,633
Additions excluding acquisitions	121	280	11	28	11	7	19	477
Additions from acquisitions, net	44	523	124	134	55	261	181	1,322
Additions to non-current assets ⁴⁾	165	803	135	162	66	268	200	1,799
Total liabilities	8,322	20,824	975	965	943	1,007	2,340	35,376

¹⁾ Segment revenue comprises total revenue of each segment. Due to the nature of the business internal revenue is insignificant and is therefore not disclosed.

²⁾ Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

³⁾ Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

⁴⁾ Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

Grouping of countries into regions

Nordic:	Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden
Western Europe:	Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, South Africa, Switzerland, Turkey and the United Kingdom
Eastern Europe:	Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia
Asia:	Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand
Latin America:	Argentina, Brazil, Chile, Mexico and Uruguay
North America:	USA and Canada
Pacific:	Australia and New Zealand

continues

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited

3. SEGMENT REPORTING (CONTINUED)

Reconciliations

DKK million

	H1 2009	H1 2008
Revenue		
Revenue for reportable segments	34,038	33,743
Elimination of internal revenue	(16)	(9)
Revenue according to the Consolidated Income Statement	34,022	33,734
Operating profit		
Operating profit for reportable segments	1,603	1,950
Unallocated corporate costs	(121)	(163)
Unallocated other income and expenses, net	(9)	(23)
Operating profit according to the Consolidated Income Statement	1,473	1,764
Unallocated:		
Share of result from associates	3	0
Net finance costs	(1,078)	(1,276)
Profit before tax and goodwill impairment/amortisation of brands and customer contracts according to the Consolidated Income Statement	398	488
Total assets		
Total assets for reportable segments	53,945	55,633
Elimination of internal assets ¹⁾	(23,871)	(19,870)
Unallocated assets ¹⁾	24,158	19,813
Total assets according to the Consolidated Statement of Financial Position	54,232	55,576
Additions to non-current assets ²⁾		
Additions for non-current assets for reportable segments	1,267	1,799
Unallocated additions to non-current assets	15	27
Additions to non-current assets	1,282	1,826
Total liabilities		
Total liabilities for reportable segments	35,484	35,376
Elimination of internal liabilities ³⁾	(23,451)	(19,407)
Unallocated liabilities ³⁾	39,332	34,314
Total liabilities according to the Consolidated Statement of Financial Position	51,365	50,283

¹⁾ Comprise primarily intra group receivables and eliminations hereof.

²⁾ Additions to non-current assets comprise additions to Intangible assets and Property, Plant and Equipment.

³⁾ Comprise primarily intra group payables and eliminations hereof as well as external long-term and short-term debt.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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4. OTHER INCOME AND EXPENSES, NET

DKK million	H1 2009	H1 2008
Gain on divestments	-	5
Other	-	2
Other income	-	7
Restructuring projects	(165)	(28)
Loss on divestments	(5)	(25)
Redundancy and severance payments relating to senior management changes	(27)	(12)
Other	(12)	(14)
Other expenses	(209)	(79)
Other income and expenses, net	(209)	(72)

Other expenses

Restructuring projects in 2009 relate to costs for projects in France, Germany, Spain, Belgium, Denmark and Finland. In France a re-organisation of the organisational setup covering several business units as well as head office was initiated amounting to an estimated DKK 160 million of which DKK 98 million has been expensed at 30 June 2009. In Germany a re-organisation of a business unit including shut-down of two divisions and efficiency improvements was initiated amounting to an estimated DKK 55 million of which DKK 32 million has been expensed at 30 June 2009. In Spain a shut-down of certain project-based activities within the Building Maintenance division was initiated. In Denmark a merger of the route-based back office organisation into the site-based organisation was initiated. In Finland a shut-down of certain project-based activities across several business units was initiated, and in Belgium a margin improvement project covering primarily head office is being implemented. The projects primarily include redundancy costs.

Loss on divestments in 2009 primarily relates to the landscaping activities in Norway. In 2008 the loss mainly related to the divestment of the remaining part of the non-core energy activities in France.

Redundancy and severance payments relating to organisational changes relates to organisational changes carried out by the Group at both corporate level and country management level.

5. GOODWILL IMPAIRMENT AND WRITE-DOWN

DKK million	H1 2009	H1 2008
Impairment	(550)	-
Write-down	(134)	-
Goodwill impairment and write-down	(684)	-

Goodwill impairment of DKK 550 million for the period 1 January - 30 June 2009 relates to ISS France of DKK 450 million and ISS Germany of DKK 100 million. For further description, see note 7, Impairment tests.

The Group has signed an agreement regarding the disposal of ISS's non-strategic landscaping business in Sweden. The assets and liabilities have been classified as held for sale and are presented separately in the balance sheet at the lower of the carrying amount at the date of the classification as "held for sale" and fair value less costs to sell. Assets are not depreciated or amortised from the date when they are classified as held for sale.

