COWIannualreport

2001/2002

COWI's consultants are highly educated and used to working in professional networks. Six out of ten are experienced projects managers. One in four has been in charge of international projects. Read more in COWI's Intellectual Capital Report, page 18-23.

Contents

COWI strengthened with two new acquisitions

The year's financial result is the best for several years. COWI will continue to grow through acquisitions and business development

With the acquisition of the German railway consultant, ETC, and the renowned Danish consultant group, Kampsax, COWI has taken two major steps this year towards realising its corporate objectives, declares Klaus H. Ostenfeld, COWI's Managing Director since May 2000.

COWI's corporate vision is based on two fundamental elements: to be perceived by the market as one of Northern Europe's leading, multi-disciplinary consultancy companies by 2005; and to be an international market leader in the services it provides. COWI is aiming for a long-term rise in turnover from DKK 1.5 billion in 2000/01 to DKK 2.8 billion in 2005/06. In the same period, profit ratio will be increased from 2.6 per cent to 5-6 per cent—and to 6-7 per cent in the long term, reaching international top performance levels. In the same period, staff numbers will rise from 2,200 to 4,000.

As a result of the two acquisitions, COWI now has 2,800 employees and a turnover of DKK 2.1 billion. Klaus H. Ostenfeld stresses that COWI has to grow if it is to continue to provide its clients with quality consultancy on its selected markets. "The consultancy market, both in Denmark and abroad, is now in a phase of strong consolidation, with competition increasing. Profitable growth is vital if we are to attract the best clients and the best staff—and if we are to develop new consultancy services. These are decisive factors to maintaining and extending our role as market leader," he says.

"COWI will continue to grow as a result of acquisitions and development of new business areas," says Managing Director Klaus H. Ostenfeld.

Sound financial foundation

The growth is based on a solid financial foundation. At the end of the financial year, COWI could report the best results for several years. Profits on primary operation rose by 14 per cent to DKK 50.8 million and profit before tax by 25 per cent to DKK 56.8 million. Net turnover rose by 12 per cent to DKK 1,720.4 million.

Klaus H. Ostenfeld emphasises that COWI has achieved its financial targets year after year. And with the weak market following in the wake of the events in New York on 11 September 2001 and the Danish government's cutback in public spending, he regards the year's result as satisfactory.

Growth in the north and east

In 2002/2003, COWI will continue to realise its corporate strategy. Klaus H. Ostenfeld expects growth both as a result of acquisitions and from the development of new business areas. "One of our actions will be to strengthen our presence on the consultancy markets of Northern, Central and Eastern Europe," he says.

Although acquisition and business development can have a short-term negative effect on earnings, COWI expects the sharper focus on profitability of existing business, together with new investment, to generate a positive development in earnings.

Key figures for the Group in DKK million

	1997/98	1998/99	1999/00	2000/01	2001/02
Net turnover	1,355.0	1,330.7	1,379.7	1,533.2	1,720.4
Operating profit	15.5	(33.7)	8.1	44.4	50.8
Profit before tax	39.3	(18.2)	23.9	45.3	56.8
Balance	981.8	963.0	1,059.5	1,070.2	1,082.4
Shareholders' funds	330.9	323.2	331.7	360.5	393.1
Equity ratio (pct.)	33.7	33.6	31.3	33.7	36.3
Operating margin (pct.)	1.1	(2.5)	0.6	2.9	3.0

Kampsax—new member of the family

With the acquisition of Kampsax A/S in June 2002, the COWI Group gained a prominent new member of the family.

Kampsax made its name in the 1930s, when it won great renown for its leading role in the construction of the Trans-Siberian railway, linking the Caspian Sea with the Persian Gulf. The company was founded in 1917 by the three engineers Per Kampmann, Jørgen Saxild and Otto Kierulff. Through the century, it carried out projects in more than 100 countries for a list of clients that includes governments, international development organisations and private clients.

Half from abroad

In recent years, Kampsax has worked exclusively as a consultancy company. At the time of the acquisition, Kampsax had more than 400 full-time employees and some 270 project staff in three business areas—international consultancy, engineering consultancy and geographic information. Like COWI, Kampsax generates more than half its turnover of DKK 400 million abroad.

Kampsax has activities within infrastructure, urban environment, green environment, training, land registration, building, construction, geo-technology, mapping, development and sale of geographical standard products, geographical information systems (GIS) and services, including pipeline and cable registration. These activities will supplement and reinforce the specialist areas in the entire COWI Group.

Market-leading environments

One of the results of the merger of COWI and Kampsax is that we become the market leaders in the following consultancy areas in Denmark—soil and groundwater, environmental due diligence, geographic information, building, the environment and energy. It will also produce one of the largest development planning consultancy organisations in Northern Europe. The two companies will join forces in the autumn of 2002, with offices in the capital and around the country.

Kampsax A/S, rich in tradition, is the newest member of the COWI Group.

Public transport around Copenhagen

COWI has made calculations for four public transport alternative solutions

Every day, some 70-80,000 people drive to and from work on the Ring Road 3 around Copenhagen. More and more workplaces are moving out of the city to satellite municipalities, which is putting extra pressure on the infrastructure. To ensure that the inhabitants of Copenhagen can get to work and home again as speedily as possible, an inner ring with urban railway, is being built and a system of express buses instituted in and around Copenhagen. But that will not be enough to solve the problem and the Greater Copenhagen Authority (GCA), Copenhagen County and the Ministry of Transport are looking to enhance public transport across the city. As a result, COWI has prepared a report containing four models for an improved public transport solution between the suburbs of Glostrup and Lyngby.

The report was completed in partnership with the French engineering company SEMALY, experts in light rails, the Danish rail consultants ScanRail, which produced calculations with GIS (geographical information systems), and Europlan Arkitekter, specialists in illustrating traffic in towns. The analysis was conducted in close cooperation with the clients, who took part in fortnightly progress meetings and more strategic steering group meetings, where wide-reaching issues such as converting traffic lanes for cars to exclusive public transport lanes were discussed.

Close cooperation

"It has been an exciting and challenging project," says Head of Department Preben Vilhof of Public Transport. "What has been really interesting is the close cooperation between our external partners and specialists from many different COWI departments and the client."

"Planning public transport is one of the department's core activities and we have worked together with SEMALY before. It brings experience from French and German towns and is known for its elegant solutions, in terms of both materials and construction. The Danish architect firm Europlan is expert in urban development and freehand illustration, which is a cheaper solution than computer graphics."

In-house expertise

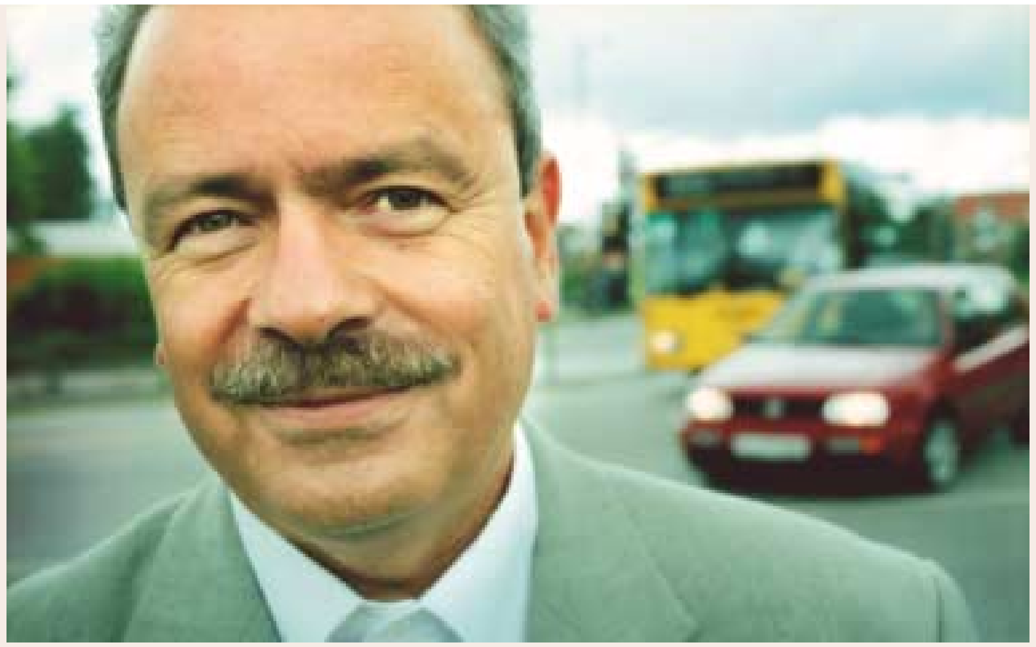
"With our external partners, we have brought to the project international experience and special expertise that we do not have. But we have also drawn on many of our own specialists. Our "twin department", Traffic Planning Department, was responsible for adapting the solutions to the local environment and evaluating traffic safety. Our transport economists have made socio-economic calculations; our road, bridge and tunnel specialists have costed road expansions, bridges, tunnels and stations; and the environment department has assessed air and noise pollution. It makes such an exhaustive analysis much easier and more flexible because much of the expertise required is in-house. It also means we can complete the assignment faster than if we had to find the specialists externally. In this case, it was particularly fortunate because we had only six months to complete the analysis, which meant that we were pressed for time. Whilst it was running, 15-20 people were working on the project simultaneously," concludes Preben Vilhof.

"It was a tight deadline and we were impressed by COWI's ability to solve a complex problem by the agreed time," says GCA Planning Director Jes Møller. "The project control was fantastic."

The four alternatives

The report is now on the client's desk, awaiting further study, including the possibility of extending the transport system north of Lyngby and south of Glostrup. All four alternatives are included in the new study.

Preben Vilhof points out that they must be seen as four alternatives, not four projects. "Possibilities for public transport are infinite. We have made some choices and analysed merging with existing infrastructure, traffic, environment and economy, and described and illustrated them in an easily digestible report."



It makes an extensive analysis much easier and more flexible because much of the expertise required is in-house, believes Head of Department Preben Vilhof.

Head of Department Preben Vilhof, pv@cowi.dk

Copenhagen harbour to have wider appeal

COWI Regional Director Phyllis Hjelmdal Larsen has set up a harbour group to coordinate the company's various projects in the Port of Copenhagen. This allows the client, Karl-Gustav Jensen of the Port of Copenhagen, to maintain a dialogue with COWI at the strategic level.

COWI is striving to provide the Port of Copenhagen with holistic consultancy and be a creative partner in its development

The cranes are working at top speed in the Port of Copenhagen and tourists and inhabitants will soon get more enjoyment from the large waterfront. An entirely new urban area is being developed along the harbour, with a mix of homes, offices and recreational facilities.

In August 2000, the Port of Copenhagen and the Municipality of Copenhagen jointly presented a series of plans for the future development of the harbour area. The decision was made to give highest priority to the North Harbour, the inner basins and the South Harbour and the two partners have set up a number of working groups that are to produce a report on how the citizens of Copenhagen could get most out of living so close to the water. They will take a look at how to provide better access and bathing facilities, more houseboats and outdoor attractions near the water.

"Within a few years, the people of Copenhagen will see their harbour undergo considerable change. In the past, the city has rather turned its back on the harbour—the future will bring it much more to the front. It will have a much wider appeal and not be the exclusive domain of those living in the new flats with a water view. The idea is that there should be something for everyone to enjoy in the area," says Karl-Gustav Jensen, Department Head at the Port Authority.

Holistic consultancy

COWI is engaged in several projects for the Port of Copenhagen within environment, infrastructure, construction and works. COWI has set up a special harbour group to coordinate services, transfer knowledge and develop ideas. Karl-Gustav Jensen believes this is an important step, as the Port will not have to maintain contact with six different COWI consultants as it used to, but can restrict its communication to a more overall plan.

"We have set up the Port group because we are striving to provide holistic consultancy and coordinate our services so that we appear as a single entity. But the group will also ensure multi-disciplinary solutions," says COWI Regional Director Phyllis Hjelmdal Larsen.

One of the more notable buildings COWI is involved with is a 16-storey high-rise tower in the Southern Free Harbour. The new 60-metre building will tower over all its neighbours and become something of a landmark when sailing into the harbour. The building is expected to be ready for occupancy in February 2004, and will house the new offices of the law firm Plesner, Svane og Grønborg. COWI is responsible for all engineering disciplines in the project, in which TK-Development and the Port of Copenhagen are joint clients.

Mutual confidence

The project is the Port of Copenhagen's largest investment since the development of the Free Harbour. The new building is expected to be completed at the same time as the opening of a new three-dock ferry terminal in the South Harbour. The new terminal will be the home base of DFDS's ships to Norway, Poland and Bornholm. COWI has been consultant on the ferry terminal since the project began in 2000, responsible for planning, construction, environmental studies, traffic planning and design and construction supervision in the area.

In addition to the terminal, COWI is also consultant on the forthcoming frontier station and ticket office. COWI has been responsible for all the traffic planning of the North and South Harbours where several major residential buildings are planned on the waterfront and man-made islands. Analyses have been made of the traffical impact on the arterial road along the harbour and COWI has also devised a sketch project for a new access road from the Free Harbour to Århusgade.

"COWI is one of a handful of consultants in Denmark who can embrace several disciplines at the same time. But selecting a consultant is very much about personal relationships, about mutual confidence. You should be able to trust each other," says Karl-Gustav Jensen.

Regional Director Phyllis Hjelmdal Larsen, phl@cowi.dk

More citizens of Copenhagen are to enjoy the benefits of living close to the waterfront of the Port of Copenhagen. A new urban area is to be developed along the harbour.

Project room fine-tunes new major abattoir

Danish Crown has established a shared project room for the building of a new major abattoir. It ensures fast communication between i.a. Danish Crown Chief Project Manager Søren Eriksen (left) and COWI Chief Project Manager Mogens Dahl Pallesen (right).

Consultants, architects and process consultants have joined forces at a shared project room at Danish Crown. The result: Better communication and efficiency

Engineers' calculations and architects' drawings are arranged in piles on the desk. Despite the appearance of chaos, there is complete control of every sheet of paper. For the last eighteen months, some 40 engineers, architects and process consultants have sat side by side in a shared project room at the client, Danish Crown, to prepare the construction and fitting out of a new abattoir in Jutland. The work is taking place in close physical proximity to Danish Crown's own project organisation of five people who are working exclusively on the new abattoir.

With a total budget of DKK 2 billion, Danish Crown intends to build the best and most sophisticated abattoir in the world, concentrating on the needs of the staff, animals and the environment. When the 76,000m^2 production plant is finished in 2004, it will have a capacity of 75,000 pigs a week.

There are several advantages in placing all the consultants in the same project room. It gives the unique opportunity to tackle major and complex assignments speedily and efficiently, which boosts the team spirit among those taking part. It also means that communication and decision pathways will be shorter and fewer memos will need to be written. Letters and e-mails are replaced by personal contact and problems are solved on the spot.

"We chose to set up a shared project room to complete the job in the best possible way. It is important for us to have our consultants close to our own staff - we believe it ensures fast and trouble-free communication between client and consultant. And we have been proved right," says Danish Crown Project Manager, Søren Eriksen.

Multi-disciplinary assignment

The assignment is highly multi-disciplinary. The team of consultants alone comprises representatives of several companies. COWI is main consultant, advising on buildings, installations, processing equipment and IT, with Arkitektgruppen Aarhus K/S and Tano Food Consult A/S as sub-consultants. SFK Meat Systems is advising on slaughtering equipment, ATTEC Danmark A/S on butchering of the meat and UNIVEYOR A/S on packing and palleting.

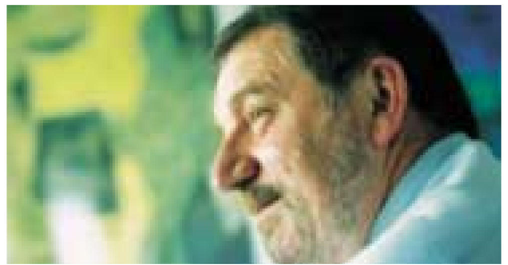
COWI's work ranges from environmental approval (evaluating the impacts of noise, emissions and transport) and construction and works tendering to responsibility for excavations, operational and maintenance systems, authority approval, electrical installations and development of new IT systems that trace the origin of the animals.

Neighbours have also been consulted. To ensure constructive teamwork with local residents, Danish Crown has taken the initiative of setting up a contact group consisting of interested residents and local land owners.

Finally, Danish Crown has set up more than ten working groups that will assess the ability of the abattoir's production equipment to meet the demands of the future. The working groups consist of staff from Danish Crown and COWI, with representatives from organisations such as the Danish Meat Research Institute and Veterinary Control.

"The project has been very multi-disciplinary, both internally in COWI and in our collaboration with the client, architects and working groups. That it has proceeded without problems is mostly because they have shared the same project room. By working so intensively, you get a better result at a lower price," say COWI Chief Project Managers Jan Stockmarr and Mogens Dahl Pallesen.

Chief Project Manager Jan Stockmarr, jst@cowi.dk



COWI Chief Project Manager Jan Stockmarr.

10 years with energy in Lithuania

Lithuania is revising its energy policy prior to EU membership. COWI assisted in establishing the ground rules

For the last ten years, COWI and its subsidiary, COWI Baltic, have been working on the development of the energy sector in Lithuania so that it can meet the liberalisation and environmental demands of the EU before its accession. Together with the Lithuanian Energy Institute and the Danish and Lithuanian ministries and electricity companies, COWI has created a solid foundation for the required reforms in the sector.

"Activities were intensified in 1999 when the EU put pressure on Lithuania to revise its national energy strategy and draw up a plan for closing down Ignalina nuclear power station," explains Chief Project Manager Else Bernsen from COWI. Based partly on the report, "Least Cost Power Sector Analysis" made by COWI in 1999, Lithuania decided to shut down one of the power station's two reactors in 2004 and has recently elected to shut down the second in 2009.

Sector reform

"The closing of Ignalina and liberalisation of the electricity sector poses several questions," she says. What will be the future of the existing producers, the power stations? What will the competitive situation be like? What new plants are needed? What will reforms mean to the consumer and society as a whole? Together with Elkraft System and the Lithuanian partners, COWI has therefore prepared a detailed analysis of the existing electricity sector and defined the technical and economic perspectives of the future in a liberalised market. The analysis shows that energy cooperation between the Baltic states would make reconstruction of the sector more profitable for everyone concerned, a conclusion that is now being developed further.

Pilot plant

The energy strategy includes a move to concentrate on combined heat and power plants, and the Danish Energy Agency has decided to co-finance a pilot plant. In effect, it is an actual subsidy of DKK 30 million and although the government has cut back on aid to Central and Eastern Europe all round, this commitment will be respected.

In July, COWI completed a feasibility study for the combined heat and power plant, which will cost about DKK 250 million, and suggested possible locations. The pilot plant could be in operation in 2005.

New environmental demands

Membership of the EU brings with it more stringent efficiency and environmental impact demands for the Lithuanian energy sector. COWI has therefore prepared an action plan for all major generating plants in the country and is currently busy renovating certain district heating system in Lithuania, a task the company is also undertaking in many other countries in Eastern Europe.

Chief Project Manager Else Bernsen, ebe@cowi.dk

Wing factory in record time

New wing factory in Aalborg will be finished with no delays. Special demands on cooperation between consultant and contractor

"COWI has the comprehensive knowledge bank of a large company, but the local knowledge and proximity of a small company," says Søren Lundby, Chief Project Manager at A. Enggaard. COWI's Ervin Haukrogh was Project Manager in the tender phase and Kristen Nørgaard during the design and construction.

When the managing director of the wind turbine manufacturer Bonus Energy A/S visited the building site outside Aalborg in the spring to see how things were going with the new wing factory, he was met with the words, "Things are going fine. We're twenty minutes ahead of schedule."

Construction of the 15,000m^2 factory has gone unusually fast. Building began in January, the roof went on 50 days later, and at the end of June the stores and production hall were in operation. In time for Bonus Energy to be able to produce extra-strong wings for the new wind turbine park south of the island of Lolland in 2003.

