Investor Presentation
Q2 2015 Results

27 August 2015

THE POWER OF THE HUMAN TOUCH

Forward-looking statements

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The Annual Report 2014 of ISS A/S is available at the Group’s website, www.issworld.com.

Agenda

- Highlights
- Regional Performance
- Financial Results
- Organisational Structure
- Outlook
- Q&A

REMINDER
Capital Markets' Day
17 September 2015
London
12.30 – 17.00 (UK)

All enquiries to Martin Kjær Hansen (mkh@iss.biz)

Highlights

Business Highlights Q2 2015

Operating Performance

- Strong organic growth
- Improved operating margin, despite operational challenges in the Netherlands and Brazil
- Solid LTM cash conversion
- Significantly improved net result

Integrated Facility Services (IFS)

- Strong growth in IFS (+10% in local currency) which now represents 33% of group revenue
  - Significant IFS contract start-ups: Huawei (China) and UBS (UK)
  - Major IFS contract expansions: Danske Bank (Nordic, Eastern Europe) and DSB (Denmark)
  - Notable IFS contract win: Huashan Hospital (China), Healthcare segment (UK)
- Global Corporate Clients (GCC) revenues +13% in local currency
  - Start-up of significant Cleaning contract with major financial services customer

Emerging Markets

- Organic growth of 8% and an operating margin of 6.1% (unchanged year-on-year)
- Represents 25% of group revenue

Strategic Initiatives

- Strategic initiatives progressing according to plans
- Positive effect on margins continuing
- Phase III of procurement initiative being launched
- Integration of GS Hall on-track, insourcing of previously sub-contracted services has begun
- Change in organisational structure to facilitate alignment across the group and boost customer focus

Key IFS Contracts Launched in Q2 2015

	HUAWEI	UBS
Background	• Huawei seeking to attract and retain talented employees by providing comfortable and enjoyable working and living conditions • ISS' international brand and reputation – together with its leading position in the Hong Kong market – helped forge the relationship	• UBS seeking a flexible, productive, world class office facility achieving the highest standards of sustainability • ISS' relationship with UBS in Switzerland had illustrated our ability to deliver ahead of customer expectations
Scope	• 3-year contract, starting April 2015 • Cleaning, Security, Office Support, Customer Service and Facility Management provided at a residential campus for up to 3,300 Huawei employees • c. 320 ISS employees (incl. 36 Hong Kong residents in Year 1)	• 5-year contract • Technical services, Energy management, Cleaning, Waste management, Pest control, Security, Real Estate services, Client services • 1.5m sq ft of property (incl. 5 Broadgate), c. 400 ISS employees
Why ISS?	• ISS demonstrated a deep understanding of Huawei's needs • Customised service offering, delivering Hong Kong service standards in mainland China • Initial support from ISS Hong Kong with service levels maintained by local team thereafter	• ISS solution sharply focused on supporting UBS in attracting and retaining employees while enhancing their well-being • High emphasis placed on transformation, sustainability, safety and security, technology and innovation
Future potential	• Longer-term potential given scale of Huawei in China and internationally	• Seamless mobilisation thus far • Scope to deliver additional servces • 5 Broadgate will be a showcase building in London and hence affords ISS the potential to demonstrate our delivery of transformational IFS

Financial Highlights Q2 2015

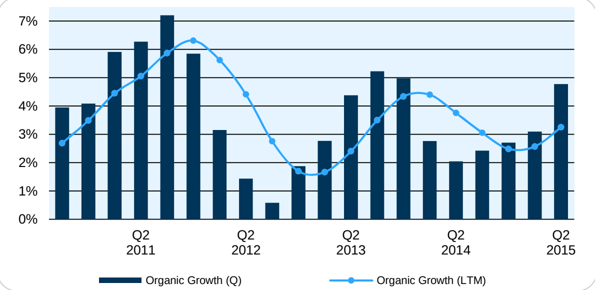
Three key financial priorities

1. Resilient Organic Growth

Organic growth was 4.8% in Q2 2015 vs. 3.1% in Q1 2015

- Western Europe impacted by large contract launches and selective demand for non-portfolio services (Switzerland and UK)
- Continued strong growth in emerging markets and the Pacific
- Continued strong growth in IFS
- Macroeconomic conditions in certain European countries remain challenging

