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ISS A/S

Preliminary announcement of the annual results for 2013

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Key figures and financial ratios

DKK million (unless otherwise stated)	2013	2012	2011	2010	2009
KEY FIGURES					
Income statement					
Revenue	78,459	79,454	77,644	74,073	69,004
Operating profit before other items [1]	4,315	4,411	4,388	4,310	3,911
EBITDA	5,002	4,956	5,020	5,042	4,182
Adjusted EBITDA [2]	5,102	5,264	5,243	5,160	4,779
Operating profit [3]	4,215	4,103	4,165	4,192	3,314
Financial income	170	217	197	198	223
Financial expenses [4]	(2,446)	(2,943)	(2,999)	(2,609)	(2,568)
Profit before goodwill impairment/amortisation and impairment of brands and customer contracts [4]	1,026	421	475	1,032	386
Net profit/(loss) for the year [4]	(397)	(450)	(503)	(532)	(1,629)
Cash flow					
Cash flow from operating activities	3,715	3,855	3,676	4,036	3,732
Acquisition of intangible assets and property, plant and equipment, net	(803)	(762)	(1,010)	(886)	(897)
Financial position					
Total assets	48,576	53,888	54,980	55,435	54,354
Goodwill	23,155	25,841	27,170	27,747	27,434
Additions to property, plant and equipment	754	789	938	861	954
Net debt [4]	22,651	25,955	29,905	30,623	30,886
Total equity (attributable to owners of ISS A/S) [4]	4,237	5,097	2,127	2,626	2,190
Employees					
Number of employees at 31 December	533,500	534,200	534,500	522,700	485,800
Full-time employees, %	74	73	73	73	71
FINANCIAL RATIOS					
Growth, %					
Organic growth [5]	4.3	1.7	6.3	3.5	0.6
Acquisitions	0	0	0	0	3
Divestments	(2)	(2)	(2)	(2)	(1)
Currency adjustments [6]	(3)	2	1	5	(3)
Total revenue growth	(1)	2	5	7	0
Other financial ratios, %					
Operating margin [2]	5.5	5.6	5.7	5.8	5.7
Equity ratio	8.7	9.5	3.9	4.7	4.0
Interest coverage [2]	2.2	1.9	1.9	2.1	2.0
Cash conversion [2]	102	103	93	98	96
Basic earnings per share (EPS), DKK	(2.9)	(4.0)	(5.1)	(5.5)	(16.5)
Diluted earnings per share, DKK	(2.9)	(4.0)	(5.1)	(5.5)	(16.5)
Adjusted earnings per share, DKK	7.6	3.8	4.7	10.3	3.9

See page 21 for relevant definitions.

[1] Excluding Other income and expenses, net, Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[2] The Group uses Operating profit before other items for the calculations instead of Operating profit. Consequently, the Group excludes from the calculations those items recorded under Other income and expenses, net, in which the Group includes income and expenses that it believes do not form part of the Group's normal ordinary operations, such as gains and losses arising from divestments, the winding up of operations, acquisition and integration costs, disposals of property and restructurings. Some of these items are recurring and some are non-recurring in nature.
[3] Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[4] Effective 1 January 2013, the Group implemented IAS 19 (2011) "Employee Benefits" with no material impact on the Group's consolidated financial statements. Comparative figures for 2012 and 2011, which correspond to the comparative years of the primary statements, have been restated accordingly.
[5] Previously, the effect of acquisitions and divestments was adjusted in the actual consolidated revenue for the current year. This was changed in 2013 so that the effect of acquisitions and divestments is now adjusted in the actual prior year's consolidated revenue, to have a more logical calculation methodology. The change has been implemented retroactively for the financial years 2008 – 2013. There was no significant impact on the reported organic growth figures as a result of the change.
[6] Calculated as total revenue growth less organic growth and less net acquisition/divestment growth. Currency adjustments thereby include the effect stemming from exclusion of currency effects from the calculation of organic growth and net acquisition/divestment growth.

ISS A/S ("ISS" or "the Group"), is a holding company, and its primary assets consist of shares in ISS World Services A/S.

For further information about ISS, see ISS's Annual Report 2012, which is available at the Group's website, www.issworld.com.

Highlights of the year

In 2013, ISS followed up on the large multinational contract wins in 2012, by winning Integrated Facility Services (IFS) contracts with H.J. Heinz in Europe and Nordea Bank in the Nordic region. Furthermore, ISS was ranked best outsourcing provider in the world by the International Association of Outsourcing Professionals (IAOP). Profitable organic growth remained a key priority and in 2013 ISS reported an improved organic growth compared with 2012, an operating margin of 5.5% and a stable cash conversion.

- Group revenue amounted to DKK 78.5 billion in 2013 compared with DKK 79.5 billion in 2012. Organic growth amounted to 4.3%, which was more than offset by a negative effect from exchange rate movements of 3% and the negative impact from the successful divestment of non-core activities of 2%.

- The organic growth was driven by both developed and emerging markets. All regions, apart from the Pacific region, delivered positive organic growth rates. Western Europe, our largest region, delivered strong organic growth of 5% and Asia once again reported a double-digit performance. The organic growth was mainly driven by start-up of the Barclays and Novartis contracts as well as continued strong growth in emerging markets. This was partly offset by challenging market conditions, particularly in certain European countries, and generally weak demands for non-portfolio services.

- Operating profit before other items amounted to DKK 4,315 million in 2013 (2012: DKK 4,411 million) and was negatively influenced by both divestments and currency effects. The negative effect from the divestment of the pest control activities in 12 developed markets reduced the operating profit before other items by approximately DKK 115 million and the operating margin by 0.1 percentage point for 2013 compared with 2012. The negative effect from exchange rate movements reduced the operating profit before other items by DKK 126 million compared with 2012. The operating margin (operating profit before other items as a percentage of revenue) was 5.5% for 2013 compared with 5.6% in 2012. Adjusted for the impact of the divested pest control activities the operating margin for 2013 was slightly improved compared with 2012. The operating margin was in line with expectations, supported by improved margins in the Nordic region and Latin America. However, this was offset by the strategic divestments of non-core activities as well as the

