To Luxembourg Stock Exchange
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ISS A/S

Interim Report January – June 2011

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Key figures and financial ratios

DKK million (unless otherwise stated)	Q2 2011	Q2 2010	H1 2011	H1 2010
KEY FIGURES [1)]				
Income statement				
Revenue	19,575	18,619	38,559	36,193
Operating profit before other items	1,095	1,071	1,959	1,877
EBITDA	1,205	1,151	2,268	2,000
Adjusted EBITDA	1,321	1,284	2,397	2,289
Operating profit	979	938	1,830	1,588
Financial income	25	73	69	126
Financial expenses	(799)	(601)	(1,491)	(1,249)
Profit before goodwill impairment/amortisation and impairment of brands and customer contracts	(6)	280	98	244
Net profit/(loss) for the year	(413)	(112)	(438)	(309)
Cash flow				
Cash flow from operating activities	915	938	472	951
Acquisition of intangible assets and property, plant and equipment not related to acquisitions, net	(263)	(264)	(504)	(443)
Financial position				
Total assets	54,473	57,437	54,473	57,437
Goodwill	27,072	28,497	27,072	28,497
Additions to property, plant and equipment not related to acquisitions, gross	245	241	459	424
Carrying amount of net debt	31,496	32,197	31,496	32,197
Total equity (attributable to owners of ISS A/S)	1,937	2,753	1,937	2,753
Employees				
Number of employees at 30 June	535,600	498,000	535,600	498,000
Full-time employees, %	73	72	73	72
FINANCIAL RATIOS [1)]				
Growth, %				
Organic growth	6.2	3.8	6.0	3.0
Acquisitions	0	0	0	0
Divestments	(1)	(2)	(1)	(1)
Currency adjustments	(0)	5	2	4
Total revenue growth	5	7	7	6
Other financial ratios, %				
Operating margin	5.6	5.8	5.1	5.2
Equity ratio	3.6	4.8	3.6	4.8
Interest coverage	1.7	2.4	1.7	2.0
Cash conversion LTM	87	96	87	96
Basic earnings per share (EPS), DKK	(4.1)	(1.2)	(4.4)	(3.2)
Diluted earnings per share, DKK	(4.1)	(1.2)	(4.4)	(3.2)
Adjusted earnings per share, DKK	(0.1)	2.8	1.0	2.4

[1)] See definitions in the Annual Report 2010.

Financial Leverage

	As of and for the 12-month period ended			
DKK million	30 September 2010	31 December 2010	31 March 2011	30 June 2011
Pro Forma Adj. EBITDA	4,958	5,068	5,147	5,181
Carrying amount of net debt	31,889	30,619	31,491	31,496
Seasonality Adj. Carrying amount of net debt	31,049	30,619	30,818	30,727
Carrying amount of net debt / Pro Forma Adj. EBITDA	6.43x	6.04x	6.12x	6.08x
Seasonality Adj. Carrying amount of net debt / Pro Forma Adj. EBITDA	6.26x	6.04x	5.99x	5.93x

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 32-34 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 2010, which is available from the Group's website, www.issworld.com.

Business Highlights

ISS continued the growth momentum experienced during 2010 and the first part of 2011 demonstrating increased organic growth and growing operating profit:

- Group revenue amounted to DKK 38.6 billion in the first six months of 2011, an increase of 7% compared with the same period in 2010, driven by organic growth of 6.0% and a positive effect from exchange rate movements of 2% which was offset by negative net effect from acquisitions and divestments of 1%.

- The organic growth of 6.0% in the first six months of 2011 was a continuation of the positive organic growth trend seen in 2010, fuelled by the start-up of several large Integrated Facility Services (IFS) contracts in 2011. Organic growth was 6.2% in the second quarter of 2011 and marks the seventh consecutive quarter with an increase in our organic growth rate. North America, Latin America and Asia delivered double-digit organic growth rates.

- Operating profit before other items increased by 4% to DKK 1,959 million in the first six months of 2011 compared with the same period of 2010. The operating margin (operating profit before other items as a percentage of revenue) was 5.1% for the first six months of 2011 compared with 5.2% for the comparable period in 2010. The margin achieved in the first six months of each year is historically lower than the full year margin due to the seasonality in our business. The operating margin for the first six months of 2011 is impacted negatively by overall economic conditions in the Mediterranean, operational challenges in the Netherlands as well as the start-up of large national and international IFS contracts.

- Operating profit increased by 15% from DKK 1,588 million in first six months of 2010 to DKK 1,830 million in first six months of 2011, despite expensing of IPO costs of DKK 90 million.

- The net result decreased from a loss of DKK 309 million in the first six months of 2010 to a loss of DKK 438 million in the first six months of 2011, positively impacted by growth in revenue and operating profit, which was more than offset by an increase in the effect from foreign exchange losses, expensing of remaining financing fees related to the amended and extended debt and an increase in income taxes.

Operating results, H1 2011

	Revenue			Operating profit before other items			Operating margin [1]	
	DKK million			DKK million				
	H1 2011	H1 2010	Change	H1 2011	H1 2010	Change	H1 2011	H1 2010
Western Europe [2]	19,742	19,408	2 %	1,059	1,028	3 %	5.4 %	5.3 %
Nordic [3]	8,955	8,473	6 %	481	497	(3)%	5.4 %	5.9 %
Asia [4]	2,922	2,455	19 %	218	177	23 %	7.5 %	7.2 %
Pacific [5]	2,762	2,377	16 %	195	162	20 %	7.1 %	6.8 %
Latin America [6]	1,818	1,415	28 %	104	84	24 %	5.7 %	5.9 %
North America [7]	1,587	1,294	23 %	56	62	(10)%	3.5 %	4.8 %
Eastern Europe [8]	791	789	0 %	50	49	2 %	6.3 %	6.2 %
Other Countries [9]	16	8	100 %	(0)	1	(110)%	(0.6)%	14.0 %
Corporate / eliminations	(34)	(26)		(204)	(183)	11 %	(0.5)%	(0.5)%
Total	**38,559**	**36,193**	**7 %**	**1,959**	**1,877**	**4 %**	**5.1 %**	**5.2 %**
Emerging Markets [10]	7,360	6,346	16 %	493	421	17 %	6.7 %	6.6 %

[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, Egypt, Nigeria, Pakistan, South Africa, Ukraine and United Arab Emirates.
[10] Emerging Markets comprises Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey.

- The LTM cash conversion for June 2011 was 87%, negatively impacted by approximately 5 cash conversion percentage points stemming from a change in payment terms of VAT and payroll and social taxes in certain countries in the Nordic region and the Western European region. Furthermore, cash conversion was affected by the strong organic growth and an increase in debtor days of less than one day compared with 30 June 2010.

- 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 14% and represent 19% of total revenue and 40% of total organic growth for the Group. In addition to boosting organic growth, the emerging markets delivered an operating margin of 6.7%, well above most mature markets.

Ensuring the successful start-up of several international IFS contract wins such as the contracts with Hewlett-Packard in the Americas, Citi for EMEA, United Kingdom Foreign & Commonwealth Office for APAC and Royal Air Force in the United Kingdom is a key focus area for ISS in 2011. The implementation of these contracts in aggregate are progressing well and operating margins and debtor days are improving gradually towards the anticipated run rate levels, albeit it has led to margin dilution in North America in H1 2011.

In May 2011, the International Association of Outsourcing Professionals (IAOP) announced that ISS is ranked number 2 on IAOP's list of the world's leading outsourcing providers – The Global Outsourcing 100. ISS thereby steps up four places from last year and underlines that ISS is considered a professional and reliable outsourcing partner of choice not only within the facility services industry but measured against all outsourcing companies across industries.

ISS has completed the divestment of the industrial services business in Belgium with economic effect from 1 June. Additionally, an agreement for divestment of the damage control business in Germany has been signed on 8 June with economic effect from 1 July. The damage control business is presented as held for sale on 30 June 2011 and the cash flow effect from the divestment has been recognised in July. Both businesses were classified as held for sale at 31 December 2010.

In March 2011, it was decided to postpone the IPO of ISS as a result of the underlying level of volatility and uncertainty in the financial markets and the existing shareholders' and the company's desire to achieve a successful IPO with an orderly aftermarket. ISS and its shareholders are continuously monitoring the IPO market and will publicly disclose new information on the IPO process when relevant. Due to the postponement IPO costs of DKK 90 million have been expensed in H1 2011.

