Financial Report

For the period 01.01.2001 - 31.12.2001

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ISS A/S
Financial Report 2001

Highlights

- Turnover increased by 21% to DKK 34,852 million
- Operating profit after calculated non-recurring expenses increased by 12% to DKK 1,633 million
- Earnings per share before goodwill amortisation increased by 3% to DKK 21.6
- Cash flow from operating activities increased by 19% to DKK 1,510 million and by 21% to DKK 1,058 million after investments in fixed assets
- Focus on implementation of **create2005**
- Competences and service offering enhanced through 68 acquisitions
- In 2002, turnover is expected to grow by approximately 7-9% and operating profit by approximately 18-22%, corresponding to an operating margin of approximately 5.2%

The Annual Report 2001 can be viewed and downloaded from the Group's website:
http://www.issworld.com

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Key Figures

Amounts in DKKm, except per share data	**2001**	**2000**	**1999**	**1998**	**1997**
Turnover	34,852	28,719	19,802	13,801	11,782
Operating profit[1)]	1,633	1,454	1,021	735	639
Financial income and expenses, net	(310)	(244)	(128)	(80)	(54)
Ordinary profit before goodwill amortisation	898	830	622	487	395
Extraordinary items, net of tax and minorities	-	-	4	(42)	103
Discontinued business, net of tax	(5)	-	0	(23)	101
Net profit for the year	222	210	237	211	451
Investments in tangible assets, gross	615	439	420	769	344
Cash flow from operating activities	1,510	1,265	732	695	584
Free cash flow [2)]	1,058	874	795	460	309
Total assets	22,419	17,164	13,696	7,139	4,668
Goodwill	12,022	9,522	7,576	2,995	1,615
Interest-bearing debt, net [2)]	6,317	4,357	3,050	1,898	338
Total equity	6,642	5,683	4,415	1,408	1,295
Market value	17,351	21,730	18,773	12,437	7,417
Earnings per share before goodwill amortisation [2)]	21.6	21.0	18.4	16.4	13.3
Free cash flow per share [2)]	25.4	22.1	23.5	15.5	10.4
Interest coverage before depreciation [2)]	7.0	7.9	10.7	12.4	16.1
Interest coverage after depreciation [2)]	5.3	6.0	8.0	9.4	11.9
Equity ratio, % [2)]	29.6	33.1	32.2	19.7	27.7
Debt to book equity ratio, % [2)]	95.1	76.7	69.1	134.9	26.1
Debt ratio, % [2)]	26.7	16.7	14.0	13.2	4.4
Share of employees on full-time	53%	53%	53%	55%	50%
Number of employees	259,800	253,200	216,700	137,800	106,600
Growth					
Organic growth	4%	7%	7%	6%	6%
Acquisitions, net	18%	35%	37%	12%	1%
Currency adjustments	(1%)	3%	(1%)	(1%)	3%
Total turnover	21%	45%	43%	17%	10%
Operating profit [1)]	12%	42%	39%	15%	15%

1) Before other income and expenses
2) Please see page 18 for a list of definitions

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Focus of the year Measures to improve operational efficiency, trimming of the contract portfolio and a critical review of all activities was one of the two main themes defined for ISS in 2001. A significant part of this Financial Report is therefore devoted to a description of these measures and to a review of the Group's operations that is more detailed than in previous Financial Reports.

The second main theme for ISS in 2001 was the implementation of **create2005**, the Group's five-year strategy. A main element of the strategy is Facility Services. This was reflected in concept development and an adjusted acquisition strategy targeting acquisitions that expand the service offering and enhance competences.

To achieve a stronger focus and greater transparency, four international business areas were carved out from the country organisations as Business Builds: Aviation, CarePartner, Damage Control and Food Services. A total of 25 business units in eight countries were carved out and, in particular, Damage Control was developed.

The greater transparency supported ISS' efforts to improve operations in a number of countries in Continental Europe in which acquisitions and other factors had caused tasks relating to integration and profitability. The tasks were handled in a focused integration and rationalisation effort. ISS believes that all countries in Continental Europe were stronger at year-end than they were at the beginning of 2001.

Growth in Northern Europe was supported by acquisitions that added new competences. The Nordic business took important steps towards implementing the Group's Facility Services strategy and once again posted operating margins that exceeded the Group average.

The overseas markets succeeded in maintaining above-average operating margins in difficult markets. Several countries implemented projects to develop the business concept.

