



ISS Investor Presentation Half-year 2002

20 August 2002

Forward-looking statements



This presentation contains forward-looking statements within the meaning of US Private Securities Litigation Act of 1995 and similar laws in other countries 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' control, may cause the actual development and results to differ materially from the expectations contained in the presentation. Factors that might affect such expectations include, among others, overall economic and business conditions, fluctuations in currencies, the demand for ISS' services, competitive factors in the service industry and uncertainties concerning possible acquisitions and divestments.

See also the description of risk factors set out on pages 37-41 of the Annual Report 2001.

Agenda



- Key figures
- Corporate Governance
- Operations
- Financials
- Outlook
- Appendices

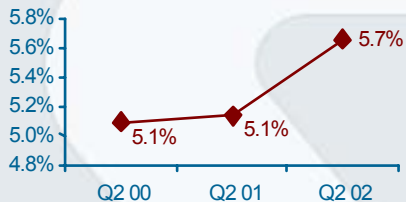


Key figures

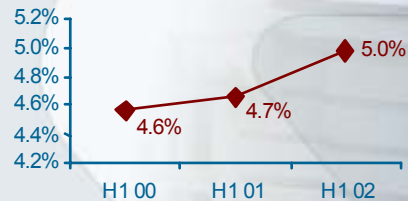


	Q2 02	H1 02
• Turnover	+ 13%	+ 14%
• Operating profit	+ 25%	+ 21%
• Operating margin	5.7%	5.0%

Operating margin Q2 2000 – Q2 2002



Operating margin H1 2000 – H1 2002



H1 key figures compared with consensus *)



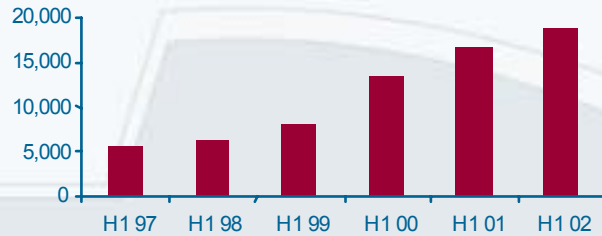
DKKm	Actual	Consensus	Diff.
Turnover	18,983	19,065	-0%
Operating profit	944	912	+4%
<i>Operating margin</i>	<i>5.0%</i>	<i>4.8%</i>	
Ordinary profit before goodwill amortisation	567	561	+1%
EPS before goodwill amortisation, DKK	13.3	13.1	+1%

*) Consensus is based on 15 analysts' estimates released prior to the half-year results (the analyst with the lowest operating profit and the analyst with the highest operating profit are excluded from the consensus)

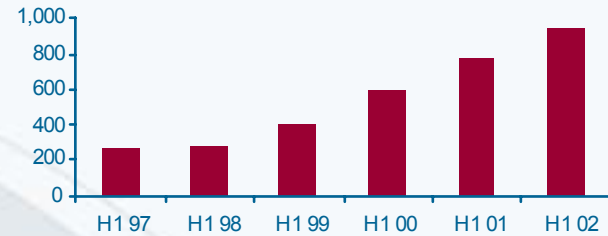
H1 key figures since 1997



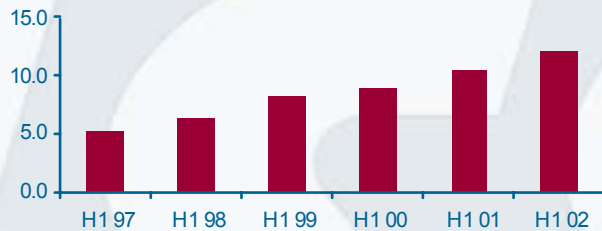
Turnover H1 1997 - H1 2002



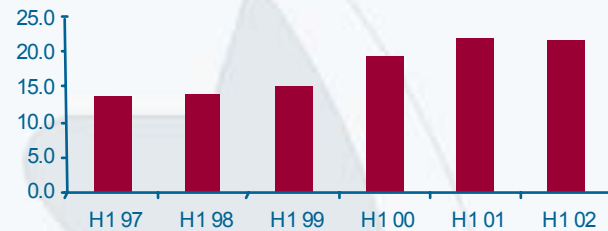
Operating profit H1 1997 - H1 2002



EPS ^{*)} H1 1997 - H1 2002



Asset turnover ^{**)} H1 1997 - H1 2002



^{*)} Earnings per share before goodwill amortisation and other income and expenses, net of tax, DKK