Following the postponed IPO, ISS decided to do a refinancing primarily to increase maturity. On 22 June 2011, ISS A/S announced that it had successfully received lender consent to extend certain tranches under its Senior Facilities Agreement and to implement other amendments intended to increase the operational flexibility of the ISS Group given that the group has almost doubled in size in terms of revenues, EBITDA and assets since the original agreement was put in place in 2005. Extensions were accepted by 96.5 per cent of the lenders in the tranches for which ISS requested extension, meaning that approximately DKK 17.9 billion of ISS' senior facilities debt was extended from 2012 and 2013 to either December 2014 or April 2015. The refinancing was executed on 24 June 2011 as a non-cash transaction. As a consequence, DKK 117 million in remaining financing fees recognised as part of the amended and extended debt were expensed in H1 2011.

Revenue growth, H1 2011

	Revenue growth, % [1]					
	Organic	**Acq.**	**Div.**	**Total growth excl. currency**	**Currency**	**Total growth**
Western Europe	3	-	(2)	1	1	2
Nordic	4	-	(1)	3	3	6
Asia	13	7	-	20	(1)	19
Pacific	7	-	-	7	9	16
Latin America	26	-	-	26	2	28
North America	29	-	-	29	(6)	23
Eastern Europe	(2)	-	-	(2)	2	0
Other Countries	94	-	-	94	6	100
Total	6.0	0	(1)	5	2	7
Emerging Markets	14	3	-	17	(1)	16

[1] For a description of the method applied in calculating organic growth and the other revenue growth components, see ISS's Annual Report 2010, which is available at the Group's website, www.issworld.com.

When amending and extending the Senior Facilities Agreement, it was also decided to extend the maturity on the securitisation programme in order to minimize any near term refinancing.

Strategy Update

ISS's business model is based on creating value for our customers by offering a range of facility services within cleaning services, support services, property services, catering services, security services and facility management services. ISS's facility management approach represents a unique offering whereby the service delivery can be integrated into one seamless solution – our integrated facility services (IFS) solution.

The ISS Way strategy, launched in 2008, is based on our four strategic cornerstones; customer focus, people management, the IFS strategy and multi-local approach. Combined with our corporate values and leadership principles, these cornerstones provide the foundation on which we pursue our vision to "Lead facility services globally – by leading facility services locally".

ISS has, over the past decade, built global capability in the delivery of a well defined set of services which are equally well suited to delivery as a single service and as part of an integrated offering. The ISS Way is focused on leveraging this unique platform by the global implementation of best practices and standard processes. We are promoting a strong and uniform commercial culture and crafting market leading value propositions by customer segment. We are uniquely positioned to grasp the huge opportunities in our markets and we are putting our global footprint to work by meeting increased demand from multinational corporations for the delivery of integrated services across borders.

We continue to make progress in the implementation of The ISS Way strategy. With customers' needs in focus we are deploying best practice globally in order to align our organisation behind the consistent delivery of excellence. Strides are being made in aligning our human resources and commercial cultures. Within human resources we are continuing to embed our leadership principles and values as well as deploying group-wide employee engagement initiatives, performance and talent management systems and succession planning. Within the commercial arena, we are driving excellence on the customer segment, service and business system dimensions to enhance our ability to deliver on our value propositions. Excellence programmes in customer segments such as Remote sites and Hospitals have been completed and are being implemented. We are also adding to our library of best practice from a service perspective - for example a Catering Excellence programme has been initiated.

Financial Review

Western Europe

Revenue in the Western European region increased by 2% to DKK 19,742 million (2010: DKK 19,408 million) in the first six months of 2011. Organic growth was positive by 3% and currency adjustments increased revenue for the region by approximately 1%. This was offset by 2% negative growth from divestments. Operating profit before other items in Western Europe increased by 3% to DKK 1,059 million (2010: DKK 1,028 million) resulting in an operating margin of 5.4%, 0.1 percentage point higher compared with the first six months of 2010.

The development and performance across the region is diverse with strong performances in countries such as the United Kingdom, Switzerland, Turkey and Israel while Spain, the Netherlands, Greece and France experience challenges albeit France is making some progress in terms of the operational turnaround. France showed good organic growth in certain focussed customer segments as well as an overall increased operating margin compared with the first six months of 2010. The macroeconomic conditions in Spain especially impacts the catering business while the Netherlands is experiencing operational challenges, mainly in parts of the cleaning business.

All countries in Western Europe except for Ireland, France and the Netherlands delivered positive organic growth rates and double-digit organic growth rates were seen in Italy, Germany, Turkey and Israel. Generally, the Western European region begins to harvest on the commercial strategies and customer segmented sales strategy, which continue to be rolled out across the region. Major contract wins included ATOS, BAE and Carlsberg in the United Kingdom, Novartis in Switzerland, retention of the IFS contract with Delta Lloyd in the Netherlands and a new facility services contract with the public postal services company, CORREOS, in Spain.

The increase in operating margin was a result of a generally stable development in operating margin across the region including increasing operating margin in the United Kingdom and Switzerland.

Nordic

Revenue in the Nordic region increased by 6% to DKK 8,955 million (2010: DKK 8,473 million) in the first six months of 2011. Organic growth amounted to 4% and currency adjustments increased revenue for the region by approximately 3%, which stemmed mainly from an appreciation of SEK and NOK against DKK. Operating profit before other items decreased by 3% to DKK 481 million reflecting an operating margin of 5.4%, 0.5 percentage point lower than in the first six months of 2010.

The organic growth of 4% was driven by a good development in mainly Finland and Sweden through successful execution of the sales strategy targeting specific customer segments, e.g. Energy &

Resources, Public Administration and Healthcare in Sweden and Retail & Wholesale and Aviation in Finland. Contract wins included provision of cleaning and property services to Suomen Lähikauppa Oy, a large retail chain in Finland and the successful start-up of the IFS contract with Statoil in Norway. The positive development in the region was achieved despite a lower level of non-recurring services such as snow removal in the first part of 2011 compared with the same period in 2010. The decrease in operating margin from 5.9% to 5.4% was a result of margin decreases in mainly Denmark and Norway as a result of lower level of non-recurring services (snow removal, manpower etc.) and the loss of a few large IFS contracts in Denmark combined with start-up of new contracts where the margin is improving gradually towards the anticipated run rate.

Asia

The Asian region delivered a strong performance in the first six months of 2011. Revenue was DKK 2,922 million (2010: DKK 2,455 million), an increase of 19%, driven by organic growth of 13% and acquisition growth, net of 7%. Operating profit before other items increased by 23% to DKK 218 million reflecting an operating margin of 7.5%, which is the highest of any ISS region and 0.3 percentage point higher than in the first six months of 2010.

Double-digit organic growth rates were seen in several countries positively impacted by successful results of implementing a sales strategy targeting e.g. the Transportation & Infrastructure segment and the Energy & Resources segment. India was the largest contributor to the organic growth of the region with an organic growth rate of 43%, positively impacted by the development within security services where the newly acquired company, SDB Cisco Ltd., enabled India to win a number of contracts including a contract for delivering security services to 23 airports in India. China also showed a positive development and delivered organic growth of 25%, supported by contract wins within the Transportation & Infrastructure segment, e.g. a contract with Shenzen metro station and a significant scope increase on the contract with Pudong airport. The positive margin development generally reflects a stable and positive development across the region supported by the double-digit growth rates, a continued focus on contract efficiencies and a good ability to pass on wage increases to customers.

Pacific

The Pacific region delivered a good performance in the first six months of 2011. Revenue increased by 16% to DKK 2,762 million (2010: DKK 2,377 million) driven by organic growth of 7% and positive currency adjustments of 9%. Operating profit before other items increased by 20% to DKK 195 million (2010: DKK 162 million) equal to an operating margin of 7.1%, an increase of 0.3 percentage point compared with the first six months of 2011, positively impacted by improved contract management and in line with expectations.

The positive development was in particular driven by a strong retention of existing customers combined with the effect of large contract wins in the last part of 2010. In Australia, significant re-tender wins included a cleaning contract with public schools in New South Wales and a number of contracts within the remote site mining sector.

Latin America

Our business in Latin America continued the strong organic growth experienced in 2010 and the first part of 2011. Revenue was DKK 1,818 million (2010: DKK 1,415 million), an increase of 28%, driven by organic growth of 26% in the first six months of 2011. Operating profit before other items increased by 24% to DKK 104 million reflecting an operating margin of 5.7%, 0.2 percentage point lower than in the first six months of 2010. The decrease in the margin for the region was mainly a result of the start-up of a number of new large contracts where the margin, in line with expectations, is improving gradually towards the anticipated run rate.

