LAUNDRY SYSTEMS GROUP

Application to list 2.004.224 shares on the

First market of Euronext Brussels, held by

Jensen Invest A/S

Prospectus

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Transaction note

The Banking and Finance Commission has authorized LSG on April 17, 2001 to use the annual report as reference document each time it solicits funds from the public in the context of title II of the Royal Decree n° 185 of July 9, 1935 by means of the procedure of dissociated information, and such until publication of its next annual report.

This transaction note together with the annual report constitute the issue prospectus, in the sense of article 29 of the above mentioned Royal Decree. This transaction note has been drawn up in order to list shares in the first market. In the frame of this transaction, the transaction note and the annual report 2000 may not be distributed separately.

This prospectus is published after the authorization on July 26, 2001 by the Banking and Finance Commission in the context of article 29ter, §1, 1° of the Royal Decree n° 185. This approval does not represent any opinion as to the advisability or merit of the transaction or the position of the company requesting the listing of its shares.

Only the Dutch version of the transaction note has legal force, the English version representing a translation of the Dutch original. The correspondence between the different language versions has been verified by LSG under its own responsibility.

Application to list 2.004.224 shares on the
First market of Euronext Brussels, held by
Jensen Invest A/S

Transaction note

1. Responsibility for the prospectus

The Board of Directors of LSG N.V. declares that the prospectus, for which it assumes responsibility, is factually accurate in all material aspects and that there is no omission that would make it materially misleading.

Jesper Jensen	Jan Brantjes
Managing Director	Chairman of the Board

2. Audit of the accounts

The consolidated and statutory annual accounts over the financial year 1998 have been audited by Arthur Andersen Bedrijfsrevisoren, represented by Mr. Dirk Van Vlaenderen, Kortrijksesteenweg 1072, 9051 Gent, resulting in an unqualified audit opinion.

The consolidated and statutory annual accounts over the financial years 1999 and 2000 have been audited by KPMG Bedrijfsrevisoren, represented by Mr. Theo Erauw, Bollebergen 2b bus 13, 9052 Gent, resulting in an unqualified audit opinion for both financial years.

KPMG Bedrijfsrevisoren not only verified the annual accounts, but also the elements of the general contents that contain figures.

3. Data on the listing on the First market and on the concerned shares

This prospectus has been drawn up in order to list on the First market 2.004.224 registered shares held by Jensen Invest A/S, with serial numbers 2.128.198 to 4.132.421 included.

On February 28, 2000, the Extraordinary Shareholders' Meeting of LSG N.V. approved the "Fusion à l'Anglaise" (merger by acquisition, whereby LSG acquired all shares Jensen Industrial Group A/S for newly created LSG shares) between LSG N.V. and the Danish company Jensen Industrial Group A/S. As a consequence of the merger, the share capital of LSG N.V. was increased by 10,35 million EUR (417.680.282 BEF), by contributing all 32.031.250 shares of the company Jensen Industrial Group A/S. This contribution in kind was compensated for by issuing 2.004.224 new LSG shares having the same rights as the existing shares. The issue price conventionally has been determined at 40 EUR per share, being the average price of the LSG share between December 14, 1999 and January 14, 2000. As, for this contribution in kind, Jensen Industrial Group A/S and its subsidiaries were valued at 80,2 million EUR (3.234.007.830 BEF), the share capital was increased by 10,35 million EUR and a share premium of 69,8 million EUR (2.816.327.548 BEF) was created.

On July 20, 2001, closing price of the LSG share amounted to 12,01 EUR.

The 'merger agreement' containing the conditions of this "Fusion à l'Anglaise", the special report of the Board of Directors dated January 20, 2000 and the report of the statutory auditor dated January 11, 2000 in relation to this transaction, can be consulted at the registered office of the company.

The shares created at the occasion of the merger have the same rights as the existing shares and they carry the rights to participate in dividends declared as from the financial year 2000. They are ordinary shares, entitled to one vote on the Shareholders' Meeting. The shares are registered in the Shareholders' Register. If Jensen Invest A/S would like to sell all or part of its shares via the stock exchange, it should firstly request the conversion of the shares into bearer shares. The holders of registered shares can at any time convert their shares into bearer shares on dematerialized shares. In the short term, Jensen Invest A/S does not intend to request one of both conversions. Until February 28, 2001, there was a lock-up period of all shares in the hands of Jensen Invest A/S. Between February 28, 2001 and February 28, 2002, the lock-up continued to exist for 40% of the above mentioned shares. As from February 28, 2001, Jensen Invest A/S can thus freely dispose of 60% of the shares.

Expiration of dividend rights

In accordance with article 2777 of the Civil Code, the right to collect dividends declared on registered shares expires five years after the due date, whereupon the company is no longer under an obligation to pay such dividends.

The right to collect dividends on bearer shares does not expire unless the company has deposited the dividends with the Belgian Deposit and Consignation Bank, in which case the right to collect dividends expires after 30 years and the Belgian state becomes the beneficiary of any dividends which remain uncollected, in accordance with the law of July 24, 1921, modified by the law of July 22, 1991.

Taxation of dividends

As a general rule, a withholding tax of 25% is levied on the gross amount of dividends paid (i.e. not taking into account decreases or exemptions as a result of a treaty for the avoidance of double taxation).

(1) For Belgian resident individuals who acquire and hold the shares as a private investment, payment of this withholding tax fully discharges personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return.

Where the beneficiary opts to declare them, dividends will normally be taxed at the dividend withholding tax rate (25%) or the applicable progressive personal tax rate taking into account the tax payer's other declared income, whichever is lower. If the beneficiary reports the dividend, the amount of federal income tax payable is increased by the local surtax and, if progressive rates apply, a 3% crisis surcharge. In addition, if the dividends are reported, the withholding tax retained at source may be off-set and reimbursed to the extent that it exceeds the tax actually payable.

(2) For Belgian resident investors who acquire the shares for professional purposes, the withholding tax does not fully discharge tax liability. Dividends received must be reported by the beneficiary and will be taxed at the resident personal tax rate (if the personal income tax applies), or at the corporate tax rate.

Taxpayers that are subject to corporate tax may deduct up to 95% of gross dividends received from their taxable profits, if, at the date the dividends are made available for payment, they held at least 5% of the capital of the dividend paying company or a participation with an acquisition value of at least 1.239.467,62 EUR (50 million BEF).

For both personal tax and corporate tax, the withholding tax retained at source may be offset and reimbursed to the extent that it exceeds the tax actually payable.

(3) For taxpayers subject to the tax on legal entities, the withholding tax normally constitutes final taxation.

(4) For non-residents (individuals or legal entities) a withholding tax of 25% is in general levied on the gross amount of dividends paid (not taking into account the decreases or exemptions as a result of a treaty for the avoidance of double taxation).

LSG does not compensate for the withholding tax retained at source.

Capital gains taxation

(1) Individual Belgian residents holding the shares as a private investment are not subject to Belgian capital gains tax on the disposal of the shares and losses are not deductible.

Individual Belgian residents may, however, be subject to a 33% tax if the capital gain is deemed to be speculative or if the capital gain is otherwise realized outside the scope of the normal management of one's own private estate, or to a 16.5% tax if, during the five years before the transfer of the shares, the shareholder, or the person from whom he has received the shares, has held an important shareholding in a Belgian company (i.e. a shareholding of more than 25%, together with the shares held by some relatives), and the shares are transferred directly or indirectly to a non-resident legal entity. These taxes are subject to a local surcharge and a 3% crisis surcharge. Losses on speculative transactions on shares or on transactions outside the scope of the normal management are deductible from the income from similar transactions.

(2) Individual Belgian residents who hold the shares for professional purposes are taxable at the ordinary progressive income tax rates for business income on any capital gains realized on the disposal of the shares.

(3) Belgian legal entities, that are not subject to corporate tax, are in general not taxed on capital gains on shares. Belgian legal entities subject to corporate tax are normally not subject to Belgian capital gains taxation on the disposal of the shares, provided the conditions for the 95% dividend exemption would be applicable on the distributed dividends. The conditions of minimum participation for the dividend exemption are however not applicable.

(4) Capital gains realized on shares by a non-resident individual that has not acquired the shares for a business conducted in Belgium through a fixed base or a Belgian establishment, are not subject to taxation and losses are not deductible.

Capital gains will be taxed at the ordinary progressive income tax and losses will be deductible, if those gains or losses are realized on shares by a non-resident individual that has acquired the shares for a business conducted in Belgium through a fixed base or a Belgian establishment. In such case, losses on shares are deductible.

Capital gains realized by a non-resident corporation that has acquired the shares for a business conducted in Belgium through a fixed base or a Belgian establishment will be taxed at the ordinary corporate income tax rate (40.17%), unless the shares meet the requirement for the 95% dividend exemption (in which case the capital gain is exempt from corporate income tax). Losses on shares realized by a non-resident corporation are in general not deductible.

Stamp tax on securities transactions

A stock market tax is levied on the purchase and the sale, and on any other acquisition and transfer for consideration in Belgium, of existing shares through a professional intermediary. The usual tax rate is 0.17%, with a maximum of _247.89 per transaction, per party. The tax is levied on the delivery to the subscriber of newly issued shares at the rate of 0.35%, with a maximum of _247.89 per transaction, per party.

No stock market tax is payable by :

ß Professional intermediaries described in Article 2, §1 of the law of April 6, 1995 acting for their own account
ß Insurance companies described in Article 1 of the law of July 9, 1975 acting for their own account
ß Pension funds described in Article 2, §3, 6th of the law of July 9, 1975 acting for their own account or
ß Collective investment institutions described in the law of December 4, 1990 acting for their own account

Tax on the physical delivery of bearer shares

Belgian law provides for a 0.2% tax on the physical delivery of bearer shares acquired by way of subscription, or for consideration through a professional intermediary in Belgium, based on the purchase price.

Belgian law provides for a 0.2% tax upon the physical delivery of bearer shares in Belgium pursuant to a withdrawal from these shares from "open custody", based on their value as estimated by the custodian.

Data on the shares for which the listing is applied

The company applied to list on the First Market of the Brussels Stock Exchange of 2.004.224 shares without face value. The listing will take place in the continuously traded segment of the market. The already listed 2.128.197 shares are also continuously traded.

Over the last 3 years, the LSG share has known following evolution :

	High price	Date	Low price	Date	Average daily volume
2001 (until now)	15 EUR	16/02/2001	10,62 EUR	30/01/2001	2.839
2000	46,99 EUR	14/01/2000	13,2 EUR	28/12/2000	2.667
1999	78,4 EUR	16/02/1999	39 EUR	22/12/1999	3.163
1998	80,32 EUR	02/07/1998	40,41 EUR	02/01/1998	4.044

On July 20, 2001, the LSG share closed at 12.01 EUR.

Fortis Bank and Petercam will act as paying agent for the dividends, without any charge for the shareholders. The shareholders are advised to inform theirselves about the amounts that the financial intermediaries, where they present their securities and coupons, charge in connection with paying agency services.

Costs of the application for listing

The costs of the application for listing are estimated at 25.000 EUR.

In these costs are included legal, administrative and miscellaneous costs (fee for Banking and Finance Commission, compensation for the Brussels Stock Exchange, printing of the prospectus, publicitiy costs, ...) as well as the fee for the financial intermediary, which amounts to 12.500 EUR.

All these costs are paid by LSG.

Recent developments and outlook

Over the fist quarter of 2001, between January 1 and March 31, LSG realized a turnover of 50 million EUR and an operating profit of 2.1 million EUR. Operational highlights over the first quarter were the finalization of the acquisition of Rosal (our heavy duty distributor in Switzerland), the signing of an important contract for Le Havre hospital (by Polymark Jensen in France), the construction of a new production facility for Senking in Germany and the signing of a 'VAR'-agreement with Gemplus.

Based on the current order intake and order backlog, management is confident that the second quarter will show improved results. Management expects that the integration of L-Tron production in Ipso USA, the incorporation of production facilities of Amko and D'Hooge within the Heavy Duty Division and the creation of LSG North America will also contribute to a higher operating profit than in the year 2000, while turnover is expected to be in line with last year.

Annex : press release on the first quarter 2001

UNDER EMBARGO UNTIL 15/05/2001 5.00 p.m. CET

Press Release

Laundry Systems Group reports on 1st quarter activities

Brussels, May 15 2001. - Laundry Systems Group (LSG), worldwide market leader in laundry systems, announces its first quarterly results today. Over the first quarter 2001, LSG realized a combined turnover of 50 million EUR and an operating profit (EBIT) of 2,1 million EUR. Quarterly reporting is introduced in view of the M-Prime segment of Euronext.

As announced at the occasion of the disclosure of the year 2000 results on March 6, 2001 Laundry Systems Group is introducing a more transparent communication strategy. The disclosure of quarterly results is part of this new strategy and is a first step towards the M-Prime segment of the Euronext Stock Exchange. More extended quarterly reporting will be applied as from the 3rd quarter 2001 on.

Over the first quarter of 2001, between January 1 and March 31, LSG realized a turnover of 50 million EUR and an operating profit of 2,1 million EUR. No extraordinary items were incurred. Over the first quarter of 2000, turnover was 45,9 million EUR and operating profit amounted to 4,6 million EUR. Quarterly sales figures are not easily comparable because of the project-oriented nature of part (heavy duty) of the Group's business and a comparison with last year's EBIT-figures is also difficult because a lot of non-recurrent costs were taken into account in the last quarter of 2000 only. Based on the current order intake and order backlog, management is confident that the 2nd quarter of 2001 will show improved results.

Over the full year 2000, LSG realized a turnover of 216 million EUR and an operating profit of 10,3 million EUR.

In Mln EUR	Q1 – 2001 unaudited	Q1 - 2000	Full year 2000 figures, pro-forma calculated per quarter
Sales	50,0	45,9	54,0
Operating profit (EBIT)	2,1	4,6	2,6

Operational highlights of the first quarter were the finalisation of the acquisition of Rosal (our heavy duty distributor in Switzerland), the signing of an important contract for Le Havre hospital (by Polymark Jensen in France), the construction of a new production facility for Senking in Germany and the signing of a 'VAR'-agreement with Gemplus. In this agreement, the Jensen Group (Heavy Duty Laundry Division of LSG) will act as a 'Value Added Reseller' for Gemplus RFID (Radio Frequency Identification) products by integrating them in the heavy duty product range. Using Gemplus' RFID products together with its own software, Jensen will be able to offer complete traceability of garments in the industrial laundries (traditionally using a lot of labour) while consequently reducing labour costs.

As communicated earlier, management expects that the integration of L-Tron production in Ipso USA, the incorporation of production facilities of Amko (now called Jensen Netherlands) and D'Hooge within the Heavy Duty Division and the creation of LSG North America will also have a positive effect on sales and operating profits from the third or fourth quarter 2001 on.

LSG is a worldwide leader in laundry systems and has 11 operational branches throughout Europe and the United States. The group, which employs over 1500 people worldwide, covers almost the complete product range for the laundry sector. Since 1997, the company, formerly IPSO-ILG, has been quoted on Euronext.

This press release and the annual report 2000 are also available on the corporate website (www.lsg.be).

(End of press release)

Note to the editors: for more information, please contact:

LAUNDRY SYSTEMS GROUP :
Jesper Jensen, Chief Executive Officer
Gunter Vanden Neucker, Investor relations manager
Tel. +32.2.482.33.80
Fax +32.2.482.33.90
E-mail : investor@lsg.be

Laundry Systems Group

Annual report 2000

The Banking and Finance Commission has authorised LSG on April 17, 2001 to use the present annual report as reference document each time it solicits funds from the public in the context of title II of the Royal Decree n° 185 of July 9, 1935 by means of the procedure of dissociated information, and such until publication of its next annual report.

In the context of this procedure, a transaction note needs to be attached to the annual report. The annual report together with the transaction note constitute the issue prospectus in the sense of article 29 of the Royal Decree n° 185 of July 9, 1935.

In accordance with article 29ter, §1, par. 1, of the Royal Decree n°185 of July 9, 1935, this prospectus must be submitted to the Banking and Finance Commission.

Only the Dutch version of the annual report has legal force, the English version representing a translation of the original in Dutch. The correspondence between the different language versions has been verified by LSG under its own responsibility.

Message to the shareholders

The year 2000 has been an important year for Laundry Systems Group. It was the year in which the merger was made official. With the merger, a global leader for the laundry industry was created, which will set new standards in the laundry industry. With LSG, we reached the critical size to build up a coherent infrastructure to meet new opportunities and growth.

We were able to show record sales and to increase our turnover by 23%, however, our earnings did not follow the same pattern.

In September 2000 the new CEO took office and addressed the issues with a new strategy and structure which was based on concentrating on our strength and eliminating our weaknesses. The main points are:

- The new divisional structure with Business Units
- Commercial division as one customer solution supplier
- Establishment of LSG North America responsible for all sales and services for the group in North America
- Moving of L-Tron Cincinnati operation to the under-utilized Florida plant of Ipso USA
- Focused factories with smaller product ranges and hence smaller complexity

We expect our actions will bear fruit in the third to fourth quarter of 2001. The closing of our production in Cincinnati and relocation to Florida will be executed by June/July 2001. We also expect our new division LSG North America to be fully operational by the 3rd quarter of 2001.

