

Release no. 6 - 2004
Report on the first quarter of 2004
To the Copenhagen Stock Exchange
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28 May 2004

Report on the first quarter of 2004
for Rockwool International A/S

Today the Supervisory Board of Rockwool International A/S discussed and approved the following report on the first quarter of 2004.

Highlights

- Sales during the first quarter increased by almost 7% compared to the same period last year. With unchanged exchange rates, the increase would have been 6%.
- EBITDA totalled DKK 253 million, an improvement of DKK 57 million compared to the year before.
- Due to the positive development in first quarter, a sales growth for the total year of 7% is now foreseen, compared to the earlier expectation of 5%.
- Profit after tax and minority interests is expected to be around DKK 350 million, compared to the earlier expectation of DKK 300 million.

Further information: Knud Jørning, Chief Financial Officer

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Main figures/key figures for the Group

	1st qtr. 2003	1st qtr. 2004	Whole 2003
	Unaudited figures		Audited figures
Income statement items in million DKK:			
Net sales	1,798.2	1,923.3	8,215.9
EBITDA	195.7	252.7	1,093.3
Operating profit (EBIT)	40.2	97.3	492.6
Financial items	-17.0	-19.4	-98.6
Profit before tax	23.7	81.2	428.9
Profit after tax	14.2	53.6	270.1
Profit for the period (after minority interests)	14.7	49.4	254.4
Cash flow (from operating activities)	-115.1	-6.2	774.9
Balance sheet items in million DKK:			
Fixed assets	4,422.0	4,299.4	4,339.1
Current assets	2,823.5	2,703.8	2,445.9
Total assets	7,245.5	7,003.2	6,785.0
Equity capital	4,004.4	4,161.6	4,090.7
Minority interest	83.5	54.4	47.5
Provisions	266.3	330.9	330.4
Long-term debt	721.2	585.2	581.6
Short-term debt	2,170.1	1,871.1	1,734.8
Other items in million DKK			
Investments and acquisitions	129.5	88.8	632.5
Depreciation	155.5	155.4	600.7
Number of employees:			
Number of employees	7,151	7,287	7,293
Ratios			
Profit ratio	2.2	5.1	6.0
Profit per share of DKK 10	0.7	2.3	11.6
Book value per share of DKK 10	182.3	189.4	186.2
Equity ratio (%)	55.3	59.4	60.3

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 quarter

Sales during the first quarter grew by 7% compared to the same period last year to DKK 1,923 million. With unchanged exchange rates, the increase would have been 6%.

The Insulation Division's external sales grew by 7% compared to the same period last year. This was due in part to strong sales growth in Poland, Russia and Southeast Europe.

Systems Division's external sales grew by 6% compared to the same period last year.

The Group's operating profit before depreciation and amortisation (EBITDA) increased by DKK 57 million to DKK 253 million. The income statement item "Return on investments in subsidiaries and associated companies" has been reclassified and is now reported after "Operating profit before financial items". This has resulted in changes to EBITDA, operating profit, return on invested capital and the profit ratio compared to the previous classification.

The Insulation Division's operating profit before financial items increased by DKK 58 million to DKK 113 million.

Systems Division's operating profit fell by DKK 1 million to DKK -1 million.

The Group's operating profit before financial items (EBIT) grew by DKK 57 million to DKK 97 million.

Financial items after three months showed net expenditure of DKK 19 million, an increase of DKK 2 million from last year.

Profit before tax for the first quarter was DKK 81 million, against DKK 24 million in 2003.

Due to smaller losses at the loss-making companies, a tax rate of 34% is anticipated for 2004 as a whole, against 37% in 2003. Profit after minority interests was DKK 49 million, against DKK 15 million last year.

Cash flow from operations was DKK -6 million, against DKK -115 million in 2003.

Tied-up working capital increased by DKK 229 million in the first quarter. The increase was due largely to stockbuilding ahead of the high season in the autumn. Free cash flow was DKK -95 million, against DKK -245 million in 2003.

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Balance sheet and equity

On 31 March 2004 the Group had total assets of DKK 7,003 million, against DKK 6,785 million on 31 December 2003. Equity amounted to DKK 4,162 million on 31 March 2004, an increase of DKK 71 million from 31 December 2003. The equity ratio was 59.4% on 31 March 2004, against 60.3% on 31 December 2003.

