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Icopal has carried out roofing on the new airport, Gardermoen, in Norway.



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Group parent company:

Icopal a/s, reg. No. A/S 387

Shareholders owning more than 5% of the share capital:

Arbejdsmarkedets Tillægspension, Hillerød

KIRKBI A/S, Billund

Købstædernes almindelige Brandforsikring, Copenhagen K

Lønmodtagernes Dyrtidsfond, Copenhagen K

Icopal a/s, Herlev

Board of Directors:

Alf Torp-Pedersen, chairman ⁽¹⁾

Bent Pedersen ⁽²⁾

Poul Møller ⁽³⁾

Hans C. Andreasen ⁽⁴⁾

Palle Bisballe

Jan Lykke Hansen

Management:

Hans C. Andreasen, Managing Director ⁽⁴⁾

Steen Weywadt, Deputy Managing Director

Asger Laursen, Finance Director

Anders Buchwald ⁽⁵⁾

Niels Egly, Technical Director

(1) Member of the Council of Den Danske Bank A/S.

Nominee executive manager of Købstædernes almindelige Brandforsikring.

(2) Member of the Board of Directors of Udviklingselskabet Argo A/S (chairman),

KOMPAN A/S (chairman),

Billund Ejendomsselskab A/S (chairman),

Investeringselskabet af 29. oktober 1944 A/S (chairman),

Axcel Industri Investor a.s. (deputy chairman),

Glud & Marstrand A/S (deputy chairman),

Mezzanin Kapital A/S,

Purup-Eskofot A/S,

Dansk Data Elektronik A/S.

Managing Director of KIRKBI A/S og KIRKBI INVEST A/S.

(3) Member of the Board of Directors of Poul E. Danchell A/S.

(4) Member of the Board of Directors of Polaris Management A/S (chairman),

J-F. Lemvig - Müller Holding A/S (chairman),

Junckers Industrier A/S, (deputy chairman).

(5) Member of the Board of Directors of Kemp & Lauritzen A/S (chairman).

Proposed distribution of parent company's profit:

| | | |
|---|-----|-------------|
| 50% dividend of DKK 205.000.000 | DKK | 102.500.000 |
| From this to own shares | DKK | -10.175.000 |
| Transfer to reserves | DKK | 115.942.000 |
| Icopal's share of result after tax 1998 | DKK | 208.267.000 |

Annual general meeting: 8 April 1999, 2.00 p.m.
Mileparken 38, Herlev

Alf Torp-Pedersen,
chairman of the
Board of Directors



Bent Pedersen,
member of the
Board of Directors



Poul Møller,
member of the
Board of Directors



Palle Bisballe,
employee-elected member
of the Board of Directors



Jan Lykke Hansen,
employee-elected member
of the Board of Directors



Hans C. Andreasen,
Managing Director



Steen Weywadt,
Deputy Managing Director



Asger Laursen,
Finance Director



Anders Buchwald,
Director



Niels Egly,
Technical Director





Sales and results

The Group's turnover was DKK 4.1 billion, an increase of 4% compared with 1997. The operating profit was DKK 278 million, DKK 25 million less than last year.

The decline in profit, which was not as large as forecast in the announcement on 4 December 1998, is attributable to the ROOFING business area in France, Germany, Norway and Denmark. The reverse in these countries was not balanced by the progress made in the USA, the UK and the excellent profit achieved by the recently acquired Belgian company Polytuil.

In the ROADS business area, strong progress was made in Denmark and there was a modest decline in Norway.

PLASTIC FILMS in Norway had a good year, with a substantial improvement in profits, while there was an equivalent deterioration in the result achieved by PLASTIC PIPES.

The decline in the French construction industry during the past several years continued in 1998. In addition Siplast's exports were hit by the economic crises in Asia and eastern Europe. Organisational adjustments and a cost-savings programme have been initiated.

In Germany, Norway and Denmark, there was a weakening of demand in the construction sector during the second half of the year. In spite of this, very satisfactory results were achieved in all three countries.

In the USA, there has been uninterrupted growth in building activity for many years and Siplast achieved a record profit in 1998, making the company one of the Group's most profitable business units.

In the UK, D. Anderson & Son made progress in a stagnating market, largely as a consequence of the performance of its new department for damp-protection products.

Construction activity in Finland has been at a healthy level, but the cessation of exports to Korea and a negative price trend in domestic sales to dealers meant that there was only a modest increase in profit, in spite of the acquisition of the Rovakate roof-contracting company.

In spite of a weak trend in construction in Sweden, Icopal increased its turnover in all areas. The profit was nevertheless on a par with last year's as a result of non-recurring costs in connection with, among other things, new computing systems.

The road-surfacing market in Denmark was characterised by a lower level of activity than in the previous year. Nevertheless, an improvement in the unsatisfactory price level led to the achievement of a good result.

In Norway, it was not possible to maintain profit in the Roads Division at the previous year's level, in spite of unchanged volume. Weather conditions were very poor and the operation of certain asphalt plants did not entirely live up to expectations.

The weakening of the Norwegian krone has improved competitiveness in plastic films in relation to foreign suppliers and the trend in raw-material prices was favourable. As a result of these factors, Norfolier had a good year.

There was a sharp fall in the demand for plastic pipes during the second half of the year and there was tougher price competition in certain product areas. Therefore, as

expected, profit was somewhat lower than in the previous year.

The Group's financial result was DKK 39 million, a decrease of DKK 4 million compared with 1997. In 1997 an income of DKK 12 million in connection with reversal of excess coverage in a pension premiums fund was included in the financial result. The average net liquidity of the Group was lower in 1998 than in 1997 as a consequence of the purchase of own shares worth DKK 250 million.

The Group's profit before tax was DKK 317 million, or DKK 28 million less than in 1997, which was a record year.

Acquisitions

During 1998, the Icopal Group purchased companies for a total of DKK 113 million of which the most important are mentioned below.

