

Road Show

June 1999

Forward-looking Statements

This presentation contains statements regarding expectations to the future development, in particular future sales, operating efficiencies and business expansion. Such statements are subject to risks and uncertainties as various factors, many of which are beyond ISS's control, may cause the actual development and results to differ materially from the expectations contained in the presentation. Such factors include, among others, overall economic and business conditions, fluctuation in currencies, the demand for ISS's services, competitive factors in the industry and uncertainties concerning possible acquisitions and divestments.

In the event of any discrepancies between any information provided by the company during this presentation whether orally or in writing (including the use of overheads or other audio-visuals) and the information contained in the Prospectus dated 9 June 1999, the information in the Prospectus shall prevail.

Investment Case Highlights

Strategy

- World No. 1 buys World No. 3
- European market leadership
- Asian market leadership
- Consolidation in growing market
- Vision: Expand our position as World Leader in our industry

Value Creation

- Specialisation, density and scale advantages
- Synergies
- Further bolt-on acquisitions at ROI=15% before synergies
- Multinational service offerings now realistic

ISS maintains its strategic goals from **aim2002**

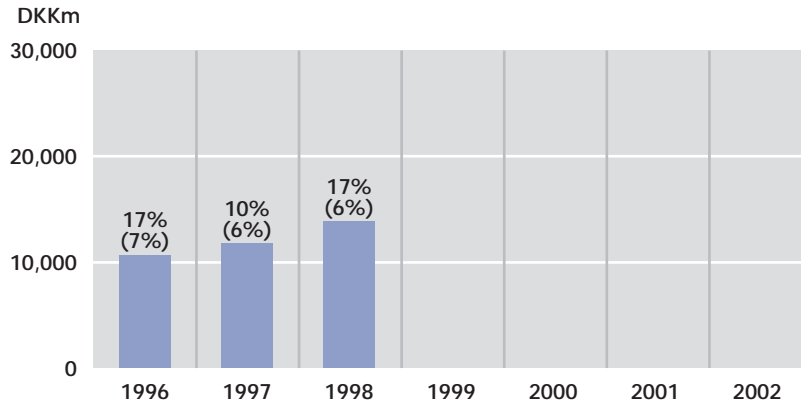
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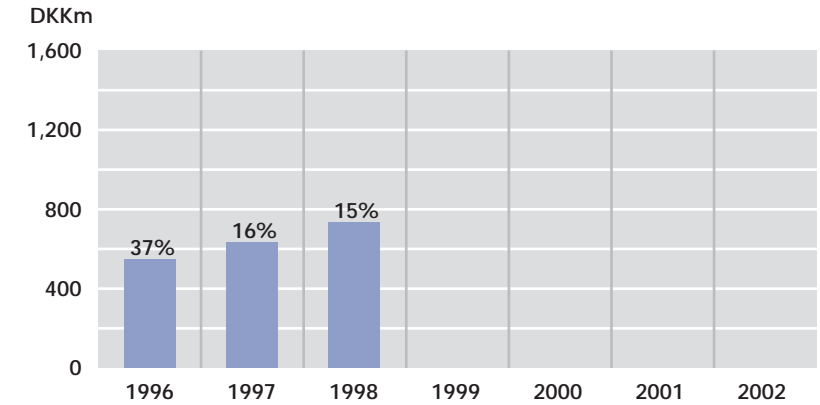
1. Financial Goals

aim2002 Financial Goals

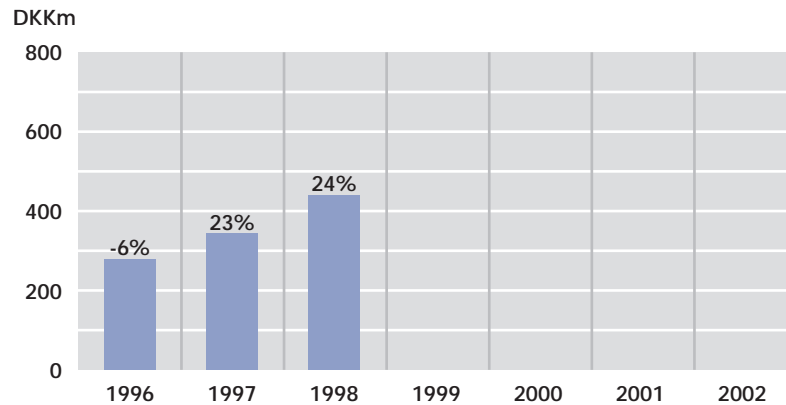
Turnover
To grow min. 10% p.a. (6% organic)



