To Luxembourg Stock Exchange
August 29, 2006

FS Funding A/S
Interim Report
January – June 2006

Key Figures

Amounts in DKK millions	Q2 2006	Q2 2005[1)]	H1 2006	H1 2005[1)]
Revenue	13,888	7,692	26,443	7,692
Operating profit before other items	823	480	1,396	480
Operating margin before other items, %	5.9	6.2	5.3	6.2
Operating profit	790	448	1,323	448
Net finance costs	(594)	(456)	(1,139)	(456)
Profit/(loss) before impairment/amortization of intangibles	93	(99)	15	(99)
Net profit/(loss) for the period	(107)	(228)	(381)	(228)
Investments in property, plant and equipment, gross	207	116	359	116
Total assets	50,350	47,231	50,350	47,231
Goodwill	25,088	21,902	25,088	21,902
Carrying amount of net debt	26,048	20,821	26,048	20,821
Total equity	6,293	7,664	6,293	7,664

[1)] The company was founded on March 11, while the activities of ISS were acquired on May 9, 2005. Thus it is not possible to conduct a proper comparison with the 2005 figures. See pages 3 - 4 of this report for an analysis of the development in ISS's operating activities from H1 2005 to H1 2006.

Definitions

Operating margin before other items, % = $\frac{\text{Operating profit before other items x 100}}{\text{Revenue}}$

Carrying amount of net debt = Long-term debt + Short-term debt - Securities - Cash and cash equivalents

Other Financial Measures

Amounts in DKK millions	As of and for the 12-month period ended June 30, 2006
Pro forma Adjusted EBITDA	3,795
Pro forma Adjusted Net Debt	27,552

Note: The pro forma adjusted financial information set out above are 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 July 1, 2005 – June 30, 2006 occurred on July 1, 2005.

FS Funding 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. Other companies, including those in the Group’s industry, may calculate similarly titled financial measures differently from the Group. Because all companies do not calculate these financial measures in the same manner, FS Funding’s presentation of such financial measures may not be comparable to similarly titled measures of other companies. Funds depicted by certain of these measures may not be available for management’s discretionary use due to covenant restrictions, debt service payments and other commitments. In addition, the calculations of some of these financial measures take into account estimates of pre-acquisition and post-acquisition results, which by their nature are uncertain.

See appendix on pages 30-35 of this report for further information.

FS Funding A/S ("FS Funding" or "the Group") was incorporated on March 11, 2005 for the purpose of the May 2005 acquisition of ISS A/S ("ISS"), an international provider of facility services within cleaning, office support services, property services, catering and integrated facility services. FS Funding is a 100% owned subsidiary of FS Equity A/S, which is ultimately controlled by funds advised by EQT Partners and Goldman Sachs Capital Partners (the "Principal Shareholders").

FS Funding is a holding company, and its primary assets consist of shares in ISS and cash in its bank accounts. FS Funding has no revenue generating operations of its own, and thus FS Funding's cash flow and ability to service its indebtedness will depend primarily on the operating performance and financial condition of ISS and ISS's operating subsidiaries.

For further information about FS Funding and ISS, including information about risk factors that could adversely impact the results of operations and financial position of the Group, please see FS Funding's Offering Memorandum dated April 28, 2006, and the ISS A/S Annual Report 2005. These documents are available from the Group's website, www.issworld.com.

FS Funding had no operating activities prior to the acquisition of ISS on May 9, 2005, thus it is not possible to conduct a proper comparison of H1 2006 with H1 2005. Consequently, the analysis of revenue and operating profit before other items including comparative figures set out below is based on the operating activities of ISS.

Financial Review

Income Statement

Revenue in the first six months of 2006 amounted to DKK 26,443 million. For ISS this represented a revenue growth of 17% compared to the first six months of 2005. Acquisitions accounted for 15% and divestments were 3%. Currency adjustments had a positive impact of 1%. The organic growth rate increased by approximately 1 percentage point from 3% in H1 2005 to 4% in H1 2006. Revenue in Q2 was DKK 13,888 million. For ISS this represented an increase of 21% compared to the same period in 2005. Organic growth for Q2 was 4% which was on a level with Q2 2005. As announced by ISS in February 2005, the effect of the phased-out hospital cleaning services business in Germany is excluded from the calculation of organic revenue growth.

In Northern Europe, ISS's revenue increased by approximately 12% to DKK 11,076 million in H1 2006. The growth primarily stemmed from 9% acquisitive growth and 3% organic growth. The organic growth increased by approximately 0.5 percentage points compared to H1 2005, primarily driven by double-digit organic growth rates in Norway and Ireland. With the exception of Finland, organic growth was positive in all major countries in the region. The impact from currency adjustments was neutral.

In H1 2006 ISS's revenue in Continental Europe increased by approximately 12% to DKK 12,495 million. Organic growth accounted for 5% and acquisitions for 7%. The organic growth was primarily driven by France, Spain and Austria. The impact from currency adjustments was neutral.

Revenue in Overseas increased by 162% from DKK 1,094 million in H1 2005 to DKK 2,872 million in H1 2006. The growth was primarily driven by acquisitions, most significantly the acquisition of the remaining 51% of the shares in Australian-based Pacific Service Solutions Pty. Ltd., the holding company of Tempo Services Ltd. ("Tempo"), with estimated annual revenue of approximately DKK 2.9 billion. Positive organic growth throughout the region contributed to an organic growth rate of 16%, excluding Tempo, and currency adjustments increased revenue by 6% compared to H1 2005.

In 2005, ISS discontinued its Health Care business and its operations in Japan, which led to a DKK 352 million decrease in revenue compared to H1 2005, see note 8 to the Condensed Consolidated Interim Financial Statements on page 28 of this report.

ISS Revenue growth, H1 2006

	Revenue growth, %			
	Organic[1)]	**Acq., net**	**Currency**	**Total**
Total ISS	**4**	**12** [2)]	**1**	**17**
Northern Europe	3	9	0	12
Continental Europe	5	7	0	12
Overseas	16	140	6	162

[1)] For a description of the method applied in estimating organic growth, see FS Funding's Offering Memorandum dated April 28, 2006, which is available from the Group's website, www.issworld.com.
[2)] Includes the reduction in revenue stemming from the discontinuation of the Health Care operations and the operations in Japan, see note 8.

Operating profit before other items for the first six months amounted to DKK 1,396 million. For ISS this was an increase of 19% compared to the same period of last year. The operating margin before other items was 5.3% in H1 2006 compared with 5.2% in H1 2005 and 5.7% for the financial year 2005. In Q2 the operating profit before other items was DKK 823 million. For ISS, the operating margin before other items was unchanged at 5.9% compared to Q2 2005.

ISS's operating margin before other items is normally lower in the first six

ISS Operating results

	Revenue			Operating profit before other items			Operating margin before other items	
	DKK millions			DKK millions			%	
	H1 2006	H1 2005	Change	H1 2006	H1 2005	Change	H1 2006	H1 2005
Northern Europe	11,076	9,895	12 %	681	600	14 %	6.1 %	6.1 %
Continental Europe	12,495	11,181	12 %	692	608	14 %	5.5 %	5.4 %
Overseas	2,872	1,094	162 %	162	63	157 %	5.6 %	5.8 %
Discontinued operations	-	352	(100)%	-	40	(100)%	-	11.4 %
Corporate	-	-		(139)	(135)	(3)%	(0.5)%	(0.6)%
Total ISS	**26,443**	**22,522**	**17 %**	**1,396**	**1,176**	**19 %**	**5.3 %**	**5.2 %**

months of the year compared to the full year. This is due to a typically lower margin in the first quarter and a typically higher margin in the third quarter of the year, compared to other quarters.

ISS's operating margin before other items in H1 2006 in Northern Europe remained unchanged at 6.1% compared to H1 2005 because operating margin increases in Denmark and Sweden were partially offset by decreases in Norway and Finland.

In Continental Europe, ISS increased the operating margin before other items by 0.1 percentage points from 5.4% in H1 2005 to 5.5% in H1 2006, primarily resulting from operating margin increases in Belgium, the Netherlands, Spain and Switzerland. In addition to this, consolidation of the operations in Turkey, which were acquired in 2005, also contributed positively to the increase in operating margin.

In Overseas, ISS's operating margin before other items decreased from 5.8% in H1 2005 to 5.6% in H1 2006. With the exception of Malaysia, the operating margin before other items in all Asian countries was above the same period of last year. However, the inclusion of the activities in Mexico and especially the consolidation of the acquisition of Tempo in Australia more than off-set this improvement.

Operating profit before other items for the discontinued businesses was DKK 40 million in H1 2005. Thus the discontinuation negatively impacted ISS's H1 2006 operating margin by approximately 0.1 percentage point.

Net finance costs for the first six months of 2006 were DKK 1,139 million, including DKK 120 million of amortization of financing fees and DKK 86 million of amortization of market price adjustment and swap gains related to the Medium Term Notes issued by ISS Global (the "EMTNs") with expiry in 2010 and 2014, respectively[1]. Net finance costs increased from DKK 456 million in Q2 2005 to DKK 594 million in Q2 2006. This was primarily due to the fact that ISS was acquired by FS Funding on May 9, 2005, and consequently the indebtedness of FS Funding prior to the acquisition date was insignificant.

