

Release no. 8 - 2003
Report on the first quarter of 2003
To the Copenhagen Stock Exchange
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21 May 2003

Report on the first quarter of 2003
for Rockwool International A/S

Highlights

- Turnover grew by 1 % compared to the first quarter of 2002. With unchanged exchange rates, turnover would have grown by 3 %.
- EBITDA totalled DKK 196 million, an improvement of DKK 11 million.
- Turnover is expected to grow by 2 % over the year as a whole.
- Earnings are expected to amount to DKK 200-250 million.
- Investments are expected to total around DKK 750 million.

Further information: Knud Jørning, Chief Financial Officer

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Main figures/key figures for the Group

	Acc. 1 st qtr 2002 Not audited	Acc. 1 st qtr 2003	Whole 2002 Audited
Income statement items in million DKK:			
Net sales	1,786.0	1,798.2	7,919.3
EBITDA	185.3	196.3	995.1
Operating profit before financial items	34.2	40.8	314.9
Financial items	-29.6	-17.0	-77.5
Profit before tax	4.6	23.7	237.4
Profit after tax	-12.6	14.2	142.8
Profit for the period (after minority interests)	-12.5	14.7	131.1
Cash flow (from operating activities)	12.3	-115.1	856.0
Balance sheet items in million DKK:			
Fixed assets	4,525.2	4,422.0	4,508.8
Current assets	3,252.5	2,823.5	2,357.7
Total assets	7,777.7	7,245.5	6,866.5
Equity capital	4,054.6	4,004.4	4,039.7
Minority interest	32.8	83.5	84.7
Provided obligations	261.1	264.3	286.9
Long-term debt	1,398.8	721.2	674.7
Short-term debt	2,030.4	2,170.1	1,780.5
Other items in million DKK			
Investments and acquisitions	183.4	129.5	782.6
Depreciation	151.0	155.5	680.2
Number of employees:			
Number of employees	7,490	7,151	7,169
Ratios			
Profit ratio	1.9	2.2	4.0
Profit per share of DKK 10	-0.6	0.7	6.0
Book value per share of DKK 10	184.6	182.7	183.9
Equity ratio (%)	52.1	55.3	58.8

The ratios have been calculated in accordance with recommendations issued by the Danish Association of Financial Analysts.

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Developments during the first three months of 2003

Sales for the first three months of the year grew by 1 % compared to the same period last year and totalled DKK 1,798 million. With unchanged exchange rates, sales would have grown by 3 %.

Construction activity in Central Europe continued to decline during the first quarter, especially in Germany, the Netherlands and Poland. However, construction activity is growing in the UK and Spain.

Particularly strong progress continues in Russia, Hungary and Spain, which are all reporting healthy sales growth.

The insulation business recorded overall sales growth of 1 % for the first three months of the year. With unchanged exchange rates, sales growth would have been 3 %.

Systems Division sales were unchanged. With unchanged exchange rates, sales would still have been unchanged.

The insulation divisions reported operating profit of DKK 54 million, against DKK 41 million for the same period last year.

Systems Division generated operating profit of DKK 0.5 million, against DKK 17 million last year. DKK 6 million is due to a change in the intercompany purchase conditions. For the total year, this change will have no impact. Furthermore, the Rockfon companies have additional costs connected to the ongoing extension and rationalisation of the production, which is developing as planned. Finally, the Rockfon companies are now also feeling the consequences of the general slowdown which characterises the large European markets.

The Group's operating profit before depreciation and amortisation (EBITDA) rose by DKK 11 million to DKK 196 million.

After three months financial items showed net expenditure of DKK 17 million, against DKK 30 million last year. The decrease in financial items of DKK 13 million was due primarily to accruals. Over the year as a whole, financial items are expected to be on the same level as last year's net expenditure of DKK 78 million.

Profit before tax for the first three months was DKK 24 million, against DKK 5 million in 2002. Profit after minority interests was DKK 15 million, against of DKK -13 million last year.

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Cash flow from operations was DKK -115 million, against DKK 12 million in 2002. Actions are taken in this area.

Balance sheet and equity

On 31 March 2003 the Group had total assets of DKK 7,246 million, against DKK 7,391 million on 31 December 2002. Equity amounted to DKK 4,004 million on 31 March 2003, down DKK 36 million from 31 December 2002. The equity ratio was 55.3 % on 31 March 2003, against 58.8 % on 31 December 2002.

Prospects for 2003

The expectations for 2003 presented in the Annual Report for 2002 are unchanged. This means that sales growth of 2 % and profit after minority interests of DKK 200-250 million are anticipated for the year as a whole.