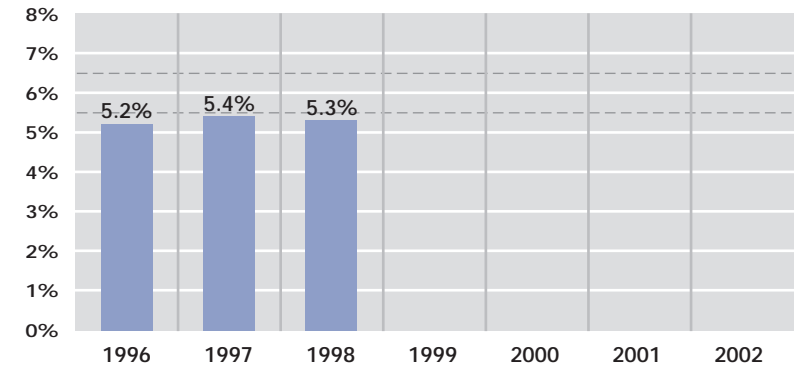
Operating profit
To grow min. 15% p.a. on average



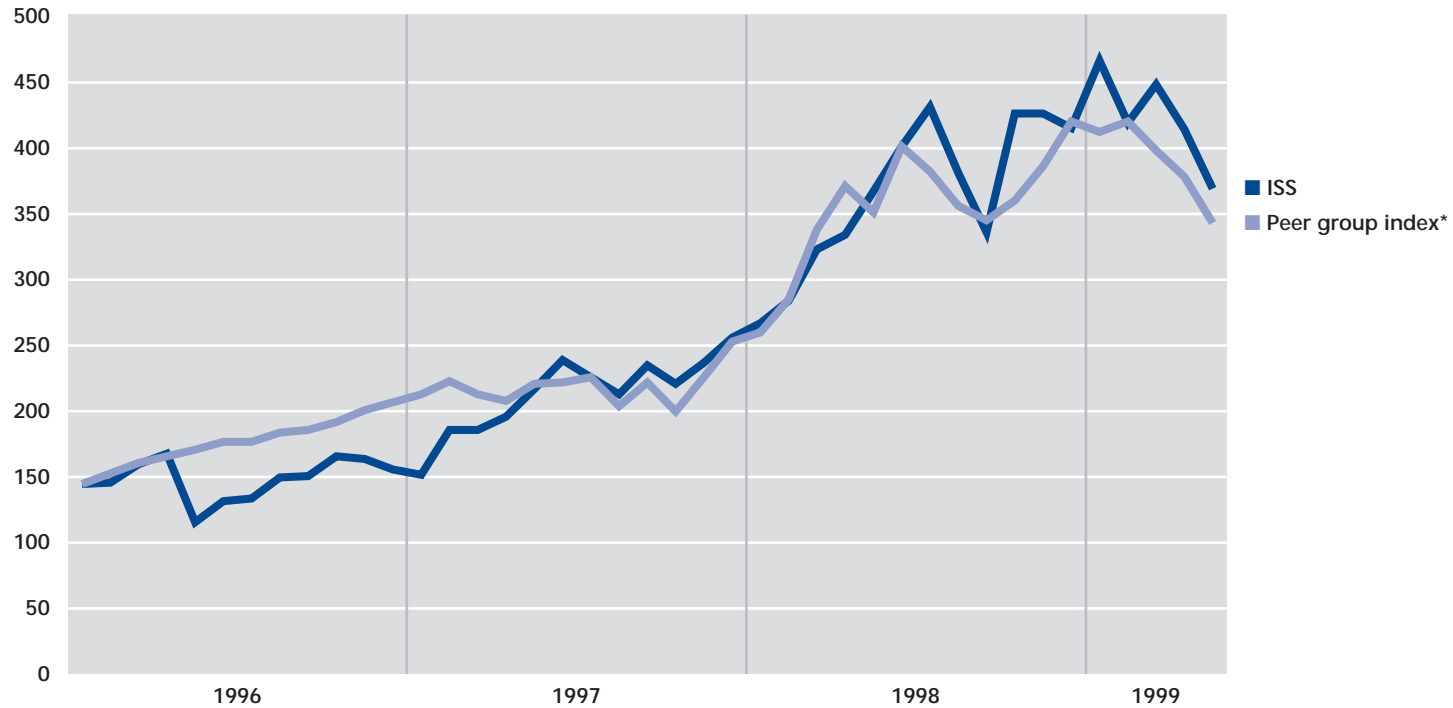
Sustainable cash flow
To grow min. 15% p.a. on average



Operating margin
To reach around 6%



ISS B-Share Performance



*ISS Peer Group: Vedior, Sodexho, Compass, Rentokil, Serco, ServiceMaster, Securitas. The share price performance of the Peer Group is weighted after market cap.