All countries in the region delivered significant double-digit organic growth rates driven by a continued high level of new sales across most customer segments but mainly within Business Services & IT and Industry & Manufacturing. A subcontractor model was started up in 7 new countries in Latin America in 2011 to address the demand from regional and global clients. ISS started to supply services on the Hewlett-Packard and EDS contracts in 11 countries in Latin America in February 2011 in a full service delivery model with more than 800 dedicated employees. Brazil was the largest contributor to the organic growth of the region with an organic growth rate of 23% positively impacted by a strong performance across most customer segments but particularly within the Industry & Manufacturing and Healthcare segments through the contract wins of e.g. GM, Garoto, Johnson & Johnson and Hospital Sao Paulo.

North America

Revenue in the North American region increased by 23% to DKK 1,587 million (2010: DKK 1,294 million) in the first six months of 2011. Organic growth was 29% and currency adjustments decreased revenue by 6%. Operating profit before other items in North America amounted to DKK 56 million (2010: DKK 62 million) in the first six months of 2011 resulting in an operating margin of 3.5% compared with 4.8% in 2010.

The strong organic growth was driven by the start-up of the Hewlett-Packard contract. The start-up of this contract is also the main driver behind the margin decrease from 4.8% to 3.5% as the margin in the early phase of the contract has still not reached its full potential. The margin in the existing business was in line with the level realised in the first six months of 2010. In order to gain the necessary IFS delivery capabilities to support and deliver on major contracts in North America, costs have been incurred in relation to the build-up of the IFS platform. Due to the investment nature of these costs, they will be classified as other expenses during 2011 and 2012.

A sales approach focused at Aviation, Retail & Wholesale and Business Services & IT led to contract wins covering parts of a large retail chain and cleaning contracts with San Antonio and Portland airports.

Eastern Europe
Revenue in Eastern Europe increased slightly to DKK 791 million (2010: DKK 789 million) in the first six months of 2011. Organic growth was negative by 2% which was offset by a positive effect from currency adjustments. Operating profit before other items increased slightly to DKK 50 million (2010: DKK 49 million) reflecting an operating margin of 6.3%, 0.1 percentage point higher than in the first six months of 2010, mainly as a result of focus on contract efficiencies and roll-out of best practises.

The development and performance across the region is diverse, mainly as a result of different market conditions from country to country. The sales strategy focused at delivering services to blue chip companies is progressing, illustrated by a recent contract win of Tesco in the Czech Republic, yet countries such as Romania, Slovakia and the Czech Republic delivered negative organic growth due to the difficult market conditions. Russia delivered organic growth in excess of 60%, mainly as a result of revenue growth from blue chip customers within the customer segments Business Services & IT and Industry and Manufacturing, primarily as a result of the start-up of contracts with Citi, Philip Morris and Hewlett-Packard.

Other income and expenses, net represented a net expense of DKK 129 million in the first six months of 2011 compared with a net expense of DKK 287 million in the same period of 2010. DKK 90 million comprised costs related to the initiated IPO process, DKK 23 million related to the strategic build-up of IFS capabilities in North America and DKK 19 million was mainly related to loss on divestment of the industrial services business in Belgium, which was classified as held for sale at 31 December 2010. The expenses were partly offset by a net gain of DKK 6 million related to sale of an investment in an associate which was classified as held for sale at 31 December 2010.

In 2010, the net expense of DKK 287 million related primarily to the effect of prior year adjustments in Norway, loss on divestment of two businesses in France and Denmark and redundancy and severance payments relating to senior management changes.

Financial income and expenses, net represented an increase in net expenses of DKK 299 million, or 27%, to DKK 1,422 million in the first six months of 2011 from DKK 1,123 million in the same period of 2010. The reason for the increase was mainly an increase in the effect from foreign exchange losses, net of DKK 186 million combined with an increase in amortisation of financing fees of DKK 136 million. In 2010, a loss of DKK 32 million was recognised in the first six months of 2010 related to repayment of the 2010 EMTNs.

In the first six months of 2011, financial income and expenses, net mainly comprised DKK 1,109 million of net interest expenses, DKK 195 million in amortisation of financing fees, DKK 107 million in net losses on foreign exchange and DKK 117 million in additional amortisation of financing fees related to the amendment and extension of certain tranches under the Senior Facilities Agreement as all remaining financing fees recognised as part of the amended and extended debt were expensed. In addition, financial income and expenses, net included financing fees of DKK 27 million related to the IPO financing package which was not executed as the IPO was postponed.

Income taxes increased from DKK 224 million in the first six months of 2010 to DKK 310 million in the first six months of 2011. The effective tax rate in the first six months of 2011 was 76.0% compared with 47.9% in the same period of 2010, calculated as the consolidated tax expense of DKK 310 million divided by the Profit before tax and goodwill impairment / amortisation and impairment of brands and customer contracts of DKK 408 million. The increase in the effective tax rate compared with the same period of 2010 was mainly due to non-deductible refinancing costs in the second quarter of 2011. The rules on limitation on the deductibility of financial expenses, including refinancing costs, in Denmark impacted the tax expense in the first six months of 2011 adversely by approximately DKK 314 million. The effective tax rate amounted to 56.7% when adjusted for the impact of the limitation on deductibility of financial expenses. In addition, the tax expense in the period was adversely impacted by Contribution économique territoriale (CET) in France as well as non-deductible costs related to the initiated IPO process.

Goodwill impairment amounted to DKK 283 million of which DKK 200 million derived from impairment tests and DKK 83 million derived from divestment of businesses. Impairment losses derived from impairment tests of DKK 200 million related to ISS's business in Spain is due to an increase in the discount rate applied following the amendment and extension of the Senior Facilities Agreement combined with the macroeconomic impact on the catering business. Impairment losses derived from divestment of businesses of DKK 83 million mainly related to the remeasurement of net assets of VATRO in Germany, which is classified as held for sale at 30 June 2011, resulting in a loss of DKK 61 million. The remaining loss of DKK 22 million related to three minor divestments in Norway.

Net loss increased from a loss of DKK 309 million in the first six months of 2010 to a loss of DKK 438 million in the first six months of 2011, positively impacted by growth in operating profit in the first six months of 2011, which was more than offset by mainly an increase in financial expenses, net. A loss of DKK 442 million was attributable to the owners of ISS, whereas a profit of DKK 4 million was attributable to non-controlling interests.

Cash Flow Statement

Cash flow from operating activities represented a cash inflow of DKK 472 million in the first six months of 2011, down DKK 479 million from a net inflow of DKK 951 million in the same period of 2010. The development was primarily due to an increase in cash outflow from changes in working capital of DKK 484 million compared to the same period of 2010.

The cash outflow from changes in working capital of DKK 1,340 million for the first six months of 2011 was primarily related to trade receivables driven by strong revenue growth and an increase in debtor days partly driven by start-up of new large contracts.

Other expenses paid of DKK 122 million mainly related to restructuring projects initiated and expensed in 2010 as well as costs related to the IPO process.

Income taxes paid increased from DKK 305 million in the first six months of 2010 to DKK 352 million in the same period of 2011. The increase was a result of improved performance in 2010 and 2011 leading to higher tax payments.

Cash flow from investing activities for the first six months in 2011 was a net cash outflow of DKK 415 million. DKK 504 million related to investments in intangible assets and property, plant and equipment, net (excluding acquisition-related intangibles) representing 1.3% of revenue, DKK 36 million related to payment of earn-outs and deferred payments on acquisitions completed in previous years which is offset by a cash inflow of DKK 98 million from divestments, most significantly in Norway and Belgium and DKK 27 million from disposal of financial assets related primarily to sale of an investment in an associate in Sweden, which was classified as held for sale at 31 December 2010.

Cash flow from investing activities for the first six months of 2010 was a net cash outflow of DKK 319 million, of which DKK 443 million was related to investments in intangible assets and property, plant and equipment, net (excluding acquisition related intangibles) and DKK 184 million regarding acquisitions as well as payment of earn-outs and deferred payments on acquisitions completed in previous years. The cash outflow was partly offset by DKK 242 million related to divestments, most significantly in Norway and Sweden and a cash inflow of DKK 66 million from disposal of financial assets, net.

Cash flow from financing activities in the first six months of 2011 was a net cash outflow of DKK 1,093 million. This was mainly a result of interest payments, net of DKK 1,054 million and repayment of borrowings of DKK 628 million, partly offset by proceeds from borrowings of DKK 597 million. Repayment of borrowings was mainly related to repayments on the Senior facilities. Proceeds from borrowings were related to drawings on working capital facilities as a result of the typical seasonality in the first six months of the year.

Cash flow from financing activities in the first six months of 2010 was a net cash outflow of DKK 197 million. This was a result of repayment of borrowings of DKK 1,683 million and interest payments of DKK 1,050 million partly offset by proceeds from borrowings of DKK 2,542 million.