Operating results 2013

	Revenue			Operating profit before other items			Operating margin [1]	
	DKK million			DKK million				
	2013	2012	Change	2013	2012	Change	2013	2012
Western Europe [2]	39,704	39,414	1 %	2,388	2,407	(1)%	6.0 %	6.1 %
Nordic [3]	16,853	17,736	(5)%	1,246	1,190	5 %	7.4 %	6.7 %
Asia [4]	8,019	7,367	9 %	608	564	8 %	7.6 %	7.7 %
Pacific [5]	5,105	6,007	(15)%	253	311	(19)%	5.0 %	5.2 %
Latin America [6]	3,708	3,820	(3)%	145	91	59 %	3.9 %	2.4 %
North America [7]	3,459	3,539	(2)%	101	151	(33)%	2.9 %	4.3 %
Eastern Europe [8]	1,657	1,605	3 %	109	102	7 %	6.6 %	6.4 %
Other Countries [9]	38	36	4 %	(1)	(1)	-	(3.2)%	(3.0)%
Corporate / eliminations	(84)	(70)	(20)%	(534)	(404)	(32)%	(0.7)%	(0.5)%
Total	**78,459**	**79,454**	**(1)%**	**4,315**	**4,411**	**(2)%**	**5.5 %**	**5.6 %**
Emerging Markets [10]	17,732	16,833	5 %	1,115	978	14 %	6.3 %	5.8 %

1) The Group uses Operating profit before other items for the calculation of Operating margin.
2) Western Europe comprises Austria, Belgium & Luxembourg, France, Germany, Greece, Ireland, Israel, Italy, the Netherlands, Portugal, Spain, Switzerland, Turkey and the United Kingdom.
3) Nordic comprises Denmark, Finland, Greenland, Iceland, Norway and Sweden.
4) Asia comprises Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand.
5) Pacific comprises Australia and New Zealand.
6) Latin America comprises Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Puerto Rico, Uruguay and Venezuela.
7) North America comprises Canada and the USA.
8) Eastern Europe comprises Croatia, the Czech Republic, Estonia, Hungary, Poland, Romania, Russia, Slovakia and Slovenia.
9) Other Countries comprises Bahrain, Cayman Islands, Cyprus, Egypt, Morocco, Nigeria, Pakistan, Qatar, Saudi Arabia, South Africa, South Korea, Ukraine and United Arab Emirates.
10) Emerging Markets comprises Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey.

start-up of multinational IFS contracts and impact from operational challenges in certain countries in Europe and the Americas. Corporate costs increased from DKK 404 million to DKK 534 million, as a result of a redistribution of procurement savings to countries and the strengthening of Corporate functions to support the execution of our strategy.

- Profit before goodwill impairment/amortisation and impairment of brands and customer contracts increased to DKK 1,026 million from DKK 421 million in 2012 driven by an increase in operating profit and lower financial expenses, net.

- The net loss amounted to DKK 397 million in 2013 compared with a loss of DKK 450 million in 2012, positively impacted by a decrease in other income and expenses, net, and lower financial expenses, net, which were partly offset by higher non-cash expenses related to goodwill impairment.

- The cash conversion for 2013 was 102% as a result of a strong cash flow performance across the Group. Ensuring a strong cash performance continues to be a key priority, and the result reflects the efforts regarding securing payments for work performed and exiting customer contracts with unsatisfactory payment conditions. These efforts led to a decrease in debtor days of more than one day compared with 2012.

- The emerging markets comprising Asia, Eastern Europe, Latin America, Israel, South Africa and Turkey, where we have more than half of our employees, delivered organic growth of 11% and represent 23% of total revenue for the Group. In addition to significantly increasing the Group's organic growth, the emerging markets delivered an operating margin of 6.3% in 2013 (2012: 5.8%).

In May 2013, the International Association of Outsourcing Professionals (IAOP) announced that ISS is ranked number one on IAOP's list of the world's leading outsourcing providers – "The Global Outsourcing 100". The ranking shows that ISS is regarded as a global, professional and reliable outsourcing partner and is an important milestone in our vision of becoming the world's greatest service organisation.

In 2012, ISS won three new multinational IFS contracts with Barclays, Novartis as well as Citi in the Asia and Pacific regions. These contracts are some of the largest in ISS's history and represent significant milestones for ISS in the efforts to confirm our position as a leading global facility services provider. At the end of December 2013, all three contracts were fully operational in all key geographies.

In 2013, these wins were followed by the win of an IFS contract covering all of Europe with H.J. Heinz, an international food producer and an IFS contract with Nordea Bank in the Nordic region. The new facility management partnership with H.J. Heinz, includes a five-year contract for a full IFS solution, including catering services, cleaning services, property services, reception services and security services to 15 food manufacturing and office locations in eight countries. The IFS contract with Nordea Bank covers 39 office buildings in the Nordic region and ISS provides facility management, property services, cleaning services, catering services, security services and support services as part of the contract. The revenue generated from Global Corporate Clients amounted to DKK 6.5 billion in 2013, an increase of more than 60% compared with 2012.

In addition to the new Global Corporate Clients contracts, several other important contract wins were secured in 2013, both involving new contracts and expanding the scope of existing contracts. Going forward, our Global Corporate Clients organisation will continue to focus on mobilising and starting-up the new contracts as well as on winning new contracts

Revenue growth 2013

	Revenue growth, % 1)					
	Organic	**Acq.**	**Div.**	**Total growth excl. currency**	**Currency**	**Total growth**
Western Europe	5	0	(3)	2	(1)	1
Nordic	1	-	(3)	(2)	(3)	(5)
Asia	15	0	-	15	(6)	9
Pacific	(1)	-	(4)	(5)	(10)	(15)
Latin America	7	-	-	7	(10)	(3)
North America	2	-	(1)	1	(3)	(2)
Eastern Europe	5	-	-	5	(2)	3
Other Countries	18	-	-	18	(14)	4
Total	4.3	0	(2)	2	(3)	(1)
Emerging Markets	11	0	-	11	(6)	5

1) See page 21 for definitions

within selected customer segments where ISS can offer market-leading value propositions.

In April 2013, ISS refinanced its EUR 600 million Second Lien Facility and received strong support from lenders consenting to a three-year extension of the predominant part of the company's senior debt to either December 2017 or April 2018. As part of the amendments, lenders approved the capacity to increase the revolving credit facility by an additional DKK 1.0 billion and implemented other amendments intended to increase both operational and refinancing flexibility around the use of potential future divestment proceeds as well as certain post-IPO flexibilities. The new tranches refinancing the EUR 600 million Second Lien Facility were split between two new senior tranches of EUR 330 million and USD 350 million, respectively. The commitment to deleverage the company continued in 2013. With the proceeds from divestment of activities together with the improved conditions to repay debt, ISS in 2013 completed two excess proceeds offers and conditional partial redemptions in an aggregate amount of EUR 325.2 million of its EUR 581.5 million 8.875% Senior Subordinated Notes due 2016. At the end of 2013, this leaves an aggregate principal amount of approximately EUR 256.3 million of Notes outstanding. With these two processes, it has been possible for ISS to repay more than half of the most expensive part of the debt, in itself eliminating DKK 215 million in interest expenses on an annualised basis. Currently, ISS has no significant short-term financing maturities.

