To Luxembourg Stock Exchange
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ISS A/S

Interim Report January – September 2013

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Key figures and financial ratios

DKK million (unless otherwise stated)	Q3 2013	Q3 2012	1 January - 30 September 2013	1 January - 30 September 2012
KEY FIGURES [1)]				
Income statement				
Revenue	19,143	19,855	58,785	58,935
Operating profit before other items	1,214	1,272	3,097	3,176
EBITDA	1,461	1,455	3,777	3,674
Adjusted EBITDA	1,413	1,490	3,692	3,820
Operating profit	1,262	1,237	3,182	3,030
Financial income	17	7	127	153
Financial expenses	(560)	(640)	(1,827)	(2,095)
Profit before goodwill impairment/amortisation and impairment of brands and customer contracts	326	326	726	429
Net profit/(loss) for the period	(119)	205	12	(92)
Cash flow				
Cash flow from operating activities	932	524	1,248	1,107
Acquisition of intangible assets and property, plant and equipment, net	(180)	(168)	(545)	(539)
Financial position				
Total assets	50,959	58,579	50,959	58,579
Goodwill	23,969	27,076	23,969	27,076
Additions to property, plant and equipment	173	195	525	533
Carrying amount of net debt	24,320	27,581	24,320	27,581
Total equity (attributable to owners of ISS A/S)	4,727	5,765	4,727	5,765
Employees				
Number of employees at 30 September	535,900	535,400	535,900	535,400
Full-time employees, %	74	73	74	73
FINANCIAL RATIOS [1)]				
Growth, %				
Organic growth	5.1	0.6	4.0	1.7
Acquisitions	0.0	0.1	0.0	0.0
Divestments	(3.2)	(1.1)	(1.8)	(2.1)
Currency adjustments	(5.5)	3.6	(2.5)	2.4
Total revenue growth	(3.6)	3.2	(0.3)	2.0
Other financial ratios, %				
Operating margin	6.3	6.4	5.3	5.4
Equity ratio	9.3	9.8	9.3	9.8
Interest coverage	2.6	2.4	2.2	2.0
Cash conversion LTM	109	98	109	98
Basic earnings per share (EPS), DKK	(0.9)	1.9	0.1	(0.9)
Diluted earnings per share, DKK	(0.9)	1.9	0.1	(0.9)
Adjusted earnings per share, DKK	2.4	3.1	5.4	4.1

[1)] See definitions in the Annual Report 2012.

Financial Leverage

	As of and for the 12-month period ended			
DKK million	31 December 2012	31 March 2013	30 June 2013	30 September 2013
Pro Forma Adj. EBITDA	5,253	5,235	5,006	4,986
Carrying amount of net debt	25,955	27,083	25,015	24,320
Seasonality Adj. Carrying amount of net debt	25,955	25,890	23,854	22,459
Carrying amount of net debt / Pro Forma Adj. EBITDA	4.94x	5.17x	5.00x	4.88x
Seasonality Adj. Carrying amount of net debt / Pro Forma Adj. EBITDA	4.94x	4.95x	4.76x	4.50x

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 33-35 of this report for further information on Capital Structure.

ISS A/S ("ISS" or "the Group"), is a holding company, and its primary assets consist of shares in ISS World Services A/S.

For further information about ISS, see ISS's Annual Report 2012, which is available at the Group's website, www.issworld.com.

Business Highlights

In 2013, ISS followed up on the large multinational contract wins in 2012, by winning Integrated Facility Services (IFS) contracts with H.J. Heinz in Europe and Nordea Bank in the Nordic region. Furthermore, ISS received the top ranking by the International Association of Outsourcing Professionals (IAOP). ISS continued to focus on generating profitable organic growth. For the first nine months of 2013, ISS reported an improved organic growth compared with 2012, flat operating margin, a positive net profit and a strong cash conversion.

- Group revenue amounted to DKK 58.8 billion in the first nine months of 2013 compared with DKK 58.9 billion in the same period in 2012. Organic growth amounted to 4.0%, which was offset by the successful divestment of non-core activities amounting to 1.8% and a negative effect from exchange rate movements of 2.5%.

- The organic growth was driven by both developed and emerging markets. Western Europe, Asia, Latin America, North America and Eastern Europe delivered positive organic growth rates, with Asia continuing to report double-digit organic growth. The organic growth was mainly driven by start-ups of the Barclays and Novartis contracts as well as continued strong growth in emerging markets. This was partly offset by challenging macro-economic conditions, particularly in some European countries.

- Operating profit before other items amounted to DKK 3,097 million (2012: DKK 3,176 million) in the first nine months of 2013 and was negatively impacted by both divestments and currency effects. The negative effect from the divestment of the pest control activities in 12 developed markets reduced the operating profit before other items by DKK 58 million and the operating margin by 21 bps for the third quarter compared with the same period in 2012. Adjusted for the impact of the divested pest control activities the operating margin for the third quarter was improved compared with the same period in 2012. The negative effect from exchange rate movements reduced the operating profit before other items by DKK 73 million compared with the same period in 2012. The operating margin (operating profit before other items as a percentage of revenue) was 5.3% for the first nine months of 2013 compared with 5.4% for the same period in 2012. The operating margin was in line with expectations and was positively impacted by margin increases in the Nordic region. This was offset by the strategic divestments of non-core activities as well as the

Operating results

	Revenue			Operating profit before other items			Operating margin [1]	
	DKK million			DKK million				
	YTD 2013	YTD 2012	Change	YTD 2013	YTD 2012	Change	YTD 2013	YTD 2012
Western Europe [2]	29,556	29,224	1 %	1,592	1,614	(1)%	5.4 %	5.5 %
Nordic [3]	12,735	13,144	(3)%	904	910	(1)%	7.1 %	6.9 %
Asia [4]	5,992	5,427	10 %	452	415	9 %	7.5 %	7.6 %
Pacific [5]	3,902	4,498	(13)%	178	226	(21)%	4.6 %	5.0 %
Latin America [6]	2,793	2,863	(2)%	111	128	(13)%	4.0 %	4.5 %
North America [7]	2,612	2,607	0 %	73	93	(22)%	2.8 %	3.6 %
Eastern Europe [8]	1,235	1,197	3 %	75	72	4 %	6.1 %	6.0 %
Other Countries [9]	25	25	-	(1)	(1)	-	(3.5)%	(4.2)%
Corporate / eliminations	(65)	(50)		(287)	(281)	2 %	(0.5)%	(0.5)%
Total	**58,785**	**58,935**	**(0)%**	**3,097**	**3,176**	**(2)%**	**5.3 %**	**5.4 %**
Emerging Markets [10]	13,248	12,478	6 %	793	779	2 %	6.0 %	6.2 %

1) The Group uses Operating profit before other items for the calculation of Operating margin.
2) Western Europe comprises Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom.
3) Nordic comprises Denmark, Finland, Greenland, Iceland, Norway and Sweden.
4) Asia comprises Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand.
5) Pacific comprises Australia and New Zealand.
6) Latin America comprises Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, Uruguay and Venezuela.
7) North America comprises Canada and the USA.
8) Eastern Europe comprises Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia.
9) Other Countries comprises Bahrain, Cayman Islands, Cyprus, Egypt, Morocco, Nigeria, Pakistan, South Africa, South Korea, Ukraine and United Arab Emirates.
10) Emerging Markets comprises Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey.

start-up of multinational IFS contracts and impact from operational challenges in certain countries in Europe and the Americas.

- Profit before goodwill impairment/amortisation and impairment of brands and customer contracts increased to DKK 726 million from DKK 429 million in the first nine months of 2012 driven by an increase in operating profit and lower financial expenses, net.

- The net profit amounted to DKK 12 million in the first nine months of 2013 compared with a loss of DKK 92 million in the first nine months of 2012, positively impacted by an increase in other income and expenses, net, and lower financial expenses, net, which was partly offset by higher non-cash expenses related to goodwill impairment.

- The LTM (last twelve months) cash conversion for September 2013 was 109% as a result of a strong cash flow performance in all regions. Ensuring a strong cash performance continues to be a key priority, and the result reflects the efforts regarding securing payments for work performed and exiting customer contracts with unsatisfactory payment conditions. These efforts led to a decrease in debtor days of around two days compared with 30 September 2012.

- The emerging markets comprising Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey, where we have more than half of our employees, delivered organic growth of 11% and represent 23% of total revenue for the Group. In addition to significantly increasing the Group's organic growth, the emerging markets delivered an operating margin of 6.0% in the first nine months of 2013.

On 7 May 2013, the International Association of Outsourcing Professionals (IAOP) announced that ISS is ranked number one on IAOP's list of the world's leading outsourcing providers – "The Global Outsourcing 100". This underlines that ISS is considered a global, professional and reliable outsourcing partner and is an important milestone in our vision of becoming the world's greatest service organisation.

In 2012, ISS won three new multinational IFS contracts with Barclays, Novartis as well as Citi in Asia-Pacific. These contracts are some of the largest in the history of ISS and represent a significant milestone for ISS in confirming our position as a leading global facility services provider. At the end of September 2013, more than 97% of these contracts are fully operational.

In 2013, these wins have been followed by the win of an IFS contract with H.J. Heinz, an international food producer, throughout Europe including 15 food manufacturing and office locations in 8 countries. ISS will provide catering, cleaning and a wide range of services including property services, reception services and security as part of the new contract. The contract has been started up progressively through 2013. In addition, an IFS contract with Nordea Bank, covering 39 office buildings in the Nordic region, has been won. ISS will provide facility management, property services, cleaning, catering, security and support services.

In addition to the new Global Corporate Clients contracts, several other important contract wins have been secured in the first nine months of 2013 comprising both new contracts and expanding the scope of existing contracts.

