To Luxembourg Stock Exchange
29 August 2007

FS Funding A/S
Interim Report
January – June 2007

Key Figures

Amounts in DKK millions	Q2 2007	Q2 2006	H1 2007	H1 2006
Revenue	15,825	13,888	30,755	26,443
Operating profit before other items	995	823	1,692	1,396
Operating margin before other items, %	6.3	5.9	5.5	5.3
Operating profit	933	790	1,608	1,323
Net finance costs	(826)	(594)	(1,421)	(1,139)
Profit/(loss) before impairment/amortisation of intangibles	236	93	272	15
Net profit/(loss) for the period	58	(107)	(102)	(381)
Investments in property, plant and equipment, gross	230	207	423	359
Organic growth %	6.5	4	6	4
Total assets	55,076	50,350	55,076	50,350
Goodwill	27,496	25,088	27,496	25,088
Carrying amount of net debt	29,294	26,048	29,294	26,048
Total equity	6,064	6,293	6,064	6,293

Definitions

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

Carrying amount of net debt[1)] = Long-term debt + Short-term debt - Receivable from affiliates - Securities - Cash and cash equivalents

[1)] Excluding receivable/payable from/(to) affiliate regarding joint tax contribution.

Other Financial Measures

	As of and for the 12-month period ended			
Amounts in DKK millions	30 September 2006	31 December 2006	31 March 2007	30 June 2007
Pro Forma Adj. EBITDA	4,027	4,203	4,303	4,593
Pro Forma Net Debt	28,571	27,714	28,986	30,662 [(1)]
Seasonality Adj. Pro Forma Net Debt	27,708	27,714	28,136	29,398 [(1)]
Pro Forma Net Debt / Pro Forma Adj. EBITDA	7.09x	6.59x	6.74x	6.68x [(1)]
Seasonality Adj. Pro Forma Net Debt / Pro Forma Adj. EBITDA	6.88x	6.59x	6.54x	6.40x [(1)]

[(1)] Including impact of refinancing in July 2007. Provided that the refinancing had not been carried out Pro Forma Net Debt would have been DKK 30,470 million and Seasonality Adj. Pro Forma Net Debt would have been DKK 29,206 million. Consequently, the Pro Forma Net Debt/Pro Forma Adj. EBITDA ratio would have been 6.63x and the Seasonality Adj. Pro Forma Net Debt/Pro Forma Adj. EBITDA ratio would have been 6.36x.

Note: The Pro Forma adjusted financial information set out above is for informational purposes only. FS Funding includes these financial measures because it believes that they are useful measures of the Group's results of operations and liquidity; however, these items are not measures of financial performance under IFRS and should not be considered as a substitute for operating profit, net profit, cash flow or other financial measures computed in accordance with IFRS. See appendix on pages 31-36 of this report for further information on Other Financial Measures.

FS Funding A/S ("FS Funding" or "the Group") is a holding company, and its primary assets consist of shares in ISS A/S ("ISS") and cash in its bank accounts. FS Funding has no revenue generating operations of its own, and thus FS Funding's cash flow and ability to service its indebtedness will depend primarily on the operating performance and financial condition of ISS and ISS's operating subsidiaries, and the receipt by FS Funding of funds from ISS and its subsidiaries etc. in form of dividends or otherwise.

For further information about FS Funding and ISS, including information about risk factors that could adversely impact the results of operations and financial position of the Group, see FS Funding's Annual Report 2006. The document is available from the Group's website, www.issworld.com.

Financial Review

Income Statement
To reflect FS Funding's geographical expansion in recent years and the differences between consolidated regions and growth regions the regional split has been changed to the following regions: Nordic, Western Europe, Central and Eastern Europe, Asia, Americas and Pacific. The comments in the following sections are based on the figures for the new regions and comparative figures have been restated.

Revenue for the first six months of 2007 amounted to DKK 30,755 million representing a revenue growth of 16% compared to the first six months of 2006. Acquisitions, net of divestments, accounted for growth of 11%. The impact from currency adjustments was slightly negative. The organic growth rate increased by approximately 2 percentage points from 4% in January - June 2006 to 6% in the same period of 2007. Revenue in Q2 was DKK 15,825 million, which represented an increase of 14% compared to the same period in 2006. Organic growth for Q2 was 6.5%, an increase of 2.5 percentage points compared to Q2 2006.

In Nordic, FS Funding's revenue increased by approximately 8% to DKK 8,088 million for the first six months in 2007. The growth was primarily due to organic growth of 6%, compared to 3% in H1 2006. The increase was mainly driven by double-digit organic growth rates in Sweden and Norway. Organic growth was positive in all major countries in the region, except Denmark. Acquisitions added 4% revenue growth in H1 2007, partly offset by divestments of 1% and negative currency adjustments of 1%.

In the first six months of 2007, FS Funding's revenue in Western Europe increased by approximately 15% to DKK 18,372 million. Growth from acquisitions, net, was 10% and organic growth was 5%. The impact from currency adjustments was neutral. Organic growth was mainly driven by growth in the UK (10%), and Spain (9%). With the exception of Ireland, organic growth was positive in all countries in the region.

Revenue in Central and Eastern Europe increased by 22% from DKK 443 million in H1 2006 to DKK 542 million in H1 2007. The growth was primarily driven by organic growth of 16%. Acquisitions accounted for growth of 5%, partly offset by divestments of 1%, whereas currency adjustments increased revenue by 2% compared to the first six months of 2006.

Operating results, January - June

	Revenue			Operating profit before other items			Operating margin before other items	
	DKK millions			DKK millions				
	H1 2007	H1 2006	Change	H1 2007	H1 2006	Change	H1 2007	H1 2006
Nordic [1)]	8,088	7,466	8%	542	468	16%	6.7 %	6.3 %
Western Europe [2)]	18,372	15,998	15%	1,065	895	19%	5.8 %	5.6 %
Central and Eastern Europe [3)]	542	443	22%	38	24	61%	7.0 %	5.3 %
Asia [4)]	1,161	876	33%	73	54	34%	6.2 %	6.2 %
Americas [5)]	861	453	90%	46	20	134%	5.4 %	4.4 %
Pacific [6)]	1,731	1,207	43%	114	74	54%	6.6 %	6.1 %
Corporate	-	-		(186)	(139)	34%	(0.6)%	(0.6)%
Total	**30,755**	**26,443**	**16%**	**1,692**	**1,396**	**21%**	**5.5 %**	**5.3 %**

[1)] Nordic comprises Denmark, the Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden.

[2)] Western Europe comprises Austria, Belgium, France, Germany, Greece, Ireland, Israel, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom.

[3)] Central and Eastern Europe comprises Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia.

[4)] Asia comprises Brunei, China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand.

Revenue growth, January - June 2007

	Revenue growth, %			
	Organic [1)]	Acq./Div., net	Currency	Total
Total	**6**	**11**	**(1)**	**16**
Nordic	6	3	(1)	8
Western Europe	5	10	0	15
Central and Eastern Europe	16	4	2	22
Asia	18	19	(4)	33
Americas	13	80	(3)	90
Pacific	6	37	0	43

[1)] For a description of the method applied in estimating organic growth, see FS Funding's Annual Report 2006, which is avaliable from the Group's website, www.issworld.com.

In Asia, revenue increased by 33% to DKK 1,161 million in the first six months of 2007, as acquisitive growth of 19% and organic growth of 18% were partly offset by negative currency adjustments of 4%.

Revenue in the Americas increased by 90% from DKK 453 million in H1 2006 to DKK 861 million in H1 2007, driven primarily by 80% growth from acquisitions, most significantly the acquisition of Sanitors, Inc. in the U.S. completed in June 2007 and the impact of the country establishment in Mexico in May 2006. Organic growth contributed 13% stemming from positive organic growth throughout the region with Argentina, Chile and Uruguay generating double-digit organic growth rates.

Revenue in the Pacific increased by 43% from DKK 1,207 million in H1 2006 to DKK 1,731 million in H1 2007. The growth was primarily driven by 37% growth from acquisitions, predominantly the acquisition of Tempo Services in Australia in March 2006. Organic growth was 6% in H1 2007 compared to 10% in H1 2006.

Operating profit before other items for the first six months of 2007 amounted to DKK 1,692 million representing an increase of 21% compared to the same period of last year. The operating margin before other items was 5.5% in the first six months of 2007 compared to 5.3% in the same period of 2006 and 5.8% for the financial year 2006. FS Funding's operating margin is typically lower in the first six months of the year compared to the full year. In Q2 the operating profit before other items was DKK 995 million. The operating margin before other items was 6.3%, up 0.4 percentage point compared to Q2 2006.

The operating margin before other items in H1 2007 in the Nordic region increased to 6.7% compared to

6.3% in the same period of 2006. This was mainly due to operating margin increases in Sweden, Finland and Norway partly offset by a margin decrease in Denmark.