The Board and the Management agreed to take precautions in relation to restructuring cost which are mainly:

- The restructuring of our Cissell operation in the U.S. will enable us to concentrate on our laundry operations and a full product solution to our commercial laundry customer.

- Restructuring the LSG headquarters.

- The streamlining of our accounting practices in order to adapt to IAS as well as taking a more conservative approach.

For the year 2001, we expect to move further to the operational and commercial excellence we are aiming for, by gradually realizing the commercial and operational synergies the merger was intended to realize.

We will continue to position ourselves as the world market leader we intended to be through the merger. Towards our customers we want to be "the first choice" in the market, and the benchmark in the industry. Towards our employees, we want to act as a preferred and loyal employer stimulating team spirit and rewarding entrepreneurship. Towards our shareholders, we want to be a profitable market leader delivering consistent financial results and continued growth in shareholder value.

We would like to thank our staff for their day to day commitment by which they help the company grow and develop, and for their enthusiasm to implement the changes of the year 2000.

On behalf of the Board of Directors, we would also like to thank our customers and our shareholders for their confidence. Through the merger, Laundry Systems Group is now prepared for the new laundry world where networking and technology are moving at unprecedented speeds. We are changing the rules and setting new standards in the laundry industry. We are convinced that LSG will benefit from its unique position regarding product range, distribution network and market coverage and will consistently turn this benefits into higher shareholder value.

Jesper Munch Jensen
Chief Executive Officer

Jan Brantjes
Chairman of the Board

Report of the Board of Directors

The year 2000 has been an important year for Laundry Systems Group. It was the year in which the shareholders approved the merger and, in this way, paved the way for further growth. It was also the year in which a lot of changes took place.

During the past year, the structure of the new group has been put into place, which is the basis to realize commercial and operational synergies. The group is now operating based on 3 divisions : the Commercial Laundry Division, the Heavy Duty Laundry Division and LSG North America.

The Commercial Laundry Division is oriented to commercial laundry activities, while the Heavy Duty Laundry Division is focussed on industrial laundry equipment. The Commercial Laundry Division in organized in the Business Units 'Commercial Laundry Equipment' (Ipso LSG, Ipso USA and Cissell Dryers) and 'Commercial Finishing Equipment' (Cissell dry-cleaning equipment). The Heavy Duty contains 4 Business Units, constructed around the competence areas 'Washroom Technology' (L-Tron, Senking and D'Hooge), 'Materials Handling Technology' (Metricon and Futurail), 'Finishing Technology' (Jensen Denmark, Jensen AG and Amko) and 'Systems Software and Process Technology'. This focus and specialization per division and per business unit will contribute to operational excellence.

Next to the operational business units, both divisions contain wholly owned and independent distributors which support our strategy to think globally and act locally. This approach will contribute to customer intimacy and commercial excellence. During the year 2000 we acquired our Heavy Duty distributor Polymark in France and the UK. Besides direct access to the important markets France and the UK, Polymark added knowhow regarding software, engineering, turn key and service to the Company.

Our third division, LSG North America, is our sales and service organisation for the North American market catering for both Commercial and Heavy Duty applications. LSG NA offers it product range through a coherent distribution network as well as to our direct accounts. We expect LSG North America to be fully operational by the 3rd quarter 2001.

In September 2000 the new CEO took office and addressed the issues with a new strategy and structure which was based on concentrating on our strength and eliminating our weaknesses.

Results

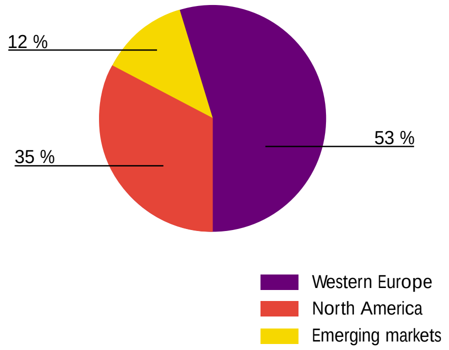
We were able to show record sales of 216 million EUR and to increase our turnover by 23%, compared to the pro-forma figures of last year. Although some part of the sales increase comes from the acquisition of Polymark and from currency gains, about 12% sales increase is realized through internal growth.

53% of our sales is realized in Western Europe (115 million EUR), North America accounts for 35% of our sales (75 million EUR) and the Emerging Markets represent the other 12% (26 million EUR) of the turnover.

However, our earnings did not follow the same pattern. We realized profit from operations of 10,3 million EUR, compared to the pro-forma 19,6 million EUR of last year. There are several reasons. Firstly, our new venture in the US, IPSO USA, did not show the market penetration which we expected as the distribution for the newly developed product was not in place. Furthermore, our US L-Tron venture realized very low sales in the first half of 2000 which could not be caught up by excellent sales in the second half of 2000. The Amko and D'Hooge integration in our Heavy Duty Division was concentrated on product development and distribution and not on profitability. Last but not least a large amount of non-recurrent costs, which we do not expect in 2001, depressed our results considerably in 2000.

The financial result was lower than last year due to higher financing costs. New financing was needed for the acquisition of Polymark France and for additional working capital.

Turnover per region



Furthermore, the Board and the Management took some decisions which caused the net result to be negative :

- The restructuring of our Cissell operation in the US will enable us to concentrate on our laundry operations and a full product solution to our commercial laundry customers; total restructuring cost for Cissell is estimated at 5,2 million EUR.
- Restructuring the LSG Headquarters, including a change in management structure (1,3 million EUR).
- The move of L-Tron manufacturing to the underutilized plant of Ipso USA, the closing of the Cincinnati plant and the move of the warehouse of Ipso USA towards Jensen USA (Total cost 0,9 million EUR)
- The streamlining of our accounting practices in order to adapt to IAS as well as taking a more conservative approach (writing off historically capitalized R&D costs for a total amount of 5,8 million EUR; the year 2000 R&D costs of 1 million EUR are regarded as operational costs).

As a consequence, net result was negative for 4,3 million EUR.

The results per division can be summarized as follows :

2000	CLD	HDLD
Turnover (million EUR)	72,1	143,9
EBIT (million EUR)	3,1	7,2
Investments (million EUR)	2,2	2,6
Number of Employees	544	1.012

Capital expenditures

Following important investments were made during the year 2000 :

- Finalizing the acquisition of the JENSEN Group : 80,1 million EUR (financed through capital increase)
- Acquisition of Polymark France : 2,6 million EUR
- Various investments mainly in plant, machinery and equipment (at Ipso LSG, Ipso USA and Jensen Denmark) and in land and buildings (at Amko) for a total amount of 4,8 million EUR

Appropriation of the result

The financial year of LSG N.V. ended with a negative result of 1,1 million EUR. Taking into account the profit brought forward from previous financial years (9,2 million EUR), the profit to be appropriated amounts up to 8,1 million EUR. We propose not to distribute any result, but to carry forward the result of this year to the next financial year.

The consolidated result (share of the group) for the financial year is a net loss of 4,3 million EUR. Consolidated reserves at December 31, 2000 amount up to 7 million EUR.

Significant post-balance sheet events

- Construction of a new factory for Senking in Harsum, Germany. Total project amounts to 7,5 million EUR and is financed off-balance (through leasing). The factory is expected to be fully operational by March 2002 and will lead to considerable production rationalizations.
- Acquisition of our Swiss distributor Rosal in March 2001. This acquisition will further strengthen our presence in Switzerland.

Outlook 2001

During the current year, we will focus on realizing production synergies between Amko, D'Hooge and the Heavy Duty Division; we will also finalize the move of L-Tron production to Ipso USA and the setup of LSG North America. Furthermore, we will implement the business unit structure within the commercial division and we will focus on our core laundry business, especially when restructuring Cissell.

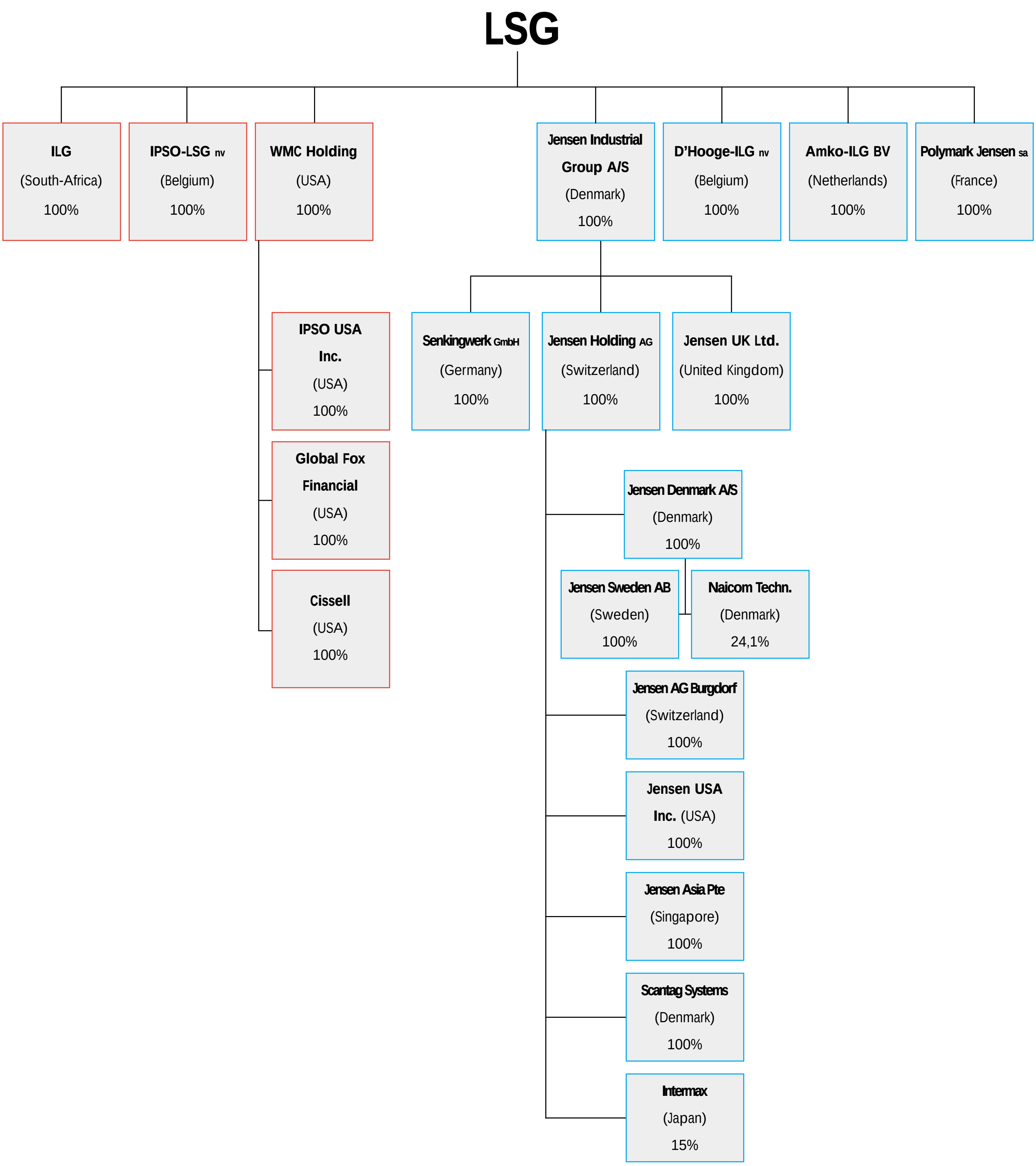
We expect most of the measures to bear fruit from the third or fourth quarter of this year and therefore, expect the profit from operations to be higher than last year. Together with lower financing costs through global refinancing and an effort to avoid exceptional charges, this should result in a positive net result over the year 2001, and a reasonable return to our shareholders.

Dividend Proposal

In view of the net negative result over the year 2000, the Board of Directors will propose to the General Assembly not to pay any dividend over the year 2000. This decision is taken in order not to negatively impact the Company's equity or debt position.

LEGAL STRUCTURE

Commercial Laundry Division	Heavy-Duty Laundry Division



OPERATIONAL STRUCTURE

LSG

- **Commercial Laundry Division**
  - **Commercial Laundry Equipment**
    - Ipso LSG Belgium
    - Ipso USA
    - Cissell Louisville USA
  - **Commercial Finishing Equipment**
    - Cissell Portland USA
  - **Sales and Service Centre**
    - ILG South Africa
- **Heavy-Duty Laundry Division**
  - **Washroom Technology**
    - Senking Germany
    - Jensen D'Hooge Belgium
    - Jensen L-Tron USA
  - **Materials Handling Technology**
    - Jensen UK
    - Jensen Sweden
  - **Finishing Technology**
    - Jensen Denmark
    - Jensen Switzerland
    - Jensen Amko Netherlands
  - **System Software and Process Technology**
  - **Textile division**
    - Jensen Switzerland
  - **Sales and Service Centres**
    - Jensen UK
    - Polymark Jensen France
    - Jensen Asia
    - Jensen Germany
- **LSG North America**
  - **Global Fox Financial**

Commercial Laundry Division

Profile

Activity

The Commercial Laundry Division develops, manufactures and markets laundry and finishing equipment for the commercial laundry, the on premise laundry and the dry-cleaning markets, worldwide.

In line with the Laundry Systems Group's strategy, the divisional strategy is to provide, from a leading position in the market, a complete range of products and after sales services for the worldwide commercial and OPL markets.
Markets are served via own sales organizations and through external distribution networks.

Coin Laundries are one of the three major markets of the CLD Division.

The division markets quality products under the IPSO brandname to the world market for coin operated machines, to the on premise laundry (OPL) market, such as the hotel & catering sector, nursing homes and hospitals, leisure & sports clubs, cruise ships etc. and to the dry-cleaning market via the CISSELL brandname.

Operations

The division is located at the Laundry Systems Group center in Brussels, Belgium, with plants in Wevelgem, Belgium and Panama City, Louisville and Portland in the USA.

Structure

The division consists of the following Business Units:

- Commercial Laundry Equipment (CLE),
  with plants: IPSO LSG, Wevelgem
  IPSO USA, Panama City
  CISSELL, Louisville
- Commercial Finishing Equipment (CFE)
  with plant: CISSELL, Portland
- Sales & Service Organization
  ILG-South-Africa.

Product range

- Washer extractors (softmount, hardmount) : capacity from 5,7 kg to 125 kg
- Dryers : capacity from 9 kg to 86 kg
- Ironers : width from 1,4 m to 2,6 m
- Dry cleaning equipment

Markets

Europe can be considered as a mature market. Growth is to be expected from North America and the emerging markets.

Product development

The business units are responsible for product development, with a continued focus on core products and new product development within the existing main areas of operation.

Following highlights of product development were shown on Texcare exhibition in Frankfurt :

- A coin laundry set up, based upon the new Sigma control, "Smartcard" readers and remote PC – monitoring.
- The newest freestanding HF 455 and HF 575 washer extractors for the OPL market
- Market introduction of the DM cylinder heated flatwork ironer, with folding device
- Introduction to the European market of the full IPH product line
- The redesigned and standardized IPSO and Cissell dryer line
- The new Cissell Kinzer press for finishing equipment.

Activities 2000

Results

	2000
Turnover, Million EUR	72,1
EBIT, Million EUR	3,1
Investments, Million EUR	2,2
Number of Employees	544

Sales

Revenues increased by 14% to 72,1 million EUR (Compared to 62,6 million EUR in 1999 pro forma). Higher sales were primarily caused by the high order intake on washer extractors at the IPSO LSG plant, Wevelgem during the 2nd half of previous year and the 1st quarter of 2000, in combination with the factory gearing up to increase output.

Special Issue : Sales organization for North America reorganized.

The North American market for commercial laundry equipment is covered by 8 major players. Three competitors enjoy a very strong position. At present IPSO is N°. 5, with a market share of 5%.
Despite the strong dollar, we were not able to increase our market share significantly with our imported washer extractors.

The reasons are twofold.
Firstly, our distribution network. Our major competitors have a well established North American distribution network, offering a complete line of products for coin and OPL.
IPSO – for years – could not offer such a full product line and as a consequence, it was not able to recruit first line distributors. The majority of our distributors only offer our products as their second product line.

The development of the IPH washer extractor line was a strategic decision, taken in order to make available for the North American OPL market a high performant, premium product, and by this, to attack the better distributors, willing to take the IPSO product line as their first product line.
The new line, which became available during the first half of the year 2000, could already convince some new distributors. However, we had expected to be more successful, even in this relatively short period of time. We are confident on the potentials of the new washer line and we remain confident that more distributors will follow the coming years.

Secondly, the North American market for coin laundries, is driven by small investors, who rely on financing programs.
This is exactly the mission of Global Fox, our company in the USA to support our sales organization and to provide our distributors with attractive financing programs.
However, due to the investments made during 1999 and 2000 for the new manufacturing facility and the product development, available funding for Global Fox was limited.

As from January 1, 2001, we have reorganized our sales organization. The commercial laundry sales organization for North America will be combined with the heavy duty laundry sales organization into LSG North America, with offices in Charlotte (North-Carolina).
By sharing common services, administration will be more efficient, but more important a better coverage of the market will be realized.
Global Fox will also be part of this new organization.

