IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR TO U.S. PERSONS EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") UNDER RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR OTHERWISE THAN TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum following this page, whether received by e-mail or otherwise received as a result of electronic communication. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached offering memorandum. In accessing the attached offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Goldman Sachs International (the "initial purchaser") or ISS Holding A/S (the "Issuer") as a result of such access.

Confirmation of your representation: In order to be eligible to view this offering memorandum or make an investment decision with respect to the securities, you must: (i) not be a U.S. person (within the meaning of Regulation S under the U.S. Securities Act and be outside the United States; or (ii) be a QIB (within the meaning of Rule 144A under the U.S. Securities Act). You have been sent the attached offering memorandum on the basis that you have confirmed to each of the initial purchasers set forth in the attached offering memorandum, being the sender or senders of the attached, that either: (A)(i) you and any customers you represent are not U.S. persons; and (ii) the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any state of the United States and the District of Columbia; "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands; or (B) you and any customers you represent are QIBs and, in either case, that you consent to delivery by electronic transmission.

This offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer or the initial purchasers or any person who controls, or is a director, officer, employee or agent of either the Issuer or the initial purchasers, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES TO BE ISSUED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION. YOU ARE NOT AUTHORIZED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

This offering memorandum is being distributed only to and directed only at (i) persons who are outside the United Kingdom, (ii) investment professionals, as such term is defined in Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must

not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

You are reminded that the attached offering memorandum has been delivered to you on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this document, electronically or otherwise, to any other person. If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the ''Reply'' function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of the e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING MEMORANDUM **CONFIDENTIAL**

€127,500,000

ISS Holding A/S

8⅞% Senior Subordinated Notes due 2016

ISS Holding A/S (formerly, FS Funding A/S) (the ''Issuer'' or ''ISS'') is offering €127,500,000 of 8⅞% senior subordinated Notes due 2016 (the ''Additional Notes''). The Additional Notes are being offered as additional notes under an indenture dated May 8, 2006 (the ''Indenture''), pursuant to which the Issuer issued €454,000,000 of 8⅞% senior subordinated notes due 2016 (the ''Original Notes'' and, together with the Additional Notes, the ''Notes''). The Additional Notes and the Original Notes will be treated as one single class for all purposes under the Indenture, including without limitation, waivers, amendments, redemptions and offers to purchase.

The Additional Notes will be senior subordinated obligations of the Issuer. Interest on the Additional Notes will be payable on May 15 and November 15 of each year, beginning on May 15, 2010. The Notes will mature on May 15, 2016. The Issuer may redeem some or all of the Notes at any time on or after May 15, 2011 at the redemption prices specified in this offering memorandum. Prior to May 15, 2011, the Issuer may redeem some or all of the Notes by paying a ''make-whole'' premium.

The Issuer is a holding company and all of its operations are conducted through ISS A/S, its wholly owned direct subsidiary, and through its other subsidiaries. The Issuer's ability to service its debt, including the Notes, is therefore primarily dependent upon payments it receives from ISS A/S.

The Notes will be the Issuer's senior subordinated obligations and will rank junior in right of payment to all of the Issuer's existing and future senior indebtedness, including indebtedness under the Issuer's senior credit facilities. In addition, the Notes will be effectively junior in right of payment to all of the Issuer's secured indebtedness (other than to the extent such assets also secure the Notes on an equal and ratable or junior basis). The Notes will be secured by a second-priority security interest in all the outstanding share capital of ISS A/S and a second-priority security interest in all of the Issuer's rights under certain proceeds loans made with a portion of the proceeds from the offerings of the Original Notes and the Additional Notes.

The Notes are subject to important conditions, including a standstill period of 179 days which must elapse following the occurrence and continuance of certain events of default under the Notes before any enforcement action may be initiated in respect of the Notes.

Application will be made to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and to trade the Additional Notes on the Euro MTF Market of the Luxembourg Stock Exchange.

Investing in the Additional Notes involves risks. See ''Risk Factors'' beginning on page 19.

The Additional Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the ''Securities Act''), or any state securities laws. Accordingly, the Additional Notes are being offered and sold only to qualified institutional buyers in accordance with Rule 144A under the Securities Act and outside the United States in accordance with Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the sellers of the Additional Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see ''Plan of Distribution'' and ''Notice to Investors''.

Price: 101.50% plus accrued interest from November 15, 2009

The initial purchaser expects to deliver the Additional Notes to purchasers on or about March 30, 2010.

Lead and Book-Running Manager

Goldman Sachs International

March 25, 2010

LOGISTIEKE DIENSTEN
LOGISTIC SERVICES
xerox

Prospective investors should rely only on the information contained in this offering memorandum. Neither the Issuer nor the initial purchaser has authorized anyone to provide prospective investors with different information, and prospective investors should not rely on any such information. Neither the Issuer nor the initial purchaser is making an offer of the Additional Notes in any jurisdiction where this offer is not permitted. Prospective investors should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

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IMPORTANT INFORMATION

This offering memorandum has been prepared by the Issuer solely for use in connection with the proposed offering of the Additional Notes described in this offering memorandum.

The Issuer, having made all reasonable enquiries, confirms that, to the best of its knowledge and belief, this offering memorandum contains or incorporates all information which is material in the context of the issuance and offering of the Additional Notes, that the information contained or incorporated in this offering memorandum is true and accurate in all material respects and is not misleading in any material respect and that there are no other facts the omission of which would make this offering memorandum or any such information misleading in any material respect. The Issuer accepts responsibility, accordingly. Certain numbers in this offering memorandum are by their very nature subject to uncertainties. In particular, the calculations of organic growth and pro forma data related to acquisitions involved management's estimates and are based in part on the unaudited internal management accounts of acquired businesses. These numbers have not been, and cannot be, audited.

The initial purchaser makes no representation or warranty, express or implied, as to, and assumes no responsibility for, the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchaser as to the past or the future. The Issuer has furnished the information contained in this offering memorandum.

The initial purchaser will provide prospective investors with a copy of this offering memorandum and any related amendments or supplements. By receiving this offering memorandum, prospective investors acknowledge that they have had an opportunity to ask questions to the Issuer, and that they have received all answers they deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum. Prospective investors also acknowledge that they have not relied on the initial purchaser in connection with their investigation of the accuracy of this information or their decision whether to invest in the Notes.

Neither the U.S. Securities and Exchange Commission (the ''SEC''), any state securities commission nor any other regulatory authority has approved or disapproved the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

The Notes are subject to restrictions on transferability and resale, and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this offering memorandum entitled ''Plan of Distribution'' and ''Notice to Investors''.

Investing in the Notes involves substantial risks. See ''Risk Factors'' beginning on page 19.

In making an investment decision, prospective investors must rely solely on the information contained in this offering memorandum and their own examination of the Issuer and the terms of the offering of the Notes, including the merits and risks involved. In addition, neither the Issuer nor the initial purchaser nor any of their respective representatives are making any representation to prospective investors regarding the legality of an investment in the Notes, and prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Prospective investors should consult their own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. By purchasing the Notes, investors acknowledge and agree that they have not relied upon any information obtained from the Issuer other than the information contained in this offering memorandum. Prospective investors must comply with all laws applicable in any jurisdiction in which they buy, offer or sell the Notes or possess or distribute this offering memorandum, and prospective investors must obtain all applicable consents and approvals; neither the Issuer nor the initial purchaser shall have any responsibility for any of the foregoing legal requirements.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a ‘‘Relevant Member State’’), the initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that member state (the ‘‘Relevant Implementation Date’’), it has not made and will not make an offer of the Additional Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Additional Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Relevant Member State and notified the competent authority in that relevant member state in accordance with Article 18 of the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Additional Notes to the public in that relevant member state at any time:

(i) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity that has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual turnover of more than €50 million as shown in its last annual and/or consolidated accounts; or

(iii) in any other circumstances that do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive other than in reliance of Article 3(2)(b).

For the purposes of this provision, the expression an ‘‘offer of the Additional Notes to the public’’ in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the Additional Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Additional Notes, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression ‘‘Prospectus Directive’’ means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each subscriber for or purchaser of the Additional Notes in the offering located within a member state of the European Economic Area will be deemed to have represented, acknowledged and agreed that it is a ‘‘qualified investor’’ within the meaning of Article 2(1)(e) of the Prospectus Directive. The Issuer, each initial purchaser and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the initial purchaser of such fact in writing may, with the consent of the initial purchaser, be permitted to subscribe for or purchase the Additional Notes in the offering.

The Additional Notes are not being offered to the public within the meaning of Directive 2003/71/EC of the European Union, and the offer is not subject to the obligation to publish a prospectus under that Directive.

CERTAIN REGULATORY ISSUES RELATED TO DENMARK

The initial purchaser has represented, warranted and agreed that (1) the Additional Notes may not be offered, sold or delivered directly or indirectly in Denmark, except (a) to a preselected group of institutional investors that constitute eligible counterparties within the meaning of Executive Order No. 964 of 30 September 2009 issued pursuant to the Danish Financial Business Act identified by the initial purchaser, (b) in compliance with the Danish Securities Trading Act and Executive Orders issued thereunder, (c) to the extent applicable, in compliance with Executive Order No. 964 of 30 September 2009 issued pursuant to the Danish Financial Business Act, (d) in a manner that is not deemed to constitute an offer to the public in Denmark and (e) in a manner that is not deemed to constitute an approach to the public in Denmark for the purposes of the Issuer receiving other repayable funds from the public within the meaning of the Danish Financial Business Act and (2) the initial investor in the Additional Notes will be under an obligation not to on-sell the Additional Notes in a manner which constitutes an approach to the public in Denmark for the purposes of the Issuer receiving other repayable funds from the public within the meaning of the Danish Financial Business Act.

CERTAIN REGULATORY ISSUES RELATED TO THE UNITED KINGDOM

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the ''Financial Promotion Order''), (ii) are persons falling within Article 49(2)(a) to (d) (''high net worth companies, unincorporated associations etc''.) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as ''Relevant Persons''). This offering memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this offering memorandum relates is permitted only by Relevant Persons and will be engaged in only with Relevant Persons.

CERTAIN REGULATORY ISSUES RELATED TO GERMANY

The Additional Notes may not be offered and sold to the public, except in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or any other laws applicable in Germany governing the issue, offering and sale of securities. This offering memorandum has not been and will not be submitted to, nor has it been and will not be approved by, the *Bundesanstalt für Finanzdienstleistungsaufsicht*, the German Financial Services Supervisory Authority. The Additional Notes must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this offering memorandum and any other document relating to the Additional Notes, as well as information contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the Additional Notes to the public in Germany. Consequently, in Germany, the Additional Notes will only be available to, and this offering memorandum and any other offering material in relation to the Additional Notes are directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the Securities Prospectus Act. This offering memorandum and other offering materials relating to the offer of the Additional Notes are strictly confidential and may not be distributed to any person or entity other than the recipients hereof.

CERTAIN REGULATORY ISSUES RELATED TO LUXEMBOURG

The terms and conditions relating to this offering memorandum have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for the purposes of public offering or sale in the Grand Duchy of Luxembourg (''Luxembourg''). Accordingly, the Additional Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this offering memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except for the sole purpose of the admission to trading and listing of the Notes on the Official List of the Luxembourg Stock Exchange and except in circumstances which do not constitute a public offer of securities to the

public, subject to prospectus requirements, in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities.

CERTAIN REGULATORY ISSUES RELATED TO THE NETHERLANDS

The Additional Notes (including rights representing an interest in each global note that represents the Notes) may not be offered or sold to individuals or legal entities in the Netherlands unless (i) a prospectus relating to the offer is available to the public, which has been approved by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) or by the competent supervisory authority of another state which is a member of the European Union or party to the Agreement on the European Economic Area, as amended or (ii) an exception or exemption applies to the offer pursuant to article 5:3 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) or article 53 paragraph 1 or 2 of the Exemption Regulation to the Financial Supervision Act, for instance due to the offer targeting exclusively ''qualified investors'' (gekwalificeerde beleggers) within the meaning of article 1:1 of the Netherlands Financial Supervision Act to the extent that an offer to individuals or legal entities based in the Netherlands occurs in reliance on article 53 paragraph 2 of the Exemption Regulation to the Financial Supervision Act, prospective investors' attention is drawn to the fact that the Issuer is not subject to supervision in the Netherlands in relation to such offering and does not require a licence in that respect.

CERTAIN REGULATORY ISSUES RELATED TO FRANCE

This offering memorandum is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*) and Title I of Book II of the General Regulation of the French *Autorité des Marchés Financiers* (the ''AMF'') and therefore has not been submitted for approval to the AMF. Consequently, the Additional Notes have not been, and will not be, directly or indirectly, offered or sold to the public in France, and offers and sales of the Additional Notes will only be made in France to persons providing portfolio management investment service for third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) acting for their own accounts and/or to a limited number of retail of investors (*cercle restreint d'investisseurs*) acting for their own accounts, as defined in and in accordance with Articles L. 411 2, D. 411 1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation. Neither this offering memorandum nor any other offering material relating to the Notes may be distributed or caused to be distributed, directly or indirectly, to the public in France. The subsequent direct or indirect retransfer of the Notes to the public in France may only be made in compliance with Articles L.411-1, L. 411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Monetary and Financial Code.

CERTAIN REGULATORY ISSUES RELATED TO SPAIN

This offering memorandum has not been and will not be verified by or registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Additional Notes may not be offered in Spain in any form or by any means, except in circumstances which do not qualify as a public offer of securities in Spain in accordance with article 30 bis of the Securities Market Act (*''Ley 24/1988, de 28 de julio del Mercado de Valores''*) as amended and restated, or pursuant to any exemption from registration under article 41 of the Royal Decree 1310/2005 (*''Real Decreto 1310/2005, de 4 de noviembre por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos''*).

CERTAIN REGULATORY ISSUES RELATED TO ITALY

The offering of the Additional Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the offering memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except (i) to qualified investors (*investitori qualificati*), as defined by CONSOB in its Regulation No. 11971 of May 14, 1999, as amended from time to time (''Regulation No. 11971''); or

(ii) in circumstances which are exempted from the compliance with the public offer rules pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the ''Italian Financial Services Act'') and Regulation No. 11971, as amended.

Any offer, sale or delivery of the Additional Notes or distribution of copies of the offering memorandum or any other document relating to the Additional Notes in the Republic of Italy under (i) or (ii) above must be: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 385 of September 1, 1993 and CONSOB Regulation No. 16190 of October 29, 2007 and any other applicable laws and regulations; and (b) in compliance with any other applicable notification requirements or limitations which may be imposed by CONSOB or the Bank of Italy.

Please note that in connection with the subsequent distribution of the Notes (with a minimum denomination lower than €50,000) in Italy, in accordance with Article 100 bis of the Italian Financial Services Act where no exemption from the rules on public offer applies under (ii) above, the subsequent distribution of the Notes in the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the intermediaries transferring the Notes being liable for any damages suffered by potential purchasers in connection with such sales.

CERTAIN REGULATORY ISSUES RELATED TO SWEDEN

This offering memorandum has not been, and will not be, registered with or approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*). Accordingly, this offering memorandum may not be made available, nor may the Additional Notes otherwise be marketed and offered for sale, in Sweden, other than under circumstances that are deemed not to be an offer to the public in Sweden under the Swedish Financial Instruments Trading Act (1991:980). The Notes are being offered to qualified investors (*''kvalificerade investerare''*, as defined in the Swedish Financial Instruments Trading Act) and a limited number (less than 100) of unqualified investors in Sweden.

Interests in the Additional Notes will be available initially in book-entry form. The Issuer expects that the Additional Notes sold will be issued in the form of global notes. The global notes will be deposited and registered in the name of a common depositary for Euroclear Bank S.A./N.V. (''Euroclear''), and Clearstream Banking, *société anonyme* (''Clearstream Banking''). Transfers of interests in the global notes will be effected through records maintained by Euroclear and Clearstream Banking, respectively, and their respective participants. After the initial issuance of the global notes, the Notes will not be issued in definitive registered form except under the circumstances described in the section ''Book-Entry; Delivery and Form''.

STABILIZATION

In connection with the issue of the Notes, Goldman Sachs International or persons acting on behalf of Goldman Sachs International, may over-allot Additional Notes or effect transactions with a view to supporting the market price of the Additional Notes at a level higher than that which might otherwise prevail. However, there is no assurance that Goldman Sachs International or persons acting on its behalf will undertake any stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Additional Notes is made and, if begun, may be ended at any time, but must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Additional Notes.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements. Statements other than statements of historical fact included in this offering memorandum, including the statements under the headings ''Summary'', ''Risk Factors'', ''Operating and Financial Review and Prospects'', ''Business of ISS'' and elsewhere regarding future events or prospects, are forward-looking statements. The words ''may'', ''expect'', ''anticipate'', ''believe'', ''estimate'', ''plan'', ''intend'', ''should'' or variations of these words, as well as other statements regarding matters that are not historical facts or regarding future events or prospects, constitute forward-looking statements. ISS has based these forward-looking statements on its current views with respect to future events and

financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of ISS. Although ISS believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ as a result of uncertainties relating to the following matters, among others:

- risks related to ISS's substantial indebtedness, including its ability to repay debt and comply with covenants and access capital to finance its operations;
- the demand for the services offered by ISS, which is primarily dependent upon outsourcing trends and macroeconomic conditions;
- risks related to ISS's growth strategy, including failure to manage growth and integrate acquired businesses successfully and potential contingent liabilities of acquired businesses;
- risks related to ISS's divestments;
- complexities related to compliance with regulatory requirements of many jurisdictions as a result of ISS's international operations and decentralized organizational structure;
- ISS's dependence on its local managers and qualified personnel and the ability of senior managers to implement ISS's strategy;
- ISS's ability to attract and retain employees;
- ISS's potential liability for acts of its employees, including negligence, injuries, omissions and willful misconduct;
- ISS's exposure to foreign exchange and interest rate risks;
- the threat, institution or adverse determination of claims against ISS;
- the interests of ISS's controlling shareholders;
- potential environmental liabilities; and
- the potential impact resulting from changes to laws and regulations, including health and safety and environmental laws and regulations.

ISS does not intend 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. Prospective investors should interpret all subsequent written or oral forward-looking statements attributable to ISS or to persons acting on their behalf as being qualified by the cautionary statements in this offering memorandum. As a result, prospective investors should not rely on these forward-looking statements.

INDUSTRY AND MARKET DATA

Information relating to markets, market size, market share, market position, growth rates, penetration rates and other industry data pertaining to ISS's business contained in this offering memorandum consists of estimates based on reports compiled by professional organizations and analysts, on data from other external sources, on ISS's knowledge of revenue and markets and on its calculations based on such information. These sources include, in particular, an independent market survey prepared for ISS by an internationally recognized consulting firm. The survey originally analyzed facility services market data in Europe through the end of 2004; however, in 2007, the survey was updated to include 2006 data and global facility services market data (excluding Asia and Africa). ISS believes that the fundamental characteristics of the markets described below have not changed materially since the periods reviewed in the independent survey. However, the market data has not been updated and the Issuer makes no representation as to the current size or growth rates of their markets.

The industry and market data is limited in that, in many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, thus requiring ISS to rely on independent market surveys and market data compiled internally. In considering the industry and market data included in this offering memorandum, prospective investors should note that this information may be

subject to significant uncertainty due to differing definitions of the relevant markets and market segments described, as well as the following additional uncertainties:

- the defined markets may include a range of independent services that do not have a strict and uniform definition;
- the defined markets include several geographic markets, and the applicable market structures and definitions may differ among these markets;
- the defined markets may be comprised of fragmented industries with a fragmented supplier structure resulting in the availability of only limited reliable information; and
- the defined markets are sensitive to the inclusion or exclusion of non-outsourced services.

While ISS has compiled, extracted and reproduced market or other industry data from external sources, including the independent market survey mentioned above and third party or industry or general publications, neither ISS and its subsidiaries nor the initial purchaser has independently verified such data. There can be no assurance as to the accuracy and completeness of, and ISS and its subsidiaries do not take any responsibility for such data. Similarly, while ISS believes the internal estimates to be reasonable, they have not been verified by any independent sources, and ISS cannot confirm their accuracy.

CERTAIN DEFINITIONS

In this offering memorandum, the following terms have the following meanings:

''2014 Notes'' means the €525 million 11% senior notes due 2014 issued by ISS Financing Plc.

''2014 Notes Indenture'' means the indenture pursuant to which the 2014 Notes were issued among ISS Financing Plc, Deutsche Trustee Company Limited as trustee and security trustee, Deutsche Bank AG, London Branch, as transfer agent and principal paying agent and Deutsche Bank Luxembourg S.A. as registrar, Luxembourg paying agent and Luxembourg transfer agent.

''2014 Notes Proceeds Loan Agreement'' means the unsecured loan agreement dated July 23, 2009 between ISS Financing Plc, ISS Global, the Issuer and ISS A/S.

''2014 Notes Proceeds Loan'' means the unsecured proceeds loan from ISS Financing Plc to ISS Global using the proceeds of the offering of the 2014 Notes pursuant to the Proceeds Loan Agreement.

''Additional Notes'' means the notes being offered pursuant to this offering memorandum and to be issued pursuant to the Indenture.

''Additional Notes Proceeds Loan'' means the unsecured loan agreement to be dated the closing date for this offering of the Additional Notes made by the Issuer to ISS Global with the proceeds of this offering of the Additional Notes.

''Debenture'' means the debenture granting a first-priority security interest in all of ISS Financing Plc's existing and future assets, including ISS Financing Plc's rights under the Proceeds Loans, in favor of the 2014 Notes.

''Denmark'' means the Kingdom of Denmark.

''EQT'' means EQT III, EQT IV and other funds and companies advised by EQT Partners.

''EQT III'' means the following entities: EQT III UK No. 1 Limited Partnership; EQT III UK No. 2 Limited Partnership; EQT III UK No. 3 Limited Partnership; EQT III UK No. 4 Limited Partnership; EQT III UK No. 5 Limited Partnership; EQT III UK No. 6 Limited Partnership; EQT III UK No. 7 Limited Partnership; EQT III UK No. 8 Limited Partnership; EQT III UK No. 9 Limited Partnership; EQT III US No. 1 Limited Partnership; EQT III US No. 2 Limited Partnership; EQT III US No. 3 Limited Partnership; EQT III GmbH & Co. KG; and EQT III Co-Investment Scheme.

''EQT IV'' means the following entities: EQT IV (No. 1) Limited Partnership; EQT IV (No. 2) Limited Partnership; EQT IV GmbH & Co KG; and EQT IV Co-Investment Scheme.

''EQT Partners'' means EQT Partners AB and its subsidiaries, including EQT Partners A/S, EQT Partners Oy and EQT Partners Beteiligungsberatung GmbH.

"Goldman Sachs" means Goldman Sachs International and its subsidiaries and affiliates.

"Group" means ISS and its subsidiaries.

"GS Capital Partners" means the following entities: Goldman Sachs Direct Investment Fund 2000, L.P.; Goldman Sachs ISS Investors, L.P.; GS Capital Partners V Fund, L.P.; GS Capital Partners V Offshore Fund, L.P.; GS Capital Partners V Institutional, L.P.; GS Capital Partners V GmbH & Co. KG; GS Capital Partners 2000, L.P.; GS Capital Partners 2000 Offshore, L.P.; GS Capital Partners 2000 GmbH & Co. Beteiligungs KG; and GS Capital Partners 2000 Employee Fund, L.P.

"IFRS" means International Financial Reporting Standards as adopted by the European Union.

"Indenture" means the indenture dated May 8, 2006 among the Issuer, The Bank of New York as trustee, collateral agent, registrar, transfer agent and principal paying agent and The Bank of New York (Luxembourg) S.A. as the Luxembourg paying agent and Luxembourg transfer agent, as supplemented.

"Intercreditor Agreement" means the intercreditor agreement dated March 28, 2005 and as amended on May 9, 2005, November 3, 2005, December 22, 2005, March 8, 2006, May 5, 2006 and July 10, 2006, with, among others, the lenders under the Senior Facilities Agreement, Citibank International plc as senior facility agent and Citicorp Trustee Company Limited as security trustee, certain Secured Local Facility Providers (as defined below), certain Secured FX Providers (as defined below), certain Hedging Counterparties (as defined below) and the trustee under the Indenture.

"ISS" or the *"Issuer"* means ISS Holding A/S, a company formerly known as FS Funding A/S, and formed under the laws of Denmark and, as the context requires, its direct and indirect subsidiaries.

"ISS Equity" means ISS Equity A/S, a company formed under the laws of Denmark that is indirectly owned by funds advised by EQT Partners and GS Capital Partners, which hold 54% and 44% of the share capital, respectively.

"ISS Financing Plc" means ISS Financing Plc, a public limited company formed under the laws of England and Wales and the issuer of the 2014 Notes.

"ISS Global" means ISS Global A/S, a company formed under the laws of Denmark that is indirectly wholly owned by ISS.

"Luxembourg" means the Grand Duchy of Luxembourg.

"Medium Term Notes" means the Euro-denominated notes due September 2010 and December 2014 issued, respectively, in September 2003 and December 2004 under the Euro Medium Term Note Program established by ISS Global in August 2003 and April 2004.

"Notes" means the Original Notes and the Additional Notes.

"Original Notes" means the €454,000,000 8⅞% senior subordinated notes due 2016 of the Issuer.

"Original Notes Proceeds Loans" means proceeds loans made by the Issuer to certain of its subsidiaries in the United Kingdom, France, Norway and Spain with part of the proceeds from the offering of the Original Notes.

"Principal Shareholders" means EQT and GS Capital Partners.

"Senior Facilities Agreement" means the Senior Facilities Agreement dated March 28, 2005, as amended, between the Issuer, Citigroup Global Markets Limited and Goldman Sachs, as lead arrangers.

"Senior Priority Facilities" means all of the senior facilities made available to the Issuer pursuant to the Senior Facilities Agreement, excluding Facility D (the Second Lien Facility).

"Senior Secured Facilities" means all of the senior facilities made available to the Issuer pursuant to the Senior Facilities Agreement, including Facility D (the Second Lien Facility).

"United States" or "*U.S.*" means the United States of America.

PRESENTATION OF FINANCIAL INFORMATION

This offering memorandum presents the Issuer's historical financial information comprising selected consolidated income statement, balance sheet and cash flow statement financial data of the Issuer as of and for the years ended December 31, 2007, 2008 and 2009, derived from ISS's audited consolidated financial statements, prepared in accordance with IFRS as of and for the years ended December 31, 2009 and 2008 with comparative figures as of and for the year ended December 31, 2007, included elsewhere in this offering memorandum. See ''Index to Financial Statements''.

Rounding adjustments have been made in calculating some of the financial information included in this offering memorandum. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

The financial information included in this offering memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations of the SEC which would apply if the Notes were being registered with the SEC.

OTHER DATA AND FINANCIAL MEASURES

The following financial measures included in this offering memorandum are not measures of financial performance under IFRS:

- *EBITDA*, as calculated by ISS, represents operating profit plus depreciation and amortization. A reconciliation of operating profit to EBITDA is included in footnote 10 to the table included under ''Selected Historical Consolidated Financial Information''.
- *Adjusted EBITDA*, as calculated by ISS, 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, ISS 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature. A reconciliation of EBITDA to Adjusted EBITDA is included in footnote 12 to the table included under ''Selected Historical Consolidated Financial Information''.
- *Pro Forma Adjusted EBITDA*, as calculated by ISS, represents Adjusted EBITDA as set out above, adjusted to reflect the full-year effect of acquired or divested businesses. The adjustment of revenue and operating profit before other items is based on estimates of ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the time of such acquisition and divestment and actual results where available. Synergies from acquisitions are not included for periods in which such acquisitions were 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 acquisitions and divestments during the period occurred on January 1. In addition, the information should not be used as the basis or prediction of any annualized calculation. For further information on the calculation of Pro Forma Adjusted EBITDA, see footnote 20 to the table included under ''Selected Historical Consolidated Financial Information''.
- *Cash conversion*, as calculated by ISS, represents operating profit before other items plus changes in working capital as a percentage of operating profit before other items. Cash conversion is intended to measure ISS's ability to convert operating profit into cash. For further information on the calculation of cash conversion, see footnote 18 to the table included under ''Selected Historical Consolidated Financial Information''.
- *Operating margin*, as calculated by ISS, represents operating profit before other items divided by revenue, expressed as a percentage. By using operating profit before other items as a starting point for the calculation of operating margin instead of operating profit, ISS excludes from the calculation of operating margin 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature.

- *Organic growth* is intended to represent the percentage change in ISS's revenue as compared to the prior period, excluding a number of changes in revenue attributable to businesses acquired or divested and the effect of changes in foreign exchange rates. ISS's calculation of organic growth is significantly influenced by the way in which ISS treats the effect of revenue attributable to acquired businesses. For further information on the calculation of organic growth, see footnote 21 to ''Selected Historical Consolidated Financial Information''.

The Issuer includes these financial measures in this offering memorandum because it believes that they are useful measures of ISS'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 or as a measure of ISS's results of operations or liquidity and, accordingly, cannot be audited or reviewed. Other companies, including those in ISS's industry, may calculate similarly titled financial measures differently from ISS. Because all companies do not calculate these financial measures in the same manner, ISS's presentation of such financial measures may not be comparable to other 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, particularly organic growth, take into account estimates of pre-acquisition and post-acquisition results, which are by their nature uncertain.

CURRENCY PRESENTATION

In this offering memorandum, unless otherwise indicated, all references to ''DKK'' or to ''Danish kroner'' are to the lawful currency of Denmark; all references to ''Euro'' or ''€'' are to the single currency of the participating Member States in the Third Stage of European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; all references to ''U.S. dollar'', ''U.S. dollars'', ''$'' and ''U.S.$'' are to the lawful currency of the United States; all references to ''SEK'' are to the lawful currency of the Kingdom of Sweden; all references to ''NOK'' are to the lawful currency of the Kingdom of Norway; and all references to ''£'' or ''pound sterling'' are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

Solely for the convenience of the reader, certain amounts stated in Danish kroner have been translated into Euro at a rate of €1.00 = DKK 7.4415, which was the exchange rate as of December 31, 2009 and was used in the preparation of ISS's audited consolidated financial statements as of and for the year ended December 31, 2009. Unless otherwise indicated, all conversions of DKK into Euro have been made at the exchange rate as of December 31, 2009. On March 22, 2010, the exchange rate was €1.00 = DKK 7.4404.

EXCHANGE RATES

ISS's reporting currency is Danish kroner. The Danish National Bank's stated exchange rate policy adheres to the successor system to the European Exchange Rate Mechanism (''ERM'') of the 1980s and 1990s, referred to as ERM II. Established upon the launch of the common European currency in 1999, ERM II commits the Danish kroner to a narrow peg against the Euro. Denmark participates in ERM II at a central rate of DKK 746.038 per €100. The standard fluctuation band in ERM II is +/-15%. However, due to its high degree of convergence with the Euro economies, the current Danish government supports a policy of allowing the Danish kroner to fluctuate within a narrower band of +/-2.25% relative to the central rate. As a result, under the current policy, the Danish kroner fluctuates between DKK 762.824 and DKK 729.252 per €100. In recent years, Denmark's National Bank has maintained a stable exchange rate for the Danish kroner even closer to the central rate. There can be no assurance that the Danish National Bank will continue this exchange rate policy in the future.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum and does not contain all the information that may be important to prospective investors. Prospective investors should carefully read this offering memorandum in its entirety, including the audited financial statements of ISS, together with the related notes included elsewhere in this offering memorandum, as well as the ''Description of the Notes'' and the other considerations that are important to their decision to invest in the Notes outlined under ''Risk Factors''.

ISS

ISS is Europe's largest commercial provider of cleaning services and one of the world's largest commercial providers of facility services, operating in more than 50 countries in Europe, Asia, the Americas and Australasia. It is one of the top three cleaning companies, based on revenue, in France, the United Kingdom, the Nordic region (Sweden, Denmark, Norway and Finland), the Netherlands, Belgium and Spain, which together accounted for 63% of ISS's 2009 revenue. ISS has a diverse customer base that it estimates to include more than 200,000 public and private sector customers and is one of the world's ten largest private employers, with more than 485,000 employees worldwide as of December 31, 2009.

ISS has been operating in the service industry for more than 100 years and began offering cleaning services in 1934. Since that time, ISS has significantly expanded its business through acquisitions and organic growth. As of December 31, 2009, ISS had a total revenue of DKK 69.0 billion (€9.3 billion) and Adjusted EBITDA of DKK 4.7 billion (€637.2 million).

ISS distinguishes between services offered and the way in which these services are delivered. ISS provides the following services which can be delivered as single service outsourcing, multi-service outsourcing or as an integrated facility service solution.

Service Types:

- *Cleaning services*, which represented 52% of 2009 revenue, include daily office and facility cleaning, dust control, washroom and specialized cleaning services;
- *Property services*, which represented 21% of 2009 revenue, include landscaping, damage control (including remediation of property damage caused by extraordinary events, such as fires, floods, storms and vandalism), building maintenance and technical services and pest control services;
- *Support services*, which represented 7% of 2009 revenue, include call center, manpower supply, outplacement services, reception services and office logistics;
- *Catering services*, which represented 9% of 2009 revenue, include in-house restaurants, hospitals, resource catering, executive dining and corporate catering and office catering solutions such as coffee points;
- *Security*, which represented 7% of 2009 revenue, includes guarding, access control and patrolling of customer facilities; and
- *Facility management*, which represented 4% of 2009 revenue, includes on-site management of facility services, change management, space management and consulting.

Delivery Types:

- *Single service outsourcing,* which represented 67% of 2009 revenue, refers to the provision of one service, such as cleaning services, to the customer, thereby enabling such customer to focus on its core business activities;
- *Multi service outsourcing,* which represented 15% of 2009 revenue, refers to the provision of two or more non-integrated services to the customer, whereby the customer is provided with the same benefits as with single service outsourcing and with the benefits of service integration where possible; and
- *Integrated facility service,* which represented 18% of 2009 revenue, refers to the provision of two or more facility services under one contract, together with on-site management through a

single point of contact with the customer whereby ISS takes over all or most of the facility services functions at the customer's premises. ISS has, in recent years, increasingly developed its business to enable it to provide integrated facility service solutions. Integrated facility services provide customers with the benefits of single service outsourcing, labor management and handling of all human resources issues, procurement, reduced administration costs and increased operational flexibility, with the benefits of on-site management by ISS.

The success of ISS has, in part, been founded on its ability to generate and manage a large base of recurring business on-site, in which ISS employees become an integrated part of the customer's daily operations, as opposed to once-only and project revenue. Portfolio business exists where a contract to render a repeated service to a customer runs for six months or more and is currently estimated to represent approximately 75% to 80% of ISS's annual revenue. This focus on portfolio-based business yields many advantages, including recurring revenue and increased operational and financial visibility and predictability. Although most services are site-based, ISS also offers route-based services, such as cleaning for smaller customers, window cleaning, pest control and washroom services.

Not all country operations offer all services within the six service types. Local offerings depend on customer demand, market conditions, access to qualified staff and other factors. If the country does not self-deliver all six service types, the use of subcontractors ensures a one-stop offering for customers. Each country operation aims to build up services according to market demand. In time, all ISS country operations are expected to be able to self-deliver the most significant components of all six service types.

ISS's operations are located in the following seven regions:

- **Nordic**, comprising Denmark, Finland, Greenland, Iceland, Norway and Sweden, represented 24% of ISS's 2009 revenue. The Nordic market is one of the most developed markets for ISS, and ISS is the leader in the facility services market throughout the region. The strategy for the Nordic region is to focus on organic growth partly through a recently established Nordic sales organization, and on improving efficiency through increased standardization and harmonization;
- **Western Europe**, comprising Austria, Belgium and Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom, represented 56% of ISS's 2009 revenue. The Western European market is a generally developed market characterized by a high level of single service outsourcing. The market is becoming increasingly professional and is gradually moving towards multi service outsourcing and integrated facility services;
- **Eastern Europe**, comprising Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia, represented 2% of ISS's 2009 revenue. While the Eastern European region remains a growth region for ISS, the region has in 2009 been impacted by the general economic downturn in these markets. ISS is consolidating and transforming its business platform and services in Eastern Europe to ensure a strong basis for future growth;
- **Asia**, comprising Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand, represented 6% of ISS's 2009 revenue and is the fastest growing region in the ISS Group. In Asia, ISS has made progress in transforming its business from predominantly a single service cleaning business towards integrated facility services. The key transformational moves in 2009 have been six acquisitions adding competencies within catering, security and pest control services;
- **Latin America**, comprising Argentina, Brazil, Chile, Mexico and Uruguay, represented 3% of ISS's 2009 revenue. ISS has, in recent years, continued to refine its single service outsourcing and multi service outsourcing delivery model in the region. Furthermore, the market for complex multi service and integrated facility services solutions in Latin America is growing and ISS has continued to focus on consolidating and expanding its service mix and capabilities to drive the request for service delivery through integrated facility services;

- **North America**, comprising Canada and the United States, represented 4% of ISS's 2009 revenue. In 2007, ISS entered the United States. ISS entered Canada through a greenfield establishment in 2009 via its US operations. Through the completion of two acquisitions in 2008 and 2009 in the US, ISS has achieved good geographical coverage in several of the economic growth areas in the US and continues to focus on enhancing its geographical footprint to grow the business and gain critical mass where it has yet to be achieved; and
- **Pacific**, comprising Australia and New Zealand, represented 5% of ISS's 2009 revenue. The Pacific market is consolidating as providers seek to integrate businesses to enhance margins. In Australia, ISS won a number of important contracts that form a platform for growth in 2010. Furthermore, ISS implemented a regionalization project to increase service efficiency and create a more customer-oriented operation, as this will ensure that it sells and delivers integrated facility services locally in the states and territories of Australia.

ISS's Strengths

Large and diversified market leader. ISS is Europe's largest commercial provider of cleaning services, one of the largest providers of facility services globally, and one of the top three cleaning companies in many of the principal markets in which it operates. ISS currently operates in more than 50 countries in Europe, Asia, the Americas and Australasia and had 2009 revenue of DKK 69.0 billion (€9.3 billion). In 2009, France, the largest ISS operation, accounted for 13% of ISS's total revenue. ISS estimates that it has more than 200,000 customers operating in a wide range of industries and in the public sector. The services ISS offers are diverse and, in addition to cleaning, include property services, support services, catering services, security and facility management. Through its size and diversification, ISS has reduced its exposure to any single country, industry sector, customer or service. Moreover, ISS believes that its market position increases its credibility as a contract provider, and assists it in obtaining and effectively servicing new contracts from larger, high-volume customers, including contracts involving multiple services, locations and geographies. ISS also believes that its market position and size enable it to achieve more efficient management and administrative functions and to attract and retain qualified local managers.

Competitive and flexible cost base. ISS has a flexible cost base, particularly with respect to staff costs, which were almost 65% of revenue in 2009. Due to the relatively high employee turnover that is characteristic of the facility services industry in most countries, ISS is able to reduce its staffing levels when necessary by limiting its hiring of new employees. In addition, ISS may also be able to shift employees among existing customer contracts and locations in countries where ISS has local scale and density. Moreover, according to EU law, when facility services contracts are insourced or lost to a competitor, the former provider may, under certain circumstances, be able to pass on-site staff to the new provider, an option which provides ISS with additional operational flexibility.

Stable and predictable business. ISS provides its portfolio-based facility services to private and public sector customers, and believes that these customers consider a basic level of cleaning and other facility services to be necessary to conduct their core businesses and operations. As a result, demand for these services has historically been fairly resilient to economic downturns. Hence, in 2009, the majority of the countries in which ISS operates have experienced positive organic growth despite the contraction in global economic growth. ISS believes that it benefits from long-lasting customer relationships and that approximately 75% to 80% of its annual revenue is typically derived from portfolio business. Based on recent history, ISS estimates that it retains approximately 85% to 90% of the business represented by these contracts each year, implying that the average length of its customer relationships is approximately seven to ten years. ISS believes that the steady demand for facility services and its relatively long customer relationships have contributed to the stability and predictability of ISS's operations in the last five years.

Cash-generative business. During the last eight years, ISS's cash conversion (as defined by ISS), which is intended to measure ISS's ability to convert operating profit into cash, has on average been above 100%. ISS achieved this result primarily through a group-wide focus on reducing working capital and, in particular, on improvements in debtor days through internally conducted working capital workshops. ISS expects to continue to demonstrate a solid cash conversion and the cash conversion was 96% in 2009.

Operational density. ISS believes that, through its increasing focus on integrated facility services and favorable market position, it will continue to increase both its service density and geographic density. Service density measures the number of services provided to each customer and geographic density measures the number of customer sites in a geographic area. ISS believes that operational density creates a number of potential benefits, including cross-utilization of resources between sites and services and leveraging of overhead costs, which is particularly important during downturns.

Integrated facility services. ISS believes that the provision of on-site management allows ISS to create synergies (e.g. on-site labor synergies) and reduce overhead costs by optimizing the provision of services. ISS believes that the penetration rate of integrated facility services is relatively low and that the growth rate of this market is higher than the market for certain single services. In recent years, ISS has, through a high number of acquisitions, as well as through organic growth, expanded its facility services offerings. By establishing and implementing a broader range of services, ISS has increasingly been able to offer its customers integrated facility services solutions.

Strong acquisition and business integration track record. ISS has a structured approach to acquisitions that capitalizes on the market knowledge and acquisition experience of its local managers and the expertise of a centralized mergers and acquisitions department. Since the beginning of 2000, ISS has acquired and integrated around 700 businesses in more than 47 countries, including 22 businesses in 2009, for a total consideration of DKK 29.1 billion (€3.9 billion). More than 600 of these acquisitions were of relatively small companies, with annual revenue of less than DKK 100 million (€13 million). Every acquisition is ultimately approved by ISS's Executive Group Management. ISS believes that its experienced local management teams, dedicated mergers and acquisitions resources and its structured and well-established approach to acquisitions allow it to understand local market conditions, identify opportunities and capitalize on the fragmented and consolidating facility services market. Moreover, ISS believes that its practice of acquiring mostly smaller companies helps to limit integration risks relating to individual acquisitions.

Decentralized multi-local but aligned management structure. ISS maintains a decentralized organizational structure under which its country operations are separately organized and act with a significant amount of autonomy, assisted by a strong regional management structure providing strategic direction, managerial support and financial control. Further, the regional management will work with the countries to ensure consistent execution of ISS's strategy, The ISS Way and its objectives. At the local level, managers have a large degree of autonomy in managing the operation of their local businesses, which allows ISS to respond quickly to changes in local market conditions. ISS believes that, in addition to making its organization more responsive to market conditions, this organizational structure fosters an entrepreneurial culture within ISS. ISS's country managers have an average length of service with ISS of approximately seven years. Although decentralized from an organizational perspective, ISS has, as part of the implementation of The ISS Way, established an excellence center division which focuses on knowledge sharing and implementation of best practices throughout the Group to ensure a consistent delivery and quality of ISS's services and delivery models. The ISS University is one of the key best practice and knowledge sharing forums which allows ISS's Executive Group Management, regional and country managers to shape and implement a coherent strategy.

Structured and well-established financial management and control. ISS has a structured and well-established approach to financial management and control, which it considers to be an essential element of its business. These procedures include monthly reporting of a full income statement, balance sheet and portfolio development prepared in accordance with ISS's accounting principles. Another focus area is cash management. Each country operation must submit a daily cash flow forecast for a rolling three-month period to the head office, and ISS's corporate treasury monitors deviations from these forecasts on a daily basis. In addition, country operations are supervised by regional managers and controllers employed by ISS management who visit the local operations regularly to ensure compliance with ISS's control procedures.

ISS's Strategy

ISS is guided by strong corporate values and vision which are collectively expressed in ISS's strategy, ''The ISS Way''. ISS continues to focus on identifying and defining customer segments for which strong value propositions can be developed. ISS's business model is based on creating

value for customers by taking over their non-core activities, leveraging global scale, best practices, integrating services and driving out synergies.

The ISS Way is built on four cornerstones:

- *Customer focus*. At ISS, we put customers in focus. We serve our chosen customers locally, regionally and globally with specific value propositions while focusing on identifying customer needs and wants. We build enduring partnerships with customers who value our approach to service.
- *People management*. At ISS, people management is our core competence. We excel in people management in order to deliver excellence in our service offerings. We mitigate risks and volatility transferred from our customers, by applying leadership skills, HR and EHS policies, employee training and labour legislation insight. To obtain these benefits we share knowledge and best practices.
- *Integrated facility services strategy*. At ISS, integrated facility services is our strategic aim. We advance our service offering towards integrated facility services by building the ISS House of services and developing our facility management capabilities. We self-deliver multiple site-based services as defined by the ''ISS House'' and we integrate our service deliveries seamlessly in our customers' organizations.
- *Multi-local approach*. At ISS, we strike a balance between autonomy and alignment. We operate with strong local leadership and autonomy to ensure timely responses to demands and requests. We also reflect the overall Group fundamentals and strategic direction to allow us to exploit best practices and leverage our geographical footprint. We are disciplined and use tight financial controls.

In 2008, ISS introduced a new brand strategy, ''Lead facility services globally—by leading facility services locally'', aimed at enhancing recognition of the ISS brand internationally, regionally and locally by emphasizing a clear brand and a well-defined company identity. ISS seeks to ensure that the ISS brand conveys professionalism, quality of service and a service offering designed exclusively for each individual customer. ISS will continue to promote the ISS brand through its extensive employee network using branded clothing, equipment and transportation, participation in industry forums, advertising and sponsorship. By strategically investing in brand awareness, ISS aims to enhance its position as a leading facility service provider across its markets, reinforce the value of its global network and facilitate the win of new customers and/or contracts.

To implement its strategy, ISS intends to: (i) pursue attractive customer segments which are receptive to ISS's value propositions; (ii) focus on the range of services where ISS can deliver single service excellence and which fit with the integrated facility services strategy; (iii) consolidate ISS's market position in existing geographies; (iv) align the organizational structure to maximize growth and cost efficiency; and (v) establish financial and operational key performance indicators to supplement the existing rigorous financial reporting system.

ISS will continue to seek to maintain and enhance operational efficiency by continuing its focus on three well-established and prioritized operational objectives for its local managers: (i) cash flow; (ii) operating margin; and (iii) profitable organic growth.

- *Cash flow.* ISS's first objective is to continue to maintain a relatively high rate of cash conversion primarily by operating in a manner that optimizes working capital. Through this approach, ISS expects to continue to generate a level of positive cash flow from operations that exceeds its obligations to service its credit facilities.
- *Operating margin.* ISS's second objective is to maintain or improve its operating margin, which was 5.6% in 2009. ISS seeks to improve operational efficiencies by increasing its local market positions and operational densities, as well as by implementing company-wide best practices.
- *Profitable organic growth.* ISS's third objective is to focus on organic growth through customer retention and sale of service solutions to its customers. ISS will continue to leverage its international market position and service offering in order to increase its local market positions and drive organic growth. ISS continues to work with a wide range of

initiatives, including the further development of the Corporate Clients organisation and enhancing its focus on specific customer segments.

In addition, ISS intends, over time, to reduce its financial leverage on a multiple basis in terms of net debt to Pro Forma Adjusted EBITDA, primarily through growth in ISS's operating profit by focusing on operating margin and profitable organic growth, in addition to a continued focus on cash flow. The extent and timing of ISS's deleveraging on a multiple basis will ultimately depend upon, among other things, ISS's cash flow generation and the scale and timing of payments related to its future acquisitions, which may temporarily increase its leverage on a multiple basis, in terms of net debt to Pro Forma Adjusted EBITDA.

ISS has historically made a significant number of acquisitions. The volume of acquisitions has varied in recent years depending upon market conditions. In the years ended December 31, 2007, 2008 and 2009, ISS made 67, 66 and 22 acquisitions, respectively.

Recent Trends and Developments

Trading Update

On the basis of the monthly reporting for February 2010, year to date revenue for February 2010 was slightly higher compared to February year to date 2009, partly due to positive organic growth and a positive development in currency exchange rates. The year to date reporting for February 2010 showed that the operating margin before other items was higher than for the comparative period of 2009. Cash flow from operations year to date February was also higher than the comparative period of 2009.

Changes in Management

On February 2, 2010 ISS announced that Jørgen Lindegaard will step down as Group CEO of ISS as of March 31, 2010. Mr. Lindegaard has accepted an invitation to join the Board of Directors of ISS, which is subject to approval at the annual general meeting in April 2010.

The Board of Directors has decided to appoint Jeff Gravenhorst as the new Group CEO from April 1, 2010. On January 25, 2010 ISS announced that Lars Sandahl Sørensen has been appointed as the new Chief Commercial Officer (CCO) for the ISS Group. He will also join ISS's Group Management, and will take up his new assignment no later than June 1, 2010. Mr. Sandahl Sørensen joins ISS from a position as Senior Vice President and Chief Commercial Officer in Scandinavian Airlines (SAS), and he was previously CEO for the subsidiary, SAS International.

Securitization

As part of its strategy to refinance the 2010 Medium Term Notes, the Group entered into a securitization program on September 16, 2009 (the ''Securitization'') which was jointly arranged by HSBC Bank plc and Nordea Bank Danmark A/S. The Securitization has progressed on the basis of a ''phased'' approach whereby trade receivables generated in certain jurisdictions in which the Group operates are added to the Securitization over a period of time. Phase 1 was completed on September 16, 2009 and involved the establishment of the Securitization and the sale of receivables from the Group's Spanish operating companies. Phase 2 involved the sale of the Group's receivables in Norway, Denmark, Sweden and the UK and was completed in November and December 2009. Phases 1 and 2 generated proceeds of approximately €150 million. It is the intention that subsequent phases will follow in other jurisdictions, which is expected to generate proceeds of at least €200 million. For further information on the Securitization, see ''Description of Certain Other Indebtedness—Securitization''. The proceeds raised in phases 1 and 2 were used in January 2010 to redeem €150 million of the 2010 Medium Term Notes and pay related fees and expenses.

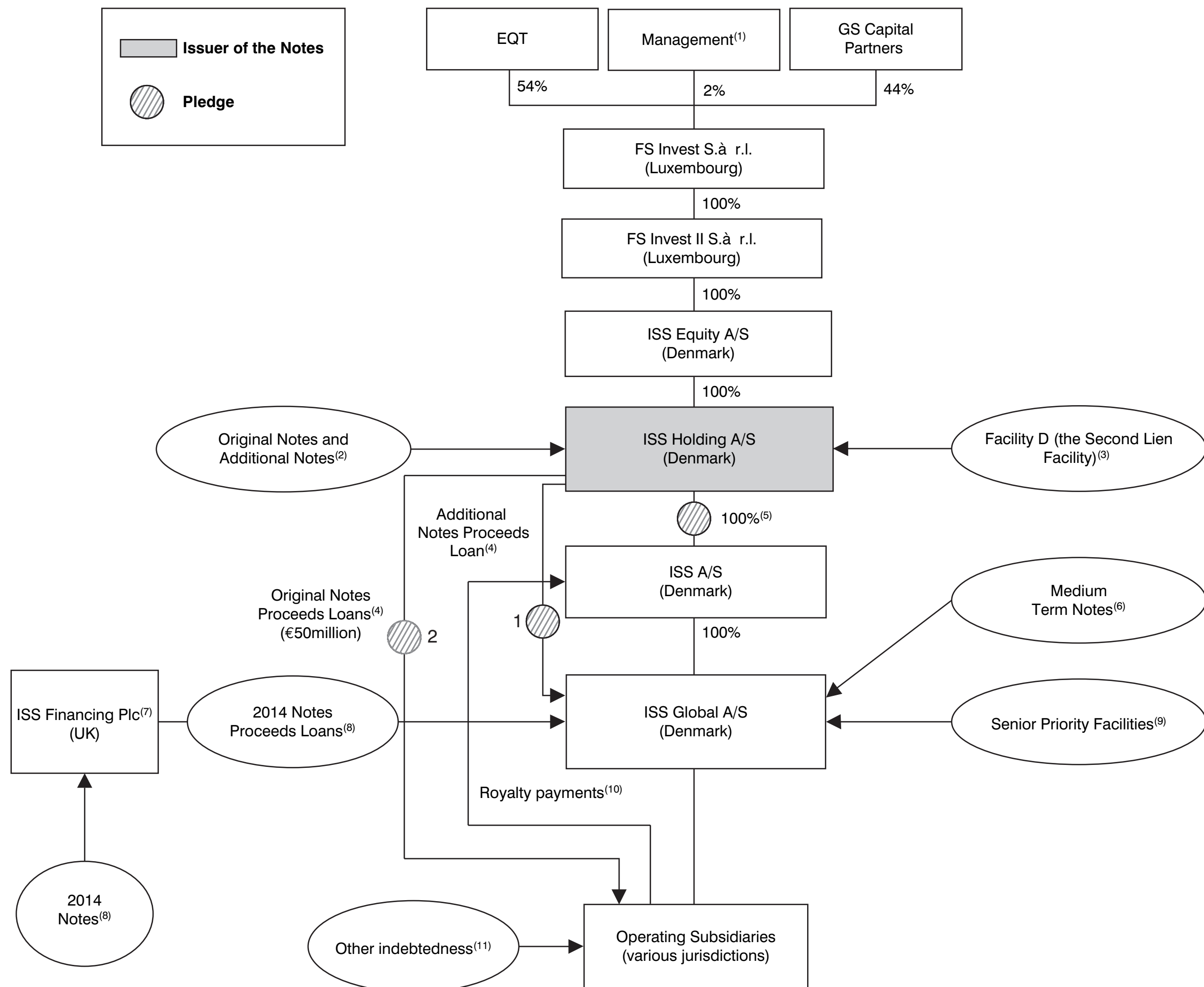
Acquisition in India

ISS has executed a strategic acquisition agreement regarding a facility service business in India and expect to close the transaction on or before March 31, 2010. The agreement is subject to terms and certain conditions precedents customary for such transactions in India and is made via a joint venture with an Indian legal person. ISS would fund the acquisition with proceeds from recently divested businesses.

Summary Corporate Structure and Financing Arrangements

The following chart summarizes the corporate structure and financing arrangements of ISS immediately after the offering of the Notes and application of the proceeds as described in ''Use of Proceeds''.

Within the chart, legal entities are shown in boxes and financing instruments and amounts outstanding thereunder are shown in ovals. Please refer to the sections entitled ''Capitalization'', ''Selected Historical Consolidated Financial Information'', ''Principal Shareholders of ISS'', ''Description of Certain Other Indebtedness'' and ''Description of the Notes'' for more detailed descriptions.



(1) See ''Management—Compensation of the Board of Directors and Management of ISS'' for a description of the existing Management Participation Program, Directors Participation Program and Co-investment Scheme.

(2) On May 8, 2006, ISS issued €454 million aggregate principal amount of 8⅞% senior subordinated notes due May 15, 2016, all of which were outstanding at December 31, 2009. The Issuer is offering €127.5 million of Additional Notes in this offering. The Notes are secured by a second-priority security interest in all the outstanding share capital of ISS A/S and a second-priority security interest in all of ISS's rights in respect of the loans relating to the proceeds of the Original Notes and the Additional Notes (as described in note 4 below).

(3) Facility D (the Second Lien Facility) under the Senior Secured Facilities (as described in note 11 below) is in an amount of DKK 4,465 million (€600 million), which is fully drawn, and has a final maturity date of June 30, 2015. The Second Lien Facility is secured by the security granted by ISS to secure the Senior Priority Facilities, including over the shares in ISS A/S.

(4) €50 million of the proceeds of the Original Notes were on-lent to certain direct and indirect subsidiaries of ISS Global in the United Kingdom, France, Norway and Spain (the ''Original Notes Proceeds Loans''). The proceeds of this offering of Additional Notes will be loaned to ISS Global (the ''Additional Notes Proceeds Loan'' and, together with the Original Notes Proceeds Loans, the ''Proceeds Loans''). The holders of the Notes have a second-priority security interest in all of ISS's rights in respect of the Proceeds Loans.

(5) The shares of ISS A/S are pledged on a first-priority basis for the benefit of the Senior Secured Facilities and on a second-priority basis for the benefit of the Notes.

(6) In September 2003, ISS Global issued €850 million of the 2010 Medium Term Notes, of which €350 million were outstanding as of December 31, 2009. In December 2004, ISS Global issued €500 million of Medium Term Notes due December 8, 2014. In June 2007, approximately 78% of the €500 million of Medium Term Notes due December 8, 2014 were redeemed and cancelled. On July 13, 2009, ISS Global acquired €500 million of the 2010 Medium Term Notes pursuant to a tender offer using the proceeds of the 2014 Notes Proceeds Loan and acquired a further €150 million of the 2010 Medium Term Notes in January 2010 with proceeds from ISS's securitization program.

(7) ISS Financing Plc is a company formed under the laws of England and Wales. It was incorporated for the purpose of issuing the 2014 Notes and entering into the related transactions. ISS Financing Plc is indirectly owned by a charitable trust and is not a subsidiary of ISS. However, under IFRS, ISS consolidates ISS Financing Plc into its consolidated financial statements.

(8) In July 2009, ISS Financing Plc issued €525 million in aggregate principal amount of 2014 Notes. ISS Financing Plc loaned the proceeds of the 2014 Notes to ISS Global pursuant to a proceeds loan incurred under the 2014 Proceeds Loan Agreement. The Issuer and ISS A/S are guarantors of the 2014 Notes proceeds loan. This proceeds loan is not secured.

(9) As of December 31, 2009, the ''Senior Priority Facilities'' consisted of the following:

- Term Facility A, divided into sub-tranches, in an amount equivalent to DKK 1,050 million with a final maturity date of June 30, 2012;
- Term Facility B, divided into sub-tranches, in an amount equivalent to DKK 13,022 million with a final maturity date of December 31, 2013;
- Acquisition Facility A in an amount equivalent to DKK 985 million with a final maturity date of June 30, 2012. As of December 31, 2009, the facility was fully drawn;
- Acquisition Facility B in an amount equivalent to DKK 2,500 million with a final maturity date of December 31, 2013. As of the end of the availability period, only DKK 2,125 million had been drawn, and the undrawn commitments were cancelled. Of the amount drawn, DKK 361 million was drawn by ISS Tesis Yonetim A.S. (holding company of ISS Turkey). On May 11, 2009, the availability period expired and consequently it is no longer possible to draw under this facility;
- Revolving Credit Facility in an amount equivalent to DKK 2,448 million, of which DKK 2,032 million were drawn as of December 31, 2009 (including the line allocated to performance bonds). The final maturity of the Revolving Credit Facility is June 30, 2012. The Revolving Credit Facility may be provided by way of cash advances or ancillary facilities, either on a bilateral or fronted basis, bank guarantees and letters of credit. 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 ISS's consolidated financial statements; and
- Letter of Credit Facility in an amount equivalent to DKK 500 million with a final maturity date of June 30, 2012. Letters of credit are primarily issued in support of borrowings, other than borrowings under the Revolving Credit Facility or the Secured Local Facilities (as described below), and, to the extent these borrowings are deemed to constitute indebtedness, the borrowings under these facilities are included in ''Other short-term debt'' and ''Other long-term debt'' in ISS's consolidated financial statements.

In addition, ISS and its subsidiaries are permitted to borrow up to €100 million of ''Local Facilities'' (subject to certain conditions), which Local Facilities may at the option of ISS (and provided certain criteria are met) share in the senior guarantee and security package (where legally possible) on a *pari passu* basis. Members of ISS may also enter into Secured FX Facilities (as described in ''Description of Certain Other Indebtedness—Intercreditor Agreement''), which (as is the case with Secured Local Facilities) are not part of the Senior Secured Facilities, but share in the senior guarantee and security package (where legally possible) on a *pari passu* basis. The Secured FX Facilities have a maximum secured limit of up to €25 million.

(10) Subsidiaries of ISS Global pay a royalty to ISS A/S, based on third party annual revenue, in consideration primarily for the use of ISS A/S's intellectual property rights such as trademarks and know-how. Currently, these royalty payments are made at the rate of 1.30%. The rate is evaluated on an ongoing basis. These royalty payments are made pursuant to agreements between ISS A/S and its subsidiaries. These agreements are terminable by either party upon three months prior written notice; however, it is presently expected that the subsidiaries will continue these arrangements. These agreements will automatically terminate in the event such subsidiary ceases to be a direct or indirect subsidiary of ISS A/S. The intellectual property rights of ISS A/S and its rights to receive payments under the royalty agreements have been pledged as security under the Senior Priority Facilities.

(11) Other indebtedness includes items classified in ISS's balance sheet under ''Other short-term debt'' and ''Other long-term debt'', which primarily comprise borrowings by certain subsidiaries under working capital facilities and finance leases. As of December 31, 2009, ISS had a total amount equivalent to DKK 368 million (€49 million) of local debt facilities. An amount equivalent to DKK 160 million (€22 million) represented Local Facilities and an amount equivalent to DKK 208 million (€28 million) was finance leases. In September 2009, ISS initiated a securitization of trade receivables programme, which as of December 31, 2009 included operating companies in Spain, Norway, Denmark, Sweden and the UK. The programme has a total credit facility of €500 million that expires in September 2012 and the proceeds will be used to repay 2010 EMTN's. In January 2010, the first proceeds were utilised to tender €150 million of the 2010 EMTN'S.

The Issuer

The Issuer is a limited liability company organized under the laws of Denmark. The Issuer was incorporated on March 11, 2005 and is registered in Denmark under CVR number 28 50 47 99. The registered office and business address of the Issuer is Bredgade 30, DK-1260 Copenhagen K, Denmark, and its telephone number is +45 38 17 00 00. EQT and GS Capital Partners beneficially own approximately 98% of the shares of the Issuer.

The Issuer's statutory annual financial statements are prepared on a calendar year basis.

Principal Shareholders of the Issuer

Currently, EQT and GS Capital Partners (together the ''Principal Shareholders''), both private equity investment firms, together own approximately 98% of the equity of ISS's ultimate parent company, FS Invest S.à r.l. See ''Principal Shareholders of ISS''.

Risk Factors

Investing in the Notes involves substantial risks. Prospective investors should carefully consider the information set forth under the caption ''Risk Factors'' and all other information in this offering memorandum before investing in the Additional Notes.

The Offering

The following summary of the offering contains basic information about the Notes. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Notes, including certain definitions of terms used in this summary, please refer to the section of this offering memorandum entitled ''Description of the Notes''. Except as noted, capitalized terms used in this section but not defined below have the meanings ascribed to such terms in the section entitled ''Description of the Notes''.

Issuer . . . . ISS Holding A/S

Additional Notes Offered . . . . €127.5 million aggregate principal amount of Additional Notes under the Indenture dated May 8, 2006, pursuant to which the Issuer issued €454 million aggregate principal amount of 8⅞% senior subordinated notes due 2016. The Original Notes and the Additional Notes will be part of the same series of Notes, and the Additional Notes will vote on matters with the holders of the Original Notes.

Maturity Date . . . . The Notes, including the Additional Notes, will mature on May 15, 2016.

Interest Rate . . . . 8.875% per year.

Interest Payment Dates . . . . Interest on the Additional Notes will be paid semi-annually each May 15 and November 15, beginning on May 15, 2010. Interest on the Additional Notes will accrue from November 15, 2009.

Ranking of the Notes . . . . The Additional Notes will be:

- the Issuer's general obligations;
- secured by (i) a second-priority security interest in all of the outstanding share capital of ISS A/S and (ii) a second-priority security interest in all of the Issuer's rights under the Proceeds Loans as described under ''Description of the Notes—Security'', subject in each case to the rights of the holders of the first-priority security interests over such share capital and Proceeds Loans;
- subordinated in right of payment to all of the Issuer's existing and future senior debt, including the Senior Facilities (as described in ''Description of Certain Other Indebtedness—Intercreditor Agreement'');
- effectively subordinated to any secured debt and other secured obligations of the Issuer to the extent of the value of the assets securing such debt (other than to the extent such assets also secure the Notes on an equal and ratable or prior basis);
- structurally subordinated in right of payment to all existing and future indebtedness of the Issuer's subsidiaries, including their obligations under the Senior Facilities and the 2014 Proceeds Loans, the Secured FX Facilities, the Secured Local Facilities and the Medium Term Notes;
- equal in right of payment to all of the Issuer's future indebtedness that is not subordinated (and is not senior) in right of payment to the Notes;

- senior in right of payment to all of the Issuer's existing and future indebtedness that is subordinated in right of payment to the Notes; and
- subject to the enforcement standstill, payment blockage, subordination on insolvency, turnover and other provisions of the Intercreditor Agreement referred to under ''Description of the Notes—Restrictions on the Notes; Intercreditor Agreement'' and summarized under ''Description of Certain Other Indebtedness—Intercreditor Agreement''.

The Issuer is a holding company and all of its operations are conducted through ISS A/S and its subsidiaries. Therefore, the Issuer's ability to service its debt, including the Notes, is dependent upon payments it receives from ISS A/S, which in turn depends on payments from its subsidiaries.

As of December 31, 2009, on an unconsolidated basis, after giving effect to the adjustments described in ''Capitalization'', the offering of the Additional Notes and the application of the proceeds therefrom as described in ''Use of Proceeds'':

- the Issuer would have had total indebtedness (excluding guarantees) of DKK 8,792 million (€1,181 million), of which DKK 4,465 million (€600 million) would have been represented by Facility D (the Second Lien Facility), DKK 3,378 million (€454 million) would have been represented by the Original Notes and DKK 949 million (€127.5 million) would have been represented by the Additional Notes; and
- the Restricted Subsidiaries (as defined in ''Description of the Notes'') together, after the elimination of any intercompany indebtedness and liabilities, would have had total indebtedness of DKK 26,879 million (€3,612 million), of which DKK 18,241 million (€2,451 million) would have been represented by secured indebtedness outstanding under the Senior Priority Facilities, DKK 3,424 million (€460 million) would have been represented by indebtedness outstanding under the Medium Term Notes, DKK 3,907 million (€525 million) would have been represented by indebtedness outstanding under the Proceeds Loan Agreement and DKK 1,307 million (€175 million) would have been represented by indebtedness of DKK 937 million (€126 million) raised via securitization and DKK 370 million (€49 million) outstanding under various local facilities.

Although the Indenture contains limitations on the amount of additional debt that the Issuer and the Restricted Subsidiaries may incur, the amount of such additional debt could be substantial.

Restrictions on the Additional Notes	The Additional Notes will be subject to the restrictions contained in the Intercreditor Agreement, which include: • enforcement standstills that prohibit the holders of the Notes from taking certain enforcement actions in respect of the Notes against the Issuer, without the prior consent of the lenders under the Senior Facilities and certain other senior debt of the Issuer and its subsidiaries, except in certain circumstances; • payment blockage provisions that prevent the Issuer from making any payments in respect of the Notes, if certain payment or other defaults occur under certain senior debt of the Issuer and its subsidiaries, except in certain circumstances; • subordination on insolvency provisions that entitle the holders of senior debt of the Issuer to receive payment in full in cash of all obligations in respect of such senior debt, before the holders of the Notes will be entitled to receive any payments with respect to the Notes, in the event of any distribution to the creditors of the Issuer in a liquidation, dissolution, insolvency, bankruptcy, reorganization or similar proceeding; • turnover provisions that require the trustee for the Notes, The Bank of New York Mellon (the "Trustee"), or any holder of the Notes who receives a payment in respect of the Notes, to hold such payment on trust for, and turn such payment over to, the holders of the relevant senior debt to whom such payment was due (provided that the Trustee has not distributed such payment to the holders in accordance with the terms of the Indenture prior to obtaining actual knowledge that such payment was an amount received in breach of the Intercreditor Agreement); and • provisions governing the enforcement of the pledges granted to secure the Notes. The provisions mentioned above affect your rights as a holder of the Notes. You should read "Description of the Notes—Restrictions of the Notes; Intercreditor Agreement" and "Description of Certain Other Indebtedness—Intercreditor Agreement" for a summary of these and the other provisions of the Intercreditor Agreement that affect your ability to enforce your rights under and receive payments in respect of the Notes.
No Guarantees	The Notes are not guaranteed by any of the Issuer's subsidiaries.

Collateral	The Notes are secured by (i) a second-priority security interest in all the outstanding share capital of ISS A/S and (ii) a second-priority security interest in all the Issuer's rights under the Proceeds Loans. See ''Description of the Notes—Security''. The Senior Facilities, Secured FX Facilities and the Secured Local Facilities (each as defined in ''Description of Certain Other Indebtedness—Intercreditor Agreement—General) are secured by a first-priority security interest in all of the outstanding share capital of ISS A/S, all of the Issuer's rights under the Proceeds Loans and by other assets of the Issuer and certain subsidiaries of the Issuer. The Issuer has no material assets other than its equity interest in ISS A/S, the Proceeds Loans and cash in its bank accounts.
Optional Redemption of the Notes	At any time prior to May 15, 2011, the Issuer may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, plus the Applicable Redemption Premium, as defined under ''Description of the Notes—Optional Redemption of the Senior Subordinated Notes—Optional Redemption prior to May 15, 2011''. At any time on or after May 15, 2011, the Issuer may also redeem all or part of the Notes at the redemption prices set forth under ''Description of the Notes—Optional Redemption of the Senior Subordinated Notes—Optional Redemption on or after May 15, 2011''.
Additional Amounts; Tax Redemption	All payments in respect of the Notes will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Issuer will pay additional amounts so that the net amount each holder of the Notes receives is no less than the holder would have received in the absence of such withholding or deduction. See ''Description of the Notes—Additional Amounts''. If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes of that series in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption.
Change of Control	If an event treated as a ''Change of Control'' occurs at any time, then the Issuer must make an offer to each holder of Notes to purchase such holder's Notes, in whole or in part, in denominations of €50,000 and any integral multiples of €1,000 in excess thereof, at a purchase price in cash in an amount equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of the purchase. For a summary of what constitutes a Change of Control, see ''Description of the Notes—Purchase of Notes upon a Change of Control''.

Certain Covenants	The Indenture contains covenants that restrict the ability of the Issuer and the Restricted Subsidiaries to: • incur more debt; • pay dividends and make distributions of certain other restricted payments; • issue, sell or pledge capital stock; • enter into transactions with affiliates; • impair the security interest with respect to the Collateral; • create liens; • transfer or sell assets; • enter into sale and leaseback transactions; • guarantee additional debt; and • consolidate or merge with or into another entity. For a more detailed description of these and the other covenants, see ''Description of the Notes—Certain Covenants''.
Use of Proceeds	ISS will use the net proceeds from the offering of the Additional Notes for general corporate purposes, including acquisitions. See ''Use of Proceeds''.
Denominations	Each Additional Note will have a minimum denomination of €50,000 and any integral multiple of €1,000 above €50,000.
Intercreditor Agreement	Pursuant to the Intercreditor Agreement, the Trustee has agreed to certain provisions that, among others, give effect to restrictions on enforcement of the Collateral. See ''Description of Certain Other Indebtedness—Intercreditor Agreement''.
Transfer Restrictions	The Additional Notes have not been, and will not be, registered under the Securities Act or any other applicable securities laws and are subject to restrictions on transferability and resale. See ''Book-Entry; Delivery and Form—Transfers''.
Listing	Application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade the Notes on the Euro MTF Market, the alternative market of the Luxembourg Stock Exchange.
Trustee, Registrar, Transfer Agent and Principal Paying Agent	The Bank of New York Mellon.
Luxembourg Listing Agent	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg Paying Agent and Transfer Agent	The Bank of New York (Luxembourg) S.A.
Governing Law of the Collateral	Denmark.
Governing Law of the Intercreditor Agreement	England.
Governing Law of the Notes and the Indenture	State of New York.

Summary Historical Consolidated Financial Information

This offering memorandum presents ISS's historical financial information comprising selected consolidated income statement, balance sheet and cash flow statement financial data of ISS as of and for the years ended December 31, 2007, 2008 and 2009, derived from ISS's audited consolidated financial statements, prepared in accordance with IFRS as of and for the years ended December 31, 2009 and 2008 with comparative figures as of and for the year ended December 31, 2007, included elsewhere in this offering memorandum. See ''Index to Financial Statements''.

Prospective investors should read this section together with the information contained in ''Operating and Financial Review and Prospects'', the audited consolidated financial statements of ISS and the related notes thereto included elsewhere in the offering memorandum.

	For the year ended December 31			
	2007	2008	2009	2009
	(DKK millions)			(€ millions)[1]
Income Statement Data:				
Revenue	63,922	68,829	69,004	9,273
Staff costs	(40,998)	(44,156)	(44,781)	(6,018)
Cost of sales	(5,614)	(6,134)	(6,044)	(812)
Other operating expenses	(12,630)	(13,609)	(13,437)	(1,806)
Depreciation and amortization[2]	(845)	(869)	(868)	(117)
Operating profit before other items[3]	3,835	4,061	3,874	521
Other income and expenses, net	(129)	(242)	(551)	(74)
Integration costs	(67)	(66)	(46)	(6)
Operating profit[2]	3,639	3,753	3,277	440
Share of results from associates	8	3	4	1
Net finance costs	(3,017)	(2,731)	(2,308)	(310)
Profit before tax and goodwill impairment/Amortization of brands and customer contracts	630	1,025	973	131
Income taxes[4]	(254)	(531)	(588)	(79)
Profit before goodwill impairment/ Amortization of brands and customer contracts	376	494	385	52
Goodwill impairment and write-down	(128)	(399)	(1,246)	(167)
Amortization of brands and customer contracts[5]	(1,101)	(1,008)	(1,129)	(152)
Income tax effect[6]	411	282	361	49
Net profit/(loss) for the year	(442)	(631)	(1,629)	(219)
Attributable to:				
Owners of ISS	(468)	(641)	(1,647)	(221)
Non-controlling interests	26	10	18	2
Net profit/(loss) for the year	(442)	(631)	(1,629)	(219)

	As of and for the year ended December 31			
	2007	2008	2009	2009
	(DKK millions)			(€ millions)[1]
Balance Sheet Data:				
Intangible assets	37,150	36,001	35,452	4,764
Total assets	55,348	53,605	54,354	7,304
Total equity	5,518	3,533	2,213	297
Non-controlling interests	59	35	23	3
Pension and similar obligations	724	834	837	112
Cash Flow Statement Data:				
Changes in working capital[7]	(44)	109	(137)	(18)
Cash flow from operating activities[8]	3,713	4,334	3,732	502
Other Data and Financial Measures:				
Operating margin[9] (%)	6.0	5.9	5.6	5.6
EBITDA[10]	4,484	4,622	4,145	557
EBITDA margin[10][11] (%)	7.0	6.7	6.0	6.0
Adjusted EBITDA[12]	4,680	4,930	4,742	637
Adjusted EBITDA margin[12][13] (%)	7.3	7.2	6.9	6.9
Carrying amount of net debt[14]	29,245	29,385	30,630	4,116
Net debt[15]	29,981	29,978	31,261	4,201
Investments in Intangible assets, property, plant and equipment, net[16]	(715)	(718)	(897)	(121)
Net acquisitions[17]	(2,959)	(1,823)	(892)	(120)
Cash conversion[18] (%)	99	103	96	96
Number of employees[19]	438,100	472,800	485,800	485,800
Pro Forma Adjusted EBITDA[20]	4,866	5,064	4,773	641
Net Debt/Pro Forma Adjusted EBITDA	6.2x	5.9x	6.5x	6.5x
Revenue Growth Analysis:				
Organic growth (%)[21]	6.0	5.3	0.6	0.6
Net acquisition growth (%)[22]	9	6	2	2
Currency adjustments (%)	—	(3)	(3)	(3)
Total reported Revenue growth (%)	15	8	3	3

(1) Solely for the convenience of the reader, amounts stated in Danish kroner have been translated into Euro at a rate of €1.00 = DKK 7.4415, which was the prevailing exchange rate as of December 31, 2009.

(2) Excludes Goodwill impairment and write-down and Amortization of brands and customer contracts.

(3) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortization of brands and customer contracts.

(4) Excludes Tax effect of Goodwill impairment and write-down and Amortization of brands and customer contracts.

(5) Includes customer contract portfolios and related customer relationships.

(6) Represents income tax effect of Goodwill impairment and write-down and Amortization of brands and customer contracts.

(7) Represents Total Current Assets less Total Current Liabilities, excluding liquid funds, cash and cash equivalents, securities, current portion of other provisions, current portion of long-term debt, Interest-bearing loans and borrowings, interest receivable and payable, assets and liabilities related to assets held for sale and income tax receivable and payable.

(8) Represents Cash flow from operating activities as reported in the consolidated cash flow statements. Cash flow from operating activities excludes interest paid and received which are presented under Cash flow from financing.

(9) As calculated by ISS, represents Operating profit before other items divided by Revenue. By using Operating profit before other items as a starting point for the calculation of Operating margin instead of Operating profit, ISS excludes from the calculation of operating margin 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature. See ''Operating and Financial Review and Prospects—Key Income Statement Items—Other income and expenses, net'' and ''Other Data and Financial Measures'' on page ix of this offering memorandum.

(10) As calculated by ISS, represents, Operating profit plus Depreciation and amortization. See ''Other Data and Financial Measures'' on page ix of this offering memorandum. The reconciliation of ISS's Operating profit to EBITDA is as follows:

	For the year ended December 31			
	2007	**2008**	**2009**	**2009**
	(DKK millions)			**(€ millions)[1]**
Operating profit	3,639	3,753	3,277	440
Depreciation and amortization	845	869	868	117
EBITDA	4,484	4,622	4,145	557

(11) As calculated by ISS, represents EBITDA divided by Revenue.

(12) As calculated by ISS, 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, ISS 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature. See ''Operating and Financial Review and Prospects—Key Income Statement Items—Other income and expenses, net'' and ''Other Data and Financial Measures'' on page ix of this offering memorandum.

The reconciliation of ISS's EBITDA to Adjusted EBITDA is as follows:

	For the year ended December 31			
	2007	**2008**	**2009**	**2009**
	(DKK millions)			**(€ millions)[1]**
EBITDA	4,484	4,622	4,145	557
Other income and expenses:				
Gain on divestment	7	6	102	14
Gain on sale of option	61	—	—	—
Gain on sale of Private Finance Initiative (PFI) stake in the United Kingdom	41	—	—	—
Gain on sale of properties	23	0	8	1
Other	14	19	6	1
Restructuring projects	(70)	(131)	(426)	(57)
Loss on divestments	(115)	(43)	(19)	(3)
Closedown and subsequent surveillance of landfill site in France	—	(28)	—	—
Redundancy and severance payments relating to senior management changes	(13)	(21)	(44)	(6)
Write-down regarding businesses classified as held for sale	—	—	(159)	(21)
Adjustment to accounting estimate in Belgium	—	(17)	—	—
Consolidation projects in the United Kingdom	(28)	(4)	—	—
IPO feasibility review	(33)	—	—	—
Re-scoping of IT outsourcing agreement	(10)	—	—	—
Other	(6)	(23)	(19)	(3)
Other income and expenses, net	(129)	(242)	(551)	(74)
Integration costs	(67)	(66)	(46)	(6)
Adjusted EBITDA	4,680	4,930	4,742	637

(13) Represents Adjusted EBITDA divided by Revenue.

(14) Includes short-term debt (excluding tax related debt to affiliate) and long-term debt less cash and cash equivalents and securities recorded under current assets and receivables from affiliates.

(15) Represents Carrying amount of net debt adjusted for (reversal of): (i) the reduction of short-term and long-term debt relating to unamortized financing fees; (ii) the increase to short-term and long-term debt relating to realized gains on interest rate swaps hedging fixed interest rate loans; and (iii) the unamortized portion of the market price adjustments of the Medium Term Notes.

(16) Represents net investments in Intangible assets and Property, plant and equipment. Intangible assets, Property, plant and equipment exclude goodwill, brands and customer contract portfolios and related customer relationships.

(17) Represents the purchase price of acquired businesses, net of proceeds from divested businesses.

(18) Represents Operating profit before other items plus Changes in working capital as a percentage of Operating profit before other items. See ''Other Data and Financial Measures'' on page ix of this offering memorandum.

(19) As of end of period.

(20) Represents Adjusted EBITDA, adjusted to reflect the full-year effect of acquired or divested businesses. Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses represents the net aggregate estimated Adjusted EBITDA of businesses acquired or divested from 1 January of the financial period to the date of its acquisition or divestment by ISS. See ''Other Data and Financial Measures'' on page ix of this offering memorandum.

The reconciliation of ISS's Adjusted EBITDA to Pro Forma Adjusted EBITDA is as follows:

	Year ended December 31, 2008	Year ended December 31, 2009
Adjusted EBITDA	4,930	4,742
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	134	31
Pro Forma Adjusted EBITDA	5,064	4,773

(21) Calculated as comparable Revenue in the current year less comparable Revenue in the prior year, divided by comparable Revenue in the prior year, multiplied by 100. Comparable Revenue implies the exclusion of changes in Revenue attributable to businesses acquired or divested and the effect of changes in foreign exchange rates. Growth generated by acquired businesses with reported annual Revenue of DKK 50 million or more, as well as acquisition of businesses that establish an ISS presence in a new jurisdiction are excluded from the calculation of Organic growth during the first 12 months of ISS ownership. Acquisitions of businesses with reported annual Revenue of less than DKK 50 million are treated as having been integrated into ISS upon acquisition, and ISS's calculation of Organic growth includes changes in Revenue of these acquired businesses compared with Revenue expectations at the date of acquisition. See ''Other Data and Financial Measures'' on page ix of this offering memorandum.

(22) Represents Revenue from acquired entities, net of Revenue from divested businesses.

RISK FACTORS

Prospective investors should carefully consider all of the information in this offering memorandum, including the following risk factors, before making an investment decision regarding the Additional Notes. The risks and uncertainties below are not the only ones ISS faces. Additional risks and uncertainties not presently known, or that ISS currently believes are immaterial, could also impair ISS's business operations, financial condition or the Issuer's ability to fulfill its obligations under the Notes. If any of the following risks materializes or similar risks currently deemed not to be significant become significant, ISS's business, results of operations and financial condition could be materially and adversely affected. In addition, risks not deemed to be individually significant could, collectively, adversely affect ISS. As a result of these risks, the trading price of the Additional Notes could decline and the Issuer may be unable to meet its financial obligations under the Notes and prospective investors may lose all or part of their investment in the Additional Notes.

Risks Relating to ISS's Business and Industry

ISS may be adversely affected by the current business environment. Demand for ISS's services is subject to changes in economic conditions in its markets, as well as outsourcing trends and other factors beyond ISS's control

ISS believes that the growth in demand for its services generally correlates with economic conditions, including growth in gross domestic product, in the countries in which it operates. Although the facility services industry is normally considered to be less sensitive to economic cycles than a number of other industries, macroeconomic cyclicality, both weak and strong economic activity, presents a challenge for ISS. Periods of recession or deflation may have an adverse impact on prices, payment terms and on the demand for services, particularly if customers downsize their businesses or reduce their demand for services. In particular, certain industries and customers (i.e. manufacturing, automotive and the financial sector) reduced their activity level in 2009 and accordingly requested decreases in the service levels of ISS during the economic downturn. In addition, once-only jobs, such as event catering, construction-based landscaping and consulting in relation to the construction of buildings, were in 2009 either cancelled or postponed. See also ''Operating and Financial Review and Prospects—Results of Operations of ISS—Year Ended December 31, 2009 compared to Year Ended December 31, 2008—General''.

ISS has generally been able to offset these factors by adapting the scope of its contract offering (e.g. offering integrated facility services), to counterbalance the lower demand and price reductions requested by customers. It has also sought to implement restructuring projects across different geographies and service areas aimed at adjusting capacity to a decrease in demand for certain services. However, changes in contract scope may pose the challenge of reducing the staff cost in line with the new terms of the contract. In the case of a complete contract termination, employees can, in countries where ISS has a strong geographical density, be redeployed to new contracts. However, in the case of a downsize in the scope of the contract, the adjustment of employee costs may be difficult and time-consuming. Due to complex labor laws, especially in Western Europe, which may include restrictions on dismissals and procedural rules to be followed, and related employees' actions, difficulties, delays and/or liabilities may arise in connection with the implementation of planned turnaround actions. If ISS is not able to reduce its costs in line with price and volume reductions, its margin might be reduced. See ''—ISS may be adversely affected by the current credit environment''.

Growth in demand for facility services is also influenced by general outsourcing trends, which may be affected by political decisions, public opinion, positive and negative experiences with outsourcing, demand by public institutions and individual users, as well as media coverage of isolated events. These factors may dampen growth in outsourcing, cause contracts to be discontinued or reduce ISS's ability to achieve satisfactory growth rates in the future.

In periods of rapid economic growth, ISS may encounter problems in recruiting qualified employees or generally experience increasing staff costs. Although ISS generally seeks to include inflation adjustment clauses in its contracts in order to pass on wage increases to its customers, it may not be able to effectively pass on these increases or manage its costs, in which case its margins would be reduced. As a result of these factors, fluctuations in economic conditions may have a material adverse effect on ISS's business, results of operations and financial condition.

In addition, the impact of natural disasters, fires, diseases, epidemics, outbreaks of hostilities or war, acts of terror or other external events is difficult to quantify. Thus, there can be no assurance that such factors will not have a material adverse effect on ISS's business, results of operations and financial condition.

ISS may be adversely affected by the current credit environment

In 2009 and to date in 2010, the disruption in the global credit markets, coupled with the re-pricing of credit risk, have created increasingly difficult conditions in the financial markets. Challenging market conditions have resulted in greater volatility and reduced liquidity in credit markets. This may impact ISS's ability to raise funding in a similar manner, and at a similar cost, to the funding raised in the past. ISS believes that its current debt facilities satisfy its current financing needs and provide it with the appropriate flexibility to execute its strategy in a more volatile environment; however, to the extent it is not able to access the capital markets on acceptable terms in the future, it may be forced to delay raising capital, issue shorter tenor securities than it prefers, modify its strategy or bear an unattractive additional cost of capital which could decrease its profitability and significantly reduce its financial flexibility, including by impairing its ability to refinance its existing net debt of DKK 31,261 million (€4,201 million) as of December 31, 2009. See ''—Risks Relating to the Notes—ISS may not be able to raise the funds necessary to refinance indebtedness that matures during the term of the Notes or to repay the Notes at their maturity date''. In addition, the current and future credit environment may impact ISS's ability to comply with the terms of its indebtedness, including financial covenants. See ''—Risks Relating to the Notes—Non-compliance with the terms of debt instruments may result in acceleration of such indebtedness as well as cross-defaults, and ISS may not have sufficient assets to repay the accelerated indebtedness''.

ISS's business is subject to governmental regulation, which may constrain its operations, and its compliance costs may increase in the future

ISS's operations are subject to a variety of laws and regulations. In particular, because of ISS's large workforce, laws and regulations relating to labor, employment and immigration affect ISS's operations. ISS's failure to comply with applicable regulations could result in substantial fines, claims relating to violations of social and working environment legislation or revocation of licenses. In addition, changes in such laws and regulations may constrain ISS's ability to provide services to customers or increase the costs of providing such services. For instance, under certain circumstances, current EU law allows ISS, in the event that it loses a customer contract, to transfer employees working under the contract to the new provider of the services, and any restriction on ISS's ability to transfer employees under such circumstances could substantially increase ISS's employment costs and restrict its operational flexibility. Changes which result in facility services companies employing a greater proportion of workers from traditionally lower wage countries could reduce prices for facility services and negatively affect ISS's results.

In addition, changes in tax legislation may cause ISS to incur higher costs or reduce ISS's competitiveness relative to the costs borne by in-house service providers. For example, the termination of tax treaties between Denmark and certain countries in which ISS's foreign subsidiaries operate, including France and Spain, could result in withholding taxes on dividend payments, royalties, services fees and interest payments on loans from ISS's foreign subsidiaries to Group companies in Denmark. The termination of the French and Spanish tax treaties with Denmark has resulted in witholding tax payments on royalties and services fees. Also, tax regulations in certain countries may discourage the outsourcing of facility services. In some countries, tax laws are structured such that if a public sector entity outsources its facility services, it cannot deduct value added tax.

New technology, the implementation of new work processes, services, detergents, tools and machinery may have unforeseen effects on the working conditions of ISS's employees. ISS seeks to improve the working conditions of its employees, including through the use of detergents, materials and equipment that ISS considers to be environmentally friendly, as well as through health and safety training programs and monitoring. However, there can be no assurance that ISS will not be subject to claims relating to employee working conditions, and any such claims, or increased costs resulting from such claims or regulatory changes, could have a material adverse effect on ISS's business, results of operations and financial condition.

ISS faces strong competition

The facility services market is fragmented and has relatively low barriers to entry, particularly with respect to general cleaning services. In addition, in certain markets competitors may resort to illegal or questionable labor practices in order to reduce their wage costs, including the violation of minimum wage laws or the employment of workers imported from less developed countries under conditions that ISS would deem unethical or exploitative. These practices may lead to increased price competition, which could have a material adverse impact on ISS's revenue. In addition to competition from other providers of outsourced facility services, ISS also faces competition from in-house providers.

Although ISS seeks to differentiate its services from its competitors by focusing on providing integrated facility services solutions tailored to individual customer needs in selected market segments, it may not be successful in reducing the effects of competition. Competition may intensify if single service providers begin to offer integrated facility services. ISS also expects to face significant competition in the acquisition of facility services businesses from companies that currently pursue, or in the future may pursue, acquisitions as part of their strategies, and competition for acquisitions may increase as the facility services industry undergoes continuing consolidation. Such competition could lead to higher prices for target companies limiting ISS's ability to grow through acquisitions on a cost effective basis and limit ISS's ability to implement its growth strategy. In addition, new competitors and changes in the competitive environment may increase competitive pressures or reduce market prices for facility services, which could decrease ISS's revenue or margins. A significant loss of customers, sustained reduction in revenue or margins or the inability to complete acquisitions of facility services businesses at competitive prices could have a material adverse effect on ISS's business, results of operations and financial condition.

ISS could be harmed if a significant number of customers, in particular regional or global customers, terminate their service contracts prior to the end of the contractual term or select another provider following expiration of their contracts

ISS performs the majority of its work for customers under contracts with a stated term and, in some cases, with termination clauses permitting the customer to cancel the contract at the customer's discretion following the expiration of an agreed notice period. There can be no assurance that ISS's customers will not exercise their rights to terminate their contracts prior to expiration or that ISS will be successful in negotiating new contracts with customers as such contracts expire. In addition, contract cancellations or dissatisfaction with ISS's services may damage ISS's reputation and make it more difficult for ISS to obtain similar contracts with other customers.

ISS's public sector contracts may be affected by political and administrative decisions

In many countries, the public sector is an important customer segment for ISS. ISS's public sector business may be affected by political and administrative decisions concerning levels of public spending. Moreover, decisions to decrease public spending may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on ISS's business, results of operations and financial condition.

ISS is subject to a number of risks associated with its facility services contracts

ISS is subject to a number of risks associated with its facility services contracts, in particular in respect of its larger contracts comprising one or more regions, longer-term contracts and integrated facility services contracts. The profitability of these contracts will generally depend upon ISS's ability to successfully calculate prices, control costs and manage day-to-day operations under those contracts. Generally, integrated facility services contracts place greater demands on ISS due to their scope and complexity as compared to single service contracts, and these demands may increase to the extent that the contract involves newly introduced facility services. Although ISS seeks to minimize the difficulties associated with its integrated facility services contracts by obtaining a clear understanding of the customer's expectations, including defined success criteria, it may not be able to eliminate these difficulties altogether. Higher than anticipated costs associated with these contracts or the failure to adequately manage these contracts may result in the loss of customers or

reduced margins or even losses under the contracts and may have a material adverse effect on ISS's business, results of operations and financial condition.

In addition, ISS may enter into agreements with subcontractors for the provision of services under its customer contracts. Reliance on subcontractors reduces ISS's ability to directly control both its workforce and the quality of services provided. Accordingly, ISS is exposed to risks relating to managing subcontractors and the risk that these subcontractors may fail to meet agreed quality benchmarks under the contract or to generally comply with applicable legislative or regulatory requirements. Furthermore, subcontractors may have inadequate insurance coverage or inadequate financial resources to honor claims resulting from damages or losses inflicted on the customer by such subcontractors. Any failure of subcontractors to meet their contractual obligations could harm ISS's reputation, as well as result in customer losses and financial liabilities, any of which could have a material adverse effect on ISS's business, results of operations and financial condition.

In the United Kingdom, Australia and the Netherlands, ISS has entered into a number of contracts in relation to Private Finance Initiative or similar projects (''PFI contracts''). Although the PFI contracts do not comprise a material portion of ISS's business, they reflect the customary risk allocation approach between public and private sector participants.

The risks arising from its role as a facility management services provider in connection with PFI contracts include:

- under some of the PFI contracts, ISS has agreed that, in the event that the project company is unable to pay for services provided by ISS, then ISS will convert its receivables from the project company into a loan;
- the duration of the PFI contracts varies but are up to 30 years;
- the PFI contracts are generally subject to contractual benchmarking and market testing procedures at regular intervals;
- under certain of these agreements, ISS provides indemnities in respect of its performance and other matters; and
- the contracts generally include limitations on liability both as to the exclusion of consequential losses and aggregate liability caps but there are exceptions to the exclusions of consequential losses and the caps and certain of the caps are in any event set at levels in excess of ISS's service fees under the relevant PFI contract.

If ISS fails to manage its growth and integrate acquired businesses successfully, its business will be adversely affected

ISS's business has grown significantly in recent years, primarily through 700 acquisitions since the turn of the millennium and more than 360 since the leveraged buy-out by EQT and GS Capital Partners in 2005. Although acquisition activity is expected to be at low levels during the remainder of 2010, in the future, ISS intends to continue to develop and expand its business, including through selective acquisitions subject to tight constraints both in terms of strategic and financial criteria. These acquisitions, in addition to ISS's organic growth, may strain ISS's management and financial resources. Among the risks associated with ISS's acquisition strategy, which could materially adversely affect ISS's business, results of operations and financial condition, are the following:

- ISS may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses;
- acquisitions may divert management's attention from the operation of existing businesses;
- ISS may not be able to retain key personnel or customer contracts of acquired businesses; and
- ISS may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses.

ISS is continuously increasing the development and use of computer systems in countries in which it operates. ISS's computer systems and software applications may be incompatible with those of the companies it acquires. Although ISS does not integrate the computer systems of all

acquired businesses with its own computer systems, non-compatibility between ISS's computer systems and software applications and those of the acquired businesses it chooses to integrate may require additional investment, including if system reliability is unsatisfactory. The levels of required investment in and the expenses related to information technology will also depend upon technological advancements and opportunities, market demands, competitive actions and other factors. To protect its competitiveness, ISS may have to allocate further resources to the development of information technology infrastructure and related business processes, which could have a material adverse effect on its business, results of operations and financial condition.

In addition, there can be no assurance that, following its integration into ISS, an acquired operation will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows. Although ISS analyzes each acquisition target, these assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. There can be no assurance that ISS's assessments of and assumptions regarding acquisition candidates will prove to be correct and actual developments may differ significantly from ISS's expectations.

Furthermore, acquisitions of companies expose ISS to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of acquired businesses, to public authorities or to other parties. Such obligations may have a material adverse effect on ISS's business, results of operations or financial condition.

The interests of ISS's ultimate principal shareholders may be inconsistent with the interests of the Noteholders

Currently, EQT and GS Capital Partners, both private equity investment firms, together indirectly own approximately 98% of the equity of ISS's parent company, ISS Equity A/S. See ''Principal Shareholders of the Issuer''. The interests of the Principal Shareholders could conflict with the interests of the Noteholders, particularly if ISS encounters financial difficulties or is unable to pay its debts when due. The Principal Shareholders could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in their judgment could enhance their equity investments, although such transactions might involve risks to holders of the Notes.

Fluctuations in foreign currency exchange rates and interest rates may affect ISS's results of operations

ISS may be affected by currency rate fluctuations. For the year ended December 31, 2009, 94% of ISS's consolidated revenue was generated in currencies other than Danish kroner, its reporting currency. ISS's consolidated financial statements are therefore affected by movements in the exchange rates of the currencies of the countries other than Denmark in which its subsidiaries operate. ISS is exposed to risk relating to translation into Danish kroner of income statements and net assets of foreign subsidiaries, including intercompany items such as loans, royalties, service fees and interest payments between entities with different functional currencies. Although ISS currently hedges the majority of its exposure on the intercompany loans to foreign subsidiaries by entering into currency swaps, ISS does not hedge the currency exposure on net assets of foreign subsidiaries. Additionally, while ISS tries to match its debt currencies to its cash flow, ISS has a currency risk to the extent that its interest and principal payments with respect to borrowings are not denominated in the same currencies as ISS's revenue in a particular country. Currency fluctuations may cause actual growth rates to fall short of management's expectations.

ISS may also be affected by changes in interest rates. Increases in interest rates increase ISS's interest expenses relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. In addition, increases in interest rates could adversely affect cash flow and ISS's ability to service its debt and to make payments of principal and interest, therefore hindering ISS's ability to make payments on the Notes. To manage interest rate risk, ISS uses fixed-rate bonds and derivatives, such as interest rate swaps.

Although ISS monitors and assesses trends in foreign currency exchange rates and interest rates on an ongoing basis, there can be no assurance that ISS will be able to adequately manage such risks in the future.

ISS's international operations and decentralized organizational structure may subject ISS to additional risks

ISS currently operates in more than 50 countries, and for the year ended December 31, 2009, 95% of its total revenue was generated outside Denmark. Because of the international scope of its activities, ISS is subject to a number of risks and challenges, many of which are beyond its control. These include the management of a decentralized international business and the complexities associated with complying with the legislative and regulatory requirements, including tax rules and labour and social security legislation, of many different jurisdictions. For example, where local tax rules are complex or their applicability is uncertain, compliance with such rules may lead to unforeseen tax consequences. In addition, structuring decisions and local legal compliance may be more difficult due to conflicting laws and regulations, including those relating to, among other things:

- employment, social security and collective bargaining;
- immigration;
- health and safety;
- competition; and
- environmental protection.

ISS is subject to economic risks and uncertainties in the countries in which it operates. Any slowdown in the development of these economies, any deterioration or disruption of the economic environment in the countries in which ISS operates or any reduction in government or private sector spending may have a material adverse effect on ISS's business, financial condition and results of operations. See ''—ISS may be adversely affected by the current credit environment''. Furthermore, certain incidents could lead to international tension causing boycotts or otherwise restrict ISS's ability to perform its services. This may have a material adverse effect on ISS's financial condition and results of operations.

ISS is also subject to political and social uncertainties, particularly in some of the developing countries in which it operates, which have been undergoing substantial political transformations. There can be no assurance that the political reforms necessary to complete such transformations will continue. The political systems in these countries may be vulnerable to the public's dissatisfaction with reforms, social and ethnic unrest and changes in government policies. Any disruption or volatility in the political or social environment in these countries may have a material adverse effect on ISS's business, financial condition and results of operations.

As a result of its international operations, ISS is subject to risks associated with operating in foreign countries, including:

- political, social and economic instability;
- war, civil disturbance or acts of terrorism;
- taking of property by nationalization or expropriation without fair compensation;
- changes in government policies and regulations;
- devaluations and fluctuations in currency exchange rates;
- imposition of limitations on conversions of foreign currencies into U.S. dollars or remittance of dividends and other payments by foreign subsidiaries;
- imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries;
- hyperinflation in certain foreign countries; and
- impositions or increase of investment and other restrictions or requirements by foreign governments.

ISS delegates considerable operational responsibility to its subsidiaries. Although ISS has adopted group-wide control procedures and reporting and codes of conduct policies and makes regular visits to its individual country operations, there can be no assurance that ISS will not experience incidents of country or regional managers not complying with ISS policies, accounting irregularities, unintended accounting misstatements or breaches of local legislation, any of which could, individually or collectively, have a material adverse effect on ISS's business, results of operations and financial condition.

ISS may not be able to attract and retain qualified local managers or a sufficient number of qualified employees which could harm its business and prevent ISS from implementing its strategy

ISS has a decentralized organizational structure in which local managers retain substantial autonomy regarding the management of ISS's operations in their markets. As a result, ISS depends to a large extent upon these local managers, and its inability to attract and retain an adequate number of qualified local managers could have a material adverse effect on ISS's business and its ability to meet its objectives. The ability to retain key management personnel in acquired businesses is also important in order to ensure their effective integration into ISS and thus minimize the costs of integration. The resignation of key local managers may have a material adverse effect on ISS's business, results of operations and financial condition.

Employee costs make up ISS's largest single expense, representing 65% of ISS's 2009 revenue, and its competitive strength partly depends upon its ability to attract, train and retain employees. The facility services and related industries are, in general, characterized by a relatively high staff turnover. To the extent that ISS is unable to offer satisfactory pay and working conditions, ISS could experience labor shortage. Labor shortage may also arise due to low unemployment and increased competition for workers, requiring the use of temporary staff, which would likely increase ISS's staff costs. ISS's inability to attract and retain the required number of qualified employees could have a material adverse effect on its business, results of operations and financial condition.

In addition, many sectors of the facility services industry involve unionized employees. As these union contracts expire, ISS may be required to renegotiate them in an environment of increasing wage rates. There can be no assurance that ISS will be able to renegotiate union contracts on terms favorable to it or without experiencing a work stoppage.

ISS may incur liabilities in connection with divestments, and if ISS fails to manage the divestment process successfully, its business could be adversely affected

ISS has historically divested a number of smaller non-core operations. Further divestments of non-core activities are planned in 2010 as part of restructuring projects across certain geographic areas that are among those hardest impacted by the current business environment. Among the risks associated with the divestments, which could materially adversely affect ISS's business, results of operations and financial conditions are the following:

- divestments could result in losses and strained margins;
- divestments could result in write-down of goodwill and other intangible assets;
- divestments may result in the loss of qualified personnel; and
- ISS may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties.

ISS has made provisions in its accounts for claims from purchasers or other parties in connection with divestments. However, there can be no assurance that ISS will not incur liabilities in excess of these provisions. These excess liabilities, if significant, could have a material adverse effect on ISS's business, results of operations and financial conditions. In addition, although ISS seeks to mitigate the effects of the current business environment on its business through, among other things, divestments of non-core activities, it may not be successful in reducing these effects.

A pending tax case involving ISS's parent company could ultimately affect ISS

In May 2009, ISS Equity, the parent company to ISS, received a final tax reassessment from the Danish tax authorities following a tax audit in respect of the 2005 fiscal year, in which EQT and GS Capital Partners acquired control of ISS. The Danish tax authorities claimed a withholding tax on ISS Equity in the amount of DKK 1.7 billion, excluding interest, which corresponds to a 28% withholding tax on the dividend distributed from ISS Equity to its parent, FS Invest II S.à r.l., following the acquisition of ISS A/S as well as a 30% withholding tax on interest payments from ISS Equity to FS Invest II S.à r.l. in 2005. The claim from the tax authorities does not in any way relate to the trading business of ISS. ISS Equity has appealed the withholding tax levies to the Danish Tax Tribunal (Landsskatteretten) and on March 3, 2010 the Danish Tax Tribunal issued a ruling in favour of ISS Equity A/S confirming that no witholding taxes need to be paid on the distributed dividend. The Danish tax authorities may appeal the ruling until June 3, 2010. No ruling has been issued so far regarding the claim for withholding taxes on interest payments (DKK 0.1 billion). No provisions have been made in the financial statements of ISS Equity to cover the amount of withholding tax claimed by the Danish tax authorities. An appeal process may take five or more years and there can be no assurance that ISS Equity will ultimately succeed in defending against a new tax assessment. If a new tax assessment is ultimately applied and ISS Equity fails to pay the claim, the Danish tax authorities could seek security over the assets of ISS Equity, including the shares of ISS. Although ISS believes that the likelihood of the Danish tax authorities seeking security over the shares of ISS is remote, such action could trigger a change of control under financing arrangements and other contracts of the Group.

ISS may incur liabilities for the actions of its employees

As with other facility services providers, ISS's employees deliver services within buildings and at locations owned or operated by its customers. As a result, ISS may be subject to claims in connection with damage to property, business interruptions, unauthorized use of the customer's property or willful misconduct or other tortious acts by ISS employees or people who have gained unauthorized access to premises through ISS. Such claims may be substantial and may result in adverse publicity for ISS. Accordingly, these claims could have a material adverse effect on ISS's business, results of operations and financial condition.

ISS may incur liabilities in connection with its pension plans

In certain countries, ISS has pension plans under which ISS has an obligation to provide agreed benefits to current and former employees. See ''Operating and Financial Review and Prospects—Contractual Obligations and Commitments—Pension Obligations''. ISS's net liabilities under the defined benefit plans may be significantly affected by changes in the discount rate, the expected return on the plan's assets, the social security rate, the rate of increase in salaries and pension contributions, changes in demographic variables or other events and circumstances. Changes to local legislation and regulation relating to defined benefit plan funding requirements may result in significant deviations in the timing and size of the expected cash contributions under such plans. There can be no assurance that ISS will not incur additional liabilities relating to its pension plans, and these additional liabilities could have a material adverse effect on ISS's business, results of operations and financial condition.

ISS may incur liabilities that are not covered by insurance

ISS carries insurance of various types, including workers' compensation, employment practices, pension-related and general liability coverage. While ISS seeks to maintain appropriate levels of insurance, not all claims are insurable and there can be no assurance that ISS will not experience major incidents of a nature that are not covered by insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages within a calendar year may have a material adverse effect on ISS. In addition, ISS's insurance costs may increase over time in response to any negative development in ISS's claims history or due to material price increases in the insurance market in general. There can be no assurance that ISS will be able to maintain its current insurance coverage or do so at a reasonable cost.

ISS could be subject to potential environmental liabilities

The environmental requirements applicable to industrial facilities, including landfill and waste management sites, and to the facility services industry, including those mandated by law, by customers and by unions, are becoming increasingly stringent. ISS anticipates that an increasing number of countries will introduce environmental taxes on the use of chemicals, including on the cleaning materials that ISS uses. To the extent that ISS is unable to pass the costs of compliance with stricter environmental requirements and taxes on to its customers, its margins may decline, which could have a material adverse effect on ISS's business, results of operations and financial condition. In addition, ISS may be subject to claims resulting from ISS's handling and transportation of hazardous substances at its customers' properties.

ISS presently operates a number of properties at which industrial activities or activities involving the daily handling of hazardous materials take place. In the past, ISS owned or operated additional laundry facilities and facilities at which cleaning equipment, cleaning supplies and security equipment were produced, each of which involved the daily use and handling of hazardous materials. The possible presence of pollution on properties currently or formerly owned, rented or operated by ISS may also result in claims for remediation or other claims related to such pollution, including claims of property damage or personal injury, which could have a material adverse impact on ISS. Similarly, the value of properties owned by ISS may decrease significantly due to the existence of pollution, resulting in financial losses.

In France, ISS currently operates several waste management facilities and landfills. These sites are used for the collection, pre-treatment, separation, recycling and disposal of non-hazardous waste, although at one of the sites there is temporary storage of liquid hazardous waste. ISS is required to apply for and maintain licenses issued by regulatory authorities in connection with the operation of these waste management and landfill sites. These licenses impose numerous obligations and prohibitions on ISS's operations, including on the types of waste that can be accepted, the stability of deposits, water ingress, leachate management, the use of liners and the investigation and clean-up of environmental impacts to soil and groundwater.

Regulatory authorities can impose fines or penalties and remediation works in response to any non-compliance with applicable environmental regulations. In addition, under certain circumstances they can modify or revoke ISS's operating licenses, which could force ISS to undertake a managed and controlled closure of these sites and to pay the resulting closure, aftercare and restoration costs. An independent environmental assessment was carried out in 2009 on all work management and landfill sites in France. The findings of the assessment that was issued in November 2009 confirmed that the waste management and landfill operations of ISS reviewed are in all material respects in compliance with applicable environmental regulations. In respect of the site in Brive, a need for certain investments to be made has been identified.

Pursuant to applicable regulations, ISS is required to pay closure, aftercare and restoration costs in connection with its landfill and other waste management facilities in France. In addition, ISS may be held liable for any impact arising from the existence of a landfill for several years after the site has been closed.

ISS has established provisions in the amount of DKK 54 million (€7.2 million) as of December 31, 2009 relating to its anticipated environmental liabilities and waste management contract obligations. In addition, ISS currently maintains performance bonds in the aggregate amount of DKK 36 million (€4.8 million) as of December 31, 2009 to secure its obligations under local environmental regulations with respect to such facilities. However, ISS's closure, aftercare and restoration costs, unanticipated costs associated with waste management contracts or costs associated with unforeseen environmental problems of a site after its operating life, may exceed ISS's provisions or the amounts available from performance bonds ISS has established to pay for such costs.

ISS may incur substantial liabilities for any failure to meet applicable cleanliness, safety or security standards, and experience adverse publicity relating to any actual or alleged failure to meet such standards which could result in damage to ISS's reputation

ISS's business is associated with public health and safety, particularly its cleaning of food preparation facilities, hospitals and abattoirs, as well as its cleaning of aircrafts. As a result, ISS may

be subject to substantial liabilities if it fails to meet applicable cleanliness or safety standards causing harm to individuals or entities, including, for example, through contamination of food products produced at the facilities that ISS cleans or the outbreak of illness within the hospitals that it services. In addition, ISS could be held responsible for any breaches of airport security by its employees. Although ISS maintains insurance against product and service liability, there can be no assurance that ISS will not incur losses beyond the limits of, or outside the coverage of, its insurance policies. In addition, ISS's reputation could be harmed by any actual or alleged failure to meet appropriate cleanliness or safety standards. Any publicity relating to incidents of this kind could have a material adverse effect on ISS's reputation and, therefore, its business, results of operations and financial condition.

ISS's operations and future growth may be affected by competition regulations

ISS is subject to competition laws and regulations at the national and supranational level. Where ISS has a leading market position, these laws and regulations may reduce its operational flexibility and limit its ability to make additional acquisitions and implement its strategy.

