Interim report for the period 1 January – 30 June 2015

Increased organic growth and improved margin

ISS (ISS.CO, ISS DC), one of the world's leading facility services companies, announces its interim financial report for the first six months of 2015:

Highlights

- Increased organic revenue growth of 4.0% in H1 and 4.8% in Q2 (Q1 2015: 3.1%).
- Improved operating margin of 4.9% in H1 (H1 2014: 4.8%) and 5.3% in Q2 (Q2 2014: 5.2%).
- Strong cash conversion over the last twelve months of 99% (Q1 2015: 97%).
- Profit before goodwill impairment and amortisation/impairment of brands and customer contracts increased to DKK 1,027 million in H1 (H1 2014: DKK 559 million).
- Net profit increased to DKK 776 million in H1 (H1 2014: DKK 345 million).
- Revenue generated from IFS increased 10% in local currency in Q2 (Q1 2015: 9%), and represented 33% of Group revenue (Q1 2015: 32%).
- Revenue from Global Corporate Clients represented 10% of Group revenue in Q2 (Q1 2015: 10%), an increase of 13% in local currencies in Q2 (Q1 2015: 6%).
- The strategic initiatives including customer segmentation, organisational structure and excellence projects such as our procurement programme are progressing according to plans and support margin improvement.
- To further facilitate alignment and boost our customer focus, in June 2015, we announced a new and strengthened organisational structure, which will become effective as of 1 September 2015.
- Henrik Andersen, COO EMEA, will be leaving ISS for an external opportunity.
- The outlook for organic revenue growth in 2015 is changed to 3.5%-4.5% (from 2%-4% previously). Our expectations for operating margin (above 5.6%) and cash conversion (above 90%) are unchanged.

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

"We delivered a strong second quarter thanks to good growth in IFS, improved performance in some developed markets and progress in our strategic initiatives. In a volatile macroeconomic environment, we have increased our organic growth rate and improved our operating margin. We have landed new integrated facility services contracts and extensions with a number of significant customers including Danske Bank in the Nordics and Eastern Europe, Huashan Hospital in China, a hospital retender in the UK, and a major contract with the Danish State Railways. Following significant contract wins and our strategic initiatives, we now expect to deliver an organic growth of 3.5%-4.5% for the full year."

Lord Allen of Kensington Kt CBE
Chairman

Jeff Gravenhorst
Group CEO

For investor enquiries
Nicholas Ward, Head of Group Investor Relations, +45 38 17 62 51
Martin Kjær Hansen, Investor Relations Manager, +45 38 17 64 31

For media enquiries
Manuel Vigilius, Global Media Relations Manager, +45 38 17 64 04

Key figures and financial ratios[1)]

DKK million (unless otherwise stated)	Q2 2015	Q2 2014	1 January - 30 June 2015	1 January - 30 June 2014
Income statement				
Revenue	20,206	18,397	39,356	36,648
Operating profit before other items	1,067	956	1,910	1,741
Operating margin	5.3%	5.2%	4.9%	4.8%
EBITDA	1,212	1,110	2,227	1,971
Adjusted EBITDA	1,256	1,139	2,290	2,104
Operating profit	1,023	927	1,847	1,608
Financial income	(68)	64	164	137
Financial expenses	(96)	(282)	(544)	(912)
Profit before goodwill impairment and amortisation/ impairment of brands and customer contracts	601	486	1,027	559
Net profit for the period	479	378	776	345
Cash flow				
Cash flow from operating activities[2)]	843	402	161	(638)
Acquisition of intangible assets and property, plant and equipment, net	(228)	(200)	(454)	(395)
Cash conversion	99%	98%	99%	98%
Financial position				
Total assets	49,359	46,727	49,359	46,727
Goodwill	24,018	23,281	24,018	23,281
Additions to property, plant and equipment	213	174	413	333
Total equity (attributable to owners of ISS A/S)	13,442	12,436	13,442	12,436
Equity ratio	27.2%	26.6%	27.2%	26.6%
Employees				
Number of employees end of period	509,133	521,928	509,133	521,928
Full-time employees	73%	74%	73%	74%
Growth				
Organic growth	4.8%	2.0%	4.0%	2.4%
Divestments, net	(1)%	(7)%	(2)%	(6)%
Currency adjustments	6 %	(3)%	5 %	(4)%
Total revenue growth	10 %	(8)%	7 %	(8)%
Financial leverage				
Pro forma adjusted EBITDA (LTM)	5,076	4,781	5,076	4,781
Net debt	14,668	15,278	14,668	15,278
Net debt / Pro forma Adjusted EBITDA (LTM)	2.9x	3.2x	2.9x	3.2x
Stock market ratios				
Basic earnings per share (EPS), DKK	2.6	2.0	4.2	2.1
Diluted earnings per share, DKK	2.6	2.0	4.2	2.1
Adjusted earnings per share, DKK	3.2	2.6	5.5	3.4
Number of shares issued ('000)	185,668	185,668	185,668	185,668
Number of treasury shares ('000)	1,777	875	1,777	875
Average number of shares (basic) (in thousands)	183,891	184,793	184,212	165,162
Average number of shares (diluted) (in thousands)	185,072	185,668	185,321	165,689

1) See definitions in the Annual Report 2014.
2) Previously, cash flow from Interest received/paid was included in Cash flow from financing activities. Effective 1 January 2015, cash flow from Interest received/paid is included in Cash flow from operating activities as a result of the post-IPO capital structure. Comparative figures have been restated accordingly.

Group financial highlights

January – June 2015

Group revenue increased 7% to DKK 39.4 billion. Organic growth amounted to 4.0% and the positive currency effect amounted to 5% while the impact from acquisitions and divestments, net, reduced revenue by 2%. Organic growth was driven by a continued strong performance in emerging markets, the Pacific region, large contract launches in Europe as well as in our integrated facility services (IFS) business in general. All regions, apart from North America, delivered positive organic growth rates with Western Europe delivering the highest growth rate since Q4 2013. On the other hand, the continued difficult market conditions in certain European countries reduced organic growth.

Operating profit before other items amounted to DKK 1,910 million (H1 2014: DKK 1,741 million) for an operating margin of 4.9% (H1 2014: 4.8%). The higher operating margin was driven by a strong performance across several regions. The Western Europe and Nordic regions contributed significantly, in part due to the implementation of our strategic initiatives. Corporate costs amounted to 0.7% of revenue (H1 2014: 0.6%), which was in line with expectations.

Emerging markets comprising Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey represent 25% of Group revenue, delivered organic growth of 8% and an operating margin of 6.1% in the first six months of 2015 (H1 2014: 6.0%).

Profit before goodwill impairment and amortisation/ impairment of brands and customer contracts increased to DKK 1,027 million (H1 2014: 559 million), supported by improved operating profit as well as lower financial expenses, net, as a result of the significant refinancings and the reduced debt post-IPO.

Net profit was up by DKK 431 million to DKK 776 million from DKK 345 million in 2014.

The LTM (last twelve months) cash conversion for June 2015 was 99%, driven by a generally strong cash performance across the Group. Ensuring a strong cash performance continues to be a key strategic priority, and the result reflects our consistent efforts to ensure timely payment for work performed.

Cash flow from operating activities for the first six months was an inflow of DKK 161 million (H1 2014: outflow of DKK 638 million). The improvement was primarily due to lower interest payments, net, improved operating profit before other items and changes in provisions, pensions and similar obligations.

Q2 2015

In Q2 2015, revenue increased 10% to DKK 20.2 billion. Organic growth was 4.8% (Q1 2015: 3.1%) and the positive currency effect amounted to 6% while the impact from acquisitions and divestments, net, reduced revenue by 1%. The organic growth was mainly driven by continued strong growth in emerging markets, the Pacific region, large contract launches in Europe as well as by IFS in general. Organic growth in Western Europe improved from 2% in Q1 2015 to 5% in Q2 2015 where the large contract launches is the principal driver of growth.

Operating profit before other items was DKK 1,067 million (Q2 2014: 956 million) reflecting an operating margin of 5.3% in Q2 2015 compared with 5.2% in the same period last year. The improvement in operating margin was mainly driven by strong performances in the Western Europe, Nordic, Pacific and North America regions. This was partly offset by higher corporate costs, which was in line with expectations.

Profit before goodwill impairment and amortisation/ impairment of brands and customer contracts increased to DKK 601 million (Q2 2014: DKK 486 million). The increase is mainly supported by improved operating profit before other items and lower financial expenses, net, as a result of the refinancings and the reduced debt post-IPO.

In Q2, net profit increased to DKK 479 million from DKK 378 million in Q2 2014.

Cash flow from operating activities in Q2 represented an inflow of DKK 843 million (Q2 2014: inflow of DKK 402 million), positively impacted primarily by lower interest payments, net, improved operating profit before other items as well as lower tax payments.

