



ISS Holding A/S
Investor Presentation
Interim Report January - June 2008

29 August 2008



Forward-looking Statements

Forward-looking statements

This presentation may contain forward-looking statements. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words “may”, “will”, “should”, “expect”, “anticipate”, “believe”, “estimate”, “plan”, “predict,” “intend” or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. 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, e.g. as the result of risks related to the facility service industry in general or ISS in particular including those described in the annual report 2007 of ISS Holding A/S and other information made available by ISS.

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The Annual Report 2007 of ISS Holding A/S is available from the Group’s website, www.issworld.com.

Agenda

- Key Events
- Strategic Update
- Investor Concerns
- Interim Report
- Acquisitions
- Other Financial Measures





Key Events

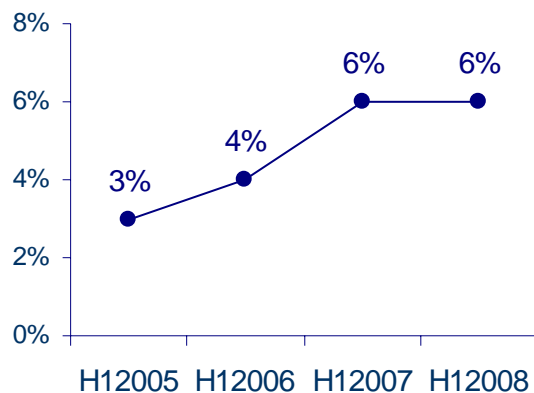


Key Events YTD

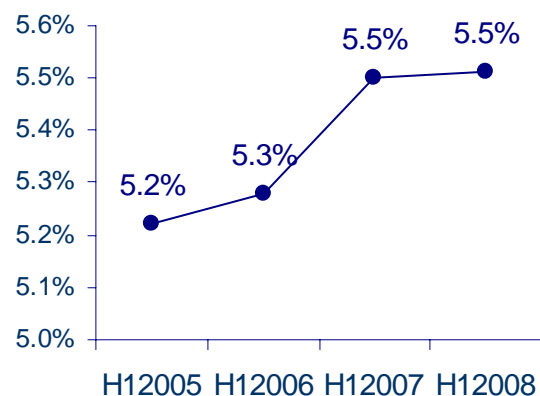
Financials

- Operational performance still strong
 - 10% top line growth
 - Organic growth of 6%
 - Operating margin at 5.5%
 - De-leveraging continues - Net Debt to Pro forma EBITDA approaches 6x

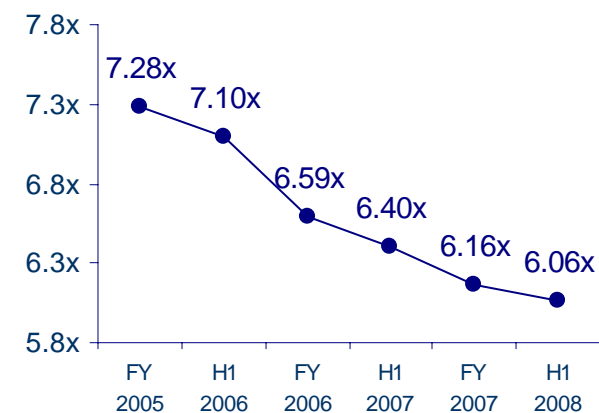
Organic Growth H1 2005 - H1 2008



Operating margin H1 2005 - H1 2008



Net Debt/PF EBITDA H1 2005 - H1 2008



Key Events YTD

Organisation

- Appointments:

Group CFO

- Jacob Stausholm (39)
- Joins from a position as Vice President Finance Exploration & Production Asia Pacific with Shell
- Strong international background
- Will start 1 September 2008

Head of Business Development & Strategy

- Todd O'Neill (42)
- Joins from Enskilda Securities
- More than 20 years experience from investment banking
- Will start 1 September 2008

- Launching of the ISS WAY strategy, which includes an alignment of organisational structure to further strengthen the proposition towards regional and international customers as well as knowledge sharing

Key Events YTD

Business Development & Strategy

- HP contract
 - Landmark global IFS contract
 - ISS to manage services in 59 countries of which ISS will self-deliver in more than 40 countries
 - Expected to be fully implemented in Q1 2009
- 46 acquisitions to 31 July
 - 7 platform developers and 39 bolt-ons
- Launching next phase of the ISS strategy plan - ***The ISS Way***



THE ISS WAY



Strategic Transition



- Moving into Integrated Facility Services
- Full range of services – building the House
- Moving from multi-services to Facility Services
- Carving out business builds
- Transform from World's largest cleaning company to an innovative service enterprise
- Move towards a multi-service provider
- Specialisation of services

Transition Of ISS

Regions

- Transition from a Northern European based to a truly global supplier of Facility Services
- Over the last 5 years ISS has established operations in new markets enabling servicing of international customers and to follow the international economic growth

Services

- Focus on site based services but has also a certain presence in route based services in selected regions
- In building up the service house ISS has expanded the service offering enabling a “one stop” solution to the customers

Customers/delivery

- Transition of the way services are delivered to the customers
- Single services mindset is still considered core to the strategy
- Single service mindset has been expanded enabling ISS to optimise the delivery of bundled and integrated services
- Delivery through regional & international key accounts

The Facility Services Market Today

- Demand for our services is increasing
 - Companies's cost optimisation leads to
 - centralising purchasing decision making
 - movement towards national/regional/global contracts
 - bundling and integration of facility services
 - strong outsourcing trend around the globe
 - High growth in Emerging Markets
 - Significant growth trend in Integrated Facility Services
- Highly fragmented market
 - No dominant truly global Facility Service players