Organic Growth (%)

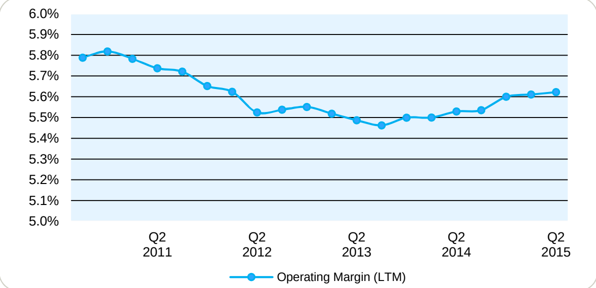


2. Improved Operating Margin[1]

Operating margin was 5.3% in Q2 2015 vs. 5.2% in Q2 2014

- Positive margin progression across most regions
- Strategic initiatives to improve profitability and competitiveness continue to progress according to plan
- Operational challenges in the Netherlands and Brazil

LTM Operating Margin (LTM)

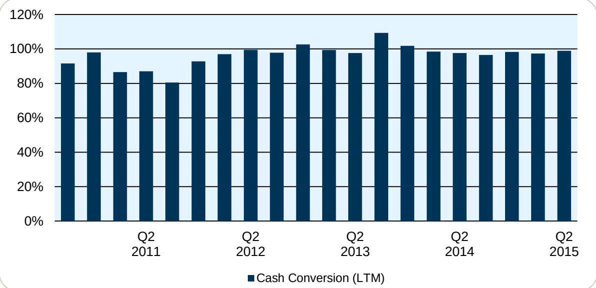


3. Strong Cash Conversion[2]

LTM cash conversion was 99% in Q2 2015 vs. 97% in Q1 2015

- Ensuring a strong cash performance remains a key priortity
- Result reflects our efforts to ensure timely payment for work performed

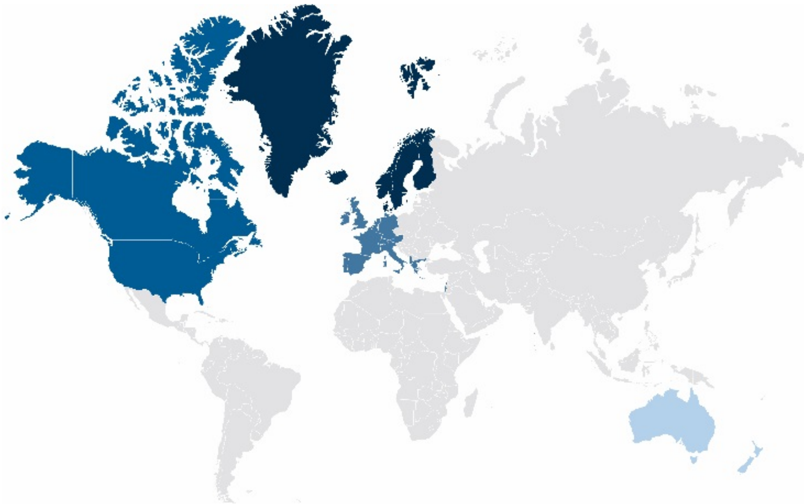
Cash Conversion (LTM)



Regional Performance

Regional Performance Q2 2015

Developed Markets



75%
of Group revenue

43%
of Group employees

4%
organic growth
(vs. 2% in Q1 2015)

6.0%
operating margin(2)
(vs. 5.7% in Q2 2014)

Emerging Markets(1)

25%
of Group revenue

57%
of Group employees

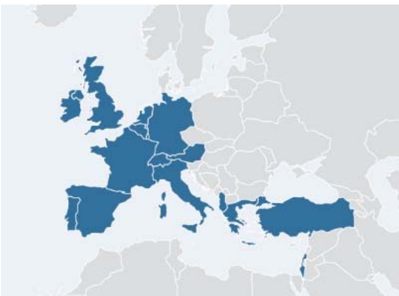
8%
organic growth
(vs. 7% in Q1 2015)

6.1%
operating margin(2)
(vs. 6.1% in Q2 2014)

