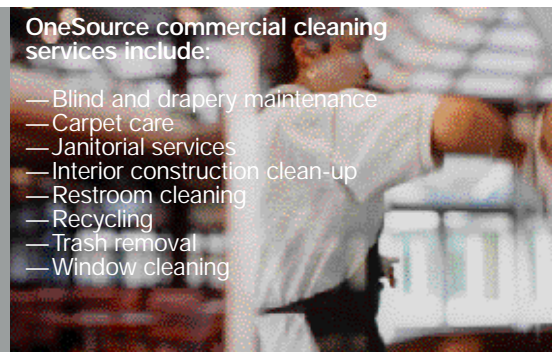


OneSource principal clients include:

- Amdahl
- Busch Entertainment
- CB Richard Ellis
- Cushman & Wakefield
- DuPont
- Equity Office Properties
- Federal Reserve Bank
- Jones Lang LaSalle
- Macy's
- MetLife
- Neiman Marcus
- Saks Fifth Avenue
- Southwest Airlines
- Union Carbide
- USAA Realty

OneSource commercial cleaning services include:

- Blind and drapery maintenance
- Carpet care
- Janitorial services
- Interior construction clean-up
- Restroom cleaning
- Recycling
- Trash removal
- Window cleaning



the provider of choice

We are steadily expanding our services – and cross-marketing potential – so that we can give our clients a one-stop shopping solution for outsourced services.

OneSource

OneSource now has 42,000 employees providing janitorial, landscaping, commercial interior painting services, general repair and maintenance, and other specialized services for more than 11,000 commercial, institutional, and industrial clients. Over the course of the past year, we added to our client base through organic growth and targeted acquisitions. We also improved profitability by leveraging technology, changing the way we process information and communicate with our employees and customers.

Acquisitions

The outsourced facilities industry remains fragmented, with regional players having the majority of the business. However, through our disciplined approach to acquisitions, we have broadened our geographic reach and added to our list of services, putting us in a position to deliver multiple services to national clients on a scale that none of the smaller regional competitors can match. Last year, for example, we made eleven acquisitions with annualized revenues totalling \$47 million and also added such complementary services as caulking and waterproofing.

Cross-Marketing


As we have consolidated our acquisitions, we have also moved to cross-market our higher-margin landscape, painting, and metal and marble services to our large janitorial client base. We now provide metal and marble services for the Time Life Building and Chase Manhattan's world headquarters, both in New York City. Looking ahead, we see this as an important growth opportunity and, again, one that our smaller competitors don't have the resources to offer.

New Client Wins


We added a number of high-profile clients last year, including the Merchandise Mart in Chicago, Southwest Airlines' operations at Chicago's O'Hare Airport, Cushman & Wakefield properties in California, the Metropolitan Transit Authority and Goldman Sachs, both in New York City, the Trump Taj Mahal hotel and casino in Atlantic City, and the Polaroid Corporation in Boston. We also won the landscaping contract for Legends Field in Tampa, Florida, the spring training home of the world champion New York Yankees. Because we have offices and resources across the country, we were also able to win national contracts for Westgate, the third largest time-share company in the world, and two commercial property companies, Speiker Properties and Equity Office Properties.


OneSource engineering services include:

- Computer, telecommunications and clean room specialists
- Control systems management
- Cooling tower maintenance
- Equipment repairs
- HVAC repair and installation
- Lighting system maintenance
- Preventative maintenance
- Security system installation and maintenance
- Water treatment operations


OneSource landscape management services include:

- Grounds maintenance
- Interior plant maintenance
- Landscape installation
- Snow removal
- Sports turf installation and maintenance


OneSource pest control services include:


- Bird control
- Drain and sewer trap maintenance
- Integrated preventative management
- Rodent proofing
- Regular pest control treatments


OneSource aviation services include:

- Airport janitorial
- Aircraft interior cleaning
- Aircraft ground handling and equipment maintenance
- Aircraft fleet appearance consulting
- Aircraft exterior cleaning
- Baggage conveyer system maintenance
- Passenger loading bridge maintenance


