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Executive Management Board



Lars Nørby Johansen
President
and CEO



Derrick Miller
Group Chief
Financial Officer



Hans Bennetzen
Group Chief
Operating Officer



John S. Dueholm
Group Chief
Operating Officer



Grahame Gibson
Group Chief
Operating Officer



Jim Harrower
Group Chief
Operating Officer

Board of Directors



Jørgen
Philip-Sørensen
Chairman



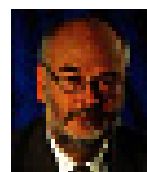
Alf Duch-Pedersen
Deputy Chairman



Henrik Brandt



Sir David
Gore-Booth



Jens Kampmann



Bent
Knie-Andersen



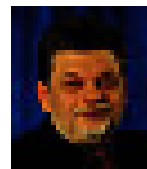
Ib
Mardahl-Hansen



Waldemar
Schmidt



Harald Kortland (*)



Bent Flemming
Petersen (*)



Palle Thirstrup (*)



Ebbe Vang (*)

(*)Elected by the employees

Five-year Financial Highlights *

DKKm	1996	1997	1998	1999	2000
FINANCIAL HIGHLIGHTS					
PROFIT AND LOSS ACCOUNT					
Turnover	8,684	11,866	12,540	15,261	18,210
Operating profit before goodwill amortisation	335	491	558	765	947
Goodwill amortisation	68	113	122	144	178
Operating profit	267	378	436	621	769
Financial items	(18)	(36)	(33)	(15)	(74)
Ordinary profit before tax	249	342	403	606	695
Tax on ordinary profit	(86)	(145)	(195)	(214)	(226)
Ordinary profit after tax	163	197	208	392	469
Extraordinary profit/(loss) after tax	-	(8)	(7)	(15)	(8)
Profit for the year	163	189	201	377	461
Share of profit attributable to minority interests	(12)	(59)	(53)	(73)	(51)
Share of net profit before merger costs attributable to Group 4 Falck	151	130	148	304	410
Merger costs after tax					(164)
CASH FLOW					
Operating profit before goodwill amortisation	335	491	558	765	947
Change in working capital	31	402	(230)	(217)	(138)
Net capital investments less depreciation	(90)	(131)	(44)	31	(13)
Free cash flow from operations before financial items and tax	276	762	284	579	796
Extraordinary items	-	(8)	(11)	(7)	-
Corporation tax paid	(65)	(77)	(157)	(176)	(249)
Free cash flow	211	677	116	396	547
BALANCE SHEET					
Current assets, excl. cash and securities	1,467	1,807	2,110	2,811	3,248
Liabilities excl. financing, corporation tax, etc.	(2,585)	(2,835)	(3,025)	(3,421)	(3,747)
Fixed assets excl. goodwill	2,019	2,123	2,185	2,259	2,323
Net operating assets excl. goodwill	901	1,095	1,270	1,649	1,824
Goodwill	1,142	1,200	1,518	2,156	2,352
Corporation tax, dividend, etc.	(86)	(123)	(141)	(149)	(172)
Net operating assets incl. goodwill	1,957	2,172	2,647	3,656	4,004
Shareholders' equity	1,480	1,698	1,838	2,572	2,660
Interest-bearing debt	970	1,118	1,441	1,808	2,485
Interest-bearing assets (cash and securities)	(513)	(894)	(675)	(875)	(1,114)
Net investment in group companies, provisions, etc.	20	250	43	151	(27)
Financing	1,957	2,172	2,647	3,656	4,004

*The financial highlights and key ratios for 1996-1999 have been restated to reflect the merger with Group 4 Securitas (International) B.V. on the basis of unaudited pro forma accounts

Five-year Key Ratios

	1996	1997	1998	1999	2000
KEY RATIOS					
Growth in turnover (%)	12.2	36.6	5.7	21.7	19.3
Growth in operating profit before goodwill amortisation (%)	34.1	46.7	13.7	37.1	23.8
Operating margin before goodwill amortisation (%)	3.9	4.1	4.4	5.0	5.2
Return on net operating assets excl. goodwill (%)	33.9	49.2	47.2	52.4	54.6
Net operating assets excl. goodwill as a percentage of turnover	10.4	9.2	10.1	10.8	10.0
Economic Value Added™ (%)	12.5	13.7	12.0	15.7	16.7
Net capital investments (DKKm)	399	421	399	383	510
Average number of employees, full-time equivalents(*)	59,770	72,023	88,605	103,694	111,325
Equity ratio (%)	28.0	26.3	25.8	29.8	27.4
Gearing (%)	30.9	13.2	41.7	36.3	51.5
Price per share at 31 December (DKK)	354	320	515	775	1,060
Book value per share (DKK)(**)(***)	74.37	81.91	86.50	118.74	122.33
Price/book value (DKK)(**)(***)	4.76	3.91	5.95	6.53	8.67
Earnings per share (DKK) (**)	7.90	7.00	7.90	15.90	20.50
Cash earnings per share (DKK) (**)	28.80	31.40	35.60	48.50	56.40
Price/earnings (DKK) (**)(***)	44.76	45.43	64.91	48.60	51.78
Dividend (%)	7	8	8	8	8
Dividend per share (DKK)	1.40	1.60	1.60	1.60	1.60
Number of shares ('000) (**)	19,591	19,591	19,591	20,642	20,642
Number of own shares ('000)	0	0	54	110	217

* Number of employees is excl. part-time firemen and guards.

** The comparative key ratios have been calculated on the basis of restated financial highlights to reflect the merger in 2000.

*** The key ratios until 1999 have been calculated on the basis of restated financial highlights and the historical price per share stated above.

For definitions of key ratios, please refer to page 52.



Directors' Report

Group 4 Falck reached a milestone in 2000: the merger of Falck A/S and Group 4 Securitas (International) B.V., created the world's second-largest provider of security services.

Group 4 Falck reached a milestone in 2000: the merger of Falck A/S and Group 4 Securitas (International) B.V., created the world's second-largest provider of security services, with activities in more than 50 countries, turnover of more than DKK 18 billion and more than 125,000 employees.

The highlights of the Group's performance in 2000 were:

- Growth in turnover of 19.3%, of which organic growth accounted for 10.1%
- Operating profit before goodwill amortisation of DKK 947 million (+23.8%)
- Profit before merger-related costs attributable to the Group of DKK 410 million (+34.7%)
- Earnings per share of DKK 20.50 (+28.9%)
- Free cash flow from operations of DKK 796 million (+37.4%)

Group expectations for 2000 were met for all strategic focus areas.

A number of acquisitions were made in 2000 to consolidate and strengthen Group 4 Falck's position in the local markets, the most important of which were the acquisitions of Securicor S.A. in France and SPAC in Finland.

Merger

The merger of Falck A/S and Group 4 Securitas (International) B.V. was completed during the year by Falck A/S taking over all outstanding shares in Group 4 Securitas (International) B.V. against the issue of new Falck shares to Group 4 N.V., equivalent to a 37.5% capital increase. The new shares were listed on the Copenhagen Stock Exchange on 22 June 2000.

In connection with the merger, the name of the parent company was changed to Group 4 Falck A/S, and a new logo was introduced.

Group 4 N.V.'s ownership was later reduced to 30% in compliance with the merger plan.



Accounting effect of the merger

The merger was made effective 1 January 2000 and was treated as a pooling of interests, implying that the participants of the merged companies pool the control of the net assets and operations of the merged companies and jointly assume the risks and benefits related to the merged entity.

The members of the Boards of Directors and the Executive Management Boards of the merging companies believe that neither party to the merger can be identified as the acquiring party. The relative size of the companies before the merger is illustrated in a separate note to the accounts.

As a result, the merger was effected by consolidating the merging companies without calculating and capitalising goodwill, being the difference between the book value of equity in Group 4 Securitas (International) B.V. and the market value of the new

shares issued in connection with the merger.

In order to illustrate the Group's performance, the accounts include both the audited comparative figures of the Falck Group and unaudited pro forma comparative figures of the Group 4 Falck Group for the year ended 31 December 1999, applying the Group's accounting policies.

The financial highlights and key ratios include the unaudited pro forma figures for the years ended 31 December 1997, 1998 and 1999 as stated in the merger prospectus of June 2000. The 1996 financial highlights have been calculated applying similar principles.

The costs relating to the merger totalled DKK 198 million against an estimated DKK 175 million. The merger costs comprised fees to financial advisers, auditors and legal advisers,



printing and advertising, a total of DKK 129 million. The remaining amount represents costs relating to restructuring in connection with the merger totalling DKK 69 million, against an estimated DKK 47 million, comprising costs relating to the merger of companies in individual countries of operation, implementation of the management and organisational structure, closing of regional offices and winding up or sale of peripheral activities. The increased restructuring costs were mainly incurred as a result of greater needs for restructuring than originally anticipated, partly because of the closure of more regional facilities. This will improve the business

platform in the years to come. The merger costs are specified in the notes to the accounts and are stated as a separate line item in the profit and loss account after the net profit attributable to the Group to give a more true and fair view of the Group's performance.

Integration

The integration of Falck and Group 4 following the merger is progressing satisfactorily. The integration comprises a new management structure implemented as described in the merger prospectus, including a geographically-based regional structure. In the Netherlands, Poland, Latvia and Slovakia, the operating companies of Falck and Group 4 have been integrated.

Head office functions have been integrated and restructured with a central head office in Copenhagen. A joint Group reporting system was implemented effective 1 January 2001.

A common strategy for the combined Group has been established. This strategy is described in the section on "Business Foundation and Strategies" and was presented at a Group capital market day on 28 November 2000.

Establishment of Falck Danmark A/S

In order to preserve and strengthen the Group's current position in Denmark and as a consequence of the merger, the operating activities, such as Safety, Guarding, Alarm and Alarm Installations, were hived off into a separate company, Falck Danmark A/S, effective 1 January 2000.

The parent company's comparative figures for 1999 have been restated to reflect the change in structure to allow for comparison with the figures for 2000.

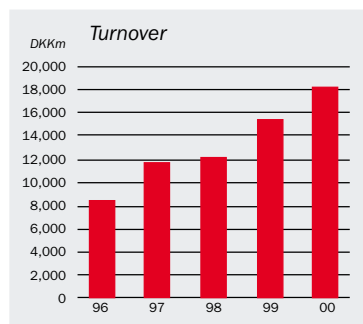
FINANCIAL REVIEW

The accounting policies are unchanged from previous years and have been consistently applied. However, in the context of the merger, descriptions are included of accounting policies for areas and activities not previously relevant to the Falck Group.

The financial review focuses on the Group's strategic value drivers.

Group results

Group turnover increased by 19.3% to DKK 18,210 million (DKK 15,261 million), of which organic growth accounted for 10.1%. The expected growth rate for 2000 was approximately 20%, of which the expected organic growth rate was about 10%. The expectations were met.



The table below shows a breakdown of organic growth in the Group, the effect on turnover from acquisitions and divestments, and exchange differences.

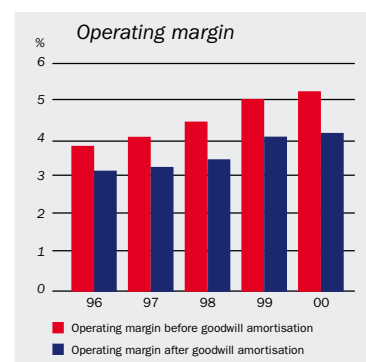
Turnover by the regions of the Group

DKKm	2000	1999	Total growth	Growth from		Organic growth
				Acq./div.	Exch. diff.	
Region 1	4,389.9	3,243.0	35.3%	26.2%	2.1%	7.0%
Region 2	7,549.5	6,574.9	14.8%	3.9%	1.4%	9.5%
Region 3	4,286.7	3,645.7	17.6%	0.9%	5.2%	11.5%
Region 4	2,109.9	1,971.7	7.0%	(12.5%)	7.7%	11.8%*
Misc.	(126.4)	(173.9)	-	-	-	-
Group 4 Falck	18,209.6	15,261.4	19.3%	6.0%	3.2%	10.1%

(*) Extraordinary loss of turnover on a business agreement entered into before the merger.

descriptions of the geographic areas in each of the regions, please see "Performance by the individual regions".

Operating profit before goodwill amortisation was DKK 947 million (DKK 765 million), which represents an increase of approximately 24%. The operating margin increased to 5.2% (5.0%).

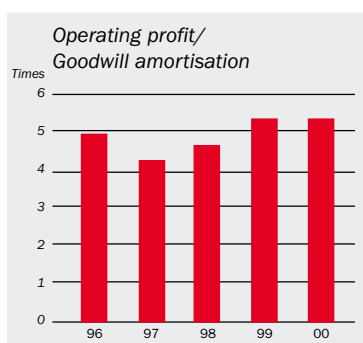


The profit for 2000 includes, as other revenue, non-recurring income from sales of buildings which are leased back under operating leases. Moreover, the Group's Swedish company recognised an amount from SPP, a Swedish insurance company, for previously paid pension contributions. These amounts were to a great extent offset by various non-recurring operating costs, such as the extraordinary increase in fuel prices.

For 2000, operating profit was expected to increase by approximately 25%, and this target was met.



After amortisation of goodwill on consolidation of DKK 178 million, operating profit increased by 23.8% to DKK 769 million (DKK 621 million). Amortisation of goodwill on consolidation increased as a result of the acquisitions made. The chart below shows operating profit before goodwill amortisation relative to goodwill amortisation.



The chart shows that, applying the overall strategy for Group 4 Falck of organic growth and acquisition growth, the ratio of operating profit before goodwill amortisation to goodwill amortisation was retained at a stable level.

The overall trend of profit is thus very stable relative to goodwill paid on acquisitions, indicating a good balance between organic growth and acquisition growth.

The pre-tax profit from interests in associated companies and joint ventures was DKK 45 million (DKK 31 million). The improvement is primarily attributable to the Group's participation in a number of PFI projects.

Other financial items amounted to an expense of DKK 118 million (an expense of DKK 45 million). In 1999, there was a non-recurring income of DKK 28 million on sales of securities. Moreover, financial items increased as a consequence of new acquisitions and the fact that interest rates in the finance market, during some periods of the year, were higher than in 1999.

Ordinary profit before tax was DKK 695 million (DKK 606 million), corre-

sponding to an increase of 15%. In view of the non-recurring financial income in 1999, the underlying growth rate in operating profit before tax was 20.2% against an expected rate of approximately 20%.

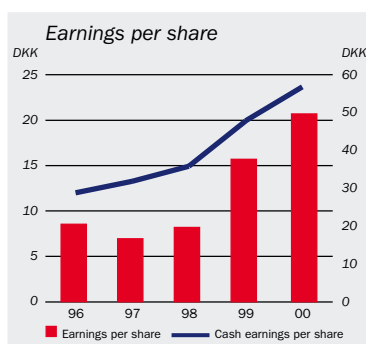
Tax on ordinary profit totalled DKK 226 million (DKK 214 million), representing a minor fall in the effective tax rate to 32.5% (35.3%), which was partly attributable to the use of local tax losses carried forward.

Profit for the year before minority interests and merger costs totalled DKK 461 million (DKK 377 million), which was 22.2% more than last year.

Profit for the year attributable to minority interests was DKK 51 million (DKK 73 million), which was significantly reduced as a result of the lower activity in AccuRead, the UK meter-reading company.

Profit for the year attributable to the Group before merger-related costs but after minority interests was DKK 410 million (DKK 304 million), which was 34.7% higher than last year.

Earnings per share amounted to DKK 20.50 (DKK 15.90), representing an increase of 28.9%.



Merger costs of DKK 164 million after tax were deducted from profit for the year attributable to the Group after minority interests.

Performance by the individual regions

Organic growth for each of the Group's major markets is shown in the table below.

The Danish operation generated moderate growth, which was partly attributable to lower growth in the Safety business compared with earlier years.

Largest Group markets

	Local currency million		Total growth	Growth from		Organic growth
	2000	1999		Acq./div.	Exch. diff.	
Belgium	9,318.2	8,689.9	7.2%	0.0%		7.2%
Canada	64.2	59.2	8.6%	0.0%		8.6%
Netherlands	478.0	291.9	63.8%	63.2%		0.6%
Denmark	3,866.0	3,746.2	3.2%	(0.4%)		3.6%
Sweden	1,461.7	1,231.2	18.7%	0.0%		18.7%
Norway	961.2	856.8	12.2%	(1.8%)		14.0%
Germany	172.6	107.8	60.1%	53.9%		6.2%
United Kingdom	206.3	197.6	4.4%	0.0%		4.4%
Austria	773.5	716.1	8.0%	0.0%		8.0%
PFI, United Kingdom	139.2	145.8	(4.5%)	(13.7%)		9.2%
New Markets (DKKm)	1,727.8	1,316.4	31.3%	8.5%	(4.1%)	26.9%

Growth generated by the other Nordic countries outperformed the market in general in 2000, and market shares were thus increased.

In Denmark, new products were introduced within alarm and auto assistance, all of which were well received by the market.

In Sweden, the integration of companies taken over within the alarm business was completed during the year, and a strong platform now exists for a number of concepts within this rapidly growing segment.

The Norwegian operation gained a strategic foothold in the Cash Services market during the year as it was awarded a number of new contracts, among them from nation-wide banks.

The acquisition of SPAC in Finland in late 2000 turned Group 4 Falck into a nationwide operator and strengthened the Group's position within cash services.

The German market for alarm installations is characterised by low organic growth and intense competition. The acquisition of ADS Sicherheit in Germany in early 2000 turned Group 4

Falck into a full-scale security services provider, and fair organic growth was generated in the German market.

Developments in the Baltic states were good in 2000 resulting in good growth in all market segments and the introduction of a number of new products.

The Belgian operation, which is the market leader, was awarded a five-year contract by the EU Parliament in 2000, which contributed to the growth in this country.

In the Netherlands, Group 4 Falck continued the turn around process initiated on the acquisition in 1999, which affected performance in 2000.

In France, the acquisition in early 2000 of Securicor in France comprising guarding and cash services, was the first step on the road towards a strong business platform in that country. In continuation of this, Group 4 Falck announced in February 2001 that it takes over EuroGuard, the second-largest guarding operator in France with an annual turnover of approximately DKK 650 million and 4,200 employees.

In the United Kingdom, Group 4 Falck had a successful year within security services. Generally, the UK operation recorded good organic growth without any acquisitions.

In Austria, Group 4 Falck won new contracts and retained existing customers in formal competitive tender processes. In addition, overall profitability was improved, and the acquisition of SOS strengthened the Group's position within alarm services.

New Markets account for a steadily increasing proportion of Group turnover and profit as Group 4 Falck is able to meet international customers'

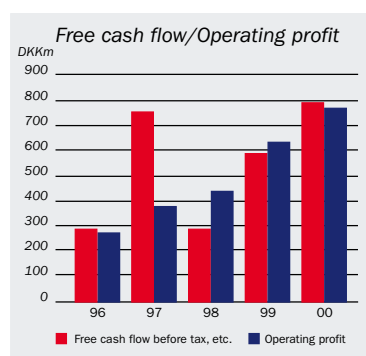
demand for security services in a growing number of countries throughout the world. In particular, Group 4 Falck's companies in Eastern Europe, the Middle East and South-East Asia contributed favourably to the growth in turnover by generating organic growth of 26.9%.

Global Solutions (GSL) performance was positive in spite of a considerable reduction of activity in AccuRead, the British meter-reading company in which the Group holds a 51% equity stake. Adjusted for this, organic growth reached 11.8%, which was attributable to a number of new PFI projects within outsourced public-sector activities.