In April 2013, ISS refinanced its Second Lien Facility and received strong support from lenders consenting to a three year extension of the predominant part of the company's senior debt, equivalent to DKK 17.1 billion or 92% of the total senior debt. ISS furthermore received consent for the implementation of other

Revenue growth, January - September 2013

	Revenue growth, % [1]					
	Organic	**Acq.**	**Div.**	**Total growth excl. currency**	**Currency**	**Total growth**
Western Europe	5	0	(2)	3	(2)	1
Nordic	0	-	(2)	(2)	(1)	(3)
Asia	15	0	-	15	(5)	10
Pacific	(2)	-	(3)	(5)	(8)	(13)
Latin America	6	-	-	6	(8)	(2)
North America	3	-	0	3	(3)	0
Eastern Europe	4	-	-	4	(1)	3
Other Countries	13	-	-	13	(14)	(1)
Total	4.0	0.0	(1.8)	2.2	(2.5)	(0.3)
Emerging Markets	11	0	-	11	(5)	6

1) For a description of the method applied in calculating organic growth and the other revenue growth components, see ISS's Annual Report 2012, which is available at the Group's website, www.issworld.com.

amendments intended to increase both operational and refinancing flexibility around the use of potential future divestment proceeds as well as certain post-IPO flexibilities.

Following the completed divestment of the pest control activities in 12 developed markets, ISS used the proceeds to execute an excess proceeds offer and a partial redemption of its EUR 581.5 million 8.875% Senior Subordinated Notes due 2016, which was settled on 8 July 2013. Noteholders of an aggregate principal amount of EUR 45.5 million accepted the proceeds offer and an additional aggregate principal amount of EUR 186.5 million was redeemed at a call price of 101.479. The aggregate principal amount of Notes outstanding following this process is EUR 349.5 million.

In August 2013, the securitisation programme was extended with one year to September 2015 and the pricing on the programme was reduced by 25 bps on the interest margin.

The strategic rationale and fit of our business units continue to be reviewed on an on-going basis in the light of The ISS Way strategy, which leads to the identification and evaluation of certain activities that are non-core to The ISS Way strategy. As part of this evaluation, ISS has in the first nine months of 2013 sold the pest control activities in Australia, Austria, Belgium, Denmark, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain and Switzerland for an enterprise value of approximately DKK 2 billion. Furthermore, the Nordic damage control activities have been divested and minor divestments within property service, cleaning, security and support service activities have been completed in Europe and the USA in the first nine months of 2013. The divestments reflect an increased strategic focus in the affected countries resulting in a more focused business platform. At the end of September 2013, we had five businesses classified as held for sale as a result of this on-going review of our business platform. The proceeds from the divestments have and will be used to repay debt, thereby contributing to the continued deleveraging of ISS.

ISS reiterates that an initial public offering remains an option for the Company, and exploratory work is being undertaken. However, no decision has been made.

Financial Review

Western Europe
Revenue in the Western Europe region increased by 1% to DKK 29,556 million (2012: DKK 29,224 million) in the first nine months of 2013 driven by organic growth of 5%. Revenue was reduced by the successful divestment of non-core activities in 2012 and 2013, representing 2% of revenue while currency adjustments decreased revenue by 2%. Operating profit before other items decreased by 1% to DKK 1,592 million (2012: DKK 1,614 million) for an operating margin of 5.4%, down 0.1 percentage point compared with the first nine months of 2012. The margin was influenced by operational challenges in certain countries and the start-up of the Barclays and Novartis contracts following initial investments. Furthermore, the divestment of the margin accretive washroom activities in the Netherlands, Belgium and Luxembourg in 2012 and the pest control activities in certain countries in 2013 had an adverse impact on the margin compared with the same period in 2012.

The development and performance varies across the region with strong performances in countries such as the United Kingdom, Turkey and Switzerland and challenging conditions in the Mediterranean countries, France and the Netherlands. In the Mediterranean countries focus is on ensuring the right customer base, while focus in France and the Netherlands remains on resolving certain structural and operational challenges.

Several countries delivered strong organic growth rates, especially the United Kingdom, Switzerland and Turkey with double digit growth and Germany, Austria and Portugal contributing to the positive development. A slight increase in non-portfolio services has been seen compared with the same period in 2012, however the level of non-portfolio services continues to be at a low level.

Major contract wins and renewals in the third quarter of 2013 included renewal of the large IFS contract with East Coast Mainline in the United Kingdom. Furthermore, Spain have extended and increased the catering contract with the healthcare State Administration in Valencia providing food for patients at 11 hospitals.

Nordic
Revenue in the Nordic region decreased 3% to DKK 12,735 million (2012: DKK 13,144 million) in the first nine months of 2013. Organic growth amounted to 0%. The revenue was reduced by 2% stemming from the successful divestment of non-core activities in 2012 and 2013 while currency adjustments decreased revenue by 1%. Operating profit before other items amounted to DKK 904 million (2012: DKK 910 million), reflecting an operating margin of 7.1% compared with 6.9% in 2012.

The organic growth of 0% is a result of a strong development in Norway which was offset by negative organic growth in Denmark, Finland and Sweden. The organic growth in Norway was driven by increased sales to large IFS customers. The negative organic growth in Denmark, Finland and Sweden was mainly a result of a lower demand for non-portfolio services from a number of large customers and exit of certain contracts in 2012 and 2013.

The increase in the operating margin to 7.1% was a result of a margin increase in Finland due to improvement in the operational performance across most services lines. This was partly offset by a margin decrease in Norway.

Contract wins and extensions in the region in the third quarter of 2013 included a large IFS contract with the Defence Command in Denmark, an extension and expansion of the IFS contract with Vattenfall, whereby ISS now provides services to all nuclear power plants in Sweden and a renewal of a large cleaning and security contract within the retail and wholesale segment in Finland.

Asia

The Asia region delivered a strong performance in the first nine months of 2013. Revenue was DKK 5,992 million (2012: DKK 5,427 million), an increase of 10%, driven by organic growth of 15% while currency adjustments reduced revenue by 5%. Operating profit before other items increased by 9% to DKK 452 million reflecting an operating margin of 7.5%, whereby Asia continued to deliver the highest margin of any ISS region.

Double-digit organic growth rates were seen in several countries with Indonesia being the largest nominal contributor to the organic growth in the region with an organic growth rate of 25%, mainly due to the positive impact from a high level of new sales in Q4 2012 and increases in minimum wages. India, Thailand, Hong Kong and China also continued the positive trends driven by a strong retention of existing customers as well as a high rate of new sales.

The flat operating margin of 7.5% was mainly a result of improved operational performance on certain contracts, primarily in Thailand and Indonesia. This was offset by the start-up of the Barclays contract and the Citi contract in Asia-Pacific which in the short term have impacted the margin negatively as a result of initial investments.

During the third quarter of 2013, ISS China strengthened their portfolio of airport contracts by extending and increasing the cleaning and support service contract with Shenzhen Baoan Airport.

Pacific

Revenue in the Pacific region decreased by 13% to DKK 3,902 million for the first nine months of 2013 (2012: DKK 4,498 million) negatively impacted by currency adjustments of 8%, negative organic growth of 2% and further 3% stemming from the successful divestment of non-core activities in 2013. Operating profit before other items amounted to DKK 178 million (2012: DKK 226 million) equal to an operating margin of 4.6%.

The organic growth was negatively impacted by the loss of some large contracts and a reduction in services delivered on certain contracts in Australia.

The decrease in operating margin of 0.4 percentage point was mainly a result of the divestment of the pest control activities in 2013.

Contract wins and renewals in the third quarter of 2013 included renewal of the large security contract with Melbourne Airport in Australia.

Latin America

Revenue in Latin America was DKK 2,793 million (2012: DKK 2,863 million) in the first nine months of 2013, driven by organic growth of 6%, while currency adjustments decreased revenue by 8%. Operating profit before other items decreased by 13% to DKK 111 million, reflecting an operating margin of 4.0% which was 0.5 percentage point lower than in the first nine months of 2012.

All countries in the region reported positive organic growth rates driven by a continued high level of new sales.

The decrease in operating margin was mainly a result of reduced margin in Uruguay, Mexico and Argentina compared with the first nine months of 2012. In all three countries, efforts to restore the run-rate profitability from our contract portfolio following restructurings are on-going.

Contract wins and extensions in the third quarter of 2013 included a large IFS contract with the international airport in São Paulo, Brazil and an IFS contract with Telefonica in Mexico.

North America

Revenue in the North America region was DKK 2,612 million which is in line with last year (2012: DKK 2,607 million). Revenue was driven by organic growth of 3% partly offset by currency adjustments of 3%. Operating profit before other items in North America amounted to DKK 73 million (2012: DKK 93 million) in the first nine months of 2013, resulting in an operating margin of 2.8%, 0.8 percentage point lower than in the first nine months of 2012.

The organic growth of 3% was primarily driven by the Barclays contract which was started up in September 2012.

The decrease in operating margin was mainly a result of loss of a couple of large contracts combined with the initial investments related to the start-up of several new contracts.

During the third quarter of 2013, ISS won a large cleaning contract with Delta Airlines in the USA.

Eastern Europe

Revenue in Eastern Europe was DKK 1,235 million (2012: DKK 1,197 million) in the first nine months of 2013 driven by organic growth of 4% while currency adjustments decreased revenue by 1%. Operating profit before other items increased to DKK 75 million (2012: DKK 72 million) reflecting an operating margin of 6.1%, 0.1 percentage point higher than in the first nine months of 2012.

Slovenia, Russia and Hungary delivered strong organic growth rates. The organic growth in Slovenia was mainly driven by the start-up of the Novartis contract.

The increase in the operating margin was a result of margin increases in the Czech Republic and Hungary due to strong focus on cost savings. This was partly offset by a margin decrease in Slovenia, partly a result of the start-up of the Novartis contract.

Other income and expenses, net represented a net income of DKK 85 million in the first nine months of 2013 compared with a net expense of DKK 146 million in the same period of 2012. Gain on divestments of DKK 728 million mainly related to the sale of the pest control activities. Costs related to restructuring projects primarily in the United Kingdom, Greece, Brazil, France, Denmark, India, Sweden and Germany amounted to DKK 296 million, costs related to onerous contracts amounted to DKK 139 million and costs related to labour-related claims amounted to DKK 85 million.