As the proceeds on disposal of the business are expected to be lower than the net carrying value of the relevant assets and liabilities a write-down of goodwill and customer contracts of DKK 134 million and DKK 13 million, respectively, has been recognised at 30 June 2009. Subsequent to 30 June 2009 the activities have been sold.

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6. ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

The Group made 20 acquisitions during 1 January - 30 June 2009 (39 during 1 January - 30 June 2008). The total purchase price amounted to DKK 599 million (DKK 1,481 million during 1 January - 30 June 2008). The total annual revenue of the acquired businesses (unaudited approximate figure) is estimated at DKK 918 million (DKK 2,591 million during 1 January - 30 June 2008) based on expectations at the time of acquisition.

The acquisitions (including adjustments to acquisitions in prior years) had the following effect on the Group's assets and liabilities on the acquisition date:

	Total acquisitions			
	Fair value adj.			Recognised values on acquisition
DKK million H1 2009	Pre-acquisition carrying amounts	Current year acq.	Prior year acq.	
Customer contracts	-	151	-	151
Other non-current assets	20	1	6	27
Trade receivables	113	8	(13)	108
Other current assets	34	-	(1)	33
Other provisions	(2)	(9)	(0)	(11)
Pensions, deferred tax liabilities and minorities	(9)	(34)	(4)	(47)
Long-term debt	(2)	(1)	-	(3)
Short-term debt	(18)	2	(2)	(18)
Other current liabilities	(113)	(7)	(5)	(125)
Net identifiable assets and liabilities	23	111	(19)	115
Goodwill			24	511
Acquisition costs, net of tax			(0)	(27)
Purchase price			5	599
Cash and cash equivalents in acquired businesses				(16)
Cash purchase price				583
Changes in deferred payments and earn-outs				169
Changes in prepaid purchase price				(5)
Acquisition costs paid, net of tax				19
Total payments regarding acquisition of businesses				766

In the first six months of 2009 no acquisitions accounted for more than 2% of the Group's revenue on an individual basis. Consequently, all acquisitions are deemed individually immaterial and are therefore shown in aggregate.

Opening balances are recognised in accordance with IFRS 3. At 30 June 2009, certain opening balances have only been provisionally determined. Consequently, fair value adjustments may be recognised against goodwill within 12 months from the acquisition date.

The purchase price of prior years' acquisitions increased by DKK 5 million, mainly due to revised estimates relating to higher earnouts for the acquisitions of Sardunya in Turkey of DKK 40 million, offset mainly by Gastronomía in Spain of DKK 16 million and Carlos Rocha in Spain of DKK 21 million. Furthermore, net assets of prior year's acquisitions were reduced by DKK 19 million relating to various acquisitions. Accordingly, goodwill has been adjusted.

The goodwill recognised on acquisition is attributable mainly to; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes 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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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6. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Acquisition of businesses (continued)

Acquisitions made during 1 January - 30 June 2008 (including adjustments to acquisitions in prior years) had the following effect on the Group's assets and liabilities on the acquisition date:

	Total acquisitions			
	Fair value adj.			Recognised values on acquisition
DKK million H1 2008	Pre-acquisition carrying amounts	Current year acq.	Prior year acq.	
Customer contracts	-	424	1	425
Other non-current assets	98	18	(1)	115
Trade receivables	389	(11)	(5)	373
Other current assets	136	(13)	(0)	123
Other provisions	(7)	(26)	(5)	(38)
Pensions, deferred tax liabilities and minorities	(10)	(97)	4	(103)
Long-term debt	(3)	(1)	1	(3)
Short-term debt	(96)	3	(3)	(96)
Other current liabilities	(303)	(18)	1	(320)
Net identifiable assets and liabilities	204	279	(7)	476
Goodwill			128	1,045
Acquisition costs, net of tax			(0)	(40)
Purchase price			121	1,481
Cash and cash equivalents in acquired businesses				(48)
Cash purchase price				1,433
Changes in deferred payments and earn-outs				(83)
Changes in prepaid purchase price				4
Acquisition costs paid, net of tax				31
Total payments regarding acquisition of businesses				1,385

In the first six months of 2008 no acquisitions accounted for more than 2% of the Group's revenue on an individual basis. Consequently, all acquisitions are deemed individually immaterial and are therefore shown in aggregate.

The purchase price of prior years' acquisitions increased by DKK 121 million in 2008, mainly due to revised estimate relating to earn-outs for the acquisition of Carlos Rocha in Spain of DKK 80 million and Ryvola in the Czech Republic of DKK 23 million. Accordingly, goodwill has been adjusted.