Building went so fast that design work had to be carried out in parallel with construction. Getting round that problem required close teamwork between the contractor A. Enggaard A/S, the architects Søren Jensen A/S and COWI, consultant on all engineering disciplines on the building and civil works. As early as the tender stage, COWI's regional office in Aalborg harnessed the team to produce the best possible bid for the wing factory. COWI thus benefited from the contractor's knowledge of the building process and called on its multi-disciplinary expertise.

Knowledge bank and local knowledge

"COWI's advantage is that it has the comprehensive knowledge bank of a large company, but the local knowledge and proximity of a small company," says Søren Lundby, Chief Project Manager at A. Enggaard.

Multi-disciplinary expertise has been particularly useful in areas such as geotechnics, the environment, pavements and acoustics. As the floor of the factory would have to withstand heavy loads, COWI drew on expertise in Aalborg from the department that normally designs pavements at airports.

"Both internally, in terms of the teamwork between the contractor and the architect, and externally, the multi-disciplinary work process will be the way of working in the future. Knowledge sharing will be the key word when we are to ensure the best technical and financial solutions for major assignments," says COWI Chief Project Manager Ervin Haukrogh.

Chief Project Manager Ervin Haukrogh, enh@cowi.dk

Construction of the 15,000m^2 wing factory in Aalborg has gone unusually fast. Building began in January—at the end of June, the stores and production hall were put into operation.

New urban centre emerges from the asphalt

A mix of commercial and residential buildings will bring greater vitality to new urban centre in Jutland

The hot asphalt is still steaming as it is rolled flat to form a car park in Havneparken on the old Tulip ground between the railway station and harbour in Vejle. The area is being transformed into a new commercial and residential area, a centre for consultancy and knowledge.

Since the Tulip meat processing business moved its factory to the outskirts of the town more than ten years ago, the 35,000m^2 site has been deserted. With a panoramic view of Vejle Fjord, the site is attractive and over the years there have been several initiatives to develop it. Nothing came of them, however, until KPC Byg bought the land from Vejle Municipality in 1999.

"Havneparken means a great deal to Vejle—it will change the town completely. The new homes and offices will inject new vitality to an area that has long been something of a ghost town," says Project Manager Keld Korshøj, KPC Byg.

Training centre and housing associations

Since COWI team, contractor (KCP) and architects (Westergaard and CUBO) won a concept competition for how to use the area, a new part of town is emerging, with a mix of commercial and residential buildings. The idea is to tailor building design for knowledge companies, training organisations, housing associations, pension fund housing and up-market owner flats. The area will thus be alive and populated in the daytime, evenings and weekends.

One 6,000m^2 office block is already finished and the first occupants are about to move in. The rest of the area is still a huge building site. But when the old Tulip site is finished in five years' time, there will be a 60-metre, 19-storey high-rise building with 75 luxury flats. Some of the existing buildings have been renovated and are now occupied, mostly by small IT companies and a section of Vejle Business School.

The project has been very much a multidisciplinary venture and from COWI specialists in environment, roads and public works, construction, plumbing and electrical installations have been involved. The work was carried out in close teamwork with the client KPC, whose Project Manager, Keld Korshøj, acknowledges that they had great demands to the building—which COWI has met in full.

"We make every effort to regard this close teamwork as a learning situation for everyone concerned and use the experience we are gaining on designing the next building in Havneparken. By keeping the same project team, we have a better understanding of each other and thereby the actual needs of the client," says COWI Project Manager Knud Eigil Kruse.

Project Manager Eigil Kruse,
kek@cowi.dk

COWI Project Manager Knud Eigil Kruse has worked closely with KPC Byg Project Manager Keld Korshøj on the transformation of this old Tulip site in Vejle to a new part of town.

Four-storeyed knowledge centre

Five companies are building joint knowledge centre

A new consultancy and knowledge centre is about to see the light of day. Five private knowledge companies are now moving into the new four-storey building in Havneparken in Vejle with many shared facilities.

Among these are the canteen and the internet portal that provide a platform with an external window facing the market and an internal window facing the employees. The occupants include a consultant, an estate agent, a lawyer, an accountant and a bank. But although they each have their own specialisation, they have the best framework for collaboration and knowledge sharing.

"It is very unusual to share facilities like this. But there are many advantages in pooling resources; economy is one and being able to draw on each other's knowledge and consultancy another. This is a clear advantage for the customers," says COWI Project Manager Knud Eigil Kruse.

Knowledge shared with customers

Apart from COWI, the new tenants are COLLIERS Hans Westergaard, Bent Skov & Partnere Advokataktieselsskab, BDO ScanRevision and Amtssparekassen Fyn. KN Rengøring is responsible for canteen services, cleaning and similar activities.

COWI helped develop the concept for the shared building, in which the companies' knowledge is shared among customers and partners. This is achieved partly through specialist seminars addressing issues relevant to society, presenting new knowledge developed in the companies, new products and new services. But there must also be room for multi-disciplinary issues aimed at further training of own staff. The shared facilities also include a combined canteen and lecture hall, and the possibility of setting up facilities for seminars and training courses. Finally, there is to be a Friday-café and a common events committee.

And of course, the companies will hold a joint housewarming arrangement.

www.havneparken1vejle.dk

New hospital focuses on improved patient care

To create the first fully patient-oriented hospital in Europe, COWI Divisional Director Lars-Peter Søbye (right) works closely together with Director Bo Jessen, Århus County Hospital.

Århus wants to create the first fully patient-oriented hospital in Europe. COWI has been selected as consultant for the project that will run over the next ten years or so

Bo Jessen has been the director of Århus County Hospital for seven years. During that time, it has become increasingly clear to him that the established procedures and traditions at the hospital, often in the narrow interest of the organisation itself, must be discarded. This is an opinion sustained by several patient surveys. One of the most common patient complaints is the lack of coherence in their treatment; they feel they are shuffled around in a system where the left hand does not know what the right is doing.

Now something is going to be done about that situation. The almost 70-year-old hospital is too small, has suffered considerable wear and tear, and is old-fashioned—six-person wards, for example. The County Council has now decided that new units have to be built and old ones rebuilt. Bo Jessen has thus the opportunity to realise his visions of the first patient-oriented hospital in Europe.

Everything in one place

All those ideas were collated in the tender material for 40,000m^2 of a new building to be located in the park south of the existing buildings.

"The vision is for a hospital where out-patient clinics, the X-ray department and physiotherapy are gathered under one roof in one department. The patient will register and be treated in the same place. The days are numbered when patients pass around the system from one department to another for different kinds of treatment, with all the risks of a breakdown in communications. In the new department, a patient will meet the same group of doctors, nurses and therapists throughout his treatment," explains Bo Jessen.

Unanimous choice

A unanimous panel of judges chose the proposal presented by CUBO Arkitekter A/S in partnership with Fich & Bengaard A/S and COWI.

"COWI won because COWI read and understood what we wrote, and because CUBO succeeded in creating the correct framework," says Bo Jessen. "CUBO Arkitekter is the author of the project, with COWI Århus as consultants on all engineering disciplines and our Norwegian subsidiary Hjellnes COWI, which has been involved from the beginning, responsible for all technical installations," explains Divisional Director Lars-Peter Søbye of COWI Århus.

The new hospital will have three six-storey wings extending from a central area. Each wing will have its own out-patient clinics, wards and treatment rooms. Every room will have a view and the buildings will have a light and simple construction. The plot lies on a slope, which means the technical spaces can be located in the cellar at the rear of the complex without taking up valuable floor space. There is also enough room for an underground car park.

"We are currently working on the master plan for the entire hospital," says Lars-Peter Søbye. "The first phase of about 9,000 m^2 is in the detail planning stage and will be completed in late 2005. The entire building will cost about DKK 700 million and will be finished over the next decade.

Fast discharge

The concept of better coherence in patient treatment is not new to Århus County Hospital.

"We have been working for years to focus on better patient care," says Bo Jessen. "At our geriatric department, for example, we have employed a team of therapists in the department itself. This means these elderly patients do not have to be manhandled down to physiotherapy but can receive treatment where they are from multidisciplinary teams. These teams also work at weekends, which means patients can be discharged quicker."

And quick discharge is absolutely an objective.

"Patients should not be in hospital longer than necessary. They thrive much better at home," says Bo Jessen. "When they have to be here, we must make their stay as comfortable as possible. Being admitted to hospital should not mean being institutionalised—the new department will help ensure that."

Divisional Director Lars-Peter Søbye, lps@cowi.dk

"The vision is a hospital where the patient registers and is treated in the same place", explains Director Bo Jessen (left) from Århus County Hospital. COWI is preparing a masterplan and COWI Divisional Director Lars-Peter Søbye is heading the project.

Intellectual Capital Report 2001/2002

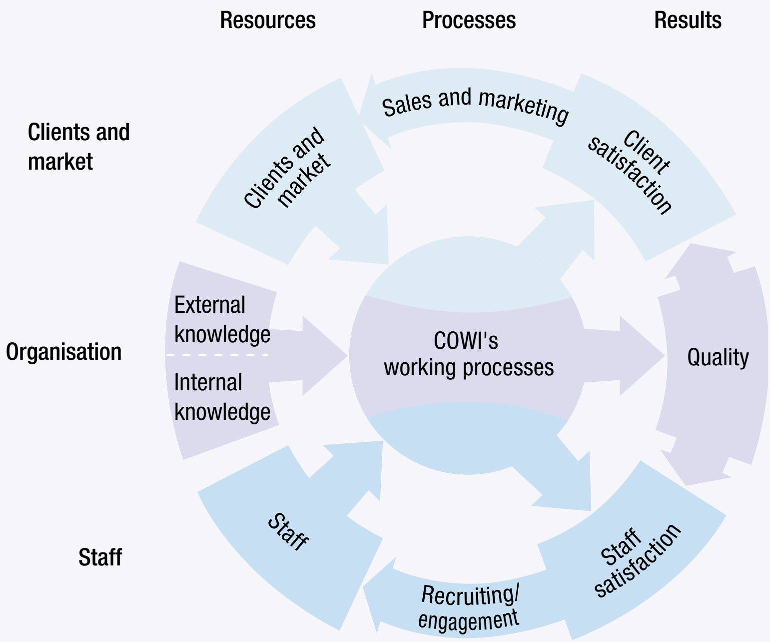
Management and follow-up

The Intellectual Capital Report for 2001/2002 is for the parent company COWI A/S.

The ICR gives an indication of whether we are on the right path to realising our ambitions, strategies and policies. It covers all COWI's resources, processes and results, not only for the organisation itself but also for clients and staff. The ICR functions in parallel with the company's financial accounts and provides monthly reports on selected areas for all business units in the parent company COWI A/S.

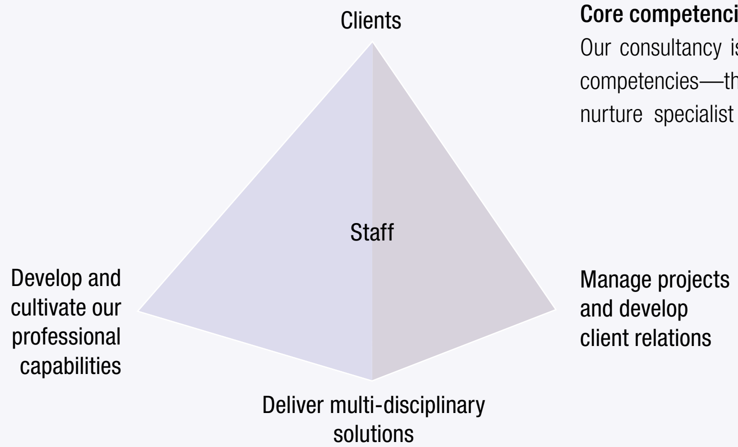
Development trends

The ICR for 2001/2002 shows a positive development in some areas but also identifies challenges in others. Broadly speaking, the ICR presents a picture of COWI as a sound and healthy company. The most obvious developments are seen in supplementary education, professional networks and development activities.



Core competencies

Our consultancy is based on a set of core competencies—the ability to develop and nurture specialist expertise, provide inter-disciplinary services, manage projects and develop close relations with the client. Our prime task is to continue to develop these competencies. Our tradition for development and sharing of knowledge is the very foundation for this development. The ICR indicates the more specific challenges and areas of effort required for this to take place and provides a snapshot of important areas.



Clients and markets

Private clients

Client composition and the relationship we enjoy with each other is of considerable importance for client satisfaction with our services.

After a decrease in the share of private clients last year, it has now risen from 24 per cent to 27 per cent. We expect the consultancy market to move more towards private sector clients, a development we regard as positive.

International activities

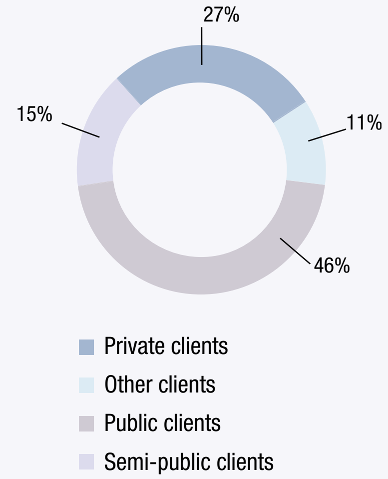
Our strategy is focussed on international activities in market-leading specialist business. This provides the basis for more extensive and more profitable international activities. The share of foreign activities in the parent company over the last few years has been steady at about 30 per cent. Behind this situation, though, the dynamics of each business area are considerable.

Several indicators portray our international activities. Among them are the trade between parent company and the other companies in the COWI Group, travel abroad, and project management capacity on international assignments. We are looking for a positive development in all these indicators.

Visibility of specialist expertise

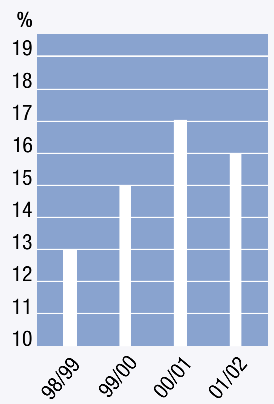
Our consultancy is founded on the competence and knowledge of the staff. If we are to attract the best staff, therefore, it is important that our professional expertise is visible. We measure this parameter with the visibility of our publications and lecture activities. With certain minor shifts, the level of previous years has been maintained.

Client portfolio



Most of our clients are in the public sector; just under a quarter are private. We wish to increase the percentage of private clients.

International clients



Share of project manhour costs on projects for clients abroad. After some years' increase, this share now appears to have stagnated. We wish to see a continued increase in the share of international clients.

Clients - values and challenges

Our mission is to create value for clients by providing them with holistic solutions that are integrated into the client's value chain in the best possible manner.

We will support this by developing insight, understanding and effective teamwork in our relations with clients.

Internationally, we aim to be a well-known specialist leader and to supply cutting-edge solutions founded on the highest international qualifications and state-of-the-art technology.

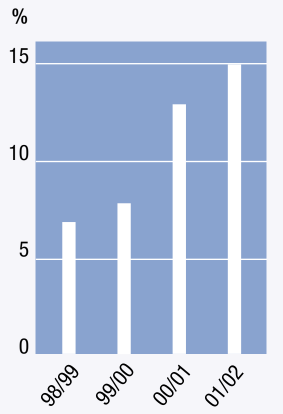
Organisation

Internal knowledge
Our internal knowledge resources are of great importance to our productivity, quality and satisfaction with the services we provide. We work systematically to collate and share project experience and business procedures through professional networks and 'best practices'. The number of such networks is increasing and now extend to fields such as project management, language, GIS, concrete, environment and health.

Synergy
Synergy arises when people work together and their individual differences supplement each other.

One aspect of synergy is the collaboration within the Group; in the course of the year this rose from 2.7 to 3.5 per cent of the turnover. This development meets the requirements and expectations of last year and we are looking for a further increase. Unfortunately, exchange of staff between the parent company and the subsidiaries fell from 1.1 to 0.7 per cent, a development we wish to change.

Professional networks - staff participation

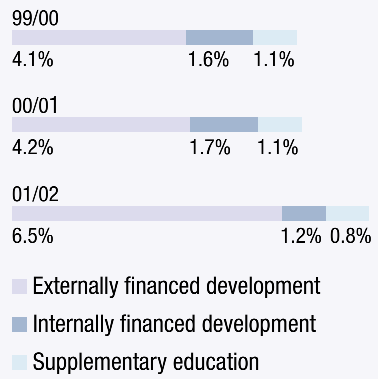


Share of employees participating in one or more registered internal professional networks. Participation continues to grow. On top of that we have more informal professional networks, external networks, etc.

Development and quality
Externally financed development activity rose from 4.2 to 6.5 per cent of total working hours; internally financed development activity fell from 1.7 to 1.2 per cent. This is due to the fact that we have concluded several major development initiatives, including the introduction of SAP/R3, strategy formulation and a number of specialist development activities.

Quality has developed positively. Internal follow-up on quality has risen whilst remarks in audits fell considerably.

Development



Share of overall working hours used on internally and externally financed development and supplementary education.

Organisation - values and challenges
Our organisation and business system support COWI staff and clients to foster maximum value creation.

COWI has a tradition for development. We will further develop our core services and extend synergy across the organisation by strengthening our knowledge management, and improving production processes, delivering processes and internal support processes.

The COWI brand must be synonymous with quality and value. One of the ways in which we can enhance our brand is by attracting and retaining the best employees.

Staff

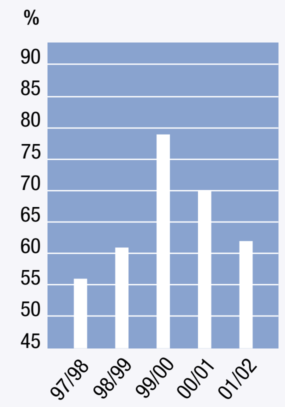
Staff turnover
COWI's staff turnover is believed to be lower than average for the engineering consultancy sector. Outflow is stable at 11-13 per cent, with inflow at about 17 per cent.

We know from experience that familiarising new employees is costly and we will strive to attain the right balance between financial success and the need for new blood in our staff.

Project management
Project management capacity has risen sharply. A large proportion of our staff has had experience in managing small and medium-sized projects within the last ten years. The figure this year is 61 per cent against 57 per cent last year, which is high compared to similar companies. We will concentrate project management on relatively fewer key employees and thus optimise the use of our project management experience.

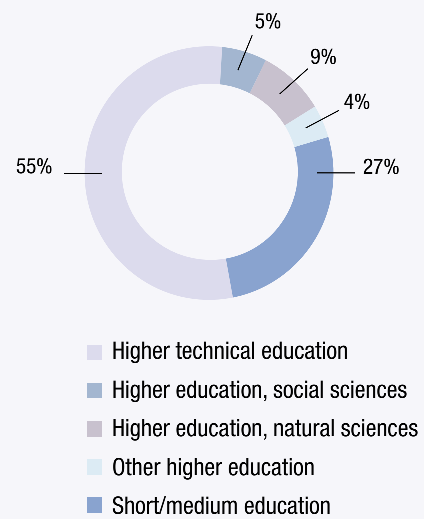
Image on the labour market
According to Universum's survey of engineering students' preferred places of work, COWI is ranked second among consulting engineers but due to a general downward trend for the consultancy sector, we have fallen from a joint second place to fifth among engineering sector employers as a whole. Among students at business colleges and social science students, we are ranked 36 overall and 11 among consultants, a minor improvement on last year but still a performance we are working to improve.

Staff owning COWI shares



The number of employees owning COWI shares has varied somewhat over the years but is consistently well over half the staff. The company must be developed as the staff's company, a goal which will be met partly through co-ownership. Percentage of employees owning COWI shares varies with growth, share issues, etc.

Staff education



About half of our staff have a higher technical education (BSc or MSc); a fifth has some other form of higher education; and a quarter has a short or medium-length education.