Polytuil S.A. in Belgium was acquired on 1 April 1998. The company produces Decra steel roof tiles. As a result of this purchase, the Icopal Group is now the sole producer of Decra steel roof tiles in Europe.

On 1 January 1998, Icopal's Norwegian Roads Division acquired 50% of the shares in Nordasfalt AS. All the assets of Sørreisa Asfalt AS and Sørreisa Asfalt Mobil AS were purchased on 1 May 1998. These acquisitions have reinforced the operational and marketing strength of Icopal's road-surfacing activities in northern Norway.

Icopal ab, Sweden, took over Brave System AB, Borås, on 1 April 1998. This company produces and markets fire ventilators - automatic openable metal roof hatches.



Their purpose is to permit the escape of smoke in the event of a fire.

In Finland, Icopal oy acquired 50% of the shares in the roof-contracting company Rovakate oy on 31 August 1998. Rovakate is the third largest roofing contractor in Finland and also has activities in Russia and Estonia.

Major investments

The Group's investments other than acquisitions of companies totalled DKK 174 million in 1998, compared with DKK 120 million in 1997.

The new production line at the roofing-felt factory in Finland was completed.

In Norway, a comprehensive improvement programme included the cooling and control systems on the largest roofing-felt line and the mixer plant on the other line. New offices and warehousing are being built in Stavanger for the IcopalTak Vest roof-contracting company.

In Sweden, there is a new information centre at the roofing-felt factory in Malmö.

A large-scale rebuilding project has been started at the roofing-felt factory at Ikast, in Denmark. Among other improvements, there is to be a new surface-treatment and strewing plant. An extension of the administration and staff building is under way at the Decra factory in Kolding and a training centre is being built at the same location.

At the Werne factory in Germany, the production hall is being modernised and one of the sections of the roofing-felt machine is being renewed. The office building at the Saarwellingen factory has been modernised.

The installation of a comprehensive sprinkler system has been

completed at the Mondoubleau factory in France.

Siplast Inc. in the USA has begun projecting a new head office in Dallas.

The Norwegian Roads Division has invested in a new asphalt plant at Tromsø.

The Danish Roads Division has invested in a new type of spray system for thin-layer surfaces. This both increases the flexibility and can be applied under difficult weather condition.

Norfolier's investments include a new extruding and welding machine for carrier bags, an extruder line for waste sacks and new offices at the Lillestrøm factory.

In the Plastic Pipes Division, a major investment has been made at the Høland factory in two new production lines for surface-water pipes in both large and small diameters. Two new injection-moulding machines have been installed at the Drangedal factory for the production of pipe components.

IT

To meet troubles during the transition to the year 2000, Group companies have made an examination of their significant IT systems. As a result, a number of systems are being replaced or modified. The Group does not expect any material IT-problems relating to the transition to the year 2000.

Own shares

During the year, Icopal a/s has acquired 1,017,500 of its own shares, with a nominal value of DKK 20.35 million, equivalent to 9.9% of the company's share capital. The total price paid for the shares was DKK 250 million. The purchases

were made to increase the share's liquidity.

Prospects for 1999

For the Group as a whole, a slightly higher turnover than in 1998 is forecast for the year, as a result of the acquisitions that have been made.

The operating result is expected to be more or less unchanged, with a decline in profit in Norway and Denmark counterbalanced by the profits of the companies that have been acquired. This forecast does not take into account the possible takeover of the Polish company Izolacja S.A., Zdunska Wola.

On 1 January 1999, Icopal AB, Sweden, acquired Wijo AB, which produces and markets guttering in plastic-coated steel.

Icopal a/s entered into an agreement on 26 January 1999 to purchase 33% of the shares in the Polish roofing-felt company Izolacja S.A., Zdunska Wola. The agreement is conditional on the acquisition of a majority of the shares in this listed company. Izolacja, which is the largest and most successful roofing-felt manufacturer in Poland, also has an important subsidiary in the Czech Republic. If all the shares in the company are acquired, the deal will have a value of approximately DKK 600 million.

On 15 February 1999, Icopal as, Norway, took over the Swedish plastic-pipes company AB Arot, which produces pipes and other components for the cable-conduit market in Sweden and Poland.

5-year summary

The Group's profit and loss account

| DKK in millions | 1994 | 1995 | 1996 | 1997 | 1998 |
|--|--------------|--------------|--------------|--------------|--------------|
| Turnover | 3,552 | 3,807 | 3,645 | 3,970 | 4,135 |
| Change in stocks etc. | 36 | 12 | 17 | 11 | -16 |
| Production | 3,588 | 3,819 | 3,662 | 3,981 | 4,119 |
| Consumption of materials etc. | 1,741 | 1,941 | 1,766 | 1,912 | 1,948 |
| Other production, sales and administration costs. | 558 | 614 | 617 | 675 | 715 |
| Value added | 1,289 | 1,264 | 1,279 | 1,394 | 1,456 |
| Wages, salaries etc. | 831 | 858 | 905 | 958 | 1,029 |
| Depreciation etc. | 129 | 115 | 134 | 133 | 149 |
| Operating profit | 329 | 291 | 240 | 303 | 278 |
| Financial items | 5 | 33 | 49 | 43 | 39 |
| Extraordinary items. | - | -5 | -11 | -1 | - |
| Profit before tax | 334 | 319 | 278 | 345 | 317 |
| Tax | 103 | 101 | 79 | 112 | 107 |
| Profit after tax | 231 | 218 | 199 | 233 | 210 |
| Icopal's share of profit after tax | 231 | 218 | 199 | 233 | 208 |

The Group's assets

| DKK in millions | 1994 | 1995 | 1996 | 1997 | 1998 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Fixed assets | 796 | 817 | 851 | 862 | 1,165 |
| Stocks | 327 | 352 | 356 | 355 | 405 |
| Debtors | 629 | 614 | 618 | 615 | 652 |
| Liquid funds | 971 | 986 | 1,184 | 1,423 | 908 |
| Total assets | 2,723 | 2,769 | 3,009 | 3,255 | 3,130 |

