



**FS Funding A/S**

**Investor Presentation**

**Interim Report January - September 2006**

# Forward-looking Statements

## Forward-looking statements

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

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

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

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

Reference is also made to the description of risk factors on pages 33-52 of the Offering Memorandum dated April 28, 2006, which is available from the Group's website, [www.issworld.com](http://www.issworld.com).



# Agenda

- ISS Today
- Key Events January – September 2006
- Management
- The Strategy - Route101
- Interim Report
- Other Financial Measures



# ISS Today

Argentina  
Australia  
Austria  
Belgium  
Brazil  
Brunei  
Chile  
China & Hong Kong  
Croatia  
Czech Republic  
Denmark & Greenland  
Estonia  
Finland  
France  
Germany  
Greece  
Hungary  
Iceland  
India  
Indonesia  
Ireland  
Israel  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malaysia  
Mexico  
Netherlands  
New Zealand  
Norway  
Philippines  
Poland  
Portugal  
Romania  
Russia  
Singapore  
Slovakia  
Slovenia  
Spain  
Sri Lanka  
Sweden  
Switzerland  
Thailand  
Turkey  
United Kingdom  
Uruguay

● More than 350,000 employees in 47 countries  
(among Europe's 10 largest private employers)

● More than 100,000 b2b customers

● Revenue 2005: DKK 46.4 billion

● Operating margin 2005: 5.7%



# Key Events January – September 2006

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- HY notes issued in May
- Management changes
- Continued execution of Route 101 strategy
- Management incentive program
- Acquisitions



# Executive Group Management of the ISS Group <sup>6</sup>

- Jorgen Lindegaard (57), Group CEO
  - Previously with SAS, GN, TDC
  - Board member of ISS since Spring 2006



- Jeff Gravenhorst (44), Group CFO
  - With ISS since 2002



- Flemming Schandorff (58), Group COO
  - With ISS since 1973



# Continued Execution of Route 101 Strategy

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## Continue focus on operational efficiency

- Cash flow
- Operating margin
- Profitable growth

## Increase IFS capabilities

- Target full range of facility services in each market
- Strengthen customer relationships
- Realize benefits for customers and ISS

## Continue disciplined acquisition process

- Broaden the scope of service offerings
- Increase operational density and expand geographically
- Focus on bolt-on acquisitions, may pursue larger acquisitions
- Leverage the experience of local management teams