Group business highlights

Strategy update

ISS operates in the USD 1 trillion facility services market which is made up of different types of customers, services and providers. In this vast market, we have made a number of key strategic choices that define who we are and what we do.

We focus our offering on customers looking for value added service performance, as opposed to commodity service delivery, as these customers represent the opportunity to generate market leading growth, profit and cash conversion. To address this market we have created a compelling value proposition. Its key elements are how we utilise people, processes and technology to meet our target customers' demand. We aim to provide our services through our own employees with the right mindset, values and capabilities (self delivery) across the globe. We also deliver these services with a "single point of contact" solution running all of the services necessary to operate the customer's facilities – our integrated facility services solution.

Our operating model is based on a country-by-country organisation to remain close to the local labour market, culture and customers. Yet we are increasingly aligned across the globe in accordance with a well-defined set of business fundamentals. This alignment will assist us in serving our chosen customers and in extracting synergies and enabling benchmarking to improve our competitiveness.

To further facilitate alignment and boost our customer focus, in June 2015, we announced a new and strengthened organisational structure where, among other things, two new roles will be created.

A new global Chief Operating Officer role will drive customer retention and the delivery of operational excellence to key account customers in partnership with the regional and country organisations. A new Chief Commercial Officer role will drive commercial capabilities, new sales and key account customer growth with a focus on our regional and global sales pipeline. To increase the focus on the Americas as a strategically important market, a dedicated Americas region comprising both North America and Latin America is also being established.

The new organisational structure will become effective as of 1 September 2015.

We continue to make progress in our strategic initiatives (referred to as GREAT) which include customer segmentation, organisational structure and excellence projects such as our procurement programme and Business Process Outsourcing (BPO).

We continue our process of customer segmentation by size and complexity to establish a more detailed understanding of our customer base as well as additional profitability transparency. By the end of H1 2015, we have mapped our customer segments in most of our major countries and will continue to focus on aligning and implementing our strategy through optimising our customer base. Furthermore, we have initiated the mapping process in several of our remaining countries.

We have now completed phases I and II of the procurement excellence programme and the total identified savings amount to DKK 350-450 million to be achieved during 2014-2018. Phase III is being launched in 2015 and we are targeting additional savings from this phase. While part of these cost savings will increase margins, some will be re-invested in the business in order to maintain and strengthen competitiveness.

As part of the excellence projects, we have in 2014 successfully launched a Business Process Outsourcing (BPO) project in the Nordic region covering certain Finance & Accounting processes and targeting improved financial processes and cost savings. As a result of the success and benefits realised in the Nordic region the project has now also been launched in the Netherlands, Belgium and Luxembourg. Furthermore, we have initiated the project in Australia and are considering to launch the project in additional European countries later in 2015 and 2016.

IFS and Global Corporate Clients

Revenue generated from IFS in Q2 was up 10% (Q1 2015: 9%) in local currencies to DKK 6.6 billion, which corresponds to 33% of Group revenue (Q1 2015: 32%). Growth was mainly driven by IFS contract launches as well as the successful conversion of existing single service contracts to IFS contracts.

In Q2, we announced expansions of the contracts with DSB, the Danish State Railways, and Danske Bank in the Nordic and Eastern Europe regions, from single service contracts to five year IFS contracts. Furthermore, we won a contract in China with Huashan Hospital in Shanghai. Finally, our position within the healthcare segment in the United Kingdom has been further strengthened as we both won a new large IFS contract and renewed another IFS contract.

Revenue generated from Global Corporate Clients in Q2 increased 13% (Q1 2015: 6%) in local currencies to DKK 2.0 billion, representing 10% of Group revenue (Q1 2015: 10%).

In Q2, we launched a single service Global Corporate Clients contract delivering cleaning services to a large international bank in Western Europe, North America, Asia and Pacific.

Acquisitions and divestments

In the first six months of 2015, we divested the landscaping activities in Belgium and the route-based security activities in India. In January 2015, we acquired GS Hall plc, a leading technical services company focused on mechanical and electrical engineering, energy management and compliance. The integration is progressing well and we have now started to self-deliver certain services that we previously sub-contracted.

In the first six months of 2015, net cash outflow for the completed acquisition and the divestments, net of costs amounted to DKK 450 million.

At 30 June 2015, three business units in the Western Europe and Nordic regions were classified as held for sale, comprising net assets of DKK 491 million. One of these units – the call centre activities (CMC) in Turkey – was subsequently divested on 24 August 2015, see Subsequent events on page 10.

We will continue to review our existing business for potential divestments of non-core activities and likewise will consider making acquisitions which enhance our core competencies subject to tight strategic and financial filters.

Financing

ISS's financing mainly consists of senior unsecured bank facilities and corporate bonds issued under an EMTN programme.

The unsecured senior bank facilities consist of a term facility of EUR 800 million and a revolving credit facility of EUR 850 million, both maturing in 2019. The applicable drawn margin is determined semi-annually on the basis of a leverage grid, which has been slightly adjusted at the end of Q2 based on an amendment of the senior facilities agreement.

LEVERAGE	NEW MARGIN (bps)	PREVIOUS MARGIN (bps)
Above 3.25x	135	175
Between 3.0x - 3.25x	110	150
Between 2.5x - 3.0x	85	125
Below 2.5	65	100

At the end of half-year 2015 the financial leverage was 2.9x, which is in line with our expectations taking the normal seasonality of our cash flow into account.

Our objective is to maintain an investment grade financial profile and the focus on reducing our financial leverage to below 2.5x pro forma adjusted EBITDA is unchanged. However, this quarter is impacted by the normal seasonality of our cash flow.

ISS Global A/S established an EUR 2 billion EMTN programme in November 2014 to ensure increased flexibility to pursue refinancings in the bond market when considered relevant. Two bonds have been issued under the programme in December 2014 (EUR 700 million 1.125% expiring in 2020 and EUR 500 million 2.125% expiring in 2024).

ISS currently hold the corporate rating of BBB-/Positive by S&P and Baa3/Stable (Moody's).

REGIONAL OVERVIEW

DKK million	QTD			YTD		
Revenue	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Western Europe [1]	10,376	9,258	12 %	20,135	18,548	9 %
Nordic [2]	3,751	3,996	(6)%	7,330	7,831	(6)%
Asia [3]	2,518	1,979	27 %	4,909	3,916	25 %
Pacific [4]	1,167	1,045	12 %	2,297	2,187	5 %
Latin America [5]	949	900	5 %	1,895	1,753	8 %
North America [6]	1,036	828	25 %	2,026	1,661	22 %
Eastern Europe [7]	404	401	1 %	762	773	(1)%
Other Countries [8]	25	12	108 %	48	24	100 %
Corporate / eliminations	(20)	(22)	9 %	(46)	(45)	(2)%
Group	**20,206**	**18,397**	**10 %**	**39,356**	**36,648**	**7 %**
Emerging markets [9]	5,059	4,346	16 %	9,968	8,557	16 %

Operating profit before other items						
Western Europe	611	527	16 %	1,111	954	16 %
Nordic	252	265	(5)%	441	457	(4)%
Asia	176	139	27 %	338	276	22 %
Pacific	57	43	33 %	114	93	23 %
Latin America	46	42	10 %	84	85	(1)%
North America	43	27	59 %	70	46	52 %
Eastern Europe	26	29	(10)%	44	44	-
Other Countries	(0)	(1)	(88)%	(1)	(1)	(57)%
Corporate / eliminations	(144)	(115)	(25)%	(291)	(213)	(37)%
Group	**1,067**	**956**	**12 %**	**1,910**	**1,741**	**10 %**
Emerging markets	307	264	16 %	604	516	17 %

Operating margin [10]						
Western Europe	5.9 %	5.7 %	0.2 %	5.5 %	5.1 %	0.4 %
Nordic	6.7 %	6.6 %	0.1 %	6.0 %	5.8 %	0.2 %
Asia	7.0 %	7.0 %	-	6.9 %	7.0 %	(0.1)%
Pacific	4.9 %	4.1 %	0.8 %	5.0 %	4.2 %	0.8 %
Latin America	4.9 %	4.7 %	0.2 %	4.4 %	4.8 %	(0.4)%
North America	4.2 %	3.2 %	1.0 %	3.4 %	2.8 %	0.6 %
Eastern Europe	6.3 %	7.3 %	(1.0)%	5.7 %	5.7 %	-
Other Countries	(0.5)%	(6.7)%	6.2 %	(1.1)%	(5.8)%	4.7 %
Corporate / eliminations	(0.7)%	(0.6)%	(0.1)%	(0.7)%	(0.6)%	(0.1)%
Group	**5.3 %**	**5.2 %**	**0.1 %**	**4.9 %**	**4.8 %**	**0.1 %**
Emerging markets	6.1 %	6.1 %	-	6.1 %	6.0 %	0.1 %