ISS's Market Position

- Market Presence in 50 countries – 75% of World GDP
 - Multi-local approach
 - Strong entrepreneurial leadership
 - High level of local flexibility, but with tight financial control
 - Accountability at all levels - locally, regionally and globally
- Strong and broad service offering
 - Ability to self-deliver in 50 countries
 - The only global company to offer Integrated Facility Services
- Solid and successfully growth
 - Organically as well as through acquisitions
 - Demonstrated standardised approach to integrating acquisitions

Introducing *THE ISS WAY*

THE *ISS* WAY



create 2005

aim 2002

- Aligning the business model
- Accelerating the delivery of Facility Services
- Focusing on Single Service Excellence, best practices, knowledge sharing and cross-border sales
- Moving into Integrated Facility Services
- Full range of services – building the House
- Moving from multi-services to Facility Services
- Carving out business builds
- Transform from World's largest cleaning company to an innovative service enterprise
- Move towards a multi-service provider
- Specialisation of services

THE ISS WAY - Improving The ISS Formula

- The ISS formula can be improved
 - Further strengthen knowledge sharing and best practices
 - More focus on cross border sales
- Doing it ***THE ISS WAY*** means that
 - ..the direction of ISS remains unchanged
 - ..we will stay true to our multi-local advantage
 - ..we will continue to focus on our Integrated Facility Service capabilities
 - ..we will put even more efforts into Single Service Excellence and ensure more consistency in our service deliveries
 - ..we will be even stronger positioned to take advantage from tendencies towards national, regional and international contracts
 - ...we will further utilise our regional strength by aligning our business model
 - ..THE ISS WAY is aligning, strengthening and accelerating the engine



Strategic Focus

Regions

- Regional presence in place
- Ensure critical mass in each region and country
- Acquisitional focus on growth regions: LatAm, Asia & CEE
- Acquisitional focus on US

Services

- Focus remain on being best in class in all single services
- Further develop service integration capabilities
- Service expansion based on regional customers requirements
- Build up critical mass within office support, catering and security

Customers

- Continue the primary focus on national accounts and delivery
- Further develop capabilities to support regional/international customers
- Key focus is site based customers
- Expand selective route based services



Investor Concerns



Investor Concerns – Growth slowdown?

Facility Services market has mitigating characteristics towards general economic slow-down

Industry characteristics

- Recurring demand for provision of facility services
- Customers can achieve cost savings and increase cost base flexibility by
 - outsourcing to specialised providers
 - bundling of outsourced services
- Higher propensity to outsource in a tougher economic climate

ISS characteristics

- Highly diversified on services, geographies (50 countries) and customer segments
- Low customer concentration
- Broad range of services provides cross-selling opportunities and efficiency gains through service integration
- Recurring portfolio business (75% of revenue)
- Flexible cost base

ISS's services are somewhat resilient to economic downturns

Investor Concerns – Cost / Wage inflation?

Facility Services market has characteristics to pass on general wage and cost inflation

Industry-wide impact

- All competitors are impacted by wage inflation across the industry
- Typically short-term contracts with reciprocal termination rights
- Local impact – not regional and global
 - Labor market issues and characteristics vary from country to country
- EU regulation provides flexibility
 - common approach on work force transfer (“TUPE transfer”)
 - New contractor obliged to take on employees on existing employment terms

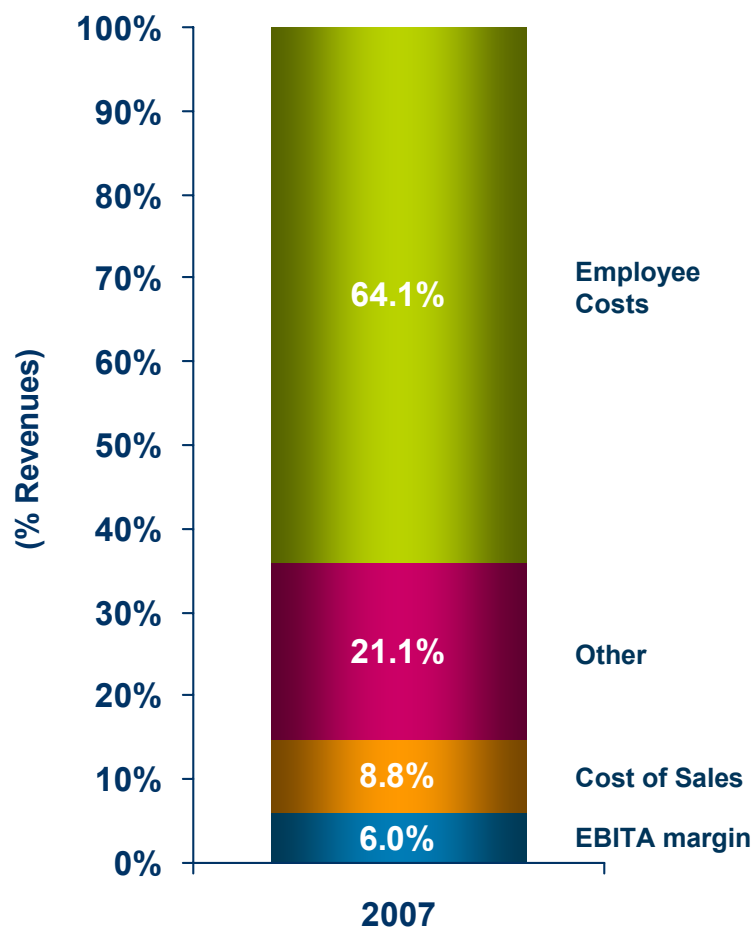
ISS characteristics

- Contracts are normally renegotiated annually or linked to wage/price index
- Broad range of services provides opportunities for efficiency gains through service integration
- Flexible cost structure is a cornerstone of the business model
 - 72% of Group revenue generated within EU (TUPE transfer)
 - Employee turnover ~50% per annum
 - Option to terminate leasing agreement on car fleet with three months notice