Financial income and expenses, net decreased by DKK 242 million, or 12%, to a net expense of DKK 1,700 million in the first nine months of 2013 from DKK 1,942 million in the same period of 2012. The decrease was mainly a result of reduced interest expenses, net of DKK 356 million primarily due to the full redemption of the 11% Senior Notes due 2014 in December 2012, the partial redemption of EUR 232 million 8.875% Senior Subordinated Notes due 2016 in July 2013 and a lower average Net debt partly offset by increased amortisation of financing fees of DKK 64 million primarily caused by the amendment and extension of the Senior Facility as well as the refinancing of the Second Lien Facility.

In the first nine months of 2013, financial income and expenses, net, mainly comprised DKK 1,271 million of net interest expenses, DKK 172 million in non-cash amortisation of financing fees, DKK 164 million in net loss on foreign exchange and DKK 93 million regarding financial fees.

Income taxes amounted to DKK 762 million in the first nine months of 2013 compared with DKK 661 million for the same period in 2012. The effective tax rate in the first nine months of 2013 was 51.2% compared with 60.6% in the same period of 2012, calculated as Income taxes of DKK 762 million divided by the Profit before tax and goodwill impairment / amortisation and impairment of brands and customer contracts of DKK 1,488 million. Rules concerning limitation on the deductibility of financial expenses in Denmark, France and Brazil impacted the tax expense adversely by approximately DKK 145 million in the first nine months of 2013. The limitation is significantly impacted by non-deductible costs related to the 2013 refinancing. The effective tax rate amounted to 41% when adjusted for the impact of the limitation on deductibility of financial expenses. The effective tax rate net of interest limitation is also adversely impacted by tax related to divestments in the first nine months of 2013 and as well as a valuation allowance of deferred tax assets in France following an update of the assumptions in the business plan.

Goodwill impairment amounted to DKK 435 million of which DKK 230 million derived from impairment tests at 30 September 2013 and DKK 205 million derived from divestment of businesses. Impairment losses derived from impairment tests of DKK 230 million related to France following an update of the assumptions in the business plan.

Net profit amounted to DKK 12 million in the first nine months of 2013 compared with a loss of DKK 92 million in the same period of 2012, positively impacted by an increase in other income and expenses, net, and lower financial expenses, net, which was partly offset by higher non-cash expenses related to goodwill impairment.

Cash Flow Statement

Cash flow from operating activities represented a cash inflow of DKK 1,248 million in the first nine months of 2013, an increase of DKK 141 million from a net inflow of DKK 1,107 million in the same period of 2012. This was primarily due to a decrease in cash outflow from changes in working capital of DKK 287 million partly offset by lower operating profit before other items of DKK 128 million adjusted for depreciation and amortisation.

The decrease in cash outflow from changes in working capital compared with the same period last year was primarily due to higher external payables. Partly offsetting this was a cash outflow regarding other external receivables compared with an inflow for the same period last year.

Other expenses paid of DKK 256 million mainly related to restructuring projects initiated and expensed in 2012 and 2013 as well as onerous contracts and build-up of IFS capabilities in North America.

Cash flow from investing activities for the first nine months of 2013 was a net cash inflow of DKK 1,602 million (2012: cash outflow of DKK 626 million). DKK 2,179 million (2012: DKK 10 million) was related to acquisitions and divestments, net mainly due to the divestment of the pest control activities in May 2013. This was partly offset by investments in intangible assets and property, plant and equipment, net, of DKK 545 million (2012: DKK 539 million) representing 0.9% (2012: 0.9%) of revenue, which is in line with last year.

Cash flow from financing activities in the first nine months of 2013 was a net cash outflow of DKK 2,681 million. This was mainly a result of repayment of borrowings of DKK 6,600 million and interest payments, net of DKK 1,142 million. This was partly offset by proceeds from borrowings of DKK 5,063 million. Repayment of borrowings was related to the refinancing of the Second Lien Facility and the Term Loan B and Acquisition Facility B facilities expiring in 2013, as well as the partial redemption (40%) of the 8.875% Senior Subordinated Notes due 2016. Proceeds from borrowings were mainly related to the two new senior tranches of EUR 330 million and USD 350 million, respectively, refinancing the Second Lien Facilities as well as drawings on working capital facilities as a result of the typical seasonality in the first nine months of the year.

Balance Sheet

Total assets amounted to DKK 50,959 million at 30 September 2013 of which DKK 32,227 million represented non-current assets, primarily acquisition-related intangible assets, and DKK 18,732 million represented current assets, primarily trade receivables of DKK 11,143 million.

Intangible assets amounted to DKK 29,509 million at 30 September 2013. The vast majority of intangible assets were acquisition-related intangibles and comprised DKK 23,969 million of goodwill, DKK 3,499 million of customer contract portfolios and related customer relationships and DKK 1,603 million of brands.

Assets and liabilities held for sale amounted to DKK 2,069 million and DKK 874 million, respectively, and include the assets and liabilities attributable to four non-core activities in the Nordic and Western Europe regions, as well as one non-core activity in the Asia region for which sales processes have been initiated.

Total equity amounted to DKK 4,737 million at 30 September 2013, DKK 370 million lower than at 31 December 2012. Total other comprehensive income reduced equity by DKK 380 million. This included negative currency adjustments relating to investments in foreign subsidiaries of DKK 543 million and tax on other comprehensive income of DKK 49 million. This was partly offset by actuarial gain of DKK 136 million and positive fair value adjustment of hedges, net of DKK 76 million. Furthermore, net profit for the period of DKK 12 million had a positive impact on total equity.

Carrying amount of net debt amounted to DKK 24,320 million at 30 September 2013, a decrease of DKK 1,635 million from DKK 25,955 million at 31 December 2012. The decrease in carrying amount of net debt is mainly a result of the divestment of non-core activities during 2013 offset by net debt typically being higher after the first nine months of the financial year than at year-end of the previous year as a result of seasonality in operating cash flow. At 30 September 2013, non-current loans and borrowings was DKK 21,937 million, current loans and borrowings amounted to DKK 6,124 million, currency swaps, securities, cash and cash equivalents totalled DKK 3,645 million while receivable from FS Invest was DKK 96 million.

Divestments

We review the strategic rationale and fit of our business units on an on-going basis consistent with our strategy and customer needs. This process leads to the identification and evaluation of certain activities that are non-core to The ISS Way strategy, some of which were divested in 2010-2012.

In the first nine months of 2013, we sold the pest control activities in Australia, Austria, Belgium, Denmark, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain and Switzerland for an enterprise value of approximately DKK 2 billion. Furthermore, the Nordic damage control activities have been divested and minor divestments within property service, cleaning, security and support service activities have been completed in Europe and the USA in the first nine months of 2013.

At 30 September 2013, five business units had been classified as held for sale, comprising net assets of DKK 1.2 billion.

We will continue the evaluation of our activities in light of accelerating The ISS Way strategy to ensure that our core businesses remain in focus.

The divestments completed in the first nine months of 2013 resulted in an impairment loss on goodwill of DKK 205 million.

Refinancing

On 2 April 2013, ISS announced that it had successfully received commitment for the refinancing of its EUR 600 million Second Lien Facility and received strong support from lenders consenting to an extension of the predominant part of the company's senior debt, resulting in approximately DKK 17.1 billion of ISS's debt being extended with three years to either December 2017 or April 2018.

Consent was obtained to all requested amendments well in excess of the required majority, including implementing other amendments intended to increase both operational and refinancing flexibility around the use of potential future divestment proceeds as well as certain post-IPO flexibilities. As a consequence of the refinancing, unamortised financing fees of DKK 89 million were expensed in April 2013. The new tranches refinancing the EUR 600 million Second Lien Facility were oversubscribed multiple times and were split between two new senior tranches of EUR 330 million and USD 350 million, respectively. The refinancing of the Second Lien Facilities and the extension of the relevant facilities was completed on 22 April 2013.

Following the completed divestment of certain pest control activities, on 3 June 2013 ISS initiated an excess proceeds offer and a conditional partial redemption of its EUR 581.5 million 8.875% Senior Subordinated Notes due 2016. Noteholders of an aggregate principal amount of EUR 45.5 million accepted the offer and an additional aggregate principal amount of EUR 186.5 million was redeemed at a call price of 101.479. The transaction was settled on 8 July 2013 leaving an aggregate principal amount of EUR 349.5 million of Notes outstanding. As a consequence, a call premium of DKK 21 million and unamortised financing fees of DKK 16 million were expensed in June 2013.

In August 2013, the securitisation programme was extended with one year to September 2015 and the pricing on the programme was reduced by 25 bps on the interest margin.

Following the above-mentioned extensions, ISS has no significant short-term financing maturities. For further information, see the Capital Structure on pages 33–35 of this report.

Financial Leverage

Pro Forma Adjusted EBITDA for the 12 months period ended 30 September 2013 amounted to DKK 4,986 million. Carrying amount of net debt amounted to DKK 24,320 million at 30 September 2013, which is a decrease compared with 30 September 2012 of DKK 3,261 million mainly driven by divestment of non-core activities during 2012 and 2013. The calculation of these figures is prepared according to the principles described in the Capital Structure on pages 33–35 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), fixed-rate bonds and securitisation debt. The bank loans and securitisation debt 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. Including the interest rate hedges, 67% of ISS's net debt carried fixed interest rates while 33% carried floating interest rates at 30 September 2013, and the interest rate duration of the total debt was 1.1 year.

Management Changes

On 7 March 2013, ISS announced that Leif Östling, deputy chairman of the Board of Directors, had decided to leave the board. At the same time, ISS announced that Lord Allen of Kensington CBE and Thomas Berglund had been elected new members of the Board of Directors. Furthermore, on 3 April 2013, ISS announced that Michel Combes had decided to resign from the Board of Directors.

On 31 May 2013, ISS announced that the majority owners of ISS, Goldman Sachs and EQT Partners, had changed their representatives, implying that Steven Sher and Harry Klagsbrun were replaced by Andrew E. Wolff and Morten Hummelmose, respectively.

On 21 August 2013, ISS announced that Ole Andersen, Chairman of the Board of Directors, had decided to resign as chairman and leave the board. Lord Allen was elected new Chairman of the Board of Directors. Furthermore, ISS announced that Henrik Poulsen had been elected new member of the Board of Directors.