The Group's liabilities

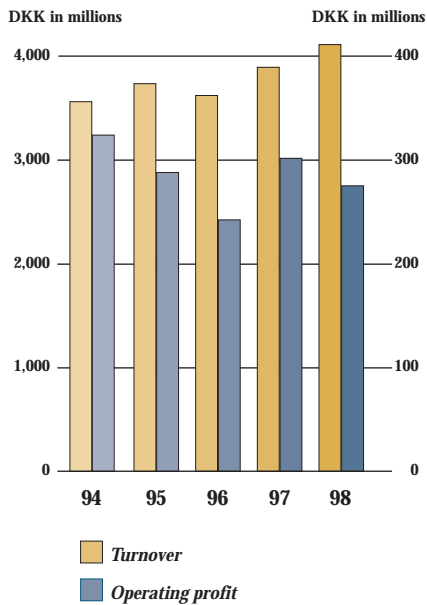
| DKK in millions | 1994 | 1995 | 1996 | 1997 | 1998 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Capital and reserves | 1,391 | 1,552 | 1,702 | 1,863 | 1,873 |
| Minority interests | - | - | - | - | 3 |
| Provisions | 95 | 156 | 171 | 184 | 191 |
| Interest-bearing debt | 475 | 439 | 536 | 516 | 432 |
| Passive debt | 762 | 622 | 600 | 692 | 631 |
| Total liabilities | 2,723 | 2,769 | 3,009 | 3,255 | 3,130 |

Operating profit as a percentage of net operating assets*, average

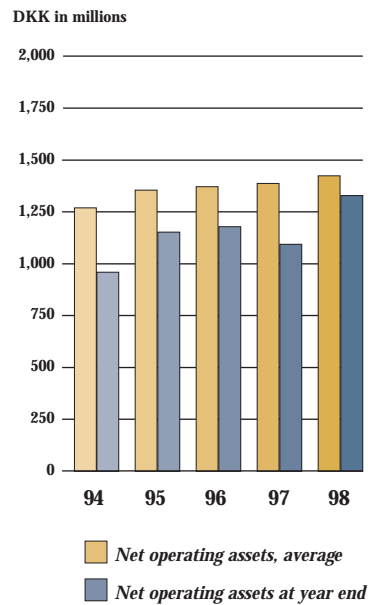
| | | | | | |
|--|------------|------------|------------|------------|------------|
| | 26% | 22% | 18% | 22% | 20% |
|--|------------|------------|------------|------------|------------|

* Net operating = operating assets less passive debt

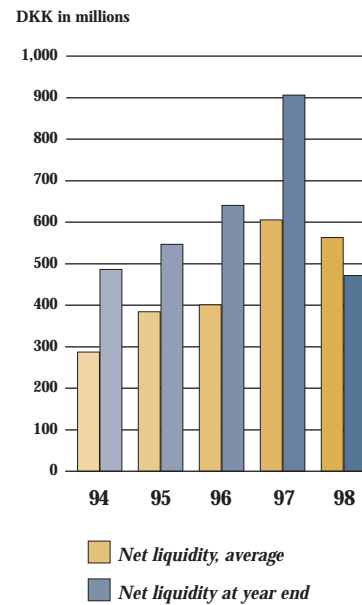
Turnover and operating profit



Net operating assets



*Net liquidity



*Net liquidity = liquid funds less interest bearing debt

Development in listed price of Icopal shares, KFX-index and index for Danish industrial shares



| Key figures per DKK 20 share | 1994 | 1995 | 1996 | 1997 | 1998 |
|--|------|------|------|------|------|
| Profit after tax | 23 | 21 | 19 | 23 | 20 |
| Dividend | 5 | 5 | 5 | 10 | 10 |
| Payout ratio | 22% | 23% | 26% | 44% | 49% |
| Internal value | 136 | 151 | 166 | 182 | 183 |
| Listed price/internal value | 2,4 | 1,8 | 1,8 | 1,6 | 1,0 |
| Price/earnings | 14 | 13 | 15 | 13 | 9 |

Group profile

The Icopal Group is one of the world's largest producers of roofing felts and is among the leading manufacturers and contractors in the Nordic area in the roofing and road-construction sectors. The Group also produces other building materials, as well as plastic films and plastic pipes.

In 1998, the Group's equity capital amounted to DKK 1.9 billion and turnover was DKK 4.1 billion.

The Group has a total of 56 production sites, located in Finland, Norway, Sweden, Denmark, the United Kingdom, Germany, Belgium, France and the USA. There are 3,244 employees in four business areas: roofing, roads, plastic films and plastic pipes.

Roofing

In Roofing, the Group specialises in the production and application of asphalt roofing and produces a wide range of other roofing products and building materials.

Roads

The Group's Road activities are primarily the production and laying of road asphalt and special surfaces for bridges, floors and sports facilities.

Plastic Films

In the Plastic Films sector, films are produced for the construction industry, farming and industry. The Group also manufactures plastic bags and sacks.

Plastic Pipes

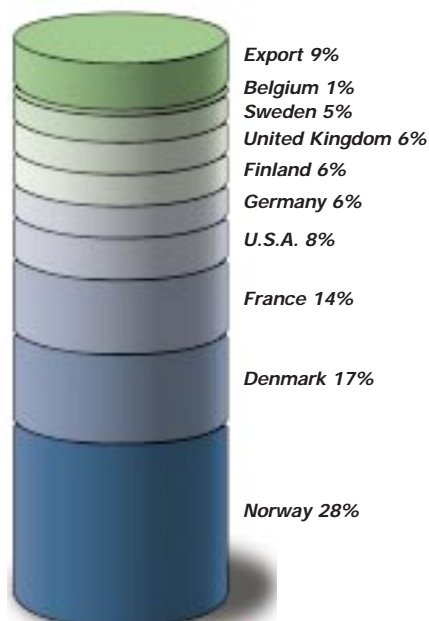
Plastic Pipes are produced for drainage, sewerage, surface water, drinking water and cable conduit.

