



**FS Funding  
Investor Presentation  
Interim Report January – March 2007**

# Forward-looking Statements

## Forward-looking statements

This presentation 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 in FS Funding A/S’s Annual Report 2006, which is available from the Group’s website, [www.issworld.com](http://www.issworld.com).

# Agenda

- Interim Report
- Acquisitions
- Other Financial Measures
- Refinancing

# ISS Today

- **More than 410,000 employees in 50 countries  
(among Europe's 5 largest private employers)**

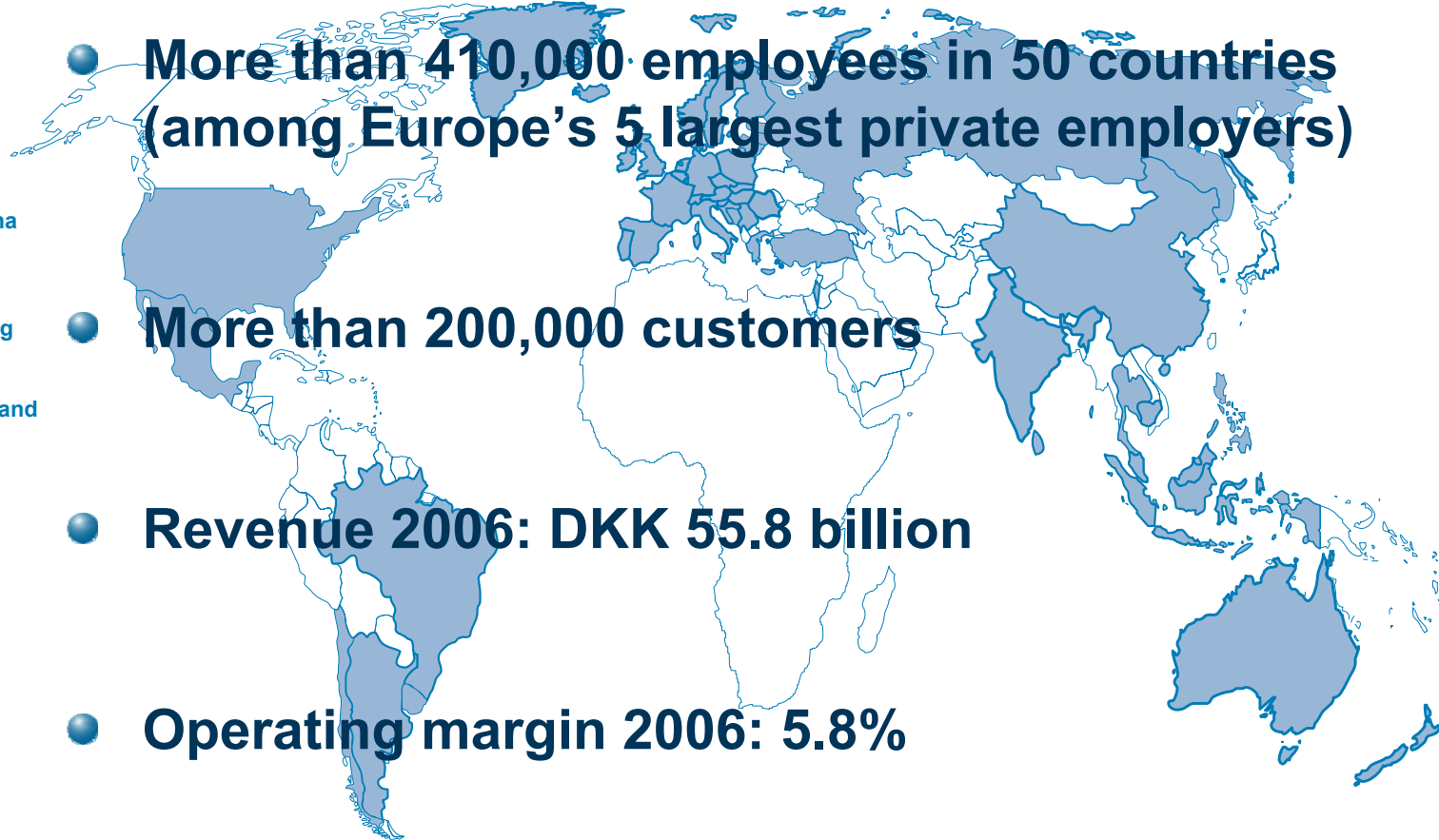
- **More than 200,000 customers**

- **Revenue 2006: DKK 55.8 billion**

- **Operating margin 2006: 5.8%**

Argentina  
Australia  
Austria  
Belgium  
Bosnia-Herzegovina  
Brazil  
Brunei  
Chile  
China & Hong Kong  
Croatia  
Czech Republic  
Denmark & Greenland  
Estonia  
Finland  
France  
Germany  
Greece  
Hungary  
Iceland  
India  
Indonesia  
Ireland  
Israel  
Italy

Luxembourg  
Malaysia  
Mexico  
Netherlands  
New Zealand  
Norway  
Philippines  
Poland  
Portugal  
Romania  
Russia  
Singapore  
Slovakia  
Slovenia  
Spain  
Sri Lanka  
Sweden  
Switzerland  
Taiwan  
Thailand  
Turkey  
United Kingdom  
Uruguay  
USA