The goodwill recognised on acquisition is attributable mainly to; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes 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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited

6. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Acquisition of businesses (continued)

The 20 acquisitions¹⁾ made by the Group during 1 January - 30 June 2009 are listed below:

Company	Country	Consolidated in the income statement	Percentage interest	Annual revenue ²⁾	Number of employees ²⁾
Industriservice Danmark A/S	Denmark	January	100%	7	13
Vaasan LVI-Huolto	Finland	January	100%	14	13
Mettek Hizmet	Turkey	January	100%	137	2,178
Central Property Services	USA	January	Activities	182	917
Aplytec	Spain	January	100%	13	24
Soumala	Finland	February	100%	19	105
Agria-Ved	Hungary	February	100%	7	25
Karmak	Italy	February	100%	100	412
ECO Servis	Bosnia	February	100%	6	89
Sunparking	Indonesia	February	Activities	107	5,000
Cleansweep	Australia	March	100%	11	24
Paprika Corporate Services	India	March	Activities	5	149
Andrawina	Indonesia	March	Activities	68	1,130
Grossjung	Germany	April	100%	4	6
Barassa	Switzerland	May	Activities	9	7
Godrej HiCare	India	May	100%	61	722
Securiguard	Denmark	May	Activities	24	60
Chubb Security	Ireland	May	100%	134	635
Adelaide Sweeping Services	Australia	May	Activities	5	8
Shielas Corporate Catering	India	June	Activities	5	100
Total				918	11,617

¹⁾ Includes all acquisitions completed prior to 1 July 2009.

²⁾ Unaudited approximate figures based on information available at the time of acquisition.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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6. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Divestment of businesses

The Group made 2 divestments during 1 January - 30 June 2009 (8 during 1 January - 30 June 2008). The total sales price amounted to DKK 3 million (DKK 288 million during 1 January - 30 June 2008). The total annual revenue of the divested businesses (unaudited approximate figure) is estimated to DKK 33 million (DKK 955 million during 1 January - 30 June 2008) based on expectations at the time of divestment.

The divestments (including adjustments to divestments in prior years) had the following effect on the Group's assets and liabilities (carrying amounts) on the divestment date:

<i>DKK million</i>	H1 2009	H1 2008
Goodwill	-	(9)
Other non-current assets	-	(6)
Trade receivables	(2)	(16)
Other current assets	-	(15)
Assets held for sale	-	(619)
Other provisions	-	0
Pensions, deferred tax liabilities and minorities	-	11
Other current liabilities	-	8
Liabilities held for sale	-	351
Net identifiable assets and liabilities	(2)	(295)
Loss/(gain) on divestment of businesses, net	5	20
Divestment costs, net of tax	(0)	(13)
Sales price	3	(288)
Cash and cash equivalents in divested businesses	-	8
Cash sales price	3	(280)
Changes in deferred sales prices and earn-outs	(3)	0
Divestment costs paid, net of tax	1	13
Net proceeds regarding divestment of businesses	1	(267)

Divestments¹⁾ made by the Group during 1 January - 30 June 2009 are listed below:

Company/activity	Country	Excluded from the income statement	Annual revenue ²⁾	Number of employees ²⁾
Asker	Norway	January	31	40
Base Care Ltd.	New Zealand	June	2	5
Total			33	45

¹⁾ Includes all divestments completed prior to 1 July 2009.

²⁾ Unaudited approximate figures based on information available at the time of divestment.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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6. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Pro forma revenue and operating profit

Assuming all acquisitions and divestments during 1 January - 30 June 2009 were included as of 1 January the effect on revenue and operating profit before other items is estimated as follows:

DKK million

Pro forma revenue

	H1 2009	H1 2008
Revenue recognised in the income statement	34,022	33,734
Adjustment, assuming all acquisitions during 1 January - 30 June were included as of 1 January	126	687
Revenue, assuming all acquisitions during 1 January - 30 June were included as of 1 January	34,148	34,421
Adjustment, assuming all divestments during 1 January - 30 June were carried out as of 1 January	(0)	(2)

Revenue, assuming all acquisitions and divestments during 1 January - 30 June were carried out as of 1 January

34,148	34,419
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Pro forma operating profit before other items

Operating profit before other items recognised in the income statement	1,699	1,860
Adjustment, assuming all acquisitions during 1 January - 30 June were included as of 1 January	13	43
Operating profit before other items, assuming all acquisitions during 1 January - 30 June were included as of 1 January	1,712	1,903
Adjustment, assuming all divestments during 1 January - 30 June were carried out as of 1 January	0	0

Operating profit before other items, assuming all acquisitions and divestments during 1 January - 30 June were carried out as of 1 January

1,712	1,903
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Applied assumptions

The adjustment of revenue and operating profit before other items is based on estimates made by local ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the time of such acquisition and divestment 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 and have not been audited. This information does not represent the results the Group would have achieved had the divestments and acquisitions during the period occurred on 1 January. In addition, the information should not be used as the basis for or prediction of any annualised calculation.

The acquiree's profit or loss since the acquisition date

The amount of the acquiree's profit or loss since the acquisition date included in the income statement for the period is not disclosed, since such disclosure is impracticable, as acquired companies are typically merged with (or activities transferred to) existing companies shortly after completion of the acquisition.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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6. ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Acquisitions and divestments subsequent to 30 June 2009

From 1 July to 31 July 2009 the Group made no acquisitions and 1 divestment:

Company/activity	Country	Excluded from the income statement	Percentage interest	Annual revenue ¹⁾	Number of employees ¹⁾
Landscaping	Sweden	July	Activities	356	325
Divestments				356	325

¹⁾ Unaudited approximate figures based on information available at the time of divestment.