Staff—values and challenges
COWI will create values for its staff by providing specialist and personal development opportunities through challenging assignments in a good working environment.

We place high demands on staff qualifications and wish to support the learning process, evaluate performance and reward results. Our goal is to be among the five best workplaces in the consultancy sector.

INTELLECTUAL CAPITAL REPORT

RESOURCES

		Budget 02/03	Accounts 01/02	Accounts 00/01	Accounts 99/00
CLIENTS & MARKETS	1 Public clients		46%	45%	41%
	2 Semi-public clients		15%	16%	17%
	3 Private clients	↑	27%	24%	26%
	4 Other clients		11%	15%	16%
	5 Number of clients		1.438	1.484	1.274
	6 Projects abroad	↑	29%	30%	29%
	7 Clients abroad	↑	16%	17%	15%
ORGANISATION	13 Professional networks, number (*)		45	32	33
	14 Staff participating in professional networks (*)	↑	15%	13%	8%
	15 Best practices on the Intranet, number (*)	↑	894	773	699
	16 Projects/employee, number		18	18	17
	17 Ongoing projects, number		5.410	5.102	5.152
	18 Average turnover/project (DKK '000)		1.030	1.010	915
STAFF	30 Number of employees	↑	1.731	1.667	1.571
	31 Average age		42,5	42,1	42,0
	32 Length of education, year		6,6	6,7	6,7
	33 Length of education, written down, year		4,5	4,6	4,6
	34 Employees with highest education (PhD, etc)		4,7%	4,7%	4,4%
	35 Higher education; technical		55%	56%	57%
	36 Higher education; natural sciences		5%	4%	4%
	37 Higher education; social sciences		9%	10%	9%
	38 Other higher education		4%	5%	4%
	39 Work experience, year		16,1	16,2	16,2
	40 Seniority in COWI, year		9,7	9,8	10,2
	41 Project management capacity, all projects	57%	61%	57%	58%
	42 Project management capacity, major projects		37%	37%	37%
	43 Project management capacity, international projects		26%	27%	25%
	44 International travelling experience in COWI		28%	26%	24%

PROCESSES

		Budget 02/03	Accounts 01/02	Accounts 00/01	Accounts 99/00
CLIENTS & MARKETS	8 Lectures/100 employees, number (*)		10	13	19
	9 Professional publications/100 employees, number (*)		11	6	17
	10 Client inflow		16%	24%	n/a
	11 Client outflow		19%	8%	n/a
ORGANISATION	19 Inter-disc. cooperation; technical		16%	16%	15%
	20 Inter-disc. cooperation; natural sciences		51%	50%	48%
	21 Inter-disc. cooperation; social sciences		45%	44%	47%
	22 Trade within COWI Group (*)	4,0%	3,5%	2,7%	2,3%
	23 Staff exchange with COWI Group	1,2%	0,7%	1,1%	1,1%
	24 Long-term postings		2,8%	2,8%	3,8%
	25 Development activity, externally financed	} 10%	6,5%	4,2%	4,1%
	26 Development activity, internally financed		1,2%	1,7%	1,6%
STAFF	45 Supplementary education (*)		0,8%	1,1%	1,1%
	46 Staff inflow		17%	17%	13%
	47 Staff outflow		13%	11%	13%
	48 Travel abroad		6,3%	6,4%	5,2%

RESULTS

		Budget 02/03	Accounts 01/02	Accounts 00/01	Accounts 99/00
CLIENTS & MARKETS	12 Media exposure, mill. number (*)	↑	110	131	n/a
ORGANISATION	27 QA audits completed/100 employees, no. (*)		5,7	5,0	3,1
	28 Recommendations/QA audit, number	2,5	3,4	5,7	5,1
	29 Costs attributable to external faults		0,1%	0,3%	0,9%
STAFF	49 Staff satisfaction index (*)		n/a	68%	n/a
	50 Sick leave		2,7%	2,6%	2,2%
	51 Staff owning COWI shares (*)		62%	70%	79%
	52 Engineering students' preferred place of work, no. (*)	2/1	5/1	2/2	(n/a)/2
	53 Business students' preferred place of work, no. (*)	7/-	36/11	50/13	(n/a)

General

A. Unless otherwise specified, figures are as per end of accounts period.
B. Units are given in tables, with name of indicator or in the specific indicator note.
C. Arrow annotations in the budget column for 2002/2003 indicate desired trend for future developments.

Accounting policy

D. The Intellectual Capital Report is for the parent company COWI A/S.
E. The accounts period follows the financial year—1 May to 30 April.
F. The ICR has the same structure as in 2000/2001—i.e. by legal units: staff, client and company. Included thereafter are what we have (resources), what we do (processes) and the effect of what has been done (results).
G. All clients, projects and staff with a contractual relationship with COWI are included, irrespective of geographical location or form of contract.
H. Apart from those marked (*), indicators are based on transaction information on clients, projects and staff in COWI's central administrative systems .
I. Several indicators have been adjusted and/or redefined compared to 2000/2001. To enable comparison, these indicators have been re-calculated for both 1999/2000 and 2000/2001. Exceptions to this are stated in the relevant notes.
J. Data is collected and consolidated for a period after the end of the account year, whereafter the ICR is closed. The last indicators are from 7 June 2002.
K. The ICR includes items posted after closing in account year 2000/2001. Transactions for 2001/2002 that were not received before end of consolidation period will be posted in 2002/2003.
L. The data basis is consistent with the financial accounts.
M. The ICR published externally is consistent with the internal ICR at department, division and company level.
N. The ICR has not been audited externally. All definitions, calculations and results are documented for administrative use.

Clients and market

1-4 Share of year's project manhour costs by client category. 'Other clients' includes international organisations, joint ventures, etc.
5 Number of clients in the year with independent organisational status—own CVR number (DK) or VAT number (abroad).
6 Share of year's project manhour costs used on projects with location/recipient outside Denmark.
7 Share of year's manhour costs used on projects for clients abroad.
8 Number of external lectures per 100 employees held during the year.
9 Number of publications available to the public per 100 employees recorded during the year.
10 Share of new clients for the year—either brand new or former clients for whom COWI did not work in 2000/2001. The number is related to the number of clients as per end of 2000/2001.
11 Share of clients from 2000/2001 for whom COWI has not worked this year. (Note 10).
12 Number of media exposures (in millions) in the year. The indicator is the sum of the number of readers/listeners/viewers of COWI references in printed and electronic media, including TV and radio programmes but excluding advertising material. Based on summaries from Gallup and Infopaq.

Organisation

13 Number registered internal professional networks at corporate or divisional level.
14 Share of employees participating in one or more registered internal professional networks.
15 Number of 'best practices' accessible on COWI's intranet.
16 Average number of active external projects an employee has worked on in the year.
17 Number of active ongoing external projects.
18 Average budgeted fee (in DKK 1,000) per project —excl. VAT and reimbursements. Based on active projects in the year.
19 Average share of project activity by economists, biologists, etc. on projects with participation of staff with technical education.
20 Average share of project activity by economists, engineers, etc. on projects with participation of staff with natural sciences education.
21 Average share of project activity by engineers, biologists, etc. on projects with participation of staff with social sciences education.
22 Share of COWI Group's total turnover invoiced from or to foreign subsidiaries in the Group.
23 Share of employees posted to foreign subsidiaries in the COWI Group or vice versa.
24 Share of employees with long-term postings to foreign subsidiaries in the COWI Group, permanent COWI offices abroad or project offices abroad.
25-26 Overall development activity on external and internal projects compared to total project activity.
27 Number of internal and external quality audits per 100 employees.
28 Number of recommendations and open items per quality audit.
29 Share of turnover used for correcting external errors and omissions in the year—that is errors and omissions discovered after project approval.

Staff

30-31 Number of employees and their average age.
32 Average official length of education since secondary school.
33 Average official length of education written down to 50 pct. of initial value after 35 years.
34 Share of employees with highest level of education—PhD, doctorate or MBA/MPA in addition to masters degrees.
35-38 Share of employees with higher education in technical disciplines, natural sciences or social sciences as well as other higher educations (BSc or MSc).
39 Average employee work experience since end of main education.
40 Average staff seniority in COWI.
41 Share of employees with project management experience in COWI.
42 Share of employees with project management experience in COWI projects with a value greater than DKK 1 million.
43 Share of employees with project management experience on international COWI projects.
44 Average foreign travel experience since being employed by COWI. 100% is reached at 200 travel days.
45 Share of supplementary education activity (courses, conferences, etc.) of total fixed working hours.
46-47 Inflow and outflow of employees in the year compared to number of employees by end previous reporting year, incl. part-time staff.
48 Share of fixed working hours used on travel days abroad. Basis: 220 fixed working days per full-time employee per year.
49 Staff satisfaction index based on weighted average of answers in staff survey. The index was reached by weighting satisfaction against importance of a particular issue. In 1999/2000 and this year, the satisfaction index was not measured. In 1998/1999, the satisfaction index was 65 pct.
50 Share of sick leave of the total fixed working hours. Maternity leave and child's first day of illness not included.
51 Share of current staff owning COWI shares.
52 COWI's ranking by engineering students as preferred workplace according to Universum survey. No. overall/consultants.
53 COWI's ranking by students at business colleges and social sciences as preferred workplace according to Universum survey. No. overall/consultants.

Diplomat on the Metro

Engineer Henriette Quebec has to show understanding when she tackles the working environment on the Metro

Are the workers on the Metro using ear defenders as they should? Are they meeting the requirements for access roads? And how are they handling chemicals? It is questions like these that 36-year-old COWI engineer Henriette Quebec asks workers from Denmark and abroad at the Copenhagen Metro, where COWI is contracted to Ørestadsselsskabet for the design and construction management of the project.

When the first section of the Metro opens between Nørreport and Amager on 19 October, it will be the beginning of the end of a project in which the environment has been very much in the centre; issues such as air quality at large building sites, handling of polluted soil, noise, groundwater and the impacts on the environment were central, but just as important were the working environment and the safety of the people who built it.

"The most important thing is to look after yourself and your colleagues and know your rights and obligations. At a workplace like the Metro, right in the middle of town, there is not much room for manoeuvring. That places special demands on logistics and the cleaning up process," explains Henriette Quebec.

Since she started at COWI in 2000, she has been involved with supervision of the environment and working environment, and operation and maintenance of the construction management's environmental control system, quality control system and contingency plan. She has also been process consultant for Metro Service, which will operate and maintain the Metro for the first five years.

The job requires tact, diplomacy and a good sense of humour. And as she puts it herself, it is a job where you cannot be friends with everyone: "It is not always the most popular thing to go round checking whether people are doing their job properly. So you have to be able to dish out criticism in the correct way."

Engineer Henriette Quebec,
heq@cowi.dk

Statements on the Annual Report

Statement by the Board of Directors and Executive Management

Today, the Board of Directors and the Executive Management have considered and adopted the Annual Report of COWI A/S.

The Annual Report has been prepared in accordance with the provisions of the Financial Statements Act for class C enterprises. In our opinion, the accounting policies applied are appropriate and the Annual Report gives a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position and results.

The Annual Report is recommended for adoption by the Annual General Meeting.

Kongens Lyngby, 24 June 2002

Executive Management:

Klaus H. Ostenfeld *Managing Director, CEO*	Keld Sørensen *Financial Director, CFO*
Knud Østergaard Hansen *Executive Director,* *Danish Operations*	Henning H. Therkelsen *Executive Director,* *International Operations*

Board of Directors:

Ole Steen Andersen *Chairman*	Ida Garre *Deputy Chairman*	Berit Bankel *
Henriette R. Bundgaard *	Henrik Gürtler	Michael Steen Jacobsen *
Henrik Brade Johansen	Lars Rosholm Jørgensen *	
Niels Christian Nielsen	Eigil Steen Pedersen	

* Staff representatives

Auditors' Report

We have audited the Annual Report for COWI A/S for the financial year 1 May 2001 to 30 April 2002.

The Annual Report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the Annual Report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Annual Report gives a true and fair view in all material respects. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies applied and significant estimates made by management, as well as evaluating the overall financial report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any qualifications.

Opinion

In our opinion the Annual Report gives a true and fair view of the Company's and the Group's assets, liabilities and financial position at 30 April 2002 as well as the results of the Group's and the Company's operations and cash flows for the financial year 1 May 2001 - 30 April 2002 in accordance with the Financial Statements Act.

Lyngby, 24 June 2002

PricewaterhouseCoopers

Hans Primdal
State Authorized Public Accountant

Report for the Financial Year

Company information

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DK-2800 Kongens Lyngby
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E-mail: cowi@cowi.dk
CVR No. 44 62 35 28
Domicile: Kongens Lyngby

Board of Directors
Ole Steen Andersen, Chairman
Ida Garre, Deputy Chairman
Berit Bankel
Henriette R. Bundgaard
Henrik Gürtler
Michael Steen Jacobsen
Henrik Brade Johansen
Lars Rosholm Jørgensen
Niels Christian Nielsen
Eigil Steen Pedersen

Executive Management
Klaus H. Ostenfeld,
Managing Director, CEO

Keld Sørensen,
Financial Director, CFO

Knud Østergaard Hansen,
Executive Director, Danish Operations

Henning H. Therkelsen,
Executive Director, International Operations

Auditors
PricewaterhouseCoopers
Strandvejen 44
DK-2900 Hellerup
Hans Primdal

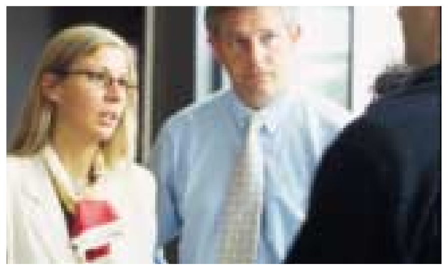
Annual General Meeting
The Annual General Meeting will be held on 23 September 2002 at the Company address.

Strategic focus
COWI focuses on supplying consultancy services within engineering, environment and economics and activities that are naturally associated with these areas. The Company's objective is to supply consultancy services of the highest quality according to an international benchmark.

Long-term objective
The overall objective of the COWI Group is to be recognised as a leading consultancy group in Northern Europe, at the same time as being the international market leader within selected services.

Ownership
The share capital amounts to DKK 34.75 million, consisting of DKK 20 million A shares and DKK 14.75 million B shares. The A shares carry 10 votes for each DKK 100 share, whereas the B shares carry 1 vote for each DKK 100 share. All A shares are owned by the COWI Foundation that supports research and development within Danish engineering.

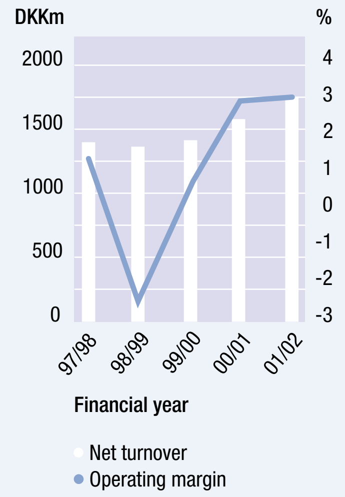
The insurance companies Codan and Danica each holds DKK 4 million B shares, the employees hold DKK 5.6 million while the COWI Foundation and COWI A/S together hold the remaining DKK 1.15 million B shares.



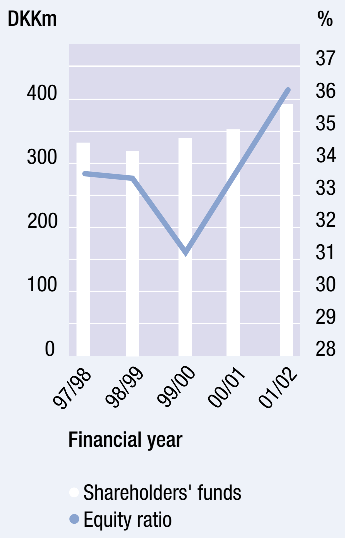
Group key figures and financial ratios

	1997/98 DKKm	1998/99 DKKm	1999/00 DKKm	2000/01 DKKm	2001/02 DKKm	2001/02 EURm
Key figures						
Amounts in DKK million						
EUR/DKK rate, 30 April 2002						743.40
Net turnover	**1,355.0**	**1,330.7**	**1,379.7**	**1,533.2**	**1,720.4**	**231.4**
Operating profit on ordinary activities	19.4	(25.4)	14.8	46.2	52.0	7.0
Operating profit	15.5	(33.7)	8.1	44.4	50.8	6.8
Net financials	23.8	15.5	15.8	0.9	6.0	0.8
Profit on ordinary activities after tax	29.4	(5.2)	9.1	35.3	38.3	5.2
Profit on extraordinary activities after tax	0.0	0.0	0.0	0.0	0.0	0.0
COWI Group share of profit for the year	**28.1**	**(4.4)**	**9.1**	**33.2**	**35.7**	**4.8**
Fixed assets	165.6	171.1	158.9	114.4	126.0	16.9
Current assets	827.2	800.9	910.6	955.8	956.4	128.7
Total assets	**981.8**	**963.0**	**1,059.5**	**1,070.2**	**1,082.4**	**145.6**
Share capital	34.8	34.8	34.8	34.8	34.8	4.7
Shareholders' funds	**330.9**	**323.2**	**331.7**	**360.5**	**393.1**	**52.9**
Provisions	166.9	143.0	149.0	146.8	162.2	21.8
Long-term debt	20.1	18.4	16.2	9.7	8.5	1.1
Short-term debt	464.9	478.9	565.7	544.3	507.0	68.2
Cash flows from operating activities	97.2	(10.1)	(21.8)	43.0	124.7	16.8
Investment in tangible fixed assets, net	7.8	(23.8)	(14.2)	30.0	(36.2)	(4.9)
Other investments, net	(24.0)	(23.5)	(12.8)	(15.0)	(31.1)	(4.2)
Cash flows from investing activities, net	(16.2)	(47.3)	(27.0)	15.0	(67.3)	(9.1)
Free cash flow	81.0	(57.4)	(48.8)	58.0	57.4	7.7
Cash flows from financing activities	(27.5)	2.2	65.1	(50.2)	(42.9)	(5.7)
Total cash flows	**53.5**	**(55.2)**	**16.3**	**7.8**	**14.5**	**2.0**
Financial ratios						
Operating margin	1.1%	(2.5%)	0.6%	2.9%	3.0%	
Return on invested capital	3.1%	(6.6%)	1.3%	7.8%	9.2%	
Equity ratio	33.7%	33.6%	31.3%	33.7%	36.3%	
Return on equity	9.2%	(1.3%)	2.8%	9.7%	9.5%	
Average number of employees	**2,113**	**2,169**	**2,085**	**2,203**	**2,318**	

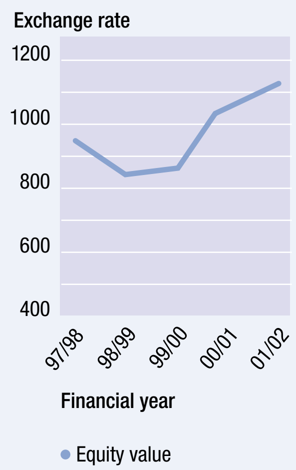
Development in net turnover and operating margin



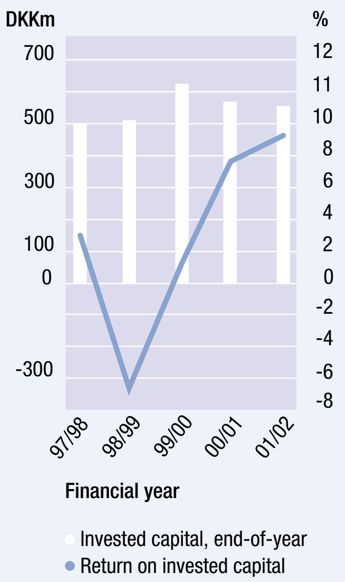
Development in equity ratio and shareholders' funds



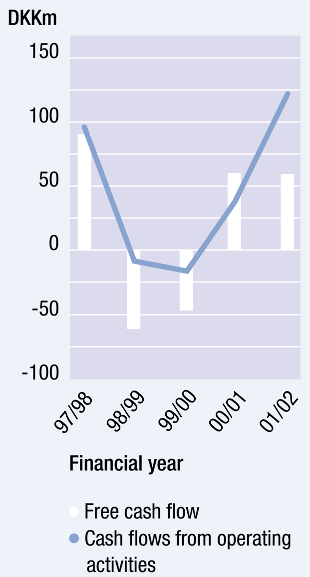
Development in equity value



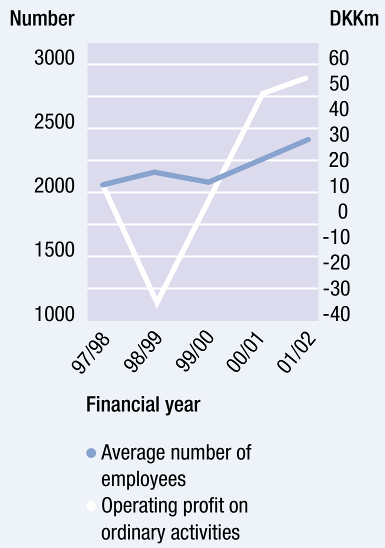
Development in return on invested capital and invested capital year-end



Development in cash flow



Development in number of employees and operating profit on ordinary activities



Report for the financial year 2001/2002

Results for the year

In 2001/2002, COWI increased its net turnover by 12% to DKK 1,720.4 million. Operating profit rose by 14% to DKK 50.8 million, and pre-tax profits by 25% to DKK 56.8 million.

