



Dussmann Group
Annual Report 2005

Stronger Than Ever



Ladies and Gentlemen,

With more than 52,000 employees in 27 countries, my company, the Dussmann Group, offers all facility management services from one source under the brand name of Dussmann Service: technical services, catering, security and reception services, cleaning services, commercial management, and energy management. The second largest business division, Kursana, which I founded 21 years ago, provides assistance and care for 10,500 seniors. In addition, we operate the KulturKaufhaus in Berlin.

The DUSSMANN AG & Co. KGaA, Berlin, ended the business year 2005 with a growth in sales of 6.1 percent to a total of 1,238 million Euros. This is the highest turnover in the 43-year history of my company, which makes it one of the world's largest private multi-service providers.

The successful business year consolidates our position as the leading German FM-provider. (Source: Lünen-donk GmbH, 2006). The EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) for the 2005 business year was 6 percent: a growth of almost 20 percent. These excellent results make me and my employees proud.

Our concentrated efforts to remain the most innovative global service provider in the FM industry achieve consistent results. Through core business we were able to increase turnover in

Germany by 7.4 percent to a total of 745 million Euros.

Our service companies with Charité and the Stiftung Preußische Schlösser and Gärten Berlin-Brandenburg (SPSG) started successfully. In addition, we were able to enter the new business sector of stadium catering - in the DOME in Düsseldorf. The contract for a leading German automobile manufacturer also shows that clients trust our competence.

Kursana is now the leading private provider of services for seniors and runs 80 residences and domiciles. Total European turnover in Germany, Austria, Switzerland and Estonia, increased by 9.3 percent to 200 million Euros. This is 16.1 percent of the total turnover of the company group. In the coming years, Kursana plans to open five new seniors' homes each year.

Dussmann das KulturKaufhaus recorded an increase in sales of 10.3 percent to 32 million Euros. The store thus continues its success story into its eighth year.

Abroad we were able to report excellent results. The turnover outside Germany was 493 million Euros in 2005 and thus increased by 4.2 per-

cent. The three foreign subsidiaries with the highest turnover are still Western European countries: Italy with 217.1 million, Austria with 65.2 million, and Luxemburg with 59.4 million Euros.

In the USA we were forced to eliminate more than 1,000 jobs because of the strict laws on antidiscrimination, company liability, and workers' compensation.

We experienced the most dynamic growth in Asia, especially in China, and in Eastern Europe including Lithuania and Romania. Turnover growth of 65 percent was achieved in China in 2005. The business year 2006 is also developing satisfactorily.

An important contract with the second largest shipping and shipbuilding company in the world will make an additional increase possible in China. The Dussmann Group will provide property management and comprehensive technical and infrastructural services for the Chinese headquarters of the company in Qingdao through a joint venture.

Vietnam achieved similar success to that of China with a growth in turnover of more than 35 percent. In Vietnam,

The Group's Employees

	as at 31.05.2006	as at 31.05.2005	Growth %
Employees total:	52,171	50,508	3.3
of this Germany	23,542	22,600	4.2
of this Abroad	28,629	27,908	2.6

we apply the know-how gained in Luxemburg in the construction of an industrial laundry. The laundry service is the first of its kind in Vietnam. After its opening in the fall of 2006, it will supply

20 hospitals around Ho Chi Minh City with 25 tons of sterile and regular laundry daily.

Following the opening of a new field of

activity in St. Petersburg and Odessa (Ukraine) i.e. the administration, step-by-step restoration, and comprehensive services for communal apartments, we are now providing this service to Novosibirsk.

Our results have exceeded our expectations and the satisfactory business trend continues into 2006. Through our international commitment, we have already proven that our clients can count on us, not only in Germany.

The Dussmann Group in Figures

	2005		2004		Growth
	Mill. €	%	Mill. €	%	%
Total sales	1,238	100.0	1,167	100.0	6.1
Germany	745	60.2	694	59.4	7.4
Abroad	493	39.8	473	40.6	4.2
Dussmann Service total:	1,006	81.3	955	81.8	5.3
of this Facility Management	679	54.9	640	54.8	6.1
of this Catering	327	26.4	315	27.0	3.8
Kursana	200	16.1	183	15.7	9.3
KulturKaufhaus	32	2.6	29	2.5	10.3

The Group's Assets and Liabilities

	2005		2004	
	T €	%	T €	%
ASSETS				
Fixed Assets	127,806	28.5	123,184	29.1
Accounts Receivable	196,157	43.7	183,964	43.4
Other Assets	109,650	24.5	102,848	24.3
Cash, Bank	14,850	3.3	13,735	3.2
Total Assets	448,463	100.0	423,731	100.0
LIABILITIES				
Equity Capital	84,990	19.0	86,568	20.4
Reserves	52,719	11.8	51,530	12.2
Bank Loans	140,564	31.3	127,268	30.0
Other Liabilities	170,190	37.9	158,365	37.4
Total Liabilities	448,463	100.0	423,731	100.0

Investments (Mill. €)

	2005	2004	Growth %
Investments	45.8	36.0	27.0



Yours sincerely

Peter Dussmann
Owner and Chairman
of the Supervisory Board
Dussmann Group

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