^{**)} Annualised turnover/other intangible and tangible fixed assets

H1 key figures since 1997



	H1 1997	H1 2002	Change	CAGR
Turnover, DKKm	5,757	18,983	+230%	+27%
Operating profit, DKKm	268	944	+252%	+29%
Operating margin	4.7%	5.0%	+0.3%	
Asset turnover	14	22	Margin effect	-0.3%
EPS (before goodwill amortisation)	5.2	13.3	+156%	+21%
EPS (before g w amort. and other inc./exp., net of tax)	5.4	12.0	+122%	+17%

- ISS received award*) for best corporate governance in Denmark
- Increased disclosure in the half-year report 2002
- Theoretical market value of outstanding stock options/warrants (per 19 August 2002):
 - Approx. DKK 15 million
 - Approx. 0.1% of the Group's market capitalisation

*) From the Danish Shareholders' Association



OPERATIONS

create 2005

Integrated Service Solutions

Priorities in 2002



- Continuation of the solid cash conversion
 - Continued working capital focus increased cash generation
- Operational improvement/higher profitability
 - Contract trimming enhanced the quality of the portfolio
 - Overhead rationalisation
- Profitability initiatives impacted organic growth

Operational improvements



- The improved operational performance reported in Q1 continued
- Margin increased in all major countries in Continental Europe
- Operational performance a prerequisite for further expansion
 - Contract portfolio trimmed
 - Rate of acquisitions was slowed down
 - Some non-core activities were divested

Organic growth

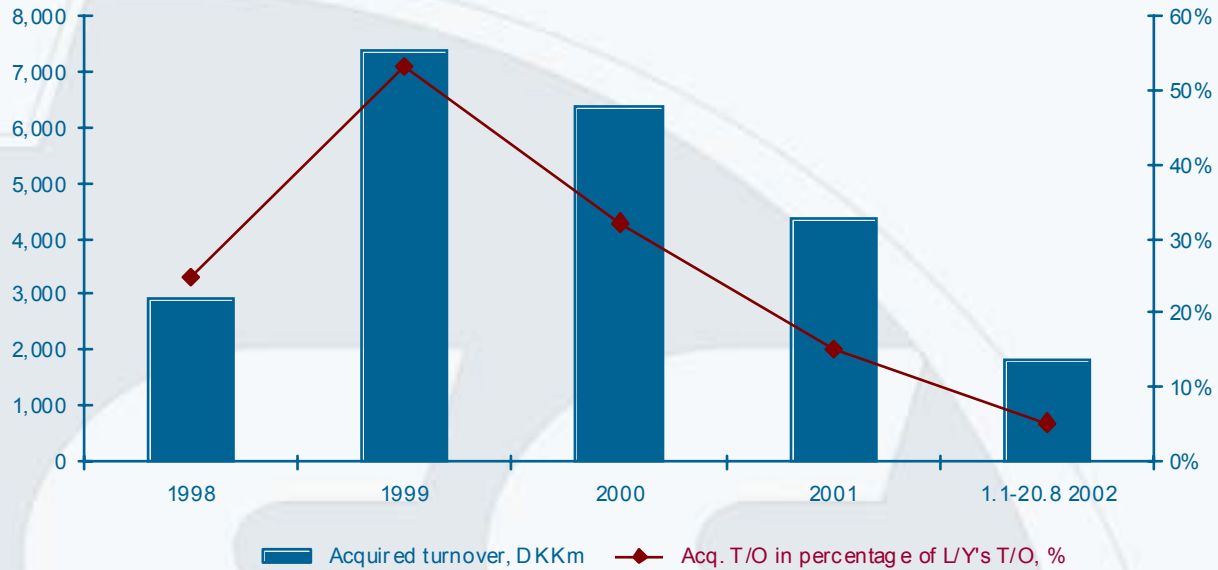


- Sales to existing customers developed better than expected
- Sales to new customers declined as profitability measures led to greater caution when tendering
- Renegotiations initiated by ISS resulted in some contract losses
- Carry-over effect from contract trimming in 2001 was approx. 4%