Income taxes were DKK 164 million in H1 2006 and DKK 105 million in Q2 2006. The finance costs exceed the taxable profit in the jointly taxed Danish subsidiaries, thus creating a tax loss. This tax loss can be carried forward, but only the amount of the tax loss that is expected to be utilized in the foreseeable future has been capitalized as a deferred tax asset.

Amortization of brands and customer contracts amounted to DKK 558 million for the first six months of 2006 and DKK 282 million in Q2 2006 and was primarily related to customer contract portfolios and related customer relationships, which are amortized over the estimated useful lives of such portfolios and relationships applying the declining balance method.

Net loss for the period was DKK 381 million in H1 2006 and DKK 107 million in Q2 2006, negatively impacted by net finance costs as well as non-cash charges related to amortization of brands and customer contract portfolios and related customer relationships, net of tax. For the first six months of 2006, a loss of DKK 388 million was attributable to the equity holders of FS Funding, whereas a profit of DKK 7 million was attributable to minority interests.

[1] The EMTNs were recognized at quoted market price in the opening balance sheet prepared as part of the purchase price allocation related to the acquisition of ISS (the "Opening Balance Sheet"). Net finance costs in the consolidated financial statements of FS Funding will over the remaining terms of the EMTNs be impacted by an expense equal to the difference between the quoted market price used in the Opening Balance Sheet and the nominal value of the EMTNs. An expense of DKK 99 million was recognized in H1 2006 and the remaining market price adjustment amounted to DKK 1,209 million as at June 30, 2006.

FS Funding recognized a positive mark-to-market value of interest rate swaps hedging the EMTNs in the Opening Balance Sheet. The interest rate swaps were partially settled in June 2005 and the remaining part was settled in June 2006 resulting in a net gain, which will be recognized in the consolidated financial statements of FS Funding over the remaining term of the EMTNs. In H1 2006 FS Funding recognized an income of DKK 13 million in the consolidated income statement. The remaining gain of DKK 58 million will be recognized over the remaining term of the EMTNs.

Cash Flow Statement

FS Funding's comparative cash flow figures for 2005 do not include ISS's cash flow prior to the acquisition date, May 9, 2006. Consequently, the comparison of development in working capital below is adjusted for the effect of the pre-acquisition cash flow in 2005.

Cash flow from operating activities in H1 2006 was a net cash outflow of DKK 838 million, primarily due to a cash outflow related to working capital and interest payments. Cash outflow deriving from working capital was DKK 1,213 million, mainly stemming from an increase in receivables, which was driven primarily by organic growth, and the fact that the Group's working capital requirement is impacted by seasonality due to a number of cash payments relating to, among other things, pension contributions, insurance premium payments and holiday payments in the first quarter of the year. In H1 2005 changes in working capital was a cash inflow of DKK 230 million. However, adjusting for ISS's pre-acquisition cash outflow of DKK 1,059 million in H1 2005 the working capital cash outflow in H1 2006 was DKK 384 million higher than in H1 2005. This was primarily due to the development in trade payables as certain payments were paid earlier in the year than in 2005. Interest payments in H1 2006 reduced cash flow from operating activities by DKK 1,032 million. Payments related to Other income and expenses, net was DKK 109 million in H1 2006 of which the largest item was DKK 74 million deriving from a Group restructuring project, which was initiated in 2005.

In Q2 2006 cash flow from operating activities was a net cash outflow of DKK 224 million, primarily due to a cash outflow related to working capital and interest payments. Cash outflow deriving from working capital was DKK 413 million, mainly stemming from an increase in receivables, which was driven primarily by organic growth. Adjusted for ISS's pre-acquisition cash outflow of DKK 322 million in Q2 2005, the working capital cash outflow in Q2 2006 was DKK 321 million higher than in Q2 2005, mainly due to the development in trade payables as certain payments were paid earlier in the year than in 2005. Interest payments in Q2 2006 reduced cash flow from operating activities by DKK 599 million. In Q2 2006 payments related to Other income and expenses were DKK 56 million, of which DKK 43 million were related to the Group restructuring project.

Cash flow from investing activities in the first six months of 2006 was a cash outflow of DKK 2,679 million, predominantly affected by a cash outflow of DKK 2,403 million related to acquisitions. The largest acquisition was the acquisition of the remaining 51% of the shares in Tempo. The Group now holds 100% of Tempo. The net purchase price amounted to DKK 1,050 million. Investments in intangible and tangible fixed assets, net (excluding acquisition related intangibles) were DKK 344 million in H1 2006 and, when measured as a percentage of revenue, on level with the ratio of depreciation to revenue at 1.3%.

In Q2, cash flow from investing activities was a cash outflow of DKK 726 million, primarily due to payments of DKK 582 million related to acquisitions and DKK 203 million, equivalent to 1.5% of revenue, related to investments in intangible and tangible fixed assets, net (excluding acquisition related intangibles).

Cash flow from financing activities amounted to DKK 3,829 million in the first six months of 2006. This was primarily the result of increased indebtedness to fund acquisitions, net proceeds from an issue of high yield notes, and a net DKK 500 million upsizing of the senior facilities, partly offset by repayment of the subordinated bridge facility and the subordinated shareholder loan.

In Q2 2006, cash flow from financing activities was DKK 1,779 million in Q2 2006, primarily due to net proceeds from the issue of high-yield notes and increased indebtedness to fund acquisitions, partly offset by repayment of the subordinated bridge facility and the subordinated shareholder loan.

Balance Sheet

Total assets were DKK 50,350 million as of June 30, 2006 compared with DKK 46,456 million as of December 31, 2005.

Intangible assets, of which the vast majority related to goodwill, brands and customer contracts amounted to DKK 34,863 million as of June 30, 2006.

Total equity was DKK 6,293 million as of June 30, 2006 of which DKK 6,238 million was attributable to equity holders of FS Funding and DKK 55 million related to Minority interests. Total equity was equivalent to 12% of total assets.

Carrying amount of net debt is typically higher after the first six months of the year than at the end of a financial year as the operating cash inflow tends to be lower in the first six months of the year. Due to this seasonality and the effect of acquisitions during H1 2006, the carrying amount of net debt amounted to DKK 26,048 million of which long-term debt was DKK 26,867 million, short-term debt amounted to DKK 1,331 million while securities, cash and cash equivalents were DKK 2,150 million.

The long-term debt included DKK 9,427 million related to senior subordinated notes from FS Funding's high yield offering in May 2006. This offering comprised two tranches; a EUR 454 million tranche with a coupon of 8.875% per annum and a EUR 850 million floating rate tranche bearing interests at a rate per annum equal to 3 month Euribor plus 6.625%, reset quarterly. Both tranches expire on May 15, 2016. The main purpose of the offering was to refinance the subordinated bridge facility and the subordinated shareholder loan. The

Offering Memorandum and related presentation is available from the Group's website www.issworld.com.

For further information on the composition of the net debt as at June 30, 2006 see the appendix on pages 30-35 of this report.

Acquisitions

In the first six months of 2006 a total of 64 acquisitions were completed with an aggregate net purchase price of DKK 2,403 million. The total annual revenue of the acquisitions is estimated at approximately DKK 5.6 billion based on expectations at the time of acquisition.

As mentioned above, the acquisition of the remaining 51% shares in Australia-based Tempo was the largest acquisition completed in H1 2006.

Other Financial Measures

Pro forma Adjusted EBITDA for the period July 1, 2005 to June 30, 2006 amounted to DKK 3,795 million. Pro forma Adjusted Net Debt amounted to DKK 27,552 million.

The calculation of these figures is conducted according to the principles described in the appendix on pages 30-35 of this report.

Expectations

The expectations should be read in conjunction with "Forward-looking statements" on page 7.

As mentioned in FS Funding's annual report 2005 FS Funding is expected to continue to generate net accounting losses in the foreseeable future, as a consequence of the significant indebtedness as well as non-cash expenses deriving from amortization of intangible assets relating to the purchase price allocation conducted in connection with the change of ownership.

Subsequent Events

Subsequent to June 30, 2006, the Group has made 8 acquisitions up until July 31, 2006. See note 5 Acquisition and divestment of businesses to the Condensed Consolidated Interim Financial Statements.

The Principal Shareholders have offered a management participation program, under which certain non-executive members of the Board of Directors, members of the Executive Management Board of ISS Management A/S and a number of senior officers of the Group were offered to make an investment. The program is structured as an indirect investment in a mix of shares and warrants of FS Invest S.à r.l., FS Funding's ultimate parent. The program was rolled out in July 2006 and from the outset 138 eligible officers participated in the program.

Pursuant to the senior facilities agreement FS Funding was required to repay all outstanding indebtedness incurred by FS Funding under the senior facilities by August 31, 2006. On August 29, 2006 FS Funding repaid EUR 61 million (equivalent to DKK 455 million) with proceeds from dividends received from ISS and ISS Global A/S. The dividend was financed by equivalent borrowings by ISS Global A/S under the senior facilities.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to June 30, 2006, which are expected to have a material impact on the Group's financial position.