In Western Europe, the operating margin before other items increased from 5.6% in H1 2006 to 5.8% in H1 2007, primarily driven by operating margin increases in the UK and the Netherlands. In Ireland the operating margin before other items decreased from 7.4% in H1 2006 to (18.2)% in H1 2007 due to losses in the non-core part of the landscaping business, which has been divested subsequent to 30 June 2007 (see "Subsequent events").

Central and Eastern Europe improved the operating margin before other items from 5.3% in H1 2006 to 7.0% in H1 2007. The improvement was primarily driven by Romania, Slovenia and Estonia.

In Asia, the operating margin before other items for H1 2007 was 6.2%, which was in line with H1 2006. Operating margin increases in Indonesia, Thailand, China and the investments in Taiwan were offset by margin decreases in Brunei and Hong Kong.

In the Americas, the operating margin before other items for H1 2007 was 5.4% compared to 4.4% in H1 2006. Adjusted for the purchase of Sanitors Inc., the operating margin for non-U.S. countries was 5.3%. All countries contributed to the margin increase, the main contributor being Brazil.

The Pacific region improved the operating margin before other items from 6.1% in H1 2006 to 6.6% in H1 2007, primarily due to improved performance in Australia.

Net finance costs for the first six months of 2007 were impacted by a decision to refinance a portion

[1] The EMTNs were recognised at quoted market price in the opening balance sheet prepared as part of the purchase price allocation related to the acquisition of ISS (the "Opening Balance Sheet"). Net finance costs in the consolidated financial statements of FS Funding will over the remaining terms of the EMTNs be impacted by an expense equal to the difference between the quoted market price used in the Opening Balance Sheet and the nominal value of the EMTNs. An expense of DKK 100 million was recognised in the first six months of 2007 and the remaining market price adjustment amounted to DKK 1,011 million as at 30 June 2007.

FS Funding recognised a positive mark-to-market value of interest rate swaps hedging the EMTNs in the Opening Balance Sheet. The interest rate swaps were partially settled in June 2005 and the remaining part was settled in June 2006 resulting in a net gain, which will be recognised in the consolidated financial statements of FS Funding over the remaining term of the EMTNs. In the first six months of 2007 FS Funding recognised an income of DKK 11 million in the consolidated income statement. The remaining gain of DKK 35 million will be recognised over the remaining term of the EMTNs.

of the Group's existing debt and increased by 25% to DKK 1,421 million in H1 2007 from DKK 1,139 million in H1 2006. The increase was mainly due to the recognition of a call premium of DKK 63 million and expensed financing fees of DKK 159 million as a result of a redemption notice for the Subordinated Floating Rate Notes. The DKK 1,421 million, included DKK 1,140 million of interest expenses, DKK 26 million of amortisation of financing fees and DKK 89 million of amortisation of market price adjustment and gains on interest rate swaps related to the Medium Term Notes issued by ISS Global (the "EMTNs")[1].

Income taxes were an income of DKK 82 million in H1 2007. Tax expenses were more than offset by recognition of previously unrecognised tax losses related to the jointly taxed Danish subsidiaries. The tax losses have been capitalised in H1 2007 as they are now expected to be utilised as a direct consequence of an amendment of the Danish Corporation Tax Act. Furthermore, income taxes are positively impacted by the reduction in corporate income tax rates in several countries in which FS Funding operates. In H1 2006, Income taxes were an expense of DKK 164 million.

With effect from 1 July 2007 the Danish Government passed a bill to amend the Corporation Tax Act and various other tax laws. The bill contains, among other things, provisions that limit the right to deduct interest and reduce the possibility of certain tax depreciation. However, this limitation is partly compensated by a reduction of the corporate income tax rate from 28% to 25%. Primarily as a result of the substantial indebtedness of FS Funding the bill will have a future adverse effect on the tax position of FS Funding.

Profit before impairment/amortisation of intangibles increased by DKK 257 million from DKK 15 million in H1 2006 to DKK 272 million in H1 2007. The increase was due to improved operational performance as well as the capitalisation of previously unrecognised tax losses in the jointly taxed Danish subsidiaries as described above.

Goodwill impairment and write-down amounted to DKK 73 million in H1 2007 of which DKK 70 million related to the divestment of FS Funding's landscaping business in Ireland and DKK 3 million related to minor divestments in Denmark.

Amortisation of brands and customer contracts amounted to DKK 553 million in H1 2007 and DKK 558 million in H1 2006 and was primarily related to customer contract portfolios and related customer relationships, which are amortised over the estimated useful lives of such portfolios and relationships applying the declining balance method.

The tax effect related to amortisation of brands and customer contracts is positively impacted by the reduction in corporate income tax rates in several countries in which FS Funding operates.

Net result for the period was a loss of DKK 102 million in H1 2007 compared to a loss of DKK 381 million in H1 2006. The result was positively impacted by improved operational performance as well as the capitalisation of previously unrecognised tax losses in the jointly taxed Danish subsidiaries as described above. The result was negatively impacted by net finance costs as well as non-cash charges related to amortisation of brands and customer contract portfolios and related customer relationships, net of tax. A loss of DKK 113 million was attributable to the equity holders of FS Funding, whereas a profit of DKK 11 million was attributable to minority interests.

Cash Flow Statement

Cash flow from operating activities in H1 2007 was a net cash inflow of DKK 870 million compared to DKK 194 million in H1 2006. The positive development compared to H1 2006 was primarily due to the increase in operating profit before other items and a decrease in cash outflow from working capital. The cash outflow related to working capital was DKK 814 million, mainly due to an outflow in Q1, whereas Q2 had a working capital inflow of DKK 76 million. The negative cash flow from working capital in H1 2007 is mainly stemming from an increase in trade receivables, partly driven by organic growth, as well as an increase in other receivables. Payments related to Other income and expenses, net was DKK 98 million in H1 2007 of which DKK 51 million were payments related to the re-scoping of the IT outsourcing agreement with CSC and DKK 18 million related to consolidation of properties in the United Kingdom.

In Q2 2007 cash flow from operating activities was DKK 1,058 million compared to DKK 375 million in the same period last year. The positive development compared to Q2 2006 was mainly due to improved working capital, most significantly payables, but also a reduction of debtor days, and an improvement in Operating profit before other items.

Cash flow from investing activities in H1 2007 was a cash outflow of DKK 2,620 million, predominantly affected by a cash outflow of DKK 2,316 million related to acquisitions. These comprised the acquisition of Sanitors, Inc. in the U.S. as well as a number of smaller acquisitions, of which the most significant were Adviance and Caterhouse in the UK, Topman and Fealty in Taiwan and the acquisition of the remaining 60% of the shares in Norwegian Aircon, which was previously reported as an associated company. Investments in intangible assets and property, plant and equipment, net (excluding acquisition related intangibles), were DKK 328 million, representing 1.1% of revenue. Adjusted for the positive impact from a cash inflow from the sale of a call option related to property located in Denmark, investments in intangible assets and property, plant and equipment, net amounted to 1.5% of revenue.

In H1 2006, cash flow from investing activities was DKK 2,679 million, predominantly affected by a cash outflow of DKK 2,403 million related to acquisitions, most significantly the acquisition of the remaining 51% of the shares in Tempo.

In Q2 2007, cash flow from investing activities was a cash outflow of DKK 1,765 million, mainly due to payments of DKK 1,674 million regarding acquisitions and DKK 134 million related to investments in intangibles and tangible fixed assets, net (excluding acquisition related intangibles).

Cash flow from financing activities was a cash inflow of DKK 929 million in H1 2007, primarily due to cash inflow of DKK 1,822 million from increased indebtedness to fund acquisitions and from drawings under local credit facilities to fund working capital needs, partly offset by net interest payments of DKK 884 million.

In H1 2006, cash flow from financing activities was a cash inflow of DKK 2,797 million, primarily the result of increased indebtedness to fund acquisitions, net proceeds from an issue of high yield notes, and a net DKK 500 million upsizing of the senior facilities, partly offset by net interest payments of DKK 1,032 million and repayment of a subordinated bridge facility and a subordinated shareholder loan.

In Q2 2007, cash flow from financing activities was an inflow of DKK 941 million, mainly due to increased indebtedness to fund acquisitions and drawings under local credit facilities to fund working capital needs, partly offset by net interest payments.

Balance Sheet

Total assets were DKK 55,076 million as of 30 June 2007 compared to DKK 52,253 million as of 31 December 2006.

Intangible assets amounted to DKK 37,380 million as of 30 June 2007. The vast majority of intangibles were acquisition-related intangibles and comprised DKK 27,496 million of goodwill, DKK 8,035 million of customer contracts and DKK 1,646 million of brands.

Assets held for sale amounted to DKK 754 million and included activities in two countries for which a sales process has been initiated. Subsequent to 30 June 2007 one of the activities, Landscaping in Ireland, has been sold. The other activity is expected to be sold within 12 months.

Liabilities held for sale amounted to DKK 374 million and included liabilities related to the two activities for which a sales process has been initiated.

Total equity was DKK 6,064 million as of 30 June 2007 of which DKK 6,015 million was attributable to equity holders of FS Funding and DKK 49 million related to Minority interests. Total equity was equivalent to 11% of total assets.