Although ISS has issued internal guidelines concerning compliance with competition laws and regulations, individual local managers may act against ISS's instructions and either inadvertently or deliberately violate applicable competition laws and regulations by engaging in prohibited activities such as price fixing or colluding with competitors regarding markets or customers. Such actions may harm ISS's reputation and, if ISS is held responsible, the resulting fines and other sanctions could be substantial. Therefore, the occurrence of any such incidents may have a material adverse effect on ISS's business, results of operations and financial condition.

ISS's computer systems may fail or be interrupted, which could potentially harm its business

ISS relies on numerous computer systems that allow it to track and bill its services, communicate with customers, manage its employees and gather information upon which management makes decisions regarding its business. The administration of ISS's business is increasingly dependent on the use of these systems. As a result, system failures or disruptions resulting from computer viruses, hackers or other causes could have a material adverse effect on ISS. In addition, pursuant to contracts with Computer Sciences Corporation and other vendors, ISS outsources the operation and maintenance of certain of its information technology systems to seek to ensure effective management of its information technology resources, as well as to improve the cost efficiency of ISS's information technology infrastructure, systems and applications. ISS relies on the ability of its outsourcing partners to deliver agreed services. Their failure to perform satisfactorily could have an adverse impact on ISS's business, results of operations and financial condition.

Risks Relating to the Notes

ISS's business may be adversely affected as a result of its substantial indebtedness

ISS has and will continue to have a substantial amount of outstanding indebtedness and obligations with respect to the servicing of such indebtedness. As of December 31, 2009, on an unconsolidated basis, after giving effect to the adjustments described in ''Capitalization'', the offering of the Additional Notes and the application of the proceeds therefrom as described in ''Use of Proceeds'':

- the Issuer would have had total indebtedness (excluding guarantees) of DKK 8,792 million (€1,181 million), of which DKK 4,465 million (€600 million) would have been represented by Facility D (the Second Lien Facility), DKK 3,378 million (€454 million) would have been represented by the Original Notes and DKK 949 million (€127.5 million) would have been represented by the Additional Notes;
- the Restricted Subsidiaries (as defined in ''Description of the Notes'') together, after the elimination of any intercompany indebtedness and liabilities, would have had total indebtedness of DKK 26,879 million (€3,612 million), of which DKK 18,241 million (€2,451 million) would have been represented by secured indebtedness outstanding under the Senior Priority Facilities, DKK 3,424 million (€460 million) would have been represented by indebtedness outstanding under the Medium Term Notes, DKK 3,907 million (€525 million)

would have been represented by indebtedness outstanding under the Proceeds Loan Agreement and DKK 1,307 million (€175 million) would have been represented by indebtedness of DKK 937 million (€126 million) raised via securitization and DKK 370 million (€49 million) outstanding under various local facilities.

The Issuer is a holding company and is completely dependent on cash flow from its operating subsidiaries to service its indebtedness, including the Notes

The Issuer is a holding company, and its primary assets consist of shares in ISS A/S and cash in its bank accounts. The Issuer has no revenue generating operations of its own, and therefore the Issuer's cash flow and ability to service its indebtedness, including the Notes, will depend primarily on the operating performance and financial condition of ISS A/S and its operating subsidiaries, and the receipt by the Issuer of funds from ISS A/S and its subsidiaries in the form of dividends or otherwise. The operating performance and financial condition of ISS A/S and its operating subsidiaries and the ability of ISS A/S and its subsidiaries to provide funds to the Issuer by way of dividends or otherwise will in turn depend, to some extent, on general economic, financial, competitive, market and other factors, many of which are beyond the Issuer's control. ISS A/S and its operating subsidiaries may not generate income and cash flow sufficient to enable the Issuer to meet its payment obligations on the Notes.

The Senior Facilities and the Indenture contain covenants that restrict the Issuer and its subsidiaries from making distributions or other payments to creditors unless certain financial tests and other criteria are satisfied. In addition, the Intercreditor Agreement contains payment blockage provisions that prohibit the Issuer from making payments under the Notes in the event of a payment default under the Senior Facilities and certain other senior indebtedness. The terms of other agreements to which the Issuer and its subsidiaries may be or become subject may also restrict the ability of its subsidiaries to provide funds to the Issuer. In addition, the Issuer and its subsidiaries may incur other debt in the future that may contain financial or other covenants more restrictive than those contained in the Senior Facilities, the Medium Term Notes, the Indenture governing the Notes or in the agreements governing other outstanding indebtedness. In particular, certain of ISS's subsidiaries may establish working capital or similar debt facilities permitted under the terms of the Indenture that contain such restrictions.

Applicable laws and regulations including local accounting regulations may also limit the amounts that the Issuer's subsidiaries are permitted to pay as dividends or distributions. Any restrictions on distributions by these subsidiaries could adversely affect the ability of the Issuer to make payment on the Notes. These restrictions include, among others, prohibitions under Danish and other local laws against the payment of dividends unless these payments are made out of reserves available for distribution. In addition, financial assistance restrictions may prevent upstream loans being made to the Issuer by its subsidiaries to enable the Issuer to service its obligations under the Notes. At December 31, 2009, the consolidated total equity of ISS Global was negative with DKK 611 million

Goodwill impairment and other non-cash charges in ISS's consolidated income statement, as well as charges recognized directly in equity, such as actuarial losses, foreign exchange rate adjustments and losses on hedges, if incurred, could potentially reduce ISS's subsidiaries' reserves available for distribution and thus reduce or prevent upstream dividend payments to ISS.

ISS believes that its expected cash flows, together with available borrowings, will be sufficient to service its indebtedness, including the Notes. ISS expects, however, that it will be required to make additional borrowings in order to repay the Notes and the Senior Facilities at their maturity. Furthermore, certain other indebtedness of ISS and its subsidiaries will require refinancing. See ''—ISS may not be able to raise the funds necessary to refinance indebtedness that matures during the term of the Notes or to repay the Notes at their maturity date''. There can be no assurance that future borrowings will be available to ISS in an amount sufficient to enable it to pay its debt, including the Notes, when due or to fund other liquidity needs. If ISS's future cash flows from operations and other capital resources are insufficient for it to pay its obligations as they mature or to fund its liquidity needs, ISS may, among other things, be forced to:

- reduce or delay business activities and capital expenditures;
- sell assets;

- obtain additional debt or equity capital;
- restructure or refinance all or a portion of their debt on or before maturity; or
- forego opportunities such as acquisitions of other businesses.

There can be no assurance that any of these alternatives can be accomplished on a timely basis or on satisfactory terms, if at all. In addition, the terms of ISS's existing and future debt, including the Notes, the 2014 Notes, the Medium Term Notes and the Senior Facilities, may limit its ability to pursue any of these alternatives.

Restrictions in ISS's debt instruments may limit its ability to operate its business

The Senior Facilities Agreement, the Medium Term Notes, the Indenture, the 2014 Notes Indenture and the 2014 Proceeds Loan Agreement, which incorporates the covenants of the 2014 Notes Indenture applicable to ISS and its subsidiaries, each contain covenants that limit the discretion of management with respect to certain business matters. For example, these covenants will significantly restrict the ability of ISS and certain of its subsidiaries to, among other things:

- incur additional debt;
- pay dividends or distributions on, redeem or repurchase capital stock;
- make certain restricted payments and investments;
- create certain liens;
- transfer or sell assets;
- engage in sale and leaseback transactions;
- merge or consolidate with other entities;
- enter into transactions with affiliates; and
- provide security over assets.

These covenants could materially and adversely affect ISS's ability to finance its future operations or capital needs of ISS or its subsidiaries or to engage in other business activities that may be in the best interests of ISS or its subsidiaries. In addition to limiting ISS's ability to operate its business, a failure to comply with these obligations could lead to a default under the terms of the relevant debt agreements which could prevent ISS from borrowing any additional amounts thereunder or lead to the lender declaring all outstanding principal and interest becoming immediately due and payable. This would lead to a default under ISS's other debt agreements and, as a result, most of its other debt could be accelerated. If this were to occur, there can be no assurance that ISS would have sufficient funds to repay its debt. See ''Description of Certain Other Indebtedness'' and ''Description of the Notes—Certain Covenants''.

Non-compliance with the terms of debt instruments may result in acceleration of such indebtedness as well as cross-defaults, and ISS may not have sufficient assets to repay the accelerated indebtedness

If ISS does not comply with the covenants (including financial tests) and restrictions of the Senior Facilities Agreement, the Medium Term Notes, the 2014 Notes Indenture, the Indenture, the 2014 Proceeds Loan Agreement and any future new credit facilities, as applicable, ISS could be in default under those agreements, and the debt incurred under those agreements, together with accrued interest, could then be declared immediately due and payable. If a default occurs under the Senior Facilities Agreement, the Medium Term Notes, the 2014 Notes Indenture, the Indenture or the 2014 Proceeds Loan Agreement, the lenders under such indebtedness could, subject to restrictions on enforcement rights, cause all the outstanding debt obligations thereunder to become due and payable, thereby requiring ISS to apply cash to repay the debt thereunder and/or prevent it from making debt service payments on its other debt. In addition, any default under the Senior Facilities Agreement, the Medium Term Notes or the 2014 Proceeds Loan Agreement could lead to an acceleration of debt under other debt instruments that contain cross-acceleration or cross-default provisions. If the debt under the Senior Facilities Agreement, the Medium Term Notes, the 2014

Notes, the Indenture, the 2014 Proceeds Loan Agreement or other debt instruments is accelerated, ISS may not have sufficient assets to repay amounts due thereunder.

The ability of the Issuer or the members of the Group, as the case may be, to comply with the provisions of the Senior Facilities Agreement, the Medium Term Notes, the 2014 Notes Indenture, the Indenture, the Proceeds Loan Agreement and agreements governing its other debt may be affected by changes in economic or business conditions or other events beyond their control. In particular, as recently envisaged, a recessionary environment, combined with the seasonality of ISS's business and the Senior Secured Facilities coming due, could again affect the headroom under the financial covenants of the indebtedness and it could become less than ISS has historically maintained. However, based upon ISS's performance to date and projections, management believes that the headroom will be sufficient in 2010 and, to a lesser extent, in 2011 and 2012 to comply with these covenants. In addition, management believes that it has the flexibility to increase its headroom, to the extent necessary, through the deferral of planned investments or other working capital adjustments. However, there can be no assurance that ISS will be able to comply with such covenants in the future.

ISS may not be able to raise the funds necessary to refinance indebtedness that matures during the term of the Notes or to repay the Notes at their maturity date

As of December 31, 2009, DKK 31,344 million (€4,212 million) of indebtedness of ISS will mature prior to the maturity of the Notes, including DKK 3,680 million (€495 million) of indebtedness in 2010 (excluding debt related to securitization and the Revolving Credit Facility and including the 2010 Medium Term Notes), the 2014 Notes and all outstanding indebtedness under the Senior Facilities Agreement. ISS intends to repay the principal amount of such indebtedness at maturity, primarily using funds obtained from other financing sources, including its proposed securitization of receivables, rather than with cash from operations. Although HSBC Bank plc and Nordea Bank Danmark A/S have committed to three year facilities maturing in 2012 and totalling €500 million for liquidity back stop purposes in connection with securitization financing, the ability of ISS to utilize the securitization financing commitment is dependent upon ISS's ability to raise qualified receivables in the jurisdictions targeted for implementation of securitization and on local restrictions or obstacles in legal, operational or practical respects being negotiated. There can therefore be no assurance that ISS will be able to raise such funds in order to be able to repay such indebtedness (the 2010 Medium Term Notes in particular) as it matures and to repay the principal amount of the Notes at their maturity.

The failure to complete the securitization would also substantially impact ISS's headroom under the Senior Facilities Agreement covenants. The proceeds of any securitization are excluded from the calculation of the debt cover covenant under the Senior Facilities Agreement. If ISS is unable to raise financing through securitization to refinance the outstanding €200 million of 2010 Medium Term Notes, it would be required to raise alternative debt financing in an amount equal to an amount that was expected to be raised through the securitization. As a result, the amount of such new alternative debt financing would be included in the calculation of the debt cover ratio, which would result in less headroom than expected under the Senior Facilities Agreement.

In addition, ISS's ability to refinance its indebtedness will depend on its future performance and financial condition. Any deterioration in this regard could result in ISS's failure to meet its debt covenants which would prevent ISS from making additional borrowings under current facilities and could eventually trigger acceleration of outstanding borrowings. It would also likely result in a downgrade of ISS's credit ratings, which could prevent ISS from obtaining new refinancing indebtedness on commercially reasonable terms, if at all. The failure to pay the principal amount of existing indebtedness at maturity would constitute an event of default under such indebtedness, and would result in a cross-default under ISS's and its subsidiaries' other financing arrangements.

Despite its current levels of indebtedness, ISS and its subsidiaries are still able to incur more debt, including secured debt

ISS are able to incur additional indebtedness in the future, including in connection with any future acquisition resulting in an increase in financial leverage. The Senior Facilities Agreement, the Indenture, the 2014 Notes Indenture and the 2014 Proceeds Loan Agreement will limit, but not prohibit, ISS from incurring such additional indebtedness. If ISS or its subsidiaries incur new debt in

addition to that which will be outstanding under the Senior Facilities Agreement or other borrowings, the related risks, as described above, would become more significant. Any such new debt may be effectively senior to the Notes by virtue of it being secured by assets that do not secure the Notes, to the extent of the value of such assets, or being incurred by subsidiaries of ISS. In addition, although ISS intends over time to reduce its leverage on a multiple basis, particularly in terms of Net Debt to Pro Forma Adjusted EBITDA, ISS may not be able to do so.

Your right to receive payments under the Notes is subordinated, and your right to receive payments under and to take enforcement action with respect to the Notes is limited in certain circumstances

The Intercreditor Agreement and the Indenture governing the Notes will contractually subordinate the Notes in right of payment to the Senior Facilities, the Secured FX Facilities and the Secured Local Facilities (each as defined in ''Description of Certain Other Indebtedness—Intercreditor Agreement—General''). It will also restrict the rights of holders of the Notes to take enforcement action against the Issuer. These subordination and other provisions will provide:

- that in a distribution to the creditors of the Issuer in an insolvency proceeding, all lenders under the Senior Facilities and providers of the Secured FX Facilities and the Secured Local Facilities must receive payment in full in cash before the holders of the Notes will be entitled to receive any payment with respect to the Notes;
- customary turnover provisions by the Trustee and the holders of the Notes for the benefit of the lenders under the Senior Facilities and providers of the Secured FX Facilities and the Secured Local Facilities;
- that if a payment default on the Senior Facilities, the Secured FX Facilities or Secured Local Facilities has occurred and is continuing, the Issuer may not make any payment in respect of the Notes until such default is cured or waived;
- that if any other default occurs and is continuing on the Senior Facilities, the Secured FX Facilities or Secured Local Facilities, the Issuer may not make any payment in respect of the Notes until the earlier of when the default is cured or waived, 179 days after the date on which the applicable payment blockage notice is received, the date the senior debt is discharged or the date the payment blockage notice is cancelled; and
- that the holders of the Notes and the Trustee are prohibited, without the prior consent of the senior agent for the Senior Facilities, from taking any enforcement action unless a default has occurred under the Notes and the Trustee has notified the senior agent for the Senior Facilities, and either (i) a period not less than 179 days has passed from the date the senior agent was notified of the default and (ii) at the end of the standstill period, the default is continuing and has not been waived by the holders of the Notes. See ''Description of Certain Other Indebtedness—Intercreditor Agreement'' and ''Description of the Notes—Restrictions on the Notes; Intercreditor Agreement''.

In addition, because the Issuer is a holding company, the Notes are structurally subordinated to the obligations of ISS A/S and its subsidiaries, including the Senior Priority Facilities and the Medium Term Notes. In the event of insolvency, liquidation or other reorganization of one of the Issuer's subsidiaries, the Issuer's creditors (including you) will have no right to proceed at law against such subsidiary's assets. Creditors of subsidiaries, including trade creditors and lenders under the Senior Priority Facilities and Medium Term Notes, will therefore be entitled to payment in full from the proceeds of the sale or other disposal of these businesses or assets before any claims or obligations of the Issuer, including the Notes, are satisfied.

Although the Notes will benefit from limited security, the indebtedness under the Senior Facilities is secured by a significant portion of the assets of ISS's subsidiaries, other than the equity interests in ISS Global held by ISS A/S, which will permit such debt to have a priority claim in any insolvency proceeding

The Original Notes are not and the Additional Notes will not be, secured by any assets of ISS's subsidiaries, although the Notes have the benefit of the Pledges. Indebtedness under the Senior Facilities is secured by first-priority liens on assets securing the Notes in addition to a first-priority lien over a significant portion of the assets of ISS's subsidiaries other than the equity interests in

ISS Global held by ISS A/S. In the event of a default under the Senior Facilities or an insolvency, liquidation, winding-up or similar proceeding relating to ISS or any of its subsidiaries, or a foreclosure of the collateral, ISS and its subsidiaries's assets would be available to satisfy obligations under the Senior Facilities and other secured lenders before any payment could be made on the Notes. In such event, the proceeds from the sale of such assets may not be sufficient to satisfy the Issuer's obligations under the Notes. In addition, any future secured indebtedness of the Issuer secured by assets that do not secure the Notes or any current or future indebtedness of its subsidiaries would effectively rank senior to the Notes.

It is uncertain under Danish law whether obligations owing to beneficial owners of the Notes that are not identified as registered holders in the Share Pledge will be validly secured. Also, under Danish law, in the event that the Issuer enters into insolvency proceedings, the security interests created under the Pledges could be subject to potential challenges by an insolvency administrator or by other creditors of the Issuer under Danish insolvency rules of avoidance. If any challenge to the validity of the security interest were successful, the holders of the Notes may not be able to recover any amounts under the Pledges.

Your ability to recover under the Share Pledge and the Notes Proceeds Loans Pledge is limited by subordination provisions and restrictions on enforcement

Under the Intercreditor Agreement, the obligations under the Notes are only permitted to be secured by a second-priority security interest in such interests and rights. The Pledges in favor of the holders of the Notes are subject to the Intercreditor Agreement and the first-priority security interests that secure the obligations under the Senior Facilities, the Secured FX Facilities and the Secured Local Facilities. Therefore, you may not be able to recover on the Pledges because the lenders under such facilities and the holders of any future senior secured indebtedness will have a prior claim on all proceeds realized from any enforcement of the Pledges. If the proceeds realized from any such enforcement exceed the amount owed under the Senior Facilities, the Secured FX Facilities, the Secured Local Facilities or any such future senior secured indebtedness, any excess amount may be paid for the benefit of the holders of the Notes. If there are no excess proceeds from such enforcement, or if the amount of such excess proceeds is less than all aggregate amount of the obligations under the Notes, you may not recover some or all of the amounts owed to you under the notes. If you receive any proceeds from an enforcement of the Pledges prior to the satisfaction of the claims of those creditors with claims that are superior or ratable with those of the Notes, you (or the pledgee on your behalf) will be required to turn over such proceeds until superior claims are satisfied and ratable claims are equally satisfied. In addition, indebtedness of ISS A/S and its subsidiaries is structurally senior to the Notes.

The ability of the Trustee for the Notes and the holders of the Notes to require the security trustee for the Notes to take enforcement action under the Pledges in favor of the Notes is also subject to significant restrictions imposed by the Intercreditor Agreement and the terms of the security documents. The Trustee, on behalf of the holders of the Notes, has, for example, agreed to a 179-day standstill period on enforcement actions it could otherwise take under the Pledges in favor of the Notes.

In the event that the Issuer or any of its subsidiaries incurs additional debt, and the Indenture governing the Notes permits such debt to be secured, then that debt may also be permitted to be secured by the same collateral as that securing the Notes and may be ranked ahead of the Pledges granted in favor of the Notes, without the need for the consent of the holders of the Notes or the Trustee. In that event, it may be necessary to temporarily release the Pledges in order to grant higher-ranking security on the same collateral in favor of creditors of that debt. The Pledges and the Intercreditor Agreement provide that such temporary release would not require the consent of holders of the Notes. A temporary release entails a risk that the Pledges may not be successfully replaced prior to an event of default and the commencement of enforcement proceedings by senior lenders. Moreover, there will be a period of three months during which, under Danish insolvency law, the new security could be avoided by the insolvency administrator if certain prerequisites are met. In addition, in the event that higher ranking security on the same collateral is granted in respect of additional debt, the Pledges in favor of the Notes will be subject to restrictions and disadvantages in favor of this additional debt similar to those outlined above in relation to Senior Facilities, the Secured FX Facilities and the Secured Local Facilities. In the event that additional

Notes are issued under the Indenture governing the Notes, the Pledges in favor of the Notes will also be shared among a larger principal amount of indebtedness.

The Notes will not be guaranteed by any of the Issuer's subsidiaries

The Issuer will be the sole obligor of the Notes, and none of the Issuer's subsidiaries will guarantee the Issuer's obligations under the Notes. The Issuer's subsidiaries are separate and distinct legal entities and will have no legal obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payments. The Issuer is a holding company, and its primary assets comprise its direct and indirect ownership of ISS A/S and its subsidiaries, its interest in the Proceeds Loans and cash in its bank accounts. Accordingly, the Issuer may not have sufficient cash or means to make any payments on the Notes. See ''—The Issuer is a holding company and is completely dependent on cash flow from its operating subsidiaries to service its indebtedness, including the Notes''. The Notes will be structurally subordinated to all debt and liabilities of the Issuer's subsidiaries, except with respect to the amount of the Proceeds Loans. Claims of creditors of the Issuer's subsidiaries, including trade creditors, will have priority with respect to the assets and earnings of the Issuer's subsidiaries over claims of the holders of the Notes. See ''—Your right to receive payments under the Notes is subordinated, and your right to receive payments under and to take enforcement action with respect to the Notes is limited in certain circumstances''.

The Issuer may not be able to raise the funds necessary to finance a change of control offer required by the Indenture

Under the terms of the Notes, the Issuer is required to offer to repurchase the Notes upon the occurrence of a change of control as defined in the Indenture governing the Notes. See ''Description of the Notes—Purchase of Notes upon a Change of Control''. The making of such a change of control offer would, however, result in an event of default under the Senior Facilities Agreement, which could then result in the acceleration of the amounts outstanding thereunder. The Issuer may be unable to raise sufficient funds at the time of a change of control to repurchase the Notes and repay amounts due under the Senior Facility Agreement and the 2014 Proceeds Loan Agreement.

Noteholders may be adversely affected by certain highly leveraged transactions

The change of control provisions contained in the Indenture may not protect Noteholders in the event of certain highly leveraged transactions, including reorganizations, restructurings or mergers, because these transactions may not involve a change in voting power or beneficial interest of the magnitude required to trigger the change of control provisions. See ''Description of the Notes—Purchase of Notes upon a Change of Control''.

The insolvency laws of Denmark and other local insolvency laws may not be as favorable to prospective investors as the bankruptcy laws of the jurisdiction with which prospective investors are familiar

ISS and a number of its subsidiaries are companies incorporated under Danish law. Accordingly, insolvency proceedings with respect to ISS and its Danish subsidiaries would proceed under and be governed by Danish insolvency law.

Bankruptcy is the principal form of proceeding in the Danish insolvency system. The Danish insolvency system does not permit reorganizations similar to those permitted by Chapter 11 in the United States. In bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors based on a priority of claims. Such a liquidation may not yield the same value to the creditors as a reorganization and sale of a going concern. A bankruptcy is often preceded by a suspension of payment. A debtor who finds itself unable to satisfy its debts may suspend payment of its debt. The power to suspend payment rests exclusively with the debtor. A suspension of payments is based on the debtor's assessment of its ability to meet its debts as they fall due. As a general rule, the insolvent company or any creditor may present a petition for bankruptcy. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is insolvent based on an assessment of the debtor's liquidity status. A bankruptcy petition by a creditor is barred if the

creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security.

The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's creditors. The principle is, however, to some extent modified by the rules governing priority of debts in bankruptcy. Some claims, preferential claims and privileged claims rank before ordinary claims and some deferred claims rank below ordinary claims. The status of a claim is dependent upon express statutory authority (except for subordinated loans). Preferential claims primarily include costs and expenses involved in the administration of the bankruptcy estate and debts approved by a supervisor during a suspension period. Privileged claims are mainly salary claims, including salary income taxes (excluding salary claims from the top management). It should be noted that tax claims are not *per se* preferential or privileged. Interest accrued on ordinary claims will rank as ordinary claims up to the date of the bankruptcy adjudication, after which date the accrued interest will rank as a deferred claim.

Danish bankruptcy law contains several provisions enabling the trustee to initiate proceedings to have certain transactions prior to bankruptcy avoided. Most avoidance provisions contain time limits, which are generally three months, but are in some cases up to two years. Payments made by unusual means, including payments made before they are due or in amounts that have had a distinctly impairing effect on the debtor's ability to pay its debts, are typically subject to invalidation unless the creditor's claim was secured in full by a good and valid security.

In addition, all types of charges, mortgages and other types of security that were not granted to the creditor at the time the debt was incurred or that were not protected against legal process without undue delay within the above mentioned time limits may be invalidated. A creditor who wishes to contest a claim for invalidation may do so through the trustees, who must litigate the matter under the jurisdiction of the ordinary courts (not the bankruptcy court). As a general rule, such legal proceedings must be initiated within 12 months after pronouncement of the bankruptcy adjudication.

Prospective investors may not be able to recover in civil proceedings for U.S. securities laws violations

All of the Executive Group Management members, directors and executives of ISS currently reside outside the United States and most of the assets of ISS are currently located outside the United States. As a result, prospective investors may be unable to effect service of process within the United States, or to recover on judgments of U.S. courts in any civil proceedings under the U.S. federal securities laws. In addition, original actions or actions for the enforcement of judgments of U.S. courts with respect to civil liabilities solely under the federal securities laws of the United States are not enforceable in Denmark. See ''Service of Process and Enforcement of Liabilities''.

Transfers of the Notes will be subject to certain restrictions

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws. Prospective investors may not offer or sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Prospective investors should read the discussion under the heading ''Notice to Investors'' for further information about these transfer restrictions. It is their obligation to ensure that their offers and sales of the Notes within the United States and other countries comply with any applicable securities laws.

The Notes may only be transferred to people outside the United States purchasing in offshore transactions pursuant to Regulation S or to qualified institutional buyers within the United States purchasing in reliance on Rule 144A of the U.S. Securities Act.

The Notes will initially be held in book-entry form and therefore prospective investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies

Unless and until definitive registered Notes are issued in exchange for book-entry interests in the Notes, owners of the book-entry interests will not be considered owners or Noteholders. Instead, the registered holder, or its respective nominee, will be the sole holder of the Notes. Payments of principal, interest and other amounts owing on or in respect of the Notes in global

form will be made to The Bank of New York Mellon (as paying agent for the Notes), which will make payments to the common depositary, which will in turn distribute payments to Euroclear and/or Clearstream Banking. Thereafter, payments will be made by Euroclear and/or Clearstream Banking to participants in these systems and then by such participants to indirect participants. After payment to the common depositary, neither the Issuer nor the trustee nor the paying agent will have any responsibility or liability for any aspect of the records relating to, or payments of, interest, principal or other amounts to Euroclear and/or Clearstream Banking or to owners of book-entry interests.

Unlike Noteholders themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations or consents or requests for waivers or other actions from Noteholders that the Issuer may choose to make in the future. Rather, owners of book-entry interests will be permitted to act only to the extent that they have received appropriate proxies to do so from Euroclear and/or Clearstream Banking or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable prospective investors to vote on any such solicitations or requests for actions on a timely basis.

USE OF PROCEEDS

The net proceeds of the offering of Additional Notes, after deducting underwriting commissions and certain expenses and excluding accrued interest, are expected to be €126.4 million. The Issuer will use the net proceeds for general corporate purposes, including acquisitions.

CAPITALIZATION

The following table sets forth ISS's consolidated cash and cash equivalents and securities and capitalization as of December 31, 2009, as adjusted for the offering of the Additional Notes.

Except as indicated below and elsewhere in this offering memorandum, there has been no material change in the capitalization of ISS since December 31, 2009.

	As of December 31, 2009				
	Actual	**Accounting Adjustments(1)**	**Consolidated As Adjusted**	**Additional Notes Adjustments**	**Consolidated As Adjusted**
			(DKK in millions)		
Cash and cash equivalents and securities:					
Cash and cash equivalents	3,364		3,364	941(3)	4,305
Securities	97		97		97
Total cash and cash equivalents and securities	**3,461**		**3,461**		**4,402**
Short-term debt:(2)					
Term Facility A	382		382		382
Acquisition Facilities	453		453		453
4.75% Euro-denominated Medium Term Notes due 2010	2,577	27(i)(ii)	2,604		2,604
Securitization	892	45(iii)	937		937
Other short-term debt	1,313	(13)(iv)	1,300		1,300
Total short-term debt	**5,617**		**5,676**		**5,676**
Long-term debt:(2)					
Senior Facilities					
Term Facility A	599	69(iii)	668		668
Term Facility B	12,952	70(iii)	13,022		13,022
Acquisition Facilities	2,657		2,657		2,657
4.50% Euro-denominated Medium Term Notes due 2014	719	101(i)(ii)	820		820
Second Lien Facility	4,412	53(iii)	4,465		4,465
2014 Notes	3,718	189(iii)	3,907		3,907
Notes	3,300	78(iii)	3,378	949(4)	4,327
Other long-term debt	129		129		129
Total long-term debt	**28,486**		**29,046**		**29,995**
Net debt			31,261		31,269
Shareholders' funding:					
Shareholders' equity	2,190		2,190		2,190
Non-controlling interests	23		23		23
Total capitalization	**36,316**		**36,935**		**37,884**

(1) Accounting adjustments

(i) Market price adjustment 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 ISS obtained control of ISS A/S, as part of ISS's purchase price allocation prepared in connection with the acquisition of ISS A/S. The difference between this market price and the principal amount is being amortized in the consolidated financial statements of ISS over the remaining term of the Medium Term Notes. The unamortized market price adjustment as at December 31, 2009, amounting to a total of DKK 130 million (€17 million) of which DKK 32 million (€4 million) is related to the 2010 Medium Term Notes and DKK 98 million (€13 million) is related to the Medium Term Notes due 2014, which is reversed in the above table to reflect the principal amount of the Medium Term Notes.

(ii) Realized gains on interest rate swaps

The interest rate swaps hedging the Medium Term Notes issued by ISS Global were partially settled in June 2005 and the remaining portion was settled in June 2006, resulting in a net gain, which will be recognized in the consolidated income statement over the remaining term of the Medium Term Notes. As of December 31, 2009, the

unamortized portion of the gain amounted to DKK 2 million (€0.3 million), which is reversed in the above table to reflect the principal amount of the hedged Medium Term Notes.

(iii) Unamortized financing fees

Under 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 liability.

To reflect the principal amount of loan liabilities as of December 31, 2009, unamortized financing fees amounting to a total of DKK 504 million (€68 million) of which DKK 69 million (€9 million) is related to the Term Facility A, DKK 70 million (€9 million) related to Term Facility B, DKK 53 million (€7 million) related to Facility D (the Second Lien Facility), DKK 78 million (€10 million) related to the Original Notes, DKK 189 million (€25 million) related to the 2014 Notes and DKK 45 million (€6 million) related to the Securitization are reversed.

(iv) Debt related to joint taxation

ISS is jointly taxed with ISS Equity A/S and its Danish resident subsidiaries. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income. As of December 31, 2009, the consolidated financial statements of ISS included a liability of DKK 13 million (€2 million) to ISS Equity A/S, the ultimate Danish parent company.

In the absence of the joint taxation scheme, this liability would not have been recorded under short term debt but under tax payables. To adjust for the accounting effect of the joint taxation scheme, DKK 13 million (€2 million) is excluded from short-term debt.

(2) As of December 31, 2009, ISS had drawn DKK 1,059 million (€142 million) under its Revolving Credit Facility. This amount was included in ''Other short-term debt''. In addition, approximately DKK 1.0 billion (€134 million) of the Revolving Credit Facility was allocated to support performance bonds issued by operating subsidiaries. Drawings under the Acquisition Facilities amounted to DKK 3,110 million (€418 million) of which DKK 985 million (€132 million) were drawn under Acquisition Facility A and DKK 2,125 million (€286 million) were drawn under Acquisition Facility B.

(3) Represents the proceeds of the Notes at an offering price of 101.5% less estimated fees and expenses relating to offering the Notes and excluding accrued interest.

(4) Represents the incurrence of €127.5 million in aggregate principal amount of the proceeds of the Notes, converted into Danish kroner at a rate of €1.00 to DKK 7.4415.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

This offering memorandum presents ISS's historical financial information comprising selected consolidated income statement, balance sheet and cash flow statement financial data of ISS as of and for the years ended December 31, 2007, 2008 and 2009, derived from ISS's audited consolidated financial statements, prepared in accordance with IFRS as of and for the years ended December 31, 2009 and 2008 with comparative figures as of and for the year ended December 31, 2007, included elsewhere in this offering memorandum. See ''Index to Financial Statements''.

Prospective investors should read this section together with the information contained in ''Operating and Financial Review and Prospects'', the audited consolidated financial statements of ISS and the related notes thereto included elsewhere in the offering memorandum.

	For the year ended December 31,			
	2007	2008	2009	2009
	(DKK millions)			(€ millions)(1)
Income Statement Data:				
Revenue	63,922	68,829	69,004	9,273
Staff costs	(40,998)	(44,156)	(44,781)	(6,018)
Cost of sales	(5,614)	(6,134)	(6,044)	(812)
Other operating expenses	(12,630)	(13,609)	(13,437)	(1,806)
Depreciation and amortization(2)	(845)	(869)	(868)	(117)
Operating profit before other items(3)	3,835	4,061	3,874	521
Other income and expenses, net	(129)	(242)	(551)	(74)
Integration costs	(67)	(66)	(46)	(6)
Operating profit(2)	3,639	3,753	3,277	440
Share of results from associates	8	3	4	1
Net finance costs	(3,017)	(2,731)	(2,308)	(310)
Profit before tax and goodwill impairment/ Amortization of brands and customer contracts	630	1,025	973	131
Income taxes(4)	(254)	(531)	(588)	(79)
Profit before goodwill impairment/Amortization of brands and customer contracts	376	494	385	52
Goodwill impairment and write-down	(128)	(399)	(1,246)	(167)
Amortization of brands and customer contracts(5)	(1,101)	(1,008)	(1,129)	(152)
Income tax effect(6)	411	282	361	49
Net profit/(loss) for the year	(442)	(631)	(1,629)	(219)
Attributable to:				
Owners of ISS	(468)	(641)	(1,647)	(221)
Non-controlling interests	26	10	18	2
Net profit/(loss) for the year	(442)	(631)	(1,629)	(219)

	As of and for the year ended December 31,			
	2007	2008	2009	2009
	(DKK millions)			(€ millions)(1)
Balance Sheet Data:				
Intangible assets	37,150	36,001	35,452	4,764
Total assets	55,348	53,605	54,354	7,304
Total equity	5,518	3,533	2,213	297
Non-controlling interests	59	35	23	3
Pension and similar obligations	724	834	837	112
Cash Flow Statement Data:				
Changes in working capital(7)	(44)	109	(137)	(18)
Cash flow from operating activities(8)	3,713	4,334	3,732	502

	As of and for the year ended December 31,			
	2007	2008	2009	2009
	(DKK millions)			(€ millions)[1]
Other Data and Financial Measures:				
Operating margin (%)[9]	6.0	5.9	5.6	5.6
EBITDA[10]	4,484	4,622	4,145	557
EBITDA margin (%)[10][11]	7.0	6.7	6.0	6.0
Adjusted EBITDA[12]	4,680	4,930	4,742	637
Adjusted EBITDA margin (%)[12][13]	7.3	7.2	6.9	6.9
Carrying amount of net debt[14]	29,245	29,385	30,630	4,116
Net debt[15]	29,981	29,978	31,261	4,201
Investments in Intangible assets, property, plant and equipment, net[16]	(715)	(718)	(897)	(121)
Net acquisitions[17]	(2,959)	(1,823)	(892)	(120)
Cash conversion (%)[18]	99	103	96	96
Number of employees[19]	438,100	472,800	485,800	485,800
Pro Forma Adjusted EBITDA[20]	4,866	5,064	4,773	641
Net Debt/Pro Forma Adjusted EBITDA	6.2x	5.9x	6.5x	6.5x
Revenue Growth Analysis:				
Organic growth (%)[21]	6.0	5.3	0.6	0.6
Net acquisition growth (%)[22]	9	6	2	2
Currency adjustments (%)	—	(3)	(3)	(3)
Total reported Revenue growth (%)	15	8	3	3

(1) Solely for the convenience of the reader, amounts stated in Danish kroner have been translated into Euro at a rate of €1.00 = DKK 7.4415, which was the prevailing exchange rate as of December 31, 2009.

(2) Excludes Goodwill impairment and write-down and Amortization of brands and customer contracts.

(3) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortization of brands and customer contracts.

(4) Excludes Tax effect of Goodwill impairment and write-down and Amortization of brands and customer contracts.

(5) Includes customer contract portfolios and related customer relationships.

(6) Represents income tax effect of Goodwill impairment and write-down and Amortization of brands and customer contracts.

(7) Represents Total Current Assets less Total Current Liabilities, excluding liquid funds, cash and cash equivalents, securities, current portion of other provisions, current portion of long-term debt, Interest-bearing loans and borrowings, interest receivable and payable, assets and liabilities related to assets held for sale and income tax receivable and payable.

(8) Represents Cash flow from operating activities as reported in the consolidated cash flow statements. Cash flow from operating activities excludes interest paid and received which are presented under Cash flow from financing.

(9) As calculated by ISS, represents Operating profit before other items divided by Revenue. By using Operating profit before other items as a starting point for the calculation of Operating margin instead of Operating profit, ISS excludes from the calculation of operating margin 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature. See ''Operating and Financial Review and Prospects—Key Income Statement Items—Other income and expenses, net'' and ''Other Data and Financial Measures'' on page ix of this offering memorandum.

(10) As calculated by ISS, represents, Operating profit plus Depreciation and amortization. See ''Other Data and Financial Measures'' on page ix of this offering memorandum. The reconciliation of ISS's Operating profit to EBITDA is as follows:

	For the year ended December 31,			
	2007	2008	2009	2009
	(DKK millions)			(€ millions)[1]
Operating profit	3,639	3,753	3,277	440
Depreciation and amortization	845	869	868	117
EBITDA	4,484	4,622	4,145	557

(11) As calculated by ISS, represents EBITDA divided by Revenue.

(12) As calculated by ISS, 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, ISS 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature. See ''Operating and Financial Review and Prospects—Key Income Statement Items—Other income and expenses, net'' and ''Other Data and Financial Measures'' on page ix of this offering memorandum.

The reconciliation of ISS's EBITDA to Adjusted EBITDA is as follows:

	For the year ended December 31,			
	2007	2008	2009	2009
	(DKK millions)			(€ millions)[1]
EBITDA	4,484	4,622	4,145	557
Other income and expenses:				
Gain on divestment	7	6	102	14
Gain on sale of option	61	—	—	—
Gain on sale of Private Finance Initiative (PFI) stake in the United Kingdom	41	—	—	—
Gain on sale of properties	23	0	8	1
Other	14	19	6	1
Restructuring projects	(70)	(131)	(426)	(57)
Loss on divestments	(115)	(43)	(19)	(3)
Closedown and subsequent surveillance of landfill site in France	—	(28)	—	—
Redundancy and severance payments relating to senior management changes	(13)	(21)	(44)	(6)
Write-down regarding businesses classified as held for sale	—	—	(159)	(21)
Adjustment to accounting estimate in Belgium	—	(17)	—	—
Consolidation projects in the United Kingdom	(28)	(4)	—	—
IPO feasibility review	(33)	—	—	—
Re-scoping of IT outsourcing agreement	(10)	—	—	—
Other	(6)	(23)	(19)	(3)
Other income and expenses, net	(129)	(242)	(551)	(74)
Integration costs	(67)	(66)	(46)	(6)
Adjusted EBITDA	4,680	4,930	4,742	637

(13) Represents Adjusted EBITDA divided by Revenue.

(14) Includes short-term debt (excluding tax related debt to affiliate) and long-term debt less cash and cash equivalents and securities recorded under current assets and receivables from affiliates.

(15) Represents Carrying amount of net debt adjusted for (reversal of): (i) the reduction of short-term and long-term debt relating to unamortized financing fees; (ii) the increase to short-term and long-term debt relating to realized gains on interest rate swaps hedging fixed interest rate loans; and (iii) the unamortized portion of the market price adjustments of the Medium Term Notes.

(16) Represents net investments in Intangible assets and Property, plant and equipment. Intangible assets, Property, plant and equipment exclude goodwill, brands and customer contract portfolios and related customer relationships.

(17) Represents the purchase price of acquired businesses, net of proceeds from divested businesses.

(18) Represents Operating profit before other items plus Changes in working capital as a percentage of Operating profit before other items. See ''Other Data and Financial Measures'' on page ix of this offering memorandum.

(19) As of end of period.

(20) Represents Adjusted EBITDA, adjusted to reflect the full-year effect of acquired or divested businesses. Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses represents the net aggregate estimated Adjusted EBITDA of businesses acquired or divested from 1 January of the financial period to the date of its acquisition or divestment by ISS. See ''Other Data and Financial Measures'' on page ix of this offering memorandum.

The reconciliation of ISS's Adjusted EBITDA to Pro Forma Adjusted EBITDA is as follows:

	Year ended December 31,	
	2008	**2009**
Adjusted EBITDA	4,930	4,742
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	134	31
Pro Forma Adjusted EBITDA	5,064	4,773

(21) Calculated as comparable Revenue in the current year less comparable Revenue in the prior year, divided by comparable Revenue in the prior year, multiplied by 100. Comparable Revenue implies the exclusion of changes in Revenue attributable to businesses acquired or divested and the effect of changes in foreign exchange rates. Growth generated by acquired businesses with reported annual Revenue of DKK 50 million or more, as well as acquisition of businesses that establish an ISS presence in a new jurisdiction are excluded from the calculation of Organic growth during the first 12 months of ISS ownership. Acquisitions of businesses with reported annual Revenue of less than DKK 50 million are treated as having been integrated into ISS upon acquisition, and ISS's calculation of Organic growth includes changes in Revenue of these acquired businesses compared with Revenue expectations at the date of acquisition. See ''Other Data and Financial Measures'' on page ix of this offering memorandum.

(22) Represents Revenue from acquired entities, net of Revenue from divested businesses.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Prospective investors should read the following discussion in conjunction with the audited consolidated financial statements of ISS included elsewhere in this offering memorandum. In addition, prospective investors should read ''Business of ISS'' for more information about ISS. The following discussion contains forward-looking statements. Actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum, particularly under ''Disclosure Regarding Forward-Looking Statements'' and ''Risk Factors''.

Overview

ISS is Europe's largest commercial provider of cleaning services and one of the world's largest commercial providers of facility services, operating in more than 50 countries in Europe, Asia, the Americas and Australasia. It is one of the top three cleaning companies, based on revenue, in France, the United Kingdom, the Nordic region (Sweden, Denmark, Norway and Finland), the Netherlands, Belgium and Spain, which together accounted for 63% of ISS's 2009 revenue. ISS has a diverse customer base that it estimates to include more than 200,000 public and private sector customers and is one of the world's ten largest private employers, with more than 485,000 employees worldwide as of December 31, 2009.

ISS has been operating in the service industry for more than 100 years and began offering cleaning services in 1934. Since that time, ISS has significantly expanded its business through acquisitions and organic growth. As of December 31, 2009, ISS had a total revenue of DKK 69.0 billion (€9.3 billion) and Adjusted EBITDA of DKK 4.7 billion (€637.2 million).

ISS distinguishes between services offered and the way in which these services are delivered. ISS provides the following services which can be delivered as single service outsourcing, multi-service outsourcing or as an integrated facility service solution.

Service Types:

- *Cleaning*, which represented 52% of 2009 revenue, include daily office and facility cleaning, dust control, washroom and specialized cleaning services;
- *Property Services*, which represented 21% of 2009 revenue, include landscaping, damage control (including remediation of property damage caused by extraordinary events, such as fires, floods, storms and vandalism), building maintenance and technical services and pest control services;
- *Support Services*, which represented 7% of 2009 revenue, include call center manpower supply, outplacement services, reception services and office logistics;
- *Catering*, which represented 9% of 2009 revenue, include in-house restaurants, hospitals, resource catering, executive dining and corporate catering and office catering solutions such as coffee points;
- *Security*, which represented 7% of 2009 revenue, includes guarding, access control and patrolling of customer facilities; and
- *Facility management*, which represented 4% of 2009 revenue, includes on-site management of facility services, change management, space management and consulting.

Delivery Types:

- *Single Service outsourcing,* which represented 67% of 2009 revenue, refers to the provision of one service, such as cleaning services, to the customer, thereby enabling such customer to focus on its core business activities;
- *Multi Service outsourcing,* which represented 15% of 2009 revenue, refers to the provision of two or more non-integrated services to the customer, whereby the customer is provided with the same benefits as with single service outsourcing; and

- *Integrated facility service,* which represented 18% of 2009 revenue, refers to the provision of two or more facility services, together with on-site management through a single point of contact with the customer whereby ISS takes over all or most of the facility services functions at the customer's premises. ISS has, in recent years, increasingly developed its business to enable it to provide integrated facility service solutions. Integrated facility services provide customers with the benefits of single service outsourcing, labor management and handling of all human resources issues, procurement, reduced administration costs and increased operational flexibility, with the benefits of on-site management by ISS.

The success of ISS has, in part, been founded on its ability to generate and manage a large base of recurring business on-site, in which ISS employees become an integrated part of the customer's daily operations, as opposed to once-only and project revenue. Portfolio business exists where a contract to render a repeated service to a customer runs for six months or more and is currently estimated to represent approximately 75% to 80% of ISS's annual revenue. This focus on portfolio-based business yields many advantages, including recurring revenue and increased operational and financial visibility and predictability. Although most services are site-based, ISS also offers route-based services, such as cleaning for smaller customers, window cleaning, pest control and washroom services.

Not all country operations offer all services within the six service types. Local offerings depend on customer demand, market conditions, access to qualified staff and other factors. If the country does not self-deliver all six service types, the use of subcontractors ensures a one-stop offering for customers. Each country operation aims to build up services according to market demand. In time, all ISS country operations are expected to be able to self-deliver the most significant components of all six service types.

ISS's operations are located in the following seven regions:

- **Nordic**, comprising Denmark, Finland, Greenland, Iceland, Norway and Sweden, represented 24% of ISS's 2009 revenue. The Nordic market is one of the most developed markets for ISS, and ISS is the leader in the facility services market throughout the region. The strategy for the Nordic region is to focus on organic growth, partly through a recently established Nordic sales organization, and on improving efficiency through increased standardization and harmonization;
- **Western Europe**, comprising Austria, Belgium, Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom, represented 56% of ISS's 2009 revenue. The Western European market is a generally developed market characterized by a high level of single service outsourcing. The market is becoming increasingly professional and is gradually moving towards multi service outsourcing and integrated facility services;
- **Eastern Europe**, comprising Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia, represented 2% of ISS's 2009 revenue. While the Eastern European region remains a growth region for ISS, the region has in 2009 been impacted by the general economic downturn in these markets. ISS is consolidating and transforming its business platform and services in Eastern Europe to ensure a strong basis for future growth;
- **Asia**, comprising Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand, represented 6% of ISS's 2009 revenue and is the fastest growing region in the ISS Group. In Asia, ISS has made progress in transforming its business from predominantly a single service cleaning business towards integrated facility services. The key transformational moves have been six acquisitions adding competencies within catering, security and pest control services;
- **Latin America**, comprising Argentina, Brazil, Chile, Mexico and Uruguay, represented 3% of ISS's 2009 revenue. ISS has, in recent years, continued to refine its single service outsourcing and multi service outsourcing delivery model in the region. Furthermore, the market for complex multi service and integrated facility services solutions in Latin America is growing and ISS has continued to focus on consolidating and expanding its service mix and capabilities to drive the request for service delivery through integrated facility services;

- **North America**, comprising Canada and the United States, represented 4% of ISS's 2009 revenue. In 2007, ISS entered the United States. ISS entered Canada through a greenfield establishment in 2009 via its US operations. Through the completion of two acquisitions in 2008 and 2009 in the US, ISS has achieved good geographical coverage in several of the economic growth areas in the US and continues to focus on enhancing its geographical footprint to grow the business and gain critical mass where it has yet to be achieved; and
- **Pacific**, comprising Australia and New Zealand, represented 5% of ISS's 2009 revenue. The Pacific market is consolidating as providers seek to integrate businesses to enhance margins. In Australia, ISS won a number of important contracts that form a platform for growth in 2010. Furthermore, ISS implemented a regionalization project to increase service efficiency and create a more customer-oriented operation, as this will ensure that it sells and delivers integrated facility services locally in the states and territories of Australia.

Primary Factors Affecting Results

Recurring Factors

General economic conditions. ISS believes that demand and price for its services generally correlate with economic conditions, including growth in gross domestic product, in the countries in which it operates. Although the facility services industry is normally considered to be less sensitive to economic cycles than certain other industries, macroeconomic cyclicality, both weak and strong economic activity, represent a challenge for ISS. In particular, periods of recession or deflation may have an adverse impact on prices and on the demand for services, particularly if customers downsize their businesses or reduce their demand for once-only jobs.

Operating performance. ISS has, since 2001, primarily focused on improving cash flows and operating margins from its existing businesses after having made a significant number of acquisitions from 1998 to 2001. These efforts included contract trimming in Belgium, Denmark, France, Germany, the Netherlands and in Brazil in 2003 in order to rationalize its contract portfolio following a period of significant growth, which involved the restructuring, cancellation or price renegotiation of contracts with unsatisfactory operating margins. Beginning in 2004, ISS concentrated on increasing the organic growth of its businesses while also increasing its acquisition pace. ISS maintained a similar acquisition pace in 2005, 2006 and 2007 in order to further broaden its service offering, geographical coverage and establish critical mass. In 2008 ISS made a strategic decision to slow down the acquisition pace to focus primarily on acquisitions in growth regions as well as acquisitions which strengthen the service offering, especially within Catering and Security services. In 2009, the acquisition activities had three primary objectives: firstly to expand ISS's presence in emerging markets, secondly to continue building the security services platform and thirdly to gain critical mass in the US. ISS has, and will in the future, continue to focus on cash flow, operating margin and profitable organic growth.

Seasonality. ISS's 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, as a result of various services, such as landscaping, pest control and certain building maintenance functions, being weather dependent. Moreover, the demand for additional services tends to be higher in the summer months where customers traditionally perform deep cleans of their sites (i.e., factories and production facilities). ISS's 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. ISS's cash flow from operations is typically positive in the second quarter of the year, becomes increasingly positive throughout the year and is usually highest in the fourth quarter of the year, when it collects revenue recognized in the third quarter of the year.

Acquisitions and divestments. ISS has historically made a significant number of acquisitions. In the years ended December 31, 2007, 2008 and 2009, ISS made 67, 66 and 22 acquisitions, respectively. ISS's revenue and expenses have increased accordingly during these periods. For example, entities acquired in the years ended December 31, 2007, 2008 and 2009 had estimated annual revenue representing approximately 7%, 6% and 1%, respectively, of ISS's total revenue as presented in the financial statements of the same years.

ISS has historically divested a number of smaller non-core operations. In 2007, 2008 and 2009, ISS made 14, 12 and eight such divestments, respectively. These businesses had estimated annual revenue representing approximately 0.6%, 1.9% and 0.9% of ISS's total revenue as presented in the financial statements for the years ended December 31, 2007, 2008 and 2009, respectively.

Foreign currency translation. In the year ended December 31, 2009, 94% of ISS's consolidated revenue was generated in currencies other than Danish kroner, its reporting currency. For example, approximately 44%, 10%, 8% and 5% of such revenue was generated in Euro, British pound sterling, Norwegian kroner and Swedish kroner, respectively. ISS's consolidated financial statements are therefore affected by movements in the exchange rates of the currencies of the countries other than Denmark in which its subsidiaries operate. For example, in 2009, the appreciation of the Danish kroner against these foreign currencies decreased ISS's consolidated revenue by approximately DKK 1.9 billion, or 2.7%.

Non-Recurring Factors

Divestments. In addition to ISS's divestments of smaller non-core operations, ISS divested its non-strategic landscaping project/construction business in Ireland in 2007. This business had revenue of DKK 105 million for the year ended December 31, 2007, representing 0.2% of ISS's total revenue. In 2008, ISS's non-strategic temporary staffing business in Austria and ISS's non-core energy activities in France were divested. These businesses had revenue for the year ended December 31, 2008 of DKK 209 million and DKK 854 million, respectively. These non-core and non-strategic divestments represented 1.5% of ISS's total revenue for the year ended December 31, 2008. In 2009 ISS divested its project-based landscaping activities in Sweden, contact centres in the Netherlands and laundry activities in Norway and Sweden. Furthermore, certain non-core activities in France, Spain and Norway are expected to be divested in 2010 and have been classified as held for sale at December 31, 2009. These businesses, including the activities classified as held for sale, had revenue for the year ended December 31, 2009 of DKK 1,861 million, which represented 2.7% of ISS's total revenue for the year ended December 31, 2009.

Key Income Statement Items

Presentation. The income statement is presented in accordance with the ''nature of expense'' method. Goodwill impairment and write-down and amortization of brands and customer contracts as well as the income tax effect are presented in separate line items after operating profit. This income statement presentation is considered to more appropriately reflect ISS's profitability.

Revenue. Revenue comprises the value of services provided during the year less VAT and duties as well as price and quantity discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably and the amount of revenue can be measured reliably. Contract work in progress is recognized using the percentage-of-completion method based on the value of work completed at the balance sheet date.

Government grants. Government grants compensating ISS for expenses incurred are recognized in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate ISS for the cost of an asset are recognized in the income statement on a systematic basis over the useful lifetime of the asset.

Staff costs. Staff costs comprise salaries and wages, pensions, social security expenses and other employee related expenses.

Cost of sales. Cost of sales comprises material consumption related to the recognized revenue.

Other operating expenses. Other operating expenses include expenses related to the operation of service equipment and other non-current assets, external assistance as well as other selling, distribution and administrative expenses, including, among others, expenses related to marketing, transportation, operating leases, subcontractors, audit, legal assistance, realized losses and loss provisions on receivables.

Depreciation and amortization. Depreciation and amortization includes depreciation and amortization of intangible and tangible assets excluding goodwill impairment and write-down and amortization of brands and customer contracts, which are presented in a separate line item after profit before goodwill impairment/amortization of brands and customer contracts.

Share-based compensation. The value of services received in exchange for granted warrants is measured at the fair value of the warrants granted. The fair value of equity-settled programs is measured at grant date and recognized in the income statement under other income and expenses, net over the vesting period with a corresponding increase in equity.

The fair value of the warrants granted is measured using the Black-Scholes option pricing model based on the terms and conditions upon which they were granted. Service and non-market vesting conditions are not taken into account when estimating the fair value, but are considered when estimating the number of warrants expected to vest. At each balance sheet date, ISS revises the estimate of number of warrants expected to vest. The impact of this revision, if any, is recognized in the income statement, and a corresponding adjustment to equity is made over the remaining vesting period. Adjustments relating to prior years are included in the income statement in the year of adjustment.

Operating leases. Operating lease costs are recognized in the income statement on a straight-line basis over the term of the lease. The obligation for the remaining lease period is disclosed in the Notes under contingent liabilities.

Other income and expenses, net. Other income and expenses, net, consist of income and expenses, both recurring and non-recurring, that ISS does not consider to be part of normal ordinary operations, including, among others, gains and losses arising from divestments, the winding-up of operations, disposals of property, restructurings and certain acquisition related costs.

Integration costs. Integration costs include costs relating to acquiring companies as well as the cost of integrating the companies into ISS operations. Integration costs include costs of compensating employees for termination of their employment, closing facilities, and termination of subscriptions and agreements.

Share of result from associates. Share of result from associates comprises the share of result after tax in associates.

Net finance costs. Net finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on derivatives that do not qualify for hedge accounting.

Income taxes. Income taxes consist of income tax and changes in deferred tax. Deferred tax is recognized based on the balance sheet method and comprises all temporary differences between accounting and tax values of assets and liabilities. Furthermore, a deferred tax liability is recognized for expected re-taxation of tax-deductible losses realized in foreign subsidiaries previously included under Danish joint taxation.

Where the tax base can be calculated using different tax regulations, deferred tax is measured based on the planned use of the asset or the unwinding of the liability, as applicable. Deferred tax is computed based on the tax rate expected to apply when the temporary differences are reversed. No deferred tax provisions are made for undistributed profits of subsidiaries and goodwill not deductible for tax purposes.

Deferred tax assets, including the tax value of losses carried forward, are recognized at the value at which they are expected to be applied either by eliminating tax on future earnings or by setting off deferred tax liabilities within the same legal tax unit and jurisdiction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The recognized income tax is allocated to income taxes, tax effect of goodwill impairment and write-down and amortization of brands and customer contracts and equity, as applicable.

ISS is jointly taxed with all Danish resident affiliates. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are included in the

Danish tax on account scheme. Additions, deductions and allowances are recognized under net finance costs.

Goodwill impairment and write-down. Goodwill impairment and write-down includes impairment losses arising from impairment tests as well as write-down of goodwill in connection with divestments.

Amortization of brands and customer contracts. Amortization of brands and customer brands includes amortization of acquired brands and acquired customer contract portfolios and related customer relationships, impairment losses arising from impairment tests and write-down in connection with divestments.

Income tax effect. Income tax effect of goodwill impairment and write-down and amortization of brands and customer contracts is presented in a separate line item in connection with these two line items.

Organic growth

Organic growth is calculated as comparable revenue in the current year less comparable revenue in the prior year, divided by comparable revenue in the prior year, multiplied by 100. Comparable revenue implies the exclusion of changes in revenue attributable to businesses acquired or divested and the effect of changes in foreign exchange rates. Growth generated by acquired businesses with reported annual revenue of DKK 50 million or more, as well as acquisitions of businesses that establish an ISS presence in a new jurisdiction are excluded from the calculation of organic growth during the first 12 months of ISS ownership. Acquisitions of businesses with reported annual revenue of less than DKK 50 million are treated as having been integrated into ISS upon acquisition, and ISS's calculation of organic growth includes changes in revenue of these acquired businesses compared with revenue expectations at the date of acquisition.

Results of Operations of ISS—Years Ended December 31, 2007, 2008 and 2009

The following table sets forth selected consolidated financial and other data of ISS for the years ended December 31, 2007, 2008 and 2009 and the same data as a percentage of ISS's total revenue. The financial data is derived from ISS's audited consolidated financial statements, prepared in accordance with IFRS as of and for the years ended December 31, 2009 and 2008 with comparative figures as of and for the year ended December 31, 2007.

	For the year ended December 31,					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Financial Data:						
Revenue	63,922	100	68,829	100	69,004	100
Staff costs	(40,998)	(64.1)	(44,156)	(64.2)	(44,781)	(64.9)
Cost of sales	(5,614)	(8.8)	(6,134)	(8.9)	(6,044)	(8.8)
Other operating expenses	(12,630)	(19.8)	(13,609)	(19.8)	(13,437)	(19.5)
Depreciation and amortization[1]	(845)	(1.3)	(869)	(1.3)	(868)	(1.3)
Operating profit before other items[2]	3,835	6.0	4,061	5.9	3,874	5.6
Other income and expenses, net	(129)	(0.2)	(242)	(0.4)	(551)	(0.8)
Integration costs	(67)	(0.1)	(66)	(0.1)	(46)	(0.1)
Operating profit[1]	3,639	5.7	3,753	5.5	3,277	4.7
Share of results from associates	8	0.0	3	0.0	4	0.0
Net finance costs	(3,017)	(4.7)	(2,731)	(4.0)	(2,308)	(3.3)
Profit before tax and goodwill impairment/ amortization of brands and customer contracts	630	1.0	1,025	1.5	973	1.4
Income taxes[3]	(254)	(0.4)	(531)	(0.8)	(588)	(0.9)
Profit before goodwill impairment / amortization of brands and customer contracts	376	0.6	494	0.7	385	0.6
Goodwill impairment and write-down	(128)	(0.2)	(399)	(0.6)	(1,246)	(1.8)
Amortization of brands and customer contracts[4]	(1,101)	(1.7)	(1,008)	(1.5)	(1,129)	(1.6)
Income tax effect[5]	411	0.6	282	0.4	361	0.5
Net profit/(loss) for the year	(442)	(0.7)	(631)	(0.9)	(1,629)	(2.4)
Attributable to:						
Owner of ISS	(468)	(0.7)	(641)	(0.9)	(1,647)	(2.4)
Non-controlling interests	26	0.0	10	0.0	18	0.0
Net profit/(loss) for the year	(442)	(0.7)	(631)	(0.9)	(1,629)	(2.4)
Other Data:						
Adjusted EBITDA[6]	4,680	7.3	4,930	7.2	4,742	6.9

(1) Excluding Goodwill impairment and write-down and Amortization of brands and customer contracts.

(2) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortization of brands and customer contracts.

(3) Excluding tax effect of Goodwill impairment and write-down and Amortization of brands and customer contracts.

(4) Includes customer contract portfolios and related customer relationships.

(5) Income tax effect of Goodwill impairment and write-down and Amortization of brands and customer contracts.

(6) As calculated by ISS, 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, ISS 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature. See ''Operating and Financial Review and Prospects—Key Income Statement Items—Other income and expenses, net'' and ''Other Data and Financial Measures'' on page ix of this offering memorandum.

Results of Operations of ISS—Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

General

Considering the turbulence in the financial markets and the severe economic challenges in the global economy experienced in 2009, ISS's performance remained sound. ISS's portfolio-based business (i.e. recurring facility services where ISS employees form an integrated part of customers' daily operations), continued to grow organically, despite some customers downsizing existing contracts. This growth helped to offset declines in non-portfolio-based services which were particularly hard hit in 2009.

Businesses within ISS which were most exposed to non-portfolio-based services and/or to industrial segments (e.g. automotive and manufacturing) experienced slowdowns, especially France, Germany, Belgium and Spain were among the hardest impacted countries. In the most significantly impacted countries corrective actions were taken to adapt to market conditions and improve operating performance, including implementing turnaround plans for affected service types and adapting the cost structure. Certain activities that are either non-core to the ISS Way strategy or lack critical mass were either divested in 2009 or are planned for divestment in 2010 and have been classified as held for sale. In addition, ISS initiated a Group-wide cost reduction initiative targeting fixed costs. The impact of these actions was evident in the second half of 2009 and was an important factor in restoring the operating margin in the third and fourth quarters of 2009 to the levels realized in the same periods in 2008.

France suffered most in 2009, due mainly to its high exposure to the industrial and manufacturing segments as well as a relatively high part of non-portfolio-based business particularly within the landscaping business, it was also due to the organisational setup of ISS in France, which was not aligned according to The ISS Way strategy. Revenue declined from DKK 9.3 billion in 2008 to DKK 8.9 billion in 2009, while the operating profit before other items dropped by DKK 233 million or 41%. As a result, the operating margin declined from 6.1% in 2008 to 3.8% in 2009. This implies that if France had delivered the same operating margin as in 2008, the operating margin for the Group would have been 5.9%, or the same level as in 2008. Several actions were taken in 2009 to turn around the operations in France, including the appointment of a new regional management team, a new local management team, a reorganized organizational setup covering several business units as well as head office, and planned divestments of non-core business activities. While a turnaround of an operation the size of ISS in France will take time, these initiatives and the devoted attention from both the Group and regional management teams during 2009 are expected to help ensure that ISS in France strengthens its performance.

The global Corporate Client organization followed up on the HP contract win in 2008 by entering into two new international integrated facility services contracts with EDS, a global IT company, and Shell. The contract with EDS covers 28 countries in Europe, Middle East, Asia, Pacific and Africa. The Shell contract covers Facility Management and substantial self-delivery functions in eight countries in Asia and Pacific covering up to 33 million square meters.

At the end of the year, ISS had more than 485,000 employees worldwide, a net increase of approximately 13,000 employees from the end of 2008.

Following several years with a high number of acquisitions, ISS believes that it has achieved its strategically required representation in services and geographies and it, therefore, slowed the pace of acquisitions in 2009. Instead, ISS increased its focus on integrating acquired companies and achieving synergies. ISS's acquisition activities in 2009 had three primary objectives: (i) to expand ISS's presence in emerging markets, (ii) to continue building the Security services platform and (iii) to gain critical mass in the United States. During 2009, ISS completed 22 acquisitions in 15 countries. Five of these acquisitions had annualised revenue of more than DKK 100 million. With the acquisitions, ISS gained annualized revenue of approximately DKK 1 billion and more than 14,000 employees.

Divestments in 2009 included the project-based landscaping activities in Sweden, contact centres in the Netherlands and laundry activities in Norway and Sweden. In addition, certain non-core activities in France, Spain and Norway are expected to be divested in 2010, and have been classified as held for sale at December 31, 2009.

The divestments completed in 2009 and the businesses classified as held for sale on December 31, 2009 resulted in non-cash charges recognised in the income statement of DKK 983 million before tax, mainly related to writedown of goodwill and customer contracts.

Revenue. Revenue in 2009 amounted to DKK 69,004 million, representing a revenue growth of 3%, excluding foreign exchange adjustments, compared with DKK 68,829 million in 2008. Revenue growth was driven by 1% organic growth and 3% growth from acquisitions. This was partly offset by divestments of 1% and adverse currency exchange rate movements of 3%.

The following table provides information concerning ISS's revenue for the year ended December 31, 2009, in each of the principal regions in which it operates compared to the year ended December 31, 2008. The information is based on ISS's calculations of organic growth in the same periods.

	Nordic[1]		**Western Europe**[1]		**Eastern Europe**[1]		**Asia**[1]		**Latin America**[1]		**North America**[1]		**Pacific**[1]		**Total ISS**	
	(DKK billions)	**(%)**	**(DKK billions)**	**(%)**	**(DKK billions)**	**(%)**	**(DKK billions)**	**(%)**	**(DKK billions)**	**(%)**	**(DKK billions)**	**(%)**	**(DKK billions)**	**(%)**	**(DKK billions)**	**(%)**
Revenue for the year ended December 31, 2008	17.1	*104*	39.3	*104*	1.7	*136*	3.1	*131*	1.9	*127*	2.1	*194*	3.6	*103*	68.8	*108*
Organic growth	0.2	*1*	(0.4)	*(1)*	(0.0)	*(2)*	0.5	*15*	0.2	*12*	(0.0)	*(1)*	0.0	*0*	0.4	*1*
Acquisitions	0.1	*1*	1.0	*3*	0.0	*2*	0.4	*13*	0.1	*5*	0.3	*14*	0.2	*6*	2.2	*3*
Divestments	(0.3)	*(2)*	(0.2)	*(1)*	—	—	(0.0)	*(0)*	—	—	—	—	(0.0)	*(0)*	(0.5)	*(1)*
Foreign currency adjustments	(0.8)	*(4)*	(1.0)	*(3)*	(0.1)	*(6)*	0.1	*3*	(0.1)	*(7)*	0.1	*5*	(0.1)	*(2)*	(1.9)	*(3)*
Revenue for the year ended December 31, 2009	16.4	*96*	38.6	*98*	1.6	*94*	4.1	*131*	2.1	*110*	2.5	*118*	3.8	*104*	69.0	*100*

(1) The countries included in each region are described on pages 45 and 46 of this offering memorandum. Due to rounding, the sum of the growth components may differ from the total figures.

Four of seven regions delivered positive organic growth rates, with Asia and Latin America once again delivering double-digit organic growth rates.

Revenue in the Nordic region grew organically by 1% with Sweden and Finland contributing the most. Despite the positive organic growth, revenue decreased by 4% from DKK 17,071 million in 2008 to DKK 16,367 million in 2009 due mainly to currency adjustments which reduced revenue for the region by approximately 4%, and resulted primarily from depreciation of NOK and SEK against DKK. Furthermore, acquisitions, net, decreased revenue by 1% following the divestment of certain non-core business units.

In 2009, revenue in the Western European region decreased by 2% from DKK 39,337 million in 2008 to DKK 38,632 million. Organic growth was negative by 1%, while currency adjustments reduced revenue for the region by approximately 3%, and stemmed mainly from depreciation of GBP against DKK. Acquisitions, net, increased revenue by approximately 2%. The organic growth rates decreased as a number of countries in the region are exposed to the industrial segments (e.g. automotive and manufacturing) which were negatively impacted by the global economic slow down. This resulted in some customers downsizing certain portfolio-based services as well as a significant drop in non-portfolio based services such as projects and once-only jobs within the construction-based industries (e.g. construction of buildings and grounds). The main contributors, France, Spain, Austria and the Netherlands, all realized negative organic growth rates. This negative effect was partly offset by Turkey, Greece and Italy all delivering double-digit organic growth rates.

Revenue in Eastern Europe decreased by 6% to DKK 1,561 million in 2009. Organic growth was negative by 2%, and resulted mainly from the Czech Republic, Slovakia and Slovenia. This was partly offset by double-digit organic growth rates in Romania and Poland. Currency adjustments reduced revenue for the region by approximately 6%, as a result of depreciation of several Eastern European currencies compared with DKK. Acquisitions, net, increased revenue by approximately 2%.

Revenue in Asia increased by 31% from DKK 3,147 million in 2008 to DKK 4,120 million in 2009. The increase was driven by organic growth of 15% and acquisition-driven growth of 13% as well as a positive impact of 3% from currency adjustments. All countries in the region, except the Philippines and Malaysia, contributed to the organic growth. Indonesia, Hong Kong, Singapore, Taiwan, India and Brunei all delivered double-digit organic growth rates.

Revenue in Latin America increased by 10% from DKK 1,890 million in 2008 to DKK 2,077 million in 2009. Organic growth was 12% and growth from acquisitions, net, amounted to 5%. All countries in the region delivered double-digit organic growth rates except for Brazil. Currency adjustments decreased the region's revenue by approximately 7%.

Revenue in North America increased by 18% to DKK 2,515 million in 2009, with growth from acquisitions contributing 13% that related primarily to the acquisition of BGM Industries in April 2008, which added approximately DKK 510 million in annual revenue. Currency adjustments increased revenue from the region by approximately 5%. Organic growth was negative by 1%.

Revenue in the Pacific region increased by 4% from DKK 3,614 million in 2008 to DKK 3,768 million in 2009. This growth was driven primarily by 6% growth from acquisitions. Organic growth was 0%, while currency adjustments reduced revenue by approximately 2%.

Staff costs. Staff costs increased by DKK 625 million, or 1%, from DKK 44,156 million in 2008 to DKK 44,781 million in 2009. This increase was due primarily to an increase in the overall number of employees as a result of acquisitions and organic growth that were partly offset by currency exchange-rate movements. Staff costs as a percentage of revenue increased from 64.2% in 2008 to 64.9% in 2009.

Cost of sales. Cost of sales decreased by DKK 90 million, or 1%, from DKK 6,134 million in 2008 to DKK 6,044 million in 2009. Cost of sales as a percentage of revenue amounted to 8.8% in 2009, a slight decrease compared with 8.9% in 2008.

Other operating expenses. Other operating expenses decreased by DKK 172 million, or 1%, from DKK 13,609 million in 2008 to DKK 13,437 million in 2009. Other operating expenses as a percentage of revenue totalled 19.5%, down slightly compared with 19.8% in 2008.

Depreciation and amortization. Depreciation and amortization, excluding amortization of brands and customer contract portfolios and related customer relationships (customer contracts), decreased by DKK 1 million, from DKK 869 million in 2008 to DKK 868 million in 2009, which as a percentage of revenue was unchanged at 1.3% compared with 2008.

Operating profit before other items. Operating profit before other items amounted to DKK 3,874 million in 2009 representing a decrease of 2%, excluding foreign exchange adjustments, compared with 2008. Including the negative effect from foreign exchange adjustments, operating profit before other items decreased by DKK 187 million, or 5%, from DKK 4,061 million in 2008 to DKK 3,874 million in 2009. Operating profit before other items as a percentage of revenue, i.e. the operating margin before other items, was 5.6% in 2009 compared with 5.9% in 2008. This was due mainly to lower earnings in France, Germany and Spain. Corporate overhead costs increased from 0.4% of revenue in 2008 to 0.5% in 2009.

Operating profit before other items in the Nordic region increased to DKK 1,219 million from DKK 1,189 million in 2008. The operating margin in the region increased to 7.4% in 2009, compared with 7.0% in 2008. This was due mainly to operating margin increases in Norway, Denmark and Finland that were partly offset by slight margin decreases in Sweden and Iceland. This was due primarily to a strong response to the economic downturn, including adaptation of cost structures, an increased focus on customer retention and the divestment of certain non-core business units.

Operating profit before other items in Western Europe amounted to DKK 2,056 million in 2009, down from DKK 2,356 million in 2008. The operating margin of 5.3% was 0.7 percentage point lower compared with 2008. The decline in operating margin was due primarily to France and partly due to Germany and Spain. In France the operating margin decreased from 6.1% in 2008 to 3.8% in 2009, leading to a DKK 233 million decline in operating profit. In France, as well as a number of other countries in the region, ISS is negatively impacted by the global economic slowdown which especially impacted the European industrial segments in particular (e.g. automotive and manufacturing) as well as reduced the demand for non-portfolio-based services. This reduced ISS's revenue and operating profit in countries with significant exposure to these industries. As a consequence of the performance gaps, turnaround plans were initiated to increase efficiencies and restore profitability. Organizational setups and business processes were changed, headcount reduced to adjust to the lower customer demand and non-core business units were divested.

Finally, ISS has continuously adapted the cost structure in the affected countries to suit the changed market conditions. Despite the economic downturn, Israel, the Netherlands, Switzerland, Portugal, Italy and the United Kingdom all realized higher margins than in 2008.

Operating profit before other items in Eastern Europe decreased by 15% to DKK 106 million in 2009. The operating margin was 6.8% in 2009, 0.6 percentage point lower than in 2008. This was due mainly to operating margin decreases in Slovakia, the Czech Republic, Slovenia and Hungary where ISS has been negatively impacted by the effect of the general slowdown in the Eastern European economies, which has caused demand for non-portfolio services in particular to decline.

Operating profit before other items in Asia increased by 47% to DKK 308 million in 2009 compared with DKK 210 million in 2008. The operating margin increased to 7.5% compared with 6.7% in 2008. All countries in the region, with the exception of the Philippines, Thailand, Taiwan and Malaysia generated higher margins than in 2008.

Operating profit before other items in Latin America increased by 20% to DKK 131 million in 2009. The operating margin was 6.3%, compared with 5.8% in 2008. All countries in the region realized higher year-on-year operating margins in 2009.

Operating profit before other items in North America amounted to DKK 134 million in 2009 compared with DKK 128 million in 2008. The operating margin in 2009 was 5.3% compared with 6.0% in 2008, a decrease caused mainly by lower demand for non-portfolio services.

Operating profit before other items in the Pacific region amounted to DKK 259 million in 2009 compared with DKK 230 million in 2008. The region's operating margin amounted to 6.9% in 2009 compared with 6.4% in 2008, in line with expectations.

Other income and expenses, net. Other income and expenses, net, represented a net expense of DKK 551 million in 2009 compared with a net expense of DKK 242 million in 2008. This related primarily to restructuring projects amounting to DKK 426 million in France, Germany, Spain, Australia, Belgium, Finland, the United Kingdom and Denmark, as well as write-down attributable to businesses classified as held for sale on December 31, 2009 totalling DKK 159 million. The restructuring projects comprised mainly closure of certain parts of business units or divisions as well as changes in the organizational setup and other efficiency improvements. Write-downs attributable to businesses classified as held for sale related mainly to net assets other than intangibles of certain non-core activities in France that are expected to be sold in 2010. Other income and expenses included costs related to divestments of non-strategic landscaping activities in Norway and Sweden as well as the call centre activities in the Netherlands and redundancy and severance payments relating to senior management changes. This was partly offset by a gain on divestments relating to the sale of non-core laundry activities in Sweden and Norway that amounted to DKK 102 million.

Other income and expenses, net, in 2008 represented a net expense of DKK 242 million and included losses on divestments of non-core activities, including the energy activities in France as well as the non-strategic temporary staffing and landscaping businesses in Austria and subsequent restructuring of the organizational setups in both France and Austria. Furthermore, other income and expenses included costs related to a restructuring project in the Netherlands comprising changes in management teams, organizational setups and business units, a relocation project in Norway as well as redundancy and severance payment relating to senior management changes.

Integration costs. Integration costs decreased by DKK 20 million, or 30%, from DKK 66 million in 2008 to DKK 46 million in 2009. The decrease in integration costs in 2009 was due to the completion of fewer acquisitions in 2009 compared with previous years. Integration costs in 2009 related primarily to redundancy payments and termination of rental obligations with respect to acquired companies in Italy and Spain.

Operating profit. Operating profit decreased by DKK 476 million, or 13%, from DKK 3,753 million in 2008 to DKK 3,277 million in 2009 and was negatively impacted by a lower operating margin before other items and an increase in other expenses.

Share of result from associates. The share of result from associates increased by DKK 1 million from a profit of DKK 3 million in 2008 to DKK 4 million in 2009.

Net finance costs. Net finance costs decreased by DKK 423 million, or 15%, to DKK 2,308 million in 2009 from DKK 2,731 million in 2008. The main reason for the decrease was a net gain on foreign exchange in 2009 compared with a loss on foreign exchange in 2008 as well as lower interest expenses, net in 2009.

In 2009, net finance costs included DKK 2,168 million of net interest expenses, DKK 61 million in net gains on foreign exchange, DKK 57 million in amortization of financing fees and a loss of DKK 59 million related to repayment of the 2010 Medium Term Notes acquired at nominal value with a carrying amount lower than nominal value due to the market value adjustment made in connection with ISS Holding A/S's acquisition of ISS A/S.

Profit before tax and goodwill impairment/amortization of brands and customer contracts. Profit before tax and goodwill impairment/amortization of brands and customer contracts decreased by DKK 52 million from DKK 1,025 million in 2008 to DKK 973 million in 2009.

Income taxes. Income taxes increased from DKK 531 million in 2008 to DKK 588 million in 2009. The effective tax rate was 60.4% in 2009 compared with 51.8% in 2008, calculated as the consolidated tax provision of DKK 588 million divided by the profit before tax and goodwill impairment/amortization of brands and customer contracts totalling DKK 973 million. The tax expense in 2009 was adversely impacted by the Danish interest limitation deductions. Due to the limitation to interest deductions, the Group is subject to limitations on the deductibility of financial expenses of approximately DKK 559 million in 2009. The net effect on the tax expense in 2009 is estimated to be DKK 137 million.

In addition, the tax expense in 2009 was adversely impacted by withholding taxes that are non-proportional to the profit before tax. The level of withholding taxes increased in 2009 due mainly to the terminated tax treaties between Denmark and respectively France and Spain.

Profit before goodwill impairment/amortization of brands and customer contracts. Profit before goodwill impairment/amortization of brands and customer contracts decreased by DKK 109 million or 22%, from DKK 494 million in 2008 to 385 million in 2009.

Goodwill impairment and write-down. The intangibles of the Group relate partly to the intangibles in the purchase price allocation following the takeover of ISS on May 9, 2005. At the date of the takeover, the value in use of all individual cash generating units (CGUs) was close to the carrying amount. Consequently, a decline in value in use of an individual CGU subsequent to the purchase price allocation will trigger impairment. Goodwill impairment and write-downs amounted to DKK 1,246 million. Impairment losses of DKK 450 million related to ISS's business in France, and DKK 100 million related to ISS's business in Germany. The impairment losses resulted from weakening market conditions within certain business activities in which ISS operates, especially the industrial segments, combined with an increase in the discount rate applied at the time of recognition of the impairment loss in May 2009. Write-downs totalling DKK 696 million related to the write-down of DKK 248 million as a result of divestment of a number of businesses and the writedown of DKK 448 million on certain businesses classified as held for sale on December 31, 2009. The write-down of completed divestments of DKK 248 million related mainly to the sale of ISS's non-strategic landscaping business in Sweden of DKK 137 million, the sale of the call centre activities in the Netherlands of DKK 69 million and the sale of the pest control activities in the United Kingdom of DKK 42 million. The DKK 448 million write-down on businesses classified as held for sale on December 31, 2009 related mainly to the expected sale of certain non-core activities in France, Spain and Norway.

In 2008, goodwill impairment and write-downs amounted to DKK 399 million, of which DKK 250 million related to ISS's business in Germany, and DKK 20 million related to ISS's business in Italy, which was recognised following impairment tests. The remaining DKK 129 million related to divestments.

Amortization of brands and customer contracts. Amortization of brands and customer contracts amounted to DKK 1,129 million in 2009, up from DKK 1,008 million in 2008. The increase was a result of a DKK 210 million write-down on customer contracts that related mainly to classification of non-core activities in France as held for sale. The amortization related primarily to customer contracts, whereas only a minor part of the amortization related to local brands. As the useful life of the ISS brand is deemed indefinite, ISS does not amortize the value of the ISS brand.

Tax effect. The tax effect of goodwill impairment and write-down and amortization of brands and customer contracts, which is presented separately in the income statement to show the effective tax percentage before impairment/amortization of intangibles, was DKK 361 million in 2009 and DKK 282 million in 2008.

Net loss. Net loss increased from a loss of DKK 631 million in 2008 to a loss of DKK 1,629 million in 2009, and was negatively impacted by a lower operating profit and higher non-cash charges related to goodwill impairment of DKK 550 million and DKK 983 million before tax related to divestments and businesses classified as held for sale. This was partly offset by lower net finance costs. In 2009, a loss of DKK 1,647 million was attributable to the owners of ISS, whereas a profit of DKK 18 million was attributable to non-controlling interests.

Results of Operations of ISS—Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

In order to strengthen its service offerings and pursue opportunities in countries with high growth potential, ISS completed a total of 66 acquisitions adding total annual revenue estimated at approximately DKK 3.9 billion. In line with its strategy, ISS focused on acquisitions within Catering and Security services, which accounted for 33% and 29% of total acquired revenue, respectively. ISS continued investing in Cleaning services through acquisitions, which accounted for 35% of the total acquired revenue. In addition, ISS focused on acquisitions in growth regions, such as Asia and Latin America.

Considering the turmoil in the financial markets and the severe economic challenges experienced by the global economy in the second half of 2008, ISS maintained an overall satisfactory performance. The organic growth for the year was 5.3%, slightly lower than in 2007. All regions and almost all countries added to the organic growth, with Asia and Latin America once again achieving double-digit organic growth rates.

Throughout 2008, ISS remained focused on operational efficiency. Operating profit before other items amounted to DKK 4.1 billion in 2008, up by 6% compared with 2007. ISS maintained a solid operating margin of 5.9% in 2008.

In 2007, ISS implemented a global corporate client organization in order to win integrated facility services contracts with large multinational or global customers. As a direct result, in March 2008, ISS entered into an international integrated facility services contract with Hewlett-Packard, a leading international technology solutions company. This contract covers more than 45 countries in Europe, the Middle East, Asia and Africa and is the largest contract in ISS history as well as a significant milestone in ISS's pursuit of the corporate vision of being the leading global Facility Services provider.

Revenue. Revenue in 2008 amounted to DKK 68,829 million, representing a revenue growth of 8%, compared with DKK 63,992 million in 2007. Revenue growth was driven by 5% organic growth and 8% growth from acquisitions. This was partly offset by divestments of 2% and adverse currency exchange-rate movements of 3%.

The following table provides information concerning ISS's revenue for the year ended December 31, 2008, in each of the principal regions in which it operates compared to the year

ended December 31, 2007. The information is based on ISS's calculations of organic growth in the same periods.

	Nordic[1]		Western Europe[1]		Eastern Europe[1]		Asia[1]		Latin America[1]		United States[1]		Pacific[1]		Total ISS	
	(DKK billions)	(%)	(DKK billions)	(%)	(DKK billions)	(%)	(DKK billions)	(%)	(DKK billions)	(%)	(DKK billions)	(%)	(DKK billions)	(%)	(DKK billions)	(%)
Revenue for the year ended December 31, 2007	16.5	100	37.7	100	1.2	100	2.4	100	1.5	100	1.1	100	3.5	100	63.9	100
Foreign currency adjustments	(0.3)	(2)	(1.0)	(3)	0.1	8	(0.1)	(7)	(0.0)	(4)	(0.1)	(13)	(0.2)	(6)	(1.6)	(3)
Acquisitions	0.2	1	2.2	6	0.2	19	0.4	19	0.2	14	1.0	101	0.2	5	4.4	8
Divestments	(0.1)	(1)	(1.1)	(3)	—	—	(0.0)	(1)	—	—	—	—	—	—	(1.2)	(2)
Organic growth	0.8	5	1.5	4	0.1	9	0.5	20	0.2	17	0.1	6	0.1	4	3.3	5
Revenue for the year ended December 31, 2008	17.1	104	39.3	104	1.7	136	3.1	131	1.9	127	2.1	194	3.6	103	68.8	108

(1) The countries included in each region are described on pages 45 and 46 of this offering memorandum. Due to rounding, the sum of the growth components may differ from the total figures.

The organic growth was, as expected, driven by double-digit growth rates in the growth economies of Asia and Latin America. Stable organic growth was experienced in all other regions.

Revenue in the Nordic region increased by 4% from DKK 16,488 million in 2007 to DKK 17,071 million in 2008. The increase was driven by positive organic growth of 5% throughout the region. The main contributors were Norway, Sweden and Finland. Growth from acquisitions contributed 1% growth while currency adjustments decreased revenue by approximately 2% for the region.

Revenue in the Western European region increased by 4% from DKK 37,709 million in 2007 to DKK 39,337 million in 2008. Organic growth was 4% and growth from acquisitions was 6%, while divestments and currency adjustments each reduced revenue for the region by approximately 3%. With the exception of the Netherlands and France, organic growth was positive in all countries in the region with Greece, Turkey and Israel delivering double-digit organic growth rates. In France, revenue decreased as a result of the divestment of the non-core energy activities, which generated revenue of DKK 909 million in 2007. Adjusted for this effect, revenue in France increased by 1% in 2008.

Revenue in Eastern Europe increased by 36% from DKK 1,226 million in 2007 to DKK 1,663 million in 2008. The increase was driven by acquisition growth of 19% and organic growth of 9%. The organic growth was positive in all countries in the region with the exception of Slovakia. Currency adjustments increased revenue by 8% compared with 2007.

Revenue in Asia increased by 31% from DKK 2,409 million in 2007 to DKK 3,147 million in 2008. The increase was driven by 20% organic growth and 18% growth from acquisitions, net, partly offset by a 7% decrease from adverse currency adjustments. The organic growth was driven mainly by India and Indonesia, and organic growth rates were double-digit in all countries in the region, except Brunei and Taiwan.

Revenue in Latin America increased by 27% from DKK 1,484 million in 2007 to DKK 1,890 million in 2008. Organic growth was 17% and all countries delivered double-digit growth rates. Growth from acquisitions was 14% and currency adjustments reduced the revenue for the region by approximately 4%.

Revenue in the United States amounted to DKK 2,131 million in 2008, with organic growth contributing 6%.

Revenue in the Pacific region increased by 3% from DKK 3,519 million in 2007 to DKK 3,614 million in 2008. The growth was driven primarily by organic growth of 4% stemming from positive organic growth in both Australia and New Zealand. Acquisitions increased revenue by 5%, while currency adjustments reduced revenue by approximately 6%.

Staff costs. Staff costs increased by DKK 3,158 million, or 8%, from DKK 40,998 million in 2007 to DKK 44,156 million in 2008. This increase was due primarily to an increase in the overall number

of employees as a result of acquisitions and organic growth. Staff costs as a percentage of revenue increased from 64.1% in 2007 to 64.2% in 2008.

Cost of sales. Cost of sales increased by DKK 520 million, or 9%, from DKK 5,614 million in 2007 to DKK 6,134 million in 2008. This increase was due primarily to acquisitions and organic growth. Cost of sales as a percentage of revenue amounted to 8.9% in 2008, a slight increase compared with 8.8% in 2007.

Other operating expenses. Other operating expenses increased by DKK 979 million, or 8%, from DKK 12,630 million in 2007 to DKK 13,609 million in 2008. This increase was due primarily to acquisitions and organic growth. Other operating expenses as a percentage of revenue totalled 19.8%, which was level with 2007.

Depreciation and amortization. Depreciation and amortization excluding amortization of brands and customer contract portfolios and related customer relationships (customer contracts) increased by DKK 24 million, or 3%, from DKK 845 million in 2007 to DKK 869 million in 2008, which as a percentage of revenue was unchanged at 1.3% compared with 2007.

Operating profit before other items. Operating profit before other items for 2008 amounted to DKK 4,061 million in 2008, representing an increase of 6%, compared with DKK 3,835 million in 2007. Operating margin, calculated as operating profit before other items as a percentage of revenue, was 5.9% in 2008 compared with 6.0% in 2007, due to lower earnings in the Netherlands. In line with previous years, a number of non-recurring items affected ISS in 2008, including curtailment gains related to defined benefit plans, income related mainly to settlement of a dispute on social charge contributions for prior years and workers' compensation incentives received. Corporate overhead costs decreased from 0.5% of revenue in 2007 to approximately 0.4% in 2008.

Operating profit before other items in the Nordic region amounted to DKK 1,189 million in 2008 compared with DKK 1,162 million in 2007. The operating margin in the region was 7.0% in 2008, in line with the margin realized in 2007. This was due to an operating margin increase in Denmark, offset by slight margin decreases in the other countries. In Norway, the 2008 performance was negatively impacted by below average margin projects in the building maintenance activities and was positively impacted by a recognized curtailment gain of DKK 30 million related to defined benefit pension plans. The operating margin in 2007 was impacted by curtailment gains on defined benefit schemes of DKK 32 million and DKK 13 million in Sweden and Norway, respectively.

Operating profit before other items in Western Europe amounted to DKK 2,356 million in 2008, the same as in 2007. The operating margin of 6.0% was 0.2% lower compared with 2007, which was due to the Netherlands, where operational challenges, mainly in three business units, resulted in losses and a margin reduction from 6.0% in 2007 to 2.9% in 2008. Turnaround plans are being implemented, including changes in management teams, organizational set-ups and business processes. The margin was positively impacted by one-off income, net of DKK 45 million, related mainly to settlement of a dispute on social charge contributions for prior years. Furthermore, Germany, Switzerland and France realized slightly lower margins than in 2007. The margin decreases were partly offset by margin increases in Ireland and Turkey. In Ireland the increase was due to the successful restructuring of the business activities following the divestment of the landscaping division in August 2007.

Operating profit before other items in Eastern Europe amounted to DKK 124 million in 2008 compared with DKK 91 million in 2007. The operating margin was 7.4% in 2008, the same as in 2007. In addition to the significant 2008 revenue growth in the region, all countries, apart from Slovenia, Slovakia and Croatia, increased their operating margin in 2008 compared with 2007.

Operating profit before other items in Asia amounted to DKK 210 million in 2008 compared with DKK 158 million in 2007. The operating margin increased to 6.7% in 2008, compared with 6.6% in 2007. This was due primarily to operating margin increases in Malaysia, India, Taiwan and Singapore, partly offset by margin decreases in the Philippines and Thailand.

Operating profit before other items in Latin America amounted to DKK 109 million in 2008 compared with DKK 86 million in 2007. The operating margin was 5.8%, the same as in 2007. All countries in the region except Brazil increased their operating margin in 2008.

Operating profit before other items in the United States amounted to DKK 128 million in 2008 compared with DKK 62 million in 2007, which included only seven months of operations. The operating margin was 6.0% in 2008 compared with 5.6% in 2007.

Operating profit before other items in the Pacific region amounted to DKK 230 million in 2008 compared with DKK 225 million in 2007. The operating margin in the region amounted to 6.4% in 2008, the same as in 2007. This was negatively impacted by a decrease in income related to workers compensation incentives received from the Australian government, which decreased from DKK 34 million in 2007 to DKK 20 million in 2008.

Other income and expenses, net. Other income and expenses, net, represented a net expense of DKK 242 million in 2008 compared with a net expense of DKK 129 million in 2007. This related partly to losses on divestments of non-core activities, including the energy activities in France as well as the non-strategic temporary staffing and landscaping businesses in Austria and subsequent restructuring of the organizational set-ups in both France and Austria. Furthermore, other income and expenses included costs related to a restructuring project in the Netherlands comprising changes in management teams, organizational set-ups and business units, a relocation project in Norway as well as redundancy and severance payment relating to organizational changes.

Other income and expenses, net, in 2007 represented a net expense of DKK 129 million and included a gain on the sale of a call option relating to a property in Norway and a gain related to the sale of a PFI stake in the United Kingdom. These gains were more than offset by losses on divestments related mainly to landscaping activities in Ireland and part of the energy activities in France, restructuring costs related to office relocation and reorganizational projects in Norway and the Netherlands, costs for consolidating properties in central London and Scotland as well as costs related to the IPO feasibility review.

Integration costs. Integration costs amounted to DKK 66 million in 2008, which was level with 2007. Integration costs in 2008 related primarily to redundancy payments and termination of rental obligations with respect to acquired companies in Germany, Spain, the United States, France and Israel.

Operating profit. Operating profit increased by DKK 114 million, or 3%, from DKK 3,639 million in 2007 to DKK 3,753 million in 2008.

Share of results from associates. Share of results from associates decreased by DKK 5 million, or 63%, from a profit of DKK 8 million in 2007 to DKK 3 million in 2008.

Net finance costs. Net finance costs decreased by DKK 286 million, or 9%, to DKK 2,731 million in 2008 from DKK 3,017 million in 2007. In 2007, net finance costs included DKK 222 million of costs relating to the redemption of the floating rate tranche of the Original Notes and a net accounting loss of DKK 338 million as a consequence of ISS Global's refinancing of approximately €390 million of Medium Term Notes due in 2014. Excluding the impact of the redemption costs and accounting loss, net finance costs increased by 11%. The main reasons for the increase were additional drawings to fund acquisitions in line with expectations and a negative impact from loss on foreign exchange, which were partly offset by the savings impact from the July 2007 refinancing.

In 2008, net finance costs included DKK 2,315 million of net interest expenses, DKK 255 million of net loss on foreign exchange and DKK 63 million of amortization of financing fees.

Profit before tax and goodwill impairment/amortization of brands and customer contracts. Profit before tax and goodwill impairment/amortization of brands and customer contracts increased by DKK 395 million from DKK 630 million in 2007 to DKK 1,025 million in 2008.

Income taxes. Income taxes increased from DKK 254 million in 2007 to DKK 531 million in 2008. The effective tax rate was 51.8% in 2008 compared with 40.3% in 2007, calculated as the consolidated tax expense of DKK 531 million divided by the profit before tax and goodwill impairment/amortization of brands and customer contracts of DKK 1,025 million. The tax expense in 2007 was positively impacted by recognition of previously unrecognized tax losses, giving rise to capitalization of a deferred tax asset of approximately DKK 300 million related to the jointly taxed Danish subsidiaries. These tax losses were capitalized as they are expected to be utilized as a direct consequence of an amendment to the Danish Corporation Tax Act in 2007.

The bill to amend the Corporation Tax Act contained, among others, provisions that limit the right to deduct financial expenses. Due to these provisions, ISS was subject to limitations in deduction of financial expenses of approximately DKK 826 million in 2008. The net effect in the tax expense in 2008 is estimated to be DKK 104 million.

Finally, the tax expense in 2008 was adversely impacted by withholding taxes that are non-proportional to the profit before tax.

Profit before goodwill impairment/amortization of brands and customer contracts. Profit before goodwill impairment/amortization of brands and customer contracts increased by DKK 118 million, or 31%, from DKK 376 million in 2007 to 494 million in 2008.

Goodwill impairment and write-down. Goodwill impairment and write-down amounted to DKK 399 million in 2008, of which DKK 250 million related to ISS's business in Germany and DKK 20 million related to ISS's business in Italy. The impairment losses resulted from weakening market conditions within certain business activities in which ISS operates combined with an increase in the discount rate applied. The remaining DKK 129 million related to the divestment of ISS's non-strategic temporary staffing and landscaping businesses in Austria as well as minor divestments in Norway. In 2007, goodwill impairment and write-down amounted to DKK 128 million, and related primarily to the divestments of ISS's landscaping business in Ireland and the first part of the non-core energy activities in France.

Amortization of brands and customer contracts. Amortization of brands and customer contracts amounted to DKK 1,008 million in 2008, a decrease from DKK 1,101 million in 2007. The amortization related primarily to customer contracts, whereas only a minor part of the amortization related to local brands. As the useful life of the ISS brand is deemed indefinite, ISS does not amortize the value of the ISS brand.

Tax effect. The tax effect of goodwill impairment and write-down and amortization of brands and customer contracts, which is presented separately in the income statement to show the effective tax percentage before impairment/amortization of intangibles, was DKK 282 million in 2008 and DKK 411 million in 2007. In 2007, the tax effect related to amortization of brands and customer contracts was positively impacted by the reduction in corporate income tax rates in several countries in which ISS operates, as the deferred tax liabilities were reduced accordingly.

Net loss for the period. Net loss for the period increased from a loss of DKK 442 million in 2007 to a loss of DKK 631 million in 2008, negatively impacted by higher income tax expense, as well as higher non-cash charges related to Goodwill impairment and write-down. This was partly offset by the improved operational performance and lower net finance costs. In 2008, a loss of DKK 641 million was attributable to the equity holders of ISS, whereas a profit of DKK 10 million was attributable to non-controlling interests.

Historical Cash Flow for ISS—Years ended December 31, 2007, 2008 and 2009

The following table sets forth ISS's cash flow statement data for the years ended December 31, 2007, 2008 and 2009. This data is derived from ISS's audited consolidated financial statements for such periods, prepared in accordance with IFRS. The other data is calculated in accordance with the definitions set forth in ''Other Data and Financial Measures''.

	Year ended December 31,		
	2007	2008	2009
	(DKK millions, except percentages)		
Cash Flow Statement Data:			
Cash flow from operating activities	3,713	4,334	3,732
Cash flow from investing activities	(3,672)	(2,543)	(1,832)
Cash flow from financing activities	329	(1,348)	(1,547)
Total cash flow	370	443	353
Other Data:			
Cash conversion (%)[1]	99	103	96

(1) As calculated by ISS, represents Operating profit before other items plus changes in working capital as a percentage of operating profit before other items.

Cash flow from operating activities. Cash flow from operating activities was a net inflow of DKK 3,732 million in 2009, representing a decrease of DKK 602 million from DKK 4,334 million in 2008. This decrease was due primarily to a cash outflow of DKK 137 million from working capital compared with a cash inflow of DKK 109 million in 2008 and an increase in cash outflow of DKK 190 million from payments related to other income and expenses, net, as well as the decrease in operating profit before other items of DKK 187 million.

Cash flow from operating activities was a net inflow of DKK 4,334 million in 2008, up DKK 621 million from DKK 3,713 million in 2007. The improvement in 2008 was due primarily to the increase in operating profit before other items of DKK 226 million as well as a positive development in cash flow from working capital of DKK 153 million. Cash inflow related to working capital was DKK 109 million, compared with a cash outflow of DKK 44 million in 2007. The positive change stemmed mainly from trade receivables that were maintained at the same level, as the organic growth realized in 2008 was in all material respect offset by lower debtor days.

Cash outflow from changes in provisions decreased from DKK 96 million in 2008 to DKK 50 million in 2009. The amount comprised the effect of net changes in provisions charged to the income statement during 2009 and payments made in relation to such provisions.

Cash outflow from changes in other provisions, pensions and similar obligations decreased from DKK 203 million in 2007 to DKK 96 million in 2008. The amount comprised the effect of net changes in other provisions, pensions and similar obligations charged to the income statement during 2008 and payments made in relation to such provisions, related predominantly to pension plans in Norway and Switzerland.

Income taxes paid, net, amounted to DKK 394 million in 2009 compared with DKK 363 million in 2008.

Income taxes paid, net, amounted to DKK 363 million in 2008 and DKK 434 million in 2007. The decrease in 2008 related primarily to refunds of tax payments in foreign operations.

Payments related to other income and expenses, net, amounted to DKK 371 million in 2009, up DKK 190 million compared with 2008. Payments of DKK 283 million in 2009 related to restructuring projects in France, Germany, Spain, Australia, Belgium, Denmark, Finland and the United Kingdom. Payments related to other income and expenses, net, amounted to DKK 181 million in 2008, down DKK 27 million compared with 2007. Payments of DKK 54 million related to the re-scoping of the IT outsourcing agreement entered into in 2007 with Computer Services Corporation (''CSC'') and, DKK 49 million related to restructuring projects in Norway and the Netherlands.

Integration costs paid were DKK 58 million in 2009 and related primarily to redundancy payments and termination of rental obligations with respect to acquired companies in Spain, Germany, Italy and Australia. Integration costs paid amounted to DKK 65 million in 2008 and related

primarily to redundancy payments and termination of rental obligations with respect to acquired companies in Germany, Spain, the United States, France and Israel. In 2007, integration costs paid amounted to DKK 78 million. The costs related mainly to the acquisition of Tempo Services Limited and acquisitions in France, Belgium, Spain and Norway.

Cash flow from investing activities. Cash flow from investing activities in 2009 was a net cash outflow of DKK 1,832 million, of which DKK 914 million related to acquisitions completed during 2009 and payment of earn-outs and deferred payments on acquisitions completed in previous years. Acquisitions completed in 2009 comprised investments primarily in India, the US, Indonesia, Italy and Turkey. The cash outflow from acquisitions was partly offset by proceeds from divestments of DKK 22 million that related primarily to the divestment of the landscaping activities in Sweden. Investments in intangible assets and property, plant and equipment, net, (excluding acquisition-related intangibles) totalled DKK 897 million in 2009, representing 1.3% of revenue. Investments in financial assets, net, totalled an outflow of DKK 43 million in 2009.

Cash flow from investing activities in 2008 was a net cash outflow of DKK 2,543 million, of which DKK 2,095 million related to acquisitions, most significantly in the United States, Greece, Israel, Turkey and the United Kingdom. This was partly offset by proceeds from divestments of DKK 272 million, related primarily to the divestment of the remaining energy activities in France. Investments in intangible assets and property, plant and equipment, net, were DKK 718 million in 2008, representing 1% of revenue. Investments in financial assets, net, totaled an outflow of DKK 2 million in 2008.

In 2007, the net cash flow from investing activities represented an outflow of DKK 3,672 million, due mainly to payments of DKK 2,957 million related to acquisitions and investments in intangible assets and property, plant and equipment, net, (excluding acquisition related intangibles) of DKK 715 million.

Net cash flow from financing activities. Cash flow from financing activities in 2009 was a net cash outflow of DKK 1,547 million. This was mainly a result of interest payments of DKK 2,205 million and repayment of borrowings of DKK 5,177 million due primarily to settlement of €500 million of the 2010 Medium Term Notes in July 2009 as well as amortization on senior facilities. This was partly offset by drawings on credit facilities of DKK 5,849 million stemming mainly from the issuance of new Senior Notes due in 2014 in July 2009, the launch of the securitisation program in the last quarter of 2009 as well as drawings on the acquisition facility up until May 11, 2009 when the acquisition facility expired.

Net cash flow from financing activities in 2008 was a net cash outflow of DKK 1,348 million. This resulted primarily from interest payments of DKK 2,267 million, partly offset by net drawings on credit facilities primarily to fund acquisitions of DKK 941 million.

In 2007, the net cash flow from financing activities amounted to a cash inflow of DKK 329 million. This was primarily the result of increased indebtedness to fund acquisitions, partly offset by interest payments of DKK 2,373 million. Furthermore, proceeds from issuance of share capital amounted to DKK 178 million as proceeds from shares and warrants issued by ISS's ultimate parent, FS Invest S.à r.l, in 2006 under its Management Participation Programme, were made available to ISS.

Cash conversion. Changes in working capital represented a cash outflow of DKK 137 million that resulted in a cash conversion of 96% in 2009 compared with 103% in 2008 and 99% in 2007. The change from 2007 to 2008 stemmed mainly from trade receivables that were maintained at the same level. The negative devation from 2008 to 2009 stemmed mainly from higher cash outflow related to payment of trade creditors.

Available Liquidity and Capital Resources

The liquidity requirements of ISS and its subsidiaries primarily relate to meeting ongoing debt service obligations and to fund working capital requirements.

As of December 31, 2009, net debt of ISS was DKK 31,261 million (€4,201 million) calculated as total short-term debt (excluding tax related debt to affiliate) and long-term debt less total cash and cash equivalents and securities recorded under current assets, and adjusted for: (i) the reduction of short-term and long-term debt relating to unamortized financing fees; (ii) the increase to short-term

and long-term debt relating to realized and unrealized gains on interest rate swaps hedging fixed interest rate loans; and (iii) the unamortized portion of the market price adjustments of ISS Global's Medium Term Notes.

Following completion of the offering, ISS's debt service obligations will consist primarily of (i) ISS Global's obligation to make interest payments due on the Proceeds Loans, which interest payments will be used by ISS Financing Plc to pay the interest payments on the 2014 Notes, and (ii) periodic payments of interest on amounts drawn under the Senior Secured Facilities, securitization of trade receivables, the remaining Medium Term Notes and the Notes.

ISS's liquidity requirements also relate, in part, to the funding of its business at the beginning of the year as the business typically has negative cash flow from operations in the first months of the year due to a number of cash payments relating to, among other things, insurance premium payments, pension contributions, holiday payments and the payment of bonuses earned in the prior year. ISS's cash flow from operations then typically turns positive in the second fiscal quarter and increases throughout the year. As of December 31, 2009, ISS's liquid reserves consisted of cash and cash equivalents of DKK 3,364 million (2008: DKK 2,961 million), unused revolving credit facilities of DKK 418 million (2008: DKK 817 million) available for drawing until June 30, 2012. The unused amount under the Revolving Credit Facility will however fluctuate from month to month. In addition, approximately, DKK 1.5 billion was allocated to support performance bonds issued by operating subsidiaries.

ISS believes that the cash generated from operations, proceeds from the offering of the Notes and other cash on hand, together with available borrowings under the Senior Secured Facilities, will be sufficient to meet its expected liquidity needs.

Future drawings under the Senior Priority Facilities will be available only if, among other things, the financial and other covenants contained in the Senior Priority Facilities are complied with. See ''Description of Certain Other Indebtedness'' for further details of the Senior Priority Facilities.

In addition to the Senior Secured Facilities, ISS is permitted to have up to an amount equivalent to DKK 745 million (€100 million) in Local Facilities. As of December 31, 2009, on an unconsolidated basis, after giving effect to the adjustments described in ''Capitalization'', the offering of the Additional Notes and the application of the proceeds therefrom as described in ''Use of Proceeds'':

- the Issuer would have had total indebtedness (excluding guarantees) of DKK 8,792 million (€1,181 million), of which DKK 4,465 million (€600 million) would have been represented by Facility D (the Second Lien Facility), DKK 3,378 million (€454 million) would have been represented by the Original Notes and DKK 949 million (€127.5 million) would have been represented by the Additional Notes;
- the Restricted Subsidiaries (as defined in ''Description of the Notes'') together, after the elimination of any intercompany indebtedness and liabilities, would have had total indebtedness of DKK 26,879 million (€3,612 million), of which DKK 18,241 million (€2,451 million) would have been represented by secured indebtedness outstanding under the Senior Priority Facilities, DKK 3,424 million (€460 million) would have been represented by indebtedness outstanding under the Medium Term Notes, DKK 3,907 million (€525 million) would have been represented by indebtedness outstanding under the Proceeds Loan Agreement and DKK 1,307 million (€175 million) would have been represented by indebtedness of DKK 937 million (€126 million) raised via securitization and DKK 370 million (€49 million) outstanding under various local facilities.

Contractual Obligations and Commitments

ISS has executed a share pledge over its shares in ISS A/S as security for the Senior Secured Facilities and a secondary share pledge over such shares as security for the Notes issued by ISS.

ISS, ISS A/S, ISS Global and certain material subsidiaries of ISS Global in Australia, Belgium, Denmark, Finland, France, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the United States have provided guarantees for ISS Global's borrowings under the Senior Priority Facilities. The guarantees have been secured by security over bank accounts, trade receivables, intra-group receivables, other receivables, properties, production equipment and intellectual

property rights of ISS A/S and these subsidiaries. The aggregate approximate values of assets provided as security for the borrowings under the Senior Priority Facilities were:

	December 31, 2007	December 31, 2008	December 31, 2009
		(DKK billions)	
Goodwill	3.9	2.7	3.4
Customer contracts	1.2	0.8	0.9
Intellectual property rights	1.5	1.5	1.6
Other intangible and tangible assets	0.3	0.3	0.3
Trade receivables	3.8	3.2	2.4
Other receivables	0.1	0.2	0.2
Bank accounts	1.8	1.8	1.7
Total	12.6	10.5	10.5

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.

ISS has certain off-balance sheet liabilities, primarily contingent liabilities relating to operating leases, which consist of leases and rentals of properties, vehicles (primarily cars) and other equipment. The total expense under operating leases for 2007, 2008 and 2009 was DKK 1,834 million, DKK 1,876 million and DKK 2,070 million, respectively. Assuming the current car fleet is maintained at its current level, the future minimum lease payments under operating leases are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years	Total lease payment
				(DKK millions)			
December 31, 2007	1,251	901	661	414	288	433	3,948
December 31, 2008	1,299	920	649	401	286	395	3,950
December 31, 2009	1,399	915	616	375	250	448	4,003

On January 1, 2005, ISS entered into a global car fleet lease framework agreement for three years, including an option for extension. The agreement was re-negotiated and extended for another three year term from January 1, 2008 to December 31, 2010. The framework agreement contains an option for ISS to terminate the fleet of an entire country or the entire fleet under the framework agreement with four weeks' notice subject to payment of a termination amount. The majority of the underlying agreements have a duration of 3-5 years. The disclosed contingent liability includes ISS's total leasing commitment assuming no early termination of any agreement.