Financial Calendar 2006 / 2007

Interim Report, January - September 2006:	November 29, 2006
Annual Report, 2006:	April 30, 2007
Interim Report, January - March 2007:	May 30, 2007

Telephone conference

A telephone conference will be held on Tuesday, August 29, 2006 at 2:00 PM CET (1:00 PM UK time).

The telephone numbers for the conference are:

+45 70 26 50 40 (Denmark)
+44 207 769 6432 (UK)
+1 718 354 1230 (US)

Forward-looking statements

This report may contain forward-looking statements. 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. FS Funding 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 FS Funding. Although FS Funding 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 as a result of uncertainties relating to the following matters, among others:

- the demand for the services offered by FS Funding, which is primarily dependent upon outsourcing trends and macroeconomic conditions, including economic growth, inflation or deflation;
- risks related to FS Funding's growth strategy, including potential contingent liabilities of acquired businesses and failure to manage growth and integrate acquired businesses successfully;
- risks related to the substantial indebtedness including fluctuations in interest rates and limitations on additional debt to finance FS Funding's acquisition strategy and access to capital to finance its operations;
- FS Funding's ability to operate profitably, in particular under fixed-price or long-term contracts;
- FS Funding's exposure to currency-related risks, particularly the value of the Danish Kroner against other currencies;
- complexities related to compliance with regulatory requirements of many jurisdictions as a result of FS Funding's international operations and decentralized organizational structure;
- FS Funding's dependence on its management team and qualified personnel;
- FS Funding's potential liability for acts of its employees, including negligence, injuries, omissions and wilful misconduct;
- the threat, institution or adverse determination of claims against FS Funding;
- potential environmental liabilities; and
- any adverse effect on FS Funding's operating results and cash flows from the impact of changes to laws and regulations, including health and safety and environmental laws and regulations.

As a result, you should not rely on these forward-looking statements.

FS Funding 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.

Reference is also made to the description of risk factors on pages 33-52 of the Offering Memorandum dated April 28, 2006, which is available from the Group's website, www.issworld.com.

Signatures to the Interim Report

COPENHAGEN, August 29, 2006

The Board of Directors and the Executive Management have approved the interim report of FS Funding A/S for the period January 1 - June 30, 2006.

The interim report has not been audited and is 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 financial position at June 30, 2006 and of the results of the Group's operations and consolidated cash flows for the financial period January 1 - June 30, 2006.

EXECUTIVE MANAGEMENT

Steen Parsholt
Managing Director

BOARD OF DIRECTORS

Leif Östling Chairman	Richard Sharp Vice-Chairman
Ole Andersen	Sanjay Patel
Jørgen Lindegaard	Christoph Sander

Condensed Consolidated Interim Financial Statements for FS Funding A/S

Condensed Consolidated Interim Financial Statements

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

Note		Q2 2006	Q2 2005 [1)]	H1 2006	H1 2005 [1)]
2	**Revenue**	**13,888**	**7,692**	**26,443**	**7,692**
	Staff costs	(9,084)	(5,114)	(17,436)	(5,114)
	Cost of sales	(1,187)	(605)	(2,238)	(605)
	Other operating expenses	(2,616)	(1,386)	(5,021)	(1,386)
	Depreciation and amortization	(178)	(107)	(352)	(107)
2	**Operating profit before other items**	**823**	**480**	**1,396**	**480**
	Other income and expenses, net	(5)	(30)	(19)	(30)
	Integration costs	(28)	(2)	(54)	(2)
2	**Operating profit**	**790**	**448**	**1,323**	**448**
	Share of profit from associates	2	(1)	(5)	(1)
	Net finance costs	(594)	(456)	(1,139)	(456)
	Profit/(loss) before tax and impairment/ amortization of intangibles	**198**	**(9)**	**179**	**(9)**
	Income taxes	(105)	(90)	(164)	(90)
	Profit/(loss) before impairment/ amortization of intangibles	**93**	**(99)**	**15**	**(99)**
	Amortization of brands and customer contracts [2)]	(282)	(193)	(558)	(193)
	Tax effect	82	57	162	57
	Net profit/(loss) for continuing operations	**(107)**	**(235)**	**(381)**	**(235)**
8	Net profit for discontinued operations	-	7	-	7
	Net profit/(loss) for the period	**(107)**	**(228)**	**(381)**	**(228)**
	Attributable to:				
	Equity holders of FS Funding	(111)	(232)	(388)	(232)
	Minority interests	4	4	7	4
	Net profit/(loss) for the period	**(107)**	**(228)**	**(381)**	**(228)**
4	Earnings per share before impairment/ amortization of intangibles, DKK	0.9	(1.0)	0.1	(1.0)
4	Basic earnings per share, DKK	(1.1)	(2.3)	(3.9)	(2.3)
4	Diluted earnings per share, DKK	(1.1)	(2.3)	(3.9)	(2.3)

[1)] The company was founded on March 11, while the activities of ISS were acquired May 9, 2005.

[2)] Includes customer contract portfolios and related customer relationships.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

Note		Q2 2006	Q2 2005 [1)]	H1 2006	H1 2005 [1)]
2	Operating profit before other items	823	492	1,396	492
	Depreciation and amortization	178	109	352	109
	Changes in working capital	(413)	230	(1,213)	230
	Changes in provisions	(39)	(45)	(25)	(45)
	Interest paid, net	(599)	(374)	(1,032)	(374)
	Income taxes paid, net	(97)	(161)	(168)	(161)
	Payments related to other income and expenses, net	(56)	(113)	(109)	(113)
	Payments related to integration costs	(21)	(18)	(39)	(18)
	Cash flow from operating activities	**(224)**	**120**	**(838)**	**120**
5	Acquisition of businesses	(582)	(19,876)	(2,403)	(19,876)
5	Divestment of businesses	64	192	59	192
	Investments in intangible assets and property, plant and equipment, net	(203)	(101)	(344)	(101)
	Sale of financial assets, net	(5)	554	9	554
	Cash flow from investing activities	**(726)**	**(19,231)**	**(2,679)**	**(19,231)**
	Financial payments, net	1,784	15,013	3,834	15,013
	Proceeds from issuance of share capital	-	7,690	-	7,690
	Dividends paid to shareholders	-	(49)	-	(49)
	Options and warrants settled	-	(105)	-	(105)
	Minority interests	(5)	-	(5)	-
	Cash flow from financing activities	**1,779**	**22,549**	**3,829**	**22,549**
	Total cash flow	**829**	**3,438**	**312**	**3,438**
	Cash and cash equivalents at beginning	1,283	1	1,804	1
	Total cash flow	829	3,438	312	3,438
	Foreign exchange adjustments	(3)	12	(7)	12
	Cash and cash equivalents at June 30	**2,109**	**3,451**	**2,109**	**3,451**

[1)] The company was founded on March 11, while the activities of ISS were acquired May 9, 2005.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

Note		June 30, 2006	June 30, 2005	December 31, 2005
	Assets			
	Intangible assets	34,863	31,747	32,672
	Property, plant and equipment	1,981	1,839	1,956
	Investments in associates	67	147	132
	Deferred tax assets	610	694	599
	Other financial assets	243	449	234
	Total non-current assets	**37,764**	**34,876**	**35,593**
	Inventories	320	288	300
	Trade receivables	8,928	7,280	7,564
	Contract work in progress	225	172	153
	Tax receivables	197	231	139
	Other receivables	766	763	844
	Securities	41	170	59
	Cash and cash equivalents	2,109	3,451	1,804
	Total current assets	**12,586**	**12,355**	**10,863**
	Total assets	**50,350**	**47,231**	**46,456**
	Equity and liabilities			
	Total equity attributable to equity holders of FS Funding	6,238	7,584	6,714
	Minority interests	55	80	60
	Total equity	**6,293**	**7,664**	**6,774**
	Long-term debt	26,867	15,192	15,699
	Pensions and similar obligations	1,005	789	833
	Deferred tax liabilities	3,163	3,598	3,302
	Other provisions	307	320	239
	Total long-term liabilities	**31,342**	**19,899**	**20,073**
	Short-term debt	1,331	9,250	8,986
	Trade payables	1,876	1,624	1,952
	Tax payables	153	344	81
	Other liabilities	8,884	8,054	8,110
	Other provisions	471	396	480
	Total current liabilities	**12,715**	**19,668**	**19,609**
	Total liabilities	**44,057**	**39,567**	**39,682**
	Total equity and liabilities	**50,350**	**47,231**	**46,456**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF TOTAL RECOGNIZED INCOME AND EXPENSE AND CHANGES IN EQUITY

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

	Attributable to equity holders of FS Funding						
	Share capital	Retained earnings	Cumula-tive fx adj.	Realized gain/(loss) on hedges	Unrealized gain/(loss) on hedges	Minority interests	Total equity
January 1 - June 30, 2006							
Total recognized income and expense							
Net profit/(loss) for the period	-	(388)	-	-	-	7	(381)
Foreign exchange adj. of subsidiaries and minorities	-	-	(104)	-	-	(2)	(106)
Gain/(loss) on hedges, net	-	-	-	14	6	-	20
Actuarial gains/(losses)	-	1	-	-	-	-	1
Tax on entries recognized directly in equity	-	0	-	(5)	-	-	(5)
Net income and expense recognized directly in equity	**-**	**1**	**(104)**	**9**	**6**	**(2)**	**(90)**
Total recognized income and expense for the period	**-**	**(387)**	**(104)**	**9**	**6**	**5**	**(471)**
Equity at January 1, 2006	**100**	**6,514**	**124**	**(18)**	**(6)**	**60**	**6,774**
Changes in equity							
Total recognized income and expense for the period	-	(387)	(104)	9	6	5	(471)
Impact from acquired and divested companies, net	-	-	-	-	-	(3)	(3)
Dividends paid	-	-	-	-	-	(7)	(7)
Total changes in equity	**-**	**(387)**	**(104)**	**9**	**6**	**(5)**	**(481)**
Equity at June 30, 2006	**100**	**6,127**	**20**	**(9)** [1]	**-**	**55**	**6,293**

[1] Net of taxes.