2. Value Proposition and Strategy

We create value for our customers through

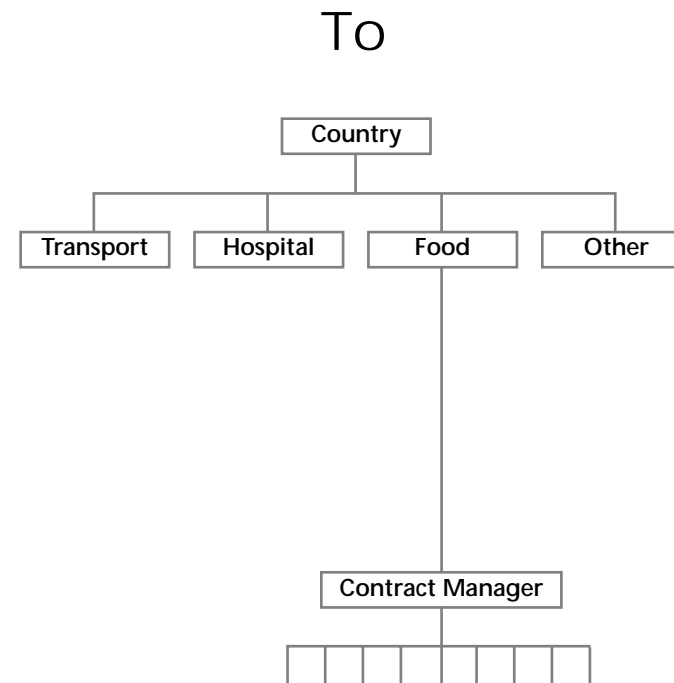
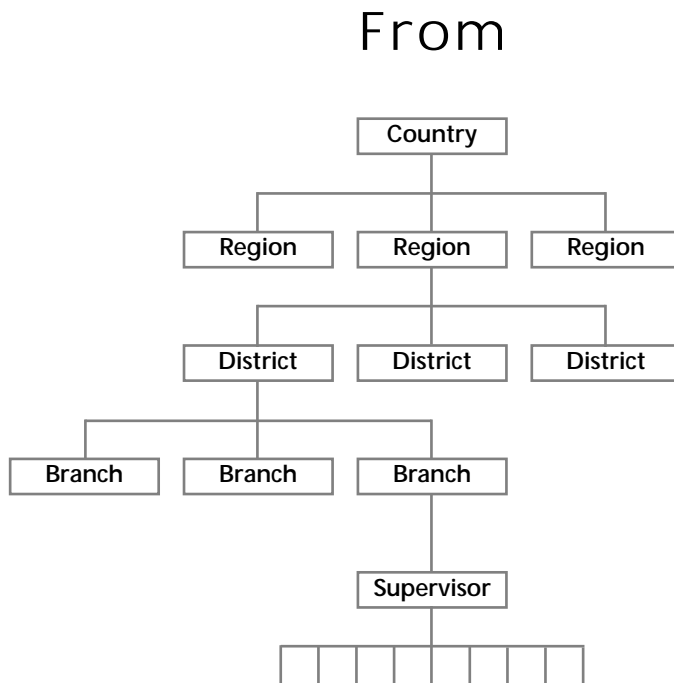
- Consistent world class quality (safety)
- Multiservice bundling (less administration and cost)
- Specialisation (adding skills and value)
- Cost efficiency (low cost for quality)
- Cross border best practice (keeping abreast)
- High ethical standards (safeguard reputation)

and therefore our customers can concentrate on their core business

aim2002 Strategy Elements

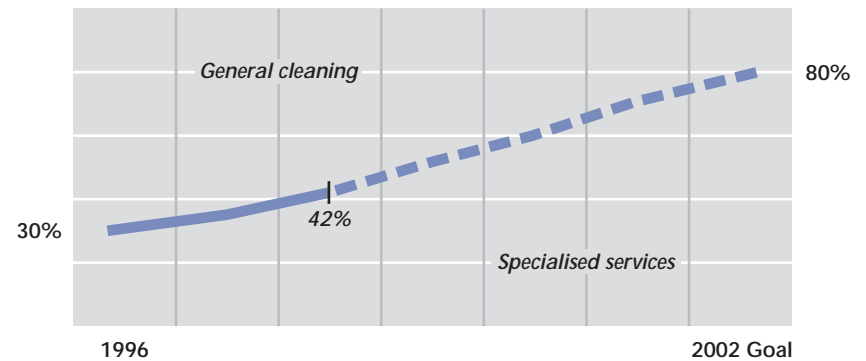
- Specialisation
 - Key segment focus
 - Upgrading skills
- } Adding value for customers
-
- Increase density
 - Consolidate industry
 - Expand geographically
- } Create and utilise scale advantages