ISS's indemnity and guarantee commitments at December 31, 2009 amounted to DKK 462 million (December 31, 2008: DKK 318 million, December 31, 2007: DKK 405 million).

ISS has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,517 million in 2009 (DKK 1,305 million in 2008 and DKK 1,229 million in 2007) of which DKK 1,288 million in 2009 (DKK 1,112 million in 2008 and DKK 979 million in 2007) are bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

ISS has an IT outsourcing agreement with CSC running until 2015. ISS's contractual obligations related to the agreement at December 31, 2009 amounted to approximately DKK 41 million (DKK 60 million in 2008 and DKK 75 million in 2007).

ISS makes provisions for claims from purchasers or other parties in connection with divestments and representations and warranties given in relation to such divestments. 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.

ISS 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 ISS's

financial position beyond the assets and liabilities already recognized in the balance sheet at December 31, 2009.

Furthermore, restructuring projects aimed at adjusting capacity to lower activity have been undertaken across different geographies and service areas. Labor laws especially in Western Europe include restrictions on dismissals and procedural rules to be followed. The procedures applied by ISS could be challenged in certain jurisdictions resulting in liabilities. Management believes that this would not have a material impact on ISS's financial position beyond the assets and liabilities already recognized in the balance sheet at December 31, 2009.

Pension Obligations

ISS contributes to defined contribution plans as well as defined benefit plans. The majority of the pension plans are funded through payments of annual premiums to independent insurance companies responsible for the pension obligation towards the employees (defined contribution plans). In these plans ISS has no legal or constructive obligation to pay further contributions irrespective of the funding of these insurance companies. Pension costs related to such plans are recorded as expenses when incurred.

In some countries, most significantly, the Netherlands, Sweden, Switzerland, France, Germany, Norway and the United Kingdom, ISS has pension schemes where the actuarially determined pension obligations are recorded in the consolidated balance sheet (defined benefit plans). The defined benefit plans are primarily based on years of service and benefits are generally determined on the basis of salary and rank. The majority of the obligations are funded, but in some countries, mainly Sweden and France, the obligation is unfunded.

Net obligations in respect of defined benefit pension plans are calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value; and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the Projected Unit Credit Method.

In certain countries, ISS participates in multi-employer pension schemes. The funds are currently not able to provide the necessary information in order for ISS to account for the schemes as defined benefit plans. There is a risk that the plans are not sufficiently funded. Furthermore, there is a risk that changes to local legislation will entail that pension plans are reclassified from defined contribution plans to defined benefit plans, requiring ISS to recognize a provision.

Pensions and similar obligations amounted to DKK 837 million at December 31, 2009, DKK 834 million at December 31, 2008 and DKK 724 million at December 31, 2007.

In connection with the preparation of the audited consolidated financial statements as of and for the year ended December 31, 2009, actuarial annual valuations have been updated to take into account changes in the underlying assumptions about, inter alia, interest rates, inflation rates and demographic assumptions. The updated valuations led to actuarial losses, including the net effect from asset ceiling totalling, DKK 27 million, which were recognized in equity as of December 31, 2009.

ISS in the United Kingdom is the sponsoring employer of a pension plan that has been closed since 1997. Under English law, the trustees of the pension fund have the option of winding-up the fund at their discretion. If they elect to do so, for example, in light of external events, ISS's obligation will increase from the obligation calculated according to IAS 19 to the amount an insurance company in the current insurance market would require to take over the pension scheme. The trustees have not notified ISS of any winding-up of the fund.

In 2005, ISS applied to the United Kingdom Pensions Regulator for confirmation that the financing arrangements entered into in connection with the acquisition of ISS by its current principal shareholders in 2005 would not give rise to the imposition of a contribution notice on one or more ISS companies or their directors (which would require the immediate payment of some or all of the statutory debt under the United Kingdom pension schemes) and clearance was subsequently granted on this basis. Further refinancing in 2007, which was agreed with the Pension Fund's trustees, strengthened the trustees position to support the scheme going forward. The trustees

have made no indication that they would wish to exercise their power of 'wind up'. Hence, ISS in the United Kingdom does not anticipate making any payments to fund the total pension liability.

Financial Risk Management

ISS is exposed to a number of financial risks as a result of its operating activities, investing activities and financing activities, mainly related to fluctuations in exchange rates, and interest rate as well as availability of funding.

ISS's financial risks are managed centrally in the Treasury department based on policies approved by the Board of Directors. ISS's financial risk management is focused on managing risks arising from ISS's operating and financing activities, mainly by use of interest rate instruments and currency instruments. Generally, ISS seeks to apply hedge accounting in order to manage volatility in the Group's results. It is not ISS's policy to take positions in the financial markets.

Currency Risk

The service industry is characterized by a relatively low level of transaction risk, since the services are produced and delivered in the same local currency with minimal exposure from imported components.

However, as an international business with the majority of revenue and operating profit stemming from foreign entities, ISS is exposed to risk relating to translation into Danish kroner of income statements and net assets of foreign subsidiaries, including intercompany items such as loans, royalties, management fees and interest payments between entities with different functional currencies.

ISS is exposed mainly to the following currencies: euro, Swiss franc, Norwegian kroner, Swedish kroner, British pound, Australian dollar and U.S. dollar.

ISS uses currency swaps to hedge the currency risk related to borrowings and intercompany loans to foreign subsidiaries. The objective of hedging is to enter into positions with an opposite risk profile to reduce the exposure to currency risk. Group Treasury measures the Group's total currency exposure in different currencies on a monthly basis in order to evaluate the need for hedging currency positions. When measuring the currency positions, all borrowings and intercompany balances are taken into account.

It is ISS's overall policy to fully hedge any foreign exchange exposure against the Danish kroner or against the Euro to the extent that the net exposure exceeds DKK 5 million. However, certain currencies are not possible to hedge within a reasonable price range, i.e. Brazilian real and Icelandic kronar and are therefore not hedged. The exposure against Euro is hedged based on an individual assessment.

It is not ISS policy to hedge the currency exposure on foreign investments. Consequently, no hedging transactions of net investments in foreign subsidiaries were entered into in 2009, 2008 and 2007. However, the Group may choose to hedge the currency exposure on foreign investments by funding such investments in local currencies.

In 2009, the currencies in which ISS's revenue was denominated decreased by an average of 2.8% (2008: decrease by 2.6%; 2007: decreased by 0.3%) relative to Danish kroner compared to the same period of 2008, decreasing ISS's revenue by DKK 1,877 million (2008: a decrease of DKK 1,624 million; 2007: a decrease of DKK 160 million). Currency movements decreased ISS's operating profit before other items by DKK 126 million compared with the corresponding period of the previous year (2008: a decrease of DKK 107 million; 2007: a decrease of DKK 10 million). The effect of the translation of net assets in foreign subsidiaries increased equity by DKK 364 million (2008: a decrease of DKK 791 million; 2007: a decrease of DKK 263 million).

Furthermore, ISS has a currency risk to the extent that its interest payments with respect to borrowings that are not denominated in the same currencies as ISS's revenue.

Interest Rate Risk

ISS's most significant interest rate risk relates to interest-bearing debt. In particular, ISS has approximately DKK 9,100 million of debt with floating interest rates.

ISS's financial debt liabilities primarily consist of bank loans (Senior Secured Facilities) and listed bonds (Medium Term Notes and the Notes). To manage the interest rate risk ISS uses fixed-rate bonds and derivatives, such as interest rate swaps. A part of ISS's interest payments on the Senior Secured Facilities has been swapped from floating into fixed rates.

According to the Senior Facilities Agreement at least 50% of ISS's total long-term debt and bonds must carry fixed interest rates. At least on a monthly basis Group Treasury measures the balance between fixed and variable interest rates to ensure compliance with the policy.

The interest rate risk is measured by the duration of the net debt (fixed-rate period). As of December 31, 2009, the duration of net debt was approximately 2.2 years (December 31, 2008: 2.0 years, December 31, 2007: 2.8 years). A decrease in interest rates will increase the fair value of the debt with a fixed interest rate, but this increase will not be reflected in the income statement and equity as long-term borrowings are measured at amortized cost and therefore not adjusted to fair value. It is estimated that a general increase in relevant interest rates of 1%-point would increase the annual interest expenses, net by DKK 91 million (2008: DKK 60 million, 2007: DKK 54 million), all other things being equal. The estimate is based on net debt adjusted for the effect of hedging instruments as of December 31, 2009.

Liquidity Risk

Liquidity risk is the risk that ISS will encounter difficulties in meeting its contractual obligations associated with its financial liabilities due to insufficient liquidity. It is ISS's policy that the raising of capital and investment of liquidity is managed centrally. It is therefore the responsibility of Group Treasury to ensure efficient liquidity management, which mainly comprises ensuring that adequate liquidity is available.

For day-to-day liquidity management cash pools have been established in several local entities. As a result, excess liquidity is transferred to ISS Global on a frequent basis.

ISS's liquid reserves mainly consist of liquid funds and unused credit facilities. It is ISS's policy to maintain an appropriate level of liquid reserve.

The Senior Secured Facilities, the 2014 Notes and the Notes are subject to customary undertakings, covenants (including financial covenants) and other restrictions. Financial covenants comprise the following: (i) debt cover; (ii) senior debt cover; (iii) cash flow cover; (iv) interest cover; and (v) limitation on capital expenditures. The financial covenants are calculated on a last-twelve-months basis and reported quarterly, except for (ii) and (v), which are only reported at year-end. In the event of a default under those agreements, the debt incurred including accrued interest could be declared immediately due and payable. In 2009, 2008, 2007 and 2006, all covenants have been complied with. See ''Risk Factors—Risks Related to the Notes and the Proceeds Loans—Non-compliance with the terms of debt instruments may result in acceleration of such indebtedness as well as cross-defaults, and ISS may not have sufficient assets to repay the accelerated indebtedness''.

Credit risk

Credit risk is the risk of a counterparty failing to meet its contractual obligations and so inflicting a loss on ISS. ISS's credit risk is mainly related to transactions with financial institutions (liquid funds and derivatives with positive fair value) and service deliveries to customers (trade receivables). It is ISS's policy that financial transactions may be entered into only with financial institutions with a high credit rating.

ISS is not exposed to significant risks relating to individual customers. ISS performs ongoing credit evaluations of the financial condition of ISS's counterparties in order to reduce the credit risk exposure. Losses on bad debt relating to individual customers have historically been relatively low (amounts written off as uncollectible during 2009 represented 0.6% of trade receivables at December 31, 2009). It is estimated that the provisions made are sufficient to cover expected losses.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, accounting estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. ISS believes the following are the areas involving critical accounting estimates and judgments used in the preparation of the consolidated financial statements:

- revenue recognition and determination of deferred income;
- the valuation of identifiable assets, liabilities and contingent liabilities in connection with the acquisition of business;
- the impairment testing of goodwill, brands, customer contract portfolios and related customer relationships, and any other acquisition-related intangible assets. Please refer to the detailed notes in respect of impairment tests included elsewhere in this offering memorandum (note 15, ''Impairment Tests'', included in the consolidated financial statements for ISS as of December 31, 2009 and note 14, ''Impairment Tests'', included in the consolidated financial statements for ISS as of December 31, 2008);
- the actuarial calculations regarding pension benefits;
- the valuation of provisions other than pension benefits;
- the assessment of ongoing litigation and the valuation of contingent liabilities;
- the valuation of tax assets; and
- bad debt provisions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A description of ISS's accounting policies under IFRS is set forth on pages F-12 to F-30 of this document.

INDUSTRY OVERVIEW

The market data included in this section represents estimates taken from external sources. While ISS has compiled, extracted and reproduced market or other industry data from external sources, including third party or industry or general publications, neither ISS nor any initial purchaser has independently verified such data. Where percentage ranges are presented, these ranges represent the estimated range of average growth rates of the relevant service in the major countries within the global facility services market. There can be no assurance as to the accuracy and completeness of, and ISS, its subsidiaries and the directors and management of ISS and its subsidiaries take no responsibility for, such data. In addition, when considering the industry and market data included in this offering memorandum, prospective investors should note that this information may be subject to uncertainty due to differing definitions of the relevant markets and market segments described. See ''Industry and Market Data''.

In 2005, ISS commissioned an internationally recognized consulting firm to prepare an independent survey of the facility services market in Europe, initially analyzing market data through to the end of 2004. This survey was updated in 2007 to include 2006 data and global facility services market data (excluding Asia and Africa). For the purposes of the survey, the global facility services market was defined as cleaning, property management, support services, catering and security services, and support services that facilitate the primary operations of private and public sector entities. The facility services market and its various segments may be defined in a number of ways, and competitors within the facility services market may define the market differently.

ISS believes that the fundamental characteristics of the markets described below have not changed materially since the periods reviewed in the independent survey. However, the market data has not been updated and ISS makes no representation as to the current size or growth rates of its markets.

Global Facility Services Market (all figures excluding Asia and Africa)

According to the independent market survey, the global outsourced facility services market had an overall market size of approximately €450 to €500 billion in 2006 and had average revenue growth of approximately 6% per year between 2002 and 2006. The primary segments of the global outsourced facility services market are further described below:

- *Cleaning services.* Cleaning services include traditional cleaning of offices, traditional plants, hospitals, transport hubs and specialized cleaning of windows. The global cleaning services market in 2006 was approximately €100 billion and its historical annual revenue growth was 6% from 2002 to 2006. Although growth varied by country and period, certain local markets experienced lower or higher growth and certain mature markets experienced lower or even negative growth.

- *Property management.* Property management includes maintenance of the physical building, climate systems, mechanical and electrical services, IT and communication services, landscaping, damage control and pest control. The global market for property services in 2006 was approximately €205 billion and historical annual revenue growth was in the range of 6% to 7% from 2002 to 2006.

- *Support services.* Support services include the operation of call centers, reception and mail room services within customer facilities, but excludes temporary staffing services where the provider does not manage the temporary staff. The global market for support services in 2006 was approximately €40 billion and historical annual revenue growth was approximately 6% from 2002 to 2006, with higher growth in certain local markets particularly within emerging markets.

- *Catering services.* Catering services include the operation of canteens and concession within customer. The global market for catering services in 2006 was approximately €60 billion and historical annual revenue growth was approximately 4% from 2002 to 2006.

- *Security services.* Security services include manned guarding and installation and maintenance of electronic surveillance systems. The global market for security services in 2006 was approximately €70 billion and historical annual revenue growth was approximately 7% from 2002 to 2006.

Demand Drivers

The Issuer believes that the key drivers of the demand for facility services are, amongst others:

Macroeconomics. Within a particular country, the demand for facility services generally correlates with economic conditions, including growth in that country's gross domestic product. However, the facility services industry is normally considered to be less sensitive to economic cycles than a number of other industries as there is a basic demand among customers for cleaning and other facility services in order to maintain their facilities and operate their businesses. In addition to being more resilient in economic downturns, economic trends tend to affect facility services providers later in a macroeconomic cycle.

Outsourcing. There is a general trend towards outsourcing of facility service functions, which continues to be a driver of demand for these services. The decision to outsource is dependent upon customer perceptions regarding the price and quality of outsourced services. Decision-making in the public sector, however, is additionally influenced by political considerations, which vary from country to country. Focused facility services companies seek to improve service quality and reduce customer costs by creating skill, scale and scope benefits across the various services delivered.

Industry Characteristics and Trends

Fragmented industry. The market among small and medium sized customers for basic facility services is highly fragmented with many players. Basic facility services, including general cleaning services, can be provided with very limited resources and, as a result of these low barriers to entry, it is likely that the market for basic facility services will continue to include a large number of smaller operators. However, within each market there are generally only a few providers that have sufficient resources to provide customers with a full-range of facility services and to service larger, multi-location customers.

Professionalization of the facility services industry. Facility services have historically been delivered on a local basis and, due to the fragmented nature of the market, users have in the past tended to view these services as a commoditized service. However, as part of the industry consolidation and emergence of integrated facility services, facility services providers such as ISS are increasingly able to differentiate their services and leverage their scope and scale to establish reputation and brand recognition. As a result, there is an increasing distinction between the larger facility services companies with integrated facility services capabilities and the providers of basic services to smaller customers.

Service integration. ISS believes that there is increasing demand for integrated facility services, defined as the provision of multiple facility services managed on-site by the provider through a single point of contact. As integrated facility services is a relatively new trend, its penetration rate remains low and projected revenue growth rates are higher than the growth rate of the general facility services market.

Industry consolidation. The facility services market is undergoing consolidation as larger facility services providers seek to achieve economic benefits associated with the creation of operational scale and scope at the local, national and international level. Local benefits include the cross-utilization of resources between sites, leveraging of overhead costs and sharing of best practices. At the national level, benefits accrue mainly in the form of increased credibility as a contract provider and more efficient management and administrative functions. At the international level, the service provider is able to leverage existing customer relationships across regions to gain further contracts, purchasing benefits and further share best practices and management capabilities.

BUSINESS OF ISS

Overview

ISS is Europe's largest commercial provider of cleaning services and one of the world's largest commercial providers of facility services, operating in more than 50 countries in Europe, Asia, the Americas and Australasia. It is one of the top three cleaning companies, based on revenue, in France, the United Kingdom, the Nordic region (Sweden, Denmark, Norway and Finland), the Netherlands, Belgium and Spain, which together accounted for 63% of ISS's 2009 revenue. ISS has a diverse customer base that it estimates to include more than 200,000 public and private sector customers and is one of the world's ten largest private employers, with more than 485,000 employees worldwide as of December 31, 2009.

ISS has been operating in the service industry for more than 100 years and began offering cleaning services in 1934. Since that time, ISS has significantly expanded its business through acquisitions and organic growth. As of December 31, 2009, ISS had a total revenue of DKK 69.0 billion (€9.3 billion) and Adjusted EBITDA of DKK 4.7 billion (€637.2 million).

ISS distinguishes between services offered and the way in which these services are delivered. ISS provides the following services which can be delivered as single service outsourcing, multi-service outsourcing or as an integrated facility service solution:

Service Types:

- *Cleaning services*, which represented 52% of 2009 revenue, include daily office and facility cleaning, dust control, washroom and specialized cleaning services;
- *Property services*, which represented 21% of 2009 revenue, include landscaping, damage control (including remediation of property damage caused by extraordinary events, such as fires, floods, storms and vandalism), building maintenance and technical services and pest control services;
- *Support services*, which represented 7% of 2009 revenue, include call center, manpower supply, outplacement services, reception services and office logistics;
- *Catering services*, which represented 9% of 2009 revenue, include in-house restaurants, hospitals, resource catering, executive dining and corporate catering and office catering solutions such as coffee points;
- *Security*, which represented 7% of 2009 revenue, includes guarding, access control and patrolling of customer facilities; and
- *Facility management*, which represented 4% of 2009 revenue, includes on-site management of facility services, change management, space management and consulting.

Delivery Types:

- *Single service outsourcing*, which represented 67% of 2009 revenue, refers to the provision of one service, such as cleaning services, to the customer, thereby enabling such customer to focus on its core business activities;
- *Multi service outsourcing*, which represented 15% of 2009 revenue, refers to the provision of two or more non-integrated services to the customer, whereby the customer is provided with the same benefits as with single service outsourcing and with the benefits of service integration where possible;
- *Integrated facility service*, which represented 18% of 2009 revenue, refers to the provision of two or more facility services under one contract, together with on-site management through a single point of contact with the customer whereby ISS takes over all or most of the facility services functions at the customer's premises. ISS has, in recent years, increasingly developed its business to enable it to provide integrated facility service solutions. Integrated facility services provide customers with the benefits of single service outsourcing, labor management and handling of all human resources issues, procurement, reduced administration costs and increased operational flexibility, with the benefits of on-site management by ISS.

The success of ISS has, in part, been founded on its ability to generate and manage a large base of recurring business on-site, in which ISS employees become an integrated part of the customer's daily operations, as opposed to once-only and project revenue. Portfolio business exists where a contract to render a repeated service to a customer runs for six months or more and is currently estimated to represent approximately 75% to 80% of ISS's annual revenue. This focus on portfolio-based business yields many advantages, including recurring revenue and increased operational and financial visibility and predictability. Although most services are site-based, ISS also offers route-based services, such as cleaning for smaller customers, window cleaning, pest control and washroom services.

Not all country operations offer all services within the six service types. Local offerings depend on customer demand, market conditions, access to qualified staff and other factors. If the country does not self-deliver all six service types, the use of subcontractors ensures a one-stop offering for customers. Each country operation aims to build up services according to market demand. In time, all ISS country operations are expected to be able to self-deliver the most significant components of all six service types.

ISS's operations are located in the following seven regions:

- **Nordic**, comprising Denmark, Finland, Greenland, Iceland, Norway and Sweden, represented 24% of ISS's 2009 revenue. The Nordic market is one of the most developed markets for ISS, and ISS is the leader in the facility services market throughout the region. The strategy for the Nordic region is to focus on organic growth partly through a recently established Nordic sales organization, and on improving efficiency through increased standardization and harmonization;

- **Western Europe**, comprising Austria, Belgium and Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom, represented 56% of ISS's 2009 revenue. The Western European market is a generally most developed market characterized by a high level of single service outsourcing. The market is becoming increasingly professional and is gradually moving towards multi service outsourcing and integrated facility services;

- **Eastern Europe**, comprising Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia, represented 2% of ISS's 2009 revenue. While the Eastern European region remains a growth region for ISS, the region has in 2009 been impacted by the general economic downturn in these markets. ISS is consolidating and transforming its business platform and services in Eastern Europe to ensure a strong basis for future growth;

- **Asia**, comprising Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand, represented 6% of ISS's 2009 revenue and is the fastest growing region in the ISS Group. In Asia, ISS has made progress in transforming its business from predominantly a single service cleaning business towards integrated facility services. The key transformational moves in 2009 have been six acquisitions adding competencies within catering, security and pest control services;

- **Latin America**, comprising Argentina, Brazil, Chile, Mexico and Uruguay, represented 3% of ISS's 2009 revenue. ISS has, in recent years, continued to refine its single service outsourcing and multi service outsourcing delivery model in the region. Furthermore, the market for complex multi service and integrated facility services solutions in Latin America is growing and ISS has continued to focus on consolidating and expanding its service mix and capabilities to drive the request for service delivery through integrated facility services;

- **North America**, comprising Canada and the United States, represented 4% of ISS's 2009 revenue. In 2007, ISS entered the United States. ISS entered Canada through a greenfield establishment in 2009 via its US operations. Through the completion of two acquisitions in 2008 and 2009 in the US, ISS has achieved good geographical coverage in several of the economic growth areas in the US and continues to focus on enhancing its geographical footprint to grow the business and gain critical mass where it has yet to be achieved; and

- **Pacific**, comprising Australia and New Zealand, represented 5% of ISS's 2009 revenue. The Pacific market is consolidating as providers seek to integrate businesses to enhance

margins. In Australia, ISS won a number of important contracts that form a platform for growth in 2010. Furthermore, ISS implemented a regionalization project to increase service efficiency and create a more customer-oriented operation, as this will ensure that it sells and delivers integrated facility services locally in the states and territories of Australia.

ISS's Strengths

Large and diversified market leader. ISS is Europe's largest commercial provider of cleaning services, one of the largest providers of facility services globally, and one of the top three cleaning companies in many of the principal markets in which it operates. ISS currently operates in more than 50 countries in Europe, Asia, the Americas and Australasia and had a 2009 revenue of DKK 69.0 billion (€9.3 billion). In 2009, France, the largest ISS operation, accounted for 13% of ISS's total revenue. ISS estimates that it has more than 200,000 customers operating in a wide range of industries and in the public sector. The services ISS offers are diverse and, in addition to cleaning, include property services, support services, catering services, security and facility management. Through its size and diversification, ISS has reduced its exposure to any single country, industry sector, customer or service. Moreover, ISS believes that its market position increases its credibility as a contract provider, and assists it in obtaining and effectively servicing new contracts from larger, high-volume customers, including contracts involving multiple services, locations and geographies. ISS also believes that its market position and size enable it to achieve more efficient management and administrative functions and to attract and retain qualified local managers.

Competitive and flexible cost base. ISS has a flexible cost base, particularly with respect to staff costs, which were 65% of revenue in 2009. Due to the relatively high employee turnover that is characteristic of the facility services industry in most countries, ISS is able to reduce its staffing levels when necessary by limiting its hiring of new employees. In addition, ISS may also be able to shift employees among existing customer contracts and locations in countries where ISS has local scale and density. Moreover, according to EU law, when facility services contracts are insourced or lost to a competitor, the former provider may, under certain circumstances, be able to pass on-site staff to the new provider, an option which provides ISS with additional operational flexibility.

Stable and predictable business. ISS provides its portfolio-based facility services to private and public sector customers, and believes that these customers consider a basic level of cleaning and other facility services to be necessary to conduct their core businesses and operations. As a result, demand for these services has historically been fairly resilient to economic downturns. Hence, in 2009, the majority of the countries in which ISS operates have experienced positive organic growth despite the contraction in global economic growth. ISS believes that it benefits from long-lasting customer relationships and that approximately 75% to 80% of its annual revenue is typically derived from portfolio business. Based on recent history, ISS estimates that it retains approximately 85% to 90% of the business represented by these contracts each year, implying that the average length of its customer relationships is approximately seven to ten years. ISS believes that the steady demand for facility services and its relatively long customer relationships have contributed to the stability and predictability of ISS's operations in the last five years.

Cash-generative business. During the last eight years, ISS's cash conversion (as defined by ISS) has on average been above 100%. ISS achieved this result primarily through a group-wide focus on reducing working capital and, in particular, on improvements in debtor days through internally conducted working capital workshops. ISS expects to continue to demonstrate a solid cash conversion and the cash conversion was 96% in 2009.

Operational density. ISS believes that, through its increasing focus on integrated facility services and favorable market position, it will continue to increase both its service density and geographic density. Service density measures the number of services provided to each customer and geographic density measures the number of customer sites in a geographic area. ISS believes that operational density creates a number of potential benefits, including cross-utilization of resources between sites and services and leveraging of overhead costs, which is particularly important during downturns.

Integrated facility services. ISS believes that the provision of on-site management allows ISS to create synergies (e.g. on-site labor synergies) and reduce overhead costs by optimizing the provision of services. ISS believes that the penetration rate of integrated facility services is relatively

low and that the growth rate of this market is higher than the market for certain single services. In recent years, ISS has, through a high number of acquisitions, as well as through organic growth, expanded its facility services offerings. By establishing and implementing a broader range of services, ISS has increasingly been able to offer its customers integrated facility services solutions.

Strong acquisition and business integration track record. ISS has a structured approach to acquisitions that capitalizes on the market knowledge and acquisition experience of its local managers and the expertise of a centralized mergers and acquisitions department. Since the beginning of 2000, ISS has acquired and integrated around 700 businesses in more than 47 countries, including 22 businesses in 2009, for a total consideration of DKK 29.1 billion (€3.9 billion). More than 600 of these acquisitions were of relatively small companies, with annual revenue of less than DKK 100 million (€13 million). Every acquisition is ultimately approved by ISS's Executive Group Management. ISS believes that its experienced local management teams, dedicated mergers and acquisitions resources and its structured and well-established approach to acquisitions allow it to understand local market conditions, identify opportunities and capitalize on the fragmented and consolidating facility services market. Moreover, ISS believes that its practice of acquiring mostly smaller companies helps to limit integration risks relating to individual acquisitions.

Decentralized multi-local but aligned management structure. ISS maintains a decentralized organizational structure under which its country operations are separately organized and act with a significant amount of autonomy, assisted by a strong regional management structure providing strategic direction, managerial support and financial control. Further, the regional management will work with the countries to ensure consistent execution of ISS's strategy, The ISS Way and its objectives. At the local level, managers have a large degree of autonomy in managing the operation of their local businesses, which allows ISS to respond quickly to changes in local market conditions. ISS believes that, in addition to making its organization more responsive to market conditions, this organizational structure fosters an entrepreneurial culture within ISS. ISS's country managers have an average length of service with ISS of approximately seven years. Although decentralized from an organizational perspective, ISS has, as part of the implementation of The ISS Way, established an excellence center division which focuses on knowledge sharing and implementation of best practices throughout the Group to ensure a consistent delivery and quality of ISS's services and delivery models. The ISS University is one of the key best practice and knowledge sharing forums which allows ISS's Executive Group Management, regional and country managers to shape and implement a coherent strategy.

Structured and well-established financial management and control. ISS has a structured and well-established approach to financial management and control, which it considers to be an essential element of its business. These procedures include monthly reporting of a full income statement, balance sheet and portfolio development prepared in accordance with ISS's accounting principles. Another focus area is cash management. Each country operation must submit a daily cash flow forecast for a rolling three-month period to the head office, and ISS's Group Treasury department monitors deviations from these forecasts on a daily basis. In addition, country operations are supervised by regional managers and controllers employed by ISS management who visit the local operations regularly to ensure compliance with ISS's control procedures.

ISS's Strategy

ISS is guided by strong corporate values and vision which are collectively expressed in ISS's strategy, ''The ISS Way''. ISS continues to focus on identifying and defining customer segments for which strong value propositions can be developed. ISS's business model is based on creating value for customers by taking over their non-core activities, leveraging global scale, best practices, integrating services and driving out synergies.

The ISS Way is built on four cornerstones:

- *Customer focus*. At ISS, we put customers in focus. We serve our chosen customers locally, regionally and globally with specific value propositions while focusing on identifying customer needs and wants. We build enduring partnerships with customers who value our approach to service.
- *People management*. At ISS, people management is our core competence. We excel in people management in order to deliver excellence in our service offerings. We mitigate risks

and volatility transferred from our customers, by applying leadership skills, HR and EHS policies, employee training and labour legislation insight. To obtain these benefits we share knowledge and best practices.

- *Integrated facility services strategy*. At ISS, integrated facility services is our strategic aim. We advance our service offering towards integrated facility services by building the ISS House of services and developing our facility management capabilities. We self-deliver multiple site-based services as defined by the ''ISS House'' and we integrate our service deliveries seamlessly in our customers' organizations.
- *Multi-local approach*. At ISS, we strike a balance between autonomy and alignment. We operate with strong local leadership and autonomy to ensure timely responses to demands and requests. We also reflect the overall Group fundamentals and strategic direction to allow us to exploit best practices and leverage our geographical footprint. We are disciplined and use tight financial controls.

In 2008, ISS introduced a new brand strategy, ''Lead facility services globally—by leading facility services locally'', aimed at enhancing recognition of the ISS brand internationally, regionally and locally by emphasizing a clear brand and a well-defined company identity. ISS seeks to ensure that the ISS brand conveys professionalism, quality of service and a service offering designed exclusively for each individual customer. ISS will continue to promote the ISS brand through its extensive employee network using branded clothing, equipment and transportation, participation in industry forums, advertising and sponsorship. By strategically investing in brand awareness, ISS aims to enhance its position as a leading facility service provider across its markets, reinforce the value of its global network and facilitate the win of new customers and/or contracts.

To implement its strategy, ISS intends to: (i) pursue attractive customer segments which are receptive to ISS's value propositions; (ii) focus on the range of services where ISS can deliver single service excellence and which fit with the integrated facility services strategy; (iii) consolidate ISS's market position in existing geographies; (iv) align the organizational structure to maximize growth and cost efficiency; and (v) establish financial and operational key performance indicators to supplement the existing rigorous financial reporting system.

ISS will continue to seek to maintain and enhance operational efficiency by continuing its focus on three well-established and prioritized operational objectives for its local managers: (i) cash flow; (ii) operating margin; and (iii) profitable organic growth.

- *Cash flow.* ISS's first objective is to continue to maintain a relatively high rate of cash conversion primarily by operating in a manner that optimizes working capital. Through this approach, ISS expects to continue to generate a level of positive cash flow from operations that exceeds its obligations to service its credit facilities.
- *Operating margin.* ISS's second objective is to maintain or improve its operating margin, which was 5.6% in 2009. ISS seeks to improve operational efficiencies by increasing its local market positions and operational densities, as well as by implementing company-wide best practices.
- *Profitable organic growth.* ISS's third objective is to focus on organic growth through customer retention and sale of service solutions to its customers. ISS will continue to leverage its international market position and service offering in order to increase its local market positions and drive organic growth. ISS continues to work with a wide range of initiatives, including the further development of the Corporate Clients organisation and enhancing its focus on specific customer segments.

In addition, ISS intends over time to reduce its financial leverage on a multiple basis, in terms of net debt to Pro Forma Adjusted EBITDA, primarily through growth in ISS's operating profit resulting from a focus on operating margin and profitable organic growth, in addition to a continued focus on cash flow. The extent and timing of ISS's deleveraging on a multiple basis will ultimately depend upon, among other things, ISS's cash flow generation and the scale and timing of payments related to its future acquisitions, which may temporarily increase its leverage on a multiple basis, in terms of net debt to Pro Forma Adjusted EBITDA.

ISS expects to continue its structured approach to acquisitions to facilitate its strategy of increasing local scale, broadening its local service offering and accessing new markets, albeit at a

much slower pace. Since the beginning of 2000, ISS has acquired and integrated more than 700 businesses in more than 47 countries, including 22 businesses in 2009. The total consideration for these acquisitions was approximately DKK 29.1 billion (€3.9 billion). Since 1998, ISS's two largest acquisitions have been Abilis in France and Benelux, in 1999, and the purchase of the remaining shares of Tempo Services Limited in Australia, in 2006, which companies had annual revenues of DKK 5.2 billion (€698.4 million) and DKK 2.9 billion (€398.5 million) in 1998 and 2005, respectively. The ISS Way focuses on organic growth and entails a period of consolidation after this period of high acquisition volume. Although acquisition activity was at a lower level during 2009 (22 acquisitions, compared to 66 in 2008), in the future, ISS intends to continue to develop and expand its business, including through selective acquisitions subject to tight constraints both in terms of strategic and financial criteria. ISS may, however, pursue larger acquisitions in the future that meet its financial and strategic criteria.

History

ISS's business dates back to 1901 with the establishment of a security company in Copenhagen. In 1934, this company's activities were expanded to include cleaning services. The company expanded into Sweden in 1946 and into Norway in 1952. Expansion continued during the 1960s and 1970s, with the establishment of new subsidiaries in Finland, Germany, Switzerland, Belgium, the Netherlands and Austria. In 1973, the name of the parent company was changed to ''ISS''. In 1977, ISS's common shares were listed on the Copenhagen Stock Exchange. By the end of the 1970s, ISS had annual revenue in excess of DKK 1 billion, was operating in 15 countries and had approximately 50,000 employees. By 1989, ISS's revenue and its number of employees had more than doubled. International expansion continued throughout the 1980s and 1990s, primarily through acquisitions in countries in which ISS had existing operations, but also in Latin America and Asia. In 2005, ISS was taken private by EQT and GS Capital Partners. In 2007, ISS's revenue passed DKK 64 billion and ISS entered the US market. In 2008, The ISS Way was introduced and ISS signed its largest facility services contract to date with Hewlett-Packard in terms of revenue and countries. In 2009, ISS's revenue passed DKK 69 billion and the number of employees increased to more than 485,000.

ISS Services

Cleaning Services

ISS provides daily office and facility cleaning for commercial customers, dust control and washroom services and specialized cleaning services. ISS's dust control services consist primarily of the provision and cleaning of floor mats, as well as various other entry-way solutions. ISS's washroom services include a complete washroom services solution, in which ISS provides technical and hygiene services and products, including hardware, such as soap dispensers, and consumables, such as paper towels. ISS also provides cleaning services to customers with specialized requirements, such as medical facilities, automotive paint shops and ''clean room'' facilities used by manufacturers of electronic components. ISS's specialized services include food hygiene services, which involve the cleaning of food production and preparation facilities to particular hygiene standards, and consulting services relating to bacterial management.

ISS offers cleaning services in all of its operations. Set forth below is information regarding ISS's cleaning services revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		**2008**		**2009**	
	(DKK millions)	**(%)**	**(DKK millions)**	**(%)**	**(DKK millions)**	**(%)**
Cleaning services:						
Cleaning services	33,257	52.0	35,152	51.1	34,795	50.4
Washroom and dust control	609	1.0	607	0.9	643	0.9
Food hygiene	907	1.4	769	1.1	612	0.9
Total cleaning services	**34,773**	**54.4**	**36,528**	**53.1**	**36,050**	**52.2**

Property Services

ISS provides property services, which comprise landscaping, damage control, building maintenance and technical services and pest control services. ISS's landscaping services include the design, construction and maintenance of gardens, parks and other green areas. ISS also provides damage control services pursuant to which it assists customers who have incurred damage as a result of natural disasters, fires, floods and other extraordinary events. These damage control services include restoration, including the recovery of data from information technology systems and damage containment. ISS's building maintenance and technical services range from janitorial services to more specialized services, such as the maintenance of heating, ventilation and air conditioning systems. Its pest control services range from prevention and eradication to disinfection and hygiene consulting services in relation to rodents, insects, birds and other pests. In addition, ISS owns or operates several landfills and other waste management facilities in France.

Currently, ISS offers its property services primarily in Northern Europe and Continental Europe. The following table indicates ISS's revenue from its various property services for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Property services:						
Landscaping	4,265	6.7	4,451	6.5	3,643	5.3
Damage control	1,748	2.7	1,762	2.6	1,891	2.7
Building maintenance and technical services	7,437	11.6	7,291	10.6	7,094	10.3
Pest control	1,736	2.7	1,906	2.7	1,875	2.7
Total property services	**15,186**	**23.7**	**15,410**	**22.4**	**14,503**	**21.0**

Support Services

ISS provides a broad range of support services, such as call centers and reception services, including switchboard, help desk and front desk staffing and the booking of meeting rooms. In addition, support services include office logistics, including mail processing, document copying, printing and shredding, data entry and scanning, office moves and stationery supply services.

ISS offers support services primarily in Northern Europe. Set forth below is information regarding ISS's support services revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Support services	3,881	6.1	4,146	6.0	4,981	7.2

Catering Services

ISS's catering offering includes the operation of in-house restaurants ranging from production floor canteens to executive dining rooms, corporate catering and catering services in connection with meetings and events and coffee solutions.

Catering is a growing service within ISS. The strong foothold in Northern Europe has over the years expanded through strategically important acquisitions in several countries and regions, the most significant being Sardunya in Turkey, Topic Catering in Australia, Gastronomia Mediterranea in Spain and Servicoin in Mexico.

Set forth below is information regarding the catering services revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Catering services	4,198	6.6	5,727	8.3	6,201	9.0

Security Services

ISS provides security services, such as guarding, access control and patrolling of customer facilities. The security services have historically primarily been offered in Northern Europe. ISS's offering of security services was, however, significantly expanded in 2008 through eight acquisitions of security companies and capabilities in Chile, Finland, Greece, Hong Kong, Israel, New Zealand, Norway, and the United Kingdom. The expansion within security continued in 2009 with the acquisition of six security companies, the most significant being in New Zealand, Indonesia and Ireland. Further, ISS has a strong security operation in Australia.

Set forth below is information regarding ISS's security services revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Security services	3,406	5.3	4,344	6.3	4,672	6.8

Facility Management

ISS provides a broad range of facility management services, such as on-site management of facility services, change management, space management and consulting. ISS offers facility management services primarily in Asia, Pacific and Western Europe. Set forth below is information regarding ISS's facility management services revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Facility management services	2,478	3.9	2,674	3.9	2,597	3.8

The Delivery Model

ISS delivers services to customers in three different ways: Single services, Multi services or Integrated Facility Services. In most cases ISS delivers the services through its own personnel. Each of these delivery models are described below.

Single service

With single service outsourcing, the customer buys one service solution from ISS, for instance outsourcing of cleaning, so they can focus more on their core business activities. In general, the value proposition for single service solutions is based on ISS's service expertise and therefore a strong ''product focus'' on each service. The delivery processes are the focal points for increased efficiency and cost optimization combined with the appropriate quality standards to ensure consistency. Relationships are managed through dedicated account managers who are responsible for developing the customer and providing proactive advice to enable continuous improvements within each specific service area.

Set forth below is information regarding single service revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Single services	43,936	68.7	46,996	68.3	46,191	67.0

Multi service

With multi service outsourcing, which consists of two or more services but is not a fully integrated solution, the customer achieves the same benefits as with single service outsourcing with the benefits of service integration where possible. Future growth is believed to come from an ability to bundle services in order to create an effective price/value relationship for the customer based on a multiple service delivery model.

Set forth below is information regarding multi service revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Multi services	10,297	16.1	10,608	15.4	10,584	15.3

Integrated Facility Services

Integrated facility services refer to the provision of two or more facility services, together with on-site management through a single point of contact with the customer. ISS believes that the penetration rate of integrated facility services is relatively low and that the growth rate of that market is higher than the market for certain single services. In recent years, ISS has, through a high number of acquisitions as well as through organic growth, expanded its facility services offerings. By establishing and implementing a broader range of services, ISS has increasingly been able to offer its customers integrated facility services solutions. ISS believes that its integrated facility services solutions allow it to exploit synergies through on-site management of facility services, and thereby provide its customers with a better facilities services solution at a competitive price. ISS further believes that on-site management strengthens customer relationships by involving it in more aspects of the customer's business.

ISS's provision of integrated facility services varies depending on its service offerings in a particular country. In general, the greatest capability to provide customers with integrated facility services are in those countries in Northern Europe in which ISS offers its full range of facility services. As part of its strategy, ISS intends to transform each country operation to enable it to offer integrated facility service solutions.

Set forth below is information regarding integrated facility services revenue for the years presented. Percentage figures represent the proportion of total ISS revenue for such years.

	Year ended December 31					
	2007		2008		2009	
	(DKK millions)	(%)	(DKK millions)	(%)	(DKK millions)	(%)
Integrated facility services	9,689	15.2	11,224	16.3	12,229	17.7

ISS's Operations

Organizational Structure

A cornerstone of ISS's business is its multi-local approach, which is characterized by strong entrepreneurial leadership teams working independently in each of the more than 50 countries in which ISS operates. This is emphasized by strong local incentives and freedom to perform according to local market conditions. Each country operates on local initiative and control,

developing the local business according to market demand and in alignment with the overall ISS strategy rather than applying a ''one-size-fits-all'' approach.

This decentralized model is of great value and is in the process of being complemented by the standardization of selective key processes which will ensure that each country operation acts as a coherent whole. Organizational alignment is a key priority although balance needs to be struck between a standardized business model and the multi-local approach.

Focus is placed on maintaining flexibility, minimizing bureaucracy and, most importantly, ensuring that local leadership has full accountability, and a clear mandate, for their local operations and financial performance. It is believed that strong local leadership, working within a defined framework, will boost growth and reduce costs through a more streamlined organization that can share knowledge and resources and contribute to best practices.

The goal is, therefore, to implement common administrative and business processes, combined with a harmonized management structure, while leaving accountability for the decisions taken with local management.

To assist, promote and coordinate the development and alignment of the country operations in the seven regions, ISS has implemented a strong regional management structure in each region, which ISS believes is key to the successful sharing of knowledge and implementation of best practices and standard processes. The country manager of each country reports directly to the regional management which work in close co-operation with Group-level staff functions representing the six competence areas, Operations, Human Resources, Finance & IT, Sales, Legal and Strategy and Business Development. This structure facilitates ISS's Group-wide policies and ensures that its procedures are implemented and adhered to by each individual country operation.

Regions

The following table contains information for the year ended December 31, 2009 relating to revenue, operating margin and number of employees for each of ISS's countries or geographic reporting units, including corporate functions.

	Revenue	Operating margin[1]	Employees[2]
	(DKK millions)	(%)	
Country/Reporting Unit			
Nordic:			
Denmark	3,731	6.9	9,194
Finland	3,678	8.3	11,434
Greenland	100	7.2	252
Iceland	76	7.3	670
Norway	5,246	7.9	13,773
Sweden	3,536	6.4	9,491
Total Nordic	**16,367**	**7.4**	**44,814**
Western Europe:			
Austria	1,387	5.5	6,698
Belgium and Luxembourg	3,190	6.1	10,823
France	8,879	3.8	39,329
Germany	2,417	1.8	11,220
Greece	818	6.4	5,250
Ireland	596	4.1	3,067
Israel	1,411	5.9	11,518
Italy	375	6.7	1,258
Netherlands	3,420	3.7	18,511
Portugal	551	7.7	7,260
South Africa	5	19.1	—
Spain	4,534	5.4	28,775
Switzerland	2,643	8.5	10,522
Turkey	1,459	7.1	21,047
United Kingdom	6,948	6.9	41,881
Total Western Europe	**38,632**	**5.3**	**217,159**

	Revenue	Operating margin[1]	Employees[2]
	(DKK millions)	(%)	
Eastern Europe:			
Croatia	27	(2.5)	339
Czech Republic	422	6.8	4,518
Estonia	130	10.7	1,538
Hungary	144	3.5	1,894
Poland	191	4.8	2,639
Romania	150	19.5	2,330
Russia	51	2.1	716
Slovakia	293	4.9	4,435
Slovenia	153	4.0	1,204
Total Eastern Europe	**1,561**	**6.8**	**19,613**
Asia:			
Brunei	20	22.7	330
China	241	4.7	10,653
Hong Kong	1,216	8.2	14,532
India	271	8.6	16,132
Indonesia	595	9.8	47,660
Japan	41	5.1	44
Malaysia	68	6.4	1,961
Philippines	79	(2.9)	2,523
Singapore	858	6.9	6,786
Taiwan	217	7.1	2,193
Thailand	514	6.9	25,186
Total Asia	**4,120**	**7.5**	**128,000**
Latin America:			
Argentina	227	5.5	3,988
Brazil	1,069	6.0	17,588
Chile	317	7.1	9,270
Mexico	403	6.7	14,155
Uruguay	62	7.8	1,151
Total Latin America	**2,077**	**6.3**	**46,152**
North America:			
United States	2,514	5.3	14,943
Canada	1	7.0	2
Total North America	**2,515**	**5.3**	**14,945**
Pacific:			
Australia	3,419	6.9	12,770
New Zealand	349	6.9	2,284
Total Pacific	**3,768**	**6.9**	**15,054**
Corporate functions/eliminations	(36)	(0.5)	110
TOTAL	**69,004**	**5.6**	**485,847**

(1) As calculated by ISS, represents Operating profit before other items divided by Revenue. By using Operating profit before other items as a starting point for the calculation of Operating margin instead of Operating profit, ISS excludes from the calculation of Operating margin 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 ISS believes are not a part of ISS's 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 ISS records under the line item ''Other income and expenses, net'' are recurring and some are non-recurring in nature. See ''Operating and Financial Review and Prospects—Key Income Statement Items—Other income and expenses, net'' and ''Other Data and Financial Measures'' on page ix of this offering memorandum.

(2) At end of year.

As indicated in the table above, among ISS's more established operations, margins tend to be higher where ISS offers a broader range of services and has higher customer density.

The following table indicates the facility services provided in each country in which ISS operates as of December 31, 2009. As part of its strategy, ISS intends to provide, when appropriate, a full range of services and integrated facility services capabilities in each of its markets.

Country/reporting unit	Cleaning services	Property services	Support services	Catering services	Security	Facility management
Nordic:						
Denmark	●	●	●	●	●	●
Finland	●	●	●	●	●	●
Greenland	●	●	●		●	●
Iceland	●			●		●
Norway	●	●	●	●	●	●
Sweden	●	●	●	●		●
Western Europe:						
Austria	●	●	●		●	●
Belgium and Luxembourg	●	●	●	●		●
France	●	●	●		●	●
Germany	●	●	●	●	●	●
Greece	●	●	●		●	●
Ireland	●	●		●	●	●
Israel	●	●	●	●	●	
Italy	●	●	●	●	●	●
Netherlands	●	●	●	●	●	●
Portugal	●	●	●			●
Spain	●	●	●	●	●	●
Switzerland	●	●	●	●	●	●
Turkey	●	●	●	●	●	
United Kingdom	●	●	●	●	●	●
Eastern Europe:						
Croatia	●		●			
Czech Republic	●	●	●		●	
Estonia	●	●				●
Hungary	●	●	●		●	
Poland	●	●	●	●		
Romania	●	●	●			
Russia	●	●	●			
Slovakia	●	●	●	●	●	
Slovenia	●	●	●	●	●	
Asia:						
Brunei	●	●				
China	●			●	●	●
Hong Kong	●	●	●		●	●
India	●	●	●	●		●
Indonesia	●	●	●	●	●	
Japan	●		●	●		●
Malaysia	●	●				●
Philippines	●	●	●	●		
Singapore	●	●	●	●		●
Taiwan	●	●			●	●
Thailand	●	●	●		●	
Latin America:						
Argentina	●	●	●			
Brazil	●	●	●			
Chile	●	●	●		●	
Mexico	●	●	●	●		
Uruguay	●			●	●	
North America:						
Canada		●				
United States	●	●	●		●	●
Pacific:						
Australia	●	●	●	●	●	●
New Zealand	●	●	●		●	●

Financial Management

ISS considers financial controls as essential to the management and control of its business. Accordingly, the Executive Group Management of ISS and ISS's Board of Directors have the overall responsibility for ISS's internal control and risk management systems related to the preparation of the consolidated financial statements. ISS's Audit Committee monitors and challenges the Executive Group Management in its assessment of material risks and the internal controls and risk management systems.

ISS's control environment provides the Board of Directors and the Executive Group Management with reasonable assurance that:

- management reporting is reliable and in compliance with applicable laws, regulations, internal policies and procedures and gives a true and fair view of the financial performance and financial position;
- material risks are identified and minimized;
- internal controls are in place to support the quality and efficiency of the business processes and to safeguard ISS's business and assets; and
- ISS's business is conducted in compliance with law, regulation and ISS policies.

In order to ensure the maintenance of its internal control procedures, internal controllers employed by ISS regularly visit ISS's local subsidiaries. These visits take place according to a control plan for the year approved by the Audit Committee of ISS and in accordance with ISS's control procedures and standards. The findings and conclusions of the visits, including recommendations on how to improve the control environment, are then presented in reports addressed to the country and the regional managements and ISS's external auditor. In addition, the internal controllers perform subsequent follow-up reviews to ensure that recommendations are implemented. The results of the controlling activities are presented to the Audit Committee and the Audit Committee assesses the results reported and uses this assessment in their assessment of the general control environment and performance and financial position when reviewing the control plan for the coming year.

Other key elements of ISS's control environment are:

- *strategy reviews*—annual meetings between the Executive Group Management and country managers at which ISS's strategy is discussed and priorities and plans for the coming year are defined;
- *business reviews*—monthly meetings between regional management and country management focusing on the current performance, state and development of the business as well as implementation of The ISS Way;
- *budgets and financial plans*—the local managers in each country must prepare budgets and plans for the next financial year in a predefined format; regional management review the proposed budgets and plans with the countries;
- *IT solutions*—all countries must use a standardized IT reporting tool and the number of different ERP platforms within ISS is continuously being reduced;
- *acquisitions and divestments*—all acquisition and divestment proposals must be presented in a predefined acquisition report and valuation model and go through a very rigid approval process involving the M&A department, the Executive Group Management and/or the Board of Directors of ISS depending on the size of the acquisition;
- *reporting of cash flow forecasts*—all countries must report a daily cash flow forecast for a rolling three month period; ISS's treasury department monitors subsequent results for material deviations from forecasted figures on a daily basis;
- *reporting of financial results*—all countries must report a full income statement, balance sheet, cash flow statement, customer contract portfolio analysis and other information on a monthly basis; any significant variance from budgets must be explained; and
- *full year forecasts*—all countries must update and report their year-end estimates twice a year.

Acquisitions and Divestments

ISS has historically made a significant number of acquisitions. It has a structured approach to acquisitions that capitalizes on the market knowledge and acquisition experience of its local managers and the expertise of a centralized mergers and acquisitions department. Since the beginning of 2000, ISS has acquired and integrated around 700 businesses in more than 47 countries, including 22 businesses in 2009. The total consideration for these acquisitions was approximately DKK 29.1 billion (€3.9 billion). In recent years, ISS has followed a strategy of selectively acquiring smaller companies, in order to strengthen ISS's competencies, enhance its service offering and establish critical mass. More than 600 of these acquisitions were of relatively small businesses, with annual revenue of less than DKK 100 million (€13 million). The volume of acquisitions has varied in recent years depending upon market conditions. In the years ended December 31, 2007, 2008 and 2009, ISS made 67, 66 and 22 acquisitions, respectively.

In most acquisitions, ISS's local management teams are responsible for the acquisition process from target identification through integration of the acquired businesses. ISS's centralized mergers and acquisitions department works closely with local ISS managers to facilitate this acquisition process, including by overseeing the valuation and leading the negotiation of larger and strategically important acquisitions. ISS believes that its experienced local management teams, dedicated mergers and acquisitions resources and its structured approach to, and long history in making, acquisitions enable it to understand local market conditions, identify opportunities and capitalize on the fragmented and consolidating facility services market. Moreover, ISS believes that its practice of acquiring mostly smaller companies helps to limit integration risks relating to individual acquisitions.

ISS's mergers and acquisitions department manages the acquisition process, primarily with respect to valuation of the acquisition and negotiation of the material acquisition agreements, to the extent that its centralized resources add value. This centralized department is responsible for quality assurance with respect to all acquisitions and is a driving force with respect to the centralized pipeline management in the countries. The centralized pipeline management ensures that each subsidiary continues to explore acquisition opportunities which would contribute to the achievement of ISS's objectives. ISS's mergers and acquisitions department is more heavily involved in all larger acquisitions. All acquisitions are approved by the Executive Group Management of ISS. In addition, the approval of the Acquisition Committee and Board of Directors of ISS is required for large acquisitions.

Divestments within the last three years have generally been limited and have primarily focused on under-performing and non-core businesses. In 2009, ISS reviewed the strategic rationale for selected acquisitions and identified and evaluated certain activities that are either non-core to The ISS Way or lack critical mass. Some of these activities were either divested in 2009 or are planned for divestment in 2010. This includes the completed divestment of project-based landscaping activities in Sweden, contact centres in the Netherlands and laundry activities in Norway and Sweden. In addition, certain non-core activities in France, Spain and Norway that are expected to be divested in 2010 have been classified as held for sale at December 31, 2009. The businesses in Spain and Norway were sold in February 2010.

The table below provides information concerning ISS's acquisitions and divestments for the years presented. Revenue presented in the table represents the estimated annual revenue of the acquired businesses at the time of acquisition.

	Year ended December 31		
	2007	**2008**	**2009**
Acquisitions:			
Number of acquisitions	67	66	22
Revenue of acquired businesses:[1]			
Less than DKK 100 million	1,644	1,445	436
More than DKK 100 million, but less than DKK 350 million	666	1,932	561
More than DKK 350 million, but less than DKK 750 million	408	510	—
More than DKK 750 million, but less than DKK 1,500 million	—	—	—
More than DKK 1,500 million	1,822	—	—
Sum of acquired revenue (DKK millions)	4,540	3,887	997
Enterprise value	2,744	1,992	486
Average revenue of acquired businesses (DKK millions)	68	59	45
Smallest acquisition, by revenue (DKK millions)	1	1	4
Largest acquisition, by revenue (DKK millions)	1,822	510	182
Employees of acquired businesses[2]	32,484	39,824	14,534
Divestments:			
Number of divestments	14	12	8
Revenue attributable to divestments (DKK millions)[3]	394	1,281	640

(1) Based on estimates of annualized revenue of the acquired businesses made at the time of acquisition.

(2) At the time of acquisition.

(3) On an annualized basis according to revenue for the prior year.

Customers

Overview

As of December 31, 2009, ISS estimates that it had more than 200,000 customers operating in a wide range of industries and in the public sector, and the ten largest customer contracts together accounted for less than 5% of ISS's 2009 revenue. France, the largest ISS operation, accounted for 13% of ISS's total revenue. ISS believes that it benefits from long-lasting customer relationships and that approximately 75% to 80% of its revenue is derived from service contracts with terms of at least six months. Based on recent history, ISS estimates that it retains approximately 85% to 90% of its portfolio business each year, implying that the average length of its customer relationships is approximately seven to ten years. ISS's customers operate in a number of industries, and ISS does not believe that its business is dependent on any particular industry segment in the private sector or particular authority in the public sector. This diverse customer base also limits ISS's credit risk, and helps it maintain its historically low levels of bad debt.

ISS's commercial customers range in size from small firms requiring a single cleaner to large, multinational organizations seeking integrated facility services. ISS is focused on developing larger accounts, with the goal of becoming their preferred provider of integrated facility services. ISS believes that these customers may be more likely to require integrated facility services.

Below are descriptions of some of ISS's integrated facility services contracts which are large-scale, multi-country contracts requiring the provision of complex integrated facility management solutions. These customers have large global footprints and services are often provided in a variety of sites, including offices, manufacturing and data centers:

- *Hewlett-Packard.* In March 2008 ISS entered into a contract for integrated facility management services in Europe, the Middle East and Africa (''EMEA'') and Asia Pacific Japan (''APJ'') regions for Hewlett Packard. ISS services more than 500 Hewlett-Packard sites, including manufacturing plants, data centers and administrative centers. Serviced area exceeds 2 million square meters. The contract engages around 4,000 ISS staff. ISS provides

services to Hewlett-Packard in more than 40 countries in EMEA and APJ regions. The contract period is for four years and three months with an option to renew.

- *EDS.* In April 2009, ISS entered into a contract with EDS for integrated facility services at its sites in the EMEA and APJ. ISS will service more than 210 EDS sites of which 160 are situated in the EMEA region and 50 in the APJ region. The sites include manufacturing plants, data centers and administrative centers. In total ISS will service, more than 740.000 square meters in 28 countries. The contract period is for three years and three months including an option for one additional year.
- *Shell.* In June 2009, ISS entered into a large contract with Shell. ISS will deliver a range of services at approximately 40 sites in eight countries throughout Asia-Pacific. The contract period is for three years with an option for two additional years. ISS will deliver a wide range of facility services including technical maintenance, external and structural maintenance, project management, space planning, cleaning, property services, office support and catering at approximately 40 major refinery and country administrative centers covering over 33 million square meters.
- *Nordea.* In December 2004, ISS entered into a Nordic regional contract with Nordea, a leading financial services group in the Nordic and Baltic regions, under which ISS is providing cleaning, catering and reception services at Nordea's head offices in Denmark, Finland, Norway and Sweden. The contract was renewed in 2008 with expiry in September 2010. More than 300 ISS employees work at Nordea sites in the four countries, including staff and managers whose employment transferred to ISS from Nordea.

Market Fundamentals

The market for global/regional outsourcing contracts has grown significantly in recent years, with a large number of global/regional opportunities having come to the market. The current financial crisis has increased the level of global/regional outsourcing in EMEA and APJ, as companies are looking for cost savings. However, this is not the case in the more mature US market, as most companies are already on second or third generation outsourcing rounds and therefore have less short-term cost-savings potential.

Customer Contracts

The terms of ISS's customer contracts vary widely by country and customer segment due to differing customer requirements and applicable legislation. However, ISS typically provides services under contracts with a stated term of between one and five years and reciprocal termination rights upon one to 12 months' prior written notice. ISS's commercial customer contracts typically provide for automatic renewal in the absence of a party's notice to terminate the contract. For larger contracts, the quality of ISS's services is often measured against defined quality benchmarks agreed with the customer.

ISS also provides its services to governmental entities, primarily in Europe. The contractual arrangements with these entities differ from ISS's commercial contracts in that they are generally subject to public procurement rules. Under these rules, facility services contracts are generally re-tendered on a regular basis. As a result, ISS must tender to maintain existing governmental contracts.

In the United Kingdom, Australia and the Netherlands, ISS has entered into a number of PFI contracts. The PFI contracts generally have a contract length of between five and 30 years and, with respect to certain projects, ISS has a joint equity investment in the entity providing services under the contract along with third party equity sponsors of the project. ISS is providing some form of facility services in connection with each of the PFI projects, ranging from integrated facility services to single services contracts. Under some of the PFI contracts, ISS has agreed that, in the event that the entity is unable to pay for ISS's services, then ISS will convert its receivables from the entity into a loan. As of the date hereof, ISS has not experienced any payment defaults related to its PFI contracts. See ''Risk Factors—Risks Relating to ISS's Business and Industry—ISS is subject to a number of risks associated with its facility services contracts''.

Quality Assurance

ISS will continue its focus on developing and spreading single service excellence throughout ISS. During 2009, significant resources were involved in developing and deploying best practices across the Group.

The cleaning excellence concept provides individual country operations with knowledge and support to assist them in delivering services optimally by using, for example, the most efficient tools and methods, superior training, improved logistics and an efficient supply chain. The concept will also contribute to improved ergonomics for the cleaning staff as well as reduced environmental impacts.

The Operation process framework improves ISS capabilities to manage contracts and secure consistency in delivery. The approach is customer focused and target customer orientation and quality management issues within operation. Among the subjects are a proactive approach to customer service requests, contract changes and management of environment, health and safety.

To facilitate knowledge sharing and best practices, ISS conducted a number of Academy programs and Knowledge Forums. By the end of 2009 more than 500 people have participated in such Academy programs and Knowledge Forums and constitute one of the important means enabling ISS to achieve consisitent levels of service and ensure continuous development of its services across the Group.

Sales and Marketing

Historically, ISS's sales and marketing effort has been predominantly organized and conducted through its country organizations. Each country has adapted its own sales and marketing efforts tailored to the challenges of its individual market.

In November 2007, ISS established a global corporate customer organization in order to provide one point of contact for multi-national corporate customers worldwide. The global corporate customer organization is intended to (i) drive new business sales with selected customers; (ii) serve clients through a key account organization; and (iii) support retention of existing customers. During 2008, the global corporate customers organization was significantly expanded through the addition of regional experts and contract managers, and as a result, ISS succeeded in securing its largest international contract to date for the delivery of facility services to most of Hewlett-Packard's locations outside of the Americas. The global Corporate Client organization followed up on the HP contract win in 2008 by entering into two new international IFS contracts with EDS, a global IT company, and Shell.

Over the last two years, ISS has dedicated increased resources and attention to its marketing department, which now forms part of ISS Strategy and Business Development department. The marketing department is responsible for ensuring that knowledge and awareness of ISS reflects its status and strategic goals and supports the positioning of ISS as a global and professional facility service business which partners with its customers. In addition, the marketing department aims to secure a more transparent marketing process between local and corporate marketing functions to optimize and harmonize marketing processes and activities.

Competition

The market for cleaning and other facility services is highly fragmented. Basic facility services, including general cleaning services, can be provided with very limited resources and, as a result of these low barriers to entry, it is likely that the market for basic facility services will continue to include a large number of smaller operators. However, within each market there are generally only a few providers that have sufficient resources to provide customers with a full range of facility services and to service larger, multi-location customers. In general, ISS's main competitors in each market are national or regional services providers, as well as larger international services companies, including Compass, Rentokil and Sodexo, offering services in the market. However, these competitors differ from market to market depending on the particular service. ISS also faces competition from providers of in-house facility services.

ISS believes that the principal competitive factors in the facility services industry are price, service quality and reputation. For larger, multi-location customers, geographic coverage and service offering are additional competitive factors.

Human Resources

Employees

As of December 31, 2009, ISS had more than 485,000 employees. The following table sets forth information regarding ISS's employees for the years shown. For a breakdown of ISS's employees by geographic operating unit, see ''—Regions''.

	Year ended December 31		
	2007	**2008**	**2009**
Total employees	438,100	472,800	485,800
Full-time employees	68%	69%	71%
Part-time employees[1]	32%	31%	29%

(1) Defined as employees working an average of less than 25 hours per week for ISS.

Employee Turnover

The facility services industry is characterized by relatively high levels of employee turnover as the industry is often considered for short-term or secondary employment. As a result, ISS pursues a number of strategies to reduce turnover among blue-collar employees, including arranging for more full-time and daytime work. ISS also seeks to enhance employee satisfaction and to reduce turnover among blue-collar employees by providing multi-tasking jobs, encouraging career development opportunities and providing programs designed to promote teamwork and skills development.

As of December 31, 2009, approximately 65% of ISS's employees had been with ISS for more than one year. The following table indicates ISS's employee turnover and length of service for the three years ended December 31, 2007, 2008 and 2009.

	Year ended December 31		
	2007	**2008**	**2009**
Employee turnover:			
Blue-collar employees	57%	51%	41%
White-collar employees	24%	24%	16%
All employees	55%	49%	24%
Employee Length of Service:			
Share of employees with less than one year of service	37%	35%	36%
Share of employees with one to five years of service	37%	38%	40%
Share of employees with more than five years of service	26%	26%	25%

ISS has a flexible cost base, particularly with respect to staff costs, which, as a percentage of revenue, were 64.9% in 2009. Due to the relatively high employee turnover that is characteristic of the facility services industry, ISS is able to reduce its staffing levels when necessary by limiting its hiring of new employees.

While ISS generally seeks to reduce its employee turnover, the relatively high rate of turnover characteristic of the facility services industry provides a certain amount of operational and cost base flexibility. Through natural attrition, ISS is able to reduce staff costs in response to fluctuations in market demand. As a result of its local scale and operational density, ISS can shift employees among existing customer contracts and locations. Moreover, according to EU law, when facility service contracts are insourced or lost to a competitor, the former provider may under certain circumstances be able to pass on-site staff to the new provider, an option which provides additional operational flexibility.

ISS's employees in Europe are generally members of trade unions, and employee and trade union relations, consequently, have a high priority for ISS. In 1995, ISS established its European

Works Council (''EWC'') as an in-house forum for dialogue between ISS management and employee representatives across Europe. The EWC agreement was again renewed in 2009 and allows for up to 30 employee representatives to participate in an annual EWC meeting at ISS's headquarters.

In the last five years, ISS has not experienced any material disruption to its business as a result of strikes, work stoppages or other labor disputes. In 2003, ISS signed a letter of agreement with the international service workers union (Union Network International (''UNI''), under which ISS is committed to ensure good working standards in all its countries of operation, and UNI pledged to expose companies in the industry that violate basic employment principles and applicable legislation. The agreement with UNI was renewed in 2008 and now includes a fund for the financing of research and is considered as one of the most advanced agreements in the relationship between a global employer and the unions. The agreement and collaboration since 2008 has prompted UNI to name ISS as an employer that treats its workers well and is setting a good example for other global employees.

ISS contributes to various statutory pension funds on behalf of employees. These pensions vary widely based on local legislation. See ''Operating and Financial Review and Prospects—Contractual Obligations and Commitments—Pension Obligations'' and ''Management of ISS—Compensation of the Board of Directors and Management of ISS''.

Executive Training and Development through ISS University

ISS devotes substantial resources to staff and management development, ranging from induction, basic skills training through middle management programs to sponsorship of an MBA program. In addition to the training provided in the countries and on a regional level, ISS has established ISS University, an in-house education centre in Copenhagen, to educate and train its managers and executives. The executives and managers receive training in areas such as introduction to the ISS strategy and business model, working capital optimization, presentation skills and management of integrated facility services contracts. Most of these programs were developed exclusively at ISS University, while others were designed in cooperation with institutions, such as Stanford University, International Institute for Management Development (IMD), Henley Management College and IESE Business School.

ISS has three mandatory executive training programmes: (i) Advantage—an introduction to the company and strategy, Code of Conduct and company values; (ii) Strategy and the ISS Value Chain; and (iii) Leadership—Leading the ISS Way (currently being revised to fit the new Leadership Principles).

In order to implement strategic initiatives, such as Cleaning Excellence and the integrated facility services concept, ISS University will continue to develop key specialists and training. This will be supplemented with executive Summer School for country managers.

In 2009, approximately 600 senior managers and specialists attended a total of 41 workshops and programs at ISS University. The same level is scheduled for 2010. Pursuant to ISS's strategy, ISS Academy was launched as an ISS University initiative to foster knowledge sharing and skills development related to integrated facility services. As part of the ISS University philosophy, local managers are being certified to run ISS Academy programs locally in local languages.

Performance Management

ISS's performance management system, the Performance Page, is the principal tool for assessing individual capabilities. The Performance Page is intended to support the development of stronger country management teams. Feedback during a yearly goal evaluation and goal setting process, followed up by a mid-year review, help to develop the full potential of the individual managers. In addition to facilitating the process, the Performance Page provides ISS with a basis for talent management and succession planning.

Equipment and Supplies

In general, ISS's business is not capital intensive. ISS's main equipment and supply needs relate to vehicles and cleaning products.

ISS leases a large fleet of vehicles, including more than 15,000 in Europe. Leasing costs relating to these vehicles represented approximately 1% of ISS's 2009 revenue. In 2007, ISS carried out a European fleet management tender, following which, in 2008, ISS entered into agreements with two global car manufacturers and one global leasing company. Under these arrangements, ISS has the ability to return vehicles to the leasing company prior to the expiry of the leases. ISS believes that its centralized leasing arrangements reduce its expenses and capital expenditures and add flexibility to ISS's cost base.

ISS's procurement department works closely with its suppliers, and ISS believes that supplier relations are important to its service delivery. At the corporate level and locally, ISS is working to reduce the overall number of suppliers and establish strategic supplier partnerships in key areas. For example, ISS together with its supplier JohnsonDiversey is selecting a core range of cleaning products focusing on delivering cleaning services with a more environmental friendly usage of chemicals.

ISS believes that working with a few preferred suppliers has a positive impact both on ISS's employee safety, quality and cost-efficiency. In return, this approach offers growth opportunities for the selected suppliers, increasing their focus on their relationship with ISS.

In 2007, ISS updated ISS's work-wear program in order to ensure the branding of the uniforms support the development in ISS business moving away from only cleaning services and towards integrated facility services.

Facilities

In addition to its head office, ISS's facilities are comprised primarily of branch offices for its local operations. It is ISS's policy to lease rather than own its offices, preferably on short-term leases. As of December 31, 2009, the value of land and buildings on ISS's balance sheet was DKK 105 million (€14 million), excluding assets classified as held for sale. ISS believes that its properties are generally adequate for its present needs and believes that suitable additional or replacement space would be available to the extent required.

ISS presently owns or operates a number of properties at which industrial activities or activities involving the daily handling of hazardous materials take place, including several waste management facilities and landfills in France.

Regulation

The facility services industry is generally not subject to special regulations, although certain of its services, such as catering and security, require a license or permit from local authorities. ISS operates in more than 50 countries and is subject to a number of generally applicable regulatory requirements, including labor laws, health and safety requirements and environmental regulations. ISS's laundry and waste management operations are subject to extensive environmental permitting and regulation. In addition, where ISS has a leading market position, competition regulations may reduce its operational flexibility and limit its ability to make additional acquisitions.

ISS believes that it has obtained the material permits and licenses necessary to operate its business and that it complies in all material respects with all national and local laws and regulations governing its business. To date, ISS has not been subject to any significant fines, penalties or other liabilities under such laws and regulations. However, there can be no assurance that changes in such laws and regulations, or interpretations thereof, will not have an adverse impact on ISS's operations.

Insurance

ISS currently has group-wide insurance policies, including insurance against general, public and product liability, directors' and officers' liability, employment-related liability, crime-related losses and aviation liability insurance in connection with its cleaning of airports and aircraft. ISS's local operating subsidiaries maintain additional insurance, including automobile insurance, buildings and contents and workers' compensation policies. To ensure consistency, quality and coverage, ISS has appointed Willis, an international firm, as its insurance broker for all non-life insurance policies.

Insurance for general, public and product liability policies outside of the United States is partly the responsibility of Global Insurance A/S (''Global Insurance''), a wholly-owned subsidiary of ISS Global that is regulated under the Danish Financial Business Act and supervised by the Danish FSA. Global Insurance A/S underwrites the first DKK 975,000 (€131,000) of every claim, via a reinsurance contract with an annual aggregate exposure limit of DKK 52 million (€7 million). Chartis Europe S.A. is responsible for claims management, policy issuance and all other practical matters relating to general, public and product liability policies outside of the United States and underwrites the first €20 million of every claim. Additional underwriters include Zurich Financial Services and RSA. The total sum insured per claim for general, public and product liability is €135 million, with unlimited aggregate cover, subject to certain specific exceptions such as professional indemnity claims. General, public and product liability exposures in the United States are not included in the Group wide program and are not the responsibility of Global Insurance, but insured via a combination of a local primary and excess program.

The potential liability ISS may have to its customers is generally governed by the contracts it has entered into with its customers. The terms of these contracts vary, but as a general rule, ISS does not accept unlimited liability or take responsibility for consequential, indirect or any other special damages. Nevertheless, no assurances can be given that ISS will not be responsible for damages such as these in some of the contracts that it has entered into, and will in the future enter into.

Management believes that ISS's insurance coverage is consistent with industry standards, however, no assurance can be given that ISS will continue to maintain current levels of insurance cover. A successful claim of sufficient magnitude that is not covered, or only partially covered, by insurance could have a material adverse effect on ISS and its financial condition.

Legal Proceedings

ISS is subject to various legal actions arising in the ordinary course of business from time to time. In addition, ISS's employees may be subject to various legal action which may adversely affect ISS's business and financial condition. Except as described in ''Risk Factors'', ISS believes that none of the litigation pending against it, individually or collectively, is expected to have a material adverse effect on ISS.

MANAGEMENT OF ISS

Board of Directors of ISS and ISS A/S

The overall strategy of ISS is determined by the members of the Board of Directors of ISS and ISS A/S. ISS's day-to-day operations are managed by the Executive Group Management and Group Management.

Each of ISS and ISS A/S has a two-tier management structure consisting of a Board of Directors and the Executive Group Management. The Board supervises the company's activities, its management and organization. The Executive Group Management is responsible for ISS's day-to-day operations. The two bodies are separate and do not have overlapping members.

The Boards of Directors function in accordance with the rules set out in the Danish Companies Act, the shareholders' agreement, the articles of association and the rules of procedure, which provide guidelines for the board's work in general. Board resolutions are generally passed with a simple majority, and in the event of a tie, the Chairman casts the deciding vote. However, under the shareholders' agreement, certain actions require special approval by the Principal Shareholders. The board convenes at least six times a year. Extraordinary meetings are convened whenever specific matters need attention between scheduled meetings. Twelve board meetings were held in 2009. The board receives a monthly financial and operational reporting package and is briefed about important matters in the periods between board meetings. The board approves the strategy plan, the annual budget and large and/or strategic acquisitions based on recommendations from the Acquisition Committee. According to the shareholders' agreement, EQT and GS Capital Partners are entitled to nominate three board members and a deputy member each, and EQT has the right to nominate the Chairman of the board after consultation with GS Capital Partners.

The members of the Boards of Directors of ISS and ISS A/S are the same apart from the employee representatives.

Name	Age	Position
Ole Andersen	53	Chairman
Leif Östling	64	Vice-Chairman
John Allan	61	Director
Marcus Brennecke	48	Director
Peter Korsholm	38	Director
Casper von Koskull	49	Director
Christoph Sander	48	Director
Steven Sher	39	Director
Carsten Højlund (only ISS A/S Board member)	35	Employee Representative
Flemming Quist (only ISS A/S Board member)	45	Employee Representative
Palle Fransen Queck (only ISS A/S Board member)	34	Employee Representative

Ole Andersen has been a member of the Board since May 2005 and is the Chairman of the Board. Mr. Andersen served as senior partner and head of the Copenhagen office of EQT Partners from September 2003 to May 2008 and today serves as Senior advisor to EQT Partners. Prior to joining EQT Partners, Mr. Andersen worked for Enskilda Securities. From 1997 to 2000, he was head of the Copenhagen Branch and, from 2000 to 2003, he was global head of Corporate Finance. From 1983 to 1997, Mr. Andersen worked for Arthur Andersen & Co., Skandinavisk Holding, Scandinavian Capital Partner and Alfred Berg. Mr. Andersen is currently Chairman of the Board of Directors of Privathospitalet Hamlet A/S and Chr. Hansen Holding A/S and a member of the Board of Directors of Bang & Olufsen A/S, Danske Bank A/S and Georg Jensen A/S. Mr. Andersen graduated from the Copenhagen Business School with a Masters in Economics.

Leif Östling has been a member of the Board since October 2005 and is Vice-Chairman of the Board. He is currently the President and Group Chief Executive of Scania AB, a position he has held since 1994. Furthermore Mr. Östling is a member of an advisory board to Toyota Industrial Cooperation in Japan since 2000. Prior to that time, Mr. Östling held various positions with Scania, including acting manager of Scania's South American operations, head of Strategic Planning, Marketing Manager in the Netherlands and President of Scania Nederland. He has also served as Chairman of the Board of the Danish company Sabro Refrigeration, which was previously owned by EQT. Mr. Östling is a member of the Board of Directors of Scania AB and Chairman of the Board of

Directors of AB SKF and Svenskt Näringsliv (Confederation of Swedish Enterprise) and Teknikföretagen (The Association of Swedish Engineering Industries). Mr. Östling holds a Master of Science in Engineering from Chalmers University of Technology in Gothenburg, a Master of Science Economics and Business Administration from the Gothenburg School of Economics and two honorary doctorate degrees in engineering science from the Royal Institute of Technology in Stockholm and Luleå University of Technology.

John Allan has been a member of the Board since June 2008. Mr. Allan is also member of the Board of Directors of DSG international Plc. Mr. Allan is also a member of the Supervisory Board of Lufthansa AG and Deutsche Postbank and is a member of the University of Edinburgh Campaign Board as well as non-executive director of National Grid Plc. As of September 1, 2009, Mr. Allan is a member of the board of directors of 3i Plc. Mr. Allan started his career at Lever Brothers, moving to Bristol-Myers Company Ltd and then Fine Fare Ltd. He joined BET Plc. in 1985 and was appointed to the board in 1987. In 1994, Mr. Allan was appointed CEO of Ocean Group plc which later became Exel plc. In 2005, Exel was acquired by Deutsche Post World Net, and Mr. Allan joined the Management Board of Deutsche Post World Net. From 2007 until his retirement in 2009 Mr. Allan was the CFO of Deutsche Post World Net. Mr. Allan was previously Chairman of Samsonite Corporation and a Non-executive Director of PHS Group Plc., Wolseley Plc., Hamleys Plc. and Connell Plc. Mr. Allan holds a degree in Mathematical Science from Edinburgh University.

Marcus Brennecke has been a member of the Board since May 2009. Mr. Brennecke is currently Senior Partner and Head of Equity D/A/CH of EQT Partners. Mr. Brennecke is a member of the Board of Directors of Kabel Baden-Württemberg, SAG, CBR, Carl Zeiss Vision and Springer Science. Mr. Brennecke joined EQT Partners in January 2005. Prior to working at EQT Partners, Mr. Brennecke had 11 years of experience as a private equity investor. Before 1994, Mr. Brennecke held various positions at Axel Springer Publishing Group (Founder/CEO of a TV-sport rights company, Deputy Director for Corporate Strategy and M&A, Investment Manager for TV and radio station investments and Office Manager of the CEO). Mr Brennecke graduated from the University of St. Gallen, Switzerland.

Peter Korsholm has been a member of the Board since April 2008. Mr. Korsholm is a partner and Head of the Copenhagen office of EQT Partners. He joined EQT Partners in 1999. Previously, he worked at Morgan Stanley in London. Mr. Korsholm is a member of the Board of BTX Group A/S, CaridianBCT Holding Corp and Gambro AB. Prior to joining EQT Partners, Mr. Korsholm received his Master of Business Administration with distinction from INSEAD. He also holds a Master of Science in Econometrics and Mathematical Economics from London School of Economics and a Bachelor of Arts in Economics from the University of Copenhagen.

Casper von Koskull has been a member of the Board since December 2009. Mr. von Koskull is responsible for the Nordic Investment Banking activity at Goldman Sachs in London. Mr. von Koskull joined Goldman Sachs in 1998 and was named Managing Director in 2000 and partner in 2006. Prior to joining Goldman Sachs, Mr. von Koskull worked at UBS. Mr. von Koskull earned a Master of Science in Economics from the Helsinki School of Economics in 1985 and attended the Program for Management Development (PMD) at Harvard Business School in 1991.

Christoph Sander has been a member of the Board since April 2006. Mr. Sander is also Chairman of the Acquisition Committee and member of the Audit Committee. Mr. Sander co-founded and was CEO and then Chairman of Casper Limited from 2006 until March 2009. Prior to this, he spent a considerable portion of his career with Bunzl Plc. From its inception in 1993 until 2005, he led and was Managing Director of the European and Australian outsourcing services business area of Bunzl. In 2004 he became a main board director of Bunzl Plc. and was appointed Chief Executive Officer designate in 2005. Mr. Sander left Bunzl in 2006 to pursue other interests. Prior to joining Bunzl, he worked for The Boston Consulting Group in London. Mr. Sander received a Master of Arts in Economics from Cambridge University and a Master of Business Administration from Harvard Business School.

Steven Sher has been a member of the Board since December 2007. Mr. Sher is currently Managing Director of Goldman Sachs International, Principal Investment Area. Prior to joining Goldman Sachs in 1997, Mr. Sher was with Price Waterhouse in London, where he qualified with the Institute of Chartered Accountants of England and Wales. Mr. Sher is a member of the Board of Ahlsell Sverige AB, Edam Acquisition I Cooperatief U.A. and certain holding companies of

Ahlsell Sverige AB and Endemol B.V. Mr. Sher received a Bachelor of Commerce and a post graduate Bachelor of Accounting from the University of Witwatersrand.

Carsten Højlund has been an employee representative on the Board since April 2007. Mr. Højlund has been with ISS since October 2001. Since July 1, 2009, Mr. Højlund has been Group Vice President and Head of Group Internal Audit. Mr. Højlund holds a Master of Science in Finance from Århus School of Business.

Flemming Quist has been an employee representative on the Board since 1999. Mr. Quist has been ISS's Treasury Manager since 2006. Mr. Quist holds a Master of Science of Economics (cand polit), University of Copenhagen, 1985-1990 and a Diploma in Management Accounting, Copenhagen Business School 2003-2005.

Palle Fransen Queck has been an employee representative on the Board since January 2010. Mr. Queck has been an employee of ISS since August 2000 and is currently Group Vice President and Head of Process Innovation. Mr. Queck holds a Bachelor of Science (Hons) in Engineering from Copenhagen University College of Engineering and a Diploma in Business Administration from Henley Business School.

Management of ISS and ISS A/S

The following table sets forth information concerning the members of the senior management of ISS and ISS A/S.

Members of the Executive Group Management and Group Management

Name	Age	Position
Jørgen Lindegaard	61	Group Chief Executive Officer
Jakob Stausholm	41	Group Chief Financial Officer
Jeff Gravenhorst	48	Group Chief Operating Officer

Members of the Group Management (reporting to the Executive Group Management)

Name	Age	Position
Todd O'Neill	43	Head of Group Strategy and Business Development
Bjørn Raasteen	45	Group General Counsel
Magnus Åkerberg	46	Head of Corporate Clients
Luis Andrade	49	Regional Chief Executive Officer
Troels Bjerg	46	Regional Chief Executive Officer
Jean-Manuel Bullukian	45	Regional Chief Executive Officer
Jacob Götzsche	42	Regional Chief Executive Officer
Hans John Øiestad	55	Regional Chief Executive Officer
David Openshaw	60	Regional Chief Executive Officer
Martin Gaarn Thomsen	39	Regional Chief Executive Officer
Barbara Plucnar Jensen	38	Head of Group Treasury
Peter Harder Thomsen	38	Head of Group Controlling
Henrik Trepka	46	Head of Group IT
Vacant		Head of Group HR

Jørgen Lindegaard has been Group Chief Executive Officer since August 2006. Mr. Lindegaard joined ISS as a member of the Board in April 2006, a position he resigned from when he was appointed Chief Executive Officer in August 2006. He was the President and CEO of SAS Group from 2001 to 2006 and, prior to that, the CEO of GN Store Nord A/S from 1997 to 2001. From 1995 to 1996, he was Managing Director of Tele Danmark. From 1991 to 1995, he was the CEO of KTAS. From 1990 to 1991, he was the CEO of Fyns Telefon. Mr Lindegaard is a member of the board of directors of Efsen Engineering A/S. Mr Lindegaard holds a Master of Science in Engineering.

Jeff Gravenhorst has been Group Chief Operating Officer since April 2008. Previously, he was Group Chief Financial Officer from 2005 to 2008 and the Chief Financial Officer of ISS UK from 2002 to 2005. From 2000 to 2002, he was Managing Director of ALTO Danmark A/S, heading up the European divisions. From 1998 to 1999, Mr. Gravenhorst was Vice President, Business Unit

Consumer, of ALTO U.S. Inc. He has also served as Chief Financial Officer of Clarke Industries Inc. and as Finance Director of Wittenborg UK Ltd, each a subsidiary of Incentive A/S, as well as a Manager of Arthur Andersen in Denmark. Mr. Gravenhorst holds a Master of Science in Business Administration and Auditing from the Copenhagen Business School, Denmark.

Jakob Stausholm has been the Group Chief Financial Officer since September 2008. Prior to joining, ISS he spent 19 years with Shell in various finance positions including four CFO positions based in the Netherlands, Argentina, Denmark, the UK and Singapore. Most recently, he was Vice President of Finance for Shell Exploration & Production in Asia Pacific based in Singapore from 2006 to 2008. From 2002 to 2006, Mr. Stausholm was Royal Dutch Shell's Chief Internal Auditor based in London. Mr. Stausholm has held a number of board positions related to his executive position, most recently as a non-executive board member of Woodside Petroleum, Australia (2006 to 2008). Mr. Stausholm is a member of the Board of Directors of Statoil ASA. Mr. Stausholm holds a Master of Economics from the University of Copenhagen, Denmark.

Todd O'Neill has been a Group Senior Vice President, Head of Group Strategy and Business Development since September 2008. Prior to joining ISS, he was a Director of Enskilda Securities in Copenhagen and London from 1997 to 2008. Mr. O'Neill held various positions at the Nordic investment bank, Alfred Berg and prior to that Citicorp Investment Bank from 1988 to 1997. He holds degrees in Financial and Management Accounting and Business Administration.

Bjørn Raasteen has been Group Senior Vice President and General Counsel since 2005. Previously, he was Assistant General Counsel since joining ISS in 1999. Prior to that time, Mr. Raasteen was a lawyer with the Jonas Bruun and Hjejle, Gersted & Mogensen law firms (today Bruun & Hjejle). Mr. Raasteen received a Masters of Law from the University of Copenhagen, Denmark.

Magnus Åkerberg has been Group Senior Vice President, Head of Global Corporate Clients, since September 2007. Prior to that time, he was employed at Johnson Controls as General Manager/Regional Executive for the Nordic region EMEA, Head of M&A EMEA, Business Development Director EMEA and member of Johnson Controls' Management Team EMEA. Prior to that he was employed at Serco in various leading positions. Mr. Åkerberg has degrees in finance and banking. From April 2010 Mr. Åkerberg will report to the Group Chief Commercial Officer.

Luis Andrade has been Group Senior Vice President, Regional CEO with responsibility for Iberia and Latin America since April 2009. Mr. Andrade joined ISS in 1992 as Country Manager for Portugal and in October 2002 Mr. Andrade was appointed Regional Director of Brazil, in 2003 Regional Director of Argentina and in September 2009 Regional Director of Iberia. Prior to joining ISS, Mr. Andrade was a Director of Climex based in Lisbon from 1985 to 1992. Mr. Andrade holds a degree in Mechanical Engineering.

Troels Bjerg has been Regional CEO with responsibility for Eastern Europe since March 2009. Prior to joining ISS Mr. Bjerg held a position as Group CEO for a privately owned group of companies within the automotive workshop equipment industry, after having held various senior management positions within Daimler AG since 1992, including his last position there as regional Vice President Distribution and Service & Parts for DaimlerChrysler South East Asia, based in Singapore. Mr. Bjerg is a member of the Board of Directors of Ejner Hessel A/S. He holds a Master of Business Administration from IMD in Switzerland and a Bachelor of Arts from Copenhagen Business School.

Jean-Manuel Bullukian has been Regional CEO with responsibility for Asia & Pacific since October 2009. Prior to joining ISS he has been at the Mac Group, Global Head of Transformation Consulting at Capgemini/Gemini Consulting, and from 2005 until 2009 he held various executive positions in Asia, US and on European level, within the Adecco Executive Committee. Mr. Bullukian holds a Masters of Business Administration from ESSEC (France).

Jacob Götzsche has been Regional CEO since 2006 with responsibility for Central Europe since May 2008. Mr. Götzsche has served as an International Business Director from 2004 to 2006. Previously, Mr. Götzsche served as Senior Vice President, Mergers and Acquisitions from 2002 to 2004 and Senior Vice President, Head of Corporate Finance and Control, from 2001 to 2002. He served as ISS's Chief Group Controller, Head of Corporate Finance, in 2000 and International Controller from 1999 to 2000. Mr. Götzsche joined ISS in 1999 from Price Waterhouse where he

was State authorized public accountant. Mr. Götzsche received a Master of Science in Auditing from Odense University, Denmark in 1991.

Hans John Øiestad has been Regional CEO with responsibility for Northern Europe since May 2008. Mr. Øiestad began his career with ISS in May 1986. From 1990 to 1999, he was division manager in Renhold Østlandet and Key Account Manager in Norway from 1999 to 2000. From 2000 to 2002, Mr. Øiestad worked as ''trouble shooter'' in ISS A/S. From 2002 to 2005, Mr. Øiestad was CEO of Carepartner and from 2003 to 2005 he was CEO of ISS Health Care. From 2004 to 2006, he was CEO for ISS Sweden. Prior to the position as Regional Chief Executive Officer for Northern Europe, Mr. Øiestad was Country Manager in Finland from 2006 to 2008. Mr. Øiestad has a teacher's degree from Norway.

David Openshaw has been Regional CEO with responsibility for the UK, Ireland, North America, Middle East and South Africa since January 2009. Mr. Openshaw joined ISS in January 1990 and held a number of positions in ISS UK, including as Country Manager from 2002 to 2009. Mr. Openshaw previously held a number of positions at Pritchard Services Group which he joined in 1975. Following the takeover of Pritchard Services Group by BET in 1986 Mr. Openshaw joined the Board of Directors of Initial Services Group.

Martin Gaarn Thomsen has been Regional CEO for Western Europe since November 2009. Previously, he served as Chief Operating Officer for Asia & Pacific from 2005 to 2009, and he served as International Operations Director for ISS Hygiene Services from 2002 to 2004. Mr. Thomsen served as Vice President, Corporate Affairs and ISS Innovation, from 2000 to 2002. He joined ISS in 1999 and served as a Business Support Manager, Business Development, until 2000. Prior to that time, Mr. Thomsen was IS Manager for Coca-Cola Nordic Beverages. Mr. Thomsen holds a Master of Science in Business Administration from Copenhagen Business School, Denmark.

Barbara Plucnar Jensen has been Group Senior Vice President, Head of Group Treasury, since January 2010. Prior to joining ISS, she was First Vice President at Danske Bank. Mrs. Jensen has held various positions at Danske Bank, primarily at Danske Markets in Copenhagen and London from 1996 to 2009. She holds a degree in Masters of Science (Economics) from the University of Copenhagen.

Peter Harder Thomsen has been Group Senior Vice President, Head of Group Controlling, since 2007. Mr. Thomsen joined ISS in 2007. Prior to that time he was Head of Group Finance at Columbus IT Partner A/S from 2004 to 2007 and manager at KPMG from 1997 to 2004. Mr. Thomsen holds a Masters of Science in Auditing from Copenhagen Business School, Denmark.

Henrik Trepka has been Group Senior Vice President, Head of Group IT, since he joined ISS in 2005. Prior to joining ISS, he was Group IT Advisor and IT Manager at Kuwait Petroleum International, London, UK. Further Mr. Trepka held various positions at Kuwait Petroleum Denmark in IT, Retail and Finance management. Prior to that, Mr. Trepka was a management consultant with Andersen Consulting/Accenture for five years. Mr. Trepka holds an E*MBA degree from Scandinavian International Management Institute, Copenhagen, an MBA from Copenhagen Business School and a graduate diploma in Organizational Management, Copenhagen Business School.

From April 2010 Lars Sandahl Sørensen (47) will take up the newly established position of Group Chief Commercial Officer. Mr. Sørensen joins ISS from Scandinavian Airlines International (SAS) where he was Senior Vice President and Group Chief Commercial Officer.

The business address for each of the members of management of ISS and ISS A/S is c/o ISS A/S, Bredgade 30, DK-1260 Copenhagen K, Denmark.

Board committees of ISS and ISS A/S

The Board has established the following four committees that all report to the Board.

The *Remuneration Committee* decides the remuneration packages and incentive schemes for the Group CEO, and provides input for other members of the Executive Group Management and certain senior officers, as well as compensation levels and bonus systems in general. The committee consists of at least three members of the Board (currently Ole Andersen, Peter Korsholm

and Steven Sher), and the Group CEO participates in its meetings. Ole Andersen is chairman of the committee. The committee has held one meeting in 2009.

The *Audit Committee* evaluates ISS's external financial reporting, and monitors and challenges ISS's main accounting principles and estimates, as well as systems of internal controls and risk management. Its duties also include considering the relationship with ISS's external auditor and reviewing the audit process. The committee consists of at least three members of the Board (currently Leif Östling, John Allan, Christoph Sander and Steven Sher), and the Group CFO, the Head of Group Controlling, the Head of Group Internal Audit and the Group General Counsel participates in its meetings. Leif Östling is chairman of the committee, which held four meetings in 2009.

The *Acquisition Committee* considers ISS's procedures for acquisitions and divestments, reviews the acquisition and divestment pipeline, approves certain acquisitions and divestments in accordance with adopted procedures, and evaluates selected effected acquisitions. The committee consists of at least three members of the Board (currently Christoph Sander, Peter Korsholm and Steven Sher), and the Group COO, the Group CFO, the Head of Group Strategy and Business Development and the Head of Group M&A participate in its meetings. Christoph Sander is chairman of the committee, which held six meetings in 2009.

The *Financing Committee* considers ISS's capital structure, financing of future investments and hedging policies. The committee consists of at least two members of the Board (currently Peter Korsholm and Steven Sher), and the Group CFO and Group Treasurer participate in its meetings. The committee held nine meetings in 2009 and three meetings in 2010.

Employment Agreements

Jørgen Lindegaard's contract as Group CEO will expire by the end of March 2010 when he steps down as Group CEO. Jeff Gravenhorst will take over the position as Group CEO effective as of 1 April 2010. In an effort to optimize executive management the responsibilities as Group COO will remain with Jeff Gravenhorst and, hence, no replacement Group COO will be appointed. Jeff Gravenhorst's contract is subject to termination upon 24 months notice by ISS. Jakob Stausholm's contract is subject to termination upon 12 month notice.

All other members of the Group Management have contracts that are subject to termination upon 12 month notice by ISS.

The contracts reflect differing amounts of compensation but otherwise contain standard terms for each of the executive officers.

Compensation of the Board of Directors and Management of ISS

In 2009, ISS paid fees to the members of its Board of Directors totaling DKK 2 million (€0.3 million). In 2009, ISS paid salaries and bonuses to the members of the Executive Group Management totaling DKK 26 million (€3.5 million), including bonuses of DKK 6 million (€0.8 million).

The Principal Shareholders have established a Management Participation Program, under which the Group Management Board and a number of senior officers of ISS can invest. The program is structured as a combination of direct and indirect investments in a mix of shares and warrants in FS Invest S.à r.l. (ISS's ultimate parent company) based on market values until the Principal Shareholders' exit. At the introduction of the program in 2006, warrants in FS Invest S.à r.l. were granted free of charge with a vesting schedule (based on value of shares and time) of which 329,404 were outstanding as of December 31, 2009. Further, non-executive members of the Board (except representatives of the Principal Shareholders) can participate in a Directors Participation Program and a Co-investment Scheme, under which they have invested in a mix of shares and warrants in FS Invest S.à r.l. based on market values until the Principal Shareholders' exit.

PRINCIPAL SHAREHOLDERS OF ISS

ISS is indirectly beneficially owned 54% by EQT and 44% by GS Capital Partners, which are collectively referred to in this offering memorandum as the Principal Shareholders.

Each of the Principal Shareholders is described below.

EQT

EQT is a group of private equity funds that has raised approximately €13 billion in equity in 12 funds. EQT Partners, acting as investment advisor to all EQT funds, has offices in Stockholm, Copenhagen, Helsinki, Oslo, Frankfurt, London, Munich, New York, Zurich, Warsaw, Shanghai and Hong Kong. EQT funds realized their business concept by acquiring, financing and developing high-quality medium-sized companies in Northern and Eastern Europe, Asia and the US. EQT serves as an active owner and works in close cooperation with the management of the companies it acquires, to develop and implement value-enhancing strategies. In total, EQT funds have invested some €8 billion in more than 75 companies.

GS Capital Partners

GS Capital Partners is managed by the Principal Investment Area of Goldman Sachs. Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

Since 1986, the Private Investment Area of Goldman Sachs has formed and managed 15 investment vehicles aggregating $80 billion of capital. Through March 19, 2010, the Private Investment Area of Goldman Sachs has invested over $70 billion in approximately 750 companies globally.

Shareholders' Agreement

EQT III, EQT IV and GS Capital Partners (collectively, the ''Investment Parties'') and ISS and FS Invest S.à r.l. entered into a shareholders' agreement dated March 28, 2005, as amended on May 9, 2005. The shareholders' agreement specified the equity commitments and the terms of the Investment Parties' funding of FS Invest S.à r.l. and specified a business plan for FS Invest S.à r.l. and its subsidiaries, including ISS. The shareholders' agreement states that its principles shall apply to any entity through which the Investment Parties hold their interest in ISS.

Under the shareholders' agreement, the Board of Directors of FS Invest S.à r.l shall consist of six members. Each of EQT IV (No. 1) Limited Partnership, EQT IV (No. 2) Limited Partnership, EQT III US No. 1 Limited Partnership, GS Capital Partners V Institutional, L.P. and GS Capital Partners 2000, L.P. is entitled to nominate one director and the sixth director may be appointed by GS Capital Partners. EQT has the right to nominate the chairman of the Board of Directors, after consultation with GS Capital Partners. In addition, each of EQT and GS Capital Partners is entitled to appoint one deputy member of the Board of Directors of FS Invest S.à r.l. who shall be entitled to be present at Board meetings, but the two deputy members shall only be entitled to vote if they are standing in for a Board member who is unable to attend the meeting.

The Board of Directors of FS Invest S.à r.l. will generally act by simple majority, with the Chairman casting a deciding vote in the event of a tie. However, under the shareholders' agreement, certain actions require special approval of one or both of the Investment Parties.

The shareholders' agreement contains pre-emptive rights that generally allow each of the Investment Parties to purchase a portion of any newly issued shares of FS Invest S.à r.l. in order to maintain their respective percentage interests in that entity. These pre-emptive rights have been waived in relation to the incentive compensation scheme offered to the non-executive members of the Board of Directors, the Executive Group Management and certain senior officers of ISS. At any time after the third anniversary of the completion of the voluntary tender offer, an Investment Party can require the initiation of an ''exit'' process, which is contemplated to be either a sale of FS Invest S.à r.l. or one of its subsidiaries or a securities floatation. After the third anniversary, an Investment

Party may also give notice to the other Investment Parties of its intention to sell its interests in FS Invest S.à r.l. to a third party. The other parties shall then have a right of first refusal to purchase such interest and, in the event of a third party sale, the other parties shall have a tag-along right to include their interests in such sale. The shareholders' agreement also contains drag-along rights which may be exercised by an Investment Party at any time after the fifth anniversary of the completion of the tender offer. In addition, in the event of the insolvency of an Investment Party, the other Investment Parties have the right to acquire the interests of the insolvent party. Other than as described above, the shareholders' agreement generally prohibits the Investment Parties from transferring their interests in FS Invest S.à r.l., except for transfers to affiliates who will be bound by the terms of the shareholders' agreement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

ISS is fully owned by ISS Equity A/S. The ultimate controlling company of ISS is FS Invest S.à r.l., which is 54% owned by funds advised by EQT Partners and 44% owned by funds advised by GS Capital Partners.

For a description of the Director's Participation Program and the Management Participation Program allowing certain senior officers to co-invest in FS Invest S.à r.l., see ''Management of ISS—Compensation of the Board of Directors and Management of ISS''.

ISS and Goldman Sachs have agreed general terms and conditions for the supply of facility services to be applied by local ISS operations and local Goldman Sachs affiliates when contracting with each other. ISS in Switzerland, Russia and the United Kingdom have entered into facility services agreements with local Goldman Sachs affiliates. As of December 31, 2009, the annual revenue from these agreements was estimated at DKK 68 million. Furthermore, ISS has local agreement terms with Goldman Sachs in France, Ireland, Singapore, Mexico and China. As of December 31, 2009, the annual revenue from these agreements was estimated at DKK 8 million.

Goldman Sachs, an affiliate of GS Capital Partners, is acting as lead and book-running manager of the offering, as described in ''Plan of Distribution'', in connection with which it will receive customary fees and expenses. In addition, affiliates of GS Capital Partners are lenders under the Senior Secured Facilities and holders of Medium Term Notes.

In 2009, ISS had transactions with affiliates in the form of interest received/paid in an amount of DKK 4 million. Further, ISS received/paid joint taxation contribution equal to 25% of taxable income from/to ISS Equity.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

Senior Secured Facilities

The following is a summary of some of the provisions of the Senior Facilities Agreement and the other documents entered into in connection with it, and is qualified in its entirety by reference to those documents.

Unless otherwise defined in the following, capitalized terms shall have the same meanings as defined in the Senior Facilities Agreement.

General

On March 28, 2005, ISS entered into a senior credit facilities agreement (as amended as of May 9, 2005, November 3, 2005, December 22, 2005, January 6, 2006, March 8, 2006, May 5, 2006, June 14, 2006, June 19, 2007, and July 10, 2009 the ''Senior Facilities Agreement'') with, among others, Citigroup Global Markets Limited and Goldman Sachs, as mandated lead arrangers, Citibank International plc as facility agent and Citicorp Trustee Company Limited as security trustee, pursuant to which they agreed to provide in the aggregate DKK 14,825 million in committed and uncommitted bank financing.

Structure

As of December 31, 2009, the ''Senior Secured Facilities'' consisted of the following facilities:

- Term Facility A, divided into sub-tranches, in an amount equivalent to DKK 1,050 million with a final maturity date of June 30, 2012;
- Term Facility B, divided into sub-tranches, in an amount equivalent to DKK 13,022 million with a final maturity date of December 31, 2013;
- Acquisition Facility A in an amount equivalent to DKK 985 million, with a final maturity date of June 30, 2012. As of December 31, 2009, the facility was fully drawn;
- Acquisition Facility B in an amount equivalent to DKK 2,500 million with a final maturity date of December 31, 2013. As of the end of the availability period on May 11, 2009, DKK 2,125 million had been drawn, and the undrawn commitments were cancelled;
- Revolving Credit Facility in an amount equivalent to DKK 2,448 million. As of December 31, 2009, DKK 2,032 million was drawn. The final maturity date of the Revolving Credit Facility is June 30, 2012. The Revolving Credit Facility may be provided by way of cash advances or ancillary facilities, either on a bilateral or fronted basis, bank guarantees and letters of credit. 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 ISS's consolidated financial statements;
- Letter of Credit Facility in an amount equivalent to DKK 500 million with a final maturity date of June 30, 2012. 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 under these facilities are included in ''Other short-term debt'' and ''Other long-term debt'' in ISS's consolidated financial statements; and
- Facility D (the Second Lien Facility) in an amount of DKK 4,465 million (€600 million), which is fully drawn, and has a final maturity date of June 30, 2015. The Second Lien Facility has been drawn by ISS and secured by security granted by ISS to secure the Senior Secured Facilities, including a pledge of the shares of ISS A/S granted by ISS.

In addition, ISS and its subsidiaries are permitted up to €100 million of ''Local Facilities'', which Local Facilities may at the option of ISS (and provided certain criteria are met) share in the senior guarantee and security package (where legally possible) on a *pari passu* basis. See ''—Secured Local Facilities''. Local Facilities are defined under the Senior Facilities Agreement as facilities made available to members of ISS by a bank in that country in which that member of ISS is incorporated or operates. Aside from the limits on each of the facilities, there is a restriction on the maximum aggregate amount that can be outstanding under all Local Facilities (excluding treasury

transactions, finance or capital leases and performance bonds), all Revolving Utilizations, all Ancillary Outstandings and all Letters of Credit (each as defined in the Senior Facilities Agreement). This amount excludes ''Performance Bonds''. Under the Senior Facilities Agreement, Performance Bonds means any Bank Guarantee or Letter of Credit, and any guarantee, letter of credit or indemnity issued under an Ancillary Facility or a Local Facility, which relates to the performance by any member of ISS under contracts entered into in the ordinary course of day-to-day business or the performance by any member of ISS of any rental obligation under any lease or license of real estate. Members of ISS may also enter into Secured FX Facilities (as described in ''Intercreditor Agreement'' below), which (as is the case with Secured Local Facilities) are not part of the Senior Secured Facilities, but share in the senior guarantee and security package (where legally possible) on a *pari passu* basis. See ''—Intercreditor Agreement''. The Secured FX Facilities has a maximum secured limit of up to €25 million.

Use of Proceeds

The proceeds of borrowings under Term Facility A and Term Facility B were used by ISS to pay for the acquisition of the shares in ISS A/S and related fees and expenses and to reload the acquisition facilities described below. These facilities were subsequently repaid and re-drawn by ISSGlobal to fund dividend payments which were used to fund the repayments made by ISS.

Acquisition Facility A and Acquisition Facility B (together, the ''Acquisition Facility'') were drawn by ISS Global and ISS Tesis Yönetim Hizmetleri A.S. for the acquisition of entities that were similar or complementary to the existing business of ISS and met certain agreed criteria.

The Letter of Credit Facility is for general working capital purposes and not to be used for acquisitions.

The Revolving Credit Facility and the Letter of Credit Facility are available to fund the general corporate and working capital requirements of ISS Global and its subsidiaries.

The proceeds of borrowings under Facility D (the Second Lien Facility) were applied to redeem a portion of the €850 million senior subordinated floating rate notes due 2016 issued by ISS.

Guarantees

The current guarantors and borrowers of the Senior Priority Facilities are:

- Blurlato Pty Ltd;
- Integrated Service Solutions S.L.;
- ISS Abilis France SAS;
- ISS A/S;
- ISS Catering Services Pty Ltd;
- ISS Facility Services AB;
- ISS Facility Services A/S (a company incorporated in Denmark);
- ISS Facility Services AS (a company incorporated in Norway);
- ISS Facility Services GmbH;
- ISS Facility Services Australia Limited (formerly Tempo Services Limited);
- ISS Facility Services Holding AB;
- ISS Facility Services Holding Inc.;
- ISS Facility Services Inc.;
- ISS Facility Services Limited;
- ISS Facility Services Pty Ltd;
- ISS Global A/S;
- ISS Health Services Pty Ltd;

- ISS Holding A/S;
- ISS Holding AS;
- ISS Holding France A/S;
- ISS Holding Inc.;
- ISS Holding Nederland B.V.;
- ISS Holding Paris SAS;
- ISS Hygiene Services Pty Ltd;
- ISS Integrated Services Pty Ltd;
- ISS Management AS (a company incorporated in Norway);
- ISS Mediclean Ltd;
- ISS N.V.;
- ISS Nederland B.V.;
- ISS Palvelut Holding AB;
- ISS Palvelut Holding Oy;
- ISS Palvelut Oy;
- ISS Property Services Pty Ltd;
- ISS Security Services Pty Ltd;
- ISS Tesis Yonetim Hizmetleri Sanayi ve Ticaret Anonim Sirketi (borrower only);
- ISS UK Holding Limited;
- ISS UK Limited;
- ISS Venture A/S;
- Pacific Invest December 2004 Pty Ltd; and
- Pacific Services Solutions Pty Limited, (together the ''Guarantors'').

ISS A/S and each of the following entities acceded to the Senior Facilities Agreement as a guarantor only: ISS Holding France A/S; ISS Venture A/S; ISS Palvelut Holding AB; ISS Palvelut Holding Oy; ISS Holding Inc.; ISS Facility Services Holding Inc.; ISS Facility Services Inc.; ISS Integrated Services Pty Limited; Blurlato Pty Limited; ISS Facility Services Pty Limited; ISS Hygiene Services Pty Limited; ISS Health Services Pty Limited; ISS Security Pty Limited; and ISS Catering Services Pty Limited; ISS Global and the other Guarantors acceded to the Senior Facilities Agreement as guarantor and borrower. Other subsidiaries of ISS may accede as guarantors. ISS Global is required to ensure that all Material Companies (as defined below) do so, other than companies which are Material Companies by virtue only of being a borrower or a holding company of a borrower. Some of the guarantees are subject to limitation language which varies depending on the jurisdiction in which the guarantor is established.

Under the Senior Facilities Agreement, the term ''Material Company'' is defined as each of the borrowers and the guarantors, and their respective holding companies, and any other subsidiary of ISS, having earnings before interest, tax, depreciation and amortization (calculated on the same basis as Consolidated EBITDA) representing 5% or more of the Consolidated EBITDA of ISS, or having gross assets (excluding intra-group loans) or revenue representing 5% or more of the gross assets or revenue of ISS, calculated on a consolidated basis.