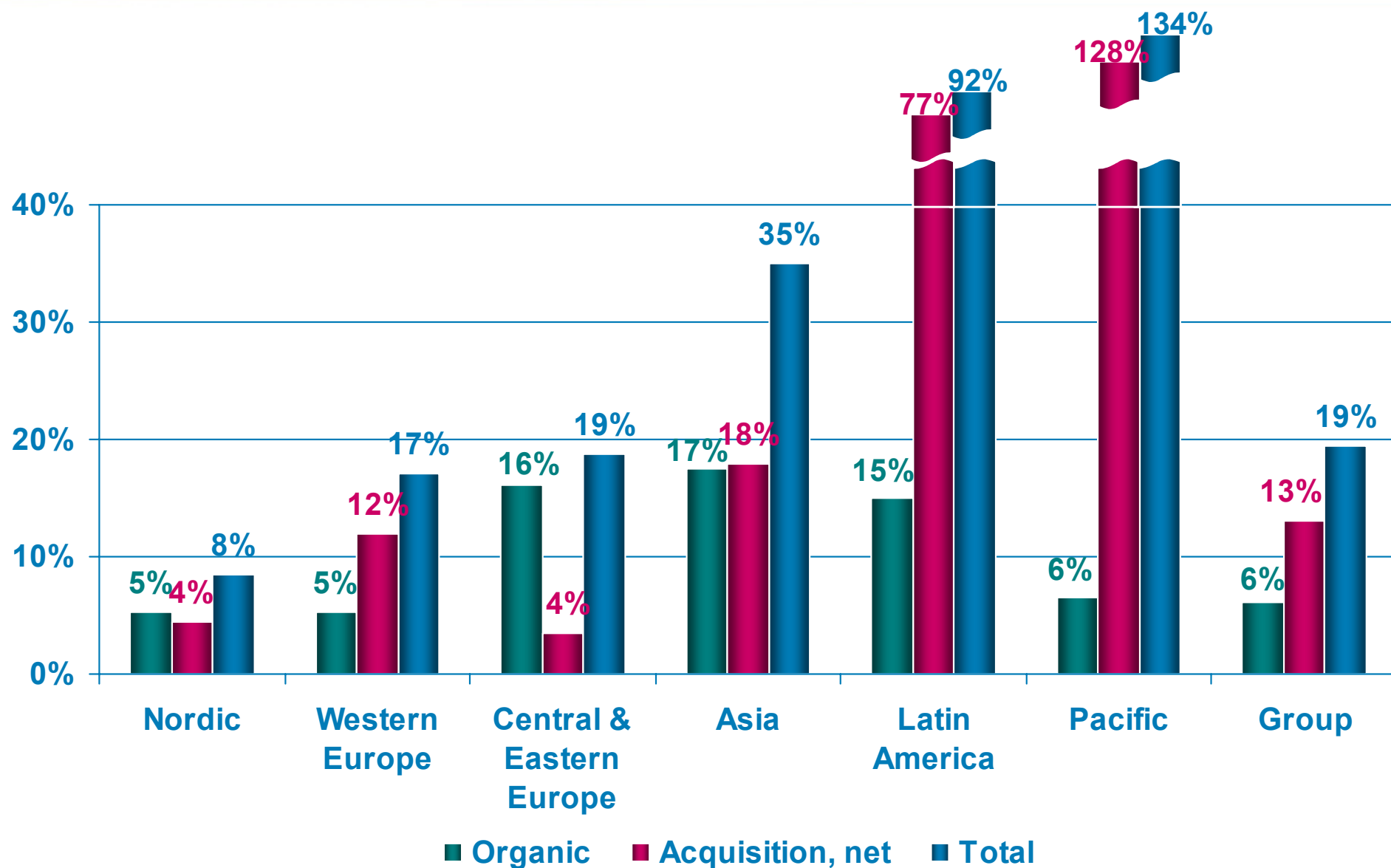
# **Interim Report**

January – March 2007

# Key Figures

DKKm	Q1 2006	Q1 2007	Δ
Revenue	12,555	14,930	+19%
Operating profit before other items	573	697	+22%
Operating margin before other items	4.6%	4.7%	
Operating profit	533	675	+27%
Organic growth	5%	6%	
Acquisition growth, net	10%	13%	
Carrying amount of net debt	25,252	27,597	