Specialisation



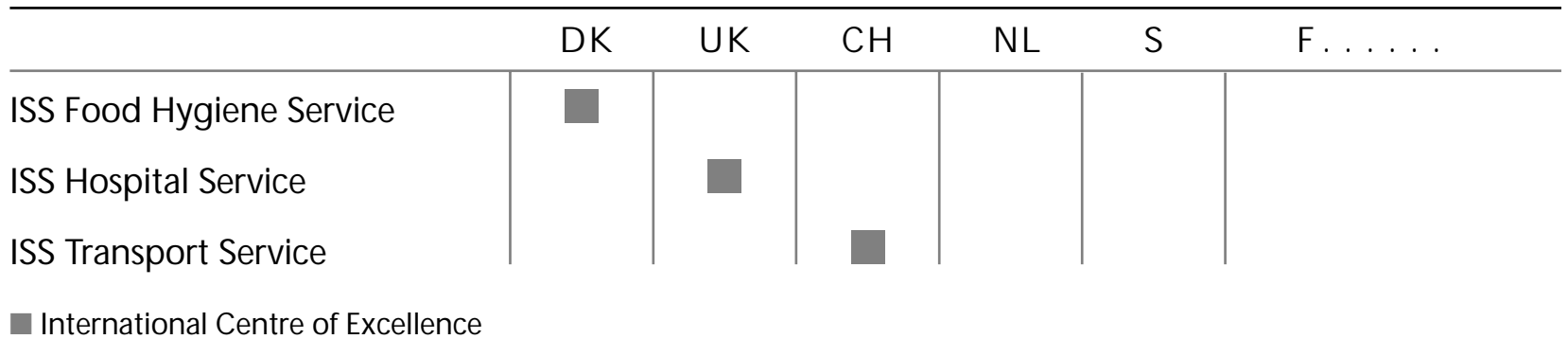
Thus

- Adding value
- Increasing organic growth
- Raising barrier to entry
- Shaping the competitive landscape



Key Segment Focus

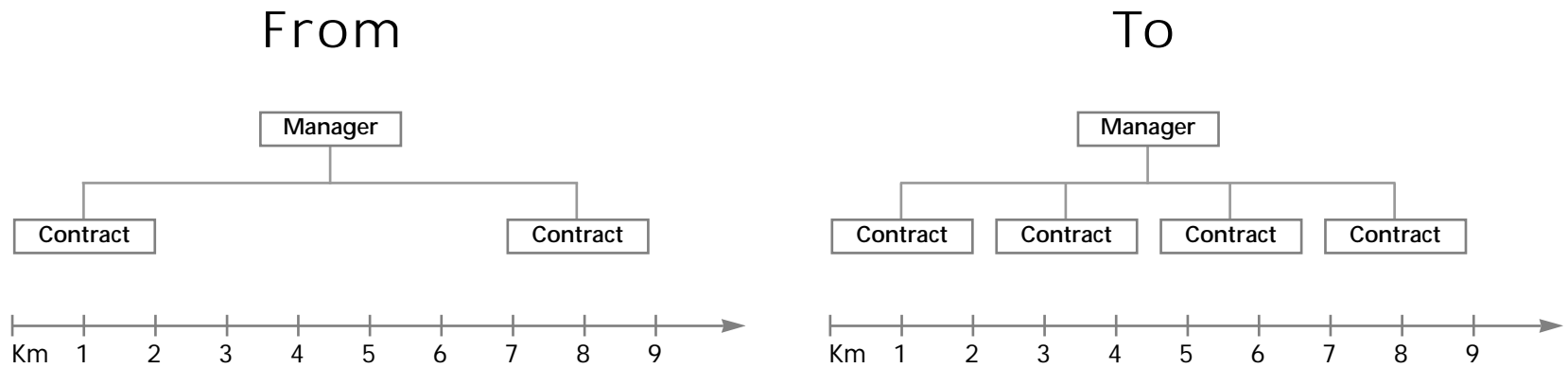
Centre of Excellence concept



Thus

- Adding value
- Assuring best practice
- Creating scale advantage
- Cross border selling

Increase Density



Thus

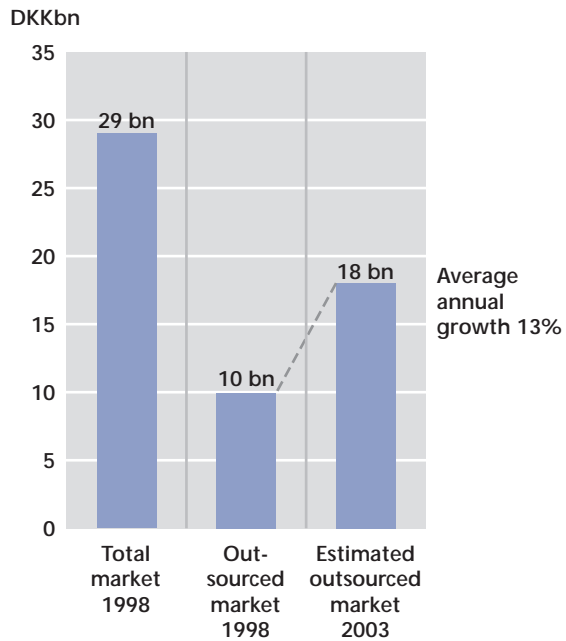
- Creating scale advantage (low cost)
- Leaving the manager with shorter physical distance to customer
- Increasing brand awareness