On 20 March 2013, ISS announced two key appointments strengthening the Executive Group Management Board. Henrik Andersen was appointed to the new position of Group Chief Operating Officer (COO) EMEA. Heine Dalsgaard was appointed Group Chief Financial Officer (CFO) and replaced Henrik Andersen in August 2013. Furthermore, on 8 July 2013 ISS announced that it was further strengthening and expanding the Executive Group Management Board by appointing John Peri as Group Chief Operating Officer (COO) Americas and Asia Pacific. The appointments allow ISS to further align the organisation and focus deeper on the markets in which ISS operates.

Outlook

This section should be read in conjunction with "Forward-looking statements" as shown in the table on page 10.

The outlook for 2013 is based on a mixed global macroeconomic outlook with continued strong growth in emerging markets combined with weak growth and difficult macroeconomic conditions in large parts of Europe, including the uncertainty surrounding current and future austerity measures.

In 2013, we had a solid start following the wins of several large IFS contracts in 2012. The organic growth in Q4 is expected to be lower than previous quarters as most of our large IFS contracts were operational in Q4 2012. Combined with the underlying business development, we expect to realise above 3% organic growth in 2013.

The divestment of the margin accretive pest control activities in 12 developed markets in May 2013 has been followed by restructuring activities to align the cost structures in the impacted countries. We expect a negative impact on the operating margin from these divestments of around 0.2 percentage point for the Group on an annualised basis. As a result the operating margin for 2013 is expected to be slightly lower than the level realised in 2012. Cash conversion is expected to be maintained above 90%.

Subsequent Events

Subsequent to 30 September 2013, the Group has in October completed the sale of the landscaping activities in Norway.

Apart from the above and the events described in this Interim Report, the Group is not aware of events subsequent to 30 September 2013, which are expected to have a material impact on the Group's financial position.

Financial Calendar

Annual report 2013	12 March 2014

Presentation

A presentation regarding the interim results 1 January – 30 September 2013 will be held on Tuesday 12 November 2013 at 14:00 CET (13:00 GMT time).

The presentation is available on live audio webcast. If you wish to view the presentation, please visit:

http://inv.issworld.com/events.cfm

The webcast can also be accessed through a conference call. The telephone numbers for the conference are listed below. You will be asked for your name and will then be able to listen to the call.

+45 35 44 55 80 (Denmark)
+44 203 364 5374 (UK)
+1 855 753 2230 (US)

Forward-looking statements
This report contains forward-looking statements including, but not limited to, the statements and expectations contained in the Outlook section on page 9. 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 2012 of ISS A/S and other information made available by ISS.

As a result, you should not rely on these forward-looking statements. ISS undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

The Annual Report 2012 of ISS A/S is available at the Group's website, www.issworld.com.

Management Statement

COPENHAGEN, 12 November 2013

The Board of Directors and the Executive Group Management Board have today discussed and approved the interim report of ISS A/S for the period 1 January – 30 September 2013.

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 assets, liabilities and financial position at 30 September 2013 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 September 2013.

Furthermore, in our opinion the Management Review gives a fair review of the development and performance of the Group's activities and of the Group's result for the period and 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 BOARD

Jeff Gravenhorst
Group Chief Executive Officer

Henrik Andersen
Group Chief Operating Officer EMEA

Heine Dalsgaard
Group Chief Financial Officer

John Peri
Group Chief Operating Officer Americas and Asia Pacific

BOARD OF DIRECTORS

Lord Allen of Kensington CBE
Chairman

Thomas Berglund

Jennie Chua

Morten Hummelmose

Henrik Poulsen

Jo Taylor

Andrew E. Wolff

Pernille Benborg [1)]

Palle Fransen Queck [1)]

Joseph Nazareth [1)]

[1)] Employee representative

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Condensed Consolidated Interim Financial Statements for ISS A/S

Condensed consolidated income statement

1 January – 30 September

DKK million	Note	Q3 2013	Q3 2012	YTD 2013	YTD 2012
Revenue	4	**19,143**	**19,855**	**58,785**	**58,935**
Staff costs		(12,384)	(12,915)	(38,855)	(38,813)
Consumables		(1,687)	(1,676)	(5,217)	(5,064)
Other operating expenses		(3,659)	(3,774)	(11,021)	(11,238)
Depreciation and amortisation [1)]		(199)	(218)	(595)	(644)
Operating profit before other items [2)]		**1,214**	**1,272**	**3,097**	**3,176**
Other income and expenses, net	5	48	(35)	85	(146)
Operating profit [1)]	4	**1,262**	**1,237**	**3,182**	**3,030**
Share of result from associates and joint ventures		4	1	6	2
Financial income		17	7	127	153
Financial expenses		(560)	(640)	(1,827)	(2,095)
Profit before tax and goodwill impairment/ amortisation and impairment of brands and customer contracts		**723**	**605**	**1,488**	**1,090**
Income taxes [3)]		(397)	(279)	(762)	(661)
Profit before goodwill impairment/ amortisation and impairment of brands and customer contracts		**326**	**326**	**726**	**429**
Goodwill impairment	6	(347)	(9)	(435)	(172)
Amortisation and impairment of brands and customer contracts		(130)	(160)	(391)	(479)
Income tax effect [4)]		32	48	112	130
Net profit/(loss) for the period		**(119)**	**205**	**12**	**(92)**
Attributable to:					
Owners of ISS A/S		(119)	204	10	(95)
Non-controlling interests		-	1	2	3
Net profit/(loss) for the period		**(119)**	**205**	**12**	**(92)**
Earnings per share:					
Basic earnings per share (EPS), DKK		(0.9)	1.9	0.1	(0.9)
Diluted earnings per share, DKK		(0.9)	1.9	0.1	(0.9)
Adjusted earnings per share, DKK [5)]		2.4	3.1	5.4	4.1

1) Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.
2) Excluding Other income and expenses, net, Goodwill impairment and Amortisation and impairment of brands and customer contracts.
3) Excluding tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.
4) Income tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.
5) Calculated as Profit before goodwill impairment/amortisation and impairment of brands and customer contracts divided by the average number of shares (diluted).

Condensed consolidated statement of comprehensive income

1 January – 30 September

DKK million	Q3 2013	Q3 2012	YTD 2013	YTD 2012
Net profit/(loss) for the period	**(119)**	**205**	**12**	**(92)**
Other comprehensive income				
Items not to be reclassified to the income statement in subsequent periods:				
Actuarial gains/(losses)	-	-	136	(328)
Tax	-	-	(30)	75
	-	**-**	**106**	**(253)**
Items to be reclassified to the income statement in subsequent periods:				
Foreign exchange adjustments of subsidiaries and non-controlling interests	(155)	61	(543)	348
Fair value adjustment of hedges, net	(16)	(84)	14	(92)
Fair value adjustment of hedges, net, transferred to Financial expenses	20	55	62	33
Tax	(1)	-	(19)	-
	(152)	**32**	**(486)**	**289**
Total other comprehensive income	**(152)**	**32**	**(380)**	**36**
Total comprehensive income for the period	**(271)**	**237**	**(368)**	**(56)**
Attributable to:				
Owners of ISS A/S	(272)	235	(370)	(59)
Non-controlling interests	1	2	2	3
Total comprehensive income for the period	**(271)**	**237**	**(368)**	**(56)**

Condensed consolidated statement of cash flows

1 January – 30 September

DKK million	Note	Q3 2013	Q3 2012	YTD 2013	YTD 2012
Operating profit before other items	4	1,214	1,272	3,097	3,176
Depreciation and amortisation		199	218	595	644
Changes in working capital		(194)	(700)	(1,458)	(1,745)
Changes in provisions, pensions and similar obligations		(62)	(34)	(101)	(146)
Other expenses paid		(68)	(65)	(256)	(212)
Income taxes paid		(157)	(167)	(629)	(610)
Cash flow from operating activities		**932**	**524**	**1,248**	**1,107**
Acquisition of businesses	7	(8)	(12)	(12)	(39)
Divestment of businesses	7	341	(23)	2,191	49
Acquisition of intangible assets and property, plant and equipment		(198)	(185)	(628)	(621)
Disposal of intangible assets and property, plant and equipment		18	17	83	82
(Acquisition)/disposal of financial assets		(4)	(8)	(12)	(97)
Loan to FS Invest S.à r.l		(12)	-	(20)	-
Cash flow from investing activities		**137**	**(211)**	**1,602**	**(626)**
Proceeds from borrowings		(24)	35	5,063	891
Repayment of borrowings		(1,761)	(138)	(6,600)	(864)
Interest received		29	(29)	91	89
Interest paid		(353)	(268)	(1,233)	(1,463)
Proceeds from issuance of share capital		-	3,708	-	3,708
Non-controlling interests		(1)	(3)	(2)	(3)
Cash flow from financing activities		**(2,110)**	**3,305**	**(2,681)**	**2,358**
Total cash flow		**(1,041)**	**3,618**	**169**	**2,839**
Cash and cash equivalents at the beginning of the period		4,699	3,294	3,528	4,037
Total cash flow		(1,041)	3,618	169	2,839
Foreign exchange adjustments		(50)	17	(89)	53
Cash and cash equivalents at 30 September		**3,608**	**6,929**	**3,608**	**6,929**