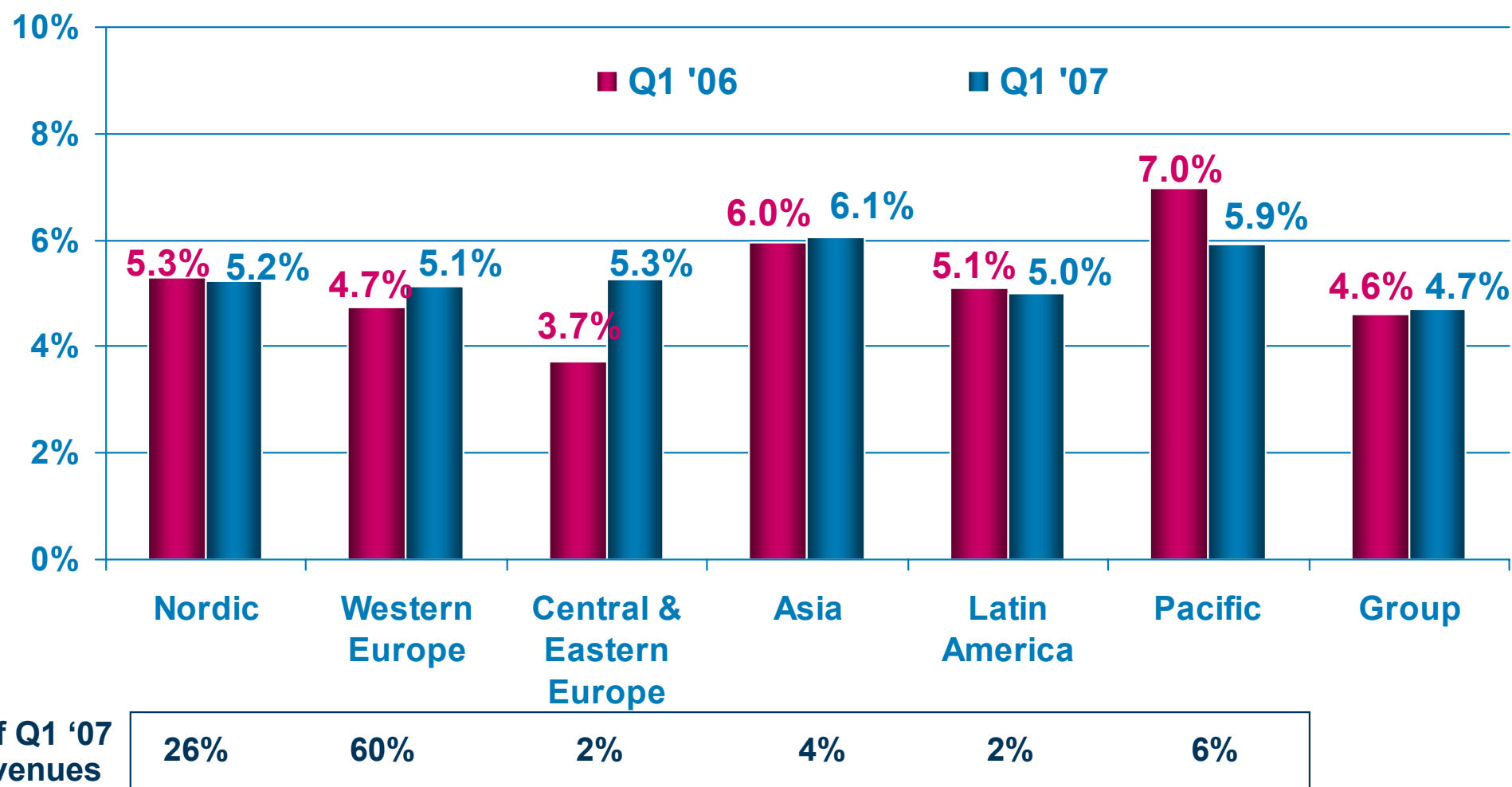
# Q1 2007 Revenue Growth - by Geography



Effect of currency movements are not shown, but included in Total

# Q1 2007 Operating Margin - by Geography

Operating Profit before Other Items







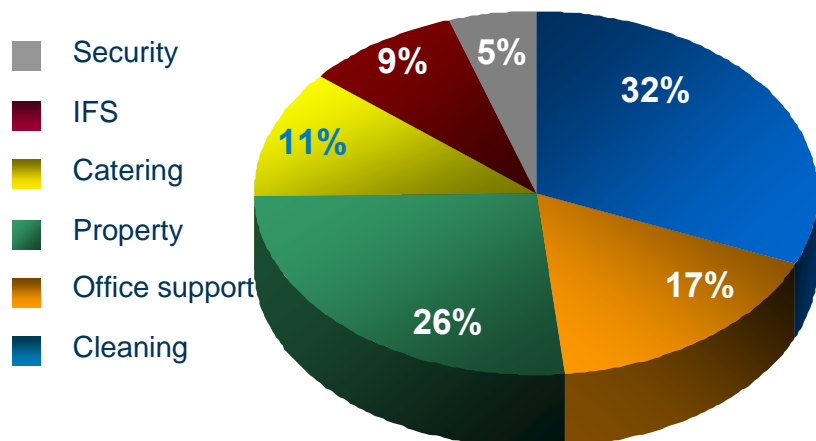