The four business areas provide the foundation for the Group's decentralised organisation, in which each business area is organised as an independent division in the various countries.

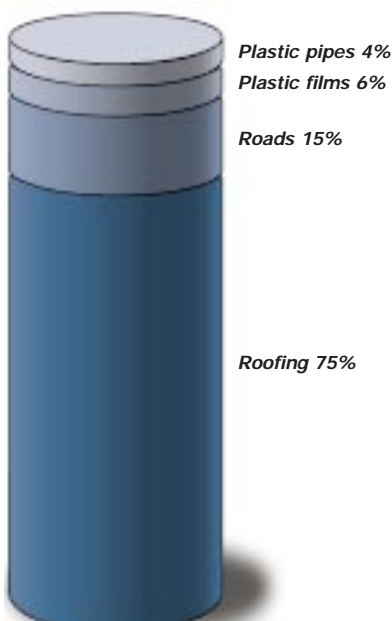
Thus, the Group is split into 12 divisions: eight roofing divisions, two roads divisions, a plastic films division and a plastic pipes division. Each division has a high degree of independence and is responsible for local production and sales. In addition, products are exported to many other countries, in part through the Group's own sales companies and representative offices.

The Group's substantial research and development activities are organised centrally. The local subsidiaries also undertake a limited number of development tasks.

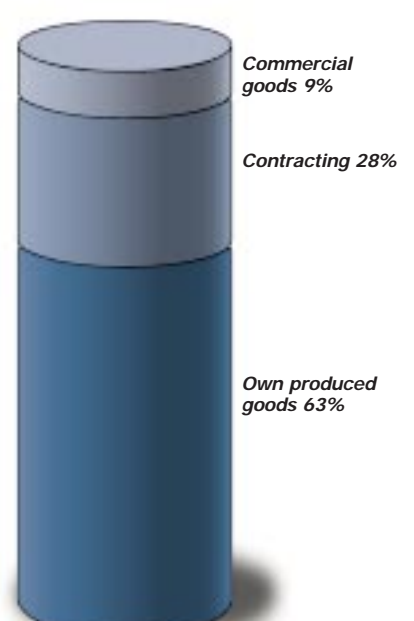
Sales by countries



Sales by business areas



Sales by activities



Sales in domestic markets and export by business area

| DKK in millions | 1994 | 1995 | 1996 | 1997 | 1998 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| ROOFING | | | | | |
| France | 645 | 676 | 576 | 566 | 582 |
| Denmark | 433 | 471 | 436 | 493 | 469 |
| Norway | 350 | 376 | 404 | 450 | 430 |
| USA | 182 | 181 | 235 | 286 | 323 |
| Germany | 304 | 303 | 258 | 263 | 260 |
| United Kingdom | 124 | 130 | 134 | 173 | 258 |
| Finland | 149 | 155 | 162 | 183 | 251 |
| Sweden | 201 | 223 | 205 | 202 | 222 |
| Belgium | - | - | - | - | 42 |
| | 2,388 | 2,515 | 2,410 | 2,616 | 2,837 |
| Export | 245 | 281 | 295 | 340 | 261 |
| | 2,633 | 2,796 | 2,705 | 2,956 | 3,098 |
| ROADS | | | | | |
| Norway | 297 | 297 | 336 | 351 | 380 |
| Denmark | 277 | 327 | 230 | 231 | 245 |
| | 574 | 624 | 566 | 582 | 625 |
| Export | 3 | 2 | 1 | - | 1 |
| | 577 | 626 | 567 | 582 | 626 |
| PLASTIC FILMS | | | | | |
| Norway | 156 | 177 | 170 | 182 | 185 |
| Export | 61 | 68 | 61 | 75 | 67 |
| | 217 | 245 | 231 | 257 | 252 |
| PLASTIC PIPES | | | | | |
| Norway | 113 | 131 | 137 | 167 | 150 |
| Export | 12 | 9 | 5 | 8 | 9 |
| | 125 | 140 | 142 | 175 | 159 |
| Total sales | 3,552 | 3,807 | 3,645 | 3,970 | 4,135 |

Strategy and goals

Strategy

The Icopal Group manufactures long-life products in mature markets which are characterized by cyclical and seasonal fluctuations.

This situation calls for both a long term commitment and a short term focus on financial control.

The geographical spread is of great help in ensuring stability as is, to a certain extent, the wide product range, though this has to be counterbalanced by focus and competence.

Today, the Group occupies a leading position with a full product range among a limited number of local suppliers in the Nordic area, the UK and France, while in Germany and the USA our products are developing niche positions with substantial potential for future growth.

In the above-mentioned domestic markets, our mission is first and foremost to promote the construction of flat-roofed buildings through continuous development of our products and competence in application methods and advisory services. Our long-term strategy also includes the

achievement of a major market share in the pitched-roof sector.

Exports to other countries are not only regarded as a supplement to domestic sales but also as the first step in a process that will possibly lead to the establishment of local production. In this context, eastern Europe is the most promising region and, as mentioned in the Group annual report, an attempt is currently being made to acquire Poland's largest roofing-felt manufacturer, with production in Poland and the Czech Republic.

While we have a clear international strategy and ambition in our main business area, roofing, to be the world's leading producer of roofing felt, we are for the time being maintaining a Nordic perspective for our remaining business areas, roads and plastics.

Taking the past 25 years as a whole, the Group's organic growth has just exceeded inflation and substantial acquisitions in 1989/90 have resulted in the achievement of noticeable real growth.