Continues

CONDENSED CONSOLIDATED INTERIM STATEMENT OF TOTAL RECOGNIZED INCOME AND EXPENSE AND CHANGES IN EQUITY

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

	Attributable to equity holders of FS Funding						
	Share capital	Retained earnings	Cumula-tive fx adj.	Realized gain/(loss) on hedges	Unrealized gain/(loss) on hedges	Minority interests	Total equity
March 11 - June 30, 2005							
Total recognized income and expense							
Net profit/(loss) for the period	-	(232)	-	-	-	4	(228)
Foreign exchange adj. of subsidiaries and minorities	-	-	146	-	-	1	147
Gain/(loss) on hedges, net	-	-	-	(44)	14	-	(30)
Actuarial gains/(losses)	-	(3)	-	-	-	-	(3)
Tax on entries recognized directly in equity	-	1	-	12	(4)	-	9
Net income and expense recognized directly in equity	**-**	**(2)**	**146**	**(32)**	**10**	**1**	**123**
Total recognized income and expense for the period	**-**	**(234)**	**146**	**(32)**	**10**	**5**	**(105)**
Equity at March 11, 2005 (foundation)	**1**	**-**	**-**	**-**	**-**	**-**	**1**
Changes in equity							
Total recognized income and expense for the period	-	(234)	146	(32)	10	5	(105)
Acquisition of ISS A/S May 9, 2005	-	-	-	-	-	71	71
Impact from acquired and divested companies, net	-	-	-	-	-	4	4
Dividends paid	-	-	-	-	-	(0)	(0)
Share issue	99	7,594	-	-	-	-	7,693
Total changes in equity	**99**	**7,360**	**146**	**(32)**	**10**	**80**	**7,663**
Equity at June 30, 2005	**100**	**7,360**	**146**	**(32)** [1]	**10**	**80**	**7,664**

[1] Net of taxes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

1. Significant accounting policies

The condensed consolidated interim financial statements of FS Funding A/S for the period January 1 - June 30, 2006, comprise FS Funding A/S and its subsidiaries (together referred to as "the Group") and the Group's interests in associates and jointly controlled entities.

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting. 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 of and for the year ended December 31, 2005.

ACCOUNTING POLICIES

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 of and for the year ended December 31, 2005.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 of and for the year ended December 31, 2005.

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

2. Segment information

In line with the internal management structure, the geographical segment is the primary segment.

January 1 - June 30, 2006

Geographical (Primary Segment)	External revenue	Total revenue [1)]	Operating profit before other items	Operating margin before other items %	Operating profit [2)]
France	4,726	4,726	290	6.1	286
UK	3,266	3,267	195	6.0	182
Norway	2,290	2,290	172	7.5	167
Denmark	1,858	1,862	128	6.9	127
Netherlands	1,654	1,654	78	4.7	78
Sweden	1,647	1,647	78	4.7	77
Finland	1,563	1,563	83	5.3	82
Spain	1,492	1,492	70	4.7	69
Belgium and Luxembourg	1,261	1,261	73	5.8	72
Australia	1,144	1,144	71	6.2	41
Germany	877	877	31	3.6	29
Austria	759	759	44	5.8	44
Switzerland	740	740	42	5.7	42
Hong Kong	358	358	26	7.4	21
Central Eastern Europe	344	344	25	7.2	25
Israel	335	335	21	6.2	20
Ireland	281	281	21	7.4	21
Brazil	273	273	14	5.3	14
Turkey	242	242	14	5.7	14
Singapore	226	226	13	5.9	11
Portugal	174	174	12	6.7	12
Thailand	99	99	6	6.6	6
Greece	95	95	6	5.9	6
Italy	94	94	7	7.7	7
Indonesia	74	74	7	9.3	7
Mexico	72	72	1	1.5	1
Iceland	68	68	5	7.4	4
Chile	64	64	3	5.1	3
New Zealand	63	63	3	4.4	2
Estonia	49	49	1	2.0	1
Argentina	42	42	1	2.0	1
Greenland	41	41	2	5.5	1
Malaysia	40	40	2	5.6	2
China	39	39	1	2.8	1
Poland	37	37	1	2.3	(0)
India	20	20	0	0.3	0
Russia	13	13	(3)	(22.7)	(3)
Sri Lanka	11	11	0	4.1	0
Brunei	9	9	2	21.9	2
Uruguay	3	3	0	4.4	0
Regional cost, not allocated to countries	-	-	(11)	-	(13)
Subtotal	**26,443**	**26,448**	**1,535**	**5.8**	**1,462**
Corporate functions/eliminations	-	(5)	(139)	-	(139)
Total	**26,443**	**26,443**	**1,396**	**5.3**	**1,323**

1) Internal revenue has not been disclosed due to immateriality.
2) Excluding internal royalty to corporate functions.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

2. Segment information (continued)

In line with the internal management structure, the geographical segment is the primary segment.

March 11 - June 30, 2005

Geographical (Primary Segment)	External revenue	Total revenue [1)]	Operating profit before other items	Operating margin %	Operating profit [2)]
France	1,478	1,478	106	7.2	105
UK	1,034	1,034	64	6.2	64
Norway	601	601	75	12.5	73
Denmark	575	577	40	7.0	37
Netherlands	555	555	47	8.4	45
Sweden	548	548	22	4.0	23
Finland	522	522	40	7.6	40
Spain	442	442	24	5.4	24
Belgium and Luxembourg	391	391	15	3.9	15
Germany	294	294	10	3.5	8
Switzerland	234	234	19	7.9	19
Austria	232	232	20	8.4	20
Central Eastern Europe	83	83	8	10.1	8
Brazil	76	76	4	5.2	4
Ireland	74	74	5	7.1	5
Hong Kong	62	62	4	6.6	4
Israel	62	62	4	6.0	4
Australia	58	58	7	11.8	7
Turkey	55	55	3	4.6	3
Singapore	53	53	3	5.8	3
Portugal	46	46	3	6.5	3
Italy	38	38	6	15.4	6
Greece	35	35	2	5.7	2
Iceland	21	21	1	2.7	1
Thailand	19	19	1	6.3	1
Greenland	18	18	1	5.1	1
Indonesia	15	15	1	9.0	1
Argentina	12	12	0	0.7	0
Poland	12	12	1	5.5	1
Malaysia	11	11	1	8.1	1
China	10	10	0	3.5	0
Chile	9	9	1	5.9	0
New Zealand	7	7	0	2.7	0
Russia	3	3	(1)	(38.2)	(1)
Sri Lanka	3	3	0	2.0	0
Brunei	3	3	0	18.8	0
Uruguay	1	1	0	6.1	0
Estonia	-	-	-	-	-
India	-	-	-	-	-
Mexico	-	-	-	-	-
Regional cost, not allocated to countries	-	-	(3)	-	(3)
Subtotal	**7,692**	**7,694**	**534**	**6.9**	**524**
Corporate functions/eliminations	-	(2)	(54)	-	(76)
Continuing operations	**7,692**	**7,692**	**480**	**6.2**	**448**
Discontinued operations	117	117	12	10.3	12
Total	**7,809**	**7,809**	**492**	**6.3**	**460**

[1)] Internal revenue has not been disclosed due to immateriality.
[2)] Excluding internal royalty to corporate functions.

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

3. Seasonality

The operating margin 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 recognized in the third quarter of the year is collected.

