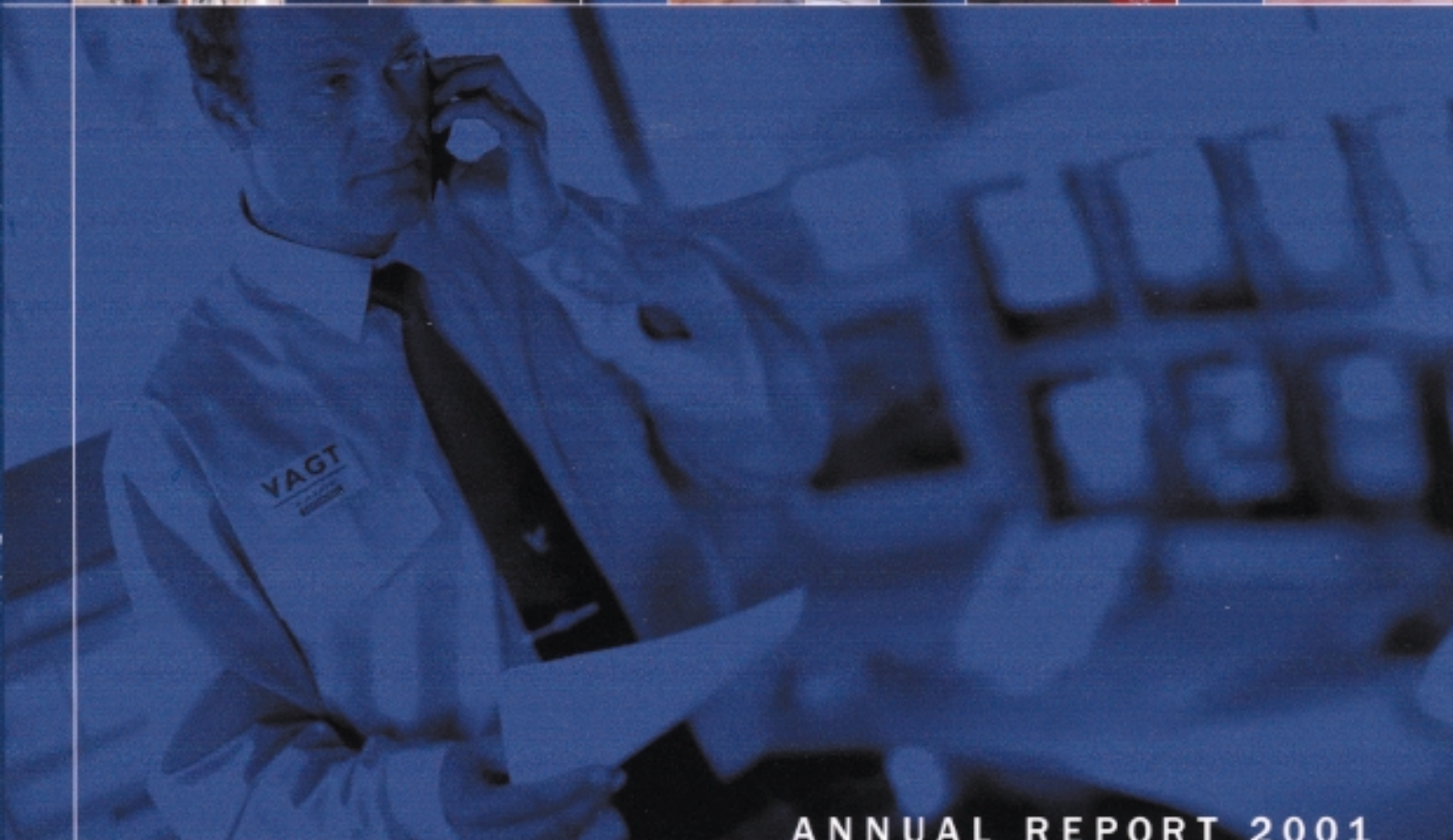




ANNUAL REPORT 2001
www.group4falck.com



**GROUP4
FALCK**



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This annual report has been translated into English from the Danish language. However, the original Danish text shall be governing text for all purposes, and in event of any discrepancies, the Danish version shall be the governing text.

Five-year financial highlights*

DKKm	1997	1998	1999	2000	2001
FINANCIAL HIGHLIGHTS					
PROFIT AND LOSS ACCOUNT					
Turnover	11,866	12,540	15,261	18,210	21,040
Operating profit before goodwill amortisation	491	558	765	947	1,141
Goodwill amortisation	(113)	(122)	(144)	(178)	(201)
Operating profit	378	436	621	769	940
Net special items	(8)	(11)	(18)	(8)	3
Profit before financial items	370	425	603	761	943
Financial items	(35)	(33)	(15)	(74)	(79)
Ordinary profit before tax	335	392	588	687	864
Tax on ordinary profit	(175)	(176)	(217)	(276)	(301)
Profit for the year	160	216	371	411	563
Share of profit attributable to minority interests	(59)	(53)	(73)	(51)	(52)
Group 4 Falck's share of net profit before merger costs	101	163	298	360	511
Merger costs after tax				(164)	
CASH FLOW					
Operating profit before goodwill amortisation	491	558	765	947	1,141
Change in working capital	402	(230)	(217)	(202)	(195)
Net capital investments less depreciation	(131)	(44)	31	(14)	(16)
Free cash flow from operations before financial items, special items, tax, etc.	762	284	579	731	930
Net special items	(8)	(11)	(7)	-	18
Corporation tax paid	(77)	(157)	(176)	(249)	(261)
Cash flow from operating activities	677	116	396	482	687
BALANCE SHEET					
Currents assets, excl. cash and securities, etc.	1,880	2,188	2,874	3,329	4,353
Liabilities excl. financing, corporation tax, etc.	(2,835)	(3,025)	(3,498)	(3,747)	(4,489)
Provisions	(344)	(231)	(329)	(309)	(380)
Fixed assets excl. goodwill	2,123	2,185	2,259	2,319	2,409
Net operating assets excl. goodwill	824	1,117	1,306	1,592	1,893
Goodwill	1,200	1,518	2,156	2,352	2,951
Corporation tax, dividend, etc.	(123)	(141)	(149)	(173)	(184)
Net operating assets incl. goodwill	1,901	2,494	3,313	3,771	4,660
Shareholders' equity	1,432	1,562	2,223	2,249	2,788
Interest-bearing debt	1,118	1,441	1,808	2,485	2,872
Interest-bearing assets (cash and securities)	(894)	(675)	(875)	(1,114)	(1,134)
Provisions for deferred tax	227	211	218	241	261
Net investment in group companies, etc.	18	(45)	(61)	(90)	(127)
Financing	1,901	2,494	3,313	3,771	4,660

* The financial highlights and key ratios have been restated to reflect changes in accounting policy and classification.

Five-year key ratios *

	1997	1998	1999	2000	2001
KEY RATIOS					
Growth in turnover (%)	36.6	5.7	21.7	19.3	15.5
Organic growth (%)				10.1	10.3
Growth in operating profit before goodwill amortisation (%)	46.7	13.7	37.1	23.8	20.4
Operating margin before goodwill amortisation (%)	4.1	4.4	5.0	5.2	5.4
Return on net operating assets excl. goodwill (%)	56.9	57.5	63.2	65.4	65.5
Net operating assets excl. goodwill as a percentage of turnover	7.3	7.7	7.9	8.0	8.3
Economic Value Added (%)	15.5	16.7	18.5	18.2	19.4
Net capital investments (DKKm)	421	399	383	517	558
Average number of employees, full-time equivalents	72,023	88,605	103,694	111,325	147,655
Equity ratio (%)	21.9	21.6	25.6	22.8	23.9
Gearing (%)	15.7	49.0	42.0	61.0	62.3
Price per share at 31 December (DKK)	320	515	775	1,060	937
Book value per share (DKK)	68.33	72.41	101.89	102.41	127.69
Price/book value (DKK)	4.68	7.11	7.61	10.35	7.33
Earnings per share (DKK)	5.20	8.30	14.90	17.60	25.00
Earnings per share adjusted for goodwill amortisation (DKK)	10.90	14.60	22.10	26.40	34.80
Cash earnings per share (DKK)	26.50	33.30	43.80	51.00	61.20
Price/earnings (DKK)	62.07	61.73	52.03	60.12	37.53
Dividend (%)	8	8	8	8	8
Dividend per share (DKK)	1.60	1.60	1.60	1.60	1.60
Number of shares ('000)	19,591	19,591	20,642	20,642	20,642
Number of own shares ('000)	0	54	110	217	170

* The financial highlights and key ratios have been restated to reflect changes in accounting policy and classification.

For definitions of ratios, please refer to [page 28](#).

Directors' report

Group 4 Falck achieved the forecast growth in 2001. The growth generated meets the forecast for the profit for the year. The highlights of Group 4 Falck's performance in 2001 are:

- Turnover increased by 15.5% to DKK 21,040 million
- Organic growth was 10.3%
- Operating profit before goodwill amortisation increased by 20.4% to DKK 1,141 million
- Adjusted for falling exchange rates, turnover rose by 16.8%, and operating profit before goodwill amortisation rose by 22.4%
- The operating margin was 5.4% (5.2%)
- Profit before tax increased by 25.6% to DKK 864 million
- Earnings per share increased by 42.0% to DKK 25.00
- The free cash flow from operating activities increased by 27.2% to DKK 930 million.

A number of [acquisitions](#) were made in 2001, which have consolidated and strengthened the Group's position in local markets.

FINANCIAL REVIEW

The accounting policies are unchanged from last year except for the effect of the recognition of deferred tax. Furthermore extraordinary items and insurance equalisation provisions have been reclassified.

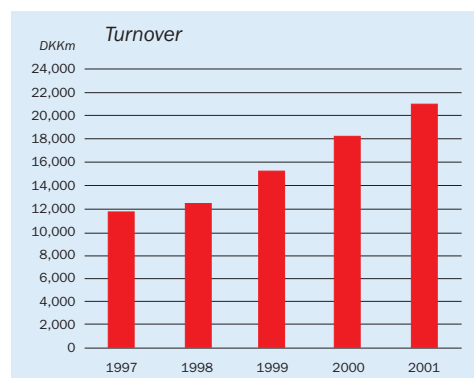
See ["Accounting policies"](#) for a more detailed description of the changes.

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

Group performance

Group turnover increased by 15.5% to DKK 21,040 million (DKK 18,210 million), of which organic growth amounted to 10.3%.

The international slowdown and general economic uncertainty affected some of the Group's countries of operation. However, this was offset by higher growth rates in a number of other countries, including Denmark.



As an effect of the terrorist attacks in the USA on 11 September 2001, an increase was recorded in the demand for security services in a number of countries. However, this did not have any concrete impact on profit.

Operating profit before goodwill amortisation rose by 20.4% to DKK 1,141 million (DKK 947 million), which increased the operating margin to 5.4% (5.2%).

The consolidated turnover and profit were affected by falling exchange rates. The falling exchange rates compared with the levels in 2000 reduced the growth in turnover by DKK 236 million and operating profit before goodwill amortisation by DKK 18 million. The reduction was mainly caused by the exchange rates of the pound sterling and Swedish kroner. This was offset by higher growth and improved earnings, with the result that the forecasts for the year were met. Adjusted for the adverse impact of exchange rates, turnover increased by 16.8% and operating profit before goodwill amortisation increased by 22.4% compared with the levels in 2000.

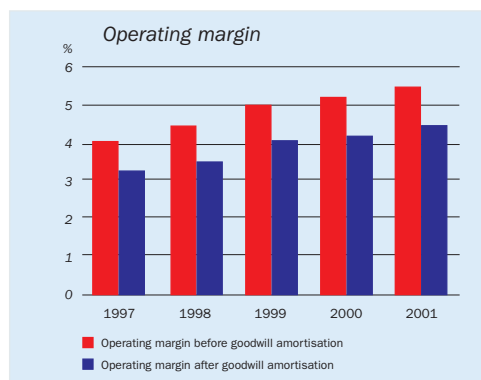
As shown in the table below, a large part of the growth in turnover and profit was generated in the last quarter of the year.