Implementation BU structure

The implementation has taken a start and is expected to be finalized in the course of 2001.

Production

Special Issue : New factory - New products at IPSO USA, Panama City (Florida).

December 3, 1999 our new manufacturing facility in Panama City (Florida) was officially inaugurated. The new factory builds the newly developed IPH washer extractor line, primarily for the North American OPL market.

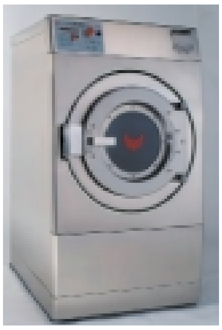
The IPH line consists of 2 basic versions, each having 5 models.

- The IPH H-line, the premium line with extreme high performance and advanced PS 40 controls
- The IPH M-line, the medium line with normal water extraction speed and less sophisticated controls.

Both versions are available in the 40, 60, 80, 100 and 140 pound dry-load capacities.

The IPH line is a solid mount type washer extractor. By means of our patented "Smartspin" technology, the washer spins to extremely high water extraction forces, double compared to our competitors' solid mount washers.
High water extraction speeds also allow much shorter drying times, resulting in considerable energy savings – up to 40 % - for the on premise laundry.

During the first half of the year 2001, the manufacturing of the heavy duty L-Tron washer extractor line, presently built in Cincinnati will be integrated in this new facility.



The new IPH washer extractor

IPSO USA Plant in Panama City (Florida)

Product assembly at IPSO USA

Outlook 2001

Based upon the evolution of the order intake during 2001, we assume a slightly negative development on sales of commercial laundry equipment on the European markets. Its potential influence on the demand in other markets creates uncertainty in the overall development in 2001.
On finishing equipment we expect the demand to remain stable.

Heavy-Duty Laundry Division

Profile

Activity

The JENSEN-Group's (Heavy Duty Laundry Division of LSG) business foundation finds its roots in the everlasting endeavour to assist heavy-duty laundries in the supply of competitive and quality, textile and garment services to:

- Textile rental operations (e.g. Berendsen, Initial)
- Commercial laundries (i.e. Large laundries which as sub supplier, process linen and workwear for manufacturing companies, restaurants etc…)
- On premise laundries for large hotels, hotel chains etc.
- Institutional laundries and central laundries (private or public) which process the linen for hospitals, prisons etc.

Under the Heavy Duty Laundry Division, we also operate a separate business unit serving the confectionary textile industry, making specialized folding equipment for finished products.

Operations

The Heavy Duty Laundry Division is located at the Laundry Systems Group centre in Brussels and consists of 7 production plants in Europe and 7 Sales and Service Centres in the major markets. In addition 1 manufacturing unit is being relocated and will be shared in the US together with the IPSO Commercial Laundry Division (CLD).

Structure

The JENSEN-Group recent acquisitions together with a constant emphasis on research, development and innovation have enabled to achieve a world of competence in total laundry processes and automation, which encompass:

- Washroom Technology — JENSEN SENKING, JENSEN L-TRON, JENSEN D'HOOGE
- Material Handling Technology — JENSEN FUTURAIL, JENSEN METRICON
- Finishing Technology — JENSEN
- Systems Software and Process Technology

Separate business area

- Textile division

Product range (extract only, for comparison purposes with CLD equipment)

- Open-Pocket washer-extractors with a capacity of 57 to 545 kg in standard execution. The Hygienic/Barrier versions are available with a capacity ranging from 57 to 125 kg.
- Split-Pocket washer-extractors with a capacity of 98 to 209 kg in standard execution. The Hygienic/Barrier versions are available with a capacity ranging from 130 to 209 kg
- Continuous Batch Washers (CBW) with 5 to 20 compartments of 25 to 90 kg each
- Batch Transfer Drying Tumblers from 25 to 240 kg
- Flatwork ironers with a working width ranging from 2100 to 4200 mm in single or multi-rolls configurations (maximum 4 rolls). Rolls diameter being 600, 800, 1000 or 1200 mm

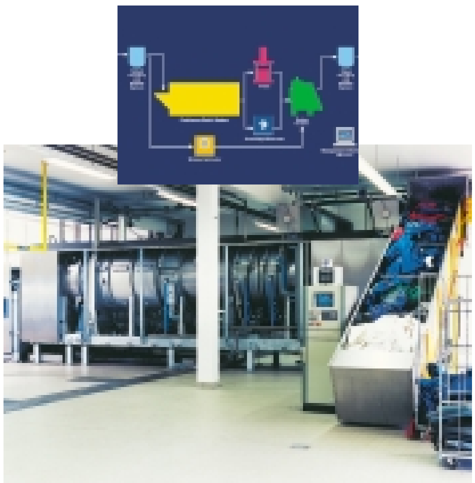
D'Hooge washer extractor

To have a clear understanding of the JENSEN-Group "Total Laundry Automation" we shall follow the process flow of textiles through a heavy duty laundry.

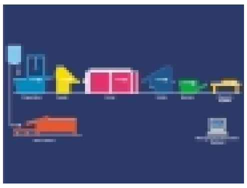
The JENSEN-Group supplies:
Material Handling Technology (1st part), for linen bag transport, which includes unloading of delivery trucks, transfer to the soil sorting systems, the soil sorting itself. After sorting, all items are transported in bags by monorails and sent to classified storage systems. All data collected by the soil sorting systems is sent to the classified storage and to the washer-extractors and continuous batch washers through a fully computerized control system managing the storage and the delivery of each batch. The washer-extractors or continuous batch washers are then loaded at the correct rate and with the right sequence of work. At the end of the washing and drying processes, cleanwork systems are implemented for the unloading of dryers, the storage and ultimately the transport to the finishing machines. FUTURAIL Material Handling Technology is manufactured at our UK factory located in Banbury, UK.

FUTURAIL Material Handling Technology

Washroom Technology, represented by SENKING continuous batch washers designed for flat linen, garment and mats washing process with our patented UNIVERSAL batch washer. As part of the SENKING product range, we also manufacture centrifugal extractors, single stage hydraulic presses, stand-alone and transfer dryers. SENKING is located in Germany and has provided customer solutions for over eighty years. In addition the Washroom Technology includes L-TRON and D'HOOGE open pocket or split pocket washer-extractors available in standard or barrier (hygienic) executions. The washer-extractors are available in standard, tilting and fully automated Auto-Pro version. All these products are manufactured at our US factory located Cincinnati, Ohio and our Belgian factory in Ghent. The Cincinnati manufacturing activities are in the process of being relocated to the new Panama City plant, the transfer is to be completed by the end of the 2nd quarter 2001. All of the above Systems Solutions are integrated through fully developed and functionally networked software.



SENKING continuous batch washer



JENSEN Variant Feeder

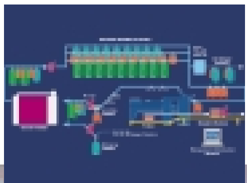
Finishing Technology, for which we supply the full product line for finishing flatwork and garments, is implemented after the wash process. The wash processes for garment and flatwork (linen, table cloth, napkins, roller towels etc.) are very similar, although the required finishing technology differs completely. Hence, different competences are needed for feeding, ironing and folding garments versus flatwork.

- Flatwork process

  The JENSEN-Group is unsurpassed in the areas of feeding/ironing/folding and stacking of every imaginable type of ironed linen and towels. These products are manufactured in 4 factories located in Denmark (JENSEN), Switzerland (JENSEN), Netherlands (JENSEN, previously Amko), and Belgium (D'HOOGE) and have over 75 years of experience in the Heavy Duty Laundry sector. All these systems are offered with several unique software packages developed to handle production tracking and reporting, including production flow management and employee efficiency tracking.

- Garment process

  The JENSEN-Group has also become market leader in the areas of garment finishing and garment sorting systems (2nd part of Material Handling Technology). The garment finishing process includes automated garment folders and tunnel finishers for the finishing, folding and stacking of patient gowns, incontinence pads, uniforms, shirts, pants and overalls. Garment finishing products are manufactured at the JENSEN Switzerland plant in Burgdorf and are closely interlinked with the Material Handling Technology.



METRICON Garment Handling Technology

Material Handling Technology (2nd Part) for garment transport on hangers includes METRICON loading stations, sorting systems and the first automatic tie-out system for garment handling. The JENSEN-Group has delivered several hundreds of METRICON systems worldwide. The loading stations and sorting systems are designed and manufactured at our Swedish factory in Borås. The METRICON sorting systems can sort up to 6000 garments an hour down to the wearer or individual user. It is worth mentioning that these large projects involve tailor-made solutions requiring intensive project management to ensure minimum interruption of the daily production and high availability of the automated systems.

The unique METRICON software systems developed for the management of the customer databases have been designed to link in "real time" to any existing database (including our own PRISMA software: see below) that a customer may already have in operation. We have also introduced individual garment identification by Radio Frequency Identification Tags (JENTAG) or by bar codes in order to optimize laundry automation and reduce inventory.

System Software and Process Technology offers unique software applications, tailor made for the Heavy Duty Laundries. The Romax production planning system offers a tool to save operational costs in an industrial laundry. The JENSEN-Group has also developed the PRISMA software which is designed to manage a database comprising all relevant data regarding the assignment of garment wearers, the different suppliers, the identification of garments with pre-printed bar code labels or RFID tags.

Markets

The JENSEN-Group sales and service organisation relies on a worldwide web of distributors and on own Sales & Service Centres (SSC's) covering together all the significant mature and emerging markets (over 50 countries worldwide). The fully owned SSC's are ideally located at the heart of our major markets such as France, UK, US and Germany. The sales and service organization ensures at any time an optimal back-up and is the cornerstone of the strategy aimed at remaining in close contact with the market and its key actors, with trendsetters and with national and international textile associations.

We think globally and act locally!

South-America and the Far East show promising prospects and by investing instead of divesting during the Asian crisis, we have been able to keep our dominant position, basked by our Sales and Service Centre in Singapore.

Product development

In September, the group held an internal strategic product development seminar where the sales and service centers, the product development centers and the group management discussed and agreed on the next 3 years development plans, to further expand the product range of the group, not at least in IT support and laundry software.

Activities 2000

Results

	2000
Turnover, Million EUR	143,9
EBIT, Million EUR	7,2
Investments, Million EUR	2,6
Number of Employees	1.012

Sales

The Group was very pleased to acquire during the year the distribution companies Polymark in France and in UK, and to turn them into sales and service centres for the HDLD's entire product range.
On top of giving a first hand access to the important French and UK market, the integration of these two companies added to the software, engineering, turn key and service competences of the entire HDL division.
This was exemplified by a significant contract negotiated in 2000 and subsequently awarded to the group, after a detailed tendering process. Jensen was selected as the preferred partner being the only tenderer having all technologies and service in house to realise these important turnkey projects.

Significant contract by Polymark Jensen France :

Le Havre Hospital, in France : completely new laundry, processing of 13 tons per day in 8 hours.
After a public tender in 2000, we won the contract in the first quarter of 2001 together with Gespace (Vivendi Group).
The contract comprise design, building, supply of process equipment, maintenance and a leasing, by Gespace, for a period of 18 years.

The contract foresees a replacement of equipment in the leasing period from JENSEN, who will also assure the proper training of maintenance people.

One of the major criterias for choosing the Polymark JENSEN proposal was the "one stop shop" argument offering to the customer all technologies in house : equipment, software, identification (Gemplus RFI tags, etc.).

Contract amount for Polymark JENSEN is 3,5 million EUR to be delivered mid 2002.

Implementation BU structure

For the JENSEN Group, 2000 was the first year of implementing the strategic action plans of plan 2002, where the group activities are structured around 4 business units or technology competence centres to support the overall goal to assist the heavy duty laundries worldwide to produce quality flatwork or garment services.

Further as a result of the merger with Ipso-ILG, the heavy duty producers of this group, Amko in the Netherlands and D'Hooge in Belgium, were integrated in the JENSEN Group structure, during the year 2000, evolving coordination of product programs, product development and distribution structure.

The result is that the HDL Division has the broadest product range to offer in the industry and the most international distributor network to support our products and services.

This was demonstrated at the biggest trade fair of the laundry industry : the Texcare International show at Frankfurt, Germany, June 18-22, 2000 where the Jensen Group exhibited examples of the products, systems and services on a very impressive 1.100m^2 stand.

Production

After the coordination and integration of distribution, product range and product development, the division is now focussing on the operational synergies, by coordinating purchasing, engineering, and the production platform.

Further, an important element in the future manufacturing base will be the building of a new modern production facility for JENSEN Senking in Germany. Construction has started in the first quarter of 2001.

Outlook 2001

We expect more activity from Eastern Europe as well as the Middle East in the near future.

Our objective is to consolidate our market position in all major markets while expanding the range of products and services we are offering to our customer base.

Our overall goal is to have at least 25% market share and to be the number one or number two supplier in each market.

The total sales grew in 2000 by 27% (143,9 million EUR compared to 113 million EUR) and the focus in 2001 will be to consolidate this market position, and to capitalize on the synergies of the new structure.

Corporate Governance considerations

Composition of the Board of Directors

According to the articles of association the Board of Directors must be composed of at least three and no more than eleven members. The articles do not contain any specific provisions for the composition of the Board of Directors, the age of the directors or the terms on which people can become director.

However, in the spirit of Corporate Governance an effort is being made within the Board of Directors to achieve a balance in the profile of the different members (executive members versus independent directors and representatives of shareholders; industrial versus financial background). Furthermore, in the context of the merger with JENSEN, agreements have been concluded regarding the composition of the Board up to the Annual General Meeting of May 2003.
The new Board of Directors, which was appointed by the Extraordinary General Meeting on February 28, 2000, consists of:

Name	Function	End term of office	Main occupation outside LSG	Membership Committee
1. Representatives of the majority shareholders				
Jørn Munch Jensen (Jensen Invest A/S)	Director	2003	Founder of JENSEN Group Boardmember of ETSA (European Textile Services Association)	Remuneration committee
Guy Mampaey (GIMV)	Director	2003	Director of Corporate Investment GIMV	Appointments committee
Christian Frigast (Axcel IndustriInvestor A/S)	Director	2003	Managing Director of Axcel IndustriInvestor A/S	Appointments committee
2. Independent Directors				
Jan Brantjes	Chairman	2003	Boardmember of Interlogix Inc.	Remuneration committee
Geert Duyck	Director	2003	Managing Director of CVC Capital Partners Belgium	Audit committee
Niels Olav Johannesson	Director	2003	Managing Director of Icopal A/S	
Luc Van Nevel	Director	2003	President and CEO of Samsonite Corporation	
3. Representatives of the management				
Jesper Munch Jensen	Man. Director	2003		

- Secretaryship:
  Wim Vandererfven, Chief Financial Officer (until January 31, 2001)
  Gunter Vanden Neucker, Investor Relations Manager (from February 1, 2001)
  Christian Möller, Managing Director of Jensen Invest A/S.

- Statutory auditor:
  KPMG Bedrijfsrevisoren C.V., represented by Mr. Theo Erauw.

Functioning of the Board of Directors

The Board of Directors acts independently but on the proposal of the Management Team in determining the strategy of the group, and exercizes supervision over its day-to-day management.

The day-to-day management is entrusted to the Management Team. The Management Team ensures that the strategic policy lines are translated into everyday management.

The Board of Directors met four times during the past year and had telephone conference calls at several occasions. The members of the Management Team are invited to participate in the meetings of the Board of Directors and can give advice.

Committees established by the Board

<u>Remuneration Committee</u>
The Remuneration Committee consists of the Chairman of the Board (Mr. Jan Brantjes) and a representative of the reference shareholder (Mr. Jørn Munch Jensen).

The Committee meets at least once a year and makes recommendations to the Board of Directors regarding the fees for the Management Team and the senior management.

<u>Audit Committee</u>
The Audit Committee is composed of Geert Duyck (independent director), Christian Möller (Secretary of the Board) and Wim Vandererfven (Chief Financial Officer; until January 31, 2001) / Niels Ole Jorgensen (Chief Financial Officer a.i.; from February 1, 2001).

The purpose of the Committee is to assist the Board in its supervisory function and, more specifically, in the supervision of:

- The financial information which is intended both for the shareholders and other interested parties
- The system of internal controls which the Board and the management have set up
- The audit process

The Audit Committee meets regularly, and at least twice a year in the presence of the statutory auditor.

<u>Appointments Committee</u>

The Appointments Committee is composed of two directors (Christian Frigast and Guy Mampaey).

The task of the Appointments Committee is to evaluate candidates for the Board and to make proposals regarding them to the Board. The Appointments Committee only meets when necessary.

Remuneration

The external directors receive a fixed fee. Total remuneration paid to the executive and non-executive directors amounted in 2000 up to 514.000 EUR. No performance-related remuneration or other benefits have been attributed to the directors in the year 2000. No loans have been granted to the members of the Board. No unusual transactions have taken place in which the Board members or the company were involved. Total number of shares owned by the Board members and the Management amounts up to 3.000, total number of warrants owned amounts up to 5.000.