A long succession of minor acquisitions over the years - in

many cases undertaken in a market rationalisation context - have been counterbalanced in turnover terms by unprofitable activities which have either been sold or wound up to fulfil the requirement for a stable, high yield on the capital invested.

Major strategic purchases are continuously assessed.

Goals

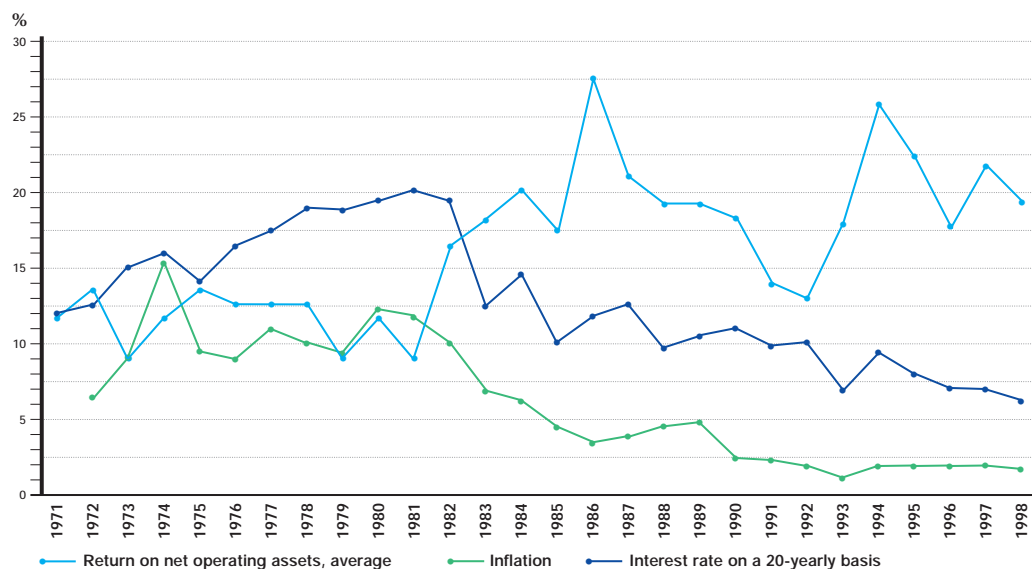
The Group aims to achieve organic growth higher than the rate of inflation, supplemented by growth through acquisition.

The Group's primary internal profitability standard is operating profit before interest and tax as a percentage of the year's average operating assets less passive debt. In 1998 this amounted to 20%.

From 1983 up to and including 1998, the return has on average been approx. 20% annually - or 16% if goodwill in acquisitions had been capitalized and depreciated over 20 years. This is significantly higher than the interest rate on 20-year bonds during the period, which has averaged approx. 10% per annum.

On this basis, the Group's

Return on net operating assets, average, interest rate on a 20-yearly basis and inflation





The new international terminal at Copenhagen International Airport has been covered with Icopal roofing felt.

Road surfacing with asphalt.

growth objective has been given a higher priority. During 1998 and early 1999, companies with a total annual turnover of approximately 450 million DKK have been purchased.

In addition to these acquisitions, the Group has reduced its holding of liquid funds during the year by purchasing its own shares and by doubling the dividend in comparison with previous years.

Even though, as mentioned in the annual report, a major takeover bid is under way in Poland, the Board of Directors proposes that the level of dividend be unchanged in 1999.