## **Acquisitions**

# Acquisitions 1 January to 30 April 2007

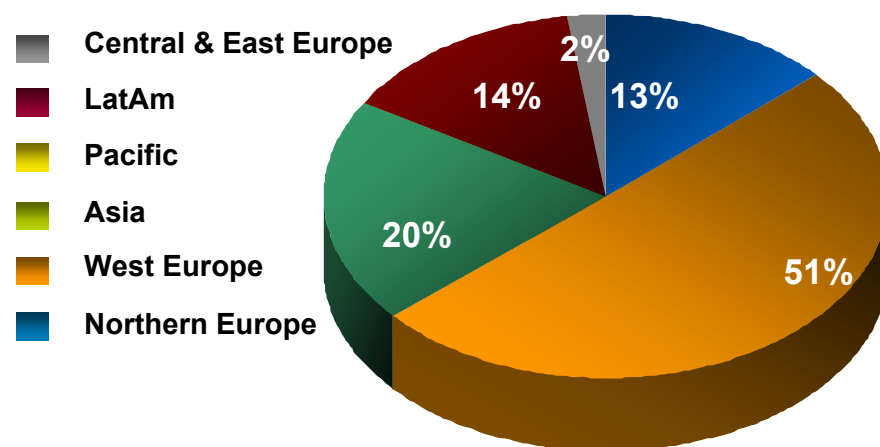
	Services	Revenue, DKKm <sup>(1)</sup>
Topman, Taiwan	Facility Services	147
Aircon, Norway	Cleaning	107
Caterhouse, UK	Catering	102
Subtotal		356
32 Acquisitions with less than DKK 100 million in revenue		781
<b>Total</b>		<b>1,137</b>