Next to his mandate, the statutory auditor received over the year 2000 additional fees of 64.561 EUR (excl. VAT) in his capacity as a tax advisor for LSG. The statutory auditor received fees of 17.850 EUR (excl. VAT) for the execution of his mandate on the statutory and consolidated accounts of LSG.

Day-to-day management

The day-to-day management is entrusted to the Management Team. The Management Team ensures that the strategic policy lines are translated into everyday management.

The Management Team meets every month. The members of the Management Team are invited to participate in the meetings of the Board of Directors and can give advice.

The Management Team is composed as follows:

- Jesper Jensen, Chief Executive Officer
- Steen Nielsen, President Heavy Duty Laundry Division
- Filip Vandenberghe, President Commercial Laundry Division
- Jens Voldbaek, President LSG North America
- Wim Vandererfven, Chief Financial Officer (until January 31st, 2001)
- Niels Ole Jorgensen, Chief Financial Officer a.i. (from February 1st, 2001)

Over the year 2000, total remuneration paid to the Management Team was 1.025.000 EUR.

Policy relating to the appropriation of the result

The Board strives to provide the shareholders with a reasonable return.

Protocol to prevent insider trading

To prevent privileged information from being used unlawfully by directors or members of the Management Committee all the members involved have signed a protocol to prevent insider trading.

Relationship with the shareholders

On February 28, 2000 the Extraordinary Shareholders' Meeting of LSG definitively approved the merger with the Danish JENSEN Group and the corresponding increase in capital. Through this transaction 2.004.224 new LSG shares were issued and the shareholdership of LSG was thoroughly changed. Until the merger, only GIMV had a participation above the 5% limit and almost 80% of the shares were free floated. Jensen Invest A/S is now clearly a reference shareholder who is holding 48,5% of the shares and in this way, can ensure stability in the shareholdership.

In order not to harm the autonomous character of LSG and to protect the shareholders' interests, a shareholders' agreement between GIMV and Jensen Invest A/S has been concluded for a period of 3 years. This agreement contains rules for the composition of and conditions for changes in the Board of Directors and the Management Committee as well as a number of limitations relating to the transfer of shares by GIMV and by Jensen Invest A/S.

Information for the shareholders and investors

The LSG share is quoted on the Euronext Stock Exchange (Reuters code IPSO.BR) since June 1997. The price of LSG shares can be found online at the following internet sites :

- LSG : http://www.LSG.be
- Euronext : http://www.Stockexchange.be

The LSG stock price declined from 39 EUR at the end of 1999 to 13,2 EUR at the end of 2000, with an average daily trading volume of 2.660 shares (see graph 1). The LSG share clearly underperformed the Belgian All Shares return index and the Belgian Smallcaps index (see graph 2).

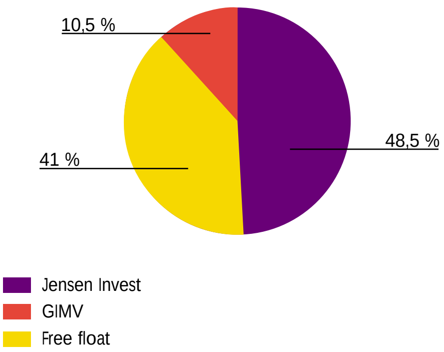
During the year 2001, the so-called M-Prime segment will be created within the Euronext Stock Exchange. M-Prime will be the segment for the small- and mid-cap companies who live up to some quality criteria. These criteria include:

- Quarterly reporting
- Reporting in English
- Using IAS or US GAAP accounting standards (as from January 1, 2003)
- Publishing a corporate calendar
- Disclosure of information via the internet
- Reporting on management trades in the share
- Ensuring analysts' coverage

The company does not expect any problem regarding the fulfilment of this criteria.

- An indication on 1st quarter results 2001 will be given in May 2001. More extended quarterly reporting will be organized from the 3rd quarter of 2001.
- Writing-off historically capitalized R&D costs was a first step towards International Accounting Standards (IAS). We expect to apply IAS from January 1, 2002.

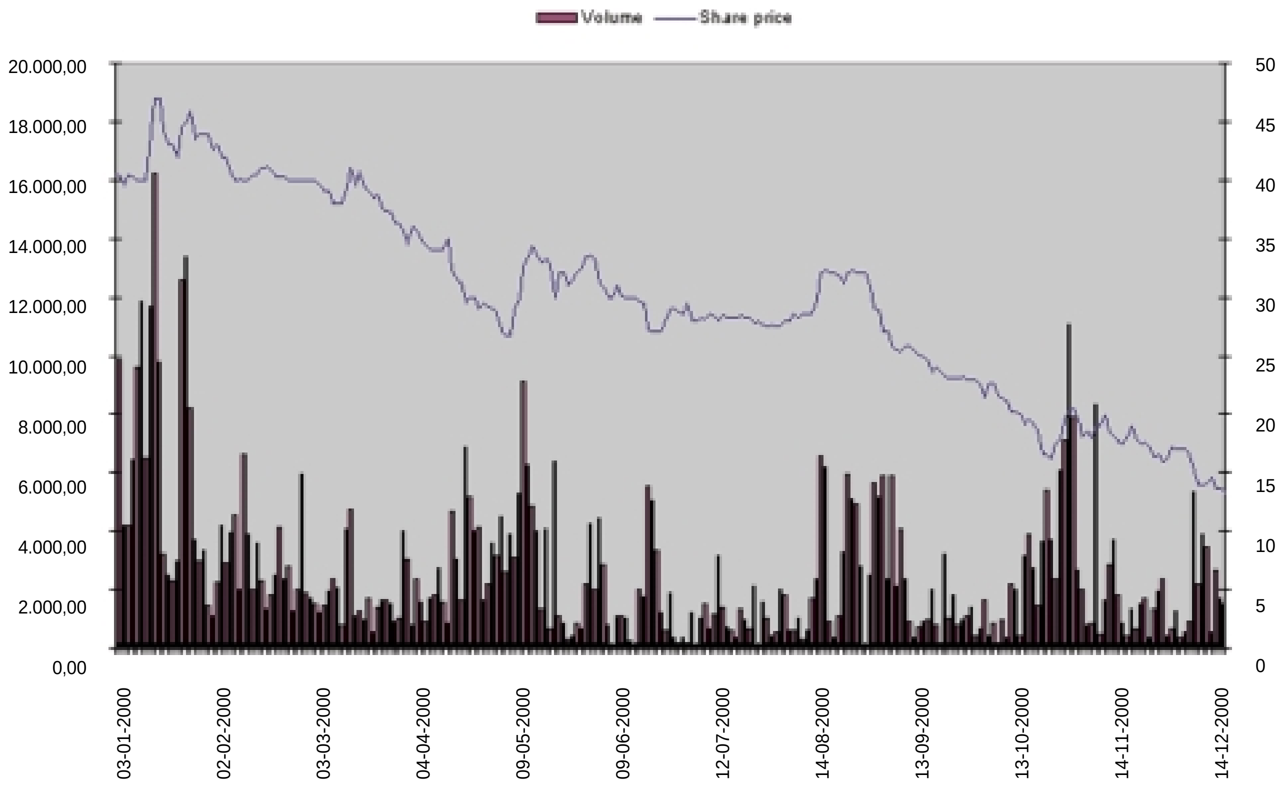
LSG Shareholders



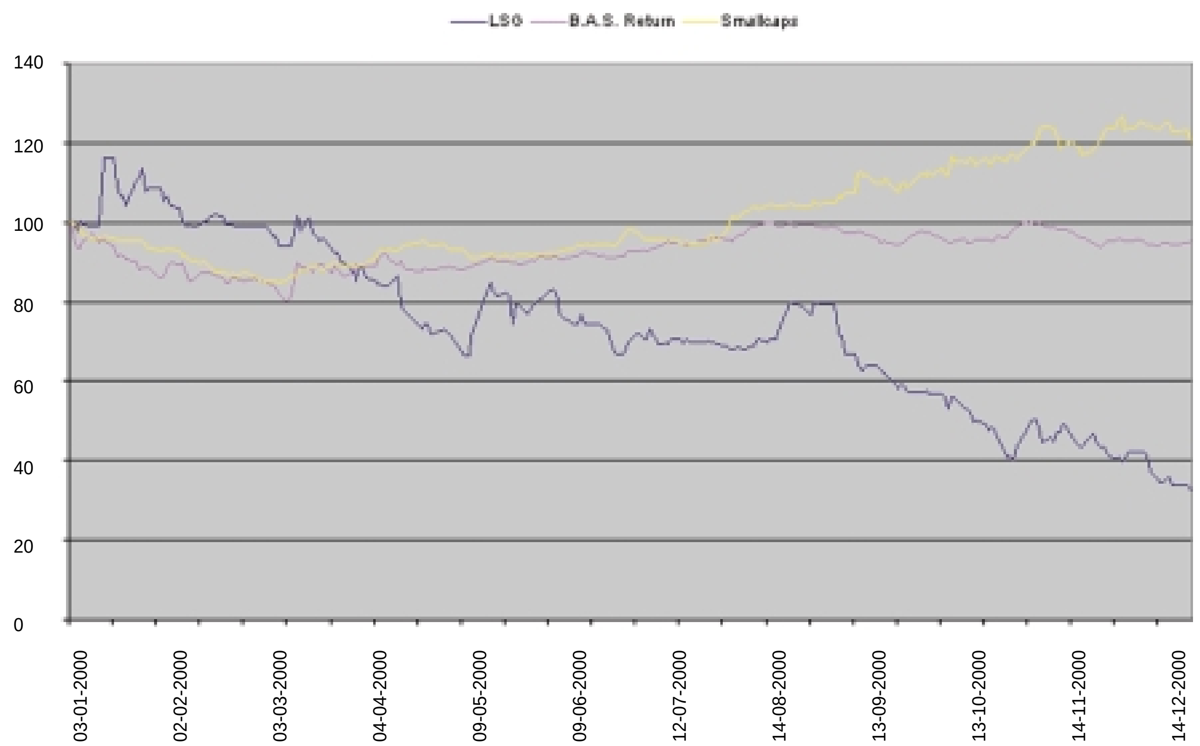
Shareholders' diary :

- May 11, 2001 : 10 AM : General Shareholders' Meeting at the LSG Headquarters, Brussels
- May 2001, second half : indication of 1st quarter results 2001
- August 2001, second half : semi-annual results 2001
- November 2001, second half : 3rd quarter results 2001
- March 2002 : annual results 2001

Graph 1: LSG Share price and volume



Graph 2: Relative price performance



Furthermore, the Investor Relations Manager is available to individual shareholders, analysts, specialized journalists and institutional investors for meeting them and enabling them to see LSG's short- and long-term potential both as a whole and relating to specific activities. Lectures, meetings and site visits can be organized on request.

LSG's Annual Report, press releases and other information are available on the internet (http://www.LSG.be).

Shareholders and investors who want to receive the Annual Report, detailed Annual Accounts of LSG N.V. or other information concerning LSG, can contact:

Laundry Systems Group N.V.
Gunter Vanden Neucker
Investor Relations Manager
't Hofveld 6 F2
1702 Groot-Bijgaarden
Tel. +32.2.482.33.80
Fax +32.2.482.33.90
E-mail : investor@lsg.be

Consolidated key figures						
	LSG			Ipso-ILG		
	2000	1999	1998/99	1999	1997/98	1996/97
(in millions of EUR)	(12 months)	(12 months) (5)	(17 months)	(12 months) (4)		
Turnover	216,0	175,6	108,0	78,2	75,1	68,6
Operating profit	10,3	19,6	14,0	10,9	11,2	9,3
Operational cash flow (EBDITA) (1)	20,8	23,6	16,9	13,0	13,0	9,9
Profit from ordinary operating activities	5,5	16,5	10,5	8,6	8,7	7,0
Net profit (share of the group)	-4,3	9,9	4,6	3,7	5,0	3,6
Net cash flow	7,4	15,2	9,2	6,9	7,4	5,0
Current profit after taxes (2)	5,0	12,1	7,3	5,9	5,7	4,6
Capital and reserves (6)	30,5	34,5	27,4	27,4	21,5	18,0
Net financial indebtedness	74,4	52,9	40,3	40,3	24,7	20,2
Total assets	170,5	151,5	92,4	92,4	73,1	64,9

Consolidated key figures per share						
	2000	1999	1998/99	1999	1997/98	1996/97
(in EUR)	(12 months)	(12 months) (5)	(17 months)	(12 months) (4)		
Operating profit	2,48	4,74	6,62	5,13	5,33	4,39
Operational cash flow (EBDITA) (1)	5,03	5,70	8,01	6,10	6,17	4,69
Current profit after taxes (2)	1,21	2,92	3,44	2,78	2,70	2,16
Net profit (share of the group)	-1,04	2,40	2,14	1,74	2,35	1,73
Net cash flow	1,80	3,68	4,34	3,25	3,50	2,38
Capital and reserves	7,39	8,36	12,96	12,96	10.16	8,50
Gross dividend	0,00	0,59	0,59	0,59	0.55	0,50
Number of shares outstanding (3)	4.132.421	4.132.421	2.128.197	2.128.197	2.111.129	2.111.129

(1) EBDITA : Earnings before depreciation, interest, taxes and amortization. Operating profit plus amounts written down on stocks, trade debtors and provisions for liabilities and charges.

(2) The current profit after tax is the same as the net profit excluding extraordinary gains and losses (both adjusted for taxes) and including the amortization of consolidation differences.

(3) On May 27, 1997, there was a 20 for 1 share split of Ipso-ILG shares. In order to make comparisons with prior years, the effect of the share split is also taken into account. As a result of the merger between Ipso-ILG and JENSEN on February 28, 2000, 2.004.224 new shares have been issued resulting in a total number of shares of 4.132.421.

(4) In order to have comparable figures for the past and the future, 12-month unaudited figures for the calendar year 1999 have been prepared.

(5) Pro-forma, unaudited figures for the calendar year 1999 have been prepared for LSG to make historic comparisons.

(6) The goodwill that has been created as a result of the merger between LSG and JENSEN Group will not be capitalized and amortized, but visibly deducted from the equity instead. The Commission for Banking and Finance gave its approval for this accounting method on December 1, 1999.

Investments

The past 3 years have been years of significant investments that have contributed to the growth of Laundry Systems Group.

Year 2000 :

- Acquisition of JENSEN Group : 80,1 million EUR (capital increase) and hence the creation of LSG
- Acquisition of Polymark France : 2,6 million EUR
- Various investments in plant, machinery and equipment (at Ipso LSG, Ipso USA and Jensen Denmark) and in land and buildings (at Amko) for a total amount of 4,8 million EUR

Year 1999 :

- Investments in a new production facility (Ipso USA), in land and buildings (Amko) and in information technology (ERP at Ipso LSG, Ipso USA, Amko and D'Hooge) for a total amount of 11,9 million EUR

Year 1998 :

- Acquisition of Amko : 1,4 million EUR (capital increase)
- Investments in information technology, modernization and in a new production facility (Ipso USA) for a total amount of 1,9 million EUR

Currently, the Group is investing in following projects :

- The move of the production facility of L-Tron (heavy duty washer extractors) from Cincinnati (Ohio) to the plant of Ipso USA in Panama City (Florida), closing of the Cincinnati plant and the move of the warehouse of Ipso USA towards Jensen USA. Total project is estimated at 0,9 million EUR and will be terminated by July 2001
- Building a new production facility for Senking in Harsum, Germany. Total project is estimated at 7,5 million EUR (financed off-balance) and will be completed by March 2002
- Acquisition of the Swiss Distributor Rosal. Total investment amounts to 0,5 million EUR and is being finalized at the time of writing

Outlook 2001

The Group is organizing the restructuring of Cissell in Louisville (Kentucky). Restructuring includes the implementation of the business unit structure as well as a concentration on core competence areas; Total cost of the restructuring is estimated at 5,2 million EUR. Provisions have been made in the annual accounts 2000.

Litigation

Customer Claims
- Warranty claim from Les Papillons Blancs versus Amko and D'Hooge

Product Liability
- 4 Different claims in the US (covered by the insurance)

Patent claim
- Claim from Kannegiesser GmbH concerning feeding device

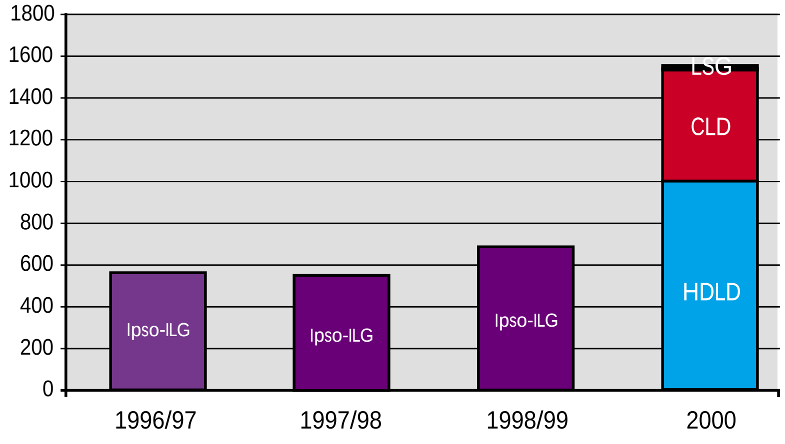
The Management does not expect these claims to have a significant impact on the Group's profitability, if any. Any major claims that would arise, would be provisioned for in the accounts given the conservative accounting policy.