The European Market for Services Provided by ISS, 1998

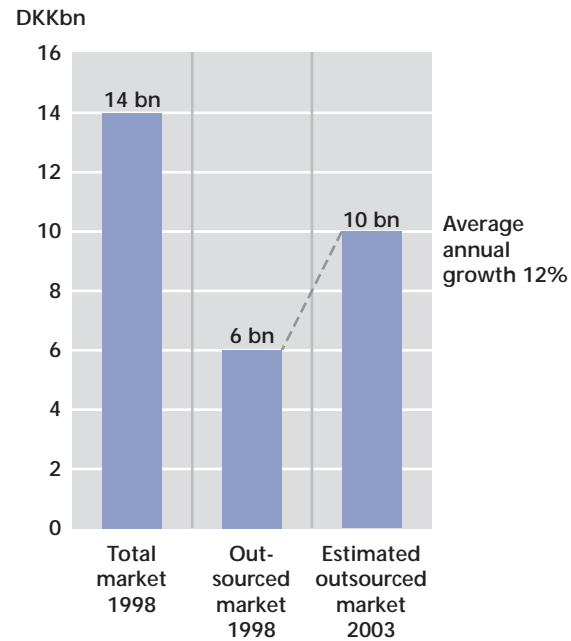
DKKbn	Total market	Outsourced market	Percentage outsourced
General cleaning and related services	326	170	52%
Specialised services			
- Hospitals	198	61	31%
- Airports	29	10	34%
- Food	14	6	43%
- Other specialised services	160	33	21%
Total Europe	727	280	39%

The Market for Specialised Services Provided by ISS, 1998

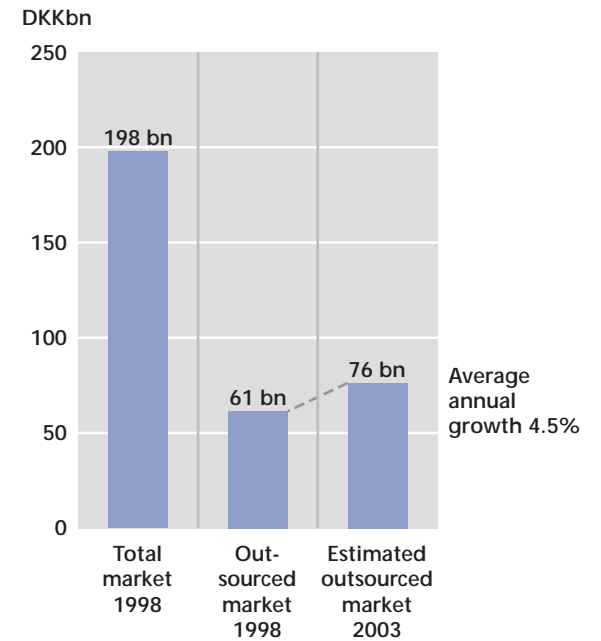
Airport services



Food hygiene services



Healthcare services



Estimates provided by The Boston Consulting Group (1999)

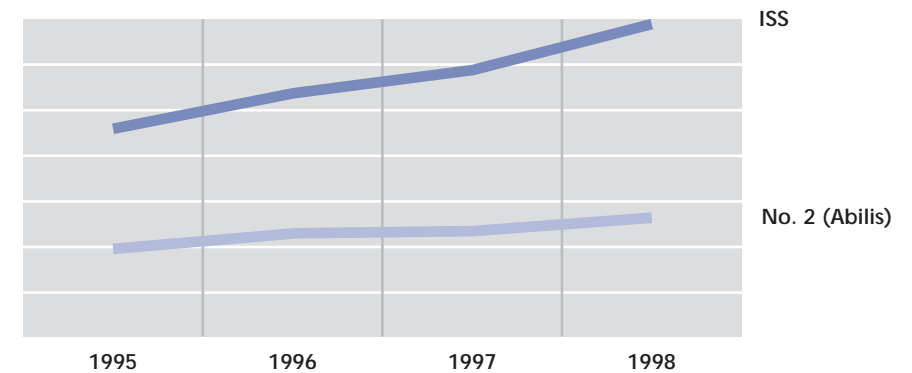
Consolidate Industry

- Fragmented industry (~54,000 cleaning companies in Europe)
- Become international brand name
- Create volume to allow specialisation
- Create scale advantages through shared:
 - Knowledge
 - Procurement
 - Services (Treasury, Insurance, etc.)

Thus

- Lowering cost
- Increasing competitiveness
- Increasing awareness

European Cleaning Industry, turnover



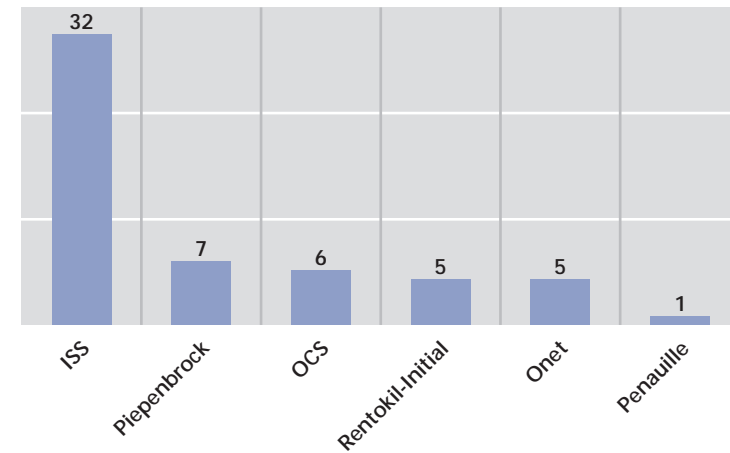
Expand Geographically

- Target: 40 - 50 countries by 2002
- Multinational contracts
- Creating volume
- Leveraging know-how