Carrying amount of net debt is typically higher after the first six months than at the end of the previous financial year due to acquisitions and the fact that FS Funding's operating cash flow tends to be lower in the first half of the year. Due to this seasonality and the effect of acquisitions during H1 2007, the carrying amount of net debt amounted to DKK 29,294 million at 30 June 2007 of which long-term debt was DKK 29,689 million, short-term debt amounted to DKK 1,268 million while securities, cash and cash equivalents were DKK 1,485 million and receivables from affiliates were DKK 178 million. Of the long-term debt of DKK 29,689 million an amount of DKK 12,136 million has subsequently been refinanced under the additional credit facilities in July 2007. See Additional Credit Facilities and Subsequent Events on page 7.

For further information on the composition of the net debt as at 30 June 2007 see the appendix on pages 31-36 of this report.

Acquisitions

In the first six months of 2007, a total of 39 acquisitions were completed with an aggregate net purchase price of DKK 2,144 million. The total annual revenue of the acquisitions is estimated at approximately DKK 3,240 million based on expectations at the time of acquisition.

The most significant acquisition was the acquisition of U.S.-based Sanitors Inc., a provider of cleaning, building maintenance, landscaping, bridge tending and security services. Sanitors, Inc. has annual revenue of approximately DKK 1.8 billion and 10,000 employees.

The acquisitions completed in the first six months of 2007 have been carried out at an average multiple of 8.5x EBITA. The average multiple was influenced by the platform establishment in the U.S.

Other Financial Measures

Pro forma Adjusted EBITDA for the 12-month period 1 July 2006 to 30 June 2007 amounted to DKK 4,593 million. Pro Forma Net Debt amounted to DKK 30,662 million at 30 June 2007 including the estimated effect of the refinancing in July 2007. Seasonality Adjusted Pro Forma Net Debt, which further adjusts for seasonality in Changes in working capital, amounted to DKK 29,398 million at 30 June 2007.

The calculation of these figures is prepared according to the principles described in the appendix on pages 31-36 of this report.

Interest Rate Risk

Net of interest rate hedges, approximately 79% of FS Funding's Senior and Subordinated credit facilities carried fixed interest rates while approximately 21% carried floating interest rates at 30 June 2007.

Management Changes

Effective 13 April 2007, Sir Francis Mackay was appointed chairman of the Board of Directors of FS Funding and ISS, succeeding Leif Östling. Simultaneously, Leif Östling was appointed vice-chairman of the Board of Directors of FS Funding and ISS.

Additional Credit Facilities

On 19 June 2007, FS Funding established additional credit facilities as part of a refinancing of a portion of the Group's existing debt and raised additional funding for future acquisitions. The additional credit facilities comprised (i) DKK 8,484 million (EUR 1,140 million) of Term Loan Facilities, of which DKK 7,443 million (EUR 1,000 million) was with ISS Global as borrower and DKK 1,042 million (EUR 140 million) was with FS Funding as borrower, and (ii) DKK 4,465 million (EUR 600 million) of Second Lien Facility which was with FS Funding as borrower. No drawings were made under the new credit facilities prior to 1 July 2007.

IPO feasibility review

On 14 June 2007, EQT and Goldman Sachs Capital Partners, co-shareholders in ISS, announced they are reviewing the feasibility of an Initial Public Offering (IPO) of ISS within the next 12 months.

EQT and Goldman Sachs Capital Partners have appointed Merrill Lynch and Goldman Sachs International to carry out the IPO feasibility review.

Outlook

The expectations should be read in conjunction with “Forward-looking statements” on page 8.

In 2007, ISS will continue its strategic directions towards offering integrated facility services and strengthening single service excellence and maintain its focus on its key operational objectives (i) cash flow; (ii) operating margin; and (iii) profitable organic growth. Furthermore, the Group intends to continue its strategy of making acquisitions to increase local scale and broadening its service competencies.

At the prevailing currency rates and including acquisitions and divestments completed up to 31 July 2007, FS Funding expects that revenue will increase by more than 10% compared to 2006 and that the operating margin will be maintained at or slightly above the level realised in 2006.

FS Funding is expected to continue to generate net accounting losses in 2007, as a consequence of the significant indebtedness as well as non-cash expenses deriving from amortisation of intangible assets relating to the purchase price allocation conducted in connection with the change of ownership of ISS.

Subsequent Events

On 19 June 2007, FS Funding established additional credit facilities as part of the Group's refinancing of a portion of the Group's existing debt and raised additional funding for future acquisitions.

The use of proceeds from drawings under the additonal credit facilities established in June 2007, included: (i) a partial repayment of DKK 3,350 million (EUR 450 million) of drawn amounts under ISS Global’s acquisition facilities. The repaid amount may be redrawn to fund future acquisitions; (ii) a repayment of FS Funding’s 6.625% Subordinated Floating Rate Notes due 2016 in an amount of DKK 6,326 million (EUR 850 million) plus accrued interest and call premium totalling DKK 193 million (EUR 26 million); (iii) a net payment of DKK 2,697 million (EUR 362 million) plus accrued interest of DKK 76 million (EUR 10 million) relating to the acceptance of tender offers for approximately 77.9% of ISS Global’s outstanding DKK 3,721 million (EUR 500 million) EMTNs due 2014. The notes were acquired at a discount to nominal value amounting to DKK 202 million (EUR 27 million). Due to the market value adjustment of the EMTNs in connection with FS Funding’s acquisiton of ISS A/S the net book value was lower than the redemption value, and consequently an accounting loss amounting to DKK 318 million (EUR 43 million) will be recognised in the Consolidated Financial Statements of Q3 2007; (iv) cash proceeds of DKK 119 million (EUR 16 million) net of transaction fees of DKK 186 million (EUR 25 million).

No dividends were paid out to FS Funding’s shareholders in connection with the refinancing.

In connection with the refinancing, the Lenders under the Senior Facilities Agreement consented to certain waivers and amendments of the Senior Facilities Agreement including a change of the financial covenant “Net Senior Bank Debt / Pro Forma EBITDA”. This covenant has been increased from 2.85x to 4.00x and may increase to 5.00x as of 31 December 2009 and onwards provided the increase is attributable to new senior debt used to refinance ISS Global’s EMTNs due 2010 and provided certain conditions are met.

Subsequent to 30 June 2007, the Group has made 12 acquisitions and 2 divestments up until 31 July 2007, including divestment of the landscaping business in Ireland. See note 5, Acquisition and divestment of businesses to the Condensed Consolidated Interim Financial Statements.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to 30 June 2007, which are expected to have a material impact on the Group’s financial position.

Forward-looking statements
This report may contain forward-looking statements. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words ‘‘may’’, “will”, “should”, ‘‘expect’’, ‘‘anticipate’’, ‘‘believe’’, ‘‘estimate’’, ‘‘plan’’, "predict," ‘‘intend’ or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. FS Funding has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of FS Funding. Although FS Funding believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ as a result of uncertainties relating to the following matters, among others:

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

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

FS Funding undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

Reference is also made to the description of risk factors beginning on page 22 in Annual Report 2006 of FS Funding A/S, which is available from the Group’s website, www.issworld.com.

Financial Calendar 2007

Interim Report, January - September 2007	29 November 2007

Telephone conference

A telephone conference will be held on Wednesday, 29 August 2007 at 4:00 PM CET (3:00 PM UK time).

The telephone numbers for the conference are:

+45 70 26 50 40 (Denmark)
+44 208 817 9301 (UK)
+1 718 354 1226 (US)

Signatures to the Interim Report

COPENHAGEN, 29 August 2007

The Board of Directors and the Executive Group Management have approved the interim report of FS Funding A/S for the period 1 January – 30 June 2007.

The interim report has not been audited and is prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim reports.

In our opinion, the interim report gives a true and fair view of the Group's financial position at 30 June 2007 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 June 2007.