Condensed consolidated statement of financial position

DKK million	Note	30 September 2013	30 September 2012	31 December 2012
Assets				
Intangible assets	6, 8	29,509	33,621	31,969
Property, plant and equipment		1,707	1,986	1,887
Investments in associates and joint ventures		5	9	11
Deferred tax assets		589	568	550
Other financial assets		417	401	427
Non-current assets		**32,227**	**36,585**	**34,844**
Inventories		282	361	312
Trade receivables		11,143	12,305	11,433
Contract work in progress		51	128	72
Tax receivables		185	226	207
Other receivables		656	358	585
Prepayments		722	713	622
Securities		16	17	16
Cash and cash equivalents		3,608	6,929	3,528
Assets classified as held for sale	9	2,069	957	2,269
Current assets		**18,732**	**21,994**	**19,044**
Total assets		**50,959**	**58,579**	**53,888**
Equity and liabilities				
Total equity attributable to owners of ISS A/S		4,727	5,765	5,097
Non-controlling interests		10	10	10
Total equity		**4,737**	**5,775**	**5,107**
Loans and borrowings		21,937	28,121	24,011
Pensions and similar obligations	12	1,190	1,430	1,433
Deferred tax liabilities		1,601	1,837	1,755
Provisions		417	347	352
Non-current liabilities		**25,145**	**31,735**	**27,551**
Loans and borrowings		6,124	6,475	5,607
Trade payables		2,915	2,859	3,669
Tax payables		587	424	339
Other liabilities		10,315	10,691	10,657
Provisions		262	217	225
Liabilities classified as held for sale	9	874	403	733
Current liabilities		**21,077**	**21,069**	**21,230**
Total liabilities		**46,222**	**52,804**	**48,781**
Total equity and liabilities		**50,959**	**58,579**	**53,888**

Condensed consolidated statement of changes in equity

1 January – 30 September

DKK million	Attributable to owners of ISS A/S							
YTD 2013	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-con-trolling interests**	**Total equity**
Equity at 1 January	135	11,430	(6,823)	365	(94)	5,013	10	5,023
Change in accounting policy due to implementation of IAS19 (2011)	-	-	84	-	-	84	-	84
Adjusted equity at 1 January	**135**	**11,430**	**(6,739)**	**365**	**(94)**	**5,097**	**10**	**5,107**
Comprehensive income for the period								
Net profit/(loss) for the period	**-**	**-**	**10**	**-**	**-**	**10**	**2**	**12**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	(543)	-	(543)	(0)	(543)
Fair value adjustment of hedges, net	-	-	-	-	14	14	-	14
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	-	62	62	-	62
Actuarial gains/(losses)	-	-	136	-	-	136	-	136
Tax on other comprehensive income	-	-	(30)	-	(19)	(49)	-	(49)
Total other comprehensive income	**-**	**-**	**106**	**(543)**	**57**	**(380)**	**(0)**	**(380)**
Total comprehensive income for the period	**-**	**-**	**116**	**(543)**	**57**	**(370)**	**2**	**(368)**
Transactions with owners								
Dividends paid	-	-	-	-	-	-	(2)	(2)
Total transactions with owners	-	-	-	-	-	-	**(2)**	**(2)**
Total changes in equity	**-**	**-**	**116**	**(543)**	**57**	**(370)**	**(0)**	**(370)**
Equity at 30 September	**135**	**11,430**	**(6,623)**	**(178)**	**(37)**	**4,727**	**10**	**4,737**

Dividends

No dividends have been proposed or declared.

Condensed consolidated statement of changes in equity

1 January – 30 September

DKK million	Attributable to owners of ISS A/S							
YTD 2012	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-controlling interests**	**Total equity**
Equity at 1 January	100	7,772	(5,947)	177	(32)	2,070	12	2,082
Change in accounting policy due to implementation of IAS19 (2011)	-	-	58	-	-	58	-	58
Adjusted equity at 1 January	**100**	**7,772**	**(5,889)**	**177**	**(32)**	**2,128**	**12**	**2,140**
Comprehensive income for the period								
Net profit/(loss) for the period	**-**	**-**	**(95)**	**-**	**-**	**(95)**	**3**	**(92)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	348	-	348	0	348
Fair value adjustment of hedges, net	-	-	-	-	(92)	(92)	-	(92)
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	-	33	33	-	33
Actuarial gains/(losses)	-	-	(328)	-	-	(328)	-	(328)
Limitation to interest deduction	-	-	-	-	(15)	(15)	-	(15)
Tax on other comprehensive income	-	-	75	-	15	90	-	90
Total other comprehensive income	**-**	**-**	**(253)**	**348**	**(59)**	**36**	**-**	**36**
Total comprehensive income for the period	**-**	**-**	**(348)**	**348**	**(59)**	**(59)**	**3**	**(56)**
Transactions with owners								
Share issue	20	3,673	-	-	-	3,693	-	3,693
Bonus shares	15	-	(15)	-	-	-	-	-
Impact from acquired and divested companies, net	-	-	-	-	-	-	(1)	(1)
Dividends paid	-	-	-	-	-	-	(4)	(4)
Share-based payments	-	-	3	-	-	3	-	3
Total transactions with owners	**35**	**3,673**	**(12)**	**-**	**-**	**3,696**	**(5)**	**3,691**
Total changes in equity	**35**	**3,673**	**(360)**	**348**	**(59)**	**3,637**	**(2)**	**3,635**
Equity at 30 September	**135**	**11,445**	**(6,249)**	**525**	**(91)**	**5,765**	**10**	**5,775**

Dividends

No dividends have been proposed or declared.

Notes to the condensed consolidated financial statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements of ISS A/S for the period 1 January - 30 September 2013 comprise ISS A/S and its subsidiaries (together referred to as "the Group"), associates and joint ventures.

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. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

Except as 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 at and for the year ended 31 December 2012. A full description of the Group's accounting policies is included in the consolidated financial statements for 2012.

CHANGES IN ACCOUNTING POLICIES

With effect from 1 January 2013, the Group has implemented Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income", Amendments to IFRS 7 "Financial Instrument Disclosures", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IFRS 13 "Fair Value Measurement", IAS 19 (2011) "Employee Benefits" and Annual Improvements to IFRSs 2009-2011.

IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard impacted the Group by replacing proportionate consolidation of the Group's joint ventures with the equity method of accounting. The implementation did not have a material impact on the Group's condensed consolidated financial statements.

The amendments to IAS 19 resulted in interest income no longer being calculated and recognised in the income statement on the basis of the expected return on plan assets, but instead by using the applied liability discount rate. Furthermore, risk sharing between the Group and the plan participants has been changed. Comparative figures have been restated and the impact on Equity is shown in the condensed consolidated statement of changes in equity. The implementation did not have a material impact on the Group's condensed consolidated financial statements.

IFRS 13 changes the principles for calculation of fair value of financial and non-financial assets and liabilities and introduces a number of new disclosure requirements. The Group already complies with the fair value calculation principles. Consequently, the new standard will only impact disclosure requirements for the Group.

Except for IFRS 11 and IAS 19, the adoption of these Standards and Interpretations did not affect recognition and measurement in the first nine months of 2013.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of 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.

During the first nine months of 2013, management has changed judgements and estimates relating to the following:

* Onerous contracts (see note 5)
* Exceptional impairment losses on receivables (see note 5)
* Value in use of certain intangible assets (see note 6)
* Deferred tax assets, where a reassessment of the tax assets has lead to an increase in the valuation allowance of DKK 115 milion
* Reclassification of disposal groups as held-for-sale (see note 9)
* Reclassification of disposal groups that no longer meet the criteria as held-for-sale to held-for-use (see note 9)

Except for the above, in preparing these condensed consolidated interim financial statements, 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 at and for the year ended 31 December 2012.

NOTE 3 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 with 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.

NOTE 4 SEGMENT INFORMATION

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 services, support services, property services, catering services, security services and facility management services.

Operations are generally managed based on a geographical structure in which countries are grouped into seven regions. The regions have been identified based on a key principle of grouping countries that share market conditions and cultures. However, countries with newly established activities managed by the central Corporate Clients organisation are excluded from the geographical segments and combined in a separate segment called "Other countries".

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.

DKK million	Western Europe	Nordic	Asia	Pacific	Latin America	North America	Eastern Europe	Other countries	Total reportable segments
YTD 2013									
Revenue [1]	29,556	12,735	5,992	3,902	2,793	2,612	1,235	25	**58,850**
Operating profit before other items [2]	1,592	904	452	178	111	73	75	(1)	**3,384**
Operating profit [3]	1,566	896	450	671	87	(38)	72	(1)	**3,703**
Total assets	30,065	14,843	4,339	2,894	1,604	1,823	1,298	8	**56,874**
Total liabilities	20,996	8,873	1,825	1,839	1,869	1,004	537	5	**36,948**
YTD 2012									
Revenue [1]	29,224	13,144	5,427	4,498	2,863	2,607	1,197	25	**58,985**
Operating profit before other items [2]	1,614	910	415	226	128	93	72	(1)	**3,457**
Operating profit [3]	1,543	936	412	224	89	56	72	(1)	**3,331**
Total assets	30,518	14,808	4,453	3,733	2,010	1,867	1,294	7	**58,690**
Total liabilities	21,232	8,984	1,936	2,852	1,798	889	549	6	**38,246**

Transactions between reportable segments are made on market terms.

[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 Other income and expenses, net, Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[3] Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.

Grouping of countries into regions

Western Europe:	Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom
Nordic:	Denmark, Finland, Greenland, Iceland, Norway and Sweden
Asia:	Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand
Pacific:	Australia and New Zealand
Latin America:	Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, Uruguay and Venezuela
North America:	Canada and the USA
Eastern Europe:	Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia
Other countries:	Bahrain, Cayman Islands, Cyprus, Egypt, Morocco, Nigeria, Pakistan, South Africa, South Korea, Ukraine and United Arab Emirates

NOTE 4 SEGMENT INFORMATION (CONTINUED)

Reconciliation of operating profit

DKK million	YTD 2013	YTD 2012
Operating profit for reportable segments	3,703	3,331
Unallocated corporate costs	(287)	(279)
Unallocated other income and expenses, net	(234)	(22)
Operating profit according to the income statement	**3,182**	**3,030**

NOTE 5 OTHER INCOME AND EXPENSES, NET

DKK million	YTD 2013	YTD 2012
Gain on divestments	728	38
Other	4	-
Other income	**732**	**38**
Restructuring projects	(296)	(67)
Onerous contracts	(139)	-
Labour-related claims	(85)	-
Build-up of IFS capabilities in North America	(38)	(38)
Loss on divestments	(40)	(30)
Other	(49)	(49)
Other expenses	**(647)**	**(184)**
Other income and expenses, net	**85**	**(146)**

Gain on divestments in 2013 mainly related to sale of the pest control activities in 12 countries. In 2012, the income mainly related to sale of Reaktorskolen AS in Norway, the governmental outplacing services in Norway.