Thus

- Creating scale advantages
- Creating awareness

Cleaning operations in No. of countries, 1998

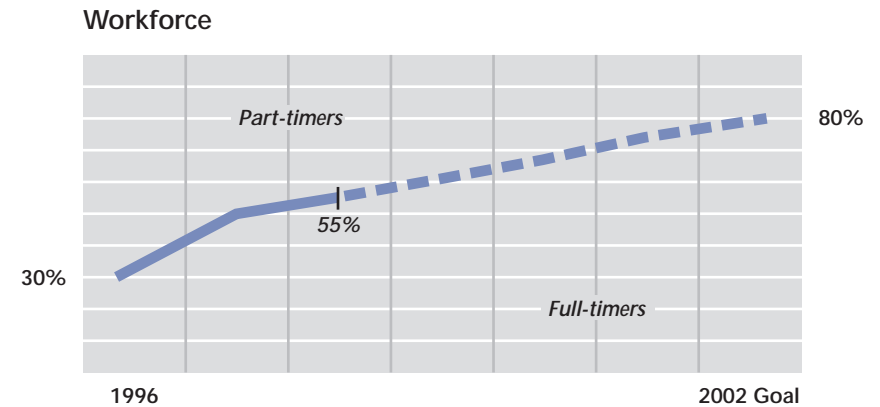


Upgrading Skills

- Full-time employee strategy
- Reducing employee turnover
- Investing in skills upgrade
- Creating esteem and loyalty

Thus

- Adding value through higher quality
- Lowering cost
- Increasing reliability



3. Abilis – a Leap Forward

The Abilis Acquisition - The Perfect Step

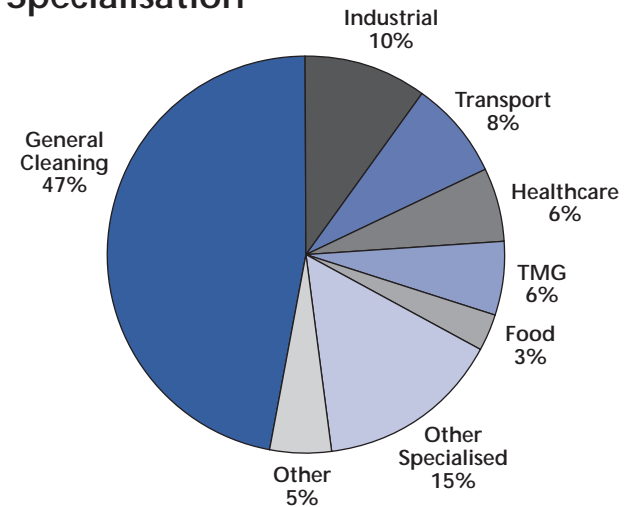
1998

Turnover	DKK 5.2 bn
Operating result	DKK 179 m
Contract contribution	21.3%
Overhead	17.9%
Operating margin	3.4%
Organic growth	>7%
No. of employees	≈50,000

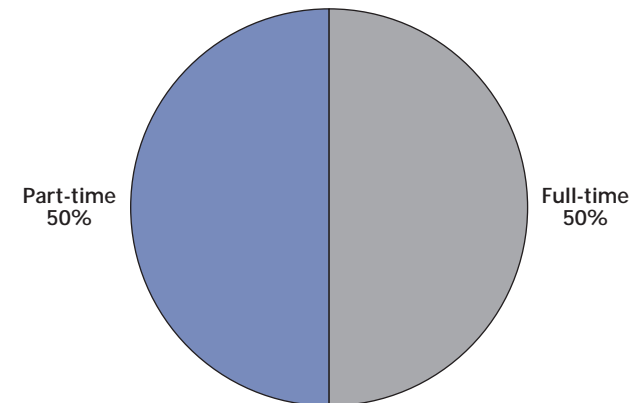
Abilis adds

- Three leading country positions
- New specialised services
- Volume to reach critical density
- Quality brands
- Added buying power

Specialisation



Workforce



Conditions Precedent to Acquisition

- Fulfilment of certain requirements related to Dutch labour market regulations
- Legal restructuring of Abilis done by seller
- EU approval