Turnover growth H1 2002

Acquisitions, net	13%
Organic growth, gross	5%
Effect from contract trimming in 2001	(4%)
Currency adjustment	(0%)
Total growth H1 2002	14%

Rate of acquisitions



Divestments of non-core activities



- Kindergarten activities divested end of 2001
- The Nordic airside activities (Nordic Aero) divested in July 2002
- Security in the UK divested in August 2002
- Other minor businesses divested in 2002, e.g.
 - Hotel and tourism activities in France
 - Marintec, Belgium
- Potential discontinuation of other non-core activities, e.g.
 - Other airside activities
 - Certain Elderly Care activities

Operations by business area



Business area	T/O DKKbn	Growth	Operating margin	
			H1 2002	H1 2001
Facility Services	16.4	12%	5.6%	5.1%
Damage Control	0.8	32%	5.0%	7.1%
CarePartner	0.7	53%	6.5%	1.9%
Aviation	0.5	(1%)	(0.2%)	4.5%
Food Services	0.5	22%	6.1%	5.4%
Innovation	0.1	8%	9.6%	12.6%
Corporate	-	-	(0.5%)	(0.5%)
Total	19.0	14%	5.0%	4.7%

- FS accounted for 87% of Group turnover and 88% of operating profit
- Margin up from 5.1% in H1 2001 to 5.6%
- Impact from margin dilutive acquisitions (TraffiCare, Ecuro and CSFM) exceeded impact from Eurogestion (consolidated from 1 April 2002)
- Catering added to the Facility Services offering in Finland and the UK
- Landscaping added to the Facility Services offering in Switzerland
- Development of new FS solutions continued
 - Particularly in the Nordic region

- Margin down in Damage Control (4% of Group T/O)
 - Unusual weather conditions in Norway
 - Restructuring and start-up in the Netherlands and Germany
- Margin up in CarePartner (4% of Group T/O)
 - Solid performance in Health Care, treatment of abuse and psychiatric care
 - Elderly Care segment continued to yield an unsatisfactory margin
- Margin down in Aviation (2% of Group T/O)
 - Mild winter affected de-icing activities
 - Reduced profitability in the industry in general
- Margin up in Food Services (2% of Group T/O)
 - Solid performance in Denmark and turnaround in the Netherlands

Operations by region



Region	T/O DKKbn	Growth	Operating margin	
			H1 2002	H1 2001
Northern Europe	9.1	17%	5.6%	6.2%
Continental Europe	8.9	12%	5.4%	4.0%
Overseas	1.0	1%	4.7%	5.8%
Corporate	-	-	(0.5%)	(0.5%)
Total	19.0	14%	5.0%	4.7%

- H1 margin down by 0.6% in Northern Europe (48% of Group T/O)
 - Lower margin in FS in Sweden and UK as expected, primarily due to
 - Initially margin dilutive acquisitions (TrafficCare, Ecuero and CSFM)
 - Aforementioned declining margins in Aviation and Damage Control
- Organic growth in Northern Europe above Group average
 - Solid organic growth in Ireland, Norway, Sweden and Finland

Continental Europe and Overseas



- H1 margin up by 1.4% in Continental Europe (47% of Group T/O)
 - Higher margin in all major countries
- Organic growth in Cont. Europe negative due to profitability measures
 - Particularly in the Benelux, France, Germany and Switzerland
- H1 margin down by 1.1% in Overseas (5% of Group T/O)
 - Difficult economic environment in South America, Hong Kong and Japan