Human resources

The average number of employees has known the following evolution :

1996/97 :	556	
1997/98 :	548	
1998/99 :	680	
1999/00 :	Commercial Laundry Division :	544
	Heavy Duty Laundry Division :	1.012
	LSG Holding :	6
	Total :	1.562

Number of employees



Divisional sales figures

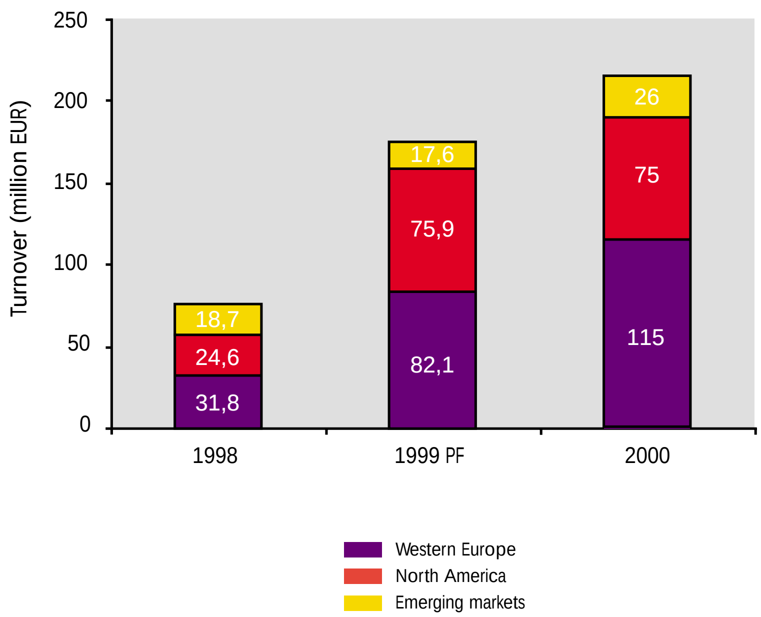
Million EUR	CLD	HDLD
2000	72,1	143,9
1999 pro forma	62,6	113
1998	62,5	12,6

Remark :
The calculations of the years 1999 and 1998 are based on a different form of reporting and thus for comparison reasons not fully appropriate. HDLD figures for the year 1998 only include Amko and D'Hooge. HDLD figures for the year 1999 pro forma and the year 2000 include Amko, D'Hooge and the JENSEN Group.

Geographical sales figures

Million EUR	Europe	North-America	Emerging Markets
2000	115	75	26
1999 pro forma	82,1	75,9	17,6
1998	31,8	24,6	18,7

Remark :
The calculations of the years 1999 and 1998 are based on a different form of reporting and thus for comparison reasons not fully appropriate.



Research and Development

Laundry Systems Group's key technologies are based on laundry process technology spanning from the washroom, over the logistics of transporting the linen and textiles, finishing the textiles by feeders, ironers and folders as well as software technology to control the overall process. Hence, a number of different technologies which serve the process of recycling dirty linen and textiles into clean linen.

As various technologies are needed to cater for the needs of our customer base we do not get involved in primary research and development. Our focus is to take existing technologies and adapt it to our industry for both commercial and heavy duty purposes.

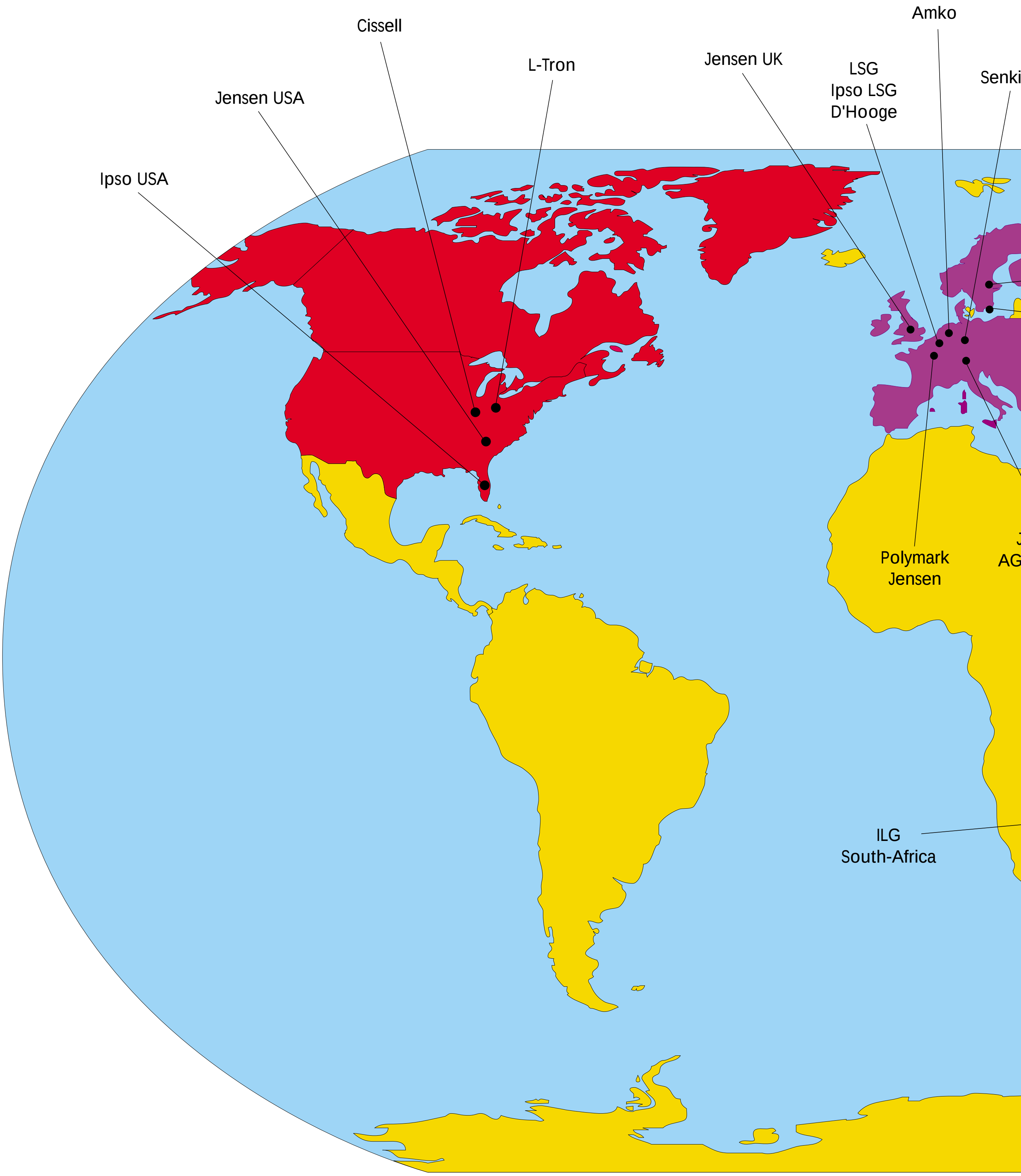
In the last years we have invested in further upgrading our product program as well as investing heavily into new software applications for our industry. Software for the process control as well as production monitoring are crucial for offering our customer base a total solution from one supplier.

Our group has various patents on features of our machinery and our product development teams in our various competence centers look into the possibility of protecting our developments continuously.

Patents are used primarily to prove prior art. We protect our patents on a case by case basis and primarily in the larger markets.

Laundry Systems Group invests 1-3 % of its turnover in Product Development per year. We expect this figure to be slightly above the industry average.

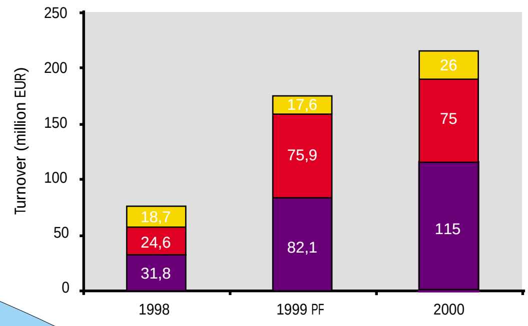
LSG over

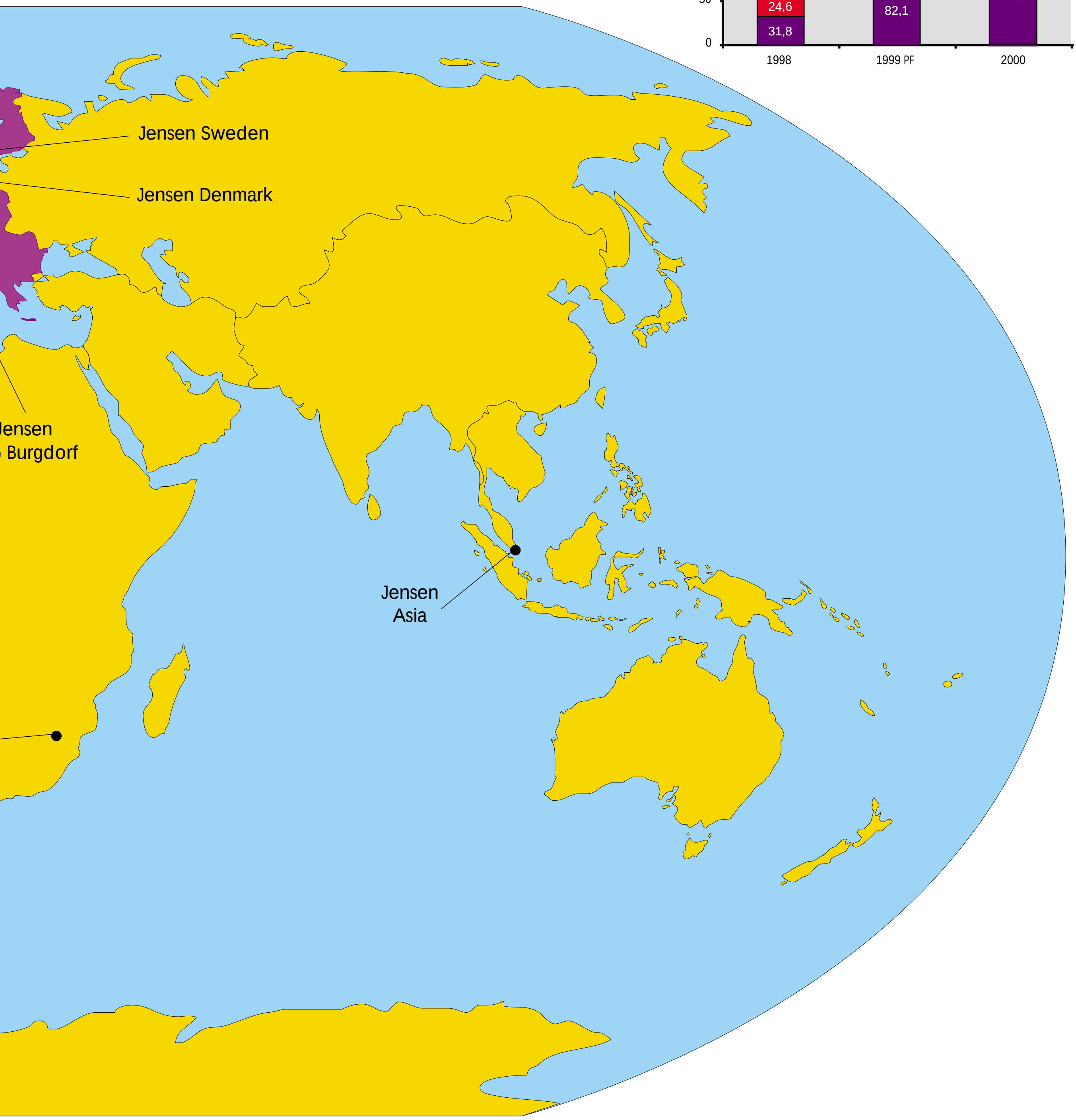

Cissell
L-Tron
Jensen USA
Ipso USA
Jensen UK
LSG
Ipso LSG
D'Hooge
Amko
Polymark
Jensen
ILG
South-Africa

the world

ng

Sales per region





Laundry Systems Group

Financial report 2000

Contents of the financial report

Introduction

On February 28, 2000 the Extraordinary Shareholders' Meeting of LSG N.V. approved the merger of the former 'IPSO-ILG' and the Danish group 'JENSEN Industrial Group' to form 'Laundry Systems Group'.

The year 2000 accounts are the first consolidated accounts of Laundry Systems Group. For comparison reason, pro forma figures over the calendar year 1999 have been published. However, these pro forma figures are not audited. In the 1999 pro forma figures, the last 12 months of the 17 months accounting year of the former Ipso-ILG have been consolidated with the 1999 accounting year of the JENSEN Industrial Group (from May 1, 1999 until December 31, 1999), together with the 4 months period between January 1, 1999 and April 30, 1999. The result over this 4 months period was calculated on a pro rata basis for the audited figures between October 31, 1998 and April 30, 1999.

The year 2000 accounts have been specifically affected by the Board of Director's decision to no longer capitalize expenses for Research & Development and to write-off all historically capitalized R&D costs. As a consequence, exceptional charges of the year 2000 include the write-off of the R&D expenses that have been capitalized until December 31, 1999. The R&D expenses of the year 2000 have been treated as operational charges.

CONSOLIDATED BALANCE SHEETS (in thousands of EUR)

ASSETS AS AT		31 december 2000	12M pro forma 31 december 1999
			unaudited
Fixed assets		41.857	46.567
I.	Formation expenses	167	208
II.	Intangible assets	171	5.856
III.	Consolidation differences	8.317	8.533
IV.	Tangible fixed assets	32.981	31.789
	A. Land and buildings	18.463	18.246
	B. Plant, machinery and equipment	12.413	11.419
	C. Furniture and vehicles	730	1.240
	D. Leasing and other similar rights	360	398
	F. Assets under construction and advance payments	1.015	486
V.	Financial assets	221	182
	A. Companies accounted for using the equity method	81	57
	1. Investments	81	57
	2. Amounts receivable		
	B. Other companies linked by participating interests	140	125
	1. Investments		
	2. Amounts receivable	140	125
Current assets		128.628	104.971
VI.	Amounts receivable after one year	8.624	3.898
	A. Trade debtors	79	164
	1. Customers	79	164
	B. Other amounts receivable	3.816	3.734
	C. Deferred taxes	4.729	
VII.	Stocks and contracts-in-progress	53.098	48.553
	A. Stocks	53.098	48.553
	1. Raw materials and consumables	19.921	19.774
	2. Work-in-progress	10.462	10.574
	3. Finished goods	11.237	15.197
	4. Goods purchased for resale	9.798	2.507
	6. Advance payments	1.680	501
VIII.	Amounts receivable within one year	58.510	44.036
	A. Trade debtors	54.221	38.427
	B. Other amounts receivable	4.289	5.609
IX.	Investments	1	0
	B. Other investments and deposits	1	0
X.	Cash at bank and in hand	5.776	7.208
XI.	Deferred charges and accrued income	2.619	1.276
TOTAL ASSETS		170.485	151.538

LIABILITIES AS AT	31 december 2000	12M pro forma 31 december 1999
		unaudited
Capital and reserves	30.521	34.554
I. Capital	21.350	21.350
A. Issued capital	21.350	21.350
II. Share premium account	71.161	71.219
IV. Retained earnings	6.956	12.600
- Carried forward from previous years	11.240	5.925
- Profit / loss of the year	(4.284)	6.675
V. Consolidation differences	2.002	2.002
Vbis. Imputation of positive consolidation differences	(73.190)	(74.229)
VI. Translation differences	2.179	1.433
VII. Investment grants	63	177
Provisions and deferred taxes	22.481	15.868
IX. A. Provisions for liabilities and charges	20.396	11.924
1. Pensions and similar obligations	7.319	7.078
2. Taxation	232	
3. Major repairs and maintenance	2.282	1.248
4. Other liabilities and charges	10.563	3.598
B. Deferred taxes	2.085	3.944
Debts	117.483	101.116
X. Amounts payable after one year	45.370	45.500
A. Financial debts	45.370	45.497
1. Subordinated loans	10.156	9.916
2. Unsubordinated loans	5.256	4.398
3. Leasing and other similar obligations	195	185
4. Credit institutions	29.763	30.989
5. Other loans : b. third parties		9
D. Other amounts payable		3
XI. Amounts payable within one year	66.910	48.116
A. Current portion of amounts payable after one year	5.943	3.784
B. Financial debts	28.879	10.729
1. Credit institutions	28.879	10.729
C. Trade debts	17.053	18.706
1. Suppliers	17.053	17.362
3. Accrued intercompany payables		1.344
D. Advances received on contracts-in-progress	3.015	219
E. Taxes, remuneration and social security	6.980	9.041
1. Taxes	2.946	4.090
2. Remuneration and social security	4.034	4.951
F. Other amounts payable	5.040	5.637
XII. Accrued charges and deferred income	5.203	7.499
TOTAL LIABILITIES	170.485	151.538