Note: (1) Unaudited approximate figures based on information available at the time of acquisition.

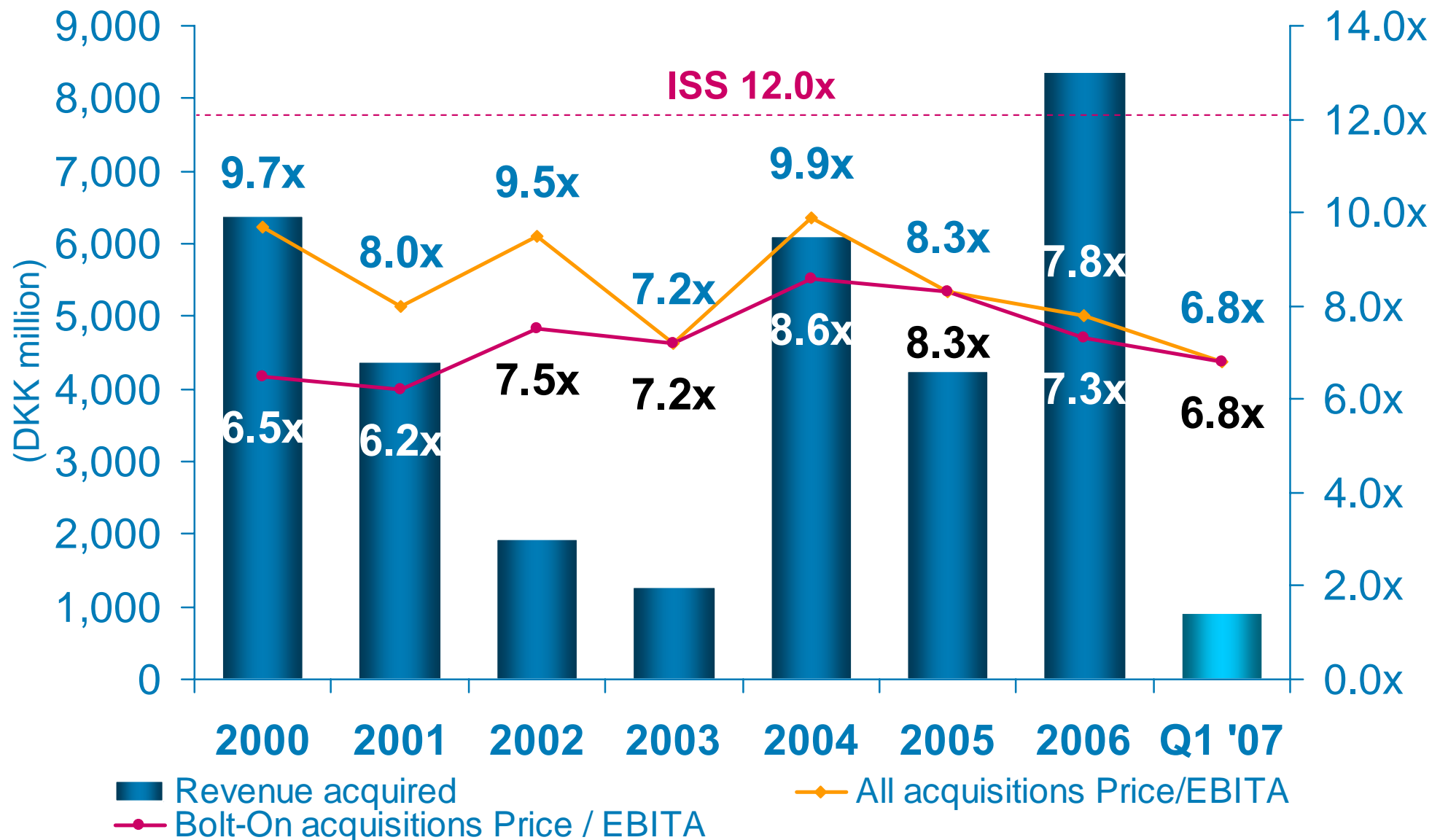
## Approximate Acquired Revenues By Service