(1) Emerging Markets comprise Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey
(2) Operating profit before other items and corporate costs

Regional Performance Q2 2015

Western Europe



5%
organic growth
(vs. 2% in Q1 2015)

- Significant IFS growth driven by Switzerland (Swisscom), Germany (Vattenfall), UK (UBS) and Spain (Bankia)
- Growth in Turkey remains strong
- Improved performance (vs. Q1) in the UK, France and Spain but macro conditions remain challenging
- Selective pick-up in demand for non-portfolio services (Switzerland and UK)

5.9%
operating margin(1)
(vs. 5.7% in Q2 2014)

- In-part driven by strategic initiatives…
- …but also by IFS strength within Germany and the UK
- Partly offset by operational challenges in the Netherlands

Nordic

1%
organic growth
(vs. 1% in Q1 2015)

- Finland and Sweden main contributors
- Norway positively impacted by Q2 2015 contract launches
- Denmark organic growth negatively impacted by timing of contract start-ups in 2015

6.7%
operating margin(1)
(vs. 6.6% in Q2 2014)

- Improvement driven by Norway (strategic initiatives)
- Contract start-up costs in Sweden and lower non-portfolio work in Denmark

(1) Operating profit before other items and corporate costs

Regional Performance Q2 2015

Asia

10%
organic growth
(vs. 8% in Q1 2015)

- Double-digit organic growth in India, Indonesia, China and Thailand
- Hong Kong returns to growth due to contract start-ups
- Strong performance from Global Corporate Client contracts in Singapore

7.0%
operating margin(1)
(vs. 7.0% in Q2 2014)

- Operational improvements in Hong Kong and cost savings in India

Latin America

4%
organic growth
(vs. 6% in Q1 2015)

- Higher demand for non-portfolio services in Chile
- Price increases in Argentina
- Contract losses in Brazil and Mexico with no significant contract start-ups

4.9%
operating margin(1)
(vs. 4.7% in Q2 2014)

- Improved performance in Mexico and Chile
- Margin declines in Brazil due to contract losses, scope reductions and cost increases

(1) Operating profit before other items and corporate costs

Regional Performance Q2 2015

Pacific

8%
organic growth
(vs. 10% in Q1 2015)

- Growth driven by remote site resource segment in Australia
- Year-on-year growth in Aviation has slowed versus Q1

4.9%
operating margin(1)
(vs. 4.1% in Q2 2014)

- Strong performance across the board but notably within IFS and the aviation segment

North America

1%
organic growth
(vs. -2% in Q1 2015)

- Returned to positive organic growth in Q2
- Higher demand for portfolio and non-portfolio services from Global Corporate Clients
- Negative impact from contract exits and losses in 2014 and 2015

4.2%
operating margin(1)
(vs. 3.2% in Q2 2014)

- Restructuring initiatives have yielded an improved operational performance
- Positive impact from IFS and higher demand for non-portfolio services

Eastern Europe

4%
organic growth
(vs. 1% in Q1 2015)

- Driven by contract wins in Poland and Slovenia and higher demand for non-portfolio services in Slovakia
- Negatively impacted by Czech Republic (contract loss in Financial Services, lower-than-expected volume developments elsewhere)

6.3%
operating margin(1)
(vs. 7.3% in Q2 2014)