OneSource specialty cleaning services include:

- Distribution
- Housekeeping
- Mailroom
- Portering
- Transportation services


OneSource metal and marble restoration, maintenance and painting services include:

- Caulking and waterproofing
- Cleaning and installation of wallcovering
- Electrostatic spraying
- Furniture refinishing and maintenance
- Metal and marble restoration
- Painting
- Painting of acoustic ceiling tiles
- Pressure washing
- Wall preparation and painting
- Wood cleaning, polishing and refinishing

Technology

As we add clients and services, we are scrutinizing our administrative and back-office functions with an eye to improving efficiency and saving money. We want to be a leader in business process improvements as well as outsourced services, so we have upgraded our in-house systems and changed the way we structure information. We also enlarged our data network and improved the functionality and reach of our e-mail systems so that our employees and clients can access more real-time information. As a result, we have a new level of detail that helps us examine what we're doing contract by contract, client by client, while giving us more marketing and billing information. Now we know more about our clients – and their businesses – when we sit down to talk with them.

ISO 9002

OneSource was the first national commercial cleaning firm in the US to receive the ISO 9002 designation. Designated by the International Organization for Standardization, ISO 9002 is only awarded to companies that demonstrate the highest and most consistent level of services and processes, as seen through the eyes of clients and independent auditors.

Increasingly, in the US, ISO 9002 is a prerequisite for certain bids, and the designation gives us a significant competitive advantage, especially in the industrial, manufacturing, government, and educational sectors.

Looking Ahead

In the coming year, we are going to continue to target two businesses that are relatively new to us: colleges and universities and downtown development projects. The educational market is a higher-margin opportunity because of the potential for add-on services and a round-the-clock presence. Last year, we won contracts for both Lehigh and Tufts Universities. Meanwhile, many large cities are working to revive their downtown areas by creating cleaner and safer living and working environments. Because we can offer a range of services such as street cleaning, trash disposal, and graffiti removal, we have already been awarded contracts in major cities such as Philadelphia, Atlanta and New Orleans.

Services provided by OneSource
at the Hyatt Regency and Grand
Cypress Resort:

- Fertilization program
- Guest and employee transportation service
- Integrated pest management
- Irrigation management
- Mowing
- Mulching
- Overall landscape installation
and maintenance
- Tree, shrub and flower maintenance
- Tree and plant installation



a trusted partner

The OneSource landscaping and transportation service staffing at Grand Cypress Resort are dependable team players. They strive to maintain a relationship as partners working toward common goals and doing whatever it takes to achieve the desired results.

Charles W. Drew
Director of Technical Services
Grand Cypress Florida Inc
Orlando, Florida



A key element in the growth of our business has been our ability to not only retain our major clients, but to expand our relationship and the scope of our services with those clients. The Hyatt Regency and Grand Cypress Resort in Florida is a great example of that. When we started working at the site in 1986, we had a landscape maintenance contract. Today, we have sixty-five full-time employees at the resort and, in addition to expanded landscaping services, we run the guest transportation and the employee shuttle, all of which had been handled in-house.

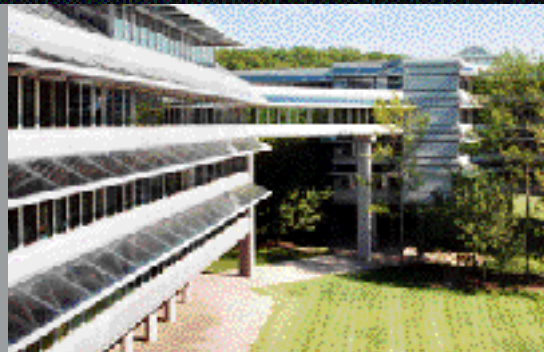
Over the years we have also performed electrical services, minor construction, cared for the Hyatt's waterfowl, and installed nature area creations. Our work has not gone unnoticed, as the Hyatt has won twelve state and national landscape and beautification awards.