## Approximate Acquired Revenues By Geography

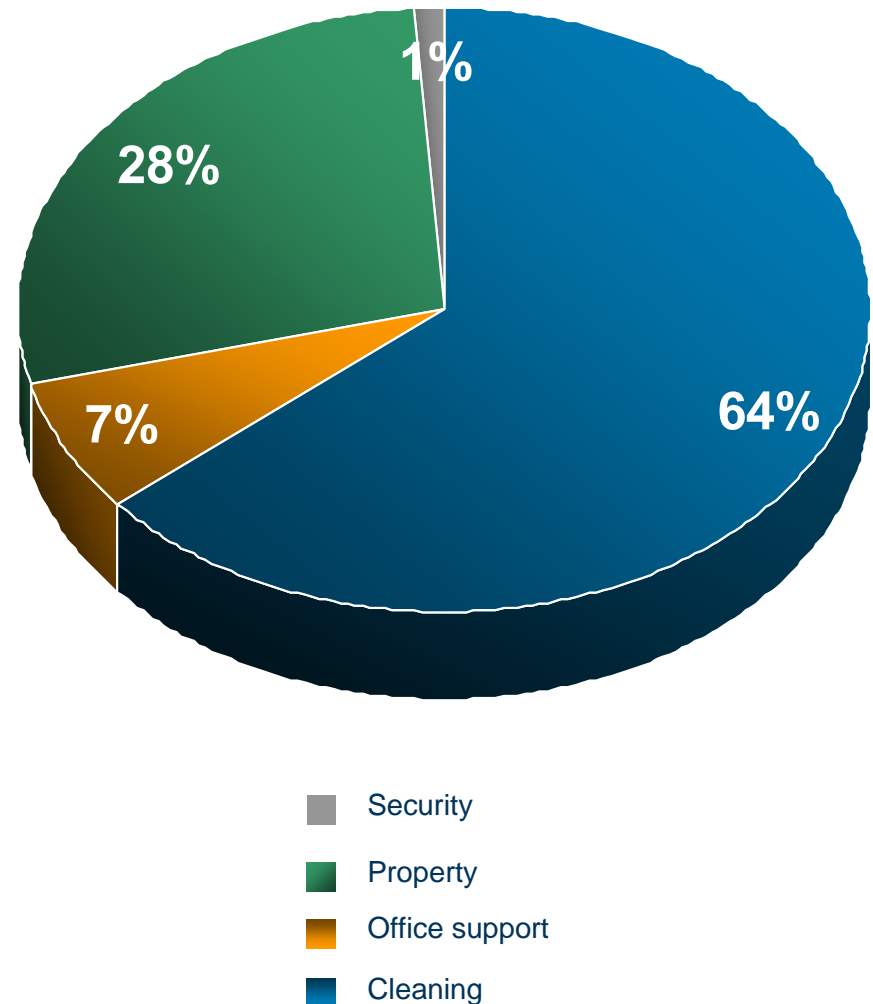


# Acquisition Track Record - Pricing Discipline



# Sanitors, Inc. USA

- Market entry to the largest economy in the world, the US
- Characteristics:
  - Revenue: app. DKK 1.8 billion
  - Employees: app. 10,000
  - Business focus:
    - From Cleaning to Facility Services
- Strategic rationale:
  - Further strengthening the platform for “Leading Facility Services Globally”