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7. IMPAIRMENT TESTS

The Group performs impairment tests on intangibles¹⁾ annually and whenever there is an indication that intangibles may be impaired. The latest impairment tests were carried out as per 31 May 2009 and resulted in recognition of impairment losses of DKK 450 million related to the French business and DKK 100 million related to the German business. As per 30 June 2009 there were no indications of further impairment of intangibles and consequently no impairment tests were performed. This was also the case during the first six months of 2008 where no impairment tests were performed.

The Group's intangibles primarily relate to the purchase price allocation following the take-over of ISS A/S as at 9 May 2005. A part of the Group's intangibles relate to acquisitions carried out after the take-over of ISS A/S as at 9 May 2005. Companies acquired after the take-over comprise a diverse portfolio of service types, customer segments, geographical regions, contract sizes and management skills.

Impairment tests are carried out per country as this represents the lowest level of cash-generating units (CGU) to which the carrying amount of intangibles can be allocated and monitored with any reasonable certainty. This level of allocation and monitoring of intangibles should be seen in the light of the Group's strategy to integrate acquired companies as quickly as possible in order to benefit from synergies.

Acquired companies are typically organisationally integrated and merged with (or activities transferred to) existing Group companies shortly after the completion of the acquisition. Furthermore, synergies and other effects resulting from cooperation with existing Group companies in their geographical or business area normally influence the financial performance of an acquired company. Consequently, after a short period of time, it is generally not possible to track and measure the value of intangibles of the individual acquired companies (or activities) with any reasonable certainty.

As a company based in Europe, the Group assumes the long-term market equity risk premium to be 4.5%. When performing impairment tests for individual CGU's, the risk premium applied may be higher than the Group's. When doing acquisitions the Group typically applies a hurdle rate, which is significantly higher than the calculated cost of capital.

The carrying amount of intangibles as per 30 June 2009 and the key assumptions²⁾ used in the impairment testing as per 31 May 2009 are presented below for CGU's representing more than 3% of the carrying amount of intangibles or where the recoverable amount is close to the carrying amount of intangibles.

	Carrying amount (DKK million)				Applied expected long-term rate		Applied discount rate	
	Goodwill	Brands	Customer contracts	Total intangibles ¹⁾	Growth	Margin	Discount rate, net of tax	Discount rate, pre tax
2009								
France	4,546	301	873	5,720	3.0%	6.7%	9.0%	12.4%
United Kingdom	2,334	168	684	3,186	3.0%	6.8%	9.2%	12.0%
Finland	2,305	120	665	3,090	3.0%	8.2%	9.5%	12.0%
Norway	1,928	120	583	2,631	3.0%	7.5%	10.3%	13.4%
Netherlands	1,942	122	236	2,300	3.0%	6.5%	10.0%	12.5%
Denmark	1,797	131	320	2,248	3.0%	6.7%	9.9%	12.5%
Spain	1,515	90	404	2,009	3.0%	6.5%	9.6%	12.7%
Belgium	1,597	86	333	2,016	3.0%	6.8%	9.2%	12.9%
Australia	1,331	9	292	1,632	3.0%	6.7%	11.2%	15.2%
Switzerland	1,073	50	285	1,408	3.0%	7.7%	8.4%	10.2%
USA	931	1	319	1,251	3.0%	5.8%	8.6%	12.3%
Sweden	934	97	171	1,202	3.0%	6.4%	9.8%	12.5%
Austria	706	49	252	1,007	3.0%	6.4%	9.8%	12.3%
Germany	635	67	95	797	3.0%	4.6%	9.5%	12.3%
Turkey	479	9	96	584	5.0%	7.0%	18.5%	22.3%
Greece	329	8	119	456	3.0%	7.1%	11.2%	14.2%
Ireland	317	16	74	407	3.0%	6.6%	11.4%	12.6%
Czech Republic	204	8	91	303	3.0%	8.1%	12.2%	14.5%
Italy	118	7	81	206	3.0%	9.0%	10.4%	19.8%
New Zealand	145	-	40	185	3.0%	7.0%	11.3%	15.3%
Slovakia	129	5	46	180	3.0%	7.3%	11.6%	13.9%
Mexico	91	-	21	112	4.0%	6.5%	13.6%	17.7%
Other	2,329	94	687	3,110				
Total carrying amount at 30 June 2009	27,715	1,558	6,767	36,040				

¹⁾ In this context intangibles cover the value of goodwill, brands and customer contracts resulting from the acquisition of companies.

²⁾ The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered a forward-looking statement within the meaning of the US Private Securities Litigation Act of 1995 and similar laws in other countries regarding expectations to the future development.

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7. IMPAIRMENT TESTS (CONTINUED)

Estimates used to measure recoverable amount

The recoverable amount of each CGU is determined on the basis of its value-in-use. The value-in-use is established using certain key assumptions as described below. The key assumptions are revenue growth, operating margin (before other items) and discount rates.