The strategic rationale and fit of our business units continue to be reviewed on an on-going basis in the light of The ISS Way strategy, which leads to the identification and evaluation of certain activities that are non-core to The ISS Way strategy. In 2013, we divested the pest control activities in 12 countries. Other divestments included the Nordic damage control activities and minor activities within property services, cleaning services, security services and support services in the Nordic and Western Europe regions and the USA. The divestments reflect a more strategic focus in the countries involved, resulting in a more focused business platform. The proceeds from the divestments were used to repay debt, thereby contributing to the continued deleveraging of ISS.

Strategy Update

The ISS Way strategy, launched in 2008, provides the foundation on which ISS pursues the vision of becoming "*The world's greatest service organisation*".

The strategy focuses on five themes: Empowering people through leadership; Transforming the customer base; Establishing fit for purpose organisations; Securing IFS readiness and Striving for excellence. Continued successful implementation of these strategic themes will increase employee engagement and customer satisfaction, optimise the delivery of the value proposition to chosen customers, drive the continued profitable growth of the IFS business and extract efficiencies through, for example, procurement benefits.

As such, the ISS Way strategy has demonstrable and tangible levers both to extract further operating efficiencies and improve market competitiveness as well as to enhance profitability and financial results.

Including the divestments announced during 2014, to date, our strategic divestment programme is to a large extent complete. None the less, our strategy execution process will continue to identify non-core businesses and this is likely to result in further divestments going forward.

ISS intends to launch an IPO

ISS has announced its intention to launch an Initial Public Offering (IPO) of its shares and to list on NASDAQ OMX Copenhagen.

The intended IPO is expected to consist primarily of an issue of new shares to raise proceeds of approximately DKK 8 billion. Proceeds from the IPO are proposed, together with amounts drawn under a new banking facilities agreement subject to the IPO, to repay existing credit facilities during the course of 2014.

Drawings can be made under the new facilities agreement, which was put in place on 18 February 2014, subject to satisfaction of certain conditions precedent, including that the offering of shares contemplated by way of the IPO has occurred or will occur concurrently with the first drawing under the new facilities. The new facility, with investment grade like terms, is in place with a smaller number of relationship banks and includes a flexible interest margin depending on our leverage.

For further information regarding the proposed IPO, including effects from the proposed refinancing, incentive programmes and corporate governance changes, please refer to the offering circular for ISS A/S if and when such document is published.

Financial Review

Western Europe

Revenue in the Western Europe region increased by 1% to DKK 39,704 million (2012: DKK 39,414 million) driven by organic growth of 5%. The successful divestment of non-core activities in 2012 and 2013 reduced revenue by 3% while currency adjustments in 2013 reduced revenue by 1%. Operating profit before other items decreased by 1% to DKK 2,388 million (2012: DKK 2,407 million) for an operating margin of 6.0%, down 0.1 percentage point from 2012.

Several countries delivered strong organic growth rates, especially the United Kingdom, Switzerland and Turkey all in double digits and Germany, Austria and Portugal also contributing. A slight increase in non-portfolio services was seen compared with 2012 but demand for non-portfolio services remained weak.

The operating margin was supported by strong performance in the United Kingdom, Switzerland and Turkey. Margins came under pressure from challenging macroeconomic conditions and operational challenges in certain countries as well as from the start-up of the Barclays and Novartis contracts following initial investments. The divestment of the margin accretive washroom activities in the Netherlands, Belgium and Luxembourg in 2012 and the pest control activities in certain countries in 2013 also had an adverse impact on the margin compared with 2012. Lastly, the 2012 operating margin was positively impacted by a gain of DKK 92 million related to negative past service costs for defined benefit plans in Switzerland, while the 2013 operating margin was positively impacted by a one-off gain of DKK 64 million related to a settlement gain on defined benefit plans in the Netherlands.

Nordic

Revenue in the Nordic region decreased 5% to DKK 16,853 million (2012: DKK 17,736 million). Organic growth amounted to 1%, while the divestment of non-core activities in 2012 and 2013 and currency adjustments each reduced revenue by 3%. Operating profit before other items amounted to DKK 1,246 million (2012: DKK 1,190 million), reflecting an operating margin of 7.4%, up by 0.7 percentage point from 2012.

The organic growth rate of 1% reflects a strong performance of 10% in Norway driven by increased sales to large IFS customers. This was offset by negative organic growth in Denmark, Finland and Sweden due to lower demand for non-portfolio services from a number of large customers and exit of certain contracts in 2012 and 2013.

The increase in the operating margin to 7.4% was a result of margin increases in Finland, Sweden and Denmark due to improvements in the operational performance across most service lines and strong customer focus. This was partly offset by a margin decrease in Norway mainly due to 2012 being positively impacted by one-off income related to the sale of certain assets.

Asia

Our Asia region once again delivered a strong performance in 2013. Revenue was DKK 8,019 million (2012: DKK 7,367 million), an increase of 9%, driven by continued strong organic growth of 15% while currency adjustments reduced revenue by 6%. Operating profit before other items increased by 8% to DKK 608 million reflecting an operating margin of 7.6%, whereby Asia once again delivered the highest margin of any ISS region.

Several countries reported double-digit organic growth rates, with Indonesia as the largest nominal contributor in the region based on an organic growth rate of 25%, which was mainly driven by a strong, positive effect of contract wins in the fourth quarter of 2012 and higher minimum wages. India, Thailand, Hong Kong and China also continued the positive trends driven by strong retention of existing customers as well as a high rate of new sales.

The operating margin decreased slightly from 7.7% in 2012 to 7.6% in 2013, mainly due to the start-up of the Barclays and Citi contracts in the Asia and Pacific regions, which in the short term have influenced the margin negatively following initial investments. This was partly offset by strong operational performance in Thailand, Hong Kong and Singapore.

Pacific

Revenue in the Pacific region decreased by 15% to DKK 5,105 million (2012: DKK 6,007 million) negatively impacted by currency adjustments of 10%, while revenue was further reduced by 4% from the successful divestment of the pest control activities in 2013 and with 1% stemming from negative organic growth. Operating profit before other items amounted to DKK 253 million (2012: DKK 311 million) equal to an operating margin of 5.0%, which was 0.2 percentage point lower than in 2012.

The organic growth was negatively impacted by the loss of certain large security contracts and a reduction in services delivered on certain contracts in Australia. There has been a pick-up in new sales and in the fourth quarter of 2013 we achieved significant contracts wins and extensions.

The 0.2 percentage point decrease in operating margin was mainly a result of the divestment of the margin-accretive pest control activities in 2013 as well as of weaker demand for non-portfolio services in Australia.

Latin America

Revenue in Latin America was DKK 3,708 million (2012: DKK 3,820 million). Organic growth amounted to 7%, which was more than offset by a negative impact from currency adjustments of 10%. Operating profit before other items increased by 59% to DKK 145 million, reflecting an operating margin of 3.9% being 1.5 percentage point higher than 2012.