## **Other Financial Measures**

# Other Financial Measures

## Pro Forma Adjusted EBITDA

### Pro Forma calculation<sup>(1)</sup>

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DKKm	12 months ended 31 March 2007
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<b>Adjusted EBITDA</b>	<b>4,131</b>
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Estimated PF adjusted EBITDA of acquired and divested businesses	172
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<b>Estimated PF Adjusted EBITDA</b>	<b>4,303</b>
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Note: (1) The calculations of pro forma adjusted EBITDA are based in part on management estimates and the unaudited internal management accounts of the acquired businesses. These numbers have not been, and cannot be, audited. The Pro Forma EBITDA is based on "Last Twelve Months" figures.

# Other Financial Measures (cont.)

## Pro Forma Capital Structure – March 31, 2007

Capitalization <sup>(1)</sup>	DKK <sup>m</sup> <sup>(2)</sup>	% of Total
Cash <sup>(3)</sup>	(1,239)	(3%)
Other Indebtedness	1,026	3%
Senior Facilities	9,425	27%
EMTNs	10,058	29%
<b>Total Net Senior Debt</b>	<b>19,270</b>	<b>56%</b>
Senior Subordinated Notes	9,716	28%
<b>Total Net Cash Pay Debt</b>	<b>28,986</b>	<b>84%</b>
Shareholders Funding <sup>(4)</sup>	5,716	16%
Minorities	65	0%
<b>Total <sup>(5)</sup></b>	<b>34,767</b>	<b>100%</b>

Notes:

(1) This Capitalization table reflects the Capitalization Table included in FS Funding A/S's Annual Report 2006.

(2) Converted to DKK as per exchange rate of December 31, 2006.

(3) Cash includes cash equivalents and securities.

(4) Equity contribution at the date of the take-over amounted to DKK 7,693 millions. Reduction of Shareholders Funding relates to accounting items.

(5) The Total amount in the above table differs from the total capitalization, Consolidated As Adjusted, in FS Funding A/S's Annual Report 2006.

# Other Financial Measures (cont.)

## Seasonality adj. Pro Forma Net Debt – March 31, 2007

<u>Capitalization</u>	<u>DKKmn</u>
<b>Total Net Cash Pay Debt</b>	<b>28,986</b>
Changes in Working Capital, January 1 – March 31, 2007	(890)
Changes in Working Capital, April 1, 2006 – March 31, 2007	41
<b>Seasonality Adjusted PF Net Debt</b>	<b>28,136</b>