**Operational Review
Facilities Services**



**Services provided by OneSource at the
Union Carbide Corporate Headquarters:**

- Alarm maintenance
- Carpet and wood floor care
- General office cleaning
- Glass maintenance
- HVAC, electrical and engineering services
- Interior construction management
- Metal and marble cleaning
- Painting services



'OneSource not only demonstrated the ability to establish and comply with the nineteen clauses of the ISO 9002 designation, they did it in record time – a full three months ahead of schedule. In the facilities services business, it doesn't get much better than that.'

John Farrelly
Manager of Operations
and Maintenance
Union Carbide
Corporate Center
Danbury, Connecticut



LI Group principal clients include:

- Asda
- First Group
- Harrods
- Marks & Spencer
- New Millennium Experience Company
- Showcase Cinemas
- Somerfield
- Tesco
- Toys 'R' Us
- West Coast Trains
- Woolworths

LI Group services include:

- Car park cleaning
- Carpet cleaning
- Daily tasks
- Fridge and shelf cleaning
- Full janitor service
- General portorage/waste compacting
- Hygiene cleans
- Kitchen deep cleans
- Trolley collection
- Window cleaning

a 'high touch' business

We have a robust UK facilities services business, with LI Group providing cleaning and support services to high-end retail clients and Capitol Security Services delivering specialist security services, principally manned guarding, to a wide range of clients.

LI Group

LI Group employs 5,500 people who provide contract cleaning and support services at 600 sites throughout the United Kingdom. We focus on high-end, retail businesses, and count among our clients such well-known names as Marks & Spencer, Harrods, Tesco, Asda, and Somerfield.

Customer Interface

LI Group is split into four sectors, each of which enjoys a high degree of autonomy so that we can respond rapidly and flexibly to client needs. The four sectors are retail, leisure, travel and public services. At the retail level in particular, our work is distinguished by the fact that we are not only doing our job behind the scenes or after hours, we're on site while the general public are there, so we're not only responsible for cleaning, but also for maintaining our client's image.

The Millennium Dome

Last year, we had our best performance ever, moving into the ranks of the top ten facilities services businesses in the UK. The highlight was winning the contract to clean the Millennium Dome (described in detail on pages 12 and 13). 47 companies vied for the contract, and being selected was a great testament to our service capabilities and a

springboard for gaining other business. From a competitive standpoint, if we were good enough to get the Dome, we are up to any job that comes our way.

New Client Wins

We also gained new accounts and grew our existing business with such clients as Somerfield, Harrods, Toys 'R' Us, First Group, Tesco, and West Coast Trains (a Virgin Rail Franchise). In the case of Tesco, the biggest retailer in the UK and the largest supermarket chain in Europe, we expanded our business from one store to 24. With West Coast Trains we signed a 12-year contract that we believe to have been the largest such contract awarded in the UK last year.

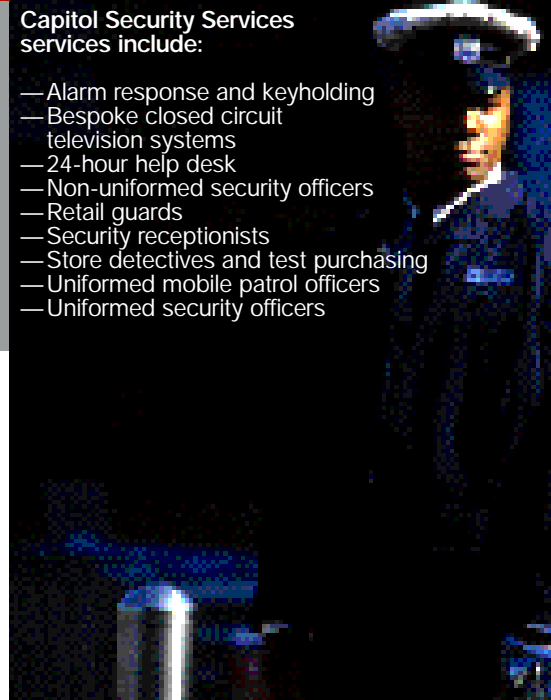
Outlook

In the coming year we're going to focus on two market sectors that are relatively new to us, transport and leisure. The UK transport market, operating round-the-clock, has considerable potential for add-on services, and our contract with West Coast Trains is an excellent launching point for winning new business. Similarly, the Millennium Dome will showcase our ability to deliver quality services in the highly-demanding, people-intensive leisure sector.