All countries of the region reported positive organic growth rates driven by a continued high level of new sales and higher demand for project work, especially in Argentina and Chile. Brazil returned to positive organic growth following the steps taken to exit certain less profitable contracts in 2012.

The increase in operating margin was the result of improved margins in all countries of the region driven by our continued efforts to improve operational efficiencies, including amending or exiting certain customer contracts with unsatisfactory profitability conditions following the restructurings initiated in 2012.

North America

Revenue in the North America region decreased by 2% to DKK 3,459 million (2012: DKK 3,539 million). Organic growth was 2%, while the adverse impact of currency adjustments and divestments reduced revenue by 3% and 1%, respectively. Operating profit before other items amounted to DKK 101 million (2012: DKK 151 million) resulting in an operating margin of 2.9%, 1.4 percentage point lower than 2012.

Organic growth of 2% was primarily driven by the start-up of the Barclays contract in September 2012, but with the termination of certain less profitable contracts and the loss of certain large contracts both detracting from the organic growth.

The decrease in operating margin was mainly due to the loss of certain large contracts combined with the initial investments related to the start-up of several new contracts. In addition, the margin was negatively impacted by steps to restructure the business in the eastern part of the USA. We have in 2013 strengthened the management team in the USA to ensure that the business continues to develop and that ISS becomes a competitive market player going into 2014.

Eastern Europe
Revenue in Eastern Europe increased by 3% to DKK 1,657 million in 2013 (2012: DKK 1,605 million), driven by organic growth of 5% while currency adjustments decreased revenue by 2%. Operating profit before other items increased to DKK 109 million (2012: DKK 102 million) for an operating margin of 6.6% which was 0.2 percentage point higher than last year.

Slovenia, Russia, Hungary and Slovakia all delivered strong organic growth rates. Organic growth in Slovenia was mainly driven by the start-up of the Novartis contract, while in Russia, Hungary and Slovakia growth was supported by higher new sales and greater demand for non-portfolio services.

The increase in operating margin was mainly a result of improved margins in the Czech Republic and Hungary deriving from the strong focus on operational efficiencies and cost savings. This was partly offset by a margin decrease in Slovenia that was mainly due to initial investments related to the Novartis contract

Other income and expenses, net represented a net expense of DKK 100 million compared with a net expense of DKK 308 million in 2012. Gain on divestments, net of DKK 734 million mainly related to the sale of the pest control activities and the damage control activities. Costs relating to restructuring projects primarily in the United Kingdom, Greece, France, Brazil, Denmark and the USA amounted to DKK 379 million, costs relating to onerous contracts amounted to DKK 228 million and costs relating to labour related claims amounted to DKK 100 million.

Financial income and expenses, net decreased by DKK 450 million, or 17%, to a net expense of DKK 2,276 million in 2013. The decrease was mainly the result of a DKK 443 million reduction in interest expenses, net following the redemption in December 2012 of the 11% Senior Notes due 2014 and the EUR 232 million partial redemption in July 2013 of the 8.875% Senior Subordinated Notes due 2016. Furthermore, the lower average net debt reduced financial expenses compared with 2012.

In 2013, financial income and expenses, net, mainly comprised DKK 1,760 million of net interest expenses, DKK 262 million in net loss on foreign exchange and unamortised financing fees and call premiums of DKK 141 million being expensed as a consequence of the refinancing of the EUR 600 million Second Lien Facility and partial redemption of the 8.875% Senior Subordinated Notes.

Income taxes amounted to DKK 919 million in 2013 compared with DKK 960 million in 2012. The effective tax rate for 2013 was 47.3% compared with 69.5% in the same period of 2012, calculated as Income taxes of DKK 919 million divided by the Profit before tax and goodwill impairment / amortisation and impairment of brands and customer contracts of DKK 1,945 million. The rules concerning limitation on the deductibility of financial expenses in Denmark, France and Brazil impacted the 2013 tax expense adversely by approximately DKK 196 million. The limitation is significantly impacted by non-deductible costs relating to the 2013 refinancing. The effective tax rate amounted to 39.0% when adjusted for the impact of the Danish limitation on deductibility of financial expenses. Further, valuation allowances on deferred tax assets in France and the USA following an update of the assumptions in the business plan had an adverse impact on the effective tax rate. Adjusting for this the effective tax rate was 30.2%

Goodwill impairment amounted to DKK 985 million of which DKK 500 million derived from impairment tests in France and the Netherlands due to an update of the assumptions in the business plans in the two countries as well an increase in the discount rate applied in the Netherlands and DKK 485 million derived from completed divestments and businesses classified as held for sale, mainly in the Western Europe and Pacific regions.

Net loss improved from a loss of DKK 450 million in 2012 to a loss of DKK 397 million in 2013. The positive development in net loss was mainly impacted by lower financial expenses, net of DKK 450 million and a decrease in other income and expenses, net of DKK 208 million. Partly offsetting these positive developments was an increase in higher non-cash expenses related to goodwill impairment of DKK 600 million.

Statement of cash flows
Cash flow from operating activities represented a cash inflow of DKK 3,715 million in 2013, a decrease of DKK 140 million compared with 2012. The decrease was primarily due to a DKK 162 million decrease in the cash inflow from operating profit before other items adjusted for depreciation and amortisation and a DKK 48 million increase in the cash outflow from income tax paid which was partly offset by a DKK 145 million reduction in cash outflow

from changes in provisions, pensions and similar obligations.

Other expenses paid of DKK 388 million mainly related to restructuring projects initiated and expensed in 2012 and 2013 as well as onerous contracts and the build-up of IFS capabilities in North America.

Cash flow from investing activities was a net cash inflow of DKK 1,331 million (2012: cash outflow of DKK 747 million). Cash inflow relating to acquisitions and divestments, net amounting to DKK 2,169 million was mainly due to the divestment of the pest control activities and the Nordic damage control activities. This was partly offset by investments in intangible assets and property, plant and equipment, net, of DKK 803 million (2012: DKK 762 million) which represented 1.0% of revenue, and was in line with last year.

Cash flow from financing activities was a net cash outflow of DKK 5,159 million (2012: DKK 3,643 million). The amount was mainly made up of DKK 7,983 million in repayment of borrowings and DKK 1,599 million in interest payments, net. This was partly offset by proceeds from borrowings of DKK 4,425 million. Repayment of borrowings was related to the refinancing of the Second Lien Facility and the Term Loan B and Acquisition Facility B facilities expiring in 2013, as well as the partial redemption (56%) of the 8.875% Senior Subordinated Notes due 2016. Proceeds from borrowings were mainly related to the two new senior tranches of EUR 330 million and USD 350 million, respectively, used to refinance the Second Lien Facilities as well as drawings on working capital facilities.