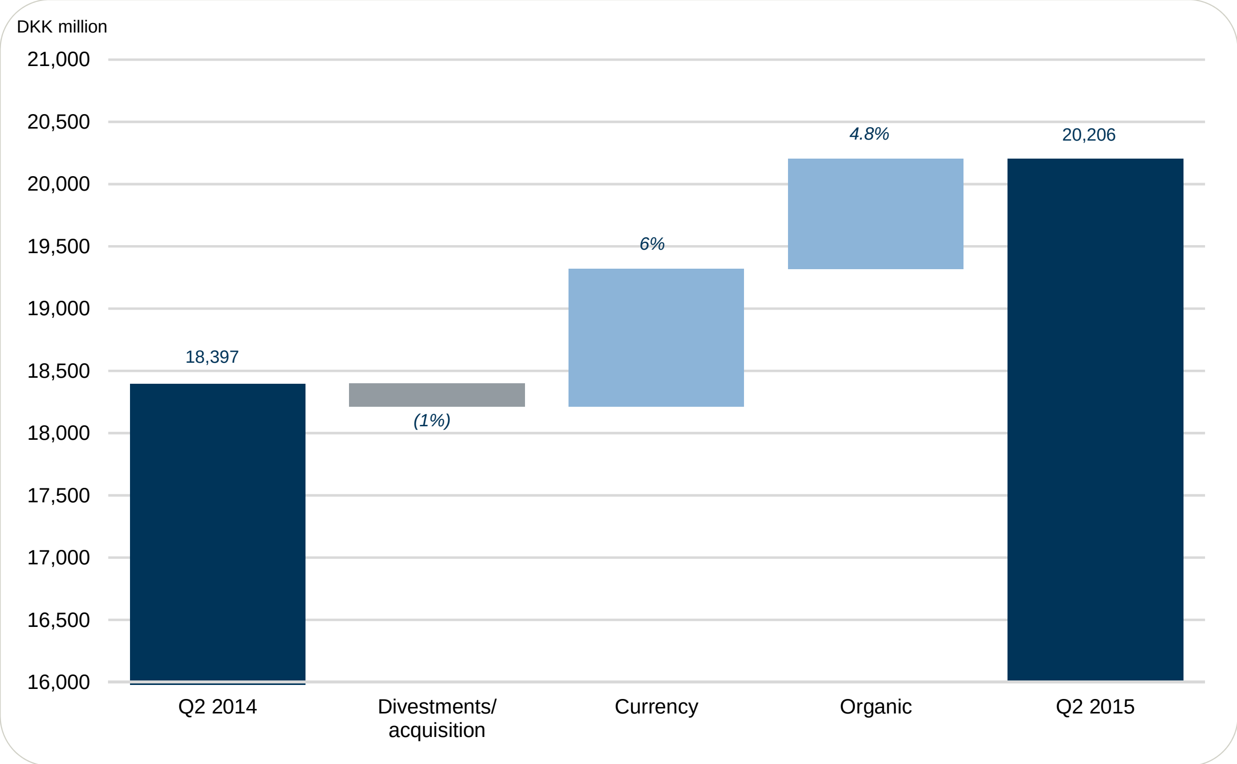
- Contract scope reductions in Romania and the Czech Republic, contract start-up costs and contract losses in Poland

(1) Operating profit before other items and corporate costs

Financial Results

Revenue Bridge

Q2 2015 revenue growth of 9.8%

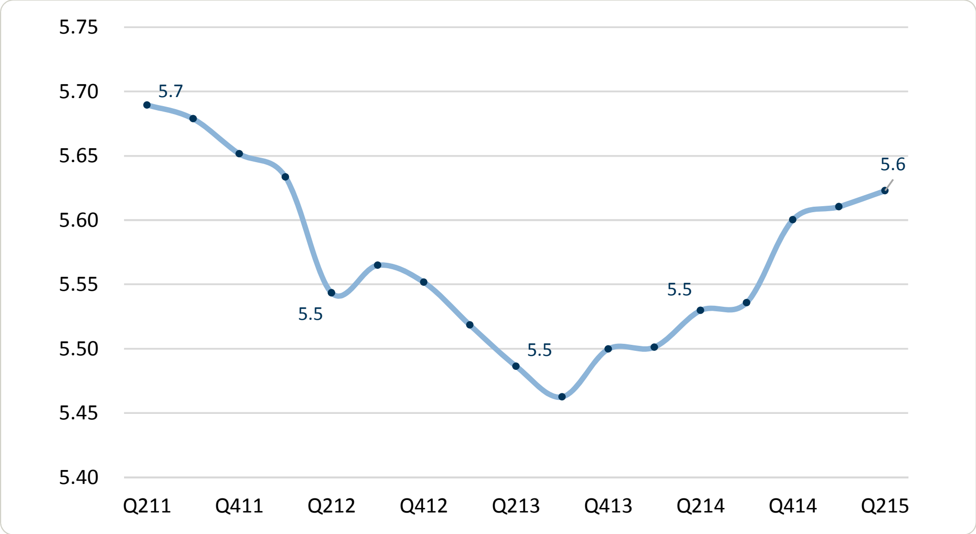


Note net currency impact due primarily to GBP, CHF, and USD

Operating Profit(1)