EXECUTIVE GROUP MANAGEMENT

Jørgen Lindegaard
Group Chief Executive Officer

Jeff Gravenhorst
Group Chief Financial Officer

Flemming Schandorff
Group Chief Operating Officer

BOARD OF DIRECTORS

Sir Francis Mackay
Chairman

Leif Östling
Vice-Chairman

Ole Andersen

Sanjay Patel

Richard Sharp

Christoph Sander

Condensed Consolidated Interim Financial Statements for FS Funding A/S

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim income statement

These condensed consolidated interim financial statements are unaudited.
1 January – 30 June. Amounts in DKK millions

Note		Q2 2007	Q2 2006	H1 2007	H1 2006
3	**Revenue**	**15,825**	**13,888**	**30,755**	**26,443**
	Staff costs	(10,188)	(9,084)	(19,986)	(17,436)
	Cost of sales	(1,392)	(1,187)	(2,718)	(2,238)
	Other operating expenses	(3,048)	(2,616)	(5,955)	(5,021)
	Depreciation and amortisation	(202)	(178)	(404)	(352)
3	**Operating profit before other items**	**995**	**823**	**1,692**	**1,396**
4	Other income and expenses, net	(42)	(5)	(52)	(19)
	Integration costs	(20)	(28)	(32)	(54)
3	**Operating profit**	**933**	**790**	**1,608**	**1,323**
	Share of result from associates	4	2	3	(5)
	Net finance costs	(826)	(594)	(1,421)	(1,139)
	Profit/(loss) before tax and impairment/ amortisation of intangibles	**111**	**198**	**190**	**179**
	Income taxes	125	(105)	82	(164)
	Profit/(loss) before impairment/ amortisation of intangibles	**236**	**93**	**272**	**15**
	Goodwill impairment and write-down	(73)	-	(73)	-
	Amortisation of brands and customer contracts [1)]	(278)	(282)	(553)	(558)
	Tax effect	173	82	252	162
	Net profit/(loss) for the period	**58**	**(107)**	**(102)**	**(381)**
	Attributable to:				
	Equity holders of FS Funding	51	(111)	(113)	(388)
	Minority interests	7	4	11	7
	Net profit/(loss) for the period	**58**	**(107)**	**(102)**	**(381)**

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

Condensed consolidated interim cash flow statement

These condensed consolidated interim financial statements are unaudited.

1 January – 30 June. Amounts in DKK millions

Note		Q2 2007	Q2 2006	H1 2007	H1 2006
3	Operating profit before other items	995	823	1,692	1,396
	Share based payments	1	-	1	-
	Depreciation and amortisation	202	178	404	352
	Changes in working capital	76	(413)	(814)	(1,213)
	Changes in provisions	(64)	(39)	(83)	(25)
	Income taxes paid, net	(100)	(97)	(192)	(168)
	Payments related to other income and expenses, net	(29)	(56)	(98)	(109)
	Payments related to integration costs	(23)	(21)	(40)	(39)
	Cash flow from operating activities	**1,058**	**375**	**870**	**194**
5	Acquisition of businesses	(1,674)	(582)	(2,316)	(2,403)
5	Divestment of businesses	4	64	16	59
	Investments in intangible assets and property, plant and equipment, net	(134)	(203)	(328)	(344)
	Investments in financial assets, net	39	(5)	8	9
	Cash flow from investing activities	**(1,765)**	**(726)**	**(2,620)**	**(2,679)**
	Net proceeds from financing	1,504	1,784	1,822	3,834
	Interest paid, net [1)]	(555)	(599)	(884)	(1,032)
	Minority interests	(8)	(5)	(9)	(5)
	Cash flow from financing activities	**941**	**1,179**	**929**	**2,797**
	Total cash flow	**234**	**829**	**(821)**	**312**
	Cash and cash equivalents at beginning	1,165	1,283	2,216	1,804
	Total cash flow	234	829	(821)	312
	Foreign exchange adjustments	4	(3)	8	(7)
	Cash and cash equivalents at 30 June	**1,403**	**2,109**	**1,403**	**2,109**

[1)] Compared to H1 2006, Interest paid, net has been reclassified from cash flow from operating activities to cash flow from financing activities. Comparative figures have been restated accordingly.

Condensed consolidated interim balance sheet

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

Note		30 June 2007	30 June 2006	31 December 2006
	Assets			
	Intangible assets	37,380	34,863	36,032
	Property, plant and equipment	2,248	1,981	2,163
	Investments in associates	24	67	66
	Deferred tax assets	826	610	525
	Other financial assets	236	243	239
	Total non-current assets	**40,714**	**37,764**	**39,025**
	Inventories	246	320	324
	Trade receivables	10,074	8,928	9,281
	Contract work in progress	251	225	207
	Tax receivables	316	197	217
	Other receivables	1,236	766	924
6	Assets held for sale	754	-	-
	Securities	82	41	59
	Cash and cash equivalents	1,403	2,109	2,216
	Total current assets	**14,362**	**12,586**	**13,228**
	Total assets	**55,076**	**50,350**	**52,253**
	Equity and liabilities			
	Total equity attributable to equity holders of FS Funding	6,015	6,238	5,917
	Minority interests	49	55	63
	Total equity	**6,064**	**6,293**	**5,980**
	Long-term debt	29,689	26,867	27,625
	Pensions and similar obligations	680	1,005	885
	Deferred tax liabilities	3,184	3,163	3,173
	Other provisions	373	307	331
	Total long-term liabilities	**33,926**	**31,342**	**32,014**
	Short-term debt	1,268	1,331	1,015
	Trade payables	2,393	1,876	2,595
	Tax payables	282	153	167
6	Liabilities held for sale	374	-	-
	Other liabilities	10,397	8,884	10,068
	Other provisions	372	471	414
	Total current liabilities	**15,086**	**12,715**	**14,259**
	Total liabilities	**49,012**	**44,057**	**46,273**
	Total equity and liabilities	**55,076**	**50,350**	**52,253**

Condensed consolidated interim statement of total recognised income and expense and changes in equity

These condensed consolidated interim financial statements are unaudited.

1 January – 30 June. Amounts in DKK millions

2007	Share capital	Retained earnings	Cumula-tive fx adj.	Realised gain/(loss) on hedges	Unrealised gain/(loss) on hedges	Minority interests	Total equity
	Attributable to equity holders of FS Funding						
Total recognised income and expense							
Net profit/(loss) for the period	-	(113)	-	-	-	11	(102)
Foreign exchange adj. of subsidiaries and minorities	-	-	(16)	-	-	-	(16)
Gain/(loss) on hedges, net	-	-	-	-	156	-	156
Share-based payments	-	1	-	-	-	-	1
Actuarial gains and effect from asset ceiling, net	-	187	-	-	-	-	187
Fair value adjustment of PFI investments	-	(19)	-	-	-	-	(19)
Tax of entries recognised directly in equity	-	(50)	-	-	(48) [1]	-	(98)
Net income and expense recognised directly in equity	**-**	**119**	**(16)**	**-**	**108**	**-**	**211**
Total recognised income and expense for the period	**-**	**6**	**(16)**	**-**	**108**	**11**	**109**
Equity at 1 January 2007	**100**	**5,716**	**14**	**(7)** [2]	**94** [2]	**63**	**5,980**
Changes in equity							
Total recognised income and expense for the period	-	6	(16)	-	108	11	109
Impact from acquired and divested companies, net	-	-	-	-	-	(15)	(15)
Dividends paid	-	-	-	-	-	(10)	(10)
Total changes in equity	-	**6**	**(16)**	**-**	**108**	**(14)**	**84**
Equity at 30 June 2007	**100**	**5,722**	**(2)**	**(7)** [2]	**202** [2]	**49**	**6,064**

[1] Net of impact from change in tax rate applied.

[2] Net of taxes.

Condensed consolidated interim statement of total recognised income and expense and changes in equity

These condensed consolidated interim financial statements are unaudited.
1 January – 30 June. Amounts in DKK millions

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

[1] Net of taxes.

Notes to the condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 30 June. Amounts in DKK millions

1. Significant accounting policies

The condensed consolidated interim financial statements of FS Funding A/S for the period 1 January - 30 June 2007, comprise FS Funding A/S and its subsidiaries (together referred to as "the Group") and the Group's interests in associates and jointly controlled entities.

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended 31 December 2006.

ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as of and for the year ended 31 December 2006.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2006.

2. Seasonality

The operating margin before other items is typically lower in the first quarter of the year and higher in the third quarter of the year, compared to other quarters. Cash flow from operations tends to be lower in the first quarter of the year due to a number of cash payments relating to, among other things, pension contributions, insurance premium payments, holiday payments and the payment of bonuses earned in the prior year. Cash flow from operations becomes increasingly positive throughout the year and is usually highest in the fourth quarter of the year, when revenue recognised in the third quarter of the year is collected.

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.
1 January – 30 June. Amounts in DKK millions

3. Segment information

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

Geographical (Primary Segment)	External revenue	Total revenue [1]	Operating profit before other items	Operating margin %	Operating profit [2]
1 January – 30 June 2007					
France	5,012	5,012	312	6.2	313
United Kingdom	3,778	3,780	252	6.7	266
Norway	2,586	2,586	205	7.9	200
Sweden	1,930	1,930	123	6.4	123
Denmark [3]	1,821	1,827	97	5.3	83
Spain	1,818	1,818	89	4.9	86
Netherlands	1,804	1,804	105	5.8	92
Australia	1,626	1,626	109	6.7	107
Finland	1,623	1,623	110	6.8	103
Belgium and Luxembourg	1,399	1,399	93	6.7	80
Asia [4]	1,161	1,161	73	6.3	75
Germany	1,092	1,092	46	4.2	48
Switzerland	1,090	1,090	76	7.0	73
Austria	850	850	52	6.2	51
Latin America [5]	703	703	37	5.3	36
Central and Eastern Europe [6]	542	542	38	7.0	38
Israel	449	449	29	6.5	29
Turkey	346	346	23	6.8	23
Ireland	253	253	(46)	(18.2)	(74)
Portugal	242	242	18	7.5	17
USA	158	158	9	5.7	9
Greece	146	146	10	7.0	10
New Zealand	105	105	6	5.3	6
Italy	94	94	8	8.1	8
Iceland	84	84	7	8.1	7
Greenland	43	43	3	7.0	3
Regional items, not allocated to countries	-	-	(6)	-	(8)
Total operations	**30,755**	**30,763**	**1,878**	**6.1**	**1,804**
Corporate functions / eliminations	-	(8)	(186)	-	(196)
Total	**30,755**	**30,755**	**1,692**	**5.5**	**1,608**

[1] Internal revenue has not been disclosed due to immateriality.
[2] Before internal royalty to corporate functions.
[3] Including the Faroe Islands.
[4] Asia comprises Brunei, China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand.
[5] Latin America comprises Argentina, Brazil, Chile, Mexico and Uruguay.
[6] Central and Eastern Europe comprises Bosnia and Herzegovina, the Czech Republic, Croatia, Estonia, Hungary, Poland, Romania, Russia, Slovenia and Slovakia.