Balance Sheet

Total assets amounted to DKK 54,473 million at 30 June 2011 of which DKK 37,246 million represented non-current assets, primarily acquisition-related intangible assets, and DKK 17,227 million represented current assets, primarily trade receivables of DKK 12,025 million.

Intangible assets amounted to DKK 34,223 million at 30 June 2011. The vast majority of intangible assets were acquisition-related intangibles and comprised DKK 27,072 million of goodwill, DKK 5,151 million of customer contract portfolios and related customer relationships and DKK 1,601 million of brands.

Total equity amounted to DKK 1,958 million at 30 June 2011, DKK 693 million lower than at 31 December 2010. Total comprehensive income reduced equity by DKK 686 million. This included negative currency adjustments relating to investments in foreign subsidiaries of DKK 313 million and a net loss for the period of DKK 438 million partly offset by positive fair value adjustment of hedges, net of DKK 65 million.

Carrying amount of net debt amounted to DKK 31,496 million at 30 June 2011, an increase of DKK 877 million from DKK 30,619 million at 31 December 2010. The carrying amount of net debt is typically higher after the first six months of the financial year than at year-end of the previous financial year as a result of seasonality in operating cash flow. It is important to note, that when comparing this with the prior year, the carrying amount of net debt is reduced by DKK 701 million. At 30 June 2011, non-current loans and borrowings was DKK 28,374 million, current loans and borrowings amounted to DKK 5,664 million while securities, cash and cash equivalents and receivables from companies within the ISS Group totalled DKK 2,542 million.

Acquisitions and Divestments

ISS has completed the divestment of the industrial services business in Belgium with economic effect from 1 June 2011. Additionally, an agreement for divestment of the damage control business in Germany was signed on 8 June 2011, and subsequently the divestment was completed with economic effect from 1 July 2011. Consequently, the cash flow effect from the divestment of the latter has been recognised in July. Both businesses were classified as held for sale at 31 December 2010. Apart from these and the divestment of five minor businesses in Western Europe and the Nordic region there have been no acquisitions or divestments in the first six months of 2011.

Sales processes have been initiated for additionally two non-core activities in Western Europe, which have been classified as held for sale at 30 June 2011.

Refinancing

As described above, ISS A/S announced on 22 June that it had successfully received lender consent to extend certain tranches under its Senior Facilities Agreement and to implement other amendments intended to increase the operational flexibility. Consequently 96% of the Term Facility B and Acquisition Facility B were extended from 2013 to April 2015, and 98% of the Revolving Credit facility and Letter of Credit facility were extended from 2012 to December 2014. An interest margin increase of 150 bps applies across these extended tranches, and furthermore an interest margin increase of 50 bps applies for the lenders in the second lien facility that consented to the amendments. As part of the amendments lenders approved the capacity to increase its revolving credit facility by an additional DKK 1.5 billion and implemented other amendments intended to increase the operational flexibility. The refinancing was executed on 24 June 2011 as a non-cash transaction.

Furthermore, effective 1 July 2011 the securitisation programme was extended with one year from September 2012 to September 2013. At the same time the size of the credit facility was reduced from DKK 3,725 million (EUR 500 million) to DKK 2,983 million (EUR 400 million) and the pricing on the programme was improved with 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 32 – 34 of this report.

Financial Leverage

Pro Forma Adjusted EBITDA for the 12 months period ended 30 June 2011 amounted to DKK 5,181 million. Carrying amount of net debt amounted to DKK 31,496 million at 30 June 2011. The calculation of these figures is prepared according to the principles described in the Capital Structure on pages 32 – 34 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 with maturities up to June 2012. Including the interest rate hedges, 52% of ISS's net debt carried fixed interest rates while 48% carried floating interest rates at 30 June 2011, and the interest rate duration of the total debt was 1.3 years.

Outlook

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

The high organic growth in the first six months of 2011 is considered sustainable and is expected to continue during 2011 unless macroeconomic factors should turn worse. Consequently, ISS expects organic revenue growth in 2011 to be at the level realised for the first six months of 2011.

The organic growth has been stronger than anticipated and operating profit before other items and operating profit is in 2011 expected to be above the level realised in 2010. However, the operating margin is now expected to be slightly below the level realised in 2010, also reflecting tougher business conditions in certain Mediterranean countries and the operational challenges in the Netherlands.

Cash conversion for 2011 is expected to be slightly below the level realised in 2010.

Subsequent Events

Subsequent to 30 June 2011, the Group has divested the non-core damage control activities (VATRO) in Germany, which were classified as held for sale at the reporting date.

Effective 1 July 2011, the securitisation programme was extended with one year from September 2012 to September 2013, the principal value of the facility was reduced from DKK 3,725 million (EUR 500 million) to DKK 2,983 million (EUR 400 million), and the interest margin was reduced by 25 bps from 300bp to 275bp.

Apart from the above and the events described in this Interim Report, the Group is not aware of events subsequent to 30 June 2011, which are expected to have a material impact on the Group's financial position.

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 2010 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 2010 of ISS A/S is available from the Group's website, www.issworld.com.

Financial Calendar 2011

Interim Report, January – September 2011	9 November 2011

Presentation

A presentation will be held on Thursday, 25 August 2011 at 14:00 CET (13:00 UK 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 32 72 76 25 (Denmark)
+44 (0) 1452 555 566 (UK)
Conference ID: 82580144

Management Statement

COPENHAGEN, 25 August 2011

The Board of Directors and the Executive Group Management have today discussed and approved the interim report of ISS A/S for the period 1 January – 30 June 2011.

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 June 2011 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 June 2011.

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 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

Jeff Gravenhorst
Group Chief Executive Officer

Jakob Stausholm
Group Chief Financial Officer

BOARD OF DIRECTORS

Ole Andersen
Chairman

Leif Östling
Vice-Chairman

John Allan

Michel Combes

Peter Korsholm

Jørgen Lindegaard

Steven Sher

Pernille Benborg [1)]

Palle Queck Fransen [1)]

Joseph Nazareth [1)]

Flemming Quist [1)]

[1)] Employee representative

Condensed Consolidated Interim Financial Statements for ISS A/S

Condensed consolidated income statement

1 January – 30 June

DKK million	Note	Q2 2011	Q2 2010	H1 2011	H1 2010
Revenue	4	**19,575**	**18,619**	**38,559**	**36,193**
Staff costs		(12,556)	(12,049)	(25,030)	(23,740)
Consumables		(1,682)	(1,610)	(3,291)	(3,063)
Other operating expenses		(4,016)	(3,676)	(7,841)	(7,101)
Depreciation and amortisation [1]		(226)	(213)	(438)	(412)
Operating profit before other items [2]		**1,095**	**1,071**	**1,959**	**1,877**
Other income and expenses, net	5	(117)	(132)	(129)	(287)
Acquisition and integration costs		1	(1)	0	(2)
Operating profit [1]	4	**979**	**938**	**1,830**	**1,588**
Share of result from associates		(0)	2	0	3
Financial income		25	73	69	126
Financial expenses		(799)	(601)	(1,491)	(1,249)
Profit before tax and goodwill impairment/ amortisation and impairment of brands and customer contracts		**205**	**412**	**408**	**468**
Income taxes [3]		(211)	(132)	(310)	(224)
Profit before goodwill impairment/ amortisation and impairment of brands and customer contracts		**(6)**	**280**	**98**	**244**
Goodwill impairment	6	(283)	(240)	(283)	(244)
Amortisation and impairment of brands and customer contracts [4]		(183)	(211)	(366)	(427)
Income tax effect [5]		59	59	113	118
Net profit/(loss) for the period		**(413)**	**(112)**	**(438)**	**(309)**
Attributable to:					
Owners of ISS A/S		(414)	(118)	(442)	(320)
Non-controlling interests		1	6	4	11
Net profit/(loss) for the period		**(413)**	**(112)**	**(438)**	**(309)**
Earnings per share:					
Basic earnings per share (EPS), DKK		(4.1)	(1.2)	(4.4)	(3.2)
Diluted earnings per share, DKK		(4.1)	(1.2)	(4.4)	(3.2)
Adjusted earnings per share, DKK [6]		(0.1)	2.8	1.0	2.4

[1] Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[2] Excluding Other income and expenses, net, Acquisition and integration costs, 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] Including customer contract portfolios and related customer relationships.
[5] Income tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[6] 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 June