Thus, the year saw a concurrent effort of stronger focus on operations and strategic development. As we enter 2002, ISS therefore believes that it has developed its business concept and improved operations in a number of key areas.

Business areas Facility Services once again proved its viability as a concept. The countries which have fully implemented the concept generated operating margins in excess of the Group average. The measures which were introduced were also reflected in a free cash flow (cash flow from operating activities less investments in fixed assets), which was higher than the ordinary profit after tax.

Damage Control and Food Services both achieved operating margins above Group average.

Two areas, however, did not improve operations: Aviation (approximately 3% of consolidated turnover) and the Care segment of CarePartner (approximately 2% of consolidated turnover).

The conditions for Aviation changed after 11 September. Based on developments in the aviation industry, not least the industry's continued financial difficulties in early 2002, ISS believes that it may be several years before prospects become brighter. ISS has therefore restructured the activities and decided not to continue to develop Aviation as a Business Build for the time being. Based on the reduced exposure and cost level, ISS intends to continue to develop the concept in the UK and the Netherlands, while the activities in the other countries have been included in Facility Services, where ISS primarily intends to focus on airports (terminals and other landside activities).

An option for CarePartner is to enter into a partnership or to be matured for an IPO. The focus on value-added Health Care services could support this option which, however, assumes an increasing operating margin. The divestment of unprofitable kindergarten activities was a step in this direction.

CarePartner's operating margin increased, but is still below the Group average. The activities relating to care for the elderly will be restructured in 2002 and activities with low profitability may be closed down or divested. Following the implementation of these measures, CarePartner is expected over time to be able to generate an operating margin above the Group average.

ISS believes that the measures described in relation to CarePartner complete the restructuring of the Group. ISS is confident that the strategic transformation, initiatives related to operations and potential divestment of certain minor business units have created the platform required to develop the company in accordance with **create2005**.

In addition to the measures already described, 2001 was marked by the launch of long-term activities designed to support the Group's operational improvements and strategic development. ISS launched a branding programme, which will be phased in cost-effectively. The Encentivise™ employee programme continued, and ISS Service University opened in March 2001. More than 250 managers attended a programme at the University. Employee share and warrant programmes were implemented in line with the visions of **create2005**.

The Group's future focus will primarily be on exploiting its platform to develop the Facility Services concept in the existing countries and on expanding the Business Builds. Acquisitions will focus primarily on adding services which are believed to create the right service offering in each country or Business Build. With 5% of turnover as the criteria of materiality, ISS does not expect to make major overseas acquisitions in 2002.

Financials Turnover increased by 21% to DKK 34.9 billion, of which 6% (gross) was organic growth. Net organic growth was 4% because the contract portfolio was trimmed to improve profitability. Except for the measures described in relation to CarePartner, ISS does not expect to extraordinarily trim the contract portfolio further. However, the full-year effect of the measures introduced in 2001 will necessarily affect organic growth in 2002.

Operating profit before calculated non-recurring expenses was up by approximately 20% to DKK 1,746 million, equivalent to an operating margin of 5.0%. Restructuring costs and provisions for doubtful debts totalling approximately DKK 65 million and costs of adapting the Aviation business following 11 September in the amount of approximately DKK 48 million were charged against the operating profit as previously forecast in the full-year outlook. Net of the above non-recurring expenses, the operating profit was DKK 1,633 million, an increase of 12% and equivalent to an operating margin of 4.7%.

ISS' performance in 2001 was, in all material aspects, in line with the expectations announced by the company in the third quarter report released in November 2001.

Cash flow from operating activities increased by 19%, and free cash flow increased by 21%. As in 2000, the Group's cash flows were significantly higher in the second half of the year due to factors such as the distribution of pension and other payments over the year. This is not expected to change materially in the coming years.

Acquisitions

In 2001, ISS acquired 68 companies in 17 countries with total annual turnover of DKK 4.4 billion. The acquisitions reflected the adjusted acquisition strategy, which in 2001 focused on candidates that strengthen ISS' competences and enhance its service offering. Within Facility Services, acquisitions accounted for approximately 80% of total acquired turnover, while 26 acquisitions within Business Builds accounted for approximately 20% of total acquired turnover.

Excluding the strategic acquisitions (Nesco in Japan, M&M Medical and Ecuro in Sweden and Compagnie Générale Espaces Verts and Groupe Miège in France) the remaining 63 companies were acquired at an average price/EBITA (earnings before interest, tax and goodwill amortisation) multiple of 6.2 before anticipated synergies. Including the five strategic acquisitions, the 68 companies were acquired at an average price/EBITA multiple of 8.2 before anticipated synergies.