COWI thereby continued the positive development in turnover and earnings of recent years. This trend meets the expectations given in the annual report for 2000/2001. In the light of the deteriorating market conditions following the events in New York on 11 September 2001 and the Danish Government's re-prioritisation of public sector investment, we regard this result as satisfactory.

The German subsidiary BaUmCOWI has been hit by the lengthy recession in Germany and by the crisis in the country's building and construction sectors. The reduction in business and the restructuring of the company have influenced COWI's operating results with a loss of DKK 11 million which is not satisfactory. At the end of the financial year, BaUmCOWI's shareholders' funds amounted to DKK 12.6 million corresponding to an equity ratio of 52.7%. In contrast, the newly acquired "European Transport Consultants(ETC) generates very good results in the German market for transport systems.

In the course of the year, a profit margin of 3.0% was achieved, compared to 2.9% the previous year. If the negative result of BaUmCOWI is disregarded, the Group's profit margin is 3.6%. COWI's profitability is thus continuing towards the long-term goal of a profit margin of 6-7%.

The Board of Directors recommends an unchanged dividend of 10%, with the remainder of the profit being carried forward to next year.

At the end of the financial year, the COWI Group had a staff of 2,335 employees.

COWI's Executive Management from left: Knud Østergaard Hansen, Executive Director, Danish Operations, Klaus H. Ostenfeld, Managing Director, CEO, Keld Sørensen, Financial Director, CFO, and Henning Therkelsen, Executive Director, International Operations.

Tange Lake. Fish are to move freely in the Gudenå River. COWI has assisted with a number of solutions for the passage of the Gudenå River at Tange Lake.

Key events

The Danish Government's cutback in public spending announced in December 2001 and the subsequent reduction of economic support to Eastern Europe, development assistance and environmental programmes necessitated a sharper focus on international development banks and organisations, such as the World Bank and the EU. It would appear that these tactics have provided a buffer against the full impact of the cuts. There can be little doubt that the government's environmental policy will bring about a fall in turnover and earnings in several environmental disciplines, if only temporarily. However, thanks to COWI's broad spectrum of services and expertise, we are well equipped to adjust to the new situation and find alternative markets for our services.

With a view to the environmental conference in South Africa in September 2002, we are participating in the Nordic Partnership initiative. Together with 16 other Scandinavian companies, COWI has signed a manifesto committing us to work towards sustainable development and to encourage governments, authorities and societies in general to reward initiatives promoting this development.

COWI's most significant internal venture has been to finalise a comprehensive corporate strategy. Based on the Group's unique characteristics and market strengths, every company and business unit has been involved in preparing a focussed Group strategy that fixes the focus taking into account clients, services and geography. The Group's business foundation—our high standard professional expertise, our ability to solve complex multi-disciplinary tasks and our international key competences in specialist fields—has led to a strategy for growth in both earnings and turnover.

In the course of the financial year, COWI acquired the German railway and traffic consultants ETC, European Transport Consultants. COWI Hungary acquired the company DUNA-BIT, specialists in transport planning. The equity interest in the Norwegian subsidiary Hjellnes COWI has been increased to 70%; and finally COWI and two partners established CAT Alliance Ltd, which markets services in the field of environmental due diligence.

Market developments and consequences for COWI

Denmark

The domestic consultancy market in engineering, environment and economics has been positive and COWI has extended its activities accordingly. This development, however, involves very differing trends in the various segments of the market.

The market for consultancy in the building and construction sector in Denmark has developed satisfactorily. COWI has maintained its turnover in these fields, though with a fall-off towards the end of the year. Turnover in this sector represents roughly half of the Parent Company's turnover.

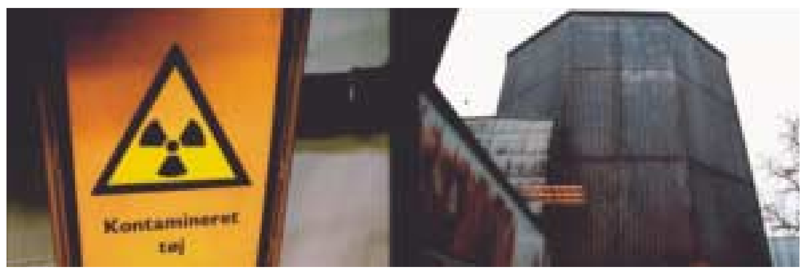
COWI's turnover in industry has shown strong growth, thanks to a series of significant assignments. This development follows the general trend in the consultancy sector. Similar growth has occurred in environmental activities, whilst the market for energy consultancy is weakening.

Generally speaking, consultancy in traffic, transport and IT has maintained the levels of previous years, whereas the market for economics and management has shown a downward trend.

Our increased focus on private clients has paid off—the share of private clients has risen from 24% to 27% of turnover.

The effect of the widespread set-back of the economy has not yet been felt in terms of turnover, partly because we have been able to compensate by developing new services and partly because our broad portfolio of assignments has made it possible to realign to fields with more buoyant economic trends.

The nuclear facilities at Risø Research Establishment are prepared for decommissioning. COWI is consultant to the Ministry for Knowledge, Technology and Innovation.



Among the year's key projects were:

- The Copenhagen Metro. COWI has a contract with Ørestadsselskabet for design and construction supervision, and the design of building and construction works for the project.
- COWI has assisted The Ministeries for Environment and Food, Agriculture and Fisheries with a number of proposals for the passage af Gudenå River at Tange Lake.
- Danish Crown is currently building a major abattoir. COWI is main consultant.
- The nuclear plant at Risø Research Establishment is to be shut down. COWI is consultant to the Ministry for Knowledge, Technology and Innovation.
- New headquarters for the Danish Broadcasting Corporation, Danmarks Radio in Ørestad. The master plan has been selected with the focus on environment-friendly and urban ecology themes. COWI has performed feasibility study, planning of outline design and assisted the owner on implementation of the project.
- Pharmacosmos is building a new factory in Holbæk. COWI is consultant in construction management and supervision for the respective disciplines, much of the process equipment and 3-D modelling.
- Construction works for the rebuilding of railway technical installations and surfacing at the IC4 workshop in Århus. COWI is participating in planning and design.
- Management consultancy for Post Danmark. COWI has been awarded a framework contract in working environment, logistics, environmental management and green accounts, and production optimisation.

Management of water, waste and sewerage. COWI is involved in urban development in Africa and Asia. Picture from Tanzania.

Abroad

After strong growth in exports the previous year, we saw a rather weak export market last financial year, as a result of the fluctuations in the international market and a world-wide restraint in funding for development assistance. COWI's international business, however, still represents 53% of the Group's turnover.

The Parent Company's export growth areas were construction consultancy services, especially in bridge building and marine structures. This development is based on the experience and expert knowledge we have acquired from the major Danish infrastructure projects of recent years. Consultancy in traffic and transport also showed a positive trend, whereas consultancy in airports and tunnels fell somewhat.

The EU is still a major client, particularly in infrastructure projects in Central and Eastern Europe. The interaction of our subsidiaries and offices in these countries is of particular importance to such assignments.

Among the year's most significant projects are:

- The Bahrain-Qatar causeway, the world's longest fixed link. COWI will be taking part in feasibility studies for a 45 km road and bridge link.
- Feasibility study and design of a 22 km road bridge connecting Kuwait City with the development area Subiyah. The bridge will be one of the most significant construction projects in the region.
- Coastal protection in Ireland. Reinforcement of railway embankments and 30 km of coastal protection.
- Urban development in Laos. Environmental improvements in local communities to the principles of the UN's Agenda 21; improvements of water supply, waste management and sewerage.
- Capacity development of energy sector in South Africa. Strategy and action plan for the South African Ministries of Minerals and Energy.
- Consultancy services in connection with public-private cooperation in the field of waste management in Belgrade.

COWI subsidiaries

The following gives a brief account of key events in COWI's subsidiaries in the financial year.

Hjellnes COWI A/S - Norway

Business on the Norwegian market has developed well, with good earnings. There was a particularly high level of activity in the hospital sector. Hjellnes COWI achieved a growth in turnover of 20%, whilst pre-tax profits were at the same level as the previous year. The subsidiary Johs. Holt has been fully incorporated into Hjellnes COWI. Johs. Holt specialises in bridge design, with Norway once again becoming a profitable market. During the year, COWI increased its shareholding in Hjellnes COWI to 70%.

Ben C. Gerwick Inc. - USA

For the last couple of years, Ben C. Gerwick Inc., based in San Francisco, has seen positive development, with annual improvement of both growth and earnings. Although the events of 11 September slowed down growth somewhat, the US market is still developing positively. The company achieved a growth in turnover of some 20%, with pre-tax profits rising by roughly 60%. The company's earnings are thus satisfactory.

Buckland & Taylor Ltd. - Canada

With its core business in major bridges, Buckland & Taylor of Vancouver generated a turnover and pre-tax profit slightly below those of the previous year. The stagnation in turnover and earnings is due mainly to the completion of a couple of major projects and a certain degree of saturation in the Canadian economy. Despite this, the company's earnings are still satisfactory.

European Transport Consultants, GmbH (ETC) - Germany

Major investments are being made in public transport in Germany. COWI has therefore acquired 80% of the shares of European Transport Consultants (ETC) in Berlin. The acquisition of ETC has given COWI specialist skills in rail systems (a growth area in Europe), which help strengthen and develop COWI's overall position in the growing German market for transport consultancy. The company has a staff of 100 and satisfactory earnings.

BaUmCOWI GmbH - Germany

The German market is still under great pressure in traditional sectors such as infrastructure and building, with BaUmCOWI in Berlin feeling the pinch. This year, significant cutbacks in staff were once again necessary, with resulting high costs in

1. Reinforcement of railway embankments in Ireland.
2. Construction works at the IC4 workshop in Århus.

severance pay. The company has therefore reported a considerable loss for the financial year.

COWI Hungary Ltd. - Hungary

In January 2002, COWI Hungary acquired DUNA-BIT, a small company with expertise in transport planning. The take-over is in full accordance with our strategy to supply value-adding services and specialist consultancy in planning and management policies to our clients in the environment and transport sectors. COWI Hungary was founded in 1999 and now has a staff of 15. The company is in a build-up phase but financial developments were satisfactory.

CAT Alliance Ltd. - International

In January 2002, three of the largest consultancy firms in Europe, COWI A/S, Enviros in the UK and Tauw in Holland, established the company CAT Alliance Ltd. Each company owns one third of the shares. The Alliance covers markets in more than 50 countries, providing services in environmental due diligence—that is consultancy on environmental conditions and potential financial risks inherent in the acquisition and disposal of companies and land in Europe and elsewhere.

COWI has a new strategy

In late 2001, COWI's Board of Directors and Executive Management decided to adopt a new and ambitious corporate strategy. Over the next five years, COWI is to grow to almost twice its present size—both in terms of turnover and staff—and its profitability levels will rise to those of the best performers in the international consultancy sector.

The launch platform of the strategy is simple—to become the client's preferred consultant. COWI wishes to be regarded as one of the leading and most attractive consultant companies in Northern Europe, at the same time as being among the market leaders in five specific areas of service.

Concrete business objectives in that five-year period are: to increase operating margin from 2.9% in 2000/2001 to an initial 5-6% in 2005/2006 (based on the objective of concurrent growth) and a long-term margin of 6-7%; to increase the return on invested capital from 7.8% in 2000/2001 to 14% in 2005/2006.

COWI's mission

COWI's market mission is to supply consultancy services of the highest quality in the three service lines of engineering, environment and economics. As a result of this shift in focus, COWI Consulting Engineers AS changed its name to COWI A/S in December 2001.

COWI's business foundation comprises three areas of core expertise:

- The ability to develop and nurture our professional expertise
- The ability to supply multi-disciplinary expertise
- The ability to manage and supervise projects and develop close relations with our clients.

The prime tasks will be to continually develop these core skills. The successful COWI project manager is professionally competent, a perceptive consultant and a good businessman.

COWI's vision

The preferred consultant

It is our aim to become the client's preferred consultant. Our clients should perceive and recognise us as the consultant who best understands their needs and who provides solutions that best meet those needs. We concentrate both on the best technical solutions and examine carefully what is of greatest value to the client. The correct solution could be either the innovative and technologically sophisticated or the tried and trusted—or a combination of both.

Building skills

It is our objective to create the most attractive place of work for professionals who want to forge a specialist, commercial or management career in the consultancy sector.

COWI's business concept

COWI's business concept is based on extended domestic market activity in selected countries and a focussed international business in five selected service areas.

Domestic markets

Our domestic markets in Northern and Eastern Europe cover:

- Denmark, including the Øresund region of Southern Sweden
- Norway
- Germany (certain regions of Northern Germany)
- Certain countries in Central and Eastern Europe.

1. Management consultancy for Post Danmark.
2. Bahrain-Qatar causeway, the world's longest fixed link.

Feasibility study and design of a 22 km road bridge connecting Kuwait City with the development area Subiyah.

Each of our domestic markets is organised as a business that supplies a range of services that meet the needs of the local market on a national or regional level.

Our clients can be confident they are receiving consultancy from a highly professional organisation, irrespective of which office they have contact with. The client will, at all times, have access to the collective experience of the entire COWI Group of companies no matter which market he operates in. This guarantee is part and parcel of the product we sell.

Although our services are primarily aimed at providing consultancy on our geographically domestic markets, we follow our clients all over the world. Clients who work multinationally can be assured of our consultancy services wherever they are active.

International service lines

COWI concentrates on five service lines in which we already enjoy an international reputation:

- Development assistance
- Environmental due diligence
- Tunnels
- Major bridges
- Marine structures

Within these service lines, we supply world-class international specialist services, either alone or in partnership with other acclaimed consultants. COWI's subsidiaries play a central role in this activity.

Intellectual capital accounts for COWI in Denmark

Our three core competencies—professional expertise, the ability to supply multi-disciplinary services and the ability to manage projects and develop close relations with clients—form the foundation of our business. The challenge is to develop these competencies all the time. The Intellectual Capital Report, published by the Parent Company for the fourth time, identifies these core skills through a series of indicators.

The Intellectual Capital Report is systematically developed and implemented along the same lines as our traditional financial accounts, with monthly reports being prepared for all business units in Denmark.

The Intellectual Capital Report provides the non-financial indicators for strategy monitoring and is structured according to our three target groups for value creating—clients, staff and company. The report shows positive developments in a number of parameters, but indicates challenges in others.

Clients and the market

The Intellectual Capital Report shows that we have seen a fall in numbers of clients. Taken together with the increases in turnover, this is an indication of consolidation of previously acquired market shares.

Organisation

We develop our professional expertise by prioritising projects with development potential. Development activities for clients have risen from 4.2% of turnover in 2000/2001 to 6.4% in 2001/2002.

Significant development projects for clients:

- Traffic information systems for the Greater Copenhagen Authority
- Development of working environment for the Danish Working Environment Service
- Study for Danish Environmental Protection Agency of environmental consequences of percolation of environmentally hazardous compounds
- New railway data bank for Jernbaneverket in Norway.
- Further development of the CASA NOVA residential building system
- 4-D seismics of limestone fields for ØD-S Holding A/S
- Wooden bridges
- Straw pyrolysis pilot plant in Slagelse for ELKRAFT
- Participation in the EU Duracrete project
- Green concrete
- Sustainable tunnels. EU DARTS project - Durable And Reliable Tunnel Structures.

Six out of ten employees at COWI are experienced project managers.

30 years of corporate experience is put to use in developing COWI's business system and to enhance professional development in COWI. Among current developments are methods for assessing pathogen pollution, experiments in collection of experience from video sequences, development of COWI's IT tools in areas such as GIS and operation of buildings.

The business system is developed with:

- New strategy and its organisational consequences, focussed business plans for all business units.
- New systems and procedures to focus, support and coordinate international business
- Business plan for Central and Eastern Europe
- Project websites for collaboration and knowledge-sharing with clients, partners and suppliers on global projects.
- Upgrading of all work places to MS Windows XP, latest office software and systems management
- Building-up of knowledge management function and activation of the intellectual capital reporting module in SAP

Inter-disciplinary collaboration has been strengthened through more professional networks—an increase from 32 to 41 this year. Project experience is made visible by describing best practice on COWI's intranet.

Staff

There has been continued growth in staff figures: at the close of the financial year there were 1,731 employees in the Parent Company, 1,643 of whom were in Denmark; 80 of them hold PhDs or equivalent qualifications. Project management capacity has also risen: 61% of the staff now have experience in project management, compared to 57% the previous year.

COWI has seen a considerable enhancement to its image. According to the annual survey carried out by the Danish trade publication Ingeniøren in April 2002, based on statements from qualified and student engineers, COWI is ranked second in the consultant sector after NNE. In the overall rating of 100 engineering companies, COWI was given a respectable seventh place by the students and ninth by the engineers.

According to Universum's annual survey of attractive employers, COWI has moved from second place to fifth among engineering students as a whole. This is unsatisfactory. In the same survey, however, COWI has moved from second place to first place among consultancy companies. We are aiming at a first place for engineering students as a whole.

Events since cut-off date

COWI has acquired the internationally acclaimed company Kampsax A/S, with more than 400 employees and 270 project staff and a turnover of DKK 400 million. The acquisition of June 2002 is the largest in COWI's history. Kampsax brings with it expertise in development planning, environmental planning, major construction projects abroad and geographical information systems, including GIS and map production. As a result, the COWI Group, with its 2,800 staff, has achieved the position of a market leader in the fields of development planning, environmental planning, geographical information systems and mapping. The Company already enjoys that status in the field of bridges.

1. Wooden bridges.
2. Wooden houses. COWI is developing wooden residental buildings via the CASA NOVA residental building system.

Expectations for the future

In the financial year 2002/2003, COWI's parent company will continue to be affected by the transition to new markets and new types of assignment following the Danish government's change in priorities for public spending. In the field of development assistance, COWI is seeking assignments that are not financed with Danish funds. The downprioritising of environmental aid to Eastern Europe furthermore necessitated a change to other national and international environment assignments such as environmental due diligence.