Restructuring projects in 2013 amounted to DKK 296 million and related to structural adjustments mainly in the United Kingdom, Greece, Brazil, France, Denmark, India, Sweden and Germany. The restructuring projects include cost reductions to make ISS more efficient going forward and primarily comprise redundancy payments, termination of leaseholds and relocation costs, exceptional provisions for impairment losses on receivables as well as redundancy and severance payments relating to senior management changes. In 2012, costs amounted to DKK 67 million and mainly related to structural adjustments in the Netherlands and France, consolidation of office locations and other effenciency improvements in Norway as well as redundancy and severance payments relating to senior management changes.

Onerous contracts related to estimated losses on contracts which were entered into in previous years. Following recent developments it is not considered probable that the contracts will be profitable over the lifetime. The estimated losses amount to DKK 139 million.

Labour-related claims amounted to DKK 85 million and consists of claims on specific contracts related to previous years.

Build-up of IFS capabilities in North America comprised costs incurred in relation to the strategic build-up of the IFS platform to support and deliver on major contracts in the USA.

NOTE 6 GOODWILL IMPAIRMENT

DKK million	YTD 2013	YTD 2012
Impairment losses derived from impairment tests	230	-
Impairment losses derived from divestment of businesses	205	172
Goodwill impairment	**435**	**172**

Impairment tests

The Group performs impairment tests on intangibles[1)] annually and whenever there is an indication that intangibles may be impaired. The annual impairment test is performed as per 31 December based on financial budgets approved by management covering the following financial year.

At 30 September 2013, the Group performed a review for indications of impairment of the carrying amount of intangibles. The review resulted in an impairment loss of DKK 230 million related to France following an update of the assumptions in the business plan.

[1)] Intangibles cover the value of goodwill, brands and customer contracts.

Impairment losses derived from divestment of businesses

In 2013, impairment losses derived from divestment of businesses of DKK 205 million mainly related to the divestment of the security activities in the Netherlands, resulting in a loss of DKK 81 million and the divestment of certain landscaping activities in the USA, resulting in a loss of DKK 48 million. The remaining loss related to the divestment of minor non-core activities in Italy, Austria and Belgium, resulting in a total loss of DKK 76 million. In 2012, the impairment loss of DKK 172 million related to remeasurement of net assets of the office support activities in France, which were subsequently sold.

NOTE 7 ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

The Group made one acquisition during 1 January - 30 September 2013 (one during 1 January - 30 September 2012). The acquisition as well as adjustments relating to prior years' acquisitions had the following impact on the Group's consolidated financial statements at the reporting date:

DKK million	YTD 2013			YTD 2012		
	Lloyd Outsourcing, S.L.	**Adjustments to prior years' acquisitions**	**Total acquisitions**	**SBA Co. Ltd**	**Adjustments to prior years' acquisitions**	**Total acquisitions**
Customer contracts	1	-	1	11	-	11
Non-current assets	1	-	1	-	(3)	(3)
Trade receivables	1	-	1	5	-	5
Other current assets	2	-	2	7	(2)	5
Pensions, deferred tax liabilities and non-controlling interests	-	-	-	(1)	-	(1)
Other current liabilities	(6)	-	(6)	(10)	-	(10)
Total identifiable net assets	**(1)**	**-**	**(1)**	**12**	**(5)**	**7**
Goodwill	4	(1)	3	16	8	24
Consideration transferred	**3**	**(1)**	**2**	**28**	**3**	**31**
Cash and cash equivalents in acquired businesses	0	-	0	(7)	-	(7)
Cash consideration transferred	**3**	**(1)**	**2**	**21**	**3**	**24**
Contingent and deferred consideration	(3)	14	11	-	15	15
Changes in prepaid purchase price	-	(1)	(1)	-	-	-
Total payments regarding acquisition of businesses	**0**	**12**	**12**	**21**	**18**	**39**

Lloyd Outsourcing, S.L.

On 30 June 2013 the Group acquired 100% of the shares in the Spanish cleaning company Lloyd Outsourcing, S.L. The acquisition added an expanded service offering of ISS Spain for cleaning activities within the hotel sector.

The total annual revenue of Lloyd Outsourcing, S.L. was estimated at DKK 8 million (approximate figures extracted from unaudited financial information) based on expectations at the time of the acquisition. In the period from the acquisition date to 30 September 2013, Lloyd Outsourcing S.L. contributed revenue of DKK 2 million and operating profit before other items of DKK 0 million to the group. The total number of employees taken over as per 30 June 2013 was 34.

NOTE 7 ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Divestment of businesses

The Group made 13 divestments during 1 January - 30 September 2013 (four during 1 January - 30 September 2012). The total sales price amounted to DKK 2,336 million (DKK 103 million during 1 January - 30 September 2012). The total annual revenue of the divested businesses (approximate figures extracted from unaudited financial information) is estimated at DKK 2,536 million (DKK 510 million during 1 January - 30 September 2012) based on expectations at the time of divestment.

The divestments had the following impact on the Group's consolidated financial statements at the reporting date:

DKK million	YTD 2013	YTD 2012
Goodwill	955	70
Customer contracts	209	5
Other non-current assets	174	11
Trade receivables	398	76
Other current assets	48	14
Provisions	(56)	(0)
Pensions, deferred tax liabilities and non-controlling interests	(80)	(3)
Non-current loans and borrowings	(4)	(27)
Other current liabilities	(293)	(102)
Total identifiable net assets	**1,351**	**44**
Gain/(loss) on divestment of businesses, net	688	38
Divestment costs	297	21
Consideration received	**2,336**	**103**
Cash and cash equivalents in divested businesses	3	(2)
Cash consideration received	**2,339**	**101**
Contingent and deferred consideration	(0)	(4)
Divestment costs paid	(148)	(48)
Net proceeds regarding divestment of businesses	**2,191**	**49**

Divestment costs include transaction costs and restructuring costs incurred as a consequence of the divestments. Restructuring costs mainly comprise termination of employees and contract termination costs related to leaseholds.

The 13 divestments completed by the Group before 30 September 2013 are listed below:

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue [1] (DKK million)	Number of employees [1]
COOLIT, HVAC	Austria	Property Services	April	100%	25	11
ISS Document A/S	Denmark	Support Services	May	100%	19	31
Pest Control	Global [2]	Property Services	June	100%/Activities	1,042	1,440
Hygiene and Experience	Belgium	Property Services	June	100%	5	6
ISS Security Services	Netherlands	Security Services	July	Activities	294	724
Washroom Services	Austria	Cleaning Services	July	Activities	15	-
ISS Landscaping Services	USA	Property Services	August	Activities	78	137
Damage Control	Nordic [3]	Support Services	August	100%/Activities	853	1,073
Security Services & Reception Single Services	Denmark	Security and Support Services	September	Activities	27	66
Hardware Services	Belgium	Support Services	September	Activities	70	76
Karmak	Italy	Cleaning Services	September	Activities	96	192
ISS Arbo Plus BV	Netherlands	Support Services	September	100%	-	14
ISS Building Services	Belgium	Support Services	September	Activities	12	11
Total					**2,536**	**3,781**

[1] Approximate figures based on information available at the time of divestment extracted from unaudited financial information.

[2] Pest Control activities have been sold in: Australia, Austria, Belgium, Denmark, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain and Switzerland.

[3] Damage Control activities have been sold in: Denmark, Norway and Finland.

NOTE 7 ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Pro forma revenue and operating profit before other items

Assuming all acquisitions and divestments during 1 January - 30 September 2013 were included as of 1 January the effect on revenue and operating profit before other items is estimated as follows:

DKK million	YTD 2013	YTD 2012
Pro forma revenue		
Revenue recognised in the income statement	58,785	58,935
Acquisitions	3	30
Revenue adjusted for acquisitions	58,788	58,965
Divestments	(1,465)	(193)
Pro forma revenue	**57,323**	**58,772**
Pro forma operating profit before other items		
Operating profit before other items recognised in the income statement	3,097	3,176
Acquisitions	0	3
Operating profit before other items adjusted for acquisitions	3,097	3,179
Divestments	(100)	2
Pro forma operating profit before other items	**2,997**	**3,181**

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. The estimates are based on unaudited financial information.

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. This information does not represent the results the Group would have achieved had the acquisitions and divestments during the year occurred on 1 January. In addition, the information should not be used as the basis for or prediction of any annualised calculation.

Acquisitions and divestments subsequent to 30 September 2013

Divestments completed by the Group in the period from 1 October to 31 October 2013 are listed below. No acquisitions were completed in the period.

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue [1] (DKK million)	Number of employees [1]
Landscaping	Norway	Property Services	October	Activities	398	206
Total					**398**	**206**

In accordance with usual Group procedures, divestment balances are finalised during the first months following the divestment.

[1] Approximate figures based on information available at the time of divestment extracted from unaudited financial information.

NOTE 8 GOODWILL

DKK million	30 September 2013	30 September 2012
Cost at 1 January	28,225	29,366
Foreign exchange adjustments	(697)	494
Additions	3	24
Disposals through divestment of businesses	(319)	(71)
Reclassification to Assets classified as held for sale	(633)	(533)
Cost at 30 September	**26,579**	**29,280**
Amortisation and impairment losses at 1 January	(2,384)	(2,196)
Foreign exchange adjustments	4	(8)
Impairment losses	(435)	(172)
Disposals through divestment of businesses	205	-
Reclassification to Assets classified as held for sale	-	172
Amortisation and impairment losses at 30 September	**(2,610)**	**(2,204)**
Carrying amount at 30 September	**23,969**	**27,076**

NOTE 9 ASSETS HELD FOR SALE

At 31 December 2012 assets held for sale comprised seven businesses in Western Europe, Nordic, Asia and Pacific. The assets and liabilities of these activities were reclassified and presented separately in the statement of financial position. At 30 September 2013, the sales process of one of these disposal groups had been stalled and consequently it has been reclassified as held-for-use. The impact of the reclassification on the consolidated financial statements was insignificant. Further two disposal groups, the Pest Control activities in 12 countries and the Nordic Damage Control activities, were divested in May 2013 and August 2013, respectively. Sales processes are still ongoing for the remaining four businesses and these activities continue to be classified as held for sale at 30 September 2013.

