



Company announcement

Copenhagen, 4 May 2016

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INTERIM REPORT FOR THE PERIOD 1 JANUARY – 31 MARCH 2016 SOLID START TO 2016

ISS (ISS.CO, ISS DC, ISSDY), a leading global provider of facility services, announces its interim financial report for the first three months of 2016:

Highlights

- Solid organic revenue growth of 3.7% (Q4 2015: 4.8%).
- Improved operating margin of 4.5% (Q1 2015: 4.4%).
- Strong cash conversion over the last twelve months of 99% (Q4 2015: 99%).
- Profit before amortisation/impairment of acquisition-related intangibles increased to DKK 518 million (Q1 2015: DKK 426 million).
- Net profit increased to DKK 399 million (Q1 2015: DKK 297 million).
- Revenue generated from IFS increased by 11% in local currency (FY 2015: 11%), leading to a total share of 35% of Group revenue (FY 2015: 34%).
- Revenue from Global Corporate Clients increased by 15% in local currencies (FY 2015: 11%) and represents 10% of Group revenue (FY 2015: 10%).
- Strategic initiatives, including sharper focus on key customers, Business Process Outsourcing and the procurement programme, continue to be implemented according to plan and support margin development.
- ISS has once again achieved the highest possible rating, five stars, by the International Association of Outsourcing Professionals (IAOP).
- The 2016 outlook for organic revenue growth, operating margin and cash conversion remains unchanged.

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

"We have had a solid start to the year thanks to our strategic initiatives and attractive offerings. Organic growth ended slightly stronger than anticipated due to relatively strong growth in Continental Europe and Asia & Pacific, driven by high demand for our integrated service solutions and growth from our Global Corporate Clients segment. Significant contract wins and retentions in the quarter included the extension of the multi-service contract with McLaren in the United Kingdom, the win of an IFS contract with Mitsui Fudosan in Taiwan, and major cleaning contracts within the hotel sector in the United Kingdom and with Pittsburgh International Airport in the USA. We continue to improve our margins and delivered significantly improved net profit for the quarter. We do not expect any major pick-up in the macro-economic environment, but we are confident that we can continue to grow and improve and hence deliver on our outlook for the year."

Lord Allen of Kensington Kt CBE
Chairman

Jeff Gravenhorst
Group CEO

Conference call details

A conference call will be held on 4 May 2016 at 10:00 CET.

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

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About ISS

The ISS Group was founded in Copenhagen in 1901 and has grown to become one of the world's leading Facility Services companies. ISS offers a wide range of services such as: Cleaning, Catering, Security, property and Support Services as well as Facility Management. Global revenue amounted to DKK 79.6 billion in 2015 and ISS has approximately 500,000 employees and activities in more than 75 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers. For more information on the ISS Group, visit www.issworld.com.