Customers can change supplier or in-source, but cannot avoid rising costs

Flexible Cost Structure

Cost Categories and EBITA



Flexibility

Employee Costs (inherently flexible)

- **Shift employees:**
Local density allows efficient re-deployment
- **Pass-on staff:**
TUPE transfer rules under EU law

Other (semi-variable)

- Costs related to selling, distribution, admin., marketing and sub-contracting
- Lease payments (vehicles - can be terminated with 3 months notice)
- Depreciation of tangible fixed assets

Cost of Sales (variable)

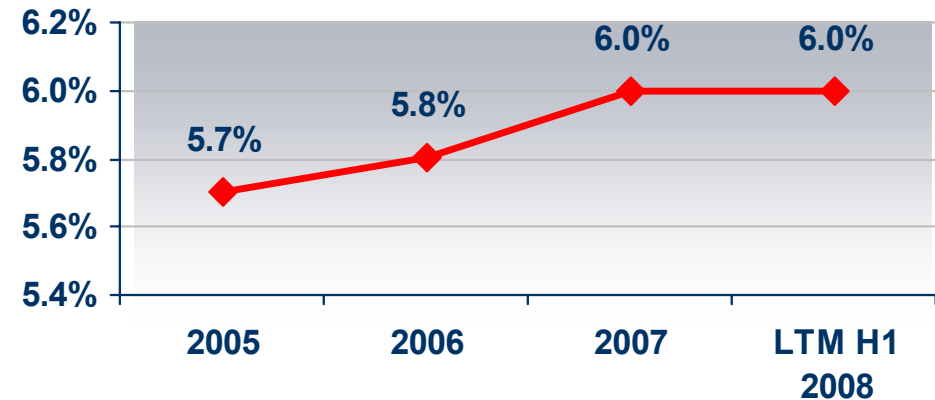
- Primarily cleaning supplies, catering supplies and other materials
- No significant inventory held

The 4 Key Operational Priorities - Unchanged

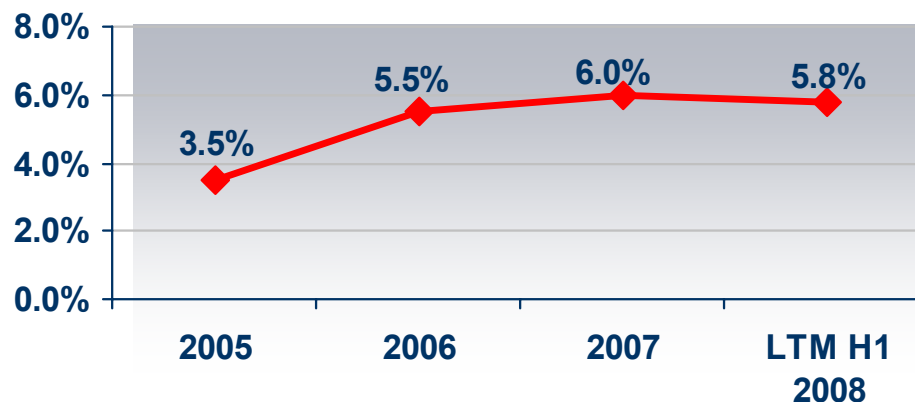
Priority 1: Cash Conversion (EBITA)



Priority 2: Operating Margin (EBITA)