Continues

1 January – 30 June. Amounts in DKK millions

3. Segment information (continued)

Geographical (Primary Segment)	External revenue	Total revenue [1]	Operating profit before other items	Operating margin %	Operating profit [2]
1 January – 30 June 2006					
France	4,726	4,726	290	6.1	286
United Kingdom	3,266	3,267	195	6.0	182
Norway	2,290	2,290	172	7.5	167
Denmark [3]	1,858	1,862	128	6.9	127
Netherlands	1,654	1,654	78	4.7	78
Sweden	1,647	1,647	78	4.7	77
Finland	1,563	1,563	83	5.3	82
Spain	1,492	1,492	70	4.7	69
Belgium and Luxembourg	1,261	1,261	73	5.8	72
Australia	1,144	1,144	71	6.2	41
Germany	877	877	31	3.6	29
Asia [4]	876	876	54	6.2	46
Austria	759	759	44	5.8	44
Switzerland	740	740	42	5.7	42
Latin America [5]	454	454	19	4.4	19
Central and Eastern Europe [6]	443	443	24	5.3	23
Israel	335	335	21	6.2	20
Ireland	281	281	21	7.4	21
Turkey	242	242	14	5.7	14
Portugal	174	174	12	6.7	12
Greece	95	95	6	5.9	6
Italy	94	94	7	7.7	7
Iceland	68	68	5	7.4	4
New Zealand	63	63	3	4.4	2
Greenland	41	41	2	5.5	1
Regional items, not allocated to countries	-	-	(8)	-	(9)
Total operations	**26,443**	**26,448**	**1,535**	**5.8**	**1,462**
Corporate functions / eliminations	-	(5)	(139)	-	(139)
Total	**26,443**	**26,443**	**1,396**	**5.3**	**1,323**

[1] Internal revenue has not been disclosed due to immateriality.
[2] Before internal royalty to corporate functions.
[3] Including the Faroe Islands.
[4] Asia comprises Brunei, China, Hong Kong, India, Indonesia, Malaysia, Singapore, Sri Lanka and Thailand.
[5] Latin America comprises Argentina, Brazil, Chile, Uruguay and Mexico.
[6] Central and Eastern Europe comprises the Czech Republic, Croatia, Estonia, Hungary, Poland, Romania, Russia, Slovenia and Slovakia.

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 30 June. Amounts in DKK millions

4. Other income and expenses, net	2007	2006
Gain on sale of Private Finance Initiative stake in the United Kingdom [1)]	41	-
Other	7	1
Other Income	**48**	**1**
Re-scoping of IT outsourcing agreement [2)]	(10)	-
Consolidation projects in the United Kingdom [3)]	(28)	-
Loss on divestments[4)]	(61)	(3)
Other	(1)	(17)
Other expenses	**(100)**	**(20)**
Other income and expenses, net	**(52)**	**(19)**

[1)] Sale of the Group's interest (PFI-stake) in Criterion Healthcare (Bishop Auckland) which operates certain facilities at Bishop Auckland Hospital in the United Kingdom resulted in a gain of DKK 41 million.

[2)] The Group has as part of its outsourcing of the operation and maintenance of certain of its information technology systems incurred re-scoping costs, primarily as a result of change in the IT outsourcing agreement from a centralised to a decentralised solution.

[3)] The Group has initiated projects in the United Kingdom comprising a consolidation of properties in central London and Scotland. The projects include termination of leaseholds, write-off of fixed assets and relocation costs.

[4)] Divestments mainly relate to Landscaping activities in various countries.

1 January – 30 June. Amounts in DKK millions

5. Acquisition and divestment of businesses

The Group made 39 acquisitions from 1 January - 30 June 2007 (64 during 1 January - 30 June 2006). The total purchase price amounted to DKK 2,144 million (DKK 2,516 million during 1 January - 30 June 2006). The total annual revenue of the acquired businesses (unaudited approximate figure) is estimated at approximately DKK 3,240 million (DKK 5,560 million during 1 January - 30 June 2006) based on expectations at the time of acquisition. The balance sheet items etc. relating to acquisitions and divestments (including adjustments to acquisitions and divestments in prior years) are specified below:

	Total acquisitions [1]		
Acquisitions and divestments 1 January - 30 June 2007	Net book value before takeover	Fair value at takeover	Total divestments
Goodwill	512	-	
Customer contract portfolios and related customer relationships	-	628	-
Other non-current assets	130	106	(18)
Trade receivables	474	470	(1)
Other current assets	211	188	(4)
Other provisions	(32)	(43)	-
Pensions, deferred tax liabilities and minorities	(50)	(201)	-
Long-term debt	(6)	(7)	-
Short-term debt	(43)	(46)	-
Other current liabilities	(450)	(470)	-
Net identifiable assets	**746**	**625**	**(23)**
Hereof previously recognised as associates		(42)	-
Net identifiable assets adjusted for associated company		**583**	**(23)**
Goodwill [2]		1,612	-
Loss/(gain) on divestment of businesses		-	26
Acquisition costs, net of tax [3]		(51)	(29)
Purchase/(sales) price		**2,144**	**(26)**
Cash and cash equivalents in acquired/divested companies		(156)	-
Net purchase/(sales) price		**1,988**	**(26)**
Changes in deferred payments		207	(4)
Changes in prepayments regarding acquisitions in the coming period		73	-
Acquisition/divestment costs paid, net of tax		48	14
Net payments regarding acquisition/divestment of businesses		**2,316**	**(16)**

The amount of the acquiree's profit or loss since the acquisition date included in the income statement for the period 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.

[1] In 2007 the acquisition of Sanitors Inc. accounted for more than 2% of the Groups revenue on an individual basis. As the review of the opening balance has not yet been finalised, the provisionally determined opening balance has been included in "Total acquisitions" at 30 June 2007.
[2] The following intangibles are subsumed into goodwill; 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.
[3] Acquisition costs, net of tax amounting to DKK 51 million related mainly to the acquisitions of Sanitors in USA, Topman and Fealty in Taiwan and Adviance in the UK.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 30 June. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

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

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

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

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

[3] The following intangibles are subsumed into goodwill; i) assembled workforce, ii) technical expertise and technological know how, iii) training expertise and training and recruitment 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.

[4] Acquisition costs, net of tax, amounting to DKK 54 million related mainly to the acquisitions of Pegasus in the UK, Tempo Services Ltd. in Australia and San Rafael & Tap New in Mexico and MPA Security in Thailand.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 30 June. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)	2007	2006
Pro forma revenue [1]		
Revenue recognised in the income statement	30,755	26,443
Adjustment, assuming all acquisitions from 1 January - 30 June were included as of 1 January	1,012	915
Revenue for the Group assuming all acquisitions from 1 January - 30 June were included as of 1 January	31,767	27,358
Adjustment, assuming all divestments signed from 1 January - 30 June were carried out as of 1 January	(37)	(50)
Revenue for the Group assuming all acquisitions and divestments from 1 January - 30 June were carried out as of 1 January	**31,730**	**27,308**
Pro forma operating profit before other items [1]		
Operating profit before other items recognised in the income statement	1,692	1,396
Adjustment, assuming all acquisitions from 1 January - 30 June were included as of 1 January	74	57
Operating profit before other items for the Group assuming all acquisitions from 1 January - 30 June were included as of 1 January	1,766	1,453
Adjustment, assuming all divestments signed from 1 January - 30 June were carried out as of 1 January	-	(3)
Operating profit before other items for the Group assuming all acquisitions and divestments from 1 January - 30 June were carried out as of 1 January	**1,766**	**1,450**

[1] The adjustment for revenue and operating profit before other items assuming all acquisitions and divestments were included as of 1 January is based on estimates of local ISS management in the respective jurisdictions in which such acquisitions and divestments occurred at the times of such acquisitions and divestments or actual results where available. Synergies from acquisitions are not included for periods in which such acquisitions were not controlled by the Group. These adjustments and the computation of total revenue and operating profit before other items calculated on a pro forma basis based on such adjustments are presented for informational purposes only. This information does not represent the results the Group would have achieved had the divestments and acquisitions during the year occurred on 1 January. In addition, the information should not be used as the basis for or prediction of any annualised calculation.