Security

The guarantees referred to above are secured by:

- a pledge over the shares in ISS A/S (the ''Target Share Pledge'');
- a security interest in all of ISS's rights under certain proceeds loans from ISS to certain subsidiaries of ISS Global in the United Kingdom, France, Norway and Spain;
- a pledge over the shares in the following direct subsidiaries of ISS Global: ISS Beta Beteiligungsverwaltung GmbH, ISS Facility Services GmbH, ISS ESGO Services (HK) Limited, ISS Greater China Limited, ISS Ireland Holding Limited, ISS Portugal—Servicos de Gestao Lda, ISS Facility Services Private Limited, ISS Holding AG, ISS Facility Services A/S, ISS Holding France A/S, ISS Venture A/S, ISS UK Holding Limited, ISS Holding Nederland B.V., ISS Facility Services Holding AB, ISS Palvelut Holding Oy; ISS Holding AS, ISS N.V., Integrated Service Solution S.L., ISS Facility Services Pty Ltd, Pacific Invest December 2004 Pty Ltd, ISS Sulamericana Brasil Ltda, ISS Facility Services s.r.o., and ISS Holding NZ;
- a pledge over the shares in certain direct subsidiaries of the other guarantors;
- a pledge by each guarantor over certain of its present and future intellectual property rights (in particular, trademarks);
- a pledge by each guarantor over its material bank accounts;
- a pledge by each guarantor over its material trade receivables (with no notification being made to customers except on enforcement) and material intercompany receivables; and
- in the United Kingdom and Australia respectively, debentures containing fixed and floating charges over all assets (albeit subject to certain restrictions in the case of certain of the Australian entities) of ISS UK Holding Limited, ISS UK Limited, ISS Mediclean Limited, ISS Facility Services Australia Limited (formerly Tempo Services Limited), ISS Integrated Services Pty Limited, Blurlato Pty Limited, ISS Facility Services Pty Limited, ISS Hygiene Services Pty Limited, ISS Health Services Pty Limited, ISS Security Pty Limited and ISS Catering Services Pty Limited.

Security documents entered into by ISS Global and its subsidiaries contain provisions designed to ensure that if any of the indebtedness that would otherwise be secured by them constitutes ''Relevant Indebtedness'', as described in ''—Medium Term Notes'' below, such indebtedness would not be secured by the relevant security document.

Facility D (the Second Lien Facility) does not share in any security other than security granted by ISS to secure its obligations under the Senior Facilities Agreement.

Interest Rates and Fees

For the Senior Secured Facilities, interest is payable at a floating rate equal to LIBOR or, in relation to advances in Euro, EURIBOR plus the applicable margin and certain reserved asset costs. The applicable margin for:

- Term Facility A is 2.00% per annum, subject to a margin ratchet mechanism based on the ratio of Consolidated Total Net Debt to Consolidated EBITDA (as such terms are defined in the Senior Facilities Agreement) for the relevant period, each as defined in the Senior Facilities Agreement. The current margin is 2.00% per annum;
- Term Facility B is 2.00% per annum, subject to a similar margin ratchet mechanism to those mentioned above. The current margin for Facility B is 2.00% per annum;
- Acquisition Facility A & B is 2.25% per annum, subject to a similar margin ratchet mechanism to that mentioned above. The current margin for Acquisition Facility A & B is 2.25% per annum;
- Revolving Credit Facility is 2.25% per annum, subject to a similar margin ratchet mechanism to that mentioned above. The current margin for the Revolving Credit Facility is 2.25% per annum; and
- Term Facility D (the Second Lien Facility) is 3.75% per annum.

Default interest equal to an additional 1% per annum is also payable if an amount is not paid when due.

ISS Global is required to pay a commitment fee equal to 0.75% per annum on the daily total available commitments under the Revolving Credit Facility and the Letter of Credit Facility. For letters of credit and guarantees issued under the Revolving Credit Facility and the Letter of Credit Facility, a commission is payable for the account of the Senior Lenders at a rate equal to the applicable margin for the Revolving Credit Facility on the maximum actual and/or contingent liability outstanding under the letter of credit or guarantee (as the case may be) together with a fronting fee for the account of the bank issuing the letter of credit or the guarantee (as the case may be) at the rate of 0.125% per annum on the outstanding amount which is counter-indemnified by the other Senior Lenders. Pricing on ancillary facilities is determined by agreement between the relevant ancillary lenders and the borrowers of that facility based upon normal market rates and terms.

ISS Global is also required to pay customary fees including fees in connection with ancillary facilities and administrative fees.

Prepayment

In addition to scheduled repayment of principal, the facilities under the Senior Facilities Agreement must be prepaid in whole or in part on the occurrence of certain customary events including:

- a Change of Control (as defined in the Senior Facilities Agreement) of ISS or ISS A/S;
- the disposal of all or substantially all of the assets of ISS and its subsidiaries (exceeding agreed limits and subject to certain exceptions);
- an initial public offering of the shares in ISS Equity, ISS or a company specifically established to be the holding company of ISS for that purpose which does not result in a Change of Control (with the prepayment amount being adjusted based on the ratio of Consolidated Total Net Debt to Consolidated EBITDA); or
- certain claims against report providers and certain insurance claims (exceeding agreed limits and subject to certain exceptions).

The following must also be used to prepay the Senior Priority Facilities:

- 50% of Excess Cashflow for any Financial Year (each as defined in the Senior Facilities Agreement); or
- the proceeds of any permitted securitization, which are not designated to be applied for redeeming the 2010 Medium Term Notes, and the proceeds of any factoring on non-recourse terms (exceeding agreed limits and subject to certain exceptions).

Indebtedness under the Senior Facilities Agreement may voluntarily be prepaid in whole or in part, subject to notice, minimum amounts and multiples and any funding costs.

Representations and Covenants

The Senior Facilities Agreement requires a member of ISS that is a party thereto to make a number of customary representations and warranties on the date of execution of the Senior Facilities Agreement, which are deemed to be repeated in certain circumstances thereafter. In addition, the Senior Facilities Agreement contains certain covenants in respect of the future maintenance and conduct of the business as set forth below (subject to certain agreed exceptions and limitations). Terms used below are defined in the Senior Facilities Agreement:

- maintenance of authorizations, business, constitutional documents, holding company status and *pari passu* ranking;
- restrictions on disposals, acquisitions, joint ventures and mergers and amalgamations (other than those permitted);
- restrictions on encumbrances, financial indebtedness, sale and leaseback transactions, treasury transactions, guarantees, loans and finance leases (other than those permitted);

- requirements as to hedging, bank accounts, insurance, intellectual property, taxes and reorganizations relating to tax, pension schemes, transactions being at arm's length, environmental laws and authorizations;
- restrictions on changes to constitutional documents;
- ring-fencing restrictions in dealings with certain joint venture companies;
- restrictions on changes to share capital, payment of dividends and other distributions (other than those permitted), payments against intercompany loans, payments to members, and the issue of the Notes (as outlined above); and
- requirements as to books of accounts and auditors, financial statements, approved accounting principles, lenders' meetings with management and access to lenders and provision of information.

The Senior Facilities Agreement also requires ISS to maintain specified financial ratios of:

- *Cashflow Cover:* the ratio of Consolidated Cashflow to Net Debt Service;
- *Interest Cover:* the ratio of Consolidated EBITDA to Consolidated Net Finance Charges;
- *Debt Cover:* the ratio of Consolidated Total Net Debt to Consolidated EBITDA; and
- *Senior Debt Cover:* the ratio of Senior Consolidated Total Net Bank Debt to Consolidated EBITDA.

In addition, the Senior Facilities Agreement contains a covenant relating to ISS's capital expenditure.

Facility D (the Second Lien Facility) does not receive the general covenants or the financial covenants contained in the Senior Facilities Agreement but rather receives the covenants contained in a separate covenant agreement, the terms of which are substantially similar to those customarily found in an indenture pertaining to high yield bonds.

The definitions used above are specific to the Senior Facilities Agreement and may not reflect or be consistent with similarly titled definitions used in facilities agreements of other companies.

Events of Default

The Senior Facilities Agreement contains events of default customary for a senior secured leveraged financing, including non-payment of principal or interest, breach of financial and other covenants, breach of representations and warranties, cross default above certain agreed threshold amounts, insolvency and bankruptcy events, winding up, execution or distress, invalidity of documents, illegality, repudiation and rescission of agreements, qualification to accounts, other events or defaults that have a Material Adverse Effect (as defined in the Senior Facilities Agreement), intercreditor default and cessation of business.

Intercreditor Agreement

General

Unless therwise defined in the following, capitalized terms shall have the same meaning as defined in the Intercreditor Agreement.

To establish the relative rights of certain of its creditors under its financing arrangements, ISS entered into an intercreditor agreement, dated March 28, 2005 and as amended on May 9, 2005, November 3, 2005, December 22, 2005, March 8, 2006, May 5, 2006 and July 10, 2009 (the ''Intercreditor Agreement''), with, among others, the lenders under the Senior Facilities Agreement (the ''Senior Lenders''), Citibank International plc as senior facility agent (the ''Senior Facilities Agent'') and Citicorp Trustee Company Limited as security trustee (the ''Security Trustee''), certain Secured Local Facility Providers (as defined below), certain Secured FX Providers (as defined below), certain Hedging Counterparties (as defined below) and the trustee under the Indenture (the ''Notes Trustee'').

Secured Local Facility Providers, Secured FX Providers and Hedging Counterparties are, subject to certain conditions, entitled to the benefit of the security created in favor of the Senior Lenders

(see ''—Security''). However, no Secured Local Facility Provider or Secured FX Provider can enforce or require enforcement of the security without the prior written consent of the Security Trustee, nor can any Hedging Counterparty take any Enforcement Action (as defined below) in respect of any hedging agreement except that they may, in certain circumstances, terminate or close out any hedging transaction under a hedging agreement prior to its stated maturity.

Under the Intercreditor Agreement: (i) the ''Secured Local Facility Providers'' are Senior Lenders or other banks or financial institutions that have acceded to the Intercreditor Agreement as providers of Secured Local Facilities, (ii) a ''Secured Local Facility'' is a working capital facility provided to a member of ISS by a Secured Local Facility Provider and meeting certain criteria, (iii) the ''Secured FX Providers'' are Senior Lenders or other banks or financial institutions that have acceded to the Intercreditor Agreement as providers of a Secured FX Facility, (iv) a ''Secured FX Facility'' is a foreign currency treasury transaction provided to a member of the Group by a Secured FX Provider. Note that the maturity of the treasury transactions may not be greater than three months from the date of entry into such transaction, and there are other restrictions including as to the size of the overall exposure when new FX lines are approved, and (v) ''Hedging Counterparties'' are Senior Lenders, or banks or financial institutions that have acceded to the Intercreditor Agreement as a hedge counterparty.

The Intercreditor Agreement restricts, for so long as any indebtedness under the Senior Liabilities remains outstanding, among other things, the following:

- the guarantees and the security that may be granted to secure obligations and liabilities payable or owing by any member of the Group to the Notes Creditors (as defined below) (other than any claim of, or amount due to, any Notes Trustee for its own account) under or in connection with the Indenture, the Notes, the Notes Security (as defined below), the Intercreditor Agreement and related obligations and liabilities (such liabilities and obligations, the ''Notes Liabilities'');
- the ability of the Notes Trustee to enforce the Notes Security for the benefit of itself and the holders of the Notes (each, a ''Notes Creditor''); and
- the ability of the members of the Group to pay, repay, redeem or acquire the Notes Liabilities or otherwise to provide financial support in relation to the Notes Liabilities generally.

New Money and Refinancing

The Intercreditor Agreement contemplates that the Senior Secured Facilities, the Medium Term Note liabilities (see ''—Medium Term Notes'' below) and any borrowings which are permitted under the terms of the Indenture to rank in priority to the Notes Liabilities and which are designated as ''Designated Debt'' by ISS (including additional borrowings) might be refinanced, replaced or restructured in whole or in part, and that any obligations and liabilities incurred by any member of the Group on such refinancing, replacement or restructuring in respect of the Senior Secured Facilities, Medium Term Note liabilities and Designated Debt (including any additional Designated Debt) will rank ahead of the Notes Liabilities and equally with the Secured FX Facility Liabilities and the Secured Local Facility Liabilities (each as defined in the Intercreditor Agreement) on the same terms as set out in the Intercreditor Agreement.

In the event that any of the Senior Liabilities and/or Medium Term Note liabilities and/or Designated Debt are refinanced, replaced or restructured, the Notes Trustee, the Security Trustee, and the Senior Lenders will be required to enter into such documentation as may be necessary to ensure that any obligations and liabilities incurred by ISS in respect of such refinancing, replacement or restructuring and any Designated Debt will rank ahead of the Notes Liabilities and equally with the Secured FX Facility Liabilities and the Secured Local Facility Liabilities on the same terms as set out in the Intercreditor Agreement.

The Intercreditor Agreement also contemplates that the Notes may be discharged in whole or in part from (i) the proceeds of Additional Equity (as defined in the Senior Facilities Agreement) or (ii) from the proceeds of an issue by ISS of notes where such notes are issued in compliance with certain criteria (set out in the Intercreditor Agreement) or, to the extent such notes are not in compliance with such criteria, as approved by the Senior Facilities Agent.

Limitation of Credit Support

Pursuant to the Intercreditor Agreement, members of the Group are prohibited from securing, in any manner, all or any part of the Notes Liabilities except as provided for in the Intercreditor Agreement, as summarized below.

A second ranking pledge granted by ISS over the shares of ISS A/S owned by ISS (the ''Notes Share Pledge'') and a second ranking pledge granted by ISS over its rights, interest and benefit under certain intercompany loans made by ISS to certain subsidiaries of ISS Global using the proceeds of the Original Notes and the Additional Notes (the ''Notes Proceeds Loans Pledge''), are permitted by the Intercreditor Agreement. The Notes Share Pledge and the Notes Proceeds Loans Pledge are referred to herein as the ''Notes Security''.

In addition, no member of the Group may, save under the Notes Security, give any financial support (including the taking of any participation, the giving of any guarantee or other assurance or the making of any deposit) to any person in connection with all or any part of the Notes Liabilities.

Limitations on Paying the Notes Liabilities

Pursuant to the Intercreditor Agreement, no member of the Group may pay, prepay, redeem, purchase or otherwise acquire any of the Notes Liabilities, other than if such payments constitute a ''Permitted Notes Payment'', which includes the following:

- a payment to the Notes Creditors in respect of Notes Liabilities that is then due, to the extent that the payment is a payment of scheduled interest (including certain default interest) and any amount payable under any tax gross-up provision or special interest or liquidated damages;
- costs, fees, taxes or expenses incurred in respect of the Notes;
- any amounts in respect of the Notes which is for the sole account of the Notes Trustee or any depository of the Notes; or
- the principal amount of the Notes on the final maturity date of the Notes.

However, ISS shall not pay any amount under the Notes, the Indenture, the Notes Security or the Intercreditor Agreement (together the ''Notes Documents'') unless (i) on the date falling two days prior to the date of such payment, there is no outstanding Senior Payment Default and (ii) no outstanding Payment Blockage Notice (each, as defined below), and such amount is applied within five days of the date of such payment in making a Permitted Notes Payment.

Under the Intercreditor Agreement, a ''Senior Payment Default'' means a non-payment event of default under the Senior Facilities Agreement.

Where a Senior Default (as defined below) (other than a Senior Payment Default) has occurred and is continuing under the Senior Facilities Agreement, the Senior Facilities Agent may, within 45 days of the occurrence of such default, serve a written notice (''Payment Blockage Notice'') to each of ISS and the Notes Trustee. The Payment Blockage Notice will remain outstanding and, therefore, no member of ISS may pay any amounts under the Notes Documents for a period of 179 days (''Stop Period''), commencing on the issuance of such Payment Blockage Notice. However, the Stop Period will end if:

- the Senior Default in respect of which the Payment Blockage Notice was issued has been waived or cured;
- the Senior Facilities Agent notifies the Notes Trustee that the Payment Blockage Notice is cancelled;
- the obligations under the Senior Liabilities have been unconditionally discharged in full and the lenders' commitments thereunder cancelled; or
- the Stop Period has expired or any Standstill Period (as defined below) in existence at the date of issuance of the Payment Blockage Notice has expired.

No more than one Payment Blockage Notice may be served in any consecutive 360 day period.

Following the discharge of indebtedness under the Senior Liabilities, any payment made in accordance with the terms of any Notes Documents is permitted.

Under the Intercreditor Agreement, a ''Senior Default'' means any event of default under the Senior Facilities Agreement, and a ''Standstill Period'' is the period ending 179 days after notice has been given by the Notes Trustee that a Notes Default has occurred or on the expiry of any other Standstill Period in force when the notice is given. A ''Notes Default'' is any event of default under the Indenture and any other event which by operation of law would have the effect of causing all or any of the Notes Liabilities to become immediately due and payable.

Notwithstanding the existence or duration of any Payment Stop Event, Standstill Period, Payment Blockage Notice or Stop Period, ISS will nevertheless be entitled to pay and the Notes Trustee shall be entitled to receive and retain amounts which are for its own account by way of expenses, fees, costs or by way of indemnity or remuneration pursuant to the Indenture.

Under the Senior Facilities Agreement, Facility D may not be prepaid until all other term facilities (including Term Facility A and Term Facility B), the Acquisition Facility, the Revolving Facility and the Letter of Credit Facility have been repaid or prepaid and cancelled in full.

Limitations on Enforcement

General

For so long as any indebtedness under the Senior Liabilities remains outstanding, no Notes Creditor may take any Enforcement Action (as defined below) against a member of ISS in relation to the Notes Liabilities, or require the enforcement of the Notes Share Pledge or the Notes Proceeds Loans Pledge, unless:

- a Notes Default (as defined below) has occurred; and
- the Notes Trustee has, in writing, notified (the ''Subordinated Default Notice'') the Agent of the existence of the Notes Default, and either:
- the Standstill Period in relation to such Notes Default has expired;
- the Senior Lenders have taken action to enforce any security interest or lien granted by ISS with a view to realization of such security interest or lien (which shall not include any action to perfect such security interest or lien); or
- any order has been issued by a court or other relevant body for the liquidation, bankruptcy, insolvent reorganization, insolvency, receivership (or other similar event) of ISS (or all or substantially all of its properties) or any of its shareholders or boards of directors have passed a resolution (other than at the request or direction of the Notes Trustee or, as the case may be, the holders of the Notes) for the liquidation, dissolution or winding-up of ISS that results in the appointment of a liquidator, receiver, trustee in bankruptcy or other similar official in relation to ISS.

Under the Intercreditor Agreement, ''Enforcement Action'' means, in relation to any liabilities, any action whatsoever to: (a) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of all or any part of such liabilities or, if such liabilities relate to the hedging liabilities, the premature termination or close out of any such hedging liabilities, (b) recover all or any part of such liabilities (including by exercising any rights of set-off or combination of accounts), (c) exercise or enforce any rights under or pursuant to any guarantee or other assurance given by a member of the Group in respect of such liabilities, (d) exercise or enforce any rights under any security interest whatsoever which secures such liabilities, (e) commence legal proceedings against any member of the Group or (f) commence, or take any other steps which could lead to the commencement of, any Insolvency Proceeding (as defined below) in relation to any member of the Group.

However, the following shall not constitute Enforcement Action: (i) the taking of any action (not falling within any of paragraphs (a) to (d) inclusive and (f) above) necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority, (ii) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security

documentation; or (iii) the bringing of legal proceedings against any person in connection with any securities violation or common law fraud.

Under the Intercreditor Agreement, ''Insolvency Proceedings'' means any proceedings or steps for (a) the insolvency, liquidation, dissolution, winding-up, administration, receivership, moratorium of payments, compulsory merger or judicial reorganization of any company or judicial liquidation; or (b) the appointment of a trustee in bankruptcy, or insolvency conciliator, *ad hoc* official, judicial administrator, a receiver, a liquidator or other similar officer of any company; or (c) any other similar process or appointment.

Under the Senior Facilities Agreement, the Facility D (the Second Lien Facility) lenders may not, for so long as there is indebtedness under the Senior Liabilities (a) take any action to demand payment, (b) declare due and payable or otherwise seek to accelerate payment of any indebtedness under Facility D (the Second Lien Facility), (c) recover all or any part of the indebtedness under Facility D (the Second Lien Facility), (d) exercise or enforce any rights under any security interest which secures the indebtedness under Facility D (the Second Lien Facility), (e) commence legal proceedings against ISS (or any other member of the Group that is an obligor) in respect of Facility D (the Second Lien Facility), or (f) commence or take any steps which could lead to the commencement of any insolvency proceeding in respect of ISS (or any other member of the Group that is an obligor) in respect of Facility D (the Second Lien Facility) except where such action is taken by the Agent or Security Trustee on their behalf or specifically as permitted under the Senior Facilities Agreement.

However, should ISS fail to pay an amount due in respect of Facility D (the Second Lien Facility), not comply with any provision of the Covenant Agreement, become the subject of any order for it to be liquidated or otherwise wound up, or the requisite majority of the Senior Lenders elect to accelerate any of the other facilities under the Senior Facilities Agreement then the requisite majority of Facility D (the Second Lien Facility) Lenders may accelerate the loans made under Facility D (the Second Lien Facility), (i) following the expiry of a period of 120 days from the date of non payment or failure to comply with any provision of the Covenant Agreement, (ii) at any time after the date a liquidation or winding up order is made or (iii) at any time after the other Senior Lenders have accelerated any of the other facilities.

Subordination on Insolvency

After the occurrence of an Insolvency Proceeding, the Notes Liabilities will be subordinated to the Senior Liabilities owed by ISS and the person responsible for the distribution of the assets of ISS will be directed to pay any distributions in respect of any Notes Liabilities to the Security Trustee until the liabilities under the Senior Liabilities (including any supplement thereto or refinancing thereof or any additional Designated Debt, as referred to above), have been paid in full.

To the extent that any of the Notes Liabilities is discharged by way of set-off (mandatory or otherwise), any Notes Creditor that benefited from that set-off will be required to pay (subject to certain exceptions in the case of the Notes Trustee) an amount equal to the amount of its liabilities discharged by that set-off to the Security Trustee for application in accordance with the provisions described below under ''—Application of Proceeds'', save to the extent that at the time of the set-off the Notes Liability was permitted to be paid pursuant to the Intercreditor Agreement.

Application of Proceeds

All amounts from time to time received by the Security Trustee in connection with the realization or enforcement of all or any part of Target Share Pledge or certain proceeds loans from ISS to certain subsidiaries of ISS Global in the United Kingdom, France, Norway and Spain will be held by the Security Trustee on trust to apply them (in the case of security recoveries secured by the relevant security documents) in the following order of priority:

- in payment of the HY Noteholders Trustee Amounts (as defined in the Intercreditor Agreement);
- in payment to the Senior Facilities Agent on behalf of the Senior Lenders, the Secured Local Facility Providers, the Secured FX Providers and the Hedging Counterparties for application (in accordance with terms of the Senior Facilities Agreement, the Secured Local Facilities, the

Secured FX Facilities and the relevant Hedging Agreements including any supplement thereto or refinancing thereof, as referred to above), pro rata;

- in payment to the Notes Trustee for application towards the Notes Liabilities which are then due; and
- the balance, if any, in payment to ISS or any person entitled thereto.

All amounts from time to time received by the Security Trustee in connection with the realization or enforcement of any other security documents governed by the Intercreditor Agreement (other than the Target Share Pledge and Senior Proceeds Loan Pledge) will be held by the Security Trustee on trust to apply them (in the case of security recoveries secured by the relevant security documents) in the following order of priority:

- in payment to the Senior Facilities Agent on behalf of the Senior Lenders, the Secured Local Facility Providers, the Secured FX Providers and the Hedging Counterparties for application (in accordance with terms of the Senior Facilities Agreement, the Secured Local Facilities, the Secured FX Facilities and the relevant Hedging Agreements including any supplement thereto or refinancing thereof, as referred to above), *pro rata*: and
- the balance, if any, in payment to ISS or any person entitled thereto.

Secured Local Facilities

Various operating subsidiaries of ISS have credit facilities available to them from local banks and other financial institutions. These local facilities include on-demand overdrafts, bilateral loans, guarantee lines, performance bonds, finance leases (for vehicles, plant and equipment) and other short-term lending arrangements, all on commercial terms. Borrowings under these facilities are used for general corporate and working capital purposes. Except for the mortgage loans, the facilities are typically unsecured; however, the Senior Facilities Agreement permits the Secured Local Facilities and Secured FX Facilities (as defined in the Senior Facilities Agreement) to share in the Senior Lenders' (as defined in ''—Intercreditor Agreement—General'') security on a *pari passu* basis.

Medium Term Notes

In September 2003, ISS Global issued €850 million of Euro-denominated Medium Term Notes at a price of 99.679% of their aggregate nominal amount. The notes have an annual coupon of 4.75%, payable annually in arrears, and mature on September 18, 2010. In July 2009, €500 million of Euro-denominated Medium Term Notes were redeemed and cancelled, and in January 2010 further €150 million were redeemed and cancelled. Consequently, €200 million of these notes remain outstanding. In December 2004, ISS Global issued €500 million of Euro-denominated Medium Term Notes at a price of 99.291% of their aggregate nominal amount. The notes have an annual coupon of 4.50%, payable annually in arrears, and mature on December 8, 2014. In June 2007, approximately 77.9% of the €500 million of Euro-denominated Medium Term Notes were redeemed and cancelled and consequently approximately €110.3 million of these notes remain outstanding. The proceeds from the Medium Term Notes were used to repay existing bank loans. The terms of the Senior Priority Facilities would require lender consent to any additional issuance of Medium Term Notes.

The Medium Term Notes contain a negative pledge, pursuant to which ISS Global will ensure that no ''Relevant Indebtedness'' will be secured by any mortgage, charge, lien, pledge or other security interest unless the Medium Term Notes are equally secured by such security interest or ISS Global agrees some other security arrangement with the holders of the notes. The negative pledge will not apply to security interests arising by operation of law, in existence at the date the relevant Medium Term Notes were issued or security interests created by an entity that becomes a subsidiary of ISS Global not created in connection with or in contemplation of the entity becoming a subsidiary and such security interests do not encumber the assets of ISS Global or any of its other subsidiaries. The term Relevant Indebtedness means: (i) any present or future indebtedness which has an initial maturity of more than 12 months (whether being principal, premium, interest or other amounts) represented or evidenced by notes, bonds, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended to be, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market; and (ii) any guarantee

or indemnity of any such indebtedness. The notes offered pursuant to this offering memorandum constitute Relevant Indebtedness.

The Medium Term Notes may be redeemed in whole at par if ISS Global becomes obligated to pay additional amounts as a result of changes in Danish tax laws and regulations and such obligations cannot be avoided by ISS Global.

All payments of principal and interest in respect of the Medium Term Notes will be made without withholding or deduction for or on account of taxes, unless such withholding or deduction is required by law. In that event, ISS Global shall pay additional amounts necessary in order for the net amounts received by holders after such withholding or deduction to equal what they would have received in the absence of such withholding or deduction.

Events of default under the Medium Term Notes include the following:

(i) default in payment of principal, premium (if any) or interest due continuing for a period of 14 days;

(ii) if ISS Global fails to perform or observe any of its other obligations under the terms of the Medium Term Notes, subject to a 30-day cure period;

(iii) if (A) indebtedness for borrowed money of ISS Global or any of its principal subsidiaries is accelerated due to an event of default, (B) ISS Global or any of its principal subsidiaries fails to make payment on indebtedness for borrowed money on the due date, as extended by any relevant grace period, (C) any security given by ISS Global or any of its principal subsidiaries becomes unenforceable by reason of default, (D) a default is made by ISS Global or any of its principal subsidiaries in making any payment due, as extended by any grace period, under any guarantee and /or indemnity given by it in relation to any indebtedness for borrowed money of any other person, provided that no event described in this clause (iii) shall be an event of default unless the indebtedness for borrowed money or other liability is at least €30 million;

(iv) the order of any competent court for the winding up or dissolution of ISS Global or any of its principal subsidiaries, subject to certain limited exceptions;

(v) ISS Global or any of its principal subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, subject to certain limited exceptions;

(vi) ISS Global or any of its principal subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent;

(vii) liquidation, insolvency, reorganization or other proceedings are initiated against ISS Global or any of its principal subsidiaries and are not discharged within 30 business days; and

(viii) ISS Global or any of its principal subsidiaries initiates or consents to bankruptcy or insolvency.

For the purposes of the foregoing, principal subsidiaries are those subsidiaries with gross revenue or total assets representing 10% or more of consolidated revenues and assets, respectively.

The Medium Term Notes contain customary provisions relating to the amendment of the terms of the notes.

The Medium Term Notes are governed by English law.

All of the Medium Term Notes are listed on the Luxembourg Stock Exchange and traded on the Euro MTF Market of the Luxembourg Stock Exchange.

Securitization

As part of its strategy to refinance the 2010 Medium Term Notes, the Group entered into a securitization program on September 16, 2009 (the ''Securitization'') which was jointly arranged by HSBC Bank plc and Nordea Bank Danmark A/S. The Securitization has progressed on the basis of a ''phased'' approach whereby trade receivables generated in certain jurisdictions in which the

Group operates are added to the Securitization over a period of time. Phase 1 was completed on September 16, 2009 and involved the establishment of the Securitization and the sale of receivables from the Group's Spanish operating companies. Phase 2 involved the sale of the Group's receivables in Norway, Denmark, Sweden and the UK and was completed in November and December 2009, Phases 1 and 2 generated proceeds of approximately €150 million. It is the intention that subsequent phases will follow in other jurisdictions. For further information on the Securitization, see ''Description of Certain Other Indebtedness—Securitization''. The proceeds raised in Phases 1 and 2 were used in January 2010 to redeem €150 million of the 2010 Medium Term Notes and pay related fees and expenses.

Structure

The Securitization has been structured in conformity with the parameters contained in the definition of ''Permitted Securitization'' in the Senior Facilities Agreement and has the following characteristics:

- a special purpose funding company, ISS Collections Limited (the ''**Receivables Purchaser**''), which is not affiliated to any Group company, purchases receivables on a weekly basis from Group operating entities incorporated in a number of jurisdictions;
- the Receivables Purchaser raises finance to purchase the receivables by issuing discounted notes in a number of currencies (the ''**Discounted Notes**''). The Discounted Notes are purchased by the securitization conduit vehicles (the ''**Discounted Note Purchasers**'') sponsored by the Arranging Banks, who themselves raise finance through the issuance of commercial paper or through direct funding arrangements with the Arranging Banks;
- the purchase price for the receivables sold by the Group to the Receivables Purchaser comprises two elements, namely:
  - a) an ''upfront initial purchase price'', which is paid over to the Group operating companies on the sale date (such amount will take account of a discount to the face amount of the receivables in order to account for eligibility criteria, finance costs, charges and credit enhancement and will therefore fluctuate depending on the receivables being sold); and
  - b) a ''deferred purchase price'', which is paid over to the Group operating entities when collections on the purchased receivables are received over and above the initial financing amount;
- using the collections received on the purchased receivables, the Receivables Purchaser (i) pays the Discounted Note Purchasers' finance costs and charges, (ii) covers any shortfalls in collections received from an operating entity in another jurisdiction and (iii) purchases new receivables from the Group operating entities and/or reduces the funding provided by the Discounted Note Purchasers; and
- the repayment of the Receivables Purchaser's financing is limited in recourse to collections received on the purchased receivables—there is no direct recourse to the Group if the receivables do not collect as expected and give rise to a shortfall.

The Discounted Note Purchasers have committed to provide funding of up to €500,000,000 (or equivalent in applicable currencies) for a term of three years.

Participating Entities

The current Group operating entities participating in the Securitization are:

- ISS Facility Services Limited (incorporated in England and Wales);
- ISS Mediclean Limited (incorporated in England and Wales);
- ISS Facility Services S.A. (incorporated in Spain);
- ISS Soluciones de Catering, S.L. (incorporated in Spain);
- ISS Higiene Ambiental 3D, S.A. (incorporated in Spain);
- ISS Soluciones de Mantenimiento y Gestion Integral, S.L. (incorporated in Spain);

- ISS Facility Services A/S (incorporated in Denmark);
- House of Coffee A/S (incorporated in Denmark);
- ISS Facility Services AB (incorporated in Sweden);
- ISS Trafficare AB (incorporated in Sweden);
- ISS Facility Services AS (incorporated in Norway);
- ISS Severingspartner AS (incorporated in Norway);
- Raufoss Beredskap AS (incorporated in Norway);
- ISS Personalhuset AS (incorporated in Norway); and
- Reaktorskolen AS (incorporated in Norway).

In addition, under the terms of the Securitization documentation, ISS Global is required to provide a servicer report (the ''Servicer Report'') detailing, *inter alia*, the collections received on and general performance of receivables purchased by the Receivables Purchaser and ISS Global therefore participates in the Securitzation as ''Master Servicer''.

Security

No member of the Group provides security in connection with the Securitization. The Receivables Purchaser has granted security over the purchased receivables and its bank accounts in favour of, *inter alia*, the Discounted Note Purchasers.

The Senior Facilities Agreement allows for disposals of trade receivables as part of a ''Permitted Securitization''. Further, the Senior Facilities Agreement allows for the release of security granted in favour of the Senior Priority Facilities over trade receivables disposed of as part of a ''Permitted Securitization''.

Use of Proceeds

In order for the Securitization to comply with the ''Permitted Securitization'' requirements under the Senior Facilities Agreement, the ''proceeds'' of the Securitization must—save for up to €10 million that can be retained for general corporate purposes—be used or designated to be used to repurchase and cancel or redeem the Medium Term Notes or must be applied in prepaying the Senior Secured Facilities. As a result, the net value gained by the Group (taken as an aggregate) under the securitization program as a whole is currently being applied toward the repayment of the Medium Term Notes.

Representations and Warranties

The Securitization documents require each member of the Group that is a party thereto to make a number of customary representations and warranties (a) as at the date of the execution of the relevant agreement and (b) on each date that (i) receivables are sold by a Group entity to the Receivables Purchaser, (ii) a Servicer Report is provided by ISS Global and (iii) Discounted Notes are purchased by the Discounted Note Purchasers.

In addition, each Group entity selling receivables to the Receivables Purchaser is required to make a number of representations and warranties in respect of those receivables sold to the Receivables Purchaser on which funding is provided. These ''eligibility'' representations and warranties are customary for a securitization transaction and include, *inter alia*, that:

- the receivables comply with a number of pre-determined ''eligibility criteria'';
- the sale of each receivable to the Receivables Purchaser will constitute a valid and binding assignment between the relevant Group operating entity and the Receivables Purchaser;
- no receivable purchased by the Receivables Purchaser is, as a direct result of an act or omission by the relevant Group operating entity, capable of being rescinded or terminated;
- the relevant Group operating entity has maintained records relating to the relevant underlying contract which are accurate and complete in all material respects;

- the Group operating entity is not aware of any default, breach or violation under any underlying contract pursuant to which the receivable has arisen;
- each receivable was originated in accordance with pre-determined credit and collection policies established by the relevant Group operating entity; and
- no underlying contract is void or voidable by reason of fraud, undue influence, duress, misrepresentation or for any other reason.

Where it is subsequently discovered that a receivable upon which funding was received did not, in fact, comply with all of the ''eligibility'' representations or warranties, the relevant Group entity will be treated as having been paid by the relevant customer for the receivable and will be required to pay an amount equal to the sum of the outstanding principal balance of such receivable to the Receivables Purchaser. In practice, any amount owing would be deducted from the amount to be paid by the Receivables Purchaser to the relevant Group operating entity on the next date on which receivables are sold.

The Securitization documents also contain certain covenants in respect of each Group operating entity's compliance with the Securitization documentation and maintenance of its business in order to ensure the Group continues to perform all of its material obligations under the underlying contracts with its customers and does not make any changes to its working practices that might impact the Securitization.

Amortization Events and Termination Events

The Securitization documents contain the following ''trigger'' events which have different levels of impact. Each of these events is specific to the relevant jurisdiction but the general terms are as follows:

- *Amortization Event*—if the Servicer Report indicates that certain ratios relating to the average loss, dilutions and collections are breached in a particular jurisdiction, the Receivables Purchaser will suspend its commitment to purchase receivables from any Group operating entity in that jurisdiction until such time as the amortization event is cured. The occurrence of an amortization event would not result in the Securitization being terminated;
- *Termination Event*—if a termination event occurs and has not been waived, the Receivables Purchaser may terminate its obligation to purchase receivables from each Group operating entity (regardless of jurisdiction) and serve a wind-down notice (''Wind-Down Notice'') on the Securitization transaction parties. The termination events are customary for a securitization transaction and include, *inter alia*, failure to make payments when due, insolvency and bankruptcy events of the participating Group entities, winding breach of obligations under the Securitization documents, cross-default in other financing arrangements, invalidity of transaction documents, breach of certain performance ratios, change of control of certain Group entities and breach of the customary representations and warranties (not the ''eligibility'' representations). Once a Wind-Down Notice has been served, the Receivables Purchaser may, *inter alia*, make changes to collection procedures or remove the Group operating entities as servicers to the Securitization.

Following the occurrence of an Amortization Event or a Termination Event, any Group operating entity may offer to purchase receivables previously sold by it to the Receivables Purchaser for an amount equal to the outstanding principal balance of the receivable.

Senior Notes due 2014

On July 23, 2009, ISS Financing Plc issued €525 million aggregate principal amount of the 2014 Notes. The 2014 Notes bear interest at the rate of 11% per year. Interest on the 2014 Notes is paid semi-annually each December 15 and June 15. The 2014 Notes are the senior obligations of ISS Financing Plc.

The 2014 Notes are secured on a first-priority basis by a charge over the shares of ISS Financing Plc and on a first priority basis by security over all of the assets of ISS Financing Plc, including its rights under the 2014 Proceeds Loan Agreement and cash in its bank accounts.

The net proceeds of the 2014 Notes were used to fund the 2014 Notes Proceeds Loan to ISS Global. ISS Global used the proceeds from the 2014 Notes Proceeds Loan to (i) repurchase a portion of the 2010 Medium Term Notes and (ii) pay a portion of the fees and expenses related to the offering, the 2014 Notes Proceeds Loan Agreement and the tender for the Medium Term Notes.

The proceeds loans under the 2014 Notes Proceeds Loan Agreement are guaranteed by ISS and ISS A/S.

The obligations of ISS Financing Plc under the 2014 Indenture relating to the 2014 Notes, the 2014 Notes and the related security documents are solely to make payments of amounts, in aggregate, equivalent to the amounts actually received by or for the account of the Issuer from ISS Global in respect of payments under the 2014 Notes Proceeds Loan Agreement under which ISS and ISS A/S are guarantors. However, neither ISS nor any of its subsidiaries will guarantee or provide any credit support to ISS Financing Plc with respect to its obligations under the 2014 Notes.

In addition, other than following enforcement, through the Security Trustee (as defined below), of their rights under the debenture securing the assets of the Issuer to direct the Security Trustee to enforce ISS Financing Plc's rights under the 2014 Notes Proceeds Loan Agreement, holders of the 2014 Notes will not have a direct claim on the cash flow or assets of ISS or any of its subsidiaries, and neither ISS nor any of its subsidiaries has any obligation, contingent or otherwise, to pay amounts due under the 2014 Notes, or to make funds available to ISS Financing Plc for those payments, other than the obligations of ISS Global to make payments under the 2014 Notes Proceeds Loan Agreement.

At any time prior to December 15, 2011, ISS Financing Plc may redeem up to 35% of the aggregate principal amount of the 2014 Notes at a redemption price equal to 111% of the principal amount thereof, plus accrued and unpaid interest, if any, with the net proceeds from one or more public equity offerings. Prior to that time, ISS Financing Plc may redeem all or part of the 2014 Notes at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, plus an applicable redemption premium.

At any time on or after December 15, 2011, ISS Financing Plc may also redeem all or part of the 2014 Notes at specified redemption prices.

The 2014 Notes Indenture contains covenants that restrict the ability of ISS Financing Plc, ISS and its Restricted Subsidiaries (as defined therein) to, among other things:

- incur more debt;
- pay dividends and make distributions of certain other restricted payments;
- issue, sell or pledge capital stock of Restricted Subsidiaries;
- enter into transactions with affiliates;
- impair the security interest for the benefit of Noteholders;
- create liens;
- transfer or sell assets;
- enter into sale and leaseback transactions;
- guarantee additional debt; and
- consolidate or merge with or into another entity.

The 2014 Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the 2014 Notes, certain failures to perform or observe other obligations under the indentures, the occurrence of certain defaults under other indebtedness, failure to pay certain indebtedness and insolvency or bankruptcy events.

The 2014 Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

DESCRIPTION OF THE NOTES

In this ''Description of the Notes'', (i) the word ''Issuer'' refers only to ISS Holding A/S, and not to any of its Subsidiaries, (ii) the word ''ISS'' refers only to ISS A/S and not to any of its Subsidiaries, and (iii) the word ''ISS Global'' refers only to ISS Global A/S and not to any of its Subsidiaries. The definitions of certain other terms used in this description are set forth throughout the text or under ''—Certain Definitions''.

The Issuer is the direct parent company of ISS, which is the direct parent company of ISS Global. ISS is a wholly owned direct Subsidiary of the Issuer and ISS Global is a wholly owned direct Subsidiary of ISS. Please see ''Summary—Summary Corporate Structure and Financing Arrangements'' and ''Management'' of ISS for more information on our corporate structure and management.

The terms of the Notes include those set forth in the Indenture governing the Notes and those made part of the Indenture by reference to the U.S. Trust Indenture Act of 1939 (the ''Trust Indenture Act''). The Indenture is not, however, required to be nor will they be qualified under the Trust Indenture Act and will not incorporate by reference all of the provisions of the Trust Indenture Act.

The Issuer will issue additional Notes (the ''Additional Notes'') under the Indenture (the ''Indenture'') dated as of May 8, 2006 (the ''Issue Date'') between, among others, the Issuer and The Bank of New York Mellon, as trustee (the ''Trustee'') pursuant to which the Issuer issued, on May 8, 2006, €454.0 million aggregate principal amount of 8⅞% Senior Subordinated Notes due 2016 (the ''Original Notes'' and, together with the Additional Notes, the ''Notes''). The Original Notes and the Additional Notes will be part of the same series of Notes, and the Additional Notes will vote on matters with the holders of the Original Notes.

The Notes will not be guaranteed by any of the Issuer's Subsidiaries.

The Original Notes and the Additional Notes will be secured by (i) a second-priority security interest in all of the outstanding share capital of ISS and (ii) a second-priority security interest in all of the Issuer's rights under €50.0 million aggregate principal amount of proceeds loans representing a portion of the proceeds of the Original Notes from the Issuer to certain Subsidiaries of ISS Global in France, Norway, Spain and the United Kingdom and a second-priority security interest in all of the Issuer's rights under the proceeds loan representing the proceeds of the Additional Notes from the Issuer to ISS Global (together the ''Proceeds Loans''). The pledges giving effect to these security interests are described further below under the caption ''—Security''. The Senior Facilities, the Secured FX Facilities and the Secured Local Facilities are each secured by a first-priority security interest in all of the outstanding share capital of ISS, the Proceeds Loans and by other assets of certain Subsidiaries of the Issuer. The Issuer has no material assets other than its equity interest in ISS and the Proceeds Loans referred to above.

The registered holder of a Note will be treated as its owner for all purposes. Only registered holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes will not be registered under the Securities Act and will therefore be subject to certain transfer restrictions.

The following description is a summary of the material terms of the Indenture and the Pledges. It does not, however, restate the Indenture or the Pledges in their entirety and where reference is made to particular provisions of the Indenture or the Pledges, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Notes, the Indenture and the Pledges. You should read the Indenture and the Pledges because they contain additional information and because they and not this description define your rights as a holder of the Notes.

The Issuer will apply to list the Notes on the Official List of the Luxembourg Stock Exchange and admit the Notes for trading on the Euro MTF Market, the alternative market of the Luxembourg Stock Exchange. The Issuer can provide no assurance that this application will be accepted. If and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, the Issuer will maintain a paying or transfer agent in Luxembourg. See ''—Payments on the Notes; Paying Agent''.

Copies of the form of the Indenture and of the Pledges may be obtained by requesting them from the Issuer at the address indicated under ''Where You Can Find More Information'' or, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, from the office of the Luxembourg Paying Agent.

The Notes

The Notes will:

(a) be the Issuer's general obligations;

(b) mature on May 15, 2016;

(c) be secured by (i) a second-priority security interest in all of the outstanding share capital of ISS and (ii) a second-priority security interest in all of the Issuer's rights under the Proceeds Loans, as described below under ''—Security'', subject in each case to the rights of the holders of the first-priority security interests over such share capital and proceeds loans;

(d) be subordinated in right of payment to all of the Issuer's existing and future Senior Debt, including the Senior Facilities, the Secured FX Facilities and the Secured Local Facilities;

(e) be effectively subordinated to any secured Debt and other secured obligations of the Issuer to the extent of the value of the assets securing such Debt (other than to the extent such assets also secure the Notes on an equal and ratable or prior basis);

(f) be structurally subordinated in right of payment to all existing and future indebtedness of the Issuer's Subsidiaries, including their obligations under the Senior Facilities, the Secured FX Facilities and the Secured Local Facilities, the Euro Medium Term Notes due 2010 of ISS Global (the ''2010 Medium Term Notes'') and the Euro Medium Term Notes due 2014 of ISS Global (the ''2014 Medium Term Notes'' and, together with the 2010 Medium Term Notes, the ''Medium Term Notes'');

(g) be equal in right of payment to all of the Issuer's existing and future indebtedness that is not subordinated (and is not senior) in right of payment to the Notes;

(h) be senior in right of payment to all of the Issuer's existing and future indebtedness that is subordinated in right of payment to the Notes; and

(i) be subject to the enforcement standstill, payment blockage, subordination on insolvency, turnover and other provisions of the Intercreditor Agreement referred to below under ''—Restrictions on the Notes; Intercreditor Agreement'' and summarized under ''Description of Certain Other Indebtedness—Intercreditor Agreement''.

The Notes will be structurally subordinated to all debt and liabilities of the Issuer's Subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of the Issuer's Subsidiaries, such Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer. In addition, as a result of the enforcement standstill, payment blockage, subordination on insolvency, turnover and other provisions referred to below under ''—Restrictions on the Notes; Intercreditor Agreement'' and summarized under ''Description of Certain Other Indebtedness—Intercreditor Agreement'', holders of Notes may recover less, ratably, in the event of an insolvency, bankruptcy, liquidation or reorganization of the Issuer than other creditors of the Issuer, including trade creditors.

The Issuer is a holding company and all of its operations are conducted through ISS and its Subsidiaries. The Issuer's ability to service its debt, including the Notes, is therefore primarily dependent upon payments it receives from ISS and its Subsidiaries.

As of the date of the Indenture and as of the date of this Offering Memorandum, all of the Issuer's Subsidiaries were ''Restricted Subsidiaries''. Under the circumstances described below under the caption ''—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries'', the Issuer will be permitted to designate certain of its Subsidiaries as ''Unrestricted Subsidiaries''. Any Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture.

As of December 31, 2009, on an unconsolidated basis after giving effect to the adjustments described in ''Capitalization'', the offering of the Additional Notes and the application of the proceeds therefrom as described in ''Use of Proceeds'':

- the Issuer would have had total indebtedness (excluding guarantees) of DKK 8,792 million (€1,181 million), of which DKK 4,465 million (€600 million) would have been represented by Facility D (the Second Lien Facility), DKK 3,378 million (€454 million) would have been represented by the Original Notes and DKK 949 million (€127.5 million) would have been represented by the Additional Notes; and
- the Restricted Subsidiaries (as defined in ''Description of the Notes'') together, after the elimination of any intercompany indebtedness and liabilities, would have had total indebtedness of DKK 26,879 million (€3,612 million), of which DKK 18,241 million (€2,451 million) would have been represented by secured indebtedness outstanding under the Senior Priority Facilities, DKK 3,424 million (€460 million) would have been represented by indebtedness outstanding under the Medium Term Notes, DKK 3,907 million (€525 million) would have been represented by indebtedness outstanding under the Proceeds Loan Agreement and DKK 1,307 million (€175 million) would have been represented by indebtedness of DKK 937 million (€126 million) raised via securitization and DKK 370 million (€49 million) outstanding under various local facilities.

Please see ''Description of Certain Other Indebtedness'' for more information on the other indebtedness and other liabilities of the Issuer and its Subsidiaries.

Although the Indenture will contain limitations on the amount of additional Debt that the Issuer and the Restricted Subsidiaries may incur, the amount of such additional Debt could be substantial.

Restrictions on the Notes; Intercreditor Agreement

The Notes will be subject to the restrictions contained in the Intercreditor Agreement, to which the Trustee is a party. These restrictions include:

(a) enforcement standstills that will prohibit the holders of the Notes from taking any Enforcement Action in respect of the Notes against the Issuer, without the prior consent of the lenders under the Senior Facilities and certain other Senior Debt of the Issuer and its Subsidiaries, except in certain circumstances;

(b) payment blockage provisions that will prevent the Issuer from making any payments in respect of the Notes, if certain payment or other defaults occur under certain Senior Debt of the Issuer and its Subsidiaries, except in certain circumstances;

(c) subordination on insolvency provisions that will entitle the holders of Senior Debt of the Issuer to receive payment in full in cash of all obligations in respect of such Senior Debt, before the holders of the Notes will be entitled to receive any payments under the Notes, in the event of any distribution to the creditors of the Issuer in a liquidation, dissolution, insolvency, bankruptcy, reorganization or similar proceeding;

(d) turnover provisions that will require the Trustee, or any holder of the Notes who receives a payment in respect of the Notes that is prohibited by the provisions of the Intercreditor Agreement, to hold such payment on trust for, and turn such payment over to, the holders of the relevant Senior Debt to whom such payment was due (provided that the Trustee has not distributed such payment to the holders in accordance with the terms of the Indenture prior to obtaining actual knowledge that such payment was an amount received in breach of the Intercreditor Agreement); and

(e) provisions governing the enforcement of the Pledges granted to secure the Notes.

The provisions mentioned above affect your rights as a holder of the Notes. You should read the description of the Pledges below under ''—Security'' and the section of this offering memorandum entitled ''Description of Certain Other Indebtedness—Intercreditor Agreement'' for a summary of these and the other provisions of the Intercreditor Agreement that affect your ability to enforce your rights under and receive payments in respect of the Notes and to enforce the Pledges.

The Indenture provides that each holder of a Note, by accepting such Note, will be deemed to have:

(a) appointed and authorized the Trustee to give effect to the provisions of the Intercreditor Agreement;

(b) authorized the Trustee to become a party to any future intercreditor arrangements;

(c) agreed to be bound by the provisions of the Intercreditor Agreement and the provisions of any future intercreditor arrangements; and

(d) irrevocably appointed the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement and the provisions of any future intercreditor arrangements.

No amendments or modifications will be permitted to be made to the Intercreditor Agreement or any future intercreditor arrangements without the written consent of the holders of Senior Debt and, with respect to any amendments or modifications that adversely affecting the rights of the holders of the Notes in any material respect, of the Trustee on behalf of the holders of the Notes.

Security

General

The obligations of the Issuer under the Notes and the Indenture are secured by (i) a second-priority security interest in all of the outstanding share capital of ISS (the ''ISS Shares''), created by a pledge agreement (as amended from time to time, the ''Share Pledge'') entered into by the Issuer on the Issue Date, and (ii) a second-priority security interest in all of the Issuer's rights under the Proceeds Loans created by a pledge agreement (together with any additional pledges made in the future with respect to any additional future Proceeds Loans, the ''Proceeds Loans Pledge'' and, together with the Share Pledge, the ''Pledges''). Each of the Pledges will be entered into by the Issuer in favor of the holders of the Notes from time to time, as represented by the Trustee as pledgee under the Pledges (the ''Pledgees''). The Proceeds Loan Pledge will be amended and restated in connection with this offering of Additional Notes.

The ISS Shares subject to the Share Pledge, together with any other property, proceeds or rights that may be added to, supplement or replace such shares in accordance with the terms of the Share Pledge and the Indenture, are referred to as the ''Share Collateral'', and the Issuer's rights under the Proceeds Loans Pledge are referred to as the ''Loan Collateral'' and, together with the Share Collateral, the ''Collateral''.

By accepting a Note, a holder of a Note will be deemed to have appointed the Trustee as its trustee and representative in respect of the Pledges.

The Collateral has been pledged on a first-priority basis to secure the obligations owed to the lenders under the Senior Facilities, to the providers of the Secured FX Facilities and to the providers of the Secured Local Facilities. In addition, subject to certain conditions, including compliance with the covenant described under ''—Certain Covenants—Impairment of Security Interest'', the Issuer is permitted to pledge the Collateral in connection with certain future issuances of Debt of the Issuer or its Restricted Subsidiaries permitted under the Indenture, including any Additional Notes, on terms consistent with the relative priority of such Debt.

The Pledges will be released upon the defeasance or discharge of the Notes as provided in ''—Legal Defeasance and Covenant Defeasance'' or ''—Satisfaction and Discharge'', in each case in accordance with the terms and conditions of the Indenture, and in the circumstances described below under ''—Releases''.

Priority

The relative priority between (a) the lenders under the Senior Facilities, the providers of the Secured FX Facilities and the providers of the Secured Local Facilities and (b) the Trustee and the

holders of the Notes under the Indenture with respect to the Pledges is established by the terms of the Intercreditor Agreement and the Pledges, which provide that:

(i) the obligations under the Senior Facilities, the Secured FX Facilities and the Secured Local Facilities will be secured by a first-priority interest in the Collateral; and

(ii) the obligations under the Notes and the Indenture will be secured by a second-priority interest in the Collateral.

Please see the sections entitled ''—Enforcement of Pledges'' and ''Description of Certain Other Indebtedness—Intercreditor Agreement''.

Share Pledge

Under the Share Pledge, the Issuer has pledged the Share Collateral to secure the payment and performance when due of the obligations of the Issuer under the Notes and the Indenture.

The Share Pledge was entered into between the Issuer and the Pledgees. Pursuant to the terms of the Share Pledges, the Trustee has agreed to act as representative of, and for the benefit of, the holders of the Notes from time to time. The Trustee will also act on behalf of the holders of the Notes under the Intercreditor Agreement in connection with the Share Pledges.

The Indenture provides that, subject to the terms of the Indenture, the Notes and the Indenture are secured by the Share Pledge until the Share Pledge is released upon the defeasance or discharge of the Notes as provided in ''—Legal Defeasance and Covenant Defeasance'' or ''—Satisfaction and Discharge'', or in one of the circumstances described below under ''—Releases'', in each case subject to the other provisions of the Indenture and to the Intercreditor Agreement. Please see ''—Releases'' and ''Risk Factors—Risks Relating to the Notes—Your ability to recover under the Share Pledge and the Notes Proceeds Loans Pledge is limited by subordination provisions and restrictions on enforcement''.

The Share Pledge is governed by Danish law and provides that the rights of the Pledgees under the Share Pledge with respect to the Notes and the Indenture must be exercised by the Trustee on behalf of the Pledgees and in respect of the entire outstanding amount of the Notes. The Indenture and the Intercreditor Agreement provide that the Share Pledge may only be enforced upon an acceleration of the amounts due under the Notes following an Event of Default. The holders of the Notes may not, individually or collectively, take any direct action to enforce any rights under the Share Pledge.

Proceeds Loans Pledge

Under the Proceeds Loans Pledge, the Issuer pledged the Loan Collateral to secure the payment and performance when due of the obligations of the Issuer under the Notes and the Indenture.

The Proceeds Loans Pledge was entered into between the Issuer and the Pledgees in connection with the offering of the Original Notes and will be amended and restated in connection with this offering of Additional Notes. Pursuant to the Proceeds Loans Pledge, the Trustee has agreed to act as representative of, and for the benefit of, the holders of the Notes from time to time. The Trustee will also act on behalf of the holders of the Notes under the Intercreditor Agreement in connection with the Proceeds Loans Pledge.

The Indenture provides that, subject to the terms of the Indenture, the Notes and the Indenture will be secured by the Proceeds Loans Pledge until the Proceeds Loans Pledge is released upon the defeasance or discharge of the Notes as provided in ''—Legal Defeasance and Covenant Defeasance'' or ''—Satisfaction and Discharge'', or in one of the circumstances described below under ''—Releases'', in each case subject to the other provisions of the Indenture and to the Intercreditor Agreement. Please see ''—Releases'' and ''Risk Factors—Risks Relating to the Notes—Your ability to recover under the Pledges is limited by subordination provisions and restrictions on enforcement''.

The Proceeds Loans Pledge is governed by Danish law and provides that the rights of the Pledgees under the Proceeds Loans Pledge with respect to the Notes and the Indenture must be exercised by the Trustee on behalf of the Pledgees and in respect of the entire outstanding amount

of the Notes. The Indenture and the Intercreditor Agreement also provide that the Proceeds Loans Pledge may only be enforced upon an acceleration of the amounts due under the Notes following an Event of Default. The holders may not, individually or collectively, take any direct action to enforce any rights under the Proceeds Loans Pledge.

Releases

Each of the Share Pledge and the Proceeds Loans Pledge will be released following a Default under the Indenture or a default under any other indebtedness secured by the Collateral, pursuant to a Share Pledge Enforcement Sale, so long as the proceeds of such sale are applied in accordance with the Intercreditor Agreement. See ''Description of Certain Indebtedness—Intercreditor Agreement''. In the event of a merger or similar transaction resulting in ISS ceasing to exist, the Share Pledge will be automatically released, and the interests in the relevant new successor entity shall be subject to a Share Pledge.

In addition, the Pledges may be released if replaced by new Pledges in favor of the Notes, on substantially the same terms as prior to their release (except, for avoidance of doubt, to the extent of any security interest over the Collateral permitted to be incurred under the Indenture), at any time prior to the occurrence of a Default under the Indenture or a default under any other Debt secured by the Collateral, in connection with the granting of a security interest in the Collateral permitted under the Indenture in respect of (i) new Senior Debt permitted under the Indenture (other than Senior Debt incurred to refinance the Senior Facilities) or (ii) Senior Debt incurred to refinance the Senior Facilities following the full repayment and replacement thereof; provided in the case of both (i) and (ii) that (a) such release is necessary in order to ensure that security interests over the Collateral granted to secure such new Senior Debt ranks prior to the Pledges, (b) at the time of any such release, no Default or Event of Default has occurred or is continuing under the Notes and (c) following such release and replacement, the Pledges are not subject to any new hardening period (excluding (i) any such hardening period that existed prior to such release and retaking, (ii) the three month period referred to below, and (iii) hardening periods applicable only in exceptional circumstances (e.g. fraud)) that are also applicable to the Lien granted in favor of the new Senior Debt incurred. However, there will in any event be a period of three months during which, under Danish insolvency law, the new security could be avoided by the insolvency administrator if certain prerequisites are met. Please see ''Risk Factors—Risks Relating to the Notes—The insolvency laws of Denmark and other local insolvency laws may not be as favorable to prospective investors as the bankruptcy laws of the jurisdiction with which prospective investors are familiar''.

The Pledges will also be released upon payment in full of all amounts outstanding under the Notes and the defeasance or discharge of the Notes as provided in ''—Legal Defeasance and Covenant Defeasance'' or ''—Satisfaction and Discharge,'' in each case, in accordance with the terms and conditions of the Indenture.

Enforcement of Pledges

The affirmative vote of the holders of more than 50% in aggregate principal amount of the Notes then outstanding will be required in order to enforce the Pledges. The Trustee will not be entitled to take any Enforcement Action under the Pledges after the occurrence of a Default or any other event which would cause the Notes to become due and payable unless:

(a) the Senior Discharge Date for the Senior Facilities has occurred; or

(b) a period of not less than 179 days has passed from the date of notice of the Default has been given by the Trustee; or

(c) the Trustee is otherwise entitled by the terms of the Intercreditor Agreement to take any Enforcement Action under the Pledges.

Under any of these circumstances, the Trustee may take Enforcement Action with respect to the Collateral.

If the Trustee or any holder of a Note receives proceeds of any enforcement of the Pledges while the obligations under the Senior Facilities are outstanding, the Trustee or such holder, as applicable, will, subject to certain exceptions, hold the payment in trust for the benefit of the

holders of the Senior Facilities and will be required to turn over such amounts to the security agent for the Senior Lenders under the Intercreditor Agreement to be applied in the order described under ''Description of Certain Other Indebtedness—Intercreditor Agreement—Turnover'' and ''Description of Certain Other Indebtedness—Intercreditor Agreement—Application of Proceeds''.

Similar provisions may be included in any additional Intercreditor Agreement.

Principal, Maturity and Interest

The Notes will mature on May 15, 2016 unless redeemed prior thereto as described herein. The Issuer will issue the Additional Notes in the aggregate principal amount of €127.5 million. Subject to the covenant described under ''—Certain Covenants—Limitation on Debt'', the Issuer is permitted under the Indenture to issue additional Notes from time to time. The Notes and the Additional Notes that are issued will be treated as a single class for all purposes of the Indenture, including those with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, references to the ''Notes'' for all purposes of the Indenture and in this ''Description of the Notes'' include references to the Additional Notes that are issued.

Interest on the Additional Notes will be payable semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2010. Interest will be payable to holders of record of each Note in respect of the principal amount thereof outstanding as of the immediately preceding May 1 or November 1, as the case may be. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will be paid on overdue principal and other overdue amounts at the same rate.

Form of Notes

The Additional Notes will be issued only in fully registered form without coupons and only in denominations of €50,000 and any integral multiples of €1,000 in excess thereof. Additional Notes in denominations of less than €50,000 will not be available.

The Additional Notes will be initially in the form of one or more global notes (the ''Global Notes''). The Global Notes will be deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream Banking or a nominee of such common depositary. Ownership of interests in the Global Notes, referred to in this description as ''book-entry interests'', will be limited to persons that have accounts with Euroclear or Clearstream Banking or their respective participants. The terms of the Indenture provides for the issuance of definitive registered Notes in certain circumstances. See ''Book-Entry; Delivery and Form''.

Transfer

A holder may transfer or exchange Notes in accordance with the Indenture. The registrar and the Trustee may require a holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. The Issuer is not required to transfer or exchange any Note selected for redemption. Also, the Issuer is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

No service charge will be made for any registration of transfer, exchange or redemption of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange.

The Notes will be subject to certain restrictions on transfer and certification requirements, as described under ''Notice to Investors''.

All transfers of book-entry interests between participants in Euroclear or Clearstream Banking will be effected by Euroclear or Clearstream Banking pursuant to customary procedures and subject to applicable rules and procedures established by Euroclear or Clearstream Banking and their respective participants. See ''Book-Entry; Delivery and Form''. In addition, the Indenture provides for the transfer of the Notes by the Luxembourg Transfer Agent so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require.

Payments on the Notes; Paying Agent

The Issuer will make all payments, including principal of, premium, if any, and interest on the Notes, at its office or through an agent in London, England that it will maintain for these purposes. Initially, that agent will be the corporate trust office of the Trustee. In addition, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, the Issuer may also make such payments at the offices of the paying agent in Luxembourg. The Bank of New York (Luxembourg) S.A. will act as paying agent in Luxembourg. The Issuer may change the paying agent without prior notice to the holders of the Notes. In addition, the Issuer or any of its Subsidiaries may act as paying agent in connection with the Notes other than for the purposes of effecting a redemption described under ''—Optional Redemption'' or an offer to purchase the Notes described under either of ''—Purchase of Notes upon a Change of Control'' and ''—Certain Covenants—Limitation on Sale of Certain Assets''. The Issuer will make all payments in same-day funds. Payments on the Global Notes will be made to the common depositary as the registered holder of the Global Notes.

The Issuer undertakes that it will maintain a paying agent in an EU Member State that is not obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any law implementing or complying with or introduced in order to conform to, such Directive.

Additional Amounts

All payments that the Issuer and a Surviving Entity (as defined below under ''—Certain Covenants—Consolidation Mergers and Sale of Assets'') make under or with respect to the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charges (including, without limitation, penalties, interest and other similar liabilities related thereto) of whatever nature (collectively, ''Taxes'') imposed or levied by or on behalf of any jurisdiction in which the Issuer or any Surviving Entity is incorporated, organized, engaged in business or otherwise resident for tax purposes or from or through which any of the foregoing makes any payment on the Notes or by or within any department or political subdivision thereof having the power to tax (each, a ''Relevant Taxing Jurisdiction''), unless the withholding or deduction is then required by law or by the interpretation or administration of law. If the Issuer or a Surviving Entity is required to withhold or deduct any amount for, or on account of, Taxes of a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes, the Issuer or a Surviving Entity, as the case may be, will pay additional amounts (''Additional Amounts'') as may be necessary to ensure that the net amount received by each holder or beneficial owner of the Notes (including Additional Amounts) after such withholding or deduction will be not less than the amount the holder or beneficial owner would have received if such Taxes had not been required to be withheld or deducted.

Neither the Issuer nor a Surviving Entity will, however, pay Additional Amounts to a holder or beneficial owner of Notes in respect or on account of:

(a) any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of the present or former connection of the holder (or between a fiduciary, settler, beneficiary, member or shareholder of, or possessor of power over the relevant holder, if the relevant holder is an estate, nominee, trust, partnership, limited liability company or corporation) with such Relevant Taxing Jurisdiction, including, without limitation, being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction, other than the mere receipt or holding of Notes or by reason of the receipt of payments thereunder or the exercise or enforcement of rights under any Notes or the Indenture;

(b) any Taxes that are imposed or levied by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to provide any certification, identification, information, documents, or other evidence concerning the nationality, residence, or identity of the holder or such beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by

statute, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of withholding or deduction of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

(c) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(d) any Tax that is payable otherwise than by withholding or deduction from payments made under or with respect to the Notes;

(e) any Tax that is imposed or levied by reason of the presentation (where presentation is required in order to receive payment) of such Notes for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the beneficial owner or holder thereof would have been entitled to Additional Amounts had the Notes been presented for payment on any date during such 30 day period;

(f) any withholding or deduction in respect of any Taxes where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;

(g) any Tax that is imposed on or with respect to a Note presented for payment on behalf of a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Notes to another paying agent in a Member State of the European Union; or

(h) any combination of the above.

Such Additional Amounts also will not be payable where, had the beneficial owner of a Note been the holder, it would not have been entitled to payment of the Additional Amounts by reason of any of clauses (a) to (h) inclusive above.

The Issuer and a Surviving Entity will (i) make such withholding or deduction as is required by applicable law and (ii) remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer and a Surviving Entity will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Issuer will deliver to the Trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable. The Officer's Certificate will set forth such other information necessary to enable the paying agents to pay such Additional Amounts to holders on the payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer will promptly publish a notice in accordance with the provisions set forth in ''—Notices'' stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

Upon request, the Issuer or a Surviving Entity will furnish to the Trustee or holder within a reasonable time certified copies of tax receipts evidencing the payment by the Issuer or a Surviving Entity of any Taxes so imposed or levied by a Relevant Taxing Jurisdiction. If, notwithstanding the efforts of the Issuer or a Surviving Entity to obtain such receipts, the same are not obtainable, the Issuer or a Surviving Entity will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or holder of such payments by the Issuer or a Surviving Entity.

In addition, the Issuer and a Surviving Entity will pay (i) any present or future stamp, issue, registration, court documentation, excise or property taxes or other similar taxes, charges and duties, including interest and penalties with respect thereto in respect of the execution, issue, delivery or registration of the Notes or any other document or instrument referred to thereunder (other than a transfer of the Notes, other than the initial resale of the Notes by the initial purchasers) and any such taxes, charges or duties as a result of, or in connection with, the enforcement of the Notes or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes, or (ii) any stamp, court, documentary taxes (or similar taxes or levies) imposed with respect to the receipt of any payments with respect to the Notes, excluding, in the case of both (i) and (ii), such taxes charges and duties imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction.

The preceding provisions will survive any termination, defeasance or discharge of the Indenture and shall apply *mutatis mutandis* to any jurisdiction in which any successor to the Issuer is organized, incorporated or otherwise resident for tax purposes and any political subdivision or taxing authority or agency thereof or therein.

Whenever the Indenture or this ''Description of the Notes'' refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Note, such reference includes the payment of Additional Amounts, if applicable.

Currency Indemnity

Euro is the sole currency of account and payment for all sums payable under the Notes and the Indenture. Any amount received or recovered in respect of the Notes in a currency other than euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer, any Subsidiary or otherwise), by a holder of the Notes in respect of any sum expressed to be due to such holder from the Issuer will constitute a discharge of such obligation only to the extent of the euro amount the recipient is able to purchase with the amount so received or recovered in such other currency on the date of that receipt or recovery (or, if it is not possible to purchase euro on that date, on the first date on which it is possible to do so). If the euro amount that could be purchased is less than the euro amount expressed to be due to the recipient under any Note, the Issuer will indemnify the recipient against the cost of the recipient's making a further purchase of euro in an amount equal to such difference. For the purposes of this paragraph, it will be sufficient for the holder to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on that date had not been possible, on the first date on which it would have been possible). These indemnities will, to the extent permitted by law:

(a) constitute a separate and independent obligation from the Issuer's other obligations;

(b) give rise to a separate and independent cause of action;

(c) apply irrespective of any waiver granted by any holder of a Note; and

(d) continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Optional Redemption of the Notes

Optional Redemption prior to May 15, 2011

At any time prior to May 15, 2011, the Issuer may also redeem all or part of the Notes, at its option, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium and accrued and unpaid interest to the redemption date. The Issuer may provide in such notice that payment of such price and performance of its obligations with respect to such redemption or purchase may be performed by another Person.

''Applicable Redemption Premium'' means, with respect to any Note on any redemption date, the excess of:

(i) the present value at such redemption date of (A) the redemption price of such Note at May 15, 2011 (such redemption price being set forth in the table appearing below under the caption ''Optional Redemption—Optional Redemption on or after May 15, 2011''), plus (B) all required scheduled interest payments that would otherwise be due to be paid on such Note during the period between the redemption date and May 15, 2011 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(ii) the outstanding principal amount of such Note.

Calculation of the Applicable Redemption Premium will be made by the Issuer or on its behalf by such Person as the Issuer shall designate; provided that such calculation shall not be a duty or obligation of the Trustee.

Optional Redemption on or after May 15, 2011

At any time on or after May 15, 2011 upon not less than 30 nor more than 60 days' notice, the Issuer may redeem all or part of the Notes. These redemptions will be in amounts of €50,000 or integral multiples of €1,000 in excess thereof at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing on May 15 of the years set forth below.

Year	Redemption Price
2011	104.438%
2012	102.958%
2013	101.479%
2014 and thereafter	100.000%

Redemption of the Notes upon Changes in Withholding Taxes

The Issuer may, at its option, redeem the Notes, as a whole but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the holders (which notice shall be irrevocable and given in accordance with the procedures described in ''—Notices''), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, if any, to the redemption date, premium, if any, and all Additional Amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise, if the Issuer determines in good faith that the Issuer is, or on the next date on which any amount would be payable in respect of the Notes, would be obligated to pay Additional Amounts (as defined above under ''—Additional Amounts'') in respect of the Notes pursuant to the terms and conditions thereof, which the Issuer cannot avoid by the use of reasonable measures available to it (including making payment through a paying agent located in another jurisdiction), as a result of:

(a) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined above under ''—Additional Amounts'') affecting taxation which becomes effective on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture; or

(b) any change in the official application, administration, or interpretation of the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (including a holding, judgment, or order by a court of competent jurisdiction), on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture (each of the foregoing clauses (a) and (b), a ''Change in Tax Law'').

Notwithstanding the foregoing, the Issuer may not redeem the Notes under this provision if the Relevant Taxing Jurisdiction changes under the Indenture and the Issuer is obligated to pay Additional Amounts as a result of a Change in Tax Law of the then current Relevant Taxing Jurisdiction which, at the time the latter became the Relevant Taxing Jurisdiction under the Indenture, was officially announced.

In the case of a successor person (including a Surviving Entity) that becomes a party to the Indenture after the Issue Date, the Change in Tax Law must become effective after the date that such entity (or another person organized or resident in the same jurisdiction) first makes a payment on the Notes.

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer or Surviving Entity would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, the obligations to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption pursuant to the foregoing, the Issuer will deliver to the Trustee:

(a) an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing the conditions precedent to the right of the Issuer so to redeem have occurred (including that such obligation to pay such Additional Amounts cannot be avoided by the Issuer or Surviving Entity taking reasonable measures available to it); and

(b) an opinion of independent tax advisors of recognized standing qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Issuer or Surviving Entity, as the case may be, is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the existence of satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on holders of the Notes.

The foregoing provisions shall apply *mutatis mutandis* to any successor to the Issuer, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor becomes a party to the Indenture.

Selection and Notice of Optional Redemption

The Issuer will publish a notice of any optional redemption of the Notes described above in accordance with the provisions of the Indenture described under ''—Notices''. If the Notes are listed at such time on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, the Issuer will inform the Luxembourg Stock Exchange of the principal amount of the Notes that have not been redeemed in connection with any optional redemption. If fewer than all the Notes are to be redeemed at any time, the Trustee will select the Notes by a method that complies with the requirements, as certified to the Trustee by the Issuer, of the principal securities exchange, if any, on which the Notes are listed at such time or, if the Notes are not listed on a securities exchange, pro rata, by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate; provided that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than €50,000. The Trustee will not be liable for selections made by it in accordance with this paragraph.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions ''—Purchase of Notes upon a Change of Control'' and ''—Certain Covenants—Limitation on Sale of Certain Assets''. The Issuer may at any time and from time to time purchase Notes in the open market or otherwise.

Purchase of Notes upon a Change of Control

If a Change of Control occurs at any time, then the Issuer must make an offer (a ''Change of Control Offer'') to each holder of Notes to purchase such holder's Notes, in whole or in part, in denominations of €50,000 and any integral multiples of €1,000 in excess thereof at a purchase price (the ''Change of Control Purchase Price'') in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (the ''Change of Control Purchase Date''). No such purchase in part shall reduce the principal amount at maturity of the Notes held by any holder to below €50,000.

Within 30 days following any Change of Control, the Issuer will:

(a) cause a notice of the Change of Control Offer to be (i) published in a leading newspaper having a general circulation in London (which is expected to be the *Financial Times*); (ii) made available to the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency; and (iii) published in the *d'Wort* (or another leading newspaper having a general circulation in Luxembourg) if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require; and

(b) send notice of the Change of Control Offer by first class mail, with a copy to the Trustee, to each holder of Notes to the address of such holder appearing in the security register, which notice will state:

(i) that a Change of Control has occurred and the date it occurred;

(ii) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the U.S. Exchange Act of 1934, as amended (the ''Exchange Act'') and any other applicable securities laws or regulations;

(iii) the circumstances and relevant facts regarding such Change of Control;

(iv) that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid;

(v) that any Note or part thereof not tendered will continue to accrue interest; and

(vi) any other procedures that a holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance (which procedures may also be performed at the office of the paying agent in Luxembourg as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require).

The Trustee will promptly authenticate and deliver a new Note or Notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of certificated Notes; provided that each such new Note will be in a principal amount of €50,000 or an integral multiple of €1,000 in excess thereof. The Issuer will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The Issuer will not be required to make a Change of Control Offer if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

In addition, the Issuer will not be required to make a Change of Control Offer in respect of a Change of Control if a third party has made, and not terminated, a tender offer for all of the Notes with respect to such Change of Control in the manner applicable to a Change of Control Offer, at a tender offer purchase price in cash equal to at least 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, and such third party purchases all Notes validly tendered and not withdrawn under such tender offer.

The Issuer will comply with the applicable tender offer rules, including Rule 14e-l under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with such applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such conflict.

The occurrence of certain events that would constitute a Change of Control could constitute a prepayment event or default under the Senior Facilities. The Issuer's future indebtedness and that of its Subsidiaries may also contain descriptions of certain events that, if they occurred, would require such indebtedness to be repaid. In addition, the exercise by the holders of the Notes of their right to require a repurchase of the Notes upon a Change of Control could cause a default under the Senior Facilities and any such future indebtedness, even if the Change of Control itself does not, due to the restrictions contained in the Senior Facilities and the possible financial effect on the Issuer of such repurchase.

The provisions of the Indenture do not give holders the right to require the repurchase of the Notes in the event of certain transactions, including a reorganization, restructuring, merger or similar transaction, that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Indenture, including those described under ''—Certain Covenants—Limitation on Debt''. The existence, however, of a holder of the Notes' right to require the Issuer to repurchase such holder's Notes upon a Change of Control may deter a third party from acquiring the Issuer or any of its Subsidiaries if such acquisition would constitute a Change of Control.

If a Change of Control Offer is made, the Issuer will not be able to provide any assurance that it will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by holders of the Notes seeking to accept the Change of Control Offer. Even if sufficient funds were available, the terms of the other indebtedness of the Issuer and its Subsidiaries may prohibit the repurchase of the Notes prior to their scheduled maturity. If the Issuer were not able to prepay any indebtedness containing any such restrictions, or obtain requisite consents, the Issuer would be unable to fulfill its repurchase obligations to holders of Notes who accept the Change of Control Offer. If a Change of Control Offer were not made or consummated or the Change of Control Purchase Price were not paid when due, such failure would result in a Default and, subject to the limitations described under ''—Restrictions on the Notes'', would give the Trustee and the holders of the Notes the rights described under ''—Events of Default''. Please see ''Description of Certain Other Indebtedness''.

The definition of ''Change of Control'' includes a disposition of all or substantially all of the assets of the Issuer and the other Restricted Subsidiaries to any Person. Although there is a limited body of case law interpreting the phrase ''substantially all'', there is no precise established definition of such phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of ''all or substantially all'' of the assets of the Issuer and the other Restricted Subsidiaries. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

''Change of Control'' means the occurrence of any of the following events:

(a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole to any ''person'' or ''group'' (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than one or more Permitted Holders; or

(b) the consummation of any transaction or series of related transactions (including, without limitation, any merger, consolidation, amalgamation or other combination), the result of which is that any ''person'' or ''group'' (as defined above), other than one or more Permitted Holders, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer (or any successor of the Issuer permitted by the

provisions of the Indenture described under ''—Certain Covenants—Consolidation, Merger and Sale of Assets''); or

(c) during any consecutive two-year period following the date of the Indenture, individuals who at the beginning of such period constituted the Issuer's board of directors (excluding employee-appointed members of the board of directors) (together with any new members whose election to such board, or whose nomination for election by the Issuer's shareholders, was approved by Permitted Holders then beneficially owning collectively 50% or more of the total voting power of the Voting Stock of the Issuer) cease for any reason to constitute a majority of such members of the Issuer's board of directors then in office; or

(d) the Issuer is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction that complies with the provisions of the Indenture described under ''—Certain Covenants—Consolidation, Merger and Sale of Assets''.

Suspension of Covenants During Achievement of Investment Grade Status

If during any period the Notes have achieved and continue to maintain Investment Grade Status and no Event of Default has occurred and is continuing (such period is referred to as an ''Investment Grade Status Period''), then certain of the covenants described under ''—Certain Covenants'', including ''Limitation on Debt'', ''Limitation on Restricted Payments'', ''Limitation on Transactions with Affiliates'', ''Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries'' will be suspended and will not during such period be applicable to the Issuer and its Restricted Subsidiaries. In addition, the provisions of the Indenture described under clause (c) of ''—Certain Covenants—Consolidation, Merger and Sale of Assets'' will also be suspended and will not be applicable to the Issuer and its Restricted Subsidiaries during any Investment Grade Status Period. As a result, during any such period, the Notes will lose the covenant protection initially provided under the Indenture. No action taken during the Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with the covenants then applicable will require reversal or constitute a default under the Notes in the event that suspended covenants are subsequently reinstated or suspended, as the case may be. An Investment Grade Status Period will terminate immediately upon the failure of the Notes to maintain Investment Grade Status. The Issuer will promptly upon the failure of the Notes to maintain Investment Grade Status notify the Trustee in writing of any failure of the Notes to maintain Investment Grade Status.

Certain Covenants

The Indenture contains, among others, the following covenants.

Limitation on Debt

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to ''incur'' or, as appropriate, an ''incurrence''), any Debt (including any Acquired Debt); provided that the Issuer and any Restricted Subsidiary (other than ISS) will be permitted to incur Debt (including Acquired Debt) if at the time of such incurrence the Consolidated Fixed Charge Coverage Ratio for the four full fiscal quarters for which financial statements have been made available to holders of the Notes immediately preceding the incurrence of such Debt, taken as one period, would be greater than 2.0 to 1.0 determined on a pro forma basis after giving effect to the incurrence of such Debt and the application of the proceeds thereof.

(2) This covenant will not, however, prohibit the following (collectively, ''Permitted Debt''):

(a) the incurrence by the Issuer or any Restricted Subsidiary of Debt under (i) Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed €1,500 million and (ii) Permitted Acquisition Facilities in an aggregate principal amount at any one time outstanding not to exceed €725 million, in each case, less the amount of any permanent repayments or permanent prepayments of such Debt in each case with the proceeds of Asset Sales made in accordance with ''—Certain Covenants—Limitation on Sales of Certain Assets'', provided that Debt incurred pursuant to this

clause (a) under Revolving Credit Facilities may, at the election of the Issuer at the time of the commitment of such facilities by notice to the Trustee, be deemed to have been incurred in an amount outstanding equal to the total amount committed under such facilities and, if such an election is made, shall be deemed to be outstanding from time to time in an amount equal to the total amount committed under such facilities, and provided further that any amounts actually borrowed under Revolving Credit Facilities from time to time pursuant to and when any commitment is outstanding that was elected to be so deemed to be an incurrence of Debt shall not be a further incurrence of Debt under such Revolving Credit Facilities;

(b) the incurrence by the Issuer of Debt pursuant to the Notes (other than the Additional Notes);

(c) any Debt of the Issuer or any Restricted Subsidiary (other than Debt described in another clause of this paragraph (2)) outstanding on the date of the Indenture;

(d) the incurrence by the Issuer or any Restricted Subsidiary of intercompany Debt between the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; provided that

   (i) if the Issuer is the obligor on any such Debt, unless required by a Credit Facility, it is unsecured; and

   (ii) (x) any subsequent disposition, pledge or transfer of any such Debt to any Person (other than a disposition, pledge or transfer to the Issuer or a Restricted Subsidiary) and (y) any transaction pursuant to which any Restricted Subsidiary that has Debt owing to the Issuer or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an incurrence of such Debt not permitted by this clause (d);

(e) the incurrence by the Issuer or any Restricted Subsidiary (other than ISS) of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt consisting of the deferred purchase of, or incurred or assumed in connection with the acquisition or development of Property, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price, lease expense or cost of construction or improvement of property, plant or equipment used in the Issuer's or any Restricted Subsidiary's business or a Related Business (including any reasonable related fees or expenses incurred in connection with such acquisition or development); provided that the principal amount of such Debt so incurred when aggregated with other Debt previously incurred in reliance on this clause (e) and still outstanding shall not in the aggregate exceed the greater of (i) €50 million and (ii) 1.0% of Total Assets, and provided further that the total principal amount of any Debt incurred in connection with an acquisition or development permitted under this clause (e) did not in any case at the time of incurrence exceed (i) the Fair Market Value of the acquired or constructed property or asset or improvement so financed or (ii) in the case of an uncompleted constructed asset, the amount of the asset to be constructed, as determined on the date the contract for construction of such asset was entered into by the Issuer or the relevant Restricted Subsidiary (including, in each case, any reasonable related fees and expenses incurred in connection with such acquisition, construction or development);

(f) the incurrence by the Issuer or any Restricted Subsidiary (other than ISS) of Debt arising from agreements providing for guarantees, indemnities or obligations, in each case in respect of purchase price adjustments in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by the Issuer or any Restricted Subsidiary of Debt incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition, provided that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (f) will at no time exceed the gross proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received from the sale of such assets or paid for the acquisition of such assets, as the case may be;

(g) the incurrence by the Issuer or any Restricted Subsidiary (other than ISS) of Debt under Currency Agreements entered into in the ordinary course of business and for bona fide hedging purposes, including for the avoidance of doubt, Debt under Secured FX Facilities;

(h) the incurrence by the Issuer or any Restricted Subsidiary of Debt (other than ISS) under Interest Rate Agreements entered into in the ordinary course of business and for bona fide hedging purposes;

(i) the incurrence by the Issuer or any Restricted Subsidiary (other than ISS) of Debt in respect of workers' compensation and claims arising under similar legislation, or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;

(j) the incurrence of Debt by the Issuer or any Restricted Subsidiary arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, provided that such Debt is extinguished within ten Business Days of receipt by the Issuer or such Restricted Subsidiary of notice of such insufficient funds, (ii) bankers' acceptances, performance, surety, advance payment, customs, VAT, judgment, appeal or similar bonds, instruments or obligations and (iii) completion guarantees or letters of credit provided or obtained by the Issuer or any Restricted Subsidiary in the ordinary course of business including, without limitation (x) letters of credit in respect of workers' compensation claims, health, disability or other employee benefits or (y) property, casualty or liability insurance or self-insurance or other Debt with respect to reimbursement-type obligations regarding workers' compensation claims;

(k) the incurrence by the Issuer or any Restricted Subsidiary (other than ISS) of Permitted Refinancing Debt in exchange for or the net proceeds of which are used to refund, replace or refinance Debt incurred by the Issuer or any Restricted Subsidiary, as the case may be, pursuant to, or described in, paragraphs (1), and clauses 2(b), (c) and this clause (k) of this covenant, as the case may be;

(l) the guarantee by the Issuer or any Restricted Subsidiary in accordance with the provisions of the Indenture of Debt that was permitted to be incurred by another provision of this covenant, provided that if the Debt being guaranteed is subordinated to the Notes, then the guarantee shall be subordinated to the same extent as the Debt guaranteed;

(m) the incurrence by the Issuer of Subordinated Shareholder Debt;

(n) Debt arising under any netting or set-off arrangement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances between or among the Issuer and one or more of the Issuer's Restricted Subsidiaries (including a Credit Facility which is an overdraft comprising more than one account);

(o) Acquired Debt of a Restricted Subsidiary incurred or outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Issuer or another Restricted Subsidiary or otherwise became a Restricted Subsidiary, provided that on the date of such acquisition and after giving pro forma effect thereto, either (i) the Consolidated Fixed Charge Coverage Ratio would have been no less than the Consolidated Fixed Charge Coverage Ratio immediately prior to such acquisition or such Restricted Subsidiary otherwise becoming a Restricted Subsidiary, as applicable, or (ii) the Issuer would have been able to incur €1.00 of additional Debt pursuant to paragraph (1) of this covenant; and

(p) in addition to Debt permitted under clauses (a) through (o) above, the incurrence of Debt by the Issuer or any Restricted Subsidiary (other than ISS) in an aggregate principal amount at any one time outstanding not to exceed the greater of €50 million and 1.0% of Total Assets (it being understood that any Debt incurred pursuant to this clause (p) shall cease to be deemed incurred for purposes of this clause (p) but shall be deemed incurred or outstanding for purposes of paragraph (1) of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could

have incurred such Debt under paragraph (1) of this covenant without reliance on this clause (p)).

Any Debt that is permitted to be incurred under paragraph (1) of this covenant or that is Permitted Debt that, in either case, is Public Debt (other than Acquired Debt not incurred in connection with, or in contemplation of, a Person merging with or into, or becoming a Restricted Subsidiary of the Issuer or any of its Restricted Subsidiaries) may only be incurred by the Issuer or a Finance Subsidiary.

(3) For purposes of determining compliance with any restriction on the incurrence of Debt in euro where Debt is denominated in a different currency, the amount of such Debt will be the Euro Equivalent determined on the date such Debt was incurred, in the case of term Debt, or first committed in the case of Debt incurred under a Revolving Credit Facility, provided that if any such Debt denominated in a different currency is subject to a Currency Agreement (with respect to euro) covering principal amounts payable on such Debt, the amount of such Debt expressed in euro will be adjusted to take into account the effect of such agreement. If Permitted Refinancing Debt is incurred to refinance Debt denominated in a currency other than euro and such refinancing would cause the applicable restriction on the incurrence of Debt in euro to be exceeded based on the Euro Equivalent of such Permitted Refinancing Debt determined on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Debt does not exceed the principal amount of such Debt being refinanced. Notwithstanding any other provision of this covenant, for purposes of determining compliance with this ''Limitation on Debt'' covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that the Issuer or a Restricted Subsidiary may incur under the ''Limitation on Debt'' covenant.

(4) For purposes of determining any particular amount of Debt under the ''Limitation on Debt'' covenant:

(a) obligations in the form of letters of credit, guarantees or Liens, in each case supporting Debt otherwise included in the determination of such particular amount will not be included;

(b) any Liens granted pursuant to the equal and ratable provisions referred to in the ''Limitation on Liens'' covenant will not be treated as Debt; and

(c) accrual of interest, accrual of dividends, the accretion or amortization of original issue discount or of accreted value, the obligation to pay commitment fees and the payment of interest or dividends in the form of additional Debt will not be treated as Debt.

(5) For the purposes of determining compliance with the ''Limitation of Debt'' covenant, in the event that an item of Debt meets the criteria of more than one of the types of Debt described in the first paragraph or clauses (a) through (p) of the second paragraph of this ''Limitation on Debt'' covenant, the Issuer, in its sole discretion, will be permitted to classify items of Debt and will only be required to include the amount and type of such Debt in the first such paragraph or one of the clauses of such second paragraph and the Issuer will be entitled to divide and classify, and from time to time reclassify, an item of Debt in more than one of the types of Debt described in the ''Limitation on Debt'' covenant.

Limitation on Restricted Payments

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a ''Restricted Payment'' and which are collectively referred to as ''Restricted Payments''):

(a) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of the Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any Restricted Subsidiary) (other than (i) to the Issuer or any Wholly Owned Restricted Subsidiary or (ii) to all holders of Capital Stock of such Restricted Subsidiary on a pro rata basis or on a basis that results in the receipt by the Issuer or a Restricted Subsidiary of dividends or

distributions of greater value than the Issuer or such Restricted Subsidiary would receive on a pro rata basis), except for dividends or distributions payable solely in shares of the Issuer's Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock;

(b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any shares of the Issuer's Capital Stock or any Capital Stock of any direct or indirect Parent of the Issuer held by persons other than the Issuer or a Restricted Subsidiary (other than Capital Stock of any Restricted Subsidiary or any entity that becomes a Restricted Subsidiary as a result thereof) or any options, warrants or other rights to acquire such shares of Capital Stock;

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or Stated Maturity, any Subordinated Debt (other than (i) intercompany Debt between the Issuer and any Restricted Subsidiary or among Restricted Subsidiaries or (ii) the purchase, repurchase or other acquisition of Debt subordinated or junior in right of payment to the Notes, as the case may be, purchased in anticipation of satisfying a sinking fund obligation, principal installment fund or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition); or

(d) make any Investment (other than any Permitted Investment) in any Person.

If any Restricted Payment described above is not made in cash, the amount of the proposed Restricted Payment will be the Fair Market Value of the asset to be transferred as of the date of transfer.

(2) Notwithstanding paragraph (1) above, the Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving pro forma effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing at the time of such Restricted Payment and immediately after giving effect thereto;

(b) the Issuer could incur at least €1.00 of additional Debt (other than Permitted Debt) pursuant to the ''Limitation on Debt'' covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the Issue Date does not exceed the sum of:

(i) 50% of aggregate Consolidated Adjusted Net Income of the Issuer on a cumulative basis during the period beginning on the first day of the fiscal quarter in which the Notes are issued and ending on the last day of the Issuer's last fiscal quarter ending prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount), plus

(ii) the aggregate Net Cash Proceeds and the Fair Market Value of marketable securities received by the Issuer after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of the Issuer's Qualified Capital Stock (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase shares of the Issuer's Qualified Capital Stock (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt as set forth in clause (d) or (e) of paragraph (3) below) (excluding the Net Cash Proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Subsidiary until and to the extent such borrowing is repaid), plus

(iii) (x) the amount by which the Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by a Subsidiary) of such Debt into the Issuer's Qualified Capital Stock and (y) the aggregate Net Cash Proceeds received after the Issue Date by the Issuer from the issuance or sale (other than

to any Subsidiary) of Redeemable Capital Stock of the Issuer or any of its Subsidiaries that has been converted into or exchanged for the Issuer's Qualified Capital Stock, to the extent such Redeemable Capital Stock was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate Net Cash Proceeds received by the Issuer at the time of such conversion or exchange (excluding the Net Cash Proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Subsidiary until and to the extent such borrowing is repaid), plus

(iv) (x) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to 100% of the Net Cash Proceeds or the Fair Market Value of marketable securities received by the Issuer or any of its Restricted Subsidiaries and (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Investment of the Issuer or any Restricted Subsidiary in such Subsidiary, provided that such amount will not in any case exceed the amount of the Restricted Payment deemed made at the time that the Subsidiary was designated as an Unrestricted Subsidiary.

(3) Notwithstanding paragraphs (1) and (2) above, the Issuer and any Restricted Subsidiary may take the following actions so long as (with respect to clauses (c) through (i) below) no Default or Event of Default has occurred and is continuing:

(a) the payment of any dividend within 60 days after the date of its declaration if at such date of its declaration such payment would have been permitted by the provisions of this covenant;

(b) cash payments in lieu of issuing fractional shares pursuant to the exchange or conversion of any exchangeable or convertible securities or in connection with any stock dividend, distribution, stock split, reverse stock split, merger, consolidation, amalgamation or other business combination;

(c) payments or distributions to dissenting shareholders pursuant to applicable law in connection with or in contemplation of a merger, consolidation or transfer of assets that complies with the provisions of the Indenture relating to mergers, consolidations or transfers of substantially all of the Issuer's assets;

(d) the repurchase, redemption or other acquisition or retirement for value of any shares of the Issuer's Capital Stock or options, warrants or other rights to acquire such Capital Stock in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of the Issuer's Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock;

(e) the repurchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Debt in exchange for, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of the Issuer's Qualified Capital Stock;

(f) the purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(g) the purchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary of the Issuer or any Parent of the Issuer (or options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent to permit any Parent to purchase, redeem, acquire, cancel or retire for value any Capital Stock of the Issuer,

any Restricted Subsidiary of the Issuer or any Parent of the Issuer (or options, warrants or other rights in respect thereof), in each case held by any existing or former employees, management or directors of the Issuer or any Parent or Subsidiary of the Issuer or their assigns, estates or heirs, and in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate employees, management or directors; provided that the aggregate Restricted Payments made pursuant to this clause (g) do not exceed in any calendar year €15.0 million in the aggregate with unused amounts being carried over to any subsequent calendar year subject to a maximum aggregate amount of €30.0 million being available in any calendar year;

(h) the payment of amounts to fund any Taxes with respect to income attributable to the Issuer and its Subsidiaries for which any direct or indirect Parent of the Issuer is liable;

(i) following the first Public Equity Offering, up to 6.0% per annum of the Net Cash Proceeds received by the Issuer from such Public Equity Offering as equity capital;

(j) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants if such Capital Stock represents a portion of the exercise price of such options or warrants;

(k) to the extent constituting Restricted Payments, the Specified Affiliate Payments and any payment, dividend or other distribution to a direct or indirect parent entity of the Issuer or such Restricted Subsidiary to permit Specified Affiliate Payments;

(l) any Restricted Payment made to ISS Equity A/S with the proceeds of the Notes to repay in full amounts outstanding under the Subordinated Shareholder Loan and any related costs and expenses, provided that the amount received by FS Equity A/S is applied by it to the repayment in full of amounts outstanding under the PIK Bridge Loan; and

(m) any other Restricted Payment, provided that the total aggregate amount of Restricted Payments made under this clause (m) does not exceed €35.0 million.

The actions described in clauses (a), (b), (c), (g), (h), (i), (k), (l) and (m) of this paragraph (3) are Restricted Payments that will be permitted to be made in accordance with this paragraph (3) but that reduce the amount that would otherwise be available for Restricted Payments under clause (c) of paragraph (2) above.

Limitation on Issuances and Sales of Capital Stock of Restricted Subsidiaries

(1) The Issuer will not sell, pledge or otherwise dispose of, and will not permit any Restricted Subsidiary (other than as permitted under the ''Limitation on Liens'' covenant), directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock). The foregoing sentence, however, will not apply to:

(a) any issuance or sale of shares of Capital Stock of a Restricted Subsidiary to the Issuer or a Wholly Owned Restricted Subsidiary;

(b) any issuance or sale of directors' qualifying shares or issuances or sales of shares of Capital Stock of a Restricted Subsidiary to be held by third parties, in each case to the extent required by applicable law;

(c) any issuance or sale of shares of Capital Stock of a Restricted Subsidiary made in compliance with the ''Limitation on Sale of Certain Assets'' covenant and if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary either (i) remains a Restricted Subsidiary or (ii) would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person after giving effect thereto is treated as a new Investment by the Issuer and such Investment would be permitted to be made under the ''Limitation on Restricted Payments'' covenant if made on the date of such issuance or sale;

(d) any issuance of shares of Capital Stock of a Restricted Subsidiary if, after giving effect to such issuance, the Issuer directly or indirectly maintains at least the same

percentage ownership of such Restricted Subsidiary as it owned immediately prior to such issuance; and

(e) Capital Stock issued by a Person prior to the time:

(i) such Person becomes a Restricted Subsidiary,

(ii) such Person consolidates or merges with or into a Restricted Subsidiary, or

(iii) a Restricted Subsidiary consolidates or merges with or into such Person,

but only if such Capital Stock was not issued or incurred by such Person in anticipation of it becoming a Restricted Subsidiary.

(2) Notwithstanding any of the foregoing, the Issuer (i) shall not permit any Intermediate Holding Company Subsidiary to issue, sell, lease, transfer or otherwise dispose of any of such Intermediate Holding Company Subsidiary's Capital Stock other than to the Issuer or another Intermediate Holding Company Subsidiary that is the parent of such Intermediate Holding Company Subsidiary and (ii) shall own, directly or indirectly, 100% of the Capital Stock of each Intermediate Holding Company Subsidiary.

Limitation on Transactions with Affiliates

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer or any other Restricted Subsidiary unless:

(a) such transaction or series of transactions is on terms that, taken as a whole, are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's length transaction with third parties that are not Affiliates;

(b) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case having a value greater than €20.0 million, the Issuer will deliver a resolution of the Issuer's Board of Directors (set out in an Officer's Certificate to the Trustee) resolving with the participation of the majority of Disinterested Directors (or in the event that there is only one Disinterested Director, by the responsibility of such Disinterested Director) that such transaction complies with clause (a) above (or in the event there are no Disinterested Directors, a written opinion as described in clause (c) is delivered); and

(c) with respect to any transaction or series of related transactions (other than facility services contracts entered in the ordinary course of business with the Permitted Holders or any Affiliates thereof) involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than €30.0 million, the Issuer will deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the transaction or series of transactions is fair to the Issuer or such Restricted Subsidiary from a financial point of view.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(i) any employment consulting agreement and payments made pursuant thereto in the ordinary course of business and reasonable and customary directors' fees and directors' and officers' insurance premiums and indemnification arrangements if approved in good faith by the Issuer's Board of Directors;

(ii) any Restricted Payment not prohibited by the ''Limitation on Restricted Payments'' covenant or the making of an Investment that is a Permitted Investment;

(iii) loans and advances (but not any forgiveness of such loans or advances) to the Issuer's or any Restricted Subsidiary's officers, directors and employees for travel, entertainment, moving and other relocation expenses, in each case, made in the ordinary course of

business provided that such loans and advances do not exceed €10.0 million in the aggregate at any one time outstanding;

(iv) agreements and arrangements existing on the Issue Date and any amendment, modification, supplement thereto, extension or renewal, provided that following such amendment, modification, supplement, extension or renewal, the terms of any such agreement or arrangement so amended, modified or supplemented are not, taken as a whole, more disadvantageous to the holders of the Notes and to the Issuer and the Restricted Subsidiaries, as applicable, than the original agreement or arrangement as in effect on the Issue Date and provided, further, that such amendment or modification is (x) on a basis substantially similar to that which would be conducted in an arm's length transaction with third parties who are not Affiliates and (y) in the case of any transaction having a Fair Market Value of greater than €10.0 million, approved by the Issuer's Board of Directors (including a majority of Disinterested Directors);

(v) any Specified Affiliate Payments;

(vi) the issuance of securities pursuant to, or for the purpose of the funding of, employment arrangements, stock options and stock ownership or employee benefit plans, as long as the terms thereof are or have been previously approved by the Issuer's Board of Directors;

(vii) the issuance or sale of any Qualified Capital Stock of the Issuer or capital contributions received by the Issuer;

(viii) payments by the Issuer or any Restricted Subsidiary for financial advisory, financing, underwriting or placement service or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are approved by a majority of the members of the Board of Directors of the Issuer in good faith;

(ix) transactions between or among the Issuer and any Restricted Subsidiaries or between or among Restricted Subsidiaries;

(x) any transaction between the Issuer and any Person that is an Affiliate solely because a director of such Person is also a director of the Issuer, provided that such director abstains from voting as a director of the Issuer on any matter involving such other Person;

(xi) any transaction with a joint venture or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary owns an equity interest in, or otherwise controls, such joint venture or similar entity;

(xii) the Transactions and the payment of all reasonable fees, expenses and costs related thereto, including any fees payable to the Permitted Holders; and

(xiii) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations (other than making any Specified Affiliate Payments) under the terms of the Shareholders' Agreement.

Impairment of Security Interest

The Issuer shall not, and the Issuer shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and the Issuer shall not, and the Issuer shall not permit any Restricted Subsidiary to, grant to any person other than the Trustee, for the benefit of the holders of the Notes and any other beneficiaries described in the Pledges, any interest whatsoever in any of the Collateral, except that the Issuer may incur Permitted Collateral Liens and the Collateral may be discharged and released in accordance with the Indenture or the Intercreditor Agreement; provided that the Pledges may not be amended, extended, renewed, restated, supplemented or otherwise modified or replaced in a manner that would materially adversely affect the holders of the Notes, (a) except to allow for the discharge or release of the Pledges in accordance with the provisions of the Indenture and the Intercreditor Agreement, including as described under ''—Security—Releases'', or the incurrence of

Permitted Collateral Liens or (b) unless, contemporaneously with such amendment, extension, renewal, restatement, supplement, modification or renewal, the Issuer delivers to the Trustee, either:

(i) a solvency opinion from an independent financial advisor, the choice of such financial advisor to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld), confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement; or

(ii) an opinion of counsel, the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the Pledges so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement.

Limitation on Liens

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien (the ''Initial Lien'') of any kind (except for Permitted Liens) on or with respect to any of the Issuer's or any Restricted Subsidiary's property or assets, including any shares or stock or Debt of any Restricted Subsidiary, whether owned at or acquired after the Issue Date, or any income, profits or proceeds therefrom unless:

(a) in the case of any Lien securing Subordinated Debt, the Issuer's obligations in respect of the Notes and all other amounts due under the Indenture are directly secured by a Lien on such property, assets or proceeds that is senior in priority to the Lien securing the Subordinated Debt until such time as the Subordinated Debt is no longer secured by a Lien; and

(b) in the case of any other Lien, the Issuer's obligations in respect of the Notes and all other amounts due under the Indenture are equally and ratably secured with the obligation or liability secured by such Lien until such time as the obligation or liability is no longer secured by a Lien.

Any Lien created, incurred, assumed or suffered to exist pursuant to this paragraph (1) of this covenant will be automatically and unconditionally released and discharged (a) concurrently with any unconditional release of the Initial Lien, (b) if the assets subject to such Lien, or all of the equity interests of the owner of such assets or any direct or indirect holding company of such owner owned, directly or indirectly, by the Issuer and its Subsidiaries, are sold or otherwise disposed of, in each case, to any Person other than the Issuer or a Subsidiary of the Issuer and the proceeds therefrom are applied in accordance with the provisions of the covenants described under ''—Limitation on Sale of Certain Assets'', (c) upon the full and final payment of all amounts payable by the Issuer under the Notes and the Indenture or (d) upon the defeasance or discharge of the Notes in accordance with ''—Legal Defeasance and Covenant Defeasance'' or ''—Satisfaction and Discharge''.

(2) Notwithstanding any other provision to the contrary included in the Indenture, the Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind on or with respect to any equity or similar ownership interest in (i) ISS Global or (ii) any other Person that is both (A) a direct or indirect Subsidiary of ISS and (B) a direct or indirect parent of ISS Global (including, but not limited to, in the case of both (i) and (ii), any common shares, preferred shares, or limited or general partnership interests in ISS Global).

Limitation on Sale of Certain Assets

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold and, in the case of any Asset Sale having a Fair Market Value greater than €15.0 million, as evidenced by a resolution of the Issuer's Board of Directors;

(b) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of (i) cash; (ii) Cash Equivalents; (iii) the assumption by the purchaser of (x) the Issuer's Debt or Debt of any Restricted Subsidiary (other than Subordinated Debt) as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such Debt or (y) Debt of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Debt as a result of such Asset Sale; (iv) Additional Assets; (v) any securities, notes or other obligations received by the Issuer or any Restricted Subsidiary in consideration of such Asset Sale that are converted within 180 days by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents received in that conversion; (vi) any Designated Noncash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause (vi) that is at that time outstanding, not to exceed 0.75% of Total Assets at the time of the receipt of such Designated Noncash Consideration (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time such Designated Noncash Consideration is received and without giving effect to subsequent changes in value); or (vii) a combination of the consideration specified in clauses (i) to (vi).

(2) If the Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds of the Asset Sale, within 365 days after the consummation of such Asset Sale, may be used by the Issuer or any Restricted Subsidiary to (a) permanently repay or prepay any then outstanding Senior Debt of the Issuer or any Restricted Subsidiary incurred under any Credit Facility pursuant to paragraph 2(a) under the ''Limitation of Debt'' covenant (and to permanently reduce the corresponding commitment by an equal amount if such Debt is revolving credit borrowings) in each case owing to a Person other than the Issuer or a Restricted Subsidiary, or (b) invest in any Additional Assets, or (c) any combination of the foregoing provided, however, that any such investment in Additional Assets made pursuant to a definitive agreement or a commitment approved by the Issuer's Board of Directors that is executed or approved within such time will satisfy this requirement so long as such investment is consummated within six months of such 365th day. The amount of such Net Cash Proceeds not so used as set forth in this paragraph (2) constitutes ''Excess Proceeds''. Pending the final application of any such Net Cash Proceeds, the Issuer or any Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the terms of the Indenture.

(3) When the aggregate amount of Excess Proceeds exceeds €25.0 million, the Issuer will, within 15 Business Days, make an offer to purchase (an ''Excess Proceeds Offer'') from all holders of Notes, and from the holders of any Pari Passu Debt to the extent required by the terms thereof, on a pro rata basis, in accordance with the procedures set forth in the Indenture or the agreements governing any such Pari Passu Debt, the maximum principal amount (expressed as a multiple of €1,000) of the Notes and any such Pari Passu Debt that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such Pari Passu Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note and (solely in the case of Pari Passu Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari Passu Debt, plus in each case accrued and unpaid interest, if any, to the date of purchase.

To the extent that the aggregate principal amount of Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and Pari Passu Debt for any purpose that is not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and any such Pari Passu Debt validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such Pari Passu Debt to be purchased will be selected by the Trustee on a pro rata basis (based upon the principal amount of Notes and the principal amount or accreted value of such Pari Passu Debt tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

(4) If the Issuer is obligated to make an Excess Proceeds Offer, the Issuer will purchase the Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part (in a principal amount of €50,000 or an integral multiple of €1,000 in excess thereof, such that no Note of less than €50,000 remains outstanding thereafter) on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders or such later date as may be required under the Exchange Act.

If the Issuer is required to make an Excess Proceeds Offer, the Issuer will comply with the applicable tender offer rules, including, to the extent applicable, Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations, including the requirements of any applicable securities exchange on which Notes are then listed. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, the Issuer will comply with such securities laws and regulations and will not be deemed to have breached its obligations described in this covenant by virtue thereof.

The Senior Facilities will restrict the Issuer from purchasing any Notes. Any future credit agreements or other agreements relating to Senior Debt to which the Issuer becomes a party may contain similar restrictions and provisions. In the event an Asset Sale occurs at a time when the Issuer is prohibited from purchasing Notes, the Issuer could seek the consent of its lenders, including the lenders under the Senior Facilities, to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such a consent or repay such borrowings, the Issuer will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Indenture, which, in turn, may constitute a default under the Issuer's other debt.

(5) Notwithstanding any of the foregoing, the Issuer will not permit ISS, in a single transaction or through a series of transactions, to sell, assign, convey, transfer, lease or otherwise dispose of (otherwise than by granting a licence), any of ISS's trademarks existing as of the Issue Date, other than in connection with the enforcement of any security interests over such trademarks in connection with (i) an Enforcement Action in accordance with the Intercreditor Agreement, (ii) a sale or other disposition of a part of ISS's business or (iii) in connection with the settlement of a dispute relating to a trademark.

Limitation on Sale and Leaseback Transactions

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, enter into any sale and leaseback transaction with respect to any property or assets, whether now owned or hereafter acquired, unless:

  (a) the sale or transfer of such property or assets to be leased is treated as an Asset Sale and the ''Limitation on Sale of Assets'' covenant is complied with, including the provisions concerning the application of Net Cash Proceeds (treating all of the net consideration received in such sale and leaseback transaction as Net Cash Proceeds for the purposes of such covenant);

(b) the Issuer or such Restricted Subsidiary, as applicable, would be permitted to incur Debt under the ''Limitation on Debt'' covenant in the amount of the Attributable Debt incurred in respect of such sale and leaseback transaction;

(c) the Issuer or such Restricted Subsidiary, as applicable, would be permitted to grant a Lien over the relevant property or assets to secure Debt under the ''Limitation on Liens'' covenant in the amount of the Attributable Debt in respect of such sale and leaseback transaction; and

(d) in the case of any sale and leaseback transaction having a Fair Market Value greater than €5.0 million, the net cash proceeds of that sale and leaseback transaction are at least equal to the Fair Market Value, as set out in an Officer's Certificate delivered to the Trustee, of the property that is the subject of such sale and leaseback transaction.