Priority 3: Organic Growth



Priority 4: Delev. on a multiple basis





Interim Report

January – June 2008



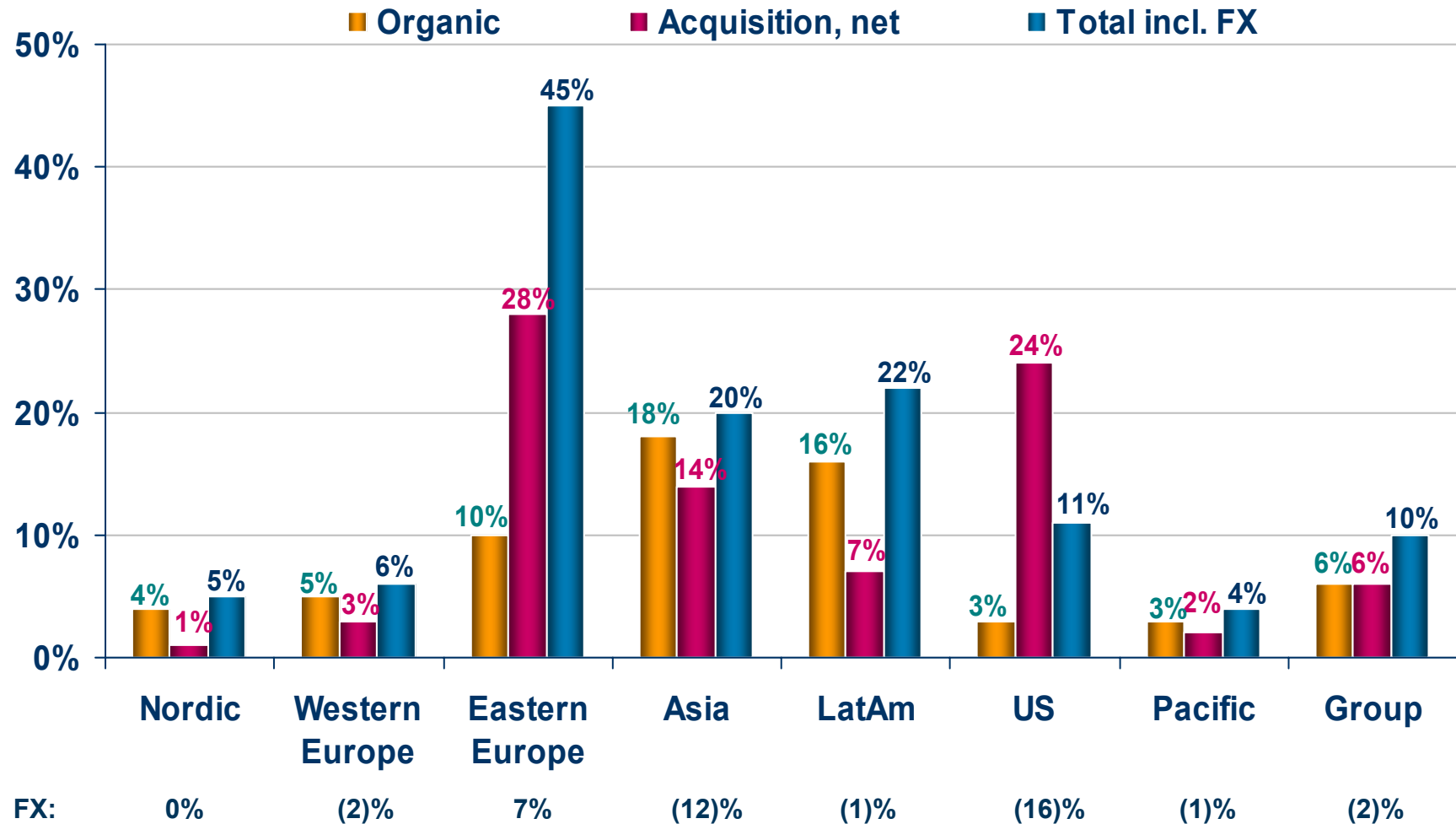
Key Figures H1 2008

DKKm	H1 2007	H1 2008	Δ
Revenue	30,755	33,734	+10%
Operating profit before other items	1,692	1,860	+10%
Operating margin before other items	5.5%	5.5%	
Operating profit	1,608	1,764	+10%
Organic growth	6%	6%	

Revenue Development - June 2007-2008

	DKKm	%
Revenue June 2007 YTD	30,755	100
Organic growth	1,758	6
Acquisitions, net	1,780	6
FX	(559)	(2)
Total growth	2,979	10
Revenue June 2008 YTD	33,734	110

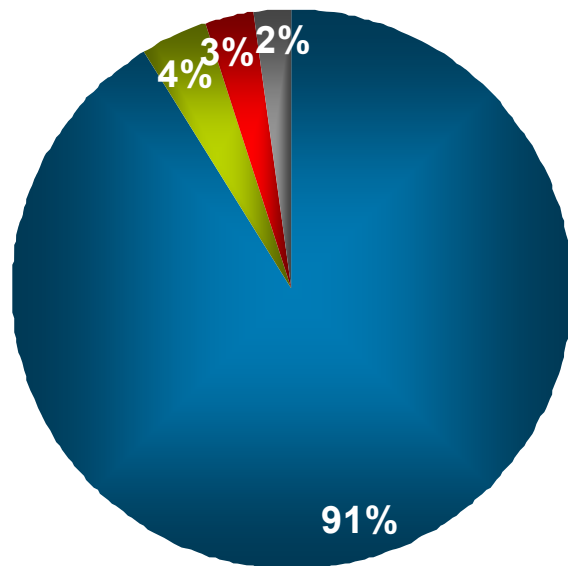
H1 2008 Revenue Growth - By Region



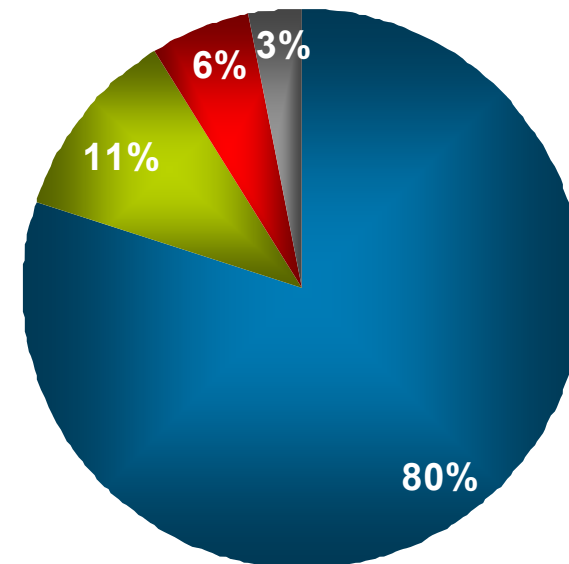
Note: For US the growth rates are presented on a like-for-like basis, i.e. June 2008 vs. June 2007, cf. explanation on page 4 in H1 2008 report