FINANCIALS

Increased profitability



DKKm	H1 2002	H1 2001	Change	2001
Turnover	18,983	16,712	+14%	34,852
Operating profit	944	778	+21%	1,633
<i>Operating margin</i>	<i>5.0%</i>	<i>4.7%</i>		<i>4.7%</i>
Other income and expenses, net	77	0		(24)
Financial expenses, net	(197)	(148)		(309)
Tax	(257)	(202)		(402)
Ordinary profit before goodwill amortisation	567	428	+32%	898
Goodwill amortisation, net of tax	(409)	(353)		(656)
Minorities and discontinued business	(8)	(11)		(20)
Net profit	150	64		222
EPS *)	13.3	10.4	+28%	21.6
EPS **)	12.0	10.4	+15%	

*) Earnings per share before goodwill amortisation, DKK

***) Earnings per share before goodwill amortisation and other income and expenses, net of tax, DKK

Stronger cash flow in Q2



DKKm	Q2 2002	Q2 2001	2001
Operating profit	548	439	1,633
Depreciation	156	134	551
Working capital / provisions	(58)	(358)	56
Interest payments	(106)	(83)	(328)
Tax paid	(66)	(90)	(377)
Other	(8)	-	(25)
Cash flow from operations	466	42	1,510
Investments in intangible and tangible fixed assets, net	(125)	(110)	(452)
Free cash flow	341	(68)	1,058
Free cash flow per share	7.8	(1.6)	25.4
Free cash flow in % of ordinary profit before goodwill amort.	118%	-	118%

H1 cash flow higher than last year



DKKm	H1 2002	H1 2001	2001
Operating profit	944	778	1,633
Depreciation	304	255	551
Working capital / provisions	(542)	(769)	56
Interest payments	(178)	(152)	(328)
Tax paid	(166)	(152)	(377)
Other	(32)	0	(25)
Cash flow from operations	330	(40)	1,510
Investments in intangible and tangible fixed assets, net	(226)	(195)	(452)
Free cash flow	104	(235)	1,058
Free cash flow per share	2.4	(5.7)	25.4
Free cash flow in % of ordinary profit before goodwill amort.	18%	-	118%

Balance sheet



DKKm	30.06.02	31.03.02	Ratio
Goodwill/intangible fixed assets	13,116	12,069	109
Tangible fixed assets	1,641	1,649	100
Financial fixed assets	574	1,287	45
Debtors & Stocks	7,655	7,431	103
Liquid funds/securities	1,006	995	101
Total assets	23,992	23,431	102
Total equity (incl. minorities)	7,365	6,803	108
Provisions	1,102	1,040	106
Bank loans and other debt	7,989	8,039	99
Other liabilities	7,536	7,549	100
Total liabilities	23,992	23,431	102
Net debt	6,983	7,044	99
Debt to equity ratio (excl. minorities)	96%	105%	
Equity ratio (excl. minorities)	30%	29%	

Operating capital employed



DKKm	30.06.02	30.06.01	31.12.01
Operating capital employed			
Fixed assets	15,331	12,248	14,497
Goodwill and shares in ass. companies	(13,012)	(10,315)	(12,031)
Non-int. bearing current assets	7,655	6,573	6,899
Provisions and current non-int. bearing liabilities	(8,638)	(7,037)	(8,401)
	1,336	1,469	964
Operating capital employed in % of annualised sales *)	3.5%	4.2%	2.6%
Return on operating capital employed **)	164%	154%	216%

*) Adjusted for full-year sales of acquired businesses

**) Annualised EBITA/average operating capital employed



OUTLOOK

- Please refer to “Forward-looking statements” on page 2
- Including acquisitions/divestments announced prior to 20 August 2002 and assuming that exchange rates remain at current levels:
 - Increase in turnover of approx. 9-11%
 - Operating margin of approx. 5.3%
 - Goodwill amortisation estimated at approx. DKK 811m