DKK million	Q2 2015	Q2 2014	Δ	H1 2015	H1 2014	Δ
Operating profit(1)	1,067	956	+111	1,910	1,741	+169
Operating margin(1)	5.3%	5.2%	+8 bps	4.9%	4.8%	+10 bps

LTM Operating margin (%)



7 consecutive quarters of LTM margin improvement

(1) Operating profit before other items

Income Statement

DKK million	Q2 2015	Q2 2014	Δ	H1 2015	H1 2014	Δ
Revenue	**20,206**	**18,397**	**+1,809**	**39,356**	**36,648**	**+2,708**
Operating expenses	(19,139)	(17,441)	*(1,698)*	(37,446)	(34,907)	*(2,539)*
Operating profit before other items	**1,067**	**956**	***+111***	**1,910**	**1,741**	***+169***
Other income and expenses, net	(44)	(29)	*(15)*	(63)	(133)	*+70*
Operating profit	**1,023**	**927**	***+96***	**1,847**	**1,608**	***+239***
Financial income and expenses, net	(164)	(218)	*+54*	(380)	(775)	*+395*
Profit before tax and goodwill impairment and amortisation/impairment of brands and customer contracts	**859**	**709**	***+150***	**1,467**	**833**	***+634***
Income taxes	(258)	(223)	*(35)*	(440)	(274)	*(166)*
Profit before goodwill impairment and amortisation/impairment of brands and customer contracts	**601**	**486**	***+115***	**1,027**	**559**	***+468***
Goodwill impairment	-	-	-	(6)	-	*(6)*
Amortisation and impairment of brands and customer contracts	(167)	(151)	*(16)*	(331)	(301)	*(30)*
Income tax effect	45	43	*2*	86	87	*(1)*
Net profit/(loss) for the period	**479**	**378**	***+101***	**776**	**345**	***+431***
Adjusted earnings per share, DKK[1)]	**3.2**	**2.6**	***+0.6***	**5.5**	**3.4**	***+2.1***

Includes DKK 48 million of restructuring related to strategic initiatives

DKK million	Q2 2015	Q2 2014
Net interest expense	115	170
Amortisation of financing fees	9	17
FX	6	(25)
Other[2)]	34	56
Financial income and expenses, net	**164**	**218**

(1) Calculated as 'Profit before goodwill impairment and amortisation/ impairment of brands and customer contracts' / ''average number of diluted shares'

(2) Includes recurring items – for example interest on defined benefit obligations and local banking fees

Cash Flow

- Cash flow from operations and Free Cash Flow[(1)] significantly improved
- Dividend of DKK 4.90 per share paid in April

DKK million	Q2 2015	Q2 2014	Δ	H1 2015	H1 2014	Δ
Operating profit before other items	1,067	956	*+111*	1,910	1,741	*+169*
Depreciation and amortisation	189	183	*+6*	380	363	*+17*
Share based payments (non-cash)	25	14	*+11*	43	16	*+27*
Changes in working capital	(18)	(81)	*+63*	(1,423)	(1,444)	*+21*
Changes in provisions, pensions and similar obligations	(65)	(73)	*+8*	(1)	(115)	*+114*
Other expenses paid	(67)	(90)	*+23*	(139)	(224)	*+85*
Net Interest paid/received	(71)	(204)	*+133*	(175)	(500)	*+325*
Income taxes paid	(217)	(303)	*+86*	(434)	(475)	*+41*
Cash flow from operating activities	**843**	**402**	***+441***	**161**	**(638)**	***+799***
Cash flow from investing activities	(156)	(170)	*+14*	(925)	702	*(1,627)*
Cash flow from financing activities	(481)	(1,087)	*+606*	(454)	(1,116)	*+662*
Total cash flow	**206**	**(855)**	***+1,061***	**(1,218)**	**(1,052)**	***(166)***
Free Cash Flow[1)]	**615**	**202**	***+413***	**(293)**	**(1,033)**	***+740***

Q2 2014 included interest payments on the 2016 HY notes and Term Loan A which were both repaid in 2014. In addition, both margins and underlying rates are lower in 2015.