%	QTD 2015				YTD 2015			
Growth components	**Organic**	**Div., net**	**Curr.**	**Total**	**Organic**	**Div., net**	**Curr.**	**Total**
Western Europe	5	1	6	12	4	(1)	6	9
Nordic	1	(5)	(2)	(6)	1	(5)	(2)	(6)
Asia	10	(3)	20	27	9	(3)	19	25
Pacific	8	(0)	4	12	9	(8)	4	5
Latin America	4	-	1	5	5	-	3	8
North America	1	-	24	25	(0)	-	22	22
Eastern Europe	4	(1)	(2)	1	2	(1)	(2)	(1)
Group	**4.8**	**(1)**	**6**	**10**	**4.0**	**(2)**	**5**	**7**
Emerging markets	8	(2)	10	16	8	(2)	10	16

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

Regional review

Western Europe

Revenue increased 9% to DKK 20,135 million in the first six months of 2015. Organic growth amounted to 4%, while the impact from acquisitions and divestments, net, reduced revenue by 1% (acquisitions 1% and divestments negative 2%) and currency effects impacted revenue positively by 6%. Western Europe continued to deliver an improved organic growth rate with Germany, Switzerland and Turkey being the main contributors. The strong growth was mainly driven by IFS contract launches including Vattenfall in Germany, Swisscom in Switzerland and Bankia in Spain as well as the sales efforts initiated in the last quarter of 2014 in Turkey. The challenging macroeconomic conditions in certain European countries have resulted in non-portfolio services remaining at a relatively low level.

Operating profit before other items increased by 16% to DKK 1,111 million equal to an improved operating margin of 5.5% (H1 2014: 5.1%). The increase in operating margin for the region was driven by Germany, the United Kingdom, France and Turkey. The increase was mainly due to strong performance from our portfolio contracts, a strong growth within the IFS division in Germany, the impact from our strategic initiatives including cost savings initiatives and the divestment of the margin dilutive landscaping activities in France in March 2014. Furthermore, Switzerland continued to deliver a strong margin in addition to delivering strong organic growth. The operating margin was negatively impacted by the Netherlands where profitability remains challenging.

In Q2, the revenue increased 12% to DKK 10,376 million driven by strong organic growth of 5% (Q1 2015: 2%) as well as a positive impact from acquisitions and divestments, net, and currency adjustments of 1% and 6%, respectively. The organic growth was positively impacted by IFS contract launches including Vattenfall in Germany, Swisscom in Switzerland, Bankia in Spain and UBS in the United Kingdom. Furthermore, sales initiatives in Turkey and Spain as well as higher demand for non-portfolio services in Switzerland and the United Kingdom also positively impacted the Q2 organic growth. This was partly offset by challenging macroeconomic conditions in certain European countries. Operating profit before other items increased by 16%, resulting in an operating margin of 5.9% (Q2 2014: 5.7%). The increase in operating margin was mainly driven by strong performance within the IFS divisions in the United Kingdom and Germany as well as the impact from our strategic initiatives in general.

Nordic

Revenue in the first six months of 2015 was DKK 7,330 million and organic growth was 1%. The divestment of non-core activities in 2014 reduced revenue by 5% while currency effects reduced revenue by 2%. The organic growth reflected a strong performance in Finland and Sweden driven by higher demand for non-portfolio services as well as contract wins. This was partly offset by reduced growth in Denmark mainly due to timing of significant contract start-ups in 2015 as well as reduced work within the public administration segment and negative organic growth in Norway mainly due to contract losses in 2014.

Operating profit before other items amounted to DKK 441 million (H1 2014: DKK 457 million), reflecting an improved operating margin of 6.0% (H1 2014: 5.8%). The improvement was primarily driven by Norway and Finland due to the effect from the strategic initiatives implemented in 2014, including optimisation of organisational and cost structures. This was offset by decreased margin in Sweden mainly due to the start-up of new contracts.

In Q2, the revenue was DKK 3,751 million and organic growth was 1% (Q1 2015: 1%). The divestment of non-core activities and currency effects reduced revenue by 5% and 2%, respectively. The organic growth was mainly supported by strong performance in Finland and Sweden and start-up of new contracts in Q2 in Norway. This was partly offset by a negative organic growth in Denmark due to timing of significant contract start-ups in 2015 and reduced work within the public administration segment. Operating profit before other items decreased by 5%, resulting in an improved operating margin of 6.7% (Q2 2014: 6.6%). The increase in operating margin was mainly supported by increased margins in Finland and Norway due to the effect from strategic initiatives and a generally strong operational performance. This was partly offset by a margin decrease in Sweden mainly due to the start-up of new contracts and a margin decrease in Denmark mainly due to reduced project-based work within the property service business unit.

Asia

Revenue increased 25% to DKK 4,909 million driven by strong organic growth of 9% and positive currency effects of 19%, while the impact from divestments reduced revenue by 3%. Double-digit organic growth rates were seen in several countries with India, Thailand, China and Indonesia being the largest nominal contributors in the region. The growth was mainly due to contract wins in 2014 and 2015 in Thailand, China and Indonesia as well as strong performance from Global Corporate Clients contracts in India.

Operating profit before other items increased by 22% to DKK 338 million reflecting an operating margin of 6.9% (H1 2014: 7.0%). Several countries, including Hong Kong, Singapore and Thailand, delivered strong operating margins, which was offset by margin decreases in India and China mainly as a result of investments in operational improvements.

In Q2, the revenue increased 27% to DKK 2,518 million driven by an organic growth of 10% (Q1 2015: 8%) and currency effects of 20% while the divestment of non-core activities reduced revenue by 3%. The organic growth was supported by contract wins in Hong Kong, Thailand and China as well as strong performance from Global Corporate Clients contracts in Singapore. Operating profit before other items increased 27%, resulting in an operating margin of 7.0% (Q2 2014: 7.0%). The operating margin was mainly driven by operational improvements in Hong Kong and cost savings initiatives in India.

Pacific

Revenue increased 5% to DKK 2,297 million. Organic growth was 9% and currency effects impacted revenue positively by 4% while the impact from divestments reduced revenue by 8%. The strong growth was a continuation of the growth seen in the last few quarters, mainly driven by the remote site resource and aviation segments in Australia.

Operating profit before other items was DKK 114 million equal to an operating margin of 5.0% (H1 2014: 4.2%). The increase in operating margin was mainly due to improved performance in the IFS business as well as the healthcare and aviation segments in Australia.

In Q2, revenue increased 12% to DKK 1,167 million driven by an organic growth of 8% (Q1 2015: 10%) and a positive impact from currency effects of 4%. The quarterly organic growth was driven by strong performance within the remote site resource segment which was offset by a lower demand for non-portfolio services within the aviation segment in Q2 in Australia. Operating profit before other items increased by 33%, resulting in an operating margin of 4.9% (Q2 2014: 4.1%). The increase in the operating margin was due to strong performance mainly in the IFS business and aviation segment in Australia.

Latin America

Revenue was DKK 1,895 million, up 8% compared to the same period last year. Organic growth was 5%, while currency effects impacted revenue positively by 3%. The organic growth was mainly supported by a strong performance from IFS contracts and a higher demand for non-portfolio services in Chile, price increases in Argentina as well as the impact from a Global Corporate Clients contract commenced in May 2014 in Mexico. This was partly offset by a negative organic growth in Brazil due to contract losses and a negative economic environment impacting the scope of some existing contracts.

Operating profit before other items decreased by 1% to DKK 84 million, reflecting an operating margin of 4.4% (H1 2014: 4.8%). The decrease in operating margin was due to contract losses, cost increases and contract scope reductions in Brazil. This was partly offset by strong performances in Chile and Mexico.

In Q2, revenue increased 5% to DKK 949 million due to an organic growth of 4% (Q1 2015: 6%) and a positive impact from currency effects of 1%. Organic growth was mainly driven by a higher demand for non-portfolio services in Chile and price increases in Argentina. This was partly offset by contract losses in Brazil as well as Mexico due to no new significant contract start-ups in 2015. Operating profit before other items increased by 10%, resulting in an operating margin of 4.9% which was 0.2 percentage point higher than the same period last year. The increase in operating margin was mainly due to strong performances in Chile and Mexico. This was partly offset by Brazil where operational challenges and the negative economic environment has led to contract losses, cost increases and contract scope reductions.

North America

Revenue was DKK 2,026 million, an increase of 22%. Organic growth was flat, while the positive impact from currency effects increased revenue by 22%. Organic growth was positively impacted by the start-up of the Molson Coors contract which was offset by the impact from contract exits and losses in 2014 and 2015.