Corporate Initiatives

The Group launched a number of initiatives during the year with a view to continuing its strategic transformation and supporting the long-term development of operations.

Procurement Corporate Procurement defined a procurement strategy focusing on the five points listed in the box below.

Procurement strategy

1. Optimise and standardise purchases of cleaning products, machinery and cars
2. Use the best cleaning aids according to the ISS evaluation model, Q3E

   Quality
   Economy
   Environment and
   Ergonomics

3. Define best practice for cleaning methods according to Q3E
4. Support international cleaning quality standards such as INSTA 800 (defined in 2000 by the Nordic cleaning industry)
5. Enable solutions which are environmentally friendly and ergonomically correct

To strengthen recognition of the ISS name, achieve economies of scale and ensure that all employees have tasteful and functional workwear, an ISS workwear collection was designed for the entire Group. The collection meets the requirements of the EU environmental label and will be phased in from 2002 onwards.

International sales and marketing The Group has more than 75,000 B2B customers in its portfolio. ISS believes that more and more multinational customers will demand services to be provided across national borders. ISS therefore set up an international sales and marketing function. This resulted in a stronger focus on international sales competences in individual countries through initiatives such as the launch of a strategic sales training programme and the development of a custom-made Customer Relationship Management (CRM) system. In addition, ISS developed an ISS Sales Process, which documents ISS' customer handling, and a Sales & Marketing Toolbox, which is a frame of reference for all sales and marketing staff. This frame of reference ensures that the process is handled in a uniform way in the individual countries. The initiatives launched in 2001 created the basis for a common Group framework for servicing multinational Facility Services customers to be developed in 2002.

Sharing of knowledge As part of **create2005**, additional resources were allocated to Facility Services segments with the greatest potential for benefiting from international knowledge sharing. A concept director appointed for each of the Property Services, Hospital Services, Automotive Services and Clean Room Services segments worked to document the concepts during the year with a view to internationalisation. The concept directors also supported the countries in connection with major tenders and the start-up of large contracts. Communities were set up in connection with each of the documented concepts involving groups of employees from different country organisations with common commercial interests to ensure that knowledge is shared across national borders.

As part of the strategy for knowledge sharing, ISS launched ISS Business Insight in April 2001. ISS Business Insight is an intranet based tool used to distribute know-how and best practice across national borders. It is available to all employees with a computer, equivalent to some 7,000 users today. The Group also upgraded its web site and developed a model for the operating companies' web sites. On this basis, most of the ISS companies created uniform web sites including functionality ranging from ordinary information to dedicated customer portals, which offer customers access to services such as viewing accounts statements, ordering additional services and obtaining quality documentation.

IT ISS developed the Corporate System Package (CSP) in 2001, a common IT platform to be implemented in the large ISS countries. The platform is SAP R/3 based and builds on experience from Denmark and Finland. A less comprehensive Navision based IT package was developed for the small ISS countries. Both packages are being implemented in phases as and when the countries need to replace their existing systems.

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The financial information contained in this Financial Report has been prepared in accordance with the same accounting principles as last year except for a change in accounting policies relating to currency adjustments of goodwill. See Accounting Policies on page 60 of the Annual Report 2001.

Profit and loss account

Turnover increased by 21% to DKK 34,852 million including 4% attributable to organic growth, 18% to acquisitions and a negative 1% to currency adjustments, primarily attributable to the depreciation in the value of the Swedish krona, the Brazilian real and the pound sterling. As a result of the review of the contract portfolio, contracts that did not meet the profitability requirements were terminated, primarily in France, Germany, the Netherlands and Denmark. The total effect was a reduction equivalent to approximately 2% of turnover.

Turnover increased by 22% in Northern Europe and in Continental Europe, while Overseas generated 9% growth. France, Denmark, the UK and Sweden, all of which are countries with a highly developed Facility Services concept, saw the steepest growth rates. The Netherlands and Belgium also saw significant growth, primarily attributable to acquisitions in late 2000 and early 2001.

Facility Services contributed 87% of turnover, while the Business Builds contributed 13%. Turnover in the Business Builds was affected by double-digit organic growth and a number of acquisitions, especially in Damage Control and CarePartner.