Earnings are expected to improve at the insulation divisions, and a small decline is expected in Systems Division.

Furthermore, a slightly lower level of investment is planned compared to 2002. Investments are expected to total around DKK 750 million in 2003, against DKK 783 million in 2002.

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Income statement

Million DKK	Acc. 1 st	Acc. 1 st	Whole 2002
	qtr. 2002	qtr. 2003	
	Not audited		Audited
Net sales	1,786.0	1,798.2	7,919.3
EBITDA	185.3	196.3	995.1
Operating profit before financial items	34.2	40.8	314.9
Financial items	-29.6	-17.0	-77.5
Profit before tax	4.6	23.7	237.4
Tax on profit for the period	17.2	9.5	94.6
Profit after tax	-12.6	14.2	142.8
Minority interests' share in net income	0.1	0.5	-11.7
Profit of the period	-12.5	14.7	131.1

Statement of funds

Million DKK	Acc. 1 st	Acc. 1 st	Whole 2002
	qtr. 2002	qtr. 2003	
	Not audited		Audited
Profit after tax	-12.6	14.2	142.8
Adjustments	217.6	170.5	834.8
Change in net working capital	-150.2	-250.9	42.3
Funds flow from operations before financial items	54.8	-66.2	1,019.9
Funds flow from operating activity	12.3	-115.1	856.0
Funds flow from investment activities	-183.4	-129.5	-782.6
Funds flow from operating and investment activities (free cash flow)	-171.1	-244.6	73.4
Funds flow from finance activities	-10.3	19.4	-621.0
Change in funds available	-181.4	-225.2	-547.6
Funds available 1/1	882.0	323.2	882.0
Adjustments to exchange rates 31/12	-1.7	-7.6	-11.2
Funds available 31/12	698.9	90.4	323.2

Individual items in the statement of funds cannot be directly deduced from the consolidated balance sheet. as balance sheet items of the foreign companies at the beginning of the year have been converted at the rates of exchange on 31 December

Segment reporting (primary segment distribution)

Million DKK	Acc. 1 st	Acc. 1 st	Whole 2002
	qtr. 2002	qtr. 2003	
	Not audited		Audited
Net sales per business segment			
Insulation	1,659.9	1,691.5	7,265.0
Systems Division	304.1	302.2	1,501.7
Group eliminations and holding companies	-178.0	-195.5	-847.4
The Group	1,786.0	1,798.2	7,919.3
Operating profit before financial items per business segment			
Insulation	40.0	55.0	224.7
Systems Division	17.7	0.5	153.4
Group eliminations and holding companies	-23.5	-14.7	-63.2
The Group	34.2	40.8	314.9

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Balance sheet

Million DKK	Acc. 1 st	Acc. 1 st	Whole 2002
	qtr. 2002	qtr. 2003	
	Not audited		Audited
Assets			
Intangible fixed assets	97.4	81.9	101.5
Tangible fixed assets	4,260.8	4,142.5	4,218.2
Financial fixed assets	129.7	121.3	113.8
Deferred tax assets	37.3	76.3	75.3
Fixed assets	4,525.2	4,422.0	4,508.8
Stocks	630.3	625.1	575.8
Receivables	1,393.7	1,448.2	1,204.7
Bonds	528.3	113.2	234.2
Cash funds	700.2	637.0	343.0
Total current assets	3,252.5	2,823.5	2,357.7
Total assets	7,777.7	7,245.5	6,866.5
Liabilities			
Share capital	219.7	219.7	219.7
Other reserves	3,834.9	3,784.7	3,820.0
Total equity	4,054.6	4,004.4	4,039.7
Minority interests	32.8	83.5	84.7
Total provided obligations	261.1	266.3	286.9
Long-term debt	1,398.8	721.2	674.7
Short-term debt	2,030.4	2,170.1	1,780.5
Total long-term and short-term debts	3,429.2	2,891.3	2,455.2
Total liabilities	7,777.7	7,245.5	6,866.5

Changes in equity

Million DKK	Acc. 1 st	Acc. 1 st	Whole 2002
	qtr. 2002	qtr. 2003	
	Not audited		Audited
Equity as of 1st January	4,066.3	4,039.7	4,066.3
Profit of the period	-12.5	15.5	131.1
Exchange rate adjustment regarding foreign subsidiaries	0.8	-50.8	-78.7
Exchange rate adjustment regarding associated companies			0.0
Purchase of own investments			-7.6
Proposed dividend	0.0	0.0	-71.4
Equity as of end of period	4,054.6	4,004.4	4,039.7