Capitol Security Services principal clients include:

- Argos
- Bovis
- Cable-tel (NTL)
- JLL
- Merchant Ferries
- Railtrack
- Sea Containers
- SeaFrance
- Seaking Automotive
- Stena Line
- Tesco
- Unichem
- Wetherall Green & Smith
- WHSmith



Capitol Security Services services include:

- Alarm response and keyholding
- Bespoke closed circuit television systems
- 24-hour help desk
- Non-uniformed security officers
- Retail guards
- Security receptionists
- Store detectives and test purchasing
- Uniformed mobile patrol officers
- Uniformed security officers

Capitol Security Services

Capitol Security Services is a leading provider of manned guards for retail and anti-terrorist security in the UK. Capitol is the sixth largest manned guarding company in the UK. We now have more than 4,000 officers on duty for our clients, delivering guarding, patrol, keyholding, and alarm response services throughout the UK. They operate from a network of offices that is supported by our 24-hour, seven day per week operations center in Woodford. We also offer our clients access to a round-the-clock, toll-free helpline and remote closed circuit television (CCTV) monitoring.

Growth through Acquisition

Our security services business is an important part of our strategic platform at Carlisle for a number of reasons. With the trend among retailers toward later hours, the industry as a whole is growing, and we are well positioned by reputation and geography to share in that growth. Security services also gives us a valuable entrée to cross-sell all our facilities services to our clients. We have also continued to broaden our reach through acquisition. Last year, we made six acquisitions, including Guardwell, Provincial Security, Platinum Security, and Delta Security. The latter two, both based in Dublin, have made us the fifth largest security

services company in the Republic of Ireland. We also gained new business from customers including Argos (the UK's largest catalog retailer), the Metropolitan Police, F. G. Wilson and The Environment Agency.

Employees

All of our employees undergo a rigorous screening process before they begin our comprehensive training programs which are conducted according to the Security Industry Training Organization's standards. These courses cover basic security duties as well as health and safety reporting, powers of arrest and custody, bomb threat and evacuation procedures.

External services provided by LI Group
at the Millennium Dome:

- Litter picking/bins
- Roadsweeping
- Window and canopy cleaning
- Wall washing

Internal services provided by LI Group
at the Millennium Dome:

- Deep cleaning of exhibits
- Floor treatment
- High level cleaning
- Hit team – rapid response
- Janitorial service
 - Toilets; cleaning and replenishment of consumables, exhibits, hospitality suites, core buildings
- Office cleaning
- Specialized tarmac cleaning

heading for the top

Big Ben and the Tower of London notwithstanding, London's most talked about attraction for the last year has been the Millennium Dome. Built for a year-long celebration of the new millennium, the Dome is the largest single span building in the world, encompassing 80,000 square feet of exhibition space. Last year, as the Dome was readied for its opening – and the seven million people expected to visit in the year 2000 – forty-seven facilities services companies competed for the high-profile and highly challenging job of cleaning and maintaining the vast site.

Thanks to a collaborative effort by our American and British management teams, LI Group won the contract. Just as there is no other building like the Dome, there is no other cleaning challenge like it. To keep everything under control and operating smoothly in a site of this size and complexity, we have adopted a different way of doing things involving a combination of over 500 people, discipline, training, and equipment, to suit one of the world's most prestigious sites.





'Throughout the long and highly competitive bidding process, LJ Group demonstrated its commitment and willingness to be part of the Millennium Dome 'experience.' We were looking for a company that would provide a top quality, professional management team dedicated to setting a high standard for cleaning services, as well as one that

would be flexible and adaptable in an ever-changing and complex environment. We have not been disappointed.'

Trevor G. Massie
Environmental Services
and Quality Manager
New Millennium
Experience Company,
London