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

1 January – 30 June. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

From 1 January 2007 to 30 June 2007, the Group made 39 acquisitions [1)]

Company	Country	Income statement consolidated from	Percentage interest	Annual revenue [2)]	Number of employees [2)]
FM-Complete	Austria	January	100%	22	27
Advanced Group	UK	January	Activities	9	17
JV Strong [3)]	UK	January	100%	98	250
Jobbcoach	Norway	January	Activities	3	2
Karitza KV Holdus	Estonia	January	100%	2	51
Fealty [3)]	Taiwan	January	100%	41	82
Topman [3)]	Taiwan	January	100%	147	1,700
Prestanet	France	February	100%	16	100
Jardi Breiz	France	February	100%	42	50
Omni Net Services	France	February	100%	18	113
PCC	Belgium	February	100%	24	30
Top Service	Argentina	February	100%	42	940
Nadese S.L.	Spain	February	100%	19	140
SMV [3)]	Brazil	February	100%	99	513
Plantiago	Portugal	March	100%	23	95
Group Suprema	Portugal	March	100%	62	800
Megalimpa	Portugal	March	Activities	9	113
Lux Interim	Luxembourg	March	100%	39	5
J.P.S. servis	Slovakia	March	100%	8	335
Morel	France	March	100%	45	400
Morwar	Poland	March	100%	17	276
FDV	Norway	March	Activities	4	4
Sensa Advena	Norway	March	100%	2	5
Actum Rogaland	Norway	March	100%	6	6
Erlacher	Austria	March	Activities	4	5
Steinle	Germany	March	100%	4	4
Aircon	Norway	March	100%	107	380
Pro Exhibition Services	Thailand	April	Activities	5	160
THP	France	April	100%	32	370
Ledan	Chile	April	100%	12	379
Caterhouse [3)]	UK	April	100%	102	875
PT SAS	Indonesia	April	Activities	18	1,470
Hanyang [3)]	China	April	100%	39	2,400
Krogab	Norway	May	Activities	5	1
Perfect Choice	Norway	May	Activities	16	30
Adviance [3)]	UK	June	100%	207	110
Sanitors [3)]	US	June	100%	1,822	10,136
Hunt & Ondes	Belgium	June	100%	59	75
SEGA Consulting	Romania	June	100%	11	504
Subtotal				**3,240**	**22,953**

[1)] Includes all acquisitions completed prior to 1 July 2007.

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

[3)] Review of the opening balance has not yet been finalised. Opening balances of all other acquisitions are finalised subject to the 12 months window for provisional accounting under IFRS 3.

Continues

1 January – 30 June. Amounts in DKK millions

5. Acquisition and divestment of businesses (continued)

From 1 January to 30 June 2007, the Group made 8 divestments [1)]

Company/activity	Country	Month of disposal	Annual revenue [2)]
Move Business	Finland	February	54
Niaga Suria Group	Malaysia	February	15
Dust Control	Denmark	March	5
Trio	Denmark	March	8
ES Business	Taiwan	April	11
Landscaping	Switzerland	April	41
Damage Control BV	Netherland	May	12
Hedelund	Denmark	June	6
Total			**152**

[1)] Includes all divestments completed prior to 1 July 2007.
[2)] Approximate figures based on information available at the time of divestment.

Acquisitions and divestments completed in the period 1 July - 31 July 2007

In accordance with usual procedures for purchase price allocation, opening balances for acquisitions and closing balances for divestments subsequent to 30 June 2007 are not yet available.

From 1 July to 31 July 2007, the Group made 12 acquisitions [1)]

Company	Country	Income statement consolidated from	Percentage interest	Annual revenue [2)]	Number of employees [2)]
Bioimago	Portugal	July	100%	4	19
CMC	Turkey	July	100%	64	850
P Doc	India	July	100%	2	22
Tutti Frutti	Norway	July	100%	7	5
Goldex	Hungary	July	Activities	24	550
KiPa	Finland	July	100%	1	2
Virtin Teenus	Estonia	July	100%	6	150
Ryvola	Czech Rep. / Slovakia	July	100%	78	469
Optima	Spain	July	100%	33	256
Tojer d.o.o.	Slovenia	July	100%	15	98
GD Cleaning	Belgium	July	100%	8	26
Human Ressource Center	Norway	August	100%	33	21
Total				**275**	**2,468**

[1)] Includes all acquisitions completed prior to 1 August 2007 regardless of consolidation date.
[2)] Approximate figures based on information available at the time of acquisition.

From 1 July to 31 July 2007, the Group made 2 divestments [1)]

Company/activity	Country	Month of disposal	Annual revenue [2)]
Kai Thor Catering	Denmark	July	19
Landscaping	Ireland	July	113
Total			**132**

[1)] Includes all divestments completed prior to 1 August 2007.
[2)] Approximate figures based on information available at the time of divestment.

1 January – 30 June. Amounts in DKK millions

6. Assets held for sale

The Group has decided to dispose of two of the Group's activities in two different countries. A sales process was initiated with respect to both activities at 30 June 2007 resulting in a sale of the landscaping activity in Ireland subsequent to 30 June 2007. The other activity is expected to be sold within 12 months. The assets and liabilities attributable to both activities have been classified as a disposal group held for sale and are presented separately in the balance sheet at the lower of carrying amount at the date of the classification as “held for sale” or fair value less costs to sell. Assets are not depreciated or amortised from the date when they are reclassified as held for sale.

The proceeds on disposal of the landscaping activity in Ireland were below the original net carrying value of the relevant assets and liabilities, and accordingly, an impairment loss on goodwill and customer contracts of DKK 73 million and loss on disposal of DKK 28 million included in other income and expenses have been recognised at 30 June 2007.

The proceeds on disposal of the other activity are expected to at least equal the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

7. Contingent liabilities

Senior Facility Agreement
FS Funding A/S has executed a share pledge over its shares in ISS A/S as security for ISS's senior facilities and a secondary share pledge over such shares as security for the subordinated notes issued by FS Funding 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, and the United Kingdom have provided guarantees for ISS Global A/S' borrowings under the senior facilities. The guarantees have been backed up by security over cash, trade receivables, intra-group receivables and intellectual property rights of ISS A/S and these subsidiaries. In addition, the shares in the material subsidiaries and shares in certain of their subsidiaries as well as shares in certain subsidiaries in Austria, Germany, Hong Kong, Ireland, Portugal, Singapore and Switzerland have been pledged. Neither ISS A/S nor any of its direct of indirect subsidiaries have guaranteed or granted any security for FS Funding's borrowing used for financing the acquisition of ISS A/S.

Operating leases
Operating leases consist of leases and rentals of properties, vehicles (primarily cars) and other equipment. The total expense under operating leases in the income statement amounted to DKK 865 million (30 June 2006, DKK 812 million). Assuming the current car fleet etc. is maintained, the future minimum lease payments under operating leases are:

	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years	Total lease payment
At 30 June 2007	1,143	865	626	414	284	447	3,779
At 30 June 2006	1,039	781	528	346	229	290	3,213

Commitment vehicle leases
On 1 January 2005 the Group entered into a new global car fleet lease framework agreement for three years, including an option for extension for another subsequent three year term. The framework agreement contains an option for the Group to terminate the underlying agreement for an entire country or the entire commitment with four weeks notice, to the end of a quarter subject to payment of a termination amount. The majority of the underlying agreements have a duration of 3-5 years. The contingent liability disclosed above includes the Group's total leasing commitment assuming no early termination of any agreement.

Guarantee commitments
Indemnity and guarantee commitments at 30 June 2007 amounted to DKK 386 million (30 June 2006, DKK 343 million).

Continues

7. Contingent liabilities

Performance guarantees
The Group has issued performance guarantee bonds for service contracts with an annual revenue of DKK 1,057 million (30 June 2006, DKK 892 million) of which DKK 857 million (30 June 2006, DKK 665 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 30 June 2007 amounted to approximately DKK 200 million (30 June 2006: DKK 394 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 30 June 2007 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 30 June 2007.

8. Related party transactions

The sole shareholder of FS Funding A/S, FS 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 Goldman Sachs Capital Partners.

Members of the Board of Directors and Executive Group Management
Apart from remuneration and incentive programmes described below there were no significant transactions with members of the Board of Directors or the Executive Group Management during the period.

Incentive Programmes
The Principal Shareholders have offered a management participation programme, under which the Executive Group Management and a number of senior officers of the Group were offered to make an investment. The programme is structured as a combination of direct and indirect investments in a mix of shares and warrants of FS Invest, FS Funding A/S's ultimate parent. As of 30 June 2007, the investments amounted to DKK 198 million in total for 143 executives and officers. As part of the programme, warrants in FS Invest were granted of which 532,012 were outstanding as of 30 June 2007.

Non-executive members of the Board of Directors (except representatives of the Principal Shareholders) have been 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 6.4 million in total. In addition they have co-invested with the Principal Shareholders for approximately DKK 17.6 million in total.

