



Presenting a New Strategy

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create2005

- **create2005** has been our strategy since November 2000
- Time for a successor
- Originally planned to be launched today
- No influence on content/format by pending public tender offer

Since the introduction of the plan ISS has in the period 2001-2004 (included):

- Increased revenue by DKK 12 billion (41%)
- Increased revenue outside cleaning by DKK 10 billion, which is a development from 17% to 36% of Group revenue
- Increased operating profit by DKK 825 million (57%)
- Increased operating margin by 0.5 percentage points
- Increased earning per share by 42%

Based on the outlook in the Annual Report 2004 (2001-2005E):

- Revenue is expected to increase by approximately DKK 16 billion (55%)
- Operating profit is expected to increase by approximately DKK 1.1 billion (72%)

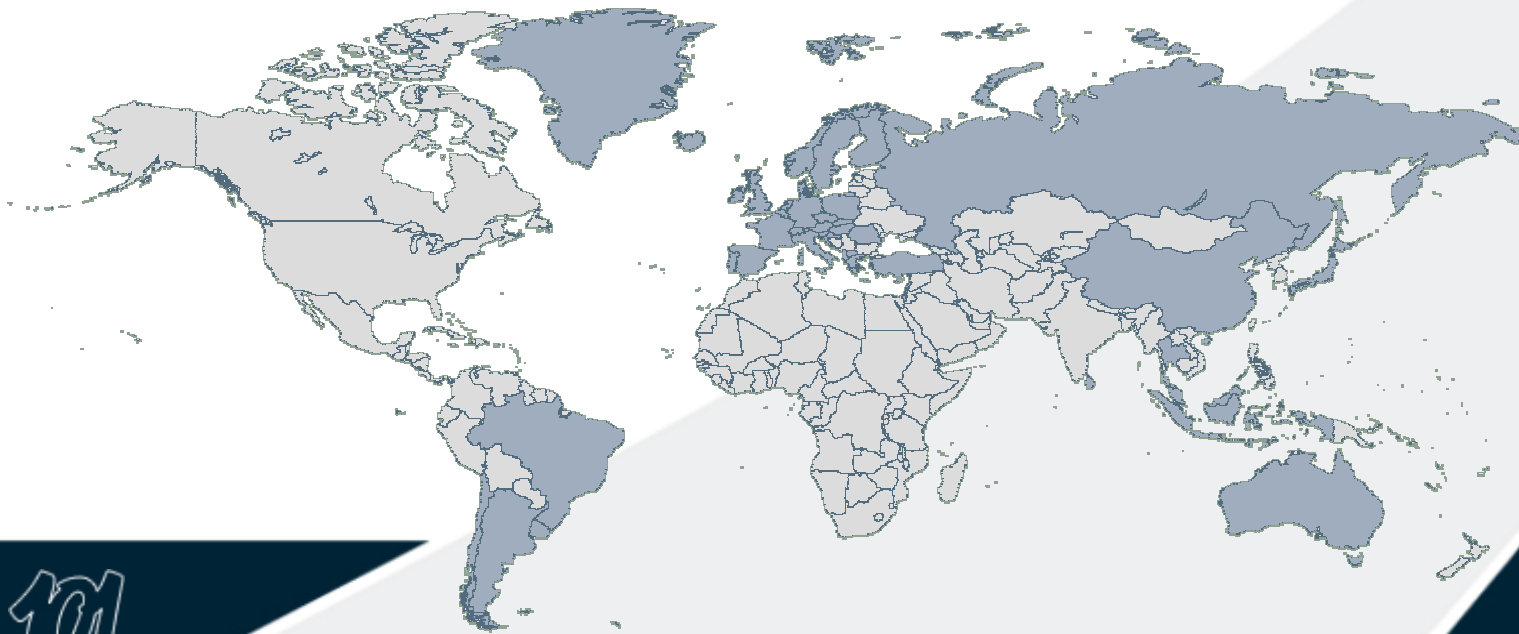
- Continues direction from **create2005**
- Route 101 implies expansion of geographical footprint
- Route 101 expected to last 6 to 9 years
- A destination plan – not a “term of years” plan
- Destination: Facility Services Company with revenues of DKK 101 billion
- More focus on organic growth



Global goals

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- **Geography: From 42 to 55-60 countries**
- **Total revenue: From DKK 40 to DKK 101 billion**
- **Global presence: From 50% to >90% of world GDP**



101

House of Facility Services

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- ISS continues to transform itself towards becoming an Integrated Facility Services (IFS) Company
- No basic changes from **create2005** in the vision or directions of the service offering



The 10 services needed

for “full house” 7

Management			
Cleaning	Office Support	Property Services	Catering
Cleaning Washroom Services	Reception Services Office Logistics Access Control	Building Maintenance & Technical Services Landscaping Pest Control	Contract Catering



- Average annual growth in revenue to exceed 10%
- Varying with business cycle
 - Organic growth at least 5% + price increases
 - Bolt-on acquisitions to add 8-12% per year
- Focus on BRIC-countries and other growth markets

	Total Growth	Organic Growth*
• OECD-countries	→ 10-15%	>5%
• BRIC-countries	→ 15-50%	>15-25%
• Other Asia	→ 30%	>15%
• Rest of world	→ 30%	>10%

* Including price increases



Organisation & Incentives

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Organisation

- Organisational design to support organic growth

People

- New ISS Academy to focus on IFS operational programmes

Incentives

- Internal Stock Exchange



The 101 Company

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Objectives		2004 base	20XX Objectives
Top-line	<ul style="list-style-type: none"> Average annual growth to exceed 10% 	DKK 40 billion	DKK 101 billion
Bottom-line	<ul style="list-style-type: none"> Margin levels <ul style="list-style-type: none"> Group CBIII Country CBIII in well established operations Other operations and investment initiatives 	5.6% >6.0% Variable	5.6 - 6.0% Min. 6.5 - 7.0% Variable
Strategic objectives	<ul style="list-style-type: none"> "Full House" in markets with critical mass 	3 countries	All countries with critical mass
	<ul style="list-style-type: none"> Establish IFS in all key countries 	4 countries	All countries with critical mass
	<ul style="list-style-type: none"> Ensure global presence 	42 countries ~50% of GDP	55-60 countries >90% of GDP
Value	<ul style="list-style-type: none"> $\Delta\text{EPS} > \text{Cost of equity}$ 	√	√



Lead Facility Services Globally