Organic Growth in Emerging Markets

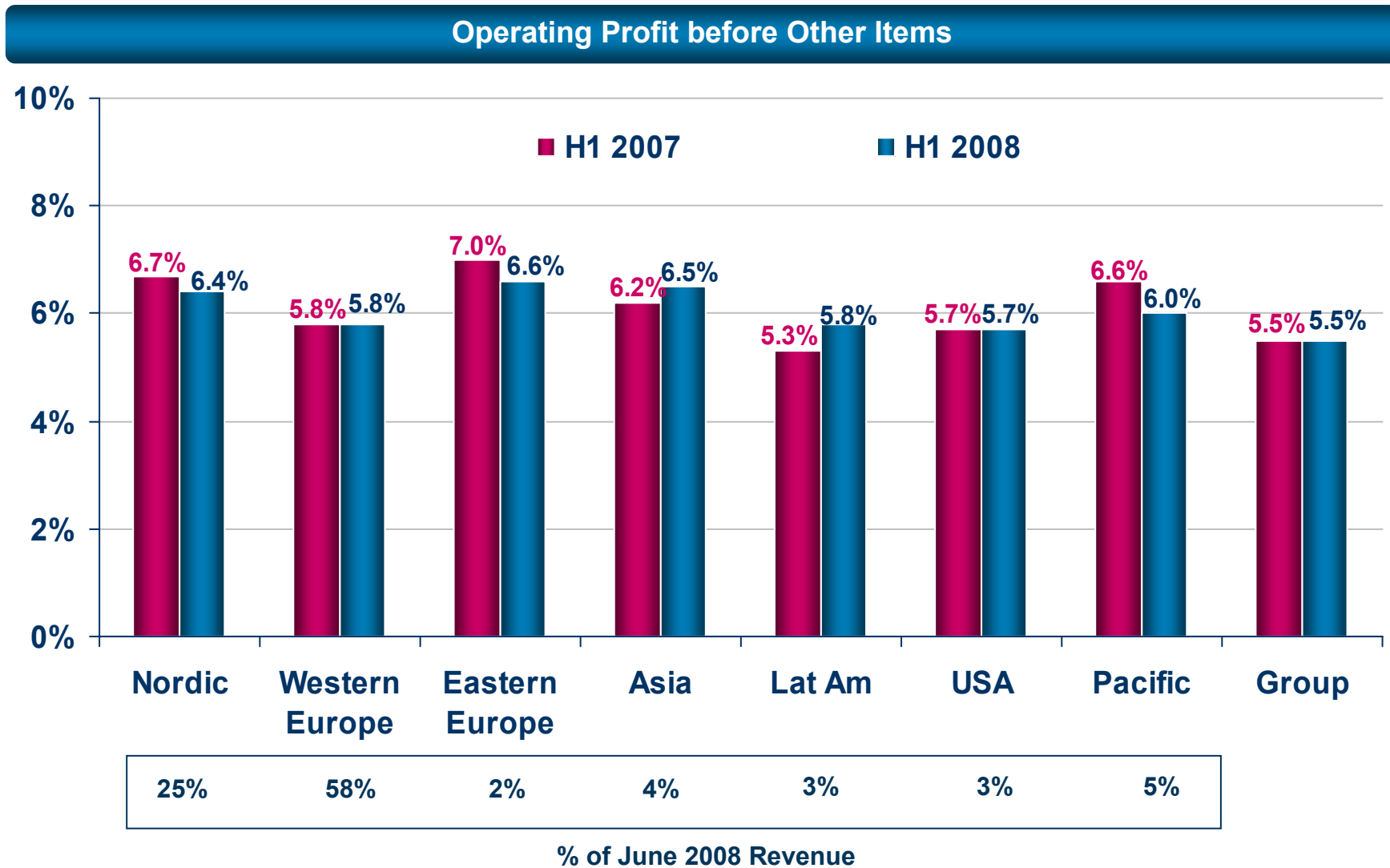
Revenue
H1 2008



Organic Growth
Contribution
H1 2008



H1 2008 Operating Margin - by Region





Acquisitions



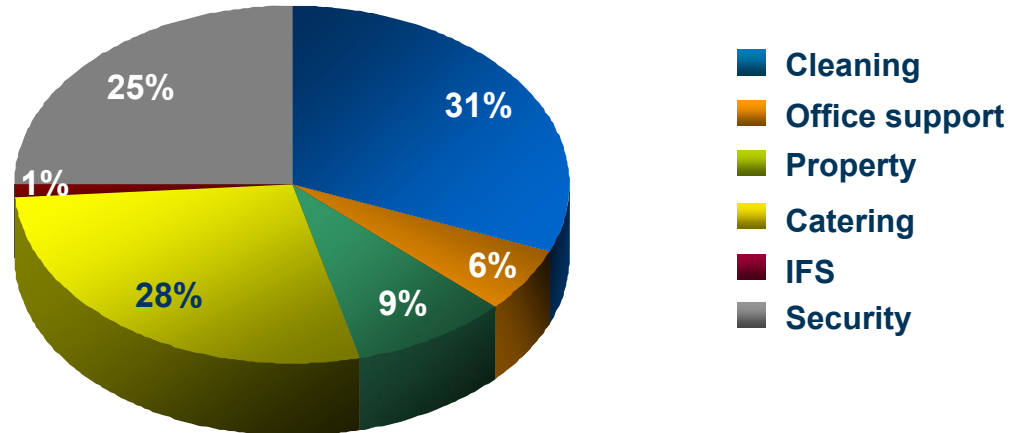
Acquisitions 2008 - To 31 July

	Revenue, DKKm ⁽¹⁾
Platform Developers	
Adams Secuforce, Hong Kong (Security)	111
Kfir, Israel (Security, Office Support)	268
Strata, UK (Security)	152
BGM Industries, USA (Security, Cleaning)	510
Aspis, Greece (Security)	216
Sardunya, Turkey (Catering)	298
Topic Catering, Australia (Catering)	184
Others, incl. small and medium	
Total of 39 acquisitions	979
Total - 46 acquisitions	2,718