(2) Notwithstanding the foregoing, nothing shall prevent the Issuer or any Restricted Subsidiary from engaging in a sale and leaseback transaction solely between the Issuer and any Restricted Subsidiary or solely between or among Restricted Subsidiaries.

Limitation on Guarantees of Debt by Restricted Subsidiaries

(1) The Issuer will not permit any Restricted Subsidiary, directly or indirectly, to guarantee or assume any Pari Passu Debt or Subordinated Debt of the Issuer (other than the Notes), unless:

(a) (i) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the guarantee of such Debt; and

(ii) with respect to any guarantee of Subordinated Debt by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes; and

(b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee of the Notes;

provided that such Restricted Subsidiary shall not be required to guarantee payment of the Notes to the extent that such guarantee could reasonably be expected to give rise to or result in (at the time in question or in the future) (A) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, (B) any personal liability for the officers, directors or shareholders of such Restricted Subsidiary or (C) any cost expense, liability or obligation (including any Tax) other than (x) reasonable out of pocket expenses and governmental or regulatory filing fees and (y) those arising directly from the enforcement of such guarantee.

(2) Paragraph (1) above will not be applicable to any guarantees of any Restricted Subsidiary:

(a) of (i) Debt under Credit Facilities permitted to be incurred pursuant to paragraphs (1) and (2)(a) of the ''Limitation on Debt'' covenant or existing on the date of the Indenture or (ii) Debt existing on the date of the Indenture;

(b) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; or

(c) given to a bank or trust company incorporated in Switzerland, Norway, Iceland, Liechtenstein or any member state of the European Union as of the date of the Indenture or any commercial banking institution that is a member of the U.S. Federal Reserve System (or any branch, Subsidiary or Affiliate thereof), in each case having combined capital and surplus and undivided profits of not less than €500 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in

connection with the operation of cash management programs established for the Issuer's benefit or that of any Restricted Subsidiary.

(3) Notwithstanding the foregoing, any guarantee of the Notes created pursuant to the provisions described in paragraph (1) above may provide by its terms that it will be automatically and unconditionally released and discharged upon:

(a) any sale, exchange or transfer, to any Person who is not the Issuer's Affiliate, of all of the Capital Stock owned by the Issuer and its Restricted Subsidiaries in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Indenture); or

(b) the release by the holders of the Issuer's or the guarantor's Debt described in paragraph (1) above, of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee), at a time when:

(i) no other Debt of the Issuer or such guarantor has been guaranteed by such Restricted Subsidiary; or

(ii) the holders of all such other Debt that is guaranteed by such Restricted Subsidiary also release their guarantees from such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee).

(4) Neither the Issuer nor any Restricted Subsidiary (other than ISS Global) will become liable for the payment of the Medium Term Notes.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the Issuer or any Restricted Subsidiary;

(c) make loans or advances to the Issuer or any Restricted Subsidiary; or

(d) transfer any of its properties or assets to the Issuer or any Restricted Subsidiary.

(2) The provisions of the covenant described in paragraph (1) above will not apply to:

(a) encumbrances and restrictions imposed by the Notes, the Indenture, the Intercreditor Agreement and the Pledges;

(b) encumbrances or restrictions imposed by (i) Senior Debt permitted to be incurred under Credit Facilities or any extension or renewal thereof or any guarantees thereof in accordance with clause (a) of the definition of ''Permitted Debt'' or paragraph (1) of the ''Limitation on Debt'' covenant; provided that in the case of any such encumbrances or restrictions imposed under any Credit Facilities, such encumbrances or restrictions are not materially more restrictive taken as a whole than those imposed by the Senior Facilities as of the date of the Indenture, (ii) agreements of instruments governing Permitted Refinancing Debt incurred in respect of the Medium Term Notes, provided that such encumbrances or restrictions are not materially more restrictive taken as a whole than those imposed by the Medium Term Notes or the Senior Facilities as of the date of the Indenture and (iii) other agreements or instruments governing Debt incurred by the Issuer or the Restricted Subsidiaries (and if such Debt is guaranteed, by the guarantors of such Debt) ranking equally with the Notes, other than Debt described in clause (i) of this paragraph (2)(b), provided that the encumbrances or restrictions imposed by such other instruments are not materially more restrictive, taken as a whole, than the restrictions imposed by the Indenture;

(c) encumbrances or restrictions contained in any agreement in effect on the date of the Indenture (other than an agreement described in another clause of this paragraph (2));

(d) with respect to restrictions or encumbrances referred to in clause (1)(d) above, encumbrances and restrictions: (i) that restrict in a customary manner the subletting, assignment or transfer of any properties or assets that are subject to a lease, license, conveyance or other similar agreement to which the Issuer or any Restricted Subsidiary is a party; and (ii) contained in operating leases for real property and restricting only the transfer of such real property upon the occurrence and during the continuance of a default in the payment of rent;

(e) encumbrances or restrictions contained in any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary or in an agreement or other instrument assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of property or assets, in each case in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets, so acquired;

(f) any encumbrance or restriction with respect to a Restricted Subsidiary in existence on or prior to the date on which such Restricted Subsidiary became a Restricted Subsidiary (but not created in contemplation of becoming a Restricted Subsidiary);

(g) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets permitted by the ''Limitation on Sale of Certain Assets'' covenant with respect to the assets or Capital Stock to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets or any of the Issuer's Subsidiaries by another Person;

(h) encumbrances or restrictions imposed by applicable law or regulation or by governmental licenses, concessions, franchises or permits;

(i) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(j) customary limitations on the distribution or disposition of assets or property of a Restricted Subsidiary in joint venture agreements or other similar agreements entered into in the ordinary course of business; provided that such encumbrance or restriction is applicable only to such Restricted Subsidiary and provided that:

  (i) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable agreements (as determined in good faith by the Issuer); and

  (ii) the Issuer determines in good faith that any such encumbrance or restriction will not materially affect the ability of the Issuer to make any anticipated principal or interest payments on the Notes;

(k) with respect to encumbrances and restrictions referred to in clause 1(d) above, customary encumbrances or restrictions in connection with purchase money obligations, mortgage financings and Capitalized Lease Obligations for property acquired in the ordinary course of business;

(l) any encumbrance or restriction arising by reason of customary non-assignment provisions in agreements;

(m) with respect to encumbrances and restrictions referred to in clause 1(d) above, encumbrances or restrictions existing by reason of any Lien permitted under the ''Limitations on Liens'' covenant;

(n) encumbrances or restrictions with respect to any Permitted Receivables Financing; provided that such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Financing in similar

types of documents relating to the purchase of similar receivables in connection with the financing thereof;

(o) any encumbrances or restrictions existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(c), (e), (f) and (g); provided that the terms and conditions of any such encumbrances or restrictions are not materially more restrictive taken as a whole to the holders of the Notes than those under or pursuant to the agreement so extended, renewed, refinanced or replaced; or

(p) encumbrances or restrictions relating to hedging obligations permitted to be incurred pursuant to the ''Limitation on Debt'' covenant.

Limitation on Layered Debt

The Issuer will not incur, create, issue, assume, guarantee or otherwise become liable for any Debt that is both subordinate or junior in right of payment to any Senior Debt of the Issuer and senior in any respect in right of payment to the Notes or any other Pari Passu Debt of the Issuer. None of the foregoing limitations will apply to distinctions between categories of Senior Debt that exist by reason of any Liens (including Liens with a lower priority) or guarantees arising or created in respect of some but not all of such Senior Debt or pursuant to the Intercreditor Agreement.

Designation of Unrestricted and Restricted Subsidiaries

(1) The Issuer's Board of Directors may designate any Subsidiary (including newly acquired or newly established Subsidiaries) other than the Issuer to be an ''Unrestricted Subsidiary'' only if:

(a) no Default has occurred and is continuing at the time of or after giving effect to such designation;

(b) (i) the Subsidiary to be so designated has total assets of €1,000 or less or (ii) the Issuer would be permitted to make an Investment (other than a Permitted Investment) at the time of designation (assuming the effectiveness of such designation) pursuant to the second paragraph of the ''Limitation on Restricted Payments'' covenant in an amount equal to the Fair Market Value of the Issuer's Investment in such Subsidiary;

(c) neither the Issuer nor any Restricted Subsidiary has a contract, agreement, arrangement, understanding or obligation of any kind, whether written or oral, with such Subsidiary unless the terms of such contract, arrangement, understanding or obligation are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer or of any Restricted Subsidiary;

(d) such Subsidiary does not own any Capital Stock, Redeemable Capital Stock or Debt of, or own or hold any Lien on any property or assets of, or have any Investment in, the Issuer or any other Restricted Subsidiary that is not a Subsidiary of the Subsidiary to be so designated;

(e) such Subsidiary is not liable, directly or indirectly, with respect to any Debt, Lien or other obligation that, if in default, would result (with the passage of time or notice or otherwise) in a default on any of the Issuer's Debt or Debt of any Restricted Subsidiary;

(f) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Issuer and its Subsidiaries; and

(g) such Subsidiary is a Person with respect to which neither the Issuer nor any Restricted Subsidiary has any direct or indirect obligation to:

(i) subscribe for additional Capital Stock of such Person; or

(ii) maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results (except as provided in paragraph (2) below).

At the time of any such designation, the Issuer will be deemed to have made an Investment constituting a Restricted Payment pursuant to the ''Limitation on Restricted Payments'' covenant for all purposes of the Indenture in an amount equal to the Fair Market Value of the Issuer's Investment in such Subsidiary.

(2) The Indenture further provides that neither the Issuer nor any Restricted Subsidiary will at any time:

(a) provide a guarantee of, or similar credit support to, any Debt of any Unrestricted Subsidiary (including of any undertaking, agreement or instrument evidencing such Debt), except to the extent permitted under the ''Limitation on Restricted Payments'' and ''Limitation on Transactions with Affiliates'' covenants; provided that the Issuer or a Restricted Subsidiary may pledge Capital Stock or Debt of any Unrestricted Subsidiary on a nonrecourse basis as long as the pledgee has no claim whatsoever against the Issuer or a Restricted Subsidiary other than to obtain such pledged property;

(b) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary, except to the extent permitted under the ''Limitation on Debt'', ''Limitation on Restricted Payments'' and ''Limitation on Transactions with Affiliates'' covenants; or

(c) be directly or indirectly liable for any other Debt that provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon (or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity) upon the occurrence of a default with respect to any other Debt that is Debt of an Unrestricted Subsidiary (including any corresponding right to take any type of enforcement action against such Unrestricted Subsidiary).

(3) The Issuer's Board of Directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary:

(a) if no Default or Event of Default has occurred and is continuing at the time of, or will occur and be continuing after giving effect to, such designation; and

(b) unless such designated Unrestricted Subsidiary shall not have any Debt outstanding (other than Debt that would be Permitted Debt), immediately after giving effect to such proposed designation, and after giving pro forma effect to the incurrence of any such Debt of such designated Unrestricted Subsidiary as if such Debt was incurred on the date of its designation as a Restricted Subsidiary, the Issuer could incur €1.00 of additional Debt (other than Permitted Debt) pursuant to the ''Limitation on Debt'' covenant.

Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by the Issuer's Board of Directors will be evidenced to the Trustee by filing a resolution of the Issuer's Board of Directors with the Trustee giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation. Any such filing with the Trustee must occur within 45 days after the end of the Issuer's fiscal quarter in which such designation is made (or, in the case of a designation made during the last fiscal quarter of the Issuer's fiscal year, within 90 days after the end of such fiscal year).

Reports to Holders

So long as any Notes are outstanding, the Issuer will furnish to the Trustee (who, at the Issuer's expense, will furnish by mail to holders of the Notes):

(a) within 120 days following the end of each of the Issuer's fiscal years, (i) information including ''Selected Historical Financial Data'', ''Operating and Financial Review and Prospects'' and ''Business'' sections with scope and content substantially equivalent to the corresponding sections of the offering memorandum for the Original Notes (after taking into consideration any changes to the business and operations of the Issuer after the Issue Date), information regarding the Issuer's constitutional documents and material contracts to

which the Issuer or the Restricted Subsidiaries are a party other than contracts entered into in the ordinary course of business, and consolidated audited balance sheets and statements of income, statements of stockholders' equity and statements of cash flows and the related notes thereof for the Issuer and its Restricted Subsidiaries for the two most recent fiscal years, in each case in accordance with IFRS, which need not contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X under the Exchange Act, together with an audit report thereon by the Issuer's independent auditors; and (ii) pro forma income statement and balance sheet information of the Issuer and Restricted Subsidiaries, together with explanatory footnotes, for any acquisitions, dispositions or recapitalizations, which would constitute a significant business combination in accordance with Rule 11-01(b) of Article 11 of Regulation S-X promulgated by the SEC as in effect on the Issue Date, that have occurred since the beginning of the most recently completed fiscal year (provided that an acquisition, disposition or recapitalisation that has occurred less than 71 calendar days prior to the date such report is to be provided, such acquisition, disposition or recapitalization will be included in the report for the next fiscal quarter); and

(b) within 90 days following the end of the fiscal quarter ending March 31, 2006, (i) a quarterly report containing unaudited balance sheets, statements of income, statements of stockholders' equity and statements of cash flows and related condensed footnote disclosure for the Issuer and the Restricted Subsidiaries on a consolidated basis, for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year, in accordance with IFRS, which need not contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X under the Exchange Act, together with a discussion of (A) the Issuer's financial condition, liquidity and capital resources and results of operations and material changes between the current quarterly period and the quarterly period of the prior year and (B) material developments in the Issuer's business; and (ii) pro forma income statement and balance sheet information of the Issuer and Restricted Subsidiaries, together with explanatory footnotes, for any acquisitions, dispositions or recapitalizations occurring after the Issue Date, which would constitute a significant business combination in accordance with Rule 11-01(b) of Article 11 of Regulation S-X promulgated by the SEC as in effect on the Issue Date, that have occurred since the beginning of the most recently completed fiscal year (provided that an acquisition, disposition or recapitalization that has occurred less than 71 calendar days prior to the date of such report is to be provided, such acquisition, disposition or recapitalization will be included in the report for the next fiscal quarter or the current fiscal year, whichever occurs first);

(c) within 60 days following the end of the first three fiscal quarters in each of the Issuer's fiscal years and beginning with the fiscal quarter ending June 30, 2006, (i) quarterly reports containing unaudited balance sheets, statements of income, statements of stockholders' equity and statements of cash flows and related condensed footnote disclosure for the Issuer and the Restricted Subsidiaries on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year, in each case in accordance with IFRS, which need not contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X under the Exchange Act, together with a discussion of (A) the Issuer's financial condition, liquidity and capital resources and results of operations and material changes between the current quarterly period and the quarterly period of the prior year and (B) material developments in the Issuer's business; and (ii) pro forma income statement and balance sheet information of the Issuer and Restricted Subsidiaries, together with explanatory footnotes, for any acquisitions, dispositions or recapitalizations occurring after the Issue Date, which would constitute a significant business combination in accordance with Rule 11-01(b) of Article 11 of Regulation S-X promulgated by the SEC as in effect on the Issue Date, that have occurred since the beginning of the most recently completed fiscal year (provided that an acquisition, disposition or recapitalization that has occurred less than 71 calendar days prior to the date of such report is to be provided, such acquisition, disposition or recapitalization will be included in the report for the next fiscal quarter or the current fiscal year, whichever occurs first); and

(d) promptly from time to time after the occurrence of an event required to be reported therein, such other reports containing substantially the same information required to be contained in Form 6-K (or any successor form) under the Exchange Act.

In addition, the Issuer shall furnish to the holders of the Notes and to prospective investors, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act by Persons who are not ''affiliates'' under the Securities Act.

The Issuer will also make available copies of all reports furnished to the Trustee (i) on the Issuer's or ISS's website, (ii) to the newswire service of Bloomberg, or, if Bloomberg does not then operate, any similar agency, and (iii) if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, at the specified office of the paying agent in Luxembourg.

Payments for Consent

The Indenture will provide that neither the Issuer nor any of its Restricted Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Listing

The Issuer will use its best efforts to maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission for trading on the Euro MTF Market or another international securities exchange for so long as the Notes are outstanding.

Consolidation, Merger and Sale of Assets

The Issuer will not, in a single transaction or through a series of transactions, consolidate or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of, or take any action pursuant to any resolution passed by the Issuer's Board of Directors or shareholders with respect to a divestment or division pursuant to which the Issuer would dispose of, all or substantially all of the Issuer's properties and assets to any other Person or Persons and the Issuer will not permit any Restricted Subsidiary to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a consolidated basis to any other Person or Persons. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

(a) either (i) the Issuer will be the continuing Person or (ii) the Person (if other than the Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all the properties and assets of the Issuer and the Restricted Subsidiaries on a consolidated basis has been made (the ''Surviving Entity''):

    (i) will be a corporation, partnership, trust or limited liability company duly incorporated and validly existing under the laws of any member state of the European Union as of the Issue Date, Switzerland, Norway, Iceland, Liechtenstein, the United States of America, any state thereof, or the District of Columbia; and

    (ii) will expressly assume the obligations of the Issuer under the Notes, the Indenture and the Pledges pursuant to a supplemental indenture, in the case of the Notes and the Indenture, or pursuant to other agreements, in the case of the Pledges, in each case in form and substance satisfactory to the Trustee, and the Notes, the Indenture and the Pledges will remain in full force and effect as so supplemented;

(b) immediately after giving effect to such transaction or series of transactions on a pro forma basis (and treating any obligation of the Issuer or any Restricted Subsidiary incurred in connection with or as a result of such transaction or series of transactions as having been incurred by the Issuer or such Restricted Subsidiary at the time of such transaction) no Default or Event of Default will have occurred and be continuing;

(c) immediately after giving effect to such transaction or series of transactions on a pro forma basis (on the assumption that the transaction or series of transactions occurred on the first day of the four-quarter fiscal period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such pro forma calculation), (i) if such transaction did not require the incurrence of Debt (other than Acquired Debt), the Consolidated Fixed Charge Coverage Ratio would have been less than the Consolidated Fixed Charge Coverage Ratio immediately prior to such transaction or series of transactions or (ii) the Issuer (or the Surviving Entity if the Issuer is not a continuing obligor under the Indenture) could incur at least €1.00 of additional Debt (other than Permitted Debt) under the provisions of the ''Limitation on Debt'' covenant; and

(d) the Issuer or the Surviving Entity will have delivered to the Trustee, in form and substance satisfactory to the Trustee, an Officer's Certificate (attaching the computations to demonstrate compliance with clause (b) above) and an opinion of independent counsel reasonably acceptable to the Trustee, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the supplemental indenture, the Indenture and the Notes constitute legal, valid and binding obligations of the Issuer or the Surviving Entity, enforceable (subject to customary exceptions and exclusions) in accordance with their terms.

The Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture, but, in the case of a lease of all or substantially all of the Issuer's assets, the Issuer will not be released from the obligation to pay the principal of, premium, if any, and interest, on the Notes.

Nothing in the Indenture will prevent (i) any Wholly Owned Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to the Issuer or any other Wholly Owned Restricted Subsidiary or (ii) the Issuer merging with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in another jurisdiction to realize tax or other benefits.

In addition, the Issuer will not, and will not permit any Restricted Subsidiary, to cause or allow ISS to sell or otherwise dispose of the share capital of ISS Global or of all or substantially all of ISS's assets to another Person, other than in connection with the enforcement of any security interests over such share capital or assets in connection with an Enforcement Action in accordance with the Intercreditor Agreement, or consolidate with or merge with or into (whether or not ISS is the surviving Person) another Person (other than the Issuer).

Although there is a limited body of case law interpreting the phrase ''all or substantially all'', there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve ''all or substantially all'' of the property or assets of a Person.

The Issuer will publish a notice of any consolidation, merger or sale of assets described above in accordance with the provisions of the Indenture described under ''—Notices'' and, so long as the rules of the Luxembourg Stock Exchange so require, notify the Luxembourg Stock Exchange of any such consolidation, merger or sale.

Events of Default

(1) Each of the following will be an ''Event of Default'' under the Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note (whether or not prohibited by the subordination provisions of the Indenture or the Intercreditor Agreement);

(b) default in the payment of the principal of or premium, if any, on any Note at its Maturity (upon acceleration, optional or mandatory redemption, if any, required repurchase or otherwise) whether or not prohibited by the subordination provisions of the Indenture or the Intercreditor Agreement;

(c) failure to comply with the provisions of ''—Certain Covenants—Consolidation, Merger and Sales of Assets'';

(d) failure to make or consummate a Change of Control Offer in accordance with the provisions of ''—Purchase of Notes upon a Change of Control'' and such failure continues for a period of 30 days or more after the written notice specified in paragraph (2) below (other than a failure to purchase Notes as required thereby, which shall be covered by clause (b) above);

(e) failure to comply with any covenant, warranty or agreement of the Issuer or of any Restricted Subsidiary that is contained in the covenants described under ''—Certain Covenants'' (other than those specified in clause (a), (b), (c) or (d) above) and such failure continues for a period of 30 days or more after the written notice specified in paragraph (2) below;

(f) failure to comply with any covenant, warranty or agreement contained in the Indenture (other than those referred to in clauses (a) through (e) above) and such failure continues for a period of 60 days or more after the written notice specified in paragraph (2) below;

(g) default under the terms of any instrument evidencing or securing the Debt of the Issuer or any Restricted Subsidiary having an outstanding principal amount in excess of €30.0 million individually or in the aggregate, if that default: (x) results in the acceleration of the payment of such Debt or (y) is caused by the failure to pay such Debt at final maturity thereof after giving effect to the expiration of any applicable grace periods (and other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived, the maturity of such Debt has not been extended, and such Debt has not been refinanced or otherwise repaid, in each case within 30 days, and in each such case the total amount of such Debt unpaid or accelerated exceeds €30.0 million or its equivalent at the time;

(h) failure by the Issuer or any Restricted Subsidiary to pay one or more final judgments, orders or decrees (not subject to appeal and not covered by insurance) rendered against the Issuer or any Restricted Subsidiary either individually or in an aggregate amount, in each case in excess of €30.0 million, and either a creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree was not (by reason of pending appeal or otherwise) in effect;

(i) any default by the Issuer in the performance of any of its obligations under the Pledges (after the lapse of any applicable grace periods), the Indenture or the Intercreditor Agreement which adversely affects in any material respect the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects in any material respect the condition or value of the Collateral, taken as a whole, or the repudiation or disaffirmation by the Issuer of any of its obligations under the Pledges or the determination of a judicial proceeding that either of the Pledges are unenforceable or invalid for any reason; and

(j) the occurrence of certain events of bankruptcy, insolvency, receivership or reorganization with respect to the Issuer, a Restricted Subsidiary that is a Significant

Subsidiary, or a group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

However, a default under clauses (d), (e) and (f) of this paragraph will not constitute an Event of Default until the Trustee or the holders of not less than 35% in aggregate principal amount of the Notes then outstanding notify the Issuer of the Default and the Issuer does not cure such Default within the time specified in clauses (d), (e) and (f) of this paragraph after receipt of such notice.

(2) If an Event of Default (other than as specified in clause (1)(j) above) occurs and is continuing, the Trustee or the holders of not less than 35% in aggregate principal amount of the Notes then outstanding by written notice to the Issuer (and to the Trustee if such notice is given by the holders) may, and the Trustee, upon the written request of such holders, shall, subject to the provisions of the Indenture and the Intercreditor Agreement described under ''Description of Certain Other Indebtedness—Intercreditor Agreement'', declare the principal of, premium, if any, and any Additional Amounts and accrued interest on all of the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(j) above occurs and is continuing, then the principal of, premium, if any, and accrued and unpaid interest on all of the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

(4) At any time after a declaration of acceleration under the Indenture, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Issuer and the Trustee, may rescind such declaration and its consequences, provided that such recession would not conflict with a judgment or decree of a court of competent jurisdiction, if:

 (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

  (i) all overdue interest and Additional Amounts on all Notes then outstanding;

  (ii) all unpaid principal of and premium, if any, on any outstanding Notes that has become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes;

  (iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes; and

  (iv) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

 (b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

 (c) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(5) The holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf of the holders of all the Notes, waive any past defaults under the Indenture, except a default:

 (a) in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note; or

 (b) in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note outstanding.

(6) No holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder unless, subject to the provisions of the Indenture and the Intercreditor Agreement described under ''Description of Certain Other Indebtedness—Intercreditor Agreement'', the holders of at least 35% in aggregate principal amount of the outstanding Notes have made a written request and offered security or an indemnity satisfactory to the Trustee to institute such proceeding as Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 60 days after receipt of such notice and the Trustee within such 60-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

(7) If a Default or an Event of Default occurs and is continuing and is actually known to the Trustee, the Trustee will mail to each holder of the Notes notice of the Default or Event of Default within 90 Business Days after its occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Notes.

(8) The Issuer is required to furnish to the Trustee annual statements as to the performance of the Issuer and the Restricted Subsidiaries under the Indenture and the Pledges and as to any default in such performance. The Issuer is also required to notify the Trustee within 30 days of the occurrence of any Default and state what action, if any, it is taking in respect of that Default.

Legal Defeasance or Covenant Defeasance of Indenture

The Indenture provides that the Issuer may, at its option and at any time prior to the Stated Maturity of the Notes, elect to have obligations discharged with respect to the outstanding Notes (''Legal Defeasance''). Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes except as to:

(a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due from the trust referred to below;

(b) the Issuer's obligations under the Indenture to issue temporary Notes, register, transfer or exchange any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee and the obligations of the Issuer in connection therewith; and

(d) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants and default provisions set forth in the Indenture (''Covenant Defeasance'') and thereafter any omission to comply with such covenants and provisions will not constitute a Default or an Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events described under ''Events of Default'' will no longer constitute an Event of Default with respect to the Notes. These events do not include events relating to non-payment, bankruptcy, insolvency, receivership and reorganization. The Issuer may exercise its Legal Defeasance option regardless of whether it has previously exercised Covenant Defeasance.

If the Issuer exercises Legal Defeasance, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises Covenant Defeasance, payment of the Notes may not be accelerated because of an Event of Default specified in clauses (c), (d), (e), (f), (g), (h), (i) and (j) (other than with respect to the Issuer) under

paragraph (1) of ''—Events of Default'' above or because of the failure of the Issuer to comply with clause (c) under the first paragraph of ''—Certain Covenants—Consolidation, Merger and Sale of Assets'' above.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit or cause to be deposited in trust with the Trustee, for the benefit of the holders of the Notes, cash in euro or European Government Obligations or a combination thereof in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, and interest, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must (i) specify whether the Notes are being defeased to maturity or to a particular redemption date and (ii) if applicable, have delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes of such principal, premium, if any, or interest;

(b) in the case of Legal Defeasance, the Issuer must have delivered to the Trustee an opinion of counsel (reasonably acceptable to the Trustee) stating that (x) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (y) since the date of the Indenture, there has been a change in applicable U.S. federal income tax law, in either case to the effect that (and based thereon such opinion shall confirm that) the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Legal Defeasance, the Issuer must have delivered to the Trustee opinions of counsel reasonably acceptable to the Trustee to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes in Denmark as a result of such Legal Defeasance and will be subject to tax in Denmark on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(d) in the case of Covenant Defeasance, the Issuer must have delivered to the Trustee an opinion of counsel (reasonably acceptable to the Trustee) confirming that the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(e) in the case of Covenant Defeasance, the Issuer must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes in Denmark as a result of such Covenant Defeasance and will be subject to tax in Denmark on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(f) no Default or Event of Default will have occurred and be continuing (i) on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or (ii) insofar as bankruptcy or insolvency events described in clause (1)(j) of ''—Events of Default'' above is concerned, at any time during the period ending on the 123rd day after the date of such deposit;

(g) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under (other than a default resulting from the borrowing of funds to be applied to such deposit), any material agreement or instrument to which the Issuer or any Restricted Subsidiary is a party or by which the Issuer or any Restricted Subsidiary is bound;

(h) such defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the U.S. Investment Company Act of 1940 unless such trust shall be registered under such act or exempt from registration thereunder;

(i) the Issuer must have delivered to the Trustee an opinion of independent counsel in the country of the Issuer's incorporation and reasonably acceptable to the Trustee to the effect that after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and an opinion of independent counsel reasonably acceptable to the Trustee that the Trustee shall have a perfected security interest in such trust funds for the ratable benefit of the holders of the Notes;

(j) the Issuer must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of the Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or other creditors, or removing assets beyond the reach of the relevant creditors or increasing debts of the Issuer to the detriment of the relevant creditors; and

(k) the Issuer must have delivered to the Trustee an Officer's Certificate and an opinion of counsel reasonably acceptable to the Trustee, each stating that all conditions precedent provided for relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

If the funds deposited with the Trustee to effect Covenant Defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes when due because of any acceleration occurring after an Event of Default that is not subject to Covenant Defeasance, then the Issuer will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in the Indenture) when:

(a) the Issuer has irrevocably deposited or caused to be deposited with the Trustee as funds in trust for such purpose an amount in euro or European Government Obligations or a combination thereof sufficient to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for the principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be and the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of Notes at Maturity or on the redemption date, as the case may be and either:

  (i) all the Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation; or

  (ii) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name and at the Issuer's expense; and

(b) the Issuer has paid or caused to be paid all sums payable by the Issuer under the Indenture; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an opinion of counsel reasonably acceptable to the Trustee, each stating that:

  (i) all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied; and

(ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Issuer or any Subsidiary is a party or by which the Issuer or any Subsidiary is bound.

Amendments and Waivers

The Indenture contains provisions permitting the Issuer and the Trustee to enter into a supplemental indenture without the consent of the holders of the Notes for certain limited purposes, including, among other things, curing ambiguities, defects or inconsistencies, or making any change that does not adversely affect the rights of any holder of the Notes in any material respect. With the consent of the holders of not less than a majority in aggregate principal amount of the Notes then outstanding, the Issuer and the Trustee are permitted to amend or supplement the Indenture, the Notes or the Pledges; provided that no such amendment or supplement may, without the consent of the holder of each outstanding Note affected thereby:

(a) change the Stated Maturity of the principal of, or any installment of or Additional Amounts or interest on, any Note;

(b) reduce the principal amount of any Note or the rate of or change the time for payment of interest on any Note;

(c) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable;

(d) impair the right of holders to institute suit for the enforcement of any payment of any Note in accordance with the provisions of such Note, the Indenture and the Intercreditor Agreement;

(e) amend, change or modify the obligation to make and consummate an Excess Proceeds Offer with respect to any Asset Sale in accordance with the ''—Certain Covenants—Limitation on Sale of Certain Assets'' covenant or the obligation to make and consummate a Change of Control offer in the event of a Change of Control in accordance with the ''—Purchase of Notes upon a Change of Control'' covenant, including, in each case, amending, changing or modifying any definition relating thereto;

(f) reduce the principal amount of Notes whose holders must consent to any amendment, supplement or waiver of provisions of the Indenture;

(g) modify any of the provisions relating to supplemental indentures requiring the consent of holders of the Notes or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Notes required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note affected thereby;

(h) make any change to (i) the Share Pledge, the Proceeds Loans Pledge or the Intercreditor Agreement (or any amended Intercreditor Agreement or replacement thereof) (other than in accordance with the terms of the Intercreditor Agreement) or (ii) any provisions of the Indenture affecting the ranking of the Notes, in each case described in (i) and (ii) in a manner that adversely affects the rights of the holders of the Notes in any material respect;

(i) make any change in the provisions of the Indenture described under ''—Additional Amounts'' that adversely affects the rights of holders of the Notes in any material respect or amend the terms of the Notes or the Indenture in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer agrees to pay Additional Amounts, if any, in respect thereof in the supplemental indenture; or

(j) release any of the Issuer or its Subsidiaries from any of its respective obligations under the Pledges, except in accordance with the terms of the Pledges, the Indenture and the Intercreditor Agreement.

Notwithstanding the foregoing, without the consent of any holder of the Notes, the Issuer and the Trustee may modify, amend or supplement the Indenture, the Notes, the Pledges and the Intercreditor Agreement:

(i) to evidence the succession of another Person to the Issuer and the assumption by any such successor of the covenants in the Indenture, the Notes, the Pledges and in the Intercreditor Agreement in accordance with ''—Certain Covenants—Consolidation, Merger and Sale of Assets'';

(ii) to add to the Issuer's covenants or those of any other obligor upon the Notes for the benefit of the holders of the Notes or to surrender any right or power conferred upon the Issuer or any other obligor upon the Notes, as applicable, in the Indenture or in the Notes;

(iii) to cure any ambiguity or omission, or to correct or supplement any provision in the Indenture, the Notes or the Pledges that may be defective or inconsistent with any other provision in the Indenture, the Notes or the Pledges or make any other modification, amendment or supplement with respect to matters or questions arising under the Indenture, the Notes or the Pledges; provided that, in each case, such modification, amendment, or supplement shall not adversely affect the interests of the holders of the Notes in any material respect;

(iv) to conform the text of the Indenture, the Notes or the Pledges to any provision of this ''Description of the Notes'' to the extent that such provision in this ''Description of the Notes'' was intended to be a verbatim recitation of a provision of the Indenture, the Notes or the Pledges;

(v) to release any guarantor of the Notes in accordance with and if permitted by the terms of and limitations set forth in the Indenture, the Intercreditor Agreement and the Pledges and to add a guarantor or other guarantor under the Indenture;

(vi) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;

(vii) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the holders of the Notes as security for the payment and performance of the Issuer's obligations under the Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee or the holders of the Notes pursuant to the Indenture or otherwise;

(viii) to provide for the issuance of Additional Notes in accordance with and if permitted by the terms of and limitations set forth in the Indenture and to make such changes as may be required to the Pledges to accommodate and implement such issuance of Additional Notes; or

(ix) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided that uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code).

The holders of a majority in aggregate principal amount of the Notes outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture.

In formulating its opinion on such matters, the Trustee shall be entitled to require and rely on such evidence as it deems appropriate, including an opinion of counsel (reasonably acceptable to the Trustee) and an Officer's Certificate.

The Indenture provides that without the consent of the holders of the Notes the Trustee is authorized to, and upon the request of the Issuer will, enter into an amended Intercreditor Agreement or any new or additional intercreditor agreement to which the Issuer is a party, provided, among other things, that:

(a) there is no Default or Event of Default under the Indenture;

(b) the Trustee receives from the Issuer an Officer's Certificate to the effect of (a) above; and

(c) the new or amended intercreditor agreement does not affect the ranking of the Notes or the Pledges other than as may be permitted under the Indenture, or otherwise adversely affect the rights of the holders of the Notes.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment or supplement to the Indenture. It is sufficient if such consent approves the substance of the proposed amendment or supplement.

Notices

Notices regarding the Notes will be:

(a) (i) published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*); (ii) made available to the newswire service of Bloomberg or, if Bloomberg does not then operate, any similar agency and (iii) if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, in the *d'Wort* (or another leading newspaper having a general circulation in Luxembourg) or published on the Luxembourg Stock Exchange website (www.bourse.lu); and

(b) in the case of certificated Notes, mailed to holders of such Notes by first class mail at their respective addresses as they appear on the registration books of the registrar.

Notices given by first class mail will be deemed given five calendar days after mailing and notices given by publication will be deemed given on the first date on which publication is made.

If and so long as the Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange.

The Trustee

The Indenture, directly or by reference, contains limitations on the rights of the Trustee under the Indenture in the event the Trustee becomes a creditor of the Issuer. These include limitations on the Trustee's rights to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise.

The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

No Personal Liability of Directors, Officers, Employees and Shareholders

A director, officer, employee, promoter, advisor, incorporator, or shareholder, as such, of the Issuer, its Subsidiaries or the Trustee shall not have any liability in such capacity for any obligations of the Issuer under the Notes or the Indenture or for any claim based on, in respect of or by reason of, such obligations or their creation. By accepting a Note, each holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws, and it is the view of the Commission that such a waiver is against public policy.

Governing Law

The Indenture and the Notes are governed by, and will be construed in accordance with, the laws of the State of New York. The Share Pledge and the Proceeds Loans Pledge will be governed by and construed in accordance with the laws of Denmark and the Intercreditor Agreement will be governed by and construed in accordance with the laws of England.

Certain Definitions

''***Acquired Debt***'' means Debt of a Person:

(a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or any Restricted Subsidiary or

(b) assumed in connection with the acquisition of assets from such Person,

in each case provided that such Debt was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, such merger or consolidation, or such acquisition, as the case may be.

Acquired Debt will be deemed to be incurred on the date the acquired Person becomes a Restricted Subsidiary, the date of such merger or consolidation or the date of the related acquisition of assets from any Person.

''***Additional Assets***'' means (i) properties and assets that will be used in the Issuer's business or in that of any Restricted Subsidiary or any and all businesses reasonably related or complementary; (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or another Restricted Subsidiary; or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that in the case of clauses (ii) and (iii) such Restricted Subsidiary is primarily engaged in a business that, in the good faith judgment of the Issuer's Board of Directors, is reasonably related or complementary to the business of the Issuer or the Restricted Subsidiaries.

''***Affiliate***'' means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, ''control'' (including, with correlative meanings, the terms ''controlling,'' ''controlled by'' and ''under common control with''), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

''***Asset Sale***'' means any sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business) or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a ''transfer''), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Restricted Subsidiary);

(b) all or substantially all of the properties and assets of any division or line of business of the Issuer or any Restricted Subsidiary; or

(c) any other of the Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any transfer or disposition of assets that is governed by the provisions of the Indenture described under ''—Certain Covenants—Consolidation, Merger and Sale of Assets'' and ''—Certain Covenants—Purchase of Notes upon a Change of Control'';

(ii) any transfer or disposition of assets or securities by the Issuer to any Restricted Subsidiary, by any Restricted Subsidiary to the Issuer, or between or among Restricted Subsidiaries, in each case in accordance with the terms of the Indenture;

(iii) any single transaction or series of related transactions that involves assets or Capital Stock having a Fair Market Value of less than €10.0 million;

(iv) for the purposes of ''—Certain Covenants—Limitation on Sale of Certain Assets'' only, the making of a Permitted Investment or a Restricted Payment that is permitted under ''—Certain Covenants—Limitation on Restricted Payments'';

(v) the sale, lease or other disposition of equipment, inventory or other assets (including obsolete or worn-out equipment) in the ordinary course of business;

(vi) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(vii) an issuance of Capital Stock by the Issuer to a Restricted Subsidiary, by a Restricted Subsidiary to the Issuer or between or among Restricted Subsidiaries;

(viii) sales or dispositions of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(ix) any disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;

(x) dispositions in connection with Permitted Liens;

(xi) the sale or disposition of cash or Cash Equivalents in the ordinary course of business;

(xii) a disposition constituting, or resulting from, the enforcement of a Lien or the liquidation, dissolution, administration or winding-up of a Restricted Subsidiary;

(xiii) the waiver, compromise, settlement, release or surrender of any right or claim in the ordinary course of business and any dispositions of Investments or receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;

(xiv) any disposition of accounts receivable and related assets in a Permitted Receivables Financing;

(xv) a disposition that is made in connection with the establishment of a joint venture that is a Permitted Investment; or

(xvi) foreclosure, condemnation or similar action with respect to property or other assets.

''***Attributable Debt***'' means, with respect to any sale and leaseback transaction at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, at the Issuer's incremental borrowing rate for a loan of similar tenor and with the same security as provided by the lease) of the total obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such sale and leaseback transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water, utilities and similar charges.

''***Average Life***'' means, as of the date of determination with respect to any Debt, the quotient obtained by dividing:

(a) the sum of the products of:

   (i) the numbers of years from the date of determination to the date or dates of each successive scheduled principal payment of such Debt multiplied by

   (ii) the amount of each such principal payment; by

(b) the sum of all such principal payments.

''***Board of Directors***'' means, as to any Person, the board of directors of such Person or, for purposes of any action required to be taken under the Indenture, any duly authorized committee thereof; provided that any action required to be taken under the Indenture by the Board of Directors of the Issuer can, in the alternative, at the option of the Issuer, be taken by the Board of Directors or management board of any Subsidiary of the Issuer that has been duly authorized to take such action on behalf of the Board of Directors of the Issuer.

''***Bund Rate***'' means, with respect to any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(a) ''Comparable German Bund Issue'' means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to May 15, 2011, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro- denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to

May 15, 2011; provided, that, if the period from such redemption date to May 15, 2011, is less than one year, a fixed maturity of one year shall be used;

(b) ''Comparable German Bund Price'' means, with respect to any redemption date, the average of the Reference German Bund Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) ''Reference German Bund Dealer'' means any dealer of German Bundesanleihe securities appointed by the Issuer in consultation with the Trustee; and

(d) ''Reference German Bund Dealer Quotations'' means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3.30 p.m. Frankfurt, Germany time on the third Business Day preceding such redemption date.

''***Business Day***'' means a day other than a Saturday, Sunday or other day on which banking institutions in Copenhagen, London, New York, or a place of payment under the Indenture are authorized or required by law to close.

''***Capital Stock***'' means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock, whether now outstanding or issued after the Issue Date.

''***Capitalized Lease Obligation***'' means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation would be required to be classified and accounted for as a capital lease obligation under IFRS as in effect on the date of the Indenture, and, for purposes of the Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with IFRS as in effect on the date of the Indenture, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

''***Cash Equivalents***'' means any of the following:

(a) any evidence of Debt denominated in euro, Sterling or dollars with a maturity of 12 months or less from the date of acquisition issued or directly and fully guaranteed or insured by (i) a member state (an ''EU Member State'') of the European Union whose sole lawful currency on the date of the Indenture is the euro, (ii) the United Kingdom of Great Britain and Northern Ireland, (iii) the United States of America or any state thereof or the District of Columbia; (iv) any country recognized by the United States of America rated at least ''A'' by S&P or ''A1'' by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized rating organization); or (v) any agency or instrumentality of any of the foregoing;

(b) time deposit accounts, certificates of deposit, money market deposits or bankers' acceptances denominated in euro, Sterling or dollars with a maturity of 12 months or less from the date of acquisition issued by a bank or trust company organized in an EU Member State, the United Kingdom of Great Britain and Northern Ireland, Switzerland, Norway, Iceland, Liechtenstein or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case having combined capital and surplus and undivided profits of not less than €500 million, whose debt has a rating, at the time any investment is made therein, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's;

(c) commercial paper with a maturity of 12 months or less from the date of acquisition issued by a corporation that is not the Issuer's or any Restricted Subsidiary's Affiliate and is incorporated under the laws of an EU Member State, the United States of America or any state thereof and, at the time of acquisition, rated at least A-1 or the equivalent thereof by S&P or at least P-l or the equivalent thereof by Moody's;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clause (a) above entered into with a financial institution meeting the qualifications described in clause (b) above; and

(e) Investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (d) above.

''***Code***'' means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code, as in effect on the Issue Date, and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

''***Change of Control***'' has the meaning given to such term under ''—Purchase of Notes upon a Change of Control''.

''***Commission***'' means the U.S. Securities and Exchange Commission.

''***Consolidated Adjusted Net Income***'' means, for any period, the Issuer's and the Restricted Subsidiaries' consolidated total net profit (or loss) for such period as determined in accordance with IFRS, adjusted by excluding (to the extent included in such consolidated net profit or loss), without duplication:

(a) any extraordinary, exceptional, unusual or non-recurring gain or loss or charge including, without limitation, the amortization of the write-down of the Medium Term Notes and any fees, expenses, charges or other costs associated with any past or future acquisition, merger, consolidation, restructuring, redundancy or severance;

(b) any gains or losses attributable to sales of assets of the Issuer or any Restricted Subsidiary that are not sold in the ordinary course of business (as determined in good faith by the Issuer's Board of Directors);

(c) the portion of net income or loss of any Person (other than the Issuer or a Restricted Subsidiary), including Unrestricted Subsidiaries, in which the Issuer or any Restricted Subsidiary has an equity ownership interest, except that the Issuer's or a Restricted Subsidiary's equity in the net income of such Person for such period shall be included in such Consolidated Adjusted Net Income to the extent of the aggregate amount of dividends or other distributions actually paid to the Issuer or any Restricted Subsidiary in cash dividends or other distributions during such period, and except that the equity share of a net loss of any such Person shall be included in Consolidated Adjusted Net Income to the extent funded with cash by the Issuer or a Restricted Subsidiary;

(d) the net income (but not the loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the date of determination permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary or its shareholders (other than (i) restrictions contained in the Credit Facilities and related agreements permitted by clause 2(a) of ''—Certain Covenants—Limitation on Debt'' and (ii) restrictions in effect on the Issue Date and other restrictions that taken as a whole are not materially less favorable to the holders of the Notes than such restrictions in effect on the Issue Date), except that the Issuer's or a Restricted Subsidiary's equity share of the net income of such Restricted Subsidiary for such period shall be included in Consolidated Adjusted Net Income to the extent of the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend (subject, in the case of a dividend that could have been made to another Restricted Subsidiary, to the limitation contained in this clause);

(e) net after-tax gains attributable to the termination of any employee pension benefit plan;

(f) any net gain or loss arising from the acquisition of any securities or extinguishment, under IFRS, of any Debt of such Person;

(g) the net income or loss attributable to operations classified as discontinued;

(h) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards;

(i) the non-cash impact of any goodwill or other intangible asset impairment charge; and

(j) the non-cash impact of capitalized interest on Subordinated Shareholder Debt.

''***Consolidated Fixed Charge Coverage Ratio***'' of the Issuer means, for any period, the ratio of:

(a) the sum of Consolidated Adjusted Net Income, plus in each case to the extent deducted in computing Consolidated Adjusted Net Income for such period:

(i) Consolidated Interest Expense;

(ii) Consolidated Tax Expense; and

(iii) Consolidated Non-cash Charges, less all non-cash items increasing Consolidated Adjusted Net Income for such period and less all cash payments during such period relating to non-cash charges that were added back to Consolidated Adjusted Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period;

(b) to the sum of:

(i) Consolidated Interest Expense; and

(ii) cash and non-cash dividends due (whether or not declared) on the Issuer and any Restricted Subsidiary's Preferred Stock (to any Person other than the Issuer and any Wholly Owned Restricted Subsidiary), in each case for such period; provided that:

(A) if the Issuer or any Restricted Subsidiary has incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio is an incurrence of Debt or both, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Debt as if such Debt had been incurred on the first day of such period and the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period;

(B) if, since the beginning of such period, the Issuer or any Restricted Subsidiary shall have made any Asset Sale, Consolidated Adjusted Net Income for such period shall be reduced by an amount equal to the Consolidated Adjusted Net Income (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to the Consolidated Adjusted Net Income (if negative) directly attributable thereto, for such period and the Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Debt of the Issuer or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Debt of such Restricted Subsidiary to the extent the Issuer and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

(C) if since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Person that becomes a Restricted Subsidiary, or an acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a

business, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such period; and

(D) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (d) or (e) if made by the Issuer or a Restricted Subsidiary during such period, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Sale or Investment or acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any transaction or calculation under this definition, the pro forma calculations (including in respect of anticipated expense and cost reductions and synergies) will be as determined in good faith by a responsible financial or accounting officer of the Issuer, or, in the absence of such an officer, by an officer of the Issuer or a Subsidiary of the Issuer with senior responsibility for the Issuer's or the relevant Subsidiary's financial or accounting matters. If any Debt bears a floating rate of interest and is being given pro forma effect, the interest expense on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

''***Consolidated Interest Expense***'' means, for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

(a) the Issuer's and the Restricted Subsidiaries' total interest expense for such period, including, without limitation:

(i) amortization of debt discount;

(ii) the net effect of Interest Rate Agreements and Currency Agreements (including amortization of fees and discounts);

(iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and similar transactions; and

(iv) the interest portion of any deferred payment obligation and amortization of debt issuance costs; plus

(b) the interest component of the Issuer's and the Restricted Subsidiaries' Capitalized Lease Obligations accrued and/or scheduled to be paid or accrued during such period other than the interest component of Capitalized Lease Obligations between or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; plus

(c) the Issuer's and the Restricted Subsidiaries' non-cash interest expenses and interest that was capitalized during such period (but excluding in each case such interest on Subordinated Shareholder Debt); plus

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the Issuer or any Restricted Subsidiary or secured by a Lien on the Issuer's or any Restricted Subsidiary's assets, but only to the extent that such interest is actually paid by the Issuer or such Restricted Subsidiary.

''***Consolidated Non-cash Charges***'' means, for any period, the aggregate depreciation, amortization and other non-cash expenses of the Issuer and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with IFRS (excluding any such non-cash charge that requires an accrual of or reserve for cash charges for any future period).

''***Consolidated Tax Expense***'' means, for any period with respect to any Relevant Taxing Jurisdiction, the provision for all national, local and foreign federal, state or other income taxes of

the Issuer and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with IFRS.

''***Credit Facility***'' or ''***Credit Facilities***'' means, one or more debt facilities or indentures, as the case may be, (including the Senior Facilities or any Permitted Receivables Financing) or commercial paper facilities with banks, insurance companies or other institutional lenders providing for revolving credit loans, term loans, notes, letters of credit or other forms of guarantees and assurances or other credit facilities or extensions of credit, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time; provided, however, that Debt under Credit Facilities may not include Public Debt.

''***Currency Agreements***'' means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements as to which such Person is a party or a beneficiary.

''***Debt***'' means, with respect to any Person, without duplication:

(a) the principal and premium, if any, in respect of indebtedness of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business;

(b) the principal and premium, if any, in respect of indebtedness of such Person evidenced by bonds, notes, debentures, loan stock or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person in connection with any letters of credit, bankers' acceptances, receivables facilities or other similar facilities;

(d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property) where the purchase price is due more than twelve months after the date on which such property is acquired, but excluding trade payables arising in the ordinary course of business;

(e) all Capitalized Lease Obligations of such Person;

(f) all obligations of such Person under or in respect of Interest Rate Agreements and Currency Agreements;

(g) all Debt referred to in (but not excluded from) the preceding clauses (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the obligation so secured);

(h) all guarantees by such Person of Debt referred to in this definition of any other Person;

(i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed repurchase price and involuntary maximum fixed repurchase price (excluding accrued and unpaid dividends); and

(j) Preferred Stock of any Restricted Subsidiary (excluding any accrued dividends),

if and to the extent any of the preceding items (other than letters of credit and obligations under Currency Agreements and Interest Rate Agreements) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS, provided that the term ''Debt'' shall not include (i) non-interest bearing installment obligations and accrued liabilities incurred in the ordinary course of business that are not more than 90 days past due; (ii) anything accounted for as an operating lease in accordance with IFRS as of the Issue Date; (iii) any pension obligations of the Issuer or a Restricted Subsidiary; and (iv) Debt incurred by the Issuer or one of the Restricted Subsidiaries in connection with a transaction where (x) such Debt is borrowed from a bank or trust company incorporated in Switzerland, Norway, Iceland, Liechtenstein or any member

state of the European Union as of the date of the Indenture, or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case having a combined capital and surplus and undivided profits of not less than €500 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A or the equivalent thereof by S&P and A2 or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or affiliate thereof, in amount equal to such Debt.

For purposes of this definition, the ''maximum fixed repurchase price'' of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Capital Stock, such fair market value will be determined in good faith by the Board of Directors, as the case may be, of the issuer of such Redeemable Capital Stock; provided, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

''***Default***'' means any event that is, or after notice or passage of time or both would be, an Event of Default.

''***Designated Noncash Consideration***'' means all property other than cash and Cash Equivalents received by the Issuer or any Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officer's Certificate delivered to the Trustee setting forth the basis of determination of the Fair Market Value of such property, less any cash or Cash Equivalents received by the Issuer or any Restricted Subsidiary in connection with a subsequent sale of such Designated Noncash Consideration.

''***Disinterested Director***'' means, with respect to any transaction or series of related transactions, a member of the Issuer's Board of Directors who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions or is not an Affiliate of the Issuer, or an officer, director, or employee of any Person (other than the Issuer) who has any direct or indirect financial interest in or with respect to such transaction or series of related transactions.

''***dollars***'', ''***U.S. dollars***'' or ''***$***'' means the lawful currency of the United States of America.

''***Enforcement Action***'' means in relation to any liabilities, any action whatsoever to: (a) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of all or any part of such liabilities or, if such liabilities relate to the hedging liabilities, the premature termination or close out of any such hedging liabilities, (b) recover all or any part of such liabilities (including by exercising any rights of set-off or combination of accounts), (c) exercise or enforce any rights under or pursuant to any guarantee or other assurance given by the Issuer or a Restricted Subsidiary in respect of any liabilities, (d) exercise or enforce any rights under any security interest whatsoever which secures such liabilities, (e) commence legal proceedings against the Issuer or a Restricted Subsidiary or (f) commence, or take any other steps which could lead to the commencement of, any of the following proceedings or steps in relation to the Issuer or a Restricted Subsidiary for:

(a) the insolvency, liquidation, dissolution, winding-up, administration, receivership, moratorium of payments, compulsory merger or judicial reorganization of any company or judicial liquidation; or

(b) the appointment of a trustee in bankruptcy, or insolvency conciliator, *ad hoc* official, judicial administrator, a receiver, a liquidator or other similar officer of any company; or

(c) any other similar process or appointment.

However, the following shall not constitute Enforcement Action: (i) the taking of any action (not falling within any of paragraphs (a) to (d) inclusive and (f) above) necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority; (ii) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or

disposal is to take place pursuant to powers granted to such persons under any security documentation; or (iii) the bringing of legal proceedings against any person in connection with any securities violation or common law fraud.

''***euro***'' or ''***€***'' means the lawful currency of the member states of the European Union who have agreed to share a common currency in accordance with the provisions of the Maastricht Treaty dealing with European monetary union.

''***Euro Equivalent***'' means with respect to any monetary amount in a currency other than euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published under ''Currency Rates'' in the section of the *Financial Times* entitled ''Currencies, Bonds & Interest Rates'' on the date two Business Days prior to such determination.

''***European Government Obligations***'' means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union, Switzerland, Norway, Iceland or Liechtenstein as of the Issue Date (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such government is pledged.

''***Exchange Act***'' means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

''***Fair Market Value***'' means, with respect to any asset or property, the sale value that would be obtained in an arm's length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuer's Board of Directors, unless otherwise indicated.

''***Finance Subsidiary***'' means a Restricted Subsidiary of the Issuer (i) whose sole operations are comprised of incurring or issuing indebtedness from time to time to finance the operations of the Issuer and/or its Restricted Subsidiaries, (ii) which loans the proceeds of such indebtedness to the Issuer (the ''Finance Proceeds Loan'') and (iii) which conducts no business and owns no material assets other than intercompany indebtedness referred to in the preceding clause; provided, that the obligations of the Issuer with respect to a Finance Proceeds Loan will not be guaranteed by any Restricted Subsidiary.

''***guarantee***'' means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

''***IFRS***'' means International Financial Reporting Standards, as adopted by the Issuer and in effect from time to time.

''***Intercreditor Agreement***'' means the intercreditor agreement (as it may be amended, supplemented, novated or replaced from time to time), by and among the Issuer, the institutions named under the Senior Facilities, Citibank International plc as senior facility agent, and Citicorp Trustee Company Ltd. as security agent and the Trustee, among others.

''***Interest Rate Agreements***'' means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, futures, collars and similar agreements) as to which such Person is a party or a beneficiary.

''***Intermediate Holding Company Subsidiary***'' means ISS and any other Person that (a) is both (i) a direct or indirect Subsidiary of the Issuer and (ii) a direct or indirect parent of ISS or (b) is both (i) a direct or indirect Subsidiary of ISS and (ii) a direct or indirect parent of ISS Global.

''***Investment***'' means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including in connection with or pursuant to any guarantee, but not solely as a result of the making of a guarantee) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person and all other items that would be classified as financial assets on a balance sheet prepared in accordance with IFRS. In addition, the portion (proportionate to the Issuer's equity interest in such Restricted Subsidiary) of the Fair Market Value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary will be deemed to be an ''Investment'' that the Issuer made in such Unrestricted Subsidiary at such time. The portion (proportionate to the Issuer's equity interest in such Restricted Subsidiary) of the Fair Market Value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary will be considered a reduction in outstanding Investments. ''Investments'' excludes bank deposits; accounts receivable; commission, travel or similar advances to officers and employees; and extensions of trade credit; provided that each deposit, payment or advance is made on commercially reasonable terms in accordance with normal trade practices in the ordinary course of business.

''***Investment Grade Status***'' exists as of any time if at such time either (a) the rating assigned to the Notes by Moody's is at least Baa2 (or the equivalent) or higher and the rating assigned to the Notes by S&P is at least BBB- (or the equivalent) or higher or (b) the rating assigned to the Notes by Moody's is at least Baa3 (or the equivalent) or higher and the rating assigned to the Notes by S&P is at least BBB (or the equivalent) or higher.

''***Issue Date***'' means the date of issuance of the Notes (other than Additional Notes).

''***Lien***'' means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement; provided that in no event shall an operating lease constitute a lien.

''***Maturity***'' means, with respect to any indebtedness, the date on which any principal of such indebtedness becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

''***Moody's***'' means Moody's Investors Service, Inc. and its successors.

''***Net Cash Proceeds***'' means:

(a) with respect to any Asset Sale, an amount equal to the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of:

(i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

(ii) provisions for all taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale;

(iii) all payments made on any Debt that is secured by any Property subject to such Asset Sale, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such Property, or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale;

(iv) all distributions and other payments required to be made to any Person (other than the Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

(v) appropriate amounts required to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale; and

(b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under ''—Certain Covenants—Limitation on Restricted Payments'', the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of thereof.

''***Non-Public Debt***'' means: (a) debt represented by promissory notes or similar evidence of Debt under bank loans or similar financing agreements, including private placements to insurance companies and mezzanine lenders; and (b) any other Debt; provided that it (i) is not listed, quoted or tradeable on any exchange or market, including any market for securities eligible for resale pursuant to Rule 144A under the Securities Act, (ii) does not clear or settle through the facilities of Euroclear, Clearstream Banking, or any similar facilities, (iii) is not issued or sold by means of any prospectus, offering circular (but not the Information Memoranda relating to the syndication of the Senior Facilities, any similar information memoranda or any other information memorandum of the type used in a bank syndication) or similar document typically used in connection with road show presentations, and (iv) is not marketed in an underwritten securities offering.

''***Officer's Certificate***'' means a certificate signed by an officer of the Issuer or a Surviving Entity, as the case may be, and delivered to the Trustee.

''***Pari Passu Debt***'' means any Debt of the Issuer that ranks equally in right of payment with the Notes.

''***Permitted Acquisition Facilities***'' means one or more Credit Facilities to be used by the Issuer or any Restricted Subsidiary for the purpose of acquisitions.

''***Permitted Collateral Liens***'' means any Lien on the Collateral (a) to secure (i) Debt of the Issuer or a Restricted Subsidiary under Credit Facilities or any guarantees thereof that are permitted to be incurred (A) pursuant to paragraph (1) of the ''Limitation on Debt'' covenant or clause (a) of the definition of ''Permitted Debt'', (B) to secure Permitted Refinancing Debt of the Issuer or any Restricted Subsidiary in respect of the Medium Term Notes, or (C) to refinance any Debt described in the foregoing clauses (A) and (B); (ii) the Notes (including any Additional Notes); or (iii) Permitted Refinancing Debt incurred by the Issuer or a Finance Subsidiary in respect of the Medium Term Notes or any Permitted Refinancing Debt thereof or (b) that is a statutory Lien arising by operation of law, provided that such Lien either ranks (x) equal to all other Liens on such Collateral securing Senior Debt of the Issuer or the relevant Restricted Subsidiary, if the Lien secures Senior Debt, (y) equal to all other Liens on such Collateral securing Pari Passu Debt of the Issuer, if the Lien secures Pari Passu Debt or (z) junior to the Liens securing the Notes.

''***Permitted Debt***'' has the meaning given to such term under ''—Certain Covenants—Limitation on Debt''.

''***Permitted Holders***'' means (a) EQT and GS Capital Partners, together with all equity funds and investment funds managed, advised or operated by any such Persons and any of their successors, or (b) any Affiliate or Related Person of the Persons referred to in clause (a).

"***Permitted Investment***" means any of the following:

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (d) of the definition of "Permitted Debt";

(c) Investments in (i) the form of loans or advances to the Issuer, (ii) a Restricted Subsidiary, or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Issuer or a Restricted Subsidiary;

(d) Investments made by the Issuer or any Restricted Subsidiary as a result of or retained in connection with an Asset Sale permitted under or made in compliance with "—Certain Covenants—Limitation on Sale of Certain Assets" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) expenses or advances to cover payroll, travel, entertainment, moving, other relocation and similar matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;

(f) Investments in (including repurchases of) the Notes or any other debt securities ranking pari passu to the Notes;

(g) Investments existing at the date of the Indenture and any extension, modification or renewal thereof (but not Investments involving additional advances, contributions on other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest in original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);

(h) Investments in Interest Rate Agreements and Currency Agreements permitted under clauses (g) and (h) of "—Certain Covenants—Limitation on Debt";

(i) loans and advances (or guarantees to third party loans) to directors, officers or employees of the Issuer or any Restricted Subsidiary made in the ordinary course of business and consistent with the Issuer's past practices or past practices of the Restricted Subsidiaries, as the case may be, in an amount outstanding not to exceed in the aggregate at any one time €10.0 million;

(j) Investments in a Person in exchange for the Qualified Capital Stock of the Issuer or a Parent of the Issuer or to the extent that the consideration therefor consists of the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary) of shares of the Qualified Capital Stock of the Issuer or a Parent of the Issuer; provided that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (2)(c)(ii) of "—Certain Covenants—Limitation on Restricted Payments";

(k) Investments of the Issuer or the Restricted Subsidiaries described under item (iv) to the proviso to the definition of "Debt";

(l) stock, obligations or securities of any Person received by the Issuer or any Restricted Subsidiary in satisfaction of judgments, foreclosure of liens or settlement of debts and (ii) any Investments received by the Issuer or any Restricted Subsidiary in compromise of obligations of any Person that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(m) Investments by the Issuer or any Restricted Subsidiary in one or more joint ventures or similar entities that are not Restricted Subsidiaries that are primarily engaged in a business related, ancillary or complementary to those of the Issuer and its Subsidiaries conducted on the Issue Date, provided that the total aggregate amount of such Investments, measured by reference to the Fair Market Value of any such Investment on the day it was made, does not exceed €45.0 million per calendar year ("Joint Venture Investment") and, provided further that for purpose of calculating such Joint Venture Investment the Issuer

shall be permitted to carry forward any unused Joint Venture Investment for one calendar year and carry back up to half of a calendar year's Joint Venture Investment to the previous year;

(n) Investments by the Issuer or any Restricted Subsidiary in connection with a Permitted Receivables Financing;

(o) Investments in any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Issuer or any Restricted Subsidiary; and

(p) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (p) in an amount not to exceed the greater of (i) €50 million and (ii) 1.0% of Total Assets in the aggregate at the time of such Investments.

''***Permitted Liens***'' means the following types of Liens:

(a) Liens (other than Liens securing Debt under the Senior Facilities) existing as of the date of the issuance of the Notes;

(b) Liens (i) securing Debt under Credit Facilities or any guarantees thereof permitted to be incurred (A) pursuant to paragraph (1) of the ''Limitation on Debt'' covenant or clause (a) of the definition of ''Permitted Debt'', (B) to secure Permitted Refinancing Debt in respect of the Medium Term Notes or (C) to refinance any Debt described in the foregoing clauses (i)(A) and (B) of this paragraph (b) and (ii) on assets given, disposed of or otherwise transferred in connection with a Permitted Receivables Financing;

(c) Liens on any property or assets of a Restricted Subsidiary granted in favor of the Issuer or any Wholly Owned Restricted Subsidiary;

(d) Liens on any of the Issuer's or any Restricted Subsidiary's property or assets securing the Notes;

(e) any interest or title of a lessor under any Capitalized Lease Obligation and Liens to secure Debt (including Capitalized Lease Obligations) permitted by clause (e) of the definition of ''Permitted Debt'' covering only the property or assets acquired with such Debt;

(f) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business in accordance with the Issuer's or such Restricted Subsidiary's past practices prior to the Issue Date;

(g) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of the Issuer's or any Restricted Subsidiary's business and with respect to amounts not yet delinquent or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made or Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor financial institution;

(h) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;

(i) Liens incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business (other than obligations for the payment of borrowed money);

(j) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects and incurred in the ordinary course of business that do not in the aggregate materially interfere with in any material respect the ordinary conduct of the business of the Issuer and its Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(k) Liens arising by reason of any judgment, decree or order of any court and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(l) Liens on property of, or on shares of Capital Stock or Debt of, any Person existing at the time such property or Person is acquired by, merged with or into or consolidated with, the Issuer or any Restricted Subsidiary or becomes a Restricted Subsidiary; provided that such Liens (i) do not extend to or cover any property or assets of the Issuer or any Restricted Subsidiary other than the property or assets acquired or than those of the Person merged into or consolidated with the Issuer or Restricted Subsidiary and (ii) were created prior to, and not in connection with or in contemplation of, such acquisition, merger or consolidation;

(m) Liens securing the Issuer's or any Restricted Subsidiary's obligations under Interest Rate Agreements or Currency Agreements permitted under clauses (g) and (h) of the definition of ''Permitted Debt'' or any collateral for the Debt to which such Interest Rate Agreements or Currency Agreements relate;

(n) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance, pension obligations and other types of social security or other insurance (including unemployment insurance);

(o) Liens incurred in connection with a cash management program established in the ordinary course of business for the Issuer's benefit or that of any Restricted Subsidiary in favor of a bank or trust company of the type described in paragraph (2)(c) of ''—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries'';

(p) Liens made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Issuer or any Restricted Subsidiary in the ordinary course of business, including rights of offset and set-off;

(q) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (p); provided that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets;

(r) Liens securing Debt incurred to refinance Debt that has been secured by a Lien permitted by the Indenture, provided that (i) any such Lien shall not extend to or cover any assets not securing the Debt so refinanced and (ii) the Debt so refinanced shall have been permitted to be incurred pursuant to clause (k) of the definition of ''Permitted Debt'';

(s) purchase money Liens to finance property or assets of the Issuer or any Restricted Subsidiary acquired in the ordinary course of business; provided that (i) the related purchase money Debt shall not exceed the cost of such property or assets and shall not be secured by any property or assets of the Issuer or any Restricted Subsidiary other than the property and assets so acquired and (ii) the Lien securing such Debt shall be created within 180 days of such acquisitions;

(t) Liens over the assets or Capital Stock of any joint venture, securing obligations of that joint venture or any guarantee given in respect of those obligations;

(u) Liens incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary with respect to obligations that do not exceed €15.0 million at any one time outstanding;

(v) Liens in favor of customs or revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(w) Liens resulting from escrow arrangements entered into in connection with a disposition of assets;

(x) any right of first refusal, right of first offer, option or other agreement to sell or otherwise dispose of any asset of the Issuer or any Restricted Subsidiary;

(y) Liens constituted by rights of set-off or netting arising under any agreement entered into by the Issuer or any Restricted Subsidiary in the ordinary course of its banking arrangements for the provision of clearing bank facilities or overdraft facilities or similar facilities permitted under any Credit Facilities and the Indenture for the purpose of netting debit and credit balances (other than cash collateral) or Liens arising under the standard terms and conditions of the relevant bank or by operation of law for operation of bank accounts permitted to be maintained and operated under any Credit Facilities and the Indenture;

(z) Permitted Collateral Liens;

(aa) Liens in connection with leases and subleases of real property in the ordinary course of the business of the Issuer or any of its Restricted Subsidiaries;

(bb) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any leased property and subordination of similar arrangements relating thereto; and (ii) any condemnation or eminent domain proceedings affecting any real property; and

(cc) Liens arising by operation of law (or by agreement to the same effect) in the ordinary course of business and not as a result of any default or omission on the part of the Issuer or any Restricted Subsidiary.

''***Permitted Receivables Financing***'' means any financing pursuant to which the Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in an aggregate principal amount equivalent to the Fair Market Value of such accounts receivable (and related assets) of the Issuer or any Restricted Subsidiary; provided that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Issuer's Board of Directors) at the time such financing is entered into and (b) such financing shall be non-recourse to the Issuer or any Restricted Subsidiary except to a limited extent customary for such transactions.

''***Permitted Refinancing Debt***'' means any renewals, extensions, substitutions, refinancings or replacements, including any defeasance or discharge mechanism (each, for purposes of this definition and paragraph (2)(k) of ''—Certain Covenants—Limitation on Debt'', a ''refinancing'') of any Debt of the Issuer or a Restricted Subsidiary or pursuant to this definition, including any successive refinancings, so long as:

(a) such Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being refinanced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;

(b) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being refinanced;

(c) the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being refinanced; and

(d) if the Debt being refinanced is subordinated in right of payment to the Notes, such Permitted Refinancing Debt is subordinated in right of payment to the Notes on terms at least as favorable to the holders of the Notes as those contained in the documentation governing the Debt being refinanced;

provided that Permitted Refinancing Debt will not include (i) Debt of a Subsidiary that refinances Debt of the Issuer, (ii) Debt of any Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary or (iii) Debt that refinances any Subordinated Shareholder Debt.

''***Person***'' means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

''***Pledges***'' means the Share Pledge and the Proceeds Loans Pledge.

''***Preferred Stock***'' means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person, whether now outstanding or issued after the date of the Indenture and including, without limitation, all classes and series of preferred or preference stock of such Person.

''***Proceeds Loans Pledge***'' means the second-priority security interest in all of the Issuer's rights under the Proceeds Loans created by the pledge agreement entered into by the Issuer in favor of the holders of the Notes from time to time, as represented by the Trustee.

''***pro forma***'' means, with respect to any calculation made or required to be made pursuant to the terms of the Notes, a calculation in accordance with Article 11 of Regulation S-X promulgated under the Securities Act (to the extent applicable) as interpreted in good faith by the Issuer's Board of Directors, or otherwise a calculation made in good faith by the Issuer's Board of Directors.

''***Property***'' means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

''***Public Debt***'' means any Debt that is not Non-Public Debt.

''***Public Equity Offering***'' means an underwritten public offer and sale of capital stock (which is Qualified Capital Stock) of the Issuer or any direct or indirect parent holding company of the Issuer with gross proceeds to the Issuer of at least €75.0 million (including any sale of Common Shares purchased upon the exercise of any over-allotment option granted in connection therewith).

''***Qualified Capital Stock***'' of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

''***Redeemable Capital Stock***'' means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of the Issuer in circumstances in which the holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; provided that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any ''asset sale'' or ''change of control'' occurring prior to the Stated Maturity of the Notes, will not constitute Redeemable Capital Stock if the ''asset sale'' or ''change of control'' provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in ''—Certain Covenants—Limitation on Sale of Certain Assets'' and ''—Purchase of Notes upon a Change of Control'' covenants described herein and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's repurchase of such Notes as are required to be repurchased pursuant to ''—Certain Covenants—Limitation on Sale of Certain Assets'' and ''—Purchase of Notes upon a Change of Control''.

''***Related Business***'' means any business in which the Issuer or any of the Restricted Subsidiaries was engaged on the Issue Date and any related business ancillary or complementary to such business.

"***Related Person***" with respect to any Permitted Holder means (a) any controlling equityholder or majority-owned Subsidiary of such Person, (b) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individuals, or (c) any trust, corporation, partnership or other Person of which the Person and other Related Persons thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in aggregate a majority (or more) controlling interest therein.

"***Restricted Subsidiary***" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"***Revolving Credit Facilities***" means revolving or similar Credit Facilities that commit the lenders thereunder to lend amounts to the borrower parties thereto and which may be repaid and reborrowed from time to time by such borrower or borrowers, in each case during a period specified in the agreement evidencing such facilities.

"***S&P***" means Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. and its successors.

"***Secured Local Facilities***" means a working capital facility provided to a member of the Group by a Senior Lender or other bank or financial institution that has acceded to the Intercreditor Agreement as a provider of Secured Local Facilities.

"***Securities Act***" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"***Senior Agent***" means any agent or successor agent appointed under any Credit Facility with respect to Senior Debt to which the Issuer is a party or designated as "Senior Agent" in any instrument or document evidencing Senior Debt.

"***Senior Debt***" means all indebtedness, except (a) indebtedness that is subordinated by its terms to other indebtedness and (b) indebtedness that expressly provides that it is not Senior Debt. Notwithstanding anything to the contrary in the foregoing, Senior Debt will not include:

(x) any Debt that is incurred in violation of the Indenture or the terms of the Notes, as the case may be; or

(y) any trade payables.

In addition, any Senior Debt may be distinguished from another category of Senior Debt by reason of any Liens or guarantees.

"***Senior Discharge Date***" means the date on which all Senior Debt has been irrevocably paid and discharged and all commitments under such Senior Debt of the holders thereof have been terminated or cancelled in accordance with their terms.

"***Senior Facilities***" means the Credit Facility between the Issuer, the borrowers and guarantors named therein and the lenders named as Senior Lenders in the Intercreditor Agreement.

"***Shareholders' Agreement***" means the shareholders' agreement dated March 28, 2005 among EQT III, EQT IV, GS (collectively referring to GS Capital Partners 2000 LP, GS Capital Partners 2000 Offshore LP, GS Capital Partners 2000 GmbH & Co Beteiligungs KG and GS Capital Partners 2000 Employee Fund LP) and the Issuer dated March 28, 2005 as amended by an amendment and accession agreement dated May 9, 2005 among EQT III, EQT IV, GS, PurusCo Luxembourg Holding S.a r.l and the Issuer.

"***Share Pledge***" means the second-priority security interest in all of the ISS Shares created by the pledge agreement entered into by the Issuer in favor of the holders of the Notes from time to time, as represented by the Trustee.

"***Share Pledge Enforcement Sale***" means any sale or disposition of Collateral pursuant to the enforcement of security in favor of the Senior Facilities or other Senior Debt of the Issuer or its Restricted Subsidiaries which complies with the terms of the Intercreditor Agreement or an additional Intercreditor Agreement as applicable (or if there is no such intercreditor agreement, would comply in all material respects with the requirements of the Intercreditor Agreement).

"***Significant Subsidiary***" with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1.02(w) of Regulation S-X under the Exchange Act, as such Regulation is in effect on the date hereof.

"***Specified Affiliate Payments***" means any payment (by way of a dividend, loan, advance and/or distribution) by the Issuer or any Restricted Subsidiary to any Permitted Holder of an annual management, advisory or monitoring fee (including statutory valued added tax) in respect of services provided by directors, officers or employees of such Permitted Holder to the Issuer or a Restricted Subsidiary; provided that the total amount of any such payments made shall not exceed €5.0 million in the aggregate in any calendar year, provided that any amounts not used as permitted herein in a given calendar year may be accrued and used in subsequent periods.

"***Stated Maturity***" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

"***Sterling***" or "**£**" means the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

"***Subordinated Debt***" means Debt of the Issuer or any Restricted Subsidiary that is subordinated in right of payment to the Notes.

"***Subordinated Shareholder Debt***" means, collectively, (i) the Subordinated Shareholder Loan and (ii) any Debt Incurred by the Issuer and issued to and held by any Parent of the Issuer or any Permitted Holder; provided, however, that such Subordinated Shareholder Debt:

(a) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the earlier of December 31, 2017 and one year after the date of payment in cash of all obligations in respect of the Notes (other than through conversion or exchange of such Debt into Qualified Capital Stock of the Issuer or into Debt meeting the requirements of this definition);

(b) does not (including upon the happening of any event) require, prior to the earlier of December 31, 2017 and one year after the date of payment in cash of all obligations in respect of the Notes, payment in cash or otherwise, of interest, withholding amounts or other gross-ups, or any other amounts;

(c) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right (including upon the happening of any event) to declare a default or event of default or take any type of enforcement action or otherwise require any payment, in each case, prior to the earlier of December 31, 2017 and one year after the date of payment in cash of all obligations in respect of the Notes;

(d) does not provide for or require any security interest, lien or encumbrance over any asset of the Issuer or any of its Subsidiaries, and is not guaranteed by any Subsidiary of the Issuer;

(e) does not contain any covenants (financial or otherwise) other than a covenant to pay such Subordinated Shareholder Debt, and does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Issuer with its obligations under the Notes;

(f) is fully subordinated and junior in right of payment (whether in cash, securities or otherwise) to the prior payment in full in cash of all obligations (including principal, interest and premium (if any)) of the Issuer under the Notes, pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar Debt, and provided that:

    (i) except as permitted by the Indenture, the Issuer shall make no payment in respect of such Subordinated Shareholder Debt (whether in cash, securities or otherwise), and the Issuer may not acquire such Subordinated Shareholder Debt until prior to the

earlier of December 31, 2017 and the payment in full in cash of all obligations in respect of the Notes;

(ii) upon any total or partial liquidation, dissolution or winding up of the Issuer or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Issuer or its property, the holders of the Notes will be entitled to receive payment in full in cash of the obligations under the Notes before the providers of such Subordinated Shareholder Debt will be entitled to receive any payment in respect of such Subordinated Shareholder Debt;

(iii) such Subordinated Shareholder Debt may not be amended such that it would cease to qualify as Subordinated Shareholder Debt until a date that is after the earlier of December 31, 2017 and the payment in full in cash of all obligations in respect of the Notes;

(iv) the providers of such Subordinated Shareholder Debt shall assign any rights to vote, including by way of proxy, in a bankruptcy, insolvency or similar proceeding to the relevant trustee to the extent necessary to give effect to the priority and subordination provisions described in this definition; and

(v) the providers of such Subordinated Shareholder Debt shall agree that, in the event any payment on such Subordinated Shareholder Debt is received by such provider in contravention of its terms and any applicable subordination agreement, then such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the relevant trustee, on behalf of the holders of the Notes as their interest may appear;

(g) does not (including upon the happening of any event) constitute Voting Stock; and

(h) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Qualified Capital Stock of the Issuer;

provided that any event or circumstance that results in such Subordinated Shareholder Debt remaining outstanding but ceasing to qualify as Subordinated Shareholder Debt shall constitute an incurrence of such Debt by the Issuer.

''***Subordinated Shareholder Loan***'' means the subordinated shareholder loan made pursuant to the agreement dated May 11, 2005, between FS Equity A/S, as lender, and the Issuer, as borrower, as amended and restated with effect from a date on or about the date of the offering memorandum related to the Original Notes.

''***Subsidiary***'' means, with respect to any Person:

(a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof; and

(b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, has at least majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Person performing similar functions).

''***Total Assets***'' means the consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent consolidated balance sheet of the Issuer provided to the holders of the Notes prepared in accordance with IFRS.

''***Transactions***'' has the meaning assigned to such term in the offering memorandum related to the Original Notes.

''***Trust Indenture Act***'' means the U.S. Trust Indenture Act of 1939, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

''***Unrestricted Subsidiary***'' means:

(a) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer's Board of Directors pursuant to the ''Designation of Unrestricted and Restricted Subsidiaries'' covenant); and

(b) any Subsidiary of an Unrestricted Subsidiary.

''***Voting Stock***'' means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the supervisory board, management board, board of directors, managers or trustees capable of being appointed by shareholders (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

''***Wholly Owned Restricted Subsidiary***'' means any Restricted Subsidiary, all of the outstanding Capital Stock (other than directors' qualifying shares or shares of Restricted Subsidiaries required to be owned by third parties pursuant to applicable law) of which are owned by the Issuer or by one or more other Wholly Owned Restricted Subsidiaries or by the Issuer and one or more other Wholly Owned Restricted Subsidiaries.

BOOK-ENTRY; DELIVERY AND FORM

General

Notes sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act will be represented by a global note in registered form without interest coupons attached (the ''Rule 144A Global Notes''). The Rule 144A Global Notes will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream Banking. Notes sold to non-U.S. persons in reliance on Regulation S under the Securities Act will be represented by a global note in registered form without interest coupons attached (the ''Regulation S Global Notes'' and, together with the Rule 144A Global Notes, the ''Global Notes''). The Global Notes will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream Banking.

Ownership of interests in the Rule 144A Global Notes (''Rule 144A Book-Entry Interests'') and in the Regulation S Global Notes (the ''Regulation S Book-Entry Interests'' and, together with the Rule 144A Book-Entry Interests, the ''Book-Entry Interests'') will be limited to persons that have accounts with Euroclear and/or Clearstream Banking or persons that hold interests through such participants. Euroclear and Clearstream Banking will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-Entry Interests will not be held in definitive certificated form.

Book-Entry Interests will be shown on, and transfers thereof will be done only through, records maintained in book-entry form by Euroclear and Clearstream Banking and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the notes are in global form, holders of Book-Entry Interests will not be considered the owners or ''holders'' of notes for any purpose.

So long as the notes are held in global form, Euroclear and/or Clearstream Banking, as applicable (or their respective nominees), will be considered the sole holders of Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and/or Clearstream Banking, and indirect participants must rely on the procedures of Euroclear, Clearstream Banking and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

Neither the Issuer nor the trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream Banking, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and/or Clearstream Banking, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that, under the existing practices of Euroclear and Clearstream Banking, if fewer than all of the notes are to be redeemed at any time, Euroclear and Clearstream Banking will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate, provided, however, that no Book-Entry Interest of less than €50,000 principal amount may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, and interest) to the common depositary or its nominee for Euroclear and Clearstream Banking, which will distribute such payments to participants in accordance with their customary procedures. The Issuer will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental

charges of whatever nature, except as may be required by law and as described under ''Description of the Notes—Additional Amounts''. If any such deduction or withholding is required to be made, then, to the extent described under ''Description of the Notes—Additional Amounts'' above, the Issuer will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer and the trustee will treat the registered holder of the Global Notes (e.g., Euroclear or Clearstream Banking (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the trustee or any of its or their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, or
- Euroclear, Clearstream Banking or any participant or indirect participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream Banking have advised the Issuer that they will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream Banking will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the notes, Euroclear and Clearstream Banking reserves the right to exchange the Global Notes for definitive registered notes in certificated form (''Definitive Registered Notes''), and to distribute Definitive Registered Notes to its participants.

Transfers

Transfers between participants in Euroclear and Clearstream Banking will be effected in accordance with Euroclear and Clearstream Banking rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell notes to persons in states which require physical delivery of securities or to pledge such securities, such holder must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream Banking and in accordance with the procedures set forth in the Indenture governing the notes.

The Rule 144A Global Notes will have a legend to the effect set forth under ''Notice to Investors''. Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under ''Notice to Investors''.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act or any other exemption (if available under the Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a ''qualified institutional buyer'' within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under ''Notice to Investors'' and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

- if Euroclear or Clearstream Banking notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days;
- if Euroclear or Clearstream Banking so requests following an Event of Default under the Indenture; or
- if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream Banking following an Event of Default under the Indenture.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such note by surrendering it to the registrar or a transfer agent. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no Definitive Registered Note in a denomination less than € 50,000 will be issued. The Issuer will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

The Issuer will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the notes, (ii) any date fixed for redemption of the notes or (iii) the date fixed for selection of the notes to be redeemed in part. Also, the Issuer is not required to register the transfer or exchange of any notes selected for redemption. In the event of the transfer of any Definitive Registered Note, the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. The Issuer may require a holder to pay any taxes and fees required by law and permitted by the Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such a Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the registrar or at the office of a transfer agent, the Issuer will issue and the trustee will authenticate a replacement Definitive Registered Note if the trustee's and the Issuer's requirements are met. The Issuer or the trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect themselves, the trustee or the paying agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by the Issuer in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the trustee a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such notes. See ''Notice to Investors''.

So long as the notes are listed on the Official List of and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any issuance of Definitive Registered Notes in a newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*). Payment of principal, any repurchase price, premium and interest on Definitive Registered Notes will be payable at the office of the paying agent in Luxembourg so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require.

Information Concerning Euroclear and Clearstream Banking

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer nor the initial purchasers are responsible for those operations or procedures.

The Issuer understands as follows with respect to Euroclear and Clearstream Banking. Euroclear and Clearstream Banking hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream Banking provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream Banking interface with domestic securities markets. Euroclear and Clearstream Banking participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream Banking is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream Banking participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market. Transfers of interests in the Global Notes between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the trustee or the paying agent will have any responsibility for the performance by Euroclear or

Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

TAX CONSIDERATIONS

Certain U.S. Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS LISTING PARTICULARS (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON INVESTORS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion is a general summary of certain material U.S. federal income tax consequences of the purchase, ownership and disposition of the Additional Notes by U.S. holders (as defined below). The summary is not a complete analysis or description of all potential U.S. federal income tax consequences to U.S. holders, and does not address state, local, foreign, or other tax laws. This summary does not address all tax considerations that may be relevant to all categories of potential purchasers (such as dealers or traders in securities, currencies or commodities, tax-exempt investors, investors whose functional currency is not the U.S. dollar, investors who own (directly, indirectly or by attribution) 10% or more of the Issuer's voting stock, banks, financial institutions, regulated investment companies, real estate investment trusts, grantor trusts, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, insurance companies, investors that will hold the Additional Notes as part of a ''hedging'', ''integrated'', ''conversion'' or constructive sale transaction or a position in a ''straddle'' or as part of a ''synthetic security'', persons who have ceased to be U.S. citizens or to be taxed as resident aliens, a ''dual resident company'' or other investors subject to special tax rules). This summary applies only to U.S. holders who purchase Additional Notes in this offering and hold the notes as capital assets. Further, this summary does not address gift or estate tax or alternative minimum tax consequences. References to ''foreign currency'' below mean a currency other than the U.S. dollar.

Prospective purchasers of the Additional Notes are urged to consult their own tax advisors concerning the U.S. federal, state, local and foreign tax consequences of the purchase, ownership and disposition of the Additional Notes.

The Issuer will take the position, and this discussion assumes, that the issuance of notes pursuant to this offering (i.e., the ''additional notes'' or the ''notes'') constitutes a ''qualified reopening'' of the existing 2006 notes within the meaning of the relevant Treasury Regulations. If this issuance is a qualified reopening, then the additional notes will be part of the same issue as the existing 2006 notes and, therefore, the issue price of the notes will be the same as the issue price of the existing 2016 notes.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the ''Internal Revenue Code''), final, temporary and proposed U.S. Treasury Regulations, judicial decisions, rulings and administrative pronouncements, the changes to any of which after the date of this offering memorandum could apply on a retroactive basis and affect the tax consequences described herein.

The term ''U.S. holder'' means a beneficial owner of an Additional Note that is or is treated for U.S. federal income tax purposes as:

- a citizen or individual resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes), created or organized in or under the laws of the United States or any State thereof (including the District of Columbia);
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust, if:
  - the administration of such trust is subject to the primary supervision of a court within the United States and for which one or more U.S. persons have the authority to control all substantial decisions; or
  - it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person within the meaning of Section 7701(a)(30) of the Internal Revenue Code.

If a partnership (including certain entities treated as a partnership for U.S. federal income tax purposes) holds Additional Notes, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partnerships holding the Additional Notes, and the partners of such partnerships, should consult their own tax advisors concerning the associated tax consequences.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCE TO THEM OF OWNING THE ADDITIONAL NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW OR TAX TREATIES.

Pre-issuance accrued Interest

A portion of the price paid for an Additional Note will be allocable to interest that ''accrued'' prior to the date the Additional Note is purchased, or ''pre-issuance accrued interest''. To the extent a portion of a U.S. holder's purchase price is allocable to pre-issuance accrued interest, a portion of the first stated interest payment equal to the amount of excluded pre-issuance accrued interest will be treated as a nontaxable return of such pre-issuance accrued interest to the U.S. holder. Amounts treated as a return of pre-issuance accrued interest will reduce a U.S. holder's adjusted tax basis in the Additional Note by a corresponding amount.

Interest

It is anticipated and the following discussion assumes that the Additional Notes will not be issued with more than a *de minimus* amount of original issue discount. Payments of stated interest on the Additional Notes generally will be taxable to a U.S. holder as ordinary interest income at the time that such payments are received or accrued, in accordance with its usual method of accounting for U.S. federal income tax purposes.

Interest included in gross income with respect to the Additional Notes will be treated as foreign source income for U.S. federal income tax purposes, including U.S. foreign tax credit limitation purposes. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific ''baskets'' of income. For this purpose, interest on the Additional Notes should generally constitute ''passive category income'', or in the case of certain U.S. holders, ''general category income''. Should any foreign tax be withheld, the amount withheld and the gross amount of any Additional Amounts paid to a U.S. holder will be included in such holder's income at the time such amount is received or accrued in accordance with such holder's method of tax accounting. Foreign withholding tax paid at the rate applicable to a U.S. holder would, subject to various limitations and conditions, be treated as foreign income tax eligible for credit against such holder's U.S. federal income tax liability or, at such holder's election, eligible for deductions in computing taxable income. As an alternative to the tax credit, a U.S. holder may elect to deduct such taxes (the election would then apply to all applicable foreign taxes such U.S. holder paid in that taxable year). The rules relating to foreign tax credits and the timing thereof are complex and U.S. holders should consult their own tax advisors regarding the availability of a foreign tax credit and the application of the foreign tax credit limitations to their particular situation.

Any interest paid in Euro will be included in gross income in an amount equal to the U.S. dollar value of the Euro, including the amount of any withholding tax thereon, regardless of whether the Euro are converted into U.S. dollars. Generally, if an investor is a U.S. holder that uses the cash method of tax accounting, it will determine such U.S. dollar value using the spot rate of exchange on the date of receipt. A cash method U.S. holder generally will not realize foreign currency gain or loss on the receipt of the interest payment but may have foreign currency gain or loss attributable

to the actual disposition of the Euro received. Generally, if an investor is a U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes, such investor will determine the U.S. dollar value of accrued interest income using the average rate of exchange for the accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder's taxable year). Alternatively, an accrual basis U.S. holder may make an election (which must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS) to translate interest income at the spot rate of exchange on the last day of the accrual period (or, with respect to an accrual period that spans two taxable years, at the spot rate of exchange on the last day of the part of the period within the taxable year), or the spot rate on the date of receipt if that date is within five business days of the last day of the accrual period. If an investor is a U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes, such investor will recognize foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date the payment is received differs from the rate applicable to the accrual of that interest. The amount of foreign currency gain or loss to be recognized by the U.S. holder will be an amount equal to the difference between the U.S. dollar value of the Euro interest payment (determined on the basis of the spot rate on the date the interest income is received) in respect of the accrual period and the U.S. dollar value of the interest income that has accrued during the accrual period (as determined above). This foreign currency gain or loss will be ordinary income or loss. Foreign currency gain or loss generally will be U.S. source provided that the residence of a taxpayer is considered to be the United States for purposes of the rules regarding foreign currency gain or loss.

Premium

If a U.S. holder purchases an Additional Note for an amount in excess of the sum of all amounts payable on the Additional Note after the date of acquisition (other than payments of qualified stated interest), the holder will be considered to have purchased the Additional Note with ''amortizable bond premium'' equal in amount to the excess, and generally will not be required to include any OID in income. Generally, a U.S. holder may elect to amortize the premium as an offset to qualified stated interest income, using a constant yield method similar to that described above, over the remaining term of the Additional Note. The Additional Notes are subject to call provisions at the Issuer's option at various times, as described under ''Description of the notes—Optional Redemption.'' A U.S. holder will calculate the amount of amortizable bond premium based on the amount payable at the applicable call date, but only if use of the call date (in lieu of the stated maturity date) results in a smaller amortizable bond premium for the period ending on the call date. A U.S. holder who elects to amortize bond premium must reduce the holder's tax basis in the Additional Note by the amount of the premium used to offset qualified stated interest income as set forth above. An election to amortize bond premium applies to all taxable debt obligations held or subsequently acquired by the U.S. holder on or after the first day of the first taxable year to which the election applies and may be revoked only with the consent of the IRS.

Sale, Exchange, Retirement and Other Disposition of the Additional Notes

Upon the sale, exchange, retirement or other disposition of an Additional Note, a U.S. holder will generally recognize taxable gain or loss equal to the difference between the amount realized (not including any amounts received that are attributable to accrued and unpaid interest, which will be taxable as ordinary interest income in accordance with the U.S. holder's method of tax accounting) and the U.S. holder's adjusted tax basis in the Additional Note. A U.S. holder's adjusted tax basis in an Additional Note generally will be its U.S. dollar cost reduced by any principal payments previously received by the U.S. holder. If the Additional Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Additional Note at the spot rate on the settlement date of the purchase. If the Additional Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar equivalent of the amount of foreign currency realized by translating that amount at the spot rate on the settlement date of the sale, exchange, retirement or other disposition. If an accrual method taxpayer makes such an election, the election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as described below with respect to exchange gain or loss, gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the Additional Note was held for more than one year at the time of the disposition. Certain U.S. holders (including individuals) are eligible for preferential rates of U.S. federal income tax in respect of long-term capital gain. The deduction of capital losses is subject to substantial limitations. Gain or loss recognized by a U.S. holder generally will be treated as U.S. source gain or loss.

Gain or loss recognized upon the sale, exchange or other disposition of an Additional Note that is attributable to changes in currency exchange rates will constitute exchange gain or loss with respect to the principal amount to the extent provided under special rules. This exchange gain or loss will be taxable as U.S. source ordinary income or loss, but generally will not be treated as interest income or expense. For these purposes, the principal amount of an Additional Note is a U.S. holder's purchase price for the Additional Note calculated in Euro on the date of purchase. The U.S. holder will recognize exchange gain or loss on the principal amount of the Additional Note equal to the difference between (i) the U.S. dollar value of the U.S. holder's principal amount for the Additional Note determined at the spot rate on the date of sale, exchange or other disposition and (ii) the U.S. dollar value of the U.S. holder's principal amount for the Additional Note determined at the spot rate on the date the U.S. holder acquired the Additional Note. However, a U.S. holder will recognize exchange gain or loss realized on the sale, exchange or other disposition only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange or other disposition.

Receipt of Euro

The tax basis of any Euro received by a U.S. holder in payment for interest or principal generally or on the sale or disposition of an Additional Note will equal the U.S. dollar value of such Euro at the spot rate on the date the Euro are received or at the time of the sale or disposition or on the settlement date, as applicable. Upon any subsequent conversion or other disposition of the Euro for U.S. dollars, a U.S. holder generally will recognize exchange gain or loss equal to the difference between the amount of U.S. dollars received and the U.S. holder's tax basis in the Euro. Alternatively, upon any subsequent exchange of Euro for property (including foreign currency), a U.S. holder generally will recognize exchange gain or loss equal to the difference between the U.S. dollar value of the Euro exchanged for such property (including foreign currency) based on the U.S. dollar spot rate for Euro on the date of the exchange and the U.S. holder's tax basis in the Euro so exchanged. Exchange gain or loss generally will be treated as U.S. source ordinary income or loss.

Reportable Transaction Disclosure Requirements

Under certain U.S. Treasury Regulations, a U.S. holder that participates in ''reportable transactions'' (as defined in the regulations) must attach to their U.S. federal income tax return a disclosure statement on IRS Form 8886 (Reportable Transaction Disclosure Statement). Such reportable transactions may include an exchange loss from the Additional Notes that exceeds U.S.$50,000 in a single taxable year from a single transaction, if such U.S. holder is an individual or trust, or higher amounts for other non-individual U.S. holders. Failure to timely report such loss may result in the imposition of a penalty in the amount of U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases. U.S. holders are urged to consult their tax advisors regarding the applicability of the reportable transaction requirements.

Information Reporting and Backup Withholding

Backup withholding tax and information reporting requirements apply to certain payments of principal of, and interest on, an obligation and to proceeds of the sale or redemption of an obligation, to certain non-corporate holders of the Additional Notes that are U.S. persons. The payor will be required to withhold backup withholding tax on payments made within the United States, or by a U.S. payor or U.S. middleman, on an Additional Note to a holder of an Adidtional Note that is a U.S. person, other than an exempt recipient, such as a corporation, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States, or by a U.S. payor or U.S. middleman, of principal, interest and proceeds of sale to a holder of an Additional Note that is not a U.S. person will not be subject to backup withholding tax and information reporting

requirements if an appropriate certification is provided by the holder to the payor and the payor does not have actual knowledge or a reason to know that he certificate is incorrect. The backup withholding rate is 28% for taxable years beginning before January 1, 2011.

Backup withholding tax is not an additional tax. A holder generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Additional Notes. Prospective purchasers of the Additional Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

Certain Danish Tax Considerations

The following is a summary description of the taxation in Denmark of the Notes according to the Danish tax laws in force at the date hereof and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment in, holding of and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

Taxation at source

Under existing Danish tax laws no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in consolidated Act No. 1001 of 26 October 2009, as amended. This will not have any impact on holders of Notes who are not in a relationship whereby they control, or are controlled by, the Issuer.

Resident holders of Notes

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish act on taxation of debt, debt claims and financial contracts (''Kursgevinstloven'') (the ''Act''). Until the end of the income year 2009 gains and losses on Notes issued to corporate entities are generally taxed on a realised basis. As of the income year 2010 gains and losses on Notes held by corporate entities are generally taxed in accordance with a mark-to-market principle (''lagerprincippet''), i.e. on an unrealised basis. Gains and losses on Notes held by individuals are generally taxed on a realised basis.

Pension funds and other entities governed by the Danish act on taxation of pension yield (''Pensionsafkastbeskatningsloven'') would, irrespective of realisation, be taxed on the annual value increase or decrease of the Notes according to a mark-to-market principle (''lagerprincippet'') as specified in the Act.

Non-resident holders of Notes

Payments of interest or principal amounts to any non-resident holders of Notes are not subject to taxation in Denmark, no withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or redemption of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under ''Taxation at source'' above.

This tax treatment applies solely to holders of Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

EU Savings Directive

On June 3, 2003, the European Council of Economics and Finance Ministers agreed on proposals under which Member States will be required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The Directive has been implemented in Danish law, and the paying agent will therefore be required, to report certain specific information about the holders of beneficial interests in the notes to the Danish tax authorities.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

PLAN OF DISTRIBUTION

The Issuer and Goldman Sachs International (the ''initial purchaser'') will enter into a purchase agreement with respect to the Additional Notes. Subject to certain conditions, the initial purchaser has agreed to purchase €127.5 million in aggregate principal amount of the Additional Notes.

The initial purchaser is committed to take and pay for all of the Additional Notes being offered, if any are taken. The initial offering price is set forth on the cover page of this offering memorandum. After the Additional Notes are released for sale, the initial purchaser may change the offering price and other selling terms. The offering of the Additional Notes by the initial purchaser is subject to receipt and acceptance and subject to the initial purchaser's right to reject any order in whole or in part.

The Notes have not been and will not be registered under the Securities Act. The initial purchaser has agreed that it will only offer or sell the Notes (A) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and (B) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act.

In connection with sales outside the United States, the initial purchaser has agreed that it will not offer, sell or deliver the Additional Notes to, or for the account or benefit of, U.S. persons (i) as part of the initial purchaser's distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the Additional Notes are originally issued. The initial purchaser will send to each dealer to whom it sells such Additional Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to the Additional Notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering or the date the Additional Notes are originally issued, an offer or sale of such Additional Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Neither the Issuer nor its subsidiaries will for a period of 180 days after the date of this offering memorandum, without the prior written consent of Goldman Sachs International, offer, sell or contract to sell, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Issuer or any affiliate thereof or any person in privity or any affiliate thereof), directly or indirectly, including through an ''orphan'' special purpose vehicle structure similar to the offering of the Notes, or announce the offering of, any debt securities issued or guaranteed by the Issuer or any of its subsidiaries.

Application will be made to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and to trade the Additional Notes on the Euro MTF Market of the Luxembourg Stock Exchange. There can be no assurance that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. Goldman Sachs International (or persons acting on its behalf) have advised the Issuer that it currently intends to continue to to make a market in the Notes. However, it is not obligated to do so, and it may discontinue any market-making activities with respect to the Notes at any time without notice. In addition, market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act, and may be limited. Accordingly, there can be no assurance as to the liquidity of or the trading market for the Notes.

Buyers of the Additional Notes sold by the initial purchaser may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the initial offering price set forth on the cover of this offering memorandum.

In connection with the issue of any Additional Notes, Goldman Sachs International or persons acting on its behalf may over-allot the Additional Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that Goldman Sachs International or persons acting on its behalf will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Additional Notes is made and, if begun,

may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Additional Notes and 60 days after the date of the allotment of the Additional Notes.

The Issuer has agreed to indemnify the initial purchaser against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Other Relationships

Affiliates of certain of the initial purchaser are lenders under the Senior Facilities Agreement. See ''Description of Certain Other Indebtedness''. In addition, the initial purchaser and its affiliates have performed commercial and investment banking and advisory services for the Issuer and affiliates from time to time for which they have received customary fees and expenses. In addition, affiliates of Goldman Sachs is one of ISS's Principal Shareholders. See ''Principal Shareholders of ISS''. The initial purchaser and its affiliates may, from time to time, engage in transactions with, and perform services for, ISS and its subsidiaries and affiliates in the ordinary course of their business.

NOTICE TO INVESTORS

The Additional Notes have not been and will not be registered under the Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Additional Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and in offshore transactions in reliance on Regulation S under the Securities Act.

Each purchaser of the Additional Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the initial purchaser as follows:

1. It understands and acknowledges that the Additional Notes have not been registered under the Securities Act or any other applicable securities law, are being offered for resale in transactions not requiring registration under the Securities Act or any other securities law, including sales pursuant to Rule 144A under the Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

2. It is not an ''affiliate'' (as defined in Rule 144 under the Securities Act) of the Issuer or acting on the Issuer's behalf and it is either:

   (a) a Qualified Institutional Buyer, or QIB, within the meaning of Rule 144A under the Securities Act and is aware that any sale of Additional Notes to it will be made in reliance on Rule 144A under the Securities Act, of which the acquisition will be for its own account or for the account of another QIB; or

   (b) not a U.S. person (as defined in Regulation S under the Securities Act) purchasing the Additional Notes in an offshore transaction in accordance with Regulation S under the Securities Act.

3. It acknowledges that neither the Issuer nor the initial purchaser, nor any person representing the Issuer, its subsidiaries or the initial purchaser, has made any representation to it with respect to the offering or sale of any Additional Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Additional Notes. It has had access to such financial and other information concerning the Issuer and the Additional Notes as it has deemed necessary in connection with its decision to purchase any of the Additional Notes.

4. It is purchasing the Additional Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Additional Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

5. It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Additional Notes, and each subsequent holder of the Additional Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Additional Notes prior to the date (the ''Resale Restriction Termination Date'') that is one year (in the case of Rule 144A Notes) or 40 days (in the case of Regulation S Notes) after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such Additional Notes (or any predecessor thereto) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being

made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

Each purchaser acknowledges that each note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE ''SECURITIES ACT'') OR ANY SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE DATE (''THE RESALE RESTRICTION TERMINATION DATE'') OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (''RULE 144A''), TO A PERSON IT REASONABLY BELIEVES IS A ''QUALIFIED INSTITUTIONAL BUYER'' AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. THE FOREGOING RESTRICTIONS ON RESALE WILL NOT APPLY SUBSEQUENT TO THE RESALE RESTRICTION TERMINATION DATE.

6. It agrees that it will give to each person to whom it transfers the Additional Notes notice of any restrictions on the transfer of such Notes.

7. It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Additional Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act

if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

8. It acknowledges that the Trustee will not be required to accept for registration of transfer any Additional Notes except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.

9. It acknowledges that the Issuer, the initial purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Additional Notes are no longer accurate, it shall promptly notify the initial purchasers. If it is acquiring any Additional Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

ERISA. The Notes may not be sold or transferred to, and prospective investors, as a purchaser and holder, by their purchase and holding of the Notes, and all subsequent transferees and holders, by their purchase and holding of the Notes, shall be deemed to have represented and covenanted that they are not acquiring or holding the Notes for or on behalf of or with the assets of, and will not transfer the Notes to, (a) any employee benefit plan subject to the fiduciary responsibility and prohibited transaction rules in Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (''ERISA''), (b) a plan that is subject to Section 4975 of the Internal Revenue Code, (c) any entity whose assets include plan assets of such an employee benefit plan or plan pursuant to 29 C.F.R. Section 2510.3-101 and Section 3(42) of ERISA or otherwise, or (d) a governmental, church, or non-U.S. plan which is subject to any federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction rules in Title I of ERISA or the provisions of Section 4975 of the Internal Revenue Code (each, a ''Plan Entity'') except that such a purchase and holding shall be permitted so long as neither the purchase nor holding is a violation of the rules regarding transactions with fiduciaries under Section 406(b) of ERISA, and:

1. To the extent such purchase is made by or on behalf of a bank collective investment fund maintained by the purchaser in which, at any time while the Notes are outstanding, no Plan Entity (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total of all assets in such collective investment fund and the all other applicable conditions of Prohibited Transaction Class Exemption 91-38 issued by the U.S. Department of Labor are satisfied;

2. To the extent such purchase is made by or on behalf of an insurance company pooled separate account maintained by the purchaser in which, at any time while the Notes are outstanding, no Plan Entity (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total of all assets in such pooled separate account and all other applicable conditions of Prohibited Transaction Class Exemption 90-1 issued by the U.S. Department of Labor are satisfied;

3. To the extent such purchase is made by an investment fund in which a Plan Entity has an interest (as defined under Part V(h)(1) of Prohibited Transaction Class Exemption 84-14, as amended, issued by the U.S. Department of Labor (''PTCE 84-14'')), and that is managed by an independent fiduciary (as defined under Part V(o) of PTCE 84-14) that is:

   (a) an investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended, that had, as of the last day of its most recent fiscal year, total client assets under its management and control in excess of U.S. $85 million and either (i) had stockholders' or partners' equity (as defined under Part V(m) of PTCE 84-14) in excess of U.S. $1 million, as shown in its most recent balance sheet prepared within the two years immediately preceding such purchase, in accordance with generally accepted accounting principles or (ii) has payment of all of its liabilities including any liabilities that may arise by reason of a breach or violation of a duty described in Sections 404 and 406 of ERISA unconditionally guaranteed as required under Part V(a)(4) of PTCE 84-14;

(b) a bank as defined in Section 202(a)(2) of the U.S. Investment Advisers Act of 1940 that has the power to manage, acquire or dispose of assets of a Plan Entity, which bank has equity capital (as defined in Part V(k) of PTCE 84-14) in excess of U.S. $1 million as of the last day of its most recent fiscal year;

(c) an insurance company that is qualified under the laws of more than one state to manage, acquire or dispose of any assets of a Plan Entity, which insurance company has as of the last day of its most recent fiscal year, net worth (as defined in Part (V)(l) of PTCE 84-14) in excess of U.S. $1 million and which is subject to supervision and examination by a state authority having supervision over insurance companies; or

(d) a savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, that has made application for and been granted trust powers to manage, acquire or dispose of assets of a Plan Entity by a state or federal authority having supervision over savings and loan associations, which savings and loan association has, as of the last day of its most recent fiscal year, equity capital (as defined in Part V(k) of PTCE) or net worth (as defined under Part (V)(l) of PTCE 84-14) in excess of U.S. $1 million,

and, in any case, such investment adviser, bank, insurance company or savings and loan association is otherwise a qualified professional asset manager, as such term is defined PTCE 84-14, and the assets of that Plan Entity when combined with the assets of other plans established or maintained by the same employer (or affiliate thereof) or by the same employee organization, and managed by such investment advisor, bank or insurance company, do not represent more than 20% of the total client assets managed by such investment advisor, bank or insurance company, and the conditions of Part I of PTCE 84-14 are otherwise satisfied.

4. To the extent such purchase is made with funds from an insurance company general account and the conditions of Sections I and IV of Prohibited Transaction Class Exemption 95-60 issued by the U.S. Department of Labor are satisfied;

5. To the extent such purchase is made by a governmental or church plan (as defined in Section 3 of ERISA) or a non-U.S. plan which is not subject to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code or any federal, state, local, non-U.S. law that is substantially similar to the fiduciary or prohibited transaction rules in Title I of ERISA or Section 4975 of the Internal Revenue Code;

6. To the extent an in-house asset manager has discretionary authority or control with respect to the plan assets involved in the purchase and makes such purchase on behalf of a Plan Entity and the conditions of Part I of Prohibited Transaction Class Exemption 96-23 issued by the U.S. Department of Labor are satisfied;

7. To the extent such purchase is made on behalf of a Plan Entity from a person or entity that is a party in interest to such Plan Entity solely by reason of providing services to the Plan Entity (other than a party in interest that is a fiduciary, or its affiliate, that has or exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan Entity involved in the transaction); provided that the Plan Entity receives no less, and pays no more, than ''adequate consideration'' (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Internal Revenue Code) in connection with the purchase and all other applicable requirements under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Internal Revenue Code are satisfied; or

8. To the extent such purchase is made on behalf of a Plan Entity as to which any other statutory, regulatory, administrative or other exemption from all of the prohibited transaction rules set forth in Title I of ERISA and Section 4975 of the Internal Revenue Code applies and all of the conditions necessary for such exemption are satisfied.

LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon for the Issuer by Baker & McKenzie LLP, London, England, and by Gorrissen Federspiel, Copenhagen, Denmark. Certain legal matters in connection with the offering will be passed upon for the initial purchaser by Latham & Watkins (London) LLP, London, England, and by Bech-Brunn, Copenhagen, Denmark.

INDEPENDENT AUDITORS

The consolidated financial statements of ISS as of and for the years ended December 31, 2009 and 2008 with comparative figures for 2007, prepared in accordance with IFRS as adopted by the European Union, have been audited by KPMG Statsautoriseret Revisionspartnerselskab, independent auditors, as stated in their auditors reports, included elsewhere in this offering memorandum.

WHERE PROSPECTIVE INVESTORS CAN FIND MORE INFORMATION

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act.