Group overview

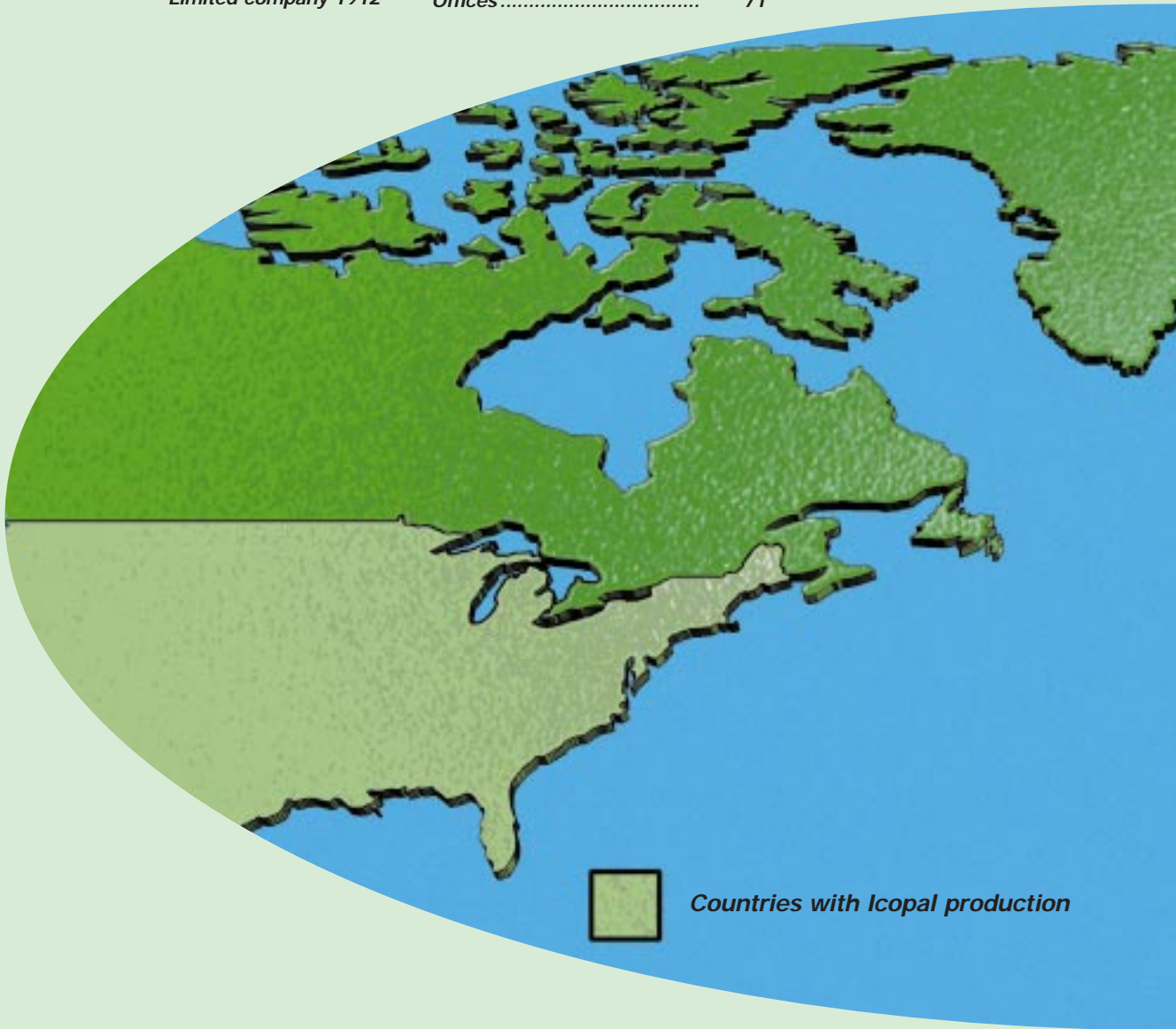


The Group

Icopal a/s
Established 1876
Limited company 1912

Turnover, DKK 4,135 million
(ex internal turnover)

Employees..... 3.244
Factories 56
Offices..... 71



Finland
Icopal oy
Founded in 1931

Turnover,
DKK 275 million
Employees 365
Factories 1
Offices 16



Norway
Icopal as
Founded in 1895

Turnover,
DKK 1,267 million
Employees 971
Factories 30
Offices 14



Sweden
Icopal ab
Founded in 1907
Limited company 1915

Turnover,
DKK 289 million
Employees 243
Factories 5
Offices 6



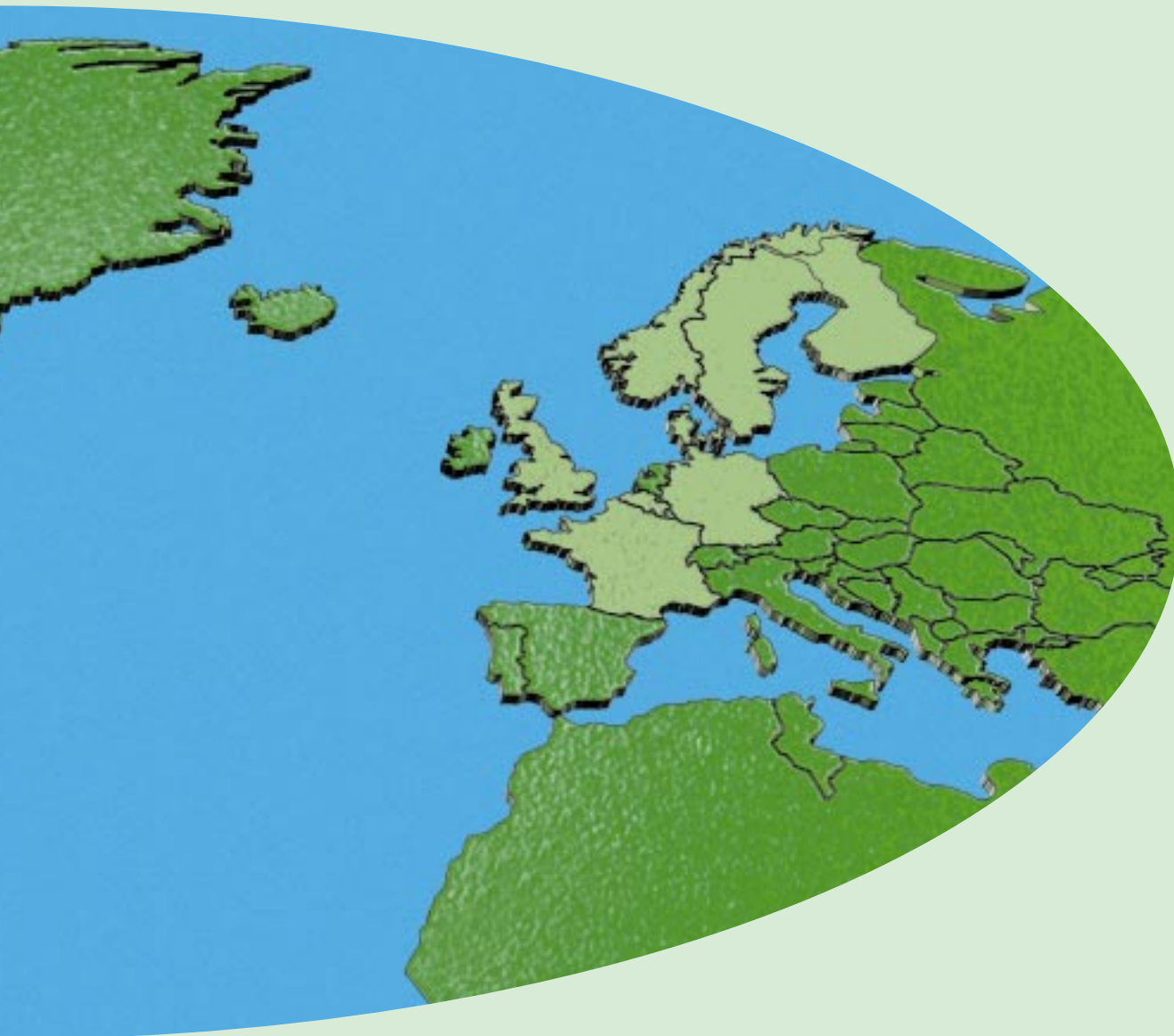
Denmark
Icopal a/s
Founded in 1876
Limited company 1912