Statement of financial position

Total assets amounted to DKK 48,576 million at 31 December 2013 of which DKK 30,995 million represented non-current assets, primarily acquisition-related intangible assets, and DKK 17,581 million represented current assets, primarily trade receivables of DKK 10,299 million.

Intangible assets amounted to DKK 28,346 million at 31 December 2013. The vast majority of intangible assets were acquisition-related intangibles and comprised DKK 23,155 million of goodwill, DKK 3,161 million of customer contract portfolios and related customer relationships and DKK 1,590 million of brands.

Assets and liabilities held for sale amounted to DKK 1,950 million and DKK 1,016 million, respectively, and include the assets and liabilities attributable to four activities in the Western Europe and Nordic regions, one activity in the Asia region as well as one in the Pacific region for which sales processes have been initiated.

Total equity amounted to DKK 4,246 million at 31 December 2013 equivalent to an equity ratio of 8.7%. The DKK 861 million decrease in equity was primarily driven by negative currency adjustments relating to investments in foreign subsidiaries of DKK 796 million and the net loss for the year of DKK 397 million which were partly offset by actuarial gains of DKK 410 million. The negative currency adjustments were mainly related to a depreciation of AUD, NOK and TRY against DKK.

Net debt amounted to DKK 22,651 million at the end of 2013, a decrease of DKK 3,304 million compared with 2012. The decrease was mainly the result of the divestment of non-core activities in 2013. The proceeds from the completed divestment of the pest control activities and the damage control activities were used for a partial redemption in an aggregate amount of EUR 325.2 million of our EUR 581.5 million 8.875% Senior Notes due 2016. At 31 December 2013, non-current loans and borrowings was DKK 20,416 million, current loans and borrowings amounted to DKK 5,648 million, currency swaps, securities, cash and cash equivalents totalled DKK 3,315 million while receivable from FS Invest S.à r.l was DKK 98 million.

Divestments

The ongoing review of the strategic rationale and fit of business units under The ISS Way strategy has led to the identification of certain activities that are non-core to The ISS Way. In 2013, we divested the pest control activities in 12 countries, i.e. Australia, Austria, Belgium, Denmark, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain and Switzerland for a total enterprise value of approximately DKK 2 billion. Other divestments included the Nordic damage control activities and minor activities within property services, cleaning services, security services and support services in the Nordic and Western Europe regions and the USA. The divestments reflect a more strategic focus in the countries involved, resulting in a more focused business platform.

In January and February 2014, we announced the sale of our landscaping activities in France, our commercial security business in Australia and New Zealand, our pest control activities in India and our security activities in Israel. These divestments in aggregate have an approximate annual revenue of DKK 3.2 billion of which approximately DKK 0.3 billion related to completed divestments at 14 February 2014. We will continue the evaluation of our activities in the light of accelerating The ISS Way to ensure that our core businesses remain in focus in the coming years.

At 31 December 2013, six business units have been classified as held for sale, comprising net assets of DKK 0.9 billion including the four divestments made in January 2014. The divestments completed in 2013, resulted in a net gain of DKK 758 million recognised in Other income and expenses, net, an impairment loss related to goodwill of DKK 202 million and a DKK 21 million loss on customer contracts. In addition, classification of certain activities in the Western Europe and Pacific regions as held for sale during 2013 has resulted in a loss of DKK 24 million recognised in Other income and expenses, net as well as a non-cash impairment loss on goodwill of DKK 283 million and DKK 12 million on customer contracts.

Accounting Policies

The Preliminary announcement of the annual results for 2013, which has not been reviewed or audited, has been prepared in accordance with recognition and measurement requirements according to the International Financial Reporting Standards as adopted by the EU.

Except as described in note 1 of the Interim Report January – September 2013, the accounting policies applied by the Group in this preliminary announcement of the annual results are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012. A full description of the Group's accounting policies is included in the Annual Report for 2012.

The presented financial information in this announcement does not include all the information required for full annual financial statements, and should therefore be read in conjunction with the audited consolidated financial statements of the Group as of and for the year ended 31 December 2013.

Outlook

This outlook should be read in conjunction with "Forward-looking statements" as shown in the table on page 10.

The outlook for 2014 is based on a mixed global macroeconomic forecast. We expect continued low positive GDP growth and challenging macroeconomic conditions with possible improvements in parts of Europe. In emerging markets we expect to continue to deliver high growth rates which are expected to be negatively impacted by slow-down in certain economies, especially in Asia.

We expect revenue growth in 2014 to be 3% to 4% assuming constant foreign exchange rates[1] and before the impact of any acquisitions or divestments completed in 2013 and 2014. Changes in foreign exchange rates are expected to negatively impact revenue growth in 2014 by approximately 3 percentage points[2]. Divestments and acquisitions completed in 2013 and divestments completed in 2014 are expected to negatively impact revenue growth in 2014 by 2 to 3 percentage points[3]. We expect total revenue growth in 2014 to be negative by approximately 2%. Operating margin in 2014 is expected to be above the 5.5% realised in 2013. Cash Conversion in 2014 is expected to be above 90%.

Subsequent Events

On 8 January 2014, we announced the divestment of our commercial security business in Australia and New Zealand. The transaction is subject to the satisfaction of certain customary conditions and we expect the sale to be completed in the first quarter of 2014.

On 9 January 2014, we announced the divestment of our landscaping activities in France. The transaction is subject to the satisfaction of certain customary conditions and we expect the sale to be completed in the first quarter of 2014.

On 29 January 2014, we completed the divestment of the pest control activities in India.

On 5 February 2014, we completed the divestment of the security activities in Israel.

On 3 February 2014, we announced the extension of the global IFS contract with HP until the end of 2018. This is one of the largest global facility services agreements in the industry, whereby we will continue to deliver IFS to more than 500 HP sites in 58 countries across five continents.

On 18 February 2014, we announced that the ISS Board of Directors had elected board member Thomas Berglund as Deputy Chairman of the Board.

On 18 February 2014, the Group announced that it is contemplating an Initial Public Offering (IPO) of shares and to have its shares listed for trading on NASDAQ OMX Copenhagen. A detailed description of the IPO is provided above under "ISS intends to launch an IPO".

Apart from the above and the events described elsewhere in this preliminary announcement of the annual results, we are not aware of events subsequent to 31 December 2013, which are expected to have a material impact on the Group's financial position.

1) For the purpose of the outlook for the year ending 31 December 2014, constant foreign exchange rates are the realised average exchange rates for the financial year 2013.

2) Calculated revenue for 2014 at exchange rates at 31 December 2013, less the same revenue calculated at the average exchange rates for the financial year 2013, relative to revenue realised in 2013 less estimated revenue from divestments completed in 2013 and 2014.