Each purchaser of the Additional Notes from the initial purchaser will be furnished with a copy of this offering memorandum, and to the extent provided to the initial purchaser by the Issuer for such purpose, any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any related amendments or supplements to the offering memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from the Issuer, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the initial purchaser or any person affiliated with the initial purchaser in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Additional Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuer or the initial purchaser.

For so long as any of the Notes remain outstanding and are ''restricted securities'' within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is not subject to Section 13 or 15(d) under the Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any holder or beneficial holder of a note, or to any prospective purchaser of a note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) of the Securities Act upon the written request of any such holder or beneficial holder. Any such request should be directed to the Issuer at Bredgade 30, DK-1260 Copenhagen K, Denmark, telephone number +45 38 17 00 00.

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture governing the Notes and so long as the Notes are outstanding, the Issuer will furnish periodic information to Noteholders. See ''Description of the Notes—Certain Covenants—Reports to Holders''.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of that exchange so require, copies of the Issuer's organizational documents and the Indenture relating to the Notes and the most recent financial statements published by the Issuer may be inspected and obtained at the office of the paying agent in Luxembourg. See ''Listing and General Information''.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

The Issuer is incorporated under the laws of Denmark, and the Issuer's management, directors and executives reside outside of the United States. Furthermore, the assets of the Issuer are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon those persons or the Issuer or any of its subsidiaries, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws.

The Issuer has been advised by its Danish counsel that the United States and Denmark currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not be enforceable in Denmark without re-examination of the matters previously adjudicated, and a Danish judgment is required. In such an action, the U.S. judgment may, in the court's discretion, serve as evidence in the Danish proceedings and, a Danish court generally will base its judgment on the judgment in the original matter decided by a U.S. court, except that a Danish court would be free to examine new issues and take into consideration a number of factors including, *inter alia*, the following:

- the judgment being final under U.S. law;
- the U.S. court's exercise of jurisdiction over the original proceeding is consistent with Danish law;
- the defendant having had the chance to defend herself or himself against an unduly or untimely served complaint;
- the judgment of the U.S. court being consistent with a prior judgment of a Danish court or a recognized judgment of a foreign court;
- the judgment of the U.S. court being consistent with the procedure of a matter pending before a Danish court, provided that such matter was pending before a Danish court before the U.S. court entered its judgment;
- the enforcement of the judgment by the U.S. court being compatible with the public policy of Danish law; and
- generally, the guarantee of reciprocity.

There can be no assurance that attempts to enforce judgments in Denmark will be successful.

It is doubtful whether a Danish court would accept jurisdiction and impose civil liability if proceedings were commenced in Denmark based upon U.S. federal or state securities laws.

In addition, the recognition and enforcement of punitive damages is usually denied by Danish courts as incompatible with the public policy of Danish law. Moreover, a Danish court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate for actual losses or damages.

Danish civil procedure differs substantially from U.S. civil procedure in a number of respects. In so far as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such similar pre-trial discovery process exists under Danish law.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and to trade the Additional Notes on the Euro MTF Market in accordance with the rules of that exchange. Notice of any optional redemption, change of control or any change in the rate of interest payable on the Additional Notes will be published in a Luxembourg newspaper of general circulation (which is expected to be the *Luxemburger Wort*) or published on the Luxembourg Stock Exchange website (www.bourse.lu).

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, copies of the following documents may be inspected and obtained free of charge at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- the Issuer's organizational documents;
- the most recent audited financial statements, and any interim quarterly financial statements published by the Issuer;
- the Issuer's annual reports for the two most recent years;
- the purchase agreement relating to the Notes;
- the documents granting security interests to Noteholders as described in this offering memorandum; and
- the Indenture relating to the Notes (which includes the form of the Notes).

The Issuer will maintain a paying and transfer agent in Luxembourg for as long as any of the Notes are listed on the Official List of the Luxembourg Stock Exchange. The Issuer reserves the right to vary such appointment and it will publish notice of such change of appointment in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange website (www.bourse.lu).

Clearing Information

The Additional Notes have been accepted for clearance through the facilities of Euroclear and Clearstream Banking. The Rule 144A Global Note has a Common Code of 025347196 and an ISIN of XS0253471964.

During the 40-day distribution compliance period (as defined in Regulation S under the Securities Act), the Additional Notes sold pursuant to Regulation S will be represented by a temporary global note with a temporary ISIN XS0499102233 and common code 049910223. Following the 40-day distribution compliance period, the Regulation S Global Note will have a Common Code of 025347064 and an ISIN of XS0253470644.

Legal Information

The Issuer has authorized, issued and fully paid share capital of DKK 100,000,001, comprised of 100,000,001 shares of DKK 1 each.

The creation and issuance of up to €140,000,000 aggregate principal amount of Additional Notes was authorized by a resolution of the Issuer's Board of Directors.

Except as disclosed in this offering memorandum:

- there has been no material adverse change in the Issuer's financial position since December 31, 2009; and
- the Issuer has not been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issue of the Notes, and, so far as either the Issuer is aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

The Issuer was incorporated on March 11, 2005 under CVR No. 28 50 47 99 in Denmark.

Section 1(3) of the Issuer's Articles of Association sets forth its corporate objectives as follows: ''The object of the company is to conduct any business within trade, service and industry and other related business, including the holding of shares in other companies''.

Additional Information Concerning Material Subsidiaries

The following table includes information relating to the material subsidiaries of ISS which, consolidated with its subsidiaries, account for at least 80% of ISS's revenue on a consolidated basis as of December 31, 2009.

Name and Registered office	Field of activity	Proportion of capital held	Issued capital[(1)]	Dividends paid in 2009[(2)]
ISS Facility Services A/S Møntmestervej 31, DK-2400 Copenhagen NV	ISS's holding and operating company in Denmark	100%	DKK 101,100,000	DKK 80,000,000
ISS Facility Services GmbH Wanheimer Straße 92 D-40468 Düsseldorf	ISS's holding and operating company in Germany	100%	€2,559,000	—
ISS Holding Paris SAS 65-67, rue Ordener F-75018 PARIS	ISS's holding company in France	100%	€189,645,683	—
ISS Holding Nederland BV Van Deventerlaan 30-40 NL-3528 AE Utrecht	ISS's holding company in the Netherlands	100%	€50,000,200	—
ISS Holding AS (formerly ISS Norge AS) Sjølyst Plass 2 Økern N-0509 Oslo	ISS's holding and operating company in Norway	100%	NOK 100,000,000	—
ISS UK Holding Limited ISS House Genesis Business Park Albert Drive Woking UK-Surrey GU21 5RW	ISS's holding company in the United Kingdom	100%	£245,000,001	—
Integrated Service Solutions S.L. C/ Francesc Vias, 7 08174 Sant Cugat del Vallès Barcelona Spain	ISS's holding and operating company in Spain	100%	€9,053,027	—
ISS Facility Services Holding AB Årstaängsvägen 11 Box 47635 S-117 94 Stockholm	ISS's holding company in Sweden	100%	SEK 625,000	—
ISS Pavelut Holding OY Rajatorpantie 8 A Vantaa Finland	ISS's holding company in Finland	100%	€100,000	—
Pacific Invest December 2004 Pty Ltd Unit 1, 12 Mars Road Lane Cove NSW 2066	ISS's holding company in Australia	100%	AUD 135,000,000	—
ISS N.V. Steenstraat 20/1 B-1800 Vilvoorde/Koningslo	ISS's holding and operating company in Belgium	100%	€34,864,813	—
ISS Holding AG Buckhauserstrasse 22 Postfach CH-8010 Zürich	ISS's holding company in Switzerland	100%	CHF 62,369,000	—
ISS Holding Inc. 1019 Central Parkway North, Suite 100 San Antonio, Texas 78232 United States	ISS's holding company in the United States	100%	USD 90,000,000	—
ISS Beta Beteiligungsverwaltung GmbH Brünner Strasse 85 A-1210 Vienna	ISS's holding company in Austria	100%	€35,000	—

(1) All of the share capital of each of the above entities is fully paid up.

(2) Represents dividends declared and paid by such entity in 2009.

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Audited Condolidated Financial Statements for ISS Holding A/S as of December 31, 2009 and for the financial year ended December 31, 2009, with comparative figures as of December 31, 2008 and for the financial year ended December 31, 2008, prepared in accordance with IFRS as adopted by the European Union:

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Consolidated Financial Statements for ISS Holding A/S as of December 31, 2009 and for the financial year ended December 31, 2009, with comparative figures as of December 31, 2008 and for the financial year ended December 31, 2008 prepared in accordance with IFRS as adopted by the European Union

Statement by the Board of Directors and Executive Group Management

The Board of Directors and Executive Group Management have today discussed and approved the Consolidated Financial Statements of ISS Holding A/S as of December 31, 2009 and for the financial year ended December 31, 2009 with comparative figures as of December 31, 2008 and for the financial year ended December 31, 2008. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's assets, liabilities and financial position as of December 31, 2009 and comparative figures as of December 31, 2008 and of the results of the Group's operations and cash flows for the financial year ended December 31, 2009 and the comparative figures for the financial year ended December 31, 2008.

Copenhagen, March 11, 2010

Executive Group Management

Jørgen Lindegaard	Jeff Gravenhorst	Jakob Stausholm
Group Chief Executive Officer	Group Chief Operating Officer	Group Chief Financial Officer

Board of Directors

Ole Andersen	Leif Östling
Chairman	Vice-Chairman

John Allan Marcus Brennecke Peter Korsholm Casper von Koskull Christoph Sander Steven Sher

Independent Auditors' Report on the Consolidated Financial Statements for ISS Holding A/S as of December 31, 2009 and for the financial year ended December 31, 2009 with Comparative Figures as of December 31, 2008 and for the financial year ended December 31, 2008.

To the Shareholders of ISS Holding A/S

We have audited the Consolidated Financial Statements of ISS Holding A/S (together with its subsidiaries the ''ISS Holding A/S Group'') at December 31, 2009 and for the financial year ended 31 December, 2009 with comparative figures at December 31, 2008 and for the financial year ended December 31, 2008, which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements (the ''Consolidated Financial Statements''). The Consolidated Financial Statements as included at pages F-5 - F-82 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control, relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance regarding whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the ISS Holding A/S Group's consolidated assets, consolidated liabilities and consolidated financial position at December 31, 2009 and comparative figures at December 31, 2008 and of the consolidated results of the ISS Holdings A/S Group's operations and cash flows for the financial year ended December 31, 2009 and comparative figures for the financial year ended December 31, 2008 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

KPMG

Statsautoriseret Revisionspartnerselskab

Copenhagen, March 11, 2010

Jesper Ridder Olsen
State Authorised
Public Accountant

Claus Kronbak
State Authorised
Public Accountant

Consolidated Financial Statements 2009
ISS Holding A/S

CONSOLIDATED INCOME STATEMENT

1 January - 31 December.

Amounts in DKK million

Note		2009	2008
3	**Revenue**	**69,004**	**68,829**
4, 5	Staff costs	(44,781)	(44,156)
20	Cost of sales	(6,044)	(6,134)
6	Other operating expenses	(13,437)	(13,609)
14, 16	Depreciation and amortisation(1)	(868)	(869)
	Operating profit before other items(2)	**3,874**	**4,061**
7	Other income and expenses, net	(551)	(242)
	Integration costs	(46)	(66)
3	**Operating profit(1)**	**3,277**	**3,753**
17	Share of result from associates	4	3
8	Net finance costs	(2,308)	(2,731)
	Profit before tax and goodwill impairment/amortisation of brands and customer contracts	**973**	**1,025**
9	Income taxes(3)	(588)	(531)
	Profit before goodwill impairment/amortisation of brands and customer contracts	**385**	**494**
10, 14, 15	Goodwill impairment and write-down	(1,246)	(399)
14	Amortisation of brands and customer contracts(4)	(1,129)	(1,008)
9, 18	Income tax effect(5)	361	282
	Net profit/(loss) for the year	**(1,629)**	**(631)**
	Attributable to:		
	Owners of ISS Holding	(1,647)	(641)
	Non-controlling interests	18	10
	Net profit/(loss) for the year	**(1,629)**	**(631)**

(1) Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(2) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(3) Excluding tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(4) Includes customer contract portfolios and related customer relationships.

(5) Income tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 January - 31 December.

Amounts in DKK million

Note		2009	2008
	Net profit/(loss) for the year	**(1,629)**	**(631)**
	Other comprehensive income		
	Foreign exchange adj. of subsidiaries and non-controlling interests	364	(792)
35	Fair value adjustment of hedges, net	(327)	(266)
35	Fair value adjustment of hedges, net, transferred to Net finance costs	325	(147)
29	Actuarial gains/(losses)	(45)	(182)
29	Impact from asset ceiling	18	25
5	Share-based payments	3	5
9	Tax regarding other comprehensive income	1	36
	Other comprehensive income	**339**	**(1,321)**
	Total comprehensive income for the year	**(1,290)**	**(1,952)**
	Attributable to:		
	Owners of ISS Holding	(1,308)	(1,961)
	Non-controlling interests	18	9
		(1,290)	**(1,952)**

CONSOLIDATED STATEMENT OF CASH FLOWS

1 January - 31 December.

Amounts in DKK million

Note		2009	2008
	Operating profit before other items	3,874	4,061
14, 16	Depreciation and amortisation	868	869
11	Changes in working capital	(137)	109
	Changes in other provisions, pensions and similar obligations	(50)	(96)
	Payments related to other income and expenses, net	(371)	(181)
	Payments related to integration costs	(58)	(65)
23	Income taxes paid, net	(394)	(363)
	Cash flow from operating activities	**3,732**	**4,334**
12	Acquisition of businesses	(914)	(2,095)
12	Divestment of businesses	22	272
13	Investments in intangible assets and property, plant and equipment, net	(897)	(718)
13	Investments in financial assets, net	(43)	(2)
	Cash flow from investing activities	**(1,832)**	**(2,543)**
	Proceeds from borrowings	5,849	2,251
	Repayment of borrowings	(5,177)	(1,310)
	Interest paid, net	(2,205)	(2,267)
	Non-controlling interests	(14)	(22)
	Cash flow from financing activities	**(1,547)**	**(1,348)**
	Total cash flow	**353**	**443**
	Cash and cash equivalents at 1 January	2,961	2,581
	Total cash flow	353	443
	Foreign exchange adjustments	50	(63)
25	**Cash and cash equivalents at 31 December**	**3,364**	**2,961**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December.

Amounts in DKK million

Note		2009	2008
	Assets		
14, 15	Intangible assets	35,452	36,001
16	Property, plant and equipment	2,004	2,276
17	Investments in associates	21	24
18	Deferred tax assets	514	472
19	Other financial assets	281	238
	Total non-current assets	**38,272**	**39,011**
20	Inventories	303	264
21	Trade receivables	10,130	10,097
22	Contract work in progress	195	182
23	Tax receivables	308	228
24	Other receivables	1,071	776
25	Securities	97	86
25	Cash and cash equivalents	3,364	2,961
26	Assets held for sale	614	—
	Total current assets	**16,082**	**14,594**
	Total assets	**54,354**	**53,605**
	Equity and liabilities		
	Total equity attributable to owners of ISS Holding	2,190	3,498
	Non-controlling interests	23	35
27	**Total equity**	**2,213**	**3,533**
28	Long-term debt	28,486	31,210
29	Pensions and similar obligations	837	834
18	Deferred tax liabilities	2,356	2,498
30	Other provisions	379	397
	Total long-term liabilities	**32,058**	**34,939**
28	Short-term debt	5,617	1,279
	Trade payables	2,624	2,835
23	Tax payables	306	123
31	Other liabilities	10,734	10,461
30	Other provisions	423	435
26	Liabilities related to assets held for sale	379	—
	Total current liabilities	**20,083**	**15,133**
	Total liabilities	**52,141**	**50,072**
	Total equity and liabilities	**54,354**	**53,605**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 December.

Amounts in DKK million

	Attributable to owners of ISS Holding					Non-controlling interests	Total equity
	Share capital	Retained earnings	Translation reserve	Hedging reserve	Total		
2009							
Equity at 1 January	**100**	**4,729**	**(1,047)**	**(284)**	**3,498**	**35**	**3,533**
Total comprehensive income for the year	—	(1,668)	364	(4)	(1,308)	18	(1,290)
Impact from acquired and divested companies, net	—	—	—	—	—	(16)	(16)
Dividends paid	—	—	—	—	—	(14)	(14)
Total changes in equity	**—**	**(1,668)**	**364**	**(4)**	**(1,308)**	**(12)**	**(1,320)**
Equity at 31 December	**100**	**3,061**	**(683)**	**(288)**	**2,190**	**23**	**2,213**
2008							
Equity at 1 January	**100**	**5,486**	**(256)**	**129**	**5,459**	**59**	**5,518**
Total comprehensive income for the year	—	(757)	(791)	(413)	(1,961)	9	(1,952)
Impact from acquired and divested companies, net	—	—	—	—	—	(11)	(11)
Dividends paid	—	—	—	—	—	(22)	(22)
Total changes in equity	**—**	**(757)**	**(791)**	**(413)**	**(1,961)**	**(24)**	**(1,985)**
Equity at 31 December	**100**	**4,729**	**(1,047)**	**(284)**	**3,498**	**35**	**3,533**

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries/joint ventures and investments in associates as well as from the translation of long-term balances which are considered part of the investment in subsidiaries/joint ventures, loans in foreign currency and derivatives hedging net investments in foreign subsidiaries/joint ventures.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change after tax in fair value of cash flow hedging instruments when the hedged transactions have not yet occurred.

Dividends

No dividends have been proposed or declared before the Annual Report was issued.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of ISS Holding A/S as of and for the year ended 31 December 2009 comprise ISS Holding A/S and its subsidiaries (together referred to as ''the Group''), jointly controlled entities and associates.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements (class C large size) and the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act.

In addition, the consolidated financial statements have been prepared in compliance with the IFRSs issued by the IASB.

BASIS OF PREPARATION

The consolidated financial statements are presented in Danish kroner (DKK) (rounded to nearest DKK million), which is ISS Holding A/S's functional currency.

The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities, which are measured at fair value: derivatives, financial instruments designated as fair value through the income statement and financial assets classified as available-for-sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying amount before the changed classification and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except for the changes as explained below in ''Changes in accounting policies''.

CHANGES IN ACCOUNTING POLICIES

With effect from 1 January 2009 the Group has implemented:

- IAS 1 (revised 2007) ''Presentation of Financial Statements'';
- IAS 23 (revised 2007) ''Borrowing Costs'';
- IFRS 2 ''Share-based Payment: Vesting Conditions and Cancellations'';
- Amendments to IAS 32 and IAS 1: ''Puttable Financial Instruments and Obligations Arising on Liquidation'';
- Amendments to IFRS 1 and IAS 27: ''Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate'';
- Amendment to IFRS 7: ''Improving Disclosures about Financial Instruments'';
- Parts of ''Improvements to IFRSs May 2008''.

In 2009, IFRIC 15 ''Agreement for the Construction of Real Estate'' and IFRIC 16 ''Hedges of Net Investments in a Foreign Operation'' have been approved with different effective dates in the EU than the corresponding effective dates under IASB. Consequently, the Group has early adopted these with effect from 1 January 2009 so that the implementation follows the effective dates under IASB.

The adoption of these Standards and Interpretations did not affect the recognition and measurement. The new Standards and Interpretations only resulted in changes to the presentation and disclosure in the notes. Comparative figures have been adjusted accordingly.

IAS 1 ''Presentation of Financial Statements'' introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The Group has chosen the latter of the two alternatives. Furthermore, changes in equity resulting from transactions with owners must be presented in a separate statement.

IAS 23 ''Borrowing Costs'' requires capitalisation of borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group does not have any qualifying assets and consequently the adoption of IAS 23 did not impact the Group's consolidated financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the parent company ISS Holding A/S and subsidiaries in which ISS Holding A/S has control of financial and operating policies in order to obtain a return or other benefits from its activities. Control is presumed to exist when ISS Holding A/S owns, directly or indirectly, more than 50% of the voting rights of an entity or otherwise has a controlling interest.

Special purpose entities (SPEs) The Group has established a number of SPEs with the purpose of raising external funding to the Group. The Group does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risk and rewards, the Group concludes that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks incident to the SPEs' activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

Associates Entities in which the Group has a significant influence, but which it does not control, are considered associates. Significant influence is presumed to exist when the Group owns directly or indirectly more than 20% of the voting rights but less than 50%. When assessing whether ISS Holding A/S has control or significant influence, potential voting rights that are exercisable at the reporting date are taken into account. Investments in associates are accounted for using the equity method.

Joint ventures The Group's interests in jointly controlled entities are regarded as joint ventures and are consolidated proportionally, and the individual accounting entries are recognised in proportion to the ownership share.

A group chart is included on page F-79.

The consolidated financial statements have been prepared as a consolidation of the financial statements of ISS Holding A/S, subsidiaries, SPEs and proportionally consolidated entities prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated. Unrealised gains on transactions with associates and proportionally consolidated entities are eliminated in proportion to the Group's ownership share of the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that impairment has not taken place.

Investments in subsidiaries and proportionally consolidated entities are set off against the proportionate share of the subsidiaries' fair value of identifiable net assets, including recognised contingent liabilities, at the acquisition date.

The accounting items for subsidiaries are included in full in the consolidated financial statements. The non-controlling interest's share of the net profit/loss for the year and of the equity

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

of subsidiaries, which are not wholly owned are included in the Group's net profit/loss and equity respectively, but is disclosed separately.

Business combinations Acquired businesses or entities formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Businesses which are divested or wound up are recognised in the consolidated income statement until the date of divestment or winding-up. Comparative figures are not restated for businesses acquired, divested or wound up.

In acquisitions where the Group obtains control of the acquired business the purchase method is used. The identifiable assets, liabilities and contingent liabilities of acquired businesses are recognised in the statement of financial position at fair value at the acquisition date. Identifiable intangible assets are recognised if separable or if they arise from contractual or other legal rights, provided that the fair value can be measured reliably. Deferred tax related to fair value adjustments is recognised.

On initial recognition non-controlling interests are recognised in the consolidated financial statements at the proportionate share of identifiable assets, liabilities and contingent liabilities of the acquired business.

The acquisition date is the date when the Group effectively obtains control of the acquired business.

Any excess of the cost of acquisition over the fair value of identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill under intangible assets. Goodwill is not amortised but tested for impairment annually. The first impairment test is performed no later than at the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency other than the presentation currency used in the Group are treated as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate at the transaction date. Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

The cost of a business combination comprises the fair value of the consideration agreed upon and costs directly attributable to the acquisition. If parts of the consideration are conditional upon future events, these parts are included in the cost to the extent that the events are probable and the consideration can be measured reliably.

If uncertainties regarding measurement of acquired identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of provisionally determined fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have a different fair value at the acquisition date from that first assumed, goodwill is adjusted up until 12 months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and the comparative figures are restated accordingly. Subsequently, goodwill is only adjusted as a result of changes in estimates of contingent considerations, except in cases of material error. However, subsequent realisation of the acquired entity's deferred tax assets not recognised at the acquisition date will require recognition of the tax benefit in the income statement and simultaneous write-down of the carrying amount of goodwill to the amount which would have been recognised if the deferred tax asset had been recognised as an identifiable asset at the acquisition date.

Gains or losses on the divestment or winding-up of subsidiaries, associates or joint ventures are measured as the difference between the sales or winding-up amount adjusted for directly related divestment or winding-up costs and the carrying amount of the net assets at the time of disposal or winding-up including any carrying amount of goodwill. Accumulated exchange rate adjustments on divested or wound up subsidiaries, associates or joint ventures recognised in equity are included in the income statement under Net finance costs at the time of divestment or winding-up.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the primary currency used for the reporting entity's operations. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement under Net finance costs.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date at which the receivable or payable arose or the exchange rate in the latest annual report is recognised in the income statement under Net finance costs.

On recognition in the consolidated financial statements of entities with a functional currency other than the presentation currency of ISS Holding A/S (DKK), the income statements and statements of cash flows are translated at the exchange rates at the transaction date and the statements of financial position are translated at the exchange rates at the reporting date. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly deviate from the exchange rate at the transaction date. Foreign exchange differences arising on translation of the opening balance of equity of foreign entities at the exchange rates at the reporting date and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the reporting date are recognised directly in equity under a separate translation reserve.

Foreign exchange adjustment of balances with foreign entities which are considered part of the investment in the entity is recognised in the consolidated financial statements directly in equity. Foreign exchange gains and losses on the part of loans and derivative financial instruments which are designated as hedges of investments in foreign entities with a functional currency different from ISS Holding A/S's and which effectively hedge against corresponding foreign exchange gains and losses on the investment in the entity are also recognised directly in a separate translation reserve in equity.

On recognition in the consolidated financial statements of associates with a functional currency other than the presentation currency of ISS Holding A/S, the share of profit/loss for the year is translated at average exchange rates and the share of equity, including goodwill, is translated at the exchange rates at the reporting date. Foreign exchange differences arising on the translation of the share of the opening balance of equity of foreign associates at the exchange rates at the reporting date, and on translation of the share of profit/loss for the year from average exchange rates to the exchange rates at the reporting date, are recognised directly in a separate translation reserve in equity.

On complete or partial disposal of a foreign entity or on repayment of balances which constitute part of the net investment in the foreign entity, the share of the cumulative amount of the exchange differences recognised directly in equity relating to that foreign entity is recognised in the income statement under Net finance costs at the time of divestment or winding-up.

INCOME STATEMENT

Presentation The income statement is presented in accordance with the ''nature of expense'' method. Goodwill impairment and write-down and Amortisation of brands and customer contracts as well as the Income tax effect hereof are presented in separate line items after Operating profit. This income statement presentation is considered to reflect the Group's profitability most appropriately.

Revenue from rendering services is recognised in the income statement in proportion to the stage of completion of the transaction at the reporting date. Revenue is recognised when the

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

amount of revenue can be measured reliably, the recovery of the consideration is probable, the stage of completion can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In assessing whether revenue should be reported on a gross or a net basis (i.e. net of related costs), the Group considers whether it: (i) is the primary obligor in the arrangement; (ii) has the general inventory risk; (iii) has latitude in establishing price; (iv) changes the product or performs part of the service; (v) has discretion in supplier selection; (vi) is involved in the determination of product or service specifications; (vii) has physical loss inventory risk; or (viii) carries the credit risk. If these assumptions are fulfilled revenue is reported on a gross basis.

Contract revenue is recognised in the income statement in proportion to the stage of completion of the contract when the outcome of the contract can be estimated reliably. Contract revenue includes the initial amount agreed in the contract plus any variations in the contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. Contract expenses are recognised as incurred unless they create an asset related to future contract activity. When the outcome of a contract can not be measured reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

Revenue is measured at fair value of the consideration received less VAT and duties as well as price and quantity discounts.

Government grants mainly comprise wage subventions and investment grants.

Grants that compensate the Group for expenses incurred are recognised directly in the income statement on a systematic basis in the same periods in which the expenses are incurred.

Grants for acquisition of assets are recognised in the statement of financial position as a reduction of the cost of the asset and transferred to the income statement on a systematic basis over the useful life of the asset.

Staff costs comprises salaries and wages, pensions, social security expenses and other employee related expenses.

Cost of sales comprises material consumption related to the recognised revenue, e.g. chemicals, cloths, uniforms etc.

Other operating expenses includes expenses related to the operation of service equipment and other non-current assets, external assistance as well as other selling, distribution and administrative expenses, including expenses related to marketing, transportation, operating leases, subcontractors, audit, legal assistance, realised losses and loss provisions on receivables etc.

Depreciation and amortisation includes depreciation and amortisation of intangible and tangible assets excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts, which are presented in separate line items after Profit before goodwill impairment/amortisation of brands and customer contracts.

Other income and expenses, net consists of income and expenses, both recurring and non-recurring, that the Group does not consider to be part of normal ordinary operations, such as gains and losses arising from divestments, remeasurement of disposal groups classified as held for sale, the winding-up of operations, disposals of property, restructurings and certain acquisition related costs, etc.

Integration costs include costs regarding the acquiring Group company and the acquired business that are a consequence of the integration. Integration costs include costs of compensating employees for termination of their employment, closing facilities, and termination of subscriptions and agreements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share of result from associates comprises the share of the associates' result after tax and non-controlling interests. Share of result from associates is recognised in the income statement after elimination of the proportionate share of unrealised intra-group profits/losses.

Net finance costs comprises interest income and expense, gains and losses on securities, foreign exchange gains and losses, amortisation of financial assets and liabilities, including finance lease and unwinding of discount. Additionally realised and unrealised gains and losses on fair value hedges (currency swaps) and derivatives which are not designated as hedging arrangements are included.

Income taxes consists of current tax and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement and the tax expense relating to items recognised directly in equity is recognised directly in equity.

ISS Holding A/S is jointly taxed with all Danish resident subsidiaries. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are included in the Danish tax on account scheme. Additions, deductions and allowances are recognised under Net finance costs.

Goodwill impairment and write-down includes impairment losses arising from impairment tests as well as write-down of goodwill in connection with divestments and classification of disposal groups as held for sale.

Amortisation of brands and customer contracts includes amortisation of acquired brands and acquired customer contract portfolios and related customer relationships, impairment losses arising from impairment tests and write-down in connection with divestments and classification of disposal groups as held for sale.

Income tax effect of Goodwill impairment and write-down and amortisation of brands and customer contracts is presented in a separate line item in connection with these two line items.

STATEMENT OF CASH FLOWS

The statement of cash flows shows the Group's cash flows from operating, investing and financing activities for the year, the change in its cash position during the year as well as the Group's cash position at the beginning and the end of the year.

The liquidity effect of acquisition and divestment of businesses is shown separately under Cash flow from investing activities. The statement of cash flows includes cash flows from acquired businesses from the date of acquisition and cash flows from divested businesses until the date of divestment.

Cash flow from operating activities is calculated using the indirect method and comprises Operating profit before other items adjusted for non-cash items, changes in working capital and provisions and payments regarding income taxes, other income and expenses and integration costs.

Cash flow from investing activities comprises payments in connection with acquisition and divestment of businesses and the purchase and sale of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not recognised as cash and cash equivalents.

Acquisition of assets by means of finance leases are treated as non-cash transactions.

Cash flow from financing activities comprises proceeds from and repayment of loans, dividends, proceeds from share issues, purchase and sale of treasury shares, cash flow related to derivatives hedging net investments and dividends to non-controlling interests. Furthermore, interest paid and received is included in cash flow from financing activities as this better reflects the

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

distinction between operating and financing activities following the acquisition of ISS A/S by ISS Holding A/S.

Cash flows relating to assets held under finance leases are recognised as payment of interest and repayment of debt.

Cash and cash equivalents comprises cash and marketable securities, with maturity of less than three months that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviate significantly from the exchange rate at the transaction date.

STATEMENT OF FINANCIAL POSITION

Goodwill is initially recognised in the statement of financial position at cost as described under ''Business combinations''. Subsequently, goodwill is measured at cost less accumulated impairment losses and write-downs. Goodwill is not amortised, but tested for impairment annually and whenever there is an indication that goodwill may be impaired.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on the management structure and internal financial control, i.e. generally equal to country level.

An impairment loss is recognised whenever the carrying amount of a cash-generating unit exceeds its recoverable amount. The recoverable amount is calculated as the higher of net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value.

Brands Acquisition related brands are recognised at fair value at the date of acquisition. Subsequently, acquired brands with indefinite useful lives are measured at historical cost less any accumulated impairment losses while acquired brands with finite useful lives are measured at historical cost less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis over the expected useful life of the brand, which is usually in the range 2-5 years.

A deferred tax liability is calculated at the local tax rate on the difference between the carrying amount and the tax value. The initial recognition of this deferred tax liability increases the amount of goodwill.

The value of brands is allocated to cash generating units and tested for impairment as part of the annual impairment test of goodwill.

Customer contract portfolios and related customer relationships (''Customer contracts'') Acquisition related customer contracts are recognised at fair value at the date of acquisition and subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. The value is amortised based on the churn rate of the acquired portfolio using the declining balance method. This churn rate is calculated on a contract by contract basis and has historically averaged approximately 12% to 13% annually. In certain cases the value of customer contracts is amortised on a straight line basis based on the legal duration of the acquired contract.

A deferred tax liability is calculated at the local tax rate on the difference between the carrying amount and the tax value. The initial recognition of this deferred tax liability increases the amount of goodwill.

The value of customer contracts is allocated to cash generating units and tested for impairment as part of the annual impairment test of goodwill.

Software and other intangible assets are measured at cost less accumulated amortisation and write-downs.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

When measuring the value of software developed for internal use, external costs to consultants and software as well as internal direct and indirect costs related to the development are capitalised. Other development costs for which it cannot be rendered probable that future economic benefits will flow to the Group are recognised in the income statement as and when incurred.

Amortisation is provided on a straight-line basis over the expected useful lives of the assets. The amortisation methods and useful lives are reassessed annually. When changing the amortisation period due to a change in the useful life, the effect on the amortisation is recognised prospectively as a change in accounting estimates.

Software and other intangible assets	Expected useful life
Software	Max. of 5-10 years
Other intangible assets	Max. of 5-10 years

Property, plant and quipment is measured at cost less accumulated depreciation and write-down.

Cost of assets comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to operate in the manner intended. The net present value of estimated liabilities related to dismantling and removing the asset and restoring the site on which the asset is located is added to the cost of the asset to the extent that this cost is recognised as a provision.

The cost of assets held under finance leases is stated at the lower of fair value of the asset and the net present value of future minimum lease payments. When calculating the net present value, the interest rate implicit in the lease or an approximated rate is applied as the discount rate.

Subsequent costs of replacing part of an item are recognised as an asset if it is probable that the future economic benefits embodied by the item will flow to the Group. The remaining carrying amount of the replaced item is de-recognised in the statement of financial position and transferred to the income statement. All other costs for common repairs and maintenance are recognised in the income statement as and when incurred.

Property, plant and equipment, including assets held under finance leases are depreciated on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Tangible assets	Expected useful life
Buildings	20-40 years
Leasehold improvements	(the lease term) 8-12 years
Plant and equipment	3-10 years

Land is not depreciated.

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Gains and losses arising on the disposal or retirement of non-current assets are measured as the difference between the selling price less direct sales costs and the net carrying amount, and are recognised in the income statement under Other operating expenses in the year of sale, except gains and losses arising on disposals of property, which are recognised under Other income and expenses, net.

Investments in associates are recognised in accordance with the equity method and measured at the proportionate share of the entities' net asset values calculated in accordance with

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

the Group's accounting policies minus or plus the proportionate share of unrealised intra-group profits and losses plus the carrying amount of goodwill.

Investments in associates with a negative net asset value are measured at zero. If the Group has a legal or constructive obligation to cover a deficit in the associate, the deficit is recognised under provisions.

Receivables from associates are measured at amortised cost. A provision is made for doubtful debt.

Other financial assets Costs related to tenders for public offers for PPP (Public Private Partnership)/PFI (Private Finance Initiative) contracts are recognised in the income statement as incurred. If the Group is awarded status as preferred bidder, directly attributable costs and investments from that date, if any, are recognised under Other financial assets. For PPP/PFI contracts awarded, the costs are amortised over the term of the contract. If the Group is not awarded the contract, all costs are recognised in the income statement.

Impairment of non-current assets Goodwill and brands with an indefinite useful life are subject to annual impairment tests, initially before the end of the acquisition year.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit to which goodwill is allocated and written down to the recoverable amount through the income statement if the carrying amount is higher. The recoverable amount is generally calculated as the present value of the expected future cash flows (value in use) from the cash-generating unit to which goodwill is allocated. Impairment of goodwill is recognised in a separate line item in the income statement.

Deferred tax assets are subject to impairment tests annually and recognised only to the extent that it is probable that they will be utilised.

The carrying amount of other non-current assets is tested annually for indications of impairment. If such an indication exists, the recoverable amount of the asset is determined. The recoverable amount is the higher of the fair value of the asset less anticipated costs of disposal and its value in use. The value in use is calculated as the present value of expected future cash flows from the asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses are only reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Inventories are measured at the lower of cost under the FIFO principle and net realisable value.

Finished goods and work in progress are measured at the lower of cost plus attributable overheads and net realisable value. The cost of raw materials and supplies includes the purchase price plus costs directly related to the purchase.

Net realisable value is the estimated selling price less costs of completion and selling costs and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables are measured at amortised cost less a provision for doubtful debt. A provision for doubtful debt is recognised when objective evidence indicates that a receivable or a portfolio of receivables is impaired. Objective evidence of impairment can include default or delinquency of a debtor, restructuring of an amount due to the Group on terms that would not otherwise be considered or indications that a debtor will enter bankruptcy.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group considers evidence of impairment at both a specific receivable and portfolio level. All individually significant receivables are assessed for specific impairment. Receivables, that are found not to be specifically impaired, are collectively assessed for impairment on portfolio level by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Provision for doubtful debt is calculated as the difference between the carrying amount of the receivables and the realisable value, including the expected net realisable value of any collateral received. Provisions and realised losses during the year are recognised under Other operating expenses.

Contract work in progress is measured at the contract revenue of the work completed less progress billings and anticipated losses.

The contract revenue is calculated based on the stage of completion at the reporting date and the total contract revenue to be received for each individual contract. The stage of completion is determined on the basis of an assessment of the work performed, which is measured as the proportion of contract costs incurred for work performed on each individual contract relative to the total estimated contract costs.

When it is probable that the total contract costs will exceed the total contract revenue, the anticipated loss on the contract is immediately recognised as an expense and a provision.

When the outcome of a contract cannot be determined reliably, the realisable value is measured as the contract costs incurred that are likely to be recovered.

Where the realisable value of work performed exceeds progress billings and anticipated losses, the excess is recognised under Contract work in progress. If progress billings and anticipated losses exceed the realisable value of a construction contract, the deficit is recognised under Other liabilities.

Prepayments from customers are recognised under Other liabilities.

Costs relating to sales work and securing contracts are recognised in the income statement as incurred.

Securities that are designated as fair value through the income statement are measured at fair value at the reporting date, with any resulting gains or losses recognised in the income statement.

Equity

Translation reserve The translation reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign subsidiaries/joint ventures and investments in associates as well as from the translation of long-term balances which are considered part of the investment in subsidiaries/joint ventures, loans in foreign currency and derivatives hedging net investments in foreign subsidiaries/joint ventures.

On complete or partial disposal of net investments in foreign subsidiaries, joint ventures and associates, the foreign exchange adjustments are recognised in the income statement.

Hedging reserve The hedging reserve comprises the effective portion of the cumulative net change after tax in the fair value of cash flow hedging instruments which fulfil the criteria for hedging of future cash flows, when the hedged transactions have not yet occurred.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Treasury shares Proceeds related to the acquisition or disposal of treasury shares are recognised directly in equity.

Dividends proposed are recognised as a liability at the date when they are adopted at the Annual General Meeting (declaration date).

Interim dividends are recognised as a liability at the date when the decision to pay interim dividend is made.

Retirement benefit obligations and similar obligations The Group has entered into retirement benefit schemes and similar arrangements with the majority of the Group's employees.

Contributions to defined contribution plans are recognised in the income statement in the period to which they relate. Any contributions outstanding are recognised in the statement of financial position as Other liabilities.

For defined benefit plans an annual actuarial calculation (the Projected Unit Credit Method) is made of the present value of future benefits payable under the plan. The present value is determined on the basis of assumptions about the future development in variables such as salary levels, interest rates, inflation and mortality. The present value is determined only for benefits earned by employees from their employment with the Group. The actuarial present value less the fair value of any plan assets is recognised in the statement of financial position under Pensions and similar obligations.

Pension costs for the year are recognised in the income statement on the basis of actuarial estimates and financial expectations at the beginning of the year. Differences between the expected development in pension assets and liabilities and the realised amounts at the end of the year are designated actuarial gains or losses and are recognised directly in equity.

If changes in benefits relating to services rendered by employees in previous years result in changes in the actuarial present value, the changes are recognised as historical costs. Historical costs are recognised immediately if employees have already earned the changed benefits. If employees have not earned the benefits, the historical costs are recognised in the income statement over the period in which the changed benefits are earned by the employees.

If a pension plan constitutes a net asset, the asset is only recognised to the extent that it represents future refunds from the plan, or it will lead to reductions in future contributions to the plan.

Interest on defined benefit plans and the expected return on plan assets are recognised under Staff costs.

Other long-term employee benefits are recognised similarly based on an actuarial calculation. All actuarial gains and losses are recognised in the income statement immediately under Staff costs. Other long-term employee benefits comprise jubilee benefits, long-service or sabbatical leave etc.

Share-based payments The value of services received in exchange for granted warrants is measured at the fair value of the these warrants.

The fair value of equity-settled programmes is measured at grant date and recognised in the income statement under Other income and expenses, net over the vesting period with a corresponding increase in equity.

The fair value of the warrants granted is measured using the Black-Scholes option pricing model based on the terms and conditions on which they were granted. Service and non-market vesting conditions are not taken into account when estimating the fair value, but are considered when estimating the number of warrants expected to vest.

At each reporting date, the Group revises the estimate of number of warrants expected to vest. The impact of this revision, if any, is recognised in the income statement, and a corresponding

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

adjustment is made to equity over the remaining vesting period. Accordingly, total recognition is based on the number of warrants ultimately vested. Adjustments relating to prior years are included in the income statement in the year of adjustment.

Current tax receivable/payable and deferred tax Current tax payable and receivable is recognised in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income for previous years and for tax paid on account.

Deferred tax is measured in accordance with the liability method and comprises all temporary differences between accounting and tax values of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arose at the time of acquisition without affecting either profit/loss for the year or taxable income. Where alternative taxation rules can be applied to determine the tax base, deferred tax is measured according to management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses carried forward, are recognised under non-current assets at the expected value of their utilisation: either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax assets and liabilities are offset if the Group has a legal right to offset current tax assets and tax liabilities or intends to settle current tax assets and tax liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax is adjusted for elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the taxation rules and tax rates in the respective countries applicable at the reporting date when the deferred tax is expected to be realised as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Other provisions comprise obligations concerning legal cases, self-insurance, acquisition and integration costs, contingent liabilities related to acquisitions, dismantling costs, and various other operational issues. Provisions are recognised if the Group, as a result of a past event has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is management's best estimate of the amount required to settle the obligation.

When measuring provisions, the costs required to settle the obligation are discounted if this significantly impacts the measurement of the liability. The entity's average borrowing rate is used as discount rate. The unwinding of discount is recognised under Net finance costs.

Restructuring costs are recognised under Other provisions when a detailed, formal restructuring plan is announced to the affected parties on or before the reporting date. On acquisition of businesses, restructuring provisions in the acquiree are only included in goodwill when the acquiree has a restructuring liability at the acquisition date.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the obligations under the contract.

When the Group has a legal obligation to dismantle or remove an asset or restore a site or rented facilities when vacated, a provision is recognised corresponding to the present value of expected future costs. The present value of the obligation is included in the cost of the relevant tangible asset and depreciated accordingly.

Financial liabilities are recognised at the date of borrowing at the amount of proceeds received less related transaction costs paid. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. Any difference between the proceeds initially

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

received and the nominal value is recognised in the income statement under Net finance costs over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases, which are measured at amortised cost.

Leasing For accounting purposes lease obligations are divided into finance leases and operating leases.

A finance lease is a lease that transfers substantially all risks and rewards incident to ownership to the lessee. Other leases are classified as operating leases.

The accounting treatment of assets held under a finance lease and the related obligation are described under Property, plant and equipment and Financial liabilities, respectively.

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

Derivative financial instruments are recognised in the statement of financial position on the transaction date and measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively. Positive and negative values are only offset when the Group has the legal right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are calculated on the basis of current market data and according to generally accepted valuation methods.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned. Hedging of future cash flows in accordance with a firm commitment, except for foreign currency hedges, is treated as a fair value hedge of a recognised asset or liability.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge, and which effectively hedges changes in the value of the hedged item, are recognised in equity in a separate hedging reserve until the hedged transaction is realised. At this time, gains or losses concerning such hedging transactions are transferred from equity and recognised under the same line item as the hedged item.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement under Net finance costs.

Assets held for sale comprises non-current assets and disposal groups held for sale. A disposal group is defined as a group of assets to be disposed of by sale or otherwise together as a group in a single transaction. Liabilities relating to assets held for sale are those directly associated with the assets that will be transferred in the transaction. Assets are classified as held for sale when the carrying amount of the assets are expected to primarily be recovered through a sale within 12 months in accordance with a formal plan rather than through continuing use.

Immediately before classification as held for sale, the assets or disposal groups are remeasured in accordance with the Group's accounting policies. Assets held for sale are subsequently recognised at the lower of the carrying amount and fair value less costs to sell. Assets held for sale are not amortised or depreciated.

Impairment losses on initial classification as held for sale, and subsequent gains and losses on remeasurement are recognised in the income statement. Gains and losses are disclosed in the notes.

Assets held for sale and related liabilities are presented in separate lines in the statement of financial position and the main elements are specified in the notes to the consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Presentation of discontinued operations Discontinued operations comprises a component of the Group's business that represent a separate major line of business or geographical area of which the operations and cash flows can be clearly distinguished, i.e. as a minimum a cash-generating unit. Classification as discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. The profit or loss is separated in the income statement, assets and related liabilities are separated in the statement of financial position, and the cash flows from operating, investing and financing activities are disclosed in the notes to the consolidated financial statements. When an operation is classified as discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the beginning of the comparative period.

SEGMENT REPORTING

The Group's reportable segments have been identified based on the Group's internal management reporting. Operations are managed based on a geographical structure in which countries are grouped into 7 regions representing the Group's reportable segments. The regions have been identified based on a key principle of grouping countries that share market conditions and cultures.

The accounting policies of the reportable segments are the same as the Group's accounting policies described above. Segment revenue, costs, assets and liabilities comprise items that can be directly referred to the individual segments. Unallocated items mainly consist of revenue, costs, assets and liabilities relating to the Group's Corporate functions as well as Net finance costs and Income taxes.

For IFRS 8 purposes, segment profit has been identified as Operating profit (before Goodwill impairment and write-down and Amortisation of brands and customer contracts). Segment assets and segment liabilities have been identified as Total assets and Total liabilities, respectively.

When presenting geographical information segment revenue and non-current assets are based on the geographical location of the individual subsidiary from which the sales transaction originates.

NEW STANDARDS AND INTERPRETATIONS NOT YET IMPLEMENTED

IASB has published the following new standards, amendments to existing standards and interpretations that are not yet mandatory for the preparation of the consolidated financial statements of the Group for the year ended 31 December 2009:

- IFRS 3 (revised) ''Business Combinations'';
- Amendments to IAS 27 ''Consolidated and Separate Financial Statements'';
- Amendments to IAS 32 ''Financial Instruments: Presentation'';
- Amendments to IAS 39 ''Financial Instruments: Recognition and Measurement'';
- Amendments to IFRIC 9 ''Reassessment of Embedded Derivatives'';
- IFRIC 17 ''Distributions of Non-cash Assets to Owners'';
- IFRIC 18 ''Transfers of Assets from Customers'';
- Parts of ''Improvements to IFRSs May 2008''.

In addition the following standards are published by IASB, but not yet adopted by the EU:

- Amendments to IFRS 1 ''First-time Adoption of International Financial Reporting Standards'';
- Amendments to IFRS 2 ''Share-based Payment'';
- Improvements to IFRS (April 2009);
- IFRIC 19 ''Extinguishing Financial Liabilities with Equity Instruments'';

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Amendments to IFRIC 14 ''IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'';
- Revised IFRS 9 ''Financial Instruments (replacement of IAS 39) project'';
- Revised IAS 24 ''Related Party Disclosures''.

The Group expects to adopt the new standards and interpretations when they become mandatory. The standards and interpretations that are approved with different effective dates in the EU than the corresponding effective dates under IASB will be early adopted so that the implementation follows the effective dates under IASB.

IFRS 3 (Revised) ''Business Combinations'' (and the simultaneous amendment of IAS 27) is effective for annual periods beginning on or after 1 July 2009. The standard incorporates a number of changes of which the following are expected to be most relevant to the Group's operations:

- Contingent consideration will be measured at fair value at the acquisition date, with subsequent changes therein recognised in the income statement
- Acquisition costs, other than share and debt issue costs, will be expensed as incurred.

The Group does not expect to apply the possibility of recognising goodwill related to any non-controlling interest of acquired businesses. However, the possibility will be evaluated case by case on basis of the circumstances in the individual business combinations.

IFRS 3 (Revised) becomes mandatory for the Group's 2010 consolidated financial statements and will be applied prospectively, and will therefore have no impact on prior periods in the Group's 2010 consolidated financial statements.

Apart from IFRS 3 (Revised) ''Business Combinations'' (and the simultaneous amendment of IAS 27), none of the standards and interpretations are expected to have a material impact on the consolidated financial statements of the Group.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements of the Group requires management to make judgements, accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of the Group's assets and liabilities, income and expenses.

The most significant accounting estimates and judgements are presented below.

ESTIMATION UNCERTAINTY

Determination of the carrying amount of certain assets and liabilities requires estimates and assumptions concerning future events.

The estimates and assumptions are based on historical experience and other factors which management assesses to be reliable, but which by their nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. Further, the Group is exposed to a number of risks and uncertainties as a result of its operating, investing and financing activities. These risks may lead to actual results differing from estimates, both positively and negatively. Specific risks for the Group are discussed in the Management Review and in the notes.

Assumptions about the future and estimation uncertainty on the reporting date are described in the notes where there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

The international financial markets showed extraordinary fluctuations in both 2008 and 2009, including fluctuations in interest and currency exchange rates and with a derived effect on the general economic situation. Consequently, estimates and assessments have been given special

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

attention to ensure that one-off effects which are not expected to exist in the long term do not affect estimates and assessed factors including discount rates and expectations to the future.

Management believes the following are the areas involving significant accounting estimates in the preparation of the consolidated financial statements of the Group:

Business combinations When acquiring businesses the purchase method is applied for recognition of assets, liabilities and contingent liabilities of the acquiree. The most significant assets acquired generally comprise goodwill, brands, customer contract portfolios and related customer relationships and trade receivables.

Generally there are uncertainties related to the identification of assets, liabilities and contingent liabilities as well as to the measurement of their fair value at the acquisition date. As no active market exists for the majority of acquired assets, liabilities and contingent liabilities, in particular in respect of acquired intangible assets, management makes estimates of the fair value. Determination of assets, liabilities and contingent liabilities may be subject to subsequent adjustment within 12 months.

The unallocated purchase price (positive amounts) is recognised as goodwill, which is allocated to the Group's cash-generating units. Management makes estimates of cash-generating units and the allocation of goodwill.

Considering the uncertainties associated with the determination of the cash flows of acquired cash-generating units, it is the assessment of management that the allocation made is based on documented estimates. The difference between the carrying amounts in the acquired entities and the fair value of identifiable assets and liabilities is specified in note 12, Acquisition and divestment of businesses.

Brands In business combinations, the fair value of the brands acquired and their expected useful lives are assessed based on the brands' market position, expected long-term developments in the relevant markets and the brands' profitability.

Generally, the Group's strategy is based on the ISS brand, which means that all acquired brands are either immediately converted to the ISS brand or co-branded with the ISS brand for a longer or shorter period of time. Whether the conversion is effected immediately or implemented over a period of time depends on the assessment of the fair value of the acquired brand, i.e. whether the acquired brand is expected to separately generate future economic benefits.

When an acquired brand is assessed to separately generate future economic benefits, measurement of the fair value is based on a discounted cash flow model using the after-tax royalty payments (the royalty relief method). Cash flows are discounted on an after tax basis using the local Weighted Average Cost of Capital (WACC) plus a risk premium for the assumed risk inherent in the brand.

The net present value of the cash flow is increased with an estimated portion of the tax amortisation benefit applicable for a potential buyer based on the local tax amortisation opportunity available for brand names when bought as a trade and asset purchase. The tax amortisation benefit is discounted. This increased value of the brand equals the fair value at the date of acquisition.

Customer contracts In business combinations the fair value of customer contracts is based on an evaluation of the conditions relating to the acquired contract portfolio and related customer relationships in terms of local market conditions, terms and conditions of the underlying contracts and historical experience relating to churn rates.

Measurement is based on a discounted cash flow model based on key assumptions about the estimated split of the acquired revenue in business segments and the related churn rates and profitability of the revenue at the time of the acquisition. A contributory asset charge as a cost or return requirement for assets supporting the intangible asset has been included in the model. Cash flows are discounted on an after tax basis using the local Weighted Average Cost of Capital (WACC) plus a risk premium for the assumed risk inherent in customer contracts.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

The net present value of the cash flow is increased with an estimated portion of the tax amortisation benefit applicable for a potential buyer based on the local tax amortisation opportunity available for customer contracts when bought as a trade and asset purchase. The tax amortisation benefit is discounted. This increased value of customer contracts equals the fair value at the date of acquisition.

Impairment test Goodwill, brands and customer contracts are tested for impairment at least annually or whenever there is an indication that the intangibles may be impaired. In performing the impairment test management makes an assessment of whether the cash generating unit to which the intangibles relate will be able to generate positive net cash flows sufficient to support the value of intangibles and other net assets of the entity.

The recoverable amount of each cash-generating unit is determined on the basis of its value-in-use. The value-in-use is established using certain key assumptions. The key assumptions are revenue growth, operating margin (before other items) and discount rate.

Value-in-use cash flow projections are based on financial budgets approved by management covering the following financial year. The operating margin is based on past performance and expectations for the future market development. The assumptions applied in the short to medium term are based on management's expectations regarding the development in growth and operating margin. The terminal growth rates do not exceed the expected long-term average growth rate including inflation for the business in which the cash-generating units operate.

Uncertainties reflecting historical performance and possible variations in the amount or timing of the future cash flow are reflected in the discount rate.

In determining the country specific discount rates, which are calculated net of tax, a target ratio of 60/40 between the market value of debt and enterprise value is used. A country specific risk premium has been added to the discount rates to reflect the specific risk associated with each cash-generating unit.

The Group's impairment tests are presented in note 15, Impairment tests.

Defined benefit plans and similar obligations When calculating the net present value of the retirement benefit obligation a number of significant actuarial assumptions are made, including discount rates, expected return on plan assets, expected increases in future wages, salary and retirement benefits. All the assumptions are assessed at the reporting date. The range and weighted average for these assumptions are disclosed in note 29, Pensions and similar obligations.

The value of the Group's defined benefit plans and other long-term employee benefits are based on valuations from external actuaries.

In certain countries, the Group participates in multi-employer pension schemes, which by their nature are defined benefit plans. The funds, however, are currently not able to provide the necessary information in order for the Group to account for the schemes as such. The pension schemes are therefore accounted for as defined contribution plans. There is a risk that the plans are not sufficiently funded. However, information on surplus or deficit in the schemes is not available.

Provisions and contingencies Management assesses provisions, contingent assets and liabilities and the likely outcome of pending or probable lawsuits etc. on an ongoing basis. The outcome depends on future events that are by nature uncertain. In assessing the likely outcome of lawsuits and tax disputes etc., management bases its assessment on external legal assistance and established precedents.

Provisions are disclosed in note 30, Other provisions and contingent liabilities are disclosed in note 32, Contingent liabilities.

Deferred tax assets The recognition of deferred tax assets regarding tax losses carried forward is supported by expected future profitability in the foreseeable future. Deferred tax assets relating to

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

tax losses carried forward are only recognised to the extent that it is more likely than not that future taxable profit will be available against which the unused tax losses can be utilised in the foreseeable future taking into account any restrictions in utilisation in the local tax legislation. This judgement is made on the reporting date based on budgets and estimates.

The Group's tax assets are presented in note 18, Deferred tax.

Receivables are measured at amortised cost less a provision for doubtful debt. Provisions for doubtful debt are based on management's assessment of the customer's ability to make the required payments. Management performs analysis of impairment at both specific receivable and portfolio level.

All individually significant receivables are assessed for specific impairment. Receivables, that are found not to be specifically impaired, are collectively assessed for impairment on portfolio level by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Receivables are disclosed in note 21, Trade receivables.

Assets held for sale mainly comprises disposal groups and is measured at the lower of the carrying amount and fair value less costs to sell. Consequently, management makes estimates of the fair value of the disposal group. Depending on the nature of the disposal group's activity, assets and liabilities, the estimated fair value may be associated with uncertainty and possibly adjusted subsequently. Management considers impairment both on initial classification as held for sale and subsequently. The estimation uncertainty relating to impairment is described above.

Assets held for sale are disclosed in note 26, Assets and Liabilities held for sale.

Divestments When divesting businesses management makes estimates of the final sales price. Additionally, management assesses the appropriate level of provisions to cover claims from purchasers or other parties in connection with divestments and representation and warranties given in relation to divestments.

JUDGEMENT IN RELATION TO APPLICATION OF ACCOUNTING POLICIES

In applying the Group's accounting policies, management makes judgements which may significantly influence the amounts recognised in the consolidated financial statements.

On **business combinations** and establishing new entities assessment is made in order to classify the acquired business as a subsidiary, joint venture or associate. The assessment is made on basis of the agreement entered into on the acquisition of ownership interest or voting rights in the entity etc.

The classification is significant, as the recognition of proportionally consolidated joint ventures impacts the consolidated financial statements differently than full consolidation of subsidiaries or recognition of associates recognised according to the equity method.

Revenue is primarily generated by rendering of services or from construction contracts. Management makes judgements to distinguish between revenue generated from rendering of service and revenue from construction contracts for the purpose of classification of revenue either in accordance with IAS 18 ''Revenue'' or IAS 11 ''Construction Contracts''.

The classification is significant, as the recognition of revenue and related receivables in accordance with the above standards impacts the consolidated financial statements differently.

Other income and expenses, net The use of Other income and expenses, net entails management judgement in the separation from the normal ordinary operations of the Group. When

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

using Other income and expenses, net it is crucial that these constitute items that can not be attributed directly to the Group's ordinary operating activities. Other income and expenses, net, comprises both recurring and non-recurring items.

Management carefully evaluates each item to ensure the correct distinction between the Group's ordinary operating activities and Other income and expenses, net.

Integration costs include costs regarding the acquiring ISS company and the acquired business that are of no value for the continuing business and are an unavoidable consequence of the integration. The use of Integration costs entails management judgement in the separation of these costs as direct costs arising from the integration, which are those that are both necessary and required to perform the integration and not associated with the ongoing activities in the Group.

Management carefully evaluates each item to ensure the correct distinction between the Group's ordinary operating activities and Integration costs.

Leases The Group has entered into a number of leases and for each lease agreement an assessment is made as to whether the lease is a finance lease or an operating lease. The Group primarily enters into operating lease agreements. Operating leases consist of leases and rentals of properties, vehicles (primarily cars), production equipment and other equipment.

Financial instruments When entering into financial instruments, management assesses whether the instrument is an effective hedge of recognised assets and liabilities and expected future cash flows. The hedge effectiveness of recognised hedge instruments is assessed on a monthly basis and any ineffectiveness is recognised in the income statement.

Assets held for sale Non-current assets and disposal groups are classified as held for sale when the carrying amount of the assets or disposal groups are expected to primarily be recovered through a sale within 12 months in accordance with a formal plan rather than through continuing use.

Management makes judgement to make the correct classification. The classification is significant as the classification as held for sale changes the measurement basis of the non-current assets and disposal groups as well as the presentation in the statement of financial position.

3. SEGMENT REPORTING

Reportable segments

ISS is a global facility services company, that operates in more than 50 countries and delivers a wide range of services within the areas Cleaning, Support Services, Property Services, Catering, Security and Facility Management.

Operations are managed based on a geographical structure in which countries are grouped into 7 regions. The regions have been identified based on a key principle of grouping countries that share market conditions and cultures.

3. SEGMENT REPORTING (Continued)

The segment reporting is prepared in a manner consistent with the Group's internal management and reporting structure. Segment revenue, costs, assets and liabilities comprise items that can be directly referred to the individual segments.

	Nordic	Western Europe	Eastern Europe	Asia	Latin America	North America	Pacific	Total reportable segments
					DKK million			
2009								
Income statement								
Revenue[(1)]	**16,367**	**38,632**	**1,561**	**4,120**	**2,077**	**2,515**	**3,768**	**69,040**
Depreciation and amortisation[(2)]	(237)	(444)	(23)	(58)	(23)	(15)	(35)	(835)
Operating profit before other items[(3)]	**1,219**	**2,056**	**106**	**308**	**131**	**134**	**259**	**4,213**
Other income and expenses, net	52	(567)	(2)	(4)	—	—	(20)	(541)
Integration costs	(4)	(31)	(1)	(5)	(1)	(2)	(2)	(46)
Operating profit[(2)]	**1,267**	**1,458**	**103**	**299**	**130**	**132**	**237**	**3,626**
Goodwill impairment and write-down	(235)	(1,011)	—	—	—	—	—	(1,246)
Amortisation of brands and customer contracts	(226)	(715)	(28)	(53)	(17)	(46)	(44)	(1,129)
Statement of financial position								
Total assets	**14,151**	**30,833**	**1,318**	**3,107**	**1,309**	**1,544**	**2,942**	**55,204**
Additions excluding acquisitions/divestments	319	526	17	88	41	12	58	1,061
Additions from acquisitions/divestments	(196)	295	3	336	(10)	84	45	557
Additions to non-current assets[(4)]	**123**	**821**	**20**	**424**	**31**	**96**	**103**	**1,618**
Total liabilities	**9,550**	**20,432**	**728**	**1,588**	**1,099**	**1,108**	**2,311**	**36,816**

(1) Segment revenue comprises total revenue of each segment. Due to the nature of the business internal revenue is insignificant and is therefore not disclosed.

(2) Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(3) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(4) Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

3. SEGMENT REPORTING (Continued)

	Nordic	Western Europe	Eastern Europe	Asia	Latin America	North America	Pacific	Total reportable segments
					DKK million			
2008								
Income statement								
Revenue[1]	**17,071**	**39,337**	**1,663**	**3,147**	**1,890**	**2,131**	**3,614**	**68,853**
Depreciation and amortisation[2]	(229)	(462)	(26)	(41)	(19)	(13)	(33)	(823)
Operating profit before other items[3]	**1,189**	**2,356**	**124**	**210**	**109**	**128**	**230**	**4,346**
Other income and expenses, net	(20)	(199)	0	(0)	—	—	—	(219)
Integration costs	(6)	(37)	(2)	(6)	(6)	(4)	(5)	(66)
Operating profit[2]	**1,163**	**2,120**	**122**	**204**	**103**	**124**	**225**	**4,061**
Goodwill impairment and write-down	(25)	(374)	—	—	—	—	—	(399)
Amortisation of brands and customer contracts	(244)	(580)	(32)	(45)	(17)	(43)	(47)	(1,008)
Statement of financial position								
Total assets	**12,971**	**31,660**	**1,352**	**2,564**	**1,014**	**1,612**	**2,404**	**53,577**
Additions excluding acquisitions/divestments	318	565	18	70	26	18	35	1,050
Additions from acquisitions/divestments	104	1,195	120	334	121	282	176	2,332
Additions to non-current assets[4]	**422**	**1,760**	**138**	**404**	**147**	**300**	**211**	**3,382**
Total liabilities	**8,570**	**20,324**	**896**	**1,261**	**799**	**1,165**	**1,945**	**34,960**

(1) Segment revenue comprises total revenue of each segment. Due to the nature of the business internal revenue is insignificant and is therefore not disclosed.

(2) Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(3) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(4) Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

3. SEGMENT REPORTING (Continued)

Grouping of countries into regions

Nordic:	Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden
Western Europe:	Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, South Africa, Switzerland, Turkey and the United Kingdom
Eastern Europe:	Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia
Asia:	Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand
Latin America:	Argentina, Brazil, Chile, Mexico and Uruguay
North America:	Canada and the USA
Pacific:	Australia and New Zealand

Products and services

The Group's revenue relates to the following service types:

	2009	2008
	DKK million	
Cleaning	36,050	36,528
Support Services	4,981	4,146
Property Services	14,503	15,410
Catering	6,201	5,727
Security	4,672	4,344
Facility Management	2,597	2,674
Total revenue	**69,004**	**68,829**

Geographical information

Revenue and non-current assets (excluding deferred tax assets) is specified below for each of the Group's significant countries[1]:

	2009		2008	
	Revenue	Non-current assets	Revenue	Non-current assets
	DKK million			
France	8,879	5,493	9,336	6,904
United Kingdom	6,948	3,074	7,565	2,972
Norway	5,246	2,977	5,683	2,686
Spain	4,534	2,058	4,603	2,198
Denmark (country of domicile)	3,731	2,396	3,702	2,491
Finland	3,678	3,298	3,517	3,373
Sweden	3,536	1,814	3,920	1,907
Netherlands	3,420	2,289	3,540	2,431
Other countries[2]	29,032	14,359	26,963	13,577
Total	**69,004**	**37,758**	**68,829**	**38,539**

(1) In this context significant countries are defined as countries representing 5% or more of the Group's revenue.

(2) Including unallocated items and eliminations.

3. SEGMENT REPORTING (Continued)

Major customers

No customer comprises more than 10% of the Group's external revenue.

Reconciliations

	2009	2008
	DKK million	
Revenue		
Revenue for reportable segments	69,040	68,853
Elimination of internal revenue	(36)	(24)
Revenue according to the income statement	**69,004**	**68,829**
Operating profit		
Operating profit for reportable segments	3,626	4,061
Elimination of internal profit	0	0
Unallocated corporate costs	(339)	(285)
Unallocated other income and expenses, net	(10)	(23)
Operating profit according to the income statement	**3,277**	**3,753**
Unallocated:		
Share of result from associates	4	3
Net finance costs	(2,308)	(2,731)
Profit before tax and goodwill impairment/amortisation of brands and customer contracts according to the income statement	**973**	**1,025**
Total assets		
Total assets for reportable segments	55,204	53,577
Elimination of internal assets(1)	(30,536)	(19,846)
Unallocated assets	29,686	19,874
Total assets according to the statement of financial position	**54,354**	**53,605**
Additions to non-current assets(2)		
Additions to non-current assets for reportable segments	1,618	3,382
Unallocated additions to non-current assets	33	51
Total additions to non-current assets according to the statement of financial position	**1,651**	**3,433**
Total liabilities		
Total liabilities for reportable segments	36,816	34,960
Elimination of internal liabilities(1)	(30,111)	(19,447)
Unallocated liabilities	45,436	34,559
Total liabilities according to the statement of financial position	**52,141**	**50,072**

(1) Eliminations mainly relate to intra-group balances.

(2) Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

4. STAFF COSTS

	2009	2008
	DKK million	
Wages and salaries	35,111	34,188
Pension costs, defined benefit plans	150	126
Pension costs, defined contribution plans	1,573	1,492
Social charges and other costs	7,947	8,350
Staff costs	**44,781**	**44,156**
Average number of employees	**482,531**	**455,947**

Remuneration to the Board of Directors, the Executive Group Management and Corporate Senior Officers

	2009			2008		
	Board of Directors	Executive Group Management	Corporate Senior Officers	Board of Directors	Executive Group Management	Corporate Senior Officers
	DKK thousand					
Salaries (including benefits) and fees	1,969	20,027	37,036	1,856	18,102	26,413
Bonus	—	5,703	7,409	—	5,148	8,713
Severance payments[1]	—	—	7,091	—	—	11,965
Share-based payments[1]	—	233	2,021	—	1,976	2,805
	1,969	**25,963**	**53,557**	**1,856**	**25,226**	**49,896**

(1) Included in Other income and expenses, net.

The Board of Directors received remuneration for duties performed in ISS Holding A/S and other companies within the ISS Group. The remuneration is a fixed annual amount. The Board of Directors does not participate in the warrant programme described in note 5, Share-based payments. However, the members have been offered to invest in a mix of shares and warrants as part of the Directors Participation Programme described in note 36, Related parties.

The members of the Executive Group Management and Corporate Senior Officers received remuneration for duties performed in ISS Holding A/S and other companies within the ISS Group. The remuneration consists of a combination of a fixed salary and, for most of these, a bonus, which in 2009 is capped at 60% of their fixed salary. Furthermore, the Executive Group Management and certain Corporate Senior Officers participate in the warrant programme as well as the Management Participation Programme described in note 5, Share-based payments.

Corporate Senior Officers comprises members of Group Management, other than members of the Executive Group Management. Members of Group Management have authority and responsibility for planning, implementing and controlling the Group's activities and are together with the Board of Directors considered as the Group's key management personnel.

The members of the Executive Group Management and Corporate Senior Officers are, in the event of termination, entitled to severance payment of between 12 and 18 months salary including benefits.

Remuneration to the Board of Directors, the Executive Group Management and Corporate Senior Officers is paid by ISS A/S.

5. SHARE-BASED PAYMENTS

Management Participation Programme

Funds advised by EQT Partners and Goldman Sachs Capital Partners (the ''Principal Shareholders'') have established a Management Participation Programme, under which the Executive Group Management and a number of senior officers[(1)] of the Group have been offered to invest. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest S.a r.l (''FS Invest''), ISS Holding A/S's ultimate parent. As part of the initial programme—in addition to the investments—warrants in FS Invest were granted free of charge to the Executive Group Management and a number of Corporate Officers[(2)] of the Group.

The direct and indirect investments in FS Invest were made on market terms and hence are not share-based payments within the scope of IFRS 2 Share-based Payment. Further details of the programme and these investments are provided in note 36, Related parties. The warrants granted to the Executive Group Management and a number of Corporate Officers of the Group are within the scope of IFRS 2.

Warrants granted as part of the Management Participation Programme

The warrants were granted in July 2006 as a one-time grant and were issued in two series, A and B, both expiring on 1 June 2014. The estimated FS Invest share price at the time of the grant was DKK 1,019 per share. The warrants entitle the holder to subscribe for FS Invest shares at an exercise price of DKK 2,039 and DKK 2,549 per share for warrants in series A and series B, respectively, in a proportion which is determined by the exercise restrictions mentioned below. The warrants are exercisable for a period of 30 business days prior to and ending on 1 June 2014. The warrants are non-transferable.

The fair value of the warrants was estimated to DKK 25 million at the time of grant measured using the Black-Scholes option pricing model based on the assumptions at the time of grant and exercise restrictions.

The warrants are accounted for as equity-settled transactions. The fair value at grant date of these warrants will be expensed in the income statement over the vesting period from July 2006 to June 2014. In 2009, DKK 3 million were recognised under Other income and expenses, net in respect of warrants granted (2008: DKK 5 million).

The warrants are subject to exercise restrictions depending on the share price at the time of exercise. At a share price of 6,114 or more at the time of exercise, 90% of the warrants vested can be exercised. The proportion of exercisable warrants decreases in intervals down to 10% at a share price of 2,039. At share prices below 2,039, no warrants are exercisable.

Warrants outstanding at 31 December 2009 and movements during 2008 and 2009 were:

	Executive Group Management			Corporate Officers[(2)]			Total		
	Series A	Series B	Total	Series A	Series B	Total	Series A	Series B	Series A and B
				Number of warrants					
Outstanding at 1 January 2008	—	125,424	125,424	29,852	376,736	406,588	29,852	502,160	532,012
Warrants settled during 2008	—	(67,536)	(67,536)	—	(67,536)	(67,536)	—	(135,072)	(135,072)
Outstanding at 31 December 2008	—	57,888	57,888	29,852	309,200	339,052	29,852	367,088	396,940
Warrants settled during 2009	—	—	—	—	(67,536)	(67,536)	—	(67,536)	(67,536)
Outstanding at 31 December 2009	**—**	**57,888**	**57,888**	**29,852**	**241,664**	**271,516**	**29,852**	**299,552**	**329,404**

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

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

5. SHARE-BASED PAYMENTS (Continued)

Warrants settled relates to cash settlement by FS Invest of warrants in connection with termination of employment.

6. FEES TO AUDITORS

	2009	2008
	DKK million	
KPMG		
Audit fees	40	42
Other assurance services	7	5
Tax and VAT advisory services	10	13
Other services	10	16
Total KPMG	**67**	**76**

Audit fees comprised audit of the consolidated and local financial statements. Other services mainly comprised work related to acquisitions such as financial and tax due diligence etc.

7. OTHER INCOME AND EXPENSES, NET

	2009	2008
	DKK million	
Gain on divestments	102	6
Gain on sale of properties	8	0
Other	6	19
Other income	**116**	**25**
Restructuring projects	(426)	(131)
Redundancy and severance payments relating to senior management changes	(44)	(21)
Loss on divestments	(19)	(43)
Write-down regarding businesses classified as held for sale	(159)	—
Close-down and subsequent surveillance of landfill site in France	—	(28)
Adjustment to accounting estimate in Belgium	—	(17)
Consolidation projects in the United Kingdom	—	(4)
Other	(19)	(23)
Other expenses	**(667)**	**(267)**
Other income and expenses, net	**(551)**	**(242)**

Other income

Gain on divestments in 2009 related to the sale of the non-core laundry activities in Sweden and Norway.

Other expenses

Restructuring projects in 2009 related to costs for projects in France, Germany, Spain, Australia, Belgium, Finland, the United Kingdom and Denmark. In France a re-organisation of the organisational setup covering several business units as well as head office was initiated amounting to DKK 212 million. In Germany a re-organisation of a business unit including close-down of two divisions and efficiency improvements was initiated amounting to DKK 84 million. In Spain a close-down of certain project-based activities within the Building Maintenance division was completed amounting to DKK 27 million. In Australia a consolidation of office locations within New South Wales was initiated. In Finland and the United Kingdom close-down of certain project-based activities across certain business units were completed, and in Belgium a margin improvement project covering primarily head office was completed. In Denmark a merger of the route-based back office organisation into the site-based organisation was completed.

7. OTHER INCOME AND EXPENSES, NET (Continued)

Restructuring projects in 2008 related to costs for projects in the Netherlands, Norway, France, Austria and various other countries. In the Netherlands a re-organisation of the organisational setup covering four business units as well as head office was initiated amounting to DKK 70 million. In Norway the office relocation project initiated in 2007 to consolidate several office locations in Norway continued amounting to DKK 16 million. In France, Austria and Norway re-organisations of the organisational setup following the divestments of various activities was carried out amounting to DKK 31 million.

Generally, restructuring projects include primarily redundancy payments, termination of leaseholds and relocation costs.

Loss on divestments in 2009 primarily related to the non-strategic landscaping activities in Norway and Sweden as well as the call centre activities in the Netherlands. In 2008, losses mainly related to the remaining part of the non-core energy activities in France and non-strategic landscaping activities in Austria.

Write-down regarding businesses classified as held for sale mainly related to write-down of net assets (excluding goodwill, brands, customer contracts and the related tax effect) of certain non-core activities in France, which are expected to be sold and consequently have been classified as held for sale at 31 December 2009.

Close-down and subsequent surveillance of landfill site in France in 2008 related to additional costs regarding closure and subsequent supervision for 30 years of a landfill site, which was managed by ISS France and closed in 2008. The additional costs are mainly a result of changed expectations and administrative requirements for handling of landfill sites as well as an unfavourable climatic and geological evolution.

Adjustment to accounting estimate in Belgium in 2008 related to adjustment of prior years estimate regarding work in progress.

8. NET FINANCE COSTS

	2009	2008
	DKK million	
Interest income etc.	81	153
Interest income from companies within the ISS Group	0	0
Amortisation of gain from settlement of interest rate swaps	14	27
Foreign exchange gain	128	62
Financial income	**223**	**242**
Interest expenses etc.[1]	(2,245)	(2,465)
Interest expenses to companies within the ISS Group	(4)	(3)
Amortisation of fair value adjustment of bond loans	(99)	(125)
Amortisation of financing fees	(57)	(63)
Foreign exchange loss	(67)	(317)
Loss related to partial redemption of EMTNs	(59)	—
Financial expenses	**(2,531)**	**(2,973)**
Net finance costs	**(2,308)**	**(2,731)**

(1) In all material aspects related to long-term debt.

Amortisation of gain from settlement of interest rate swaps

The interest rate swaps hedging ISS Global's Medium Term Notes (EMTNs) were partially settled in June 2005 and the remaining part was settled in June 2006 resulting in a net gain to be recognised in the consolidated income statement over the remaining term of the EMTNs. A part of the gain is referred to the partially redeemed EMTNs and was recognised in the income statement

8. NET FINANCE COSTS (Continued)

in connection with the partial redemption in July 2009. The remaining unrecognised net gain of DKK 1 million at 31 December 2009 (DKK 28 million at 31 December 2008) will be recognised in the income statement in the financial years 2010 - 2014 corresponding to the remaining term of the EMTNs, see note 28, Borrowings.

Loss related to partial redemption of EMTNs

In July 2009, the EMTNs due in 2010 were partially refinanced, when EUR 500 million of the outstanding EUR 850 million were redeemed. The notes were acquired at nominal value, however, due to the fair value adjustment of the EMTNs in connection with ISS Holding A/S's acquisition of ISS A/S in 2005 the carrying amount was lower than the redemption value resulting in a loss of DKK 59 million.

9. INCOME TAXES

	2009	2008
	DKK	million
Current tax regarding profit before impairment/amortisation of intangibles(1)	542	361
Deferred tax regarding profit before impairment/amortisation of intangibles(1)	23	203
Tax on profit before impairment/amortisation of intangibles(1)	565	564
Adjustments relating to prior years, net	23	(33)
Income taxes	**588**	**531**
Tax effect of impairment/amortisation of intangibles(1)	**(361)**	**(282)**
Total tax recognised in the income statement	**227**	**249**

(1) In this context intangibles comprise the value of goodwill, brands and customer contracts.

Income tax recognised in other comprehensive income

	2009			2008		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	DKK million					
Foreign exchange adjustment of subsidiaries and non-controlling interests	364	—	364	(792)	—	(792)
Fair value adjustment of hedges, net	(327)	82	(245)	(266)	66	(200)
Fair value adjustment of hedges, net, transferred to Net finance costs	325	(81)	244	(147)	37	(110)
Limitation to interest deduction in Denmark	—	(3)	(3)	—	(103)	(103)
Actuarial gains/(losses)	(45)	4	(41)	(182)	37	(145)
Impact from asset ceiling	18	—	18	25	—	25
Share-based payments	3	(1)	2	5	(1)	4
Total income tax recognised in other comprehensive income	**338**	**1**	**339**	**(1,357)**	**36**	**(1,321)**

9. INCOME TAXES (Continued)

Computation of effective tax rate

	2009	**2008**
Statutory income tax rate in Denmark	25.0%	25.0%
Foreign tax rate differential, net	(1.5)%	1.9%
	23.5%	26.9%
Non-tax deductible expenses less non-taxable income	5.4%	3.8%
Adjustments relating to prior years, net	2.3%	(3.2)%
Change of valuation of net tax assets	9.6%	9.7%
Effect of changes in tax rates	(0.2)%	(0.8)%
Other taxes[2]	5.7%	5.3%
Limitation to interest deduction in Denmark	14.1%	10.1%
Effective tax rate (excluding effect from impairment/amortisation of intangibles)[1]	**60.4%**	**51.8%**

(1) In this context intangibles comprise the value of goodwill, brands and customer contracts.

(2) Other taxes mainly comprise withholding tax.

10. GOODWILL IMPAIRMENT AND WRITE-DOWN

	2009	**2008**
	DKK million	
Impairment	550	270
Write-down	696	129
Goodwill impairment and write-down	**1,246**	**399**

Goodwill impairment of DKK 550 million in 2009 related to ISS France of DKK 450 million and ISS Germany of DKK 100 million while goodwill impairment of DKK 270 million in 2008 related to ISS Germany of DKK 250 million and ISS Italy of DKK 20 million. For further description see note 15, Impairment tests.

Write-down of DKK 696 million in 2009 consisted of DKK 248 million regarding divestment of a number of businesses and of DKK 448 million regarding classification of certain businesses as held for sale on 31 December 2009. The write-down on completed divestments of DKK 248 million mainly related to the sale of ISS's non-strategic landscaping business in Sweden of DKK 137 million, the sale of the call centre activities in the Netherlands of DKK 69 million and the pest control activities in the United Kingdom of DKK 42 million. The write-down on businesses classified as held for sale on 31 December 2009 of DKK 448 million mainly related to the expected sale of certain non-core activities in France, Spain and Norway. The write-down of DKK 129 million in 2008 mainly related to divestment of the landscaping and office support activities in Austria of DKK 104 million and the construction part of the landscaping activities in region Vestfold and Telemark in Norway of DKK 25 million.

11. CHANGES IN WORKING CAPITAL

	2009	**2008**
	DKK million	
Changes in inventories	(25)	(28)
Changes in receivables	(20)	(111)
Changes in payables	(92)	248
Changes in working capital	**(137)**	**109**

12. ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

Acquisitions in 2009

The Group made 22 acquisitions during 2009 (66 during 2008). The total purchase price amounted to DKK 680 million (DKK 2,139 million in 2008). The total annual revenue of the acquired businesses (approximate figures extracted from unaudited financial information) is estimated at DKK 997 million (DKK 3,887 million in 2008) based on expectations at the time of acquisition.

The acquisitions (including adjustments to acquisitions in prior years) had the following effect on the Group's assets and liabilities on the acquisition date:

	Total acquisitions			
	Pre-acquisition carrying amounts	Fair value adj. Current year acquisitions	Fair value adj. Prior year acquisitions	Recognised values on acquisition
	DKK million			
2009				
Customer contracts	0	165	—	165
Other non-current assets	18	5	9	32
Trade receivables	124	(2)	(15)	107
Other current assets	33	1	0	34
Other provisions	(1)	(8)	(20)	(29)
Pensions, deferred tax liabilities and non-controlling interests	7	(36)	(4)	(33)
Long-term debt	(2)	(1)	—	(3)
Short-term debt	(16)	—	(2)	(18)
Other current liabilities	(113)	(10)	(15)	(138)
Net identifiable assets and liabilities	**50**	**114**	**(47)**	**117**
Goodwill			66	589
Acquisition costs, net of tax			2	(26)
Purchase price			**21**	**680**
Cash and cash equivalents in acquired businesses				(15)
Cash purchase price				**665**
Changes in deferred payments and earn-outs				223
Changes in prepaid purchase price				(3)
Acquisition costs paid, net of tax				29
Total payments regarding acquisition of businesses				**914**

In 2009, no acquisitions accounted for more than 2% of the Group's revenue on an individual basis. Consequently, all acquisitions are deemed individually immaterial and are therefore shown in aggregate.

Opening balances are recognised in accordance with IFRS 3. At 31 December 2009, certain opening balances have only been provisionally determined. Consequently, fair value adjustments may be recognised against goodwill within 12 months of the acquisition date.

The purchase price of prior years' acquisitions increased by DKK 21 million, mainly due to revised estimates relating to earn-outs for the acquisitions of Inbuilt in Singapore of DKK 74 million and Sardunya in Turkey of DKK 36 million, offset mainly by Carlos Rocha in Spain of DKK 21 million, Loghis Logistica in Brazil of DKK 13 million, Ryvola in the Czech Republic of DKK 10 million, Hunt/Ondes in Belgium of DKK 8 million and Gastronomia in Spain of

12. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

DKK 7 million. Furthermore, net assets of prior years' acquisitions were reduced by DKK 47 million relating to various acquisitions. Accordingly, goodwill has been adjusted.

Acquisition costs mainly comprise fees to lawyers, auditors and consultants (paid in relation to the acquisition).

The goodwill recognised on acquisition is attributable mainly to; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes 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.

The 22 acquisitions[1] made by the Group during 2009 are listed below:

Company	Country	Service type	Consolidated in the income statement	Percentage interest	Annual revenue[2]	Number of employees[2]
Industriservice Danmark A/S	Denmark	Cleaning	January	100%	7	13
Vaasan LVI-Huolto	Finland	Property	January	100%	14	13
Mettek Hizmet	Turkey	Cleaning, Support, Security	January	100%	137	2,178
Central Property Services	USA	Cleaning, Security	January	Activities	182	917
Aplytec	Spain	Property	January	100%	13	24
Soumala	Finland	Cleaning	February	100%	19	105
Agria-Ved	Hungary	Cleaning, Security	February	100%	7	25
Karmak	Italy	Cleaning	February	100%	100	412
ECO Servis	Bosnia	Cleaning	February	100%	6	89
Sunparking	Indonesia	Security	February	Activities	109	5,000
Cleansweep	Australia	Property	March	100%	11	24
Paprika Corporate Services	India	Catering	March	Activities	5	149
Andrawina	Indonesia	Catering	March	Activities	68	1,130
Grossjung	Germany	Property	April	100%	4	6
Barassa	Switzerland	Property	May	Activities	9	7
Godrej HiCare	India	Property	May	100%	61	722
Securiguard	Denmark	Security	May	Activities	24	60
Chubb Security	Ireland	Security	May	100%	134	635
Adelaide Sweeping Services	Australia	Property	May	Activities	5	8
Shielas Corporate Catering	India	Catering	June	Activities	5	100
WHF Property & Mine Maintenance	Australia	Property	August	Activities	40	45
Best	Indonesia	Security	November	Activities	37	2,872
Total					**997**	**14,534**

(1) Includes all acquisitions completed prior to 1 January 2010.

(2) Approximate figures based on information available at the time of acquisition extracted from unaudited financial information.

12. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

Acquisitions in 2008

The acquisitions made in 2008 (including adjustments to acquisitions in prior years) had the following effect on the Group's assets and liabilities on the acquisition date:

	Total acquisitions			
	Pre-acquisition carrying amounts	Fair value adj. Current year acquisitions	Fair value adj. Prior year acquisitions	Recognised values on acquisition
	DKK million			
2008				
Goodwill	7	(7)	—	—
Customer contracts	—	677	1	678
Other non-current assets	158	21	(1)	178
Trade receivables	626	(20)	4	610
Other current assets	248	(27)	(0)	221
Other provisions	(15)	(108)	(9)	(132)
Pensions, deferred tax liabilities and non-controlling interests	(3)	(163)	4	(162)
Long-term debt	(23)	(1)	1	(23)
Short-term debt	(193)	(4)	(3)	(200)
Other current liabilities	(498)	(52)	(1)	(551)
Net identifiable assets and liabilities	**307**	**316**	**(4)**	**619**
Goodwill			134	1,588
Acquisition costs, net of tax			(1)	(68)
Purchase price			**129**	**2,139**
Cash and cash equivalents in acquired businesses				(118)
Cash purchase price				**2,021**
Changes in deferred payments and earn-outs				24
Changes in prepaid purchase price				(11)
Acquisition costs paid, net of tax				61
Total payments regarding acquisition of businesses				**2,095**

In 2008, no acquisitions accounted for more than 2% of the Group's revenue on an individual basis. Consequently, all acquisitions are deemed individually immaterial and are therefore shown in aggregate.

The purchase price of prior years' acquisitions increased by DKK 129 million, mainly due to revised estimates relating to earn-outs for the acquisitions of Carlos Rocha in Spain of DKK 80 million, Ryvola in the Czech Republic of DKK 12 million and CMC in Turkey of DKK 10 million.

Acquisition costs mainly comprise fees to lawyers, auditors and consultants (paid in relation to the acquisition).

The goodwill recognised on acquisition is attributable mainly to; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes 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.

12. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

Divestment of businesses

The Group made 8 divestments during 2009 (12 during 2008). The total sales price amounted to DKK 240 million (DKK 316 million in 2008). The total annual revenue of the divested businesses (approximate figures extracted from unaudited financial information) is estimated at DKK 640 million (DKK 1,281 million in 2008) based on expectations at the time of divestment.

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

	2009	2008
	DKK million	
Goodwill	(34)	(15)
Customer contracts	(44)	(6)
Other non-current assets	(63)	(10)
Trade receivables	(51)	(43)
Other current assets	(11)	(20)
Assets held for sale[1]	—	(619)
Other provisions	0	3
Pensions, deferred tax liabilities and non-controlling interests	8	12
Long-term debt	5	—
Short-term debt	2	1
Other current liabilities	45	19
Liabilities related to assets held for sale[1]	—	351
Net identifiable assets and liabilities	**(143)**	**(327)**
Loss/(gain) on divestment of businesses, net	(83)	37
Divestment costs, net of tax	(14)	(26)
Sales price	**(240)**	**(316)**
Cash and cash equivalents in divested businesses	5	12
Cash sales price	**(235)**	**(304)**
Changes in receivable sales price	200	1
Divestment costs paid, net of tax	13	31
Net proceeds regarding divestment of businesses	**(22)**	**(272)**

(1) The amount in 2008 related to ISS Energie in France which at 31 December 2007 was recognised as held for sale and subsequently divested in January 2008.

The 8 divestments[2] made by the Group during 2009 are listed below:

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue[3]	Number of employees[3]
Asker	Norway	Property	January	Activities	31	40
Base Care Ltd.	New Zealand	Property	June	Activities	2	5
Landscaping	Sweden	Property	July	Activities	328	325
Shun Tak	Hong Kong	Cleaning	August	50%	13	162
Pest Control Services	United Kingdom	Property	October	Activities	22	70
Contact Centres	Netherlands	Support	October	100%	117	650
Laundry Services	Norway/Sweden	Cleaning	December	Activities	100	120
FS South	Italy	Cleaning	December	Activities	27	177
Total					**640**	**1,549**

(2) Includes all divestments completed prior to 1 January 2010.

(3) Approximate figures based on information available at the time of divestment extracted from unaudited financial information.

12. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

Pro forma revenue and operating profit before other items

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

	2009	2008
	DKK million	
Pro forma revenue		
Revenue recognised in the income statement	69,004	68,829
Acquisitions	184	1,641
Revenue adjusted for acquisitions	69,188	70,470
Divestments	(403)	(230)
Pro forma revenue	**68,785**	**70,240**
Pro forma operating profit before other items		
Operating profit before other items recognised in the income statement	3,874	4,061
Acquisitions	19	113
Operating profit before other items adjusted for acquisitions	3,893	4,174
Divestments	(5)	(0)
Pro forma operating profit before other items	**3,888**	**4,174**

Applied assumptions

The adjustment of revenue and operating profit before other items is based on estimates made by local ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the time of such acquisition and divestment or actual results where available. Synergies from acquisitions are not included for periods in which such acquisitions were not controlled by the Group. The estimates are based on unaudited financial information.

These adjustments and the computation of total revenue and operating profit before other items calculated on a pro forma basis based on such adjustments are presented for informational purposes only. This information does not represent the results the Group would have achieved had the acquisitions and divestments during the year occurred on 1 January. In addition, the information should not be used as the basis for or prediction of any annualised calculation.

The acquiree's profit or loss since the acquisition date

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

Acquisitions and divestments subsequent to 31 December 2009

The 2 divestments made by the Group in the period 1 January to 28 February 2010 are listed below. On 31 December 2009 the businesses were classified as held for sale. No acquisitions were completed in the period.

Company/activity	Country	Service type	Excluded from the income statement	Percentage interest	Annual revenue[1]	Number of employees[1]
Industriservice	Norway	Property	March	100%	163	254
Refrigeration	Spain	Property	March	Activities	156	163
Divestments					**319**	**417**

(1) Approximate figures based on unaudited financial information available at the time of divestment.

12. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

In accordance with usual Group procedures, divestment balances are prepared during the first months following the divestment. Consequently, the final divestment balances are not available for divestments completed from 1 January to 28 February 2010.

13. INVESTMENTS IN NON-CURRENT ASSETS

	2009	2008
	DKK million	
Purchase of intangible assets and property, plant and equipment	(1,007)	(938)
Sale of intangible assets and property, plant and equipment	110	220
Investments in intangible assets and property, plant and equipment, net[1]	**(897)**	**(718)**
Purchase of financial assets	(15)	(4)
Sale of financial assets	6	8
Changes in financial receivables	(34)	(6)
Investments in financial assets, net	**(43)**	**(2)**

(1) Excluding goodwill, brands and customer contracts as well as additions related to assets under finance leases.

14. INTANGIBLE ASSETS

	Goodwill	Brands	Customer contracts DKK million	Software and other intangible assets	Total
2009					
Cost at 1 January	27,783	1,540	10,596	447	40,366
Foreign exchange adjustments	875	44	376	15	1,310
Adjustment relating to prior years	—	—	—	121	121
Additions	595	—	—	139	734
Additions from acquired companies, net	(34)	—	78	(5)	39
Disposals	(702)	—	(370)	(7)	(1,079)
Transfer to Assets held for sale	(15)	—	(89)	(12)	(116)
Cost at 31 December	**28,502**	**1,584**	**10,591**	**698**	**41,375**
Impairment, write-down and amortisation at 1 January	(524)	(14)	(3,678)	(149)	(4,365)
Foreign exchange adjustments	0	1	(124)	0	(123)
Adjustment relating to prior years	—	—	—	(121)	(121)
Amortisation	—	(4)	(910)	(107)	(1,021)
Amortisation from acquired companies, net	—	—	46	2	48
Impairment	(550)	—	—	—	(550)
Write-down[1]	(696)	—	(210)	—	(906)
Disposals	702	—	370	—	1,072
Transfer to Assets held for sale	—	—	35	8	43
Impairment, write-down and amortisation at 31 December	**(1,068)**	**(17)**	**(4,471)**	**(367)**	**(5,923)**
Carrying amount at 31 December	**27,434**	**1,567**	**6,120**	**331**	**35,452**

(1) Write-down of customer contracts was mainly related to a write-down of DKK 179 million related to non-core activities in France which were classified as held for sale on 31 December 2009. Write-down of goodwill is described in note 10, Goodwill impairment and write-down.

14. INTANGIBLE ASSETS (Continued)

	Goodwill	Brands	Customer contracts DKK million	Software and other intangible assets	Total
2008					
Cost at 1 January	27,847	1,637	10,608	341	40,433
Foreign exchange adjustments	(1,435)	(97)	(624)	(21)	(2,177)
Additions	1,515	—	—	137	1,652
Additions from acquired companies, net	(15)	—	634	27	646
Disposals	(129)	—	(22)	(52)	(203)
Transfer from Property, plant and equipment	—	—	—	15	15
Cost at 31 December	**27,783**	**1,540**	**10,596**	**447**	**40,366**
Impairment, write-down and amortisation at 1 January	(254)	(11)	(2,915)	(103)	(3,283)
Foreign exchange adjustments	—	1	210	4	215
Amortisation	—	(4)	(998)	(91)	(1,093)
Amortisation from acquired companies, net	—	—	3	—	3
Impairment	(270)	—	—	—	(270)
Write-down	(129)	—	—	—	(129)
Disposals	129	—	22	43	194
Transfer from Property, plant and equipment	—	—	—	(2)	(2)
Impairment, write-down and amortisation at 31 December	**(524)**	**(14)**	**(3,678)**	**(149)**	**(4,365)**
Carrying amount at 31 December	**27,259**	**1,526**	**6,918**	**298**	**36,001**

The carrying amount of Brands is primarily related to the ISS brand, which is considered to have an indefinite useful life since there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows. Factors that played a significant role in determining that the ISS brand has an indefinite useful life are: i) the ISS brand has existed for decades, ii) the Group's strategy is based on the ISS brand, iii) all acquired brands are converted to or co-branded with the ISS brand and iv) the ISS brand is used in the business to business and public segments with low maintenance costs attached.

15. IMPAIRMENT TESTS

Impairment test procedure

The Group performs impairment tests on intangibles[1] annually and whenever there is an indication that intangibles may be impaired. The Group's intangibles primarily relate to the purchase price allocation following the take-over of ISS A/S as at 9 May 2005. A part of the Group's intangibles relates to acquisitions carried out after the take-over of ISS A/S as at 9 May 2005. Companies acquired after the take-over comprise a diverse portfolio of service types, customer segments, geographical regions, contract sizes and management skills.

Impairment tests are carried out per country as this represents the lowest level of cash-generating units (CGU) to which the carrying amount of intangibles can be allocated and monitored with any reasonable certainty. This level of allocation and monitoring of intangibles should be seen in the light of the Group's strategy to integrate acquired companies as quickly as possible in order to benefit from synergies.

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

15. IMPAIRMENT TESTS (Continued)

Acquired companies are typically organisationally integrated and merged with (or activities transferred to) existing Group companies shortly after the completion of the acquisition. Furthermore, synergies and other effects resulting from cooperation with existing Group companies in their geographical or business area normally influence the financial performance of an acquired company. Consequently, after a short period of time, it is generally not possible to track and measure the value of intangibles of the individual acquired companies (or activities) with any reasonable certainty.

Estimates used to measure recoverable amount

The recoverable amount of each CGU is determined on the basis of its value-in-use. The value-in-use is established using certain key assumptions as described below. The key assumptions are revenue growth, operating margin (before other items) and discount rates.

Value-in-use cash flow projections are based on financial budgets approved by management covering the following financial year. The operating margin (before other items) is based on past performance and expectations for the future market development. The assumptions applied in the short to medium term are based on management's expectations regarding the development in growth and operating margin (before other items). The terminal growth rates do not exceed the expected long-term average growth rate including inflation for the business in which the CGU's operate.

Uncertainties reflecting historical performance and possible variations in the amount or timing of the future cash flow is reflected in the discount rate.

In determining the country specific discount rates, which are calculated net of tax, a target ratio of 60/40 between the market value of debt and enterprise value is used. A country specific risk premium has been added to the discount rates to reflect the specific risk associated with each CGU.

As a company based in Europe, the Group assumes the long-term market equity risk premium to be 4.5%. When performing impairment tests for individual CGU's, the risk premium applied may be higher than the Group's. When doing acquisitions the Group typically applies a hurdle rate, which is significantly higher than the calculated cost of capital.

Impairment test results

The carrying amount of intangibles and the key assumptions[(2)] used in the impairment testing as per 31 December 2009 are presented below for each CGU representing more than 3% of the carrying amount of intangibles or where the recoverable amount is close to the carrying amount of intangibles. No impairment losses were identified as per 31 December 2009.

The impairment tests as per 31 May 2009 resulted in recognition of impairment losses of DKK 550 million, of which DKK 450 million related to ISS France and DKK 100 million related to ISS Germany. The impairment losses resulted from declining market conditions within certain business activities in which ISS operates, especially the industrial segments, as well as a slight increase in the discount rate applied for ISS Germany. The impairment tests for ISS France and ISS Germany as per 31 May 2009 were based on business plans prepared by local management. As per

(2) The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered a forward-looking statement within the meaning of the US Private Securities Litigation Act of 1995 and similar laws in other countries regarding expectations to the future development.

15. IMPAIRMENT TESTS (Continued)

31 December 2009 the business plans have been evaluated and updated as part of the annual impairment testing. No additional impairment losses were identified.

2009	Carrying amount (DKK million) Goodwill	Brands	Customer contracts	Total intangibles[1]	Applied expected long-term rate Growth	Margin[2]	Applied discount rate Discount rate, net of tax	Discount rate, pre tax
France	4,253	300	610	5,163	3.0%	6.2%	8.8%	12.0%
Finland	2,304	120	627	3,051	3.0%	7.9%	9.1%	11.4%
United Kingdom	2,158	158	599	2,915	3.0%	6.8%	9.4%	12.1%
Norway	2,012	130	567	2,709	3.0%	7.4%	10.2%	13.3%
Netherlands	1,872	121	198	2,191	3.0%	6.5%	9.6%	12.0%
Denmark	1,744	131	297	2,172	3.0%	7.2%	9.8%	12.3%
Belgium	1,563	85	304	1,952	3.0%	6.7%	8.9%	12.2%
Spain	1,465	90	369	1,924	3.0%	6.4%	9.8%	13.0%
Australia	1,453	10	303	1,766	3.0%	6.6%	11.4%	15.4%
Switzerland	1,100	51	266	1,417	3.0%	7.6%	8.1%	9.7%
Sweden	1,017	102	169	1,288	3.0%	6.8%	9.5%	12.1%
USA	917	1	293	1,211	3.0%	6.0%	8.8%	12.7%
Austria	706	49	237	992	3.0%	6.4%	9.4%	11.7%
Germany	634	66	88	788	3.0%	4.4%	9.8%	12.9%
Ireland	312	16	68	396	3.0%	6.5%	11.4%	12.6%
New Zealand	161	—	41	202	3.0%	6.4%	11.5%	15.5%
Italy	109	7	74	190	3.0%	7.5%	10.0%	18.8%
Philippines	28	—	2	30	3.0%	4.7%	13.6%	18.0%
Other	3,626	130	1,008	4,764	—	—	—	—
Total carrying amount at 31 December 2009	**27,434**	**1,567**	**6,120**	**35,121**				

2008	Carrying amount (DKK million) Goodwill	Brands	Customer contracts	Total intangibles[1]	Applied expected long-term rate Growth	Margin[2]	Applied discount rate Discount rate, net of tax	Discount rate, pre tax
France	4,999	302	932	6,233	3.0%	6.7%	9.3%	12.9%
Finland	2,297	120	699	3,116	3.0%	8.0%	9.1%	11.5%
United Kingdom	2,042	148	634	2,824	3.0%	6.8%	8.8%	11.3%
Norway	1,767	110	564	2,441	3.0%	7.5%	10.1%	13.2%
Netherlands	1,943	121	258	2,322	3.0%	6.6%	9.7%	12.0%
Denmark	1,790	131	341	2,262	3.0%	6.7%	9.7%	12.2%
Spain	1,528	90	432	2,050	3.0%	6.1%	9.2%	12.2%
Belgium	1,573	86	348	2,007	3.0%	7.1%	8.9%	12.4%
Switzerland	1,090	51	318	1,459	3.0%	7.6%	8.3%	10.0%
Sweden	1,090	96	216	1,402	3.0%	6.8%	8.9%	11.3%
Australia	1,128	8	259	1,395	3.0%	6.6%	10.2%	13.7%
Austria	707	49	268	1,024	3.0%	6.4%	9.4%	11.8%
Germany	732	67	101	900	3.0%	4.6%	9.2%	12.2%
Ireland	295	16	61	372	3.0%	6.6%	10.6%	11.7%
Italy	77	7	68	152	3.0%	9.0%	10.2%	19.7%
Mexico	83	—	22	105	4.0%	6.5%	14.2%	18.6%
Other	4,118	124	1,397	5,639	—	—	—	—
Total carrying amount at 31 December 2008	**27,259**	**1,526**	**6,918**	**35,703**				

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

(2) Based on Operating profit before other items.

15. IMPAIRMENT TESTS (Continued)

Sensitivity analysis

A sensitivity analysis on the key assumptions in the impairment testing is presented below. The allowed change represents the percentage points by which the value assigned to the key assumption as applied in the expected long-term rate can change, all other things being equal, before the unit's recoverable amount equals its carrying amount.

	Growth		Margin[1]		Discount rate, net of tax	
2009	Applied expected long-term rate	Allowed decrease	Applied expected long-term rate	Allowed decrease	Applied rate	Allowed increase
France	3.0%	0.0%	6.2%	0.0%	8.8%	0.0%
Finland	3.0%	1.7%	7.9%	1.8%	9.1%	1.8%
United Kingdom	3.0%	>3.0%	6.8%	>3.0%	9.4%	>3.0%
Norway	3.0%	>3.0%	7.4%	2.8%	10.2%	>3.0%
Netherlands	3.0%	2.2%	6.5%	1.7%	9.6%	1.6%
Denmark	3.0%	1.8%	7.2%	1.6%	9.8%	1.8%
Belgium	3.0%	1.3%	6.7%	1.2%	8.9%	1.0%
Spain	3.0%	0.4%	6.4%	0.4%	9.8%	0.3%
Australia	3.0%	1.5%	6.6%	1.1%	11.4%	1.5%
Switzerland	3.0%	>3.0%	7.6%	>3.0%	8.1%	>3.0%
Sweden	3.0%	>3.0%	6.8%	>3.0%	9.5%	>3.0%
USA	3.0%	0.7%	6.0%	0.7%	8.8%	0.8%
Austria	3.0%	0.4%	6.4%	0.4%	9.4%	0.3%
Germany	3.0%	0.0%	4.4%	0.0%	9.8%	0.0%
Ireland	3.0%	0.9%	6.5%	0.7%	11.4%	0.6%
New Zealand	3.0%	0.8%	6.4%	0.6%	11.5%	0.6%
Italy	3.0%	0.6%	7.5%	0.6%	10.0%	0.5%
Philippines	3.0%	0.1%	4.7%	0.0%	13.6%	0.1%

	Growth		Margin[1]		Discount rate, net of tax	
2008	Applied expected long-term rate	Allowed decrease	Applied expected long-term rate	Allowed decrease	Applied rate	Allowed increase
France	3.0%	0.8%	6.7%	0.8%	9.3%	0.6%
Finland	3.0%	1.3%	8.0%	1.5%	9.1%	1.4%
United Kingdom	3.0%	>3.0%	6.8%	>3.0%	8.8%	>3.0%
Norway	3.0%	>3.0%	7.5%	2.9%	10.1%	>3.0%
Netherlands	3.0%	1.5%	6.6%	1.3%	9.7%	1.1%
Denmark	3.0%	1.0%	6.7%	0.9%	9.7%	1.0%
Spain	3.0%	1.4%	6.1%	1.1%	9.2%	1.4%
Belgium	3.0%	1.2%	7.1%	1.2%	8.9%	1.3%
Switzerland	3.0%	>3.0%	7.6%	>3.0%	8.3%	>3.0%
Sweden	3.0%	>3.0%	6.8%	>3.0%	8.9%	>3.0%
Australia	3.0%	2.0%	6.6%	1.5%	10.2%	2.1%
Austria	3.0%	0.4%	6.4%	0.4%	9.4%	0.5%
Germany	3.0%	0.0%	4.6%	0.0%	9.2%	0.0%
Ireland	3.0%	0.7%	6.6%	0.6%	10.6%	0.4%
Italy	3.0%	0.2%	9.0%	0.2%	10.2%	0.1%
Mexico	4.0%	0.5%	6.5%	0.3%	14.2%	0.4%

(1) Based on Operating profit before other items.

16. PROPERTY, PLANT AND EQUIPMENT

	2009			2008		
	Land and buildings	**Plant and equipment**	**Total**	**Land and buildings**	**Plant and equipment**	**Total**
			DKK million			
Cost at 1 January	285	3,339	3,624	266	3,141	3,407
Foreign exchange adjustments	6	183	189	(8)	(183)	(191)
Adjustment relating to prior years	25	1,332	1,357	—	—	—
Additions[1]	68	886	954	65	899	964
Additions from acquired companies, net	(6)	(70)	(76)	8	163	171
Disposals	(11)	(258)	(269)	(38)	(674)	(712)
Transfers[2]	(206)	(319)	(525)	(8)	(7)	(15)
Cost at 31 December	**161**	**5,093**	**5,254**	**285**	**3,339**	**3,624**
Depreciation at 1 January	(47)	(1,301)	(1,348)	(63)	(1,121)	(1,184)
Foreign exchange adjustments	(2)	(123)	(125)	2	127	129
Adjustment relating to prior years	(25)	(1,332)	(1,357)	—	—	—
Depreciation	(14)	(753)	(767)	(18)	(766)	(784)
Write-downs	(92)	(67)	(159)	—	—	—
Depreciation from acquired companies, net	2	28	30	(1)	(99)	(100)
Disposals	3	166	169	31	558	589
Transfers[2]	119	188	307	2	0	2
			—			
Depreciation at 31 December	**(56)**	**(3,194)**	**(3,250)**	**(47)**	**(1,301)**	**(1,348)**
Carrying amount at 31 December	**105**	**1,899**	**2,004**	**238**	**2,038**	**2,276**
Hereof assets held under finance leases	**—**	**177**	**177**	**—**	**182**	**182**

(1) In 2009, additions included assets held under finance leases of DKK 114 million (2008: DKK 155 million).

(2) In 2009, DKK 218 million, net was transferred to Assets held for sale. In 2008, DKK 13 million, net was transferred to Intangible assets.

Land and buildings with a carrying amount of DKK 0 million (DKK 5 million in 2008) have been provided as collateral for mortgage debt of DKK 0 million (DKK 0 million in 2008). Additionally, a minor part of Land and buildings and Plant and equipment in certain countries has been provided as security for the borrowings under the senior facilities, see note 32, Contingent liabilities.

17. INVESTMENTS IN ASSOCIATES

	2009	2008
	DKK million	
Cost at 1 January	21	24
Foreign exchange adjustments	1	(3)
Disposals	(0)	(0)
Transfer to Assets held for sale	(6)	—
Cost at 31 December	**16**	**21**
Revaluation at 1 January	3	4
Foreign exchange adjustments	1	(0)
Net result for the year	4	3
Dividends received	(5)	(4)
Disposals	(0)	(0)
Transfer to Assets held for sale	2	—
Revaluation at 31 December	**5**	**3**
Carrying amount at 31 December	**21**	**24**

2009	**Country**	**Revenue**	**Operating profit**	**Net result**	**Assets**	**Liabilities**	**Ownership %**	**The Group's share Equity**	**The Group's share Net result**
					DKK million				
NSB Trafikservice AS	Norway	70	2	1	35	30	45	2	1
ISS Industriservice AB	Sweden	238	4	1	105	74	48	15	1
Other associates	—	121	12	9	19	14	—	4	2
		429	**18**	**11**	**159**	**118**		**21**	**4**
Goodwill at 31 December 2009								—	—
Carrying amount at 31 December 2009								**21**	**4**

2008	**Country**	**Revenue**	**Operating profit**	**Net result**	**Assets**	**Liabilities**	**Ownership %**	**The Group's share Equity**	**The Group's share Net result**
					DKK million				
NSB Trafikservice AS	Norway	32	2	2	31	26	45	2	1
ISS Industriservice AB	Sweden	280	11	6	119	88	48	15	3
Other associates	—	151	0	(2)	43	37	—	4	(1)
		463	**13**	**6**	**193**	**151**		**21**	**3**
Goodwill at 31 December 2008								3	—
Carrying amount at 31 December 2008								**24**	**3**

18. DEFERRED TAX

	2009	2008
	DKK million	
Deferred tax liabilities/(assets), net at 1 January	2,026	2,188
Foreign exchange adjustments	89	(117)
Additions from acquired companies, net	17	71
Tax on other comprehensive income	(4)	(37)
Transfer to Assets held for sale	52	—
Tax on profit before impairment/amortisation of intangibles[1]	23	203
Tax effect of impairment/amortisation of intangibles[1]	(361)	(282)
Deferred tax liabilities/(assets), net at 31 December	**1,842**	**2,026**
Recognised in the statement of financial position as follows:		
Deferred tax liabilities	2,356	2,498
Deferred tax assets	(514)	(472)
Deferred tax liabilities/(assets), net	**1,842**	**2,026**

(1) In this context intangibles comprise the value of goodwill, brands and customer contracts.