Operating profit before other income and expenses was up by 12% to DKK 1,633 million, equivalent to an operating margin of 4.7%. Non-recurring expenses relating to restructuring costs and increased provisions for doubtful debts amounted to approximately DKK 35 million and approximately DKK 30 million, respectively, while the Aviation business reported restructuring costs / losses following 11 September of approximately DKK 48 million. The operating margin was 5.0% excluding the approximately DKK 113 million non-recurring expenses. The review below states operating margins including non-recurring expenses.

Facility Services reported an operating margin of 5.2% comprising 6.0% in Northern Europe, 4.6% in Continental Europe and 5.5% in Overseas. The Facility Services business in Northern Europe was affected by an increasing operating margin in Sweden and Finland which was, however, partly offset by a decrease in the UK due to factors such as integration costs and the start-up of new PFI contracts. Furthermore, the acquisition of Jydsk Rengøring had a negative impact since this company's operating margin was lower than the average for the rest of ISS Denmark. In Continental Europe, the Benelux countries saw a margin decline due to the combined effects of a tight labour market and tasks related to integration and productivity efficiency enhancement. France saw an increasing operating margin, and Germany and Spain also showed a positive trend after previous years' difficulties. The operating margin in Overseas was 5.5% in difficult market conditions.

The four Business Builds and Innovation reported an overall operating margin of 4.4%. Damage Control, Food Services and Innovation performed as expected, posting operating margins of 7.7%, 6.0% and 4.7%, respectively. CarePartner increased its operating margin to 3.8%, but failed to meet expectations because of low profitability in some of the activities relating to care for the elderly. Aviation significantly underperformed with an operating margin which was negative at 0.9%, primarily due to restructuring costs / losses following 11 September.

Other expenses, net amounted to DKK 24 million. The gross amount of other income was DKK 32 million, most of which related to the sale of activities in Germany and the sale of property in the UK. The gross amount of other expenses, DKK 56 million, related to provision for loss on closure of business activities, expenses in connection with acquisitions in a number of countries and other non-ordinary expenses.

Financial expenses, net increased to DKK 310 million from DKK 244 million in 2000, primarily because interest-bearing debt was higher due to acquisitions. EURIBOR fell during the second half of 2001, but was largely unchanged from 2000 for the year as a whole. The gross amount of debt was mostly at floating interest rates, enabling the Group to take advantage of the falling interest rates in the second half of 2001. Interest income amounted to DKK 152 million against DKK 99 million in 2000, primarily reflecting Danish bond yields. The Group realised net exchange gains of DKK 15 million in 2001.

Tax on ordinary profit before goodwill amortisation amounted to DKK 402 million, an increase of DKK 25 million. The effective tax rate at 30.9% was marginally lower than the previous year.

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Ordinary profit before goodwill amortisation was up by 8% to DKK 898 million, and earnings per share (before goodwill amortisation) at DKK 21.6 was up by 3%.

Goodwill amortisation was DKK 695 million against DKK 614 million in 2000. The Group has traditionally amortised goodwill related to certain acquisitions, primarily in Northern Europe, over a period of less than 20 years. In order to align the estimated useful economic lives in the countries concerned with the rest of the Group, it was decided to introduce a uniform amortisation period for goodwill, a maximum of 20 years, with effect from 1 January 2001. The changed amortisation period caused goodwill amortisation for the year to decrease by DKK 74 million.

Net profit for the year was DKK 222 million against DKK 210 million in 2000.

Cash flow statement

Free cash flow was DKK 1,058 million against DKK 874 million the previous year. Cash flow from operating activities of DKK 1,510 million against DKK 1,265 million last year was affected by shorter payment times for social expenses and VAT. This was, however, more than offset, primarily due to more effective debtor management.

Acquisitions in the year and the purchase price for Lavold, which was acquired effective 1 January 2001, were included in acquisitions of businesses. Investments in fixed assets, net were DKK 452 million against DKK 391 million in 2000, equivalent to 1.3% and 1.4% of turnover, respectively, and reflected the Group’s continued efforts to increase the asset turnover rate.

Balance sheet

At 31 December 2001, the Group’s total assets amounted to DKK 22,419 million, an increase of 31% over 31 December 2000. The increase was attributable to a 26% increase in goodwill from acquisitions to DKK 12,022 million and to a higher amount of accounts receivable, DKK 1,229 million, primarily resulting from acquisitions. The Group’s interest-bearing net debt was DKK 6,317 million against DKK 4,357 million in 2000. The increase primarily resulted from the funding of acquisitions.