DKK million	Q2 2011	Q2 2010	H1 2011	H1 2010
Net profit/(loss) for the period	**(413)**	**(112)**	**(438)**	**(309)**
Other comprehensive income				
Foreign exchange adjustments of subsidiaries and non-controlling interests	36	583	(313)	984
Fair value adjustment of hedges, net	(9)	(6)	22	(189)
Fair value adjustment of hedges, net, transferred to Financial expenses	25	57	65	159
Limitation to interest deduction in Denmark	-	8	-	(13)
Actuarial gains/(losses)	-	(88)	-	(88)
Tax regarding other comprehensive income	(4)	9	(22)	30
Total other comprehensive income	**48**	**563**	**(248)**	**883**
Total comprehensive income for the period	**(365)**	**451**	**(686)**	**574**
Attributable to:				
Owners of ISS A/S	(366)	445	(690)	562
Non-controlling interests	1	6	4	12
Total comprehensive income for the period	**(365)**	**451**	**(686)**	**574**

Condensed consolidated statement of cash flows

1 January – 30 June

DKK million	Note	Q2 2011	Q2 2010	H1 2011	H1 2010
Operating profit before other items	4	1,095	1,071	1,959	1,877
Depreciation and amortisation		226	213	438	412
Changes in working capital		(79)	(96)	(1,340)	(856)
Changes in provisions, pensions and similar obligations		(55)	(16)	(108)	(31)
Other expenses paid		(69)	(55)	(122)	(138)
Integration costs paid		(3)	(4)	(3)	(8)
Income taxes paid		(200)	(175)	(352)	(305)
Cash flow from operating activities		**915**	**938**	**472**	**951**
Acquisition of businesses	7	(26)	(135)	(36)	(184)
Divestment of businesses	7	109	1	98	242
Acquisition of intangible assets and property, plant and equipment		(291)	(287)	(539)	(479)
Disposal of intangible assets and property, plant and equipment		28	23	35	36
(Acquisition)/disposal of financial assets		(0)	(8)	27	66
Cash flow from investing activities		**(180)**	**(406)**	**(415)**	**(319)**
Proceeds from borrowings	9	363	1,169	597	2,542
Repayment of borrowings	9	(550)	(526)	(628)	(1,683)
Interest received		22	8	56	60
Interest paid		(739)	(730)	(1,110)	(1,110)
Non-controlling interests		(6)	(5)	(8)	(6)
Cash flow from financing activities		**(910)**	**(84)**	**(1,093)**	**(197)**
Total cash flow		**(175)**	**448**	**(1,036)**	**435**
Cash and cash equivalents at 1 January		2,698	3,400	3,606	3,364
Total cash flow		(175)	448	(1,036)	435
Foreign exchange adjustments		2	68	(45)	117
Cash and cash equivalents at 30 June [1)]	10	**2,525**	**3,916**	**2,525**	**3,916**

Condensed consolidated statement of financial position

DKK million	Note	30 June 2011	30 June 2010	31 December 2010
Assets				
Intangible assets	6	34,223	36,472	35,358
Property, plant and equipment		2,037	2,123	2,055
Investments in associates		9	23	9
Deferred tax assets		686	661	655
Other financial assets		291	335	290
Non-current assets		**37,246**	**39,614**	**38,367**
Inventories		343	320	318
Trade receivables		12,025	11,630	10,896
Contract work in progress		197	242	125
Tax receivables		312	308	386
Other receivables		335	403	348
Prepayments		771	667	546
Securities		17	16	19
Cash and cash equivalents	10	2,525	3,916	3,606
Assets held for sale	8	702	321	824
Current assets		**17,227**	**17,823**	**17,068**
Total assets		**54,473**	**57,437**	**55,435**
Equity and liabilities				
Total equity attributable to owners of ISS A/S		1,937	2,753	2,626
Non-controlling interests		21	29	25
Total equity		**1,958**	**2,782**	**2,651**
Loans and borrowings		28,374	29,408	29,032
Pensions and similar obligations		1,013	987	1,053
Deferred tax liabilities		2,134	2,318	2,305
Provisions		332	328	361
Non-current liabilities		**31,853**	**33,041**	**32,751**
Loans and borrowings		5,664	6,813	5,212
Trade payables		2,926	2,600	2,830
Tax payables		397	297	411
Other liabilities		11,207	11,207	10,946
Provisions		323	457	379
Liabilities related to assets held for sale	8	145	240	255
Current liabilities		**20,662**	**21,614**	**20,033**
Total liabilities		**52,515**	**54,655**	**52,784**
Total equity and liabilities		**54,473**	**57,437**	**55,435**

Condensed consolidated statement of changes in equity

1 January – 30 June

DKK million

H1 2011	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Total	Non-con-trolling interests	Total equity
	Attributable to owners of ISS A/S							
Equity at 1 January	**100**	**7,772**	**(5,276)**	**227**	**(197)**	**2,626**	**25**	**2,651**
Comprehensive income for the period								
Net profit/(loss) for the period	**-**	**-**	**(442)**	**-**	**-**	**(442)**	**4**	**(438)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	(313)	-	**(313)**	**(0)**	**(313)**
Fair value adjustment of hedges, net	-	-	-	-	22	**22**	**-**	**22**
Fair value adjustment of hedges, net transferred to Financial expenses	-	-	-	-	65	**65**	**-**	**65**
Tax regarding other comprehensive income	-	-	-	-	(22)	**(22)**	**-**	**(22)**
Total other comprehensive income	**-**	**-**	-	**(313)**	**65**	**(248)**	**-**	**(248)**
Total comprehensive income for the period	**-**	**-**	**(442)**	**(313)**	**65**	**(690)**	**4**	**(686)**
Transactions with owners								
Dividends paid	-	-	-	-	-	**-**	**(8)**	**(8)**
Share-based payments	-	-	1	-	-	**1**	**-**	**1**
Total transactions with owners	**-**	**-**	**1**	**-**	**-**	**1**	**(8)**	**(7)**
Total changes in equity	**-**	**-**	**(441)**	**(313)**	**65**	**(689)**	**(4)**	**(693)**
Equity at 30 June	**100**	**7,772**	**(5,717)**	**(86)**	**(132)**	**1,937**	**21**	**1,958**

Dividends

No dividends have been proposed or declared.

Condensed consolidated statement of changes in equity

1 January – 30 June

DKK million	Attributable to owners of ISS A/S							
H1 2010	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-controlling interests**	**Total equity**
Equity at 1 January	**100**	**7,772**	**(4,711)**	**(683)**	**(288)**	**2,190**	**23**	**2,213**
Comprehensive income for the period								
Net profit/(loss) for the period	**-**	**-**	**(320)**	**-**	**-**	**(320)**	**11**	**(309)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	983	-	**983**	**1**	**984**
Fair value adjustment of hedges, net of tax	-	-	-	-	(189)	**(189)**	**-**	**(189)**
Fair value adjustment of hedges, net of tax, transferred to Financial expenses	-	-	-	-	159	**159**	**-**	**159**
Limitation to interest deduction in Denmark	-	-	-	-	(13)	**(13)**	**-**	**(13)**
Actuarial gains/(losses), net of tax	-	-	(88)	-	-	**(88)**	**-**	**(88)**
Tax regarding other comprehensive income	-	-	22	-	8	**30**	**-**	**30**
Total other comprehensive income	**-**	**-**	**(66)**	**983**	**(35)**	**882**	**1**	**883**
Total comprehensive income for the period	**-**	**-**	**(386)**	**983**	**(35)**	**562**	**12**	**574**
Transactions with owners								
Dividends paid	-	-	-	-	-	**-**	**(6)**	**(6)**
Share-based payments	-	-	1	-	-	**1**	**-**	**1**
Total transactions with owners	**-**	**-**	**1**	**-**	**-**	**1**	**(6)**	**(5)**
Total changes in equity	**-**	**-**	**(385)**	**983**	**(35)**	**563**	**6**	**569**
Equity at 30 June	**100**	**7,772**	**(5,096)**	**300**	**(323)**	**2,753**	**29**	**2,782**

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 June 2011 comprise ISS A/S and its subsidiaries (together referred to as "the Group"), jointly controlled entities and associates.

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 2010.

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 2010. A full description of the Group's accounting policies is included in the consolidated financial statements for 2010.

CHANGES IN ACCOUNTING POLICIES

With effect from 1 January 2011, the Group has implemented IAS 24 "Related Party Disclosures" (revised 2009), amendments to IFRIC 14 and "Improvements to IFRSs May 2010". The adoption of these Standards and Interpretations did not affect recognition and measurement in the first half-year.

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 six months of 2011, management has changed judgements and estimates relating to the following:

* Classification of disposal groups as assets held for sale (see note 8)

* Value in use of certain intangible assets (see note 6).

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 2010.

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 to other quarters. Cash flow from operations tends to be lower in the first quarter of the year due to a number of cash payments relating to, among other things, pension contributions, insurance premium payments, holiday payments and the payment of bonuses earned in the prior year. Cash flow from operations becomes increasingly positive throughout the year and is usually highest in the fourth quarter of the year, when revenue recognised in the third quarter of the year is collected.