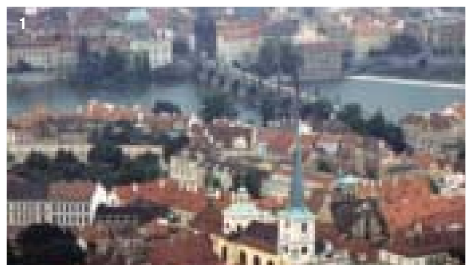
We wish to continue to develop both the share of international business that originates from Denmark and the share coming from our subsidiaries abroad. We are thereby exploiting growth potential and challenging the organisation to change its way of thinking. The interplay between the activities of the divisions in Denmark and the efforts of the subsidiaries constitutes the flywheel of COWI's international business development.

In 2002/2003, COWI will continue to realise its new strategy. In accordance with the plan, we will build up and strengthen international and regional core skills in bridges, marine structures, railways, environmental due diligence and development assistance. In the course of the financial year, we expect to strengthen activities considerably in a number of countries in Central and Eastern Europe.

As a result of the re-orientation of a number of business areas mentioned above, we expect limited organic growth in turnover in 2002/2003. We also expect that profitability, measured in operating margin on existing business, will continue the positive developments of recent years.

We expect 2002/2003 to see growth as a result of acquisition and development of new business areas. Although in the short term these activities will have a negative effect on earnings, we expect the overall result of improved profitability in existing business, and investments in business development, to lead to a positive development in earnings.

1. COWI expects to strengthen its activities substantially in Central and Eastern Europe.



PORTRAIT

A judge of human character

Being a head of department in Tanzania requires versatility, consistency and patience, believes Michael Vedel

The job as head of department for the building and industry department of COWI's Tanzanian subsidiary is far from a life of safaris and sundowners with stunning views of the Indian Ocean. For 37-year-old engineer Michael Vedel, who has been posted with his family in Dar es Salaam, the harbour of peace, since 2000, the work presents many challenges. His projects range from restoration of the old Kivukoni court building to construction supervision of Umuja House, the common building for several agencies, and installation of firefighting equipment for large industrial companies. But leadership abilities are equally important in a country like Tanzania, which has been used to the boss taking responsibility and delegating assignments since the colonial era.

"My methods are different from what most Tanzanians are used to. I try to hold regular departmental meetings, delegate responsibility and make the staff capable of handling a project themselves. This gives them much greater influence," says Michael Vedel from his office chair in the middle of Dar es Salaam.

According to him, the job demands versatility, consistency, patience—there are frequent power cuts during the rainy season—and the ability to judge human character.

"In Tanzania, you have to know your staff and their abilities intimately. A Tanzanian never says no to a job," says Michael Vedel.

Head of Department Michael Vedel, miv@cowi.co.tz

Financial review

General

COWI continued the positive development in turnover, results and profitability that began in the financial year 1999/2000. Turnover rose by 12%, operating profit by 14% and profit before tax increased by 25%.

The 2001/2002 Annual Report has been prepared in accordance with the provisions of the new Danish Financial Statements Act for a large class C enterprise. The new Financial Statements Act will not take statutory effect until financial year 2002/2003, but COWI has decided to present the Annual Report for 2001/2002 in accordance with the new Act, as COWI is committed to enhancing the informative value for external and internal stakeholders as regards the Company's performance and financial situation. The adoption of the new accounting legislation has resulted in changes to the Company's accounting policies. In the section "Applied Accounting Policies", the changes to accounting policies, accounting estimates and restatements are specified. The consequences of these changes for profit, shareholders' funds and balance sheet are also stated.

Profit and Loss Account

Group net turnover in 2001/2002 came to DKK 1,720.4 million corresponding to an increase of 12% compared to the year before. The increase includes net turnover from the German company European Transport Consultants GmbH (ETC), of which COWI acquired an 80% shareholding in July 2001. Without the ETC turnover, the increase in group net turnover was 8%.

Domestic net turnover progressed by 11% with foreign net turnover going up by 13%. The increase in domestic turnover is primarily attributable to the areas building and operation, transport infrastructure and industry. The increase in foreign turnover is partly due to the German acquisition referred to above and increases in the subsidiaries in Norway, the US and Russia. The increase in foreign turnover in the Danish divisions occurred in particular within environment, bridge building, energy and waste management.

Total operating expenses excluding financials rose by 12% to DKK 1,237.7 million. Staff expenses, the Company's largest operating expense, increased by 11% to DKK 967.1 million, of which 4 percentage points may be ascribed to the newly acquired ETC. The remaining 7% increase should be seen in the light of the 5% increase in the number of employees in the course of the financial year. External expenses rose by DKK 36.5 million to 228.4 million, up 19%. A little over a third of this increase is accounted for by costs in ETC and another third represents higher rent and office expenses.

Operating profit advanced by 14% to DKK 50.8 million. This is a result of a significant earnings improvement in the Group's Danish business division and enhanced earnings in a number of the foreign subsidiaries. The Danish earnings improvement mainly occurred within the divisions industry, energy and IT and also bridge building, marine structures and foundation. Abroad, particularly the US, Tanzania and Bahrain subsidiaries recorded enhanced earnings.

A few of the Group's companies reported very unsatisfactory earnings. The German company BaUmCOWI reported operating profit of a negative DKK 10.6 million. This was due to the strong impact of the general slowdown in the German economy and the recession in the German building and construction sector. In the course of the financial year, expenses were incurred in connection with a restructuring of BaUmCOWI resulting in a cutback of 16 employees. Shareholders' funds in BaUmCOWI at year-end was DKK 12.6 million corresponding to an equity ratio of 52.7%. The performance of the Polish company was also unsatisfactory with an operating loss of just under DKK 2 million. A number of measures were implemented during the year with the purpose of increasing the company's earnings in the coming financial year.

Operating profit as a percentage of turnover gives an operating margin for the Group of 3.0%, which is slightly above last year's level. Adjusted for the negative profit in BaUmCOWI, the operating margin is 3.6%.

Financials contributed with a net income of DKK 6.1 million against DKK 0.5 million the prior year. Despite this improvement, the result is disappointing as the return on current asset investments was impacted negatively by the general trend on securities markets during the financial year.

Profit before tax and minority interests came to DKK 56.8 million, equivalent to an increase of 25% on the year before.

Tax was DKK 18.5 million against DKK 10.0 million the prior year, which included non-recurring income of DKK 9.7 million as a result of the reduction in corporate tax rates from 32% to 30%. The effective tax rate for the year is 32.6%.

Group profit after tax and minority interests for the year was DKK 35.7 million against DKK 33.2 million the year before.

Balance Sheet

The Group's balance sheet amounted to DKK 1,082.4 million, up DKK 12.2 million, which corresponds to an increase of 1% on the year before.

Total fixed assets progressed by DKK 11.6 million to DKK 126.0 million. The progress may be accounted for by increased group goodwill in connection with the acquisition of 80% of the shares in the company ETC, payment of the remaining balance for the purchase of the Canadian company Buckland & Taylor and an increase of the equity interest from 50% to 70% in the Norwegian company Hjellnes COWI.

Accounts receivable, services increased by 1% to DKK 379.1 million, while net work in progress advanced by 20% to DKK 175.6 million. The net amount tied in work in progress and debtors with the deduction of advance invoicing only rose by 6% to DKK 350 million, which is the result of the Group's ongoing efforts to minimise the working capital ratio of net turnover.

Other receivables were down by DKK 52.9 million to DKK 39.6 million. The main reason is that the amount receivable from the sale of fixed assets in Berlin at the end of financial year 2000/01 was paid in May 2001.

Shareholders' funds were DKK 393.1 million at 30 April 2002. Retained earnings of DKK 35.7 million were added to shareholders' funds and distributed dividend payments of DKK 3.5 million in respect of financial year 2000/01 were deducted. The equity ratio, calculated as the percentage of equity of total liabilities and equity, advanced from 33.7% at 30 April 2001 to 36.3% at 30 April 2002.

Cash Flow Statement

Cash flow from operating activities was DKK 124.7 million, an improvement on the year before of DKK 81.7 million. The main cause for this improvement—in addition to the continued improved operating cash flow—is that other receivables have declined significantly.

Cash flow from investing activities came to a negative DKK 67.3 million against a positive DKK 15.0 million the year before. This is accounted for by the acquisition of subsidiaries to the amount of DKK 26.8 million in the financial year and by the sale of fixed assets in Germany last year.

The free cash flow was a positive DKK 57.0 million, which is in line with last year.

At year-end, the Group's cash and cash equivalents were DKK 311.6 million. With the addition of committed but undrawn credit facilities, COWI's financial resources at 30 April 2002 were DKK 398.0 million.

Accounting policies

The 2001/2002 Annual Report of COWI A/S has been prepared in accordance with the provisions of the new Danish Financial Statements Act for a large class C enterprise.

Accounting policy changes

For COWI A/S, the new Financial Statements Act will not take statutory effect until the financial year 2002/2003. COWI A/S has, however, decided to present the 2001/2002 Annual Report in accordance with the new Act as COWI A/S is committed to enhancing the informative value for external and internal stakeholders as regards the Company's performance and financial situation.

The adoption of and restatement according to the new accounting legislation has resulted in changed accounting policies within the following areas:

1) Work in progress
2) Tangible fixed assets
3) Development costs
4) Current asset investments
5) Financial assets and financial liabilities intended held to maturity
6) Leases
7) Dividend
8) Derivative financial instruments
9) Translation policies, group companies

1) Work in progress

Work in progress for the account of others is recognised in the balance sheet net of amounts invoiced in advance. Work in progress gross is measured at an approximate and prudently estimated sales value of the work performed. The sales value is measured in proportion to the stage of completion at the balance sheet date and the total expected profit on the individual projects (the percentage-of-completion method). This principle implies that the expected profit on the individual projects is recognised in the profit and loss account on a current basis by reference to the stage of completion.

Previously, work in progress was measured at net sales value and written down to calculated cost.

The impact of the changed policy on the Group and the Parent Company is to increase profit on ordinary activities before tax by DKK 3,485 thousand and profit for the year by DKK 2,440 thousand, respectively. The balance sheet total has been increased by DKK 52,087 thousand. Shareholders' funds at 30 April 2002 have been increased by DKK 27,838 thousand.

2) Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and impairment losses.

Previously, tangible fixed assets were measured at cost less accumulated depreciation with addition of revaluation of buildings.

The changed policy has no impact on profit for the year of the Group and the Parent Company. The balance sheet total has been reduced by DKK 1,156 thousand. Shareholders' funds at 30 April 2002 have been reduced by 1,156 thousand.

3) Development costs

With effect from 1 May 2002, development costs are, under certain conditions, recognised and measured at the lower of cost, less accumulated amortisation, and recoverable amount.

Previously, costs on development projects as well as intangible fixed assets internally generated for the Group and the Parent Company were charged to the profit and loss account.

The accounting policy change will take effect from 1 May 2002.

4) Current asset investments

Investments classified as current assets are measured at fair value at the balance sheet date. Listed securities are measured at market price at the balance sheet date and non-listed securities are measured at sales value based on a calculated net present value.

Previously, current asset investments were measured at the lower of cost and market value at the balance sheet date.

The impact of the changed policy on the Group and the Parent Company is to reduce profit on ordinary activities before tax by DKK 2,617 thousand and profit for the year by DKK 1,832 thousand, respectively. The balance sheet total has been increased by DKK 2,390 thousand. Shareholders' funds at 30 April 2002 have been increased by DKK 1,673 thousand.

5) Financial assets and financial liabilities intended held to maturity

Financial assets and liabilities intended held to maturity are measured at amortised cost. This policy implies that the value is currently adjusted for principal repayments as well as a calculated amount amortised and fixed on the basis of the effective interest rate on assets and liabilities.

Previously, financial assets and liabilities were measured at cost (nominal value).

For the Group and the Parent Company, the changed policy has no impact on profit on ordinary activities before tax, profit for the year, the balance sheet total or shareholders' funds at 30 April 2002.

6) Leases

Leases recognised as tangible fixed assets of which COWI A/S assumes substantially all risks and rewards of ownership (finance leases) are measured on initial recognition in the balance sheet at the lower of the fair value and the present value of future lease payments. Assets under finance leases are subsequently treated as the Company's other tangible fixed assets. The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payment is charged over the lease term to the profit and loss account.

Previously, finance leases have not resulted in any recognition of assets and liabilities.

The impact of the changed policy on the Group and the Parent Company is to reduce profit on ordinary activities before tax by DKK 300 thousand and profit for the year by DKK 210 thousand, respectively. The balance sheet total has been increased by DKK 11,026 thousand. Shareholders' funds at 30 April 2002 have been reduced by DKK 210 thousand.

7) Dividend

Dividend proposed for the financial year is recognised as a liability only when adopted by the Annual General Meeting.

Previously, dividend proposed for the financial year was recognised under short-term debt.

The impact of the changed policy on the Group and the Parent Company is an increase of shareholders' funds at 30 April 2002 by DKK 3,475 thousand and a corresponding reduction of short-term debt.

8) Derivative financial instruments

At initial recognition, derivative financial instruments are measured in the balance sheet at cost and subsequently remeasured at fair value. Positive and negative fair values of derivative financial instruments are recognised under prepayments and deferred income, respectively.

Previously, financial instruments were off-balance sheet items and disclosed in the notes only.

The impact of the changed policy on the Group and the Parent Company is a reduction of shareholders' funds at 30 April 2002 of DKK 197 thousand and a corresponding increase of prepayments and deferred income.

9) Translation policies, Group companies

Exchange differences on translation of the opening equity in foreign subsidiaries into exchange rates ruling at the balance sheet date as well as translation of profit and loss accounts from average exchange rates into exchange rates ruling at the balance sheet date are taken directly to shareholders' funds.

Previously, exchange differences on translation of the opening equity in foreign subsidiaries at exchange rates ruling at the balance sheet date as well as translation of profit and loss accounts from average exchange rates into exchange rates ruling at the balance sheet date were recognised in the profit and loss account.

The changed policy has no impact on the Group's and the Parent Company's shareholders' funds, but increases profit for the year by DKK 153 thousand.

Apart from the above changes, accounting policies are unchanged compared with last year.

Reclassifications

Apart from the accounting policy changes above, reclassifications have been made in the financial statements within the following areas:

- Work in progress is reclassified to accounts receivable from the previous classification as stocks.
- Deposits are reclassified to accounts receivable from the previous classification as intangible fixed assets.
- Leasehold improvements are reclassified to tangible fixed assets from the previous classification as intangible fixed assets.
- The proportionate share of profits/losses before tax for the year of subsidiaries is recognised in the Parent Company's profit and loss account whereas the share of tax in subsidiaries is recognised under the item 'Tax on profit on ordinary activities'.
- Profits and losses from sale of fixed assets as well as expenses of a secondary nature are reclassified to the profit and loss account under the item 'Other operating expenses, net' from the previous classification under the items 'Amortisation and depreciation' and 'Other external expenses', respectively.

Restatement of comparative figures

The policy changes above—except for development costs—have been accounted for retrospectively and comparative figures restated.

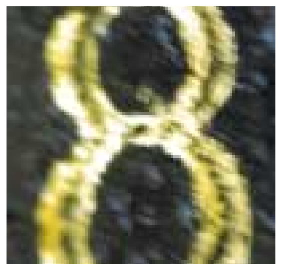
Correspondingly, restatements of key figures and financial ratios for previous financial reporting periods have been made.

Changes in accounting estimates

With effect from the financial year 2001/2002 Group goodwill—acquired in the financial year 2001/2002 and subsequently—are amortised on a straight-line basis over the estimated useful life assessed on the basis of experience with the individual business areas. The amortisation period is 10-20 years and longest in respect of acquired enterprises that have a strong market position and an expected long earnings profile.

Previously, Group goodwill was amortised on a straight-line basis over a period of 5 years.

The impact of the change in accounting estimates for the Group and the Parent Company is to increase profit on ordinary activities before tax by DKK 436 thousand and profit for the year by DKK 305 thousand. The balance sheet total has been increased by DKK 436 thousand. Shareholders' funds at 30 April 2002 have been increased by DKK 305 thousand.

Amounts in DKK '000	Profit/loss on ordinary activities before tax	Tax on profit/loss on ordinary activities	Profit/loss on ordinary activities	Share-holders' funds	Balance sheet total, Parent Company	Balance sheet total, Group accounts
Accounting policy change:						
Work in progress	+3,485	(1,045)	+2,440	+27,838	+52,087	+52,087
Tangible fixed assets	-	-	-	(1,156)	(1,156)	(1,156)
Development costs	-	-	-	-	-	-
Current asset investments	(2,617)	+785	(1,832)	+1,673	+2,390	+2,390
Financial assets and liabilities	-	-	-	-	-	-
Leases	(300)	+90	(210)	(210)	+11,026	+11,026
Dividend	-	-	-	+3,475	-	-
Derivative financial instruments	-	-	-	(197)	-	-
Translation policies, group companies	+153	-	+153	-	-	-
Total effect of policy change	**+721**	**(170)**	**+551**	**+31,423**	**+64,347**	**+64,347**
Changes in accounting estimates:						
Group goodwill	+436	(131)	+305	+305	+436	+436
Total effect of changes in accounting policies and estimates	**+1,157**	**(301)**	**+856**	**+31,728**	**+64,783**	**+64,783**

Summary of the financial effect of changes in accounting policies and estimates

The survey above illustrates the financial effects of changes in accounting policies and estimates on the Annual Accounts and the Group Accounts.

The accumulated effect of the changes recognised in accounting policies and accounting estimates is to increase profit for the year by DKK 1,157 thousand. Tax for the year of the policy change amounts to DKK 301 thousand which impacts profit after tax for the year by DKK 856 thousand. The impact on the balance sheet total is DKK 64,783 thousand, while the effect on shareholders' funds at 30 April 2002 is DKK 31,728 thousand.

General on recognition and measurement

In the profit and loss account income is recognised as earned, including recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Similarly, all expenses including amortisation, depreciation and impairment losses are recognised in the profit and loss account.

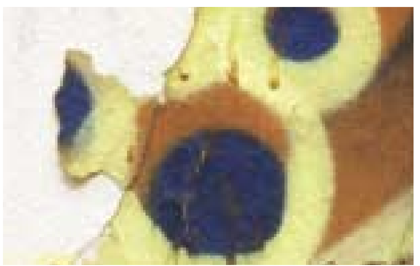
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and reliable measurement of the value of the asset is possible.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the company and reliable measurement of the value of the liability is possible.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are remeasured as described below in respect of each individual item.

Certain financial assets and liabilities are measured at amortised cost where a constant effective interest is recognised over the maturity. Amortised cost is stated as original cost less any principal payments plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way capital losses and gains are amortised over the maturity.

Recognition and measurement take into consideration anticipated losses and risks that arise before the time of presentation of the Annual Report and that confirm or invalidate affairs and conditions existing at the balance sheet date.



Group accounts

Consolidation policy

The Annual Report includes the Parent Company COWI A/S as well as undertakings in which the Parent Company directly or indirectly holds the majority of the voting rights or in which the Parent Company through its shareholding or otherwise exercises a controlling interest. Undertakings in which the Group holds between 20% and 50% of the voting rights and exercises a significant but not controlling interest are treated as associated undertakings.

On consolidation, intercompany profits and expenses, shareholdings, dividends and balances as well as realised and unrealised gains and losses on transactions between group companies have been eliminated.

The accounts applied for the Group's Annual Report have been presented in accordance with Group accounting policies. The Group's Annual Report has been prepared on the basis of the accounts of the Parent Company and the subsidiaries by combining items of a uniform nature.

Participating interests in subsidiaries are eliminated at the relevant proportion of the net asset value of the subsidiaries at the time of acquisition.

On acquisition of subsidiaries, any differences between the acquisition cost and the net asset value of the undertaking acquired is stated at the time of acquisition after adjusting the individual assets and liabilities at fair value (the purchase method) and allowing for recognition of any reconstruction provisions in respect of the undertaking acquired. Any remaining positive differences are recognised in the balance sheet under intangible fixed assets as group goodwill and amortised on a straight-line basis over the expected useful life, however at a maximum of 20 years. Any negative differences are recognised in the balance sheet.