Value-in-use cash flow projections are based on financial budgets approved by management covering the following financial year. The operating margin is based on past performance and expectations for the future market development. The assumptions applied in the short to medium term are based on management's expectations regarding the development in growth and operating margin. The terminal growth rates do not exceed the expected long-term average growth rate including inflation for the business in which the CGU's operate.

Uncertainties reflecting historical performance and possible variations in the amount or timing of the future cash flow is reflected in the discount rate.

In determining the country specific discount rates, which are calculated net of tax, a target ratio of 60/40 between the market value of debt and enterprise value is used. A country specific risk premium has been added to the discount rates to reflect the specific risk associated with each CGU.

Impairment test results as per 31 May 2009

The impairment tests as per 31 May 2009 resulted in recognition of impairment losses of DKK 550 million, of which DKK 450 million related to ISS France and DKK 100 million related to ISS Germany. The impairment losses resulted from declining market conditions within certain business activities in which ISS operates, especially the industrial segments, as well as a slight increase in the discount rate applied for ISS Germany.

The impairment tests for ISS France and ISS Germany have been based on business plans prepared by local management applying the assumptions set out below.

Sensitivity analysis

A sensitivity analysis on the key assumptions in the impairment testing as per 31 May 2009 is presented below. The allowed change represents the percentage points by which the value assigned to the key assumption as applied in the expected long-term rate can change, all other things being equal, before the unit's recoverable amount equals its carrying amount.

	Growth		Margin		Discount rate, net of tax	
	Applied expected long-term rate	Allowed decrease	Applied expected long-term rate	Allowed decrease	Applied rate	Allowed increase
2009						
France	3.0%	0.0%	6.7%	0.0%	9.0%	0.0%
United Kingdom	3.0%	>3.0%	6.8%	2.8%	9.2%	>3.0%
Finland	3.0%	1.3%	8.2%	1.4%	9.5%	1.3%
Norway	3.0%	>3.0%	7.5%	2.5%	10.3%	>3.0%
Netherlands	3.0%	0.2%	6.5%	0.2%	10.0%	0.2%
Denmark	3.0%	1.2%	6.7%	1.0%	9.9%	1.2%
Spain	3.0%	1.1%	6.5%	0.9%	9.6%	0.8%
Belgium	3.0%	0.3%	6.8%	0.3%	9.2%	0.2%
Australia	3.0%	1.6%	6.7%	1.2%	11.2%	1.7%
Switzerland	3.0%	>3.0%	7.7%	>3.0%	8.4%	>3.0%
USA	3.0%	0.8%	5.8%	0.7%	8.6%	0.8%
Sweden	3.0%	>3.0%	6.4%	>3.0%	9.8%	>3.0%
Austria	3.0%	0.1%	6.4%	0.1%	9.8%	0.1%
Germany	3.0%	0.0%	4.6%	0.0%	9.5%	0.0%
Turkey	5.0%	0.8%	7.0%	0.5%	18.5%	0.6%
Greece	3.0%	0.8%	7.1%	0.6%	11.2%	0.6%
Ireland	3.0%	0.0%	6.6%	0.0%	11.4%	0.0%
Czech Republic	3.0%	0.1%	8.1%	0.1%	12.2%	0.1%
Italy	3.0%	0.0%	9.0%	0.0%	10.4%	0.0%
New Zealand	3.0%	0.6%	7.0%	0.5%	11.3%	0.7%
Slovakia	3.0%	0.0%	7.3%	0.1%	11.6%	0.2%
Mexico	4.0%	1.3%	6.5%	0.8%	13.6%	1.0%

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8. CONTINGENT LIABILITIES

Senior Facility Agreement

ISS Holding A/S has executed a share pledge over its shares in ISS A/S as security for the Group's senior facilities and a secondary share pledge over such shares as security for the subordinated notes issued by ISS Holding A/S.

ISS A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Australia, Belgium, Denmark, Finland, France, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the USA have provided guarantees for ISS Global A/S's borrowings under the senior facilities. The guarantees have been backed up by security over bank accounts, trade receivables, intra-group receivables, other receivables, properties, production equipment and intellectual property rights of ISS A/S and these subsidiaries. At 30 June 2009, the aggregate approximate values of assets provided as security for the borrowings under the senior facilities were:

<i>DKK billion</i>	30 June 2009	30 June 2008
Goodwill	3.1	4.0
Customer contracts	0.9	1.1
Intellectual property rights	1.6	1.6
Other intangible and tangible assets	0.4	0.4
Trade receivables	3.4	3.3
Other receivables	0.1	0.1
Bank accounts	0.8	0.7
Total	10.3	11.2

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, Switzerland and Turkey have been pledged.