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

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

Continues

Notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.
1 January – 30 June. Amounts in DKK millions

8. Related party transactions (continued)

External directorships and external executive positions of The Group's Board of Directors and Executive Group Management

Board of Directors	Board Member	Executive Position
Sir Francis Mackay	Chairman Carlton Partner LLP	None
Leif Östling	Scania AB, AB SKF, Svenskt Näringsliv (Confederation of Swedish Enterprise) and Teknikföretagen (The Association of Swedish Engineering Industries)	President and CEO of Scania AB
Ole Andersen	Contex Holding A/S, Aleris AB and Dako A/S	Head of the Copenhagen office of EQT Partners
Sanjay Patel	Ahlsell AB and Edam Acquisitions B.V.	Co-head of Private Equity in Europe for the Principal Investment Area of Goldman Sachs
Christoph Sander	Europackaging Group (MidOcean Partners Appointee), Casper Limited and 2 subsidiaries of Casper Limited	Co-founder and CEO of Casper Limited
Richard Sharp	Cognis GmbH & Co. KG	Advisory Director of Goldman Sachs International
Peter Korsholm (alternate)	Contex Holding A/S (deputy director) and BTX Group A/S	Partner at EQT Partners
Steven Sher (alternate)	Ahlsell AB, Rhiag Holding Ltd., Edam Acquisitions B.V. and certain holding companies of 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
Flemming Schandorff	None	None
Jeff Gravenhorst	None	None

Affiliates

In the period 1 January - 30 June 2007, the Group had the following transactions with affiliates:
- the Group received/paid interest from/to affiliates.
- 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 and in Russia have entered into Facility Services agreements with local Goldman Sachs affiliates. The annual revenue from these agreements is estimated at DKK 4.5 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.

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

9. Subsequent events

On 19 June 2007, FS Funding established additional credit facilities as part of the Group's refinancing of a portion of the Group's existing debt and raised additional financing for future acquisitions.

The use of proceeds from drawings under the additional credit facilities established in June 2007 included: (i) a partial repayment of DKK 3,350 million (EUR 450 million) of drawn amounts under ISS Global's acquisition facilities. The repaid amount may be redrawn to fund future acquisitions; (ii) a repayment of FS Funding's 6.625% Subordinated Floating Rate Notes due 2016 in an amount of DKK 6,326 million (EUR 850 million) plus accrued interest and call premium totalling DKK 193 million (EUR 26 million); (iii) a net payment of DKK 2,697 million (EUR 362 million) plus accrued interest of DKK 76 million (EUR 10 million) relating to the acceptance of tender offers for approximately 77.9% of ISS Global's outstanding DKK 3,721 million (EUR 500 million) EMTNs due 2014. The notes were acquired at a discount to nominal value amounting to DKK 202 million (EUR 27 million). Due to the market value adjustment of the EMTNs in connection with FS Funding's acquisition of ISS A/S the net book value was lower than the redemption value, and consequently a loss amounting to DKK 318 million (EUR 43 million) will be recognised in the Consolidated Financial Statements of Q3 2007; (iv) cash proceeds of DKK 119 million (EUR 16 million) net of transaction fees of DKK 186 million (EUR 25 million).

No dividends to FS Funding's shareholders in connection with the refinancing were paid out.

In connection with the refinancing, the Lenders under the Senior Facilities Agreement consented to certain waivers and amendments of the Senior Facilities Agreement including a change of the financial covenant "Net Senior Bank Debt / Pro Forma EBITDA". This covenant has been increased from 2.85 times to 4.00 times and may increase to 5.00 times as of 31 December 2009 and onwards provided the increase is attributable to new senior debt used to refinance ISS Global's EMTNs due 2010 and provided certain conditions are met.

Subsequent to 30 June 2007, the Group has made 12 acquisitions and 2 divestments up until 31 July 2007, including divestment of the landscaping business in Ireland. See note 5, Acquisition and divestment of businesses to the Condensed Consolidated Interim Financial Statements.

Apart from the above and the events described in this interim report, the Group is not aware of events subsequent to 30 June 2007, which are expected to have a material impact on the Group's financial position.

APPENDIX: Other Financial Measures

The estimated pro forma information presented in this appendix is unaudited and for informational purposes only.

FS Funding includes these financial measures because it believes that they are useful measures of the Group's results of operations and liquidity; however, these items are not measures of financial performance under IFRS and should not be considered as a substitute for operating profit, net profit, cash flow or other financial measures computed in accordance with IFRS. Other companies, including those in the Group's industry, may calculate similarly titled financial measures differently from the Group. Because all companies do not calculate these financial measures in the same manner, FS Funding's presentation of such financial measures may not be comparable to similarly titled measures of other companies. Funds depicted by certain of these measures may not be available for management's discretionary use due to covenant restrictions, debt service payments and other commitments. In addition, the calculations of some of these financial measures take into account estimates of pre-acquisition and post-acquisition results, which by their nature are uncertain.

Adjusted EBITDA

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

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

	12-month period ended 30 June 2007 (DKK millions)
Operating Profit	3,304
Depreciation and amortization	797
EBITDA	4,101
Other income and expenses, net	142
Integration costs	84
Adjusted EBITDA	**4,327**

ESTIMATED PRO FORMA ADJUSTED EBITDA

	12-month period ended 30 June 2007 (DKK millions)
Adjusted EBITDA	4,327
Estimated Pro Forma Adjusted EBITDA of acquired and divested businesses	266
Estimated Pro Forma Adjusted EBITDA	**4,593**

Notes:
Estimated adjusted EBITDA of acquired and divested businesses represents the net aggregate estimated adjusted EBITDA for each of the acquired or divested businesses for the period from 1 July 2006 to the date of its acquisition or divestment by the Group. These amounts are estimates in part because (i) the historical income statement information that was available for the acquired businesses for the periods from 1 July 2006 to the date of their acquisition by the Group has been converted and adjusted by the Group as described below, and (ii) income statement information was generally not available for any of the Acquired Businesses for the portions of the twelve-month period ended 30 June 2007 from the dates of the last annual or interim financial statements of the Acquired Businesses until the date on which they were purchased by the Group.

Continues

ESTIMATED PRO FORMA ADJUSTED EBITDA (CONTINUED)

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

The estimated pro forma adjusted EBITDA for the 12-month period ended 30 June 2007 was prepared using the following methodology:

(i) First, by estimating the annual EBITA of the Acquired Businesses:
- EBITA estimates of the Acquired Businesses for historical periods were based on the historical annual or interim financial statements of the Acquired Businesses;
- in some cases, EBITA estimates for historical periods were based on financial statements of the Acquired Businesses, prepared under relevant local generally accepted accounting principles;
- where the financial statements of the Acquired Businesses were not audited by the local auditors of such businesses, EBITA for historical periods was estimated with reference to unaudited internal management accounts of those entities;
- EBITA estimates of the Acquired Businesses were then converted to ISS accounting policies by local ISS management for inclusion in the acquisition reports;
- EBITA estimates included in the acquisition reports did not take account of seasonality or expected synergies, but were adjusted on a case-by-case basis to take into account additional information regarding known material positive or negative changes in the Acquired Businesses, such as contract gains and losses, available at the time of acquisition from interim reports, management accounts of the Acquired Businesses and other sources;
- the estimated annual EBITA for each of the Acquired Businesses was allocated in an equal pro rata amount to each month of the portion of the twelve-month period ended 30 June 2007 prior to its acquisition by ISS;

(ii) Second, by estimating the annual EBITDA of the Acquired Businesses:
- the total estimated EBITA for all of the Acquired Businesses was then adjusted to add back an amount of estimated depreciation for each of the Acquired Businesses for the portion of the twelve-month period ended 30 June 2007 prior to its acquisition by ISS, by applying a rate of depreciation of 1.5% to the revenues of each such entity acquired during the twelve-month period ended 30 June 2007 and allocating the result in equal pro rata amounts to each month of the period;

(iii) Third, by estimating the EBITDA of the Divested Businesses:
- the estimated EBITA of the Divested Businesses was derived from the unaudited management accounts of those Divested Businesses; and
- the total estimated EBITA for all of the Divested Businesses was then adjusted to add back an amount of depreciation for each of the Divested Businesses, by applying the reported depreciation of the divested entity if the entity was separately reported in the unaudited management accounts or, if the depreciation of the entity was not separately reported in the unaudited management accounts, by applying a rate of depreciation of 1.5% to the revenues of each such entity divested during the twelve-month period ended 30 June 2007.

Pro Forma Net debt

The following table sets forth FS Funding's consolidated cash and cash equivalents and securities and capitalization as of 30 June 2007.

The amounts set forth under the column entitled "Consolidated Actual" are derived from and should be read in conjunction with the Condensed Consolidated Interim Financial Statements of FS Funding as of and for the period ended 30 June 2007 and the related notes thereto.