The Group’s equity increased by DKK 959 million to DKK 6,642 million at 31 December 2001, equivalent to 30% of total assets against 33% in 2000. The increase was attributable to the profit for the year and the proceeds received from the share issue in the spring of 2001. In addition, equity was reduced by currency adjustments of DKK 52 million relating to investments in foreign subsidiaries.

Funding

ISS continued to consolidate its core bank group, which comprised 13 international banks at the end of 2001. The 13 banks handle most of the Group’s borrowing and other financial transactions. The loan facilities are based on bilateral agreements with individual core banks using uniform standard documentation. Loans are raised locally with the operating companies or the regional holding companies, which function as intra-group banks in their region. The Group aims to renegotiate and extend the loan agreements on an annual basis in order to ensure that financial resources are available. At 31 December 2001, ISS had long-term credit facilities of DKK 11.4 billion and had drawn DKK 5.8 billion on the facilities. The average commitment period for the long-term facilities was 3.4 years.

ISS continued to reduce the number of performance guarantees issued by ISS A/S. Outstanding performance guarantees amounted to DKK 41 million at year-end against DKK 82 million in 2000. Another DKK 41 million lapsed in January 2002, reducing outstanding performance guarantees in ISS A/S to less than DKK 1 million at 1 February 2002.

Capital planning

The Group operates a set of financial planning management tools to ensure the right ratio of equity to debt finance. Financial planning takes into account the cash flow generated as well as the defined limits and commitments of the individual Group holding companies under the loan agreements.

Interest coverage before depreciation, calculated as operating profit before depreciation divided by net financial expenses, is a key ratio in the Group's capital planning. The Group's interest coverage before depreciation decreased from 12.4 to 7.0 in the period from 1998 to 2001 in accordance with the planned optimisation of its capital structure. The Group's equity ratio increased from 20% to 30% in the same period. The debt ratio, defined as net interest-bearing debt as a percentage of the sum of the market value of ISS' equity and net interest-bearing debt, was 27% against 17% at the end of 2000.

Financial risk management

Financial risk management is based on policies defined by the Board of Directors, specifying guidelines and risk limits for the Group's financial transactions. ISS uses derivatives to hedge financial risks and may invest free cash in securities.

At 31 December 2001, the net debt had a duration of approximately 1 year. The duration reflects the effect of a simultaneous increase or decrease in the general level of interest rates for the currencies included in the debt portfolio. Thus, all other things being equal, a change of one percentage point in the relevant interest rates would increase or reduce, as the case may be, the market value of the debt by approximately DKK 63 million and similarly increase or decrease the Group's annual interest expenses by approximately DKK 0 million in 2002 and DKK 63 million thereafter.

The company seeks to limit the currency exposure on foreign investments by funding such assets in local currencies and entering into forward exchange transactions. ISS has income and expenses in the same currency in the individual countries, thereby reducing its currency exposure to the risk involved in translating the profit and loss accounts of foreign subsidiaries into Danish kroner based on average exchange rates for the year. In 2001, the currencies in which the Group's turnover was denominated depreciated by an average of 1.2% relative to Danish kroner, reducing the Group's turnover by DKK 354 million.

Subsequent events

ISS announced in January 2002 that it had acquired 9.59% of the share capital in Sophus Berendsen A/S ("Berendsen") and invited Berendsen to merger negotiations. On the business day following this announcement, ISS announced that it had increased its stake in Berendsen to 10.31%. Berendsen is a leading European textile service company, recording turnover of DKK 3.9 billion in 2001 and an operating margin (before other income and expenses) of 8.7%.

Apart from the events described in the Annual Report 2001, Group Management is not aware of any events subsequent to 31 December 2001, which are expected to have a material impact on the ISS Group's financial position or outlook.

Proposals for the Annual General Meeting

The Board of Directors will propose to the shareholders at the Annual General Meeting to be held on 23 April 2002 that the net profit for 2001 of DKK 222 million be allocated to reserves. The Board of Directors will furthermore seek shareholder approval of a resolution to change the company's articles of association, including proposal to abolish the extraordinary general meeting required to be held due to lack of quorum for a resolution to change the articles of association, which has been passed by the shareholders at an Annual General Meeting.