CONSOLIDATED BALANCE SHEETS (in thousands of EUR)

ASSETS AS AT			31 december 2000	17M 31 december 1999	31 july 1998
Fixed assets			41.857	35.768	24.103
I.	Formation expenses		167	208	108
II.	Intangible assets		171	5.549	786
III.	Consolidation differences		8.317	8.533	10.187
IV.	Tangible fixed assets		32.981	21.353	12.937
	A. Land and buildings		18.463	11.332	6.122
	B. Plant, machinery and equipment		12.413	8.479	5.669
	C. Furniture and vehicles		730	762	333
	D. Leasing and other similar rights		360	395	548
	F. Assets under construction and advance payments		1.015	384	265
V.	Financial assets		221	125	85
	A. Companies accounted for using the equity method		81		85
		1. Investments	81		
		2. Amounts receivable			85
	B. Other companies linked by participating interests		140	125	
		1. Investments			
		2. Amounts receivable	140	125	
Current assets			128.628	56.589	48.976
VI.	Amounts receivable after one year		8.624	3.734	2.394
	A. Trade debtors		79		
		1. Customers	79		
	B. Other amounts receivable		3.816	3.734	2.394
	C. Deferred taxes		4.729		
VII.	Stocks and contracts-in-progress		53.098	30.237	25.031
	A. Stocks		53.098	30.226	25.031
		1. Raw materials and consumables	19.921	13.222	12.091
		2. Work-in-progress	10.462	8.127	5.520
		3. Finished goods	11.237	7.645	6.197
		4. Goods purchased for resale	9.798	1.231	1.224
		6. Advance payments	1.680	11	0
VIII.	Amounts receivable within one year		58.510	17.539	14.033
	A. Trade debtors		54.221	14.420	12.879
	B. Other amounts receivable		4.289	3.119	1.153
IX.	Investments		1	0	3.794
	B. Other investments and deposits		1	0	3.794
X.	Cash at bank and in hand		5.776	3.803	2.913
XI.	Deferred charges and accrued income		2.619	1.276	811
TOTAL ASSETS			170.485	92.357	73.079

LIABILITIES AS AT	31 december 2000	17M 31 december 1999	31 july 1998
Capital and reserves	30.521	27.371	21.475
I. Capital	21.350	10.996	10.908
A. Issued capital	21.350	10.996	10.908
II. Share premium account	71.161	1.404	61
IV. Retained earnings	6.956	11.359	8.064
- Carried forward from previous years	11.240		
- Profit / loss of the year	(4.284)		
V. Consolidation differences	2.002	2.002	2.002
Vbis. Imputation of positive consolidation differences	(73.190)		
VI. Translation differences	2.179	1.433	374
VII. Investment grants	63	177	66
Provisions and deferred taxes	22.481	5.581	5.666
IX. A. Provisions for liabilities and charges	20.396	1.408	2.627
1. Pensions and similar obligations	7.319	788	1.081
2. Taxation	232		
3. Major repairs and maintenance	2.282		12
4. Other liabilities and charges	10.563	619	1.534
B. Deferred taxes	2.085	4.173	3.039
Debts	117.483	59.405	45.938
X. Amounts payable after one year	45.370	34.210	19.045
A. Financial debts	45.370	34.210	19.045
1. Subordinated loans	10.156	9.916	3.649
2. Unsubordinated loans	5.256	4.398	
3. Leasing and other similar obligations	195	185	228
4. Credit institutions	29.763	19.711	15.168
5. Other loans : b. third parties			
D. Other amounts payable			
XI. Amounts payable within one year	66.910	24.020	26.065
A. Current portion of amounts payable after one year	5.943	3.784	4.071
B. Financial debts	28.879	6.092	8.323
1. Credit institutions	28.879	6.092	8.323
C. Trade debts	17.053	9.786	8.132
1. Suppliers	17.053	9.786	8.132
3. Accrued intercompany payables			
D. Advances received on contracts-in-progress	3.015	76	53
E. Taxes, remuneration and social security	6.980	2.922	2.889
1. Taxes	2.946	846	1.133
2. Remuneration and social security	4.034	2.076	1.756
F. Other amounts payable	5.040	1.359	2.597
XII. Accrued charges and deferred income	5.203	1.175	828
TOTAL LIABILITIES	170.485	92.357	73.079

CONSOLIDATED INCOME STATEMENTS (in thousands of EUR)

FINANCIAL YEAR ENDED		31 december 2000	12 M pro forma 31 december 1999
			unaudited
I.	Operating income	221.675	185.888
	A. Turnover	216.041	175.590
	B. Increase (+), decrease (-) in stocks, finished goods, work- and contracts-in-progress	(572)	3.300
	C. Fixed assets - own construction	142	5.257
	D. Other operating income	6.064	1.741
II.	Operating charges	(211.414)	(166.307)
	A. Raw materials, consumables and goods for resale	105.639	85.682
	1. Purchases	110.531	86.399
	2. Increase (-) , decrease (+) in stocks	(4.892)	(717)
	B. Services and other goods	23.928	20.430
	C. Remuneration, social security and pensions	65.865	55.749
	D. Depreciation and other amounts written off on formation expenses, intangible and tangible fixed assets	5.198	4.609
	E. Increase (+) ; decrease (-) in amounts written off stocks, contracts-in-progress and trade debtors	4.546	202
	F. Increase (+) ; decrease (-) in provisions for liabilities and charges	783	(766)
	G. Other operating charges	5.455	403
III.	Operating profit	10.261	19.581
IV.	Financial income	2.578	3.225
	A Income from financial fixed assets		156
	B. Income from current assets	899	292
	C. Other financial income	1.679	2.777
V.	Financial charges	(7.298)	(6.351)
	A. Interest and other debt charges	3.745	2.191
	B. Amortization of positive consolidation differences	1.201	1.168
	D. Other financial charges	2.352	2.992
VI.	Profit on ordinary activities before taxes	5.541	16.455

FINANCIAL YEAR ENDED		31 december 2000	12 M pro forma 31 december 1999 unaudited
VI.	Profit on ordinary activities before taxes	5.541	16.455
VII.	Extraordinary income	69	175
	E Gain on disposal of fixed assets	35	
	F Other extraordinary income	34	175
VIII.	Extraordinary charges	(13.601)	(1.877)
	A Extraordinary depreciation of and amounts written off on formation expenses, tangible and intangible fixed assets	5.846	
	D Provisions for extraordinary liabilities and charges	6.741	
	F Other extraordinary charges	1.014	1.877
IX.	Profit for year before taxes	(7.991)	14.753
X.	Transfer from/to deferred taxes	8.160	935
XI.	Income taxes	(4.453)	3.910
	A. Taxes	4.453	3.910
	B. Adjustment of income taxes and write-back of tax provisions		
XIV.	Consolidated profit	(4.284)	9.908
	B. Group share in the profit	(4.284)	9.908

CONSOLIDATED INCOME STATEMENTS (in thousands of EUR)

FINANCIAL YEAR ENDED		31 december 2000	31 december 1999	17 M July 1998
I.	Operating income	221.675	117.790	75.443
	A. Turnover	216.041	107.971	75.090
	B. Increase (+), decrease (-) in stocks, finished goods, work- and contracts-in-progress	(572)	3.300	(625)
	C. Fixed assets - own construction	142	5.257	396
	D. Other operating income	6.064	1.262	583
II.	Operating charges	(211.414)	(103.839)	(64.210)
	A. Raw materials, consumables and goods for resale	105.639	53.837	33.723
	1. Purchases	110.531	54.554	34.756
	2. Increase (-) , decrease (+) in stocks	(4.892)	(717)	(1.033)
	B. Services and other goods	23.928	12.353	8.363
	C. Remuneration, social security and pensions	65.865	34.218	20.235
	D. Depreciation and other amounts written off on formation expenses, intangible and tangible fixed assets	5.198	3.530	1.903
	E. Increase (+) ; decrease (-) in amounts written off stocks, contracts-in-progress and trade debtors	4.546	202	67
	F. Increase (+) ; decrease (-) in provisions for liabilities and charges	783	(764)	(190)
	G. Other operating charges	5.455	464	110
III.	Operating profit	10.261	13.951	11.233
IV.	Financial income	2.578	2.769	1.064
	A. Income from financial fixed assets			
	B. Income from current assets	899	339	270
	C. Other financial income	1.679	2.429	795
V.	Financial charges	(7.298)	(6.273)	(3.563)
	A. Interst and other debt charges	3.745	1.716	1.824
	B. Amortization of positive consolidation differences	1.201	1.654	676
	D. Other financial charges	2.352	2.903	1.063
VI.	Profit on ordinary activities before taxes	5.541	10.447	8.735

			17 M	
FINANCIAL YEAR ENDED		31 december 2000	31 december 1999	July 1998
VI.	Profit on ordinary activities before taxes	5.541	10.447	8.735
VII.	Extraordinary income	69	8	256
	E. Gain on disposal of fixed assets	35		
	F. Other extraordinary income	34	8	256
VIII.	Extraordinary charges	(13.601)	(1.830)	(376)
	A. Extraordinary depreciation of and amounts written off on formation expenses, tangible and intangible fixed assets	5.846		
	D. Provisions for extraordinary liabilities and charges	6.741		
	F. Other extraordinary charges	1.014	1.830	376
IX.	Profit for year before taxes	(7.991)	8.625	8.615
X.	Transfer from/to deferred taxes	8.160	(935)	(205)
XI.	Income taxes	(4.453)	(3.129)	(3.450)
	A. Taxes	4.453	3.129	3.493
	B. Adjustment of income taxes and write-back of tax provisions		-	(44)
XIV.	Consolidated profit	(4.284)	4.561	4.959
	B. Group share in the profit	(4.284)	4.561	4.959

CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands of EUR)

FINANCIAL YEAR ENDED	31 december 2000	31 december 1999	July 1998
Cash flows from operating activities	20.788	16.919	13.013
Operating profit	10.261	13.951	11.233
Depreciation and amortization	5.198	3.530	1.903
Amounts written off	4.546	202	67
Changes in provisions	783	-764	-190
Changes in working capital	-25.512	-9.648	-1.650
Changes in stocks*	-9.225	-4.152	-435
Changes in long- and short-term amounts receivable*	-16.853	-5.070	-297
Changes in amounts payable to suppliers, social amounts payable and deferral and accrual accounts*	565	-426	-918
Cash flows from investing activities	-5.865	-15.261	-2.740
Net investment in intangible assets*	-385	-5.223	-440
Net investment in tangible assets*	-5.480	-10.038	-2.300
Cash flow from participating interests	-84.251	-	-5.586
Changes in guarantees*	53		
Acquisitions - Polymark	-2.592	-	-5.586
Acquisitions - JENSEN Group	-81.631		
Naicom/Intermax	-81		
Cashflow from financing transactions	92.437	9.610	-461
Financial result	-4.720	-3.504	-2.492
including amortization of the consolidation difference	1.201	1.654	676
Changes in long-term debt*	-99	13.525	-621
Changes in short-term debt*	19.974	-2.230	3.023
Changes in equity (including warrants)	80.111	1.430	-
Dividends	-4.030	-1.266	-1.047
Other transactions	874	-4.683	-3.826
Extraordinary result	-13.532	-1.822	-120
incl. extraordinary prov. amortisation of intangibles/doubtful debtors	5.846	268	-256
incl. restructuring provisions	6.741		
Income taxes	3.706	-4.064	-3.654
incl. deferred taxes	-8.160	935	204
Changes in provisions*	6.392		
Movement on opening retained earnings	-119		
Net changes in cash equivalents	-1.530	-3.063	-1.250
Opening balances	3.803	6.708	7.973
Closing balances	5.776	3.803	6.708
Exchange difference on the opening balance		-159	15
Cash acquired through acquisitions	3.503		

* LSG closing balance as at December 31, 2000 adjusted for balance acquired through acquisitions (i.e. January 1, 2000 with respect to the Jensen Group and September 1, 2000 with respect to Polymark France).

Comments on the consolidated financial statements

Intangible assets

In the past, intangible assets consisted mainly of capitalised costs for research and development. However, the Board of Directors decided to write off all historically capitalized research and development costs (as extraordinary charges) and to take into profit and loss all the R&D costs that have been incurred during the year 2000 (1 million EUR as operational charges). The write-off of the historically capitalized R&D costs explains the decrease of 5,4 million EUR in the year 2000.

Compared to the pro forma 1999 figures, the total write-off includes revaluation of capitalized research and development costs at actual currency rates.

Consolidation differences

The positive consolidation differences arise from goodwill on the acquisition of D'Hooge ILG N.V. in a gross amount of 2,8 million EUR, Cissell Manufacturing Company in a gross amount of 2,4 million EUR and AMKO in a gross amount of 6,6 million EUR. Polymark France was acquired in the year 2000. Goodwill amounted to 1 million EUR in gross.

All of these consolidation differences are being amortized over a period of 10 years. The decrease of 0,2 million EUR is a combination of depreciation of 1,2 million EUR and the new addition of 1 million EUR after the acquisition of Polymark France.

The goodwill that has been created as a result of the merger between LSG and JENSEN Group has not been capitalized and amortized, but visibly deducted from the equity instead. The Banking and Finance Commission gave its approval for this accounting method on December 1, 1999. The positive consolidation differences calculated in the 1999 pro forma consolidated figures were preliminary, and have been adapted properly according to the final calculations. If this goodwill was, like all the other goodwill, amortized over 10 years, amortizations on consolidation differences (included under financial charges) would increase by 7,32 million EUR.

The negative consolidation differences relate to the acquisition of IPSO Finance N.V. in 1996, for an amount of 2 million EUR.

Tangible fixed assets

During the accounting year 2000, tangible fixed assets increased in value with 11,6 million EUR. The most important part of the increase (10,6 million EUR) is due to the change of the scope of consolidation (entry of JENSEN group). The other increase can be explained by investments in plant, machinery and equipment at Ipso LSG, Ipso USA and Jensen Denmark and by investments in land and buildings at Amko.
The total depreciation on tangible fixed assets amounts to 4,9 million EUR.

Working capital

The working capital has risen by 48,6 million EUR.

This is mainly the result of the significant increase in stocks (27,4 million EUR) and receivables (47,2 million EUR) as a consequence of the acquisition of Jensen Industrial Group, the considerably higher sales volume compared to last year and the capitalisation of the deferred tax assets as per current year under review. Increase in payables (net of Jensen 1999 dividend) (26 million EUR) did not entirely compensate for the increase in stocks and receivables.

Capital and reserves

The share capital as at December 31, 2000 was 21,4 million EUR and was represented by 4.132.421 ordinary shares without nominal value. As a result of the merger between Ipso-ILG and JENSEN Group on February 28, 2000 the share capital was increased with 10,3 million EUR and 2.004.224 new shares have been created.

The share premium amounts to 71,2 million EUR as at December 31, 2000. This represents an increase of 69,8 million EUR compared to December 31, 1999 and is due to the merger with the JENSEN Group. Furthermore, share premium account contains both the amounts which the company has received as a price for the warrants it has issued in the framework of a share option plan for the management and a share premium of 1,3 million EUR created through an increase in capital.

The retained earnings of the year 2000 figures take into account the net result of the year, compared to the 1999 pro forma figures. The movements in the consolidated reserves are as follows:

(in millions EUR)	2000
Consolidated reserves as at December 31, 1999	11.359
Results for the financial year	-4.284
Other movements : correction opening balance	-119
Consolidated reserves as at December 31, 2000	6.956

The translation differences include differences arising from the conversion of the financial statements of the currencies of the companies that are not based in the Euro-zone to EUR. The exchange rates used for the conversion were as follows:

Currency	Average rate (per EUR)			Closing rate (per EUR)		
	2000	1998/99	1997/98	2000	1998/99	1997/98
USD	0,9241	1,0844	1,0903	0,9305	1,0045	1,0962
DKK	7,4537			7,4632		
GBP	0,6095			0,6241		
SEK	8,4441			8,8314		
SGD	1,5924			1,6126		
SAR	6,3921			7,0391		
CHF	1,5581			1,5232		

Provisions for liabilities and charges

The provisions for pensions and similar rights are mainly provisions for prepension in D'Hooge, Senking, Ipso LSG and Cissell. The provisions are based on actuarial calculations of the expected amounts to be paid. The provisions for other risk and charges consist mainly of provisions for guarantees and for unresolved disputes. The increase in provisions for restructuring and major repairs compared to last year is mainly caused by additional provisions on holding level for restructuring costs in Cissell, Amko and D'Hooge.

Deferred taxes

The deferred tax liabilities are presented under the caption "Provisions and Deferred Taxes" of the liabilities' side of the balance sheet and amount up to 2,1 million EUR.

The deferred tax assets are presented under the caption "Amounts receivable after one year" of the assets' side of the balance sheet and amount up to 4,7 million EUR. The deferred tax assets are presented under this caption of the balance sheet, because the Management and the Board are convinced that, in accordance with the Company's valuation rules, the asset can be realized within a period of three years.