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.

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
H1 2011									
Revenue [1]	19,742	8,955	2,922	2,762	1,818	1,587	791	16	**38,593**
Operating profit before other items [2]	1,059	481	218	195	104	56	50	(0)	**2,163**
Operating profit [3]	1,040	487	218	195	101	33	49	(0)	**2,123**
Total assets	31,071	14,531	3,946	3,321	1,946	1,735	1,379	7	**57,936**
H1 2010									
Revenue [1]	19,408	8,473	2,455	2,377	1,415	1,294	789	8	**36,219**
Operating profit before other items [2]	1,028	497	177	162	84	62	49	1	**2,060**
Operating profit [3]	870	384	177	162	84	62	49	1	**1,789**
Total assets	32,071	13,776	3,716	3,093	1,774	1,797	1,330	13	**57,570**

[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, Acquisition and integration costs, 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, Uruguay, Panama, Peru, Puerto Rico 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, Egypt, Nigeria, Pakistan, South Africa, Ukraine and United Arab Emirates

NOTE 4 SEGMENT INFORMATION (CONTINUED)

Reconciliation of operating profit

DKK million	H1 2011	H1 2010
Operating profit for reportable segments	2,123	1,789
Unallocated corporate costs	(293)	(201)
Operating profit according to the income statement	**1,830**	**1,588**

NOTE 5 OTHER INCOME AND EXPENSES, NET

DKK million	H1 2011	H1 2010
Gain on sale of investment in associates	6	-
Gain on divestments	0	3
Other	-	0
Other income	**6**	**3**
Costs related to the contemplated initial public offering (IPO) process	(90)	-
Build-up of IFS capabilities in North America	(23)	-
Loss on divestments	(19)	(30)
Impairment losses related to businesses classified as held for sale	-	(130)
Accounting irregularities in Norway in prior years	-	(113)
Redundancy and severance payments relating to senior management changes	-	(16)
Other	(3)	(1)
Other expenses	**(135)**	**(290)**
Other income and expenses, net	**(129)**	**(287)**

Gain on sale of investment in associates in 2011 related to the associate ISS Industriservice AB, which was classified as held for sale at 31 December 2010, and subsequently sold in the first quarter of 2011.

Gain on divestments in 2010 related to completion of the sale of the industry service activities in Norway, which were classified as held for sale at 31 December 2009.

Costs related to the contemplated initial public offering (IPO) process comprised costs for external advisors incurred as part of the initiated IPO process.

Build-up of IFS capabilities in North America amounted to DKK 23 million in 2011 and comprised costs incurred in relation to the strategic build-up of the IFS platform to support and deliver on major contracts in the US.

Loss on divestments in 2011 related mainly to completion of the sale of ISS Industrial Services in Belgium, which was classified as held for sale at 31 December 2010. In 2010, the loss mainly related to completion of the sale of ISS's security business in France and the divestment of the call centre activities in Denmark.

Impairment losses related to businesses classified as held for sale in 2010 related to net assets (excluding goodwill, brands and customer contracts) of the waste management activities in France.

Accounting irregularities in Norway in prior years related to one of ISS Norway's subsidiaries and took place in the period from 2005 to 2010 resulting in an accumulated impact of DKK 118 million stemming from an overstatement of revenue of DKK 75 million and an understatement of costs of DKK 43 million. The impact from accounting irregularities carried out prior to 2010 amounted to DKK 113 million and has been recognised as part of Other income and expenses, net.

NOTE 6 GOODWILL IMPAIRMENT

DKK million	H1 2011	H1 2010
Impairment losses derived from impairment tests	(200)	(240)
Impairment losses derived from divestment of businesses	(83)	(4)
Goodwill impairment	**(283)**	**(244)**

Impairment losses derived from 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 2011, the Group performed a review for indications of impairment of the carrying amount of intangibles. Except for Spain, it is management's opinion that there are no significant changes to the assumptions applied in the impairment tests presented in note 16 in the consolidated financial statement for 2010. Due to the unstable economic situation in Spain the impairment test was updated as per 30 June 2011. The test resulted in recognition of an impairment loss of DKK 200 million mainly due to difficult macroeconomic conditions combined with an increase in the discount rate applied following the amendment and extension of the Senior Facilities Agreement.

At 30 June 2010, impairment losses amounted to DKK 240 million of which DKK 200 million related to Greece and DKK 40 million related to Ireland. The impairment losses were mainly due to increasing discount rates as a result of the continued unstable economic situation.

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

Impairment losses derived from divestment of businesses

In 2011, impairment losses derived from divestment of businesses mainly related to the remeasurement of net assets of VATRO in Germany, which was classified as held for sale at 30 June 2011, resulting in a loss of DKK 61 million. The remaining loss of DKK 22 million related to the three divested activities in Norway; Elektro Kristiansand, Elektro Oslo and Ventilasjon. In 2010, the impairment loss of DKK 4 million related to the divestment of the non-strategic contact centre activities in Denmark.

NOTE 7 ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

The Group made no acquisitions during 1 January - 30 June 2011 (no acquisitions during 1 January - 30 June 2010). Adjustments to prior years' acquisitions had the following effect on the Group's assets and liabilities at 30 June:

DKK million	H1 2011	H1 2010
Non-current assets	-	(3)
Trade receivables	-	(12)
Other current assets	-	(8)
Provisions	-	(2)
Pensions, deferred tax liabilities and non-controlling interests	0	4
Current liabilities	-	5
Total identifiable net assets	**0**	**(16)**
Goodwill	20	22
Acquisition costs, net of tax	-	(1)
Consideration transferred	**20**	**5**
Cash and cash equivalents in acquired businesses	-	-
Cash consideration transferred	**20**	**5**
Contingent and deferred consideration	15	178
Acquisition costs paid, net of tax	1	1
Total payments regarding acquisition of businesses	**36**	**184**

The addition to goodwill in H1 2011 was mainly due to revised estimate relating to earn-outs for the acquisition of Loghis Logistica in Brazil of DKK 18 million. The addition to goodwill in H1 2010 was mainly related to acquiring the remaining 49% of ISS Estonia through settlement of a purchase obligation. The amount recognised in goodwill reflects the excess over the originally estimated purchase obligation already recognised in the statement of financial position in prior years.

NOTE 7 ACQUISITION AND DIVESTMENT OF BUSINESSES (CONTINUED)

Divestment of businesses

The Group made 6 divestments during 1 January - 30 June 2011 (5 during 1 January - 30 June 2010). The total sales price amounted to DKK 141 million (DKK 42 million during 1 January - 30 June 2010). The total annual revenue of the divested businesses (approximate figures extracted from unaudited financial information) is estimated at DKK 449 million (DKK 687 million during 1 January - 30 June 2010) based on expectations at the time of divestment.

The divestments had the following effect on the Group's assets and liabilities (carrying amounts) at the divestment date:

DKK million	H1 2011	H1 2010
Goodwill	80	15
Customer contracts	29	54
Other non-current assets	9	23
Trade receivables	78	73
Other current assets	6	12
Provisions	(1)	(10)
Pensions, deferred tax liabilities and non-controlling interests	(1)	(15)
Non-current loans and borrowings	-	(2)
Current loans and borrowings	(11)	(2)
Other current liabilities	(59)	(97)
Total identifiable net assets	**130**	**51**
Gain/(loss) on divestment of businesses, net	(19)	(27)
Divestment costs, net of tax	30	18
Consideration received	**141**	**42**
Cash and cash equivalents in divested businesses	(0)	(3)
Cash consideration received	**141**	**39**
Contingent and deferred consideration	(20)	212
Divestment costs paid, net of tax	(23)	(9)
Net proceeds regarding divestment of businesses	**98**	**242**

The 6 divestments [1] made by the Group during 2011 are listed below:

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue [2] (DKK million)	Number of employees [2]
ISS Batiservices	France	Property	January	100%	6	7
mo.hotel	Germany	Facility Management	March	Activities	26	30
Elektro Kristiansand	Norway	Property	May	Activities	51	52
Elektro Oslo	Norway	Property	June	Activities	33	37
Ventilasjon	Norway	Property	June	Activities	64	22
ISS Industrial Services	Belgium	Property	June	100%	269	418
Total					**449**	**566**

[1] Includes all divestments completed up until 30 June 2011.