In line with the objective of **create2005** of increased employee ownership, the Board of Directors will seek shareholder authorisation to issue up to 400,000 new employee shares, equivalent to an increase of the share capital by up to DKK 8 million nominal value. The Board of Directors will also seek shareholder authorisation to implement a new warrant programme for senior managers and members of the Board of Directors, comprising 400,000 warrants, equivalent to DKK 8 million nominal value. The above authorisations will be valid for five years. Furthermore, the Board of Directors will seek shareholder approval of a grant of up to 60,000 warrants to the Board of Directors collectively under the warrant programme approved by the shareholders at the Annual General Meeting held in April 2001.

Managing director Bent Carlsen, who has been a member of the company's Board of Directors since 1999, has informed the Board of Directors that he does not intend to seek re-election. The Board of Directors will propose to the shareholders at the Annual General Meeting that managing director Tom Knutzen be elected as new member of the Board of Directors. Managing director Sven Riskær stands for election and is recommended for re-election.

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Outlook

The outlook statement set out below should be read in conjunction with “Forward-looking statements” on this page and the description of risk factors set out on pages 37-41 of the Annual Report 2001.

Including acquisitions announced prior to 7 March 2002, turnover for 2002 is expected to increase by approximately 7-9%. The table below specifies the estimated turnover growth. The operating profit is expected to increase by approximately 18-22%, corresponding to an operating margin of approximately 5.2%.

Goodwill amortisation, including the effect of acquisitions announced up to 7 March 2002, is expected to stand at approximately DKK 726 million for 2002.

Estimated turnover growth 2002	
Acquisitions, net	5.5-6%
Organic growth, gross	5.5-6%
Full-year effect of contract trimming	approx. (2)%
Currency adjustments	(1)-(2)%
Turnover growth 2002	**7-9%**

Forward-looking statements

This Financial Report contains forward-looking statements within the meaning of the 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 Financial Report. 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.

The Annual Report has been translated from Danish into English. However, the Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.

In accordance with the Listing Rules on the London Stock Exchange, please be informed that copies of the Annual Report 2001 are available to the public in the United Kingdom from World Investor Link Ltd., Hook Rise South, Surbiton, Surrey KT6 7LD, Tel. +44 20 8974 0200.

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Consolidated Profit and Loss Account

1 January - 31 December. Amounts in DKKm

	2001	2000	1999
Turnover	**34,852**	**28,719**	**19,802**
Staff costs	(24,365)	(20,457)	(14,234)
Cost of goods sold	(2,422)	(1,670)	(1,140)
Other operating expenses	(5,881)	(4,670)	(3,056)
Depreciation and amortisation	(551)	(468)	(351)
Operating profit before other income and expenses	**1,633**	**1,454**	**1,021**
Other income and expenses, net	(24)	(3)	7
Operating profit	**1,609**	**1,451**	**1,028**
Income from associated undertakings	1	0	2
Financial income and expenses, net	(310)	(244)	(128)
Ordinary profit before tax and goodwill amortisation	**1,300**	**1,207**	**902**
Tax on ordinary profit before goodwill amortisation	(402)	(377)	(280)
Ordinary profit before goodwill amortisation	**898**	**830**	**622**
Goodwill amortisation	(695)	(614)	(394)
Tax effect of goodwill amortisation	39	18	22
Minority interests	(15)	(24)	(17)
Net profit from ordinary activities	**227**	**210**	**233**
Extraordinary items, net of tax and minorities	-	-	4
Discontinued business, net of tax	(5)	-	0
Net profit for the year	**222**	**210**	**237**
Earnings per share before goodwill amortisation (DKK)	21.56	21.02	18.41

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Consolidated Statement of Cash Flows

1 January - 31 December. Amounts in DKKm

	2001	2000	1999
Operating profit before other income and expenses	1,633	1,454	1,021
Depreciation and amortisation	551	468	351
Changes in working capital [1)]	52	(125)	(180)
Changes in other provisions [1)]	4	(10)	(9)
Interest paid [1)]	(328)	(225)	(124)
Corporation tax paid [1)]	(377)	(294)	(280)
Payments related to other income and expenses	(25)	(3)	(3)
Payments related to extraordinary items	-	-	(44)
Cash flow from operating activities	**1,510**	**1,265**	**732**
Acquisition of businesses, net	(3,098)	(3,003)	(4,383)
Divestment of businesses, net	13	(1)	-
Investments in intangible and tangible assets, net [1)]	(452)	(391)	63
Investments in financial assets, net [1)]	(180)	(21)	9
Cash flow from investing activities	**(3,717)**	**(3,416)**	**(4,311)**
Financial payments, net [2)]	2,131	916	600
Proceeds from issuance of share capital [3)]	789	1,042	2,737
Purchase/disposal of own shares, net	-	12	(78)
Minority interests	(15)	(16)	(16)
Cash flow from financing activities	**2,905**	**1,954**	**3,243**
Total cash flow	**698**	**(197)**	**(336)**
Cash and cash equivalents at beginning of year	324	515	821
Total cash flow	698	(197)	(336)
Exchange rate adjustments	1	6	30
Cash and cash equivalents at end of year	**1,023**	**324**	**515**