Turnover,
DKK 756 million
Employees 740
Factories 12
Offices 11



United Kingdom
D. Anderson & Son Ltd.
Founded in 1849
Limited company 1990

Turnover,
DKK 213 million
Employees 135
Factories 1
Offices 2



Germany
Icopal GmbH
 Founded in 1969

Turnover,
 DKK 276 million
 Employees 154
 Factories 3
 Offices 6



Belgium
Polytuil S.A.
 Founded in 1978

Turnover,
 DKK 126 million
 Employees 109
 Factories 1
 Offices 4



France
Siplast S.A.
 Founded in 1955

Turnover,
 DKK 659 million
 Employees 399
 Factories 2
 Offices 8



U.S.A.
Siplast Inc.
 Founded in 1979

Turnover,
 DKK 354 million
 Employees 128
 Factories 1
 Offices 4

Principal products

| Principal products by business area and country | Finland | Norway | Sweden | Denmark | United Kingdom | Germany | Belgium | France | U.S.A. |
|---|---------|--------|--------|---------|----------------|---------|---------|--------|--------|
| ROOFING | | | | | | | | | |
| Products | | | | | | | | | |
| Roofing felt | ■ | ■ | ■ | ■ | ■ | ■ | | ■ | ■ |
| Plastic roof panels | ■ | | ■ | ■ | | | | | |
| Liquid asphalt products | ■ | ■ | ■ | ■ | ■ | ■ | | ■ | ■ |
| Shingles | ■ | ■ | ■ | ■ | | ■ | | ■ | ■ |
| Steel roof tiles | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | |
| Membranes for roof gardens | ■ | ■ | ■ | ■ | | ■ | | ■ | ■ |
| Gutters | ■ | ■ | ■ | ■ | | | | | |
| Roof windows | | | | | | | | ■ | |
| Skylights | | | ■ | | ■ | | | | |
| Chimney pipes | ■ | ■ | | | | | | | |
| Fire ventilation | | | ■ | | | | | | |
| Slate, granules and filler | | ■ | ■ | | | | | | |
| Light weight-concrete insulation | | | | | | | | | ■ |
| Underroofs | ■ | ■ | ■ | ■ | ■ | ■ | | ■ | |
| Moisture, wind and vapour barriers | ■ | ■ | ■ | ■ | ■ | ■ | | ■ | |
| Sound damping materials for floors and walls | ■ | | | ■ | | ■ | | ■ | |
| Foundation panels | ■ | ■ | ■ | ■ | | | | ■ | |
| Membranes for civil engineering | ■ | ■ | ■ | ■ | ■ | ■ | | ■ | ■ |
| Refractory for blast furnaces | | | | | | ■ | | | |
| Contracts | | | | | | | | | |
| Roofing | ■ | ■ | ■ | ■ | | | | | |
| Facades | ■ | | | ■ | | | | | |
| Civil engineering water proofing | ■ | ■ | ■ | ■ | | | | | |
| ROADS | | | | | | | | | |
| Products | | | | | | | | | |
| Asphalt road surfacing materials | | ■ | | ■ | | | | | |
| Contracts | | | | | | | | | |
| Roads and grounds | | ■ | | ■ | | | | | |
| Bridge insulation and surfacing | | | | ■ | | | | | |
| Surfaces for sports grounds | | | | ■ | | | | | |
| Industrial floors | | | | ■ | | | | | |
| PLASTIC FILMS | | | | | | | | | |
| Carrier bags and plastic sacks | | ■ | | | | | | | |
| Construction films | | ■ | ■ | | | | | | |
| Agricultural- and industrial films | | ■ | | | | | | | |
| PLASTIC PIPES | | | | | | | | | |
| Storm water sewer | | ■ | | | | | | | |
| Drainage pipes | | ■ | | | | | | | |
| Pressure pipes | | ■ | | | | | | | |
| Gas pipes | | ■ | | | | | | | |
| Sewer pipes | | ■ | | | | | | | |

Principal products



Decra steel roof tiles



Icopal Softstep
parquet underlay



Icopal gutters



Icopal roofing felt



Icopal PEH-pressure pipes

Icopal foundation panels



Icopal plastic film



Icopal liquid asphalt

Hygrodiode
vapour barrier



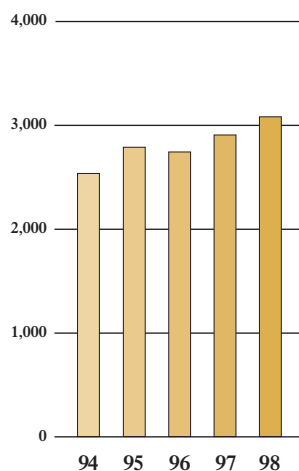
Fastlock Single plastic roof panels



Siplast S.A. has delivered 20,000 square meters of Parafor Ponts, Paraforix and Teranap for the annexe stadium, a training area close to the new "Stade de France".

Turnover

DKK in millions



Roofing materials and roofing contracts make up the Group's main business area. Sales in 1998 totalled DKK 3,098 million, equivalent to 75% of Group turnover.

The Icopal Group is one of the world's largest producers of roofing felts with production at 11 of the 20 factories of the business area in the Nordic countries, the United Kingdom, Germany, Belgium, France and the United States of America. Further, the Group has sales companies and sales offices in a number of countries.

In the Nordic countries, there are Group subsidiaries which undertake roofing contracts.

The product range includes roofing felts, shingles, under-roofs, roof lights, guttering, steel and plastic roof panels and sound-damping products for floors and walls.

The Group possesses substantial research and development resources, particularly in Denmark and France. The financial basis for the development of niche products is provided by the very large customer base.



Management
Pekka Heusala

Roofing / Finland

Profiled roofing on 7,000 m² of roof at a housing exhibition in Rovaniemi, Finland.