Deferred tax specification

	2009		2008	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	DKK million			
Tax losses carried forward	422	—	443	—
Goodwill	59	301	47	265
Brands	—	443	—	433
Customer contracts	—	1,608	—	1,860
Property, plant and equipment	122	179	86	118
Other provisions	114	—	153	—
Issued bonds	—	5	—	56
Tax losses in foreign subsidiaries under Danish joint taxation	—	23	—	23
Set-off within legal tax units and jurisdictions	(203)	(203)	(257)	(257)
Deferred tax	**514**	**2,356**	**472**	**2,498**

The recognition of deferred tax assets regarding tax losses carried forward is supported by expected future profitability in the foreseeable future.

A deferred tax liability associated with investments in subsidiaries, joint ventures and associates has not been recognised, because the Group is able to control the timing of the reversal of the temporary differences and does not expect the temporary differences to reverse in the foreseeable future.

18. DEFERRED TAX (Continued)

Unrecognised tax assets

The Group had unrecognised deferred tax assets regarding tax losses carried forward in the following countries:

	2009			2008		
	Total	Recognised	Unrecognised	Total	Recognised	Unrecognised
			DKK million			
Germany	297	57	240	254	58	196
Denmark	113	111	2	196	195	1
France	61	61	—	8	—	8
Brazil	51	4	47	39	2	37
Belgium	30	19	11	22	17	5
Israel	15	3	12	10	3	7
Austria	9	—	9	2	—	2
USA	8	8	—	22	19	3
Argentina	4	2	2	3	—	3
Hong Kong	3	1	2	2	1	1
Greece	2	1	1	1	—	1
New Zealand	1	1	—	3	—	3
Italy	1	—	1	2	—	2
Total			**327**			**269**

The unrecognised tax losses can be carried forward indefinitely in the individual countries except for the USA (20 years) and Argentina, Greece and Italy (5 years). Deferred tax assets relating to tax losses carried forward are only recognised to the extent that it is more likely than not that future taxable profit will be available against which the unused tax losses can be utilised in the foreseeable future taking into account any restrictions in utilisation in the local tax legislation.

19. OTHER FINANCIAL ASSETS

	2009	2008
	DKK million	
Costs related to PPP (Public Private Partnerships)/PFI (Private Finance Initiative) contracts	7	34
Regulatory long-term loans	54	47
Deposits	157	102
Other	63	55
Other financial assets	**281**	**238**

Regulatory long-term loans are measured at amortised cost with any resulting adjustment being recognised in the income statement.

20. INVENTORIES

	2009	2008
	DKK million	
Raw materials and supplies	136	102
Work in progress	0	15
Finished goods	167	147
Inventories	**303**	**264**
Inventories expensed	**6,044**	**6,134**

21. TRADE RECEIVABLES

	2009	2008
	DKK million	
Trade receivables (gross)	10,371	10,325
Provision for doubtful debts	(241)	(228)
Trade receivables	**10,130**	**10,097**
The ageing of trade receivables at 31 December was:		
Not past due	8,018	7,793
Past due 1 to 60 days	1,600	1,814
Past due 61 to 180 days	402	407
Past due 181 to 360 days	89	66
More than 360 days	21	17
Trade receivables	**10,130**	**10,097**

The Group's exposure to credit risk and losses related to individual customers is disclosed in note 33, Financial risk management.

	2009	2008
	DKK million	
Movements in the provision for doubtful debts during the year was:		
Provision for doubtful debts at 1 January	(228)	(227)
Foreign exchange adjustments	(6)	6
Additions from acquired businesses, net	(9)	(22)
Provisions for the year	(93)	(73)
Provisions reversed	34	51
Amounts written off as uncollectible	58	37
Transfer to Assets held for sale	3	—
Provision for doubtful debts at 31 December	**(241)**	**(228)**

Trade receivables are shown net of provision for doubtful debts.

In general, the Group does not receive collateral for sales on credit. However, if collateral is received this is taken into account when assessing the necessary provision for doubtful debts.

Securitisation

As part of the refinancing of the EUR 850 million of the EMTNs maturing in September 2010, the Group has during 2009 launched a securitisation programme in 5 major countries. Under the programme trade receivables of the participating countries are sold to a newly established special purpose entity (SPE), which is fully consolidated in the Group's financial statements. The securitised trade receivables continue to be recognised in the Group's statement of financial position as the majority of risks and rewards remain with the Group.

As at 31 December 2009, trade receivables of DKK 2,267 million have been provided as security for securitisation debt with a face value of DKK 937 million.

22. CONTRACT WORK IN PROGRESS

	2009	2008
	DKK million	
Contract expenses	399	410
Recognised profits (less recognised losses)	87	72
Contract work in progress (before advances)	**486**	**482**
Progress billings	(291)	(300)
Contract work in progress	**195**	**182**
Prepayments from customers	**440**	**420**

Prepayments from customers is included in note 31, Other liabilities in the line Prepayments from customers.

23. TAX RECEIVABLES AND TAX PAYABLES

	2009	2008
	DKK million	
Tax (receivables)/payables, net at 1 January	(105)	(126)
Foreign exchange adjustments	(58)	32
Additions from acquired companies, net	2	5
Adjustment relating to prior years, net	23	(33)
Tax on profit before impairment/amortisation of intangibles(1)	542	361
Tax on other comprehensive income	3	1
Joint taxation contribution	(15)	18
Tax paid, net	(394)	(363)
Tax (receivables)/payables, net at 31 December	**(2)**	**(105)**
Recognised in the statement of financial position as follows:		
Tax payables	306	123
Tax receivables	(308)	(228)
Tax (receivables)/payables, net	**(2)**	**(105)**

(1) In this context intangibles comprise the value of goodwill, brands and customer contracts.

24. OTHER RECEIVABLES

	2009	2008
	DKK million	
Receivables from companies within the ISS Group	12	57
Prepayments	525	468
Receivable sales price from divestments	210	2
Currency swaps	—	3
Other	324	246
Other receivables	**1,071**	**776**

Receivables from companies within the ISS Group are related to a joint taxation scheme with Danish resident Group companies. The effective interest rate regarding receivables from companies within the ISS Group was 6.2% (2008: 6.3%).

Prepayments comprise various prepaid expenses such as rent, leasing and insurance as well as accrued interest expenses.

According to the Senior Facility Agreement the use of proceeds from divestments is subject to restrictions. Consequently, divestment proceeds may only be used for acquisition of businesses or repayment of borrowings. It is management's intention to use the proceeds from the receivable sales price of DKK 210 million for acquisition of business.

25. SECURITIES, CASH AND CASH EQUIVALENTS

	2009			2008		
	Carrying amount (DKK million)	Average effective interest rate	Average duration (years)	Carrying amount (DKK million)	Average effective interest rate	Average duration (years)
Bonds	97	4.0%	0.9	86	4.0%	1.8
Securities	**97**			**86**		
Cash and cash equivalents	**3,364**	**1.0%**		**2,961**	**2.7%**	

Bonds mainly consist of listed Danish government bonds.

Of the total cash position, DKK 62 million (2008: DKK 61 million) was restricted and DKK 1,080 million was reserved for partial redemption of the remaining 2010 EMTNs. After the reporting date the Group completed a tender offer for additional EUR 150 million of the outstanding notes leaving EUR 200 million of notes for refinancing before maturity in September 2010.

26. ASSETS AND LIABILITIES HELD FOR SALE

	2009	2008
	DKK	million
Goodwill	15	—
Other intangibles	58	—
Property, plant and equipment	218	—
Financial assets	8	—
Deferred tax assets	64	—
Inventories	2	—
Trade and other receivables	249	—
Assets held for sale	**614**	**—**
Deferred tax liabilities	12	—
Pensions and similar obligations	14	—
Other provisions	64	—
Bank loans	11	—
Trade payables and other liabilities	278	—
Liabilities related to assets held for sale	**379**	**—**

In 2009, assets and liabilities held for sale related to certain businesses which comprised non-core activities in France, Spain and Norway. In 2008, no assets or liabilities were classified as held for sale.

The assets and liabilities of these activities have been classified as held for sale and are presented separately in the statement of financial position at the lower of the carrying amount at the date of the classification as held for sale and fair value less costs to sell. Assets are not depreciated or amortised from the date when they are classified as held for sale.

According to management's estimates the proceeds on disposal of the activities are expected to be lower than the carrying amount of the relevant assets and liabilities. Accordingly, a write-down of net assets on other income and expenses of DKK 159 million, a write-down on goodwill of DKK 448 million and a write-down of customer contracts of DKK 179 million has been recognised at 31 December 2009. Generally, estimates on proceeds on disposal are associated with uncertainty and may possibly be adjusted subsequently.

27. SHARE CAPITAL

	2009	2008
	DKK million	
Share capital at 1 January	100	100
Share capital at 31 December	**100**	**100**
	Number of shares (in thousands of shares)	
Number of shares at 1 January	100,000	100,000
Number of shares at 31 December—fully paid	**100,000**	**100,000**

At 31 December 2009 a total of 100,000,001 shares with a nominal value of DKK 1 per share were issued and fully paid (2008: 100,000,001 shares). No shares carry special rights. Shares are not freely transferable.

28. BORROWINGS

	2009	2008
	DKK million	
Issued bonds	7,738	10,174
Bank loans	20,633	20,914
Finance lease obligations	115	122
Long-term debt	**28,486**	**31,210**
Issued bonds due within one year	2,577	—
Bank loans due within one year	835	315
Bank loans and overdrafts[1]	1,126	782
Securitisation debt[2]	892	—
Finance lease obligations	93	69
Debt to companies within the ISS Group[3]	94	113
Short-term debt	**5,617**	**1,279**
Total long-term and short-term debt	**34,103**	**32,489**
Fair value	**34,804**	**29,981**

(1) The effective interest rate was 3.8% (2008: 5.9%).

(2) The effective interest rate was 3.4%.

(3) Debt to companies within the ISS Group included 13 million (2008: DKK 43 million) related to a joint taxation scheme with Danish resident subsidiaries. The effective interest rate regarding debt to companies within the ISS Group was 4.9% (2008: 6.7%).

As part of the strategy to refinance the EUR 850 million of the EMTNs due 2010, the Group issued EUR 525 million of new Senior notes due 2014, and additionally a securitisation programme was launched in 5 major countries during 2009. Due to the terms of the securitisation debt it has been classified as short-term in the statement of financial position although the securitisation facility is committed for a period of 3 years from September 2009 to September 2012.

During 2009, financing fees amounting to DKK 304 million (2008: DKK 0 million) have been recognised in long-term and short-term debt while accumulated financing fees recognised in long-term and short-term debt on 31 December 2009 amounted to DKK 504 million (2008: DKK 307 million).

In 2009 and 2008, the Group had no debt convertible into equity.

28. BORROWINGS (Continued)

Maturity profile of long-term debt

2009	Carrying amount	Face value	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
				DKK million			
Issued bonds	7,738	8,107	—	—	—	4,729	3,378
Bank loans and finance lease obligations	20,748	20,940	757	569	15,147	—	4,467
Long-term debt	**28,486**	**29,047**	**757**	**569**	**15,147**	**4,729**	**7,845**

2008	Carrying amount	Face value	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Issued bonds	10,174	10,538	6,332	—	—	—	4,206
Bank loans and finance lease obligations	21,036	21,252	846	916	614	14,405	4,471
Long-term debt	**31,210**	**31,790**	**7,178**	**916**	**614**	**14,405**	**8,677**

The presentation of the maturity profile of long-term debt is based on undiscounted principal cash flows.

Terms and maturity of long-term debt

	Weighted average interest rate	Interest rate	Interest rate risk	Year of maturity	Face value	Amount hedged[2]	2009 Carrying amount	2008 Carrying amount
				DKK million				
Issued bonds:								
EMTNs due 2010	4.75%	Fixed	Fair value	2010	—	—	—	6,149
EMTNs due 2014	4.50%	Fixed	Fair value	2014	822	—	719	706
Subordinated notes	8.875%	Fixed	Fair value	2016	3,378	—	3,300	3,291
Senior notes 2014	11%	Fixed	Fair value	2014	3,907	—	3,718	—
Interest rate swaps	—	—	—	—	—	—	1	28
Bank loans:								
Senior facilities:								
Term facility A	Libor + 2.00%	Floating	Cash flow	2012	668	1,022	599	884
Term facility B	Libor + 2.00%	Floating	Cash flow	2013	13,022	7,885	12,952	12,851
Acquisition facility A	Libor + 2.25%	Floating	Cash flow	2012	532	599	532	1,280
Acquisition facility B	Libor + 2.25%	Floating	Cash flow	2013	2,125	—	2,125	1,467
Second lien facility	Euribor + 3.75%	Floating	Cash flow	2015	4,465	4,018	4,412	4,409
Other bank loans	—	—	—	—	13	—	13	23
Finance lease obligations	—	—	—	—	115	—	115	122
Long-term debt	**6.13%[1]**				**29,047**		**28,486**	**31,210**

(1) Weighted average interest rate taking the effect of interest rate hedges into account.

(2) The amount hedged for term facility A and acquisition facility A relates to the long-term as well as the short-term part of the debt.

Currency profile of long-term debt

The Group's long-term debt is denominated in the following currencies:

	2009	2008
DKK	0.0%	0.0%
EUR	91.4%	91.6%
GBP	4.8%	4.1%
NOK	1.3%	1.4%
SEK	0.9%	1.2%
USD	0.0%	0.1%
Others	1.6%	1.6%
	100.0%	**100.0%**

28. BORROWINGS (Continued)

Finance lease obligations

Finance lease obligations are payable as follows:

	2009			2008		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
	DKK million					
Within 1 year	100	(7)	93	79	(10)	69
1-5 years	120	(7)	113	136	(15)	121
After 5 years	2	(0)	2	1	(0)	1
	222	**(14)**	**208**	**216**	**(25)**	**191**

29. PENSIONS AND SIMILAR OBLIGATIONS

The Group contributes to defined contribution plans as well as defined benefit plans. The majority of the pension plans are funded through payments of annual premiums to independent insurance companies responsible for the pension obligation towards the employees (defined contribution plans). In these plans the Group has no legal or constructive obligation to pay further contributions irrespective of the funding by these insurance companies. Pension costs related to such plans are recognised as expenses when incurred.

In some countries, most significantly, the Netherlands, Sweden, Switzerland, France, Germany and the United Kingdom, the Group has pension schemes where the actuarially determined pension obligations are recognised in the statement of financial position (defined benefit plans). The defined benefit plans are primarily based on years of service, and benefits are generally determined on the basis of salary and rank. The majority of the obligations are funded, but in some countries, mainly Sweden and France, the obligation is unfunded.

The Group's liabilities and pension costs under defined benefit plans may be significantly affected by changes in the discount rate, the expected return on plan assets, the social security rate, the rate of increase in salaries and pension contributions, changes in demographic variables or other events and circumstances.

Furthermore, there is a risk that changes to local legislation will entail that pension plans are reclassified from defined contribution plans to defined benefit plans, requiring the Group to recognise a provision.

In certain countries, the Group participates in multi-employer pension schemes. The funds are currently not able to provide the necessary information in order for the Group to account for the schemes as defined benefit plans. The pension schemes are therefore accounted for as defined contribution plans with pension costs being expensed as incurred and recognised in Staff costs, see note 4, Staff costs. There is a risk that the plans are not sufficiently funded. However, information on surplus or deficit in the schemes is not available.

29. PENSIONS AND SIMILAR OBLIGATIONS (Continued)

Recognised in the statement of financial position

	2009	2008
	DKK million	
Present value of funded obligations	3,171	2,860
Fair value of plan assets	(2,877)	(2,591)
Funded obligations, net	294	269
Present value of unfunded obligations	487	478
Unrecognised past service costs	(3)	1
Accumulated impact from asset ceiling	1	14
Transfer to Liabilities related to assets held for sale	(14)	—
Recognised in the statement of financial position for defined benefit obligations	765	762
Other long-term employee benefits	72	72
Pensions and similar obligations at 31 December	**837**	**834**
Specification of defined benefit obligations:		
Present value of funded obligations	3,171	2,860
Present value of unfunded obligations	487	478
Defined benefit obligations at 31 December	**3,658**	**3,338**
Movement in defined benefit obligations (funded and unfunded):		
Present value of obligations at 1 January	3,338	3,244
Foreign exchange adjustments	48	32
Reclassifications	2	47
Additions from acquired companies, net	8	32
Interest on obligation	153	139
Current service costs	117	149
Benefits paid	(315)	(96)
Employee contributions	81	74
Actuarial (gains)/losses	224	(244)
Recognised past service costs	11	2
Liabilities extinguished on settlements and curtailments	(9)	(41)
Present value of obligations at 31 December	**3,658**	**3,338**

29. PENSIONS AND SIMILAR OBLIGATIONS (Continued)

Recognised in the statement of financial position (continued)

	2009	2008
	DKK million	
Movement in fair value of plan assets:		
Fair value of plan assets at 1 January	2,591	2,617
Foreign exchange adjustments	30	43
Reclassifications	3	53
Additions from acquired companies, net	—	14
Expected return on plan assets	124	134
Actuarial gains/(losses)	179	(426)
Assets distributed on settlements	(10)	(16)
Employee contributions	81	74
Employer contributions	121	139
Benefits paid	(242)	(41)
Fair value of plan assets at 31 December	**2,877**	**2,591**
Realised return on plan assets:		
Expected return on plan assets	124	134
Actuarial gains/(losses)	179	(426)
Realised return on plan assets at 31 December	**303**	**(292)**
Major categories of plan assets (% of total plan assets):		
Bonds	58%	60%
Equities	26%	21%
Property	6%	10%
Cash	1%	1%
Other	9%	8%
Total	**100%**	**100%**

The Group expects to contribute DKK 181 million to its defined benefit plans in 2010.

Recognised in the income statement

	2009	2008
	DKK million	
Current service costs	117	149
Interest on obligation	153	139
Expected return on plan assets	(124)	(134)
Recognised past service costs, net	7	2
Gains on curtailments and settlements, net	(3)	(30)
Recognised in the income statement as staff costs	**150**	**126**
Losses on settlements related to restructuring projects	4	—
Recognised in the income statement as other expenses	**4**	**—**
Recognised in the statement of comprehensive income		
Cumulative (gains)/losses recognised in the statement of comprehensive income at 1 January	122	(35)
Actuarial (gains)/losses during the year	45	182
Impact from asset ceiling	(18)	(25)
Cumulative (gains)/losses recognised in the statement of comprehensive income at 31 December	**149**	**122**
Hereof accumulated actuarial (gains)/losses	**148**	**103**

29. PENSIONS AND SIMILAR OBLIGATIONS (Continued)

Actuarial assumptions

Actuarial calculations and valuations are performed annually for all major defined benefit plans. The actuarial assumptions vary from country to country due to local conditions. The range of actuarial assumptions used is as follows:

	2009	2008
Discount rates at 31 December	1.7-11.0%	1.8-13.0%
Expected return on plan assets at 31 December	1.7-8.0%	1.8-8.0%
Future salary increases	0.0-10.3%	2.0-10.0%
Future pension increases	0.0-4.8%	1.3-5.1%

Discount rates are based on the market yield of high quality corporate bonds or government bonds with a maturity approximating to the terms of the defined benefit obligations. In Switzerland, which represents 54% of the gross obligation (2008: 56%), the discount rate was 3.3% (2008: 3.8%) and in the euro countries representing 23% of the gross obligation (2008: 23%) the discount rate was between 5.2% and 5.5% (2008: 5.6%-6.0%).

Expected return on plan assets is based on the plan asset portfolio and general expectations to the economic development.

Historical information

	2009	2008	2007	2006	2005
			DKK million		
Present value of obligations (funded and unfunded)	3,658	3,338	3,244	3,446	2,240
Fair value of plan assets	(2,877)	(2,591)	(2,617)	(2,606)	(1,441)
Unrecognised past service costs	(3)	1	1	1	2
Asset ceiling	1	14	44	3	—
Transfer to Liabilities related to assets held for sale	(14)	—	—	—	—
Net obligations at 31 December	**765**	**762**	**672**	**844**	**801**
Actuarial (gains)/losses on obligations	224	(244)	(200)	(59)	134
Actuarial gains/(losses) on plan assets	179	(426)	(48)	(13)	15
Actuarial (gains)/losses during the year	**45**	**182**	**(152)**	**(46)**	**119**
Cumulative actuarial (gains)/losses at 31 December	**148**	**103**	**(79)**	**73**	**119**

30. OTHER PROVISIONS

	Legal cases	Self-insurance	Acquisition and integration costs	Contingent liabilities in acquisitions	Other	Total
			DKK million			
2009						
Other provisions at 1 January	176	166	45	45	400	832
Foreign exchange adjustments	7	6	2	0	9	24
Transfers, net[(1)]	(4)	4	1	34	(76)	(41)
Additions from acquired companies, net	2	—	—	14	17	33
Provisions for the year (included in goodwill)	—	—	27	—	—	27
Provisions for the year (included in the income statement)	95	124	46	—	100	365
Provisions reversed (against the income statement)	(14)	(1)	(0)	—	(42)	(57)
Provisions used during the year	(39)	(99)	(95)	—	(148)	(381)
Other provisions at 31 December	**223**	**200**	**26**	**93**	**260**	**802**
Current	126	74	26	—	197	423
Non-current	97	126	0	93	63	379
	223	**200**	**26**	**93**	**260**	**802**
2008						
Other provisions at 1 January	163	167	41	14	268	653
Foreign exchange adjustments	(8)	(17)	(3)	—	(8)	(36)
Transfers, net[(1)]	3	8	(1)	—	7	17
Additions from acquired companies, net	30	—	—	31	61	122
Provisions for the year (included in goodwill)	—	—	68	—	—	68
Provisions for the year (included in the income statement)	57	103	66	—	179	405
Provisions for the year (dismantling costs)	—	—	—	—	30	30
Provisions reversed (against the income statement)	(27)	(18)	(1)	—	(38)	(84)
Provisions used during the year	(42)	(77)	(125)	—	(100)	(344)
Unwinding of discount	—	—	—	—	1	1
Other provisions at 31 December	**176**	**166**	**45**	**45**	**400**	**832**
Current	89	70	43	13	220	435
Non-current	87	96	2	32	180	397
	176	**166**	**45**	**45**	**400**	**832**

(1) In 2009, transfers, net consisted of DKK 64 million transferred to Liabilities related to assets held for sale offset by provisions of DKK 23 million transferred from Other liabilities and Pensions and similar obligations. In 2008, transfers, net consisted of provisions transferred from Other liabilities and Pensions and similar obligations.

Legal cases

The provision comprises various obligations in relation to a number of legal cases mainly in Australia, France and the Netherlands. Additionally, the provision comprises labour related obligations in Belgium, Brazil, France, Israel, Portugal, Spain and Turkey.

30. OTHER PROVISIONS (Continued)

Self-insurance

In Australia, Ireland, the USA and the United Kingdom, the Group carries an insurance provision on employers' liability. Ireland and the United Kingdom are self-insured up to a yearly limit of DKK 20 million (DKK 18 million in 2008) for employers' liability. The USA is self-insured up to a limit of DKK 1.3 million per claim (DKK 1.3 million in 2008). Australia is self-insured up to a limit of DKK 2.3 million per claim (DKK 1.8 million in 2008). ISS Corporate has taken out a group third party liability insurance programme. The ISS captive insurance company Global Insurance A/S carries part of the risk on the third party liability programme with a maximum annual limit of DKK 52 million (DKK 42 million in 2008).

Acquisition and integration costs

The provision includes obligations incurred in the normal course of acquisitions mainly related to transaction costs, redundancy payments and termination of rental of properties. Transaction costs are included in goodwill. Other costs are included in the income statement.

Contingent liabilities in acquisitions

The provision relates to contingent liabilities assumed in connection with acquisitions and mainly relates to legal cases.

Other

The provision comprises various obligations incurred in the course of business, e.g. provision for restructuring, dismantling costs, operational issues and closure of contracts.

31. OTHER LIABILITIES

	2009	2008
	DKK million	
Accrued wages and holiday allowances	4,332	4,358
Tax withholdings, VAT etc.	3,069	2,841
Prepayments from customers	440	420
Interest rate swaps	256	254
Currency swaps	31	—
Other payables and accrued expenses	2,606	2,588
Other liabilities	**10,734**	**10,461**

32. CONTINGENT LIABILITIES

Senior Facility Agreement

ISS Holding A/S has executed a share pledge over its shares in ISS A/S as security for the Group's senior facilities and a secondary share pledge over such shares as security for the subordinated notes issued by ISS Holding A/S.

ISS A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Australia, Belgium, Denmark, Finland, France, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the USA have provided guarantees for ISS Global A/S's borrowings under the senior facilities. The guarantees have been backed up by security over bank accounts, trade receivables, intra-group receivables, other receivables, properties, production equipment and intellectual property

32. CONTINGENT LIABILITIES (Continued)

rights of ISS A/S and these subsidiaries. At 31 December 2009, the aggregate approximate values of assets provided as security for the borrowings under the senior facilities were:

	2009	2008
	DKK billion	
Goodwill	3.4	2.7
Customer contracts	0.9	0.8
Intellectual property rights	1.6	1.5
Other intangible and tangible assets	0.3	0.3
Trade receivables	2.4	3.2
Other receivables	0.2	0.2
Bank accounts	1.7	1.8
Total	**10.5**	**10.5**

In addition, the shares in the material subsidiaries and shares in certain of their subsidiaries as well as shares in certain subsidiaries in Austria, Brazil, the Czech Republic, Germany, Hong Kong, Ireland, Israel, Portugal, New Zealand, Singapore, Switzerland and Turkey have been pledged.

Securitisation

As part of the refinancing of the EUR 850 million of the EMTNs maturing in September 2010, the Group has during 2009 launched a securitisation programme in 5 major countries. Under the securitisation programme securitised trade receivables of the participating countries are provided as security for the securitisation debt. As at 31 December 2009, trade receivables of DKK 2,267 million have been placed as security for securitisation debt.

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 2,070 million (DKK 1,876 million in 2008). 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 payments
				DKK million			
At 31 December 2009	1,399	915	616	375	250	448	4,003
At 31 December 2008	1,299	920	649	401	286	395	3,950

Additional future lease payments of DKK 6 million (DKK 7 million in 2008) existed regarding associates at 31 December 2009.

Commitment vehicle leases

On 1 January 2008 the Group extended the global car fleet lease framework agreement for another three year term to 31 December 2010. The framework agreement contains an option for the Group to terminate the fleet of an entire country or the entire fleet under the framework agreement with four weeks notice subject to payment of a termination amount. The majority of the underlying agreements have a duration of 3-5 years. The disclosed contingent liability includes the Group's total leasing commitment assuming no early termination of any agreement.

Guarantee commitments

Indemnity and guarantee commitments at 31 December 2009 amounted to DKK 462 million (31 December 2008: DKK 318 million).

32. CONTINGENT LIABILITIES (Continued)

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,517 million (31 December 2008: DKK 1,305 million) of which DKK 1,288 million (31 December 2008: DKK 1,112 million) were bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

Outsourcing of IT

The Group has an IT outsourcing agreement with Computer Sciences Corporation (CSC) running until 2015. The Group's contractual obligations related to the agreement at 31 December 2009 amounted to approximately DKK 41 million (31 December 2008: DKK 60 million).

Divestments

The Group makes provisions for claims from purchasers or other parties in connection with divestments and representations and warranties given in relation to such divestments. Management believes that provisions made at 31 December 2009 are adequate. However, there can be no assurance that one or more major claims arising out of the Group's divestment of companies will not adversely affect the Group's activities, results of operations and financial position.

Legal proceedings

The Group is party to certain legal proceedings. Management believes that these proceedings (which are to a large extent labour cases incidental to its business) will not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the statement of financial position at 31 December 2009.

Furthermore, restructuring projects aiming at adjusting capacity to lower activity have been undertaken across different geographies and service areas. Labour laws especially in Western Europe include restrictions on dismissals and procedural rules to be followed. The procedures applied by ISS could be challenged in certain jurisdictions resulting in liabilities. Management believes that this would not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the statement of financial position at 31 December 2009.

33. FINANCIAL RISK MANAGEMENT

The Group is exposed to a number of financial risks as a result of its operating activities, investing activities and financing activities, mainly related to fluctuations in exchange rates and interest rates as well as availability of funding.

The Group's financial risks are managed centrally in Group Treasury based on policies approved by the Board of Directors. The Group's financial risk management is focused on managing risks arising from the Group's operating and financing activities, mainly by use of interest rate instruments and currency instruments. Generally, the Group seeks to apply hedge accounting in order to manage volatility in the Group's results. It is not the Group's policy to take speculative positions in the financial markets.

The Group has not identified any additional financial risk exposures in 2009. However, the individual risk associated with the exposures identified have changed following the current financial crisis.

Market risk

Market risk is the risk that changes in market prices, such as currency and interest rates, will affect the Group's result or value of its holdings of financial instruments.

33. FINANCIAL RISK MANAGEMENT (Continued)

Currency risk

The service industry is characterised by a relatively low level of transaction risk, since the services are produced and delivered in the same local currency with minimal exposure from imported components.

However, as an international business with the majority of revenue and operating profit originating from foreign entities, the Group is exposed to risk relating to translation into Danish kroner of income statements and net assets of foreign subsidiaries, including intercompany items such as loans, royalties, management fees and interest payments between entities with different functional currencies.

Furthermore, the Group has a currency risk to the extent that its interest payments with respect to borrowings are not denominated in the same currencies as the Group's revenue.

Additionally, the Group is exposed to a currency risk on borrowings denominated in other currencies than Danish kroner. The currency profile of the Group's long-term debt is shown in note 28, Borrowings.

The Group is exposed mainly to the following currencies: EUR, CHF, NOK, SEK, GBP, AUD and USD.

The Group uses currency swaps to hedge the currency risk related to borrowings and intercompany loans to foreign subsidiaries. The objective of hedging is to enter into positions with an opposite risk profile to reduce the exposure to currency risk. Group Treasury measures the Group's total currency exposure in different currencies on a monthly basis in order to evaluate the need for hedging currency positions. When measuring the currency positions all borrowings and intercompany balances are taken into account.

It is the Group's overall policy to fully hedge any foreign exchange exposure against Danish kroner or against Euro to the extent that the net exposure exceeds DKK 5 million. However, certain currencies are not possible to hedge within a reasonable price range, i.e. BRL and ISK and are therefore not hedged. The exposure against Euro is hedged based on an individual assessment.

It is not Group policy to hedge the currency exposure on foreign investments. Consequently, no hedging transactions of net investments in foreign subsidiaries were entered into in 2009 and 2008. However, the Group may choose to hedge the currency exposure on foreign investments by funding such investments in local currencies.

Impact of exchange rates on operating profit before other items and equity

In 2009, the currencies in which the Group's revenue was denominated decreased with an average of 2.8% (2008: decreased with 2.6%) relative to Danish kroner, decreasing the Group's revenue by DKK 1,877 million (2008: a decrease of DKK 1,624 million). Currency movements decreased the Group's operating profit before other items by DKK 126 million (2008: a decrease of DKK 107 million). The effect of the translation of net assets in foreign subsidiaries increased equity by DKK 364 million (2008: a decrease of DKK 792 million).

33. FINANCIAL RISK MANAGEMENT (Continued)

A 5% change in foreign exchange rates of the Group's main currencies would have impacted revenue, operating profit before other items and equity by the amounts shown below. The analysis is based on the assumption that all other variables remain constant.

	2009			2008		
	Revenue	Operating profit before other items	Net assets in foreign subsidiaries	Revenue	Operating profit before other items	Net assets in foreign subsidiaries
	Effect in DKK million					
EUR	1,522	76	385	1,523	90	448
CHF	132	11	64	123	10	59
GBP	347	24	100	378	26	90
NOK	262	21	39	284	20	29
SEK	177	11	26	196	13	27
AUD	171	12	27	169	11	19
USD	126	7	22	211	13	65
Other	523	35	142	367	23	82
Total	**3,260**	**197**	**805**	**3,251**	**206**	**819**

Interest rate risk

The Group's most significant interest rate risk relates to the interest-bearing debt. The Group's loan portfolio primarily consists of bank loans (senior facilities, second lien facility and securitisation debt) and listed bonds (EMTNs, subordinated notes and senior notes).

To manage the interest rate risk the Group uses fixed-rate bonds and derivatives, such as interest rate swaps. A part of the Group's interest payments on the senior facilities and second lien facility have been swapped from floating into fixed rates, see note 28, Borrowings, where a breakdown of the Group's long-term debt and applied interest rate swaps is provided.

According to the Senior Facility Agreement at least 50% of the Group's total long-term debt and bonds must carry fixed interest rates. At least on a monthly basis Group Treasury measures the balance between fixed and variable interest rates to ensure compliance with the policy.

The interest rate risk is measured by the duration of the net debt (fixed-rate period). As at 31 December 2009, the duration of net debt was approximately 2.2 years (31 December 2008: 2.0 years). A decrease in interest rates will increase the fair value of the debt with a fixed interest rate, but only part of this increase will be reflected in the income statement and equity as long-term borrowings are measured at amortised cost and therefore not adjusted to fair value. It is estimated that a general increase in relevant interest rates of 1%-point would increase the annual interest expenses, net by DKK 91 million (2008: DKK 60 million), all other things being equal. The estimate is based on net debt adjusted for the effect of hedging instruments as at 31 December 2009.

The Group's exposure to floating interest rates is primarily in EUR.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its contractual obligations associated with its financial liabilities due to insufficient liquidity. It is the Group's policy that the raising of capital and investment of liquidity is managed centrally. It is therefore the responsibility of Group Treasury to ensure efficient liquidity management, which mainly comprise ensuring that adequate liquidity is available.

For day-to-day liquidity management cash pools have been established in several local entities. As a result excess liquidity is transferred to ISS Global A/S on a frequent basis.

The Group's liquid reserves mainly consist of liquid funds and unused credit facilities. As at 31 December 2009, the Group's liquid reserves consisted of unrestricted liquid funds of

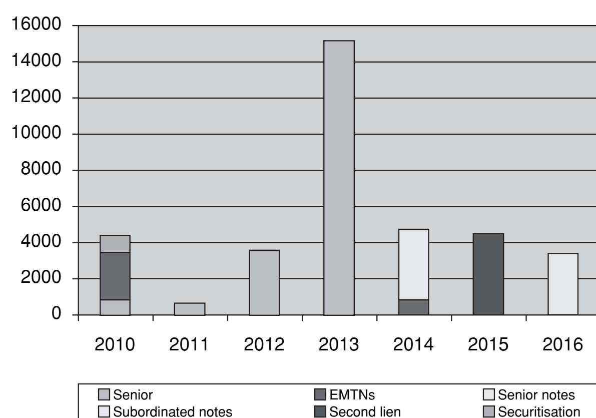
33. FINANCIAL RISK MANAGEMENT (Continued)

DKK 3,302 million (2008: DKK 2,900 million) of which DKK 1,080 million was reserved for partial redemption of the remaining 2010 EMTNs and unused revolving credit facilities of DKK 418 million (2008: DKK 817 million) available for drawing until 30 June 2012. It is the Group's policy to maintain an appropriate level of liquid reserve.

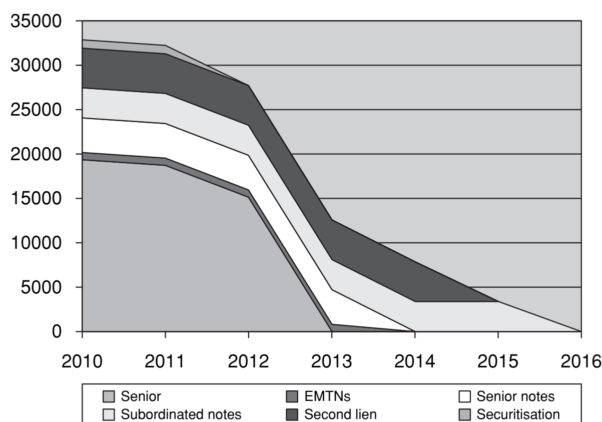
The bank loans, subordinated notes and senior notes are subject to customary undertakings, covenants (including financial covenants) and other restrictions. Financial covenants comprise the following: i) Debt cover ii) Senior debt cover, iii) Cash flow cover, iv) Interest cover and v) Limitation on Capex spending. The financial covenants are calculated on a last-twelve-months basis and reported quarterly, except for ii) and v), which are only reported at year-end. In the event of a default under those agreements, the debt incurred including accrued interest could be declared immediately due and payable. In 2009 and 2008, all covenants have been complied with.

For a breakdown of the maturity of the Group's long-term debt, see note 28, Borrowings. The maturity of the Group's financing facilities (long-term and short-term) is also illustrated in the charts below:

Maturity profile of nominal debt (DKK bn)



Commitment curve (DKK bn)



In July 2009, the Group issued EUR 525 million of new Senior notes due 2014 as part of the strategy to refinance the EUR 850 million of EMTNs maturing in September 2010. The proceeds were used to settle EUR 500 million of the outstanding notes. Furthermore, a securitisation programme was launched in 5 major countries in the second half of 2009 and additional countries are intended to be included in the programme in 2010. The proceeds from the securitisation programme will be used for refinancing the remaining EUR 350 million of the EMTNs due 2010. After the reporting date the Group completed a tender offer for additional EUR 150 million of the outstanding notes leaving EUR 200 million of notes for refinancing before maturity in September 2010.

Capital management

The Group monitors the capital structure and evaluates the need for adjustments on an ongoing basis. The dividend policy and payment of dividends is made subject to the necessary consolidation of equity and the Group's continuing expansion. The Group seeks to reduce the financial leverage on a multiple basis in terms of net debt to pro forma adjusted EBITDA[(1)]. At 31 December 2009, the Group's net debt to proforma adjusted EBITDA was 6.55x (2008: 5.92x).

ISS Holding A/S (the Group's parent) is a holding company, and its primary assets consist of shares in ISS A/S. ISS Holding A/S has no revenue generating operations of its own, and therefore ISS Holding A/S's cash flow and ability to service its indebtedness, will depend primarily on the operating performance and financial condition of ISS A/S and its operating subsidiaries, and the

(1) Pro forma information is based on unaudited financial information and for informational purposes only. For further information, see Capital structure.

33. FINANCIAL RISK MANAGEMENT (Continued)

receipt by ISS Holding A/S of funds from ISS A/S and its subsidiaries in the form of dividends or otherwise.

Credit risk

Credit risk is the risk of a counterparty failing to meet its contractual obligations and so inflicting a loss on the Group. The Group's credit risk is mainly related to transactions with financial institutions (liquid funds and derivatives with positive fair value) and service deliveries to customers (trade receivables). It is the Group's policy that financial transactions may be entered into only with financial institutions with a high credit rating.

The Group is not exposed to significant risks relating to individual customers. The Group performs ongoing credit evaluations of the financial condition of the Group's counterparties in order to reduce the credit risk exposure. Losses on bad debt relating to individual customers have historically been relatively low. It is estimated that the provisions made are sufficient to cover expected losses (see note 21, Trade receivables).

34. FINANCIAL ASSETS AND LIABILITIES

The fair values of financial assets and liabilities, together with the carrying amounts in the statement of financial position, are shown below:

		2009		2008	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
		DKK million			
Securities (fair value option)	25	97	97	86	86
Financial assets designated at fair value through profit or loss		**97**	**97**	**86**	**86**
Derivative financial instruments designated as fair value hedge	35	0	0	22	22
Financial assets used for hedging		**0**	**0**	**22**	**22**
Trade receivables	21	10,130	10,130	10,097	10,097
Other receivables	24	1,071	1,071	776	776
Cash and cash equivalents	25	3,364	3,364	2,961	2,961
Other financial assets	19	281	281	238	238
Loans and receivables		**14,846**	**14,846**	**14,072**	**14,072**
Derivative financial instruments designated as fair value hedge	35	31	31	19	19
Financial liabilities designated at fair value through profit or loss		**31**	**31**	**19**	**19**
Derivative financial instruments designated as cash flow hedge	35	256	256	254	254
Financial liabilities used for hedging		**256**	**256**	**254**	**254**
Issued bonds	28	10,315	10,779	10,489	7,450
Bank loans	28	23,486	23,723	21,696	22,227
Finance lease obligations	28	208	208	191	191
Debt to companies within the ISS Group	28	94	94	113	113
Trade payables		2,624	2,624	2,835	2,835
Other liabilities	31	10,478	10,478	10,207	10,207
Financial liabilities measured at amortised cost		**47,205**	**47,906**	**45,531**	**43,023**

34. FINANCIAL ASSETS AND LIABILITIES (Continued)

Methods, assumptions and techniques used to determine fair value

The methods, assumptions and techniques used in determining the fair values of each category of financial assets and liabilities is disclosed below. The methods are unchanged compared with 2008.

Generally, the valuation methods for determining fair value are categorised as follows (fair value hierarchy):

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Securities

Securities mainly consist of listed Danish government bonds measured at fair value through the income statement. The fair value is determined by reference to their quoted prices at the reporting date (Level 1).

Derivative financial instruments

Derivative financial instruments comprise currency swaps and interest rate swaps.

The fair value of derivative financial instruments is determined on the basis of observable market data using generally accepted methods. The fair value of interest rate swaps is based on market rates for yield curves (Level 2). Changes in the fair value are recognised in equity. The fair value of currency swaps is based on the difference between the purchase price and the price at the reporting date (Level 1). Changes in the fair value of currency swaps are recognised in the income statement.

Other financial liabilities

Other financial liabilities, including issued bonds, bank loans, finance lease obligations, trade payables and other liabilities are measured at amortised cost.

The note disclosure of the fair value of the issued bonds (EMTNs, subordinated notes and senior notes) is based on the quoted market price on the Luxembourg Stock Exchange (Level 1). For the remaining part of long-term and short-term debt fair value is equal to the nominal value (Level 2).

35. DERIVATIVES

As described in the note 33, Financial risk management, the Group uses derivative financial instruments (interest rate swaps and currency swaps) for managing currency and interest risks arising from the Group's operating and financing activities.

The accounting treatment of hedge transactions varies according to the nature of the item being hedged and whether the hedge qualifies for hedge accounting according to IFRS. Derivatives that qualify for hedge accounting are being accounted for in accordance with the nature of the item being hedged and the applicable hedge model. The Group uses two types of hedges: fair value hedges and cash flow hedges.

Fair value hedges

The Group uses currency swaps to hedge the exposure to currency risk on the intercompany loans to foreign subsidiaries as well as the currency risk on external borrowings denominated in a

35. DERIVATIVES (Continued)

currency other than Danish kroner. Changes in the fair value of currency swaps used as fair value hedges are recognised in the income statement.

	Contractual value	Fair value	Fair value adjustment recognised in the income statement	Maturity
		DKK million		
2009				
CHF	407	0	0	2010
EUR	3,491	(0)	(0)	2010
GBP	579	(1)	(1)	2010
Forward foreign currency, purchases	**4,477**	**(1)**	**(1)**	
AUD	1,178	(14)	(14)	2010
CZK	101	(0)	(0)	2010
ILS	182	(1)	(1)	2010
MXN	91	(0)	(0)	2010
NOK	1,304	(3)	(3)	2010
SEK	369	(4)	(4)	2010
USD	994	(5)	(5)	2010
Others	482	(3)	(3)	2010
Forward foreign currency, sales	**4,701**	**(30)**	**(30)**	
Total fair value hedges at 31 December 2009	**9,178**	**(31)**	**(31)**	
2008				
CHF	263	5	5	2009
EUR	3,842	(2)	(2)	2009
GBP	435	(13)	(13)	2009
Forward foreign currency, purchases	**4,540**	**(10)**	**(10)**	
AUD	977	(1)	(1)	2009
CZK	151	2	2	2009
ILS	205	(3)	(3)	2009
MXN	73	4	4	2009
NOK	1,098	2	2	2009
SEK	280	—	—	2009
USD	909	6	6	2009
Others	471	3	3	2009
Forward foreign currency, sales	**4,164**	**13**	**13**	
Total fair value hedges at 31 December 2008	**8,704**	**3**	**3**	

Cash flow hedges

The Group uses interest rate swaps to hedge the exposure to variability in future cash flows due to changes in interest rates on the Group's bank loans with a variable interest rate.

Changes in the fair value of interest rate swaps designated as cash flow hedges are recognised in equity in a separate hedging reserve until the hedged transaction is realised. At this time, gains

35. DERIVATIVES (Continued)

or losses concerning such hedging transactions are transferred from equity and recognised in the income statement in the same line as the hedged item.

Interest rate instruments[1]	Contractual value	Fair value	Fair value adjustment recognised in equity	Maturity
		DKK million		
2009				
Interest rate swap—2012 (CHF), payer	172	(2)	(2)	2012
Interest rate swap—2010 (CHF), payer	170	(1)	(1)	2010
Interest rate swap—2012 (GBP), payer	1,381	(3)	(3)	2012
Interest rate swap—2010 (GBP), payer	1,070	(10)	(10)	2010
Interest rate swap—2010 (GBP), payer	311	(3)	(3)	2010
Interest rate swap—2012 (SEK), payer	393	(4)	(4)	2012
Interest rate swap—2010 (SEK), payer	383	(2)	(2)	2010
Interest rate swap—2012 (NOK), payer	485	(3)	(3)	2012
Interest rate swap—2010 (NOK), payer	470	(2)	(2)	2010
Interest rate swap—2011 (EUR), payer	4,018	(34)	(34)	2011
Interest rate swap—2010 (EUR), payer	4,018	(26)	(26)	2010
Interest rate swap—2012 (EUR), payer	1,042	(25)	(25)	2012
Interest rate swap—2012 (EUR), payer	1,042	(24)	(24)	2012
Interest rate swap—2011 (EUR), payer	599	(13)	(13)	2011
Interest rate swap—2012 (EUR), payer	1,116	(18)	(18)	2012
Interest rate swap—2011 (EUR), payer	1,072	(5)	(5)	2011
Interest rate swap—2012 (EUR), payer	1,116	(18)	(18)	2012
Interest rate swap—2012 (EUR), payer	744	(12)	(12)	2012
Interest rate swap—2011 (EUR), payer	372	(2)	(2)	2011
Interest rate swap—2010 (EUR), payer	3,126	(20)	(20)	2010
Interest rate swap—2010 (EUR), payer	599	(4)	(4)	2010
Interest rate swap—2010 (EUR), payer	372	(3)	(3)	2010
Interest rate swap—2010 (EUR), payer	1,116	(8)	(8)	2010
Interest rate swap—2010 (EUR), payer	1,861	(14)	(14)	2010
Total cash flow hedges at 31 December 2009	**27,048**	**(256)**	**(256)**	
2008				
Interest rate swap—2009 (CHF), payer	192	(1)	(1)	2009
Interest rate swap—2010 (CHF), payer	169	(2)	(2)	2010
Interest rate swap—2009 (GBP), payer	289	(3)	(3)	2009
Interest rate swap—2010 (GBP), payer	289	(8)	(8)	2010
Interest rate swap—2010 (GBP), payer	994	(38)	(38)	2010
Interest rate swap—2009 (SEK), payer	415	(1)	(1)	2009
Interest rate swap—2010 (SEK), payer	361	(5)	(5)	2010
Interest rate swap—2009 (NOK), payer	462	(0)	(0)	2009
Interest rate swap—2010 (NOK), payer	398	(5)	(5)	2010
Interest rate swap—2009 (EUR), payer	600	(1)	(1)	2009
Interest rate swap—2010 (EUR), payer	600	(7)	(7)	2010
Interest rate swap—2010 (EUR), payer	3,129	(44)	(44)	2010
Interest rate swap—2010 (EUR), payer	3,353	(69)	(69)	2010
Interest rate swap—2010 (EUR), payer	4,023	(70)	(70)	2010
Total cash flow hedges at 31 December 2008	**15,274**	**(254)**	**(254)**	

(1) The swaps convert a major part of the floating rates within the bank loans to fixed interest rates.

36. RELATED PARTIES

Parent and ultimate controlling party

The sole shareholder of ISS Holding A/S, ISS Equity A/S, has controlling influence in the Group. The ultimate controlling company of the Group is FS Invest S.à r.l (''FS Invest''), which is 54% owned by funds advised by EQT Partners and 44% owned by funds advised by Goldman Sachs Capital Partners, together The Principal Shareholders. There were no significant transactions with the parent company or the ultimate controlling party during the year.

Key management personnel

Members of the Board of Directors, the Executive Group Management and Corporate Senior Officers

Members of the Board of Directors, the Executive Group Management and Corporate Senior Officers have authority and responsibility for planning, implementing and controlling the Group's activities and are therefore considered as the Group's key management personnel. Apart from remuneration, described in note 4, Staff costs and co-investment programmes described below there were no significant transactions during the year with members of the Board of Directors, the Executive Group Management or Corporate Senior Officers.

Co-investment programmes

The Principal Shareholders have established a Management Participation Programme, under which the Executive Group Management and a number of senior officers[(1)] of the Group were offered to invest. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest, ISS Holding A/S's ultimate parent. As of 31 December 2009, the investments amounted to DKK 196.7 million in total for 156 executives and officers. As part of the initial programme—in addition to the investments—the Executive Group Management and a number of Corporate Officers[(2)] were granted warrants in FS Invest with a vesting schedule (based on value of shares and time). As of 31 December 2009, 329,404 were outstanding, see note 5, Share-based payments.

Non-executive members of the Board of Directors (except representatives of the Principal Shareholders) were offered to participate in a Directors Participation Programme, under which they have invested in a mix of shares and warrants of FS Invest amounting to approximately DKK 9.0 million in total. In addition, they have co-invested with the Principal Shareholders for approximately DKK 14.7 million in total.

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

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

36. RELATED PARTIES (Continued)

External directorships and external executive positions of the Board of Directors at 31 December 2009

Board of Directors	Board Member	Executive Position
Ole Andersen (Chairman)	Privathospitalet Hamlet A/S (Chairman), Bang & Olufsen a/s and Georg Jensen A/S	Senior advisor to EQT Partners
Leif Östling (Vice-Chairman)	Scania AB, AB SKF (Chairman), Svenskt Näringsliv (Confederation of Swedish Enterprise) and Teknikföretagen (The Association of Swedish Engineering Industries)(Chairman)	President and CEO of Scania AB
Christoph Sander	None	None
Steven Sher	Ahlsell Sverige AB, Edam Acquisitions B.V., I Cooperatief U.A. and certain holding companies of Ahlsell Sverige AB and Endemol B.V.	Managing Director, Goldman Sachs International, Principal Investment Area
Peter Korsholm	BTX Group A/S, CaridianBCT Holding Corp and Gambro AB	Partner and Head of the Copenhagen office of EQT Partners
John Allan	National Grid plc, DSG International plc (Chairman), 3i Group plc	None
Marcus Brennecke	Kabel Baden-Württermberg, CZV, SAG and CBR	Senior Partner and head of the Munich office of EQT Partners
Casper von Koskull	None	Managing Director, Goldman Sachs International

External directorships and external executive positions of the Executive Group Management

Executive Group Management	Board Member	Executive Position
Jørgen Lindegaard	Efsen Engineering A/S	None
Jeff Gravenhorst	Danish Crown	None
Jakob Stausholm	Statoil ASA	None

Other related party transactions

In 2009, the Group had the following transactions with other related parties, which were all made on market terms:

- the Group received/paid interest from/to ISS Equity A/S, see note 8, Net finance costs.
- the Group received/paid joint taxation contribution equal to 25% of taxable income from/to ISS Equity A/S (the ultimate parent company in Denmark).
- the Group and Goldman Sachs have agreed general terms and conditions for the supply of Facility Services to be applied by local ISS operations and local Goldman Sachs affiliates when contracting with each other. ISS in Switzerland, Russia and the United Kingdom have entered into Facility Services agreements with local Goldman Sachs affiliates. The annual revenue from these agreements is estimated at DKK 68 million. Furthermore, the Group has local agreement terms with Goldman Sachs in France, Ireland, Singapore, Mexico and China. The annual revenue from these agreements is estimated at DKK 8 million.
- the Group and Goldman Sachs have entered into various agreements on provision of financing and banking related services.

36. RELATED PARTIES (Continued)

Associates and joint ventures

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

Other

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

37. INTERESTS IN JOINT VENTURES

As of 31 December 2009, the Group had interests in 10 joint ventures (10 in 2008). The significant joint ventures are specified in note 39, Subsidiaries, associates, joint ventures and SPEs. The Group's interests in joint ventures are recognised using the proportionate consolidation method. At the balance sheet date the joint ventures had the following effect on the Group's consolidated income statement and statement of financial position:

	2009	2008
	DKK million	
Revenue	332	202
Expenses	(304)	(190)
Operating profit before other items	28	12
Net profit for the year	**20**	**7**
Non-current assets[1]	26	16
Current assets	101	76
Total assets	**127**	**92**
Equity	39	22
Non-current liabilities	5	2
Current liabilities	83	68
Total equity and liabilities	**127**	**92**
The Group's part of contingent liabilities (operating leases) in joint ventures	**16**	**6**

(1) Excluding goodwill arising from the acquisition of the joint ventures.

The aggregate investment in joint ventures is as follows: Sri Lanka DKK 3.8 million (2008: DKK 4 million), Norway DKK 28.2 million (2008: DKK 12.6 million), the Netherlands DKK 8.1 million (2008: DKK 3.4 million), Spain DKK 0.6 million (2008: DKK 1.7 million), Israel DKK (1.5) million (2008: DKK (0.3) million) and Hong Kong DKK 0.0 million (2008: DKK 0.4 million).

38. SUBSEQUENT EVENTS

On 22 January 2010, the Group completed the tender offer for EUR 150 million of the outstanding 2010 EMTNs plus accrued interest. The notes were acquired at a purchase price of EUR 1,020 per EUR 1,000 principal amount and resulted in an accounting loss of approximately DKK 32 million, which has been recognised in the income statement in 2010. The accounting loss results primarily from the purchase price being above nominal value, and additionally from the carrying amount being below nominal value due to the fair value adjustment made in connection with ISS Holding A/S's acquisition of ISS A/S 9 May 2005.

On 2 February 2010, the Group announced that Jørgen Lindegaard will step down as Group CEO as of 31 March 2010 and that the current Group COO, Jeff Gravenhorst, will take over the responsibility as Group CEO on 1 April 2010.

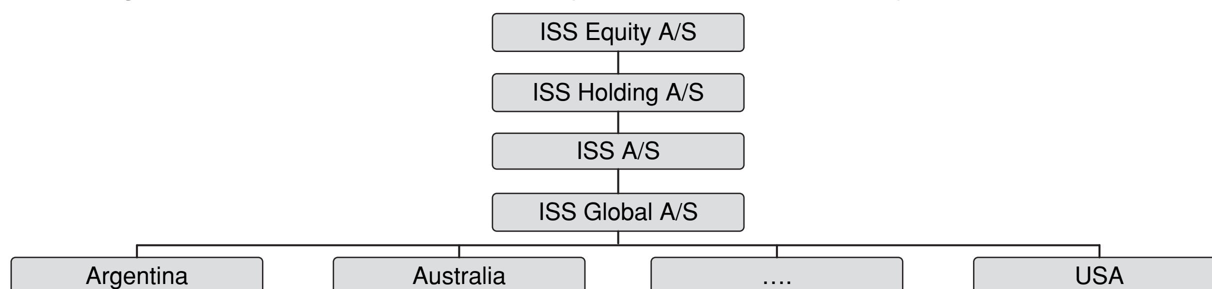
38. SUBSEQUENT EVENTS (Continued)

Acquisitions and divestments completed subsequent to 31 December 2009 are listed in note 12, Acquisition and divestment of businesses.

Apart from the above and the events described in the financial statements, the Group is not aware of events subsequent to 31 December 2009, which are expected to have a material impact on the Group's financial position.

39. SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND SPEs

Below the significant subsidiaries, associates, joint ventures and SPEs of the Group are presented together with a Group chart showing the ownership structure from ISS Equity A/S and down. Together these are referred to as ''Companies within the ISS Group''.



Argentina

Company	Ownership
Equipo Blanco S.R.L.	100%
Facility Services S.R.L.	100%
ISS Argentina S.A.	100%
SIM S.A.	100%
Top Service S.R.L.	100%

Australia

Company	Ownership
ISS Catering Services Pty Ltd.	100%
ISS Facility Services Australia Ltd.	100%
ISS Facility Services Pty Ltd.	100%
ISS Franchise Services Pty Ltd.	100%
ISS Health Services Pty Ltd.	100%
ISS Holdings Pty Ltd.	100%
ISS Hygiene Services Pty Ltd.	100%
ISS Integrated Services Pty Ltd.	100%
ISS Property Services Pty Ltd.	100%
ISS Security Pty Ltd.	100%
Pacific Invest December 2004 Pty Ltd.	100%
Pacific Service Solutions Pty Ltd.	100%
Prestige Protection Services Pty Ltd.	100%

Austria

Company	Ownership
ISS Austria Holding GmbH	100%
ISS Beta Beteiligungsverwaltung GmbH	100%
ISS Facility Services GmbH	100%
ISS Hotel, SPA & Gastro Services GmbH	100%
ISS Ground Services GmbH	51%

Belgium

Company	Ownership
BD Food Invest S.A.	100%
ISS Building Services N.V.	100%
ISS Catering N.V.	100%
ISS Industrial Cleaning N.V.	100%
ISS Industrial Services N.V.	100%
ISS N.V.	100%
ISS Office Support Services N.V.	100%
Lease Plant International N.V.	100%
National Pest Control B.V.B.A.	100%
Party & Dinner N.V.	100%
Pest Management Solutions N.V.	100%
Synerg'ISS N.V.	100%

Bosnia and Herzegovina

Company	Ownership
Eco Servis d.o.o. Sarajevo	100%
ISS Facility Services d.o.o. Banja Luka	100%
ISS Facility Services d.o.o. Sarajevo	100%

Brazil

Company	Ownership
BJP Manutenção e Operação de Utilidades Ltda.	100%
ISS Biosystem Saneamento Ambiental Ltda.	100%
ISS Catering Sistemas de Alimentação Ltda.	100%
ISS Servisystem do Brasil Ltda.	100%
ISS Sulamericana Brasil Ltda.	100%
Loghis Logistica Integrada Ltda.	100%
SMV Manutenção Volante Ltda.	100%

Brunei

Company	Ownership
ISS Facility Services Sdn. Bhd.	100%

Bulgaria

Company	Ownership
ISS Facility Services EOOD	100%

Canada

Company	Ownership
ISS Facility Services Inc.	100%

Chile

Company	Ownership
EFI Ltda.	100%
Glanzend Ltda.	100%
ISS Chile S.A.	100%
ISS Facility Services S.A.	100%
ISS Office Support Ltda.	100%
ISS Servicios Generales Ltda.	100%
Ledan Ltda.	100%
Slim S.A.	100%

China and Hong Kong

Company	Ownership
Cornerstone Associates Ltd.	100%
Hung Fat Cleaning Transportation Co., Ltd.	100%
ISS Adams Secuforce Limited	100%
ISS Allsecure Ltd.	100%
ISS Building Consultancy Ltd.	100%
ISS China Holdings I Ltd.	100%
ISS China Holdings Ltd.	100%
ISS EastPoint Properties Ltd.	100%
ISS EastPoint Property Consultants Ltd.	100%
ISS EastPoint Property Management Ltd.	100%
ISS Environmental Services (HK) Ltd.	100%
ISS Facility Services (Beijing) Ltd.	100%
ISS Facility Services China Ltd.	100%
ISS Facility Services Ltd.	100%
ISS Greater China Ltd.	100%
ISS Hangyang (Beijing) Cleaning Services Co., Ltd.	100%
ISS Hong Kong Services Ltd.	100%
ISS Hongrun Facility Services (Shanghai) Ltd.	100%

39. SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND SPEs (Continued)

China and Hong Kong (continued)

ISS Hygiene Services (HK) Ltd.	100%
ISS Mediclean (HK) Ltd.	100%
ISS Pan Asia Security Services Ltd.	100%
ISS Roboclean (HK) Co., Ltd.	100%
ISS Servisystem (China) Ltd.	100%
ISS Thomas Cowan Co., Ltd.	70%
JSL Ltd.	100%
LAWN Environmental Protection Ltd.	100%
Shanghai ISS Houban Catering Management Co., Ltd.	100%
Silvertech E&M Engineering Co., Ltd.	100%

Croatia

ISS Kadrovske usluge d.o.o.	100%
ISS Usluzne djelatnosti d.o.o.	100%

Czech Republic

ISS Facility Services s.r.o	100%
ISS Optimal s.r.o.	100%
ISS Sprava Budov s.r.o.	100%

Denmark

Global Insurance A/S	100%
House of Coffee A/S	100%
ISS Kloak- & Industriservice A/S	100%
ISS Document A/S	100%
ISS Facility Services A/S	100%
ISS Finans A/S	100%
ISS Holding France A/S	100%
ISS Venture A/S	100%
ISS Security A/S	100%
Personalehuset A/S	100%

Estonia

ISS Eesti AS	51%
ISS Haldus OÜ	51%
ISS Holding OÜ	100%

Finland

ISS Aviation Oy	100%
ISS Henkilöstöpalvelut Oy	100%
ISS Palvelut Holding Oy	100%
ISS Palvelut Oy	100%
ISS Proko Oy	100%
ISS Security Oy	100%
ISS Teollisuuspalvelut Oy	100%
Suomen Laatutakuu Palvelut Oy	100%

France

BSE SAS	100%
Channel SAS	100%
CPMS SA	100%
Europe Filtration SAS	100%
Europrop SAS	100%
Extincteurs HaaS SAS	100%
Force Protection SAS	100%
FSI SAS	100%
GIE ISS Services	100%
GROS Environnement SAS	100%
Hoguin Espaces Verts SAS	100%
Ifopro Sarl	100%
ISS Abilis France SAS	100%
ISS Accueil & Services SAS	100%
ISS Environnement SAS	100%

France (continued)

ISS Espaces Verts SAS	100%
ISS Facility Service SAS	100%
ISS Holding Paris SAS	100%
ISS Hygiene SAS	100%
ISS Hygiene & Prevention SAS	100%
ISS Logistique et Production SAS	100%
ISS Sécurité SAS	100%
L'Impeccable SAS	100%
Logicbuy SAS	100%
Qualitec SAS	100%
STOP FLAM SAS	100%
TRI 72	50%**
TRI 17	30%**
Verts Paysages & Aménagement SAS	100%

Germany

AA Schädlingsbekämpfung HRS Helmut Riedl GmbH	100%
DEBEOS GmbH	100%
Grossjung SBK Dienstleitungsgesellschaft mbH	100%
ISS Damage Control Deutschland GmbH	100%
ISS Facility Services GmbH	100%
ISS HWS GmbH & Co. KG	100%
ISS Personalservice GmbH	100%
ISS Schädlingsbekämpfung und Hygiene GmbH	100%
Klaus Harren GmbH	100%
Vatro GmbH & Co. KG	86%
Vatro Verwaltungs GmbH	86%

Greece

ISS ASPIS Security S.A.	100%
ISS Facility Services S.A.	100%
ISS Human Resources S.A.	100%

Greenland

ISS Grønland A/S	100%

Hungary

ISS Facility Services Kft.	100%
Profi-Komfort Kft.	100%

Iceland

ISS Island ehf.	100%

India

ISS Catering Services (South) Pvt. Ltd.	100%
ISS Catering Services (West) Pvt. Ltd.	100%
ISS Facility Services India Pvt. Ltd.	100%
ISS Hicare Limited	100%
ISS Integrated Facility Services Pvt. Ltd.	100%
ISS Management Services Pvt. Ltd.	100%
ISS Pest Control Services Pvt. Ltd.	100%
ISS Records Management Solutions Pvt. Ltd.	100%

Indonesia

P.T. ISS Catering Services	100%
P.T. ISS Facility Services	100%
P.T. ISS Indonesia	100%
P.T. ISS Parking Management	100%

Ireland

ISS Ireland Holding Ltd.	100%
ISS Ireland Ltd.	100%
ISS Security Ltd.	100%

39. SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND SPEs (Continued)

Israel

Catering Ltd.	100%
Catering Tefen (1991) Ltd.	100%
Glat Chef Ltd.	50%*
ISS Ashmoret Ltd.	100%
ISS Isreal Comprehensive Services for Business Ltd.	100%
ISS Israel Manpower Services Ltd.	100%
ISS Kfir Surveillance, and Control Solutions Ltd.	100%
I.S.S Outsourcing Ltd.	100%
Kfir Electronic Security Systems and Surveillance Ltd.	100%
M.A.S.H. Mahatz Agencies Ltd.	100%
Norcat Ltd.	100%
Norfolk Enterprizes Ltd.	100%
Norfolk International Ltd.	100%
Shmuel Werner Ltd.	100%

Italy

ISS Facility Services S.r.l.	100%
G.S. Services S.p.A.	100%
Karmak S.p.A.	100%

Japan

Nihon ISS KK	100%

Latvia

ISS Namu Serviss SIA	51%

Lithuania

ISS Pastatu Valda UAB	51%

Luxembourg

ISS Facility Services S.A.	100%
Lux Intérim S.A.R.L.	100%

Malaysia

ISS Facility Services Sdn. Bhd.	30%
ISS Hygiene Services Sdn. Bhd.	100%
Kontrekleen Services Sdn. Bhd.	30%
Reliance Suci Environmental Services Sdn. Bhd.	30%

Mexico

Decoración y Mantenimiento San Rafael, SA de CV	100%
ISS Centro América, S de RL de CV	100%
ISS Servicios Gerenciales, S de RL de CV	100%
ISS Servicios Integrales, S de RL de CV	100%
Mantenimiento Ténico Tapnew, SA de CV	100%
Martex, SA de CV	100%

Netherlands

Drielanden Bos & Landscapsbouw B.V.	100%
Groene Team B.V.	100%
ISS Arbo Plus B.V.	100%
ISS Building Maintenance Services B.V.	100%
ISS Catering Services B.V.	100%
ISS Cure & Care B.V.	100%
ISS Food Hygiene B.V.	100%
ISS Holding Nederland B.V.	100%
ISS Hygiene Services B.V.	100%
ISS Integrated Facility Services B.V.	100%
ISS Landscaping Services B.V.	100%
ISS Nederland B.V.	100%
ISS Reception Services B.V.	100%
ISS Security Services B.V.	100%
Omring Thuisservice B.V.	50%*
TalentGroep Montaigne Facility Management B.V.	100%

New Zealand

First Security Guard Services Ltd.	100%
First Security Guard Services 2008 Ltd.	100%
ISS Facilities Services Ltd.	100%
ISS Holdings NZ Ltd.	100%

Norway

ForvaltningsCompagniet AS	100%
Hero Holding AS	50%*
Human Ressource Center AS	100%
IPEC Kristiansand AS	100%
ISS Facility Services AS	100%
ISS Holding AS	100%
ISS Industri AS	100%
ISS Personalhuset AS	100%
ISS Serveringspartner AS	100%
NSB Trafikkservice AS	45%**
Raufoss Beredskap AS	51%
Reaktorskolen AS	100%
Varig Gruppen AS	70%

Philippines

ISS Facility Services Phils., Inc.	100%

Poland

ISS Facility Services Sp. z.o.o.	100%

Portugal

ISS Facility Services, Lda	100%
ISS FS Açores, Lda	100%
ISS Human Resources, Lda.	100%
ISS Pest Control, Lda.	100%
ISS Plantiagro, Lda.	100%
ISS Portugal II, Lda.	100%

Romania

3D Romania S.A.	100%
ISS Facility Services S.R.L.	100%
ISS Romania Group S.R.L.	100%

Russia

Facility Services RUS LLC	100%

Singapore

ISS Catering Pte. Ltd.	100%
ISS Facility Services Private Limited	100%
ISS Hydroculture Pte. Ltd.	100%
ISS Landscaping Pte. Ltd.	100%
ISS M&E Pte. Ltd.	100%
ISS Pest Management Pte. Ltd.	100%
ISS Sanitation Services Pte. Ltd.	100%
ISS-CDCS Catering Pte. Ltd.	100%
ISS-Woko Catering Pte. Ltd.	100%
Kaffe ISS Catering Pte. Ltd.	100%
Serve 1st Services Pte. Ltd.	100%

Slovakia

ISS Aviation Slovakia spol s.r.o.	51%
ISS Facility Services spol s.r.o.	100%
ISS Security spol s.r.o.	100%
Ryvola Slovakia spol s.r.o.	100%

Slovenia

ISS Facility Services d.o.o.	100%
Magnetik d.o.o.	100%

South Africa

ISS Facility Services (Pty) Limited	100%

39. SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND SPEs (Continued)

Spain

Company	Ownership
Centro de Actividades Formativas y Educacionales S.L.	100%
Fabri Facility Management, S.L.	100%
Gelim Andalucia S.A.	100%
Gelim Asturias S.A.	100%
Gelim Baleares S.A.	100%
Gelim Madrid S.A.	100%
Gelim S.A.	100%
Gelim Valencia S.A.	100%
Integrated Service Solutions S.L.	100%
ISS Activa Educacional S.L.	100%
ISS Facility Services S.A.	100%
ISS Financiera Corporativa S.L.	0%***
ISS Higiene Ambiental 3D S.A.	100%
ISS Logistica Producción y Outsourcing S.L.	100%
ISS Mediterranean Vending Solutions S.L.	100%
ISS Salud y Servicios Sociosanitarios S.A.	100%
ISS Serv. Auxiliares y Complem. de Oficinas S.A.	100%
ISS Servicios Control Incendios S.L.	100%
ISS Soluciones de Catering S.L.	100%
ISS Soluciones de Jardinería S.L.	100%
ISS Soluciones de Mantenimiento Gestión Integral S.L.	100%
ISS Soluciones de Seguridad S.L.	100%

Sri Lanka

Company	Ownership
ISS Abans Environmental Services (PT) Ltd.	50%*

Sweden

Company	Ownership
GK Rengörarna AB	100%
ISS Demogruppen AB	100%
ISS Facility Services AB	100%
ISS Facility Services Holding AB	100%
ISS Industriservice AB	48%**
ISS Lemonia AB	100%
ISS Palvelut Holding AB	100%
ISS TraffiCare AB	100%

Switzerland

Company	Ownership
Erwin Jakober AG	100%
ISS Aviation AG	100%
ISS Bernasconi SA	100%
ISS Facility Services (Liechtenstein) AG	100%
ISS Facility Services AG	100%
ISS FM Services AG	100%
ISS Holding AG	100%
ISS Notter Kanalservice AG	100%
ISS Pest Control AG	100%
ISS Schweiz AG	100%
Jakober AG	100%

Taiwan

Company	Ownership
ISS Facility Services Ltd.	100%
ISS International Facility Services Ltd.	100%
ISS Security Ltd.	100%

Thailand

Company	Ownership
Golden Mind Manufacturing Co., Ltd.	100%
Golden Mind Marketing Co., Ltd.	100%
Golden Mind Services Co., Ltd.	100%
Golden Mind Transportation Co., Ltd.	100%
ISS Facility Services Co., Ltd.	100%
ISS Security Services Co Ltd.	100%
Job Golden Co., Ltd.	100%
Notre-Bel Co., Ltd.	100%
SARA Services Co., Ltd.	100%

Turkey

Company	Ownership
CMC Iletişim Bilgi Reklam ve Danismanlik Hiz. San. Tic. A.Ş.	90%
Dort U Haşere Kontrol Hizmetleri A.Ş.	90%
ISS Tesis Yönetim Hizmetleri A.Ş.	90%
Mettek Güvenlik Organizasyonlari A.Ş.	90%
Mettek Hizmet Organizasyonlari A.Ş.	90%
Paksil Organizasyon Otel Turizm Hizmet San. A.Ş.	90%
Proser Koruma ve Güvenlik Hizmetleri A.Ş.	90%
Sardunya Hazir Yemek Uretim ve Hizmet A.Ş.	90%

United Kingdom

Company	Ownership
Arena21 Ltd.	100%
ISS (Brentwood) Ltd.	100%
ISS Collections Ltd.	0%***
ISS Damage Control (Scotland) Ltd.	100%
ISS Damage Control Ltd.	100%
ISS Facility Services Ltd.	100%
ISS Financing Plc.	0%***
ISS Mediclean Ltd.	100%
ISS Servicelink Ltd.	100%
ISS UK Holding Ltd.	100%
ISS UK Ltd.	100%
Pegasus Security Holdings Ltd.	100%
RCO Group Ltd.	100%
Spectrum Franchising Ltd.	100%
Spectrum Holdings Ltd.	100%
Strata Security and Combined Services Ltd.	100%
The Catering People Ltd.	100%

Uruguay

Company	Ownership
Falcri Ltda.	100%
Habitue S.A.	100%
ISS Uruguay S.A.	100%
Samilar S.A.	100%

USA

Company	Ownership
C&S Building Maintenance Corporation	100%
ISS Holding (USA) Inc.	100%
ISS Facility Services Holding, Inc.	100%
ISS Facility Services of California, Inc.	100%
ISS Facility Services, Inc.	100%
ISS Grounds Control, Inc.	100%
ISS Management and Finance Co., Inc.	100%
ISS TMC Services, Inc.	100%
ISS Uniguard, Inc.	100%
TMC Ridge, LLC	100%
Tri-Enterprise Construction, LLC	100%

Undertakings of immaterial interest are left out

* Joint venture

** Associate

*** Special Purpose Entity (SPE)

Consolidated Financial Statements for ISS Holding A/S as of December 31, 2008 and for the financial year ended December 31, 2008, with Comparative Figures as of December 31, 2007 and for the financial year ended December 31, 2007 Prepared in Accordance with IFRS as Adopted by the European Union

Statement by the Board of Directors and Executive Group Management

The Board of Directors and Executive Group Management have today discussed and approved the Consolidated Financial Statements of ISS Holding A/S as of December 31, 2008 and for the financial year ended December 31, 2008 with comparative figures as of December 31, 2007 and for the financial year ended December 31, 2007. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's assets, liabilities and financial position as of December 31, 2008 and comparative figures as of December 31, 2007 and of the results of the Group's operations and cash flows for the financial year ended December 31, 2008 and the comparative figures for the financial year ended December 31, 2007.

Copenhagen, April 2, 2009

Executive Group Management

Jørgen Lindegaard	Jeff Gravenhorst	Jakob Stausholm
Group Chief Executive Officer	Group Chief Operating Officer	Group Chief Financial Officer

Board of Directors

Ole Andersen	Leif Östling
Chairman	Vice-Chairman

John Allan   Peter Korsholm   Sanjay Patel   Christoph Sander   Steven Sher

Independent Auditors' Report on the Consolidated Financial Statements for ISS Holding A/S as of December 31, 2008 and for the financial year ended December 31, 2008 with Comparative Figures as of December 31, 2007 and for the financial year ended December 31, 2007

To the Shareholders of ISS Holding A/S

We have audited the Consolidated Financial Statements of ISS Holding A/S (together with its subsidiaries the ''ISS Holding A/S Group'') at December 31, 2008 and for the financial year ended December 31, 2008 with comparative figures at December 31, 2007 and for the financial year ended December 31, 2007, which comprises the Consolidated Income Statement, Consolidated Cash Flow Statement, Consolidated Balance Sheet, Consolidated Statement of Total Recognised Income and Expense, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements (the ''Consolidated Financial Statements''). The Consolidated Financial Statements as included at pages F-86 - F-150 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control, relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance regarding whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements gives a true and fair view of the ISS Holding A/S Group's consolidated assets, consolidated liabilities and consolidated financial position at December 31, 2008 and comparative figures at December 31, 2007 and of the consolidated results of the ISS Holding A/S Group's operations and cash flows for the financial year ended December 31, 2008 and comparative figures for the financial year ended December 31, 2007 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

KPMG

Statsautoriseret Revisionspartnerselskab

Copenhagen, April 2, 2009

Jesper Ridder Olsen
State Authorised
Public Accountant

Claus Kronbak
State Authorised
Public Accountant

Consolidated Financial Statements 2008
ISS Holding A/S

CONSOLIDATED INCOME STATEMENT

1 January - 31 December.

Amounts in DKK million

Note		2008	2007
2	**Revenue**	**68,829**	**63,922**
3, 4	Staff costs	(44,156)	(40,998)
19	Cost of sales	(6,134)	(5,614)
5	Other operating expenses	(13,609)	(12,630)
13, 15	Depreciation and amortisation(1)	(869)	(845)
	Operating profit before other items(2)	**4,061**	**3,835**
6	Other income and expenses, net	(242)	(129)
	Integration costs	(66)	(67)
2	**Operating profit(1)**	**3,753**	**3,639**
16	Share of result from associates	3	8
7	Net finance costs	(2,731)	(3,017)
	Profit before tax and goodwill impairment/amortisation of brands and customer contracts	**1,025**	**630**
8	Income taxes(3)	(531)	(254)
	Profit before goodwill impairment/ amortisation of brands and customer contracts	**494**	**376**
9, 13, 14	Goodwill impairment and write-down	(399)	(128)
13	Amortisation of brands and customer contracts(4)	(1,008)	(1,101)
8	Income tax effect(5)	282	411
	Net profit/(loss) for the year	**(631)**	**(442)**
	Attributable to:		
	Equity holders of ISS Holding	(641)	(468)
	Non-controlling interests	10	26
	Net profit/(loss) for the year	**(631)**	**(442)**

(1) Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(2) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(3) Excluding tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(4) Includes customer contract portfolios and related customer relationships.

(5) Income tax effect of Goodwill impairment and write-down and Amortisation of brands and customer contracts.

CONSOLIDATED CASH FLOW STATEMENT

1 January - 31 December.

Amounts in DKK million

Note		2008	2007
	Operating profit before other items	4,061	3,835
13, 15	Depreciation and amortisation	869	845
10	Changes in working capital	109	(44)
	Changes in other provisions, pensions and similar obligations	(96)	(203)
	Payments related to other income and expenses, net	(181)	(208)
	Payments related to integration costs	(65)	(78)
22	Income taxes paid, net	(363)	(434)
	Cash flow from operating activities	**4,334**	**3,713**
11	Acquisition of businesses	(2,095)	(2,957)
11	Divestment of businesses	272	(2)
12	Investments in intangible assets and property, plant and equipment, net	(718)	(715)
12	Investments in financial assets, net	(2)	2
	Cash flow from investing activities	**(2,543)**	**(3,672)**
	Proceeds from borrowings	2,251	15,581
	Repayment of borrowings	(1,310)	(13,043)
	Interest paid, net	(2,267)	(2,373)
	Proceeds from issuance of share capital	—	178
	Non-controlling interests	(22)	(14)
	Cash flow from financing activities	**(1,348)**	**329**
	Total cash flow	**443**	**370**
	Cash and cash equivalents at 1 January	2,581	2,216
	Total cash flow	443	370
	Foreign exchange adjustments	(63)	(5)
25	**Cash and cash equivalents at 31 December**	**2,961**	**2,581**

CONSOLIDATED BALANCE SHEET

At 31 December.

Amounts in DKK million

Note		2008	2007
	Assets		
13, 14	Intangible assets	36,001	37,150
15	Property, plant and equipment	2,276	2,223
16	Investments in associates	24	28
17	Deferred tax assets	472	598
18	Other financial assets	238	229
	Total non-current assets	**39,011**	**40,228**
19	Inventories	264	249
20	Trade receivables	10,097	10,114
21	Contract work in progress	182	161
22	Tax receivables	228	277
23	Other receivables	776	1,036
24	Assets held for sale	—	619
25	Securities	86	83
25	Cash and cash equivalents	2,961	2,581
	Total current assets	**14,594**	**15,120**
	Total assets	**53,605**	**55,348**
	Equity and liabilities		
	Total equity attributable to equity holders of ISS Holding	3,498	5,459
	Non-controlling interests	35	59
26	**Total equity**	**3,533**	**5,518**
27	Long-term debt	31,210	30,882
28	Pensions and similar obligations	834	724
17	Deferred tax liabilities	2,498	2,786
29	Other provisions	397	326
	Total long-term liabilities	**34,939**	**34,718**
27	Short-term debt	1,279	1,039
	Trade payables	2,835	2,750
22	Tax payables	123	151
30	Other liabilities	10,461	10,494
29	Other provisions	435	327
24	Liabilities held for sale	—	351
	Total current liabilities	**15,133**	**15,112**
	Total liabilities	**50,072**	**49,830**
	Total equity and liabilities	**53,605**	**55,348**

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED INCOME AND EXPENSE

At 31 December.

Amounts in DKK million

	Attributable to equity holders of ISS Holding					
	Retained earnings	**Translation reserve**	**Hedging reserve**	**Total**	**Minority interests**	**Total equity**
2008						
Foreign exchange adj. of subsidiaries and minorities	—	(791)	—	(791)	(1)	(792)
Fair value adjustment of hedges, net	—	—	(266)	(266)	—	(266)
Fair value adjustment of hedges, net, transferred to Net finance costs	—	—	(147)	(147)	—	(147)
Actuarial gains/(losses)	(182)	—	—	(182)	—	(182)
Impact from asset ceiling	25	—	—	25	—	25
Share-based payments	5	—	—	5	—	5
Tax of entries recognised directly in equity	(67)	—	103	36	—	36
Net income and expense recognised directly in equity	**(219)**	**(791)**	**(310)**	**(1,320)**	**(1)**	**(1,321)**
Net profit/(loss) for the year	**(641)**	**—**	**—**	**(641)**	**10**	**(631)**
Total recognised income and expense for the year	**(860)**	**(791)**	**(310)**	**(1,961)**	**9**	**(1,952)**
2007						
Foreign exchange adj. of subsidiaries and minorities	—	(263)	—	(263)	(1)	(264)
Fair value adjustment of hedges, net	—	—	134	134	—	134
Fair value adjustment of hedges, net, transferred to Net finance costs	—	—	(87)	(87)	—	(87)
Actuarial gains/(losses)	152	—	—	152	—	152
Impact from asset ceiling	(41)	—	—	(41)	—	(41)
Share-based payments	2	—	—	2	—	2
Fair value adjustment of PFI investments transferred to Other income and expenses, net	(19)	—	—	(19)	—	(19)
Tax of entries recognised directly in equity	(34)	—	(12)	(46)	—	(46)
Net income and expense recognised directly in equity	**60**	**(263)**	**35**	**(168)**	**(1)**	**(169)**
Net profit/(loss) for the year	**(468)**	**—**	**—**	**(468)**	**26**	**(442)**
Total recognised income and expense for the year	**(408)**	**(263)**	**35**	**(636)**	**25**	**(611)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 December.

Amounts in DKK million

	Attributable to equity holders of ISS Holding						
	Share capital	**Retained earnings**	**Translation reserve**	**Hedging reserve**	**Total**	**Non-controlling interests**	**Total equity**
2008							
Equity at 1 January 2008	**100**	**5,486**	**(256)**	**129**	**5,459**	**59**	**5,518**
Total recognised income and expense for the year	—	(860)	(791)	(310)	(1,961)	9	(1,952)
Impact from acquired and divested companies, net	—	—	—	—	—	(11)	(11)
Dividends paid	—	—	—	—	—	(22)	(22)
Total changes in equity	**—**	**(860)**	**(791)**	**(310)**	**(1,961)**	**(24)**	**(1,985)**
Equity at 31 December 2008	**100**	**4,626**	**(1,047)**	**(181)**	**3,498**	**35**	**3,533**
2007							
Equity at 1 January 2007	**100**	**5,716**	**7**	**94**	**5,917**	**63**	**5,980**
Total recognised income and expense for the year	—	(408)	(263)	35	(636)	25	(611)
Share issue	0	178	—	—	178	—	178
Impact from acquired and divested companies, net	—	—	—	—	—	(15)	(15)
Dividends paid	—	—	—	—	—	(14)	(14)
Total changes in equity	**0**	**(230)**	**(263)**	**35**	**(458)**	**(4)**	**(462)**
Equity at 31 December 2007	**100**	**5,486**	**(256)**	**129**	**5,459**	**59**	**5,518**

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries/joint ventures and investments in associates as well as from the translation of long-term intra-group balances which are considered an addition to the net assets of subsidiaries/joint ventures, loans in foreign currency and derivatives hedging net investments in foreign subsidiaries/joint ventures.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. The reserve is presented net of the estimated tax effect.

Dividends

No dividends have been proposed or declared before the Annual Report was issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of ISS Holding A/S as of and for the year ended 31 December 2008, comprise ISS Holding 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

In addition, the consolidated financial statements have been prepared in compliance with the IFRSs issued by the IASB.

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities, which are measured at fair value: derivatives, financial instruments designated as fair value through the income statement and financial assets classified as available-for-sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying amount before the changed classification and fair value less costs to sell.

CHANGES IN ACCOUNTING POLICIES

The Group has with effect from 1 January 2008 implemented IFRS 8, ''Operating Segments'' and IFRIC 14 ''IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction''.

IFRS 8 ''Operating Segments'' introduces a ''management approach'' whereby the segment reporting is based on operating segments as expressed in the Group's internal management reporting. Consequently, the segments reported under IFRS 8 are changed compared to the previous segment reporting under IAS 14, which required segment reporting to be based on both business segments and geographical segments. IFRS 8 has been adopted before the effective date in accordance with the transitional provisions of the standard.

IFRIC 14 ''IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'' provides guidance on assessing the limit on the amount of surplus to be recognised as a defined benefit asset as well as the treatment of minimum funding requirements. IFRIC 14 has been adopted before the effective date in accordance with the transitional provisions of the interpretation.

The adoption of these Standards and Interpretations did not affect the recognition and measurement, and consequently the accounting policies set out below have been applied consistently by all entities of the Group to all periods presented in these consolidated financial statements. The new standards and interpretations only resulted in changes to the presentation and disclosures in the notes. Comparative figures have been adjusted accordingly.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for the judgements on carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The Group believes the following are the areas involving critical accounting estimates and judgements used in the preparation of the consolidated financial statements:

- revenue recognition and determination of deferred income

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- the valuation of identifiable assets, liabilities and contingent liabilities in connection with the acquisition of businesses
- the impairment testing of goodwill, brands, customer contract portfolios and related customer relationships, and any other acquisition-related intangible assets
- the actuarial calculations regarding pension benefits
- the valuation of provisions other than pension benefits
- the assessment of ongoing litigations and the valuation of contingent liabilities
- the valuation of tax assets and
- bad debt provisions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

BASIS OF CONSOLIDATION

Subsidiaries The consolidated financial statements include ISS Holding A/S and all subsidiaries in which ISS Holding A/S, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest.

The consolidated financial statements are based on the financial statements of ISS Holding A/S and the individual subsidiaries by adding items of a similar nature.

Associates entities, that are not regarded as subsidiaries, but in which the Group holds investments and exercises a significant, but not a controlling influence are regarded as associates. The proportionate share of the associate's profit or loss after tax is recognised in the income statement in the consolidated financial statements in accordance with the equity method.

Joint ventures The Group's interests in jointly controlled entities are regarded as joint ventures and recognised in the consolidated financial statements by including the Group's proportionate share of the entities' assets, liabilities, income and expenses on a line-by-line basis with items of a similar nature.

Transactions eliminated on consolidation Intra-group balances and any unrealised gains and losses on income and expenses arising from intra-group transactions are eliminated when preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations Acquired businesses are included in the consolidated financial statements as from the date when control commences. Businesses that are divested or wound-up are included until the date where control ceases or the entity is wound-up. Comparative figures are not restated for businesses acquired, divested or wound-up.

Acquisitions are treated in accordance with the purchase method, under which identifiable assets, liabilities and contingent liabilities of acquired businesses are recognised in the balance sheet at fair value at the date of acquisition. Identifiable intangible assets are recognised if separable or if they arise from contractual or other legal rights, provided that the fair value can be measured reliably. Tax impact related to fair value adjustments is taken into account.

Excess cost of acquisition over the fair value of acquired assets, liabilities and contingent liabilities is capitalised as goodwill. Goodwill is allocated to cash-generating units and tested for impairment annually. The first impairment test is prepared no later than at the end of the year of acquisition.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected, adjustments made within twelve months of the acquisition date to the provisional fair value of acquired assets, liabilities and contingent liabilities or cost of the acquisition, are adjusted to the initial goodwill. The adjustment is calculated as if it was recognised at the acquisition date. Comparative figures are restated. Subsequent to this period, goodwill is only adjusted for changes in estimates of the cost of the acquisition being contingent on future events. However, subsequent realisation of deferred tax assets not recognised on acquisition will result in the recognition in the income statement of the tax benefit concurrently with a write-down of the carrying amount of goodwill to the amount that would have been recognised if the deferred tax asset had been recognised at the time of the acquisition.

Gains or losses on the divestment or winding-up of businesses or associates are measured as the difference between the sales or winding-up sum adjusted for directly related divestment or winding-up costs and the carrying amount of the net assets at the time of disposal or winding-up including any carrying amount of goodwill. Accumulated exchange rate adjustments on divested or wound-up subsidiaries or associates recognised in equity are included in the income statement under Net finance costs at the time of divestment or wind-up.

Foreign currency Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Danish kroner, which is the functional and presentation currency of ISS Holding A/S.

Transactions in foreign currency are translated into the functional currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currency are translated at the exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

The income statements of foreign subsidiaries are translated into Danish kroner using the average exchange rates prevailing during the year, whereas balance sheet items are translated by applying the exchange rates ruling at the balance sheet date.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity having a functional currency different from Danish kroner are treated as assets and liabilities belonging to the foreign entity and translated into Danish kroner at the exchange rates ruling at the balance sheet date.

Realised and unrealised exchange gains and losses are included in the income statement under Net finance costs, except gains/losses arising from the translation of:

- the opening balances of net assets of foreign subsidiaries/joint ventures and investments in associates to exchange rates ruling at the balance sheet date
- the income statements of foreign subsidiaries/joint ventures and the share of result from associates from average exchange rates to exchange rates ruling at the balance sheet date
- long-term intra-group balances which are considered an addition to the net assets of subsidiaries/joint ventures
- loans in foreign currency and derivatives hedging net investments in foreign subsidiaries/joint ventures.

Realised and unrealised exchange gains and losses related to the translation of the above four groups of transactions are taken directly to equity. The related tax impact is taken into account.

INCOME STATEMENT

Presentation The income statement is presented in accordance with the ''nature of expense'' method. Goodwill impairment and write-down and Amortisation of brands and customer contracts

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

as well as the Income tax effect hereof are presented in separate line items after Operating profit. This income statement presentation is considered to more appropriately reflect the Group's profitability.

Revenue comprises the value of services provided during the year less VAT and duties as well as price and quantity discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably and the amount of revenue can be measured reliably. Contract work in progress is recognised using the percentage-of-completion method based on the value of work completed at the balance sheet date.

In assessing whether revenue should be reported on a gross or a net basis (i.e. net of related costs), the Group considers whether it: (i) is the primary obligor in the arrangement; (ii) has the general inventory risk; (iii) has latitude in establishing price; (iv) changes the product or performs part of the service; (v) has discretion in supplier selection; (vi) is involved in the determination of product or service specifications; (vii) has physical loss inventory risk; or (viii) carries the credit risk. If these assumptions are fulfilled revenue is reported on a gross basis.

Government grants Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful lifetime of the asset.

Staff costs comprises salaries and wages, pensions, social security expenses and other employee related expenses.

Cost of sales comprises material consumption related to the recognised revenue.

Other operating expenses includes expenses related to the operation of service equipment and other non-current assets, external assistance as well as other selling, distribution and administrative expenses, including expenses related to marketing, transportation, operating leases, subcontractors, audit, legal assistance, realised losses and loss provisions on receivables etc.

Depreciation and amortisation includes depreciation and amortisation of intangible and tangible assets excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts, which are presented in separate line items after Profit before goodwill impairment/amortisation of brands and customer contracts.

Share-based compensation The value of services received in exchange for granted warrants is measured at the fair value of the warrants granted. The fair value of equity-settled programmes is measured at grant date and recognised in the income statement under Other income and expenses, net over the vesting period with a corresponding increase in equity.

The fair value of the warrants granted is measured using the Black-Scholes option pricing model based on the terms and conditions upon which they were granted. Service and non-market vesting conditions are not taken into account when estimating the fair value, but are considered when estimating the number of warrants expected to vest. At each balance sheet date, the Group revises the estimate of number of warrants expected to vest. The impact of this revision, if any, is recognised in the income statement, and a corresponding adjustment to equity over the remaining vesting period. Adjustments relating to prior years are included in the income statement in the year of adjustment.

Operating leases Operating lease costs are recognised in the income statement on a straight-line basis over the term of the lease. The obligation for the remaining lease period is disclosed in the notes under Contingent liabilities.

Other income and expenses, net consists of income and expenses, both recurring and non-recurring, that the Group does not consider to be part of 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, etc.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Integration costs includes costs regarding the acquiring Group company and the acquired business that are a consequence of the integration. Integration costs include costs of compensating employees for termination of their employment, closing facilities, and termination of subscriptions and agreements.

Share of result from associates comprises the share of result after tax in associates.

Net finance costs comprises interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on derivatives that do not qualify for hedge accounting.

Income taxes consists of income tax and changes in deferred tax. Deferred tax is recognised based on the balance sheet method and comprises all temporary differences between accounting and tax values of assets and liabilities. Furthermore, a deferred tax liability is recognised for expected re-taxation of tax-deductible losses realised in foreign subsidiaries previously included under Danish joint taxation.

Where the tax base can be calculated using different tax regulations, deferred tax is measured based on the planned use of the asset or the unwinding of the liability, as applicable. Deferred tax is computed based on the tax rate expected to apply when the temporary differences are reversed. No deferred tax provisions are made for undistributed profits of subsidiaries and goodwill not deductible for tax purposes.

Deferred tax assets, including the tax value of losses carried forward, are recognised at the value at which they are expected to be applied either by eliminating tax on future earnings or by setting off deferred tax liabilities within the same legal tax unit and jurisdiction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The recognised income tax is allocated to Income taxes, Tax effect of goodwill impairment and writedown and amortisation of brands and customer contracts and Equity, as applicable.

ISS Holding A/S is jointly taxed with all Danish resident affiliates. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are included in the Danish tax on account scheme. Additions, deductions and allowances are recognised under Net finance costs.

Goodwill impairment and write-down includes impairment losses arising from impairment tests as well as write-down of goodwill in connection with divestments.

Amortisation of brands and customer contracts includes amortisation of acquired brands and acquired customer contract portfolios and related customer relationships, impairment losses arising from impairment tests and write-down in connection with divestments.

Income tax effect of Goodwill impairment and write-down and amortisation of brands and customer contracts is presented in a separate line item in connection with these two line items.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the period stemming from operating, investing and financing activities, the change in its cash position during the year as well as the Group's cash position at the beginning and the end of the year.

The cash flow statement is prepared using the indirect method based on Operating profit before other items.

The liquidity effect of acquisitions and divestments of businesses is shown separately under Cash flow from investing activities. The cash flow statement includes cash flows from acquired businesses from the date of acquisition and cash flows from divested businesses until the date of divestment.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash flow from operating activities comprises Operating profit before other items adjusted for non-cash items, changes in working capital and provisions and payments regarding income taxes, other income and expenses and integration costs.

Cash flow from investing activities comprises cash flow from acquisition and divestment of businesses as well as the purchase and sale of non-current assets.

Cash flow from financing activities comprises proceeds from and repayment of loans, dividends, proceeds from share issues, purchase and sale of treasury shares, cash flow related to derivatives hedging net investments and dividends to Minority interests. Furthermore, interest paid and received is included in cash flow from financing activities as this better reflects the distinction between operating and financing activities following the acquisition of ISS A/S by ISS Holding A/S.

Cash and cash equivalents comprises cash and marketable securities, with maturity of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

BALANCE SHEET

Business combinations are accounted for using the purchase method as described under ''Basis of consolidation''.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units, which is generally equal to country level. Goodwill is tested for impairment annually and whenever there is an indication that goodwill may be impaired.

An impairment loss is recognised whenever the carrying amount of a cash-generating unit exceeds its recoverable amount. The recoverable amount is calculated as the higher of net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value.

Brands Acquisition related brands are recognised at fair value at the date of acquisition. Subsequently, acquired brands with indefinite useful lives are measured at historical cost less any accumulated impairment losses while acquired brands with finite useful lives are measured at historical cost less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis over the expected useful life of the brand, which is usually in the range 2-5 years.

The valuation of acquired brands is based on a discounted cash flow model using the after-tax royalty payments (the royalty relief method). Cash flows are discounted on an after tax basis using the local Weighted Average Cost of Capital (WACC) plus a risk premium for the assumed risk inherent in the brand.

The net present value of the cash flow is increased with an estimated portion of the discounted tax amortisation benefit applicable for a potential buyer based on the local tax amortisation opportunity available for brand names when bought as a trade and asset purchase. The tax amortisation benefit is discounted. This increased value of the brand equals the fair value at the date of acquisition.

A deferred tax liability is calculated at the local tax rate on the difference between the book value and the tax value. The initial recognition of this deferred tax liability increases the amount of goodwill.

The value of brands is allocated to cash generating units and tested for impairment as part of the annual impairment test of goodwill.

Customer contract portfolios and related customer relationships (''Customer Contracts'') Acquisition related customer contracts are recognised at fair value at the date of acquisition and subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. The value is amortised based on the churn rate of the acquired portfolio using the declining

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

balance method. This churn rate is calculated on a contract by contract basis and has historically averaged approximately 12% to 13% annually. In certain cases the value of customer contracts is amortised on a straight line basis based on the legal duration of the acquired contract.

The valuation of customer contracts is based on a discounted cash flow model using an estimated split of the acquired revenue in business segments and the related churn rates and profitability of the revenue at the time of the acquisition. A contributory asset charge as a cost or return requirement for assets supporting the intangible asset has been included in the model. Cash flows are discounted on an after tax basis using the local Weighted Average Cost of Capital (WACC) plus a risk premium for the assumed risk inherent in customer contracts.

The net present value of the cash flow is increased with an estimated portion of the discounted tax amortisation benefit applicable for a potential buyer based on the local tax amortisation opportunity available for customer contracts when bought as a trade and asset purchase. The tax amortisation benefit is discounted. This increased value of customer contracts equals the fair value at the date of acquisition.

A deferred tax liability is calculated at the local tax rate on the difference between the book value and the tax value. The initial recognition of this deferred tax liability increases the amount of goodwill.

The value of customer contracts is allocated to cash generating units and tested for impairment as part of the annual impairment test of goodwill.

Software and other intangible assets and property, plant and equipment are measured at cost less accumulated amortisation, depreciation, impairment loss and write-down.

Cost of assets includes cost price as well as costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. To the cost price is added the estimated cost of dismantling and removing the item and restoring the site on which it is located to the extent that this cost is recognised as a provision.

Subsequent costs of replacing part of an item are recognised as an asset if it is probable that the future economic benefits embodied with the item will flow to the Group. The remaining carrying amount of the replaced item is de-recognised in the balance sheet and transferred to the income statement. All other costs for common repairs and maintenance are recognised in the income statement as and when incurred.

When measuring the value of software developed for internal use, external costs to consultants and software as well as internal direct and indirect costs related to the development are capitalised. Other development costs for which it cannot be rendered probable that future economic benefit will flow to the Group are recognised in the income statement as and when incurred.

Amortisation and depreciation is provided on a straight-line basis over the expected useful lives of the assets taking into account the estimated residual value. The amortisation and depreciation methods, useful lives and residual values are reassessed annually.

Non-current assets	Expected useful life
Software and other intangible assets	5-10 years
Buildings	20-40 years
Leasehold improvements	(the lease term) 8-12 years
Plant and equipment	3-10 years

If the estimated useful lives of the assets or the estimated residual value is changed the impact on the amortisation and depreciation is recognised prospectively.

Gains and losses arising on the disposal or retirement of non-current assets are measured as the difference between the selling price less direct sales costs and the net carrying amount, and are recognised in the income statement under Other operating expenses in the year of sale, except

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

gains and losses arising on disposals of property, which are recognised under Other income and expenses, net.

Leased assets Assets held under finance leases are at inception of the agreement measured in the balance sheet at the lower of the fair value and the present value of future lease payments. When calculating the present value, the interest rate implicit in the lease or an approximated rate is applied as the discount rate. Assets held under finance leases are depreciated in accordance with the policy for non-current assets acquired by the Group.

Financial assets Investments in associates are measured in accordance with the equity method. Associates with a negative net asset value are stated at zero, and amounts owed to the Group by such associates are written down by the Group's share of the negative net asset value to the extent it is considered uncollectible. Should the negative net asset value exceed the receivable, the residual amount is recognised under provisions to the extent the Group has a legal or constructive obligation to cover the negative balance.

Costs related to tenders for public offers for PPP (Public Private Partnership)/PFI (Private Finance Initiative) contracts are recognised in the income statement as incurred. If the Group is awarded status as preferred bidder, directly attributable costs and investments from that date, if any, are recognised under Financial assets. For PPP/PFI contracts awarded, the costs are amortised over the term of the contract. If the Group is not awarded the contract, all costs are recognised in the income statement.

Investments in PFI contracts are classified as available-for-sale and are measured at fair value at the balance sheet date, with any resulting gains or losses being recognised directly in equity, except for any impairment losses, which are recognised directly in the income statement. When these investments are de-recognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. The fair value is the quoted bid price at the balance sheet date.

Inventories Raw materials and supplies are measured at the lower of cost under the FIFO principle and net realisable value. Finished goods and Work in progress are measured at the lower of cost plus attributable overheads and net realisable value. The cost price of raw materials and supplies includes the purchase price plus costs directly related to the purchase. Net realisable value is the estimated selling price less costs of completion and selling costs.

Receivables are measured at amortised cost less a provision for doubtful debts based on an individual assessment. Provisions and realised losses during the year are recognised under Other operating expenses.

Contract work in progress is measured at the sales value of the proportion of work completed at the balance sheet date. The sales value is calculated based on the stage of completion and the total amount expected to be received for each individual contract. Progress billings related to the completed proportion of work to be performed are deducted from the recognised value, while progress billings exceeding the completed proportion of work to be performed are recognised as Prepayments from customers under Current liabilities.

Securities which are designated as fair value through the income statement are measured at fair value at the balance sheet date, with any resulting gains or losses recognised directly in the income statement.

Treasury shares Proceeds related to the acquisition or disposal of treasury shares are taken directly to equity.

Dividends are recognised in the period in which they are declared.

Financial liabilities are initially measured at the value of the proceeds received less related transaction costs. Subsequently, financial liabilities are measured at amortised cost, equal to the capitalised value when applying a constant effective rate of interest, and the difference between the

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

proceeds initially received and the nominal value is recognised in the income statement over the loan period.

Defined benefit plans Net obligations in respect of defined benefit pension plans are calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. Discount rates are based on the market yield of high quality corporate bonds or government bonds in the country concerned with a maturity approximating to the terms of the Group's pension obligations. The calculations are performed by a qualified actuary using the Projected Unit Credit Method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits vest. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement. Net pension assets are only recognised to the extent that the Group is able to derive future economic benefits in the way of refunds from the plan or reductions of future contributions. Any actuarial gains and losses are recognised directly in equity.

Other long-term employee benefits The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value and the fair value of any related assets is deducted. Discount rates are based on the market yield of high quality corporate bonds or government bonds in the country concerned with a maturity approximating to the terms of the Group's obligations. The calculations are performed by a qualified actuary using the Projected Unit Credit Method. Any actuarial gains and losses are recognised under Staff costs in the income statement.

Other provisions comprise obligations concerning labour related matters, self-insurance, integration costs related to acquisitions, dismantling costs, and various other operational issues. The provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Derivatives are measured at fair value calculated according to generally accepted valuation methods and are recognised in Other receivables or Other liabilities.

For derivatives hedging the fair value of recognised assets and liabilities the value of the hedged asset or hedged liability is also stated at fair value in respect of the risk being hedged. When a hedging instrument expires or is sold, terminated or exercised but the hedged asset or hedged liability with a determinable maturity still exist, the adjustment recorded as part of the carrying amount of the hedged item is amortised to the income statement from that date onwards using the effective interest method.

The effective part of the changes in the fair value of derivatives hedging future transactions is recognised directly in equity, net of tax. On realisation of the hedged item, value changes recognised under equity are reversed and recognised together with the hedged item. When a hedging instrument expires or is sold, terminated or exercised but the hedged future transactions are still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs.

Derivatives that qualify as net investment hedges of subsidiaries, joint ventures and associates are recognised directly in equity, net of tax.

For derivatives, which do not comply with the hedge accounting conditions, changes in fair value are recognised as Net finance costs in the income statement as they occur.

Non-current assets held for sale Assets are classified as held for sale when the carrying amount of the assets are expected to primarily be recovered through a sale within 12 months rather than through continuing use. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, assets held for sale are

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognised at the lower of the carrying amount and fair value less costs to sell. Assets held for sale are not amortised or depreciated. Impairment losses on initial classification as held for sale are included in the income statement. The same applies to gains and losses on subsequent remeasurement. Assets and related liabilities are separated in the balance sheet and the main elements are specified in the notes to the financial statements.

Discontinued operations comprises a component of the Group's business that represent a separate major line of business or geographical area of which the operations and cash flows can be clearly distinguished, i.e. as a minimum a cash-generating unit. Classification as discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. The profit or loss is separated in the income statement, assets and related liabilities are separated in the balance sheet, and the cash flows from operating, investing and financing activities are disclosed in the notes to the financial statements. When an operation is classified as discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the beginning of the comparative period.

Segment reporting The Group's reportable segments have been identified based on the Group's internal management reporting. Operations are managed based on a geographical structure in which countries are grouped into 7 regions representing the Group's reportable segments. The regions have been identified based on a key principle of grouping countries that share market conditions and culture.

The accounting policies of the reportable segments are the same as the Group's accounting policies described above. Segment revenue, costs, assets and liabilities comprise items that can be directly referred to the individual segments. Unallocated items mainly consist of revenue, costs, assets and liabilities relating to the Group's Corporate functions as well as Net finance costs and Income taxes.

For the purpose of IFRS 8, segment profit has been identified as Operating profit (before Goodwill impairment and write-down and Amortisation of brands and customer contracts). Segment assets and segment liabilities have been identified as Total assets and Total liabilities, respectively.

In presenting geographical information segment revenue and non-current assets are based on the geographical location of the individual subsidiary from which the sales transaction originates.

NEW STANDARDS AND INTERPRETATIONS

IASB has published the following new standards, amendments to existing standards and interpretations that are not mandatory for the preparation of the consolidated financial statements of the Group for the year ended 31 December 2008: IAS 1, 23 and 27, IFRS 2 and 3, IFRIC 13 and 15-18, ''amendments to IAS 32 and IAS 1'', ''amendments to IAS 39'' and ''amendments to IFRS 1 and IAS 27'' and ''improvements to IFRSs May 2008''. IFRS 3, IAS 27, the mentioned amendments and IFRIC 15-18 have not yet been approved by the EU.

The Group expects to implement the new standards and interpretations when they become mandatory in 2009 and 2010, respectively. The standards and interpretations that are approved with different effective dates in the EU than the corresponding effective dates under IASB will be early adopted so that the implementation follows the effective dates under IASB.

IFRS 3 (Revised) ''Business Combinations'' (and the simultaneous amendment of IAS 27) is effective for annual periods beginning on or after 1 July 2009. The standard incorporates a number of changes of which the full impact is not yet known. However, it is expected that primarily the following changes are likely to be relevant to the Group's operations:

- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in the income statement.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group does not expect to apply the possibility of recognising goodwill related to any minority share of acquired businesses. Furthermore, it is expected that the impact of a number of the more technical adjustments to the purchase method will not be significant.

IFRS 3 (Revised) becomes mandatory for the Group's 2010 consolidated financial statements and will be applied prospectively, and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

Apart from IFRS 3 (Revised) ''Business Combinations'' (and the simultaneous amendment of IAS 27), none of the standards and interpretations are expected to have a material impact on the consolidated financial statements of the Group.

2. SEGMENT REPORTING

Reportable segments

ISS is a global Facility Services company, that operates in more than 50 countries and delivers a wide range of services within the areas cleaning, office support, property services, catering, security and facility management.

Operations are managed based on a geographical structure in which countries are grouped into 7 regions. The regions have been identified based on a key principle of grouping countries that share market conditions and culture.

2. SEGMENT REPORTING (Continued)

The segment reporting is prepared in a manner consistent with the Group's internal management and reporting structure. Segment revenue, costs, assets and liabilities comprise items that can be directly referred to the individual segments.