4. Integrating Abilis

ISS Integration Experience in 1990's

Larger integrations	Turnover DKKbn		Employees		Outcome
	ISS	Target company	ISS	Target company	
ASAB (S) – 1991	0.4	1.3	4,300	8,000	Good
Hasco (CH) – 1994	0.1	0.3	1,300	2,400	Good
Reliance (HK) – 1998	0.4	0.5	11,700	7,000	Good
NWG (D) – 1998	0.4	1.4	6,200	17,000	Ongoing
Abilis – 1999					
Abilis, France/Spain	0.3	2.9	2,900	23,800	Future
Abilis, Netherlands	0.5	1.7	5,100	20,600	Future
Abilis, Belgium/Lux.	0.5	0.7	3,100	5,600	Future

Combined Turnover

	Turnover 1998 DKKm		
	ISS	Abilis	Combined
France/Spain	265	2,880	3,145
Belgium/Lux.	528	674	1,202
Netherlands	521	1,671	2,192
Total	1,314	5,225	6,539

- Volume allows specialisation and dedicated OPCOs
- Synergies to be realised
- Redundant facilities
- Adding Abilis growth and ISS profitability

5. Creating Value for Stakeholders

Stakeholder Value

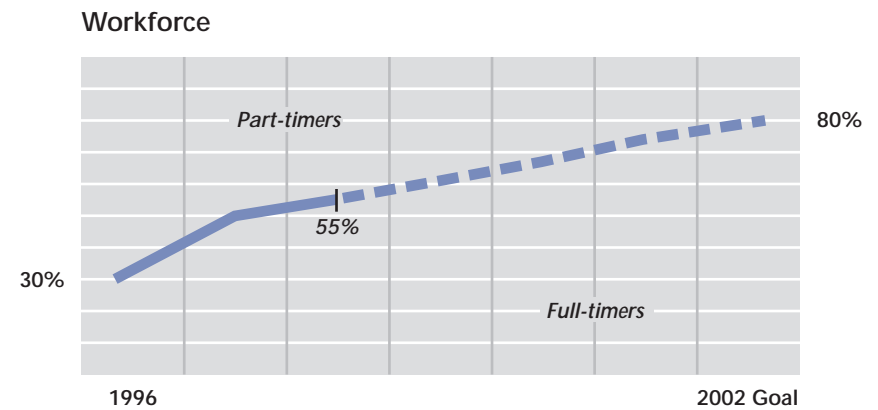
- Value for the Customers
- Value for the Employees
- Value for the Shareholders

Value Creation for Customers

- World Class standards applied even for local customers
- Cross border service for multinationals
- Size allows bundling of services (one stop shopping) and creates competitive advantage
- Size makes specialisation possible
- High business standards

Value Creation for Employees

- From part-time to full-time
- From unskilled to (semi)-skilled
- From employee to employee-owner
- From invisible jobs to visible jobs
- From fixed pay to performance related pay



Value Creation for Shareholders

- Profitable growth
 - organic
 - acquisitions

- Margin
 - density
 - specialisation

- Capital
 - asset turnover
 - capital structure

Organic Growth

1996	1997	1998	4 months of 1999
7%	6%	6%	8%

Bolt-on Acquisitions

	1997	1998	5 months 1999
No. of bolt-on acquisitions	13	30	15
Acquired turnover DKKm	153	1,024	650
Acquisition price/EBITA	6.3	6.8	6.6

Exclusive NWG, Reliance and Abilis

Density

	1996	1997	1998	Including Abilis
No. of markets with critical density	5	6	8	11
Weighted margin, %	6.3	6.6	6.5	

Density defined as countries with turnover > DKK 750m

ISS & Abilis

Country	Market Position	Margin %
Denmark	No. 1	7.3
Switzerland	No. 1	6.9
UK	No. 3	6.9
Sweden	No. 1	6.4
Norway	No. 1	6.1
Finland	No. 1	6.0
Portugal	No. 2	6.0
Germany	No. 2	5.9
Central Europe	No. 1	5.9
Belgium/Lux.	No. 1	4.9
Netherlands	No. 1	3.8
France	No. 1	3.3
Asia	No. 1	2.8
Spain	-	2.5
Brazil	No. 1	1.4

Asset Turnover

	1996	1997	1998
Net working capital, DKKm	- 672	- 454	- 352
Turnover/Tangible fixed assets	11.7	13.7	13.9

1998 turnover annualised for NWG and Reliance

Capital Structure

	1997	1998	July 1999e	Target
Debt to market cap.	5%	15%	22%	33%

- Additional gearing to reach target level (33%) will enable the Group to make acquisitions of DKK 2 billion
- On top of that, sustainable growth analysis reveals that Group sustainable cash flow supports additional acquisition growth of 10% p.a.