1) *Net of effects of acquisitions and divestments*
2) *Proceeds from bank debt less repayment of bank debt*
3) *Including shares issued as payment for the acquisitions of Klinos SA and Jydsk Rengøring a/s in 2000*

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Consolidated Balance Sheet

At 31 December. Amounts in DKKm

Assets	**2001**	**2000**	**1999**
Goodwill	12,022	9,522	7,576
Software and other intangible assets	98	57	63
Total intangible assets	**12,120**	**9,579**	**7,639**
Land and buildings	155	200	106
Service equipment, vehicles, fixtures, edp etc.	1,499	1,152	979
Assets under construction	19	10	6
Total tangible assets	**1,673**	**1,362**	**1,091**
Investments in associated undertakings	9	15	6
Other securities	233	34	50
Other receivables	163	118	71
Deferred tax assets	299	216	229
Total financial assets	**704**	**383**	**356**
Total fixed assets	**14,497**	**11,324**	**9,086**
Inventories	147	127	88
Accounts receivable	5,970	4,741	3,511
Work in process for the account of third parties	91	66	66
Other accounts receivable	360	260	189
Prepayments and accrued income	330	322	241
Corporation tax	1	-	-
Securities	643	-	-
Liquid funds	380	324	515
Total current assets	**7,922**	**5,840**	**4,610**
Total assets	**22,419**	**17,164**	**13,696**

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For the period 01.01.2001 - 31.12.2001

Consolidated Balance Sheet

At 31 December. Amounts in DKKm

Equity and liabilities	**2001**	**2000**	**1999**
Share capital	844	803	764
Share premium account	48	1,003	2,568
Reserves	5,750	3,877	1,083
Total equity	**6,642**	**5,683**	**4,415**
Minority interests	**57**	**47**	**38**
Pensions and similar obligations	213	210	194
Deferred tax liabilities	215	125	136
Other provisions	547	404	531
Total provisions	**975**	**739**	**861**
Long-term debt	**5,853**	**3,809**	**2,558**
Current portion of long-term debt	6	3	125
Interest-bearing loans and borrowings	1,481	869	882
Prepayments from customers	60	53	27
Trade creditors	1,328	883	557
Corporation tax	-	59	237
Tax withholdings, VAT, etc.	2,110	1,851	1,458
Accrued wages and holiday allowances	2,604	2,251	1,829
Other payables and accrued expenses	1,303	917	709
Total current liabilities	**8,892**	**6,886**	**5,824**
Total long-term debt and current liabilities	**14,745**	**10,695**	**8,382**
Total equity and liabilities	**22,419**	**17,164**	**13,696**

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For the period 01.01.2001 - 31.12.2001

Consolidated Statement of Equity

At 31 December. Amounts in DKKm

			Reserves		
Equity	Share capital	Share premium	Retained earnings	Own shares	Total equity
1999					
Equity at 1 January 1999 before restatement	595	-	823	-	1,418
Effect of change in accounting policy	-	-	(10)	-	(10)
Equity at 1 January 1999	595	-	813	-	1,408
Exchange rate adj. of foreign subsidiaries etc.	-	-	111	-	111
Share issue	160	2,521	-	-	2,681
Employee shares	9	47	-	-	56
Purchase of own shares	-	-	-	(78)	(78)
Net profit for the year	-	-	237	-	237
Equity at 31 December 1999	**764**	**2,568**	**1,161**	**(78)**	**4,415**
2000					
Equity at 1 January 2000 before restatement	764	2,568	1,138	(78)	4,392
Effect of change in accounting policy	-	-	23	-	23
Equity at 1 January 2000	764	2,568	1,161	(78)	4,415
Exchange rate adj. of foreign subsidiaries etc.	-	-	4	-	4
Transfer	-	(2,568)	2,568	-	-
Share issue	39	1,003	-	-	1,042
Purchase of own shares	-	-	-	(26)	(26)
Sale of own shares	-	-	-	38	38
Net profit for the year	-	-	210	-	210
Equity at 31 December 2000	**803**	**1,003**	**3,943**	**(66)**	**5,683**
2001					
Equity at 1 January 2001 before restatement	803	1,003	3,903	(66)	5,643
Effect of change in accounting policy	-	-	40	-	40
Equity at 1 January 2001	803	1,003	3,943	(66)	5,683
Exchange rate adj. of foreign subsidiaries etc.	-	-	(52)	-	(52)
Transfer	-	(1,703)	1,699	4	-
Share issue	34	700	-	-	734
Employee shares	7	48	-	-	55
Net profit for the year	-	-	222	-	222
Equity at 31 December 2001	**844**	**48**	**5,812**	**(62)**	**6,642**