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 in H1 2009 amounted to DKK 1,020 million (DKK 935 million in H1 2008). Assuming the current car fleet etc. is maintained, the future minimum lease payments under operating leases are:

<i>DKK million</i>	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years	Total lease payment
At 30 June 2009	1,337	972	660	412	274	448	4,103
At 30 June 2008	1,219	963	690	436	289	412	4,009

Commitment vehicle leases

On 1 January 2008 the Group extended the global car fleet lease framework agreement for another three year term to 31 December 2010. The framework agreement contains an option for the Group to terminate the fleet of an entire country or the entire fleet under the framework agreement with four weeks notice subject to payment of a termination amount. The majority of the underlying agreements have a duration of 3-5 years. The disclosed contingent liability includes the Group's total leasing commitment assuming no early termination of any agreement.

Guarantee commitments

Indemnity and guarantee commitments at 30 June 2009 amounted to DKK 372 million (30 June 2008: DKK 386 million).

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,491 million (30 June 2008: DKK 1,211 million) of which DKK 1,248 million (30 June 2008: DKK 970 million) were bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

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8. CONTINGENT LIABILITIES (CONTINUED)

Outsourcing of IT

The Group has an IT outsourcing agreement with Computer Sciences Corporation (CSC) running until 2015. The Group's contractual obligations related to the agreement at 30 June 2009 amounted to approximately DKK 51 million (30 June 2008: DKK 62 million).

Divestments

The Group makes provisions for claims from purchasers or other parties in connection with divestments and representations and warranties given in relation to such divestments. Management believes that provisions made at 30 June 2009 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.

Legal proceedings

The Group is party to certain legal proceedings. Management believes that these proceedings (which are to a large extent labour cases incidental to its business) will not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the balance sheet at 30 June 2009.

Furthermore, restructuring projects aiming at adjusting capacity to lower activity have been undertaken across different geographies and service areas. Labour laws especially in Western Europe include restrictions on dismissals and procedural rules to be followed. The procedures applied by ISS could be challenged in certain jurisdictions resulting in liabilities. Management believes that this would not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the balance sheet at 30 June 2009.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited

9. RELATED PARTIES

Parent and ultimate controlling party

The sole shareholder of ISS Holding A/S, ISS Equity A/S, has controlling influence in the Group. The ultimate controlling company of the Group is FS Invest S.à r.l ("FS Invest"), which is 54% owned by funds advised by EQT Partners and 44% owned by funds advised by Goldman Sachs Capital Partners, together The Principal Shareholders.

Key management personnel

Members of the Board of Directors and Executive Group Management

Apart from remuneration and co-investment programmes described below there were no significant transactions with members of the Board of Directors or the Executive Group Management during the first six months of 2009.

Co-investment programmes

The Principal Shareholders have established a Management Participation Programme, under which the Executive Group Management and a number of senior officers of the Group were offered to invest. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest, ISS Holding A/S's ultimate parent. As of 30 June 2009, the investments amounted to DKK 167 million in total for 122 executives and officers. As part of the initial programme - in addition to the investments - certain senior officers were granted warrants in FS Invest with a vesting schedule (based on value of shares and time). As of 30 June 2009, 329,404 warrants were outstanding.

Non-executive members of the Board of Directors (except representatives of the Principal Shareholders) were offered to participate in a Directors Participation Programme, under which they have invested in a mix of shares and warrants of FS Invest amounting to approximately DKK 8.3 million in total. In addition, they have co-invested with the Principal Shareholders for approximately DKK 19.2 million in total.

External directorships and external executive positions of the Group's Board of Directors and Executive Group Management as of 30 June 2009

Board of Directors	Board Member	Executive Position
Ole Andersen (Chairman)	Privathospitalet Hamlet A/S	Senior advisor to EQT Partners
Leif Östling (Vice-Chairman)	Scania AB, AB SKF (Chairman), Svenskt Näringsliv (Confederation of Swedish Enterprise) and Teknikföretagen (The Association of Swedish Engineering Industries)	President and CEO of Scania AB
John Murray Allan	National Grid plc, DSG International plc, Deutsche Lufthansa AG, Deutsche Postbank AG	None
Marcus Brennecke	Kabel Baden-Württemberg, CZV, SAG and CBR	Senior Partner and head of the Munich office of EQT Partners
Peter Korsholm	BTX Group A/S, CaridianBCT Holding Corp and Gambro AB	Partner and Head of the Copenhagen office of EQT Partners
Sanjay Patel	Ahlsell Sverige AB, certain holding companies of Ahlsell Sverige AB, Endemol B.V., Get A/S and Expro International Group Ltd. and companies related to Sigma Electric Manufacturing	Co-head of Private Equity in Europe for Goldman Sachs, Principal Investment Area
Christoph Sander	None	None
Steven Sher	Ahlsell Sverige AB, Edam Acquisitions B.V., I Cooperatief U.A. and certain holding companies of Ahlsell Sverige AB and Endemol B.V.	Managing Director, Goldman Sachs International, Principal Investment Area
Executive Group Management	Board Member	Executive Position
Jørgen Lindegaard	Efsen Engineering A/S	None
Jeff Gravenhorst	None	None
Jakob Stausholm	None	None

continues

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT

These condensed consolidated interim financial statements are unaudited

9. RELATED PARTIES (CONTINUED)

Affiliates

In the period 1 January - 30 June 2009, the Group had the following transactions with affiliates:

- the Group received/paid interest from/to affiliates.
- the Group received/paid joint taxation contribution equal to 25% of taxable income from/to ISS Equity A/S (the ultimate parent company in Denmark).
- the Group and Goldman Sachs have agreed general terms and conditions for the supply of Facility Services to be applied by local ISS operations and local Goldman Sachs affiliates when contracting with each other. ISS in Switzerland, Russia and the United Kingdom have entered into Facility Services agreements with local Goldman Sachs affiliates. The annual revenue from these agreements is estimated at DKK 63 million. Furthermore, the Group have local agreement terms with Goldman Sachs in France, Hong Kong, Ireland, Italy and Singapore. The annual revenue from these agreements is estimated at DKK 7 million.
- the Group and Goldman Sachs have entered into various agreements on provision of financing and banking related services.

All transactions were made on market terms.

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 1 January - 30 June 2009. All transactions were made on market terms.

Other

In addition to the above and except for intra-group transactions, which have been eliminated in the consolidated accounts, there were no material transactions with related parties and shareholders during 1 January - 30 June 2009.

10. SUBSEQUENT EVENTS

Subsequent to 30 June 2009, the Group has made no acquisitions and 1 divestment up until 31 July 2009, see note 6, Acquisition and divestment of businesses. The divestment relates to ISS's landscaping business in Sweden, classified as "held for sale" on 30 June 2009, which was sold on 14 July 2009.

In July 2009 ISS has successfully issued EUR 525 million of new Senior Notes due 2014. The Notes have been issued through ISS Financing Plc, a newly formed special purpose vehicle and the notes are listed on the Luxembourg Stock Exchange. The proceeds from these Notes have been on-lent to ISS Global and were used to settle the completed tender offer for EUR 500 million of the 2010 EMTNs plus accrued interest. The completed tender offer of the 2010 EMTNs results in an accounting loss of approximately DKK 60 million which will be recognised in the Condensed Consolidated Interim Financial Statements of Q3 2009.

Apart from these and the events described in this interim report, the Group is not aware of events subsequent to 30 June 2009, which are expected to have a material impact on the Group's financial position.

Capital Structure

The estimated pro forma information presented below 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 1 July 2008 – 30 June 2009 occurred on 1 July 2008.

For further information and definitions, reference is made to the appendix Capital Structure set out in the ISS Holding A/S Annual Report 2008, which can be downloaded from www.issworld.com.

Pro Forma Adjusted EBITDA

Adjusted EBITDA, as calculated by ISS, represents operating profit before other items plus depreciation and amortisation.

Pro Forma Adjusted EBITDA (amounts in DKK million)	12-month period ended 30 June 2009
Adjusted EBITDA	4,784
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	87
Pro Forma Adjusted EBITDA	4,871

Pro Forma Net Debt

The following table sets forth ISS's Pro Forma Net Debt as of 30 June March 2009 adjusted for certain non-cash accounting items to reflect the principal value of loan liabilities and adjusted for the impact of the July 2009 refinancing.

Pro Forma Net Debt as of 30 June 2009 (amounts in DKK million)	Consolidated as Adjusted, 30 June 2009 ¹⁾	July 2009 Refinancing	Consolidated as adjusted for July 2009 Refinancing
Short-term debt:			
Senior Facilities (including drawings under revolving credit facility):			
Term Facility A	270		270
Acquisition Facilities	124		124
Revolver	932		932
Other short-term debt	240		240
Total short-term debt	1,566		1,566
Long-term debt:			
Senior Facilities:			
Term Facility A	810		810
Term Facility B	13,116		13,116
Acquisition Facilities	3,022		3,022
Euro Medium Term Notes:	7,152	(3,724) ²⁾	3,428
Senior Notes		3,910 ³⁾	3,910
Second Lien Facility	4,468		4,468
8.875% Subordinated Notes due 2016	3,381		3,381
Other long-term debt	212		212
Total long-term debt	32,161		32,347
Total long and short-term debt	33,727		33,913
- Total cash and cash equivalents and securities	(1,938)	173 ⁴⁾	(1,765)
Pro Forma Net Debt	31,789		32,148
Changes in working capital, 1 January - 30 June, 2009	(843)		(843)
Changes in working capital, 1 July, 2008 - 30 June, 2009	(177)		(177)
Seasonality Adjusted Pro Forma Net Debt	30,769		31,128

¹⁾ Adjustments of DKK 499 million were made to reflect the principal value of loan liabilities as of 30 June 2009. The adjustments primarily related to non-cash accounting items such as market price adjustment of EMTNs and unamortised financing fees.

²⁾ Represents the purchase of EUR 500 million in aggregate principal amount of 2010 Euro Medium Term Notes.