6. ISS Financial Information

Consolidated Profit and Loss Accounts

DKKm	1996	1997	1998
Turnover	10,738	11,782	13,801
Operating profit before other income and expenses	553	639	735
Ordinary profit before amortisation of goodwill	239	395	487
Amortisation of goodwill, net of tax	-133	-141	-199
Minorities' part of ordinary profit	-4	-7	-12
Net ordinary profit	102	247	276
Extraordinary items and discontinued business, net of tax	-1,958	204	-65
Net profit/loss	-1,856	451	211

Consolidated Balance Sheet 1998

Assets	DKKm	Equity and liabilities	DKKm
Goodwill	3,005	Equity	1,454
Other intangible fixed assets	23	Provisions	486
Tangible fixed assets	1,059	Long term debt	2,049
Financial fixed assets	103	Short term debt	670
Current assets	2,927	Other current liabilities	2,458
Total assets	7,117	Total liabilities and equity	7,117

Consolidated Statements of Cash Flows

DKKm	1996	1997	1998
Cash flow from operations	524	584	695
Acquisitions/divestments	-8	48	-1,818
Investments in fixed assets	-198	-273	-264
Discontinued business	-209	0	0
Financial items	70	-521	1,833
Total cash flow	179	-162	446
Sustainable cash flow*	290	356	440

*Cash flow from operations less depreciation

Turnover Development January to April 1999

DKKm	1998		1999	
Turnover Jan - Apr in the preceding year	3,783	100%	4,066	100%
Divestments	-107	-3%	0	0%
Currency adjustments	52	1%	-168	-4%
Organic growth	222	6%	311	8%
Acquisitions	116	3%	1,005	24%
Turnover Jan - Apr current year	4,066	107%	5,214	128%

Turnover up 28% compared to first 4 months of 1998

Margin increase of 0.4% compared to first 4 months of 1998

7. Abilis Financials and Value Creation

ISS Abilis Financials

- Annualised 1999 turnover of Abilis (incl. TMG) estimated at DKK 5.6 billion
- Abilis is expected to add approximately DKK 2.7 billion to ISS Group turnover in 1999 (based on assumed take-over date 1 July 1999)
- Following the Abilis acquisition, total turnover growth in 1999 expected to exceed 35%
- Goodwill of approximately DKK 3.8 billion to be amortised over 20 years (DKK 190 million annually)
- Net impact on Group interest expenses from acquisition and share issue of approximately DKK 40 million annually
- Purchase price of DKK 3.6 billion excluding acquisition and integration costs

Pro Forma P & L 1998

DKKm	ISS	Abilis	Adjustm.	Total
Turnover	13,801	5,225		19,026
Operating profit	735	179		914
Ordinary profit before amortisation of goodwill	487	111	-19	579
Goodwill amortisation	-199	0	-190	-389
Minorities	-12	0		-12
Net profit	276	111	-209	178

Pro Forma Balance 1998

	DKKm	ISS	Abilis	Adjustm.	Total
Assets	Goodwill	3,005		3,617	6,622
	Other fixed assets	1,185	222		1,407
	Current assets	2,927	1,372	-99	4,200
	Total assets	7,117	1,594	3,518	12,229
Liabilities	Equity	1,454	201	2,490	4,145
	Provisions and long-term debt	2,535	95	1,028	3,658
	Current liabilities and short-term debt	3,128	1,298		4,426
	Total liabilities and equity	7,117	1,594	3,518	12,229
	Net interest bearing debt	1,897	-99	870	2,668

Assumptions: Abilis acquired Dec. 31 1998
Equity issue of DKK 2.9 billion, net

Ambition: Reach Historical ISS Performance

DKKm	Turnover 1998			ISS average Margin 96-98	Operating Profit
	Abilis*	ISS	Total		
France	2,840	265	3,105	5.0%	155
Netherlands	1,671	521	2,192	6.8%	149
Belgium/Lux.	674	528	1,202	7.9%	95
	5,185	1,314	6,499		399
Resulting margin					6.1%

**Excluding Spain*

Synergies

- Operational structure
- Service offerings
- Procurement
- Volume allows dedicated OPCOs

8. Share Offering

Use of proceeds

- Financing of completed acquisitions (16 in 1999 YTD)
- Financing of Abilis acquisition
- Financing of future acquisitions

Summary of the Offering

Issuer	ISS-International Service System A/S
Offering size	7,400,000 + 600,000 new B-shares
Offering structure	B-shares of nominal DKK 20 per share without pre-emptive rights for existing shareholders
Offering price	To be fixed according to the bookbuilding method
Offering period	From 17 June to 25 June 1999 The offering may be closed earlier than 25 June 1999
Pricing and allocation	Monday 28 June 1999
1st day of trading	Tuesday 29 June 1999

Summary of the Offering, cont.

ISS B-share listings Copenhagen Stock Exchange
London Stock Exchange

Shares not to be offered in USA and Canada

Settlement The Danish Security Settlement (VP)
Euroclear, Bruxelles
Cedel, Luxembourg

Syndicate Banks Fleming Aros, Lead Manager & Bookrunner
Den Danske Bank, Co-Lead Manager
Alfred Berg Bank, Co-Manager

Incentive Programmes

	No. of shares
Authorised employee share programme	800,000
Authorised warrant programme	800,000
1998 EMB-Option programme (exc. price 385)	200,000
1999 EMB-Option programme (exc. price 650)	100,000

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Any decision to purchase shares in the Offering should only be made on the basis of the final offering circular to be made available at a subsequent date.

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