



Company announcement

Copenhagen, 27 August 2015

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Interim report for the period 1 January – 30 June 2015

Increased organic growth and improved margin

ISS (ISS.CO, ISS DC), one of the world's leading facility services companies, announces its interim financial report for the first six months of 2015:

Highlights

- Increased organic revenue growth of 4.0% in H1 and 4.8% in Q2 (Q1 2015: 3.1%).
- Improved operating margin of 4.9% in H1 (H1 2014: 4.8%) and 5.3% in Q2 (Q2 2014: 5.2%).
- Strong cash conversion over the last twelve months of 99% (Q1 2015: 97%).
- Profit before goodwill impairment and amortisation/impairment of brands and customer contracts increased to DKK 1,027 million in H1 (H1 2014: DKK 559 million).
- Net profit increased to DKK 776 million in H1 (H1 2014: DKK 345 million).
- Revenue generated from IFS increased 10% in local currency in Q2 (Q1 2015: 9%), and represented 33% of Group revenue (Q1 2015: 32%).
- Revenue from Global Corporate Clients represented 10% of Group revenue in Q2 (Q1 2015: 10%), an increase of 13% in local currencies in Q2 (Q1 2015: 6%).
- The strategic initiatives including customer segmentation, organisational structure and excellence projects such as our procurement programme are progressing according to plans and support margin improvement.
- To further facilitate alignment and boost our customer focus, in June 2015, we announced a new and strengthened organisational structure, which will become effective as of 1 September 2015.
- Henrik Andersen, COO EMEA, will be leaving ISS for an external opportunity.
- The outlook for organic revenue growth in 2015 is changed to 3.5%-4.5% (from 2%-4% previously). Our expectations for operating margin (above 5.6%) and cash conversion (above 90%) are unchanged.

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

"We delivered a strong second quarter thanks to good growth in IFS, improved performance in some developed markets and progress in our strategic initiatives. In a volatile macroeconomic environment, we have increased our organic growth rate and improved our operating margin. We have landed new integrated facility services contracts and extensions with a number of significant customers including Danske Bank in the Nordics and Eastern Europe, Huashan Hospital in China, a hospital retender in the UK, and a major contract with the Danish State Railways. Following significant contract wins and our strategic initiatives, we now expect to deliver an organic growth of 3.5%-4.5% for the full year."

Lord Allen of Kensington Kt CBE

Chairman

Jeff Gravenhorst

Group CEO

Conference call details

A conference call will be held on 27 August 2015 at 10:00 CET. Presentation material will be available online prior to the conference call.

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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 74.1 billion in 2014 and ISS has approximately 510,000 employees and activities in more than 75 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.