Prospects for 2004

Due to the positive development in first quarter, a sales growth of 7% is now foreseen.

As set out in the annual report for 2003, a positive sales price development is still expected. This positive sales price development is however not expected to counterbalance the cost increases. There are particularly heavy cost increases on energy-related raw materials.

In total, the profit for 2004 is now expected to be around DKK 350 million, compared to the earlier expectation of DKK 300 million.

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Income statement

Million DKK	1st qtr. 2003	1st qtr. 2004	Whole 2003
	Unaudited figures		Audited figures
Net sales	1,798.2	1,923.3	8,215.9
EBDIT	195.7	252.7	1,093.3
Operating profit (EBIT)	40.2	97.3	492.6
Return on investments in subsidiaries and associated companies	0.6	3.3	34.9
Financial items	-17.0	-19.4	-98.6
Profit before tax	23.7	81.2	428.9
Tax on profit for the period	9.5	27.6	158.8
Profit after tax	14.2	53.6	270.1
Minority interests' share in net income	-0.5	4.2	15.7
Profit of the period	14.7	49.4	254.4

Statement of funds

Million DKK	1st qtr. 2003	1st qtr. 2004	Whole 2003
	Unaudited figures		Audited
Profit after tax	14.2	53.6	270.1
Adjustments	170.5	202.4	816.2
Change in net working capital	-250.9	-229.4	-156.5
Funds flow from operations before financial items and tax	-66.2	26.6	929.8
Funds flow from operating activity	-115.1	-6.2	774.9
Funds flow from investment activities	-129.5	-88.8	-632.5
Funds flow from operating and investment activities (free cash flow)	-244.6	-95.0	-142.4
Funds flow from finance activities	19.4	-18.9	-194.9
Change in funds available	-225.2	-113.9	-52.5
Funds available 1/1	323.2	257.2	323.2
Adjustments to exchange rates 31/12	-7.6	1.8	-13.5
Funds available 31/12	90.4	145.1	257.2
Unutilised, committed credit facilities	1,818.3	2,322.0	2,325.0

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	1st qtr. 2003	1st qtr. 2004	Whole 2003
	Unaudited figures		Audited
Net sales per business segment			
Insulation	1,691.5	1,811.9	7,597.1
Systems Division	302.2	312.6	1,542.4
Group eliminations and holding companies	-195.5	-201.2	-923.6
The Group	1,798.2	1,923.3	8,215.9
Operating profit before financial items per business segment			
Insulation	55.0	112.6	414.7
Systems Division	-0.1	-1.1	110.7
Group eliminations and holding companies	-14.7	-14.2	-32.8
The Group	40.2	97.3	492.6

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Balance sheet

Million DKK	End of 1st qtr.	End of 1st	End of
	2003	qtr.	2003
	Unaudited figures		Audited figures
Assets			
Intangible fixed assets	81.9	70.0	86.3
Tangible fixed assets	4,142.5	4,047.9	4,088.3
Financial fixed assets	121.3	155.9	133.8
Deferred tax assets	76.3	25.6	30.7
Fixed assets	4,422.0	4,299.4	4,339.1
Stocks	625.1	784.0	639.1
Receivables	1,448.2	1,600.7	1,362.3
Bonds	113.2	5.2	5.8
Cash funds	637.0	313.9	438.7
Total current assets	2,823.5	2,703.8	2,445.9
Total assets	7,245.5	7,003.2	6,785.0
Liabilities			
Share capital	219.7	219.7	219.7
Other reserves	3,784.7	3,941.9	3,871.0
Total equity	4,004.4	4,161.6	4,090.7
Minority interests	83.5	54.4	47.5
Total provided obligations	266.3	330.9	330.4
Long-term debt	721.2	585.2	581.6
Short-term debt	2,170.1	1,871.1	1,734.8
Total long-term and short-term debts	2,891.3	2,456.3	2,316.4
Total liabilities	7,245.5	7,003.2	6,785.0

Changes in equity

Million DKK	End of 1st qtr.	End of 1st	End of
	2003	qtr.	2003
Equity as of 1st January	4,039.7	4,090.7	4,039.7
Profit of the period	14.7	49.4	254.4
Exchange rate adjustment regarding foreign subsidiaries	-50.0	21.5	-132.3
Dividend paid	0.0	0.0	-71.1
Equity as of end of period	4,004.4	4,161.6	4,090.7