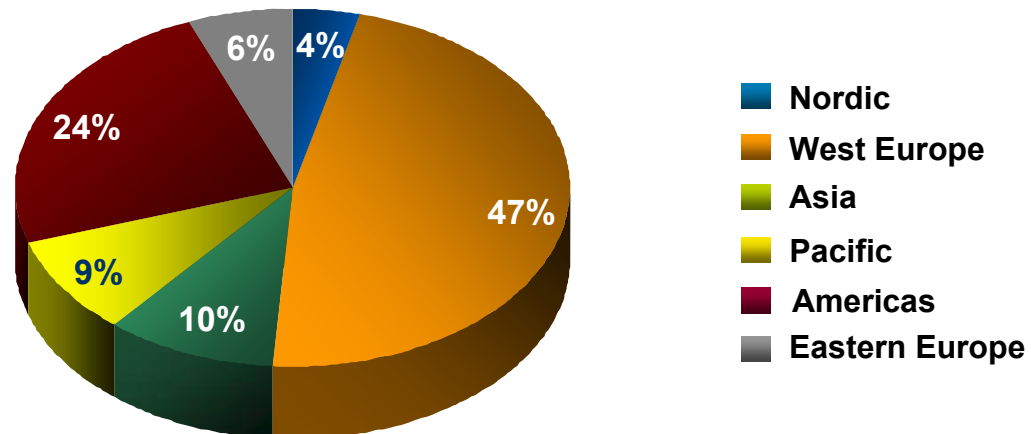
Note: (1) Unaudited approximate figures based on information available at the time of acquisition.