4. Earnings per share	Q2 2006	Q2 2005	H1 2006	H1 2005
Profit/(loss) before impairment/amortization of intangibles	93	(99)	15	(99)
Net profit for the period attributable to equity holders	(111)	(232)	(388)	(232)
Weighted average number of shares				
Number of shares at January 1, 2006 / March 11, 2005	100,000,000	100,000,000	100,000,000	100,000,000
Weighted average number of shares	100,000,000	100,000,000	100,000,000	100,000,000
Earnings per share before impairment/ amortization of intangibles, DKK	**0.9**	**(1.0)**	**0.1**	**(1.0)**
Basic earnings per share, DKK	**(1.1)**	**(2.3)**	**(3.9)**	**(2.3)**
Diluted earnings per share, DKK	**(1.1)**	**(2.3)**	**(3.9)**	**(2.3)**

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses

The Group made 64 acquisitions from January 1 - June 30, 2006 (14 from March 11 - June 30, 2005). The total purchase price amounted to DKK 2,516 million (DKK 22,525 million from March 11 - June 30, 2005). The total annual revenue of the acquisitions is estimated at approximately DKK 5,560 million (DKK 45,580 million from March 11 - June 30, 2005) based on the expectations at the time of acquisition. The balance sheet items etc. relating to acquisitions and divestments are specified below:

	Acquisition of Pacific Service Solutions Pty Ltd [1]		Total acquisitions		
Acquisitions and divestments January 1 - June 30, 2006	Net book value before takeover	Fair value at takeover	Net book value before takeover	Fair value at takeover	Total divestments
Goodwill	763	-	853	-	-
Customer contract portfolios and related customer relationships	157	259	187	707	-
Other non-current assets	85	69	188	178	66
Trade receivables	469	469	917	902	9
Other current assets	37	37	204	187	19
Other provisions	(49)	(79)	(67)	(155)	-
Pensions, deferred tax liabilities and minorities	(10)	(10)	(39)	(116)	(2)
Long-term debt	(1)	(1)	(30)	(30)	-
Short-term debt	(178)	(178)	(251)	(251)	-
Other current liabilities	(504)	(532)	(974)	(1,015)	(7)
Net identifiable assets [2]	**769**	**34**	**988**	**407**	**85**
Hereof previously recognized as associated company	(68)	(68)	(68)	(68)	-
Net identifiable assets adjusted for associated company		**(34)**		**339**	**85**
Goodwill [3]		1,089		2,231	-
Loss/(gain) on divestment of businesses		-		-	(2)
Acquisition/divestment costs, net of tax [4]		(5)		(54)	-
Purchase/(sales) price		**1,050**		**2,516**	**83**
Cash and cash equivalents in acquired/divested companies		(20)		(112)	-
Net purchase/(sales) price		**1,030**		**2,404**	**83**
Changes in deferred payments/receivable sales prices		(9)		(76)	(24)
Changes in prepayments regarding acquisitions in the coming period		-		7	-
Acquisition/divestment costs paid, net of tax		4		68	-
Net payments regarding acquisition/ divestment of businesses		**1,025**		**2,403**	**59**

The amount of the acquiree's profit or loss since the acquisition date included in the income statement for the period is not disclosed. Such disclosure is impracticable, because acquired companies are typically merged with (or activities transferred to) existing companies shortly after completion of the acquisition.

[1] In 2006, only the acquisition of the remaining 51% of Pacific Service Solution Pty Ltd. including Tempo Services Ltd. accounted for more than 2% of the Groups revenue on an individual basis.

[2] Settlement of shareholder loans and senior debt in total of DKK 630 million considered part of purchase price.

[3] The following intangibles are subsumed into goodwill; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programs and iv) platform for growth. As The Group is a service company that acquires businesses in order to apply the ISS model and generate value by restructuring and refining the acquired business, the main impact from acquisitions derives from synergies, the value of human resources and the creation of platforms for growth.

[4] Acquisition costs, net of tax amounting to DKK 54 million related mainly to the acquisitions of Pegasus in United Kingdom, Pacific Service Solution Pty Ltd. in Australia, San Rafael & Tap New in Mexico and MPA Security in Thailand.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

	Acquisition of ISS A/S [1]		Total acquisitions		
Acquisitions and divestments March 11 - June 30, 2005	Net book value before takeover	Fair value at takeover	Net book value before takeover	Fair value at takeover	Total divestments
Goodwill	15,592	-	15,597	-	(537)
Brands	-	1,657	-	1,657	-
Customer contract portfolios and related customer relationships	1,318	7,983	1,318	7,983	(22)
Other non-current assets	3,132	3,083	3,198	3,149	(35)
Trade receivables	7,252	7,250	7,411	7,409	(76)
Other current assets	4,682	4,577	4,787	4,676	(63)
Other provisions	(686)	(692)	(734)	(740)	1
Pensions, deferred tax liabilities and minorities	(1,532)	(4,526)	(1,537)	(4,500)	16
Long-term debt	(10,863)	(9,052)	(10,872)	(9,061)	5
Short-term debt	(1,154)	(1,154)	(1,185)	(1,186)	367
Other current liabilities	(8,822)	(9,111)	(8,993)	(9,277)	126
Net identifiable assets	**8,919**	**15**	**8,990**	**110**	**(218)**
Goodwill [2]		22,035		22,586	-
Loss/(gain) on divestment of businesses		-		-	11
Acquisition/divestment costs, net of tax [3]		(154)		(171)	-
Purchase/(sales) price		**21,896**		**22,525**	**(207)**
Cash and cash equivalents in acquired/divested companies		(2,332)		(2,414)	32
Net purchase/(sales) price		**19,564**		**20,111**	**(175)**
Changes in deferred payments/receivable sales prices		(268)		(321)	(17)
Changes in prepayments regarding acquisitions in the coming period		-		(5)	-
Acquisition/divestment costs paid, net of tax		78		91	-
Net payments regarding acquisition/ divestment of businesses		**19,374**		**19,876**	**(192)**

The amount of the acquiree's profit or loss since the acquisition date included in the income statement for the period is not disclosed. Such disclosure is impracticable, because acquired companies are typically merged with (or activities transferred to) existing companies shortly after completion of the acquisition.

[1] In 2005, only the acquisition of ISS A/S accounted for more than 2% of the Groups revenue on an individual basis.

[2] For the acquisition of ISS A/S the following intangibles are subsumed into goodwill; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programs, iv) strategic know how and synergies through acquisition and cross selling strategy and v) platform for growth. As ISS is a service company that acquires businesses in order to apply the ISS model and generate value by restructuring and refining the acquired business, the main impact from acquisitions derives from synergies, the value of human resources and the creation of platforms for growth.

[3] Acquisition costs, net of tax amounting to DKK 171 million related mainly to the acquisitions ISS A/S and Proser in Turkey.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)	January 1 - June 30, 2006	March 11 - June 30, 2005
Pro forma revenue [1)]		
Revenue recognized in the income statement	26,443	7,692
Adjustment, assuming all acquisitions from January 1 - June 30, 2006 were included as of January 1	915	15,051
Revenue for the Group assuming all acquisitions from January 1 - June 30, 2006 were included as of January 1	27,358	22,743
Adjustment, assuming all divestments signed from January 1 - June 30, 2006 were carried out as of January 1	(50)	(206)
Revenue for the Group assuming all acquisitions and divestments from January 1 - June 30, 2006 were carried out as of January 1	**27,308**	**22,537**
Pro forma operating profit before other items [1)]		
Operating profit before other items recognized in the income statement	1,396	480
Adjustment, assuming all acquisitions from January 1 - June 30, 2006 were included as of January 1	57	713
Operating profit before other items for the Group assuming all acquisitions from January 1 - June 30, 2006	1,453	1,193
Adjustment, assuming all divestments signed from January 1 - June 30, 2006 were carried out as of January 1	(3)	(28)
Operating profit before other items for the Group assuming all acquisitions and divestments from January 1 - June 30, 2006 were carried out as of January 1	**1,450**	**1,165**

[1)] The adjustment for revenue and operating profit before other items assuming all acquisitions and divestments were included as of January, 1 is based on estimates of local ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the times of such acquisitions and divestments or actual results where available. Synergies from acquisitions are not included for periods in which such acquisitions were not controlled by the Group. 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 divestments and acquisitions during the year occurred on January 1. In addition, the information should not be used as the basis for or prediction of any annualized calculation.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

From January 1 to June 30, 2006, the Group made 64 acquisitions [1)]

Company/activity	Country	Income statement consolidated from	Percentage interest	Annual revenue [2)]	Number of employees [2)]
Ejendomsforeningen Danmark	Denmark	January	Activities	0	0
ASM	Portugal	January	Activities	5	17
Sinon International srl	Romania	January	100%	10	365
Sistems Horticulture	Australia	January	Activities	12	35
Frenta Oy	Finland	January	100%	3	4
PH-Palvelut	Finland	January	Activities	3	6
Vaktmestersentralen AS	Norway	January	100%	12	28
Matpartner	Norway	January	Activities	21	20
Aquaris	Norway	January	Activities	5	4
Planteservice	Norway	January	Activities	6	11
Planterike	Norway	January	Activities	2	4
Raise Contact Center	Denmark	January	Activities	17	248
Terrakultur Stockholm AB / Codeum Finance AB	Sweden	January	100%	26	65
Agro Top Service SARL	France	January	100%	7	15
National Services Company B.V.	Netherlands	January	100%	20	86
Pegasus Security Holdings Ltd.	UK	January	100%	427	1,581
MPA Securities Ltd.	Thailand	January	100%	50	3,500
K+S Hygiene GmbH	Austria	January	100%	4	12
Cleaning Plus	New Zealand	February	Activities	34	370
Hygeco SAS	France	February	100%	12	14
Charlestown	France	February	100%	159	323
Fruktbilen i Stockholm AB	Sweden	February	100%	6	10
Mats & Gun Wahlin AB	Sweden	February	100%	1	2
Optimal s.r.o.	Czech Rep	February	100%	74	415
Janco Pest Management	Australia	February	Activities	1	2
Bluebell Hospitality	India	February	Activities	2	90
Grundell Oy	Finland	February	100%	21	80
B&S Virityspalvelu	Finland	February	Activities	8	16
Tempo Services Limited [3)]	Australia	March	100%	2,923	17,136
Coffee-team	Norway	March	Activities	6	4
EW Service Group	Switzerland	March	Activities	4	30
OS Verktakar	Iceland	March	Activities	2	12
Mandresa AB	Sweden	March	100%	43	29
JB Security Ltd.	Ireland	March	100%	14	54
Merusa	Spain	March	100%	57	239
Münchner Kindl GmbH	Germany	March	100%	83	803
PT Dimas Jaya	Indonesia	March	Activities	10	1,320
ServiceGroup A.S.	Turkey	March	100%	148	3,000
Dr. Rantasa GmbH	Austria	March	100%	70	350
Norfolk International Ltd.	Israel	March	100%	374	1,677
San Rafael S.A. and Tap New S.A.	Mexico	April	100%	276	9,500
Lyon y Compañia Ltda.	Chile	April	100%	66	2,054
De Kobra Services	Belgium	April	Activities	12	29
El-Partners A/S	Denmark	April	100%	26	28
Demogruppen AB	Sweden	April	100%	40	370
Germtech Hygiene	New Zealand	April	Activities	3	2
Subtotal				**5,105**	**43,960**