# Interim Report

January – September 2006

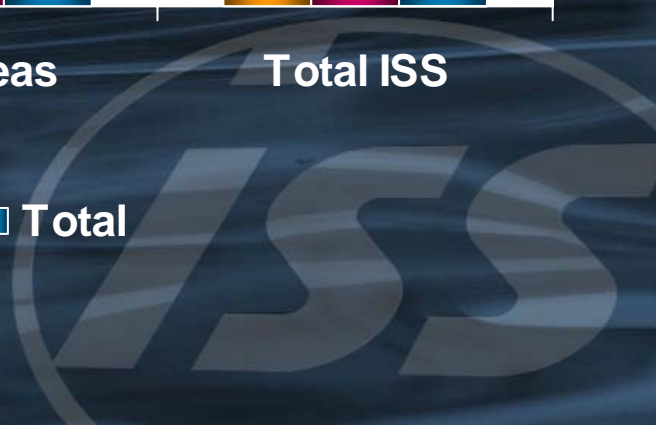
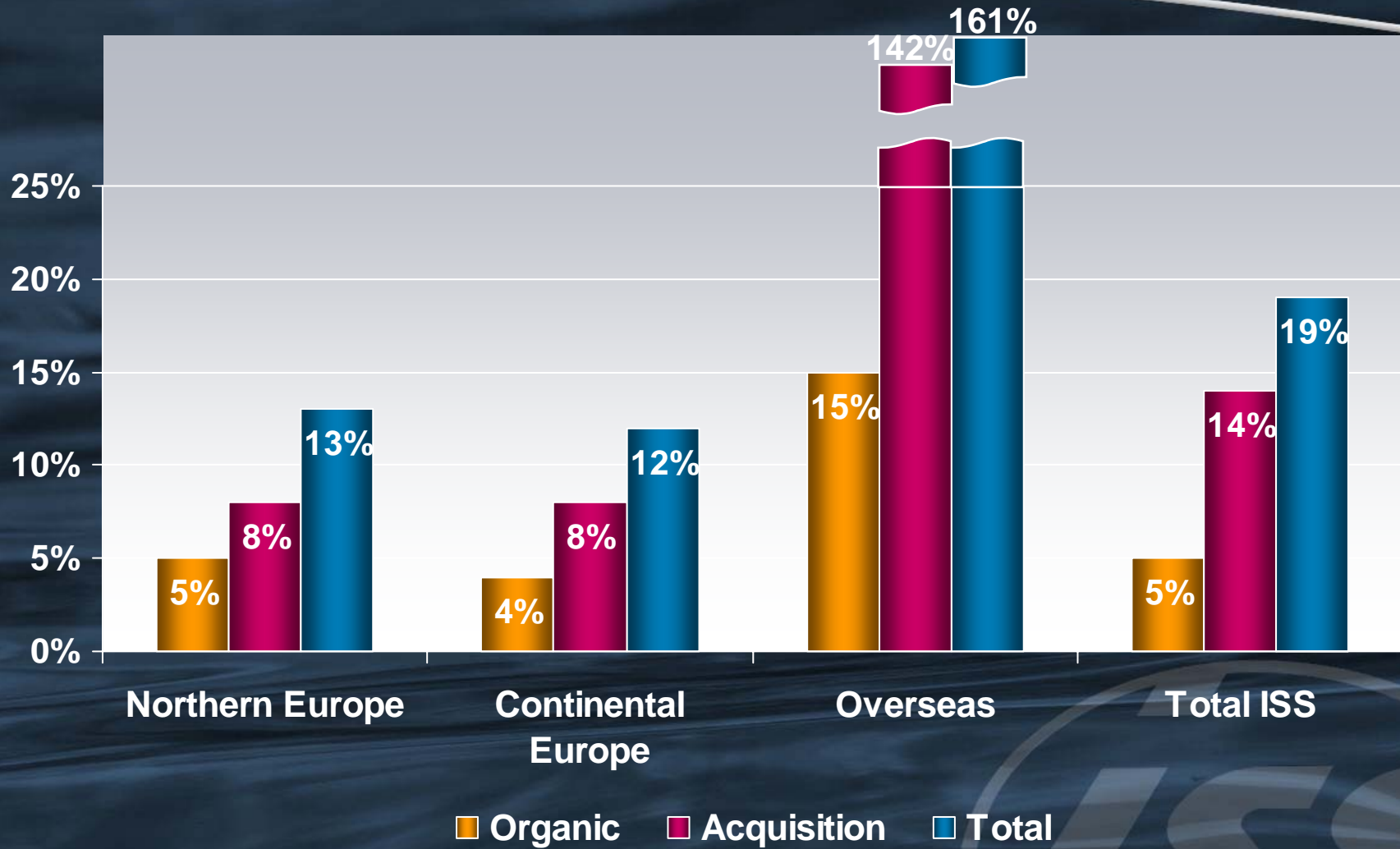