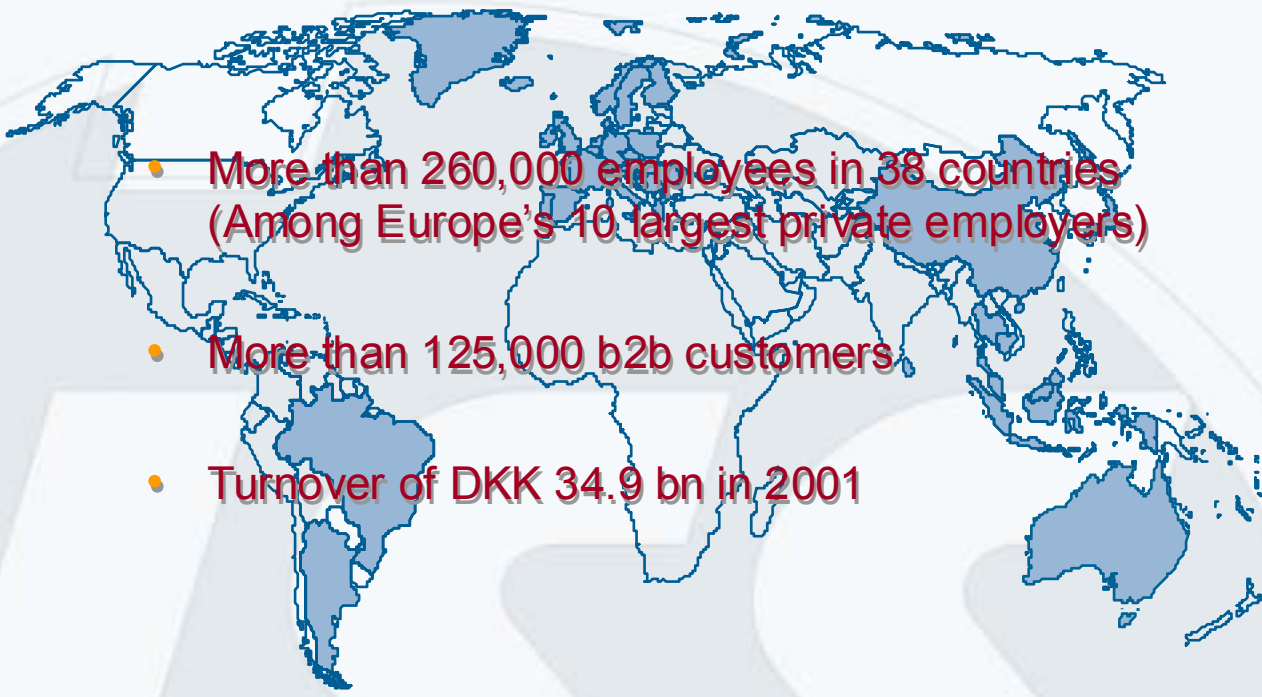
APPENDICES

ISS Today



ISS countries:

- Argentina
- Australia
- Austria
- Belgium/Luxembourg
- Brazil
- Brunei
- China and Hong Kong
- Croatia
- Czech Republic
- Denmark/Greenland/Iceland
- Finland
- France
- Germany
- Greece
- Hungary
- Indonesia
- Ireland
- Israel
- Italy
- Japan
- Malaysia
- The Netherlands
- Norway
- Poland
- Portugal
- Singapore
- Romania
- Slovakia
- Slovenia
- Spain
- Sri Lanka
- Sweden
- Switzerland
- Thailand
- UK



- More than 260,000 employees in 38 countries (Among Europe's 10 largest private employers)
- More than 125,000 b2b customers
- Turnover of DKK 34.9 bn in 2001