Cash flow statement

The free cash flow from operating activities before financial items, tax, etc. was DKK 796 million (DKK 579 million). This increase was mainly attributable to the growth in operating profit.

The table below shows the free cash flow from operations before financial items, tax, etc. relative to operating profit:



In recent years, the Group has succeeded in generating a close correlation between operating profit and free cash flow, which reflects the Group's ability to generate positive cash flows from operating activities, also after investments in operating equipment.

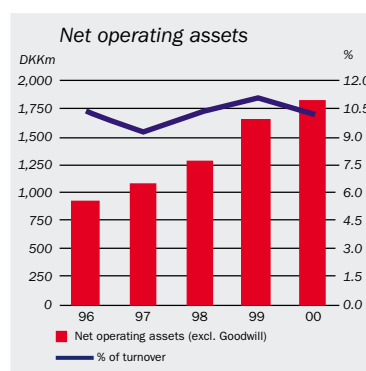
Consolidated balance sheet

One of Group 4 Falck's specific goals is to reduce capital tied up in operations. This is primarily done by reducing fixed assets, for instance through leasing, by reducing working capital and by evaluating all new investments from a cost-benefit point of view.

Net operating assets

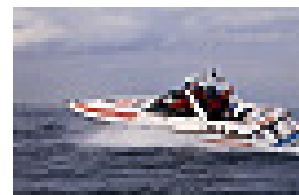
Consolidated net operating assets excluding goodwill totalled DKK 1,824 million (DKK 1,649 million). Net operating assets to turnover was 10.0% (10.8%), whereby the Group target of approximately 10% was achieved. The fall in this ratio shows that consolidated turnover is outgrowing net operating assets.

Consolidated net assets including goodwill totalled DKK 4,004 million (DKK 3,656 million), representing a 9.5% increase. The increase mainly related to acquisitions, of which goodwill acquired in 2000 totalled DKK 234 million (DKK 698 million).



Goodwill

Goodwill amounts to DKK 2,352 million (DKK 2,156 million), or 25.5% (26.2%) of total assets. Goodwill represents the premium paid for acquisitions in excess of shareholders' equity at the date of acquisition, made up according to the Group's accounting policies. Goodwill is, among other things, an indication that the present



value of the expected future cash flow exceeds shareholders' equity. Goodwill is amortised over its estimated useful economic life, up to a maximum of 20 years. The longer amortisation period is primarily used for major acquisitions through which Group 4 Falck obtains or enhances a strong market position, and which have a long-term effect on earnings.

For service companies, goodwill on acquisitions often represents significant amounts and, in line with the acquisition strategy defined by the Group, goodwill is therefore a significant part of assets, and goodwill amortisation represents a significant amount in the profit and loss account.

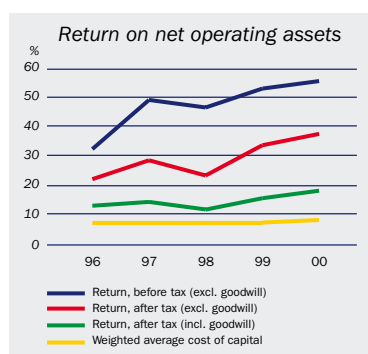
Management believes that the recorded value of goodwill on consolidation is fair, and that competencies transferred and restructuring completed have contributed to increasing the market value of the relevant companies.

Return on net operating assets

The return on net operating assets shows how capital provided by shareholders and lenders is employed by the Group to provide a return. In order to create value, the return including goodwill should exceed the weighted average cost of capital, which was achieved by the Group during the period shown. The weighted average cost



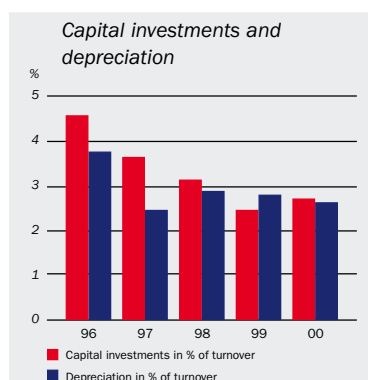
of capital for the period was approximately 8% per year.



The return on net operating assets relative to operating profit before goodwill amortisation but after tax was 36.8% (33.9%), thus confirming the positive trend. The return on net operating assets including goodwill was 16.7% in 2000 (15.7%).

Tangible fixed assets

Net investments in tangible fixed assets and depreciation as a percentage of turnover have decreased in recent years, which is partly a result of the Group's strategy of renting and leasing property and vehicles whenever prudent from a business perspective.



The chart above shows the results of the Group's focus on reducing net

erating assets, keeping these investments at a level equivalent to the depreciation of the relevant assets.

Net interest-bearing debt

Consolidated net interest-bearing debt increased by 46.9% to DKK 1,371 million (DKK 933 million), mainly as a result of financing raised to fund acquisitions.

The targets and actuals for the Group's capital structure are shown in the table below.

Shareholders' equity

Group shareholders' equity stands at DKK 2,525 million (DKK 2,451 million) equivalent to an equity ratio of 27.4% (29.8%).

During the year, own shares in the amount of DKK 127 million were

acquired and written off against shareholders' equity to cover stock option plans for the management.

FORECASTS COMPARED WITH RESULTS FOR 2000

Group 4 Falck's forecasts for 2000 were published in connection with the announcement of the merger and the merger prospectus and were further specified in the report for the third quarter of 2000 (announcement no. 13/2000 to the Copenhagen Stock Exchange).

The Group's forecasts compared with actual results for 2000 are discussed in the financial review. A summary of the Group's forecasts compared with actual results for 2000 is shown in the table below.

Net interest-bearing debt

	Group targets	Actuals 2000
Net interest expense as a percentage of operating profit (interest cover)	< 33%	15%
Net debt to shareholders' equity	< 90%	52%
Net debt to market capitalisation	< 20%	6%

Forecasts and actuals for 2000

	Forecasts	Actuals
Growth in turnover	20%	19%
Organic growth	10%	10%
Growth in operating profit before goodwill amortisation	25%	24%
Growth in ordinary profit before tax	20%	15%
Growth adjusted for non-recurring financial income in 1999		20%
Growth in profit for the year after minority interests including extraordinary items	30%	35%



OUTLOOK FOR 2001

The outlook for 2001 is based on Group 4 Falck's strategy announced on 28 November 2000 (announcement no. 14/2000 to the Copenhagen Stock Exchange).

Turnover is expected to increase by 15-17%, of which organic growth is expected to account for about 10%.

The growth in turnover includes all acquisitions made in 2000 as well as the acquisition of EuroGuard in February 2001. The forecast is net of divestments, (especially Group 4 Maintenance NV – announcement no. 1/2001 to the Copenhagen Stock Exchange) with total turnover of approximately DKK 250 million.

Profit before tax (PBT) is expected to increase by approximately 25%.

As the increase in profit from joint ventures (PFIs) is expected to be significantly higher, the increase in operat-

ing profit (EBITA) will be approximately 20%.

As stated earlier (announcement no. 9/2000 to the Copenhagen Stock Exchange), the underlying business of Group 4 Falck is characterised by a certain amount of seasonal variation. For both 1999 and 2000, the accumulated distribution of operating profit (EBITA) by quarter was as follows: first quarter 18%, second quarter 41%, third quarter 68% and fourth quarter 100%.

RISK FACTORS

The section below outlines the most significant risk factors which management estimates may affect the future growth, financial position and results of operations of Group 4 Falck.

The factors should not, however, be taken as an exhaustive description of

all risks facing Group 4 Falck. Furthermore, the order of the risk factors is not indicative of their importance.

Business risks

Group 4 Falck's business is labour-intensive and, as a result, it is affected by the potential non-availability of qualified personnel and the cost of labour, including the cost of insurance, pensions, social security and other employee benefits provided to Group 4 Falck's employees. Group 4 Falck's ability to pass on any increases in labour costs may be limited by market acceptance of price increases and, to a lesser extent, by contract. In addition, Group 4 Falck's operations could be adversely affected if Group 4 Falck is unable to hire suitable personnel in certain markets due to lack of qualified candidates in those markets.

Reliance on key personnel

In the Group's activities, including activities to generate organic growth and



integrate companies acquired, employees' know-how and expertise are key factors. The Group is to some extent dependent on key employees in order to retain and further develop this know-how.

Group 4 Falck seeks to retain and motivate high-quality personnel. This is partly done by offering incentive programmes, bonus programmes and employee shares; more than 9,000 employees currently hold shares in Group 4 Falck A/S.

Governmental regulations

Group 4 Falck's operations are subject to a variety of laws, regulations and licensing requirements of national and local authorities. In certain jurisdictions, Group 4 Falck is required to obtain licences or permits and to comply with standards in the conduct of the company's business. The loss of such licences, or the imposition of condi-

tions to the granting or retention of such licences, could adversely affect Group 4 Falck's performance.

Political risks

As a geographically diversified company with operations in many emerging markets, Group 4 Falck is exposed to potential adverse developments in national legislation and potential political instability in some countries of operation.

Some of the Group's activities are based on business contracts with public authorities in connection with outsourcing. The Group's prospects of winning additional contracts within this business, either from the same customer or in new countries, depends on political decisions to outsource such activities.

PPP contracts

In the risk allocation of public-private

partnership contracts (PPP), certain risks may be retained by the special project company signing the project contract with the authorities. As a shareholder of PPP project companies, Group 4 Falck may be responsible for such risks up to the amount of its equity contribution. In addition, Group 4 Falck, as operator and/or facility manager of such PPP projects, bears the risk of operating cost inflation being in excess of the periodical price adjustments under the contractual indexation mechanism. Taking into account the long-term nature of such PPP projects, these risks could adversely impact the results of Group 4 Falck.

Financial risks

Generally, Group 4 Falck's financial risks are monitored on a continuous basis.

It is the Group's policy to view financial exposure in a long-term perspective

applying a conservative attitude and in accordance with the policy approved by the Board of Directors.

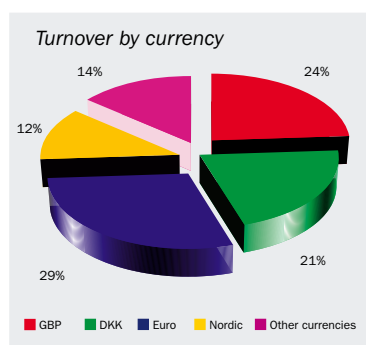
Under this policy, the Group cannot enter into speculative investments in currencies or interest rate products, and the policy places restrictions on the instruments and counterparts allowed for hedging of financial risk-exposures and for cash placement.

Exchange rate exposure

The activities of Group 4 Falck are exposed to exchange rate fluctuations to a limited extent only. Income and expenses in each country of operation are mainly denominated in the local currency and, in principle, each operation finances its own activities in local currency, including by loans from Group 4 Falck A/S.

The exchange rate exposure therefore mainly relates to the value in Danish kroner of the results of operations and Group 4 Falck's investments in and loans to foreign subsidiaries.

The chart below shows a breakdown of the Group's turnover by currency:



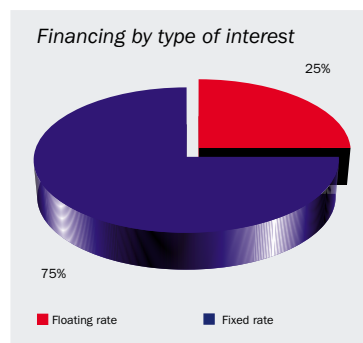
The above chart shows that 50% of Group 4 Falck's turnover is denominated in currencies closely linked to the euro and, overall, 14% of Group turnover comes from non-European countries.

The Group's net operating assets including goodwill, which amounted to

DKK 4,004 million at 31 December 2000 (DKK 3,656 million), are partly financed by long-term loans of DKK 1,444 million (DKK 1,072 million). The loans are mainly denominated in Danish kroner and euro-currencies.

Interest rate risk

In order to reduce the Group's interest rate risk, long-term financing is obtained partly at floating rates and partly at fixed rates.



The Group continuously monitors developments in interest rates in order to refinance loans and change the interest rate basis whenever applicable.

Credit risk

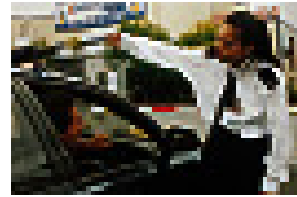
When entering into significant contracts, a credit assessment of the customer is performed in order to reduce the potential credit risk.

Trade debtors are monitored and evaluated on a continuing basis in order to assess any need for making provisions for anticipated losses.

In order to mitigate counterparty risk, only institutions with high creditworthiness are used for placement of cash and for other financial contracts.

Financial resources

The Group's operating activities are characterised by a strong positive cash flow, to the effect that financing requirements solely relate to major acquisitions.



It is the Group's policy to maintain significant long-term financial resources in order to be able to meet any needs in this respect on demand.

The Group's available cash resources, including unused short-term credit facilities, amounted to DKK 2,059 million at 31 December 2000.



Merger

The announcement of the merger was received very favourably by the public in general, the stock market and by the management and staff of the two companies.

On 2 May 2000, it was announced through the Copenhagen Stock Exchange that Falck A/S, the safety and security services provider, and Group 4 Securitas (International) B.V., the security services provider, would merge with effect on the financial accounts from 1 January 2000.

The announcement was received very favourably by the stock market and the public in general and by the management and staff of the two companies. Moreover, the merger attracted general attention in the industry.

Through the merger, Group 4 Falck A/S became the world's second-largest provider of security services, related services within the field of safety and other services through public-private partnerships. Based on the 1999 financial statements, the merged company had a combined annual turnover of more than DKK 15 billion and 125,000 employees in more than 50 countries.

This gave Group 4 Securitas N.V. a 37.5% ownership interest in Group 4 Falck A/S, which has since been reduced to 30% as part of the merger agreement.

In connection with the merger, the parties agreed on a new logo for Group 4 Falck A/S. The logo uses strong elements from the logos of the two companies.

The companies agreed to continue to market their services in the individual countries of operation under their existing names and logos.

Background

The European market for security services is growing at a rate of approximately 5-7% annually, driven by underlying growth as well as increasing outsourcing of security services. The European market is fragmented and is undergoing significant structural changes in the form of consolidation locally and across national borders.

Through the merger, Falck A/S pursued its previously announced strategy of being one of the leading players in the consolidation of the European security industry based on geographical expansion of the full-scale security services concept developed in the Nordic countries.

The merger was also in line with Group 4's strategy of becoming one of the leading players in the global market for security services and of increasing the company's presence in the world market in step with the geographical developments and consolidation in the company's multinational customer base.

History

It was significant that the two merged companies, Falck and Group 4, were unusually well matched in terms of history, corporate culture and geographical market coverage.

The history of Group 4 dates back to 1901, and Falck was founded in 1906. Both companies were founded in Copenhagen by entrepreneurs who each fostered a strong corporate spirit and developed similar relations with their customers.

The companies match very well geographically as they have overlapping companies in only four countries. Accordingly, it was a merger whose key words were growth and value creation.

Market opportunities

The merger was intended to give Group 4 Falck a number of market opportunities:

- To become a full-scale supplier of security services from a European platform – not least for the benefit of multinational customers
- to increase earnings and value creation through mutual transfer of best practices



- to increase economic strength and geographical reach as a platform for creating added value through acquisitions
- to achieve mutual utilisation of already developed concepts, for instance in the growing market for residential alarm systems

Synergies

The merger involved a number of expected synergies:

- Cross-sales of services
- Joint purchasing by integrating the buying functions
- Integration of Falck's and Group 4's operating companies in countries with overlapping operations (the Netherlands, Poland, Latvia and Slovakia)
- A common IT platform, reporting systems and procedures
- Rationalisation of head office functions

Organisational structure

In connection with the merger, it was agreed that the company would retain its listing on the Copenhagen Stock Exchange.

At an Extraordinary General Meeting held on 19 June, Jørgen Philip-Sørensen (Group 4) was appointed a

member of the Board of Directors, and the Board immediately afterwards appointed Philip-Sørensen the new Chairman, while the outgoing Chairman, Alf Duch-Pedersen, was appointed Deputy Chairman.

In line with the intentions of the merger, the new Executive Management Board was composed of representatives from both companies, namely with Lars Nørby Johansen (Falck) as President & CEO, Derrick Miller (Falck) as Group CFO and Grahame Gibson (Group 4), Jim Harrower (Group 4), Hans Bennetzen (Group 4) and John S. Dueholm (Falck) as Group COOs responsible for individual regions.



Business Foundation and Strategies

It is Group 4 Falck's vision to become the leading global provider of security and security-related services.

Company mission

It is Group 4 Falck's mission to provide assistance to people, authorities and companies in order to meet their demands for safety and security as individuals or groups on an everyday basis.

This mission is in harmony with the long traditions of the two merged companies, Falck and Group 4.

Both companies were established in the early 1900s. They have proved their durability and been among the leading developers of security, safety and other services. Finally, both companies have had strong corporate cultures, which are closely related through their history of operating within the same industry.

As the world's second-largest provider of security services with 125,000 employees and activities in more than 50 countries, Group 4 Falck sees its most important task as further developing the Group's special core competencies within Security, Safety and Global Solu-

tions in order to ensure that customers as well as the national and international communities always see Group 4 Falck as a leading, professional, responsible and reliable operator within its fields of operation.

These core competencies are an important foundation for the generation of growth that will benefit customers, shareholders and employees and, thereby, the individual countries of operation.

Corporate vision

It is Group 4 Falck's vision to become the leading global provider of security and security-related services.

The term "leading" should be seen as a combination of being among the very largest in the global market, and of being the leading provider to customers in terms of the quality of services.

Value drivers

Group 4 Falck operates according to shareholder value concepts, and four

value drivers are important as a common basis for all the Group's services and business areas:

1. *To create high organic growth:* Stimulating organic growth by systematic transfer of competencies and by benchmarking.
2. *To increase earnings and the operating margin:* To increase earnings while retaining competitive prices in the markets of operation. This is done through cost savings and various ways of optimising the use of resources.
3. *To reduce net operating assets:* Reducing the net capital tied up in the company is an independent goal.
4. *To grow through acquisitions:* In addition to organic growth, Group 4 Falck's overall vision can be achieved only through an active acquisition policy.

Strategy 2001-2003

Group 4 Falck A/S published its strategy for the years 2001-2003 in late November 2000.

The main elements of the new three-year strategy are:

- The objective of generating organic growth
- The target for the operating margin
- The future core business areas
- Acquisitions: to play an active role as a consolidator

Financial targets

The overall financial targets for the period 2001-2003 continue to be based on a strong combination of organic growth and an active acquisition policy.

The goal is to retain the Group's high organic growth. The average combined growth rate for the Group for the period 2001-2003 is expected to be 8-10% annually. The growth is differenti-

ated within the individual business areas.

In the alarm services market, significant growth is expected in the installed base of alarms, from 240,000 in 1999 to at least 650,000 in 2003.

Overall, the target is for the Group's total turnover to almost double during the period, and this requires continuing the active acquisition policy – by way of bolt-on acquisitions in existing markets and major acquisitions in new markets.

Accordingly, Group 4 Falck is going to play an active role in the further consolidation of the market.

Core business areas

An important element of the strategy is to retain and develop the value of the Group's three existing core business areas, Security, Safety and Global Solutions, while activities not falling within these areas will be discontinued.