The evolution from a deferred tax liability towards a deferred tax asset is mainly caused by the tax impact on provisions for restructuring costs (mainly at Cissell), on extraordinary depreciation of R&D (at Ipso LSG and D'Hooge) and on losses of the year (at Ipso USA, D'Hooge and LSG N.V.).

Net financial indebtness

The net financial indebtness (long- and short-term financial debt less investments and cash) rose from 40,3 million EUR as at December 31, 1999 to 74,4 million EUR as at December 31, 2000 (12 months pro forma 52,9 million EUR).

The increase compared to the 1999 figures of Ipso-ILG, is primarily due to the acquisition of the JENSEN Group.

The increase compared to the 1999 pro forma figures is primarily due to new financing for the acquisition of Polymark France and for additional working capital. Increase in unsubordinated loans is due to increased financing by Ipso USA, with GE Capital.

Financial long- and short term debt is primarily located at IPSO-LSG N.V. (15,4 million EUR), LSG N.V. (14 million EUR), Cissell (13 million EUR), Jensen USA (10,2 million EUR) and IPSO USA (5,8 million EUR).

The financial debt within LSG N.V. relate, among others, to a private bond loan with warrants without preferential subscription rights for a sum of 400 million BEF. The bond has a term of 5 years and a coupon rate of 3,5%. To this bond 135.600 warrants are attached which give the right to subscribe to the same number of new shares. The warrants can be exercized with effect from 2001 through to maturity in 2003. This bond loan was subscribed by GIMV for an amount of 100 million BEF and by Parnib for an amount of 300 million BEF.

The financial debt in Cissell is related to a refinancing with BBL and Rabobank. As a consequence, Cissell has a mixed credit facility (investment loan and flexible credit line) at more favourable terms. Total amount outstanding of this credit facility is 10,6 million USD.

The financial debt in Ipso USA is related to an industrial bond with GE Capital for the financing of the new production facility (currently 3,9 million USD outstanding). Further, Ipso USA can also draw on a working capital facility with GE Capital, which is currently used for 1 million USD.

The long-term financial liabilities can be summarized as follows:

	Outstanding amount (in thousands of EUR)	Average interest rate	Character of interest rate
Investment loans	10.684	4,20%-6,26%	Fixed
	4.340	5%-7%	Floating
Subordinated bond loan with warrants	9.916	3,50%	Fixed

	Outstanding amount (in thousands of USD)	Average interest rate	Character of interest rate
Investment loans	10.619	8,50%	Fixed
	3.500	7,75%	Floating
Industrial bond GE Capital	3.888	5,76%	Fixed
Working Capital loan GE Capital	1.003	9,00%	Floating

Statement of cash flows

The statement of cash flows has been set up, starting from the closing balance sheet of the former Ipso-ILG on December 31, 1999 and ending with the closing balance sheet of LSG on December 31, 2000. Because of the significant impact of the Group's acquisition of Jensen and Polymark, some cash flow movements have been adjusted for the balance acquired through those acquisitions, i.e. January 1, 2000 with respect to the Jensen Group and September 1, 2000 with respect to Polymark.

JENSEN Group was acquired for 81,6 million EUR (including merger costs, net of deferred taxes), while value of net assets amounted up to 8,4 million EUR. Polymark was acquired for 2,6 million EUR; value of net assets was 1,6 million EUR. Capital increase (including increase in share premium account) for the JENSEN acquisition was 80,1 million EUR.

The Group's cash flow from operations for the financial year 2000 amounted up to 20,8 million EUR. Net financial result, including amortization of goodwill for an amount of 1,2 million EUR was -4,7 million EUR. Extraordinary result was -13,5 million EUR, included the extraordinary amortization of R&D for 5,8 million EUR and a restructuring provision of 6,7 million EUR. Net cash flow over the year 2000 amounted up to 7,4 million EUR.

Net increase in working capital is 25,5 million EUR, after acquisitions. Increase in stocks amounts up to 9,2 million EUR (excluding 18,2 million of stock increase through acquisitions). Long and short term receivables increased 16,9 million EUR (net of 30,4 million EUR from acquisitions). Amounts payable (non-financials) increased by 0,6 million EUR (net of 25,4 million EUR from acquisitions).

Net investments in fixed assets amount up to 5,9 million EUR (10,8 million of fixed assets were acquired through Polymark and JENSEN Group).

Next to the capital increase of 80,1 million EUR, additional debt financing of 20,4 million EUR was obtained. Debts acquired through acquisitions are 16,2 million EUR.

Cash acquired through the acquisitions was 3,5 million EUR and hence, net use of cash amounted up to 1,5 million EUR.

Notes on the consolidated financial statements

Consolidation scope as at December 31, 2000

Fully consolidated enterprises	Registered office	VAT or national number	Participating percentage
Belgium			
LSG N.V.	Nieuwstraat 146 8560 Wevelgem	BE 440.449.284	Parent company
IPSO-LSG N.V.	Nieuwstraat 146 8560 Wevelgem	BE 453.859.040	100%
D'Hooge – ILG N.V.	G. Crommenlaan 2 9050 Ghent	BE 450.666.750	100%
The Netherlands			
AMKO – ILG B.V.	Kerkstraat 108 5331 CJ Kerkdriel	NL007.324.546.BO1	100%
O.G. De Kerkstraat B.V.	Kerkstraat 108 5331 CJ Kerkdriel		100%
USA			
WMC Holdings Inc.	Corporation Trust Center Orange Street 1209 Wilmington - Delaware		100%
Cissell Manufacturing Company	South First Street 831, KY 40203 Louisville		100%
Cissell Distribution Center Corp.	Davis Street 130 37148 Portland Tennessee		100%
IPSO USA Inc.	Aberdeen Loop 99 FL 32405 Panama City		100%
Global Fox Financial Inc.	Aberdeen Loop 99 FL 32405 Panama City		100%
Jensen USA	4211 Pleasant Road Fort Mill, SC 29715		100%
South Africa			
ILG Laundry and Engineering Pty Ltd.	Vanguard Rigging Drostdy St, The Gables Cleveland Johannesburg		100%

United Kingdom			
Jensen UK	6a Thorpe Way Banbury, Oxfordshire OX 16 8 XL		100%
Singapore			
Jensen Asia PTE	12 Devonshire Road Singapore 239847		100%
Denmark			
Jensen Industrial Group A/S	Industrivej 2 3700 Rønne		100%
Jensen Denmark	Industrivej 2 3700 Rønne		100%
Scantag	Industrivej 2 3700 Rønne		100%
Switzerland			
Jensen AG Burgdorf	Buchmattstraße 8 3400 Burgdorf		100%
Jensen AG Holding	Buchmattstraße 8 3400 Burgdorf		100%
Sweden			
Jensen Sweden	Företagsgatan 68 504 94 Borås		100%
France			
Polymark Jensen	2 « Village d 'entreprises » Avenue de la Mauldre ZA de la Couronne des Près 78630 Orgeval		100%
Germany			
Senkingwerk GmbH	Senkingstraße 1-3 31137 Hildesheim		100%

Companies Equity method	Registered office	VAT or national number	Participating percentage
Denmark			
Naicom Technologies	Ejnar Jensens Vej 1 3700 Rønne		24.1%
Japan			
Intermax	Gotanda I.S. Building 5-1-11, Ohsaki, Shinagawa-ku Tokyo 141		15%

Consolidation criteria

Scope of application

The consolidating company, LSG N.V., and all the subsidiaries that it controls are included in the consolidation.

Closing date and length of accounting year

The accounting year 2000 ran from January 1, 2000 until December 31, 2000. The previous accounting year 1998/99 for LSG (at that time Ipso-ILG) ranged from August 1, 1998 until December 31, 1999 and thus (exceptionally) covered 17 months. The previous accounting year 1999 for the JENSEN group companies ranged from May 1, 1999 and thus covered 8 months. However, these accounts were not included in the consolidated accounts of 1999. Polymark France entered into the consolidation from September 1, 2000 onwards and is consolidated for 4 months.

Consolidation method

The full consolidation method is applied for all companies in which LSG is holding 100%. For the other companies, Intermax and Naicom the equity method is applied.

Valuation rules

The consolidated accounts are prepared on the basis of the books and valuation rules of the consolidated companies. If the application of these valuation rules differs from the application of the group valuation rules then reworkings have been used. All intercompany accounts and transactions have been eliminated.

Translation of the financial statements of foreign companies

In this annual report the consolidated financial statements are expressed in EUR.

All balance sheet captions of foreign companies are translated into EUR using closing rates at the end of the accounting year, except for capital and reserves, which are translated at historical rates. The income statement is translated at average rates for the year. The resulting translation difference, arising from the translation of capital and reserves and the income statement, is shown separately on the liabilities side of the balance sheet under the caption – translation differences.

The consolidated balance sheets and income statements in BEF for the accounting years 1998 and 1999 have been subsequently converted into EUR at the fixed rate of 40.3399 BEF/EUR.

Valuation rules

Formation expenses

The costs relating to the issue of loans are capitalized and amortized over the term of the loan. Costs relating to an increase in the capital are directly included in the result.

Intangible fixed assets

Research and development expenses

Research and development costs are charged to the income statement in the year in which they are incurred. This rule applies as from January 1, 2000. Previously, Research and Development costs were capitalized and amortized.

Licences, patents, know-how, etc.

Investments in licences, trademarks, etc. are capitalized and amortized over 5 years.

Consolidation differences

On the acquisition of a new participating interest, the difference between the acquisition price and the group share of the net assets of the consolidated subsidiary, after adjustments to reflect fair value, is recorded in the consolidated balance sheet. If that difference is negative, it is recorded on the liabilities side of the balance sheet under the caption – Consolidation differences. Where, however, the difference is positive, it is recorded under assets as a consolidation difference, and is amortized using a rate decided upon by the Board of Directors as a function of the expected economic life of the asset. The maximum amortization period is 20 years. Positive differences, which have been recorded on the acquisition of Cissell Manufacturing Company in 1996 in an amount of 2,4 million EUR, of D'Hooge Industries N.V. in 1993 in an amount of 2,8 million EUR and of Amko Transferon in 1998 in an amount of 6,6 million EUR and of Polymark Jensen SA in 2000 in an amount of 1,0 million EUR, are being amortized over 10 years. This amortization period is considered by the Board of Directors as being the recovery period for the goodwill acquired.

With respect to the goodwill created by the merger of LSG with JENSEN Industrial Group in February 2000, the Commission for Banking and Financing gave permission on December 1, 1999 not to capitalize and amortize this positive consolidation difference, but instead to visibly deduct it from the consolidated reserves and/or share premiums.

Tangible fixed assets

The tangible fixed assets are recorded at their acquisition value or construction cost increased, where appropriate, by ancillary costs.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life from the month of acquisition onwards.

The annual depreciation percentages are as follows:

Buildings	3,3 - 10 %
Installations, plant and machinery	6,7 - 33 %
Office equipment and furnishing	10,0 - 20 %
Vehicles	20,0 - 33 %

Stocks

Raw materials and consumables are valued at cost using the FIFO method. Goods purchased for resale are also valued at cost on an individual basis. Manufactured goods (work-in-progress and finished goods) are valued at cost, which also includes indirect production costs. Appropriate write-downs are applied to stocks to reflect not only decreases in market value, but also the risks inherent in the nature of the products or activities concerned.

Amounts receivables (after one year and within one year)

Trade amounts receivable and other amounts receivable are carried at nominal value. Write downs are applied to amounts receivable where uncertainty exists as to the receipt or payment dates of the whole or a part of the balance. Supplementary write-downs are also recorded where the realizable value at the balance sheet date is lower than the carrying value.

Investments and cash at bank and in hand

Deposits with financial institutions are carried at nominal value. Write-downs are applied where the realizable value at the balance sheet date is lower than the historical cost.

Provisions for liabilities and charges

Provisions for liabilities and charges are assessed on an individual basis to address the risks, which they are intended to cover. They are only maintained to the extent that they are required following an actual judgement relating to the liabilities and charges for which they were created.

Provisions for deferred taxes

Deferred taxes are calculated on the entire amount of timing differences, which arise from income or expenses which are recognized in the income statement of the financial year, but which are only assessable or deductible in the course of future years. Deferred taxes are only recorded where it is the case that tax expenses or deductions will flow there from in the foreseeable future.

Where, for specific group companies, deferred tax assets exceed deferred tax liabilities, the net deferred tax asset position is only recorded where it can be established that the deferred tax asset will be realized within a period of three years.

The provisions for deferred taxes are calculated on the basis of rates applicable to the elements concerned, and are amended by reference to possible changes in tax rates.

Amounts payable (after one year and within one year)

Amounts payable are carried at nominal value at the balance sheet date.
The only elements, which are recorded in the accrued charges and deferred income accounts are charges to be paid at the balance sheet date, which relate to the past or prior years.

Foreign currencies

The conversion of assets, liabilities and commitments, which are denominated in foreign currencies, is carried out on the basis of the following guidelines:

- Monetary asset and liability balances, which are denominated in foreign currencies, are converted at closing rates;
- Transactions in foreign currencies are converted at the rate in force at the date of the transaction;
- Foreign exchange differences are recorded in the income statement; and
- Conversion differences are also recorded in the income statement.

Notes to the accounts (in thousands of EUR)

VI.B. DEFERRED TAXES AND BENEFICIAL DEFERRED TAX AMOUNTS (Liabilities' side)

Beneficial deferred tax amounts	72
Deferred taxes	2.013
Deferred taxes and beneficial deferred tax amounts	2.085

VII. SCHEDULE OF FORMATION EXPENSENS

Net book value at the end of the preceding period	208
Movements during the period	
New expenses incurred	0
Amortization	-56
Other movements	0
Translation differences	15
Net book value at the end of the period	167
whereof expenses of formation or capital increase, loan issue expenses, discounts and other formation expenses	167

VIII. SCHEDULE OF INTANGIBLE ASSETS

	Research and development expenses	Concessions, patents, licences, etc.	Goodwill	Advances
Acquisition cost				
At the end of the preceding period	6.484	215	14	0
Movements during the period				
Acquisitions, including produced fixed assets		113		
Translation adjustments	350			
Other movements*		691	36	128
At the end of the period	6.834	1.019	50	128
Depreciation and amounts written down				
At the end of the preceding year	988	165	9	0
Movements during the period	5.846			
Recorded		180	12	15
Translation adjustments		2		
Other movements*		602	10	31
At the end of the period	6.834	949	31	46
Net book value at the end of the period	0	70	19	82

* Mutations that relate to changes in the scope of consolidation (art 11 R.D. December 3, 1993)

IX. STATEMENT OF TANGIBLE FIXED ASSETS

	Land & Buildings	Plant, machinery & equipment	Furniture & vehicles	Leasing & other similar rights and payments	Assets under construction and advances
Acquisition cost					
At the end of the preceding period	14.478	17.472	1.954	1.301	384
Movements during the period					
Acquisitions, including produced fixed assets					
Additions	535	3.303	234	162	536
Sales and disposals	-42	-1.422	-303	0	-8
Transfers from one heading to another	6	24	0	0	-30
Translation adjustments	861	1.058	121	52	31
Other movements*	13.237	14.602	666	0	102
At the end of the period	29.075	35.037	2.672	1.515	1.015
Depreciations and amounts written down					
At the end of the preceding period	3.145	8.994	1.192	906	0
Movements during the period					
Recorded	1.028	3.239	469	199	0
Written down following sales and disposals	-6	-1.476	-295	0	0
Transfers from one heading to another					
Translation adjustments	325	548	36	50	0
Other movements*	6.120	11.319	540	0	0
At the end of the period	10.612	22.624	1.942	1.155	0
Net book value at the end of the period	18.463	12.413	730	360	1.015

* Mutations that relate to changes in the scope of consolidation (art 11 R.D. December 3, 1993)

X. STATEMENT OF FINANCIAL FIXED ASSETS

	Companies Equity method	Other companies
Participations		
Net book value at the end of the preceding period	0	
Movements during the year		
Additions	81	
Reimbursements		
Net book value at the end of the period	81	
Amounts receivable		
Net book value at the end of the preceding period		125
Movements during the year		
Additions		15
Reimbursements		
Net book value at the end of the period		140

XI. STATEMENT OF CONSOLIDATED RESERVES

At the end of the preceding period	11.359
Movements during the year	
Group share in the consolidated result	-4.284
Other movements	-119
At the end of the period	6.956

XII. STATEMENT OF CONSOLIDATION DIFFERENCES

	Positive differences	Negative differences
Net book value at the end of the preceding period	8.533	2.002
Movements during the year		
As the result of an increase in equity stake	985	
As the result of a decrease in equity stake		
Amortization	-1.201	
Net book value at the end of the period	8.317	2.002

XIII. STATEMENT OF AMOUNTS PAYABLE

Analysis by current portions of amounts initially payable after more than one year	Not more than 1 year	Between 1 and 5 years	Over 5 years
Financial debts			
Subordinated loans		10.156	
Unsubordinated loans	570	3.474	1.782
Leasing and other similar obligations	70	195	
Credit institutions	5.304	23.600	6.163
Total	5.944	37.425	7.945

Debts coverd by real guarantees	
Financial debts	
Subordinated loans	9.916
Unsubordinated loans	5.826
Credit institutions	40.588
Total	56.330

XIV.A2. TOTAL TURNOVER OF THE GROUP IN BELGIUM 3.261

XIV.B AVERAGE PERSONNEL AND BREAKDOWN OF PERSONNEL CHARGES

	Fully consolidated enterprises
Average personnel (number)	1.562
Hourly-paid employees	1.015
Monthly-paid employees	519
Management	28
Personnel charges	
Remuneration and social benefits	64.672
Pensions	1.193
Average number of staff employed in Belgium by group enterprises	303

XIV. EXTRAORDINARY RESULTS

Other extraordinary charges	
Termination fee	974
Other	40
TOTAL	**1.014**

XIV.D INCOME TAXED ON THE RESULT

Differences between taxes calculated on the consolidated income statement of the financial year and the previous financial years, and taxes paid, or to be paid, for these financial years, in so far as the difference is material with respect to taxes payable in the future	-8.159

XV. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

Real guarantees given or irrevocably promised by the enterprises included in the consolidation on their own assets as guarantees for liabilities and commitments of enterprises included in the consolidation	81.009

Other significant commitments :
At the occasion of the Initial Public Offering, the General Meeting of Shareholders of LSG N.V. created a share option scheme in favour of management, by virtue of which 63.600 warrants were issued giving the right to subscribe for 63.600 shares. 28.800 warrants were already allocated at this time.
Further allocations of the warrants are decided upon by the Remuneration Committee which compromises the Chairman of the Board of Directors and one other Director.
The option price amounts to 5% of the exercise price. The exercise price is BEF 1.500 per warrant attributed at the time of the IPO, or the arithmetic average of the share price for the 30 days previous to the future award of warrants. One warrant gives the right to subscribe for one new share. The exercise period is 5 years and a maximum of 20% can be exercised in any one year.