CAPITALIZATION TABLE

	As of 30 June 2007			
	Consolidated Actual	Accounting Adjustments[(1)]	July 2007 Refinancing[(2)]	Consolidated As Adjusted
	(DKK millions)			
Cash and cash equivalents and securities:				
Cash and cash equivalents	1,403		119 [(ii)]	1,522
Securities[(3)]	82			82
Total cash and cash equivalents and securities	**1,485**			**1,604**
Short-term debt:				
Senior Facilities[(4)]:				
Term Facility A	200			200
Other short-term debt[(5)]	1,068	(178) [(iv)]		890
Total short-term debt	**1,268**			**1,090**
Long-term debt:				
Senior Facilities[(4)]:				
Term Facility A	1,383	13 [(iii)]		1,396
Term Facility B	4,970	41 [(iii)]	8,484 [(i)]	13,495
Acquisition Facilities	4,358	36 [(iii)]	(3,350) [(ii)]	1,044
Euro Medium Term Notes[(6)]:				
4.75% Notes due 2010[(a)]	5,981	345 [(i)]		6,326
4.50% Notes due 2014[(b)]	3,055	666 [(i)]	(2,899) [(ii),(iii)]	822
Second Lien Facility[(7)]:			4,465 [(i)]	4,465
Subordinated Notes[(8)]:				
Floating Rate Notes due 2016[(a)]	6,389		(6,389) [(ii)]	-
8.875% Notes due 2016[(b)]	3,269	110 [(iii)]		3,379
Interest rate swaps	35	(35) [(ii)]		-
Other long-term debt[(9)]	249			249
Total long-term debt	**29,689**			**31,176**
Shareholders' funding:				
Shareholders' equity	6,015		(239) [(iii)]	5,776
Minority interests	49			49
Total capitalisation	**37,021**			**38,091**
Pro Forma Total adjusted net debt[(10)]				30,662

Notes:

(1) Accounting Adjustments:

(i) Market price adjustments of Euro Medium Term Notes**:**
The Euro Medium Term Notes issued by ISS Global were recognized in the opening balance sheet at their market price as of 9 May 2005, the date of FS Funding's acquisition of ISS, as part of FS Funding's purchase price allocation prepared in connection with FS Funding's acquisition of ISS A/S. The difference between this market price and the principal amount is being amortized in the consolidated financial statements of FS Funding over the remaining term of the Euro Medium Term Notes. The unamortized market price adjustment as at 30 June 2007, amounting to DKK 345 million related to the Euro Medium Term Notes due 2010 and DKK 666 million related to the Euro Medium Term Notes due 2014, is reversed in the above table to reflect the principal amount of the Euro Medium Term Notes.

Continues

(ii) Gains on interest rate swaps:
In June 2005 and June 2006, ISS settled the interest rate swaps hedging the Euro Medium Term Notes issued by ISS Global and realized a gain, which is being recognized in the income statement over the remaining term of the Euro Medium Term Notes. At 30 June 2007, the unamortized portion of the gain amounted to DKK 35 million, which is reversed in the above table to reflect the principal amount of the hedged Euro Medium Term Notes.

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

To reflect the principal amount of loan liabilities at 30 June 2007, unamortized financing fees of DKK 13 million related to Term Facility A, DKK 41 million related to Term Facility B, DKK 36 million related to Acquisition Facilities and DKK 110 million related to the 8.875% Subordinated Notes are reversed.

(iv) Debt related to joint taxation:
FS Funding is jointly taxed with FS Equity 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. At 30 June 2007, the condensed consolidated interim financial statements of FS Funding included a liability of DKK 178 million to FS Equity, the ultimate Danish parent of the Group. 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 178 million is excluded from short-term debt.

(2) July 2007 Refinancing:

On 3 July 2007, FS Funding completed a refinancing, of a portion of the Group's existing debt and raised additional funding for future acquisitions.

(i) Additional credit facilities**:**
As part of the refinancing new credit facilities were established comprising (a) DKK 8,484 million (EUR 1,140 million) of Term Facilities, of which DKK 7,443 million (EUR 1,000 million) was borrowed by ISS Global and DKK 1,042 million (EUR 140 million) was borrowed by FS Funding; and (b) DKK 4,465 million (EUR 600 million) of Second Lien Facility which was borrowed by FS Funding.

(ii) Use of proceeds**:**
The use of proceeds from the refinancing included: (a) a partial repayment of DKK 3,350 million (EUR 450 million) under ISS Global's acquisition facilities. The repaid amount may be redrawn to fund future acquisitions; (b) a payment of DKK 6,389 million related to the redemption of FS Funding's DKK 6,326 million (EUR 850 million) Subordinated Floating Rate Notes due 2016, plus a call premium of DKK 63 million; (c) a net payment of DKK 2,697 million (EUR 362 million) relating to the acceptance of tender offers for approximately 77.9% of ISS Global's outstanding DKK 3,721 million (EUR 500 million) EMTNs due 2014; and (d) cash proceeds of DKK 119 million (EUR 16 million) net of transaction fees of DKK 186 million (EUR 25 million), accrued interest of DKK 130 million (EUR 17 million) related to the Subordinated Floating Rate Notes due 2016 and accrued interest of DKK 76 million (EUR 10 million) related to the EMTNs due 2014.

(iii) Discount on tendered EMTNs**:**
The acceptance of tenders representing approximately 77.9% of ISS Global's outstanding EMTNs due 2014 resulted in a discount of DKK 202 million as the notes were acquired at a discount to nominal value. Due to the market value adjustment of the EMTNs in connection with FS Funding's acquisition of ISS A/S the net book value was lower than the redemption value, and consequently an accounting loss amounting to DKK 318 million (DKK 239 million after 25% tax), will be recognised in the Consolidated Financial Statements of Q3.

(3) Consists mainly of Danish listed government bonds.

(4) The Senior Facilities comprise the following:

- term facilities in an amount equivalent to DKK 16,135 million (Term Facility A in an amount equivalent to DKK 1,596 million, of which DKK 200 million are included in short-term debt and DKK 1,396 million are included in long-term debt, and Term Facility B in an amount equivalent to DKK 13,495 million), both of which are fully drawn.

- a revolving credit facility (the ''Revolving Credit Facility'') in an amount equivalent to DKK 2,400 million, of which amounts equivalent to DKK 742 million were drawn as of 30 June 2007. Borrowings under the Revolving Credit Facility are primarily provided by local lenders to certain subsidiaries and are included in ”other short-term debt'' and ''other long-term debt'' in FS Funding's consolidated financial statements.

Continues

- Acquisition Facility A in an amount equivalent to DKK 1,425 million, which was fully drawn as at 30 June 2007 and Acquisition Facility B in an amount equivalent to DKK 3,500 million of which DKK 2,969 million was drawn as at 30 June 2007. As a consequence of the refinancing, a partial repayment of DKK 3,350 million (EUR 450 million) was made. The repaid amount may be redrawn to fund future acquisitions.
- a letter of credit facility in an amount equivalent to DKK 500 million. Letters of credit are primarily issued in support of borrowings, other than borrowings under the Revolving Credit Facility or the Secured Local Facilities, and, to the extent these borrowings are deemed to constitute indebtedness, the borrowings are included in ''other short-term debt'' and ''other long-term debt'' in FS Funding's Consolidated Financial Statements.

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

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

(6) Euro Medium Term Notes

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

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

(7) In July 2007, FS Funding borrowed EUR 600 million under a Second Lien Facility maturing in 2015.

(8) Subordinated Notes

(a) In May 2006, FS Funding issued EUR 850 million of Subordinated Floating Rate Notes. During the 12-month period commencing 15 May 2007, the notes were callable at a premium of 1% of their nominal value. On 21 June 2007, FS Funding issued a redemption notice for the Subordinated Floating Rate Notes. The notes, including the 1% call premium of DKK 63 million (EUR 8.5 million), were included in long-term debt in the Condensed Consolidated Interim Financial Statements at 30 June 2007. The notes were fully redeemed on 23 July 2007.

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

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

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

Seasonality Adjusted Pro Forma Net debt

Seasonality Adjusted Pro Forma Net Debt, as calculated by FS Funding, represents Pro Forma Net Debt less changes in working capital for the 6-month period ending June 30, 2007, plus changes in working capital for the 12-month period ending June 30, 2007. By applying changes in working capital for the 12-month period ending June 30, 2007 instead of the 6-month period ending June 30, 2007, FS Funding adjusts Pro Forma Net Debt for seasonality in working capital and thus the Seasonality Adjusted Pro Forma Net Debt is comparable to FS Funding's Pro Form Net Debt at the end of a financial year. For further information on seasonality, see note 2 to the Condensed Consolidated Interim Financial Statements.

SEASONALITY ADJUSTED PRO FORMA NET DEBT

Pro Forma Net Debt	30,662
Changes in working capital, January 1 - June 30, 2007	(814)
Changes in working capital, July 1, 2006 - June 30, 2007 [1)]	(450)
Seasonality Adjusted Pro Forma Net Debt	**29,398**

[1)] This figure represents a positive inflow of DKK 450 million.