The Group's core competencies will consequently be:

- Security: guarding, alarm and cash services
- Safety: ambulance services, rescue services (including auto assistance) and fire services
- Global Solutions: prison and court services, meter-reading services and other outsourced services

The three business areas provide a strong and unique opportunity to bundle services, which in turn presents an opportunity to create added value to customers. Group 4 Falck's business concept is to bundle services so as to accelerate the overall value creation.

Generally, the plan is to work on moving up the value chain by adding values through new products and compe-

tencies related to the basic products. A significant example of this development is ambulance services in Denmark, where in just a few years staff training and increased use of technology and medical equipment have transformed ambulance services from a basic transport service to the current standard of offering paramedic services in sophisticated vehicles. In its collaboration with the authorities, Group 4 Falck has spearheaded this development.

Continued focus on the core business areas is crucial to generating organic growth. Both Global Solutions and Safety Services represent higher positions on the value chain and, thereby, higher earnings than services such as guarding. Bundling of security services such as guarding, alarm services and cash services will be used to enhance the value chain for guarding services.

It is equally important that, using Security Services as the backbone, the Group must focus on the inter-relationships within and between the business areas of Security, Safety and Global Solutions. Moreover, it is important to establish a platform in each market for all security services through transfer of best practice.

Group 4 Falck aims to retain and develop the existing New Markets as they all show high growth and good earnings. Large and international customers generally are the platform for this business.

Acquisition strategy

Group 4 Falck wishes to strike an optimal balance between organic growth and acquisitive growth.

The company sees itself as a leading player in the continued consolidation within its core businesses, especially Security.



Core Products and Core Competencies

It is characteristic of all business areas in Group 4 Falck that almost all of them are based on long-term portfolio agreements - running for up to 25-30 years.

It is characteristic of all business areas in the new Group that customer relations are in almost all cases based on contractual agreements on the provision of services, mostly long-term portfolio agreements, running for as long as 25-30 years, or agreements running until they are actively terminated by either party.

Overall, Group 4 Falck's core competencies lie within the following areas:

- Security Services
 - Alarm Services
 - Guarding Services
 - Cash Services
- Safety Services
- Global Solutions (public-private partnerships).

Group 4 Falck's customers can be divided into four categories:

- Residential customers
- Small businesses
- Medium-sized and large businesses
- Public authorities

Security Services form the backbone of the Group's business throughout the world. Security Services account for more than 60% of the Group's total business, while Safety Services account for approximately 20% and Global Solutions (public-private partnerships) account for just over 10%. The remaining turnover comes from non-core activities, for instance cleaning.

For all product areas, Group 4 Falck constantly works to implement and use new technologies wherever relevant from a business point of view to both the customer and the company.

The Internet is being used increasingly to strengthen the dialogue with customers – not only as an information channel, but to a great extent as an integral part of the customer relationship: for ordering services, for transfer of documents, statistics, etc. The Group also uses new technologies such as GPS (a global satellite-based positioning system used for cash-in-transit and ambulance services).



Security services

Security services comprise three primary business areas: alarm, guarding and cash services.

Alarm services

Alarm services comprise consulting, installation, electronic surveillance and maintenance as well as alarm response to burglar alarms, fire alarms, access control systems and CCTV systems. The services include high-security jobs and other types of security services to the residential and business markets as well as public authorities.

Group 4 Falck has established an international competence centre for the entire alarm business. The objectives of the competence centre are to co-ordinate existing know-how in Group 4 Falck, to ensure a high degree of product standardisation and to develop quality assessments and docu-

mentation for each of the products sold.

Guarding services

Guarding services range from traditional static guarding to patrolling guards, VIP guards, service guards in shopping centres and airport security services.

Group 4 Falck has also started to develop a competence centre for the guarding business according to the same model and intentions as the competence centre for the alarm business. The objective is to develop the value of the Group's guarding products to cover much more and different services than basic guarding.

Cash services

Cash services comprise secure transport of cash, securities and confidential documents. In addition, Group 4 Falck offers cash counting and cash processing for department stores,

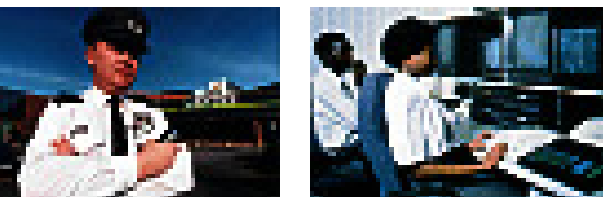
supermarkets and banks, and ATM services such as cash replenishment and maintenance.

Group 4 Falck is among the leading providers of security services in terms of development of new techniques and systems for maximising security for cash-in-transit and cash processing.

Intelligent electronic cash and document boxes are currently being introduced, and they make it impossible for third parties to gain access to the valuables.

Safety services

Safety services originally formed the basis of Falck's activities in Denmark.



From there, Safety as a business area was expanded to the other Nordic countries and Poland. The services include activities within traditional public services such as fire and ambulance services. In addition, Group 4 Falck offers auto assistance, patient transport and other services to public authorities, private households and corporate customers.

Ambulance services

Ambulance services have changed significantly in recent years in terms of staff capability and training, medical equipment in the vehicles, and electronic monitoring equipment. These developments are continuing in step with the growing focus on pre-hospital treatment.

Patient transport

Group 4 Falck provides patient transport for private household subscribers as well as public authorities. Patient transport comprises transport between home and hospital or any other treatment location.

Fire services

Significant know-how has been built up over the years within fire services for the public authorities. This also goes for special areas such as the off-shore industry and sales of fire-fighting equipment.

Rescue services

Rescue services comprise assistance in situations such as storm and water damage to buildings, transport of patients and injured animals.

Psychological crisis therapy

Group 4 Falck has developed a crisis service with a network of psychologists who provide psychological crisis therapy for individuals or groups who have been exposed to serious traumas.

Auto assistance

This service includes domestic and international road assistance to subscribers in the event of engine failure, accidents or any other problems. The services provided under subscription vary from country to country, but everywhere they meet high-quality requirements with a wide range of supplementary services. The features are continually being developed.

Personal care alarms

This service provides personal care alarms for elderly or handicapped people. The alarms are activated via the telephone in the event of problems. Group 4 Falck arranges for assistance or responds to the alarms.

Risk management services

Group 4 Falck offers a comprehensive programme for companies on how to handle emergency situations such as

fire and other safety situations, as well as providing training and risk evaluation.

Global Solutions

Global Solutions (public-private partnerships) is involved in a wide range of activities, the core of which is outsourced public-sector services provided in close partnerships with the relevant authorities. Group 4 Falck's competency is in the management, development, administration and co-ordination of logistics. Most contracts are long-term – up to 30 years.

Management of prisons

Group 4 Falck designs, builds, manages and finances prisons in a number of countries. Its role involves far more than managing the prison regime security. Training of prisoners plays a vital role, and the prime objective is to stop re-offending by teaching them skills that will help their reintegration into society.

The company also operates institutions for juvenile offenders, which focus on special educational and rehabilitation programmes.





Prisoner transportation

Group 4 Falck provides prisoner transportation between prisons, courts and other institutions – all of which meets security requirements defined by the relevant authorities. In the United Kingdom alone, Global Solutions moves 600,000 prisoners a year.

PFI

Group 4 Falck participates in more and more so-called PFI-projects (Private Finance Initiative), in which private-sector companies – often in joint ventures – provide design, service and management of, and finance for, various kinds of public institutions.

When the institutions are brought into use, Group 4 Falck – often by subcontractors - is in charge of maintenance, guarding and surveillance as well as other service facilities such as canteens, cleaning, property operations,

allowing the authority in question to concentrate on the actual job to be performed.

Education

Group 4 Falck is active both within the construction and management of schools and within activities involving the planning and operation of special training programmes for various institutions.

Meter-reading services

Through the company AccuRead, Group 4 Falck provides meter-reading services for utilities such as gas and electricity with more than 40 million meter readings annually. Readings are made electronically using sophisticated portable computers, which makes data processing very efficient.

Immigration service

Global Solutions has special concepts



within the management of immigration centres, which have been developed in partnership with the UK Home Office.



Developments in the Individual Regions

Proximity to the market and customers are crucial factors for offering customised services.

Group 4 Falck's operations are divided into four independent regions:

Region 1 – the Netherlands, Belgium, Luxembourg, France, Ireland, Canada and Morocco.

Region 2 – Denmark, Norway, Sweden, Finland, the Baltic states, Poland and Germany.

Region 3 – the United Kingdom, Austria and New Markets (Central, South-east and Eastern Europe, Central, Southern and South-East Asia).

Region 4 – Global Solutions (public-private partnerships) with activities in the United Kingdom, South Africa and Australia.

Management structure

The COO responsible for each region is a member of the Executive Group Management, which ensures efficient controlling and co-ordination, across the organisation and in relation to the Group's overall strategies, the prin-

ciples of management and corporate governance.

The foundation of the operational structure in Group 4 Falck is based on simple principles of

- proximity to customers
- decentralised decision processes
- a flat organisational structure
- short decision-making routes
- efficient control opportunities
- work locally – think globally

As proximity to the market and customers are crucial factors for offering customised services, decision-making powers have been delegated to the Group 4 Falck companies in each of the countries of operation. As a result, there are only few and minor centralised support functions in the regions, which engage in:

- co-ordinated development of products and concepts
- identification of best practices
- transfer of competencies



In terms of business and management, each country of operation has a number of business units, with the typical country structure consisting of business units for such areas as guarding, alarm, cash and safety services. A similar division into segmented business areas is used for Global Solutions.

Moreover, the four COOs each have the functional responsibility for product development within major business areas such as guarding, alarm services, cash services and Global Solutions. In each of these areas, competence centres have been established, for the benefit of the entire organisation and, thereby, for the benefit of customers.

This organisational structure cuts through the Group's global operation, ensuring very short decision-making routes between the Group and the respective managements in the indi-

vidual countries of operation and providing great flexibility, for instance in the handling of major international customers.

This brings out the true meaning of the Group's working motto for the respective managements: "Work locally – think globally".

The following sections contain a review of the performance of the individual regions.

REGION 1

Group 4 Falck, Region 1, comprises the following countries of operation: the Netherlands, Belgium, Luxembourg, France, Ireland, Canada and Morocco.

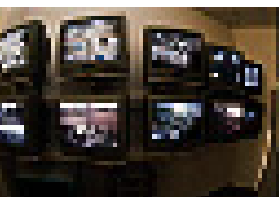
Developments in general

The region has a total turnover of DKK 4,390 million. The combined or-



ganic growth rate for the region was 7.0%, which was higher, on average, than the market in general. In particular, the performance of the large guarding business in Belgium was very good. In the spring of 2000, Group 4 Falck became an active player in the French market through the acquisition of Securicor's security operations.

Group 4 Falck holds a top position in the security services markets in Belgium, the Netherlands, Luxembourg and Morocco. In the region's other



markets, the company is among the top five operators.

The merger of Group 4 and Falck resulted in overlapping activities only in the Netherlands. An integration process has been initiated and is expected to be completed during the second quarter of 2001.

The very strong business platform created in the Benelux countries and France will be expanded, especially within the alarm business, in order to make Group 4 Falck a full-scale provider of security services in these areas.

Group 4 Falck has in 2001 sold its cleaning activities in Belgium to ISS. This divestment was in accordance with the Group's strategy for 2001-2003.

Market

The combined growth rate in the market for security services in the region is 5-6%. In terms of products, the highest growth rate is seen for residential alarms.

Recent years' consolidation in the industry with fewer but larger providers of security services is expected to continue, especially in France and the Netherlands.

There is a general trend for large, international groups to demand security solutions across national borders and for continuing outsourcing of security services.

The expansion towards a position as a full-scale provider of security services will be continued in all markets in the region. In the Benelux countries, there will be special focus on growth in the residential alarm business.

There is a growing trend towards customers wishing to enter into partnerships with their providers of security services. This means that there is more focus on quality, but also that fewer customers are lost. This trend is going to continue, and added sales of full-scale security packages to existing customers are expected to rise.

Small companies are expected to work increasingly in the low-end market, while large and complicated security jobs will be awarded to large operators.

The ability to attract and retain new staff is expected to be a competitive factor in developed markets. In partic-

ular, it is important to make the security services industry attractive to the younger generation. This is a challenge which demands imagination and creativity.

Performance in individual countries

Belgium is the Group's largest market in the region, both in terms of turnover and earnings. Organic growth in 2000 totalled 7.2%.

Group 4 Falck is the largest provider of security services in Belgium. The company has the top position within guarding and cash services with market shares of 45% and more than 50%, respectively. Moreover, Group 4 Falck is also among the largest players in the alarm market.

The Belgian market for security services totals EUR 500 million, and the annual growth rate is 5-6%. The secur-





ity services industry has seen extensive consolidation over the past couple of years.

Group 4 Falck, Belgium, recorded 15% growth in the guarding business, and a new five-year contract with the European Parliament contributed significantly to this growth.

The market for cash and alarm services has been affected by the extensive restructuring in the banking sector, involving the closure of a large number of branches. This process is going to continue. On the other hand, the growth in "self-banking" and growing use of ATMs have created new opportunities, especially within cash services.

The planning in connection with the introduction of the euro began during

2000. The implementation of this huge currency exchange will take place in late 2001 and early 2002.

The alarm business was restructured in 2000, partly to make the organisation more customer-oriented, and partly to increase the focus on the residential alarm business, which involves a large growth potential.

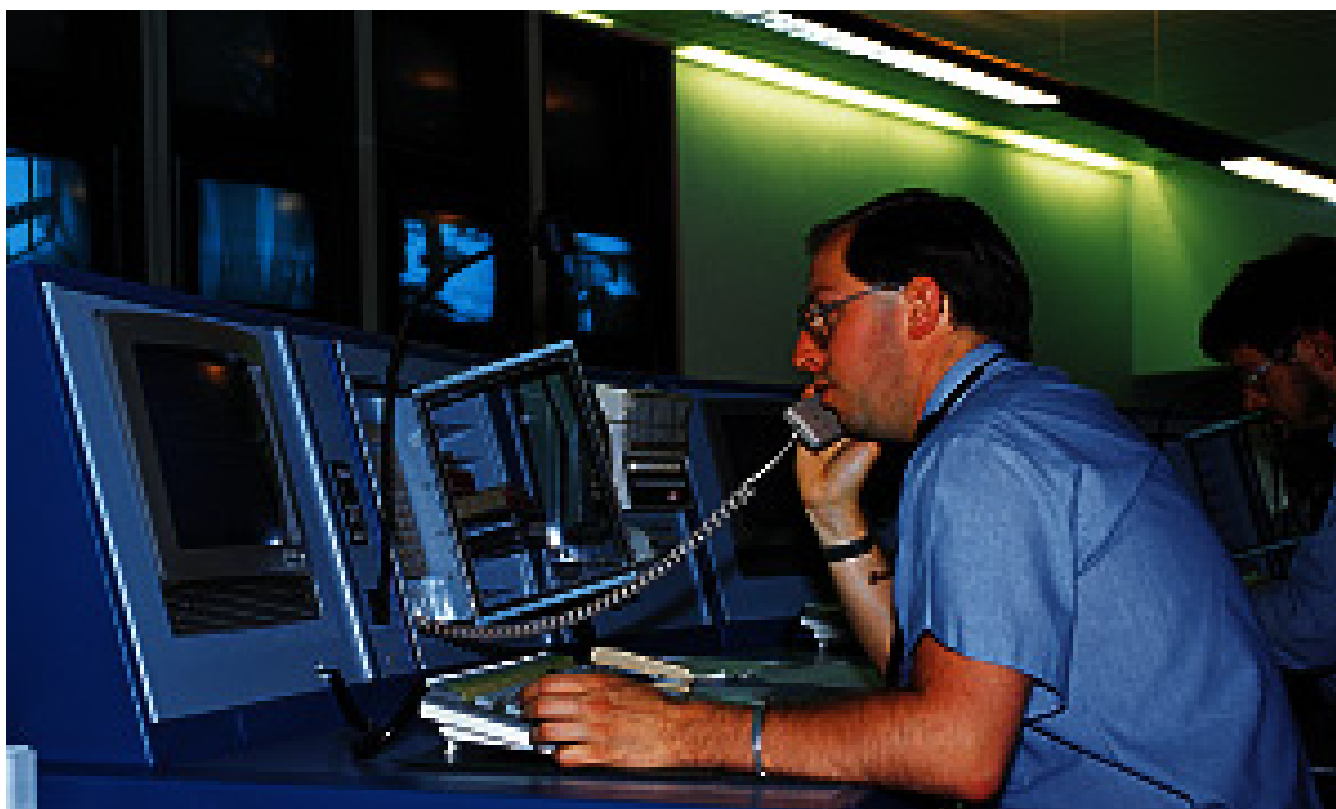
In the Netherlands, Group 4 Falck is the largest provider of guarding services with a market share of more than 30%. The company is marketed under the names of NVD, Group 4 and Seceurop.

Throughout 2000, NVD and Seceurop continued the turnaround process initiated in connection with Group 4 Falck's acquisition of the business in 1999. It

is expected that this process will be completed during 2001. In particular, the process has involved a focus on portfolio management, and Group 4 Falck was successful in improving the relationship between price and quality without losing many contracts. The growth in turnover and profit was in line with the plans.

An integration process was initiated following the merger of Group 4 and Falck, and this process is now at the closing stage.

Since April 2000, Group 4 Falck has been an active player in France through the acquisition of Securicor's security operations. The company provides guarding and cash services. The total number of employees is 1,700. The acquisition was the first step to-



wards establishing a strong business platform in France.

In February 2001, Group 4 Falck acquired EuroGuard, the second-largest guarding operator in France with a turnover of DKK 650 million and 4,200 employees.

The French market for guarding and cash services totals FRF 10.5 billion, and the annual growth rate is approximately 5%. Group 4 Falck has a market share of approximately 9%.

In the autumn of 2000, a new 35-hour working week with full pay compensation was implemented. This resulted in price increases of more than 10% in the market.

There were a number of assaults on cash-in-transit operations during 2000, although none of them involved Group 4 Falck. This led to some short strikes in the industry. New rules on money

transport will be implemented during 2001 and 2002, and large investments will be made in electronically secured money cases.

In Ireland, the market for security services is very fragmented with a total of about 400 suppliers. The annual growth rate is approximately 5%. Group 4 Falck, Ireland, is active within guarding, alarm and cleaning. The

company has more than 1,800 employees. Both turnover and earnings for 2000 were in line with expectations.

Group 4 Falck in Canada has 3,500 employees, almost solely in the guarding business. The company met its budgets in 2000 in terms of both turnover and earnings.



REGION 2

Group 4 Falck, Region 2, comprises the following countries of operation: Denmark, Norway, Sweden, Finland, Estonia, Latvia, Lithuania, Poland and Germany.

Developments in general

The region's performance was good within all value drivers in 2000. The security and safety businesses both contributed to the good performance. Overall turnover was DKK 7,550 million.

Generally, organic growth outperformed the market, and this caused Group 4 Falck's market share in the region to increase. By the end of 2000, Group 4 Falck had reached the following security market positions:

- No. 1 in Denmark, Poland and the Baltic states
- No. 2 in Norway, Sweden and Finland
- No. 5 in Germany

As a result of the strong market position, Group 4 Falck is a significant player in the continuing market consolidation in the region and in the development and upgrading of services to customers.

The merger between Group 4 and Falck was received well everywhere. In particular, large, international customers now consider Group 4 Falck a very strong, world-wide and competitive supplier of integrated security solutions. The merger resulted in a business overlap between Falck and Group 4 only in Latvia and Poland. The business integration in these countries was completed during 2000.