XIX. FINANCIAL RELATIONSHIPS WITH DIRECTORS AND MANAGERS

The amount of direct and indirect remuneration and pensions (included in the income statement as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person)	
- to the managers and directors	514

Statutory Auditor's report on the consolidated accounts submitted to the general shareholders' meeting

Consolidated accounts for the year ended December 31, 2000

In accordance with legal and regulatory requirements, we are reporting to you on the completion of the mandate which you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended December 31, 2000 which show a balance sheet total of EUR 170.485(000) and a consolidated loss for the year of EUR 4.284(000). The audit of the financial statements of the subsidiaries Jensen Industrial Group A/S, Jensen Denmark A/S, SanTag Systems A/S, Jensen USA Inc., Jensen UK Ltd, Jensen AG, Jensen Holding AG, Jensen Sweden AB, Polymark Jensen SA and Senkingwerk GmbH has been conducted by other auditors. We relied on their audit reports. These consolidated financial statements have been prepared under the responsibility of the Board of Directors of the Company. In addition we have reviewed the directors' report.

Unqualified audit opinion on the consolidated financial statements

Our audit was performed in accordance with the standards of the Institut des Reviseurs d'Entreprises-Instituut der Bedrijfsrevisoren. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the Belgian legal and regulatory requirements relating to the consolidated financial statements.

In accordance with these standards we have considered the administrative and accounting organisation of the group as well as the system of internal control. The group's management have provided us with all explanations and information which we required for our audit. We have examined on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the accounting policies used, the significant accounting estimates made by the Company and the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements of LSG N.V. for the year ended December 31, 2000 present fairly the financial position of the group and the results of its operations, in conformity with the prevailing legal and regulatory requirements, and the disclosures made in the notes to the accounts are adequate.

Additional assertions

As required by generally accepted auditing standards the following additional assertions and information are provided. These assertions and information do not alter our audit opinion on the consolidated financial statements.

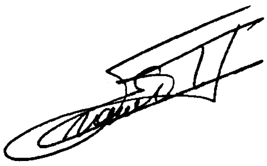
- The consolidated directors' report contains the information required by law and is in accordance with the consolidated financial statements.

- As mentioned in the annexes to the consolidated financial statements, the valuation rules have been changed compared to last year. Research and development expenses for which a return is expected to extend over one year are, as from January 1, 2000 onwards, no longer capitalized, but charged directly to the income statement in the year in which they incurred. In addition, the historically capitalized R&D expenses have been fully amortized. Hence, extraordinary charges include extraordinary amortizations on intangible fixed assets, amounting to 5,8 million EUR.

- As mentioned in the Company's valuation rules, the positive consolidation difference created by the merger of LSG (formerly Ipso-ILG) with Jensen Industrial Group has not been capitalized and amortised but has instead been visibly deducted from the equity (capital and reserves), as a separate caption Vbis "Imputation of positive consolidation differences". To this difference of approach, the "Commission for Banking and Financing" gave its permission on November 30, 1999.

Ghent, April 25, 2001

Klynveld Peat Marwick Goerdeler
Bedrijfsrevisoren/Reviseurs d'Entreprises,
Statutory Auditor
represented by
Theo Erauw
Bedrijfsrevisor/Reviseur d'Entreprises



SUMMARY BALANCE LSG N.V. (in thousands of EUR)

ASSETS AS AT	December 31 2000	December 31 1999	July 31 1998
Fixed assets	124.504	34.197	18.388
Formation expenses	14	19	0
Intangible assets	24	0	565
Tangible fixed assets	100	0	2.524
Financial assets	124.366	34.178	15.299
Current assets	2.039	1.763	25.502
Amounts receivable after one year	0	0	954
Stocks and contracts-in-progress	0	0	7.790
Amounts receivable within one year	2.002	1.763	10.541
Investments	0	0	3.794
Cash at bank and on hand	32	0	2.114
Deferred charges and accrued income	5	0	309
TOTAL ASSETS	126.542	35.960	43.891

LIABILITIES AS AT	December 31 2000	December 31 1999	July 31 1998
Capital and reserves	101.283	22.267	18.636
Capital	21.350	10.996	10.908
Share premium account	71.161	1.404	61
Reserves	702	702	526
Accumulated profits	8.070	9.165	7.076
Investment grants	0	0	66
Provisions and deferred taxes	0	0	215
Provisions for liabilities and charges	0	0	171
Deferred taxes	0	0	44
Amounts payable	25.259	13.693	25.040
Amounts payable after one year	18.756	9.916	8.687
Amounts payable within one year	6.241	3.620	16.278
Accrued charges and deferred income	262	157	75
TOTAL LIABILITIES	126.542	35.960	43.891

SUMMARY INCOME STATEMENT LSG N.V. (in thousands of EUR)

FINANCIAL YEAR ENDED	December 31 2000	December 31 1999	July 31 1998
Operating income	1.609	38.431	32.515
Turnover	1.598	40.004	32.659
Increase (+), decrease (-) in stocks finished goods, work- and contracts-in-progress	0	(2.028)	(375)
Fixed assets- own construction	0	372	185
Other operating income	11	83	46
Operating charges	(1.522)	(29.445)	(26.117)
Raw materials, consumables and goods for resale	0	16.634	17.164
Services and other goods	823	3.438	2.547
Remuneration, social security and pensions	674	7.964	5.483
Depreciation	11	1.362	956
Write-downs	0	0	44
Provisions for liabilities and charges	0	0	(154)
Other operating charges	14	47	76
Operating profit	87	8.986	6.399
Financial result	(361)	(871)	4.867
Financial income	52	1.259	6.419
Financial charges	(413)	(2.130)	(1.552)
Profit on ordinary activities for the year before taxes	(274)	8.115	11.266
Extraordinary result	(822)	(2.009)	(2.481)
Extraordinary income	0	0	0
Extraordinary charges	(822)	(2.009)	(2.481)
Profit for year before taxes	(1.096)	6.106	8.784
Taxes	0	(2.572)	(2.276)
Transfer from deferred taxes	0	16	3
Income taxes	0	(2.588)	(2.279)
Profit for the year	(1.096)	3.534	6.508

APPROPRIATION ACCOUNT OF LSG N.V. (in thousands of EUR)

FINANCIAL YEAR ENDED	December 31 2000	December 31 1999	July 31 1998
Profit to be appropriated	8.070	10.608	8.564
Profit for the period available for appropriation	-1.096	3.533	6.508
Profit brought forward	9.166	7.076	2.055
Appropriations to capital and reserves	0	-177	-327
to legal reserves	0	177	327
Result to be carried forward	(8.070)	(9.166)	(7.076)
Profit to be carried forward	8.070	9.166	7.076
Distribution of profit	0	-1.266	-1.161
Dividends	0	1.266	1.161

Key figures per share LSG N.V.

(In EUR)	2000 (12 months)
Current profit after taxes (1)	-0,14
Number of shares outstanding (2)	4.132.421

(1) The current profit after tax is the same as the net profit excluding extraordinary gains and losses (both adjusted for taxes) and including the amortization on consolidation differences.

(2) As a result of the merger between Ipso-ILG and JENSEN on February 28, 2000, 2.004.224 new shares have been issued resulting in a total number of shares of 4.132.421.

STATUTORY FINANCIAL STATEMENTS OF LSG N.V.

In accordance with article 104 of the Belgian Company law, a summary version of the statutory financial statements of LSG N.V. is presented. The management report and statutory financial statements of LSG N.V. and the report of the statutory auditor thereon are filed with the appropriate authorities, and are also available at the company's registered offices. The statutory auditor has issued an opinion without any reservation on the statutory financial statements of LSG N.V.

DROP-DOWN OF ACTIVITY OF IPSO WEVELGEM

On February 28, 2000 the Extraordinary Shareholders' Meeting of LSG N.V. decided to accommodate the business line relating to 'Engineering, production, commercialization and distribution of industrial textile cleaning machines' of IPSO in Wevelgem in a previously dormant subsidiary of LSG N.V. As a result the parent company LSG N.V. will hence forward fulfil only a holding function. The accounting date on which this drop-down was processed is November 1, 1999. As a result, the single balance sheet of LSG N.V. as at December 31, 1999 and at December 31, 2000 only contain the assets and liabilities of the holding activity (mainly investments and financing). The profit and loss account by contrast still contains 15 months' operational results of Ipso-ILG as per December 31,1999, while the results of the holding activity as per December 31, 2000 is presented in the short profit and loss accounts. As a result, comparisons with the previous financial year and ratios in which data from both the balance sheet and from the profit & loss account are used have little significance.

VALUATION RULES

The valuation rules used for the statutory financial statements of LSG N.V. are the same as the rules used for the consolidated financial statements, with the exception of the depreciations on tangible fixed assets.

In the statutory financial statements an accelerated depreciation plan is used in accordance with the fiscal provisions in this matter. The following depreciation percentages have been used:

Caption	Method	Rate
Buildings	Reducing balance	10%
Plant, equipment and machinery	Reducing balance	40%
Office equipment and furniture	Reducing balance	40%
Vehicles	Straight line	20%

CAPITAL STATEMENT (position as at December 31, 2000)

		Amounts (in thousands of EUR)	Number of shares
A. Capital			
1. Issued capital			
- At the end of the previous year		10.996	
- Changes during the year		10.354	
- At the end of this year		21.350	
2. Capital representation			
2.1 Shares without par value		21.350	4.132.421
2.2 Registered or bearer shares			
- Registered			2.097.821
- Bearer			2.034.600
C. Own shares held by			
- The company		0	
- Its subsidiairies		0	
D. Commitments to issue shares			
1. As a result of the exercise of CONVERSION RIGHTS			
Amount of the current convertible loans			
Amount of capital to be issued			
Maximum number of shares to be issued			
2. As a result of the exercise of WARRANTS			
Number of warrants in circulation		-	199.200
Number of warrants not attributed			34.800
Amount of capital to be issued		1.029	
Maximum number of shares to be issued		-	199.200
E. Authorized capital not issued		21.350	-

In application of article 4 the Law of March 2, 1989, the following declarations have been received of holdings in the company's share capital :

Declarers :

GIMV N.V.
Karel Oomsstraat 37
2018 Antwerpen

Jensen Invest A/S
Sankt Anna Plads 10
DK - 1250 Kopenhagen

GIMV		Total	% GIMV
- number of shares	434.695	4.132.421	10,52%
- number of shares through warrants	33.900	199.200	17,02%
- total of shares + warrants	468.595	4.331.621	10,82%

Jensen Invest A/S		Total	% Jensen Invest A/S
- number of shares	2.010.038	4.132.421	48,64%
- number of shares through warrants	0	199.200	0,00%
- total of shares + warrants	2.010.038	4.331.621	46,40%

GIMV & Jensen Invest A/S, in shareholder agreement		Total	% Jensen Invest A/S + GIMV
- number of shares	2.444.733	4.132.421	59,16%
- number of shares through warrants	33.900	199.200	17,02%
- total of shares + warrants	2.478.633	4.331.621	57,22%

General Information

1. Identification :

- Name : Laundry Systems Group N.V.
- Registered office : Nieuwstraat 146, 8560 Wevelgem
- Administrative office : 't Hofveld 6F2, 1702 Groot-Bijgaarden
- The company was founded on April 23, 1990 and exists for an unlimited period of time
- The company has the legal form of a "naamloze vennootschap/société anonyme" and operates under the Belgian Company Law
- Purpose : The purpose of the company consists in the following, both in Belgium and abroad, on its own behalf or in the name of third parties, for its own account or for the account of third parties :
  1. any and all operations related directly or indirectly or connected with the engineering, production, purchase and sale, distribution, import, export and representation of laundry machines and systems and the manufacture there of;
  2. providing technical, commercial, financial and other services for affiliated businesses, including commercial and industrial acitivities in support;
  3. obtaining an interest, in any manner, in any and all businesses that pursue the same, a similar or related purpose or that are likely to further its own business of facilitate the sale of its products or services, also cooperating or merging with these businesses and, in general, investing, subscribing, purchasing, selling and negotiating financial instruments issued by Belgian or foreign businesses;
  4. managing investments and participations in Belgian or foreign businesses, including the standing of sureties, guaranteeing bills, payments in advance, loans, personal or material sureties for the benefit of these businesses and acting as their proxyholder or representative;
  5. acting in the capacity of director, providing advice, management and other services for the benefit of the management and other services for the benefit of other Belgian or foreign businesses, by virtue of contractual relations or statutory appointment and in the capacity of external consultant or governing body of any such business.

The company may materialize both in Belgium and abroad, any and all industrial, trade, financial, bonds and stocks and real property transactions, that are likely to extend or further its business directly or indirectly or that are related therewith. It may acquire any and all movable and real property items, even if these are related neither directly nor indirectly with the purpose of the company.

It may obtain, in any manner, an interest in any and all associations, ventures, business or companies that pursue the same, a similar or related purpose or that are likely to further its business or facilitate the sale of its products or services, and it may cooperate or merge therewith.

- The company is registered in the Commercial Register of Kortrijk under the number 121.188 and is submitted to VAT under the number BE 440.449.284
- The articles of association of the company can be consulted at the registered office of the company. The annual accounts are submitted with the National Bank of Belgium. Financial reports of the company are published in the financial press. Other documents that are publicly available and that are mentioned in the reference document, can be consulted at the registered office of the company. The annual report of the company is sent every year to the holders of registered shares as well as to the holders of bearer shares who wishes to receive it.
- The Company did not acquire own shares during the year 2000.

2. Share capital

- The registered capital amounts to 21.349.943,26 EUR and is represented by 4.132.421 shares without nominal value. There are no shares who do not represent the share capital. All shares are ordinary shares, there are no preferential shares. The shares are bearer or registered shares, depending on the shareholder's preference. The company may issue dematerialized shares, either by way of an increase of capital or by exchanging existing registered or bearer shares for dematerialized shares. Each shareholder may request the exchange, either into bearer shares or into registered shares or into dematerialized shares. A bearer share will be signed by two directors, at least, the signatures may be replaced by signature stamps.
- A warrant plan exists for granting a maximum of 63.600 warrants to employees, directors or consultants to the company. Each warrant represents the right to subscribe to one new share. The beneficiary employees, directors or consultants of the warrants are indicated by the Board of Directors. Exercise price of the warrants amounts up to the arithmetic, non-weighted average closing price of the LSG share on the Brussels Stock Exchange during the 30 days preceding the offer of the warrants to the beneficiary employees, directors or consultants of the company. Warrants can be exercized in the period between June 1 and June 15 and between December 15 and December 31 of each year.

- Within Laundry Systems Group N.V., a private bond loan of 400 million BEF exists with 135.600 warrant attached without preferential subscription rights. Each warrant gives the right to subscribe to a new share. The warrants can be exercized between the 1st and 20th day of the months June and December, for the first time on December 1, 2001. Exercise price of the warrants amounts up to 73,13 EUR (2.950 BEF).
- Evolution of the share capital :

Date	Share Capital	Currency	Number of shares
23/04/1990	35.000.000	BEF	100.000
31/07/1997	440.024.000	BEF	2.111.129
31/07/1998	440.024.000	BEF	2.111.129
31/12/1999	10.998.000	EUR	2.128.197
31/12/2000	21.349.943	EUR	4.132.421

design and printing van de maele - geraardsbergen
tel. 0032 54 41 66 13 - e-mail: van.de.maele@skynet.be