Goodwill from acquired undertakings is adjusted as a result of changes in recognition and measurement of net assets for a period of up to a total financial year following the time of acquisition.

Minority interests

On statement of Group results and Group shareholders' funds, the share of results and equity in subsidiaries that is attributable to minority interests is recognised as separate items in the profit and loss account and the balance sheet. Minority interests are recognised at fair value on the basis of a remeasurement of acquired assets and liabilities at the time of acquisition of subsidiaries.

Corporation tax and deferred tax

The Company is jointly taxed with certain 100% owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is charged to the profit and loss account in the Parent Company.

Tax for the year consisting of current tax and deferred tax for the year is recognised in the profit and loss account with the share attributable to profit for the year, and is recognised directly to shareholders' funds with the share attributable to entries recognised directly to equity. Any share of the tax carried in the profit and loss account arising from profit/loss on extraordinary activities for the year is attributed to the profit and loss account, while the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised net in the balance sheet as tax computed on taxable income for the year adjusted for tax on taxable income for previous years.

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between accounting and tax values of assets and liabilities. No deferred tax is, however, recognised in respect of temporary differences concerning goodwill not deductible for tax purposes as well as other items—apart from acquisition of enterprises—where temporary differences have arisen at the time of acquisition without any effect on accounting and taxable profits. In cases where the computation of the tax value may be made according to alternative tax rules, deferred tax is recognised on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carryforwards are recognised at the value at which they are expected utilised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustment of deferred tax is made concerning elimination made of unrealised intercompany gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates in the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax as a consequence of amendments to tax rates are recognised in the profit and loss account.

Translation policies

Transactions in foreign currencies are translated applying standard rates approximating the foreign exchange rates ruling at the dates of transaction. Any exchange differences arising between the transaction date rates and the rates at the date of payment are recognised in the profit and loss account as part of net turnover.

Accounts receivable and payable and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated into the exchange rates ruling at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or payable arises are recognised in the profit and loss account under financial income and expenses.

Fixed assets acquired in foreign currencies are translated into the rates ruling at the dates of transaction.

On recognition of foreign subsidiaries and associated undertakings that are separate legal entities, profit and loss accounts are translated at monthly average exchange rates, and balance sheet items are translated at exchange rates at the balance sheet date. Exchange differences arising on translation of the opening equity of foreign subsidiaries into the exchange rates at the balance sheet date as well as on translation of profit and loss accounts from average exchange rates into the exchange rates at the balance sheet date are recognised directly to shareholders' funds.

On recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates ruling at the balance sheet date. Non-monetary items are translated at the rates at the time of acquisition or at the time of any subsequent revaluation or impairment of the asset. Profit and loss account items are translated at transaction-date exchange rates; however, items derived from non-monetary items are translated at the historical rates in respect of the non-monetary item.

Exchange adjustments of intercompany balances and transactions with foreign subsidiaries that are considered additions to or deductions from the equity of independent subsidiaries are recognised directly to shareholders' funds. Similarly, exchange gains and losses on loans and derivative financial instruments contracted for hedging purposes by independent foreign subsidiaries are recognised directly to shareholders' funds.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently remeasured at their fair value. Positive and negative fair values of derivative financial instruments are included in prepayments under assets and in deferred income under liabilities, respectively.

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or liability are recognised in the profit and loss account together with any changes arising in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments that are designated and qualify as future asset and liability hedges are recognised in prepayments/deferred income or shareholders' funds, respectively. Where the forecasted transaction results in the recognition of an asset or a liability, amounts that have been deferred in equity are transferred from equity and included in the cost of the asset and the liability, respectively. Where the forecasted transaction results in income or expenses, amounts that have been deferred in equity are transferred to the profit and loss account in the period during which the hedged item affects the profit and loss account.

Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the profit and loss account.

Segment reporting

Segment information is presented in respect of geographical markets based on the Group's internal financial reporting system.

Incentive schemes

The material provisions of the employee share schemes are disclosed in the notes to the Group Accounts and have no effect on the profit and loss account. At present, there are no incentive schemes.

Profit and Loss Account

Net turnover

Net turnover corresponds to an approximate and prudently assessed sales value of work performed for the year. The completion of the individual projects will generally progress over several accounting periods and therefore the percentage-of-completion method is applied for revenue recognition. Profits on work performed are recognised as income accordingly and by reference to the stage of completion.

Project expenses

Project expenses include expenses directly attributable to projects excluding salaries including travel expenses, external expenses as well as other expenses.

External expenses

External expenses include administrative expenses, office expenses, marketing expenses as well as other expenses.

Other operating expenses, net

Other operating expenses, net, include items of a secondary nature compared with the Company's core activities, including removal expenses as well as profits and losses from the sale of intangible and tangible fixed assets.

Net financials

Financial income and expenses include interest, financial expenses related to finance leases, realised and unrealised exchange adjustments, price adjustments on securities as well as amortisation of long-term receivables.

Extraordinary income and expenses

Extraordinary income and expenses include income and expenses attributable to events or transactions that are clearly distinct from the ordinary activities and are anticipated to be non-recurring.

Balance Sheet

Intangible fixed assets

Goodwill

Goodwill is amortised over the estimated useful life determined on the basis of Management's experience with the individual business areas. The amortisation period is 5-20 years, the longest period applying to acquired undertakings with a strong market position and an expected long earnings profile.

Rights

Rights are amortised on a straight-line basis over 5 years.

Development projects

Development projects that are clearly defined and identifiable where the technical utilisation rate, sufficient resources and a potential future market or development opportunity in the enterprise can be verified and where the intention is to market or use the project, are recognised with effect from 1 May 2002 as intangible fixed assets. This applies if sufficient certainty exists that the net present value of the future earnings can cover the expenses involved.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the profit and loss account as incurred.

Development projects include salaries, amortisation and other expenses that are directly or indirectly attributable to the Company's development activities. Capitalised development costs are measured at the lower of cost, less accumulated amortisation and impairment losses, and recoverable amount.

On completion of the development work, capitalised development costs are amortised on a straight-line basis over the period in which the work is expected to generate economic benefits. The amortisation period is 5 years.

Software

Software is measured at the lower of cost, less accumulated amortisation and impairment losses, and net asset value. The amortisation period is 3-5 years.

Summary of the amortisation periods for intangible fixed assets

Goodwill	5-20 years
Rights	5 years
Development costs	5 years
Software	3-5 years

Tangible fixed assets

Land and buildings

Land and buildings are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 50 years.

Special installations in buildings are depreciated on a straight-line basis over 10-15 years.

Technical installations, equipment and automobiles

Technical installations, equipment and automobiles, including leasehold improvements are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 3-10 years.

Assets under finance leases

At the inception of the lease, leases in respect of tangible fixed assets in terms of which the individual group companies assume substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the fair value of the leased asset where such an asset exists. Alternatively, the net present value, if lower, of future lease payments at the inception of the lease is applied. When computing the net asset value, the interest rate implicit in the lease is applied as the discount rate or an approximated value. Assets under finance leases are depreciated and impaired like the Group's other tangible fixed assets.

The residual lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payment is charged to the profit and loss account, as incurred, over the lease term.

All other leases are considered as operating leases. Lease payments under operating leases are recognised in the profit and loss account over the lease term.

Summary of depreciation periods for tangible fixed assets

Buildings	50 years
Special installations in buildings	10-15 years
Technical installations, equipment and automobiles including leasehold improvements	3-10 years

Impairment of fixed assets

The net book value of intangible as well as tangible fixed assets are reviewed on an annual basis to determine whether there is any indication of impairment exceeding the writedowns in connection with general amortisation and depreciation. Where impairment is required, writedown is made to recoverable amount, if lower. The recoverable amount of the asset is determined as the higher of net selling price and net present value (value in use). Where it is not possible to determine the recoverable amount of the individual asset, the impairment requirement is assessed in respect of the smallest group of assets for which it is possible to determine the recoverable amount.

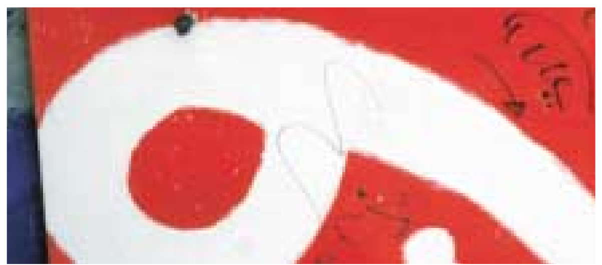
Fixed asset investments

Participating interests in subsidiaries and associated undertakings

Participating interests in subsidiaries and associated undertakings are recognised and measured under the equity method in the Parent Company's Annual Report.

The Parent Company profit and loss account recognises the proportionate share of the subsidiaries' results before tax for the year under the item 'Profit on ordinary activities before tax in subsidiaries', while the share of tax in subsidiaries is included in the item 'Tax on profit on ordinary activities'. Group goodwill amortisation is presented separately in the profit and loss account under the item 'Goodwill and group goodwill amortisation'.

The Group's and the Parent Company's profit and loss account includes the proportionate share of results before tax for the year of associated undertakings under the item 'Profit on ordinary activities before tax in associated undertakings', while the share of tax in associated undertakings is included in the item 'Tax on profit on ordinary activities'. Group goodwill amortisation is presented separately in the profit and loss account under the item 'Goodwill and group goodwill amortisation'.



Under the item 'Participating interests in associated undertakings', the Group's balance sheet includes the relevant equity interest proportion of the net asset value of the associated undertakings measured under the Parent Company's accounting policies less deduction or with addition of the share of unrealised intercompany profits or losses.

Under the items 'Participating interests in subsidiaries' and 'Participating interests in associated undertakings', the Parent Company's balance sheet includes the relevant equity interest proportion of the net asset value of the undertakings measured under the Parent Company's accounting policies less deduction and with addition of the share of unrealised intercompany profits or losses.

Subsidiaries and associated undertakings with a negative net asset value are measured at DKK zero and any receivable from these undertakings are written down, to the extent estimated to be uncollectible, by the Parent Company share of the negative net asset value. Where the negative net asset value exceeds the amount receivable, the residual amount is recognised under provisions to the extent where the Parent Company has a legal or constructive obligation to cover the undertaking's negative balance.

The total net revaluation of participating interests in subsidiaries and associated undertakings is transferred in the Parent Company over the distribution of profit to 'Reserve for net revaluation according to the equity method' under shareholders' funds.

Positive and negative differences are separately included under the item 'Group goodwill' both in the Parent Company's balance sheet and in the Group Accounts.

Undertakings acquired during the financial year are included in the Parent Company and Group Accounts from the time of acquisition, and undertakings disposed of are included until the time of disposal. Comparative figures are generally not adjusted for new acquisitions and disposals.

Any gains or losses on disposal or liquidation of subsidiaries are computed as the difference between the sales sum or the liquidation amount and the net asset value of net assets at the time of disposal or liquidation, including non-amortised goodwill as well as expected sales or liquidation expenses. Any gains or losses are recognised in the profit and loss account.

Other investments and participating interests

Other investments and participating interests include bonds and shares measured at fair value at the balance sheet date. Listed securities are measured at the official market price at the balance sheet date. Unlisted securities are measured at sales value based on a computed net present value.

Current assets

Accounts receivable

Accounts receivable are measured at the lower of amortised cost and net realisable value corresponding to a nominal value less impairment losses for uncollectibles. Impairment losses are calculated on the basis of an individual assessment of each account receivable, and in respect of trade accounts receivable, an additional general provision is made.

Work in progress for the account of others

Work in progress for the account of others is recognised in the balance sheet net of amounts invoiced in advance. Work in progress gross is measured at an approximate and prudently estimated sales value of the work performed. The sales value is measured in proportion to the stage of completion at the balance sheet date and the total expected profit on the individual projects (the percentage-of-completion method). This principle implies that the expected profit on the individual projects is recognised in the profit and loss account on a current basis by reference to the stage of completion.

The stage of completion is measured by the proportion that project expenses incurred for work performed to date bear to the estimated total project expenses. Where it is probable that total project expenses will exceed the total revenues from a project, the expected loss is recognised as an expense in the profit and loss account.

The share of work in progress etc. performed in joint ventures is included in work in progress.

Own shares

Own shares are participating interests acquired by COWI A/S for use in future allotments to employees. Own shares are measured at cost and tied up in a special reserve under shareholders' funds. Any gains/losses on disposal are recognised in the profit and loss account.

Current asset investments

Current asset investments include listed bonds and shares measured at fair value at the balance sheet date. Listed securities are measured at market price. Non-listed securities are measured at sales value based on a calculated net present value.

Prepayments

End-of-period adjustments required by accrual accounting recognised as prepayments under assets include payments made in respect of subsequent financial years, typically prepaid rent, insurance premiums, subscriptions etc. as well as adjustments to fair value of derivative financial instruments with a positive fair value.

Shareholders' funds

Dividend

Dividend is recognised as a liability at the time of adoption by the Annual General Meeting. Dividend expected distributed for the year is recorded in a separate item under shareholders' funds.

Provisions

Provisions are recognised when—as a consequence of an event occurred before or on the balance sheet date—the Group has a legal or constructive obligation and it is probable that economic benefits must be sacrificed to settle the obligation.

Other provisions include legal obligations etc. on completed projects. Provisions with an expected maturity exceeding one year from the balance sheet date are discounted at the average bond yield. Deferred tax is not discounted to present value.

Financial debts

Fixed-rate loans such as mortgages and loans from credit institutions intended held to maturity are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, borrowings are stated at amortised cost corresponding to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value (the capital loss) is recognised in the profit and loss account over the loan period.

Other debts are measured at amortised cost, materially corresponding to nominal value.

Deferred income and other liabilities

End-of-period adjustments required by accrual accounting recognised as deferred income under liabilities include payments received concerning income in respect of subsequent periods as well as adjustments to fair value of derivative financial instruments with a negative fair value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as Group cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as Group results adjusted for non-cash operating items such as amortisation, depreciation and impairment losses, provisions as well as net change in working capital, interest income and expenses, amounts paid in respect of extraordinary items and corporation tax paid.

Working capital includes current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities include cash flows from acquisitions and disposals of intangible and tangible fixed assets as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities include cash flows from the raising and repayment of long-term debt as well as purchase of own shares and dividend payments to shareholders.

Cash and cash equivalents

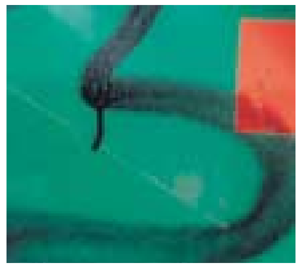
Cash and cash equivalents include cash at bank and in hand as well as securities recognised as current asset investments.

The cash flow statement cannot be immediately derived from the published financial records.

Financial ratios

The financial ratios stated in Key Figures and Financial Ratios have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Net turnover}}$
Return on invested capital	$\frac{\text{Operating profit x 100}}{\text{Non-financial assets less advance invoicing, end-of-year}}$
Equity ratio	$\frac{\text{Equity excl. minority interests, end-of-year x 100}}{\text{Total liabilities and equity, end-of-year}}$
Return on equity	$\frac{\text{COWI-Group share of profit for the year x 100}}{\text{Average equity excl. minority interests}}$



PORTRAIT

Building schools is fun

Project Manager Charlotte Nørbak prioritises education

Almost three years ago, Project Manager Charlotte Nørbak's interest in the field of education was sharpened with a project in the Copenhagen suburb of Gentofte—the most visionary school development and extension project in the country, SKUB. At that time she was employed at Carl Bro and as a leading light in SKUB, she produced a comprehensive action plan for school development in Gentofte. This gave her a unique knowledge that she makes use of today as market coordinator of the education market in COWI.

With presentation material and an internet website on education, she encourages colleagues in all COWI departments to involve themselves in educational issues. She arranges seminars at which politicians, educationalists and construction specialists meet to debate school development and its physical parameters, writes articles, takes part in study trips and joins multi-disciplinary networks where the educational sector is shaped.

"It's fun to build schools as their diversity of facilities such as physics laboratories, sports facilities, workshop centres and computer centres demand the involvement of a wide range of experts such as researchers, teachers, architects, IT specialists and engineers," she says.

Charlotte Nørbak is highly committed to the educational sector but it is not her whole life. In fact, she resigned from the parent-teacher association of her children's school because she wanted to devote her spare time to non-educational pursuits.

And they keep her very busy; she rides, and organises and takes part in events with colleagues at the Consulting Engineers' Orienteering Club.

Project Manager Charlotte Nørbak, cno@cowi.dk

Profit and Loss Account

PARENT COMPANY				GROUP	
2000/01	2001/02	DKK '000	Note	2001/02	2000/01
1,273,150	1,363,506	**Net turnover**	1	1,720,377	1,533,247
(360,922)	(376,042)	Project expenses		(431,892)	(381,883)
912,228	987,464	**Own production**		1,288,485	1.151,364
(144,990)	(161,736)	External expenses	2	(228,350)	(191,841)
(703,522)	(750,563)	Staff expenses	3	(967,072)	(872,956)
(25,088)	(27,700)	Amortisation, depreciation and writedowns	4	(41,025)	(40,362)
38,628	47,465	**Operating profit on ordinary activities**		52,038	46,205
(3,793)	(1,081)	Other operating expenses, net	5	(1,256)	(1,760)
34,835	46,384	**Operating profit**		50,782	44,445
11,814	7,420	Profit on ordinary activities before tax in subsidiaries	6	-	-
-	102	Profit on ordinary activities in associated undertakings	7	(67)	385
(9,198)	(6,860)	Goodwill and group goodwill amortisation	4	-	-
26,600	21,920	Financial income	8	24,130	27,331
(21,741)	(15,962)	Financial expenses	9	(18,075)	(26,840)
42,310	53,004	**Profit on ordinary activities before tax**		56,770	45,321
(9,097)	(17,282)	Tax on profit on ordinary activities	10	(18,486)	(10,003)
33,213	35,722	**Profit on ordinary activities after tax**		38,284	35,318
-	-	Profit on extraordinary activities after tax		-	-
33,213	35,722	**Profit for the year**		38,284	35,318
-	-	Profit from subsidiaries attributable to minority shareholders		(2,562)	(2,105)
33,213	35,722	**COWI Group share of profit for the year**		35,722	33,213

Proposed distribution of net profit

		DKK '000
3,475	3,475	Proposed dividend at 10%
29,738	32,247	Retained earnings
33,213	35,722	

Balance Sheet

PARENT COMPANY				GROUP	
2000/01	2001/02	DKK ‘000	Note	2001/02	2000/01
908	47	Goodwill and rights		169	908
10,721	15,659	Group goodwill		15,659	10,898
11,234	7,062	Software		7,730	11,234
22,863	22,768	**Intangible fixed assets**	**11**	23,558	23,040
4,165	5,738	Land and buildings		5,738	4,165
73,653	79,371	Technical installations, equipment and automobiles		91,401	84,210
-	-	Fixed assets in course of construction		158	-
77,818	85,109	**Tangible fixed assets**	**12**	97,297	88,375
55,633	79,585	Participating interests in subsidiaries	**6**	-	-
931	1,910	Participating interests in associated undertakings	**7**	3,609	2,702
20,503	13,093	Loans to subsidiaries		-	-
178	290	Other investments and participating interests		1,545	313
77,245	94,878	**Fixed asset investments**	**13**	5,154	3,015
177,926	202,755	**Total fixed assets**		126,009	114,430
312,677	303,234	Accounts receivable, services		379,060	377,595
115,354	118,981	Work in progress, net	**14**	175,592	146,674
13,716	5,877	Amounts owed by subsidiaries		-	-
1,100	2,317	Amounts owed by associated undertakings		2,317	2,214
36,929	30,925	Other receivables		39,622	92,480
30,397	35,712	Prepayments	**15**	38,053	33,066
510,173	497,046	**Accounts receivable**		634,644	652,029
6,602	6,602	**Own shares**	**16**	10,131	6,602
232,775	235,745	**Current asset investments**	**17**	235,745	232,775
24,742	35,259	**Cash at bank and in hand**		75,900	64,412
774,292	774,652	**Total current assets**		956,420	955,818
952,218	977,407	**TOTAL ASSETS**		1,082,429	1,070,248