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For the period 01.01.2001 - 31.12.2001

Segment information

Amounts in DKKm

The business segments of the Group reflect the operating model in **create2005** and consist of Facility Services and the Business Builds: Damage Control, CarePartner, Aviation, Food Services and Innovation. As described in the Annual Report for 2000, four Business Builds were carved out from Facility Services as at 1 January 2001. Consequently, comparative figures are not available for 2000 for the business segments. For a description of the Group's business segments see page 17 to 27 in the Annual Report 2001. The business segments are managed on an international basis, but operate in three principal geographical areas, Northern Europe, Continental Europe and Overseas.

Business – Primary segment	Facility Services	Damage Control	Care Partner	Aviation	Food Services	Innovation	Corporate functions	Group
2001								
Turnover	30,412	1,300	1,156	1,030	797	157	-	34,852
Operating profit [1]	1,610	103	45	(8)	47	7	(171)	1,633
Operating margin	5.2%	7.7%	3.8%	(0.9%)	6.0%	4.7%	-	4.7%
Total fixed assets [2]	12,006	717	906	340	257	49	222	14,497
Total assets	18,206	1,079	1,150	552	376	105	951	22,419
Total current liabilities [3]	7,823	227	263	183	147	62	187	8,892
Investments in intangible and tangible assets, net [4]	(243)	(71)	(37)	(43)	(19)	(3)	(36)	(452)
Depreciation and amortisation	441	42	21	20	11	5	11	551
Employees at year-end	246,057	2,115	4,796	3,196	3,475	100	74	259,813

Geographical – Secondary segment	Northern Europe	Continental Europe	Overseas	Corporate functions	Group
2001					
Turnover	16,204	16,656	1,992	-	34,852
Operating profit [1]	976	719	109	(171)	1,633
Operating margin	6.0%	4.3%	5.5%	-	4.7%
Total fixed assets [2]	5,248	8,497	530	222	14,497
Total assets	7,562	12,954	952	951	22,419
Employees at year-end	83,295	132,594	43,850	74	259,813
2000					
Turnover	13,289	13,604	1,826	-	28,719
Operating profit [1]	816	691	101	(154)	1,454
Operating margin	6.1%	5.1%	5.6%	-	5.1%
Total fixed assets [2]	3,376	7,364	539	45	11,324
Total assets	4,932	11,225	955	52	17,164
Employees at year-end	85,805	124,906	42,426	63	253,200

1) Before other income and expenses
2) Includes deferred tax assets
3) Includes short-term interest-bearing loans and borrowings
4) Net of effects of acquisitions and divestments

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Definitions of Key Figures

Free cash flow	=	Cash flow from operating activities – Investments in intangible and tangible assets, net
Interest-bearing debt, net	=	Long-term debt + Current portion of long-term debt + Interest-bearing loans and borrowings – Liquid funds – Securities
Earnings per share	=	Net profit from ordinary activities / Average number of shares
Earnings per share before goodwill amortisation	=	Ordinary profit before goodwill amortisation / Average number of shares
Free cash flow per share	=	Free cash flow / Average number of shares
Dividends per share	=	Dividends declared per share
Interest coverage before depreciation	=	(Ordinary profit before other income and expenses + Depreciation and amortisation) / Financial income and expenses, net
Interest covereage after depreciation	=	Ordinary profit before other income and expenses / Financial income and expenses, net
Equity ratio, %	=	Total equity x 100 / Total assets
Debt to book equity ratio, %	=	Interest-bearing debt, net x 100 / Total equity
Debt ratio, %	=	Interest-bearing debt, net x 100 / Interest-bearing debt, net + Market capitalisaton

The definition of certain key figures deviates from the definitions set out by The Danish Association of Financial Analysts, as the definitions used are seen to be more appropriate f the ISS business.