At 31 December 2000, the total number of employees in the region was 32,700.



Market

The market for security services in the region is expected to grow at annual rates from 2% to 9%, with the lowest rate in Germany and the highest in the Baltic states and Poland. The outsourcing of security services by potential public and private customers is expected to continue in all countries in the region. Moreover, growing demand for security solutions cutting across national borders is expected from large, international companies.

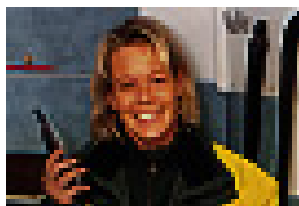
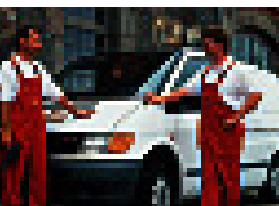
The annual growth will vary greatly in the individual business areas and is expected to be highest in the alarm business (especially residential burglar alarms) and lowest within traditional guarding services.

The market consolidation is expected to intensify even further, especially in countries with highly fragmented markets. This applies to Latvia, Lithuania, Poland, Germany and Finland.

Price competition is expected to intensify in the market for security services. The greater price competition will be offset by systematic product development and product bundling.

In the safety market, Group 4 Falck expects an increased willingness to outsource public health services, especially in Sweden, Norway and Poland.

There is a growing trend towards more and more customer segments in the region wanting a partnership with their preferred provider of security services rather than uncritical price competition. Accordingly, the number of services offered, the contents and quality of services, response times and price are the crucial parameters when customers choose their provider of security services. However, it must still be expected that a number of minor operators will continue to offer discount pricing, especially for standard products, to the low end of the market.



The dominant operators in the region became even larger during 2000, both through acquisitions and through organic growth. This was achieved especially through product specialisation and product bundling. It is expected that this trend will continue in the years to come.

Performance in individual countries

Denmark is the Group's largest market in the region, both in terms of turnover and earnings. The organic growth rate in 2000 was 3.6%.

Group 4 Falck's activities in Denmark have been hived off into a separate company, Falck Danmark A/S. This organisational change has increased the focus on performance on the Danish market for safety and security services.

Within the Safety business, a number of organisational adjustments have been made as a result of the new structure. These changes have resulted in a more cost-effective, competitive and market-oriented platform. The delivery system has been further upgraded. As a result, ambulance and fire service response times were further improved in 2000.

In the ambulance area, a new government order on pre-hospital treatment was adopted in December 2000. The order provides for an upgrading of staff in the next few years in terms of both functions and training.

In the auto assistance market, Falck has actively responded to the more intensive competitive situation by launching new products which better match individual customer demand.

Within alarm and guarding services, Falck Danmark has further strengthened its market position, partly by developing a number of niche products and partly by bundling security services, especially to large customers. Group 4 Falck is thus the only service provider targeting all market segments with totally integrated product packages, including installation, maintenance, surveillance and alarm response.

Sweden recorded strong organic growth of 18,7% in 2000. All business areas contributed to this good performance.

As organic growth was significantly higher in the security business than in the market in general, Group 4 Falck increased its market share to 30% within guarding.

The integration of the previously acquired alarm and installation companies has been completed, and Group 4 Falck now has a technical platform and a number of concepts ready to support increased sales of alarm and installation services, which is the most rapidly growing segment in the Swedish market for security services.

More and more Swedish counties outsource their ambulance services. In 2000, Group 4 Falck, Sweden, won a five-year ambulance contract for both Scania and Stockholm. This has made Group 4 Falck the largest provider of ambulance services in Sweden.

In *Norway*, Group 4 Falck recorded organic growth of 14.0%. The greatest sales expansion was seen within alarm and guarding services.

Group 4 Falck in Norway, gained a strategic foothold in the cash services market in 2000 – especially by signing contracts with major, nation-wide banks.

The Alarm Division completed its reorganisation in the first quarter of 2000. The development of alternative sales channels, product and price concepts attracted new market segments. With an installed base of 60,000 burglar alarms, Group 4 Falck, Norway, holds a dominant position in the market for minor alarm installations (the market share is 50%).

The acquisition of Unikey in late 2000 gave Group 4 Falck in Norway, a position as a full-scale supplier of alarm hardware and related services.

As there is surplus capacity and very keen competition in the Norwegian market for auto assistance, the Safety Division has begun a restructuring project, which encompasses products, concepts and organisation. It is expected that the reorganisation will be completed in the second quarter of 2001.

The Care Division continued the development of personal care alarm systems, and the division now has more than 30,000 users linked to the monitoring centres.

Even though the market for security services in *Finland* increased by only 6%, Group 4 Falck recorded organic growth of 20.7%.

At the end of 2000, Group 4 Falck took over SPAC, a Finnish cash services provider owned by the Finnish Post Office. This acquisition more than doubled Group 4 Falck's turnover in Finland.

SPAC has a market share of more than 70% of the market for cash services.



In addition to the strong expansion in the Finnish market, the acquisition of SPAC is also of strategic importance to Group 4 Falck as it makes the company a nation-wide operator in Finland.

In January 2000, Group 4 Falck acquired ADS Sicherheit in *Germany*, a high-quality provider of cash and guarding services.

This acquisition made it possible for Group 4 Falck to enter the high-end market for cash and guarding services. ADS Sicherheit is one of the market leaders in eastern *Germany*, and the company generated 15% organic growth in 2000.

Due to the low organic growth rate and keen competition – especially from building construction companies – organic growth was zero in the alarm business.

Group 4 Falck is now in a unique position as a full-scale supplier of security

services, including a strong local alarm business, throughout *Germany*.

An amendment to German tax legislation is expected to have the effect that more companies will be for sale at reasonable prices in future (from January 2002).

Group 4 Falck's performance in the *Baltic states* was very good in 2000. The strong market position in *Estonia* was strengthened through high organic growth in all market segments. The operating units in *Latvia* and *Lithuania* tripled through significant acquisitions and extremely strong organic growth.

New services were introduced in the markets, and Group 4 Falck performed well in connection with the outsourcing of security jobs.

In *Poland*, Group 4 Falck's organic growth reached 26.8%.

In 2000, new legislation brought greater regulation of the Polish market for security services and required a higher security level for all operators and training and certification of their staff.

A large number of small operators have therefore left the business area, and the number of security services providers in the Polish market has been reduced to less than 3,000.

Banks have started to outsource their cash services, either to their own subsidiaries or to other providers of security services.

The guarding business also showed satisfactory performance, mostly in connection with the development of supermarkets and retail shopping centres. In the safety business, good opportunities exist for private doctors-on-call services, including Group 4 Falck. There is a growing trend towards outsourcing ambulance services to private operators.



REGION 3

Group 4 Falck, Region 3, comprises the following countries of operation: United Kingdom, Austria and New Markets: Central, South-East and Eastern Europe; Central, Southern and South-East Asia.

Developments in general

Progress in the year 2000 was encouraging and in line with plans and expectations. Overall turnover was DKK 4,287 million, a 17.6% increase over 1999. Combined organic growth was 11.5% throughout the region.

The United Kingdom is the largest and most competitive market in the region. It is expected that the introduction of regulation through legislative licensing will support the development of a more structured and controlled private security market. This development is in the long-term interest of the cus-

tomers and the professional security services provider.

Competition throughout Austria, Central Europe and the New Markets is varied and shifting. The Group encourages the progress of professional competitors who can work with Group 4 Falck to develop and improve the operating

practices within each country's private security market towards common minimum professional standards.

Performance in individual countries

In the *United Kingdom*, the year 2000 was successful as far as the security activities are concerned. Guarding



business grew organically by 8.7% and profitability improved. Business volumes within the Security Technology business did not reach original expectations, with the demand for access control products in 2000 failing to reach 1999 levels within Europe as a direct result of the post millennium downturn in the first half of 2000. However, business continued to grow from customers in the United States, and turnover rose significantly in the second half of 2000, such that overall turnover and profitability were ahead of 1999, and the prospects for 2001 look positive. The Cash Services operation in Scotland extended south into the north of England as Group 4 Falck commenced new contractual business for British Telecom, contributing to the overall growth of 7.3% within United Kingdom security service activities, all of it organic.

Market – The private UK security market is large, well developed and very fragmented. To date, there has never been any legislative regulation of the industry, unlike many other European markets. The UK government is currently debating the Security Industry Act which, if approved by Parliament, will establish a legislative framework through the Security Industry Authority to license employees of security service providers and thus will establish a level of control and minimum operational standards within the law.

In *Austria*, Group 4 Falck provides guarding and technical services and generated a turnover in 2000 which exceeded 1999 by 8%, a level of growth above the planned levels, all of it organic. New contracts were started, key customers were retained through formal competitive tender processes, and overall profitability also improved as the company succeeded in improving internal efficiency.



Market – The past few years have seen growth in the market through increased governmental (national and local) outsourcing of security services traditionally performed by the state authorities, including parking control, court security and airport security.

Growth within most of the *New Markets* was above expectations, with overall turnover exceeding 1999 by 31.3% (26.9% of which was organic). Profitability also improved through economies of scale and growth, and New Markets have become a material contributor to the total Group's turnover and profit growth as Group 4 Falck continues to satisfy the security needs of the international customer base in an increasing number of countries throughout the world.

In the Czech Republic, Group 4 Falck continued to develop the complete range of security services, with cash services and technology growing fast and contributing to overall organic

growth. The leadership in the Czech market resulted in many international customers using Group 4 Falck's services during the Prague meeting of the IMF and World Bank late in 2000.

The growth in cash processing volume was such that the processing capacity reached its maximum, and Group 4 Falck opened new cash processing centres in both Prague and Brno.

Hungary also continued its progress and development.

In Slovakia the Group 4 Falck companies merged during the second half of 2000 and now have one legal and management structure.

Group 4 Falck plans to continue its controlled business development in South East Europe and to support the overall growth in the private security market. One example of this trend is Turkey, which is close to introducing fast regulation and legislation to establish



and control the framework within which private security services can be provided.

In Southern Asia and the Middle East, turnover increased solely through organic growth, and the company expects the trend to continue in 2001 as it introduces a complete range of security services market by market. Group 4 Falck opens operations in new countries when it is sure of secure and sustained demand for its quality services.

Eastern Europe and Central Asia continued to progress through organic growth. Demand was driven to a large extent by the needs of the oil and gas sector in Central Asia, and Group 4 Falck expects the development to continue throughout 2001.

Market – The growth of the private security industry continues in New Markets as each one is subject to the market drivers of economic glo-

balisation and local progress down the path of political and economic liberalisation. As many international customers invest in these markets, they demand quality security services to meet their needs. Group 4 Falck has the skills, resources and know-how to

meet their requirements. The relative maturity of these markets varies enormously throughout the world, but the trend is consistent and represents an ongoing business opportunity for Group 4 Falck.



REGION 4

Developments in general

Region 4, which comprises all activities within the Global Solutions business area (public-private partnerships), generally performed well in 2000 and was awarded a number of new contracts.

Overall, Global Solutions generated turnover of DKK 2,110 million.

The number of employees in Global Solutions increased from 5,149 in 1999 to 5,219 at 31 December 2000.

Market

The UK and European outsourcing market have a growth rate of approximately 20% per annum. Group 4 Falck Global Solutions is poised for significant growth and, as a common consensus amongst support services analysts shows, a trend is seen towards an annual market value of GBP 4 billion in the United Kingdom alone.

Global Solutions works within a field of outsourced services where most contracts are awarded as full-service contracts – possibly in joint ventures with other companies in the private sector. Global Solutions has often made ground-breaking changes in its individual areas of activity by developing concepts in collaboration with regional and national authorities.

Performance in the individual areas

The UK Government Private Finance Initiative Project for GCHQ

The Group 4 Falck contract to construct and service the new Government Communications Headquarters (GCHQ) in Cheltenham, England, is the biggest building developed under PFI to date. GCHQ has one of the most sophisticated computer systems in the world, supporting the vital contribution which GCHQ makes to national security.

The new building is designed to the most modern standard, and Group 4



Falck provides complete integrated support services under a 30-year contract.

City of Manchester Magistrates' Court

This project – the first of its type – is a PFI project to design, build, finance and operate the new Magistrates' Court for the City of Manchester under a 25-year contract. Group 4 Falck will provide services to the Magistrates' Court, which will include security, cleaning, catering, building maintenance and utilities.

Immigration Services

Increasing international migration poses a burgeoning problem for governments in developed countries and in Western Europe in particular.

The private sector – especially Group 4 Falck – is at the forefront in this sensitive policy area with provision of detention management and ancillary services.

In a joint venture partnership, Group 4 Falck has under construction a 900-bed facility at Thurlleigh, Bedfordshire (to be known as Her Majesty's Immigration Detention Centre Yarl's Wood) which is due to open in May 2001.

In addition, the company operates Her Majesty's Immigration Detention Centre, Campsfield House, in Oxford, and Oakington Reception Centre in Cambridgeshire, both on long-term contracts.

Worldwide Custodial Services

Group 4 was the first company to manage a privately operated prison in the United Kingdom. The concept was pioneering, bringing innovation and additional expertise to prison management. It was felt that by contracting out the management of prisons to the private sector it would stimulate change and bring ideas to the state sector's Prison Service.



This specialist arm of the business has expanded to include the provision of secure training centres for persistent juvenile offenders, in addition to prison contracts in Australia and South Africa.

Group 4 Falck also undertakes the transportation of prisoners for the police and courts in the United Kingdom and Australia and conducts 600,000 prisoner movements a year in the United Kingdom. Prisoner custody officers are responsible for prisoners' welfare and fully trained to provide safe, secure custody for prisoners awaiting court appearance.

Group 4 Custodial Services operates three prisons on behalf of Her Majesty's Prison Service in the *United Kingdom*: HM Prison Wolds in East Yorkshire, HM Prison Altcourse in Liverpool, and HM Prison Rye Hill on the Warwickshire/Northamptonshire border.

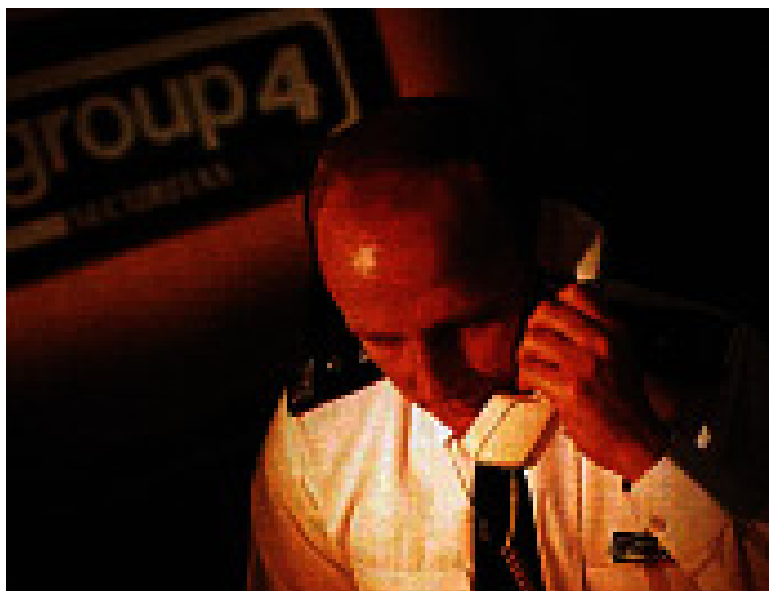
The operating philosophy emphasises the need to treat prisoners with decency and respect. It is important to cre-

ate a constructive prison regime through the provision of education, work and other programmes in order to best prepare people for re-integration into mainstream society.

Group 4 Falck is at the forefront of the privatisation of prisons in partnership with the Government in *Australia*, where it operates two private prisons – one in Victoria and one in South Australia.

In *South Africa* the company has been awarded a contract for one of the first prisons to be designed, built and financed by the private sector in the United Kingdom.

Rebound provides services to the newly formed Youth Justice Board. Rebound runs the first two secure training centres for persistent juvenile offenders in England. Youngsters (12 to



17 years) who are sent there have been sentenced to a period of detention by the courts. The emphasis of the regime at both centres is based on principles of education, care and rehabilitation.

Education

The involvement of the private sector in this expanding market has arisen as a result of a number of ways in which assistance can be delivered to improve young people's education. Group 4 Falck Global Solutions is on the Department of Further Education and Employment's list of suppliers. Again, also in a partnership consortium, Group 4 Falck has been chosen to provide three new school buildings and support services to the Wiltshire Education Authority.



Group 4 Falck Management

Services

Group 4 Falck Management Services provides innovative, flexible solutions to the public and private sectors either through the outsourcing of complex processes or by providing a tactically-managed resource. The business has been built upon existing capability to manage and administer activities such as inspection, evaluation, assessment and training. Examples include:

Nursery Education Inspection Service. On behalf of Ofsted, the company manages the inspection of educational provision within private, voluntary and independent nurseries.

Charter Mark Administration Service. In mid-2000, Group 4 Falck was awarded a contract to administer the applications and assessment process for the Charter Mark award – the government's own quality recognition, awarded to public service organisations that demonstrate exceptional standards in customer service.

Professional Bursaries Administration Service. On behalf of the DfEE, Group 4 Falck administers a project to provide bursaries to teachers to assist them in funding their professional development.

Performance Management Consultancy. The Government's commitment to improving standards in the education system includes the provision of consultancy to schools to assist them in introducing performance management systems.

Performance Management Training. As part of a UK Government modernisation the Home Office introduced a new performance management system for its core staff. Group 4 Falck delivered the changed management training to 8,000 staff in just nine months.

Utility services

Multi-utility meter-reading in a single visit brings both cost benefits to customers and reduced disruption to home-owners. The capability to handle

the structured needs of the United Kingdom electricity market became a reality as AccuRead achieved full accreditation for data retrieval, processing and aggregation.

AccuRead staff conduct 40 million meter "reads" per year. Group 4 Falck has 51% of the shares in AccuRead.

Outsourcing and TUPE transfers

Group 4 Falck has extensive experience in the transfer of staff. Under the Transfer of Undertakings (Protection of Employment) regulations in the UK known as TUPE, the rights of employees are safeguarded when the undertaking in which they work is transferred from one employer to another. To date some 40 major staff transfers have taken place involving around 5,000 people.

Public-private partnership contracts and private sector outsourcing require sensitive change management skills.



Ethical and Social Considerations

With 125,000 employees in more than 50 countries, it is natural that Group 4 Falck engages in social issues, both as an organisation and as an employer.

Social responsibility

Group 4 Falck feels responsible for developments in society, both nationally and internationally, in its countries of operation. This applies both to Western Europe with its highly developed social structures and to countries where the modernisation processes are taking place right now or are on the way.

With 125,000 employees in more than 50 countries, it is natural that Group 4 Falck engages in social issues and contributes to the solution of problems, both as an organisation and as an employer.

However, Group 4 Falck considers its most important social responsibility to be ensuring that the company has a good and sound financial position and preserves the ability to generate growth and create jobs.

Only in this way will Group 4 Falck and its employees have the necessary energy to actively involve themselves in

social issues and to assume responsibility by developing and testing social commitments.

The corporate mission of providing assistance to people, authorities and companies in their need for safety and security means that Group 4 Falck's employees have great experience in showing care for people in their day-to-day work.

In recent years, social commitment and social responsibility have generally developed into a structured element in the day-to-day activities in trade and industry relating to employee development and employee involvement. In recent years, Group 4 Falck has been active in the area by developing offers, networks, pilot projects and the like in a number of countries in collaboration with its employees, their unions, other companies and government authorities at different levels. The company is involved in various projects locally, regionally, nationally and internationally.