Operating profit before other items was DKK 70 million resulting in an operating margin of 3.4% (H1 2014: 2.8%). The increase in operating margin was mainly due to operational improvements, strong performance within the IFS division, exit of margin dilutive contracts as well as the impact from our strategic initiatives.

In Q2, the revenue increased 25% driven by an organic growth of 1% (Q1 2015: (2%)) and a positive impact from currency effects of 24%. The organic growth was supported by a higher demand for non-portfolio services mainly from Global Corporate Clients contracts and growth from our portfolio contracts which was partly offset by the impact from contract exits in 2014 and 2015. Operating profit before other items increased to DKK 43 million resulting in an operating margin of 4.2% compared with 3.2% in the same period last year. The increase in operating margin was mainly due to strong performance within the IFS division combined with a higher demand for non-portfolio services.

Eastern Europe

Revenue decreased 1% to DKK 762 million. Organic growth was 2%, which was more than offset by divestments and negative currency effects of 1% and 2%, respectively. Organic growth was mainly supported by strong growth in Slovenia and Poland from expansion of contracts mainly within the catering segment as well as higher demand for non-portfolio services. This was offset by a negative organic growth in Hungary due to contract losses.

Operating profit before other items was DKK 44 million reflecting an operating margin of 5.7% (H1 2014: 5.7%). The operating margin was supported by strong performance from Global Corporate Clients contracts in Slovenia which was offset by contract scope reductions in Romania as well as start-up of new contracts in 2015 and contract losses in Poland.

In Q2, the revenue was DKK 404 million driven by an organic growth of 4% (Q1 2015: 1%), while currency effects and divestments reduced revenue by 2% and 1%, respectively. Organic growth for Q2 was mainly driven by contract wins in Poland and Slovenia and higher demand for non-portfolio services in Slovakia which was partly offset by lower demand for non-portfolio services in Romania as well as contract losses and contract scope reductions in the Czech Republic and Russia. Operating profit before other items was DKK 26 million resulting in an operating margin of 6.3% (Q2 2014: 7.3%). The decrease in operating margin was mainly due to contract scope reductions in Romania and the Czech Republic as well as the start-up of new contracts in 2015 and contract losses in Poland.

Financial review

Income statement

Revenue and operating profit before other items is reviewed in Group financial highlights on page 3 and Regional review on pages 7-8.

Financial expenses, net, was DKK 380 million at 30 June 2015 (H1 2014: DKK 775 million). The decrease was mainly due to lower interest expenses, net, as a result of the refinancings and the reduced post-IPO debt as well as unamortised financing fees expensed in 2014 related to the pre-IPO senior secured facilities, the Senior Subordinated Notes and the securitisation programme. Financial expenses, net, included a DKK 60 million net loss (H1 2014: net gain of DKK 6 million) on foreign exchange.

Effective tax rate for H1 2015 was 30.0% (H1 2014: 32.9%) calculated as Income taxes of DKK 440 million divided by Profit before tax and goodwill impairment and amortisation/impairment of brands and customer contracts of DKK 1,467 million. The decrease in the effective tax rate is related to the impact from non-deductible IPO costs and the interest limitation tax rules in Denmark impacting only the effective tax rate in 2014.

Profit before goodwill impairment and amortisation/ impairment of brands and customer contracts and **Net profit/(loss)** is reviewed in Group financial highlights on page 3.

Statement of cash flows

Cash flow from operating activities was a net cash inflow of DKK 161 million (H1 2014: cash outflow of DKK 638 million). The improvement was primarily due to a decrease in cash outflow from Interest paid, net, of DKK 325 million following the refinancings and the reduced post-IPO debt and increase in operating profit before other items of DKK 169 million. Furthermore, changes in provisions, pensions and similar obligations contributed with DKK 114 million mainly due to pensions and similar obligations related to new contracts.

Other expenses paid of DKK 139 million mainly included costs relating to restructuring projects initiated and expensed in 2014 and 2015.

Cash flow from investing activities was a net cash outflow of DKK 925 million (H1 2014: cash inflow of DKK 702 million). The cash outflow relating to acquisitions and divestments, net, of DKK 450 million related mainly to the acquisition of GS Hall plc in January. Investments in intangible assets and property, plant and equipment, net, was DKK 454 million (H1 2014: DKK 395 million), which represented 1.2% of Group revenue (H1 2014: 1.1%).

Cash flow from financing activities was a net cash outflow of DKK 454 million (H1 2014: net outflow of DKK 1,116 million) reflecting the drawings on working capital facilities as a result of the typical seasonality in the first six months of the year. Furthermore, dividends paid to shareholders and purchase of treasury shares in 2015 resulted in cash outflows of DKK 901 million and DKK 204 million, respectively.

Statement of financial position

Total equity was DKK 13,469 million at 30 June 2015 equivalent to an equity ratio of 27.2% (31 December 2014: 27.6%). The DKK 549 million increase from December 2014 was mainly the result of positive currency adjustments relating to investments in foreign subsidiaries of DKK 920 million and net profit of DKK 776 million. This was partly offset by dividends paid to shareholders, net of DKK 901 million, the purchase of treasury shares of DKK 204 million and an actuarial loss of DKK 124 million net of tax due to decreasing discount rates in Switzerland. The positive currency adjustments were mainly due to appreciation of GBP, CHF and HKD against DKK.

Net debt was DKK 14,668 million at 30 June 2015, an increase of DKK 2,021 million compared with 31 December 2014. Net debt was negatively impacted by payments of dividends in Q2 2015 and cash outflow relating to acquisitions.

At 30 June 2015, non-current loans and borrowings amounted to DKK 14,923 million, current loans and borrowings amounted to DKK 2,232 million, while positive market values of currency swaps, securities, cash and cash equivalents totalled DKK 2,487 million. At 30 June the Net debt / Pro forma adjusted EBITDA was 2.9x (31 December 2014: 2.6x and 30 June 2014: 3.2x).

The interest rate risk primarily relates to ISS's interest-bearing debt, consisting of bank loans (unsecured senior facilities) and fixed-rate bonds. The interest rate duration of the total debt was at 30 June 2015 4.1 years.

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 10. 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 2014 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 2014 of ISS A/S is available at the Group's website, www.issworld.com.

Management changes

At the annual general meeting on 15 April 2015, Cynthia Mary Trudell and Claire Chiang were elected as new independent members of the Board of Directors. Jennie Chua was not up for re-election due to the age limit in the Company's Articles of Association and Morten Hummelmose and Andrew Evan Wolff did not seek re-election as members of the Board of Directors following FS Invest II S.à r.l's disposal of all its shares in the Company on 12 March 2015.

On 26 February 2015, we announced that Michelle Healy was appointed as new Group Chief People & Culture Officer and a member of the Executive Group Management. The appointment allows us to further reinforce our focus on people and on building a stronger ISS culture.

On 22 June 2015, we announced a new and strengthened organisational structure to increase customer focus effective 1 September 2015. Two new global roles will be created – a new Group Chief Operating Officer role and a new Group Chief Commercial Officer role. Henrik Andersen, COO EMEA, will be leaving ISS for an external opportunity effective 30 November 2015. A process to identify a new Group Chief Operating Officer is in progress. Effective 1 September 2015, the Executive Group Management will consist of: Jeff Gravenhorst (Group Chief Executive Officer), Heine Dalsgaard (Group Chief Financial Officer), Andrew Price (Group Chief Commercial Officer), Michelle Healy (Group Chief People & Culture Officer), and the Regional CEOs John Peri (Americas), Troels Bjerg (Northern Europe), Flemming Bendt (Eastern Europe), Jacob Götzsche (Central Europe) and Thomas Hinnerskov (Asia Pacific); Henrik Andersen will continue as a member until 30 November 2015.

In connection with the new organisational structure, the management registered with the Danish Business Authority will consist of Jeff Gravenhorst and Heine Dalsgaard going forward.

Outlook

Outlook 2015

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

Our organic revenue growth expectation for 2015 is changed from 2%-4% to 3.5%-4.5%. Expectations for margin and cash conversion remain unchanged from our Annual Report 2014. The amendment of the organic growth expectation is mainly a result of the large contract launches in especially Europe as well as in our IFS business in general. We anticipate to continue to benefit from this for the remainder of 2015, while we remain cautious of the difficult market conditions in certain European countries as well as of the pick-up in the level of non-portfolio services.

The outlook for 2015 for organic growth, operating margin and cash conversion is as follows:

- Organic growth is expected to be 3.5%-4.5%.
- Operating margin in 2015 is expected to be above the 5.6% realised in 2014.
- Cash conversion is expected to remain above 90%.