During the first nine months of 2013, the continued evaluation of our activities has lead to the initiation of sales processes for two additional non-core activities in Western Europe. One of the activities, security in the Netherlands, was divested in July 2013. At 30 September 2013 the other activity was still classified as held for sale and presented in separate line items of the statement of financial position at the lower of the carrying amount and fair value less costs to sell. The revaluation resulted in a loss of DKK 90 million, of which DKK 81 million was recognised in the income statement in the line Goodwill impairment and DKK 9 million was recognised in the line Amortisation and impairment of brands and customer contracts.

NOTE 10 LOANS AND BORROWINGS

On 2 April 2013, ISS announced that it had succesfully received consent of its lenders under the Senior Facilities Agreement to amend and extend its debt maturities with additional three years, including a refinancing of the EUR 600 million Second Lien Facility.

Consent was obtained to all requested amendments. Furthermore, extensions were accepted by 92% of the lenders in the tranches for which ISS requested extension, resulting in approximately DKK 17.1 billion of ISS's debt being extended to either December 2017 or April 2018. The new tranches refinancing the EUR 600 million Second Lien Facility were split between two tranches of EUR 330 million and USD 350 million, respectively, which resulted in a new consortium of lenders consisting of both existing and new lenders.

The refinancing of the Second Lien Facilities and the extension of the relevant facilities was completed on 22 April 2013.

With effect from the completion date, the margin has been increased 50 bps on Term Facility B and 25 bps on the Revolving Credit Facility, the Letter of Credit Facility as well as the Acquisition Facility B leaving all extended tranches at an initial margin of 400 bps, but with step-downs applying following a leverage ratchet. On the new term facilities refinancing the Second Lien Facility margins applying to the EUR and USD tranches will initially be 350 bps and 275 bps, respectively.

The refinancing resulted in unamortised financing fees of DKK 89 million relating to the previous tranches being expensed in the income statement in April 2013.

NOTE 10 LOANS AND BORROWINGS (CONTINUED)

The table below lists the carrying amounts, terms and maturities of the impacted facilities as per 31 December 2012 (pre refinancing) and 30 September 2013 (post refinancing). Except for the new tranches refinancing of the Second Lien Facility the transaction was carried out as non-cash.

	Pre refinancing				Post refinancing			
DKK million	Carrying amount 31 December 2012	Currency	Nominal interest rate	Maturity	Carrying amount 30 September 2013	Currency	Nominal interest rate	Maturity
Senior Facilities:								
Term Facility A	-	-	-	-	2,435	EUR	Libor + 3.50%	2018
Term Facility B	467	EUR, GBP	Libor + 2.00%	2013	212	EUR, GBP	Libor + 2.00%	2013
Term Facility B	12,110	EUR, GBP	Libor + 3.50%	2015	1,095	EUR, GBP	Libor + 3.50%	2015
Term Facility B	-	-	-	-	10,821	EUR, GBP	Libor + 4.00%	2018
Term Facility B	-	-	-	-	1,928	USD	Libor + 2.75%[1)]	2018
Acquisition Facility B	56	EUR	Libor + 2.25%	2013	26	EUR	Libor + 2.25%	2013
Acquisition Facility B	1,839	EUR	Libor + 3.75%	2015	1,829	EUR	Libor + 4.00%	2018
Revolving Credit Facility	1,815	Multi	Libor + 3.75%	2014	196	Multi	Libor + 3.75%	2014
Revolving Credit Facility	-	-	-	-	2,401	Multi	Libor + 4.00%	2017
Letter of Credit Facility	161	Multi	Libor + 3.75%	2014	8	Multi	Libor + 3.75%	2014
Letter of Credit Facility	-	-	-	-	78	Multi	Libor + 4.00%	2017
Second Lien Facility	599	EUR	Libor + 3.75%	2015	-	-	-	-
Second Lien Facility	3,867	EUR	Libor + 4.25%	2015	-	-	-	-
	20,914				**21,029**			

[1)] 1% Libor floor

Additionally, following the completed divestment of certain pest control activities on 3 June 2013, ISS initiated an excess proceeds offer and a conditional partial redemption of its EUR 581.5 million 8.875% Senior Subordinated Notes due 2016. Noteholders of an aggregate principal amount of EUR 45.5 million accepted the offer and an additional aggregate principal amount of EUR 186.5 million was redeemed at a call price of 101.479. The excess proceeds offer and the partial redemption was settled on 8 July 2013 leaving an aggregate principal amount of EUR 349.5 million of Notes outstanding with a carrying amount of DKK 2,585 million (31 December 2012: DKK 4,291 million). As a consequence, a call premium of DKK 21 million and unamortised financing fees of DKK 16 million was expensed in June 2013.

Furthermore, in August 2013, the securitisation programme was extended with one year to September 2015 and the pricing on the programme was reduced by 25 bps on the interest margin.

NOTE 11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note contains the relevant disclosure requirements in relation to the Group's derivative financial instruments and securities being measured at fair value.

The fair values of derivative financial instruments and securities, together with the carrying amounts in the statement of financial position as at 30 September 2013, are shown below:

	30 September 2013	
DKK million	Fair value	Carrying amount
Financial assets		
Derivative financial instruments (currency swaps) - level 2	26	26
Securities (fair value option) - level 1	16	16
Financial liabilities		
Derivative financial instruments (currency swaps) - level 2	7	7
Derivative financial instruments designated as cash flow hedge - level 2	57	57

It is the Group's policy to recognise transfers between the levels in the fair value hierarchy when an event or change in circumstances results in a change in classification. During the first nine months of 2013, there has been no transfers between levels.

NOTE 11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Methods, assumptions and techniques used to determine fair value

The methods, assumptions and techniques used in determining the fair values of each category are described below. The methods are unchanged compared with 2012.

Derivative financial instruments

The Group uses derivative financial instruments (interest rate swaps and currency swaps) for managing interest and currency risks arising from the Group's operating and financing activities.

The fair value of derivative financial instruments is determined on the basis of observable market data using generally accepted methods. The fair value of interest rate swaps is based on market rates for yield curves. The fair value of currency swaps is based on the difference between the purchase price and the price at the reporting date.

Securities

Securities comprise investment funds related to investments in various listed securities measured at fair value through the income statement. The fair value is determined by reference to their quoted prices at the reporting date.

NOTE 12 PENSIONS AND SIMILAR OBLIGATIONS

Generally, for interim periods the Group's defined benefit obligations are based on valuations from external actuaries carried out at the end of the prior financial year taking into account any subsequent movements in the obligation due to pension costs, contributions etc. up until the reporting date. For interim periods actuarial calculations are only updated to the extent that significant changes in applied assumptions have occurred. Based on an overall analysis carried out by management it is determined whether updated actuarial calculations should be obtained for interim periods.

At 30 June 2013, the overall evaluation carried out by management resulted in updated actuarial calculations being obtained for Switzerland due to significant increases in discount rates. As a consequence of the updated calculations, at 30 June 2013 actuarial gains of DKK 136 million (DKK 106 million net of tax) were recognised in Other comprehensive income with a resulting decrease in the defined benefit obligation.

As per 30 September 2013, the overall analysis did not lead to the conclusion that updated actuarial assumptions should be obtained.

NOTE 13 CONTINGENT LIABILITIES, PLEDGES AND GUARANTEES

Senior Facility Agreement

ISS A/S has executed pledge agreements over (i) its shares in ISS World Services A/S, (ii) its bank accounts and (iii) certain intra-group receivables as security for the Group's senior facilities and on a secondary basis as security for the Subordinated Notes issued by ISS A/S.

ISS A/S, ISS World Services A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Australia, Belgium, Denmark, Finland, France, Germany, 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 World Services A/S and these subsidiaries. At 30 September 2013, the aggregate values of assets provided as security for the borrowings under the senior facilities were:

DKK billion	30 September 2013	30 September 2012
Goodwill	3.7	4.2
Customer contracts	0.6	0.8
Intellectual property rights	1.6	1.6
Other intangible and tangible assets	0.4	0.4
Trade receivables	1.9	1.7
Other receivables	0.3	0.3
Bank accounts	0.9	0.7
Total	**9.4**	**9.7**

In addition, the shares in ISS Global A/S's material subsidiaries and shares in certain of their subsidiaries as well as shares in certain subsidiaries in Austria, Brazil, the Czech Republic, Hong Kong, Ireland, Israel, Portugal, New Zealand, Singapore and Switzerland have been pledged.

NOTE 13 CONTINGENT LIABILITIES, PLEDGES AND GUARANTEES (CONTINUED)

Securitisation

Certain countries participate in the Group's securitisation programme where securitised trade receivables of the participating countries are provided as security for the securitisation debt. As at 30 September 2013, trade receivables of DKK 4,356 million (30 September 2012: DKK 4,848 million) have been placed as security for securitisation debt with a face value of DKK 2,756 million (30 September 2012: DKK 2,636 million). In addition hereto DKK 1,514 million (30 September 2012: DKK 1,388 million) cash held by the Group's consolidated SPEs handling the Group's securitisation programme was pledged as security for securitisation debt. Of the total amount of cash held by the Group's SPEs DKK 671 million (30 September 2012: DKK 106 million) was not considered readily available for general use by the parent company or other subsidiaries.

Guarantee commitments

Indemnity and guarantee commitments at 30 September 2013 amounted to DKK 751 million (30 September 2012: DKK 440 million). Hereof DKK 298 million relates to loans and borrowings.

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,867 million (30 September 2012: DKK 1,752 million) of which DKK 1,235 million (30 September 2012: DKK 1,251 million) were bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

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 September 2013 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 (many of which are labour-related cases incidental to the business) will not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the statement of financial position at 30 September 2013.

Restructurings

Restructuring projects aiming at adjusting capacity to lower activity have been undertaken across different geographies and service areas. Labour laws especially in 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 statement of financial position at 30 September 2013.