3) Please note that we at 31 December 2013 had certain businesses held for sale, see page 8. The outlook for the year ending 31 December 2014 includes only divestments completed in 2014 as of and including 14 February 2014, comprising the pest control activities in India and the security activities in Israel.

Presentation

A presentation regarding the preliminary announcement of the annual results of 2013 will be held on Tuesday 18 February 2014 at 14:00 CET (13:00 GMT time).

The presentation is available on live audio webcast. If you wish to view the presentation, please visit:

http://inv.issworld.com/events.cfm

The webcast can also be accessed through a conference call. The telephone numbers for the conference are listed below. You will be asked for your name and will then be able to listen to the call.

+45 35 44 55 79 (Denmark)
+44 203 364 5373 (UK)
+1 855 753 2237 (US)

Forward-looking statements
This report contains forward-looking statements including, but not limited to, the statements and expectations contained in the Outlook section on page 9. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words ''may'', "will", "should", ''expect'', ''anticipate'', ''believe'', ''estimate'', ''plan'', "predict," ''intend' or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. ISS has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of ISS. Although ISS believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the facility service industry in general or ISS in particular including those described in the Annual Report 2012 of ISS A/S and other information made available by ISS.

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

The Annual Report 2012 of ISS A/S is available at the Group's website, www.issworld.com.

Management Statement

COPENHAGEN, 18 February 2014

The Board of Directors and the Executive Group Management Board have today discussed and approved the preliminary announcement of the annual results for 2013 of ISS A/S.

The preliminary announcement of the annual results, which has not been reviewed or audited, has been prepared in accordance with recognition and measurement requirements according to the International Financial Reporting Standards as adopted by the EU.

In our opinion, the preliminary announcement of the annual results gives a true and fair view of the Group's assets, liabilities and financial position at 31 December 2013 and of the results of the Group's operations and consolidated cash flows for the financial year 2013.

Furthermore, in our opinion the preliminary announcement gives a fair review of the development and performance of the Group's activities and of the Group's annual result and financial position taken as a whole.

EXECUTIVE GROUP MANAGEMENT BOARD

Jeff Gravenhorst
Group CEO

Heine Dalsgaard
Group CFO

Henrik Andersen
Group COO EMEA

John Peri
Group COO Americas & APAC

BOARD OF DIRECTORS

Lord Allen of Kensington CBE
Chairman

Thomas Berglund
Deputy Chairman

Jennie Chua

Morten Hummelmose

Henrik Poulsen

Jo Taylor

Andrew E. Wolff

Pernille Benborg [1)]

Palle Fransen Queck [1)]

Joseph Nazareth [1)]

[1)] Employee representative

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Consolidated Statements for ISS A/S

Consolidated income statement

1 January – 31 December

DKK million	2013	2012	2011
Revenue	**78,459**	**79,454**	**77,644**
Staff costs	(51,234)	(52,071)	(50,089)
Consumables	(6,949)	(7,009)	(6,751)
Other operating expenses	(15,174)	(15,110)	(15,561)
Depreciation and amortisation [1]	(787)	(853)	(855)
Operating profit before other items [2]	**4,315**	**4,411**	**4,388**
Other income and expenses, net	(100)	(308)	(223)
Operating profit [1]	**4,215**	**4,103**	**4,165**
Share of result from equity-accounted investees	6	4	0
Financial income	170	217	197
Financial expenses	(2,446)	(2,943)	(2,999)
Profit before tax and goodwill impairment/ amortisation and impairment of brands and customer contracts	**1,945**	**1,381**	**1,363**
Income taxes [3]	(919)	(960)	(888)
Profit before goodwill impairment/ amortisation and impairment of brands and customer contracts	**1,026**	**421**	**475**
Goodwill impairment	(985)	(385)	(501)
Amortisation and impairment of brands and customer contracts	(667)	(679)	(708)
Income tax effect [4]	229	193	231
Net profit/(loss) for the year	**(397)**	**(450)**	**(503)**
Attributable to:			
Owners of ISS A/S	(399)	(453)	(510)
Non-controlling interests	2	3	7
Net profit/(loss) for the year	**(397)**	**(450)**	**(503)**
Earnings per share:			
Basic earnings per share (EPS), DKK	(2.9)	(4.0)	(5.1)
Diluted earnings per share, DKK	(2.9)	(4.0)	(5.1)
Adjusted earnings per share, DKK [5]	7.6	3.8	4.7

[1] Excluding Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[2] Excluding Other income and expenses, net, Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[3] Excluding tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[4] Income tax effect of Goodwill impairment and Amortisation and impairment of brands and customer contracts.
[5] Calculated as Profit before goodwill impairment/amortisation and impairment of brands and customer contracts divided by the average number of shares (diluted).

Consolidated statement of comprehensive income

1 January – 31 December

DKK million	2013	2012	2011
Net profit/(loss) for the year	**(397)**	**(450)**	**(503)**
Other comprehensive income			
Items not to be reclassified to the income statement in subsequent periods:			
Actuarial gains/(losses)	410	(516)	(133)
Impact from asset ceiling regarding pensions	(63)	1	8
Tax	(76)	120	29
Items to be reclassified to the income statement in subsequent periods:			
Foreign exchange adjustments of subsidiaries and non-controlling interests	(796)	184	(46)
Fair value adjustment of hedges, net	4	(114)	(14)
Fair value adjustment of hedges, net, transferred to Financial expenses	80	52	106
Limitation to interest deduction	-	(16)	-
Tax	(21)	16	(23)
Total other comprehensive income	**(462)**	**(273)**	**(73)**
Total comprehensive income for the year	**(859)**	**(723)**	**(576)**
Attributable to:			
Owners of ISS A/S	(860)	(726)	(583)
Non-controlling interests	1	3	7
Total comprehensive income for the year	**(859)**	**(723)**	**(576)**

Consolidated statement of cash flows

1 January – 31 December

DKK million	2013	2012	2011
Operating profit before other items	4,315	4,411	4,388
Depreciation and amortisation	787	853	855
Changes in working capital	80	116	(317)
Changes in provisions, pensions and similar obligations	(146)	(291)	(235)
Other expenses paid	(388)	(349)	(266)
Income taxes paid	(933)	(885)	(749)
Cash flow from operating activities	**3,715**	**3,855**	**3,676**
Acquisition of businesses	(14)	(60)	(89)
Divestment of businesses	2,183	212	761
Acquisition of intangible assets and property, plant and equipment	(902)	(881)	(1,103)
Disposal of intangible assets and property, plant and equipment	99	119	93
(Acquisition)/disposal of financial assets	(35)	(137)	6
Cash flow from investing activities	**1,331**	**(747)**	**(332)**
Proceeds from borrowings	4,425	81	468
Repayment of borrowings	(7,983)	(5,180)	(1,110)
Interest received	135	137	137
Interest paid	(1,734)	(2,373)	(2,361)
Proceeds from issuance of share capital	-	3,696	-
Non-controlling interests	(2)	(4)	(8)
Cash flow from financing activities	**(5,159)**	**(3,643)**	**(2,874)**
Total cash flow	**(113)**	**(535)**	**470**
Cash and cash equivalents at 1 January	3,528	4,037	3,606
Total cash flow	(113)	(535)	470
Foreign exchange adjustments	(138)	26	(39)
Cash and cash equivalents at 31 December	**3,277**	**3,528**	**4,037**