	Nordic	Western Europe	Eastern Europe	Asia	Latin America	USA	Pacific	Total reportable segments
				DKK million				
2008								
Income statement								
Revenue[1]	**17,071**	**39,337**	**1,663**	**3,147**	**1,890**	**2,131**	**3,614**	**68,853**
Depreciation and amortisation[2]	(229)	(462)	(26)	(41)	(19)	(13)	(33)	(823)
Operating profit before other items[3]	**1,189**	**2,356**	**124**	**210**	**109**	**128**	**230**	**4,346**
Other income and expenses, net	(20)	(199)	0	(0)	—	—	—	(219)
Integration costs	(6)	(37)	(2)	(6)	(6)	(4)	(5)	(66)
Operating profit[2]	**1,163**	**2,120**	**122**	**204**	**103**	**124**	**225**	**4,061**
Goodwill impairment and write-down	(25)	(374)	—	—	—	—	—	(399)
Amortisation of brands and customer contracts	(244)	(580)	(32)	(45)	(17)	(43)	(47)	(1,008)
Balance sheet								
Total assets	**12,971**	**31,660**	**1,352**	**2,564**	**1,014**	**1,612**	**2,404**	**53,577**
Additions excluding acquisitions/divestments	318	565	18	70	26	18	35	1,050
Additions from acquisitions/divestments	104	1,195	120	334	121	282	176	2,332
Additions to non-current assets[4]	**422**	**1,760**	**138**	**404**	**147**	**300**	**211**	**3,382**
Total liabilities	**8,570**	**20,324**	**896**	**1,261**	**799**	**1,165**	**1,945**	**34,960**
2007								
Income statement								
Revenue[1]	**16,488**	**37,709**	**1,226**	**2,409**	**1,484**	**1,100**	**3,519**	**63,935**
Depreciation and amortisation[2]	(217)	(452)	(21)	(37)	(14)	(7)	(34)	(782)
Operating profit before other items[3]	**1,162**	**2,356**	**91**	**158**	**86**	**62**	**225**	**4,140**
Other income and expenses, net	(12)	(65)	—	3	3	—	—	(71)
Integration costs	(7)	(44)	(1)	(5)	(2)	(3)	(5)	(67)
Operating profit[2]	**1,143**	**2,247**	**90**	**156**	**87**	**59**	**220**	**4,002**
Goodwill impairment and write-down	(16)	(112)	—	—	—	—	—	(128)
Amortisation of brands and customer contracts	(303)	(641)	(26)	(40)	(17)	(24)	(50)	(1,101)
Balance sheet								
Total assets	**14,034**	**32,705**	**1,177**	**2,070**	**900**	**1,195**	**2,548**	**54,629**
Additions excluding acquisitions/divestments	284	566	19	54	20	7	41	991
Additions from acquisitions/divestments	204	1,554	179	306	70	1,049	45	3,407
Additions to non-current assets[4]	**488**	**2,120**	**198**	**360**	**90**	**1,056**	**86**	**4,398**
Total liabilities	**8,446**	**20,530**	**745**	**897**	**780**	**907**	**2,032**	**34,337**

(1) Segment revenue comprises total revenue of each segment. Due to the nature of the business internal revenue is insignificant and is therefore not disclosed.

(2) Excluding Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(3) Other items comprise Other income and expenses, net, Integration costs, Goodwill impairment and write-down and Amortisation of brands and customer contracts.

(4) Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

2. SEGMENT REPORTING (Continued)

Grouping of countries into regions

Nordic:	Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden
Western Europe:	Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom
Eastern Europe:	Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia
Asia:	Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand
Pacific:	Australia and New Zealand
USA:	USA
Latin America:	Argentina, Brazil, Chile, Mexico and Uruguay

Products and services

The Group's revenue relates to the following service types:

	2008	2007
	DKK million	
Cleaning	36,528	34,773
Office Support	4,146	3,881
Property Services	15,410	15,186
Catering	5,727	4,198
Security	4,344	3,406
Facility Management	2,674	2,478
Total revenue	**68,829**	**63,922**

Geographical information

Revenue and non-current assets (excluding deferred tax assets) is specified below for each of the Group's significant countries[(1)]:

	2008		2007	
	Revenue	Non-current assets	Revenue	Non-current assets
	DKK million			
France	9,336	6,904	10,144	7,104
United Kingdom	7,565	2,972	7,814	3,883
Norway	5,683	2,686	5,324	3,282
Spain	4,603	2,198	3,775	1,902
Sweden	3,920	1,907	3,861	2,167
Denmark (country of domicile)	3,702	2,491	3,713	2,474
Netherlands	3,540	2,431	3,654	2,486
Finland	3,517	3,373	3,317	3,437
Other countries[(2)]	26,963	13,577	22,320	12,895
Total	**68,829**	**38,539**	**63,922**	**39,630**

(1) In this context significant countries are defined as countries representing 5% or more of the Group's revenue.

(2) Including unallocated items and eliminations.

2. SEGMENT REPORTING (Continued)

Major customers

No customer comprises more than 10% of the Group's external revenue.

Reconciliations

	2008	2007
	DKK million	
Revenue		
Revenue for reportable segments	68,853	63,935
Elimination of internal revenue	(24)	(13)
Revenue according to the Consolidated Income Statement	**68,829**	**63,922**
Operating profit		
Operating profit for reportable segments	4,061	4,002
Elimination of internal profit	0	—
Unallocated corporate costs	(285)	(305)
Unallocated other income and expenses, net	(23)	(58)
Operating profit according to the Consolidated Income Statement	**3,753**	**3,639**
Unallocated:		
Share of result from associates	3	8
Net finance costs	(2,731)	(3,017)
Profit before tax and goodwill impairment/amortisation of brands and customer contracts according to the Consolidated Income Statement	**1,025**	**630**
Total assets		
Total assets for reportable segments	53,577	54,629
Elimination of internal assets	(19,846)	(19,139)
Unallocated assets	19,874	19,858
Total assets according to the Consolidated Balance Sheet	**53,605**	**55,348**
Additions to non-current assets[1]		
Additions to non-current assets for reportable segments	3,382	4,398
Unallocated additions to non-current assets	51	80
Total additions to non-current assets according to the Consolidated Balance Sheet	**3,433**	**4,478**
Total liabilities		
Total liabilities for reportable segments	34,960	34,337
Elimination of internal liabilities	(19,447)	(18,743)
Unallocated liabilities	34,559	34,236
Total liabilities according to the Consolidated Balance Sheet	**50,072**	**49,830**

(1) Additions to non-current assets comprise additions to Intangible assets and Property, plant and equipment.

3. STAFF COSTS

	2008	2007
	DKK million	
Wages and salaries	34,188	31,613
Pension costs, defined benefit plans	126	118
Pension costs, defined contribution plans	1,492	1,477
Social charges and other costs	8,350	7,790
Staff costs	**44,156**	**40,998**
Average number of employees	**455,947**	**416,961**

3. STAFF COSTS (Continued)

Remuneration to the Board of Directors and Executive Management of the Group

	2008		2007	
	Board of Directors	Executive Management	Board of Directors	Executive Management
	DKK thousand			
Salaries (including benefits) and fees	1,856	18,102	1,613	17,267
Bonus	—	5,148	—	6,510
Severance payments[(1)]	—	—	—	12,833
	1,856	**23,250**	**1,613**	**36,610**

(1) Included in Other income and expenses, net.

Executive Management of the Group comprises the Executive Group Management of ISS Holding A/S.

The members of Executive Management are, in the event of termination, entitled to a severance payment of between 12-18 months salary plus benefits.

4. SHARE-BASED PAYMENTS

Management Participation Programme

Funds advised by EQT Partners and Goldman Sachs Capital Partners (the ''Principal Shareholders'') have established a Management Participation Programme, under which Executive Management[(1)] and a number of senior officers of the Group have been offered to invest. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest S.a r.l (''FS Invest''), ISS Holding A/S's ultimate parent. As part of the initial programme—in addition to the investments—warrants in FS Invest were granted free of charge to Executive Management and a number of senior officers of the Group.

The direct and indirect investments in FS Invest were made on market terms and hence are not share-based payments within the scope of IFRS 2 Share-based Payment. Further details of the programme and these investments are provided in note 34, Related parties. The warrants granted to Executive Management and a number of senior officers of the Group are within the scope of IFRS 2.

Warrants Granted as Part of the Management Participation Programme

The warrants were granted in July 2006 as a one-time grant and were issued in two series, A and B, both expiring on 1 June 2014. The estimated FS Invest share price at the time of the grant was DKK 1,019 per share. The warrants entitle the holder to subscribe for FS Invest shares at an exercise price of DKK 2,039 and DKK 2,549 per share for warrants in series A and series B, respectively, in a proportion which is determined by the exercise restrictions mentioned below. The warrants are exercisable for a period of 30 business days prior to and ending on 1 June 2014. The warrants are non-transferable.

The fair value of the warrants was estimated to DKK 25 million at the time of grant measured using the Black-Scholes option pricing model based on the assumptions at the time of grant and exercise restrictions.

The warrants are accounted for as equity-settled transactions. The fair value of these warrants will be expensed in the income statement over the vesting period from July 2006 to June 2014. In 2008, DKK 5 million were recognised under Other income and expenses, net in respect of warrants granted (2007: DKK 2 million).

The warrants are subject to exercise restrictions depending on the share price at the time of exercise. At a share price of 6,114 or more at the time of exercise 100% of the warrants vested can

(1) Executive Management comprises Executive Group Management of ISS Holding A/S.

4. SHARE-BASED PAYMENTS (Continued)

be exercised. The proportion of exercisable warrants decreases in intervals down to 10% at a share price of 2,038. At share prices below 2,038 no warrants are exercisable.

Warrants outstanding at 31 December 2008 and movements during 2007 and 2008 were:

	Executive Management			Senior Officers			Total		
	Series A	Series B	Total	Series A	Series B	Total	Series A	Series B	Series A and B
	Number of Warrants								
Outstanding at 1 January 2007	—	125,424	125,424	31,367	385,575	416,942	31,367	510,999	542,366
Warrants forfeited	—	—	—	(1,515)	(8,839)	(10,354)	(1,515)	(8,839)	(10,354)
Outstanding at 31 December 2007	—	125,424	125,424	29,852	376,736	406,588	29,852	502,160	532,012
Warrants settled	—	(67,536)	(67,536)	—	(67,536)	(67,536)	—	(135,072)	(135,072)
Outstanding at 31 December 2008	**—**	**57,888**	**57,888**	**29,852**	**309,200**	**339,052**	**29,852**	**367,088**	**396,940**

Warrants settled during 2008 relates to cash settlement by FS Invest of warrants in connection with termination of employment.

5. FEES TO AUDITORS

	2008	2007
	DKK million	
KPMG		
Audit fees	42	40
Other audit related services	5	12
Tax and VAT advisory services	13	10
Other services	16	26
Total KPMG	**76**	**88**

Audit fees comprised audit of the consolidated and local Annual Reports. Other services mainly comprised work related to acquisitions such as financial and tax due diligence etc.

6. OTHER INCOME AND EXPENSES, NET

	2008	2007
	DKK million	
Gain on divestments	6	7
Gain on sale of properties	0	23
Gain on sale of option	—	61
Gain on sale of Private Finance Initiative (PFI) stake in the United Kingdom	—	41
Other	19	14
Other income	**25**	**146**
Restructuring projects	(131)	(70)
Redundancy and severance payments relating to organisational changes	(21)	(13)
Loss on divestments	(43)	(115)
Closedown and subsequent surveillance of landfill site in France	(28)	—
Adjustment to accounting estimate in Belgium	(17)	—
Consolidation projects in the United Kingdom	(4)	(28)
IPO feasibility review	—	(33)
Re-scoping of IT outsourcing agreement	—	(10)
Other	(23)	(6)
Other expenses	**(267)**	**(275)**
Other income and expenses, net	**(242)**	**(129)**

6. OTHER INCOME AND EXPENSES, NET (Continued)

Other income

Gain on sale of properties in 2007 mainly related to sale of buildings within Landscaping activities in the Netherlands.

Gain on sale of option in 2007 related to the sale of a call option for property located in Norway.

Gain on sale of PFI stake in 2007 related to the sale of the Group's interest in Criterion Healthcare (Bishop Auckland) which operates certain facilities at Bishop Auckland Hospital in the United Kingdom.

Other expenses

Restructuring projects in 2008 relates to costs for projects in the Netherlands, Norway, France, Austria and various other countries. In the Netherlands a re-organisation of the organisational setup covering four business units as well as head office was initiated amounting to DKK 70 million. In Norway the office relocation project initiated in 2007 to consolidate several office locations in Norway continued amounting to DKK 16 million. In France, Austria and Norway re-organisations of the organisational setup following the divestments of various activities was carried out amounting to DKK 31 million. Restructuring projects in 2007 related to costs for the office relocation project in Norway amounting to DKK 55 million and re-organisation of the organisational setup within a major business unit in the Netherlands amounting to DKK 15 million. The projects included redundancy payments, termination of leaseholds and relocation costs.

Redundancy and severance payments relating to organisational changes relate to organisational changes carried out by the Group at both corporate level and country management level.

Loss on divestments in 2008 mainly relate to the remaining part of the non-core energy activities in France and non-strategic landscaping activities in Austria. In 2007, divestments mainly related to landscaping activities in Ireland and various other countries as well as the divestment of the initial part of the energy activities in France.

Closedown and subsequent surveillance of landfill site in France relates to additional costs regarding closure and subsequent supervision for 30 years of a landfill site, which was managed by ISS France and closed in 2008. The additional costs were mainly a result of changed expectations and administrative requirements for handling of landfill sites as well as an unfavourable climatic and geological evolution.

Adjustment to accounting estimate in Belgium relates to adjustment of prior years estimate regarding work in progress.

Consolidation projects in the United Kingdom comprise costs related to consolidation of properties in central London and Scotland. The projects include termination of leaseholds, write-off of fixed assets and relocation costs.

IPO feasibility review in 2007 contains incurred costs to external advisors in relation hereto.

Re-scoping of IT outsourcing agreement in 2007 related to incurred re-scoping costs regarding the outsourcing of the Group's operation and maintenance of certain of its information technology systems, primarily as a result of changing the IT outsourcing agreement from a centralised solution to a decentralised solution.

7. NET FINANCE COSTS

	2008	2007
	DKK million	
Interest income etc.	153	149
Interest income from affiliates	0	5
Amortised gain from settlement of interest rate swaps	27	23
Foreign exchange gain	62	22
Financial income	**242**	**199**
Interest expenses etc	(2,465)	(2,383)
Interest expenses to affiliates	(3)	(5)
Market price adjustment of bond loans	(125)	(169)
Amortisation of financing fees	(63)	(50)
Foreign exchange loss	(317)	(49)
Loss related to redemption of floating notes	—	(222)
Loss related to partial redemption of EMTN's	—	(338)
Financial expenses	**(2,973)**	**(3,216)**
Net finance costs	**(2,731)**	**(3,017)**

Amortised gain from settlement of interest rate swaps

The interest rate swaps hedging ISS Global's Medium Term Notes (EMTNs) were partially settled in June 2005 and the remaining part was settled in June 2006 resulting in a net gain to be recognised in the consolidated income statement over the remaining term of the EMTNs. A part of the gain is referred to the partially redeemed EMTNs and was recognised in the income statement in connection with the redemption in July 2007. The remaining unrecognised net gain of DKK 28 million at 31 December 2008 (DKK 55 million at 31 December 2007) will be recognised in the income statement in the financial years 2009—2014 corresponding to the remaining term of the EMTNs, see note 27, Borrowings.

Loss related to redemption of floating notes

In July 2007, ISS Holding A/S's subordinated floating rate notes were fully redeemed resulting in a loss of DKK 222 million relating to a call premium of DKK 63 million and financing fees of DKK 159 million previously recognised in long-term debt.

Loss related to partial redemption of EMTN's

In July 2007, 77.9% of the EMTN's due in 2014 were redeemed. The notes were acquired at a discount to nominal value. However, due to the market price adjustment of the EMTN's in connection with ISS Holding A/S's acquisition of ISS A/S in 2005 the net book value was lower than the redemption value resulting in a loss of DKK 338 million.

8. INCOME TAXES

	2008	2007
	DKK million	
Current tax regarding profit before impairment/amortisation of intangibles(1)	361	363
Deferred tax regarding profit before impairment/amortisation of intangibles(1)	203	(95)
Tax on profit before impairment/amortisation of intangibles(1)	564	268
Adjustments relating to prior years, net	(33)	(14)
Income taxes	**531**	**254**
Tax effect of impairment/amortisation of intangibles(1)	**(282)**	**(411)**
Total tax recognised in the income statement	**249**	**(157)**

(1) Intangibles comprise the value of goodwill, brands and customer contracts.

	2008	2007
	DKK million	
Current tax regarding equity movements	1	12
Deferred tax regarding equity movements	(37)	34
Total tax recognised directly in equity	**(36)**	**46**
Computation of effective tax rate		
Statutory income tax rate in Denmark	25.0%	25.0%
Foreign tax rate differential, net	1.9%	7.0%
	26.9%	32.0%
Non-tax deductible expenses less non-taxable income	3.8%	5.3%
Adjustments relating to prior years, net	(3.2)%	(2.2)%
Change of valuation of net tax assets	9.7%	2.5%
Effect of changes in tax rates	(0.8)%	(7.8)%
Other taxes(2)	5.3%	10.5%
Limitation to interest deduction in Denmark	10.1%	0.0%
Effective tax rate (excluding effect from impairment/amortisation of intangibles)(1)	**51.8%**	**40.3%**

(1) Intangibles comprise the value of goodwill, brands and customer contracts.

(2) Other taxes mainly comprise withholding taxes.

9. GOODWILL IMPAIRMENT AND WRITE-DOWN

	2008	2007
	DKK million	
Impairment	270	—
Write-down	129	128
Goodwill impairment and write-down	**399**	**128**

Goodwill impairment of DKK 270 million in 2008 relates to ISS Germany of DKK 250 million and ISS Italy of DKK 20 million. For further description, see note 14, Impairment tests.

Write-down of DKK 129 million in 2008 mainly relates to divestment of the landscaping and office support activities in Austria of DKK 104 million and the construction part of the landscaping activities in region Vestfold and Telemark in Norway of DKK 25 million. The write-down of DKK 128 million in 2007 mainly related to divestment of the landscaping activities in Ireland of DKK 70 million and the energy activities in France of DKK 38 million as well as a number of minor divestments primarily in Denmark.

10. CHANGES IN WORKING CAPITAL

	2008	2007
	DKK million	
Changes in inventories	(28)	2
Changes in receivables	(111)	(520)
Changes in payables	248	474
Changes in working capital	**109**	**(44)**

11. ACQUISITION AND DIVESTMENT OF BUSINESSES

Acquisition of businesses

The Group made 66 acquisitions during 2008 (67 during 2007). The total purchase price amounted to DKK 2,139 million (DKK 2,896 million in 2007). The total annual revenue of the acquired businesses (unaudited approximate figure) is estimated at DKK 3,887 million (DKK 4,540 million in 2007) based on expectations at the time of acquisition.

The acquisitions (including adjustments to acquisitions in prior years) had the following effect on the Group's assets and liabilities on the acquisition date:

	Total acquisitions			
		Fair value adj.		
	Pre-acquisition carrying amounts	Current year acquisitions	Prior year acquisitions	Recognised values on acquisition
	DKK million			
2008				
Goodwill	7	(7)	—	—
Customer contracts	—	677	1	678
Other non-current assets	158	21	(1)	178
Trade receivables	626	(20)	4	610
Other current assets	248	(27)	(0)	221
Other provisions	(15)	(108)	(9)	(132)
Pensions, deferred tax liabilities and minorities	(3)	(163)	4	(162)
Long-term debt	(23)	(1)	1	(23)
Short-term debt	(193)	(4)	(3)	(200)
Other current liabilities	(498)	(52)	(1)	(551)
Net identifiable assets and liabilities	**307**	**316**	**(4)**	**619**
Goodwill			134	1,588
Acquisition costs, net of tax			(1)	(68)
Purchase price			**129**	**2,139**
Cash and cash equivalents in acquired businesses				(118)
Cash purchase price				**2,021**
Changes in deferred payments and earn-outs				24
Changes in prepaid purchase price				(11)
Acquisition costs paid, net of tax				61
Total payments regarding acquisition of businesses				**2,095**

11. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

In 2008, no acquisitions accounted for more than 2% of the Group's revenue on an individual basis. Consequently, all acquisitions are deemed individually immaterial and are therefore shown in aggregate.

Opening balances are recognised in accordance with IFRS 3. At 31 December 2008, certain opening balances have only been provisionally determined. Consequently, fair value adjustments may be recognised against goodwill within 12 months from the acquisition date.

The purchase price of prior years' acquisitions increased by DKK 129 million, mainly due to revised estimates relating to earn-outs for the acquisitions of Carlos Rocha in Spain of DKK 80 million, Ryvola in Czech Republic of DKK 12 million and CMC in Turkey of DKK 10 million.

The goodwill recognised on acquisition is attributable mainly to; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes 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.

Acquisitions made in 2007 (including adjustments to acquisitions in prior years) had the following effect on the Group's assets and liabilities on the acquisition date:

	Sanitors Inc.			Total acquisitions			
					Fair value adj.		
	Pre-acquisition carrying amounts	Fair value adj.	Recognised values on acquisition	Pre-acquisition carrying amounts	Current year acquisitions	Prior year acquisitions	Recognised values on acquisition
				DKK million			
2007							
Goodwill	497	(497)	—	497	(497)	—	—
Brands	—	2	2	—	2	—	2
Customer contracts	—	309	309	—	947	1	948
Other non-current assets	34	(6)	28	216	14	4	234
Trade receivables	223	(13)	210	793	(32)	3	764
Other current assets	27	(3)	24	275	5	(21)	259
Other provisions	(18)	(13)	(31)	(65)	(12)	(5)	(82)
Pensions, deferred tax liabilities and minorities	(17)	(58)	(75)	(35)	(235)	5	(265)
Long-term debt	—	—	—	(91)	4	(0)	(87)
Short-term debt	(1)	(1)	(2)	(205)	11	(15)	(209)
Other current liabilities	(117)	(96)	(213)	(633)	(145)	31	(747)
Net identifiable assets and liabilities	**628**	**(376)**	**252**	**752**	**62**	**3**	**817**
Hereof previously recognised as associates			—			—	(42)
Net identifiable assets and liabilities			**252**			**3**	**775**
Goodwill			706			18	2,201
Acquisition costs, net of tax			(13)			(0)	(80)
Purchase price			**945**			**21**	**2,896**
Cash and cash equivalents in acquired businesses			(13)				(196)
Cash purchase price			**932**				**2,700**
Changes in deferred payments and earn-outs			5				172
Changes in prepaid purchase price			—				(1)
Acquisition costs paid, net of tax			12				86
Total payments regarding acquisition of businesses			**949**				**2,957**

In 2007, only the acquisition of Sanitors Inc. accounted for more than 2% of the Group's revenue on an individual basis. All other acquisitions were deemed individually immaterial and are therefore shown in aggregate.

11. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

The purchase price of prior years' acquisitions increased by DKK 21 million in 2007, mainly due to revised estimate relating to an earn-out for the acquisition of Tempo Services Ltd. in 2006.

The goodwill recognised on acquisition is attributable mainly to; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment programmes 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.

The 66 acquisitions[1] made by the Group during 2008 are listed below:

Company	Country	Consolidated in the income statement	Percentage interest	Annual revenue[2]	Number of employees[2]
Hoguin Espace Verts SAS	France	January	100%	10	21
Kolberg	Norway	January	Activities	17	12
Rengøringscentralen A/S	Denmark	January	100%	24	120
Catering Tefen Ltd	Israel	January	50%	26	230
Adams Secuforce Int. Ltd	Hong Kong	January	100%	111	1,627
Triumph Network Services	India	February	Activities	2	35
Profi-Komfort Kft	Hungary	February	100%	68	1,361
Smartcare	New Zealand	February	Activities	7	85
Kfir Group	Israel	March	100%	268	4,500
Arena21 Ltd	United Kingdom	March	100%	43	114
Pest Check	Ireland	March	Activities	5	6
Slim S.A	Chile	March	100%	22	667
TimSar & Hawes Pest	Australia	March	Activities	1	9
Technisch Onderhoud & Services BVBA	Belgium	March	100%	33	35
Strata Security and Combined Services Ltd	United Kingdom	March	100%	152	635
Schack Firmafrugt	Denmark	April	Activities	34	25
Vigor Services	Norway	April	Activities	7	30
Gastropol Group Spolka z.o.o	Poland	April	100%	81	670
BGM Industries	USA	April	Activities	510	3,800
Ekå Växtservice AB	Sweden	April	100%	4	6
Complete Cleaning Services Ltd	Australia	April	100%	30	183
Inbuilt Engineering Pte Ltd	Singapore	April	100%	94	110
Aspis Security SA	Greece	April	100%	216	1,430
Saneerauspari	Finland	May	Activities	13	26
Paksil & CSS	Turkey	May	100%	88	1,500
Smartkost AS	Norway	May	100%	7	6
Servicoin S.A. de C.V	Mexico	May	100%	94	987
Provence Faucardage SAS	France	June	100%	15	19
Siddhi Caterers and Allied Services Pvt. Ltd	India	June	100%	20	500
Naturdes Ambiental S.L	Spain	June	100%	1	15
ISH Weissenfels	Germany	June	Activities	1	2
Sardunya Hazir Yemek Uretim Tesisleri A.S	Turkey	June	100%	298	1,500
David Morrisson SARL	Luxembourg	June	100%	2	3
Contract Building Services	USA	June	Activities	9	95
Boracure	New Zealand	June	Activities	11	22
Topic Catering	Australia	June	Activities	184	200
Promocentro	Portugal	June	Activities	47	1,473
Notre Bel Co., Ltd	Thailand	July	100%	31	1,900
Jardineria Pedro Moral S.L	Spain	July	100%	5	12
Webdie NV	Belgium	July	100%	11	20
StopFlam SAS	France	July	100%	15	14
Ciape DD, S.L	Spain	July	100%	9	24
Catering Habitue	Uruguay	July	Activities	18	188
Equipo Blanco SRL	Argentina	July	100%	10	310
Subtotal				**2,654**	**24,527**

(1) Includes all acquisitions completed prior to 1 January 2009.

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

11. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

Company	Country	Consolidated in the income statement	Percentage interest	Annual revenue[1]	Number of employees[1]
Subtotal (from previous page)				**2,654**	**24,527**
Gros Environment SAS	France	August	100%	39	42
Hung Fat Cleaning Transportation Company Ltd.	Hong Kong	August	100%	27	183
HTTP	Finland	August	Activities	6	10
Glanzend Ltda	Chile	August	100%	39	774
Personellsikring AS	Norway	August	100%	41	144
Loghis Logistica Integrada Ltda	Brazil	August	100%	108	1,895
Grupo RV Catering Services	Spain	September	100%	57	250
HRS Helmut Riedl GmbH	Germany	September	100%	2	3
Golden Mind Services Co. Ltd	Thailand	September	100%	204	9,066
ASL SA	France	October	100%	11	36
Control y Tratamientos Sanitarios, S.L.	Spain	October	100%	6	11
Silvertech E&M Engineering Co. Ltd.	Hong Kong	October	100%	72	145
The Catering People Ltd.	United Kingdom	October	100%	83	275
Frugt Karl Engros	Denmark	October	Activities	3	0
MDN SAS	France	November	100%	40	272
Eltel Security	Finland	November	Activities	11	13
Reaktorskolen AS	Norway	November	100%	54	21
Chubb (guarding & patrol) (Security Salesco NZ Ltd.)	New Zealand	December	100%	132	600
Van Den Brande Technieken	Belgium	December	Activities	38	37
Bartens Pest Guard	Germany	December	Activities	1	3
Gastronomia Mediterranea, S.L. and Limpiezas Masan, S.A	Spain	December	100%	100	465
Grupo Limpul	Spain	December	100%	159	1,050
Total				**3,887**	**39,822**

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

Divestment of businesses

The Group made 12 divestments during 2008 (14 during 2007). The total sales price amounted to DKK 316 million (DKK 32 million in 2007). The total annual revenue of the divested businesses (unaudited approximate figure) is estimated at DKK 1,281 million (DKK 394 million in 2007) based on expectations at the time of divestment.

11. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

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

	2008	2007
	DKK million	
Goodwill	(15)	(2)
Customer contracts	(6)	(1)
Other non-current assets	(10)	(45)
Trade receivables	(43)	(47)
Other current assets	(20)	(38)
Assets held for sale	(619)	—
Other provisions	3	—
Pensions, deferred tax liabilities and minorities	12	—
Short-term debt	1	6
Other current liabilities	19	35
Liabilities held for sale	351	—
Net identifiable assets and liabilities	**(327)**	**(92)**
Loss/(gain) on divestment of businesses, net	37	108
Divestment costs, net of tax	(26)	(48)
Sales price	**(316)**	**(32)**
Cash and cash equivalents in divested businesses	12	—
Cash sales price	**(304)**	**(32)**
Changes in deferred payments and earn-outs	1	(6)
Divestment costs paid, net of tax	31	40
Net proceeds regarding divestment of businesses	**(272)**	**2**

The 12 divestments[1] made by the Group during 2008 are listed below:

Company/activity	Country	Excluded from the income statement	Annual revenue[2]
Wood Restoration Business	Spain	January	6
EU Business in L&P	France	January	25
Slotsholmen	Denmark	January	45
ISS Energie	France	January	854
H. Jakober Transport	Switzerland	January	16
Eiendomsinvestor	Norway	February	—
Aquawall	Denmark	March	4
Security Phone Business	Finland	June	5
Austria Office Support	Austria	October	209
ISS Faroe Islands	Faroe Islands	November	10
Austria Landscaping	Austria	November	76
Vestfald & Telemark	Norway	December	31
Total			**1,281**

(1) Includes all divestments completed prior to 1 January 2009.

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

11. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

Pro forma revenue and operating profit

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

	2008	2007
	DKK million	
Pro forma revenue		
Revenue recognised in the income statement	68,829	63,922
Adjustment, assuming all acquisitions in the year were included as of 1 January	1,641	1,996
Revenue, assuming all acquisitions in the year were included as of 1 January	70,470	65,918
Adjustment, assuming all divestments in the year were carried out as of 1 January	(230)	(181)
Revenue, assuming all acquisitions and divestments in the year were carried out as of 1 January	**70,240**	**65,737**
Pro forma operating profit before other items		
Operating profit before other items recognised in the income statement	4,061	3,835
Adjustment, assuming all acquisitions in the year were included as of 1 January	113	152
Operating profit before other items, assuming all acquisitions in the year were included as of 1 January	4,174	3,987
Adjustment, assuming all divestments in the year were carried out as of 1 January	(0)	7
Operating profit before other items, assuming all acquisitions and divestments in the year were carried out as of 1 January	**4,174**	**3,994**

Applied assumptions

The adjustment of revenue and operating profit before other items is based on estimates made by local ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the time of such acquisition and divestment or actual results where available. Synergies from acquisitions are not included for periods in which such acquisitions were not controlled by the Group.

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 and have not been audited. This information does not represent the results the Group would have achieved had the divestments and acquisitions during the year occurred on 1 January. In addition, the information should not be used as the basis for or prediction of any annualised calculation.

The acquiree's profit or loss since the acquisition date

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

11. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

Acquisitions and divestments subsequent to 31 December 2008

From 1 January to 28 February the Group made 10 acquisitions and 1 divestment. Acquisitions/divestments had the following effect on the Group's assets and liabilities on the acquisition/divestment date[1]:

	Acquisitions		Divestments
	Pre-acquisition carrying amounts	Recognised values on acquisition DKK million	Carrying amounts
Customer contracts	—	16	—
Other non-current assets	4	6	(2)
Trade receivables	11	7	—
Other current assets	10	10	—
Other provisions	—	(0)	—
Pensions, deferred tax liabilities and minorities	—	(10)	—
Short-term debt	(1)	(1)	—
Other current liabilities	(20)	(23)	—
Net identifiable assets and liabilities	**4**	**5**	**(2)**
Goodwill		33	—
Acquisition/divestment costs, net of tax		(2)	(0)
Purchase/(sales) price		**36**	**(2)**
Cash and cash equivalents in acquired/divested businesses		(9)	—
Cash purchase/(sales) price		**27**	**(2)**
Changes in deferred payments and earn-outs		32	—
Changes in prepaid purchase price		82	—
Acquisition/divestment costs paid, net of tax		0	—
Total payments regarding acquisition/divestment of businesses		**141**	**(2)**

In accordance with usual Group procedures, opening balances are prepared during the first months following the acquisition. Hence, opening balances are not yet available for all acquisitions completed from 1 January to 28 February 2009. For acquisitions, where the opening balance is not yet available, any purchase price paid is shown in the line Changes in prepaid purchase price above.

(1) Unaudited figures up until 31 January 2009.

11. ACQUISITION AND DIVESTMENT OF BUSINESSES (Continued)

The 10 acquisitions and 1 divestment made by the Group in the period 1 January to 28 February 2009 are listed below:

Company/activity	Country	Consolidated in/ excluded from the income statement	Percentage interest	Annual revenue[1]	Number of employees[1]
Mettek Hizmet	Turkey	January	100%	137	2,178
Central Property Service	USA	January	Activities	182	917
Industriservice Danmark A/S	Denmark	January	100%	7	13
Vaasan LVI-Huolto	Finland	January	100%	14	13
Sunparking	Indonesia	February	Activities	107	5,000
Aplytec	Spain	February	100%	13	24
Agria-Ved	Hungary	February	100%	7	25
ECO Servis	Bosnia	February	100%	5	65
Karmak	Italy	February	100%	100	412
Suomala	Finland	February	100%	19	105
Acquisitions				**591**	**8,752**
Asker	Norway	January	Activities	31	40
Divestments				**31**	**40**

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

12. INVESTMENTS IN NON-CURRENT ASSETS

	2008	2007
	DKK million	
Purchase of intangible assets and property, plant and equipment	(938)	(965)
Sale of intangible assets and property, plant and equipment	220	250
Investments in intangible assets and property, plant and equipment, net[1]	**(718)**	**(715)**
Purchase of financial assets	(4)	(25)
Sale of financial assets[2]	8	54
Changes in financial receivables	(6)	(27)
Investments in financial assets, net	**(2)**	**2**

(1) Excluding goodwill, brands and customer contracts as well as additions related to assets under finance leases.

(2) In 2007, sale of financial assets included proceeds from sale of Private Finance Initiative stake in the United Kingdom.

13. INTANGIBLE ASSETS

	Goodwill	Brands	Customer contracts DKK million	Software and other intangible assets	Total
2008					
Cost at 1 January	27,847	1,637	10,608	341	40,433
Foreign exchange adjustments	(1,435)	(97)	(624)	(21)	(2,177)
Additions	1,515	—	—	137	1,652
Additions from acquired companies, net	(15)	—	634	27	646
Disposals	(129)	—	(22)	(52)	(203)
Transfer from Property, plant and equipment	—	—	—	15	15
Cost at 31 December	**27,783**	**1,540**	**10,596**	**447**	**40,366**
Impairment, write-down and amortisation at 1 January	(254)	(11)	(2,915)	(103)	(3,283)
Foreign exchange adjustments	—	1	210	4	215
Amortisation	—	(4)	(998)	(91)	(1,093)
Amortisation from acquired companies, net	—	—	3	—	3
Impairment	(270)	—	—	—	(270)
Write-down	(129)	—	—	—	(129)
Disposals	129	—	22	43	194
Transfer from Property, plant and equipment	—	—	—	(2)	(2)
Impairment, write-down and amortisation at 31 December	**(524)**	**(14)**	**(3,678)**	**(149)**	**(4,365)**
Carrying amount at 31 December	**27,259**	**1,526**	**6,918**	**298**	**36,001**
2007					
Cost at 1 January	26,428	1,671	9,864	240	38,203
Adjustment of business combinations	(110)	—	—	—	(110)
Foreign exchange adjustments	(299)	(21)	(129)	(2)	(451)
Additions	2,136	—	—	133	2,269
Additions from acquired companies, net	(2)	2	917	5	922
Disposals	(99)	—	—	(33)	(132)
Transfer to Assets held for sale	(207)	(15)	(44)	(2)	(268)
Cost at 31 December	**27,847**	**1,637**	**10,608**	**341**	**40,433**
Impairment, write-down and amortisation at 1 January	(250)	(7)	(1,862)	(52)	(2,171)
Foreign exchange adjustments	(4)	1	37	2	36
Amortisation	—	(5)	(1,096)	(80)	(1,181)
Amortisation from acquired companies, net	—	—	4	(3)	1
Write-down	(128)	—	—	—	(128)
Disposals	99	—	—	29	128
Transfer to Assets held for sale	29	—	2	1	32
Impairment, write-down and amortisation at 31 December	**(254)**	**(11)**	**(2,915)**	**(103)**	**(3,283)**
Carrying amount at 31 December	**27,593**	**1,626**	**7,693**	**238**	**37,150**

The carrying amount of Brands is primarily related to the ISS brand, which is considered to have an indefinite useful life since there is no foreseeable limit to the period over which the brand is

13. INTANGIBLE ASSETS (Continued)

expected to generate net cash inflows. Factors that played a significant role in determining that the ISS brand has an indefinite useful life are: i) the ISS brand has existed for decades, ii) the Group's strategy is based on the ISS brand, iii) all acquired brands are converted to or co-branded with the ISS brand and iv) the ISS brand is used in the business to business and public segments with low maintenance cost attached.

14. IMPAIRMENT TESTS

The Group performs impairment tests on intangibles[(1)] annually and whenever there is an indication that intangibles may be impaired. As described in note 9, Goodwill impairment and write-down, impairment losses of DKK 250 million related to the German business and DKK 20 million related to the Italian business have been recognised in 2008.

The Group's intangibles primarily relate to the purchase price allocation following the take-over of ISS A/S as at 9 May 2005. A part of the Group's intangibles relate to acquisitions carried out after the take-over of ISS A/S as at 9 May 2005. Companies acquired after the take-over comprise a diverse portfolio of service types, customer segments, geographical regions, contract sizes and management skills.

Impairment tests are carried out per country as this represents the lowest level of cash-generating units (CGU) to which the carrying amount of intangibles can be allocated and monitored with any reasonable certainty. This level of allocation and monitoring of intangibles should be seen in the light of the Group's strategy to integrate acquired companies as quickly as possible in order to benefit from synergies.

Acquired companies are typically organisationally integrated and merged with (or activities transferred to) existing Group companies shortly after the completion of the acquisition. Furthermore, synergies and other effects resulting from cooperation with existing Group companies in their geographical or business area normally influence the financial performance of an acquired company. Consequently, after a short period of time, it is generally not possible to track and measure the value of intangibles of the individual acquired companies (or activities) with any reasonable certainty.

As a company based in Europe, the Group assumes the long-term market equity risk premium to be 4.5%. When performing impairment tests for individual CGU's, the risk premium applied may be higher than the Group's. When doing acquisitions the Group typically applies a hurdle rate, which is significantly higher than the calculated cost of capital.

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

14. IMPAIRMENT TESTS (Continued)

The carrying amount of intangibles and the key assumptions(1) used in the impairment testing for each CGU representing more than 3% of the carrying amount of intangibles are presented below.

	Carrying amount				Applied expected long-term rate		Applied discount rate	
2008	**Goodwill**	**Brands**	**Customer contracts**	**Total intangibles**	**Growth**	**Margin**	**Discount rate, net of tax**	**Discount rate, pre tax**
	DKK million							
France	4,999	302	932	6,233	3.0%	6.7%	9.3%	12.9%
Finland	2,297	120	699	3,116	3.0%	8.0%	9.1%	11.5%
United Kingdom	2,042	148	634	2,824	3.0%	6.8%	8.8%	11.3%
Norway	1,767	110	564	2,441	3.0%	7.5%	10.1%	13.2%
Netherlands	1,943	121	258	2,322	3.0%	6.6%	9.7%	12.0%
Denmark	1,790	131	341	2,262	3.0%	6.7%	9.7%	12.2%
Spain	1,528	90	432	2,050	3.0%	6.1%	9.2%	12.2%
Belgium	1,573	86	348	2,007	3.0%	7.1%	8.9%	12.4%
Switzerland	1,090	51	318	1,459	3.0%	7.6%	8.3%	10.0%
Sweden	1,090	96	216	1,402	3.0%	6.8%	8.9%	11.3%
Australia	1,128	8	259	1,395	3.0%	6.6%	10.2%	13.7%
Austria	707	49	268	1,024	3.0%	6.4%	9.4%	11.8%
Germany(2)	732	67	101	900	3.0%	4.6%	9.2%	12.2%
Other	4,573	147	1,548	6,268				
Total carrying amount at 31 December 2008	**27,259**	**1,526**	**6,918**	**35,703**				

(1) The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered a forward-looking statement within the meaning of the US Private Securities Litigation Act of 1995 and similar laws in other countries regarding expectations to the future development.

(2) After the recognition of the impairment loss of DKK 250 million, intangibles in Germany no longer represent more than 3% of the total carrying amount of the Group's intangibles.

Estimates used to measure recoverable amount

The recoverable amount of each CGU is determined on the basis of its value-in-use. The value-in-use is established using certain key assumptions as described below. The key assumptions are revenue growth, operating margin (before other items) and discount rates.

Value-in-use cash flow projections are based on financial budgets approved by management covering the following financial year. The operating margin is based on past performance and expectations for the future market development. The assumptions applied in the short to medium term are based on management's expectations regarding the development in growth and operating margin. The terminal growth rates do not exceed the expected long-term average growth rate including inflation for the business in which the CGU's operate.

Uncertainties reflecting historical performance and possible variations in the amount or timing of the future cash flow is reflected in the discount rate.

In determining the country specific discount rates, which are calculated net of tax, a target ratio of 60/40 between the market value of debt and enterprise value is used. A country specific risk premium has been added to the discount rates to reflect the specific risk associated with each CGU.

Impairment test results

The impairment test for ISS Germany has been based on a business plan prepared by management of ISS Germany applying the assumptions set out below. The impairment test resulted in recognition of an impairment loss of DKK 250 million which was caused by declining market conditions within certain business activities in which ISS Germany operates, and thus lower expectations for future earnings combined with an increase in the discount rate applied.

14. IMPAIRMENT TESTS (Continued)

The impairment test for ISS Italy resulted in recognition of an impairment loss of DKK 20 million. The impairment loss was primarily a consequence of a significant increase in the applied discount rate. Furthermore, the Italian business is negatively impacted by a high effective tax rate as a result of a special regional tax on productive activities (IRAP) as well as a decline in the margin. After recognition of the impairment loss of DKK 20 million, the total intangibles in ISS Italy amounts to DKK 153 million.

Sensitivity analysis

A sensitivity analysis on the key assumptions in the impairment testing is presented below. The allowed change represents the percentage points by which the value assigned to the key assumption as applied in the expected long-term rate can change, all other things being equal, before the unit's recoverable amount equals its carrying amount.

	Growth		Margin		Discount rate, net of tax	
2008	**Applied expected long-term rate**	**Allowed decrease**	**Applied expected long-term rate**	**Allowed decrease**	**Applied rate**	**Allowed increase**
France	3.0%	0.8%	6.7%	0.8%	9.3%	0.6%
Finland	3.0%	1.3%	8.0%	1.5%	9.1%	1.4%
United Kingdom	3.0%	>3.0%	6.8%	>3.0%	8.8%	>3.0%
Norway	3.0%	>3.0%	7.5%	2.9%	10.1%	>3.0%
Netherlands	3.0%	1.5%	6.6%	1.3%	9.7%	1.1%
Denmark	3.0%	1.0%	6.7%	0.9%	9.7%	1.0%
Spain	3.0%	1.4%	6.1%	1.1%	9.2%	1.4%
Belgium	3.0%	1.2%	7.1%	1.2%	8.9%	1.3%
Switzerland	3.0%	>3.0%	7.6%	>3.0%	8.3%	>3.0%
Sweden	3.0%	>3.0%	6.8%	>3.0%	8.9%	>3.0%
Australia	3.0%	2.0%	6.6%	1.5%	10.2%	2.1%
Austria	3.0%	0.4%	6.4%	0.4%	9.4%	0.5%
Germany	3.0%	0.0%	4.6%	0.0%	9.2%	0.0%

	Carrying amount (DKK million)				Applied expected long-term rate		Applied discount rate	
2007	**Goodwill**	**Brands**	**Customer contracts**	**Total intangibles**	**Growth**	**Margin**	**Discount rate, net of tax**	**Discount rate, pre tax**
France	4,949	303	1,013	6,265	3.0%	7.0%	8.2%	11.2%
United Kingdom	2,603	198	885	3,686	3.0%	6.7%	8.1%	10.2%
Finland	2,283	120	779	3,182	3.0%	8.0%	8.6%	10.7%
Norway	2,162	136	754	3,052	3.0%	7.5%	9.1%	11.7%
Netherlands	1,945	122	307	2,374	3.0%	6.7%	8.7%	10.8%
Denmark	1,777	131	380	2,288	3.0%	7.0%	9.3%	11.5%
Belgium	1,546	86	380	2,012	3.0%	7.3%	7.5%	10.1%
Spain	1,239	90	442	1,771	3.0%	6.2%	8.2%	10.6%
Sweden	1,261	111	282	1,654	3.0%	6.6%	9.1%	11.7%
Australia	1,308	10	314	1,632	3.0%	6.5%	10.5%	13.8%
Switzerland	983	46	336	1,365	3.0%	7.5%	7.7%	9.2%
Austria	817	49	316	1,182	3.0%	6.6%	8.7%	10.8%
Germany	980	68	114	1,162	3.0%	5.5%	8.4%	10.8%
Other	3,740	156	1,391	5,287				
Total carrying amount at 31 December 2007	**27,593**	**1,626**	**7,693**	**36,912**				

14. IMPAIRMENT TESTS (Continued)

	Growth		Margin		Discount rate, net of tax	
2007	**Applied expected long-term rate**	**Allowed decrease**	**Applied expected long-term rate**	**Allowed decrease**	**Applied rate**	**Allowed increase**
France	3.0%	2.1%	7.0%	1.4%	8.2%	1.3%
United Kingdom	3.0%	>3.0%	6.7%	3.0%	8.1%	4.3%
Finland	3.0%	2.0%	8.0%	1.7%	8.6%	1.2%
Norway	3.0%	>3.0%	7.5%	2.7%	9.1%	3.6%
Netherlands	3.0%	>3.0%	6.7%	2.3%	8.7%	2.9%
Denmark	3.0%	1.2%	7.0%	1.3%	9.3%	1.2%
Belgium	3.0%	2.0%	7.3%	2.1%	7.5%	2.0%
Spain	3.0%	2.0%	6.2%	1.7%	8.2%	2.0%
Sweden	3.0%	>3.0%	6.6%	3.8%	9.1%	8.5%
Australia	3.0%	>3.0%	6.5%	1.5%	10.5%	2.1%
Switzerland	3.0%	>3.0%	7.5%	4.4%	7.7%	6.8%
Austria	3.0%	1.3%	6.6%	1.2%	8.7%	1.3%
Germany	3.0%	0.5%	5.5%	0.6%	8.4%	0.4%

15. PROPERTY, PLANT AND EQUIPMENT

	2008			2007		
	Land and buildings	**Plant and equipment**	**Total**	**Land and buildings**	**Plant and equipment**	**Total**
			DKK million			
Cost at 1 January	266	3,141	3,407	288	2,561	2,849
Foreign exchange adjustments	(8)	(183)	(191)	2	(55)	(53)
Additions[1]	65	899	964	10	928	938
Additions from acquired companies, net	8	163	171	40	309	349
Disposals	(38)	(674)	(712)	(69)	(544)	(613)
Transfers[2]	(8)	(7)	(15)	(5)	(58)	(63)
Cost at 31 December	**285**	**3,339**	**3,624**	**266**	**3,141**	**3,407**
Depreciation at 1 January	(63)	(1,121)	(1,184)	(26)	(660)	(686)
Foreign exchange adjustments	2	127	129	0	48	48
Depreciation	(18)	(766)	(784)	(15)	(750)	(765)
Depreciation from acquired companies, net	(1)	(99)	(100)	(23)	(197)	(220)
Disposals	31	558	589	1	398	399
Transfers[2]	2	0	2	—	40	40
Depreciation at 31 December	**(47)**	**(1,301)**	**(1,348)**	**(63)**	**(1,121)**	**(1,184)**
Carrying amount at 31 December	**238**	**2,038**	**2,276**	**203**	**2,020**	**2,223**
Hereof assets held under finance leases	**—**	**182**	**182**	**—**	**156**	**156**

(1) In 2008, additions includes assets held under finance leases of DKK 155 million (2007: DKK 111 million).

(2) In 2008, DKK 13 million was transferred to Intangible assets. In 2007, DKK 23 million was transferred to Assets held for sale.

Land and buildings with a carrying amount of DKK 5 million (DKK 6 million in 2007) have been provided as collateral for mortgage debt of DKK 0 million (DKK 0 million in 2007). Additionally, a minor part of Land and buildings and Plant and equipment in certain countries has been provided as security for the borrowings under the senior facilities, see note 31, Contingent liabilities.

16. INVESTMENTS IN ASSOCIATES

	2008	2007
	DKK million	
Cost at 1 January	24	60
Foreign exchange adjustments	(3)	1
Disposals[(1)]	0	(37)
Cost at 31 December	**21**	**24**
Revaluation at 1 January	4	6
Foreign exchange adjustments	(0)	0
Net result for the year	3	8
Dividends received	(4)	(3)
Disposals[(1)]	0	(7)
Revaluation at 31 December	**3**	**4**
Carrying amount at 31 December	**24**	**28**

(1) In 2007, disposals included transfers related to associates now fully owned.

2008	Country	Revenue	Operating profit	Net result	Assets	Liabilities	The Group's share Ownership %	Equity	Net result
					DKK million				
NSB Trafikservice AB	Norway	32	2	2	31	26	45	2	1
ISS Industriservice AB	Sweden	280	11	6	119	88	48	15	3
Other associates		151	0	(2)	43	37		4	(1)
		463	**13**	**6**	**193**	**151**		**21**	**3**
Goodwill at 31 December 2008								3	—
Carrying amount at 31 December 2008								**24**	**3**

2007	Country	Revenue	Operating profit	Net result	Assets	Liabilities	The Group's share Ownership %	Equity	Net result
					DKK million				
NSB Trafikservice AS	Norway	64	4	3	27	22	45	2	1
ISS Industriservice AB	Sweden	245	24	16	127	91	49	18	8
Other associates		153	1	(3)	50	38		8	(1)
		462	**29**	**16**	**204**	**151**		**28**	**8**
Goodwill at 31 December 2007								—	—
Carrying amount at 31 December 2007								**28**	**8**

17. DEFERRED TAX

	2008	2007
	DKK million	
Deferred tax liabilities/(assets), net at 1 January	2,188	2,648
Adjustment of business combinations[1]	—	(110)
Foreign exchange adjustments	(117)	(21)
Additions from acquired companies, net	71	173
Tax regarding equity movements	(37)	34
Transfer to assets held for sale	—	(30)
Tax on profit before impairment/amortisation of intangibles[2]	203	(95)
Tax effect of impairment/amortisation of intangibles[2]	(282)	(411)
Deferred tax liabilities/(assets), net at 31 December	**2,026**	**2,188**
Recognised in the balance sheet as follows:		
Deferred tax liabilities	2,498	2,786
Deferred tax assets	(472)	(598)
Deferred tax liabilities/(assets), net	**2,026**	**2,188**

(1) The adjustment related to prior year acquisitions.

(2) Intangibles comprise the value of goodwill, brands and customer contracts.

Deferred tax specification

	2008		2007	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	DKK million			
Tax losses carried forward	443	—	504	—
Goodwill	47	265	65	170
Brands	—	433	—	461
Customer contracts	—	1,860	—	2,129
Property, plant and equipment	86	118	139	140
Provisions	153	—	161	—
Bond loans	—	56	—	134
Losses in foreign subsidiaries under Danish joint taxation	—	23	—	23
Set-off within legal tax units and jurisdictions	(257)	(257)	(271)	(271)
Deferred tax	**472**	**2,498**	**598**	**2,786**

The recognition of deferred tax assets regarding tax losses carried forward is supported by expected future profitability in the foreseeable future.

A deferred tax liability associated with investments in subsidiaries, joint ventures and associates has not been recognised, because the Group is able to control the timing of the reversal of the temporary differences and does not expect the temporary differences to reverse in the foreseeable future.

17. DEFERRED TAX (Continued)

Unrecognised tax assets

The Group had unrecognised deferred tax assets regarding tax losses carried forward in the following countries:

	2008			2007		
	Total	Recognised	Unrecognised	Total	Recognised	Unrecognised
			DKK million			
Germany	254	58	196	239	47	192
Denmark	196	195	1	304	303	1
Brazil	39	2	37	25	2	23
Belgium	22	17	5	12	8	4
USA	22	19	3	12	10	2
Israel	10	3	7	5	1	4
France	8	—	8	—	—	—
Argentina	3	—	3	4	—	4
New Zealand	3	—	3	2	—	2
Austria	2	—	2	—	—	—
Italy	2	—	2	—	—	—
Hong Kong	2	1	1	—	—	—
Greece	1	—	1	—	—	—
Australia	—	—	—	3	1	2
Total			**269**			**234**

The unrecognised tax losses can be carried forward indefinitely in the individual countries. Deferred tax assets relating to tax losses carried forward are only recognised to the extent that it is more likely than not that future taxable profit will be available against which the unused tax losses can be utilised in the foreseeable future taking into account any restrictions in utilisation in the local tax legislation.

18. OTHER FINANCIAL ASSETS

	2008	2007
	DKK million	
Costs related to PPP (Public Private Partnerships)/PFI (Private Finance Initiative) contracts	34	61
Regulatory long-term loans	47	46
Other	157	122
Other financial assets	**238**	**229**

Regulatory long-term loans are measured at amortised cost with any resulting adjustment being recognised in the income statement.

19. INVENTORIES

	2008	2007
	DKK million	
Raw materials and supplies	102	95
Work in progress	15	14
Finished goods	147	140
Inventories	**264**	**249**
Inventories expensed	**6,134**	**5,614**

20. TRADE RECEIVABLES

	2008	2007
	DKK million	
Trade receivables (gross)	10,325	10,341
Provision for doubtful debts	(228)	(227)
Trade receivables	**10,097**	**10,114**
The ageing of trade receivables at 31 December was:		
Not past due	7,793	7,586
Past due 1 to 60 days	1,814	2,041
Past due 61 to 180 days	407	417
Past due 181 to 360 days	66	57
More than 360 days	17	13
Trade receivables	**10,097**	**10,114**

	2008	2007
	DKK million	
Movements in the provision for doubtful debts during the year was:		
Provision for doubtful debts at 1 January	(227)	(225)
Foreign exchange adjustments	6	2
Additions from acquired businesses, net	(22)	(47)
Provisions for the year	(73)	(53)
Provisions reversed	51	74
Amounts written off as uncollectible	37	22
Provision for doubtful debts at 31 December	**(228)**	**(227)**

Trade receivables are shown net of provision for doubtful debts. The carrying amount approximates the fair value.

In general, the Group does not receive collateral for sales on credit. However, if collateral is received this is taken into account when assessing the necessary provision for doubtful debts.

21. CONTRACT WORK IN PROGRESS

	2008	2007
	DKK million	
Contract expenses	410	372
Recognised profits	72	61
Contract work in progress (before advances and prepayments)	**482**	**433**
Advances and prepayments	(300)	(272)
Contract work in progress	**182**	**161**

22. TAX RECEIVABLES AND TAX PAYABLES

	2008	2007
	DKK million	
Tax (receivables)/payables, net at 1 January	(126)	(50)
Foreign exchange adjustments	32	(3)
Additions from acquired companies, net	5	4
Adjustments relating to prior years, net	(33)	(14)
Tax on profit before impairment/amortisation of intangibles[1]	361	363
Tax regarding equity movements	1	12
Reclassification of joint taxation contribution	18	(4)
Tax paid, net	(363)	(434)
Tax (receivables)/payables, net at 31 December	**(105)**	**(126)**
Recognised in the balance sheet as follows:		
Tax payables	123	151
Tax receivables	(228)	(277)
Tax (receivables)/payables, net	**(105)**	**(126)**

(1) Intangibles comprise the value of goodwill, brands and customer contracts.

23. OTHER RECEIVABLES

	2008	2007
	DKK million	
Receivables from affiliates	57	16
Interest rate swaps	—	159
Prepayments	470	404
Other	249	457
Other receivables	**776**	**1,036**

The carrying amount of other receivables approximates their fair values.

Receivables from affiliates are related to a joint taxation scheme with Danish resident affiliates. The effective interest rate regarding receivables from affiliates was 6.3% (2007: 5.8%).

Interest rate swaps are carried at marked-to-market value. Changes in the fair value are recognised in equity.

Prepayments comprise various prepaid expenses such as rent, leasing and insurance as well as accrued interest expenses.

24. ASSETS AND LIABILITIES HELD FOR SALE

In 2008, no assets or liabilities are classified as held for sale.

In 2007, assets and liabilities held for sale related to the energy activities in France. The first part of the activities was divested in September 2007, and the assets and liabilities attributable to the remaining activity were reclassified as held for sale. The remaining energy activity was disposed 1 January 2008.

	2008	2007
	DKK million	
Goodwill	—	178
Other intangibles	—	58
Property, plant and equipment	—	23
Financial assets	—	3
Inventories	—	50
Trade and other receivables	—	307
Assets held for sale	**—**	**619**
Deferred tax liabilities	—	30
Other provisions	—	8
Bank loan	—	8
Trade and other payables	—	305
Liabilities held for sale	**—**	**351**

25. SECURITIES, CASH AND CASH EQUIVALENTS

	2008			2007		
	Carrying amount (DKK million)	Average effective interest rate	Average duration (years)	Carrying amount (DKK million)	Average effective interest rate	Average duration (years)
Bonds	86	4.0%	1.8	83	4.0%	2.7
Securities	**86**			**83**		
Cash and cash equivalents	**2,961**	**2.7%**		**2,581**	**4.1%**	

Bonds consist of listed Danish government bonds measured at fair value through the income statement.

Of the total cash position, DKK 61 million (2007: DKK 50 million) was restricted and DKK 315 million (2007: DKK 198 million) was reserved for amortisation of term facility A and acquisition facility in accordance with the terms of the Senior Facility Agreement.

26. SHARE CAPITAL

	2008	2007
	DKK million	
Share capital at 1 January	100	100
Capital increase	—	0
Share capital at 31 December	**100**	**100**
Number of shares (in thousands of shares) at 1 January	100,000	100,000
Number of shares issued (in thousands of shares) during the year	—	0
Number of shares at 31 December—fully paid	**100,000**	**100,000**

At 31 December 2008, a total of 100,000,001 shares with a nominal value of DKK 1 per share were issued and fully paid (2007: 100,000,001 shares). No shares carry special rights. Shares are not freely transferable.

27. BORROWINGS

	2008	2007
	DKK million	
Issued bonds	10,174	10,069
Bank loans	20,914	20,705
Finance lease obligations	122	108
Long-term debt	**31,210**	**30,882**
Long-term debt due within one year	315	198
Bank loans and overdrafts(1)	782	733
Finance lease obligations	69	77
Debt to affiliates(2)	113	31
Short-term debt	**1,279**	**1,039**
Total long-term and short-term debt	**32,489**	**31,921**
Fair value	**29,981**	**32,272**

(1) The effective interest rate was 5.9% (2007: 6.9%).

(2) Debt to affiliates includes 43 million (2007: DKK 20 million) related to a joint taxation scheme with Danish resident affiliates. The effective interest rate regarding debt to affiliates was 6.7% (2007: 7.0%).

The fair value of the issued bonds (EMTNs and subordinated notes) is based on the quoted market price on the Luxembourg Stock Exchange. For the remaining part of long-term and short-term debt fair value is equal to the nominal value.

During 2008, financing fees amounting to DKK 0 million (2007: DKK 198 million) have been recognised in long-term debt while accumulated financing fees recognised in long-term debt on 31 December 2008 amounted to DKK 307 million (2007: DKK 370 million).

In 2008 and 2007, the Group had no debt convertible into equity.

Maturity profile of long-term debt

2008	1-2 Years	2-3 Years	3-4 Years	4-5 Years	> 5 Years	Total
			DKK million			
Issued bonds	6,182	—	—	—	3,992	10,174
Bank loans and finance lease obligations	822	890	597	14,318	4,409	21,036
Long-term debt	**7,004**	**890**	**597**	**14,318**	**8,401**	**31,210**

2007	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	—	6,101	—	—	3,968	10,069
Bank loans and finance lease obligations	484	717	925	625	18,062	20,813
Long-term debt	**484**	**6,818**	**925**	**625**	**22,030**	**30,882**

27. BORROWINGS (Continued)

Terms and maturity of long-term debt

	Weighted average interest rate	Interest rate	Interest rate risk	Year of maturity	Face value	Amount hedged[(2)]	2008 Carrying amount	2007 Carrying amount
				DKK million				
Issued bonds:								
EMTNs due 2010	4.75%	Fixed	Fair value	2010	6,332	—	6,149	6,046
EMTNs due 2014	4.50%	Fixed	Fair value	2014	823	—	706	686
Subordinated notes	8.875%	Fixed	Fair value	2016	3,383	—	3,291	3,282
Interest rate swaps	—	—	—	—	—	—	28	55
Bank loans:								
Senior facilities:								
Term facility A	Libor + 2.00%	Floating	Cash flow	2012	952	1,069	884	1,207
Term facility B	Libor + 2.00%	Floating	Cash flow	2013	12,938	7,766	12,851	13,246
Acquisition facility A	Libor + 2.25%	Floating	Cash flow	2012	1,280	600	1,280	1,384
Acquisition facility B	Libor + 2.25%	Floating	Cash flow	2013	1,467	—	1,467	406
Second lien facility	Euribor + 3.75%	Floating	Cash flow	2015	4,470	4,023	4,409	4,410
Other bank loans	—	—	—	—	23	—	23	52
Finance lease obligations	—	—	—	—	122	—	122	108
Long-term debt	**6.06%[(1)]**						**31,210**	**30,882**

(1) Weighted average interest rate taking the effect of interest rate hedges into account.

(2) Interest rate swaps hedging the floating interest rates are adjusted to fair value and recognised directly in equity. The amount hedged for term facility A relates to the long-term as well as the short-term part of the debt.

Currency profile of long-term debt

The Group's long-term debt is denominated in the following currencies:

	2008	2007
DKK	0.0%	0.1%
EUR	91.6%	89.7%
GBP	4.1%	5.5%
NOK	1.4%	1.9%
SEK	1.2%	1.7%
USD-related	0.1%	0.1%
Others	1.6%	1.0%
	100.0%	**100.0%**

Finance lease obligations

Finance lease obligations are payable as follows:

	2008			2007		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
		DKK million			DKK million	
Within 1 year	79	(10)	69	84	(7)	77
1-5 years	136	(15)	121	113	(6)	107
After 5 years	1	(0)	1	1	—	1
	216	**(25)**	**191**	**198**	**(13)**	**185**

28. PENSIONS AND SIMILAR OBLIGATIONS

The Group contributes to defined contribution plans as well as defined benefit plans. The majority of the pension plans are funded through payments of annual premiums to independent insurance companies responsible for the pension obligation towards the employees (defined contribution plans). In these plans the Group has no legal or constructive obligation to pay further contributions irrespective of the funding by these insurance companies. Pension costs related to such plans are recorded as expenses when incurred.

In some countries, most significantly, the Netherlands, Sweden, Switzerland, France, Germany and the United Kingdom, the Group has pension schemes where the actuarially determined pension obligations are recorded in the consolidated balance sheet (defined benefit plans). The defined benefit plans are primarily based on years of service, and benefits are generally determined on the basis of salary and rank. The majority of the obligations are funded, but in some countries, mainly Sweden and France, the obligation is unfunded.

The Group's liabilities under defined benefit plans may be significantly affected by changes in the discount rate, the expected return on plan assets, the social security rate, the rate of increase in salaries and pension contributions, changes in demographic variables or other events and circumstances.

There can be no assurance that the Group will not incur additional liabilities relating to its pension plans, and these additional liabilities could have a material adverse effect on the Group's business, results of operations and financial condition. Changes to local legislation and regulations relating to defined benefit plan funding requirements may result in significant deviations in the timing and size of the expected cash contributions under such plans.

In certain countries, the Group participates in multi-employer pension schemes. The funds are currently not able to provide the necessary information in order for the Group to account for the schemes as defined benefit plans. There is a risk that the plans are not sufficiently funded. Furthermore, there is a risk that changes to local legislation will entail that pension plans are reclassified from defined contribution plans to defined benefit plans, requiring the Group to recognise a provision.

In Norway, curtailment gains totalling DKK 30 million have been recognised in the income statement under staff costs, as a consequence of a reduction in the future benefits of the participants in the defined benefit plan.

Recognised in the balance sheet

	2008	2007
	DKK million	
Present value of funded obligations	2,860	2,736
Fair value of plan assets	(2,591)	(2,617)
Funded obligations, net	269	119
Present value of unfunded obligations	478	508
Unrecognised past service costs	1	1
Accumulated effect of asset ceiling	14	44
Recognised in the balance sheet for defined benefit obligations	762	672
Other long-term employee benefits	72	52
Pensions and similar obligations at 31 December	**834**	**724**
Specification of defined benefit obligations:		
Present value of funded obligations	2,860	2,736
Present value of unfunded obligations	478	508
Defined benefit obligations at 31 December	**3,338**	**3,244**

28. PENSIONS AND SIMILAR OBLIGATIONS (Continued)

	2008	2007
	DKK million	
Movement in defined benefit obligations (funded and unfunded):		
Present value of obligations at 1 January	3,244	3,446
Foreign exchange adjustments	32	(108)
Reclassifications	47	(48)
Additions from acquired companies, net	32	37
Interest on obligation	139	123
Current service costs	149	156
Benefits paid	(96)	(91)
Employee contributions	74	65
Actuarial (gains)/losses	(244)	(200)
Recognised past service costs	2	(0)
Liabilities extinguished on settlements and curtailments	(41)	(136)
Present value of obligations at 31 December	**3,338**	**3,244**
Movement in fair value of plan assets:		
Fair value of plan assets at 1 January	2,617	2,606
Foreign exchange adjustments	43	(91)
Reclassifications	53	(43)
Additions from acquired companies, net	14	—
Expected return on plan assets	134	116
Actuarial gains/(losses)	(426)	(48)
Assets distributed on settlements	(16)	(91)
Contributions	213	221
Benefits paid	(41)	(53)
Fair value of plan assets at 31 December	**2,591**	**2,617**
Realised return on plan assets:		
Expected return on plan assets	134	116
Actuarial gains/(losses)	(426)	(48)
Realised return on plan assets at 31 December	**(292)**	**68**
Major categories of plan assets (% of total plan assets):		
Bonds	60%	54%
Equities	21%	29%
Property	10%	1%
Cash	1%	8%
Other	8%	8%
Total	**100%**	**100%**

The Group expects to contribute DKK 178 million to its defined benefit plans in 2009.

28. PENSIONS AND SIMILAR OBLIGATIONS (Continued)

Recognised in the income statement

	2008	2007
	DKK million	
Current service costs	149	156
Interest on obligation	139	123
Expected return on plan assets	(134)	(116)
Recognised past service costs, net	2	(0)
Gains on curtailments and settlements, net	(30)	(45)
Recognised in the income statement as staff costs	**126**	**118**
Recognised in equity		
Cumulative (gains)/losses recognised in equity at 1 January	(35)	76
Actuarial (gains)/losses during the year	182	(152)
Effect of asset ceiling	(25)	41
Cumulative (gains)/losses recognised in equity at 31 December	**122**	**(35)**
Hereof accumulated actuarial (gains)/losses	**103**	**(79)**

Actuarial assumptions

Actuarial calculations and valuations are performed annually for all major defined benefit plans. The actuarial assumptions vary from country to country due to local conditions. The range of actuarial assumptions used is as follows:

	2008	2007
Discount rates at 31 December	1.8-13.0%	3.4-11.0%
Expected return on plan assets at 31 December	1.8-8.0%	3.9-6.9%
Future salary increases	2.0-10.0%	2.0-5.0%
Future pension increases	1.3-5.1%	0.3-3.1%

Discount rates are based on the market yield of high quality corporate bonds or government bonds with a maturity approximating to the terms of the defined benefit obligations. In Switzerland, which represents 56% of the gross obligation (2007: 49%), the discount rate was 3.8% (2007: 3.4%) and in the euro countries representing 23% of the gross obligation (2007: 25%) the discount rate was between 5.6% and 6.0% (2007: 5.15%-5.25%).

Expected return on plan assets is based on the plan asset portfolio and general expectations to the economic development.

Historical information

	2008	2007	2006	2005
		DKK million		
Present value of obligations	3,338	3,244	3,446	2,240
Fair value of plan assets	(2,591)	(2,617)	(2,606)	(1,441)
Unrecognised past service costs	1	1	1	2
Asset ceiling	14	44	3	—
Net obligations at 31 December	**762**	**672**	**844**	**801**
Actuarial (gains)/losses on obligations	(244)	(200)	(59)	134
Actuarial gains/(losses) on plan assets	(426)	(48)	(13)	15
Actuarial (gains)/losses during the year	**182**	**(152)**	**(46)**	**119**
Cumulative actuarial (gains)/losses at 31 December	**103**	**(79)**	**73**	**119**

29. OTHER PROVISIONS

	Labour-related items	Self-insurance	Acquisition and integration costs	Contingent liabilities in acquisitions	Other	Total
			DKK million			
2008						
Other provisions at 1 January	86	167	41	14	345	653
Foreign exchange adjustments	(3)	(17)	(3)	—	(13)	(36)
Transfers, net[(1)]	2	8	(1)	—	8	17
Additions from acquired companies, net	23	—	—	31	68	122
Provisions for the year (included in goodwill)	—	—	68	—	—	68
Provisions for the year (included in the income statement)	37	103	66	—	199	405
Provisions for the year (dismantling costs)	—	—	—	—	30	30
Provisions reversed (against the income statement)	(23)	(18)	(1)	—	(42)	(84)
Provisions used during the year	(30)	(77)	(125)	—	(112)	(344)
Unwind of discount	—	—	—	—	1	1
Other provisions at 31 December	**92**	**166**	**45**	**45**	**484**	**832**
Current	68	70	43	13	241	435
Non-current	24	96	2	32	243	397
	92	**166**	**45**	**45**	**484**	**832**
2007						
Other provisions at 1 January	89	120	64	—	472	745
Foreign exchange adjustments	0	(5)	1	—	(4)	(8)
Transfers, net[(1)]	4	2	0	—	(19)	(13)
Additions from acquired companies, net	4	26	0	14	38	82
Provisions for the year (included in goodwill)	—	—	80	—	—	80
Provisions for the year (included in the income statement)	48	83	67	—	129	327
Provisions reversed (against the income statement)	(21)	(13)	(5)	—	(135)	(174)
Provisions used during the year	(38)	(46)	(166)	—	(136)	(386)
Other provisions at 31 December	**86**	**167**	**41**	**14**	**345**	**653**
Current	68	49	28	14	168	327
Non-current	18	118	13	0	177	326
	86	**167**	**41**	**14**	**345**	**653**

(1) In 2008, transfers, net consisted of net provisions transferred from Other liabilities and Pensions and similar obligations. In 2007, transfers, net consisted of net provisions transferred to Other liabilities, Pensions and similar obligations and Trade receivables.

Labour related items

The provision mainly related to labour related obligations in Belgium, Brazil, France, Israel, the Netherlands, Spain and Turkey.

29. OTHER PROVISIONS (Continued)

Self-insurance

In Australia, Ireland, the USA and the United Kingdom, the Group carries an insurance provision on employers' liability. Ireland and the United Kingdom are self-insured up to a yearly limit of DKK 18 million (DKK 35 million in 2007) for employers' liability. The USA is self-insured up to a limit of DKK 1.3 million per claim. Australia is self-insured up to a limit of DKK 1.8 million per claim. ISS Corporate has taken out a group third party liability insurance programme. The ISS captive insurance company Global Insurance A/S carries part of the risk on the third party liability programme with a maximum annual limit of DKK 42 million (DKK 42 million in 2007).

Acquisition and integration costs

The provision includes obligations incurred in the normal course of acquisitions mainly related to transaction costs, redundancy payments and termination of rental of properties. Transaction costs are included in goodwill. Other costs are included in the income statement.

Contingent liabilities in acquisitions

The provision relates to contingent liabilities assumed in connection with acquisitions.

Other

The provision comprises various obligations incurred in the course of business, e.g. provision for restructuring, dismantling costs, operational issues, closure of contracts and legal cases.

30. OTHER LIABILITIES

	2008	2007
	DKK million	
Accrued wages and holiday allowances	4,358	4,267
Tax withholdings, VAT etc	2,841	2,934
Prepayments from customers	420	446
Interest rate swaps	254	—
Other payables and accrued expenses	2,588	2,847
Other liabilities	**10,461**	**10,494**

The carrying amount of other liabilities approximates their fair value.

Interest rate swaps are carried at marked-to-market value. Changes in the fair value are recognised in equity.

31. CONTINGENT LIABILITIES

Senior Facility Agreement

ISS Holding A/S has executed a share pledge over its shares in ISS A/S as security for the Group's senior facilities and a secondary share pledge over such shares as security for the subordinated notes issued by ISS Holding A/S.

ISS A/S, ISS Global A/S and certain material subsidiaries of ISS Global A/S in Australia, Belgium, Denmark, Finland, France, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the USA have provided guarantees for ISS Global A/S's borrowings under the senior facilities. The guarantees have been backed up by security over bank accounts, trade receivables, intra-group receivables, other receivables, properties, production equipment and intellectual property

31. CONTINGENT LIABILITIES (Continued)

rights of ISS A/S and these subsidiaries. At 31 December 2008, the aggregate approximate values of assets provided as security for the borrowings under the senior facilities were:

	2008	2007
	DKK billion	
Goodwill	2.7	3.9
Customer contracts	0.8	1.2
Intellectual property rights	1.5	1.5
Other intangible and tangible assets	0.3	0.3
Trade receivables	3.2	3.8
Other receivables	0.2	0.1
Bank accounts	1.8	1.8
Total	**10.5**	**12.6**

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, Switzerland and Turkey have been pledged.

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 1,876 million (DKK 1,834 million in 2007). 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
				DKK million			
At 31 December 2008	1,299	920	649	401	286	395	3,950
At 31 December 2007	1,251	901	661	414	288	433	3,948

Additional future lease payments of DKK 7 million (DKK 5 million in 2007) existed regarding associates at 31 December.

Commitment vehicle leases

On 1 January 2005 the Group entered into a global car fleet lease framework agreement for three years, including an option for extension. The agreement was re-negotiated and extended for another three year term from 1 January 2008 to 31 December 2010. The framework agreement contains an option for the Group to terminate the fleet of an entire country or the entire fleet under the framework agreement with four weeks notice subject to payment of a termination amount. The majority of the underlying agreements have a duration of 3-5 years. The disclosed contingent liability includes the Group's total leasing commitment assuming no early termination of any agreement.

Guarantee commitments

Indemnity and guarantee commitments at 31 December 2008 amounted to DKK 318 million (31 December 2007: DKK 405 million).

Performance guarantees

The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,305 million (31 December 2007: DKK 1,229 million) of which DKK 1,112 million (31 December 2007: DKK 979 million) were bank-guaranteed performance bonds. Such performance bonds are issued in the ordinary course of business in the service industry.

31. CONTINGENT LIABILITIES (Continued)

Outsourcing of IT

The Group has an IT outsourcing agreement with Computer Sciences Corporation (CSC) running until 2015. The Group's contractual obligations related to the agreement at 31 December 2008 amounted to approximately DKK 60 million (31 December 2007: DKK 75 million).

Divestments

The Group makes provisions for claims from purchasers or other parties in connection with divestments and representations and warranties given in relation to such divestments. Management believes that provisions made at 31 December 2008 are adequate. However, there can be no assurance that one or more major claims arising out of the Group's divestment of companies will not adversely affect the Group's activities, results of operations and financial position.

Legal proceedings

The Group is party to certain legal proceedings. Management believes that these proceedings (which are to a large extent labour cases incidental to its business) will not have a material impact on the Group's financial position beyond the assets and liabilities already recognised in the balance sheet at 31 December 2008.

32. FINANCIAL RISK MANAGEMENT

The Group is exposed to a number of financial risks as a result of its operating activities, investing activities and financing activities, mainly related to fluctuations in exchange rates and interest rates as well as availability of funding. The Group has not identified any additional financial risk exposures in 2008. However, the individual risks associated with the exposures identified have changed following the current financial crisis.

The Group's financial risks are managed centrally in Group Treasury based on policies approved by the Board of Directors. The Group's financial risk management is focused on managing risks arising from the Group's operating and financing activities, mainly by use of interest rate instruments and currency instruments. It is not the Group's policy to take positions in the financial markets.

Currency risk

The service industry is characterised by a relatively low level of transaction risk, since the services are produced and delivered in the same local currency with minimal exposure from imported components.

However, as an international business with the majority of revenue and operating profit stemming from foreign entities, the Group is exposed to risk relating to translation into Danish kroner of income statements and net assets of foreign subsidiaries, including intercompany items such as loans, royalties, service fees and interest payments between entities with different functional currencies.

Additionally, the Group has a currency risk to the extent that its interest payments with respect to borrowings are not denominated in the same currencies as the Group's revenue.

The Group hedges the exposure on the intercompany loans to foreign subsidiaries by entering into currency swaps. Foreign exchange gains and losses arising from both the intercompany loans and currency swaps are recognised in the income statement. It is not Group policy to hedge the currency exposure on foreign investments. Consequently, no hedging transactions of net investments in foreign subsidiaries were entered into in 2008 and 2007. However, the Group may choose to hedge the currency exposure on foreign investments by funding such investments in local currencies.

32. FINANCIAL RISK MANAGEMENT (Continued)

In 2008, the currencies in which the Group's revenue was denominated decreased with an average of 2.6% (2007: decreased with 0.3%) relative to Danish kroner, decreasing the Group's revenue by DKK 1,624 million (2007: a decrease of DKK 160 million). Currency movements decreased the Group's operating profit before other items by DKK 107 million (2007: a decrease of DKK 10 million). The effect of the translation of net assets in foreign subsidiaries decreased equity by DKK 791 million (2007: a decrease of DKK 263 million).

A 5% change in foreign exchange rates of the Group's main currencies would have impacted revenue, operating profit before other items and equity by the amounts shown below. The analysis is based on the assumption that all other variables remain constant.

	2008			2007		
	Revenue	Operating profit before other items	Net assets in foreign subsidiaries	Revenue	Operating profit before other items	Net assets in foreign subsidiaries
	Effect in DKK million					
EUR	1,523	90	448	1,476	93	517
CHF	123	10	59	111	9	51
GBP	378	26	90	390	26	114
NOK	284	20	29	266	19	39
SEK	196	13	27	193	13	30
USD	211	13	65	138	8	47
Other	536	34	101	432	29	103
Total	**3,251**	**206**	**819**	**3,006**	**197**	**901**

Interest rate risk

The Group's most significant interest rate risk relates to interest-bearing debt.

The Group's loan portfolio primarily consists of bank loans (senior facilities and second lien facility) and listed bonds (EMTN's and subordinated notes). To manage the interest rate risk the Group uses fixed-rate bonds and derivatives, such as interest rate swaps. A part of the Group's interest payments on the bank loans and second lien facility have been swapped from floating into fixed rates, see note 27, Borrowings, where a breakdown of the Group's long-term debt and applied interest rate swaps is provided.

The interest rate risk is measured by the duration of the net debt (fixed-rate period). As at 31 December 2008, the duration of net debt was approximately 2.0 years (31 December 2007: 2.8 years). A decrease in interest rates will increase the fair value of the debt with a fixed interest rate, but only part of this increase will be reflected in the income statement and equity as long-term borrowings are stated at amortised cost and therefore not adjusted to fair value. It is estimated that a general increase in relevant interest rates of 1%-point would increase the annual interest expenses, net by DKK 60 million (2007: DKK 54 million), all other things being equal. The estimate is based on net debt adjusted for the effect of hedging instruments as at 31 December 2008.

Liquidity risk

Liquidity risk is the risk of the Group failing to honour its contractual obligations due to insufficient liquidity. The Group's liquid reserves mainly consist of liquid funds and unused credit facilities. As at 31 December 2008, the Group's liquid reserves consisted of liquid funds of DKK 2,900 million (2007: DKK 2,531 million), unused revolving credit facilities of DKK 817 million (2007: DKK 738 million) available for drawing until 30 June 2012 and unused acquisition facilities of DKK 2,033 million (2007: DKK 3,135 million) available for drawing until 11 May 2009. It is the Group's policy to maintain an appropriate level of liquid reserve.

The bank loans and subordinated notes are subject to customary undertakings, covenants (including financial covenants) and other restrictions. Financial covenants comprise the following:

32. FINANCIAL RISK MANAGEMENT (Continued)

i) Debt cover ii) Senior debt cover, iii) Cash flow cover, iv) Interest cover and v) Limitation on Capex spending. The financial covenants are calculated on a last-twelve-months basis and reported quarterly, except for ii) and v), which are only reported at year-end. In the event of a default under those agreements, the debt incurred including accrued interest could be declared immediately due and payable. In 2008 and 2007, all covenants have been complied with.

For a breakdown of the maturity of the Group's long-term debt, see note 27, Borrowings. In 2010, EUR 850 million of the EMTN's will mature. The Group intends to repay the principal amount of the notes at maturity using funds obtained from other financing sources, rather than with cash from operations. In accordance with the provisions of the Group's Intercreditor Agreement, the Group is obliged to publicly announce that it is in negotiations to refinance these EMTN's at least 6 months prior to maturity date.

Capital management

The Group monitors the capital structure and evaluates the need for adjustments on an ongoing basis. The dividend policy and payment of dividends is made subject to the necessary consolidation of equity and the Group's continuing expansion. The Group seeks to reduce the financial leverage on a multiple basis in terms of net debt to pro forma adjusted EBITDA(1). At 31 December 2008, the Group's net debt to pro forma adjusted EBITDA was 5.92x (2007: 6.16x).

ISS Holding A/S (the Group's parent) is a holding company, and its primary assets consist of shares in ISS A/S and cash in its bank accounts. ISS Holding A/S has no revenue generating operations of its own, and therefore ISS Holding A/S's cash flow and ability to service its indebtedness, will depend primarily on the operating performance and financial condition of ISS A/S and its operating subsidiaries, and the receipt by ISS Holding A/S of funds from ISS A/S and its subsidiaries in the form of dividends or otherwise.

Credit risk

Credit risk is the risk of a counterparty failing to meet its contractual obligations and so inflicting a loss on the Group. The Group's credit risk is mainly related to transactions with financial institutions (liquid funds and derivatives with positive fair value) and service deliveries to customers (trade receivables). It is the Group's policy that financial transactions may be entered into only with financial institutions with a high credit rating.

The Group is not exposed to significant risks relating to individual customers. The Group performs ongoing credit evaluations of the financial condition of the Group's counterparties in order to reduce the credit risk exposure. Losses on bad debt relating to individual customers have historically been relatively low. It is estimated that the provisions made are sufficient to cover expected losses (see note 20, Trade receivables).

(1) Pro forma information is unaudited and for informational purposes only.

33. DERIVATIVES

Contractual values and unrealised gains and losses are specified below for financial instruments used to hedge the foreign exchange risk and the interest rate risk:

	Contractual value	Unrealised gain/(loss) on revaluation to fair value	Included in the income statement	Taken directly to equity on 31 December	Maturity
			DKK million		
2008					
Forward foreign currency, purchases					
CHF	263	5	5	—	2009
EUR	3,842	(2)	(2)	—	2009
GBP	435	(13)	(13)	—	2009
	4,540	**(10)**	**(10)**	**—**	
Forward foreign currency, sales					
AUD	977	(1)	(1)	—	2009
CZK	151	2	2	—	2009
ILS	205	(3)	(3)	—	2009
MXN	73	4	4	—	2009
NOK	1,098	2	2	—	2009
SEK	280	—	—	—	2009
USD	909	6	6	—	2009
Others	471	3	3	—	2009
	4,164	**13**	**13**	**—**	
Interest rate instruments(1)					
Interest rate swap—2009 (CHF), payer	192	(1)	—	(1)	2009
Interest rate swap—2010 (CHF), payer	169	(2)	—	(2)	2010
Interest rate swap—2009 (GBP), payer	289	(3)	—	(3)	2009
Interest rate swap—2010 (GBP), payer	289	(8)	—	(8)	2010
Interest rate swap—2010 (GBP), payer	994	(38)	—	(38)	2010
Interest rate swap—2009 (SEK), payer	415	(1)	—	(1)	2009
Interest rate swap—2010 (SEK), payer	361	(5)	—	(5)	2010
Interest rate swap—2009 (NOK), payer	462	(0)	—	(0)	2009
Interest rate swap—2010 (NOK), payer	398	(5)	—	(5)	2010
Interest rate swap—2009 (EUR), payer	600	(1)	—	(1)	2009
Interest rate swap—2010 (EUR), payer	600	(7)	—	(7)	2010
Interest rate swap—2010 (EUR), payer	3,129	(44)	—	(44)	2010
Interest rate swap—2010 (EUR), payer	3,353	(69)	—	(69)	2010
Interest rate swap—2010 (EUR), payer	4,023	(70)	—	(70)	2010
	15,274	**(254)**	**—**	**(254)**	
Total financial instruments		**(251)**	**3**	**(254)**	

(1) The swaps convert a major part of the floating rates within the bank loans to fixed interest rate.

33. DERIVATIVES (Continued)

Contractual values and unrealised gains and losses are specified below for financial instruments used to hedge the foreign exchange risk and the interest rate risk:

	Contractual value	Unrealised gain/(loss) on revaluation to fair value	Included in the income statement	Taken directly to equity on 31 December	Maturity
			DKK million		
2007					
Forward foreign currency, purchases					
CHF	220	0	0	—	2008
EUR	5,421	(4)	(4)	—	2008
GBP	679	(10)	(10)	—	2008
HKD	46	(1)	(1)	—	2008
NOK	243	0	0	—	2008
Others	17	0	0	—	2008
	6,626	**(15)**	**(15)**	**—**	
Forward foreign currency, sales					
AUD	1,098	9	9	—	2008
CZK	145	1	1	—	2008
ILS	154	1	1	—	2008
MXN	179	5	5	—	2008
SEK	208	0	0	—	2008
SGD	60	1	1	—	2008
USD	855	18	18	—	2008
Others	226	2	2	—	2008
	2,925	**37**	**37**	**—**	
Interest rate instruments[(1)]					
Interest rate swap—2009 (CHF), payer	173	1	—	1	2009
Interest rate swap—2009 (SEK), payer	481	8	—	8	2009
Interest rate swap—2009 (NOK), payer	570	12	—	12	2009
Interest rate swap—2010 (GBP), payer	384	0	—	0	2010
Interest rate swap—2010 (EUR), payer	600	10	—	10	2010
Interest rate swap—2010 (GBP), payer	1,319	3	—	3	2010
Interest rate swap—2010 (EUR), payer	3,132	59	—	59	2010
Interest rate swap—2010 (EUR), payer	3,355	11	—	11	2010
Interest rate swap—2010 (EUR), payer	4,027	55	—	55	2010
	14,041	**159**	**—**	**159**	
Total financial instruments		**181**	**22**	**159**	

(1) The swaps convert a major part of the floating rates within the bank loans to fixed interest rate.

34. RELATED PARTIES

Parent and ultimate controlling party

The sole shareholder of ISS Holding A/S, ISS Equity A/S, has controlling influence in the Group. The ultimate controlling company of the Group is FS Invest S.à r.l (''FS Invest''), which is 54% owned by funds advised by EQT Partners and 44% owned by funds advised by Goldman Sachs Capital Partners, together The Principal Shareholders.

Key management personnel

Members of the Board of Directors and Executive Group Management

Apart from remuneration and co-investment programmes described below there were no significant transactions with members of the Board of Directors or the Executive Group Management during the year.

34. RELATED PARTIES (Continued)

Co-investment programmes

The Principal Shareholders have established a Management Participation Programme, under which the Executive Group Management and a number of senior officers of the Group were offered to invest. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest, ISS Holding A/S's ultimate parent. As of 31 December 2008, the investments amounted to DKK 185 million in total for 132 executives and officers. As part of the initial programme—in addition to the investments—certain senior officers were granted warrants in FS Invest with a vesting schedule (based on value of shares and time). As of 31 December 2008, 396,940 were outstanding, see note 4, Share-based payments.

Non-executive members of the Board of Directors (except representatives of the Principal Shareholders) were offered to participate in a Directors Participation Programme, under which they have invested in a mix of shares and warrants of FS Invest amounting to approximately DKK 8.3 million in total. In addition, they have co-invested with the Principal Shareholders for approximately DKK 19.2 million in total.

External directorships and external executive positions of the Group's Board of Directors and Executive Group Management

Board of Directors	Board Member	Executive Position
Ole Andersen (Chairman)	Dako A/S	Senior advisor to EQT Partners
Leif Östling (Vice-Chairman)	Scania AB, AB SKF (Chairman of the Board), Svenskt Näringsliv (Confederation of Swedish Enterprise) and Teknikföretagen (The Association of Swedish Engineering Industries)	President and CEO of Scania AB
John Allan	National Grid plc, Deutche Lufthansa AG, Deutsche Postbank AG	CFO of Deutsche Post World Net and other positions in subsidiaries hereof
Peter Korsholm	BTX Group A/S and CaridianBCT Holding Corp	Partner and Head of the Copenhagen office of EQT Partners
Sanjay Patel	Ahlsell Sverige AB and certain holding companies of Ahlsell Sverige AB, Endemol N.V., (Companies relating to Sigma Electric), Get A/S and Expro	Co-head of Private Equity in Europe for the Principal Investment Area of Goldman Sachs
Christoph Sander	Casper Limited and subsidiaries of Casper Limited	Co-founder and Director of Casper Limited
Steven Sher	Ahlsell Sverige AB, Edam Acquisitions B.V. and certain holding companies of Ahlsell Sverige AB and Endemol N.V.	Managing Director, Goldman Sachs International, Principal Investment Area

Executive Group Management	Board Member	Executive Position
Jørgen Lindegaard	Efsen Engineering A/S	None
Jeff Gravenhorst	None	None
Jakob Stausholm	None	None

34. RELATED PARTIES (Continued)

Affiliates

In 2008, the Group had the following transactions with affiliates:

- the Group received/paid interest from/to affiliates, see note 7, Net finance costs.
- the Group received/paid joint taxation contribution equal to 25% of taxable income from/to ISS Equity A/S (the ultimate parent company in Denmark).
- the Group and Goldman Sachs have agreed general terms and conditions for the supply of Facility Services to be applied by local ISS operations and local Goldman Sachs affiliates when contracting with each other. ISS in Switzerland, Russia and the United Kingdom have entered into Facility Services agreements with local Goldman Sachs affiliates. The annual revenue from these agreements is estimated at DKK 83 million. Furthermore, the Group have local agreement terms with Goldman Sachs in France, Hong Kong, Ireland, Italy and Singapore. The annual revenue from these agreements is estimated at DKK 8 million.
- the Group and Goldman Sachs have entered into various agreements on provision of financing and banking related services.

All transactions were made on market terms.

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 year. All transactions were made on market terms.

Other

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

35. INTERESTS IN JOINT VENTURES

As of 31 December 2008, the Group had interests in 10 joint ventures (9 in 2007). The significant joint ventures are specified in note 37, Subsidiaries, joint ventures and associates. The Group's interests in joint ventures are recognised using the proportionate consolidation method. At the balance sheet date the joint ventures had the following effect on the Group's consolidated income statement and balance sheet:

	2008	2007
	DKK	million
Revenue	202	116
Expenses	(190)	(112)
Operating profit before other items	12	4
Net profit for the year	**7**	**3**
Non-current assets[1]	16	12
Current assets	76	51
Total assets	**92**	**63**
Equity	22	28
Non-current liabilities	2	2
Current liabilities	68	33
Total equity and liabilities	**92**	**63**
The Group's part of contingent liabilities (operating leases) in joint ventures	**6**	**6**

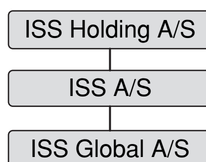
(1) Excluding goodwill arising from the acquisition of the joint ventures.

The aggregate investment in joint ventures is as follows: Sri Lanka DKK 4 million (2007: DKK 4 million), Norway DKK 12.6 million (2007: DKK 18 million), the Netherlands DKK 3.4 million (2007: DKK 6.2 million), Spain DKK 1.7 million (2007: DKK 0.3 million), Hong Kong DKK 0.4 million (2007: DKK (0.4) million) and Israel DKK (0.3) million (2007: DKK (0.3) million).

36. SUBSEQUENT EVENTS

Acquisitions and divestments completed subsequent to 31 December 2008 are listed in note 11, Acquisition and divestment of businesses. Apart from the above the Group is not aware of events subsequent to 31 December 2008, which are expected to have a material impact on the Group's financial position.

37. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES



ISS Global A/S

Argentina

Facility Services S.R.L.	100%
ISS Argentina S.A.	100%
Top Service S.R.L.	100%

Australia

ISS Catering Services Pty Ltd.	100%
ISS Facility Services Australia Ltd.	100%
ISS Facility Services Pty Ltd.	100%
ISS Franchise Services Pty Ltd.	100%
ISS Health Services Pty Ltd.	100%
ISS Holdings Pty Ltd.	100%
ISS Hygiene Services Pty Ltd.	100%
ISS Integrated Services Pty Ltd.	100%
ISS Property Services Pty Ltd.	100%
ISS Security Pty Ltd.	100%
Pacific Invest December 2004 Pty Ltd.	100%
Pacific Service Solutions Pty Ltd.	100%
Prestige Protection Services Pty Ltd.	100%

Austria

ISS Austria Holding GmbH	100%
ISS Beta Beteiligungsverwaltung GmbH	100%
ISS Facility Services GmbH	100%
ISS Ground Services GmbH	51%

Belgium

Abilis Cemstobel Wallonie N.V.	100%
BD Food SA	100%
ISS Building Services N.V.	100%
ISS Catering N.V.	100%
ISS Industrial Cleaning N.V.	100%
ISS Industrial Services N.V.	100%
ISS N.V.	100%
ISS Office Support N.V.	100%
Lease Plant International N.V.	100%
National Pest Control Bvba	100%
Party & Dinner N.V.	100%
Pest Management Solutions N.V.	100%
Synerg' ISS SA	100%
Technisch Onederhoud & Services Bvba	100%

Bosnia and Herzegovina

ISS Facility Services d.o.o. Banja Luka	100%
ISS Facility Services d.o.o. Sarajevo	100%

Brazil

BJP Manutenção Operação de Utilidades Ltda.	100%
ISS Biosystem Saneamento Ambiental Ltda.	100%
ISS Catering Sistemas de Alimentação Ltda.	100%
ISS Servisystem do Brasil Ltda.	100%
ISS Sulamericana Brasil Ltda.	100%
Loghis Logistica Integrada Ltda.	100%
SMV Manutenção Volante Ltda.	100%

Brunei

ISS Facility Services Sdn. Bhd.	100%

Bulgaria

ISS Facility Services EOOD	100%
Ryvola Bulgaria EOOD	100%

Canada

ISS Facility Services Inc.	100%

Chile

EFI Ltda.	100%
Glanzend Ltda.	100%
ISS Chile S.A.	100%
ISS Facility Services S.A.	100%
ISS Office Support Ltda.	100%
ISS Servicios Generales Ltda.	100%
Ledan Ltda.	100%
Slim S.A.	100%

China and Hong Kong

Beijing Hanyang Facility Management Co., Ltd.	100%
Cornerstone Associates Ltd.	100%
Hung Fat Cleaning Transportation Co., Ltd.	100%
ISS Adams Secuforce Limited	100%
ISS Building Consultancy Ltd.	100%
ISS China Holdings I Ltd.	100%
ISS China Holdings Ltd.	100%
ISS EastPoint Properties Ltd.	100%
ISS EastPoint Property Consultants Ltd.	100%
ISS EastPoint Property Management Ltd.	100%
ISS Environmental Services (HK) Ltd.	100%
ISS Facility Services China Ltd.	100%
ISS Facility Services Ltd.	100%
ISS Greater China Ltd.	100%
ISS Hangyang (Beijing) Cleaning Services Co., Ltd.	100%
ISS Hong Kong Services Ltd.	100%
ISS Hongrun Facility Services (Shanghai) Ltd.	60%
ISS Hygiene Services (HK) Ltd.	100%
ISS Macau Services Ltd.	50%*
ISS Mediclean (HK) Ltd.	100%
ISS Pan Asia Security Services Ltd.	100%
ISS Roboclean (HK) Co., Ltd.	100%
ISS Servisystem (China) Ltd.	100%
ISS Shun Tak Company Ltd.	50%*
ISS Thomas Cowan Co., Ltd.	70%
JSL Ltd.	100%
LAWN Environmental Protection Ltd.	100%
Shanghai ISS Houban Catering Management Co., Ltd.	100%
Silvertech E&M Engineering Co., Ltd.	100%

Croatia

ISS Kadrovske uslige d.o.o.	100%
ISS Usluzne djelatnosti d.o.o.	100%

Czech Republic

ISS Facility Services s.r.o.	100%
ISS Sprava Budov s.r.o.	100%
Ryvola s.r.o.	100%

37. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Continued)

Denmark
Global Insurance A/S . . . 100%
House of Coffee A/S . . . 100%
Industriservice Danmark A/S . . . 100%
ISS Document A/S . . . 100%
ISS Facility Services A/S . . . 100%
ISS Finans A/S . . . 100%
ISS Funding A/S . . . 100%
ISS Holding France A/S . . . 100%
ISS Kloak- & Industriservice A/S . . . 100%
ISS Venture A/S . . . 100%

Estonia
Ha&Ho Kinnisvarateenused OÜ . . . 51%
ISS Eesti AS . . . 51%
ISS Haldus OÜ . . . 51%
ISS Holding OÜ . . . 100%
Minu Vara OÜ . . . 51%

Finland
ISS Palvelut Holding Oy . . . 100%
ISS Palvelut Oy . . . 100%
ISS Proko Oy . . . 100%
ISS Security Oy . . . 100%
ISS Teollisuuspalvelut Oy . . . 100%
Suomen Laatutakuu Palvelut Oy . . . 100%

France
BSE SAS . . . 100%
Channel SAS . . . 100%
CPMS SA . . . 100%
Europe Filtration SAS . . . 100%
Europrop SAS . . . 100%
Extincteurs HaaS SAS . . . 100%
Force Protection SAS . . . 100%
FSI SAS . . . 100%
GIE ISS Services . . . 100%
GROS Environnement SAS . . . 100%
Hoguin Espaces Verts SAS . . . 100%
Ifopro Sarl . . . 100%
ISS Abilis France SAS . . . 100%
ISS Accueil & Services SAS . . . 100%
ISS Environnement SAS . . . 100%
ISS Espaces Verts SAS . . . 100%
ISS Facility Service SAS . . . 100%
ISS Holding Paris SAS . . . 100%
ISS Hygiene & Prevention SAS . . . 100%
ISS Hygiène SAS . . . 100%
ISS Logistique et Production SAS . . . 100%
ISS Sécurité SAS . . . 100%
L'Impeccable SAS . . . 100%
Qualitec SAS . . . 100%
STOP FLAM SAS . . . 100%
Verts Paysages & Aménagement SAS . . . 100%

Germany
AA Schädlingsbekämpfung HRS Helmut Riedl GmbH . 100%
DEBEOS GmbH . . . 100%
ISS Damage Control Deutschland GmbH . . . 100%
ISS Facility Services GmbH . . . 100%
ISS HWS GmbH & Co. KG . . . 100%
ISS Personalservice GmbH . . . 100%
ISS Schädlingsbekämpfung und Hygiene GmbH . . 100%
ISS Security GmbH . . . 100%
Klaus Harren GmbH . . . 100%
Vatro GmbH & Co. KG . . . 86%
Vatro Verwaltungs GmbH . . . 86%

Greece
ISS ASPIS Security S.A. . . . 100%
ISS Facility Services S.A. . . . 100%
ISS Human Resources S.A. . . . 100%

Greenland
ISS Grønland A/S . . . 100%

Hungary
ISS Facility Services Kft. . . . 100%
Profi-Komfort Kft. . . . 100%

Iceland
ISS Island ehf. . . . 100%

India
Integrated Siddhi Hospitality Pvt. Ltd. . . . 100%
ISS Catering Services (South) Pvt. Ltd. . . . 100%
ISS Facility Services India Pvt. Ltd. . . . 100%
ISS Integrated Facility Services Pvt. Ltd. . . . 100%
ISS Management Services Pvt. Ltd. . . . 100%
ISS Pest Control Services Pvt. Ltd. . . . 100%
ISS Records Management Solutions Pvt. Ltd. . . . 100%

Indonesia
P.T. ISS Catering Services . . . 100%
P.T. ISS Facility Services . . . 100%
P.T. ISS Indonesia . . . 100%

Ireland
ISS Ireland Holding Ltd. . . . 100%
ISS Ireland Ltd. . . . 100%
U.S. Security Limited . . . 100%

Israel
A.B Ogen Management Project Ltd. . . . 100%
A.Kfir Holdings Ltd. . . . 100%
Catering Ltd. . . . 100%
Catering Tefen (1991) Ltd. . . . 100%
Glat Chef Ltd. . . . 50%*
ISS Ashmoret Ltd. . . . 100%
ISS Comprehensive Services for Business Ltd. . . . 100%
ISS Israel Manpower Services Ltd. . . . 100%
Jet Gourmet Ltd. . . . 100%
Kfir Electronic Security Systems and Surveillance Ltd. . . . 100%
Kfir Security Guarding and Services Ltd. . . . 100%
M.A.S.H. Mahatz Agencies Ltd. . . . 100%
Norcat Ltd. . . . 100%
Nortec Food Industries (1995) Ltd. . . . 100%

Italy
ISS Facility Services S.r.l. . . . 100%
G.S. Service S.p.A. . . . 100%

Japan
Nihon ISS KK . . . 100%

Latvia
ISS Namu Serviss SIA . . . 51%

Lithuania
ISS Pastatu Valda UAB . . . 51%

Luxembourg
ISS Facility Services S.A. . . . 100%
Lux Interim S.A. . . . 100%

37. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Continued)

Malaysia

ISS Facility Services Sdn. Bhd.	30%
ISS Hygiene Services Sdn. Bhd.	100%
Kontrekleen Services Sdn. Bhd.	30%
Reliance Suci Environmental Services Sdn. Bhd.	30%

Mexico

Decoración y Mantenimiento San Rafael, SA de CV	100%
ISS Centro America, S de RL de CV	100%
ISS Servicios Gerenciales, S de RL de CV	100%
ISS Servicios Integrales, S de RL de CV	100%
Mantenimiento Ténico Tapnew, SA de CV	100%
Martex, SA de CV	100%

Netherlands

Drielanden Bos & Landscapsbouw B.V.	100%
Groene Team B.V.	100%
ISS Arbo Plus B.V.	100%
ISS Building Maintenance Services B.V.	100%
ISS Catering Services B.V.	100%
ISS Contact Centers B.V.	100%
ISS Food Hygiene B.V.	100%
ISS Holding Nederland B.V.	100%
ISS Hospital Services B.V.	100%
ISS Hygiene Services B.V.	100%
ISS Integrated Facility Services B.V.	100%
ISS Landscaping Services B.V.	100%
ISS Nederland B.V.	100%
ISS Reception Services B.V.	100%
ISS Security & Services B.V.	100%
Omring Thuisservice B.V.	50%*
Sure@Calls B.V.	100%
TalentGroep Montaigne Facility Management B.V.	100%

New Zealand

Basecare Ltd.	100%
First Security Guard Services 2008 Ltd.	100%
ISS Facilities Services Ltd.	100%
ISS Holdings NZ Ltd.	100%

Norway

ForvaltningsCompagniet AS	100%
Hero Holding AS	50%*
Human Ressource Center AS	100%
IPEC Kristiansand AS	100%
ISS Facility Services AS	100%
ISS Holding AS	100%
ISS Industri AS	100%
ISS Personalhuset AS	100%
ISS Serveringspartner AS	100%
NSB Trafikkservice AS	45%**
Personellsikring AS	100%
Raufoss Beredskap AS	51%
Reaktorskolen AS	100%
Smartkost AS	100%
Varig Gruppen AS	70%

Philippines

ISS Facility Services Phils., Inc.	100%

Poland

ISS Facility Services Sp. z.o.o.	100%
Gastropol Group Sp. z.o.o.	100%

Portugal

ISS Facility Services, Lda.	100%
ISS FS Açores, Lda.	100%
ISS Human Resources, Lda.	100%
ISS Pest Control, Lda.	100%
ISS Plantiagro, Lda.	100%
ISS Portugal II, Lda.	100%

Romania

3D Romania S.A.	100%
ISS Facility Services S.R.L.	100%
ISS Romania Group S.R.L.	100%

Russia

Facility Services RUS LLC	100%

Singapore

Inbuilt Engineering Pte Ltd.	100%
ISS Facility Services Pte Ltd.	100%
ISS Hydroculture Pte Ltd.	100%
ISS Landscaping Pte Ltd.	100%
ISS Pest Management Pte. Ltd.	100%
ISS Sanitation Services Pte Ltd.	100%
ISS-CDCS Catering Pte Ltd.	100%
ISS-Woko Catering Pte Ltd.	100%
Serve 1st Services Pte Ltd.	100%

Slovakia

ISS Aviation Slovakia spol s.r.o.	100%
ISS Facility Services spol s.r.o.	100%
ISS Security spol s.r.o.	100%
Ryvola Slovakia spol s.r.o.	100%

Slovenia

ISS Facility Services d.o.o.	100%
Magnetik d.o.o.	100%

Spain

Activa Contrabalx, S.L.	100%
Centro de Actividades Formativas y Educacionales S.L.	100%
Extintores Balear, S.L.	100%
Fabri Facility Management, S.L.	100%
Gelim S.A.	100%
Gelim Valencia S.A.	100%
Gelim Asturias S.A.	100%
Gelim Madrid S.A.	100%
Gelim Baleares S.A.	100%
Integrated Service Solutions, S.L.	100%
Inser Systems S.L.	100%
ISS Facility Services S.A.	100%
ISS Higiene Ambiental 3D S.A.	100%
ISS Logistica Producción y Outsourcing, S.L.	100%
ISS Salud y Servicios Sociosanitarios S.A.	100%
ISS Serv. Auxiliares y Complem. de Oficinas S.A.	100%
ISS Soluciones de Catering, S.A.	100%
ISS Soluciones de Jardinería S.A.	100%
ISS Soluciones de Mantenimiento Gestión Integral S.L.	100%
ISS Soluciones de Seguridad, S.L.	100%
Rocha Vending, S.L.	100%

Sri Lanka

ISS Abans Environmental Services (PT) Ltd.	50%*

37. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Continued)

Sweden

GK Rengörarna AB	100%
ISS Demogruppen AB	100%
ISS Ekonomiförvaltning AB	100%
ISS Facility Services AB	100%
ISS Facility Services Holding AB	100%
ISS Industriservice AB	48%**
ISS Lemonia AB	100%
ISS Mayday AB	100%
ISS Palvelut Holding AB	100%
ISS Teleoffice AB	100%
ISS Terrakultur AB	100%
ISS TraffiCare AB	100%

Switzerland

Erwin Jakober AG	100%
ISS Aviation AG	100%
ISS Bernasconi SA	100%
ISS Facility Services (Liechtenstein) AG	100%
ISS Facility Services AG	100%
ISS FM Services AG	100%
ISS Holding AG	100%
ISS Pest Control AG	100%
ISS Schweiz AG	100%
Jakober AG	100%
Jakober Transporte und Kanalreinigungs AG	100%
Notter Kanalservice AG	100%

Thailand

Golden Mind Manufacturing Co., Ltd.	100%
Golden Mind Marketing Co., Ltd.	100%
Golden Mind Services Co., Ltd.	100%
Golden Mind Transportation Co., Ltd.	100%
ISS Facility Services Co., Ltd.	100%
Job Golden Co., Ltd.	100%
MPA Securitas Limited	100%
Notre-Bel Co., Ltd.	100%
SARA Services Co., Ltd.	100%

Taiwan

ISS Facility Services Ltd.	100%
ISS Fealty Properties Management Co., Ltd.	100%
ISS Security Co., Ltd.	100%

Turkey

CMC Iletişim Hizmetleri A.Ş.	71%
CSS Guvenlik ve Savunma Sis. San. Tic. A.Ş.	71%
Dört U Haşere Kontrol Hizmetleri A.Ş.	71%
ISS Tesis Yönetim Hizmetleri A.Ş.	71%
Paksil Organizas. Otel Turizm Hizmet San. Tic. Ltd. Sti	71%
Proser Koruma ve Güvenlik Hizmetleri A.Ş.	71%
Sard unya Hazir Yemek Uretim ve Hizmet A.Ş.	71%

United Kingdom

Arena21 Ltd.	100%
ISS (Brentwood) Ltd.	100%
ISS Damage Control (Scotland) Ltd.	100%
ISS Damage Control Ltd.	100%
ISS Facility Services Ltd.	100%
ISS Mediclean Ltd.	100%
ISS Servicelink Ltd.	100%
ISS UK Holding Ltd.	100%
ISS UK Ltd.	100%
Pegasus Security Holdings Ltd.	100%
RCO Group Ltd.	100%
Spectrum Franchising Ltd.	100%
Spectrum Holdings Ltd.	100%
Strata Security and Combined Services Ltd.	100%
The Catering People Ltd.	100%

Uruguay

ISS Uruguay S.A.	100%

USA

C&S Building Maintenance Corporation	100%
ISS Holding (USA) Inc.	100%
ISS Facility Services Holding, Inc.	100%
ISS Facility Services of California, Inc.	100%
ISS Facility Services of Texas L.P.	100%
ISS Facility Services, Inc.	100%
ISS Grounds Control of Texas L.P.	100%
ISS Grounds Control, Inc.	100%
ISS Management and Finance Co., Inc.	100%
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ISS TMC Services, Inc.	100%
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TMC Ridge, LLC	100%
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* Joint venture

** Associate

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