[1)] Includes all acquisitions completed prior to June 30, 2006

[2)] Unaudited approximate figures based on information available at the time of acquisition.

[3)] The acquisition comprises the remaining 51% shares in Pacific Service Solutions Pty Ltd. including Tempo Services Ltd., not already owned by ISS.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

Company/activity	Country	Income statement consolidated from	Percentage interest	Annual revenue [1)]	Number of employees [1)]
Holland Security Group B.V.	Netherlands	May	100%	56	271
Personell24 AS	Norway	May	100%	10	3
ISB Bedriejftscatering	Belgium	May	Activities	18	70
Mayday Bemanning AB	Sweden	May	100%	36	130
Target Excel plc	UK	May	100%	82	1,282
Monta Mega Bvba.	Belgium	May	100%	22	21
Fruitservice	Denmark	May	Activities	1	0
Florena AB	Sweden	May	100%	3	6
Actum Norge AS	Norway	May	100%	17	20
Rådgiverne Rekruttering og Utvikling AS	Norway	June	100%	13	5
Bemanningsservice AS	Norway	June	100%	17	6
Bemex AS	Norway	June	100%	69	6
Attensam srl	Romania	June	100%	3	90
WRS Reingung AG	Switzerland	June	100%	26	300
SOGEP SAS	France	June	100%	25	122
Coalfer S.A.	Spain	June	100%	6	75
Dauzet SAS	France	June	100%	20	218
Limpiberia S.A.	Spain	June	100%	31	240
Total				**5,560**	**46,825**

[1)] Unaudited approximate figures based on information available at the time of acquisition.

From January 1 to June 30, 2006, the Group made 2 divestments

Company/activity	Country	Month of disposal	Annual revenue [1)]
Industriservice	Sweden	April	190
Batiservices	France	June	22
Total			**212**

[1)] Unaudited approximate figures based on information available at the time of divestment.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

From March 11 to June 30, 2005, the Group made 14 acquisitions [1)]

Company/activity	Country	Income statement consolidated from	Percentage interest	Annual revenue [2)]	Number of employees [2)]
ISS A/S	Denmark	May	100%	45,000	287,000
PSS	Portugal	May	Activities	28	407
Oulun Puhelin	Finland	May	Activities	5	5
Kirwan Landscaping Services	Australia	May	Activities	75	316
Happy Verde	Spain	May	100%	7	22
ABC Healthcare Services	Australia	June	Activities	3	5
Profilstädarna i Sverige AB	Sweden	June	100%	83	390
Teleservice	Norway	June	Activities	10	40
Rubio & Kuschel Ltda.	Chile	June	100%	14	617
Manchester Property Care Ltd.	New Zealand	June	100%	80	900
Nature Environnement SA	France	June	100%	59	89
KASA Limpiezas S.A.	Spain	June	100%	200	2,005
Sethap SAS	France	June	100%	5	9
Stael SAS	France	June	100%	11	13
Subtotal				**45,580**	**291,818**

1) Includes all acquisitions completed prior to June 30, 2005.
2) Unaudited approximate figures based on information available at the time of acquisition.

From March 11 to June 30, 2005, the Group made 3 divestments

Company/activity	Country	Month of disposal	Annual revenue [1)]
Sand & Vattanbläst (Tyringe)	Sweden	May	10
Strålskyddsverksamhet activities outside Sweden (Damage Control)	Sweden	May	13
Health Care	Sweden	June [2)]	619
Total			**642**

1) Unaudited approximate figures based on information available at the time of divestment.
2) See note 8, Discontinued operations.

Continues

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

Acquisitions and divestments recognized in the period July 1 - July 31, 2006.

	Total acquisitions		
Acquisitions and divestments	Net book value before takeover	Fair value at takeover	Total divestments
Goodwill	-	-	-
Customer contract portfolios and related customer relationships	-	247	-
Other non-current assets	4	4	(0)
Trade receivables	46	46	(1)
Other current assets	76	78	(3)
Other provisions	(0)	(0)	-
Pensions, deferred tax liabilities and minorities	(1)	(68)	-
Long-term debt	(6)	(6)	-
Short-term debt	(1)	(1)	-
Other current liabilities	(145)	(145)	2
Net identifiable assets	**(27)**	**155**	**(2)**
Goodwill		243	-
Loss/(gain) on divestment of businesses			2
Acquisition/divestment costs, net of tax		(6)	0
Purchase/(sales) price		**392**	**0**
Cash and cash equivalents in acquired/divested companies		(54)	1
Net purchase/(sales) price		**338**	**1**

[1] In accordance with usual procedures for purchase price allocation, opening balances for acquisitions subsequent to July 31, 2006 are not yet available.

From July 1 to July 31, 2006, the Group made 8 acquisitions [1]

Company/activity	Country	Income statement consolidated from	Percentage interest	Annual revenue [2]	Number of employees [2]
Johnson Environmental Pest Control	UK	July	Activities	5	0
Lunchmaster Restaurang AB	Sweden	July	100%	54	85
Noordelijke Beveiligings Organisatie B.V. [3]	Netherlands	July	100%	165	474
Puissance Air [3]	France	July	100%	212	370
Ræstir [3]	Iceland	July	Activities	11	80
Selas North S.A. [3]	Greece	July	100%	84	540
Group Ciptamulti Agungjaya	Indonesia	July	Activities	29	4,900
Edelweiss Facility Management AG	Switzerland	July	100%	732	700
Total				**1,292**	**7,149**

From July 1 to July 31, 2006, the Group made 1 divestment [1]

Company/activity	Country	Month of disposal	Annual revenue [2]
Roofing Business	France	July	55
Total			**55**

[1] Includes all acquisitions/divestments made from July 1 to July 31, 2006.
[2] Unaudited approximate figures based on information available at the time of acquisition/divestment.
[3] Not yet recognized.

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

6. Contingent liabilities

Senior Facility Agreement
On November 7, 2005, FS Funding announced that it had finalized the financing arrangements relating to its acquisition of ISS A/S. FS Funding was the original borrower and guarantor under the senior facilities and the subordinated bridge facility, which were entered into on March 28, 2005, (subsequently amended and restated) and used for financing the acquisition of ISS A/S. FS Funding has executed a share pledge over its shares in ISS A/S as security for the senior facilities and the subordinated bridge facility. On July 26, 2005, ISS Global A/S, a 100% owned subsidiary of ISS A/S, acceded to the senior facilities agreement and thereby obtained a right to make future borrowings under the senior facilities. The subordinated bridge facility was repaid with proceeds from a high yield offering on May 8, 2006.

ISS A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Belgium, Denmark, Finland, France, The Netherlands, Norway, Spain, Sweden and the United Kingdom have provided guarantees for ISS Global A/S' borrowings under the senior facilities. The guarantees have been backed up by security over bank accounts, trade receivables, intra-group receivables and intellectual property rights of ISS A/S and these subsidiaries. In addition, the shares in the material subsidiaries and shares in certain of their subsidiaries as well as shares in certain subsidiaries in Austria, Germany, Hong Kong, Ireland, Portugal, Singapore and Switzerland have been pledged. Neither ISS A/S nor any of its direct or indirect subsidiaries have guaranteed or granted any security for FS Funding's borrowing used for financing the acquisition of ISS A/S.

Operating leases
Operating leases consist of leases and rentals of properties, vehicles (primarily cars) and other equipment. The total expense under operating leases in the income statement amounted to DKK 812 million (March 11 - June 30, 2005: DKK 192 million). Assuming the current car fleet etc. is maintained, the future minimum lease payments under operating leases are:

	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years	Total lease payment
At June 30, 2006	1,039	781	528	346	229	290	3,213
At June 30, 2005	909	726	510	330	204	393	3,072

Commitment vehicle leases
The Group has entered into a global car fleet lease framework agreement for three years, including an option for extension for a further three-year term. The framework agreement contains an option for the Group to terminate the underlying agreement for an entire country or the entire commitment with four weeks notice, to the end of a quarter subject to payment of a termination amount. The majority of the underlying agreements have a duration of 3-5 years. The disclosed contingent liablity includes the Group's total leasing commitment assuming no early termination of any agreement.