Consolidated statement of financial position

At 31 December

DKK million	2013	2012	2011
Assets			
Intangible assets	28,346	31,969	34,097
Property, plant and equipment	1,715	1,887	2,077
Investments in equity-accounted investees	5	11	7
Deferred tax assets	627	550	535
Other financial assets	302	427	300
Non-current assets	**30,995**	**34,844**	**37,016**
Inventories	309	312	334
Trade receivables	10,299	11,433	11,871
Tax receivables	204	207	330
Other receivables	1,542	1,295	1,227
Cash and cash equivalents	3,277	3,528	4,037
Assets classified as held for sale	1,950	2,269	165
Current assets	**17,581**	**19,044**	**17,964**
Total assets	**48,576**	**53,888**	**54,980**

DKK million			
Equity and liabilities			
Total equity attributable to owners of ISS A/S	4,237	5,097	2,127
Non-controlling interests	9	10	12
Total equity	**4,246**	**5,107**	**2,139**
Loans and borrowings	20,416	24,011	28,181
Pensions and similar obligations	838	1,433	1,099
Deferred tax liabilities	1,590	1,755	2,051
Provisions	470	352	338
Non-current liabilities	**23,314**	**27,551**	**31,669**
Loans and borrowings	5,648	5,607	5,778
Trade payables	3,436	3,669	3,466
Tax payables	443	339	422
Other liabilities	10,156	10,657	11,161
Provisions	317	225	255
Liabilities classified as held for sale	1,016	733	90
Current liabilities	**21,016**	**21,230**	**21,172**
Total liabilities	**44,330**	**48,781**	**52,841**
Total equity and liabilities	**48,576**	**53,888**	**54,980**

Consolidated statement of changes in equity

1 January – 31 December

DKK million	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Total	Non-con-trolling interests	Total equity
	Attributable to owners of ISS A/S							
Equity at 1 January 2013	**135**	**11,430**	**(6,741)**	**367**	**(94)**	**5,097**	**10**	**5,107**
Comprehensive income for the year								
Net profit/(loss) for the year	**-**	**-**	**(399)**	**-**	**-**	**(399)**	**2**	**(397)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	(795)	-	(795)	(1)	(796)
Fair value adjustment of hedges, net	-	-	-	-	4	4	-	4
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	-	80	80	-	80
Actuarial gains/(losses)	-	-	410	-	-	410	-	410
Impact from asset ceiling regarding pensions	-	-	(63)	-	-	(63)	-	(63)
Tax	-	-	(76)	-	(21)	(97)	-	(97)
Total other comprehensive income	**-**	**-**	**271**	**(795)**	**63**	**(461)**	**(1)**	**(462)**
Total comprehensive income for the year	**-**	**-**	**(128)**	**(795)**	**63**	**(860)**	**1**	**(859)**
Transactions with owners								
Dividends paid	-	-	-	-	-	-	(2)	(2)
Total transactions with owners	**-**	**-**	-	**-**	**-**	**-**	**(2)**	**(2)**
Total changes in equity	**-**	**-**	**(128)**	**(795)**	**63**	**(860)**	**(1)**	**(861)**
Equity at 31 December 2013	**135**	**11,430**	**(6,869)**	**(428)**	**(31)**	**4,237**	**9**	**4,246**

Dividends

No dividends have been proposed or declared.

Consolidated statement of changes in equity

1 January – 31 December

DKK million	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Total	Non-controlling interests	Total equity
	Attributable to owners of ISS A/S							
Equity at 1 January 2012	**100**	**7,772**	**(5,896)**	**183**	**(32)**	**2,127**	**12**	**2,139**
Comprehensive income for the year								
Net profit/(loss) for the year	**-**	**-**	**(453)**	**-**	**-**	**(453)**	**3**	**(450)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	184	-	184	0	184
Fair value adjustment of hedges, net	-	-	-	-	(114)	(114)	-	(114)
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	-	52	52	-	52
Actuarial gains/(losses)	-	-	(516)	-	-	(516)	-	(516)
Impact from asset ceiling regarding pensions	-	-	1	-	-	1	-	1
Limitation to interest deduction	-	-	-	-	(16)	(16)	-	(16)
Tax	-	-	120	-	16	136	-	136
Total other comprehensive income	**-**	**-**	**(395)**	**184**	**(62)**	**(273)**	**0**	**(273)**
Total comprehensive income for the year	**-**	**-**	**(848)**	**184**	**(62)**	**(726)**	**3**	**(723)**
Transactions with owners								
Share issue	35	3,686	-	-	-	3,721	-	3,721
Costs related to the share issue	-	(28)	-	-	-	(28)	-	(28)
Impact from acquired and divested companies, net	-	-	-	-	-	-	(1)	(1)
Dividends paid	-	-	-	-	-	-	(4)	(4)
Share-based payments	-	-	3	-	-	3	-	3
Total transactions with owners	**35**	**3,658**	**3**	**-**	**-**	**3,696**	**(5)**	**3,691**
Total changes in equity	**35**	**3,658**	**(845)**	**184**	**(62)**	**2,970**	**(2)**	**2,968**
Equity at 31 December 2012	**135**	**11,430**	**(6,741)**	**367**	**(94)**	**5,097**	**10**	**5,107**

Dividends

No dividends have been proposed or declared.