These commitments and obligations are naturally related to Group 4 Falck's role in most countries of operation as a provider of safety and security services for authorities and governments. We see increasingly throughout the world that, when outsourcing services, the authorities demand or expect that the suppliers show social commitment by participating in various development activities or other activities that benefit society.

Group 4 Falck already has a number of agreements with unions regarding employment conditions for employees who, because of their work or for other reasons, have reduced working capability. In this way, the employees have been able to remain on the labour market. In some cases, new or special jobs have been established in collaboration with the authorities for people who would otherwise have been directly excluded from the labour market.

Group 4 Falck participates in the European Business Network for Social Cohesion. This organisation was established in recognition of the fact that no company or government can solve social problems on its own, and that international collaboration is needed.

Ethics

Group 4 Falck works both nationally and internationally on the basis of principles regarding such issues as human rights, racism and child labour.

At a national level, the individual companies of the Group have the authority and responsibility to work with rules of ethics. In some countries of operation, these activities are highly systematised and attract great management focus, with special task forces addressing the issues.

Following the merger, Group 4 Falck intends to continue the activities initi-

ated at the local level. Moreover, policies for general ethical programmes will be established for the Group as a whole, and will provide the framework for initiatives in Group companies in the individual countries of operation.

Group 4 Falck is committed to a high standard of corporate governance. All senior staff have to sign the company Code of Ethics and Conflict of Interest Statement which outline ethical values which the company's executives are required to follow. The company Code of Conduct policy and procedure also form part of the induction training of new staff of the company. It is well recognised that given the nature of work carried out by our security officers and staff employed to carry out public sector services a very high standard of conduct is expected by our customers.

Social contact

Feeling responsibility for the development of society also involves an obligation to get involved in relevant issues raised by the politicians, trade and industry and other parties, nationally as well as internationally.

Group 4 Falck is involved in public and private networks, task forces and other bodies in a number of countries. This applies both internationally, nationally, regionally and locally.

The purpose of Group 4 Falck's commitments is bilateral: firstly, it is part of the company's basic philosophy to participate in the development of society; secondly, the authorities, industry or organisations and others wish to benefit from Group 4 Falck's expertise from its operations as a large, international organisation and from the special type of services the company provides.

In addition, Group 4 Falck's large staff means that many employees are ac-

tive in the local debate in the countries of operation through various offices they hold as private citizens.

Participation in national and regional sponsorships and various types of support for humanitarian organisations reflect Group 4 Falck's close relations to the populations of the countries of operation.

Staff and environmental policies

The overall framework for Group 4 Falck's corporate values and the principles of management and co-operation are defined at Group level, while staff policies are defined at the national level in a close collaboration between management and employees. This ensures substance and a common frame of reference adapted to the individual organisation and the traditions that have been built up over time.

At the company level in each country of operation, a large number of training programmes are run for new as well as existing employees. At the Group level, the Group 4 Falck Academy conducts introductory programmes for new managers as well as management development.

As Group 4 Falck is a service provider, the company does not have large, international environmental programmes. But this activity is included at the operating level in the companies in the individual countries of operation. Through its involvement in society, Group 4 Falck is highly conscious of environmental issues, and the management and employees throughout the organisation therefore show great interest in protecting the environment as much as possible.



Shareholder Information

It is Group 4 Falck's overall business goal to create shareholder value and ensure stable, long-term growth in earnings.

It is Group 4 Falck's overall business goal to create shareholder value and ensure stable, long-term growth in earnings, which means that Group 4 Falck shares will always be an attractive long-term investment to a broad range of shareholders.

Listing

Group 4 Falck A/S' shares are listed on the Copenhagen Stock Exchange in Denmark.

The company's shares were admitted to the official list on 7 April 1995.

In connection with the merger with Group 4 Securitas (International) B.V., the shareholders passed a resolution at the Extraordinary General Meeting held on 19 June 2000 to change the name of the company from Falck A/S to Group 4 Falck A/S.

Share capital

The share capital consisted of 12,901,000 shares on 1 January 2000. Each share has a nominal value

of DKK 20, and the total share capital was DKK 258,020,000 at the beginning of 2000.

As part of the merger with Group 4 Securitas (International) B.V., 7,740,600 new Falck shares were issued to the owner of Group 4 – Group 4 Securitas N.V. – which is controlled 100% by Jørgen Philip-Sørensen.

By the end of 2000, the share capital of Group 4 Falck A/S therefore comprised 20,641,600 shares, equivalent to a total capital of DKK 412,832,000.

Each share carries one vote.

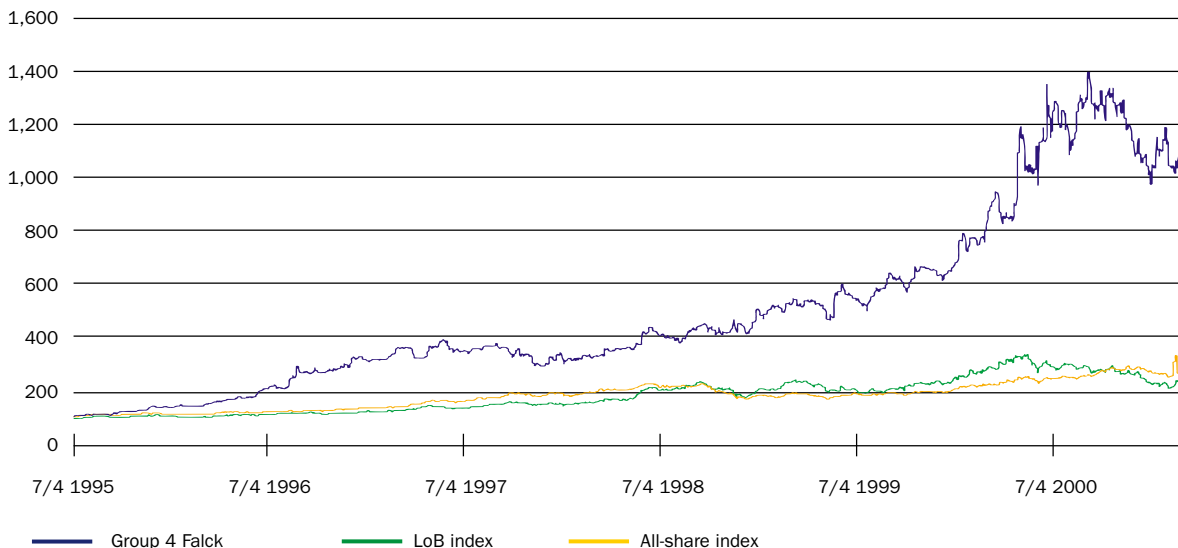
The Board of Directors has a standing authority to increase the share capital by up to DKK 31,480,000 in the period until 22 April 2004.

Share price performance

The officially quoted price at the end of 2000 was DKK 1,060 per share compared with DKK 775 per share at

Share price performance from 7 April 1999 to 15 February 2001

The share price from April 7, 1995 to May 30, 1997 has been converted into a denomination of DKK 20 per share. At the time of listing the denomination was DKK 100 per share and the share price was DKK 480.



31 December 1999, equivalent to an increase of 37%.

Group 4 Falck's shares have substantially outperformed the Danish equity market during almost all of the period since the flotation in 1995.

The total market capitalisation of the company's shares was DKK 21,880,096,000 at 31 December 2000.

Dividends

The Board of Directors recommends to the Annual General Meeting that dividends be declared at the rate of 8% in respect of the 2000 financial year, equivalent to DKK 1.60 per share.

Shareholders

Falck's shares are held by a large number of shareholders.

The shareholders' agreement which was entered into by a number of Danish institutional investors in connection with the flotation in 1995 expired on 14 March 2000.

Pursuant to the company's Articles of Association, the shares are freely negotiable, subject to no shareholder being allowed to hold more than 15% of the company's share capital without the approval of the Board of Directors.

In connection with the merger of Falck A/S and Group 4 Securitas (International) B.V., Group 4 Securitas N.V. obtained a 37.5% ownership of Group 4 Falck.

The Board of Directors of Group 4 Falck A/S therefore granted an exemption from the 15% ownership restriction subject to the following conditions:

- Group 4 Securitas N.V. undertook under certain conditions to reduce its shareholding to 30% in the form of one or more market placements within a period of 12 months from the date of Falck's Extraordinary General Meeting.
- Group 4 Securitas N.V. undertook not to increase – directly or

indirectly – its shareholding to more than 30% of the total share capital in Group 4 Falck A/S.

- After 5 years from the closing of the merger, the voting rights of Group 4 Securitas N.V. cannot exceed 15%, regardless of the actual ownership held by Group 4 Securitas N.V. at such time, and Group 4 Securitas N.V. will not be entitled to representation at general meetings with regard to any shareholding exceeding 15%.
- As long as Group 4 Securitas N.V. – directly or indirectly – controls more than 15% of the total share capital of Group 4 Falck A/S, certain restrictions will apply to the voting rights of Group 4 Securitas N.V. at future general meetings, including an obligation to abstain from voting for more than three members of the Board of Directors.
- If Jørgen Philip-Sørensen and/or members of his family in any way reduce their present control of Group 4 Securitas N.V., the voting rights pertaining to Group 4

Securitas N.V.'s shareholding can in no case exceed 15%, and Group 4 Securitas N.V. shall not be entitled to representation at general meetings with regard to any shareholding exceeding 15%.

The Extraordinary General Meeting mentioned in the conditions was held on 19 June 2000.

In the summer of 2000, Group 4 Securitas N.V. reduced its shareholding in Group 4 Falck A/S from 37.5% to 30%.

Group 4 Falck keeps a register of all shareholders who have registered their shares. The company had 15,777 registered shareholders as at 21 February 2001. The right to vote at general meetings is subject to the shareholder having registered his shares, or to a purchaser having notified the company of his acquisition and having documented his acquisition prior to the calling of the general meeting.

Shareholders holding more than 5% of the shares according to the company's register of shareholders are shown in the table below.

Shareholders at 21 February 2000	Interest (%)
Group 4 Securitas N.V.	30.0
Nordea	8.4
Labour Market Supplementary Pension Fund (ATP)	5.7
Merrill Lynch	5.7
Employee shareholders (8,458 shares)	1.5

Group 4 Falck holds own shares with a nominal value of DKK 4,344,000 equivalent to 1.05% of the share capital. None of the subsidiaries in the Group hold shares in Group 4 Falck A/S.

Incentive programmes

The Board of Directors has introduced a three-pronged incentive programme in the Group 4 Falck organisation.

A multi-year stock option model has been introduced for the members of the Group management and a number of senior management employees.

For a broader circle of management employees – primarily in operations – bonus programmes have been introduced which are measured on a combination of profit and quality targets, among other things.

Finally, the Group has issued employee shares twice since the flotation in 1995 – most recently in 1999.

The employee shares are held in blocked accounts for five years from the end of the calendar year in which the shares were issued.

For the employee shares which the Group issued shortly after the flotation in 1995, the period in which the

shares were to be held in blocked accounts thus expired on 1 January 2001.

Annual General Meeting

The Annual General Meeting of Group 4 Falck A/S will be held on Wednesday, 18 April 2001 at 2:00 p.m. at the Bella Center, Center Boulevard 5, DK-2300 Copenhagen S, Denmark.

Investor Relations

It is the objective of Group 4 Falck to maintain an open and active dialogue with its investors and with analysts, so that the market receives the best possible information on developments in the company, subject to the Rules of Ethics of the Copenhagen Stock Exchange.

Group 4 Falck holds regular meetings with shareholders, investors, analysts, stockbrokers, the press and other interested parties to inform these parties of developments in the Group.

In the autumn of 2000, Group 4 Falck launched a new Web site at www.group4falck.com.

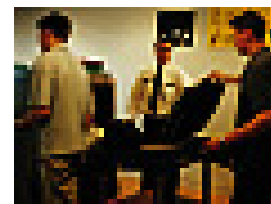
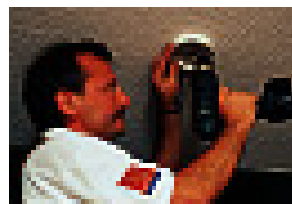
FINANCIAL CALENDAR

Annual General Meeting	18 April 2001
Payment of dividend	24 April 2001
Expected dates of release of profit announcements:	
First quarter 2001	30 May 2001
First half 2001	21 August 2001
Third quarter 2001	21 November 2001
Full year 2001	Mid-March 2002, at the latest

Announcements to the Copenhagen Stock Exchange

The following announcements were issued to the Copenhagen Stock Exchange in 2000:

- 1 4 January 2000
Falck expands in Germany
- 2 11 February 2000
Falck sells activities in the United Kingdom and Belgium
- 3 7 March 2000
Profit announcement 1999 financial year Falck A/S
- 4 31 March 2000
Falck takes over Danish state guard and security services
- 5 2 May 2000
Falck and Group 4 Securitas to merge under the name Group 4 Falck, forming the second largest security service provider in the world
- 6 18 May 2000
Resignation (Ole P. Kristensen)
- 7 9 June 2000
Release of prospectus for Falck's capital increase in connection with the proposed merger between Falck A/S and Group 4 Securitas (International) B.V.
- 8 20 June 2000
The merger of Falck and Group 4 has been completed. The share capital has been increased by DKK 154,812,000 through a directed issue to Group 4 Securitas N.V.
- 9 22 August 2000
Profit announcement for the six months ended 30 June 2000 from Group 4 Falck A/S
- 10 6 September 2000
Group 4 Falck participates in large contract for UK immigration centre
- 11 3 November 2000
Group 4 Falck awarded Major Security Services Contract
- 12 8 November 2000
Group 4 Falck acquiring Austrian based SOS
- 13 21 November 2000
Profit announcement for the nine months ended 30 September 2000 from Group 4 Falck A/S
- 14 28 November 2000
Group 4 Falck's strategy 2001-2003
- 15 1 December 2000
Group 4 Falck expands strongly in Finland
- 16 8 December 2000
Group 4 Falck expands in Central Europe
- 17 12 December 2000
Group 4 Falck expands in Hungary
- 18 20 December 2000
Group 4 Falck acquires Unikey in Norway



Directors' Signatures

The Board of Directors and the Executive Management Board have today approved the annual report of the Group and the parent company for 2000. The annual report of the Group and parent company has been prepared in accordance with current accounting legislation. We consider the accounting policies to be appropriate and believe that the annual report of the Group and parent company gives a true and fair view of the Group's and the parent company's assets, liabilities, financial position and results.

The consolidated financial statements and the financial statements of the parent company are presented for approval at the Annual General Meeting.

Copenhagen, 7 March 2001

Executive Management Board:

Lars Nørby Johansen President & CEO	Derrick Miller Group Chief Financial Officer	Hans Bennetzen Group Chief Operating Officer
John S. Dueholm Group Chief Operating Officer	Grahame Gibson Group Chief Operating Officer	Jim Harrower Group Chief Operating Officer

Board of Directors:

Jørgen Philip-Sørensen Chairman	Alf Duch-Pedersen Deputy Chairman	Henrik Brandt
Sir David Gore-Booth	Jens Kampmann	Bent Knie-Andersen
Harald Kortland *	Ib Mardahl-Hansen	Waldemar Schmidt
Bent Flemming Petersen *	Palle Thirstrup *	Ebbe Vang *

* Elected by the employees

Auditors' Report

We have audited the consolidated and parent company accounts of Group 4 Falck A/S for the year 2000 as presented by the Board of Directors and the Executive Management Board.

Basis of opinion

We planned and conducted our audit in accordance with Danish generally accepted auditing standards and International Standards of Auditing (ISA) to obtain reasonable assurance that the accounts are free of material misstatements. Based on an evaluation of materiality and risk, we tested, during the audit, the basis and documentation for the amounts and disclosures in the accounts.

Our audit included an assessment of the accounting policies applied and estimates made. In addition, we evaluated the overall adequacy of the presentation in the accounts.

Our audit did not result in any qualifications.

Opinion

In our opinion the consolidated and parent company accounts are presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the Group's and the parent company's assets and liabilities, financial position and results of operations.

Copenhagen, 7 March 2001

KPMG C. Jespersen

State Authorised Public Accountants

Finn L. Meyer
State Authorised
Public Accountant

Flemming Brokhattingen
State Authorised
Public Accountant

PricewaterhouseCoopers

State Authorised Public Accountants

Morten Iversen
State Authorised
Public Accountant

Kim Fücksel
State Authorised
Public Accountant

Accounting Policies

The consolidated accounts and accounts of the parent company are prepared in accordance with Danish accounting legislation and guidelines for listed companies issued by the Copenhagen Stock Exchange, including current Danish accounting standards. The accounting policies are unchanged from last year and have been consistently applied.

Effective 1 January 2000, Falck A/S merged with Group 4 Securitas (International) B.V.

As Danish company law does not allow cross-border mergers, Falck and Group 4 N.V. on 2 May 2000 entered into a merger agreement under which the merger was effected by all the shares of Group 4 Securitas (International) B.V. being contributed to Falck against the issue of new shares in Falck.

The merger was made effective 1 January 2000 and was treated as a pooling of interests, implying that the par-

ticipants of the merged companies pool the control of the net assets and operations of the merged companies and jointly assume the risks and benefits related to the merged entity. The members of the Boards of Directors and the Executive Management Boards of the merging companies believe that neither party to the merger can be identified as the acquiring party.

The relative size of the merging companies is shown in note 26 to the accounts.

As a result, the merger was effected by consolidating the merging companies without calculating and capitalising goodwill, i.e. no difference is deemed to exist between the book value of equity in Group 4 Securitas (International) B.V. and the market value of the new shares issued in connection with the merger.

In order to illustrate the Group's performance, the accounts include both the audited comparative figures of the

Falck Group and unaudited pro forma comparative figures of the Group 4 Falck Group for the year ended 31 December 1999, applying the Group's accounting policies.

The financial highlights and key ratios include the unaudited pro forma figures for the years ended 31 December 1997, 1998 and 1999, as stated in the merger prospectus of June 2000. The 1996 financial highlights have been calculated applying similar principles.

Costs related to the merger are specified in the notes to the accounts and are stated as a separate line item in the profit and loss account after the net profit attributable to the Group to give a true and fair view of the Group's performance.

The parent company's comparative figures for 1999 have also been restated to reflect that Falck Danmark A/S was hived off as an independent company effective 1 January 2000.

The accounting policies have been supplemented by descriptions of accounting policies for new areas of activity as a result of the expansion of the Group's activities following the merger, including accounting for joint ventures, development costs for specific projects, start-up costs for PFI contracts and costs incurred to bid on PFI projects.

Moreover, minor reclassifications have been made in the layout of the accounts, with corresponding restatement of the comparative figures. The reclassifications have no impact on the net profit or shareholders' equity of the Group or the parent company.

Basis of consolidation

The Group accounts consolidate the accounts of the parent company, Group 4 Falck A/S and the subsidiaries in which the Group holds a majority of the votes or in any other way exercises a controlling interest.

The Group accounts are prepared on the basis of the accounts of Group 4 Falck A/S and subsidiaries by adding items of like nature. The accounts used for consolidation are prepared according to the Group's accounting policies.

In the consolidation, intercompany income and expenses, intercompany balances and gains and losses on transactions between Group companies are eliminated.

In the consolidation of net profit and shareholders' equity for the Group, net profit and shareholders' equity in subsidiaries attributable to minority interests are stated separately.

Acquired or newly established companies are included in the consolidated accounts as from the date of acquisition or establishment.