Guarantee commitments
Indemnity and guarantee commitments at June 30, 2006 amounted to DKK 213 million (June 30, 2005: DKK 187 million).

Performance guarantees
The Group has issued performance bonds for service contracts of an amount of DKK 1,022 million (June 30, 2005: DKK 644 million) of which DKK 795 million (June 30, 2005: DKK 476 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 obligation related to the agreement at June 30, 2006 amounted to approximately DKK 394 million (June 30, 2005: DKK 310 million). The Group and CSC are currently in discussions on implications of certain aspects of the outsourcing agreement. These discussions include various claims of each party and can lead to change of scope of the contract.

Divestments
The Group makes provisions for claims from purchasers or other parties in connection with divestments. Management believes that provisions made at June 30, 2006 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.

In February 2005, ISS sold its Health Care operations to a newly formed joint venture entity, now named Aleris Holding AB ("Aleris"), owned by EQT III Limited, ISS and Aleris's management. In June 2005, ISS sold its interest in Aleris to EQT III Limited. Following the sale of the Health Care operations, Aleris has claimed that the purchase price should be reduced by DKK 35 million. The Group disputes the claim.

Continues

6. Contingent liabilities (continued)

Legal proceedings
The Group is party to certain legal proceedings. Management believes that these proceedings (which are to a large extent labor cases incidental to its business) will not have a material impact on the Group's financial position.

Other contingent liabilities
The Brazilian tax authorities have filed two claims and raised certain other inquiries against ISS Brazil relating to corporate income tax for the year 1995 on realization of inflationary gain, federal taxes related to 1999 and other federal taxes and social security costs amounting to DKK 80 million. These claims and inquiries are unlikely to be resolved in the short to medium term and the outcome is uncertain.

7. Related party transactions

The sole shareholder of FS Funding A/S, FS Equity A/S, has controlling influence in FS Funding. The ultimate controlling company of FS Funding is FS Invest Sarl (Luxembourg) which is 55% owned by funds advised by EQT. Related parties to the Group with a significant, but not controlling influence are:

Members of the Board of Directors and the Executive Management
Apart from remuneration there were no significant transactions with members of the Board of Directors or the Managing Director during the period. Effective April 6, 2006 Mr. Jørgen Lindegaard and Mr. Christoph Sander were elected new members of the Board of Directors. Apart from this there have been no changes to the composition of FS Funding A/S's Board of Director's and the Managing Director during the period.

Joint ventures and associates
Transactions with joint ventures and associates are limited to transactions related to shared service agreements. There were no significant transactions with joint ventures and associates during the period. All transactions are made on market terms.

Sale of Health Care operations
In February 2005, ISS acquired the remaining 51% stake in CarePartner and subsequently sold its Health Care operations to a newly formed joint venture entity, now named Aleris Holding AB ("Aleris"), owned by EQT III Limited, ISS and Aleris's management. In June 2005, ISS sold its interest in Aleris to EQT III Limited. A contingent liabilitiy exists related to this sale, see note 6, Contingent liabilities.

In addition to the above and except for intra-group transactions, which were eliminated in the consolidated accounts, there were no material transactions with related parties and major shareholders during the period.

Affiliates
The Group had the following transactions with affiliates. All transactions were made on market terms.
• The Group paid interest to affiliates.
• The Group paid/received joint taxation contribution equal to 28% of taxable income to/from FS Equity A/S (the ultimate parent company in Denmark).

Apart from the above there were no other material transactions with related parties and shareholder during the period.

These condensed consolidated interim financial statements are unaudited. Amounts in DKK millions

8. Discontinued operations

In February 2005, ISS sold its Health Care operations to a newly formed joint venture entity, now named Aleris Holding AB ("Aleris"), owned by EQT III Limited, ISS and Aleris's management. In June 2005, ISS sold its interest in Aleris to EQT III Limited. A contingent liability exists related to this sale, see note 6, Contingent liabilities.

In September 2005, the Group sold its activities in Japan to Mitsui & Co. Ltd. The sale consisted of a sale of the 50% share in Bussan ISS Holding Co., Ltd., which is a holding company owning all shares of ISS Nesco Ltd.

During Q2 2005 and H1 2005 the discontinued operations had cash inflow from operating activities of DKK 18 million and cash outflow from investing activities of DKK 1 million and cash outflow from financing activities of DKK 17 million.

The divestments resulted in net proceeds of DKK 206 million and a decrease in net assets of DKK 248 million.

During the periods Q2 2005 and H1 2005 the discontinued operations had a net profit of DKK 7 million:

	Q2 2005	H1 2005
Revenue	**117**	**117**
Expenses	(105)	(105)
Operating profit	**12**	**12**
Net finance costs	(3)	(3)
Income taxes	(2)	(2)
Net profit for the period before gain/loss on sale	**7**	**7**
Gain/loss on sale of discontinued operations, net of tax	-	-
Net profit for the period	**7**	**7**

9. Subsequent events

The Group has made a number of acquisitions subsequent to June 30, 2006, see note 5, Acquisition and divestment of businesses.

The Principal Shareholders have offered a management participation program, under which certain non-executive members of the Board of Directors, members of the Executive Management Board of ISS Management A/S and a number of senior officers of the Group were offered to make an investment. The program is structured as an indirect investment in a mix of shares and warrants of FS Invest S.à r.l., FS Funding's ultimate parent. The program was rolled out in July 2006 and from the outset 138 eligible officers partipated in the program.

Pursuant to the senior facilities agreement FS Funding was required to repay all outstanding indebtedness incurred by FS Funding under the senior facilities by August 31, 2006. On August 29, 2006 FS Funding repaid EUR 61 million (equivalent to DKK 455 million) with proceeds from dividends received from ISS and ISS Global A/S. The dividend was financed by equivalent borrowings by ISS Global A/S under the senior facilities.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to June 30, 2006, which are expected to have a material impact on the Group's financial position.

APPENDIX: Other Financial Measures

The estimated pro forma information presented herein 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 July 1, 2005 – June 30, 2006 occurred on July 1, 2005.

FS Funding 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. Other companies, including those in the Group's industry, may calculate similarly titled financial measures differently from the Group. Because all companies do not calculate these financial measures in the same manner, FS Funding's presentation of such financial measures may not be comparable to similarly titled measures of other companies. Funds depicted by certain of these measures may not be available for management's discretionary use due to covenant restrictions, debt service payments and other commitments. In addition, the calculations of some of these financial measures take into account estimates of pre-acquisition and post-acquisition results, which by their nature are uncertain.

Adjusted EBITDA

Adjusted EBITDA, as calculated by FS Funding, represents operating profit before other items plus depreciation and amortization. By using operating profit before other items as a starting point for the calculation of adjusted EBITDA instead of operating profit, the Group excludes from the calculation of adjusted EBITDA integration costs relating to acquisitions and items recorded under the line item Other income and expenses, net. This line item includes income and expenses that FS Funding believes are not a part of its normal ordinary operations, such as gains and losses arising from divestments, the winding-up of operations, disposals of property, restructurings and certain acquisition related costs. Some of the items that FS Funding records under the line item Other income and expenses, net are recurring and some are non-recurring in nature.

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

	12 months ended June 30, 2006 (DKK millions)
Operating profit	2,391
Depreciation and amortization	696
EBITDA	3,087
Other income and expenses, net	352
Integration costs	93
Adjusted EBITDA	**3,532**

ESTIMATED PRO FORMA ADJUSTED EBITDA

	12 months ended June 30, 2006 (DKK millions)
Adjusted EBITDA	3,532
Estimated Pro Forma adjusted EBITDA of acquired and divested businesses	263
Estimated Pro Forma adjusted EBITDA	**3,795**

Notes:
Estimated adjusted EBITDA of acquired and divested businesses represents the net aggregate estimated adjusted EBITDA for each of the acquired or divested businesses for the period from July 1, 2005 to the date of its acquisition by the Group. These amounts are estimates in part because (i) the historical income statement information that was available for the acquired businesses for the periods from July 1, 2005 to the date of their acquisition by the Group has been converted and adjusted by the Group as described below, and (ii) income statement information was generally not available for any of the Acquired Businesses for the portions of the twelve-month period ended June 30, 2006 from the dates of the last annual or interim financial statements of the Acquired Businesses until the date on which they were purchased by the Group.

Continues

ESTIMATED PRO FORMA ADJUSTED EBITDA (CONTINUED)

These estimates are based on estimates of the EBITA of the acquired businesses for pre-acquisition portions of the financial year in which the acquisition occurred and for the preceding financial year and originally included in standardized reports of potential acquisitions prepared in the normal course of business by ISS local management. The definition of EBITA is the same as that of adjusted EBITDA, but after depreciation.