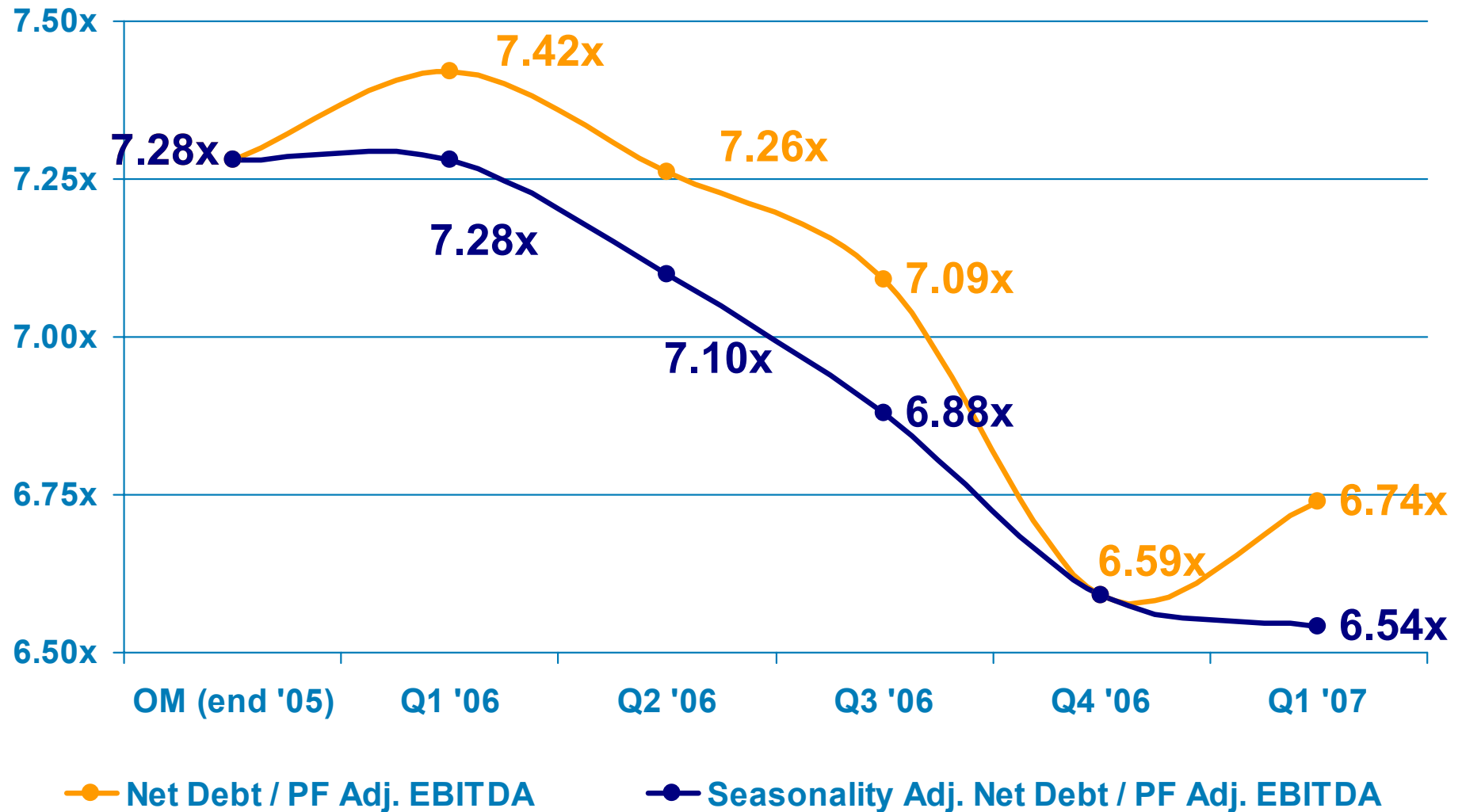


# Pro Forma Credit Ratios

Pro Forma Credit Ratios	December 31, 2006	Q1 2007
PF Net Cash Pay Debt / PF EBITDA	6.59x	6.74x
Seasonality adj. PF Net Cash Pay Debt/ PF EBITDA	6.59x	6.54x
PF Net Senior Debt (incl. EMTNs) / PF EBITDA	4.28x	4.48x
PF Net Senior Debt (excl. EMTNs) / PF EBITDA	1.89x	2.14x

# Deleveraging on a Multiple Basis

## Net Debt / Pro Forma Adj. EBITDA





**Refinancing**

# Proposed Transaction

## ● Sources & Uses:

Sources	(DKK million)	(€ million)	Uses	(DKK million)	(€ million)
Senior Term Loan Tranche B9	7,459	1,000	Repayment of drawn ACF A	231	31
Senior Term Loan Tranche B10	1,044	140	Repayment of drawn ACF B	3,500	469
Second Lien	4,475	600	Repayment of FRNs	6,338	850
			Repayment of 2014 EMTNs	2,427	325
			Cash on Balance Sheet	273	36
			Transaction Fees	210	28
<b>Total Sources</b>	<b>12,979</b>	<b>1,740</b>	<b>Total Uses</b>	<b>12,979</b>	<b>1,740</b>

## ● Transaction objectives:

- Repay Acquisition Facilities to create flexibility and continue acquisition growth strategy
- Replace FRNs with 2<sup>nd</sup> lien and Senior Debt at more attractive pricing
- Repay EMTN due 2014 at a capital gain (subject to successful outcome of tender)
- Bring pricing and terms of ISS's financing in line with market



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