Companies divested or discontinued are included in the profit and loss account until the date of divestment. Gains or losses relative to the net book value at such date are included in the profit and loss account. Other than the restatement to reflect the merger with Group 4 Securitas (International) B.V. mentioned in the introduction, comparative figures are not restated to reflect companies acquired, divested or discontinued.

On acquisition of new subsidiaries, associated companies or joint ventures as well as increases in ownership, any difference between the purchase price and shareholders' equity of the company acquired, made up according to the Group's accounting policies, is allocated to the assets and liabilities of the company acquired, wherever possible. This includes provisions for restructuring decided for implementation as a result of the acquisition.

Any remaining difference (goodwill on consolidation) is capitalised and amortised on a straight-line basis over the estimated useful economic life, estimated not to exceed 20 years. The long amortisation period is primarily applied for large acquisitions through which the Group enhances its market position or achieves a strong market position and a long-term effect on earnings.

Associated companies and joint ventures

Companies in which the Group holds 20% or more of the voting rights and exercises a significant influence on the operational and financial management are considered to be associated companies.

PFI projects established in companies in Global Solutions, through which the

Group has entered into agreements for joint management with the co-owners and typically holds 40-50% of the voting rights and does not in any way exercise a controlling interest, are considered joint ventures.

Investments in associated companies and joint ventures are stated as separate line items in the profit and loss account and balance sheet at the proportional share of the profit and shareholders' equity of the companies.

Foreign currency

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Receivables and payables in foreign currency are translated into Danish kroner (DKK) at the exchange rates ruling at the balance sheet date. Realised and unrealised exchange gains and losses are included in the profit and loss account as financial items.

Realised and unrealised exchange gains and losses from balances with subsidiaries that are considered an addition or deduction from the subsidiary's shareholders' equity, are included in shareholders' equity.

Foreign subsidiaries are considered independent foreign units. Their profit and loss accounts are translated on a monthly basis at the exchange rates ruling at the end of each month, while balance sheet items are translated at the exchange rates ruling at the balance sheet date.

Exchange gains and losses from translating the shareholders' equity of foreign Group companies at the beginning of the year to the exchange rates ruling at the balance sheet date, and from translating the net profit for the year to the exchange rate ruling at the

balance sheet date are included in shareholders' equity.

Profit and loss account

Turnover represents the value of services and goods delivered and invoiced subscriptions attributable to the financial period. *Other revenue* mainly represents other revenue of a secondary nature relative to the Group's activities, such as rental income from real property, and gains on the sale of assets. In addition, this item includes gains on the sale of fixed assets leased back under operating leases.

Cost of goods sold and external assistance represents costs incurred and external assistance used to generate the year's turnover. *Other external expenses* represent costs incurred relating to operating equipment and property, as well as sales and administrative expenses. *Staff costs* represent the salaries and wages, pension contributions, social security and other staff costs for the year.

Goodwill amortisation represents amortisation and any impairment of goodwill on consolidation.

Share of profit from subsidiaries in the parent company's profit and loss account represents the proportional share of net profit or loss before tax in each subsidiary after elimination of intercompany gains and losses. The share of tax in subsidiaries is included in tax on the profit for the year.

Share of profit from associated companies and joint ventures in the consolidated profit and loss account represents the proportional share of the net profit or loss before tax in each associated company or joint venture, made up according to the Group's accounting policies. Intercompany gains and losses are eliminated. The share of

tax in associated companies and joint ventures is included in tax on profit for the year.

Financial items represent interest receivable and payable for the year, realised and unrealised capital gains and losses, other than unrealised gains on securities, which are taken to shareholders' equity.

Extraordinary items represent significant income and expenses that are not part of ordinary activities.

Incentive programmes

Stock option programmes are covered by the Group purchasing own shares for a portfolio equivalent to the number of options that may be exercised.

Corporation tax

Corporation tax is charged to the profit and loss account in the amount of tax payable on the net profit for the year. Deferred tax liabilities, primarily related to the Group's investments in fixed assets, are not expected to become payable within a foreseeable future due to the Group's investment policy. Accordingly, deferred tax is not provided in the accounts but is disclosed in a note to the accounts.

Group 4 Falck A/S is taxed jointly with a number of subsidiaries. Corporation tax for the jointly taxed Danish companies is allocated according to the taxable income of these companies (full allocation)

Balance sheet

Fixed assets

In general, intangible and tangible fixed assets are stated at cost less accumulated straight-line depreciation.

Intangible fixed assets

Development costs represent costs to third party suppliers. Projects are de-

preciated over a maximum of three years from completion.

Internal and external development costs are capitalised if they relate to significant, specific development projects and it is expected that the costs will be recovered through future commercial activities. Such costs are amortised on a straight-line basis over a period of maximum five years.

Other internal development costs are charged to the profit and loss account when incurred.

Goodwill and rights related to acquisitions from third parties are amortised over the estimated useful economic life, not to exceed 20 years, of acquisitions made. If a permanent impairment of goodwill is estimated to have occurred, goodwill is written down to this lower value.

Leasehold improvements are depreciated over the period of the lease, maximum ten years.

Tangible fixed assets

Land and buildings are stated at cost less accumulated depreciation on buildings. Depreciation is calculated on a straight-line basis over the expected useful economic lives of the assets, defined to be between 25 and 33 years. Special installations are depreciated over 10 years. Costs and capital losses related to mortgage loans raised or refinanced at lower interest rates are added to the book value of the property. The amount is depreciated over a period not to exceed five years.

Other operating equipment is depreciated on a straight-line basis over the estimated useful economic lives of the assets, which are:

	Years
Vehicles according to category	5-12
Other operating equipment, fixtures, fittings, etc.	3-10
Dispatch centres, radio systems, major administrative systems and networks incl. software	8
Other computer equipment and software	3-5

In connection with the installation of certain types of alarms for new contracts, a minor proportion of the costs involved is capitalised. Such costs are amortised over five years. Furthermore, fire extinguishers, personal care alarms and similar equipment installed at customer locations in connection with new subscriptions are capitalised and depreciated over three years. Other minor assets with a value below DKK 10,000 are written-off in the year of acquisition.

Gains or losses on the disposal or scrapping of tangible fixed assets are calculated as the difference between the sales price less the cost of dismantling, selling and re-establishing the assets and net book value. Any gain or loss is included in the profit and loss account as other revenue or other expenses, respectively.

Long-term financial assets

Shares in subsidiaries, associated companies and joint ventures are accounted for using the net equity method and are stated at the proportional share of shareholders' equity of the relevant company made up according to the Group's accounting policies. Any negative shareholders' equity is offset against any amounts receivable. Any remaining negative shareholders' equity is recorded as a provision in the parent company's balance sheet.

Other long-term financial assets are stated at cost or nominal value less amounts received and write-downs for anticipated losses. Other long-term financial assets comprise contract debtors, start up costs receivable and long-term receivables.

Costs incurred for services under PFI contracts during the period before the facility becomes available for operation are recognised over the remaining contract term as and when the related income is received. These costs are accumulated as contract debtors when incurred to the extent they are covered by the contract.

Start up costs receivable are costs incurred after the award of the PFI contract and relate to the preparation of the facility for commercial operation. These costs are covered by the customer during the period of the contract. The costs to be received in the forthcoming year are included in current assets, while the remaining amount is included in start-up costs receivable.

Current assets

Stocks

Raw materials, consumables and goods for resale are recorded at cost.

Work in progress, finished goods and work in progress for third parties, which primarily consist of ongoing installation of alarm-systems, etc., are stated at cost plus appropriate direct and indirect manufacturing costs. For certain long-term installations for the account of third parties, a proportion of the profit is recognised, made up on a conservative basis.

Payments received on account from customers for work in progress for third parties are deducted from the asset.

Obsolete stocks are written down to net realisable value.

Receivables

Receivables are stated at nominal value, less provisions for anticipated losses.

Accruals

Accruals include prepaid costs, including certain costs involved in participating in tender processes. Costs related to tenders for public offers for significant long-term PFI projects are charged to the profit and loss account when incurred. If the Group is awarded status as preferred bidder, the costs incurred in the current financial period are capitalised as accruals. For PFI contracts awarded, the amount is charged to the profit and loss account over the term of the contract and maximum five years. If the Group is not awarded the contract, the cost is written off when the decision on the tender is received.

Securities

Listed securities are stated at the officially quoted price at the balance sheet date; unrealised capital gains are included in shareholders' equity, while unrealised capital losses are charged to the profit and loss account.

Other securities are stated at the lower of cost and a conservatively estimated market value.

Own shares

The cost of purchasing own shares is charged against shareholders' equity in other reserves. Any proceeds from the sale of own shares are also included in shareholders' equity in other reserves. Gains or losses on own shares are thus not included in the profit and loss account. Dividends on own shares are also taken to shareholders' equity.

Provisions**Subscription commitments**

Subscription commitments represent the amount provided at year-end for assistance until expiry of the subscription period.

Other provisions

Other provisions primarily represent commitments related to acquisitions and restructuring decided at the time of the acquisition and included in the calculation of goodwill on consolidation.

Pension provisions

Pension provisions represent uninsured pension commitments to employees; the provisions are calculated on the basis of a third-party actuarial calculation at the balance sheet date.

Long-term and short-term**liabilities**

Liabilities are stated at nominal value.

Leasing

Leasing commitments for financial or operating leases of equipment are disclosed under contingent liabilities.

Other financial instruments

Financial instruments used to hedge fixed assets and short-term liabilities are stated at market value at the balance sheet date. Any market value adjustments of financial instruments are included in the same line items as the transaction hedged.

Cash flow statement

The consolidated cash flow statement is presented according to the indirect method.

Cash flows from the Group's operating activities include revenue less operating expenses adjusted for non-cash operating items, changes in working capital, extraordinary items paid, corporation tax paid and payments for invest-

ments in tangible fixed assets, development costs and leasehold improvements.

Cash flows from investing activities represent net investments in acquisitions.

Cash flows from financing activities represent movements in share capital, loans raised, payments on interest-bearing debt, dividends paid, net financial items and exchange differences.

Cash and cash equivalents at the beginning and end of the year represent cash at bank and in hand and marketable securities.

DEFINITIONS OF RATIOS

The ratios are calculated on the basis of the annual accounts and the Group's accounting policies. Deferred tax is not provided in the accounts, see accounting policies, and, consequently, no adjustment thereof is made in the key ratios.

Organic growth

Growth in turnover relative to the preceding year measured in local currency and adjusted for turnover from acquisitions and divestments.

Operating margin before goodwill amortisation

Operating profit before goodwill amortisation as a percentage of turnover.

Return on net operating assets excluding goodwill

Operating profit before goodwill amortisation divided by average net operating assets excluding goodwill.

Economic Value Added™

Operating profit before goodwill amortisation after tax divided by average net operating assets including goodwill.

Net capital investments

Investments in land and buildings and operating equipment less assets sold.

Equity ratio

Shareholders' equity at year-end excluding minority interests as a percentage of total assets.

Gearing

Net interest-bearing debt at year-end as a percentage of shareholders' equity including minority interests.

Book value per share

Shareholders' equity excluding minority interests divided by the number of shares at year end.

Price/book value

Market price per share at 31 December divided by book value per share at year-end.

Earnings per share

Profit on ordinary activities after tax and minority interests divided by average number of shares less own shares.

Cash earnings per share

Self-financing from operations (profit on ordinary activities after tax adjusted for expenses of a non-cash nature) divided by average number of shares less own shares.

Price/earnings

Market price per share at 31 December divided by earnings per share.

Dividend per share

Dividend divided by the number of shares.

Profit and loss account *(amounts in DKKm)*

Parent company		Note	2000	Group 1999 <i>Pro forma unaudited*</i>	Falck Group 1999
1999	2000				
3.1	6.6	1 Turnover	18,209.6	15,261.4	7,204.7
2.2	-	2 Other revenue	133.3	130.8	91.6
5.3	6.6	Total revenue	18,342.9	15,392.2	7,296.3
-	-	Cost of goods sold and external assistance	(1,156.7)	(906.9)	(829.2)
(19.6)	(11.8)	Other external expenses	(2,877.7)	(2,679.1)	(1,044.9)
(26.8)	(39.0)	3 Staff costs	(12,858.3)	(10,605.8)	(4,691.5)
(1.1)	(1.2)	4 Depreciation, amortisation and write-downs	(502.8)	(435.2)	(324.3)
(47.5)	(52.0)	Total expenses	(17,395.5)	(14,627.0)	(6,889.9)
(42.2)	(45.4)	OPERATING PROFIT BEFORE GOODWILL AMORTISATION	947.4	765.2	406.4
(62.0)	(78.4)	4 Goodwill amortisation	(178.7)	(144.5)	(103.9)
(104.2)	(123.8)	OPERATING PROFIT	768.7	620.7	302.5
624.9	696.0	5 Share of profit before tax from subsidiaries			
		5 Share of profit before tax from associated companies and joint ventures	44.5	30.6	2.3
(3.9)	(13.0)	6 Net financial items	(117.9)	(44.9)	(49.7)
516.8	559.2	ORDINARY PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	695.3	606.4	255.1
(212.4)	(205.9)	7 Tax on ordinary profit	(226.0)	(214.1)	(75.5)
304.4	353.3	ORDINARY PROFIT AFTER TAX	469.3	392.3	179.6
-	-	8 Extraordinary items	(8.0)	(18.5)	(6.8)
-	-	7 Tax on extraordinary items	-	3.6	1.7
-	-	EXTRAORDINARY PROFIT/(LOSS) AFTER TAX	(8.0)	(14.9)	(5.1)
304.4	353.3	PROFIT FOR THE YEAR BEFORE MERGER COSTS	461.3	377.4	174.5
		Share of profit for the year attributable to minority interests	(51.2)	(73.0)	(18.4)
304.4	353.3	SHARE OF PROFIT FOR THE YEAR BEFORE MERGER COSTS ATTRIBUTABLE TO GROUP 4 FALCK	410.1	304.4	156.1
	(107.2)	9 Merger costs after tax	(164.0)		
	246.1	GROUP 4 FALCK'S SHARE OF PROFIT FOR THE YEAR	246.1		
20.6	33.0	Proposed allocation of profit:			
283.8	213.1	Dividend to shareholders			
		Transfer to retained profit			
304.4	246.1				

*26 Pro forma unaudited comparative figures

Balance sheet at 31 December (amounts in DKKm)

Parent company				Group	Falck Group
1999	2000			1999	1999
				Pro forma unaudited*	
Assets					
		Note			
		10	INTANGIBLE FIXED ASSETS		
			Development costs	10.5	14.3
1,362.8	748.8		Goodwill and rights	2,352.0	1,975.4
			Leasehold improvements	29.8	20.9
1,362.8	748.8		TOTAL INTANGIBLE FIXED ASSETS	2,392.3	2,190.9
					2,005.4
		11	TANGIBLE FIXED ASSETS		
			Land and buildings	746.0	812.7
11.5	7.5		Other operating equipment	1,481.8	1,350.1
11.5	7.5		TOTAL TANGIBLE FIXED ASSETS	2,227.8	2,162.8
					1,677.0
		12	LONG-TERM FINANCIAL ASSETS		
1,355.4	2,333.2		Investments in subsidiaries		
			Investments in associated companies	45.9	29.0
		13	Investments in joint ventures	53.9	14.2
178.1	473.3		Receivables from subsidiaries		-
			Other long-term financial assets	55.3	39.4
			Securities	98.2	-
1,533.5	2,806.5		TOTAL LONG-TERM FINANCIAL ASSETS	253.3	207.0
					62.6
2,907.8	3,562.8		TOTAL FIXED ASSETS	4,873.4	4,560.7
					3,745.0
			CURRENT ASSETS		
		14	Stocks	371.1	346.6
-	79.2	15	Trade debtors	2,583.0	2,177.3
72.1	33.1		Amounts receivable from subsidiaries		879.4
			Amounts receivable from associated companies	16.6	18.1
			Amounts receivable from joint ventures	76.2	-
-	169.0		Dividend receivable		
4.1	-		Prepayments	293.8	287.1
1.5	0.1		Securities	13.9	6.2
130.7	37.8		Cash at bank and in hand	1,001.7	462.4
208.4	319.2		TOTAL CURRENT ASSETS	4,356.3	3,663.3
					1,697.4
3,116.2	3,882.0		TOTAL ASSETS	9,229.7	8,224.0
					5,442.4

Balance sheet at 31 December (amounts in DKKm)

Parent company				Group	Falck Group
1999	2000		2000	1999	1999
				<i>Pro forma</i>	
				<i>unaudited*</i>	
Equity and liabilities					
		Note			
		16	SHAREHOLDERS' EQUITY		
412.8	412.8		Share capital	412.8	258.0
705.5	705.5		Share premium	705.5	502.1
1,333.0	1,406.8		Reserves	1,333.0	1,333.0
2,451.3	2,525.1		GROUP 4 FALCK A/S' SHARE OF SHAREHOLDERS' EQUITY	2,451.3	2,093.1
			Minority interests' share of shareholders' equity in subsidiaries	134.5	37.3
2,451.3	2,525.1		TOTAL SHAREHOLDERS' EQUITY	2,571.5	2,130.4
			PROVISIONS		
		17	Pension provisions	70.0	20.7
			Subscription commitments	514.0	519.8
51.4	3.1	18	Other provisions	95.6	76.2
51.4	3.1		TOTAL PROVISIONS	679.6	616.7
			LONG-TERM LIABILITIES		
170.8	761.5	19	Credit institutions	1,443.7	651.5
170.8	761.5		TOTAL LONG-TERM LIABILITIES	1,072.1	651.5
			CURRENT LIABILITIES		
309.4	333.8		Credit institutions	1,041.1	386.9
			Prepayments from customers	296.3	115.0
1.3	-		Trade creditors	611.5	321.1
1.0	210.7		Amounts payable to subsidiaries		
21.7	-		Corporation tax	130.4	36.1
82.1	10.6	20	Other creditors	1,877.3	1,050.3
6.6	4.2		Accruals and deferred income	448.1	113.8
20.6	33.0		Proposed dividend for the year	42.1	20.6
442.7	592.3		TOTAL CURRENT LIABILITIES	3,862.6	2,043.8
3,116.2	3,882.0		TOTAL EQUITY AND LIABILITIES	8,224.0	5,442.4