# Key Figures Q1 - Q3 2006

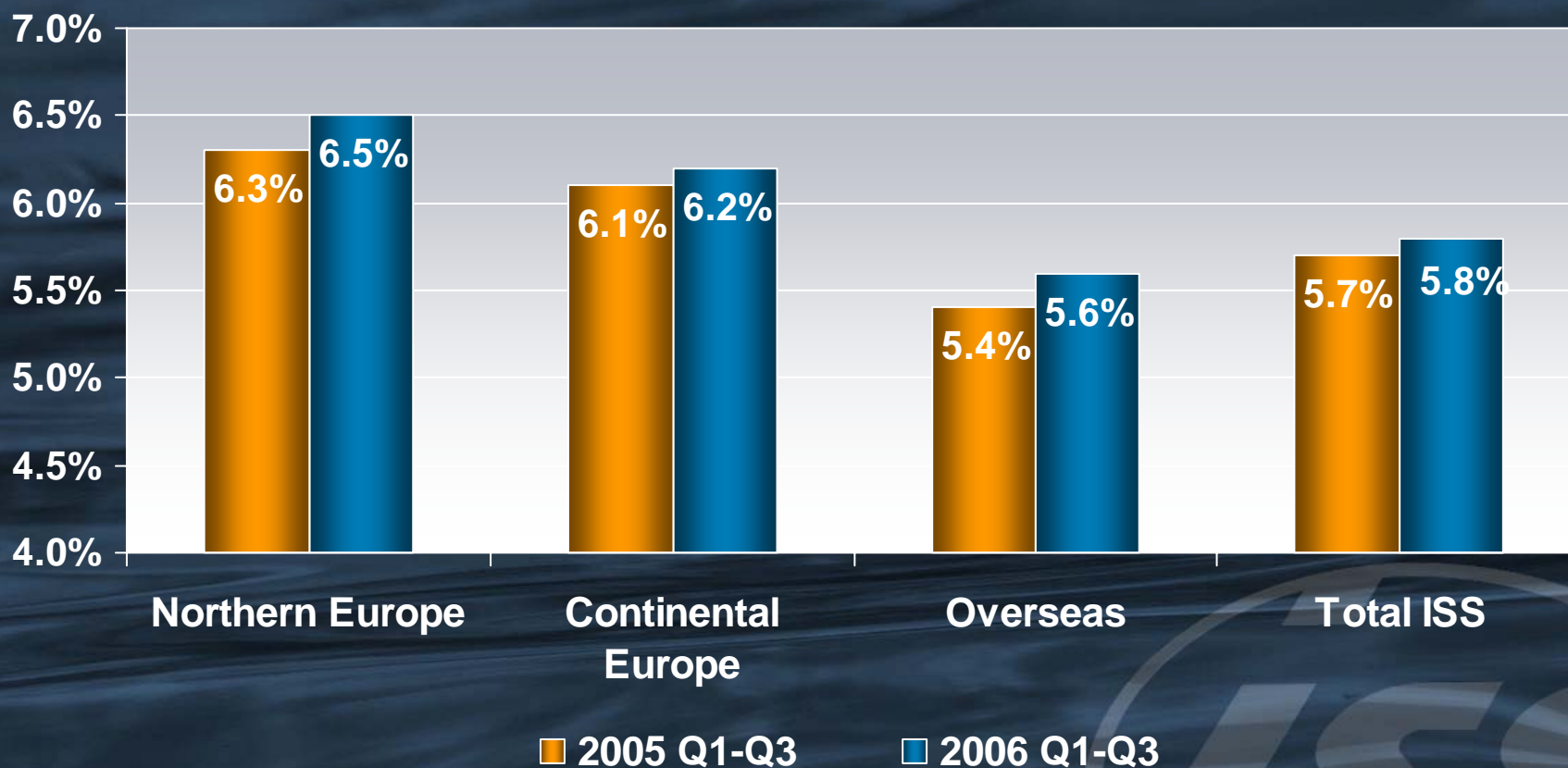
| DKKm                                | Q1 - Q3 2006 | Growth   |
|-------------------------------------|--------------|--|
| Revenue                             | 40,655       | <ul style="list-style-type: none"><li>● Organic 5%</li><li>● Acquisitions, net 14%</li><li>● FX adjustments 0%</li></ul> |
| Operating profit before other items | 2,334        |  |
| Operating margin before other items | 5.7%         |  |
| Operating profit                    | 2,212        | <ul style="list-style-type: none"><li>● Total 19%</li></ul>  |
| Carrying amount of net debt         | 27,130       |  |
| Total equity                        | 6,264        |  |