PARENT COMPANY				GROUP	
2000/01	2001/02	DKK ‘000	Note	2001/02	2000/01
34,750	34,750	Share capital		34,750	34,750
5,881	5,881	Share premium account		5,881	5,881
6,602	6,602	Reserve for own shares		10,131	6,602
309,768	342,385	Retained earnings		338,856	309,768
3,475	3,475	Proposed dividend		3,475	3,475
360,476	393,093	**Shareholders’ funds**	**18**	393,093	360,476
-	-	**Minority interests**	**19**	11,655	8,895
137,966	153,950	Credit institutions	**20**	156,482	141,629
-	-	Other provisions	**21**	5,687	5,223
137,966	153,950	**Provisions**		162,169	146,852
9,662	8,243	Credit institutions		8,243	9,662
-	-	Other accounts payable		269	80
9,662	8,243	**Long-term debt**	**22**	8,512	9,742
2,882	3,083	Current portion of long-term debt		3,083	2,882
12,599	9,272	Credit institutions		9,272	43,977
6,606	8,099	Amounts owed to subsidiaries		-	-
-	-	Amounts owed to associated undertakings		-	169
56,171	45,086	Accounts payable, suppliers		61,111	71,337
47,918	34,866	Taxes and V.A.T. payable		54,679	54,532
186,173	186,792	Amounts invoiced in advance	**23**	205,308	195,970
99,657	104,383	Accrued holiday allowance		122,392	126,259
18,017	17,738	Other accounts payable		31,449	25,248
14,091	12,802	Deferred income		19,706	23,909
444,114	422,121	**Short-term debt**		507,000	544,283
453,776	430,364	**Total debt**		515,512	554,025
952,218	977,407	**TOTAL LIABILITIES AND SHAREHOLDERS’ FUNDS**		1.082,429	1.070,248
		Contingent liabilities, commitments and guarantees	**24**		
		Notes without reference	**25-28**		



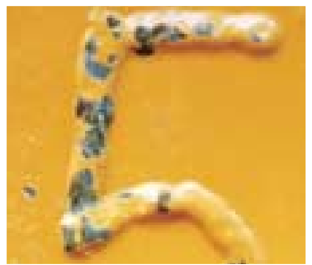
Statement of changes in shareholders' funds

Statement of changes in shareholders' funds of the COWI Group

DKK '000	Share capital	Share premium account	Reserve for own shares	Retained earnings	Proposed dividend	Total
	GROUP					
Shareholders' funds at 1 May 2000	34,750	5,881	474	256,413	0	297,518
Accounting policy change				29,758	3,475	33,233
Adjusted shareholders' funds at 1 May 2000	34,750	5,881	474	286,171	3,475	330,751
Distributed dividend					(3,475)	(3,475)
Profit for the year				33,213		33,213
Exchange adjustment, foreign subsidiaries				226		226
Value adjustment, hedging instruments, end-of-year				(239)		(239)
Purchase of own shares			6,128	(6,128)		-
Proposed dividend				(3,475)	3,475	-
Shareholders' funds at 1 May 2001	**34,750**	**5,881**	**6,602**	**309,768**	**3,475**	**360,476**
Distributed dividend					(3,475)	(3,475)
Profit for the year				35,722		35,722
Exchange adjustment, foreign subsidiaries				(153)		(153)
Value adjustment, participating interests in associated undertakings				481		481
Value adjustment of hedging instruments, beginning-of-year				239		239
Value adjustment of hedging instruments, end-of-year				(197)		(197)
Purchase of own shares			3,529	(3,529)		-
Proposed dividend				(3,475)	3,475	-
Shareholders' funds at 30 April 2002	**34,750**	**5,881**	**10,131**	**338,856**	**3,475**	**393,093**

Statement of changes in shareholders' funds of COWI A/S

DKK '000	Share capital	Share premium account	Reserve for own shares	Retained earnings	Proposed dividend	Total
	PARENT COMPANY					
Shareholders' funds at 1 May 2000	34,750	5,881	474	256,413	0	297,518
Accounting policy change				29,758	3,475	33,233
Adjusted shareholders' funds at 1 May 2000	34,750	5,881	474	286,171	3,475	330,751
Distributed dividend					(3,475)	(3,475)
Profit for the year				33,213		33,213
Exchange adjustment, foreign subsidiaries				226		226
Value adjustment, hedging instruments, end-of-year				(239)		(239)
Purchase of own shares			6,128	(6,128)		-
Proposed dividend				(3,475)	3,475	-
Shareholders' funds at 1 May 2001	**34,750**	**5,881**	**6,602**	**309,768**	**3,475**	**360,476**
Distributed dividend					(3,475)	(3,475)
Profit for the year				35,722		35,722
Exchange adjustment, foreign subsidiaries				(153)		(153)
Value adjustment, participating interests in associated undertakings				481		481
Value adjustment of hedging instruments, beginning-of-year				239		239
Value adjustment of hedging instruments, end-of-year				(197)		(197)
Proposed dividend				(3,475)	3,475	-
Shareholders' funds at 30 April 2002	**34,750**	**5,881**	**6,602**	**342,385**	**3,475**	**393,093**



Cash Flow Statement

DKK ´000	Note	GROUP 2001/02	2000/01
Operating profit		50,782	44,445
Amortisation and depreciation for the year as well as profit/(loss) from disposal of fixed assets		41,704	38,771
Unrealised value adjustments for the year, net		(8,204)	844
Other provisions for the year		6,444	(8,974)
Operating profit adjusted for non-cash movements		90,726	75,086
Net financial income paid for the year		14,679	6,164
Corporation tax paid		(3,829)	(5,569)
Cash flow from operating activities before change in working capital		101,576	75,681
Change in work in progress		(3,305)	22,139
Change in accounts receivable		12,406	(18,803)
Change in accounts payable		(12,172)	5,625
Change in other receivables and prepayments		40,640	(42,812)
Change in other payables and accrued income		(14,416)	1,208
Cash flow from operating activities		124,729	43,038
Acquisition of intangible fixed assets		(2,620)	(18,067)
Disposal of intangible fixed assets		7	3,070
Acquisition of tangible fixed assets		(37,574)	(32,360)
Disposal of tangible fixed assets		1,355	62,313
Acquisition of subsidiaries and activities	27	(26,818)	-
Disposal of other fixed asset investments		(1,751)	-
Disposal of fixed asset investments		57	3
Cash flow from investing activities		(67,344)	14,959
Free cash flow		57,385	57,997
Repayment of financial accounts payable		(35,923)	(40,641)
Shareholders:			
Distributed dividend		(3,475)	(3,475)
Purchase of own shares		(3,529)	(6,128)
Cash flow from financing activities		(42,927)	(50,244)
Cash flow for the year		14,458	7,753
Cash and cash equivalents, beginning-of-year		297,187	289,434
Cash and cash equivalents, end-of-year	28	311,645	297,187

The cash flow statement cannot be immediately derived from the profit and loss account.

PORTRAIT

Know your municipality

Chartered surveyor Jørgen Pedersen's Active Map of Aalborg has made life easier for the town's residents

COWI Project Manager Jørgen Pedersen is making life easier for the people of Aalborg. As Project Manager of the Active Map of Aalborg, the 47-year-old chartered surveyor and GIS consultant has helped create a world of easily accessible information that the residents can click into 24 hours a day. This raises service levels, makes case treatment more efficient and contributes to enhanced democratisation.

The Active Map of Aalborg, an internet service for the entire population of Denmark, harnesses the strength of a Geographical Information System (GIS) to display, process and analyse information in a particular area. For the Municipality of Aalborg, this opens up new horizons.

"One of the most interesting features in the Active Map of Aalborg is the map from 1900. You can click on a specific town area and see what it looked like then. But it also offers very practical help in finding schools and kindergartens," says Jørgen Pedersen.

The Active Map of Aalborg, which will be finalised in 2003, is a joint development project between the Municipality of Aalborg, Informi GIS, the SAS Institute and COWI. The project is part of a larger event called Digital North Jutland, part of an IT and telecommunications action plan. Jørgen Pedersen states that the Active Map is one of the most interesting projects he has been involved in; no limits have been imposed on the creativity of the ideas that emerge from the dialogue between the municipality and the other two companies. He has drawn on his many years of experience in management, GIS and his unbound enthusiasm throughout the project. And on his two teenage sons, who let him know what is hot —or not.

Project Manager Jørgen Pedersen, jp@cowi.dk

Notes

Note 1 Turnover

PARENT COMPANY 2000/01	2001/02	DKK '000	GROUP 2001/02	2000/01
735,330	817,192	Domestic net turnover	817,192	735,330
537,820	546,314	Foreign net turnover	903,185	797,917
1.273,150	1.363,506	**Net turnover**	1,720,377	1,533,247

Note 2 Fees for auditor elected by the Annual General Meeting

PARENT COMPANY 2000/01	2001/02	DKK '000	GROUP 2001/02	2000/01
(975)	(975)	Audit fee	(2,387)	(1,866)
(2,095)	(915)	Fees, services other than audit	(1,943)	(2,607)
(3,070)	(1,890)	**Total fees for auditor elected by the Annual General Meeting**	(4,330)	(4,473)

Note 3 Staff expenses

PARENT COMPANY 2000/01	2001/02	DKK '000	GROUP 2001/02	2000/01
(576)	(621)	Remuneration for Board of Directors, Parent Company	(621)	(576)
(678,602)	(724,834)	Wages and salaries	(900,709)	(816,176)
(5,364)	(8,137)	Pensions and social security	(34,017)	(23,454)
(18,980)	(16,971)	Other staff expenses	(31,725)	(32,750)
(703,522)	(750,563)	**Staff expenses**	(967,072)	(872,956)
(5,977)	(6,356)	Remuneration, Executive Management	(6,356)	(5,977)
(15,200)	(13,600)	Current and defined pension commitments have been recognised under Contingent liabilities with	(13,600)	(15,200)
1,665	1,695	**Average number of employees**	2,318	2,203

Note 4 Amortisation, depreciation and writedowns

PARENT COMPANY 2000/01	2001/02	DKK '000	GROUP 2001/02	2000/01
(5,385)	(5,490)	Software	(5,965)	(5,733)
(175)	(593)	Land and buildings	(593)	(175)
(19,528)	(21,617)	Technical installations, equipment and automobiles	(27,541)	(25,256)
(25,088)	(27,700)		(34,099)	(31,164)
(2,579)	(861)	Goodwill and rights	(927)	(2,579)
(6,619)	(5,999)	Group goodwill	(5,999)	(6,619)
(34,286)	(34,560)	**Amortisation, depreciation and writedowns**	(41,025)	(40,362)

Note 5 Other operating expenses, net

PARENT COMPANY 2000/01	2001/02	DKK '000	GROUP 2001/02	2000/01
50	-	Profit from sale of fixed assets	-	2,083
(2,473)	(679)	Loss from sale of fixed assets	(679)	(2,473)
(1,370)	(402)	Removal expenses	(577)	(1,370)
(3,793)	(1,081)	**Other operating expenses, net**	(1,256)	(1,760)

Note 6 Participating interests in subsidiaries

				COWI Group's share			
Name	**Domicile**	**Ownership share**	**Share capital**	**Share-holders' funds**	**Profit for the year**	**Profit on ordinary activities before tax**	**Share-holders' funds**
			(1.000)	DKK '000	DKK '000	DKK '000	DKK '000
Bau- und Umweltplanung GmbH	Germany	100%	500 DEM	12,561	(6,409)	(10,642)	12,561
Ben C. Gerwick Inc.	USA	93%	766 USD	13,811	2,408	4,553	12,830
Bruun & Sørensen Energiteknik A/S	Denmark	100%	1,000 DKK	(4,078)	504	504	(4,078)
COMAR Engineers A/S	Denmark	100%	849 DKK	1,882	45	45	1,882
COWI Belgium SPRL	Belgium	100%	7 EUR	60	(68)	(68)	60
COWI Canada Ltd.	Canada	100%	1,079 CAD	2,793	6,052	4,969	2,793
COWI Hungary Ltd.	Hungary	100%	50,000 HUF	2,201	185	214	2,201
COWI Philippines Inc.	Philippines	100%	5,846 PHP	396	288	470	396
COWI Polska Sp. z.o.o.	Poland	100%	223 PLN	(167)	(798)	(1,874)	(167)
COWI Tanzania Consulting Engineers and Planners Ltd.	Tanzania	100%	20,000 TZS	1,380	705	1,636	1,380
COWI-Almoayed Gulf W.L.L.	Bahrain	49%	20 BHD	476	455	558	233
COWIconsult International Ltd.	Great Britain	100%	10 GBP	(541)	(12)	(8)	(541)
Enviroplan International A/S	Denmark	100%	500 DKK	520	5	7	520

contd.

Note 6 Participating interests in subsidiaries (contd.)

Name	Domicile	Ownership share	Share capital	Share-holders' funds	Profit for the year	COWI Group's share: Profit on ordinary activities before tax	COWI Group's share: Share-holders' funds
			(1.000)	DKK '000	DKK '000	DKK '000	DKK '000
ETC GmbH	Germany	80%	1.790 EUR	21.573	2.014	3.424	17.258
Hjellnes COWI A/S	Norway	70%	4.678 NOK	23.916	2.387	3.393	17.800
Matcon Rådgivende Ingeniørfirma A/S	Denmark	100%	500 DKK	1.633	218	218	1.633
MMS Norge A/S	Norway	100%	100 NOK	131	28	36	131
OC Rådgivende Ingeniører A/S	Denmark	100%	5.960 DKK	5.785	(21)	(21)	5.785
Studstrup og Østgaard A/S	Denmark	100%	1.125 DKK	1.912	232	348	1.912
UAB COWI Baltic Consulting Engineers and Planners	Lithuania	100%	200 LTL	210	(342)	(342)	210
						7.420	74.799
For companies with negative shareholders' funds, a set-off has been effected in accounts receivable						-	4.786
						7.420	79.585

All subsidiaries are independent entities.

Note 7 Participating interests in associated undertakings

Name	Domicile	Ownership share	Share capital	Share-holders' funds	Profit for the year	COWI Group's share: Profit on ordinary activities before tax	COWI Group's share: Share-holders' funds
			(1.000)	DKK '000	DKK '000	DKK '000	DKK '000
Casa Nova I/S	Denmark	35%	-	232	0	0	81
CAT Alliance Ltd.	United Kingdom	33%	100 GBP	1.202	0	0	401
Covitecma S.A.	Spain	25%	60.000 ESP	2.129	250	62	532
Danport A/S	Denmark	50%	500 DKK	501	10	5	251
Danrail Consult A/S	Denmark	33%	525 DKK	537	(3)	(1)	179
Yan-Dan Ltd.	China	30%	1.244 CNY	1.553	121	36	466
						102	1.910
Aviaplan A/S	Norway	33%	804 NOK	1.866	(676)	(213)	612
Nordplan A/S	Norway	33%	1.500 NOK	3.265	138	44	1.087
						(67)	3.609

Note 8 Financial income

PARENT COMPANY 2000/01	PARENT COMPANY 2001/02	DKK '000	GROUP 2001/02	GROUP 2000/01
12.649	14.697	Interest, cash at bank and in hand and securities, etc.	17.447	15.276
3.344	1.624	Interest, group companies	-	-
10.287	3.820	Realised and unrealised capital gains, investments	3.820	10.287
320	1.779	Foreign exchange gains	2.863	1.768
26.600	21.920	**Financial income**	24.130	27.331

Note 9 Financial expenses

PARENT COMPANY 2000/01	PARENT COMPANY 2001/02	DKK '000	GROUP 2001/02	GROUP 2000/01
(1.546)	(1.433)	Interest, bank and mortgage debt, etc.	(3.571)	(6.310)
-	(251)	Interest, group companies	-	-
(12.714)	(12.617)	Realised and unrealised capital loss, investments	(12.617)	(12.714)
(7.481)	(1.661)	Foreign exchange loss	(1.887)	(7.816)
(21.741)	(15.962)	**Financial expenses**	(18.075)	(26.840)

Note 10 Tax on profit for the year

PARENT COMPANY 2000/01	PARENT COMPANY 2001/02	DKK '000	GROUP 2001/02	GROUP 2000/01
-	-	Current tax	(3.278)	(5.569)
(1.461)	(550)	Current tax, foreign project offices	(550)	(1.461)
(12.638)	(18.410)	Deferred tax	(17.077)	(12.638)
-	(7)	Tax in associated undertakings	(7)	-
(4.663)	(741)	Tax in group companies	-	-
9.665	2.426	Deferred tax for previous years carried back	2.426	9.665
(9.097)	(17.282)	**Tax on profit for the year**	(18.486)	(10.003)
		broken down as follows:		
(9.097)	(17.282)	Tax on profit on ordinary activities	(18.486)	(10.003)
-	-	Tax on profit on extraordinary activities, cf. note 12	-	-
(9.097)	(17.282)	Tax on profit for the year	(18.486)	(10.003)
-	-	Tax on movements in shareholders' funds	-	-
(9.097)	(17.282)	**Total tax on profit for the year**	(18.486)	(10.003)

contd.

Note 10 Tax on profit for the year (contd.)

PARENT COMPANY			GROUP	
2000/01	2001/02	DKK '000	2001/02	2000/01
		Tax on profit on ordinary activities can be broken down as follows:		
(12,693)	(15,901)	Tax on profit on ordinary activities before tax calculated at 30%	(17,031)	(13,596)
(4,160)	567	Adjustment of tax calculated in foreign group undertakings in proportion to 30%	567	(4,160)
		Tax effect from:		
(1,986)	(1,800)	Book amortisation of goodwill disallowed for tax purposes	(1,800)	(1,986)
77	(2,574)	Other costs disallowed for tax purposes	(2,648)	74
9,665	2,426	Adjustment of taxes for previous years	2,426	9,665
(9,097)	(17,282)		(18,486)	(10,003)
21,5%	32,6%	**Effective tax rate**	32,6%	22,1%

Note 11 Intangible fixed assets

GROUP

DKK '000	Goodwill and rights	Group goodwill	Software	Total
Cost at 1 May 2001	19,914	22,760	47,177	89,851
Additions	11	10,937	2,467	13,415
Disposals	-	-	15,980	15,980
Cost at 30 April 2002	19,925	33,697	33,664	87,286
Amortisation and writedowns at 1 May 2001	18,829	12,039	35,943	66,811
Amortisation	927	5,999	5,965	12,891
Disposals	-	-	15,974	15,974
Amortisation and writedowns at 30 April 2002	19,756	18,038	25,934	63,728
Net book value at 30 April 2002	169	15,659	7,730	23,558

PARENT COMPANY

DKK '000	Goodwill and rights	Group goodwill	Software	Total
Cost at 1 May 2001	19,593	22,760	42,177	84,530
Additions	-	10,937	1,325	12,262
Disposals	-	-	15,959	15,959
Cost at 30 April 2002	19,593	33,697	27,543	80,833
Amortisation and writedowns at 1 May 2001	18,685	12,039	30,943	61,667
Amortisation	861	5,999	5,490	12,350
Disposals	-	-	15.952	15.952
Amortisation and writedowns at 30 April 2002	19,546	18,038	20,481	58,065
Net book value at 30 April 2002	47	15,659	7,062	22,768

Note 12 Tangible fixed assets

GROUP

DKK '000	Land and buildings	Technical installations, equipment and auto-mobiles	Assets in course of construc-tion	Total
Cost at 1 May 2001	7,500	326,158	-	333,658
Additions	2,165	37,923	158	40,246
Disposals	-	120,118	-	120,118
Cost at 30 April 2002	9,665	243,963	158	253,786
Revaluations at 1 May 2001	1,156	-	-	1.156
Revaluation written back	(1,156)	-	-	(1,156)
Revaluations at 30 April 2002	-	-	-	-
Depreciation and writedowns at 1 May 2001	3,334	243,105	-	246,439
Depreciation and writedowns	593	27,541	-	28,134
Disposals	-	118,084	-	118,084
Depreciation and writedowns at 30 April 2002	3,927	152,562	-	156,489
Net book value at 30 April 2002	**5,738**	**91,401**	**158**	**97,297**

PARENT COMPANY

DKK '000	Land and buildings	Technical installations, equipment and auto-mobiles	Assets in course of construc-tion	Total
Cost at 1 May 2001	7,500	269,716	-	277,216
Additions	2,165	29,306	-	31,471
Disposals	-	118,618	-	118,618
Cost at 30 April 2002	9,665	180,404	-	190,069
Revaluations at 1 May 2001	1,156	-	-	1,156
Revaluation written back	(1,156)	-	-	(1,156)
Revaluations at 30 April 2002	-	-	-	-
Depreciation and writedowns at 1 May 2001	3,334	196,063	-	199,397
Depreciation and writedowns	593	21,617	-	22,210
Disposals	-	116,647	-	116,647
Depreciation and writedowns at 30 April 2002	3,927	101,033	-	104,960
Net book value at 30 April 2002	**5,738**	**79,371**	**-**	**85,109**

At 1 January 2002, the official valuation of Danish properties with a net book value of DKK 5,738 thousand amounted to DKK 9,130 thousand.