21 Own shares

22 Contingent liabilities

23 Deferred tax

24 Related parties

25 Fees to auditors appointed by the annual general meeting

Cash flow statement *(amounts in DKKm)*

	Group 2000	1999 <i>Pro forma unaudited *</i>	Falck Group 1999
Total revenue	18,342.9	15,392.2	7,296.3
Staff costs	(12,858.3)	(10,605.8)	(4,691.5)
Depreciation and amortisation	(502.8)	(435.2)	(324.3)
Total other expenses	(4,034.4)	(3,586.0)	(1,874.1)
Total expenses	(17,395.5)	(14,627.0)	(6,889.9)
Operating profit before goodwill amortisation	947.4	765.2	406.4
Goodwill amortisation	(178.7)	(144.5)	(103.9)
Operating profit	768.7	620.7	302.5
Depreciation and amortisation	681.5	579.7	428.2
Change in operating assets	(289.9)	(455.8)	(114.3)
Change in operating liabilities	161.0	258.3	189.2
Change in provisions	(9.1)	(19.0)	(47.5)
Investments in fixed assets			
Payments to acquire intangible assets	(15.4)	(15.3)	(8.0)
Payments to acquire long-term financial assets	-	(27.7)	(27.7)
Payments to acquire land and buildings	34.9*	60.1	81.4
Payments to acquire other operating equipment	(545.3)	(443.2)	(295.4)
Amounts received from long-term debtors	9.2	21.0	
Free cash flow from operating activities before financial items, tax, etc.	795.6	578.8	508.4
Extraordinary items	-	(6.8)	(6.8)
Corporation tax paid (excluding tax on merger costs)	(249.0)	(175.7)	(30.5)
FREE CASH FLOW	546.6	396.3	471.1
Investments in Group companies			
Net investments in subsidiaries, associated companies and joint ventures	(406.5)	(792.6)	(769.0)
Net cash taken over on acquisitions/sold on divestments	(27.1)	(75.7)	(75.7)
Change in restructuring provision for subsidiaries	(64.3)	8.2	3.0
NET CASH OUTFLOW FOR INVESTMENTS IN GROUP COMPANIES	(497.9)	(860.1)	(841.7)
Financial items			
Increase in share capital including share premium	-	523.1	523.1
Payments to acquire own shares	(127.3)	(32.8)	(32.8)
Dividend paid to shareholders	(20.6)	(24.8)	(24.8)
Dividend paid to minority interests	(20.8)	(115.9)	
Dividend received	13.9	16.1	
Change in interest-bearing debt	620.8	323.5	137.3
Net financial items	(116.3)	(80.7)	(49.7)
Exchange differences	(0.3)	28.8	9.6
Other adjustments	9.7	(33.4)	15.9
NET CASH FLOW FROM FINANCIAL ITEMS	359.1	603.9	578.6
Change in cash and cash equivalents	407.8	140.1	208.0
Extraordinary merger costs after tax	(164.0)		
Cash and cash equivalents at beginning of year	771.8	631.7	260.8
CASH AND CASH EQUIVALENTS AT YEAR-END	1,015.6	771.8	468.8

*Excluding gain on sale of buildings

Notes to the accounts *(amounts in DKKm)*

Parent company			2000	Group 1999 <i>Pro forma unaudited*</i>	Falck Group 1999
1999	2000				
		Note 1 Turnover			
3.1	6.6	UK and Ireland	4,594.5	4,033.6	
		Denmark	3,866.0	3,746.2	3,746.2
		Benelux	3,449.7	2,662.0	765.1
		Sweden	1,285.1	1,043.0	1,043.0
		Central and Eastern Europe	1,150.2	977.9	
		Norway	883.0	762.2	762.2
		Asia and Australia	690.3	533.0	
		Germany	657.9	409.9	409.9
		North America	350.1	366.8	
		Baltic states	316.5	228.6	228.6
		Poland	216.3	112.1	112.1
		Africa and Middle East	182.7	107.1	
		Southern Europe	167.3	141.4	
		Finland	139.4	115.2	115.2
		Other countries	260.6	22.4	22.4
3.1	6.6	Total turnover	18,209.6	15,261.4	7,204.7
		Turnover in 2000 includes revenue of DKK 40 million from installation of alarm and surveillance systems, sold with special financing.			
		Note 2 Other revenue			
		Miscellaneous revenue	53.3	30.5	30.5
		Amount recognised from pension institutions	39.0	39.2	
		Gain on sale of assets including on transition to operating leases	41.0	61.1	61.1
		Total other revenue	133.3	130.8	91.6
		Note 3 Staff costs			
(12.7)	(19.7)	Salaries and wages to employees	(10,184.1)	(8,577.8)	(3,996.7)
(9.4)	(11.6)	Salaries and remuneration to the parent company's Management Board	(22.2)	(9.4)	(9.4)
(1.4)	(2.8)	Remuneration to the parent company's Board of Directors	(2.8)	(1.4)	(1.4)
(23.5)	(34.1)	Total salaries and wages	(10,209.1)	(8,588.6)	(4,007.5)
(0.8)	(2.1)	Pension costs	(294.3)	(228.1)	(134.3)
(0.5)	(0.4)	Other social security costs	(1,634.8)	(1,351.6)	(412.2)
(2.0)	(2.4)	Other staff costs	(720.1)	(437.5)	(137.5)
(3.3)	(4.9)	Total other staff costs	(2,649.2)	(2,017.2)	(684.0)
(26.8)	(39.0)	Total staff costs	(12,858.3)	(10,605.8)	(4,691.5)
34	35	Average number of full-time employees excluding part-time firemen and guards	111,325	103,694	20,680
		Number of part-time firemen and guards	10,063	9,465	9,465

Notes to the accounts *(amounts in DKKm)*

Stock options - Group and parent company						Of which
Year of grant	Persons included	Period of exercise	Exercise price	Number of options	Management Board	
1998	5	1.7.2001 - 31.12.2003	400	47,500	35,000	
1999	26	1.7.2002 - 30.6.2005	512	54,500	14,063	
2000	50	1.11.2003 - 31.12.2005	1,070	59,116	18,599	
Stock options granted in 2000 can be exercised subject to specific terms and conditions, including that the market price of the shares at the time of exercise must exceed the exercise price, indexed at 6% p.a. from the date of grant.						
The Group's liability for these stock options is covered by the portfolio of own shares.						
Parent company			Group	Falck Group		
1999	2000		2000	1999	1999	
Pro forma unaudited *						
		Note 4 Depreciation, amortisation and write-downs				
		Development costs	(5.5)	(6.2)	(1.8)	
		Rights	-	(3.5)	(3.5)	
		Leasehold improvements	(5.8)	(4.6)	(4.6)	
		Buildings	(51.2)	(47.0)	(34.4)	
(1.1)	(1.2)	Other operating equipment	(440.3)	(373.9)	(280.0)	
(1.1)	(1.2)	Total depreciation, amortisation and write-downs	(502.8)	(435.2)	(324.3)	
(62.0)	(78.4)	Goodwill amortisation	(178.7)	(144.5)	(103.9)	
Note 5 Profit from Group companies						
Share of profit from subsidiaries						
624.9	696.0	Profit before tax				
(221.1)	(228.7)	Tax on profit for the year				
403.8	467.3	Profit after tax				
Share of profit from associated companies and joint ventures						
		Profit before tax	44.5	30.6	2.3	
		Tax on profit for the year	(2.7)	(8.8)		
		Profit after tax	41.8	21.8	2.3	
Note 6 Net financial items						
11.6	27.0	Interest income, Group companies				
		Dividend received	1.4	1.7		
		Exchange differences	-	8.9		
		Gain on sale of securities	-	28.1		
3.8	3.6	Other interest income	86.0	60.5	10.9	
15.4	30.6	Total financial income	87.4	99.2	10.9	
(0.1)	(9.8)	Interest expense, Group companies				
		Exchange differences	(3.0)	-		
	(5.4)	Loss on sale of securities	(5.4)	-		
(19.2)	(28.4)	Other interest expense	(196.9)	(144.1)	(60.6)	
(19.3)	(43.6)	Total financial expenses	(205.3)	(144.1)	(60.6)	
(3.9)	(13.0)	Net financial items	(117.9)	(44.9)	(49.7)	

Notes to the accounts *(amounts in DKKm)*

Parent company			2000	Group 1999 <i>Pro forma unaudited*</i>	Falck Group 1999
1999	2000				
		Note 7 Corporation tax			
12.0	21.4	Tax on ordinary profit	(218.8)	(202.5)	(72.2)
(221.1)	(228.7)	Tax on profit in Group companies	(2.7)	(8.8)	-
(3.3)	1.4	Adjustment of tax in previous years	(4.5)	(2.8)	(3.3)
(212.4)	(205.9)	Total tax on ordinary profit	(226.0)	(214.1)	(75.5)
-	-	Tax on extraordinary items	-	3.6	1.7
	13.7	Tax on merger costs	33.8		
(212.4)	(192.2)	Total corporation tax	(192.2)	(210.5)	(73.8)
33.6	79.5	Corporation tax paid during the year			
		Note 8 Extraordinary items			
-	-	Write-down of tangible fixed assets	-	(11.7)	
		Close-down of activities	(8.0)	(6.8)	(6.8)
-	-	Total extraordinary items	(8.0)	(18.5)	(6.8)
		Note 9 Merger costs			
	(78.3)	Fees to financial advisers	(78.3)		
	(23.4)	Fees to legal advisers and auditors	(45.5)		
	(3.9)	Printing, advertisement and other costs	(4.9)		
	(15.3)	Extraordinary restructuring costs	(69.1)		
	(120.9)		(197.8)		
	13.7	Tax on merger costs	33.8		
	(107.2)	Total merger costs	(164.0)		

Parent company			Development costs	Group Goodwill and rights	Leasehold improvements
Goodwill and rights		Note 10 Intangible fixed assets			
1,520.7		Cost at 1 January	10.9	2,314.4	60.3
-		Additions from merger	10.8	643.5	
-		Exchange differences	0.5	1.6	(0.2)
6.0		Additions on acquisitions		152.4	-
16.6		Additions	5.6	234.5	14.5
(601.1)		Disposals and reclassifications	(3.4)	(67.5)	(3.3)
942.2		Cost at 31 December	24.4	3,278.9	71.3
(157.9)		Amortisation and write-downs at 1 January	(1.8)	(339.0)	(39.4)
-		Additions from merger	(5.6)	(463.2)	
-		Exchange differences	(0.1)	(2.7)	0.1
-		Additions on acquisitions	-	-	-
42.9		Disposals and reclassifications	(0.9)	56.7	3.6
(78.4)		Amortisation and write-downs for the year	(5.5)	(178.7)	(5.8)
(193.4)		Amortisation and write-downs at 31 December	(13.9)	(926.9)	(41.5)
748.8		Net book value at year-end	10.5	2,352.0	29.8

Notes to the accounts *(amounts in DKKm)*

Parent company		Note 11 Tangible fixed assets	Group	
Other operating equipment			Land and buildings	Other operating equipment
15.0	Cost at 1 January		889.5	2,619.4
-	Additions from merger		262.0	773.7
-	Exchange differences		0.1	(3.0)
-	Additions on acquisitions		39.5	75.9
1.3	Additions		87.4	588.9
(4.1)	Disposals and reclassifications		(100.6)	(159.6)
12.2	Cost at 31 December		1,177.9	3,895.3
	Revaluation at 1 January		166.3	
	Released on sale of land and buildings		(78.9)	
	Revaluation at 31 December		87.4	
(3.5)	Depreciation and write-downs at 1 January		(404.5)	(1,593.7)
-	Additions from merger		(100.6)	(449.3)
-	Exchange differences		(2.3)	1.3
-	Additions on acquisitions		(11.9)	(35.4)
-	Disposals and reclassifications		51.2	103.9
(1.2)	Depreciation and write-downs for the year		(51.2)	(440.3)
(4.7)	Depreciation and write-downs at 31 December		(519.3)	(2,413.5)
7.5	Net book value at year-end		746.0	1,481.8
	of which buildings and other assets under construction		0.5	96.3
	Book value at year-end of capitalised debt discount		1.8	
	Officially assessed value of land and buildings at beginning of the year		683.6	
	Book value of new buildings not assessed and under construction		2.0	
	Book value of land and buildings abroad		214.8	
Investments in subsidiaries	Receivables from subsidiaries	Note 12 Long-term financial assets	Investments in associated companies	Other long-term financial assets
2,205.7	187.9		20.4	39.4
358.2		Cost at 1 January	5.1	21.2
		Additions from merger		0.7
		Exchange differences		
784.8	285.4	Additions on acquisitions	15.9	
		Additions	6.9	-
(605.8)	-	Disposals, reclassifications and amounts received	(10.6)	(6.0)
2,742.9	473.3	Cost at 31 December	37.7	55.3
(1,218.3)		Share of valuation adjustments at 1 January	2.8	
		Additions from merger	0.7	
(16.7)		Exchange differences	-	
467.3		Share of profit after tax	4.7	
-		Revaluation and write-downs for the year		
527.0		Disposals		
-		Reclassified to goodwill		
(169.0)		Dividend		
(409.7)		Share of valuation adjustments at 31 December	8.2	
2,333.2	473.3	Net book value at year-end	45.9	55.3

Notes to the accounts *(amounts in DKKm)*

Parent company	2000	Group 1999
Other long-term financial assets fall due:		
Within 1 year	5.4	4.5
After 1 year	49.9	56.1
	55.3	60.6
Breakdown of other financial assets:		
Contract debtors	35.5	39.4
Start up costs receivable	3.7	5.1
Long-term receivables	16.1	16.1
Total other long-term financial assets	55.3	60.6
Note 13 Investments in joint ventures		
Investments in joint ventures at 1 January	-	
Additions from merger	14.2	
Exchange differences	(0.5)	
Additions	16.7	
Share of profit after tax	37.0	
Other adjustments	-	
Dividend received	(13.5)	
Investments in joint ventures at 31 December	53.9	
Receivables from joint ventures at 31 December	76.2	
The accounts of the joint ventures show:		
	2000	1999
Balance sheet		
Assets (incl. contract debtors)	7,830.1	1,983.2
Short-term liabilities	(372.4)	(113.1)
Long-term liabilities	(7,348.7)	(1,841.6)
Net assets, 100%	109.0	28.5
Group 4 Falck's share of net assets	53.9	14.2
Long-term liabilities relate primarily to loan facilities to joint ventures by various bank syndicates. Included in assets are contract debtors receivable due after more than one year	3,729.9	1,821.0
Profit and loss account		
Turnover	667.0	403.8
Expenses	(586.6)	(347.5)
Tax	(5.4)	(17.5)
Net profit, 100%	75.0	38.8
Group 4 Falck's share of net profit	37.0	19.4

All joint ventures and their subsidiaries have operating contracts with Group 4 Falck companies regarding the management of prisons and secure training centres for the duration of the contract terms. The Parent company and other Group companies has issued performance bonds for the entire period.

Notes to the accounts *(amounts in DKKm)*

Parent company			Group	Falck Group
1999	2000		2000	1999
				<i>Pro forma unaudited*</i>
		Note 14 Stocks		
		Raw materials and consumables	40.9	36.0
		Work in progress	7.6	18.6
		Finished goods and goods for resale	217.7	202.7
		Work in progress for third parties	104.9	89.3
		Total stocks	371.1	346.6
		Work in progress for third parties includes estimated profit on longer lasting individual installations	7.0	5.0
		Note 15 Trade debtors		
-	-	Services	2,262.1	1,903.3
-	-	Subscriptions	43.2	38.1
-	79.2	Other	277.7	235.9
-	79.2	Total trade debtors	2,583.0	2,177.3
		<i>Parent company and Group</i>		
		Note 16 Shareholders' equity		
		Share capital	412.8	
		Share premium	705.5	
		Reserves	1,406.8	
		Group 4 Falck A/S' share of equity	2,525.1	
		Share capital at 1 January	258.0	
		Capital increase on merger	154.8	
		Share capital at 31 December	412.8	
		Share premium at 1 January	502.1	
		Capital increase on merger	203.4	
		Share premium at 31 December	705.5	
		Reserves at 1 January	1,333.0	
		Profit for the year	246.1	
		Write-off of own shares	(127.4)	
		Exchange differences	(11.9)	
		Proposed dividend for the year	(33.0)	
		Reserves at 31 December	1,406.8	
		Minority interests' share of shareholders' equity in Group companies at 1 January	37.3	
		Additions on merger	82.9	
		Exchange differences	(9.0)	
		Share of profit for the year	51.2	
		Acquisitions of minority interests	(1.4)	
		Sale of minority interests	(6.9)	
		Minority interest investments	1.3	
		Dividend to minority interests	(20.9)	
		Minority interests' share of shareholders' equity in Group companies at 31 December	134.5	

Notes to the accounts (amounts in DKKm)

Parent company			Group	Falck Group
1999	2000		2000	1999
				<i>Pro forma unaudited*</i>
		Note 17 Pension provisions		
		Pension provisions at 1 January	54.0	
		Exchange differences	0.3	
		Additions on acquisitions	0.3	
		Change in pension provisions for the year	15.4	
		Total pension provisions	70.0	
		Note 18 Other provisions		
	51.4	Other provisions at 1 January	144.0	
		Exchange differences	0.2	
		Additions on acquisitions	32.5	
	12.0	Adjustment for acquisitions in previous years	0.0	
	-	Provisions made during the year	22.9	
	(60.3)	Provisions used for restructuring	(104.0)	
	3.1	Total other provisions	95.6	
		Other provisions include provisions for restructuring of certain activities, functions, etc. The provision used during 2000 included costs incurred for restructuring in Poland, the Netherlands and Germany.		
		Note 19 Credit institutions		
170.8	761.5	Due between 1-5 years	1,206.8	1,069.6
-	-	Due after 5 years	236.9	2.5
170.8	761.5	Total credit institutions	1,443.7	1,072.1
		Net book value of Group property, on which bearer mortgages have been issued:	531.2	651.3
-	-	Bearer mortgages used as collateral for debt	-	-
-	-	Bearer mortgages not used, held by the Group	32.6	32.6
-	-	Total bearer mortgages	32.6	32.6
		Note 20 Other creditors		
2.2	3.5	Holiday pay	673.6	605.2
1.7	1.8	Employee income taxes, etc.	571.0	480.2
-	-	VAT	322.6	370.5
78.2	5.3	Other	310.1	361.2
82.1	10.6	Total other creditors	1,877.3	1,817.1
		Note 21 Own shares - Group and parent company		
		Portfolio of own shares, number of shares	217,200	109,800
		Purchased during the year, number of shares	107,400	56,000
		Portfolio as a percentage of share capital	1.05%	0.53%
		Purchased during the year, as a percentage of share capital	0.52%	0.27%
		Purchase price of shares purchased during the year	127.4	32.8
		Total purchase price	181.9	54.5
		Market value of portfolio of own shares	230.2	85.1
		The shares are purchased to cover liabilities under the stock option programme for the management.		

Notes to the accounts *(amounts in DKKm)*

Parent company			Group	Falck Group
1999	2000		2000	1999
				<i>Pro forma unaudited *</i>
		Note 22 Contingent liabilities		
142.3	2,551.4	Guarantee commitments	702.1	701.0
-	1,065.0	of which credit facilities utilised in subsidiaries		148.2
-	-	Pension commitments	118.6	103.3
-	-	Rent commitments, annual expense (max 20 years)	235.0	0.9
		Rent and lease commitments, annual expense (max 5 years)	306.1	183.1
1.0	1.0	Lease commitments, annual expense (max 10 years)	35.8	86.1
-	-	Commitments under other commercial agreements, annual expense (max 2 years)	281.6	219.5
-	-			43.5
				29.3
				21.8
		The parent company has issued letters of intent and letters of comfort for credit facilities and similar commitments with group companies for an aggregate amount of DKK 137.9 million. The parent company is jointly and severally liable with the other jointly taxed Danish Group companies for tax on jointly taxed income. The tax authorities in the United Kingdom have initiated an examination of a reorganisation of the UK-based companies in 1996. The management estimates that the outcome of this examination will not affect the Group's financial position.		
		Note 23 Deferred tax		
		Deferred tax mainly relates to the Group's tangible fixed assets (property and other operating equipment).		
		On realisation at book value of all property and other operating equipment owned by the Group, the said tax, calculated at local tax rates, would not exceed.	210.0	174.8
-	-	Of which tax related to depreciation recovered on property would amount to	50.0	162.0
				59.0
		Tax losses carried forward which can be set off against future taxable income, are not carried on the balance sheet, but amount to DKK 900 million (DKK 653 million) of which a substantial part can be carried forward for an unlimited period.		
		Note 24 Related parties		
		Related parties to Group 4 Falck are Group 4 N.V., the Board of Directors and the Executive Management Board.		
		Apart from the merger, the Group has not had any material transactions with related parties.		