Expected impact from divestments, acquisitions and foreign exchange rates in 2015

We expect the divestments and the acquisition completed by 31 July (including in 2014) to negatively impact the revenue growth in 2015 by approximately 1 percentage point. We expect a positive impact on revenue growth in 2015 from the development in foreign exchange rates of approximately 4-5 percentage points based on the forecasted average exchange rates for the year 2015[1)]. Consequently, we expect total revenue growth in 2015 to be positive by 6.5-8.5 percentage points.

Subsequent events

On 24 August 2015, ISS divested CMC, the non-core call centre activities in Turkey, which was classified as held for sale at 30 June 2015. CMC has 4,110 employees and in 2014, annual revenue was DKK 336 million. The transaction is expected to be closed in Q4 2015.

On 27 August, ISS announced that Henrik Andersen, COO EMEA, will be leaving ISS for an external opportunity, see Management changes on page 10.

Apart from the above and the events described in these condensed consolidated interim financial statements, the Group is not aware of events subsequent to 30 June 2015, which are expected to have a material impact on the Group's financial position.

1) The forecasted average exchange rates for the financial year 2015 are calculated using the realised average exchange rates for the first seven months of 2015 and the forecasted average exchange rates for the last five months of 2015.

Management statement

Copenhagen, 27 August 2015

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 June 2015.

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 for listed companies. The interim report has not been reviewed or audited.

In our opinion, the condensed consolidated interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2015 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 June 2015.

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

Heine Dalsgaard
Group Chief Financial Officer

Henrik Andersen
Group Chief Operating Officer EMEA

John Peri
Group Chief Operating Officer Americas and APAC

Board of Directors

Lord Allen of Kensington Kt CBE
Chairman

Thomas Berglund
Deputy Chairman

Claire Chiang

Henrik Poulsen

Jo Taylor

Cynthia Mary Trudell

Pernille Benborg [1)]

Joseph Nazareth [1)]

Palle Fransen Queck [1)]

[1)] Employee representative

Condensed consolidated interim financial statements

Condensed consolidated financial statements

Basis of preparation

Income statement

Statement of cash flows

Statement of financial position

Other

Condensed consolidated income statement

1 January – 30 June

DKK million	Note	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Revenue	4	**20,206**	**18,397**	**39,356**	**36,648**
Staff costs		(13,214)	(12,416)	(26,131)	(24,758)
Consumables		(1,773)	(1,593)	(3,459)	(3,176)
Other operating expenses		(3,963)	(3,249)	(7,476)	(6,610)
Depreciation and amortisation [1]		(189)	(183)	(380)	(363)
Operating profit before other items [2]		**1,067**	**956**	**1,910**	**1,741**
Other income and expenses, net	5	(44)	(29)	(63)	(133)
Operating profit [1]	4	**1,023**	**927**	**1,847**	**1,608**
Financial income	7	(68)	64	164	137
Financial expenses	7	(96)	(282)	(544)	(912)
Profit before tax and goodwill impairment and amortisation/impairment of brands and customer contracts		**859**	**709**	**1,467**	**833**
Income taxes [3]		(258)	(223)	(440)	(274)
Profit before goodwill impairment and amortisation/impairment of brands and customer contracts		**601**	**486**	**1,027**	**559**
Goodwill impairment	6, 9	-	-	(6)	-
Amortisation/impairment of brands and customer contracts	9	(167)	(151)	(331)	(301)
Income tax effect [4]		45	43	86	87
Net profit for the period		**479**	**378**	**776**	**345**
Attributable to:					
Owners of ISS A/S		477	378	773	344
Non-controlling interests		2	0	3	1
Net profit for the period		**479**	**378**	**776**	**345**
Earnings per share:					
Basic earnings per share (EPS), DKK		2.6	2.0	4.2	2.1
Diluted earnings per share, DKK		2.6	2.0	4.2	2.1
Adjusted earnings per share, DKK [5]		3.2	2.6	5.5	3.4

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

Condensed consolidated statement of comprehensive income

1 January – 30 June

DKK million	Note	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Net profit for the period		**479**	**378**	**776**	**345**
Other comprehensive income					
Items not to be reclassified to the income statement in subsequent periods:					
Actuarial gains/(losses) regarding pensions	11	(159)	(89)	(159)	(89)
Impact from asset ceiling regarding pensions		-	40	-	36
Tax		35	11	35	12
Items to be reclassified to the income statement in subsequent periods:					
Foreign exchange adjustments of subsidiaries and non-controlling interests		(185)	122	920	258
Fair value adjustment of hedges, net		-	0	(3)	4
Fair value adjustment of hedges, net, transferred to Financial expenses		-	(4)	12	(7)
Tax		-	1	(2)	1
Total other comprehensive income		**(309)**	**81**	**803**	**215**
Total comprehensive income for the period		**170**	**459**	**1,579**	**560**
Attributable to:					
Owners of ISS A/S		167	459	1,575	559
Non-controlling interests		3	0	4	1
Total comprehensive income for the period		**170**	**459**	**1,579**	**560**

Condensed consolidated statement of cash flows

1 January – 30 June

DKK million	Note	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Operating profit before other items	4	1,067	956	1,910	1,741
Depreciation and amortisation		189	183	380	363
Share-based payments (non-cash)		25	14	43	16
Changes in working capital		(18)	(81)	(1,423)	(1,444)
Changes in provisions, pensions and similar obligations		(65)	(73)	(1)	(115)
Other expenses paid		(67)	(90)	(139)	(224)
Interest received		14	26	24	67
Interest paid		(85)	(230)	(199)	(567)
Income taxes paid		(217)	(303)	(434)	(475)
Cash flow from operating activities		**843**	**402**	**161**	**(638)**
Acquisition of businesses	8	81	(10)	(441)	(10)
Divestment of businesses	8	7	23	(9)	1,035
Acquisition of intangible assets and property, plant and equipment		(258)	(218)	(490)	(429)
Disposal of intangible assets and property, plant and equipment		30	18	36	34
(Acquisition)/disposal of financial assets		(16)	17	(21)	72
Cash flow from investing activities		**(156)**	**(170)**	**(925)**	**702**
Proceeds from borrowings		510	2,554	1,712	13,834
Repayment of borrowings		(99)	(3,639)	(1,070)	(22,596)
Proceeds from issuance of share capital		-	-	-	7,788
Capital increase, non-controlling interests		11	-	11	-
Purchase of treasury shares		-	-	(204)	(140)
Dividends paid to shareholders		(901)	-	(901)	-
Non-controlling interests		(2)	(2)	(2)	(2)
Cash flow from financing activities		**(481)**	**(1,087)**	**(454)**	**(1,116)**
Total cash flow		**206**	**(855)**	**(1,218)**	**(1,052)**
Cash and cash equivalents at the beginning of the period		2,329	3,093	3,557	3,277
Total cash flow		206	(855)	(1,218)	(1,052)
Foreign exchange adjustments		(81)	15	115	28
Cash and cash equivalents at 30 June		**2,454**	**2,253**	**2,454**	**2,253**

Condensed consolidated statement of financial position

DKK million	Note	30 June 2015	30 June 2014	31 December 2014
Assets				
Intangible assets	6, 9	28,748	28,239	27,465
Property, plant and equipment		1,720	1,684	1,638
Deferred tax assets		936	730	755
Other financial assets		473	371	431
Non-current assets		**31,877**	**31,024**	**30,289**
Inventories		324	304	309
Trade receivables		11,895	10,820	10,446
Tax receivables		238	165	212
Other receivables		1,880	1,603	1,449
Cash and cash equivalents		2,454	2,253	3,557
Assets classified as held for sale	10	691	558	472
Current assets		**17,482**	**15,703**	**16,445**
Total assets		**49,359**	**46,727**	**46,734**

DKK million	Note	30 June 2015	30 June 2014	31 December 2014
Equity and liabilities				
Total equity attributable to owners of ISS A/S		13,442	12,436	12,910
Non-controlling interests		27	8	10
Total equity		**13,469**	**12,444**	**12,920**
Loans and borrowings		14,923	14,191	14,887
Pensions and similar obligations	11	1,732	897	1,415
Deferred tax liabilities		1,467	1,512	1,415
Provisions		275	397	348
Non-current liabilities		**18,397**	**16,997**	**18,065**
Loans and borrowings		2,232	3,377	1,338
Trade payables		3,215	2,810	3,562
Tax payables		253	281	170
Other liabilities		11,356	10,362	10,254
Provisions		237	286	249
Liabilities classified as held for sale	10	200	170	176
Current liabilities		**17,493**	**17,286**	**15,749**
Total liabilities		**35,890**	**34,283**	**33,814**
Total equity and liabilities		**49,359**	**46,727**	**46,734**