Acquisitions 2008 - To 31 July

Acquired Revenue By Service ⁽¹⁾

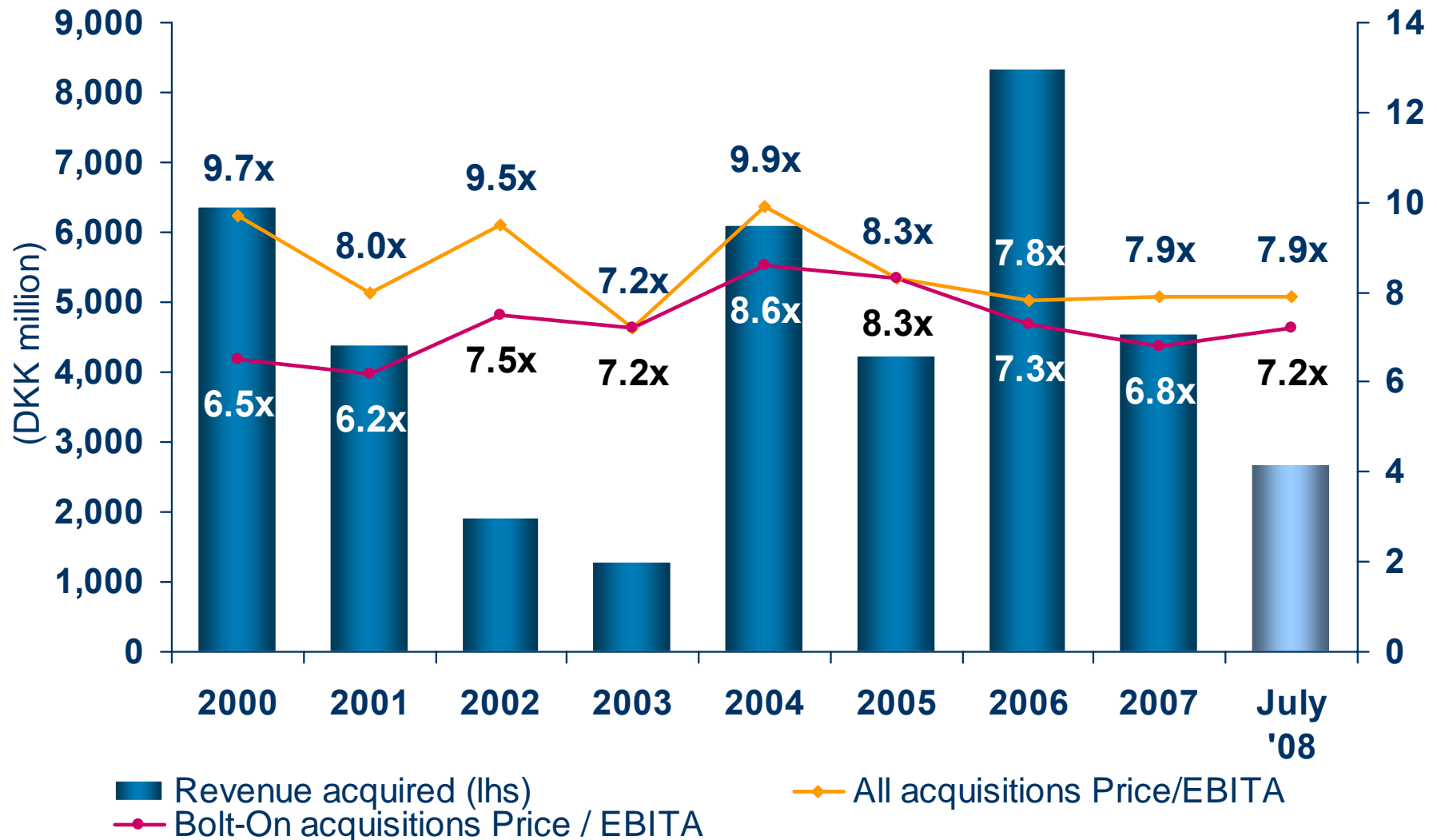


Acquired Revenue By Geography ⁽¹⁾



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

Acquisition Track Record - Pricing Discipline



Outlook

- *The outlook set out below should be read in conjunction with "Forward-looking statements" on page 2 of this presentation*
- The Group will continue focusing on
 - Broadening facility services and strengthening single service excellence
 - Key operational objectives
 - Cash flow
 - Operating margin
 - Profitable organic growth
 - Deleveraging on a multiple basis
 - Making acquisitions to increase local scale and broadening service competencies
- For 2008 it is expected that⁽¹⁾
 - revenue in the continuing business will increase by more than 10%, excluding the divested energy activities in France and adjusted for exchange rate changes;
 - the operating margin and the organic growth rate is expected to be maintained at 2007-level

(1) See the Outlook section on page 6 in the quarterly report



Other Financial Measures



Other Financial Measures

Pro Forma Adjusted EBITDA

Pro Forma calculation⁽¹⁾

DKKm 12 months ended June 30, 2008

Adjusted EBITDA **4,861**

Estimated PF adjusted EBITDA of
acquired and divested businesses 203

Estimated PF Adjusted EBITDA **5,064**

Note: (1) The calculations of pro forma adjusted EBITDA are based in part on management estimates and the unaudited internal management accounts of the acquired businesses. These numbers have not been, and cannot be, audited. The Pro Forma EBITDA is based on "Last Twelve Months" figures.

Other Financial Measures (cont.)

Pro Forma Capital Structure – June 30, 2008

Capitalisation ⁽¹⁾	DKKm ⁽²⁾	% of Total
Cash and securities	(1,456)	(5%)
Other Indebtedness	316	1%
Senior Facilities	17,589	56%
EMTNs	7,162	23%
Total Net Senior Debt	23,611	75%
Second Lien	4,475	14%
Senior Subordinated Notes	3,386	11%
Total Net Cash Pay Debt	31,472	100%

Notes:

(1) This Capitalisation table reflects the Capitalisation Table included in ISS Holding A/S's Interim Report January – June 2008.

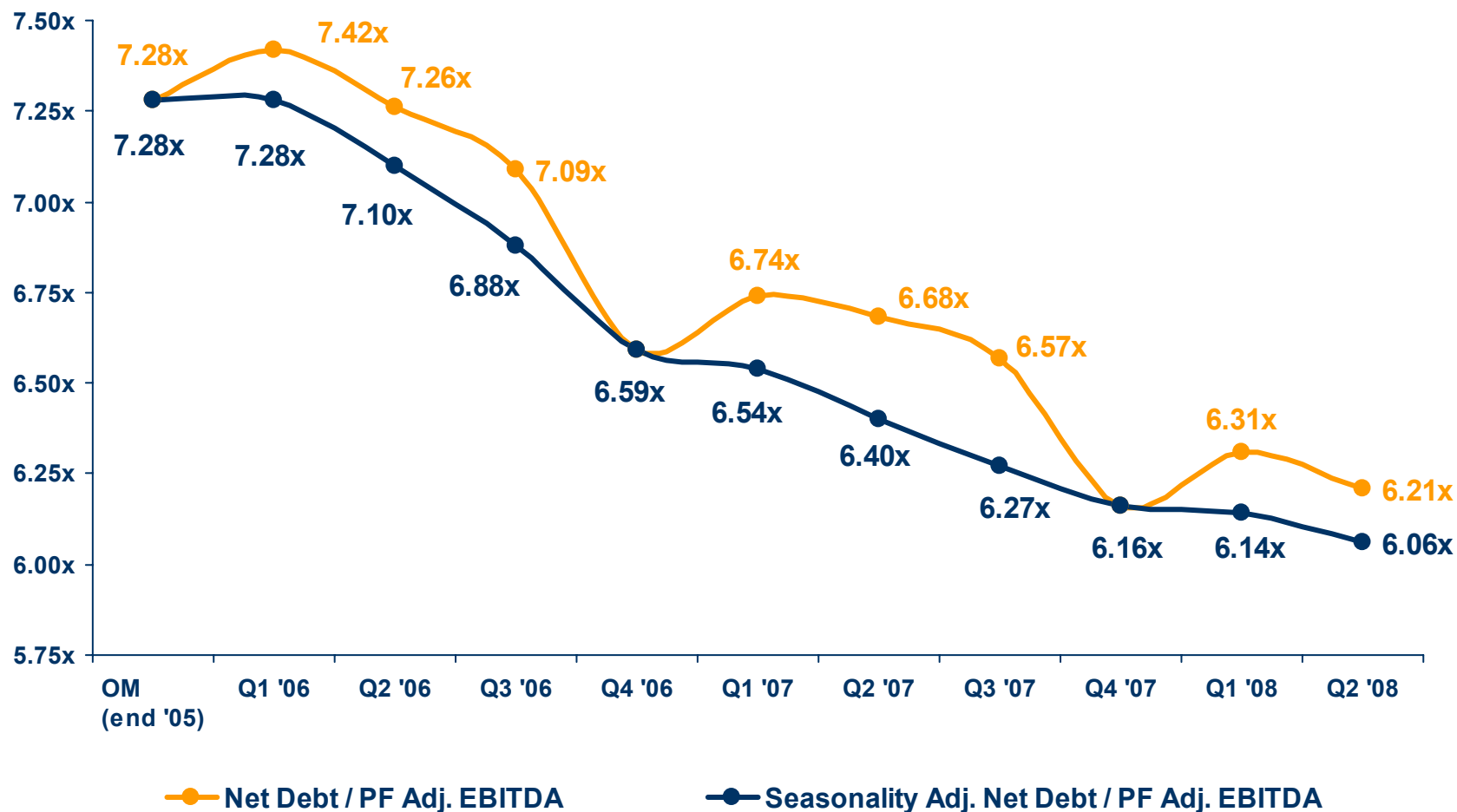
(2) Converted to DKK as per exchange rate of June 30, 2008.