Notes to the accounts (amounts in DKKm)

Parent company			Group 2000	Falck Group 1999 <i>Pro forma unaudited *</i>
1999	2000			
		Note 25 Fees to auditors appointed by the annual general meeting		
		KPMG C.Jespersen:		
1.9	1.1	Audit		
0.3	3.6	Other services		
		PricewaterhouseCoopers:		
	1.0	Audit		
	1.1	Other services		
		Deloitte & Touche, Statsautoriseret		
		Revisionsaktieselskab:		
0.3		Audit		
2.5	6.8			

Note 26 Pro forma unaudited comparative figures

For the merger prospectus of June 2000 consolidated unaudited pro forma financial information for Group 4 Falck was prepared. This pro forma financial information was prepared on the basis of the audited accounts of Falck and unaudited proforma consolidated financial information of Group 4 Securitas (International), by combining line items of a uniform nature. The pro forma consolidated financial information for Group 4 was prepared to illustrate the accounts of the Group 4 companies included in the merger, restated according to the accounting policies of the Falck Group.

The relative size of the merged companies is illustrated below for selected line items:

	Falck	Group 4	Proforma combined Group 4 Falck 1999
Profit and loss account			
Turnover	7,204.7	8,056.7	15,261.4
Operating profit before goodwill amortisation	406.4	358.8	765.2
Operating profit	302.5	318.2	620.7
Operating profit before tax and extraordinary items	255.1	351.3	606.4
Ordinary profit after tax	179.6	212.7	392.3
Extraordinary loss after tax	(5.1)	(9.8)	(14.9)
Profit for the year	174.5	202.9	377.4
Minority interests	(18.4)	(54.6)	(73.0)
Profit for the year attributable to Group 4 Falck	156.1	148.3	304.4
Balance sheet and key ratios			
Total assets	5,442.4	2,781.6	8,224.0
Shareholders' equity excl. minority interests	2,093.1	358.2	2,451.3
Average number of employees, full-time equivalents	20,680	83,014	103,694
Operating margin before goodwill amortisation (%)	5.7	4.5	5.0
Net debt	569.8	466.9	1,036.7
Earnings per share - EPS (DKK)	13.1		15.9
Cash earnings per share - CEPS (DKK)	45.7		48.5

Board of Directors, Management and Auditors

BOARD OF DIRECTORS

Jørgen Philip-Sørensen (Chairman)

Alf Duch-Pedersen (Deputy Chairman)

President & CEO of Danisco A/S

Member of the Board of Directors of:

- Danske Bank Aktieselskab

Henrik Brandt

President & CEO of Sophus Berendsen A/S

Member of the Board of Directors of

- Bryggerigruppen A/S

Sir David Gore-Booth

Jens Kampmann

Managing Director of the Invest Miljø Gruppen

Through this position, member of a large number of that group's Boards of Directors.

In addition, member of the Boards of Directors of:

- Krüger A/S (Chairman)
- De Smithske A/S (Chairman)/Roclean-Desmi
- Paustian A/S (Chairman)
- Sund & Bælt Holding (Chairman)
- J & B Byggeproduktion A/S/Ai-gruppen
- V. Fehr & Co. Holding

Bent Knie-Andersen

Managing Director of the Alm. Brand Group

Member of the Boards of Directors of:

- Alm. Brand Pantebreve (Chairman)
- Forsikringshøjskolen Rungstedgaard A/S
- Aktieselskabet Forsikringens Hus

Member of the Assembly of Representatives of:

- BRF Kredit A/S

Ib Mardahl-Hansen

Director of Tryg-Baltica Forsikring A/S

Waldemar Schmidt

Member of the Boards of Directors of:

- Superfos A/S (Chairman)
- NavisionDamgaard A/S (Chairman)
- Energi E2 A/S (Chairman)
- Thrane & Thrane A/S (Chairman)
- Tholstrup Cheese Holding A/S (Chairman)
- Fona Gruppen A/S

Harald Kortland, Rescue Officer (*)

Bent Flemming Petersen, Fitter (*)

Palle Thirstrup, Rescue Officer (*)

Ebbe Vang, Rescue Officer (*)

(*) Elected by the employees

EXECUTIVE MANAGEMENT BOARD

Lars Nørby Johansen, President & CEO

Member of the Boards of Directors of:

- InWear Group A/S
- Dansk Olie og Naturgas A/S
- William Demant Holding A/S and Oticon A/S
- Copenhagen Airports A/S

Derrick Miller, Group Chief Financial Officer

Hans Bennetzen, Group Chief Operating Officer

Member of the Boards of Directors of:

- S. Dyrup & Co. A/S
- Monberg & Thorsen Holding A/S

John S. Dueholm, Group Chief Operating Officer

Member of the Board of Directors of:

- KILROY travels International A/S

Grahame Gibson, Group Chief Operating Officer

Jim Harrower, Group Chief Operating Officer

AUDITORS

KPMG C. Jespersen

Borups Allé 177, DK-2000 Frederiksberg, Denmark

Finn L. Meyer, State Authorised Public Accountant

Flemming Brokhattingen, State Authorised Public Accountant

PriceWaterhouseCoopers

Strandvejen 44, DK-2900 Hellerup, Denmark

Morten Iversen, State Authorised Public Accountant

Kim Fücksel, State Authorised Public Accountant

Legal Entities of Group 4 Falck

Country	Company	Ultimate ownership			
			Germany	Ballhorn GmbH Magdeburg	87.5%
			Germany	Blattmann GmbH Fankfurt	75%
			Germany	Hansa Alarm GmbH	72%
Australia	Group 4 Correction Services Pty Ltd	100%	Germany	ETOS GmbH	80%
Australia	Australian Correctional Facilities Pty Ltd	50%	Germany	NORD-ALARM NRW GmbH	100%
Austria	Erste Wiener Wach- und Schliessg. AG	100%	Germany	Othmer GmbH	100%
Austria	Group 4 Securitas Austria AG	100%	Germany	Hansefunk Berlin GmbH	60%
Austria	Securiton General Control Systems GmbH	100%	Germany	Sitronik GmbH	74%
Austria	System Object Schutz Ges.m.b.H.	100%	Germany	Hansefunk GmbH	90%
Austria	Data-Storage Datenträger-Depot GmbH	50%	Germany	ela GmbH	100%
Austria	Gabriel Services Anstalt.dienste GmbH	100%	Germany	Huber GmbH	75%
Azerbaijan	Group 4 Securitas Azerbaijan		Germany	Gottschalk GmbH & Co KG	51%
Bahrain	Group 4 Securitas Bahrain WLL	49%	Germany	R&S GmbH & Co. KG	100%
Bangladesh	Group 4 Securitas Bangladesh Pvt Ltd	100%	Germany	SeTec GmbH	100%
Belgium	Global Holding SA/NV	100%	Germany	Sensor GmbH & Co. KG	100%
Belgium	Group 4 Total Security SA/NV	100%	Germany	Falck Direct GmbH	100%
Belgium	Group 4 Technology SA/NV	100%	Germany	Falck Sicherheitsdienste GmbH	100%
Belgium	Euroguard SA/NV	55%	Germany	Tumber BV	100%
Belgium	Group 4 Events SA/NV	100%	Germany	ADS Holding GmbH	100%
Belgium	Secom SA/NV	100%	Germany	ADS Sicherheit GmbH Berlin	100%
Belgium	Seceurop Receptieservices BV BA	100%	Germany	ADS Sicherheit GmbH Leipzig	100%
Belgium	Securilink SA/NV	100%	Germany	ADS Sicherheit GmbH Schwerin	100%
Belguim	Group 4 Securitas SA/NV	100%	Germany	ADS Sicherheit GmbH Cottbus	100%
Belgium	Group 4 Courier SA/NV	100%	Germany	ADS Sicherheit GmbH Magdeburg	100%
Belgium	IQ-SEC SA/NV	100%	Germany	HsdC GmbH Quedlinburg	100%
Belgium	Group 4 Logistics SA/NV	100%	Germany	ADS Sicherheit GmbH Sonneberg	100%
Bulgaria	Group 4 Securitas (Bulgaria) Ltd	97%	Greece	Group 4 Securitas SA Cash-in-transit Services	100%
Canada	Group 4 Securitas Canadian Holdings Ltd	100%	Greece	Group 4 Securitas SA Security Services	100%
Canada	Group 4 Securitas (Canada) Ltd	100%	Greece	Group 4 Securitas SA Technical Services	100%
Canada	Ontario Guard service (Durham) Ltd	100%	Greece	Group 4 Securitas SA Total Security Services	100%
China	Group 4 Securitas Consul.Serv. (Shanghai) Ltd.	100%	Hungary	Group 4 Securitas (Hungary) Kft	100%
Croatia	Group 4 Services Croatia d.o.o.	100%	Hungary	Banktech Security Rt.	100%
Croatia	Securicom International d.o.o	75%	Hungary	Megamicro Rt	100%
Cyprus	Group 4 Securitas (Cyprus) Ltd	100%	India	Group 4 Securitas Guarding Ltd	29%
Cyprus	Group 4 Securitas Medved Ltd	60%	India	Group 4 Securitas Systems Pvt Ltd	32%
Czech rep.	Group 4 Securitas AS	100%	India	Group 4 Holdings Pvt Ltd	32%
Czech rep.	Securiton Electronics Spol sro	100%	India	Group 4 CIT Pvt Ltd	32%
Czech rep.	Group 4 CIT Services Spol sro	100%	India	Group 4 Facility Services Pvt Ltd	32%
Czech rep.	Bankovni Ochranra Sluzba a.s.	100%	India	First Select Pvt Ltd	32%
Denmark	Group 4 Falck A/S		India	Indo-British Garments Pvt Ltd	32%
Denmark	Falck Danmark A/S	100%	India	Securitas Products India Pvt Ltd	32%
Denmark	Esbjerg Brandskole A/S	56.25%	India	AccuRead India Pvt Ltd	16%
Egypt	Group 4 Securitas Egypt	51%	India	Group 4 Training Pvt Ltd	32%
Estonia	AS Falck Baltics	55%	India	CMS India Private Limited	50%
Estonia	AS ESS Eesti	100%	Indonesia	PT Group 4 Securitas Indonesia	97%
Estonia	AS ESS Grupp	100%	Ireland	Irish Security Services Ltd	100%
Estonia	AS Sularahakeskus	100%	Ireland	Group 4 Securitas Ireland Ltd	100%
Estonia	AS Alarmtec	100%	Ireland	Euroguard Security Services Ireland Ltd	100%
Finland	Falck Security Oy	100%	Ireland	Secure Tec (Ireland) Ltd	100%
Finland	SPAC FP Oy	100%	Ireland	Securiclean Ireland Ltd	100%
Finland	Falck Technical Solutions Oy	100%	Ireland	Group 4 Support Services Ltd	100%
France	Group 4 France Holdings SAS	100%	Ireland	Security wardens Ltd	100%
France	Group 4 Sécurité S.A.	100%	Ireland	M.S.A. Systems Ltd	100%
France	Group 4 Surveillance S.A.	100%	Kazakhstan	Group 4 Securitas Kazakhstan JSC	51%
France	Group 4 Valeurs S.A.%	100%	Kuwait	Group 4 Al-Zahem WLL	49%
France	EuroGuard S.A.	100%	Latvia	SIA Group 4 Securitas Latvia LLC	100%
Germany	Falck Deutschland AG	100%	Latvia	Seclat LLC	49%
Germany	Falck Technik GmbH	100%	Latvia	SIA Alarmtec Latvia	100%
Germany	Falck Technik GmbH Rhein-Main	85%	Latvia	SIA Securitas	100%
Germany	Falck Technik GmbH Leipzig	87%	Lithuania	UAB Falck	100%
Germany	Falck Technik GmbH Stuttgart	87%			
Germany	B+M GmbH Dortmund	95%			

Lithuania	UAB Falck Security	100%	Saudi Arabia	Group 4 Securitas Nesma	
Lithuania	UAB Jungtinis Apsaugos Pultas	100%		Saudi Arabia Co Ltd	49%
Luxemb.	Group 4 Falck Reinsurance S.A.	100%	Singapore	Group 4 CISCO Training Pte Ltd	49%
Luxemb.	STL Securitas Technologies		Singapore	Group 4 Securitas Singapore Pte. Ltd.	80%
	Luxembourg SARL	100%	Slovakia	Group 4 Falck Services s.r.o.	100%
Luxemb.	Securitas, Société de Surveil.		Slovakia	Top Servis s.r.o.	75%
	et de Sécurité SA	100%	Slovakia	Group 4 Falck Slovensko s.r.o	100%
Luxemb.	Group 4 Luxembourg SA	100%	Slovakia	Group 4 Falck Technik s.r.o	100%
Luxemb.	Securilec SARL	100%	Slovenia	Group 4 Securitas d.o.o.	55%
Malta	Group 4 Securitas (Malta) Ltd	100%	S. Africa	Group 4 Cor. Serv.	
Malta	Group 4 Services (Malta) Ltd	100%		Bloemfontein SA (Pty) Ltd	51%
Morocco	Group 4 Securitas Maroc SA	50%	S. Africa	Bloemfontein Cor. Contracts (Pty) Ltd	20%
Morocco	Maroc Proteg Surveillance SA	100%	S. Africa	Group 4 Securitas (S.A.) (Pty) Ltd	76%
Morocco	Veil' 24 SA	80%	Sweden	Falck Sverige AB	100%
Nepal	Group 4 Securitas Nepal Pvt Ltd	100%	Sweden	Falck Security AB	100%
Netherlands	Group 4 Securitas (International) BV	100%	Sweden	Falck Ambulans AB	100%
Netherlands	Group 4 Securitas Holding (A) BV	100%	Sweden	Falck Forsäkring AB	100%
Netherlands	Group 4 Securitas Holding (B) BV	100%	Sweden	Falck Räddningskår AB	100%
Netherlands	Group 4 Securitas East Asia BV	32%	Thailand	Group 4 Securitas (Thailand) Ltd	32%
Netherlands	Group 4 Securitas (Nederland) BV	100%	Turkey	Group 4 Securitas Guv. Hiz. San, ve	
Netherlands	Group 4 Services BV	100%		Ticaret AS	51%
Netherlands	Selectronics BV	100%	Turkmenist.	Group 4 Securitas Turkmenistan	100%
Netherlands	Group 4 Securitas Holding (D) BV	100%	Ukraine	Group 4 Securitas Ltd	95%
Netherlands	Group 4 Securitas BV	100%	Arab Emir.	Group 4 Securitas Emirates LLC	49%
Netherlands	Group 4 Falck Finance BV	100%	UK	Group 4 Falck Global Solutions Limited	100%
Netherlands	Nederlandse Veiligheidsdienst		UK	Prison and Court Services Ltd	100%
	Holding BV	100%	UK	Group 4 Court Services Ltd	100%
Netherlands	Nederlandse Veiligheidsdienst		UK	Group 4 Prison Services Ltd	100%
	Nederland BV	100%	UK	Rebound ECD Ltd	100%
Netherlands	Nederlandse Veiligheidsdienst Beheer BV	100%	UK	Education Care and Discipline Ltd	50%
Netherlands	Nederlandse Veiligheidsdienst BV	100%	UK	ECD (Cookham Wood) Ltd	50%
Netherlands	NVD Receptie Service BV	100%	UK	Education Care and Discipline 3 Ltd	50%
Netherlands	Parkeer Groep Nederland BV	25%	UK	ECD (Onley) Ltd	50%
Netherlands	Group 4 Falck Services	100%	UK	Group 4 Carillion (Fazakerley) Ltd	50%
Netherlands	Group 4 Falck Receptie Services BV	100%	UK	Fazakerley Prison Services Ltd	50%
Netherlands	Group 4 Falck Services and Care BV	100%	UK	Group 4 Carillion Ltd	50%
Netherlands	Group 4 Falck Advies en Trainingsc. BV	100%	UK	Group 4 Carillion (Onley) Ltd	50%
Netherlands	Group 4 Falck Praktijkopleidingen BV	100%	UK	Onley Prison Services Ltd	50%
Netherlands	Falck Alarmering & Techniek BV	100%	UK	Group 4 Falck Utility Services Ltd	100%
Netherlands	Group 4 Falck Alarmcentrale BV	100%	UK	AccuRead Limited	51%
Netherlands	NVD Techniek BV	100%	UK	Group 4 Management Services Holdings Ltd	100%
Netherlands	Seceurop Beheer BV	100%	UK	Group 4 Falck Global Solutions UK Ltd	100%
Netherlands	Seceurop Nederland BV	100%	UK	Accommodation Services (Holdings) Ltd	40%
Netherlands	Seceurop Nederland Security Check BV	100%	UK	Integrated Accommodation Services Plc	40%
Netherlands	Seceurop Services BV	100%	UK	Group 4 Falck Joint Ventures Ltd	100%
Netherlands	Seceurop Diensten BV	100%	UK	Group 4 Amey Immigration Ltd	50%
Netherlands	Aviation Security Training and		UK	North Wiltshire Schools Limited	50%
	Adv. Serv. BV	100%	UK	White Horse Education Partnership Limited	50%
Netherlands	Nederlandse Veiligheidsdienst		UK	Armabrand Ltd	100%
	Investments BV	100%	UK	Group 4 Securitas Holdings Ltd	100%
Netherlands	Geldnet Holding BV	25%	UK	Group 4 Securitas (Investments) Ltd	100%
Netherlands	R.I.S.C. Fire and Safety Services BV	100%	UK	Group 4 Cash-in-Transit (Scotland) Ltd	100%
N. Antilles	Group 4 Gulf Holdings NV	100%	UK	Group 4 International Resource Centre	100%
N. Ireland	Group 4 Securitas Northern Ireland Ltd	100%	UK	Group 4 Total Security Ltd	100%
N. Ireland	Group 4 Monitoring Services Ltd	100%	UK	Group 4 Securitas Technology Ltd	100%
N. Ireland	Northern Ireland Property Wardens Ltd	100%	UK	Securitas Technology Plc	100%
N. Ireland	Safeall Security Ltd	100%	UK	Farleigh International Ltd	90%
Norway	Falken Gruppen AS	100%	UK	Group 4 Securitas Training Ltd	100%
Norway	Falken AS	100%	UK	Group 4 Falck Overseas Holdings Ltd	100%
Norway	Telepool AS	100%	USA	Carter Goble Associates Inc	27%
Norway	Unikey AS	100%	USA	Group 4 Securitas Technology Corporation	100%
Oman	Group 4 Securitas and Partners LLC	49%	USA	Group 4, Inc	100%
Oman	Group 4 Alarm Equipment Company	49%	Uzbekistan	Group 4 Securitas Uzbekistan	100%
Philippines	Group 4 Securitas Philippines Inc	60%	Yemen	Group 4 Securitas Yemen Ltd	25%
Philippines	SenTech Inc	60%			
Poland	Group 4 Polska Sp.z.o.o.	50%	The list above includes major companies in the Group's countries of operation.		
Poland	Group 4 Securitas Systems Sp.z.o.o.	50%			
Poland	Falck Polska Sp.z.o.o.	100%			
Poland	Ratownictwo Falck Sp.z.o.o.	100%			
Poland	Falck Ochrona Sp.z.o.o.	100%			
Qatar	Group 4 Securitas Qatar WLL	24%			
Russia	Group 4 Securitas (Russia)	100%			

Certain companies are consolidated although the interest held is less than 50% as Group 4 Falck holds a controlling interest.

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