# ISS Revenue Growth: Q1 – Q3 2006, %



# Operating Margin before other Items, %



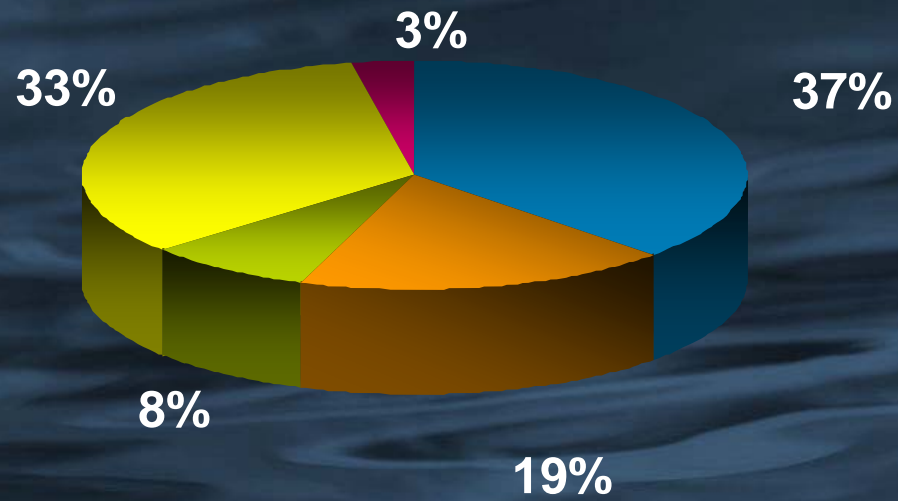


# Acquisition Strategy - Priorities

- Strategic fit
  - Build IFS house
  - Growth potential
  - Corporate values
- Value creation
- Manageable



# Service Mix of Acquisitions: Q1 – Q3 2006



- IFS
- Office support
- Catering
- Property
- Cleaning



# Acquisitions Q1 – Q3 2006

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|   | Services          | Revenue, DKKm <sup>*)</sup> |
|---|-------------------|-----------------------------|
| Tempo, Australia  | Facility Services | 2,923                       |
| Edelweiss, Switzerland                                    | Facility Services | 732                         |
| Pegasus, UK   | Security          | 427                         |
| Norfolk, Israel   | Catering          | 374                         |
| San Rafael, Mexico  | Cleaning          | 276                         |
| Puissance Air, France                                     | Property Services | 212                         |
| NBO, Netherlands  | Office Support    | 165                         |
| Charlestown, France                                       | Office Support    | 159                         |
| Grupo Clisa, Spain  | Cleaning          | 152                         |
| ServiceGroup, Turkey                                      | Facility Services | 148                         |
| <b>Subtotal</b>   |                   | <b>5,568</b>                |
| <b>78 acquisitions with less than DKK 100m in revenue</b> |                   | <b>1,738</b>                |
| <b>Total</b>  |                   | <b>7,306</b>                |

<sup>\*)</sup> Unaudited approximate figures based on information available at the time of acquisition.



# Increase IFS Capabilities

## The Facility Services footprint: From Q3 2005 to Q3 2006



*The emerging IFS platform*

*The horizontal expansion zone*

(1) Comprising Iceland, Greenland and the Faroe Islands.

(2) Comprising the Czech Republic, Slovenia, Slovakia, Romania, Hungary and Croatia.





## Other Financial Measures

# Other Financial Measures

## Pro Forma Adjusted EBITDA

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

DKKm

12 months ended September 30, 2006

**Adjusted EBITDA**

**3,747**

Estimated Pro Forma adjusted EBITDA of  
acquired and divested businesses

280

**Estimated Pro Forma Adjusted EBITDA**

**4,027**

(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 – September 30, 2006

| Capitalization <sup>(1)</sup>       | DKKm <sup>(2)</sup> | % of Total  |
|-------------------------------------|---------------------|-------------|
| Cash <sup>(3)</sup>                 | (1,666)             | (5%)        |
| Other Indebtedness                  | 1,134               | 3%          |
| Senior Facilities                   | 9,310               | 27%         |
| EMTNs                               | 10,068              | 29%         |
| <b>Total Net Senior Debt</b>        | <b>18,846</b>       | <b>54%</b>  |
| Senior Subordinated Notes           | 9,725               | 28%         |
| <b>Total Net Cash Pay Debt</b>      | <b>28,571</b>       | <b>82%</b>  |
| Shareholders Funding <sup>(4)</sup> | 6,202               | 18%         |
| Minorities                          | 62                  | 0%          |
| <b>Total <sup>(5)</sup></b>         | <b>34,835</b>       | <b>100%</b> |

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

(2) Converted to DKK as per exchange rate of September 30, 2006.

(3) Cash includes cash equivalents and securities.