Q2 2014 included certain tax payments on specific divestments completed in 2013

Includes DKK 901m in dividends

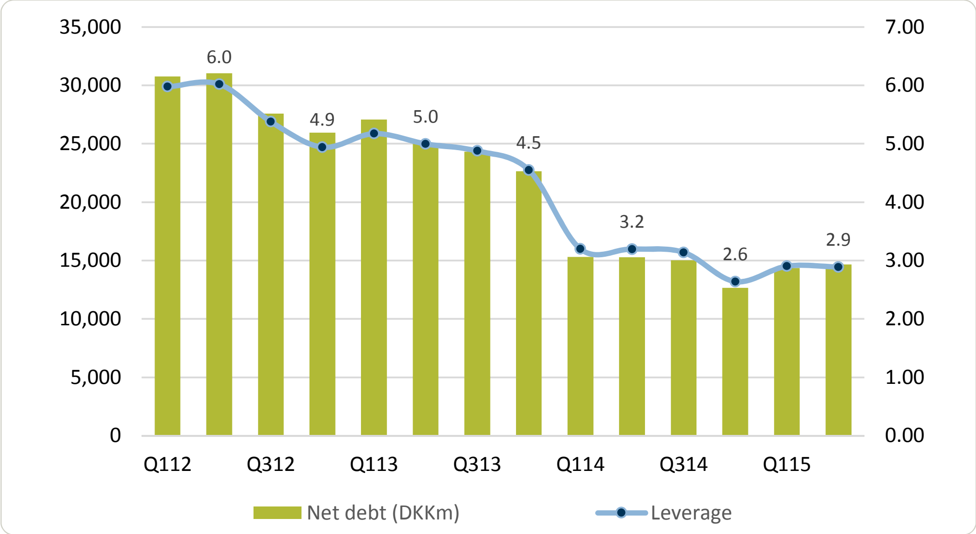
Included refinancing and net repayment of debt

(1) Free Cash Flow defined as cash flow from operating activities minus CAPEX

Leverage

DKK million	Q2 2015	Q2 2014	Δ	Q2 2015	Q4 2014	Δ
Net debt	14,668	15,278	-610	14,668	12,647	+2.021
Leverage[(1)]	2.9	3.2	-0.3	2.9	2.6	+0.3

Net debt and leverage[(1)]



(1) Net debt / Pro forma adjusted EBITDA (LTM)

Organisational Structure

Strengthened Organisational Structure

New and strengthened organisational structure: Facilitate alignment across the group and boost customer focus

Streamlining

- Logical next step following changes to organisational structure within ISS countries
- Removes a layer of senior management, bringing CEO closer to the operations

Focus on operational excellence

- Creation of Chief Operating Officer role
- Deliver operational excellence to key account customers (in partnership with regional and country organisations)
- Drive improved customer retention and development
- Henrik Andersen to leave ISS for an external opportunity effective 30 November

Focus on commercial excellence

- Creation of Chief Commercial Officer role (Andrew Price)
- Focus on regional and global sales pipeline
- Drive new sales and key account customer growth

A dedicated Americas region comprising both North America and Latin America is being established

New structure effective as of 1 September 2015

Outlook

Outlook 2015

Organic growth

'3.5 to 4.5%'

(2014: 2.5%)

- Organic growth expectation changed from 2-4% to 3.5%-4.5%
- Change mainly due to large contract launches, especially in Europe, and IFS in general
- These benefits expected to continue for the remainder of the year
- We remain cautious of difficult macro conditions in certain European countries

Operating margin

'above the level realised in 2014'

(2014: 5.6%)

- We will maintain our focus on sustainable margin improvement
- This development will be supported by ongoing strategic initiatives around procurement, customer segmentation, organisational structure and Business Process Outsourcing (BPO)

Cash conversion

'above 90%'

(2014: 98%)

- Cash conversion will continue to be a priority in 2015

(1) The forecasted average exchange rates for the financial year 2015 are calculated using the realised average exchange rates for the first seven months of 2015 and the forecasted average exchange rates for the last five months of 2015

(2) Divestments and acquisition completed by 31 July 2015 (including 2014)

Q&A