Condensed consolidated statement of changes in equity

1 January – 30 June

YTD 2015 DKK million	Share capital	Retained earnings	Translation reserve	Hedging reserve	Treasury shares	Proposed dividends	Total	Non-controlling interest	Total equity
	Attributable to owners of ISS A/S								
Equity at 1 January	**185**	**11,959**	**45**	**(29)**	**(160)**	**910**	**12,910**	**10**	**12,920**
Comprehensive income for the period									
Net profit for the period	**-**	**773**	**-**	**-**	**-**	**-**	**773**	**3**	**776**
Other comprehensive income									
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	919	-	-	-	919	1	920
Adjustment relating to previous years	-	(22)	-	22	-	-	-	-	-
Fair value adjustment of hedges, net	-	-	-	(3)	-	-	(3)	-	(3)
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	12	-	-	12	-	12
Actuarial gains/(losses) regarding pensions	-	(159)	-	-	-	-	(159)	-	(159)
Tax	-	35	-	(2)	-	-	33	-	33
Total other comprehensive income	**-**	**(146)**	**919**	**29**	**-**	**-**	**802**	**1**	**803**
Total comprehensive income for the period	**-**	**627**	**919**	**29**	**-**	**-**	**1,575**	**4**	**1,579**
Transactions with owners									
Purchase of treasury shares	-	-	-	-	(204)	-	(204)	-	(204)
Share-based payments	-	43	-	-	-	-	43	-	43
Settlement of vested PSUs	-	(41)	-	-	41	-	-	-	-
Disposal of shares in subsidiary	-	(15)	-	-	-	-	(15)	15	-
Capital increase, non-controlling interests	-	34	-	-	-	-	34	-	34
Dividends paid to shareholders	-	-	-	-	-	(901)	(901)	-	(901)
Dividends, treasury shares	-	9	-	-	-	(9)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(2)	(2)
Total transactions with owners	**-**	**30**	**-**	**-**	**(163)**	**(910)**	**(1,043)**	**13**	**(1,030)**
Total changes in equity	**-**	**657**	**919**	**29**	**(163)**	**(910)**	**532**	**17**	**549**
Equity at 30 June	**185**	**12,616**	**964**	**-**	**(323)**	**-**	**13,442**	**27**	**13,469**

Condensed consolidated statement of changes in equity

1 January – 30 June

YTD 2014 DKK million	Share capital	Retained earnings	Translation reserve	Hedging reserve	Treasury shares	Total	Non-controlling interest	Total equity
	Attributable to owners of ISS A/S							
Equity at 1 January	**135**	**4,537**	**(428)**	**(31)**	**-**	**4,213**	**9**	**4,222**
Comprehensive income for the period								
Net profit for the period	**-**	**344**	**-**	**-**	**-**	**344**	**1**	**345**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	258	-	-	258	(0)	258
Fair value adjustment of hedges, net	-	-	-	4	-	4	-	4
Fair value adjustment of hedges, net, transferred to Financial income	-	-	-	(7)	-	(7)	-	(7)
Actuarial gains/(losses) regarding pensions	-	(89)	-	-	-	(89)	-	(89)
Impact from asset ceiling regarding pensions	-	36	-	-	-	36	-	36
Tax	-	12	-	1	-	13	-	13
Total other comprehensive income	**-**	**(41)**	**258**	**(2)**	**-**	**215**	**(0)**	**215**
Total comprehensive income for the period	**-**	**303**	**258**	**(2)**	**-**	**559**	**1**	**560**
Transactions with owners								
Share issue	50	7,986	-	-	-	8,036	-	8,036
Costs related to the share issue	-	(248)	-	-	-	(248)	-	(248)
Purchase of treasury shares	-	-	-	-	(140)	(140)	-	(140)
Share-based payments	-	16	-	-	-	16	-	16
Dividends paid to non-controlling interests	-	-	-	-	-	-	(2)	(2)
Total transactions with owners	**50**	**7,754**	**-**	**-**	**(140)**	**7,664**	**(2)**	**7,662**
Total changes in equity	**50**	**8,057**	**258**	**(2)**	**(140)**	**8,223**	**(1)**	**8,222**
Equity at 30 June	**185**	**12,594**	**(170)**	**(33)**	**(140)**	**12,436**	**8**	**12,444**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements of ISS A/S for the period 1 January - 30 June 2015 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 listed companies.

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 2014. A full description of the Group's accounting policies is included in the consolidated financial statements for 2014. In respect of description of business combinations, please refer to the consolidated financial statements for 2013.

Changes in accounting policies

With effect from 1 January 2015, the Group has implemented parts of Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The adoption of these Standards and Interpretations did not affect recognition and measurement in the first six months of 2015.

Change in classification

With effect from 1 January 2015, the Group changed the classification of Interest received/paid in the statement of cash flows to be presented in Cash flow from operating activities instead of Cash flow from financing activities. Following the IPO in 2014 and the changed capital structure, it is management's assessment that this better reflects the distinction between operating and financing activities. The change in classification resulted in Cash flow from operating activities for the first six months of 2015 decreasing DKK 175 million and a corresponding increase in Cash flow from financing activities. Comparative figures for the first six months of 2014 have been reclassified for consistency, which resulted in Cash flow from operating activities decreasing DKK 500 million and Cash flow from financing activities increasing correspondingly.

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.

Effective 1 January 2015, the Group has prospectively changed the amortisation method for acquisition-related customer contracts from the declining balance method to straight-line amortisation over the estimated useful life. The new method is deemed to better reflect the consumption of the future benefits embodied in the asset. The useful life is estimated to range between 11 and 15 years. In the first six months, the change resulted in an increase in Amortisation/impairment of brands and customer contracts of DKK 91 million and a decrease in Net profit for the period of DKK 68 million.

Except for the above and the judgements and estimates commented upon in the notes of 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 2014.

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 77 countries and delivers a wide range of services within the areas cleaning services, support services, property services, catering services, security services and facility management.

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 limited activities which are managed by the Global 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.

Transactions between reportable segments are made on market terms.

YTD 2015

DKK million	Western Europe	Nordic	Asia	Pacific	Latin America	North America	Eastern Europe	Other countries	Total reportable segments
Revenue [1)]	20,135	7,330	4,909	2,297	1,895	2,026	762	48	**39,402**
Operating profit before other items [2)]	1,111	441	338	114	84	70	44	(1)	**2,201**
Operating profit [3)]	1,080	437	339	114	79	51	44	(1)	**2,143**
Total assets	25,942	11,703	5,351	2,492	1,611	2,301	1,327	15	**50,742**
Total liabilities	14,758	5,964	2,058	1,384	1,300	1,334	487	12	**27,297**

YTD 2014

DKK million	Western Europe	Nordic	Asia	Pacific	Latin America	North America	Eastern Europe	Other countries	Total reportable segments
Revenue [1)]	18,548	7,831	3,916	2,187	1,753	1,661	773	24	**36,693**
Operating profit before other items [2)]	954	457	276	93	85	46	44	(1)	**1,954**
Operating profit [3)]	934	428	274	89	83	45	43	(1)	**1,895**
Total assets	25,192	13,372	4,344	2,618	1,681	1,815	1,297	17	**50,336**
Total liabilities	15,714	7,298	1,716	1,555	2,028	1,049	522	14	**29,896**

1) Including internal revenue which due to the nature of the business is insignificant and is therefore not disclosed.
2) Excluding Other income and expenses, net, Goodwill impairment and Amortisation/impairment of brands and customer contracts.
3) Excluding Goodwill impairment and Amortisation/impairment of brands and customer contracts.

Reconciliation of operating profit

DKK million	YTD 2015	YTD 2014
Operating profit for reportable segments	2,143	1,895
Unallocated corporate costs	(291)	(213)
Unallocated other income and expenses, net	(5)	(74)
Operating profit according to the income statement	**1,847**	**1,608**

NOTE 5 OTHER INCOME AND EXPENSES, NET

DKK million	YTD 2015	YTD 2014
Gain on divestments	2	48
Other	6	1
Other income	**8**	**49**
Restructuring projects	(55)	(69)
Acquisition and integration costs	(8)	-
Loss on divestments	(2)	(10)
Costs related to the IPO	-	(102)
Other	(6)	(1)
Other expenses	**(71)**	**(182)**
Other income and expenses, net	**(63)**	**(133)**

Gain on divestments in 2015 related to the sale of the route-based security activities in India. In 2014, the gain mainly related to the sale of certain service activities related to asylum centres in Norway and the pest control activities in India.

Restructuring projects mainly related to the implementation of GREAT under which the review of the customer segmentation and organisational structure has led to structural adjustments in a number of countries. The costs primarily comprised redundancy payments, termination of subcontractor agreements, termination of leaseholds and relocation costs. In 2015, costs related to Belgium, Brazil, Denmark, Germany, Spain and the USA. In 2014, costs related to Denmark and Norway.