Fourth quarter comparison

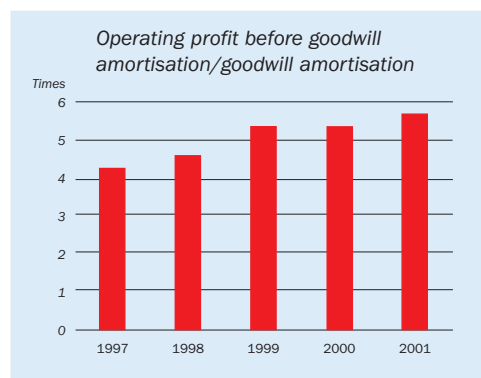
Amounts in DKKm		Q4	
		2001	2000
Turnover	18.1	5,613	4,754
Operating profit before goodwill amortisation	22.6	374	305
Operating margin, %		6.7	6.4
Profit before tax	27.0	298	235

This confirms the previously announced seasonal distribution of operating profit before goodwill amortisation, in particular.

Other revenue fell by 54.1% to DKK 61 million (DKK 133 million) compared with the level in 2000.



After amortisation of goodwill on consolidation of DKK 201 million (DKK 178 million), operating profit rose by 22.2% to DKK 940 million (DKK 769 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 the Group's operating profit showed a stable trend relative to amortisation of purchased goodwill on acquisitions. This underlines the balance in [Group 4 Falck's overall strategy](#) of generating growth partly by organic growth and partly by acquisitions.

Net special items amounted to DKK 3 million (an expense of DKK 8 million). In accordance with Group strategy, the [cleaning activities in Belgium](#) were sold in the first quarter of 2001, which produced a DKK 27 million profit after deduction of costs related to the divestment.

In continuation of the [merger](#) of Falck and Group 4 Securitas (International) B.V. in 2000, a number of further restructuring changes of head office functions and regional offices were made during the year, including the closure of Group 4's former head office in the Hague. In this connection, DKK 25 million was charged to the profit and loss account for a number of non-recurring costs such as severance pay, licences, etc.

In Norway, the divestment of a minority share in the Group's health-care company produced a profit of DKK 16 million after deduction of restructuring costs. A provision of DKK 15 million was made to cover restructuring in Germany with a view to creating a better basis for growth and earnings within alarm services. The restructuring is scheduled to take place during 2002.

Share of profit before tax from associated companies and joint ventures was DKK 72 million (DKK 45 million). The improvement was primarily attributable to the Group's participation in new PPP/PFI projects and increased earnings in some of the projects.

Other financial items amounted to an expense of DKK 151 million (an expense of DKK 119 million). This mainly related to growing financial expenses to fund acquisitions.

Ordinary profit before tax increased by 25.6% to DKK 864 million (DKK 687 million).

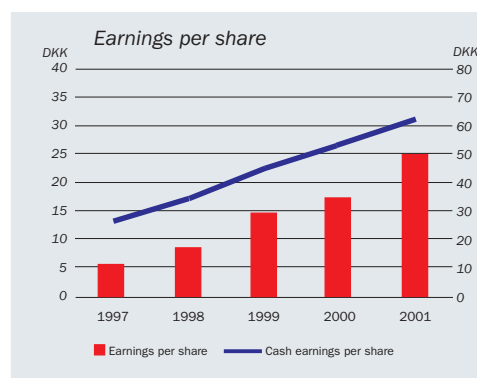
Tax on ordinary profit totalled DKK 301 million (DKK 276 million), which represented a fall in the effective tax rate to 28.3% (31.9%), among other things as a result of the reduction of the Danish tax rate to 30% (32%).

Profit for the year before minority interests totalled DKK 563 million (DKK 411 million), which was 37.0% more than last year.

Profit for the year attributable to minority interests was DKK 52 million (DKK 51 million). Minority interests were at the same level as last year and relatively lower than in the first three quarters of the year as a result of a reduction in minority interests.

Group 4 Falck's share of profit for the year increased by 41.9% to DKK 511 million (DKK 360 million).

Earnings per share amounted to DKK 25.00 (DKK 17.60), representing an increase of 42.0%.

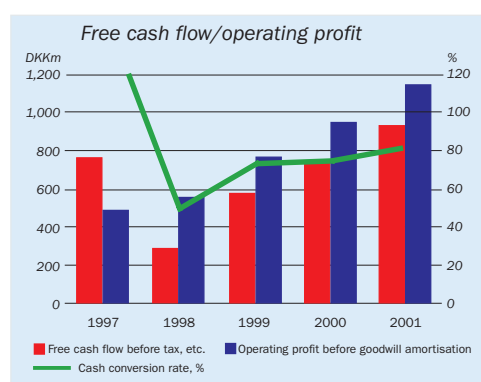


Cash flow statement

Cash flow from operating activities before special items, financial items, tax, etc. (free cash flow) increased by 27.2% to DKK 930 million (DKK 731 million). The growth in the cash flow from operating activities was primarily attributable to the increase in operating profit.

The free cash flow was 81.5% (77.2%) of operating profit before goodwill amortisation, which was in line with our forecast for the year of 80% made in our [announcement no. 15](#) to the Copenhagen Stock Exchange on 21 November 2001.

The chart below shows free cash flow from operating activities before financial items, tax, etc. relative to operating profit before goodwill amortisation:



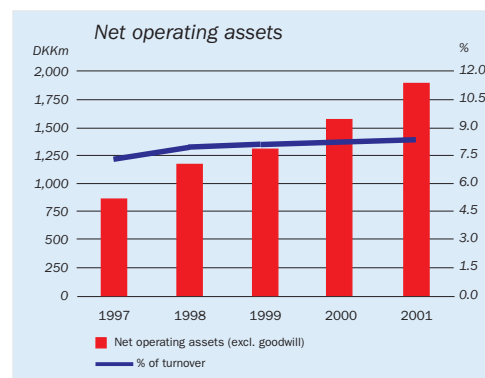
The relationship of operating profit before goodwill amortisation to free cash flow (expressed as the cash conversion rate) shows the Group's ability to generate cash flows from operating activities after investments in operating equipment and necessary cash invested in net operating assets in order to generate growth.

Consolidated balance sheet

One of Group 4 Falck's goals is to reduce capital tied up in operations. This is primarily done by reducing net operating assets, which concurrently has a positive effect on the cash flows from operations, and by evaluating all new investments from a cost-benefit point of view.

Net operating assets

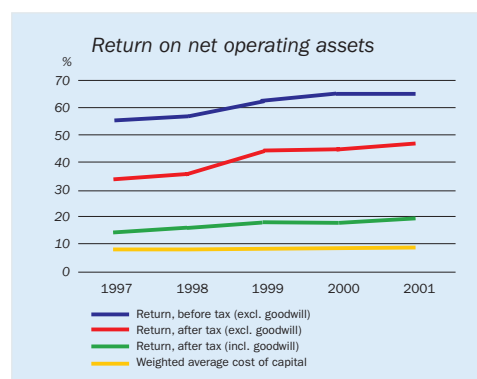
Consolidated net operating assets excluding goodwill stand at DKK 1,893 million (DKK 1,592 million). Average net operating assets amounted to 8.3% (8.0%) of turnover. The Group aims to keep net operating assets excluding goodwill below 10% of turnover. The increase relative to the level in 2000 was partly attributable to the companies acquired during the year. The trend of this ratio shows that the Group's net operating assets increase at the same rate as turnover.



Consolidated net assets including goodwill totalled DKK 4,660 million (DKK 3,771 million), representing a 23.6% increase. The increase mainly related to [acquisitions](#), of which goodwill acquired in 2001 totalled DKK 855 million (DKK 234 million), most of which was attributable to acquisitions in France and South Africa.

Return on net operating assets

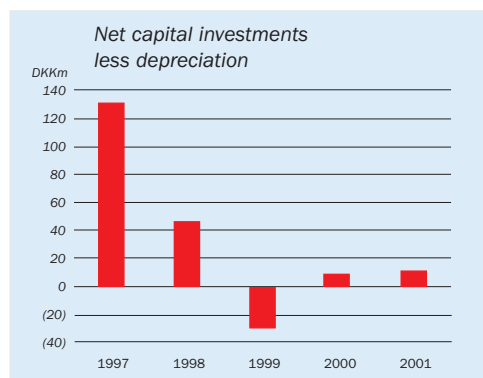
The return on net operating assets shows how capital provided by shareholders and lenders is employed by the Group to provide a return. In order to create value, the return including goodwill should exceed the weighted average cost of capital, which was achieved as in previous years. The weighted average 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 47.0% (44.6%), thus confirming the positive trend. The return on net operating assets including goodwill was 19.4% (18.2%) and also showed a positive trend.

Tangible fixed assets

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



The chart above furthermore shows the results of the Group's focus on reducing net operating assets, amongst others by a reduction of fixed tangible assets, to maintain investments at a level equivalent to the depreciation of these assets.

Net interest-bearing debt

Consolidated net interest-bearing debt increased by 26.7% to DKK 1,738 million (DKK 1,371 million), mainly as a result of financing to fund [acquisitions](#).

Shareholders' equity

Group shareholders' equity stands at DKK 2,636 million (DKK 2,114 million), equivalent to an equity ratio of 23.9% (22.8%).

Shareholders' equity was affected by income of DKK 19 million from the sale of own shares in connection with management's exercise of stock options.

PERFORMANCE BY THE BUSINESS AREAS

Developments in turnover and operating margins for the individual business areas in 2001 are shown in the table below.

The individual business areas met their targets and strategies set out in [Group 4 Falck's strategy](#). The improvement was achieved within all business areas.

DEVELOPMENTS IN THE INDIVIDUAL MARKETS

The table at the top of the next page shows the total growth in turnover broken down on organic growth, effect of companies acquired and divested and the effect of exchange rate movements.

Western markets

In *Belgium*, Group 4 Falck strengthened its market position by generating organic growth in excess of market growth in both guarding, alarm and cash services.

Two minor, nationwide alarm operators were acquired during the year in order to strengthen the position in the residential alarm market.

The guarding and alarm business in *Canada* generated 10.6% organic growth.

In *Denmark*, organic growth showed an increasing trend throughout 2001, and the organic growth rate for the full year was 4.3%, while the rate was 8% in the fourth quarter.

In the safety area, new automobile products were launched, which contributed positively to the growth generated. In addition, collaboration with insurance companies on the sale of these products was expanded.

New products are being developed in a continuous process within both the safety and the security areas.

In August, [Falck Health Care A/S](#) was founded as an independent company. Favourable growth is expected in the sale of health care services to employees of private-sector companies.

Business areas

Amounts in DKKm	Organic growth strategy	Turnover		EBITA%		
		Growth, %	% of total	2001	2000	2001
Safety	6%	5.6	17.0	3,586	3,397	7.5
Alarm services	10%	10.5	14.4	3,029	2,742	9.1
Guarding services	5-20%	19.7	46.1	9,690	8,097	3.5
Cash services	8-10%	51.5	9.4	1,975	1,304	10.6
Global Solutions	10%	16.3	12.3	2,584	2,221	6.3
Other services		(60.7)	0.8	176	449	
Total		15.5	100.0	21,040	18,210	5.4

Turnover and growth by markets/countries

Amounts in million	Turnover				Growth(%)			
	DKK 2001	% of total ¹⁾	Local currency 2001	2000	Total growth	Acq./divest.	Exch. diff.	Organic growth.
Western markets								
Austria	465	2.2	859	773	11.1	8.2		2.9
Belgium	1,700	8.1	9,203	9,318	(1.2)	(12.1)		10.9
Canada	399	1.9	74	64	15.3	4.7		10.6
Denmark	4,014	19.1	4,014	3,861	3.9	(0.4)		4.3
Finland	438	2.1	349	111	214.0	196.9		17.1
France	1,152	5.5	1,015	200	408.4	364.7		43.7
Germany	762	3.6	200	173	15.9	4.5		11.4
Ireland	278	1.3	29	26	13.4			13.4
Luxembourg	215	1.0	1,163	1,035	12.4			12.4
The Netherlands	1,632	7.8	482	478	0.9	1.0		(0.1)
Norway	996	4.7	1,073	961	11.7	5.7		6.0
Sweden	1,349	6.4	1,679	1,462	14.9	1.9		13.0
United Kingdom	2,338	11.1	194	194	0.4			0.4
Western markets (DKK)	15,738	74.8	15,738	13,971	12.6	7.5	(1.2)	6.3
New markets								
Baltic states (DKK)	373	1.8	373	317	17.9			17.9
Czech Rep.	272	1.3	1,240	997	24.3	22.3		2.0
Hungary	295	1.4	10,119	8,147	24.2	14.3		9.9
Poland	552	2.6	271	215	25.7	15.2		10.5
Slovakia	67	0.3	391	348	12.3			12.3
Other countries (DKK)	214	1.0	214	269	(20.9)	(25.3)	(13.8)	18.2
Central, East and Southeast Europe (DKK)	1,773	8.4	1,773	1,491	19.0	5.0	2.0	12.0
India	381	1.8	2,150	1,832	17.4			17.4
Other countries (DKK)	260	1.3	260	107	142.1	64.3	(6.0)	83.8
Asia and Asia-Pacific (DKK)	641	3.1	641	439	45.9	15.7	(3.4)	33.6
Middle East (DKK)	177	0.9	177	120	48.4		4.5	43.9
Morocco	51	0.2	69	49	40.9			40.9
Middle East and Morocco (DKK)	228	1.1	228	157	45.3	0.1	2.1	43.1
New markets total (DKK)	2,642	12.6	2,642	2,087	26.6	6.6	0.9	19.1
Global Solutions (DKK)	2,655	12.6	2,655	2,246	18.2	0.2	(4.1)	22.1
Misc. (DKK)	5	0.0	5	(94)				
Group 4 Falck (DKK)	21,040	100.0	21,040	18,210	15.5	6.5	(1.3)	10.3

1) Turnover in DKK for 2001 as a percentage of Group turnover.

The acquisition of SPAC, a Finnish cash services operator, on 1 January 2001 gave Group 4 Falck a nationwide position in Finland and strengthened the position within cash services, in which the Group has the largest market share. The acquisition also produced synergies in the form of new guarding contracts.

The Group's business platform in France has been created through the merger of three acquired guarding and cash services companies (Securicor, EuroGuard and OGS), and Group 4 Falck is now one of the major players on the market for guarding and cash services. In 2001, an organic growth rate of 43.7% was achieved.

Turnover in the Netherlands was at the same level as in 2000, which was attributable to the steps taken to manage the portfolio and conditions on the labour market (labour shortage), which limit the growth potential.

In Ireland, the organic growth rate was 13.4%, thus contributing to overall organic growth in the Group.

In Luxembourg, the Group has a market leading position within guarding, alarm and cash services. In 2001, an organic growth rate of 12.4% was achieved.

In Norway, an organic growth rate of 6.0% was achieved. The introduction of VAT on certain services resulted in lower sales of safety services and residential alarms than in previous years.

Within the health-care area, a company was founded in collaboration with an insurance company, and Falken's existing activities within the area were contributed to the new company. During the start-up phase, the company is going to supply personal care alarms to elderly people and crisis therapy.

In Sweden, an organic growth rate of 13.0% was achieved, and the market share was increased. Group 4 Falck is the largest private operator in the Swedish safety market. A number of minor acquisitions were made during the year, including the acquisition of [Automatic Alarm](#), in order to be able to supply all services within the guarding and alarm areas.

The organic growth rate in the *United Kingdom* was 0.4%. The low growth was attributable partly to the loss of a couple of major contracts in the autumn to facility management companies and partly to the strategy of increasing the operating margin. Sales of access control systems by Group 4 Technology were affected by the economic uncertainty in the United States, the largest market for the Group's products. It is expected that the situation will improve in the first half of 2002.

In *Germany*, the alarm market was strongly affected by the economic recession with general excess capacity in the building and construction sector. This had an adverse impact on organic growth in the alarm business, which was offset by good organic growth within guarding and cash services. Performance by the alarm business also had an adverse impact on the operating profit.

Guarding and cash services have strengthened the position in southern Germany in recent months through the acquisitions of the guarding company [Top Control](#) and the cash services company [Schiller](#).

A number of restructuring initiatives have been taken in order to improve the basis for growth and earnings within alarm and installation services. A provision of DKK 15 million was made to cover the decided restructuring.

In *Austria*, Group 4 Falck integrated the alarm and guarding company [SOS](#), which was acquired in late 2000. This increased the technological business platform for Group 4 Falck in Austria.

New markets

New markets accounted for 12.6% of Group turnover in 2001 (11.5% in 2000), and thus account for a steadily increasing share of Group turnover and profit. Group 4 Falck's companies in Eastern Europe, the Middle East and South-East Asia contributed favourably to the growth in turnover by generating an average organic growth rate of 19.1%.

Central, Southern and South-East Europe

The *Baltic states* achieved an organic growth rate of 17.9%, with the highest growth being generated in Latvia and Lithuania.

In both Latvia and Lithuania, 2001 saw the establishment of a business platform for cash services, which will strengthen the Group's market position.

In *Poland*, a drop in inflation meant that the rate of organic growth, 10.5%, was lower than last year. In 2001, there was focus on

improving operating results within cash and alarm services. The acquisition of [BRE Services](#) gave the Group nationwide coverage within cash services.

The 2.0% organic growth rate in the *Czech Republic* was partly attributable to the integration of the cash services company [BOS](#), which was completed in mid-2001. In addition, services to the banking sector were adjusted, and guarding staff was replaced by increased security technology, patrolling and response. This trend is expected to continue in 2002.

In *Hungary*, an organic growth rate of 9.9% was achieved. The integration of the company [Banktech](#) was completed during the year. In the autumn of 2001, a joint company was established with Matak, the national telecommunications supplier, for the purpose of developing and selling small alarms.

Other countries, which comprise countries such as Cyprus, Greece, Slovenia and Turkey, generated combined organic growth of 18.2%.

Asia and Asia-Pacific

India generated organic growth of 17.4% in 2001.

The Middle East and Morocco

Morocco achieved organic growth of 40.9%, while other countries in the Middle East, including the United Arab Emirates, Kuwait and Saudi Arabia generated good growth and improved operating profits.

Global Solutions

The growth in [Global Solutions](#)' turnover was attributable to a number of new projects won in late 1999 and during 2000.

The market for PFI/PPP projects was moderate in 2001 as a result of the election in the United Kingdom. Global Solutions continued to develop its core competencies, and it is expected that the market will accelerate in 2002 on the back of the British governments' promise to improve services.

Within *immigration and prison services*, facilities were opened in Rye Hill and Yarl's Wood in late 2001, and contracts were renewed for Wolds and Campsfield House, while capacity was increased at STC Medway and STC Rainsbrook, which have strengthened the Group's position in the area.

In February 2002, an event and subsequent substantial fire arose in the recently opened immigration centre Yarl's Wood. The damage is fully insured by the centre, and management does not expect the event to effect the Group's future profits.

In *South Africa*, the Manguang prison in Bloemfontein opened in the middle of the year, and full capacity utilisation was reached in January 2002.

The construction of the GCHQ (Government Communications Headquarters) in Cheltenham is under way and contributed to the growth generated.

ACCOUNTING POLICIES

The accounting policies are unchanged from last year except for the effect of the recognition of deferred tax and the reclassification of extraordinary items and insurance equalisation provisions.

As opposed to earlier periods, tax on the profit for the period now includes both actual tax and the change in deferred tax. Moreover, deferred tax is provided in the balance sheet. This reduced opening shareholders' equity by DKK 267 million. The comparative figures for prior years have been restated to reflect this change.

The accounting policy change resulted in a DKK 20 million increase in tax charged to the profit and loss account for the year. For 2000, the combined change amounted to DKK 50 million.

In accordance with developments in Danish and international accounting principles, the company has adjusted the definition of extraordinary items. In future, special items of a non-recurring nature will be stated in a separate line in the profit and loss account.

Insurance equalisation provisions in the Group's reinsurance company were previously classified as part of the Group's shareholders' equity. These equalisation provisions are now stated as part of the Group's provisions. The reclassification reduced Group shareholders' equity by DKK 144 million. The change had no effect on profit for the year nor for previous years.

The comparative figures have been restated to reflect the new classifications.

FORECASTS COMPARED WITH RESULTS FOR 2001

Group 4 Falck's forecasts for 2001 were published in connection with the release of the [financial report for 2000](#) (announcement no. 03/01 to the Copenhagen Stock Exchange).

The forecasts compared with actual results for 2001 are shown in the table below:

Forecasts and actual results

	Forecasts	Actual	Actual ¹⁾
Growth in turnover	15-17%	15.5%	16.8%
Organic growth	10%	10.3%	
Growth in operating profit before goodwill amortisation	20%	20.4%	22.4%
Growth in profit before tax ²⁾	25%	25.6%	

1) Adjusted for currency fluctuations from 2000 to 2001.

2) Adjusted for special items included in the profit and loss account.

OUTLOOK FOR 2002

The outlook for 2002 is based on [Group 4 Falck's strategy](#) announced on 28 November 2000 (announcement no. 14/2000 to the Copenhagen Stock Exchange) and acquisitions made in 2001.

Turnover is expected to increase by 10-12%, of which organic growth is expected to account for about 8-9%.

Operating profit (EBITA) is expected to increase by 15-20%.

Profit before tax is expected to increase by 20-25%.

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 Group 4 Falck faces. 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. Group 4 Falck's operations could be adversely affected if Group 4 Falck is unable to hire sufficient 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 plans, bonus plans and employee shares; more than 8,000 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 conditions 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 of the countries.

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

As an internationally operating group, Group 4 Falck is subject to financial risks, of which exchange rate risks, interest rate risks, credit risks and liquidity risks are the most important. These risks are monitored centrally by the Group's Treasury Department at head office.

It is the Group's policy to view financial exposure in a long-term perspective applying a conservative attitude and in accordance with a policy approved by the Board of Directors.

The overall financial strategy thus focuses highly on security and low risk rather than high risk and high return.

Under this policy, the Group's Treasury Department is, for instance, only allowed to use financial instruments to hedge commercial risks, and only within limits fixed by the management.

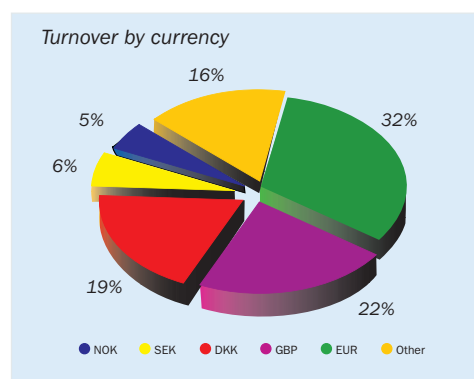
Exchange rate exposure

The activities of Group 4 Falck are exposed to exchange rate fluctuations related to operations to a limited extent only. Income and expenses in each country of operation are mainly denominated in the local currency, and it is Group policy that in principle each operation should finance its own activities in local currency, including by Group loans.

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.

These risks are monitored closely and hedged by active currency management in the money market and forward currency market, typically with maturities of up to 12 months. Investments in foreign subsidiaries are hedged on a selective basis.

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



The chart shows that 51% of Group 4 Falck's turnover is denominated in currencies closely linked to the euro and, overall, 16% of Group turnover comes from non-European countries.

The Group's net operating assets including goodwill, which amounted to DKK 4,660 million at 31 December 2001 (DKK 3,771 million) are partly financed by long-term loans of DKK 2,480 million (DKK 1,444 million). The loans are mainly denominated in Danish kroner, euro and pound sterling, for the purpose of hedging exchange rate exposure in the currencies most important to the Group.

Interest rate risks

Group 4 Falck's interest rate risk is mainly related to interest-bearing debt. Loans are mainly obtained for relatively short interest periods of up to six months.

The Group continuously monitors developments in interest rates in order to determine whether to refinance a larger proportion of the loan portfolio to fixed rates whenever applicable. As at 31 December 2001, approximately 8% of the interest-bearing debt carried fixed rates for more than five years.

Credit risks

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 to make 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 relation to acquisitions on demand.

On the basis of the strategy of maintaining a low liquidity risk, Group 4 Falck has chosen to obtain a large part of its credit facilities as negotiated drawing rights for periods of typically three to five years.

In addition, the Group has a number of short-term credit facilities, which are available on demand.

Furthermore, cash pool arrangements with banks ensure that surplus liquidity is optimised and offset internally.

The Group's available cash resources, including unused credit facilities, amounted to DKK 1,321 million at 31 December 2001.

Business platform and strategy

CORPORATE MISSION AND VISION

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

The Group was founded in the early 1900s and is today among the leaders in the market for security, safety and other services. The Group has operations in more than 50 countries and more than 145,000 employees.

It is Group 4 Falck's vision to become one of the leading global providers of security and security-related services. The term "leading" should be seen as a combination of being among the largest in the global market, and of being the leading provider to customers in terms of the quality of services.

CORE PRODUCTS AND CORE COMPETENCIES

Overall, Group 4 Falck's [core competencies](#) lie within the following areas: Security services (alarm, guarding and cash services), Safety services and Global Solutions.

Security services comprise:

Alarm services: Consulting, installation, electronic surveillance and maintenance as well as alarm response to burglar alarms, fire alarms, access control systems and CCTV systems.

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

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.

Safety services comprise ambulance services, patient transport, fire services, rescue services, auto assistance, risk management consulting, psychological crisis therapy and related services.

Global Solutions' activities comprise services such as prison management, prisoner transportation, immigration service, meter reading (in the company AccuRead) and management educational institutions. The core of this business is the management of outsourced public services in close collaboration with the relevant public authorities in so-called PPP or PFI projects.

Customers can be divided into four categories: Private customers, small, medium-sized and large companies and public authorities.

Security services are the mainstay of the Group's business throughout the world and accounted for 69.9% of total Group turnover in 2001.

For all core competency areas, Group 4 Falck has established international competence centres to co-ordinate existing know-how in Group 4 Falck, to ensure a high degree of product standardisation and to develop quality assessments and documentation for each of the business areas.

Group 4 Falck sees its most important task as further developing the Group's special core competencies within Security, Safety and Global Solutions 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 field of operation. These core competencies are an important foundation for the generation of growth for the benefit of customers, shareholders and employees and, thereby, the individual societies.

STRATEGY 2001-2003

Group 4 Falck has adopted a [strategy](#) for the period 2001 to 2003.

The main elements of the strategy are:

- Targets for organic growth
- Targets for the operating margin
- Future core business areas
- Acquisitions: to play an active role as a consolidator

Financial targets

The overall financial targets for the period covered by the strategy 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 target for average combined growth for the Group is 8-10% annually. The growth is differentiated within the individual business areas.

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

Accordingly, Group 4 Falck is playing 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.

The three business areas provide a strong and unique opportunity to bundle services, which in turn is the key factor in creating added value to customers.

In order to further develop the value chain, Group 4 Falck is continuously adding value by developing new products and competencies relating to the basic products.

Corporate governance

Group 4 Falck has focused increasingly on corporate governance in recent years.

The Board of Directors has reviewed the company's corporate governance system in light of the [report](#) from the Nørby Committee, a committee established by the Danish Ministry of Trade and Industry and consisting of four leading Danish business people, chaired by Group 4 Falck's President and CEO, Lars Nørby Johansen.

The Board of Directors has noted that Group 4 Falck already observes a large number of the committee's recommendations, and the Board of Directors intends to consider more systematically the individual elements of the report in the coming period.

As part of this process, the Board of Directors has decided to increase the number of ordinary board meetings by one beginning in the autumn of 2002, at which meetings all relevant policies, business procedures, rules and risk management systems will be evaluated and coordinated, including the composition of the board and the allocation of responsibilities to and interaction of the executive board, the chairmanship and the Board of Directors.

With regard to restrictions on voting rights, the Nørby Committee recommended that such restrictions should be eliminated altogether.

The Board of Directors fundamentally agrees with this and intends to remove the 15% voting restriction currently set forth in the company's articles of association. However, this restriction attaches directly to the merger of equals in the spring of 2000 between Falck A/S and Group 4 Securitas (International) B.V., and the voting restriction was thus an integral part of the terms of the [merger](#) agreement entered into at that time. The Board of Directors therefore wishes to respect the agreement entered into, but intends to remove the restriction when the agreement expires in 2005 or earlier, if Skagen NV (formerly Group 4 Securitas NV) has reduced its share capital to 15% before then.

Some members of the Board of Directors have been on the board since the early 1990s and have thus been members longer than recommended in the Nørby Report. During the same decade, the company grew from being a Danish-orientated company with a very narrow consortium of owners into a large international listed group with activities in more than 50 countries. During this process, a certain continuity in the membership of the board has been of great benefit to the company, and the Board of Directors believes that such a need still exists.

Ethical and social considerations

SOCIAL RESPONSIBILITY

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 professional work.

In recent years, Group 4 Falck has in several countries been active in its commitment to be social responsible. This has been done by developing offers, networks, pilot projects and the like 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.

We see increasingly 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 participates in the network Corporate Social Responsibility in Europe (CSR in Europe). 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.

All management employees of the Group have signed the Group's Code of Ethics and Conflict of Interest Statement. These documents contain the ethical values the company's management must adhere to. In addition, the company's Code of Conduct and procedures form part of the induction training of new staff of the company. Given the nature of the work carried out by Group 4 Falck's employees, customers – public as well as private – expect a very high standard of conduct.

SOCIAL CONTACT

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. This serves a dual purpose: Firstly, it is part of the company's basic philosophy to participate in the development of society; secondly, the authorities, industry organisations and others wish to draw on Group 4 Falck's expertise from its operations as a large, international organisation and from the special types of services the company provides.

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 company level, the countries of operations run a large number of qualifying training programmes, and at Group level, the Group 4 Falck Academy handles induction programmes for management staff and management development seminars.

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. Work on the environmental programme is included at the operating level in the companies in the individual countries of operation.

Shareholder information

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.

SHARE CAPITAL

At the end of 2001, the share capital consisted of 20,641,600 shares. Each share has a nominal value of DKK 20, and the total share capital was DKK 412,832,000 at the end of 2001.

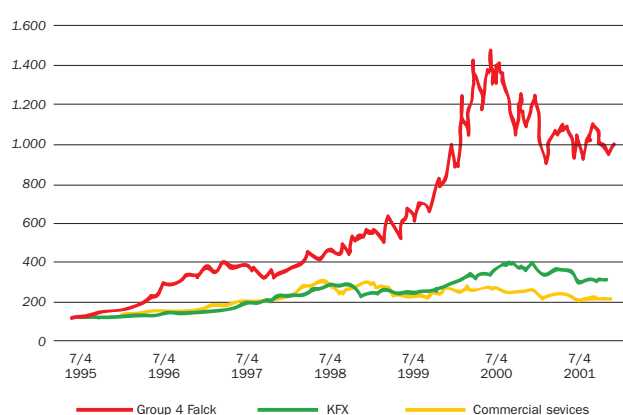
Each share carries one vote.

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 closing price in 2001 was DKK 936.50 per share compared with DKK 1,060 per share at the end of 2000.

The chart below shows the indexed share price performance from 7 April 1995 to February 2002, compared with the KFX index and the industry index.



The total market capitalisation of the company's shares was DKK 19.3 billion at 31 December 2001.

DIVIDENDS

The Board of Directors recommends to the annual general meeting that dividends be declared at the rate of 8% in respect of the 2001 financial year, equivalent to DKK 1.60 per share.

SHAREHOLDERS

Group 4 Falck A/S' shares are held by a large number of shareholders.

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. in 2000, Skagen NV (formerly Group 4 Securitas NV) obtained a 37.5% ownership of Group 4 Falck. In connection with the merger, Group 4 Falck A/S granted Skagen NV exemption from the 15% ownership restriction subject to a number of conditions. The conditions included that after maximum five years from the merger, the voting rights Skagen NV cannot exceed 15%, regardless of the actual ownership.

Group 4 Falck A/S keeps a register of all shareholders who have registered their shares.

The company had 15,483 registered shareholders as at 20 February 2002. The right to vote at general meetings is subject to the shareholder having registered his shares, or to a shareholder 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, 20 February 2002	Interest %
Skagen NV	29.0
Nordea, total	8.7
ATP, total	7.2
8,244 employee shares	1.2

Group 4 Falck A/S holds own shares with a nominal value of DKK 3,394,000, equivalent to 0.82% of the share capital. None of the subsidiaries in the Group hold shares in Group 4 Falck A/S.

INCENTIVE PLANS

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

A multi-year stock option and warrant model has been introduced for the members of the Group management and a number of senior management employees. The scope of the model with regard to number of persons, number of options/warrants, year of grant, exercise period and exercise price is described in the [notes to the accounts](#).

For a broader circle of management employees – primarily in operations – bonus plans 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, namely in the spring of 1995 and the spring of 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.

ANNUAL GENERAL MEETING

The annual general meeting of Group 4 Falck A/S will be held on Wednesday, 17 April 2002 at 2:00 p.m. at Parkens Konferencenter, Øster Allé 52A, DK-2100 Copenhagen Ø.

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.

All information presented to the market in recent years is available at the corporate website: www.group4falck.com

Financial calendar

Annual general meeting	17 April 2002
Payment of dividend	23 April 2002
Expected dates of release of profit announcements:	
First quarter 2002	29 May 2002
First half 2002	21 August 2002
Third quarter 2002	20 November 2002
Full year 2002	Mid-March 2003, at the latest

Announcements

The following announcements were issued to the Copenhagen Stock Exchange in 2001:

- 17 [18 December 2001](#)
Group 4 Falck expanding again in South Africa
- 16 [28 November 2001](#)
Group 4 Falck acquires Schiller in Germany
- 15 [21 November 2001](#)
Third quarter report Interim report
- 14 [30 October 2001](#)
CEO of Falck Danmark A/S leaves the company
- 13 [3 September 2001](#)
Group 4 Falck doubles turnover in South Africa
- 12 [22 August 2001](#)
Group 4 Falck expands in Sweden
- 11 [21 August 2001](#)
Profit announcement for the six months ended 30 June 2001
- 10 [15 August 2001](#)
Falck strengthens health care activities
- 9 [31 July 2001](#)
Group 4 Falck expands in Germany
- 8 [11 June 2001](#)
Group 4 Falck wins large order
- 7 [30 May 2001](#)
Profit announcement for the three months ended 31 March 2001
- 6 [29 May 2001](#)
Group 4 Falck acquires guarding company in France
- 5 [27 April 2001](#)
Group 4 Falck and DSB in strategic alliance
- 4 [20 March 2001](#)
Group 4 Falck expands in Poland
- 3 [7 March 2001](#)
Profit announcement 2000 financial year - Group 4 Falck A/S
- 2 [12 February 2001](#)
Group 4 Falck will take over second-largest French guarding company
- 1 [26 January 2001](#)
Group 4 Falck sells Belgian cleaning company to ISS

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 2001. The annual report of the Group and parent company has been prepared in accordance with current accounting legislation and the requirements of the Copenhagen Stock Exchange to the presentation of accounts. 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 and parent company accounts are recommended for approval by the Annual General Meeting.

Copenhagen, 6 March 2002

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

Johnny Eikeland*

Sir David Gore-Booth

Ketty Jordhøj *

Jens Kampmann

Bent Knie-Andersen

Harald Kortland *

Ib Mardahl-Hansen

Waldemar Schmidt

Palle Thirstrup *

* Elected by the employees

Auditors' report

We have audited the consolidated and parent company accounts of Group 4 Falck A/S for the year 2001 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 on 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 have evaluated the overall adequacy of the presentation in the accounts.

Our audit did not result in any qualifications.

OPINION

In our opinion the consolidated accounts 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, 6 March 2002

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 the guidelines for listed companies issued by the Copenhagen Stock Exchange, including current Danish accounting standards.

The accounting policies are unchanged from last year except for the effect of the recognition of deferred tax, which has been changed to be in line with Danish accounting standard 14 and the reclassification of extraordinary items and insurance equalisation provisions.

As opposed to earlier periods, tax on the profit for the year now includes both actual tax and the change in deferred tax. Moreover, deferred tax is provided in the balance sheet. This reduced opening shareholders' equity by DKK 267 million. The comparative figures for earlier years have been restated to reflect this change.

The accounting policy change resulted in a DKK 20 million increase in tax charged to the profit and loss account for the year. For 2000, the change in profit was DKK 50 million.

In accordance with developments in Danish and international accounting principles, the company has adjusted the definition of extraordinary items. In future, special items of a non-recurring nature will be stated in a separate line in the profit and loss account.

Insurance equalisation provisions in the Group's own insurance company were previously included as part of the Group's shareholders' equity. These provisions have been reclassified to other provisions, which has reduced opening shareholders' equity by DKK 144 million. The adjustment has no effect on profit for the year or prior year profits.

The comparative figures for earlier years have been restated to reflect this change.

Furthermore, reclassifications have been made in the layout of the accounts and of certain line items, 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 a 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.

Companies acquired and divested

Newly 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. Any gains or losses relative to the net book value at such date are included in the profit and loss account. The 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.

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.

PPP/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 currencies are translated at the exchange rates ruling at the date of the transaction. Receivables and payables denominated 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 to 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 average exchange rate for 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 rates ruling at the balance sheet date are included in shareholders' equity.

FINANCIAL INSTRUMENTS

Financial instruments entered into to hedge investments in foreign subsidiaries are recognised in the balance sheet at the time they are entered into and are stated at market value at the balance sheet date. Exchange gains and losses are recognised directly on shareholders' equity.

Financial instruments entered into to hedge other assets and liabilities denominated in foreign currency are recognised in the balance sheet at the time they are entered into and are stated at market value at the balance sheet date. Any market value adjustments of financial instruments are recognised in the profit and loss account in the same line items as the transactions hedged.

Forward premiums or forward discounts on forward exchange transactions are recognised in the profit and loss account during their terms.

PROFIT AND LOSS ACCOUNT

Turnover represents the value of services and goods delivered and invoiced subscriptions attributable to the financial period. The value of services rendered is included on the basis of the percentage delivered out of the total service. *Other revenue* represents revenue of a secondary nature relative to the Group's principal 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 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.

Special items represent material items of a non-recurring nature that are not directly attributable to ordinary activities. This includes certain material gains and losses on the divestment of activities and restructuring and reorganisation costs. In addition, the item includes special impairment charges and provisions and the reversal thereof.

Share of profit from subsidiaries in the parent company's profit and loss account represents the proportional share of the profit 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 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 the profit for the year.

Net financial items represent interest receivable and payable, and realised and unrealised capital gains and losses for the year.

INCENTIVE PLANS

Stock option plans are covered by the Group's purchase of own shares for a portfolio equivalent to the number of options that may be exercised.

CORPORATION TAX

Tax on the profit for the year represents corporation tax payable and the change in the provision for deferred tax. Corporation tax payable includes corporation tax made up on the basis of estimated taxable income for the financial year and prior-year adjustments.

The amount of tax for the year that is attributable to amounts taken to shareholders' equity is taken directly to shareholders' equity.

Joint taxation

The parent company is taxed jointly with certain Danish and foreign subsidiaries. Corporation tax for the jointly taxed Danish companies is allocated according to the taxable income of these companies (full allocation).

Deferred tax

Deferred tax is provided according to the liability method and is based on all timing differences between the accounting and tax values of assets and liabilities. Furthermore, deferred tax is provided for the tax value of losses in jointly taxed foreign companies if it is estimated that this will be clawed back if joint taxation is no longer applicable.

Deferred tax is not provided on goodwill that is not tax deductible, on undistributed profits in subsidiaries and on timing differences that arose at the time of inclusion in the balance sheet other than for acquisitions, if such differences will not affect profit or taxable income.

Deferred tax is calculated using the tax rate expected to apply when timing differences are equalised.

Deferred tax assets and liabilities are offset within the same legal tax unit or jurisdiction. Deferred tax assets are recognised at the value at which they are expected to be realised.

BALANCE SHEET

Fixed assets

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

Fixed assets are written down to the higher value of net realisable value and the capital value of the asset if such value is lower than the book value. The write-downs are recognised in the profit and loss account.

Intangible fixed assets

Development costs represent costs to third party suppliers, where it is expected that the costs will be recovered through future commercial activities. Projects are amortised on a straight-line basis over a maximum of three years from completion.

Internal and external development costs are capitalised for significant, specific development projects. Such costs are amortised on a straight-line basis over a maximum of five years.

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

Goodwill related to acquisitions from third parties are amortised over the estimated useful economic lives of acquisitions made, not to exceed 20 years.

Tangible fixed assets

Land and buildings are stated at cost less accumulated depreciation on buildings. Depreciation on buildings 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 ten 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.

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

Other operating equipment is depreciated on a straight-line basis over the estimated useful economic lives of the assets. The expected useful economic lives are as follows:

	Years
Vehicles according to category	5-12
Other operating equipment	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 incurred are 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 depreciated on a straight-line basis 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 gains or losses are included in the profit and loss account as other revenue or other expenses, respectively.

Financial fixed assets

Investments in subsidiaries, associated companies and joint ventures are accounted for using the equity method and 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 from the company. 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 other 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 can be covered by the contract.

Start-up costs receivable are costs incurred after the award of the PFI contract and related to the preparation of the facility for commercial operation. These costs are covered by the customer over 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 costs using the FIFO method.

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 recognised in accruals. For PFI contracts awarded, the amount is charged to the profit and loss account over the term of the contract, not to exceed 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 official year-end market prices, and unrealised capital gains are taken directly to shareholders' equity, while unrealised capital losses are taken to the profit and loss account.

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

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. Any gains and losses on own shares are thus not recognised in the profit and loss account. Dividends on own shares are also taken to shareholders' equity.

Provisions

Other provisions

Other provisions primarily represent commitments related to acquisitions and restructuring decided not later than three months after the date of acquisition. In addition, other provisions include equalisation reserves to cover anticipated future claims, etc.

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 current liabilities

Liabilities are stated at nominal value.

Accruals and deferred income

Accruals and deferred income primarily represent subscription turnover relating to the coming financial period.

LEASING

Lease commitments for finance or operating leases of equipment are disclosed under contingent liabilities.

CASH FLOW STATEMENT

The consolidated cash flow statement is presented according to the indirect method and shows cash flows from operating activities (including capital investments), cash flows from investments in Group companies, cash flows from financing activities and cash and cash equivalents and securities at the beginning and end of the year.

The cash flow statement includes cash flows from companies acquired as from the date of acquisition, and cash flows from companies divested until the date of the divestment.

Cash flow from operating activities

The Group's cash flows from operating activities include revenue less operating expenses adjusted for non-cash operating items and changes in net operating assets excluding goodwill.

Net operating assets excluding goodwill includes current assets, tangible fixed assets, development costs, certain long-term receivables less current liabilities and provisions related to operations. Net operating assets do not include corporation tax and dividend payable.

Cash flows relating to special items, extraordinary items and corporation tax are deducted from cash flows from operating assets.

Cash flow from investing activities

Cash flows from investing activities include cash flows from the Group's acquisitions and divestment of operations and companies.

Cash flow from financing activities

Cash flows from financing activities include cash flows from changes in Group shareholders' equity, purchases and sales of own shares, cash flows from dividends, cash flows from interest-bearing debt raised and repayment thereof, and financial items and currency translation adjustments.

Cash and cash equivalents includes cash, balances with banks and listed securities.

Definitions of ratios

The ratios are calculated on the basis of the annual accounts and the Group's accounting policies.

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.

Net operating assets excluding goodwill as a percentage of turnover

Average net operating assets excluding goodwill divided by turnover for the year.

Effective tax rate

Tax charged for the financial year as a percentage of ordinary profit before tax plus goodwill amortisation.

Economic value added

Operating profit before goodwill amortisation after tax, calculated at the effective tax rate, divided by average net operating assets including goodwill.

Net investments

Investments in land and buildings and operating equipment less turnover.

Equity ratio

Shareholders' equity at year-end excluding minority interests as a percentage of liabilities and equity.

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

Ordinary profit 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 per share divided by the number of shares.

Profit and loss account *(amounts in DKKm)*

2000	2001			2001	2000
Parent company				Group	
		Note			
-	-	1	Turnover	21,040	18,210
-	196	2	Other revenue	61	133
-	196		Total revenue	21,101	18,343
-	-		Cost of goods sold and external assistance	(2,109)	(1,157)
(6)	(58)		Other external expenses	(2,749)	(2,878)
(39)	(100)	3	Staff costs	(14,560)	(12,858)
(1)	(2)		Depreciation, amortisation and write-downs	(542)	(503)
(46)	(160)		Total expenses	(19,960)	(17,396)
(46)	36		OPERATING PROFIT BEFORE GOODWILL AMORTISATION	1,141	947
(78)	(48)		Goodwill amortisation	(201)	(178)
(124)	(12)		OPERATING PROFIT	940	769
-	-	4	Net special items	3	(8)
(124)	(12)		PROFIT BEFORE FINANCIAL ITEMS	943	761
696	861	5	Share of profit before tax from subsidiaries		
		5	Share of profit before tax from associated companies and joint ventures	72	45
(13)	(37)	6	Net financial items	(151)	(119)
559	812		ORDINARY PROFIT BEFORE TAX	864	687
(256)	(301)	7	Tax on ordinary profit	(301)	(276)
303	511		PROFIT FOR THE YEAR	563	411
			Share of profit for the year attributable to minority interests	(52)	(51)
303	511		GROUP 4 FALCK'S SHARE OF PROFIT FOR THE YEAR BEFORE MERGER COSTS	511	360
(107)	-		Merger costs after tax	-	(164)
196	511		GROUP 4 FALCK'S SHARE OF PROFIT FOR THE YEAR	511	196
			<i>Proposed allocation of profit:</i>		
33	33		Dividend to shareholders		
163	478		Transfer to retained earnings		
196	511				

Balance sheet at 31 December *(amounts in DKKm)*

2000	2001			2001	2000
Parent company					Group
			Assets		
		Note			
749	701		Development costs	16	11
			Goodwill	2,951	2,352
749	701	8	INTANGIBLE FIXED ASSETS	2,967	2,363
			Land and buildings	659	746
			Leasehold improvements	175	30
8	9		Operating equipment	1,498	1,482
8	9	9	TANGIBLE FIXED ASSETS	2,332	2,258
1,917	2,757	10	Investments in subsidiaries		
		10	Investments in associated companies	38	46
		11	Investments in joint ventures	80	27
473	870	10	Receivables from subsidiaries		
		10	Other long-term financial assets	61	50
5	-	16	Deferred tax asset	34	65
2,395	3,627		LONG-TERM FINANCIAL ASSETS	213	188
3,152	4,337		FIXED ASSETS	5,512	4,809
		12	Stocks	431	371
79	18	13	Trade debtors	3,298	2,587
33	266		Amounts receivable from subsidiaries		
			Amounts receivable from associated companies	9	17
			Amounts receivable from joint ventures	96	76
169	188		Dividend receivable		
-	7		Prepayments	528	294
			Securities	140	112
38	-		Cash at bank and in hand	994	1,002
319	479		CURRENT ASSETS	5,496	4,459
3,471	4,816		TOTAL ASSETS	11,008	9,268

Balance sheet at 31 December *(amounts in DKKm)*

2000	2001		2001	2000
Parent company			Group	
Equity and liabilities				
		Note		
413	413	Share capital	413	413
706	706	Share premium	706	706
995	1,517	Reserves	1,517	995
2,114	2,636	GROUP 4 FALCK'S SHARE OF SHAREHOLDERS' EQUITY	2,636	2,114
		Minority interests' share of shareholders' equity in subsidiaries	152	135
2,114	2,636	14 SHAREHOLDERS' EQUITY	2,788	2,249
		15 Pension provisions	64	70
-	12	16 Provisions for deferred tax	295	306
3	1	17 Other provisions	316	239
3	13	PROVISIONS	675	615
-	145	Amounts payable to subsidiaries		
762	1,386	18 Credit institutions	2,480	1,444
762	1,531	LONG-TERM LIABILITIES	2,480	1,444
334	260	Credit institutions	392	1,041
		Prepayments from customers	171	296
		Trade creditors	799	612
211	318	Amounts payable to subsidiaries		
		Corporation tax	149	130
10	20	19 Other creditors	2,274	1,877
4	5	Accruals and deferred income	1,245	962
33	33	Proposed dividend for the year	35	42
592	636	CURRENT LIABILITIES	5,065	4,960
3,471	4,816	EQUITY AND LIABILITIES	11,008	9,268

- 20 Own shares
- 21 Contingent liabilities
- 22 Financial instruments
- 23 Related parties
- 24 Fees to auditors appointed by the annual general meeting

Cash flow statement *(amounts in DKKm)*

Note	Group	
	2001	2000
Total revenue	21,101	18,343
Total expenses	(19,960)	(17,396)
Operating profit before goodwill amortisation	1,141	947
Depreciation and amortisation	542	503
Change in operating assets	(737)	(290)
Change in operating liabilities	477	161
Change in provisions	65	(73)
25 Investments in fixed assets	(558)	(517)
Cash flow from operating activities before financial items, special items, tax, etc.	930	731
Net special items	18	-
Corporation tax paid	(261)	(249)
CASH FLOW FROM OPERATING ACTIVITIES	687	482
26 Net investments in subsidiaries	(802)	(433)
Net investments in associated companies and joint ventures	11	(1)
CASH FLOW FROM INVESTING ACTIVITIES	(791)	(434)
Cash flow from sale/purchase of own shares	26	(127)
27 Dividends	(7)	(28)
Change in interest-bearing debt	249	621
28 Net financial items	(151)	(109)
CASH FLOW FROM FINANCING ACTIVITIES	117	357
Change in cash and cash equivalents	13	405
Extraordinary merger costs after tax	-	(164)
Exchange differences and unrealised value adjustments	7	(2)
Cash and cash equivalents at beginning of year	1,114	875
29 CASH AND CASH EQUIVALENTS AT YEAR-END	1,134	1,114

Notes to the accounts *(amounts in DKKm)*

2000	2001		2001	2000
Parent company			Group	
		Note 1 Turnover		
		Turnover by market		
		Western markets	15,738	13,971
		Central, East and Southeast Europe	1,773	1,491
		Asia and Asia-Pacific	641	439
		Middle East and Morocco	228	157
		Global Solutions	2,655	2,246
		Other	5	(94)
		Total turnover	21,040	18,210
		Turnover by business area		
		Safety services	3,586	3,397
		Alarm services	3,029	2,742
		Guarding services	9,690	8,097
		Cash services	1,975	1,304
		Global Solutions	2,584	2,221
		Other services	176	449
		Total turnover	21,040	18,210
		Note 2 Other revenue		
-	196	Management fee/royalty payments from subsidiaries		
		Other revenue	19	53
		Amount recognised from pension institutions	-	39
		Gain on sale of assets including on transition to operating leases	42	41
-	196	Total other revenue	61	133
		Note 3 Staff costs		
(20)	(58)	Salaries and wages to employees	(11,604)	(10,184)
(12)	(25)	Salaries and remuneration to the parent company's Executive Management Board	(25)	(22)
(3)	(5)	Remuneration to the parent company's Board of Directors	(5)	(3)
(35)	(88)	Total salaries and wages	(11,634)	(10,209)
(2)	(5)	Pension costs	(347)	(294)
-	(2)	Other social security costs	(1,805)	(1,635)
(2)	(5)	Other staff costs	(774)	(720)
(4)	(12)	Total other staff costs	(2,926)	(2,649)
(39)	(100)	Total staff costs	(14,560)	(12,858)
35	65	Average number of full-time employees excluding part-time firemen and guards	147,655	111,325
		Number of part-time firemen and guards	13,759	10,063
		There has been no remuneration or agreements of remuneration to the Executive Management Board or the Board of Directors other than those disclosed above, and for exercised options.		
		The employment contracts for the Executive Management Board include severance terms which, in the case of termination by an executive, are a period of 6 months (12 months for the Chief Executive Officer) and for termination by the company a period of 24 months (42 months for the Chief Executive Officer).		

Notes to the accounts *(amounts in DKKm)*

Year of grant	Persons included	<i>Incentive plans - Group and parent company</i>	Exercise price	Number of options/ warrants	Of which Executive Management Board
		Type/Period of exercise			
1999	26	Options 21.8.2002 - 30.9.2004	512	54,500	14,063
2000	50	Options 1.11.2003 - 31.12.2005	1,070	57,053	18,599
2001	6	Warrants 1.12.2005 - 31.12.2007	1,070	92,987	92,987
2001	6	Warrants 31.5.2004 - 30.6.2006	1,010	19,473	19,473
2001	57	Warrants 31.5.2004 - 30.6.2006	1,010	60,524	0

Stock options granted in 2000 can be exercised subject to specific terms and conditions, including that, at the time of exercise, the market price of the shares, must exceed the exercise price, indexed at 6% p.a. from the date of grant.

Warrants issued in 2001 entitle the holders to subscribe for one share for each warrant held if the increase in the share price is 6% p.a. until the time of exercise.

If the increase in the share price is 10% p.a. or more until the time of exercise, the holders are entitled to subscribe for 1.2 shares for each warrant held.

During 2001, 47,500 options were exercised at an exercise price of DKK 400 per share.

The Group's liability for the stock options granted before 2001 is covered by the portfolio of own shares.

2000		2001		2001		2000	
Parent company				Group			
		Note 4 Net special items					
		Activities close-down		-		(8)	
		Profit from divestment of cleaning activities in Belgium, net of related restructuring costs		27		-	
		Restructuring of head office functions and regional offices		(25)		-	
		Provision for restructuring of the German operation		(15)		-	
		Net profit from disposal of shares in Norway		16		-	
		Net special items		3		(8)	
		For further information please see directors report					
		Note 5 Profit from Group companies					
		Share of profit from subsidiaries					
696	861	Profit before tax					
(334)	(311)	Tax on profit for the year					
362	550	Profit after tax					
		Share of profit from associated companies and joint ventures					
		Profit before tax		72		45	
		Tax on profit for the year		(25)		(17)	
		Profit after tax		47		28	

Notes to the accounts *(amounts in DKKm)*

2000	2001		2001	2000
Parent company			Group	
		Note 6 Net financial items		
27	27	Interest income, Group companies	-	1
-	3	Dividend received	13	-
4	4	Exchange differences	68	86
		Other interest income		
31	34	Total financial income	81	87
(10)	(19)	Interest expenses, Group companies		
(5)	(2)	Exchange differences	(8)	(3)
(29)	(50)	Loss on sale of securities	(3)	(5)
		Other interest expenses	(221)	(198)
(44)	(71)	Total financial expenses	(232)	(206)
(13)	(37)	Net financial items	(151)	(119)
		Note 7 Corporation tax		
49	28	Tax payable for the year	(269)	(185)
28	(17)	Change in deferred tax for the year	(20)	(35)
(320)	(311)	Tax on profit in Group companies	(25)	(17)
1	7	Adjustment of tax in prior years	21	(5)
(242)	(293)	Total corporation tax	(293)	(242)
-	(8)	Tax on movements in shareholder's equity	(8)	-
(14)	-	Tax on merger costs	-	(34)
(256)	(301)	Tax on ordinary profit	(301)	(276)
80	35	Corporation tax paid during the year	261	249
		Explanation of tax rate:		
		Tax for the year	301	276
		Ordinary profit before tax	864	687
		Goodwill amortisation	201	178
		Tax base for the year	1,065	865
		Effective tax rate	28.3%	31.9%
		Reconciliation of tax rate:		
		Danish tax rate	30.0%	
		Non-deductible expenses and non-taxable gains	(1.1%)	
		Deviation from foreign tax rates compared with Danish tax rate	1.3%	
		Non-capitalised tax losses	(1.0%)	
		Adjustment for tax in prior years	(2.0%)	
		Other adjustments	1.1%	
		Effective tax rate	28.3%	

Notes to the accounts *(amounts in DKKm)*

Parent company		Group		
Goodwill	Note 8 Intangible fixed assets	Development costs	Goodwill	
942	Cost at 1 January	24	3,279	
-	Exchange differences	-	4	
-	Additions on acquisitions	-	274	
-	Additions	11	581	
-	Assets fully amortised	-	(372)	
-	Disposals and reclassifications	(6)	(67)	
942	Cost at 31 December	29	3,699	
(193)	Amortisation and write-downs at 1 January	(14)	(927)	
-	Exchange differences	-	(1)	
-	Assets fully amortised	-	372	
-	Disposals and reclassifications	6	9	
(48)	Amortisation and write-downs for the year	(5)	(201)	
(241)	Amortisation and write-downs at 31 December	(13)	(748)	
701	Net book value at year-end	16	2,951	
Operating equipment	Note 9 Tangible fixed assets	Land and buildings	Leasehold improvements	Operating equipment
12	Cost at 1 January	1,178	71	3,895
-	Exchange differences	4	3	10
-	Additions on acquisitions	37	57	101
4	Additions	88	77	662
-	Reclassifications	(118)	118	-
(1)	Disposals	(125)	(6)	(657)
15	Cost at 31 December	1,064	320	4,011
	Revaluation at 1 January	87		
	Released on sale of land and buildings	(5)		
	Revaluation at 31 December	82		
(5)	Depreciation and write-downs at 1 January	(519)	(42)	(2,414)
-	Exchange differences	-	-	(1)
-	Additions on acquisitions	-	(27)	(67)
-	Reclassifications	52	(52)	-
1	Disposals	21	3	441
(2)	Depreciation and write-downs for the year	(41)	(27)	(472)
(6)	Depreciation and write-downs at 31 December	(487)	(145)	(2,513)
9	Net book value at year-end	659	175	1,498
-	of which buildings and other assets under construction	6		14
	Book value at year-end of capitalised debt discount	1		
	Officially assessed value of land and buildings at beginning of the year	653		
	Book value of new buildings not assessed and under construction	1		
	Book value of land and buildings abroad	138		

Notes to the accounts *(amounts in DKKm)*

Parent company		Note 10 Long-term financial assets	Group	
Investments in subsidiaries	Receivables from subsidiaries		Investments in associated companies	Other long-term financial assets
2,743	473	Cost at 1 January	38	50
	6	Exchange differences	-	-
460	609	Additions	1	16
-	(218)	Disposals, reclassifications and amounts received	(15)	(5)
3,203	870	Cost at 31 December	24	61
(410)		Share of valuation adjustments at 1 January	8	
(416)		Effect of change of accounting policies	-	
(9)		Exchange differences	-	
550		Share of profit after tax	6	
27		Revaluation and write-downs for the year	-	
(188)		Dividend	-	
(446)		Share of valuation adjustments at 31 December	14	
2,757	870	Net book value at year-end	38	61

	2001	2000
Breakdown of other financial assets:		
Contract debtors	32	36
Long-term receivables	29	14
Total other long-term financial assets	61	50
Note 11 Investments in joint ventures		
Investments in joint ventures at 1 January	54	
Effect of change of accounting policies	(27)	
Exchange differences	1	
Additions	31	
Share of profit after tax	41	
Dividend received	(20)	
Investments in joint ventures at 31 December	80	
Receivables from joint ventures at 31 December	96	
The accounts of the joint ventures show:		
<i>Balance sheet</i>		
Assets (incl. contract debtors)	8,856	7,830
Current liabilities	(514)	(372)
Long-term liabilities	(8,175)	(7,403)
Net assets, 100%	167	55
Group 4 Falck's share of net assets	80	27
The long-term liabilities are primarily related to loan facilities to joint ventures provided by various bank syndicates.		
Assets include contract debtors receivable due after more than one year	1,932	
<i>Profit and loss account</i>		
Turnover	931	667
Expenses	(792)	(587)
Tax	(47)	(34)
Net profit, 100%	92	46
Group 4 Falck's share of net profit	41	23

Notes to the accounts *(amounts in DKKm)*

2000 2001

Parent company

2001 2000

Group

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 terms contracted. The parent company and other Group companies have issued performance bonds for the entire period.

		Note 12 Stocks		
		Raw materials and consumables	22	41
		Work in progress	1	8
		Finished goods and goods for resale	290	218
		Work in progress for third parties	118	104
		Total stocks	431	371
		Work in progress for third parties includes estimated profit on long-lasting individual installations	10	7
		Note 13 Trade debtors		
		Services	2,869	2,262
		Subscriptions	61	43
79	18	Other debtors	360	278
		Short-term portion of long-term receivables	8	4
79	18	Total trade debtors	3,298	2,587
		Group and parent company		
		Note 14 Shareholders' equity		
		Share capital	413	413
		Share premium	706	706
		Reserves	1,517	995
		Group 4 Falck's share of equity	2,636	2,114
		Share capital at 1 January	413	
		Share capital at 31 December	413	
		Share premium at 1 January	706	
		Share premium at 31 December	706	
		Reserves at 1 January	1,406	
		Accumulated effect on opening balance of accounting policy changes	(411)	
		Reserves at 1 January	995	
		Profit for the year	511	
		Revaluation of securities	26	
		Sale of own shares	19	
		Exchange differences	(9)	
		Tax on movements in shareholder's equity	8	
		Proposed dividend for the year	(33)	
		Reserves at 31 December	1,517	
		Minority interests' share of shareholder's equity in Group companies at 1 January	135	
		Exchange differences	(1)	
		Share of profit for the year	52	
		Decrease in minority interests	(29)	
		Increase in minority interests	19	
		Dividend to minority interests	(24)	
		Minority interests' share of shareholders' equity in Group companies at 31 December	152	

Notes to the accounts *(amounts in DKKm)*

2000 2001

Parent company

2001

2000

Group

	Note 15 Pension provisions	
	Pension provisions at 1 January	70
	Exchange differences	-
	Additions on acquisitions	-
	Change in pension provisions for the year	(6)
	Total pension provisions	64
	Note 16 Deferred tax	
5	Deferred tax assets at 1 January	65
-	Exchange differences	-
-	Change in deferred tax for the year	(26)
(5)	Reclassification to/from deferred tax provisions	(5)
-	Change in deferred tax for prior years	-
-	Deferred tax assets at 31 December	34
-	Deferred tax provisions at 1 January	306
17	Exchange differences	-
(5)	Change in deferred tax for the year	(6)
-	Reclassification to/from deferred tax assets	(5)
-	Change in deferred tax for prior years	-
12	Deferred tax provisions at 31 December	295

Deferred tax assets	Deferred tax provisions	Specification of deferred tax at 31 December 2001	Deferred tax assets	Deferred tax provisions
		Intangible fixed assets	38	12
-	2	Tangible fixed assets	7	144
37	-	Long-term financial assets	3	33
		Current assets	1	-
-	39	Provision for recapture of losses etc.	-	140
-	8	Long term debt	16	8
		Short term debt	3	-
		Tax losses carried forward	30	-
		Other items	3	25
37	49	Total	101	362
(37)	(37)	Offset within tax units and jurisdictions	(67)	(67)
-	12	Deferred tax at 31 December 2001	34	295

5	-	Deferred tax at 31 December 2000	65	306
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2000 2001

2001

2000

		Tax losses carried forward not included in deferred tax assets amount to	681	698
		Of which a significant part can be carried forward for an unlimited period.		
	Note 17 Other provisions			
3	Other provisions at 1 January	239		
-	Exchange differences	1		
-	Additions on acquisitions	16		
-	Adjustment for acquisitions in previous years	(1)		
-	Provisions made during the year	154		
(2)	Provisions used for restructuring	(93)		
1	Total other provisions	316		
	<i>Other provisions are specified as:</i>			
3	Insurance reserves	228	144	
	Restructuring provisions	23	23	
	Other provisions	65	72	
3	Total other provisions	316	239	

Notes to the accounts *(amounts in DKKm)*

2000	2001		2001	2000
Parent company			Group	
		Note 18 Credit institutions		
762	1,217	Due between 1-5 years	2,085	1,207
-	169	Due after 5 years	395	237
762	1,386	Total credit institutions	2,480	1,444
		Net book value of mortgaged Group property	528	531
-	-	Mortgages used as collateral securities for credits	219	238
-	-	Bearer mortgages not used, held by the Group	33	33
		Note 19 Other creditors		
4	5	Holiday pay	1,185	674
2	1	Employee income taxes, etc.	432	571
-	-	VAT	424	323
4	14	Other	233	309
10	20	Total other creditors	2,274	1,877
		Note 20 Own shares - Group and parent company		
		Portfolio of own shares, number of shares	169,700	217,200
		Purchased during the year, number of shares	-	107,400
		Sold during the year, number of shares	47,500	107,400
		Portfolio as a percentage of share capital	0.82%	1.05%
		Sold/purchased during the year, as a percentage of share capital	0.23%	0.52%
		Sales/purchase price of shares sold/purchased during the year	(19)	127
		Total purchase price	163	182
		Market value of portfolio of own shares	159	230
		The shares have been purchased to cover liabilities under the stock option plan for the management.		
		Note 21 Contingent liabilities		
	1,318	Guarantee commitment for credit lines		
	993	Of which credit facilities utilised in subsidiaries		
	146	Other guarantee commitments	118	
		Annual expense for rent and lease commitments by duration of contract:		
	-	Contract ending within 5 years	464	
	1	Contract ending between 5 - 10 years	84	
	-	Contract ending later than 10 years	52	
		Group 4 Falck is a party to certain lawsuits. In the opinion of the management, the outcome of these lawsuits will not have a material effect on the Group.		
		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 433 million.		
		The parent company is jointly and severally liable with the other jointly taxed Danish Group companies for tax on jointly taxed income.		

Notes to the accounts *(amounts in DKKm)*

Parent company

2001

Group

Note 22 Financial instruments

Maturity of credit lines:

Within 1 year	395
Between 1 - 3 years	575
Between 3 - 5 years	1,675
Between 5 - 10 years	
After 10 years	227

2,872

Interest reset periods:

Within 3 months	1,197
Between 3 - 6 months	1,448
Within 6 - 12 months	-
After 12 months	227

2,872

Financial instruments

Bought
currencySold
currency

Market value of foreign exchange contracts used to hedge currency risks	598	590
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2000

2001

2001

2000

Note 23 Related parties

Related parties to Group 4 Falck are Skagen 4 N.V. (formerly Group 4 N.V.), the Board of Directors and the Executive Management Board. The Group has not had any material transactions with related parties, apart from remuneration as disclosed in the notes.

Note 24 Fees to auditors appointed by the annual general meeting

KPMG C.Jespersen:

Audit

Other services

PricewaterhouseCoopers:

Audit

Other services

1	2
4	1
1	2
1	1

7 **6**

Note 25 Investments in fixed assets

Intangible assets	(113)	(15)
Long-term financial assets	(6)	9
Land and buildings	(32)	35
Operating equipment	(407)	(546)

(558)
(517)

Notes to the accounts *(amounts in DKKm)*

	2001	2000
	Group	
Note 26 Net investments in Group companies		
Acquisitions		
Assets		
Fixed assets	(83)	
Cash	(71)	
Other current assets	(309)	
Liabilities		
Interest-bearing debt	58	
Current liabilities, provisions, etc.	387	
Minority interests	-	
Net assets taken over	(18)	
Goodwill	(855)	
Acquisition price (including costs)	(873)	
Adjustment of cash taken over	71	
Net investments in Group companies	(802)	
Cash flow from divestment of subsidiaries is included in special items or in operating profit before goodwill amortisation		
Note 27 Dividends		
Dividend paid to shareholders	(33)	(21)
Dividend paid to minority interests	(24)	(21)
Dividend received	50	14
	(7)	(28)
Note 28 Net financial items		
Financial income and expenses	(151)	(119)
Unrealised gains and losses, etc.	-	10
	(151)	(109)
Note 29 Cash and cash equivalents at year-end		
Cash at bank and in hand	994	1,002
Securities (marketable)	140	112
	1,134	1,114

Board of Directors, management and auditors

BOARD OF DIRECTORS

Jørgen Philip-Sørensen (Chairman)

Born 23 September 1938, member of the board since June 2000

Member of the Boards of Directors of:

- Skagen Food A/S (Chairman)
- Danish Yacht A/S
- Harbour Quay plc

Alf Duch-Pedersen (Deputy Chairman)

Born 15 August 1946, member of the board since January 1992

President & CEO of Danisco A/S

Member of the Board of Directors of:

- Danske Bank Aktieselskab

Henrik Brandt

Born 29 September 1955, member of the board since June 2000

President & CEO of Sophus Berendsen A/S

Member of the Board of Directors of:

- Bryggerigruppen A/S

Sir David Gore-Booth

Born 15 May 1943, member of the board since June 2000

Member of the Boards of Directors of:

- British Arab Commercial Bank
- The Saudi British Bank
- HSBC Bank Egypt

Jens Kampmann

Born 30 March 1937, member of the board since June 1991

President & CEO of the Invest Miljø Group

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

Born 14 November 1942, member of the board since January 1992

Director, M.Sc. Economics

Ib Mardahl-Hansen

Born 20 April 1951, member of the board since May 1999

Director

Member of the Board of Directors of:

- F-Group A/S

Waldemar Schmidt

Born 4 July 1940, member of the board since June 2000

Director

Member of the Boards of Directors of:

- Superfos A/S (Chairman)
- Navision A/S (Chairman)
- Energi E2 A/S (Chairman)
- Thrane & Thrane A/S (Chairman)
- Tholstrup Cheese Holding A/S (Chairman)
- F-Group A/S (Deputy Chairman)
- Ove Arkil Holding A/S
- Alfa Laval International AB, Sweden
- Enodis PLC, UK
- Viterra Energy Services A.G.

Harald Kortland (*)

Born 12 February 1959, member of the board since January 1995

Rescue Officer

Palle Thirstrup (*)

Born 26 April 1959, member of the board since July 1993

Rescue Officer

Ketty Jordhøj (*)

Born 27 August 1968, member of the board since April 2001

Executive Secretary

Johnny Eikeland (*)

Born 20 January 1948, member of the board since April 2001

Information Officer

(*) Elected by the employees

EXECUTIVE MANAGEMENT BOARD**Lars Nørby Johansen, President and CEO**

Member of the Boards of Directors of:

- IC Companys A/S (Deputy Chairman)
- Dansk Olie og Naturgas A/S (Deputy Chairman)
- William Demant Holding A/S
- Københavns Lufthavne A/S (until the spring of 2002)

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 Boards of Directors of:

- Mobilized Workforce A/S (Chairman)
- KILROY travels International A/S

Grahame Gibson, Group Chief Operating Officer**Jim Harrower, Group Chief Operating Officer**

Member of the Board of Directors of:

- Tempo Services Limited, Australia

AUDITORS**KPMG C.Jespersen**

Borups Allé 177

DK-2000 Frederiksberg

Denmark

Finn L. Meyer and

Flemming Brokhattingen

State Authorised Public Accountants

PricewaterhouseCoopers

Strandvejen 44

DK-2900 Hellerup

Denmark

Morten Iversen and

Kim Fücksel

State Authorised Public Accountants

Legal entities

Country	Company	Interest			
			Estonia	AS Balti Äriturvakool	55%
Denmark	Group 4 Falck A/S		Estonia	AS ESS Narva	55%
Albania	Group 4 Securitas (Albania) SH.A.	85%	Estonia	AS Akropol A	55%
Australia	Orcani Pty Ltd	100%	Estonia	AS ESS Lõuna	55%
Australia	Group 4 Correction Services Pty Ltd	100%	Estonia	AS ESS Lääne-Virumaa	55%
Austria	Erste Wiener Wach- und Schliessgesellschaft AG	100%	Estonia	AS ESS Lääne	55%
Austria	Group 4 Securitas Austria AG	100%	Estonia	AS Sularahakeskus	55%
Austria	System Object Schutz Ges.m.b.H.	100%	Estonia	AS Alarmtec	55%
Austria	Gabriel Services Reinigungs-, Bewachungs-, und Veranstaltungsdienste GmbH	100%	Finland	Falck Security Oy	100%
			Finland	Falck Technical Solutions Oy	100%
Austria	Data-Storage Datenträger-Depot GmbH	50%	Finland	Eta-Sec Oy	100%
Austria	Securiton General Control Systems GmbH	100%	Finland	Vartiosalpa Oy	100%
Azerbaijan	Group 4 Securitas Azerbaijan (Representative Office)		Finland	Falck Cash Services Oy	100%
Bahrain	Group 4 Securitas Bahrain WLL	49%	Finland	Falck Lock Services Oy	100%
Bangladesh	Group 4 Securitas Bangladesh Pvt Ltd	100%	France	Group 4 France Holdings SAS	100%
Belgium	Group 4 Total Security SA/NV	100%	France	Group 4 Sécurité S.A.	100%
Belgium	Group 4 Technology SA/NV	100%	France	Group 4 Surveillance S.A.	99%
Belgium	Belson Security S.A.	100%	France	Group 4 Valeurs S.A.	100%
Belgium	De Vrieze & Co. BVBA	100%	France	Euroguard S.A.	99.94%
Belgium	Euroguard SA/NV	55%	France	I.F.F.I.S. S.A.R.L.	99.94%
Belgium	Group 4 Events Services SA/NV	100%	France	Eurovaleur S.A.R.L.	99.94%
Belgium	Secom Services SA/NV	100%	France	Euroguard Service S.A.R.L.	99.94%
Belgium	Seceurop Belgium Receptieservices BV BA	100%	France	Aeroguard S.A.R.L.	99.94%
Belgium	Securilink SA/NV	100%	France	OGS 4	99.94%
Belgium	Group 4 Securitas SA/NV	100%	Germany	Falck Deutschland AG	100%
Belgium	Group 4 Courier SA/NV	100%	Germany	Schiller GmbH	100%
Belgium	IQ.SEC SA/NV	100%	Germany	Falck Technik GmbH	100%
Belgium	Group 4 Logistics SA/NV	100%	Germany	Falck Technik GmbH Rhein-Main	100%
Bulgaria	Group 4 Securitas (Bulgaria) Ltd	97%	Germany	Falck Technik GmbH Leipzig	87%
Canada	Group 4 Securitas Canadian Holdings Ltd	100%	Germany	Falck Technik GmbH Witten	100%
Canada	Group 4 Securitas (Canada) Ltd	100%	Germany	Ballhorn GmbH Magdeburg	87.5%
Canada	Ontario Guard Service (Durham) Ltd	100%	Germany	Blattmann GmbH Frankfurt	75%
China	Group 4 Securitas Consultant Services (Shanghai) Co. Ltd.	100%	Germany	Falck Technik GmbH Stuttgart	100%
			Germany	Hansa Alarm GmbH Rostock	72%
Croatia	Group 4 Services Croatia d.o.o.	100%	Germany	ETOS GmbH Augsburg	80%
Cyprus	Group 4 Securitas (Cyprus) Ltd	100%	Germany	NORD-ALARM NRW GmbH Hilden	100%
Czech rep.	Group 4 Securitas AS	100%	Germany	Othmer GmbH Hannover	100%
Czech rep.	Group 4 Alarms sro	100%	Germany	Hansefunk Berlin GmbH Berlin	60%
Denmark	Falck Danmark A/S	100%	Germany	Sitronik GmbH Witten	74%
Denmark	De Forenede Alarmselskaber A/S	100%	Germany	Hansefunk GmbH Kiel	90%
Denmark	Esbjerg Brandskole A/S	56.25%	Germany	Falck Technik GmbH Berlin	100%
Denmark	Falck Air A/S	100%	Germany	Huber GmbH Stade	75%
Denmark	Danish Aircraft Painting A/S	49%	Germany	Stauf Verwaltungs GmbH Hilden	100%
Denmark	Falck Health Care A/S	58%	Germany	Ost-Alarm GmbH Hilden	100%
Denmark	Falck Medico A/S	50%	Germany	Gottschalk GmbH & Co KG Minden	51%
Denmark	Nordsjæll. Hjælpemiddelcenter A/S	51%	Germany	Gottschalk Beteiligungs GmbH Minden	51%
Denmark	Selcom A/S	100%	Germany	DRW GmbH Delitzsch	51%
Denmark	Auto Class I/S	50%	Germany	gm Brandmeldetechnik GmbH Minden	51%
Denmark	Group 4 Falck Treasury A/S	100%	Germany	gm GmbH & Co.KG Brandmeldetechnik GmbH Minden	51%
Egypt	Group 4 Securitas Egypt LLC	51%			
Estonia	AS Falck Baltics	55%	Germany	R&S GmbH & Co. KG Nürnberg	100%
Estonia	AS ESS Eesti	55%	Germany	SeTec GmbH Seefeld	80%
Estonia	AS ESS Grupp	55%	Germany	Sensor GmbH & Co. KG Neubrandenburg	74%
Estonia	AS ESS Ida-Virumaa	55%	Germany	Thomas Schult GmbH Neubrandenburg	74%

Germany	R&S Verwaltungs GmbH Unterhaching	100%	Latvia	SIA Falck Apsargs	39%
Germany	Falck Direct GmbH	100%	Latvia	SIA Liepajas	19.50%
Germany	Falck Sicherheitsdienste GmbH	100%	Latvia	Group 4 Tehniks	38.50%
Germany	Top Control GmbH München	100%	Latvia	SIA Group 4 Falck Latvia	38.50%
Germany	TC Büroservice GmbH München	100%	Latvia	SIA Securitas	27%
Germany	Tumber BV	100%	Lithuania	UAB Falck	55%
Germany	ADS Holding GmbH Berlin	100%	Lithuania	UAB Falck Security	55%
Germany	ADS Sicherheit GmbH Berlin	100%	Lithuania	UAB Gelvora	55%
Germany	ADS Sicherheit GmbH Leipzig	100%	Lithuania	UAB Jungtinis Apsaugos Pultas	55%
Germany	ADS Sicherheit GmbH Schwerin	100%	Luxemb.	Group 4 Falck Reinsurance S.A.	100%
Germany	GSD GmbH Schwerin	100%	Luxemb.	STL Securitas Technologies Luxembourg SARL	100%
Germany	ADS Sicherheit GmbH Cottbus	100%	Luxemb.	Securitas, Société de Surveillance et	
Germany	ADS Sicherheit GmbH Magdeburg	100%		de Sécurité SA	100%
Germany	HsdC GmbH Quedlinburg	100%	Luxemb.	Group 4 Luxembourg SA	100%
Germany	ADS Sicherheit GmbH Brownschweig	100%	Luxemb.	Securilec SARL	100%
Germany	ADS Sicherheit GmbH Sonneberg	100%	Malta	Group 4 Securitas (Malta) Ltd	100%
Greece	Group 4 Securitas SA Cash-in-transit Services	100%	Malta	Group 4 Services (Malta) Ltd	100%
Greece	Group 4 Securitas SA Security Services	100%	Mauritius	Group 4 Securitas China Limited	80%
Greece	Group 4 Securitas SA Technical Services	100%	Morocco	Group 4 Securitas Maroc S.A.	100%
Greece	Group 4 Securitas SA Total Security Services	100%	Morocco	Maroc Proteg Surveillance SA	100%
Guinea	African Security Guinea (AFSEC) SARL	100%	Morocco	Veil' 24 SA	80%
Hong Kong	Group 4 Falck (HK) Ltd.	80%	Nepal	Group 4 Securitas Nepal (P) Ltd	100%
Hong Kong	Aven Security Ltd.	80%	Netherlands	Falck Nederland BV	100%
Hungary	Group 4 Securitas (Hungary) Kft	100%	Netherlands	Group 4 Securitas (International) BV	100%
Hungary	Banktech Security Rt.	100%	Netherlands	Group 4 Securitas Holding (A) BV	100%
Hungary	Group 4 - Matávör Rt.	50%	Netherlands	Group 4 Securitas Holding (D) BV	100%
Hungary	Group 4 Megamicro Rt	100%	Netherlands	Group 4 Securitas BV	100%
India	Group 4 Securitas Guarding Ltd	29%	Netherlands	Group 4 Falck Finance BV	100%
India	Monitron Security (P) Ltd	32%	Netherlands	Group 4 Securitas Holding (B) BV	100%
India	Group 4 Securitas Systems (P) Ltd	32%	Netherlands	Group 4 Securitas East Asia BV	32%
India	Group 4 Holdings (P) Ltd	32%	Netherlands	Group 4 Services BV	100%
India	Group 4 Internal Services (P) Ltd	32%	Netherlands	Selectronics BV	100%
India	Group 4 Securitas Cash Services (P) Ltd	32%	Netherlands	Group 4 Falck Holding BV	100%
India	Group 4 Homecare (P) Ltd	32%	Netherlands	Nederlandse Veiligheidsdienst Nederland BV	100%
India	Group 4 Facility Services (P) Ltd	32%	Netherlands	Nederlandse Veiligheidsdienst Beheer BV	100%
India	First Select (P) Ltd	32%	Netherlands	Nederlandse Veiligheidsdienst BV	100%
India	Indo-British Garments (P) Ltd	32%	Netherlands	NVD Receptie Service BV	100%
India	Securitas Products India (P) Ltd	32%	Netherlands	Parkeer Groep Nederland BV	25%
India	AccuRead India (P) Ltd	16%	Netherlands	Europroject	100%
India	Group 4 Medicare (P) Ltd	32%	Netherlands	Group 4 Falck Services BV	100%
India	Group 4 Training (P) Ltd	32%	Netherlands	Group 4 Falck Receptie Services BV	100%
India	Central Monitoring Services India (P) Ltd	50%	Netherlands	Group 4 Falck Services and Care BV	100%
Indonesia	PT Group 4 Securitas Indonesia	97%	Netherlands	Group 4 Falck Advies en Trainingscentrum BV	100%
Ireland	Group 4 Falck Ltd	100%	Netherlands	Group 4 Falck Praktijkopleidingen BV	100%
Ireland	Euroguard Security Services Ireland Ltd	100%	Netherlands	Falck Alarmering & Techniek BV	100%
Ireland	Secure Tec (Ireland) Ltd	100%	Netherlands	Group 4 Falck Alarmcentrale BV	100%
Ireland	Group 4 Falck Support Services Limited	100%	Netherlands	NVD Techniek BV	100%
Ireland	Group 4 Support Services Ltd	100%	Netherlands	Sieling Security BV	100%
Ireland	Security wardens Ltd	100%	Netherlands	RCZ / Technoswitch	100%
Ireland	M.S.A. Systems Ltd	100%	Netherlands	Seceurop Beheer BV	100%
Ireland	Group 4 Falck Security Support Services Ltd.	100%	Netherlands	Seceurop Nederland BV	100%
Kazakstan	Specialist Consultant L.L.P	99%	Netherlands	Seceurop Nederland Security Check BV	100%
Kazakstan	Group 4 Securitas Kazakstan JSC	50.5%	Netherlands	Seceurop Services BV	100%
Kuwait	Group 4 Al-Zahem WLL	49%	Netherlands	Seceurop Diensten BV	100%
Latvia	SIA Group 4 Securitas Latvia LLC	55%	Netherlands	Aviation Security Training and	
Latvia	Seclat LLC	27%		Advisory Services BV	100%

Netherlands	Nederlandse Veiligheidsdienst Investments BV	100%	Turkey	Safak Güvenlik Hizmet ve Sistemleri	
Netherlands	R.I.S.C. Fire and Safety Training BV	37.5%		San ve Tic A.S.	100%
N. Antilles	Group 4 Gulf Holdings NV	100%	Ukraine	Group 4 Securitas Ltd	99.4%
N. Ireland	Group 4 Securitas Northern Ireland Ltd	100%	Arab Emir.	Group 4 Securitas Emirates LLC	49%
N. Ireland	Group 4 Monitoring Services Ltd	100%	UK	Group 4 Falck Global Solutions Limited	100%
N. Ireland	Group 4 Security Systems Northern Ireland Ltd	100%	UK	AccuRead Limited	51%
N. Ireland	Safeall Security Ltd	100%	UK	Group 4 Falck Global Solutions UK Ltd.	100%
Norway	Falken Gruppen AS	100%	UK	Group 4 Falck Overseas Holdings Ltd	100%
Norway	Falken AS	100%	UK	Group 4 Falck Joint Ventures Ltd	100%
Norway	Unikey AS	100%	UK	Group 4 Securitas Holdings Ltd	100%
Norway	Falken Helse AS	50%	UK	Group 4 Securitas (Investments) Ltd	100%
Norway	Telepool AS	100%	UK	Group 4 Cash-in-Transit (Scotland) Ltd	100%
Oman	Group 4 Securitas and Partners LLC	49%	UK	Group 4 Falck Ltd	100%
Oman	Group 4 Alarm Equipment Company LLC	49%	UK	Group 4 Total Security Ltd	100%
Philippines	Group 4 Securitas Philippines Inc	60%	UK	Group 4 Technology Ltd	100%
Philippines	SenTech Inc	60%	USA	Group 4 Securitas Technology Corporation	100%
Poland	Group 4 Polska Sp.z.o.o.	50%	USA	Group 4, Inc	100%
Poland	Group 4 Securitas Systems Sp.z.o.o.	50%	Uzbekistan	Group 4 Securitas Uzbekistan	100%
Poland	Falck Polska Sp.z.o.o.	100%	Yemen	Group 4 Securitas Yemen Ltd	24%
Poland	Ratownictwo Falck Sp.z.o.o.	100%			
Poland	Falck Ochrona Sp.z.o.o.	100%			
Poland	AOM Securitas Sp.z.o.o.	100%	The list above includes active companies in the Group's countries of operation.		
Poland	Kerberos Sp.z.o.o	100%			
Poland	BWR Serwis Sp.z.o.o.	100%	Certain companies are consolidated although the interest held is less than 50% as Group 4 Falck holds a controlling interest.		
Poland	BRE Services Assistance Sp.z.o.o.	100%			
Qatar	Group 4 Securitas Qatar WLL	24%			
Russia	Group 4 Securitas (Russia)	100%			
Russia	Group 4 Securitas Togliatti	49%			
Saudi Arabia	Group 4 Securitas Nesma Saudi Arabia Co Ltd	49%			
Singapore	Group 4 CISCO Training Pte Ltd	49%			
Singapore	Group 4 Securitas Singapore Pte. Ltd.	100%			
Slovakia	Group 4 Falck Services s.r.o.	100%			
Slovakia	Top Servis s.r.o.	100%			
Slovakia	GSG s.r.o.	100%			
Slovakia	Group 4 Falck Slovensko s.r.o	100%			
Slovenia	Group 4 Securitas d.o.o.	66.85%			
S. Africa	Group 4 Correction Services SA (Pty) Ltd	100%			
S. Africa	Group 4 Correction Services Bloemfontein SA (Pty) Ltd	81%			
S. Africa	Callguard Security Services (Pty) Ltd	100%			
S. Africa	Group 4 Securitas (S.A.) (Pty) Ltd	88%			
Sweden	Falck Sverige AB	100%			
Sweden	Falck Security AB	100%			
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Sweden	Restec AB	100%			
Sweden	AB Automatic Alarm	100%			
Sweden	AB Automatic Alarm Malmö	100%			
Turkey	Group 4 Securitas Güvenlik Hizmetleri Sanayi, ve Ticaret AS	51%			

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(The United Kingdom, South Africa and Australia)

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