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

Pro forma revenue and operating profit before other items

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

DKK million	H1 2011	H1 2010
Pro forma revenue		
Revenue recognised in the income statement	38,559	36,193
Acquisitions	-	-
Revenue adjusted for acquisitions	38,559	36,193
Divestments	(174)	(131)
Pro forma revenue	**38,385**	**36,062**
Pro forma operating profit before other items		
Operating profit before other items recognised in the income statement	1,959	1,877
Acquisitions	-	-
Operating profit before other items adjusted for acquisitions	1,959	1,877
Divestments	(5)	12
Pro forma operating profit before other items	**1,954**	**1,889**

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 June 2011

From 1 July to 31 July 2011 the Group made no acquisitions and 1 divestment:

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue [2] (DKK million)	Number of employees [2]
VATRO	Germany	Property	July	86%	1,133	720
Total					**1,133**	**720**

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

NOTE 8 ASSETS AND LIABILITIES HELD FOR SALE

At 31 December 2010, sales processes were initiated for two non-core activities in Belgium (ISS Industrial Services) and Germany (VATRO), which were classified as held for sale. The assets and liabilities of these activities were reclassified and presented separately in the statement of financial position at the lower of the carrying amount at the date of the classification as held for sale and fair value less costs to sell.

The investment in the associate ISS Industriservice AB, which was also classified as held for sale at 31 December 2010, has been sold in the first quarter of 2011, resulting in a gain of DKK 6 million recognised in Other income and expenses, net.

In June 2011, the sale of Industrial Services in Belgium was completed resulting in a loss of DKK 19 million, which has been recognised in Other income and expenses, net.

The non-core damage control activities (VATRO) in Germany continued to be held for sale at 30 June 2011. A remeasurement of the carrying amount of the net assets at the reporting date resulted in recognition of an impairment loss of DKK 61 million, which was recognised in Goodwill impairment.

At 30 June 2011, sales processes have been initiated for additionally two non-core activities in Western Europe, which have been classified as held for sale together with VATRO in Germany. The assets and liabilities of these activities were reclassified and presented separately in the statement of financial position at the lower of the carrying amount at the date of the classification as held for sale and fair value less costs to sell. No impairment losses were recognised in connection with the reclassification.

NOTE 9 LOANS AND BORROWINGS

Effective 24 June 2011, ISS extended certain tranches under its Senior Facilities Agreement and implemented other amendments intended to increase the operational flexibility and among other things approved the capacity to increase its revolving credit facility by an additional DKK 1.5 billion. Consequently, 96% of the Term B and Acquisition B facilities were extended from 2013 to April 2015, and 98% of the Revolving Credit facility and Letter of Credit facility was extended from 2012 to December 2014. An interest margin increase of 150 bps was applied across the extended tranches, and an interest margin increase of 50 bps was applied for the lenders in the second lien facility that consented to the amendments.

As a result of the changes, unamortised loan costs relating to the previous tranches have been amortised as of 30 June 2011 in the amount of DKK 117 million.

The table below lists the impacted facilities (all but Acquisition facility A and Term facility A) as they were at 31 December 2010, and as they were at 30 June 2011. The refinancing was executed as a non-cash transaction, and hence the only cash flow impact relates to the loan costs which will be paid out in Q3 2011. Changes in the carrying amount are primarily impacted by amortisations during the first six months of 2011 as well as impacts from capitalised loan costs.

DKK million	Carrying amount 31 December 2010	Nominal interest rate	Year of maturity
Original:			
Term facility B	13,063	Libor + 2.00%	2013
Acquisition facility B	2,135	Libor + 2.25%	2013
Revolving credit facility	1,253	Libor + 2.25%	2012
Letter of credit facility	191	Libor + 2.25%	2012
Second lien facility	4,430	Euribor + 3.75%	2015

DKK million	Carrying amount 30 June 2011	Nominal interest rate	Year of maturity
Following the extension:			
Term facility B	474	Libor + 2.00%	2013
Term facility B	12,400	Libor + 3.50%	2015
Acquisition facility B	62	Libor + 2.25%	2013
Acquisition facility B	2,039	Libor + 3.75%	2015
Revolving credit facility	27	Libor + 2.25%	2012
Revolving credit facility	1,589	Libor + 3.75%	2014
Letter of credit facility	6	Libor + 2.25%	2012
Letter of credit facility	265	Libor + 3.75%	2014
Second lien facility	599	Euribor + 3.75%	2015
Second lien facility	3,863	Euribor + 4.25%	2015

All facilities listed above are based on floating rates.

Furthermore, effective 1 July 2011 the maturity of the securitisation programme was extended with one year from September 2012 to September 2013, the principal value of the facility was reduced from DKK 3,725 million (EUR 500 million) to DKK 2,983 million (EUR 400 million), and the interest margin was reduced by 25 bps from 300bp to 275bp.

NOTE 10 CONTINGENT LIABILITIES, PLEDGES AND GUARANTEES

Senior Facility Agreement

ISS A/S has executed a share pledge over its shares in ISS World Services A/S as security for the Group's senior facilities and a secondary share pledge over such shares as security for the subordinated notes issued by ISS 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 June 2011, the aggregate values of assets provided as security for the borrowings under the senior facilities were:

DKK billion	30 June 2011	30 June 2010
Goodwill	3.7	3.9
Customer contracts	0.8	0.9
Intellectual property rights	1.6	1.6
Other intangible and tangible assets	0.4	0.3
Trade receivables	1.7	1.6
Other receivables	0.2	0.3
Bank accounts	0.4	1.9
Total	**8.8**	**10.5**

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.

Securitisation

The Group has during 2009 and 2010 launched a securitisation programme in 10 major countries. Under the securitisation programme securitised trade receivables of the participating countries are provided as security for the securitisation debt. As at 30 June 2011, trade receivables of DKK 5,277 million (30 June 2010: DKK 4,161 million) have been placed as security for securitisation debt. In addition hereto DKK 975 million (30 June 2010: DKK 822 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 114 million (30 June 2010: DKK 119 million) was not considered readily available for general use by the parent company or other subsidiaries.

Guarantee commitments

Indemnity and guarantee commitments at 30 June 2011 amounted to DKK 581 million (30 June 2010: DKK 502 million).

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,472 million (30 June 2010: DKK 1,486 million) of which DKK 1,104 million (30 June 2010: DKK 1,083 million) were bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

Outsourcing of IT

The Group has an IT outsourcing agreement with Computer Sciences Corporation (CSC) running until 2015. The Group's contractual obligations related to the agreement at 30 June 2011 amounted to approximately DKK 15 million (30 June 2010: DKK 38 million).

Divestments

The Group makes provisions for claims from purchasers or other parties in connection with divestments and representations and warranties given in relation to such divestments. Management believes that provisions made at 30 June 2011 are adequate. However, there can be no assurance that one or more major claims arising out of the Group's divestment of companies will not adversely affect the Group's activities, results of operations and financial position.

Legal proceedings

The Group is party to certain legal proceedings. Management believes that these proceedings (which are to a large extent labour cases incidental to its business) will not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the statement of financial position at 30 June 2011.

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 2011.

NOTE 11 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 June 2011	1,410	947	653	401	261	406	**4,078**
At 30 June 2010	1,415	939	620	381	281	423	**4,059**

During 1 January - 30 June 2011, DKK 1,071 million (DKK 1,066 million during 1 January - 30 June 2010) 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 that was renewed effective 1 January 2011 and 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 12 RELATED PARTIES

Parent and ultimate controlling party

The sole shareholder of ISS A/S, FS Invest II S.a 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 54% owned by funds advised by EQT Partners and 44% owned by funds advised by Goldman Sachs Capital Partners, together The Principal Shareholders. There were no significant transactions with the ultimate controlling party or with the parent during the first six months of 2011.

Key management personnel

Members of the Board of Directors, the Executive Group Management and Corporate Senior Officers 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 six months of 2011 with members of the Board of Directors, the Executive Group Management or Corporate Senior Officers.

Co-investment programmes The Principal Shareholders have established a Management Participation Programme, under which the Executive Group Management and a number of senior officers [1)] of the Group were offered to invest. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest, ISS A/S's ultimate parent. As of 30 June 2011, the investments amounted to DKK 180.6 million in total for 146 executives and officers. As part of the initial programme - in addition to the investments - the Executive Group Management and a number of Corporate Officers [2)] were granted warrants in FS Invest with a vesting schedule (based on value of shares and time). As of 30 June 2011, 277,632 warrants were outstanding.

Non-executive members of the Board of Directors (except representatives of the Principal Shareholders) were offered to participate in a Directors Participation Programme, under which they have invested in a mix of shares and warrants of FS Invest amounting to approximately DKK 19.2 million in total. In addition, they have co-invested with the Principal Shareholders for approximately DKK 8.2 million in total.

