

Announcement: FS Funding A/S

Moody's Affirms B2 Corporate family rating of FS Funding A/S; Outlook Stable

Approximately EUR1.3 billion of rated securities affected

London, 10 May 2007 -- Moody's today affirmed the B2 corporate family rating of FS Funding A/S ("FS Funding" or "the company"), the holding company of ISS A/S. Moody's concurrently affirmed the Caa1 rating on the EUR850 million Senior Subordinated Floating Rate Notes due 2016 and on the EUR454 million Senior Subordinated Notes due 2016 issued by the same entity. The outlook on all ratings remains stable.

The ratings affirmation follows the company's announcement of its intention to refinance a portion of the Group's existing debt and to raise new funding for future acquisitions. The proposed refinancing is expected to include approximately EUR1,140 million of add on to Term Loan Facilities B (ca. DKK 8,500) and a EUR600 million Second Lien Facility (ca. DKK4,473).

The proceeds are expected to be used primarily to refinance the company's drawn Acquisition Facilities in an amount of up to EUR 500 million, to prepay some or all of the Senior Subordinated Floating Rate Notes due 2016, and to refinance up to 70% of the EMTNs due 2014. The company does not intend to pay any dividends to its shareholders in connection with the refinancing.

The affirmation of the B2 corporate family rating reflects (i) the company's global presence and leadership in the facility services industry, further strengthened by the most recent acquisitions; (ii) the broad range of services the company is able to offer (from cleaning, property and office support to catering and security services), which increases the opportunity of cost synergies, cross selling and bundling; (iii) low customer concentration, which combined with the company's global penetration reduces the impact of market volatility on operating margins; (iv) the company's stable margins and high cash conversion ratios, thanks to relatively low capex requirements and good control over working capital.

However, the ratings also reflect (i) the company's highly leveraged capital structure and rising nominal debt, with a Debt/EBITDA ratio still at 7.5x at the end of 2006; (ii) the low barriers to entry and fragmentation of the facility services market, which increase the competitive pressures on the company; (iii) ongoing integration risk linked to the company's strategy of growing through acquisitions, especially as targets become larger; (iv) the risk represented by the increasing use of fixed fee contracts in the industry and the potentially negative impact on margins resulting from them, partly mitigated by the company's relatively flexible cost base.

While the transaction is not expected to significantly impact the company's credit metrics, it nonetheless increases its capacity to draw on additional debt and weakens FS Funding's position within the rating category.

Moody's also notes that, if the transaction is completed as announced, the level of debt ranking senior to the Subordinated Notes will increase. As a consequence, Moody's acknowledges that the refinancing might lead to a deterioration of the recovery prospects for this instrument and to a change in LGD rate from 89%-LGD5 to 94.6%-LGD6.

The rating outlook remains stable, reflecting the positive performance of the company and the success in integrating the acquired businesses shown so far, although Moody's expects that its credit metrics will remain weak for the rating category in the medium term.

ISS, based in Copenhagen, Denmark, is the fully owned subsidiary of FS Funding A/S and one of the leading facility services providers in the world. In March 2005, the company was acquired by funds advised by EQT Partners and Goldman Sachs Capital Partners. In 2006, the company reported revenues and operating profits before extraordinary items and impairment of approximately DKK55.7 billion (ca. EUR7.45 billion) and DKK3.2 billion, respectively.

Paris
Myriam Durand
Managing Director
Corporate Finance Group
Moody's France S.A.

JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

London
Stefano Del Zompo
Analyst
Corporate Finance Group
Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

© Copyright 2007, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moody.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."