Acquisition and integration costs related to GS Hall plc and mainly consisted of financial and legal fees to advisors as well as costs incurred as a consequence of the integration.

Loss on divestments in 2015 comprised adjustments to prior years divestments. In 2014, the loss mainly related to the sale of the commercial security activities in Australia and the property service activities in Belgium.

Costs related to the IPO in 2014 comprised costs for external advisors, mainly fees to lawyers, auditors and other advisors, as well as certain transaction bonuses.

NOTE 6 GOODWILL IMPAIRMENT

DKK million	YTD 2015	YTD 2014
Impairment losses derived from divestment of businesses	6	-
Goodwill impairment	**6**	**-**

Impairment losses derived from divestment of businesses

Impairment losses related to the divestment of the landscaping activities in Belgium.

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 June 2015, the Group performed a review for indications of impairment of the carrying amount of intangibles. Performance in the Netherlands remains challenging and continues to be closely monitored. It is management's opinion that overall there are no significant changes to the assumptions applied in the impairment tests presented in note 4.4 in the consolidated financial statements for 2014.

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

NOTE 7 FINANCIAL INCOME AND FINANCIAL EXPENSES

DKK million	YTD 2015	YTD 2014
Interest income on cash and cash equivalents	23	19
Net change in fair value of cash flow hedges	-	7
Foreign exchange gains	141	111
Financial income	**164**	**137**
Interest expenses on loans and borrowings	(254)	(522)
Amortisation of financing fees	(18)	(31)
Refinancing	-	(173)
Other bank fees	(44)	(70)
Net change in fair value of cash flow hedges	(12)	-
Net interest on defined benefit obligations	(15)	(11)
Foreign exchange losses	(201)	(105)
Financial expenses	**(544)**	**(912)**

Foreign exchange gains and losses mainly related to exchange rate movements on intercompany loans from the parent company to foreign subsidiaries as well as on external loans and borrowings denominated in currencies other than DKK. In addition, fair value adjustments of currency swaps which are used to off-set the above exchange rate movements were included.

Interest expenses on loans and borrowings The refinancing of the pre-IPO debt in March 2014 as well as the lower average net debt during the first six months of 2015 reduced interest expenses compared to 2014.

Amortisation of financing fees At the date of borrowing financing fees are recognised as part of loans and borrowings. Subsequently, financing fees are amortised over the term of the loan and recognised in financial expenses. Amortisation of financing fees are non-cash expenses.

Refinancing In 2014, the refinancings carried out following the IPO resulted in non-cash unamortised financing fees being expensed related to the pre-IPO senior secured facilities, DKK 152 million and the Senior Subordinated Notes, DKK 12 million and the securitisation programme, DKK 9 million.

NOTE 8 ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

The Group made one acquisition during 1 January - 30 June 2015 (none during 1 January - 30 June 2014).

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

	YTD 2015			YTD 2014
DKK million	GS Hall plc	Adjustments to prior years' acquisitions	Total acquisitions	Total acquisitions
Customer contracts	248	-	248	-
Other non-current assets	51	-	51	-
Trade receivables	182	-	182	-
Other current assets	77	-	77	-
Pensions, deferred tax liabilities and non-controlling interests	(54)	-	(54)	-
Current loans and borrowings	(103)	-	(103)	-
Other current liabilities	(317)	-	(317)	-
Total identifiable net assets	**84**	**-**	**84**	**-**
Goodwill	408	34	442	-
Consideration transferred	**492**	**34**	**526**	**-**
Cash and cash equivalents in acquired businesses	(17)	-	(17)	-
Cash consideration transferred	**475**	**34**	**509**	**-**
Contingent and deferred consideration	(60)	(8)	(68)	10
Total payments regarding acquisition of businesses	**415**	**26**	**441**	**10**

GS Hall plc

On 20 January 2015, ISS announced the acquisition of GS Hall plc, a leading technical services company with activities in the UK, Ireland and continental Europe. Acquiring GS Hall will strengthen our ability to deliver technical services, including mechanical and technical engineering, energy management and compliance, as part of our integrated facility services offering.

The total annual revenue is estimated at DKK 698 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 June 2015, GS Hall plc contributed revenue of DKK 307 million and operating profit before other items of DKK 25.6 million. Total number of employees taken over is approximately 780.

Total consideration transferred amounted to DKK 492 million of which DKK 432 million was cash payment and DKK 60 million is contingent upon achievement of an agreed level of earnings in the 8 months period following the acquisition date.

The Group incurred acquisition-related costs of DKK 10 million related to external legal fees and due diligence costs. The costs have been included in the income statement in the line Other income and expenses, net, partly in 2014 and partly in 2015.

Trade receivables of DKK 182 million are included in the provisionally determined opening balance. The trade receivables comprise gross contractual amounts of DKK 193 million of which DKK 11 million were expected to be uncollectible at the acquisition date based on the preliminary assessment.

The full review of the opening balance of GS Hall plc has not yet been completed. Consequently, the opening balance is provisionally determined as at 30 June 2015. This is in line with usual Group procedures for completion of opening balances of acquired businesses.

Based on the provisionally determined fair values of identifiable net assets goodwill amounts to DKK 408 million. The goodwill recognised is attributable mainly to assembled workforce, technical expertise and technological know how. Goodwill is not expected to be deductible for income tax purposes.

NOTE 8 ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Divestment of businesses

The Group made two divestments during 1 January - 30 June 2015 (nine during 1 January - 30 June 2014). The total sales price amounted to DKK 21 million (DKK 1,233 million during 1 January - 30 June 2014). The total annual revenue of the divested businesses (extracted from unaudited financial information) is estimated at DKK 87 million (DKK 3,388 million during 1 January - 30 June 2014).

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

DKK million	YTD 2015	YTD 2014
Goodwill	9	718
Customer contracts	1	40
Other non-current assets	1	249
Trade receivables	2	564
Other current assets	10	95
Provisions	-	(17)
Pensions, deferred tax liabilities and non-controlling interests	(5)	(59)
Loans and borrowings	-	(3)
Other current liabilities	(5)	(563)
Total identifiable net assets	**13**	**1,024**
Gain/(loss) on divestment of businesses, net	(0)	38
Divestment costs, net of tax	8	171
Consideration received	**21**	**1,233**
Cash and cash equivalents in divested businesses	(9)	(45)
Cash consideration received	**12**	**1,188**
Contingent and deferred consideration	21	(31)
Divestment costs paid, net of tax	(42)	(122)
Net proceeds regarding divestment of businesses	**(9)**	**1,035**

The two divestments completed before or at 30 June 2015 are listed below:

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue [1] (DKK million)	Number of employees [1]
Route Based Security	India	Security	March	Activities	69	5,250
Landscaping	Belgium	Property Services	April	100%	18	18
Total					**87**	**5,268**

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

NOTE 8 ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Acquisitions and divestments subsequent to 30 June 2015

The Group made no acquisitions subsequent to 30 June 2015. On 24 August 2015, ISS divested CMC, the non-core call centre activities in Turkey, which was classified as held for sale at 30 June 2015. CMC has 4,110 employees and in 2014, annual revenue was DKK 336 million. The transaction is expected to be closed in Q4 2015.

Pro forma revenue and operating profit before other items

For the purpose of estimating pro forma revenue and operating profit before other items, adjustments relating to acquisitions and divestments are based on estimates made by local ISS management in the respective jurisdictions in which the acquisitions and divestments occurred at the time of the acquisition and divestment or actual results where available. The estimates are based on unaudited financial information.

These adjustments and the computation of total revenue and operating profit before other items on a pro forma basis 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.