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

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

## Other Financial Measures (cont.)

### Seasonality adj. Pro Forma Net Debt – September 30, 2006

| Capitalization                               | DKKm          |
|--|---------------|
| <b>Total Net Cash Pay Debt</b>               | <b>28,571</b> |
| Changes in Working Capital Q1 2006 – Q3 2006 | (1,353)       |
| Changes in Working Capital Q4 2005 – Q3 2006 | 490           |
| <b>Seasonality adj. Pro Forma Net Debt</b>   | <b>27,708</b> |



## Other Financial Measures (cont.)

### Pro Forma Credit Ratios – September 30, 2006

Pro Forma Net Cash Pay Debt / Pro Forma EBITDA 7.09x

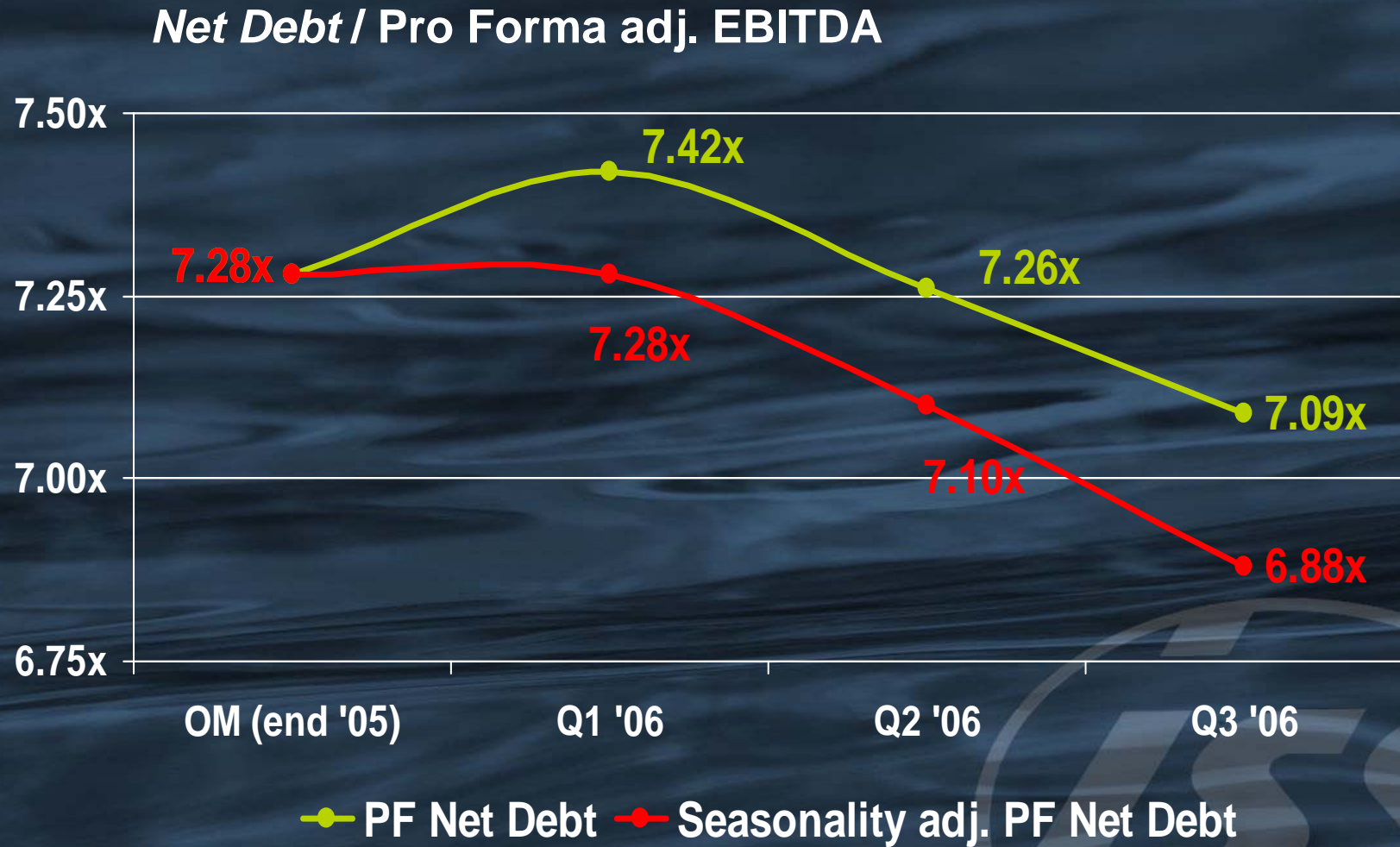
Seasonality adj. Pro Forma Net Cash Pay Debt / Pro Forma EBITDA 6.88x

Pro Forma Net Senior Debt (incl. EMTNs) / Pro Forma EBITDA 4.68x

Pro Forma Net Senior Debt (excl. EMTNs) / Pro Forma EBITDA 2.18x



# Deleveraging on a Multiple Basis





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