The estimated pro forma adjusted EBITDA for the 12-month period ended June 30, 2006 was prepared using the following methodology:

(i) First, by estimating the EBITA of the Acquired Businesses:
- EBITA estimates of the Acquired Businesses for historical periods were based on the historical annual or interim financial statements of the Acquired Businesses;
- in some cases, EBITA estimates for historical periods were based on financial statements of the Acquired Businesses, prepared under relevant local generally accepted accounting principles;
- where the financial statements of the Acquired Businesses were not audited by the local auditors of such businesses, EBITA for historical periods was estimated with reference to unaudited internal management accounts of those entities;
- EBITA estimates of the Acquired Businesses were then converted to ISS accounting policies by local ISS management for inclusion in the acquisition reports;
- EBITA estimates included in the acquisition reports did not take account of seasonality or expected synergies, but were adjusted on a case-by-case basis to take into account additional information regarding known material positive or negative changes in the Acquired Businesses, such as contract gains and losses, available at the time of acquisition from interim reports, management accounts of the Acquired Businesses and other sources;
- the estimated annual EBITA for each of the Acquired Businesses was allocated in an equal pro rata amount to each month of the portion of the twelve-month period ended June 30, 2006 prior to its acquisition by ISS;

(ii) Second, by estimating the annual EBITDA of the Acquired Businesses:
- the total estimated EBITA for all of the Acquired Businesses was then adjusted to add back an amount of estimated depreciation for each of the Acquired Businesses for the portion of the twelve-month period ended June 30, 2006 prior to its acquisition by ISS, by applying a rate of depreciation equal to the overall rate of depreciation of the Group in 2005, expressed as a percentage of revenue, to the revenues of each such entity acquired during the twelve-month period ended June 30, 2006 and allocating the result in equal pro rata amounts to each month of the period;

(iii) Third, by estimating the EBITDA of the Smaller Divested Businesses and discontinued operations:
- the estimated EBITA of the Smaller Divested Businesses and discontinued operations was derived from the unaudited management accounts of those Smaller Divested Businesses and discontinued operations; and
- the total estimated EBITA for all of the Smaller Divested Businesses and discontinued operations was then adjusted to add back an amount of depreciation for each of the Smaller Divested Businesses and discontinued operations, by applying the reported depreciation of the divested entity if the entity was separately reported in the unaudited management accounts or, if the depreciation of the entity was not separately reported in the unaudited management accounts, by applying a rate of depreciation equal to the rate of depreciation of the Group in 2005, expressed as a percentage of revenue, to the revenues of each such entity divested during the twelve-month period ended June 30, 2006.

Pro Forma Net debt

The following table sets forth FS Funding's consolidated cash and cash equivalents and securities and capitalization as of June 30, 2006.

The amounts set forth under the column entitled "Consolidated Actual" are derived from and should be read in conjunction with the Condensed Consolidated Interim Financial Statements of FS Funding as of and for the period ended June 30, 2006 and the related notes thereto.

CAPITALIZATION TABLE

	As of June 30, 2006			
	Consolidated Actual	Accounting Adjustments[1] (DKK millions)		Consolidated As Adjusted
Cash and cash equivalents and securities:				
Cash and cash equivalents	2,109			2,109
Securities[2]	41			41
Total cash and cash equivalents and securities	2,150			2,150
Short-term debt:				
Other short term debt[3], [4]	891			891
Term Facility B[4]	440	13	(iii)	453
Total short-term interest-bearing debt	1,331			1,344
Long-term debt:				
Senior Facilities[4]:				
Term Facility A	1,798	21	(iii)	1,819
Term Facility B	4,469	51	(iii)	4,520
Acquisition Facilities	1,982	23	(iii)	2,005
Medium Term Notes[5]				-
Medium Term Notes due 2010[a]	5,887	453	(i)	6,340
Medium Term Notes due 2014[b]	2,974	756	(i)	3,730
Interest rate swaps	112	(112)	(ii)	-
Senior Subordinated Notes[6]				
Senior Subordinated Floating Rate Notes[a]	6,145	195	(iii)	6,340
8.875% Senior Subordinated Notes[b]	3,282	104	(iii)	3,386
Other long-term debt[7]	218			218
Total long-term debt	26,867			28,358
Shareholders' funding:				
Shareholders' equity	6,293			6,293
Minority interests	55			55
Total capitalization	34,546			36,050
Total adjusted net debt[8]	26,048			27,552

Notes:

(1) Accounting Adjustments:

(i) Market price adjustments of Medium Term Notes**:**
The Medium Term Notes issued by ISS Global were recognized in the opening balance sheet at their market price as of May 9, 2005, the date of FS Funding's acquisition of ISS, as part of FS Funding's purchase price allocation prepared in connection with the Acquisition. The difference between this market price and the principal amount is being amortized in the consolidated financial statements of FS Funding over the remaining term of the Medium Term Notes. The unamortized market price adjustment as at June 30, 2006, amounting to DKK 453 million related to the Medium Term Notes due 2010 and DKK 756 million related to the Medium Term Notes due 2014, is reversed in the above table to reflect the principal amount of the Medium Term Notes.

Continues

CAPITALIZATION TABLE (continued)

(ii) Realized and unrealized gains on interest rate swaps:
In June 2005 and June 2006, ISS settled the interest rate swaps hedging the Medium Term Notes issued by ISS Global and realized a gain, which is being recognized in the income statement over the remaining term of the Medium Term Notes. At June 30, 2006, the unamortized portion of the gain amounted to DKK 58 million, which is reversed in the above table to reflect the principal amount of the hedged Medium Term Notes.

The unrealized positive fair market value of outstanding interest rate swaps hedging Term Loan A and Term Loan B as at June 30, 2006, amounted to DKK 54 million, which is reversed in the above table to reflect the principal amount of the hedged term loans.

The total net accounting adjustments related to interest rate swaps amount to DKK 112 million.

(iii) Unamortized financing fees:
According to IFRS, a liability in respect of a loan is recorded at an amount equal to the net proceeds received from such loan and not its principal amount. The difference between the principal amount required to be repaid at maturity and the net proceeds received represents unamortized financing fees and is amortized through the income statement over the term of the relevant liability.

To reflect the principal amount of loan liabilities at June 30, 2005, unamortized financing fees of DKK 13 million related to the short-term borrowings under Term Loan B, DKK 23 million related to Acquisition Facilities, DKK 21 million related to Term Facility A, DKK 51 million related to the long-term borrowings under Term Loan B, DKK 195 million related to the Senior Subordinated Floating Rate Notes, and DKK 104 million related to the 8.875% Senior Subordinated Notes are reversed.

(2) Consists mainly of Danish listed mortgage bonds.

(3) Other short-term debt includes borrowings under the Revolving Credit Facility which are primarily provided by local lenders to certain subsidiaries primarily to fund working capital requirements, other local credit facilities and finance leases.

(4) The Senior Facilities comprise the following:

(a) term loans in an amount equivalent to DKK 6,792 million (Term Facility A in an amount equivalent to DKK 1,819 million and Term Facility B in an amount equivalent to DKK 4,973 million), both of which are fully drawn.

(b) a revolving credit facility (the ''Revolving Credit Facility'') in an amount equivalent to DKK 1,750 million, of which amounts equivalent to DKK 722 million were drawn as of June 30, 2006. Borrowings under the Revolving Credit Facility are primarily provided by local lenders to certain subsidiaries and are included in ''other short-term debt'' and ''other long-term debt'' in FS Funding's condensed consolidated interim financial statements.

(c) Acquisition Facility A in an amount equivalent to DKK 1,425, which was fully drawn as at June 30, 2006 and Acquisition Facility B in an amount equivalent to DKK 3,500 million of which DKK 580 million was drawn as at June 30, 2006.

(d) a letter of credit facility in an amount equivalent to DKK 500 million. Letters of credit are primarily issued in support of borrowings, other than borrowings under the Revolving Credit Facility or the Secured Local Facilities, and, to the extent these borrowings are deemed to constitute indebtedness, the borrowings are included in ''other short-term debt'' and ''other long-term debt'' in FS Funding's Condensed Consolidated Interim Financial Statements.

The Senior Facilities can be drawn in certain currencies in addition to Danish Kroner as specified under the Senior Facilities Agreement.

(5) Medium Term Notes

(a) In September 2003, ISS Global issued EUR 850 million of euro-denominated Medium Term Notes. The notes have an annual coupon of 4.75%, payable annually in arrears, and mature on September 18, 2010.

(b) In December 2004, ISS Global issued EUR 500 million of euro-denominated Medium Term Notes. The notes have an annual coupon of 4.50%, payable annually in arrears, and mature on December 8, 2014.

Continues

CAPITALIZATION TABLE (continued)

(6) Senior Subordinated Notes

(a) In May 2006, FS Funding issued EUR 850 million of euro-denominated Senior Subordinated Floating Rate Notes. The notes bear interest at a rate per annum equal to 3 month Euribor plus 6.625%, reset quarterly, and mature on May 15, 2016.

(b) In May 2006, FS Funding issued EUR 454 million of euro-denominated Senior Subordinated Notes. The notes have an annual coupon of 8.875%, payable semi-annually in arrears, and mature on May 15, 2016.

(7) Other long-term debt includes finance leases, mortgage debt and other debt.

(8) Total adjusted net debt represents total short-term debt and total long-term debt less total cash and cash equivalents and securities.