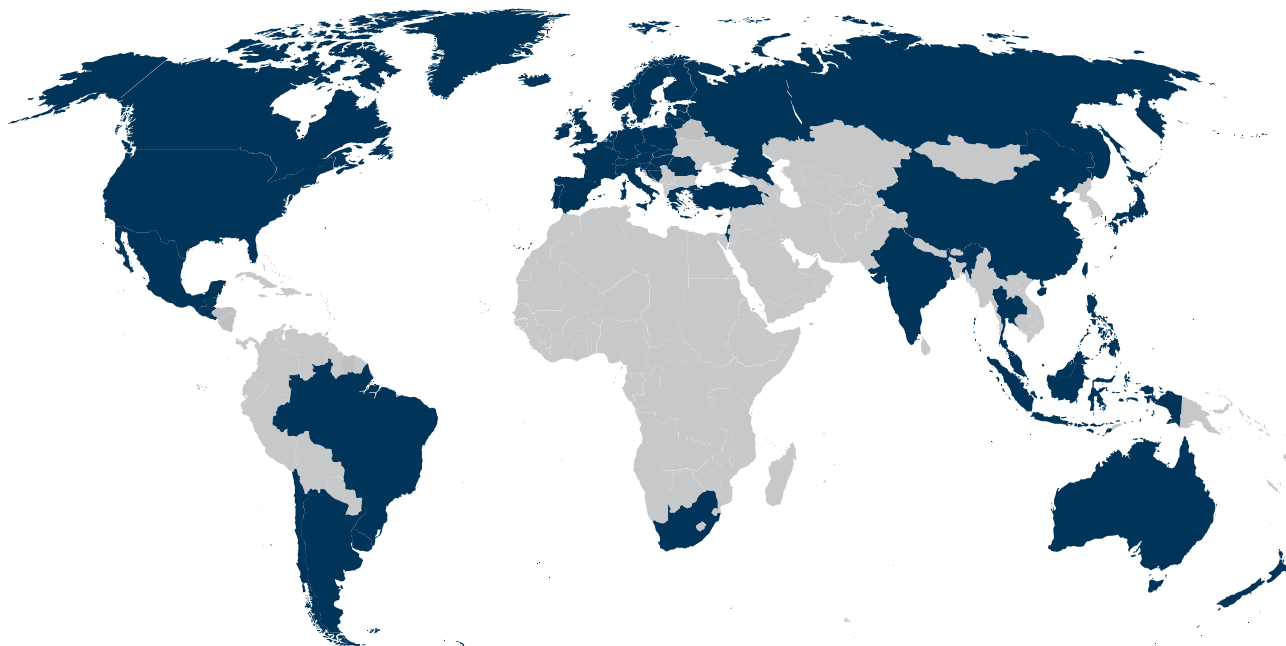
³⁾ In July 2009 ISS has successfully issued EUR 525 million of new Senior Notes due 2014. The Notes have been issued through ISS Financing Plc, a newly formed special purpose vehicle and the Notes are listed on the Luxembourg Stock Exchange. The proceeds from these Notes have been on-lent to ISS Global and were used to settle the completed tender offer for EUR 500 million of the 2010 EMTNs plus accrued interest.

⁴⁾ Represents the net sum of i) transaction fees, ii) accrued interest on EMTN 2010s and iii) cash surplus from issuance on Senior Notes.

Summary of Credit Facilities

Credit Facility	Size (DKK)	Drawdown	Coupon / margin	Repayment	Maturity
Senior Facilities:					
Term Facility A	1,080	SEK, NOK, CHF	+ 200bps	Amortising	30 Jun 2012
Term Facility B	13,116	EUR, GBP	+ 200bps	Two bullets, equal installments	31 Dec 2013
Acquisition Facility A	1,425	Multi Currency	+ 225bps	Amortising / Revolving until May 11 2009	30 Jun 2012
Acquisition Facility B	2,500	Multi Currency	+ 225bps	Two bullets, equal installments / Revolving until May 11 2009	31 Dec 2013
Revolving Credit Facility	2,448	Multi Currency	+ 225bps	Bullet	30 Jun 2012
EMTNs:					
EMTNs due 2010	2,605	EUR	4.75%	Bullet	18 Sep 2010
EMTNs due 2014	823	EUR	4.50%	Bullet	8 Dec 2014
Senior Notes	3,910	EUR	11.00%	Bullet	15 Jun 2014
Second Lien Facility	4,468	EUR	+ 375bps	Bullet	30 Jun 2015
Subordinated Notes	3,381	EUR	8.875%	Bullet	15 May 2016

The ISS representation around the globe



The ISS Group was founded in Copenhagen in 1901 and has since grown to become one of the leading Facility Services companies in the world. ISS offers a wide range of services within the following business areas: Cleaning, Office Support, Property Services, Catering, Security and Facility Management. The ISS Group's revenue amounted to DKK 69 billion in 2008 and ISS now has more than 480,000 employees in over 50 countries across Europe, Asia, North America, South America and Australia, serving more than 200,000 business to business customers every day.