Other related party transactions

During the first six months of 2011, the Group had the following transactions with other related parties, which were all made on market terms:

- the Group and Goldman Sachs have agreed general terms and conditions for the supply of Facility Services to be applied by local ISS operations and local Goldman Sachs affiliates when contracting with each other. ISS in Switzerland, Russia and the United Kingdom have entered into Facility Services agreements with local Goldman Sachs affiliates. The annual revenue from these agreements is estimated at DKK 94 million. Furthermore, the Group has local agreement terms with Goldman Sachs in France, Ireland, Singapore, Brazil and China. Finally, ISS in Italy is subcontractor to local Goldman Sachs suppliers. The annual revenue from the local and subcontractor agreements is estimated at DKK 9 million.

[1)] Senior officers of the Group comprises Corporate Senior Officers (members of Group Management other than members of the Executive Group Management) and other Corporate Officers as well as certain members of Country Management of each country.

[2)] Corporate Officers of the Group comprises Corporate Senior Officers (members of Group Management other than members of the Executive Group Management) and other Corporate Officers.

NOTE 12 RELATED PARTIES (CONTINUED)

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

- Goldman Sachs International, an affiliate of Goldman Sachs Capital Partners (Goldman Sachs), has been acting as Joint Global Coordinator and Joint Bookrunner of the Group's planned initial public offering (IPO) process.

- 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 85 million.

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 2011. 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 2011.

NOTE 13 SUBSEQUENT EVENTS

Subsequent to 30 June 2011, the Group has divested the non-core damage control activities (VATRO) in Germany, which were classified as held for sale at the reporting date.

Effective 1 July 2011, the securitisation programme was extended with one year from September 2012 to September 2013, the principal value of the facility was reduced from DKK 3,725 million (EUR 500 million) to DKK 2,983 million (EUR 400 million), and the interest margin was reduced by 25 bps from 300bp to 275bp.

Apart from the above and the events described in the condensed consolidated financial statements, the Group is not aware of events subsequent to 30 June 2011, which are expected to have a material impact on the Group’s financial position.

Capital Structure

The estimated pro forma information presented below is for informational purposes only. This information does not represent the results the Group would have achieved had each of the acquisitions and divestments during the period 1 July 2010 – 30 June 2011 occurred on 1 July 2010.

For further information and definitions, reference is made to the appendix Capital Structure set out in the ISS A/S Annual Report 2010, which can be downloaded from www.issworld.com.

Pro Forma Adjusted EBITDA

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

Pro Forma Adjusted EBITDA (amounts in DKK million)	**12-month period ended 30 June 2011**
Adjusted EBITDA	5,225
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	(44)
Pro Forma Adjusted EBITDA	**5,181**

Carrying amount of Net Debt

The following table sets forth ISS's Carrying amount of Net Debt as of 30 June 2011.

Net Debt as of 30 June 2011 **DKK million**	**Carrying Value**	**Leverage (x Pro forma EBITDA)**	**% of Total**
Senior Facilities	17,715	3.42x	56%
Second lien	4,462	0.86x	14%
Senior Subordinated Notes due 2016	4,269	0.82x	14%
Senior Notes due 2014	3,789	0.73x	12%
Medium term notes due 2014	753	0.15x	2%
Securitisation	2,482	0.48x	8%
Interest rate sw aps	48	0.01x	0%
Other current and non-current loans and borrow ings	520	0.10x	2%
	34,038	**6.57x**	**108%**
Total cash and cash equivalents and securities	(2,542)	(0.49x)	(8%)
Carrying amount of net debt	**31,496**	**6.08x**	**100%**
Changes in w orking capital, 1 January - 30 June 2011	(1,340)		
Changes in w orking capital, 1 July 2010 - 30 June 2011	571		
Seasonality adjusted carrying amount of net debt	**30,727**	**5.93x**	

Summary of Credit Facilities

Summary of Credit Facilities DKK million	**Principal Value**	**Drawn**	**Currency**	**Coupon / margin**	**Maturity**
Bank loans:					
Senior Facilities:					
Term Facility A	534	534	SEK, NOK, CHF	+ 200bps	30 Jun 2012
Term Facility B	474	474	EUR, GBP	+ 200bps	31 Dec 2013
Term Facility B	12,514	12,514	EUR, GBP	+ 350bps	30 Apr 2015
Acquisition Facility A	320	320	Multi Currency	+ 225bps	30 Jun 2012
Acquisition Facility B	62	62	Multi Currency	+ 225bps	31 Dec 2013
Acquisition Facility B	2,039	2,039	Multi Currency	+ 375bps	30 Apr 2015
Revolving Credit Facility	41	27	Multi Currency	+ 225bps	30 Jun 2012
Revolving Credit Facility	2,459	1,589	Multi Currency	+ 375bps	31 Dec 2014
Letter of Credit Facility	12	6	Multi Currency	+ 225bps	30 Jun 2012
Letter of Credit Facility	488	265	Multi Currency	+ 375bps	31 Dec 2014
Second Lien Facility	599	599	EUR	+ 375bps	30 Jun 2015
Second Lien Facility	3,877	3,877	EUR	+ 425bps	30 Jun 2015
Securitisation [1)]	3,729	2,524	Multi Currency	+ 300bps	14 Sep 2012
	27,148	**24,830**			
Bonds:					
Senior Subordinated Notes due 2016	4,337	4,337	EUR	8.875%	15 May 2016
Senior Notes due 2014	3,916	3,916	EUR	11.00%	15 Jun 2014
2014 Medium Term Notes	823	823	EUR	4.50%	8 Dec 2014
	9,076	**9,076**			
Total Credit Facilities	**36,224**	**33,906**			

[1)] Effective 1 July 2011, the securitisation programme was extended to 14 September 2013, while also reducing the principal value to DKK 2,983m (EUR 400m) and reducing the interest margin by 25 bps to 275 bps.

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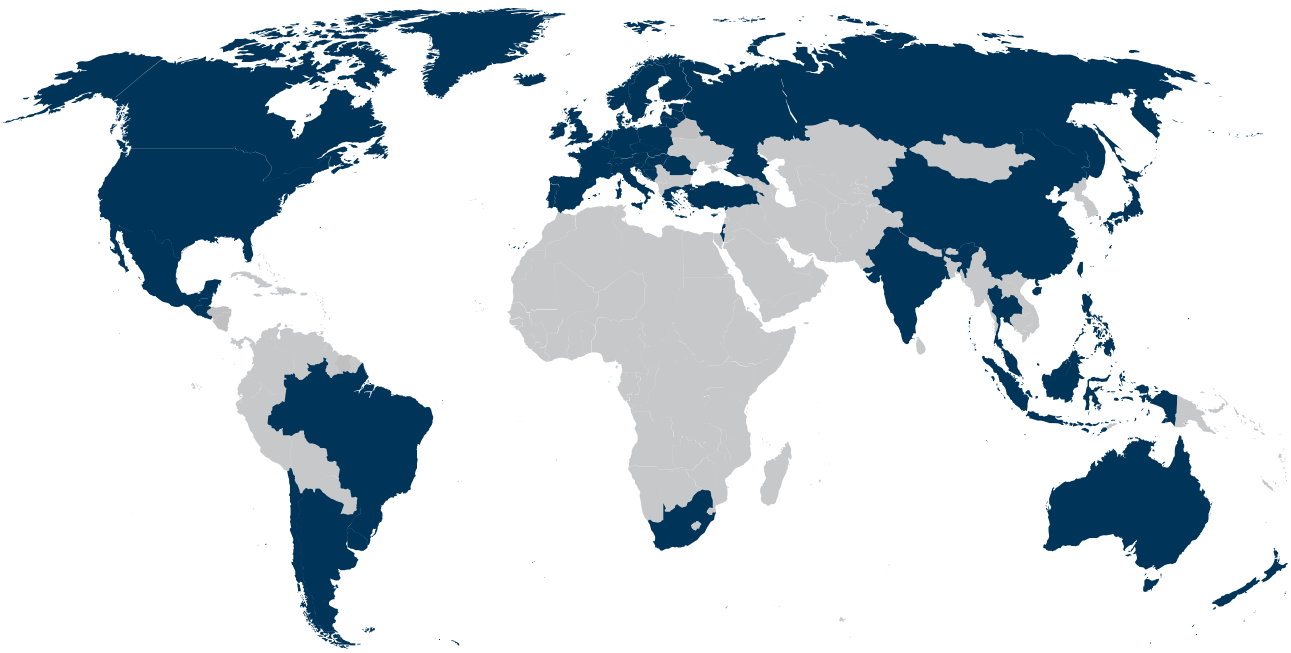
The ISS representation around the globe



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 billion in 2010 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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