Note 13 Fixed asset investments

DKK '000	GROUP Participating interests in associated undetakings	Other investments and partici-pating interests	Total
Cost at 1 May 2001	3,340	922	4,262
Additions	959	1,142	2,101
Disposals	169	-	169
Cost at 30 April 2002	4,130	2,064	6,194
Revaluations at 1 May 2001	3	19	22
Additions	95	-	95
Disposals	-	-	-
Revaluations at 30 April 2002	98	19	117
Writedowns at 1 May 2001	619	650	1,269
Additions	-	-	-
Disposals	-	112	112
Writedowns at 30 April 2002	619	538	1,157
Net book value at 30 April 2002	**3,609**	**1,545**	**5,154**

PARENT COMPANY

DKK '000	Participating interests in subsid-iaries	Participating interests in asso-ciated underakings	Loans to subsid-iaries	Other investments and partici-pating interests	Total
Cost at 1 May 2001	65,816	1,548	20,743	809	88,916
Additions	22,034	883	-	-	22,917
Disposals	-	-	7,650	-	7,650
Cost at 30 April 2002	87,850	2,431	13,093	809	104,183
Revaluations at 1 May 2001	16,332	3	-	19	16,354
Additions	3,756	95	-	-	3,851
Disposals	-	-	-	-	-
Revaluations at 30 April 2002	20,088	98	-	19	20,205
Writedowns at 1 May 2001	26,515	619	240	650	28,024
Additions	5,316	-	-	-	5,316
Disposals	3,478	-	240	112	3,830
Writedowns at 30 April 2002	28,353	619	-	538	29,510
Net book value at 30 April 2002	**79,585**	**1,910**	**13,093**	**290**	**94,878**

Note 14 Work in progress, net

PARENT COMPANY 2000/01	2001/02	DKK '000	GROUP 2001/02	2000/01
1,529,879	1,546,441	Work in progress, direct expenses	1,702,768	1.653,207
728,295	664,577	Addition for indirect expenses and interim profit from on-account payments	792,481	829,200
2.258.174	2.211.018	Work in progress, gross	2,495,249	2.482,407
(2.142,820)	(2.092,037)	Amounts invoiced on account	(2,319,657)	(2.335,733)
115,354	118,981	**Work in progress, net**	175,592	146,674
		Broken down as follows on domestic and foreign projects:		
58.393	56.270	Domestic projects	56,270	58,393
56,961	62,711	Foreign projects	119,322	88,281
115,354	118,981		175,592	146,674

Note 15 Prepayments

PARENT COMPANY 2000/01	2001/02	DKK '000	GROUP 2001/02	2000/01
10,808	10,827	Insurance premiums	12,067	11,535
11,994	12,554	Rent	12,554	11,994
7,595	12,331	Other	13,432	9,537
30,397	35,712	**Prepayments**	38,053	33,066

Note 16 Own shares

DKK '000	PARENT COMPANY Share of sharehold-ers' funds	Nominal share-holding	Acquisi-tion price
Cost at 1 May	2.2%	772	6,602
Additions for the year	-	-	-
Disposals for the year	-	-	-
Shareholding at 30 April	2.2%	772	6,602

Note 17 Current asset investments

DKK '000	PARENT COMPANY 2001/02	2000/01
Shares	40,626	27,923
Bonds	195,119	204,852
Portfolio at 30 April	235,745	232,775

Note 18 Shareholders' funds

The share capital consists of:

		2001/02
		DKK '000
A shares:		
2 shares of each DKK.	1,000	2
1 share of DKK	2,998,000	2,998
1 share of DKK	7,000,000	7,000
1 share of DKK	10,000,000	10,000
		20,000

B shares:		
147,500 shares of each DKK 100	100	14,750
		14,750

Each A share of DKK 100 carries 10 votes whereas each B share of DKK 100 carries 1 vote.

Note 19 Minority interests

	GROUP	
DKK '000	2001/02	2000/01
Minority interests at 1 May	8,895	6,893
Share of profit for the year	2,562	2,105
Exchange adjustment	198	(103)
Minority interests at 30 April	11,655	8,895

Note 20 Deferred tax

PARENT COMPANY			GROUP	
2000/01	2001/02	DKK '000	2001/02	2000/01
134,993	137,966	Deferred tax at 1 May	141,629	138,656
(9,665)	(2,426)	Reversal concerning previous years	(2,426)	(9,665)
12,638	18,410	Deferred tax for the year	17,077	12,638
-	-	Addition on acquisition of group company	202	-
137,966	153,950	**Deferred tax at 30 April**	156,482	141,629
		Deferred tax concerns:		
(1,332)	(1,262)	Intangible fixed assets	(1,262)	(1,332)
(5,530)	(4,683)	Tangible fixed assets	(3,318)	(3,516)
1,502	(309)	Fixed asset investments	(308)	1,502
160,226	163,445	Current assets	162,547	161,875
-	-	Provisions	810	-
(2,100)	(2,100)	Debt	(846)	(2,100)
(14,800)	(1,141)	Tax-loss carryforwards	(1,141)	(14,800)
137,966	153,950		156,482	141,629

Note 21 Other provisions

PARENT COMPANY			GROUP	
2000/01	2001/02	DKK '000	2001/02	2000/01
-	-	Guarantees at 1 May	5,223	5,223
-	-	Adjustment for the year	464	-
-	-	**Guarantees at 30 April**	5,687	5,223
-	-	Other provisions	-	-
-	-	**Other provisions at 30 April**	5,687	5,223

Note 22 Long-term debt

PARENT COMPANY			GROUP	
2000/01	2001/02	DKK '000	2001/02	2000/01
1,927	1,486	Long-term debt falling due after more than 5 years	1,486	1,927
7,735	6,757	Long-term debt falling due between 1 and 5 years	7,026	7,815
9,662	8,243	**Long-term debt**	8,512	9,742

Note 23 Amounts invoiced in advance

PARENT COMPANY			GROUP	
2000/01	2001/02	DKK '000	2001/02	2000/01
		Broken down as follows between domestic and foreign projects		
77,339	74,748	Domestic projects	74,748	77,339
108,834	112,044	Foreign projects	130,560	118,631
186,173	186,792	**Amounts invoiced in advance**	205,308	195,970

Note 24 Contingent liabilities, commitments and guarantees

PARENT COMPANY			GROUP	
2000/01	2001/02	DKK '000	2001/02	2000/01
		Contingent liabilities		
3,027	3,053	Lease commitments (operating leases) expiring within 5 years with a total of	26,610	22,102
272,487	247,467	Rental commitments in the period of termination	247,467	272,487
285,485	263,555	Recourse guarantees and performance bonds	263,555	285,485
45,489	21,348	Other guarantees and charges	23,028	47,169
15,200	13,600	Pension commitments	13,600	15,200

contd.

Note 24 Contingent liabilities, commitments and guaranties (contd.)

PARENT COMPANY			GROUP	
2000/01	2001/02	DKK ‘000	2001/02	2000/01
		Contigent liabilities (contd.)		
		The Group's Danish companies are jointly and severally liable for tax on Group income subject to joint taxation.		
		By virtue of its business operations, the COWI Group is a party to legal disputes that can be expected in the course of its business operations. In the opinion of Management, no material liabilities are incumbent on the Company as a consequence of this.		
		Current restructuring expenses are charged to the profit and loss account as incurred.		
		Together with other consultants, COWI A/S has entered into joint ventures and in this connection COWI A/S is liable for any joint liabilities.		
		Guarantees		
		The following assets have been provided as guarantees to credit institutions:		
12,544	11,026	Technical installations, equipment and automobiles at a net book value of	11,026	12,544
		Furthermore, COWI A/S has a total guarantee facility of DKK 400 million of which DKK 264 million has been spent at 30 April 2002 for performance bonds in connection with projects in progress.		

Note 25 Related party transactions

The COWI FOUNDATION owns all A shares in the Company and exercises controlling influence on the Company. The COWI FOUNDATION does not carry on any independent business, and no material transactions are conducted between the Foundation and the Company.

No transactions with other related parties are conducted.

Note 26 Board of Directors and Executive Management

The Company's directors and members of Executive Management hold the following directorships and executive functions in other companies not including the 100%-owned COWI subsidiaries:

Board of Directors	Directorships and executive functions in other companies
Ole Steen Andersen, Chairman	Danfoss A/S (M), Sauer-Danfoss Inc. (MB), Danfoss Murmann Holding A/S (MB), H. Lundbeck A/S (MB)
Ida Garre, Deputy Chairman	
Henrik Gürtler	Novo A/S (M), Novozymes A/S (CB), Dansk Management Forum (CB), Københavns Lufthavne A/S (MB)
Niels Christian Nielsen	Danske Bank A/S (MB), Grundfos A/S (MB), Otto Mønsted A/S (MB), Oticon-Fonden (MB)

contd.

Note 26 Board of Directors and Executive Management (contd.)

Henrik Brade Johansen
Eigil Steen Pedersen

Berit Benkel *

Henriette R. Bundgaard *

Michael Steen Jacobsen *

Lars Rosholm Jørgensen *

Executive Management

Klaus H. Ostenfeld, Managing Director, CEO

Keld Sørensen, Financial Director, CFO

Knud Østergaard Hansen, Executive Director, Danish Operations

Henning H. Therkelsen, Executive Director, International Operations

(CB) = Chairman of the Board of Directors

(MB) = Member of the Board of Directors

(M) = Manager

*) Staff representatives

Note 27 Acquisition of subsidiaries

	GROUP	
DKK ‘000	2001/02	2000/01
Intangible fixed assets	818	-
Tangible fixed assets	1,517	-
Fixed asset investments	364	
Work in progress	16,275	-
Accounts receivable	13,871	-
Cash at bank and in hand	2,763	-
Provisions	(3,155)	
Bank debt	(1,102)	-
Deferred tax	(202)	-
Accounts payable, suppliers	(1,946)	-
Other accounts payable	(9,599)	-
	19,604	-
Goodwill	9,977	-
Acquisition price	29,581	-
of which cash	(2,763)	-
Consideration in the form of own shares	-	-
Cash acquisition price	26,818	-

Note 28 Cash and cash equivalents

	GROUP	
DKK ‘000	2001/02	2000/01
Cash and cash equivalents at 30 April include:		
Securities	235,745	232,775
Cash at bank and in hand	75,900	64,412
Cash and cash equivalents at 30 April	311,645	297,187
Committed credit facilities at 30 April (not including guarantee facilities)	86,304	51,621
Financial resources at 30 April	397,949	348,808

Living with the environment

Engineer Niels Erik von Freiesleben is devoted to sustainability

The environment is an important part of Niels Erik von Freiesleben's life. At work, he is part of COWI's department for Environment, Occupational Health and Safety; and privately, he has set up a resident's sustainability group in his home town, united all the environmental groups in the municipality in the idea of employing a Green Guide and is deputy chairman of a municipal sustainability council.

He is 46 years old and has been working at COWI since 1990, when he left a job as environmental researcher at the Technical University of Denmark to get some dirt under his nails at the COWI's Soil and Groundwater Department, which analyses and cleans up polluted sites. Since then, he has worked with environment problems in a broader sense and is now group leader for environmental management and sustainable development and is in the process of making sustainability a new market area for COWI.

He is the driving force behind COWI's participation in The Nordic Partnership, in which 17 Nordic companies have committed themselves to making a special effort for global sustainable development and now devotes much of his working hours to a project for the Ministry of Science, Technology and Innovation called Green Technological Foresight.

"It is an exciting project that will show new technological possibilities for Danish commercial life to help solve global environmental problems," says Niels Erik von Freiesleben.

In COWI he runs an internal network called Environment, Safety and Health, intended to help project managers include such issues in their planning work. He is also involved with the development of COWI's own environmental management system and is currently revising the company's environmental policy.

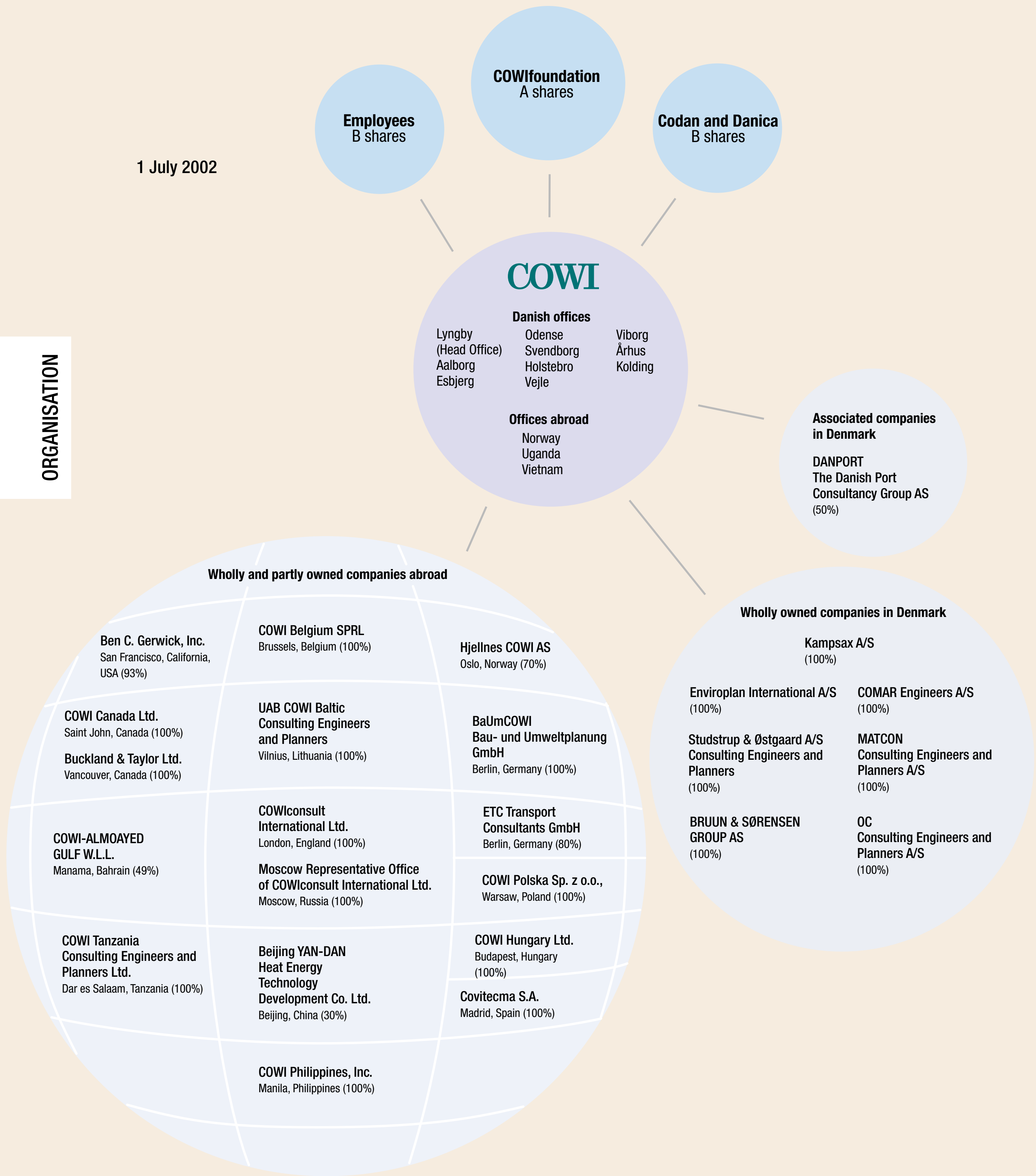
Senior Project Manager Niels Erik von Freiesleben, nef@cowi.dk

COWI's offices abroad

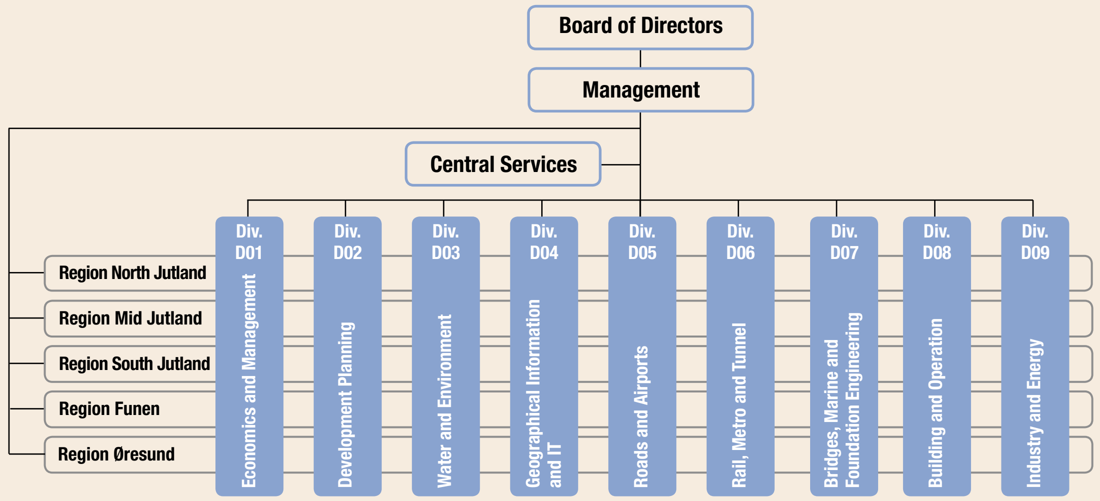
- Offices abroad
- International experience

COWI's offices in Denmark

1 July 2002



COWI A/S



COWI since 1930

COWI was founded in 1930 by Christian Ostenfeld, Dr. Tech. Soc. He was joined three years later by Wriborg Jønson, MSc (Eng.). In 1935, the Company undertook its first assignment outside Denmark.

From 1946 to 1973, the Company operated as a partnership under the name Chr. Ostenfeld & W. Jønson. In 1973, the Company became the foundation-owned, private limited company COWIconsult, Consulting Engineers and Planners AS. This was shortened to COWI Consulting Engineers and Planners in 1995 and to COWI A/S in 2001.

COWI is financially independent of any producer, supplier or contractor.

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Henning Therkelsen, Executive Director, International Operations


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COWI is an independent consulting company, which delivers state-of-the-art services within the fields of engineering, environmental science and economics. COWI has a total of 2800 employees, of which 2000 are based in Denmark. 800 are based in subsidiaries and project offices around the world. The turnover amounts to DKK 2.1 billion (282.5 EURm).

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