



Company announcement

Copenhagen, 14 May 2014

No. 16/2014

Solid performance in line with expectations

Financial highlights

- Organic growth for the first three months of 2014 amounted to 2.8% (2013: 2.8%).
- Operating margin was 4.3% for the first three months of 2014 (2013: 4.4%). Adjusted for the impact of the divestment of the pest control activities in 2013 the margin increased from 4.2% in Q1 2013 to 4.3% in Q1 2014.
- Profit before goodwill impairment and amortisation/impairment of brands and customer contracts was DKK 73 million and adjusted for costs related to the IPO and the refinancing amounted to DKK 329 million (2013: DKK 234 million).
- Net loss in the first three months of 2014 was DKK 33 million and adjusted for costs related to the IPO and the refinancing the net profit for the first three months of 2014 amounted to DKK 223 million (2013: DKK 71 million).
- The LTM (last twelve months) cash conversion for March 2014 was 98% (2013: 99%).
- The outlook for 2014 remains unchanged.

Business highlights

- ISS successfully listed its shares on NASDAQ OMX Copenhagen on 13 March 2014.
- Following completion of the IPO, ISS was upgraded to Investment Grade by two rating agencies.
- The global IFS contract with HP was extended an additional three years until the end of 2018.
- Significant contract wins in the quarter included a large contract within the resources segment in Australia as well as a large IFS contract with a luxury superyacht hotel in London.

- Significant divestments completed in the first quarter of 2014 included the landscaping activities in France and the commercial security activities in Australia and New Zealand.
- Refinancing of debt was completed and proceeds from the new unsecured senior facilities and certain of the net proceeds from the IPO were used to fully repay ISS's senior secured facilities on 18 March 2014.

Jeff Gravenhorst, Group CEO, ISS A/S, said:

"ISS continued the solid performance in the first quarter of 2014. The organic growth, operating margin and cash conversion were in line with our expectations for 2014. We have been able to improve the underlying margin to 4.3% in 2014 from 4.2% in 2013 adjusted for the effect of the divestment of the pest control activities, continuing the trend from Q4 2013. We continued executing our strategy, and in the quarter, we completed five divestments of non-core activities. Following the successful IPO we have completed the refinancing and significantly reduced our debt. Furthermore, we have won contracts with several new local and regional customers and we extended our largest global contract delivering integrated facility services to HP until 2018."

Conference call details

A conference call will be held on 14 May 2014 at 14:00 CET. Presentation material will be available online prior to the conference call.

Link: <http://inv.issworld.com/events.cfm>

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About ISS

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 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. For more information on the ISS Group, visit www.issworld.com.

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