Consolidated statement of changes in equity

1 January – 31 December

DKK million	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Total	Non-con-trolling interests	Total equity
	Attributable to owners of ISS A/S							
Equity at 1 January 2011	**100**	**7,772**	**(5,276)**	**227**	**(197)**	**2,626**	**25**	**2,651**
Change in accounting policy due to implementation of IAS 19 (2011)	-	-	81	2	-	83	-	83
Adjusted equity at 1 January 2011	**100**	**7,772**	**(5,195)**	**229**	**(197)**	**2,709**	**25**	**2,734**
Comprehensive income for the year								
Net profit/(loss) for the year	**-**	**-**	**(510)**	**-**	**-**	**(510)**	**7**	**(503)**
Other comprehensive income								
Foreign exchange adjustments of subsidiaries and non-controlling interests	-	-	-	(46)	-	(46)	0	(46)
Adjustment relating to previous years	-	-	(96)	-	96	-	-	-
Fair value adjustment of hedges, net	-	-	-	-	(14)	(14)	-	(14)
Fair value adjustment of hedges, net, transferred to Financial expenses	-	-	-	-	106	106	-	106
Actuarial gains/(losses)	-	-	(133)	-	-	(133)	-	(133)
Impact from asset ceiling regarding pensions	-	-	8	-	-	8	-	8
Tax	-	-	29	-	(23)	6	-	6
Total other comprehensive income	**-**	**-**	**(192)**	**(46)**	**165**	**(73)**	**0**	**(73)**
Total comprehensive income for the year	**-**	**-**	**(702)**	**(46)**	**165**	**(583)**	**7**	**(576)**
Transactions with owners								
Impact from acquired and divested companies, net	-	-	-	-	-	-	(12)	(12)
Dividends paid	-	-	-	-	-	-	(8)	(8)
Share-based payments	-	-	1	-	-	1	-	1
Total transactions with owners	**-**	**-**	**1**	**-**	**-**	**1**	**(20)**	**(19)**
Total changes in equity	**-**	**-**	**(701)**	**(46)**	**165**	**(582)**	**(13)**	**(595)**
Equity at 31 December 2011	**100**	**7,772**	**(5,896)**	**183**	**(32)**	**2,127**	**12**	**2,139**

Dividends

No dividends have been proposed or declared.

Definitions

Acquisitions, %

= (Revenue from acquired businesses[1)] x 100) / Revenue prior year

[1)] Revenue from acquired businesses is based on management's expectations at the acquisition date.

Adjusted earnings per share

= (Profit before goodwill impairment/amortisation and impairment of brands and customer contracts) / Average number of shares, diluted

Adjusted EBITDA

= Operating profit before other items + Depreciation and amortisation

Basic earnings per share (EPS)

= (Net profit/(loss) for the year attributable to owners of ISS A/S) / Average number of shares

Net debt

= Non-current loans and borrowings + Current loans and borrowings - Receivables from companies within the ISS Group - Securities - Cash and cash equivalents - Positive fair value of derivative financial instruments

Cash conversion, %

= ((Operating profit before other items last twelve months + Changes in working capital last twelve months) x 100) / Operating profit before other items last twelve months

Diluted earnings per share

= (Net profit/(loss) for the year attributable to owners of ISS A/S) / Average number of shares, diluted

Divestments, %

= (Revenue from divested businesses[1)] x 100) / Revenue prior year

[1)] Revenue from divested businesses is based on estimates or actual revenue where available at the divestment date.

EBITDA

= Operating profit + Depreciation and amortisation

Equity ratio, %

= (Total equity attributable to owners of ISS A/S x 100) / Total assets

Interest coverage

= (Operating profit before other items + Depreciation and amortisation) / Financial income and financial expenses, net

Operating margin, %

= (Operating profit before other items x 100) / Total revenue

Organic growth, %

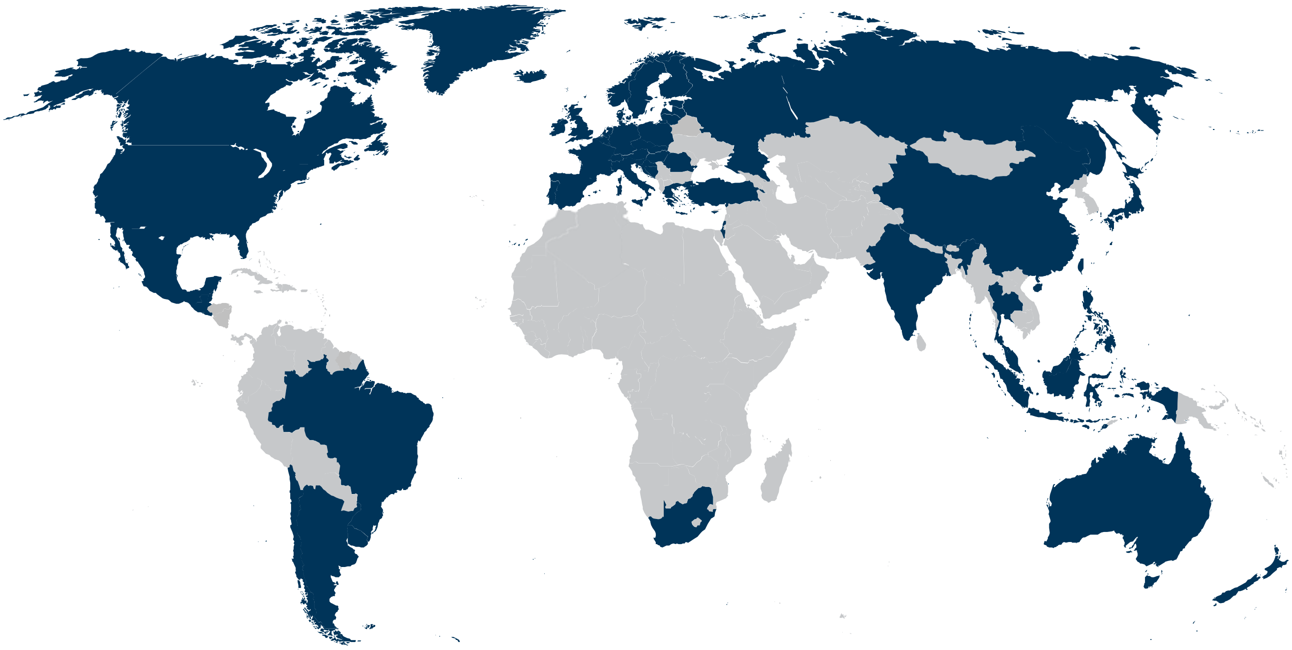
= ((Revenue current year - comparable revenue [1)] prior year) x 100) / Comparable revenue [1)] prior year

[1)] Comparable revenue implies the exclusion of changes in revenue attributable to businesses acquired or divested and the effect of changes in foreign exchange rates. In order to present comparable revenue and thereby organic growth excluding any effect from changes in foreign currency exchange rates, comparable revenue in the prior year is calculated at the subsequent year's foreign currency exchange rates. Acquisitions of businesses are treated as having been integrated into ISS upon acquisition, and ISS's calculation of organic growth includes changes in revenue of these acquired businesses compared with revenue expectations at the date of acquisition. Organic growth is not a measure of financial performance under Danish GAAP or IFRS and the organic growth figures have not been audited.

Total revenue growth, %

= ((Revenue current year - revenue prior year) x 100) / Revenue prior year

The ISS representation around the globe



The ISS Group was founded in Copenhagen in 1901 and has grown to become one of the world's leading Facility Services companies. ISS offers a wide range of services such as: Cleaning, Catering, Security, Property and Support Services as well as Facility Management. Global revenue amounted to DKK 78.5 billion in 2013 and ISS now has more than 530,000 employees and local operations in more than 50 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers.

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