Pro Forma Credit Ratios

CAPITALISATION (DKKm)	Q1 2008	H1 2008
Total Net Cash Pay Debt	31,096	31,472
△ Working Capital H1 2008	(1,067)	(910)
△ Working Capital July 2007 – June 2008	221	140
= Seasonality Adj. Pro Forma Net Debt	30,250	30,702
PF Adjusted EBITDA	4,929	5,064
Seasonality Adjusted PF Net Cash Pay Debt / PF EBITDA	6.14x	6.06x

Deleveraging On A Multiple Basis

Net Debt / Pro Forma Adj. EBITDA



Pro Forma Credit Ratios

Pro Forma Credit Ratios

H1 2008

PF Net Cash Pay Debt / PF EBITDA

6.21

Seasonality adj. PF Net Cash Pay Debt/ PF EBITDA

6.06

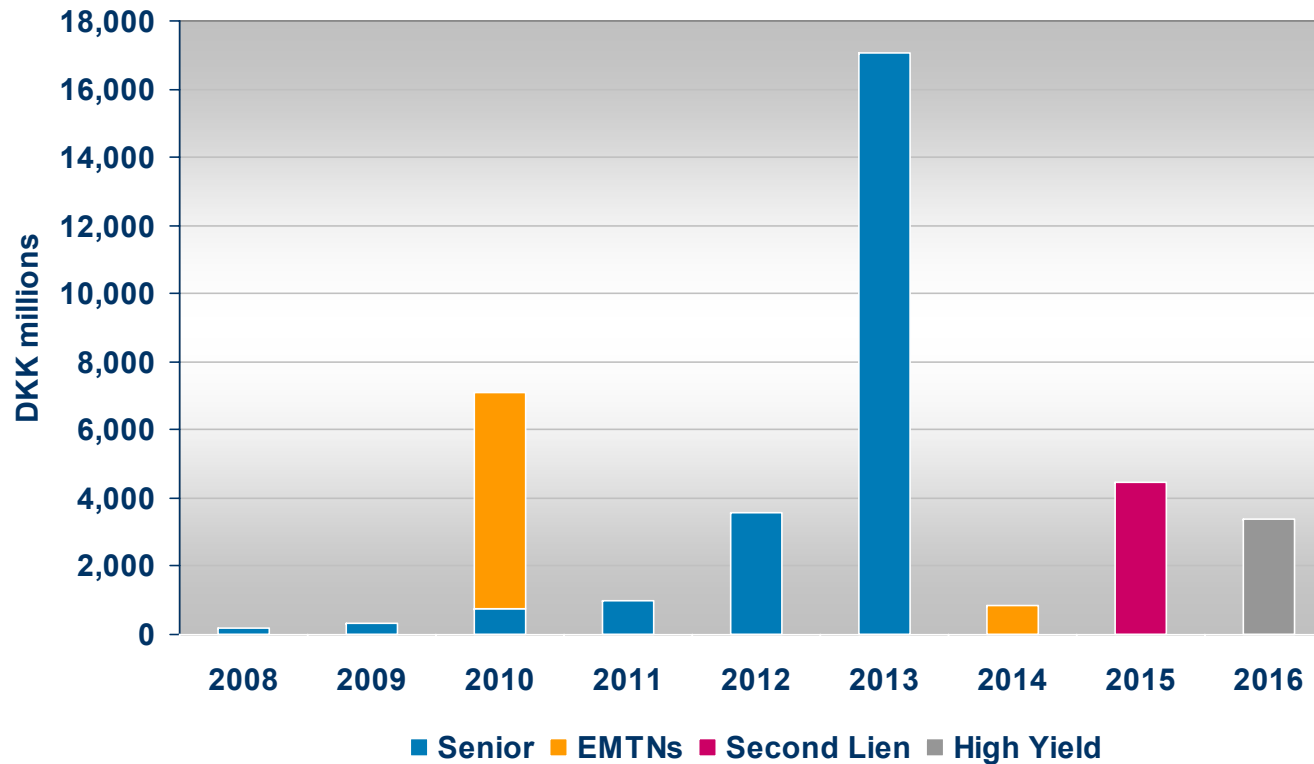
PF Net Senior Debt (incl. EMTNs) / PF EBITDA

4.66

PF Net Senior Debt (excl. EMTNs) / PF EBITDA

3.25

Maturity Of Credit Facilities



- €850m EMTNs mature in September 2010
- Senior Facilities Agreement / Intercreditor Agreement
 - Obligated to demonstrate negotiations to be commenced no later than 6 months prior to maturity (i.e. March 2010)
 - Not decided timing and instrument but monitoring the market



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