Country performance 2001



DKKm	Turnover	Margin	Organic growth	Employees
France	5,820	6.5%	2%	37,759
UK	4,531	4.8%	5%	36,341
Denmark	4,175	5.7%	4%	14,816
The Netherlands	3,631	1.8%	5%	29,883
Sweden	3,443	7.6%	17%	16,349
Norway	2,629	6.4%	3%	7,462
Germany	1,980	3.7%	-5%	17,988
Belgium & Luxembourg	1,852	2.1%	-1%	13,092
Central Europe	1,318	6.2%	10%	16,663
Finland	1,251	7.4%	7%	6,469
Switzerland	1,196	3.3%	-1%	7,546
Spain	659	3.7%	14%	6,897
Brazil	577	4.0%	7%	14,686
China & Hong Kong SAR	486	5.6%	-5%	4,064
Singapore	341	5.6%	1%	3,722
Israel	225	7.0%	10%	4,902
Ireland	175	4.7%	14%	1,857
Portugal	154	6.6%	15%	2,398
Thailand	90	7.5%	0%	5,700
Japan	81	4.9%	-	467
Malaysia	71	10.0%	2%	2,198
Argentina	64	-4.3%	29%	858
Italy	46	3.9%	-5%	368
Indonesia	28	7.8%	44%	3,727
Brunei	15	30.1%	-5%	145
Sri Lanka	14	6.9%	21%	3,382
Corporate	-	-0.5%	-	74
Total	34,852	4.7%	4%	259,813

Cash flow track record



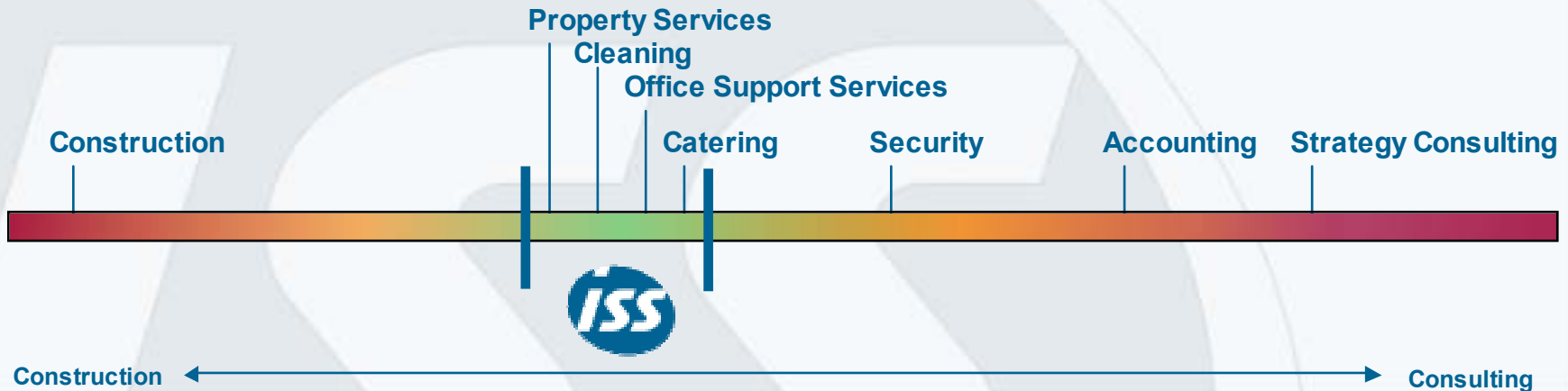
DKKm	2001	2000	1999	1998	1997	CAGR
Cash flow from operating activities	1,510	1,265	732	695	584	27%
Investments in fixed assets, net	452	391	(63)	235	275	13%
Free cash flow	1,058	874	795	460	309	36%
<i>Free cash flow per share</i>	<i>25.4</i>	<i>22.2</i>	<i>23.5</i>	<i>15.5</i>	<i>10.4</i>	<i>25%</i>
<i>Free cash flow in % of ordinary profit before goodwill amort.</i>	<i>118%</i>	<i>105%</i>	<i>128%</i>	<i>94%</i>	<i>78%</i>	

Service continuum



The integrated services performed by ISS are characterised by:

- One point of contact on customer side
- Potential for operational efficiency and synergies
- Low capital intensity
- People intensive
- Flexible



Facility Services versus single service



*Value is created if
the benefit of removing interfaces
and cross utilising people are higher than
the "inefficiency" of not having
"sufficient" scale advantages in all single services*



Analysts



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