Assuming all acquisitions and divestments during 1 January - 30 June 2015 were included as of 1 January the effect on revenue and operating profit before other items is estimated as follows:

DKK million	YTD 2015	YTD 2014
Pro forma revenue		
Revenue recognised in the income statement	39,356	36,648
Acquisitions	64	-
Divestments	(18)	(527)
Pro forma revenue	**39,402**	**36,121**
Pro forma operating profit before other items		
Operating profit before other items recognised in the income statement	1,910	1,741
Acquisitions	5	-
Divestments	(1)	4
Pro forma operating profit before other items	**1,914**	**1,745**

NOTE 9 INTANGIBLE ASSETS

DKK million	Goodwill	Brands	Customer contracts	Software and other intangible assets	Total
YTD 2015					
Cost at 1 January	25,962	1,615	9,829	1,387	38,793
Foreign exchange adjustments	821	-	367	28	1,216
Additions	-	-	-	98	98
Additions from acquisition of businesses	454	-	255	5	714
Disposals through divestment of businesses	(15)	-	(6)	-	(21)
Disposals	-	-	-	(34)	(34)
Reclassification to Assets classified as held for sale	(31)	-	-	(4)	(35)
Cost at 30 June	**27,191**	**1,615**	**10,445**	**1,480**	**40,731**
Amortisation and impairment losses at 1 January	(3,166)	(26)	(7,255)	(881)	(11,328)
Foreign exchange adjustments	(7)	-	(255)	(14)	(276)
Amortisation	-	-	(330)	(78)	(408)
Impairment losses [1)]	(6)	-	(1)	-	(7)
Disposals through divestment of businesses	6	-	5	-	11
Disposals	-	-	-	25	25
Amortisation and impairment losses at 30 June	**(3,173)**	**(26)**	**(7,836)**	**(948)**	**(11,983)**
Carrying amount at 30 June	**24,018**	**1,589**	**2,609**	**532**	**28,748**
YTD 2014					
Cost at 1 January	26,074	1,616	9,906	1,218	38,814
Foreign exchange adjustments	204	7	93	7	311
Additions	-	-	-	111	111
Disposals through divestment of businesses	(15)	-	(8)	-	(23)
Disposals	-	-	-	(8)	(8)
Reclassification to Assets classified as held for sale	(80)	-	(35)	-	(115)
Cost at 30 June	**26,183**	**1,623**	**9,956**	**1,328**	**39,090**
Amortisation and impairment losses at 1 January	(2,919)	(26)	(6,745)	(778)	(10,468)
Foreign exchange adjustments	2	-	(61)	(3)	(62)
Amortisation	-	-	(301)	(73)	(374)
Disposals through divestment of businesses	15	-	8	-	23
Disposals	-	-	-	7	7
Reclassification to Assets classified as held for sale	-	-	23	-	23
Amortisation and impairment losses at 30 June	**(2,902)**	**(26)**	**(7,076)**	**(847)**	**(10,851)**
Carrying amount at 30 June	**23,281**	**1,597**	**2,880**	**481**	**28,239**

[1)] For a breakdown of impairment losses on goodwill, see note 6, Goodwill impairment. Impairment losses on customer contracts in 2015 related to divestment of the landscaping activities in Belgium.

NOTE 10 DISPOSAL GROUPS

At 31 December 2014, assets classified as held for sale comprised three businesses in Western Europe and the Nordic region for which sales processes were initiated during 2014. At 30 June 2015, sales processes were still ongoing and the three businesses continued to be held for sale at 30 June 2015. One of these units – the call centre activities (CMC) in Turkey – was subsequently divested on 24 August 2015, see note 14, Subsequent events.

During the first six months of 2015, no additional businesses were classified as held for sale.

NOTE 11 PENSIONS AND SIMILAR OBLIGATIONS

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 2015, the overall evaluation carried out by management resulted in updated actuarial calculations being obtained for Switzerland due to a decrease in the discount rates. As a consequence of the updated calculations, at 30 June 2015 actuarial losses of DKK 159 million (DKK 124 million net of tax), were recognised in Other comprehensive income with a resulting increase in the defined benefit obligation.

NOTE 12 CONTINGENT LIABILITIES

Senior Facility Agreement

Effective 30 June 2015, guarantees issued by ISS A/S, ISS World Services A/S and certain material subsidiaries of ISS Global A/S in Australia, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom and the USA for the borrowings under the unsecured senior facility agreement were released. ISS Global A/S continues to guarantee the borrowings under the unsecured senior facility agreement.

Guarantee commitments

Indemnity and guarantee commitments at 30 June 2015 amounted to DKK 487 million (31 December 2014: DKK 518 million).

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,828 million (31 December 2014: DKK 1,612 million) of which DKK 1,288 million (31 December 2014: DKK 1,155 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 June 2015 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 June 2015.

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 June 2015.

NOTE 13 RELATED PARTIES

Parent and ultimate controlling party

At 1 January 2015, FS Invest II S.à r.l (FS Invest II) owned 19% of ISS A/S's shares and had significant influence in the Group. FS Invest II is a wholly-owned subsidiary of FS Invest S.à r.l (FS Invest), which is owned by funds advised by EQT Partners (EQT) and funds advised by Goldman Sachs Capital Partners (GSCP). At 1 January 2015, the indirect ownership share of ISS was 10% for EQT and 9% for GSCP.

On 12 March 2015, FS Invest II sold all of its ISS A/S shares pursuant to an accelerated bookbuilt offering in which ISS acquired 1,000,000 treasury shares.

At 30 June 2015, ISS had no related parties with either control of the Group or significant influence in the Group.

Except for the acquired treasury shares, during the first six months of 2015, there were no significant transactions with FS Invest, FS Invest II, EQT and GSCP and there were no significant changes to terms and conditions of agreements between the Group and EQT or GSCP. Transactions with EQT and GSCP are made on market terms and described in note 6.3, Related parties, of the Group's consolidated financial statements for 2014.

Key management personnel

Members of the Board of Directors (the Board) 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, there were no significant transactions during the first six months of 2015 with members of the Board and the GMB.

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 six months of 2015. 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 six months of 2015.

1) The GMB comprise the Executive Group Management Board (the EGM) and Corporate Senior Officers of the Group.

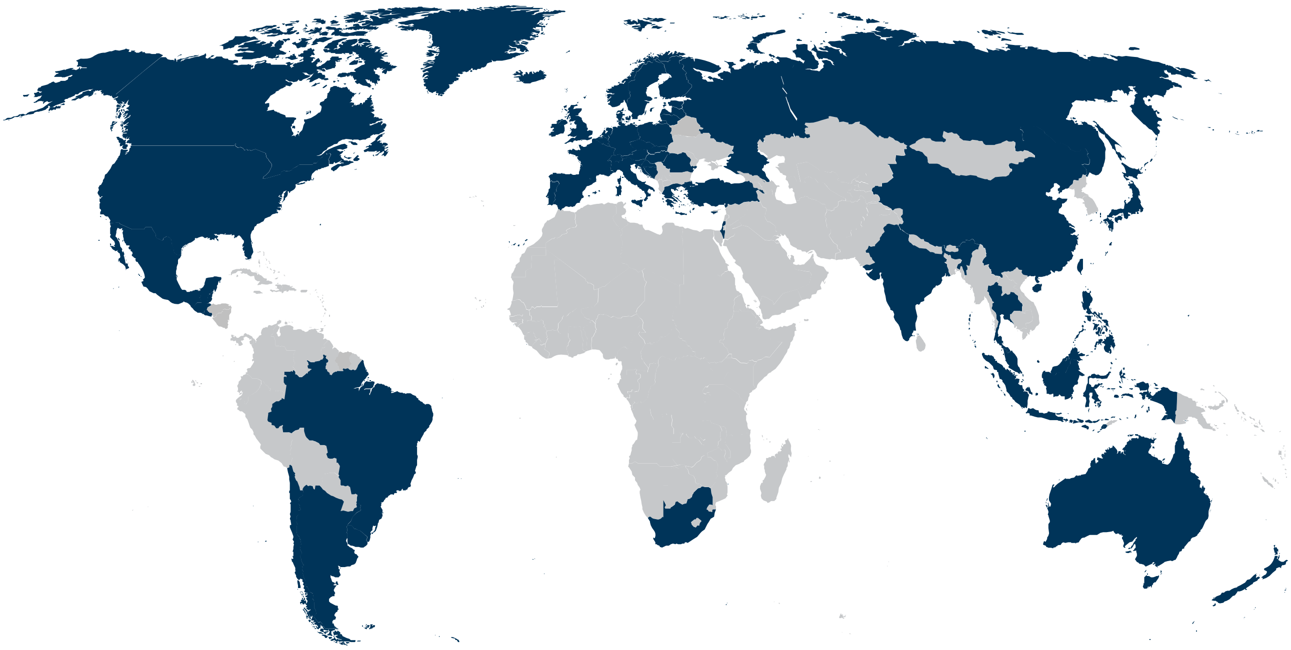
NOTE 14 SUBSEQUENT EVENTS

On 24 August 2015, ISS divested CMC, the non-core call centre activities in Turkey, which was classified as held for sale at 30 June 2015. CMC has 4,110 employees and in 2014, annual revenue was DKK 336 million. The transaction is expected to be closed in Q4 2015.

On 27 August, ISS announced that Henrik Andersen, COO EMEA, will be leaving ISS for an external opportunity, see Management changes on page 10.

Apart from the above and the events described in these condensed consolidated interim financial statements, the Group is not aware of events subsequent to 30 June 2015, which are expected to have a material impact on the Group's financial position.

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 74.1 billion in 2014 and ISS has approximately 510,000 employees and local operations in more than 70 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers.