



Dussmann Group
Annual Report 2006

Success through consistent strategy



Ladies and Gentlemen,

With nearly 50,000 employees in 27 countries, my company, the Dussmann Group (DUSSMANN AG & Co. KGaA, Berlin) 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. Our second largest business division, Kursana, provides assistance and care for seniors. In addition, we operate the KulturKaufhaus in Berlin.

We ended the business year with a growth in sales from 1,238 million Euros in 2005 to a total of 1,308 million Euros in 2006. This is an increase of 70 million Euros, or 5.7 percent compared with the previous year. The EBITDA for the business year was a good 6 percent. This corresponds to a growth of 14 percent compared with the previous year. In 2006, total investments were 26.4 million Euros. Amongst other things, we invested in extending business activities, for example in setting up industrial laundry services in Vietnam and Luxembourg, founding a joint-venture company with the Chinese state shipping company COSCO, concluding new contracts for services, for example with the ISS DOME in Düsseldorf, and renovating and constructing Kursana facilities.

The number of employees in the Dussmann Group worldwide fell by 2,944, from 52,171 employees in 2005 to 49,227 in 2006. While the number of

employees in Germany rose by 530 to 24,072, the number abroad decreased by 3,474. This resulted from the sale of the subsidiary in the USA.

With our core business of facility management services and services for seniors, we were able to increase the turnover in Germany by 10.9 percent in 2006 to a total of 826 million Euros. In 2005, the turnover was 745 million Euros.

Kursana is the leading private provider of services for seniors and cares for around 11,200 seniors in 85 centers in Germany, Austria, Switzerland and Estonia. Throughout Europe, the turnover of the division rose by 8.5 percent, from 200 million Euros in 2005 to 217 million Euros in 2006. New homes for seniors opened in Lappersdorf, Potsdam, Merseburg, Lingen and Donzdorf. Another home in Leinfelden-Echterdingen will open its doors in July 2007. In addition, care centers are in the process of being built in Barsinghausen, Kaiserslautern, Vaihingen and Bruchköbel. Work will also begin on the construction of Kursana homes in Hamburg-Billstedt, Buchholz/Nordheide and Aurich.

Dussmann the KulturKaufhaus recorded sales of 33 million Euros, an increase of 6.5 percent, which means that the store has now grown for the ninth year

in succession. By enlarging the sales area to 6,700 square meters and expanding the sheet music shop, it now offers more variety than ever before.

Our turnover abroad was 482 million Euros in the business year 2006 and thus fell by 2.2 percent compared with the previous year's turnover of 493 million Euros. The three foreign companies with the highest turnover are Italy, Austria and Luxembourg. Founded in 1968, the Austrian company is the oldest of the Dussmann Group's subsidiaries. Well-known customers such as Infineon, Voest Alpine, ÖBB and the Bank of Austria have contributed to its success over the years. Since January 2007, we have provided round the clock catering services for around 6,000 employees of the Romanian oil and natural gas concern Petrom. We also cater for the 2,000 patients and employees of the largest hospital in Lithuania, situated in the capital, Vilnius. As in the previous year, a growth in turnover was achieved in China in 2006. We now have over 2,700 employees in the 8 branch offices in China, representing the entire spectrum of Dussmann services. Vietnam developed in a similarly positive way to China: In November 2006, we opened the country's first industrial laundry service operating to European standards of hygiene in Ho-Chi-Minh

The Group's Employees

	as at 31.05.2007	as at 31.05.2006	Change in %
Employees total:	49,227	52,171	-5.6
of this Germany	24,072	23,542	+2.3
of this Abroad	25,155	28,629	-12.1

City. It supplies all the important hospitals in the area with 20 tons of laundry on a daily basis. The industrial laundry service will enable the Vietnamese subsidiary of the Dussmann Group, which employs around 1,400 people and is

the largest caterer in the country, providing 55,000 meals every day, to strengthen its portfolio in the growth market of Vietnam. In the next few years, we expect a double figure increase in sales in Vietnam.

The turnover in 2006 and in the first months of the current business year reflect that we are well positioned, both nationally and internationally. It shows that it is not only worth backing new contracts, but it also pays to cultivate and strengthen existing customer relations. This potential is the driver of a significant proportion of our worldwide increase in turnover. Our integrated facility management services are establishing themselves more firmly each year and we see outstanding chances for growth.

The Dussmann Group in Figures

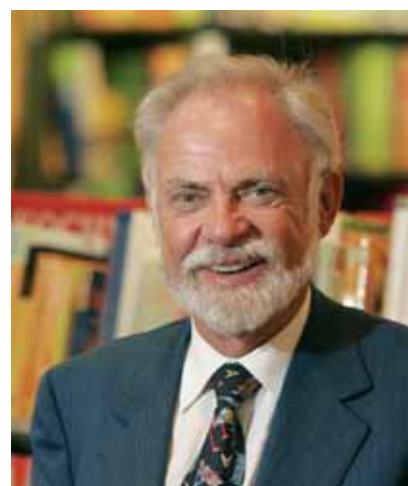
	2006		2005		Change in
	Mill. €	%	Mill. €	%	%
Total sales	1,308	100.0	1,238	100.0	5.7
Germany	826	63.1	745	60.2	10.9
Abroad	482	36.9	493	39.8	-2.2
Dussmann Service total:	1,058	80.9	1,007	81.3	5.1
of this Facility Management	701	53.6	680	54.9	3.1
of this Catering	357	27.3	327	26.4	9.2
Kursana	217	16.6	200	16.2	8.5
KulturKaufhaus	33	2.5	31	2.5	6.5

The Group's Assets and Liabilities

	2006		2005	
	T €	%	T €	%
ASSETS				
Fixed Assets	146,322	31.3	127,806	28.5
Accounts Receivable	194,136	41.5	196,157	43.7
Other Assets	106,466	22.8	109,650	24.5
Cash, Bank	21,005	4.5	14,850	3.3
Total Assets	467,929	100.0	448,463	100.0
LIABILITIES				
Equity Capital	90,275	19.3	84,990	19.0
Reserves	60,660	13.0	52,719	11.8
Bank Loans	122,710	26.2	140,564	31.3
Other Liabilities	194,284	41.5	170,190	37.9
Total Liabilities	467,929	100.0	448,463	100.0

Investments (Mill. €)

	2006	2005	Change in %
Investments	26.4	45.8	-42.0



Yours sincerely,

Peter Dussmann

Owner and Chairman
of the Supervisory Board
Dussmann Group

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