NOTE 14 OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

DKK million	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years	Total lease payments
At 30 September 2013	1,285	920	624	347	211	349	**3,736**
At 30 September 2012	1,398	943	648	413	232	331	**3,965**

During 1 January - 30 September 2013, DKK 1,467 million (DKK 1,605 million during 1 January - 30 September 2012) was recognised as an expense in the income statement in respect of operating leases.

The Group leases a number of properties, vehicles (primarily cars) and other equipment under operating leases. The leases typically run for a period of 2-5 years, with an option to renew the lease after that date.

Leasing of cars is primarily entered under an international car fleet lease framework agreement which is valid until end 2013. The framework agreement contains a quarterly 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 lifetime duration of 3-5 years.

The disclosed non-cancellable operating lease rentals assume no early termination of any agreement.

NOTE 15 RELATED PARTIES

Parent and ultimate controlling party

The sole shareholder of ISS A/S, FS Invest II S.à r.l (FS Invest II), has controlling influence in the Group. The ultimate controlling company of the Group is FS Invest S.à r.l ("FS Invest"), which is owned by funds advised by EQT Partners (40%), funds advised by Goldman Sachs Capital Partners (33%) as well as Ontario Teachers' Pension Plan and KIRKBI Invest A/S (26%). There were no significant transactions with the parent during the first nine months of 2013. Transactions with the ultimate controlling party are described below under Other related party transactions.

Key management personnel

Members of the Board of Directors and the Group Management Board (the GMB) [1)] have authority and responsibility for planning, implementing and controlling the Group's activities and are therefore considered as the Group's key management personnel. Apart from remuneration and co-investment programmes described below, there were no significant transactions during the first nine months of 2013 with members of the Board of Directors and the GMB.

Co-investment programmes The Executive Group Management Board (the EGM) and a number of senior officers [2)] of the Group have invested in the Management Participation Programme (MPP). The EGM and certain senior officers of the Group have invested indirectly in shares and warrants of FS Invest, whereas the remaining senior officers of the Group have invested directly or indirectly in shares or loan notes of FS Invest. As of 30 September 2013, the investments amounted to DKK 193.7 million in total for 131 executives and officers.

Other related party transactions

During the first nine months of 2013, the Group had the following transactions with other related parties, which were all made on market terms:

- the Group and Goldman Sachs International 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 to DKK 102 million. Furthermore, the Group has local agreement terms with Goldman Sachs in France, Singapore, Brazil and China. Finally, ISS in Italy are subcontractor to local Goldman Sachs suppliers. The annual revenue from the local and subcontractor agreements is estimated to DKK 7 million.

- the Group and Goldman Sachs International have entered into various agreements on provision of financing and banking related services.

- affiliates of Goldman Sachs Capital Partners are lenders under the senior facilities and holders of 2014 EMTNs.

- the Group has entered into local facility services agreements with various companies owned by EQT. The annual revenue from these agreements is estimated at DKK 25 million.

- the Group has issued a loan to FS Invest (the ultimate controlling party). During the first nine months of 2013 the Group issued an additional loan of DKK 20 million and accrued interest income of DKK 5 million (2012: DKK 3 million) related to the loan. At 30 September 2013, the outstanding balance was DKK 96 million, which was recognised in Other financial assets.

Associates and joint ventures

Transactions with associates and joint ventures are limited to transactions related to shared service agreements. There were no significant transactions with associates and joint ventures during the first nine months of 2013. 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 other related parties and shareholders during the first nine months of 2013.

[1)] The GMB comprise the Executive Group Management Board (the EGM) and Corporate Senior Officers of the Group.
[2)] Senior officers of the Group comprises Corporate Senior Officers (members of the GMB other than members of the EGM) and other corporate officers as well as certain members of Country Management of certain countries.

NOTE 16 SUBSEQUENT EVENTS

Subsequent to 30 September 2013, the Group has in October completed the sale of the landscaping activities in Norway.

Apart from the above and the events described in these condensed consolidated financial statements, the Group is not aware of events subsequent to 30 September 2013, 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 October 2012 – 30 September 2013 occurred on 1 October 2012.

For further information and definitions, reference is made to the appendix Capital Structure set out in the ISS A/S Annual Report 2012, 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 September 2013**
Adjusted EBITDA	5,136
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	(150)
Pro Forma Adjusted EBITDA	**4,986**

Carrying amount of Net Debt

The following table sets forth ISS's Carrying amount of Net Debt as of 30 September 2013.

Net Debt as of 30 September 2013	**DKKm Carrying Value**	**Leverage (x Pro forma EBITDA)**	**% of Total**
Cash, cash equivalents and securities (1)	(3,740)	(0.75x)	(15%)
Senior Facilities	21,029	4.22x	87%
Securitisation	2,741	0.55x	11%
Derivatives	57	0.01x	0%
Other Senior indebtedness	551	0.11x	2%
Total Net Senior Debt	**20,638**	**4.14x**	**85%**
Medium Term Notes due 2014	799	0.16x	3%
Senior Subordinated Notes due 2016	2,585	0.52x	11%
Other indebtedness	298	0.06x	1%
Total Net Debt	**24,320**	**4.88x**	**100%**
Changes in w orking capital, 1 January - 30 September 2013	(1,458)		
Changes in w orking capital, 1 October 2012 - 30 September 2013	(403)		
Seasonality adjusted carrying amount of net debt	**22,459**	**4.50x**	

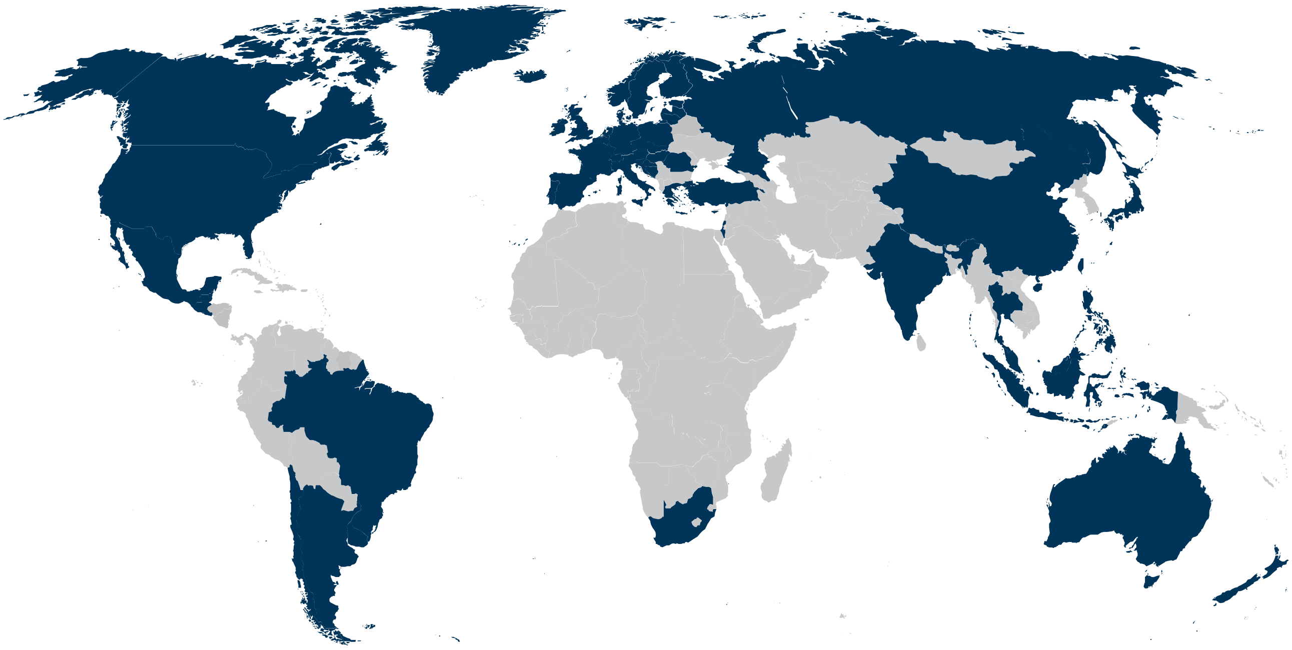
1) Includes a receivable from FS Invest of DKK 96 million and DKK 19 million regarding derivative assets.

Summary of Credit Facilities

Summary of Credit Facilities DKK million	**Principal Value**	**Drawn**	**Currency**	**Coupon / margin**	**Maturity**
Bank loans:					
Senior Facilities:					
Term Facility A	2,447	2,447	EUR	+ 350bps	30 Apr 2018
Term Facility B	212	212	EUR, GBP	+ 200bps	31 Dec 2013
Term Facility B	1,100	1,100	EUR, GBP	+ 350bps	30 Apr 2015
Term Facility B	10,964	10,964	EUR, GBP	+ 400bps	30 Apr 2018
Term Facility B	1,928	1,928	USD	+ 275bps[1)]	30 Apr 2018
Acquisition Facility B	26	26	EUR	+ 225bps	31 Dec 2013
Acquisition Facility B	1,839	1,839	EUR	+ 400bps	30 Apr 2018
Revolving Credit Facility	332	196	Multi Currency	+ 375bps	31 Dec 2014
Revolving Credit Facility	4,060	2,401	Multi Currency	+ 400bps	31 Dec 2017
Letter of Credit Facility	46	8	Multi Currency	+ 375bps	31 Dec 2014
Letter of Credit Facility	442	78	Multi Currency	+ 400bps	31 Dec 2017
Securitisation	2,983	2,756	Multi Currency	+ 250bps	14 Sep 2015
	26,378	**23,953**			
Bonds:					
Senior Subordinated Notes due 2016	2,607	2,607	EUR	8.875%	15 May 2016
2014 Medium Term Notes	823	823	EUR	4.50%	8 Dec 2014
	3,430	**3,430**			
Total Credit Facilities	**29,808**	**27,383**			

[1)] 1% LIBOR floor

The ISS representation around the globe



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 79.5 billion in 2012 and ISS now has more than 530,000 employees and local operations in more than 50 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers.

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