Icopal oy

After the completion and commissioning of a new roofing-felt production line, the company achieved its highest-ever levels of production and sales. The sales increases were on the home market and neighbouring export markets, while exports to the Far East came to a stop. Nevertheless, profits did not fully live up to expectations because of a negative trend in prices and running-in costs associated with the new production line.

The roof-contracting companies achieved a healthy profit increase, however. This was further improved following the acquisition on 31st August 1998 of 50% of the shares in the roof-contracting company Rovakate oy which, apart from its activities in Finland, is also represented in Russia and Estonia.

1999:

Continued growth of the Finnish economy is expected in 1999, though somewhat lower than in 1998. A cautious optimistic view is therefore taken of the domestic

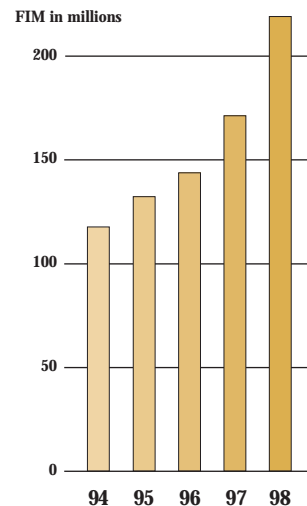
market, while export prospects are more uncertain.

Turnover is expected to be higher as a result of the acquisition of Rovakate and profit is forecast to be at the 1998 level.

Icopal roofed Tampere Hall.



Turnover





Management
Narve Ludvigsen

Icopal as

In the first half of 1998, sales of roofing products and other building materials were on a par with the same period in 1997. However, as a result of the decline in construction activity during the second half year as a result of the falling price of oil, sharply increased interest rates and a weaker Norwegian krone, turnover and profit for the year as a whole were somewhat lower than in the previous year. Sales of Decra steel roof tiles and the

foundation plates manufactured by the associated company Oldroyd Systemer A/S were on an upward trend throughout the year.

Comprehensive improvements were undertaken of, among other things, the cooling plant and control system on the largest roofing line and of the mixer plant on the second line.

The roof-contracting companies enjoyed a strong in-flow of orders throughout the year. In spite of relatively long periods of poor weather and a shortage of roofers, the companies achieved a healthy increase in turnover and a very satisfactory level of

profit. Icopal as acquired 68% of the shares in the roof-contracting company Lettbyggteknikk AS, Bodø, on 1 January 1998.

A new office and warehouse are under construction in Stavanger for the IcopalTak Vest contracting company.

1999:

Given the uncertainty over the trend in the Norwegian construction industry, turnover is at best expected to be on a par with the previous year, while a lower profit is forecast. Icopal as acquired the roof-contracting company Fløysandtak AS, Bergen, on 1 January 1999.

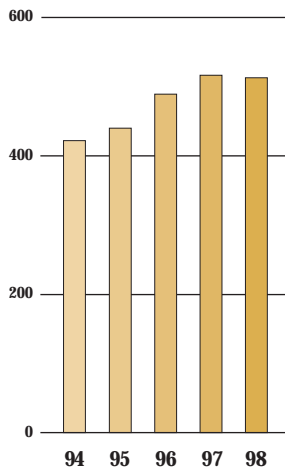
Icopal undertook this arched roofing for Molde Football Club's new stadium.



This fascinating 6,000-m² roof on the Volkswagen exhibition building in Stavanger was surfaced by Icopal.

Turnover

NOK in millions





Icopal ab

In spite of a difficult market situation, 1998 was a positive year for Icopal ab, which achieved increased turnover in all business areas. However, there was not an equivalent increase in profit because of non-recurring expenses in connection, among other things, with new computing systems.

In products, Icopal ab launched Icopal Universal / Special foundation plates. In addition the company's product for insulating bridges was approved by the authorities.

Investment was made in a new information centre at the Malmö roofing-felt factory.

At the beginning of the year, Icopal ab purchased Brave System AB, which manufactures fire ventilators. These ventilators remove smoke in the event of a fire.

The roof-contracting company had a good year, with significant increases in both sales and profit.

Grassed roofs were added to this residential property in Angered during rebuilding work. The underlay is Icopal membrane insulation.



Schools and other centres for children in the municipality of Vrsynow, in Poland have Icopal felts on their roofs.

The Polish subsidiary continues to expand its activities.



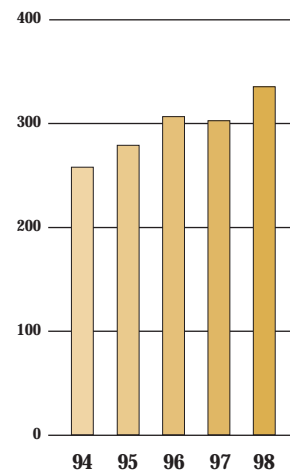
1999:

Increases in both turnover and profit are forecast for 1999.

On 1 January 1999, Icopal ab purchased the shares in Wijo AB, which manufactures plastic-coated guttering. Icopal also took over the roof-contracting company HBJ Montage, Helsingborg, on 1.1.1999.

Turnover

SEK in millions





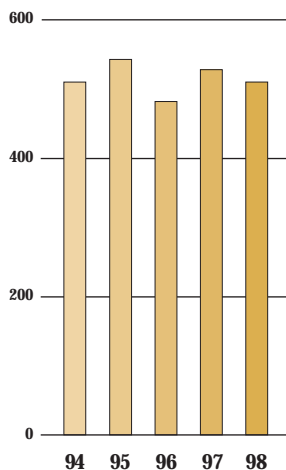
Icopal was given the roofing contract for Kolding Biler's new car showroom.

Icopal a/s

Turnover in 1998 was on a par with the previous year's, but the level of profit was lower. This decline is primarily attributable to the lower level of construction activity, which began with a nationwide strike in the spring, followed by the introduction of new financial measures by the government.

Turnover

DKK in millions



However, the profit achieved from the sale of products and from roof-contracting activities was very satisfactory.

A major reconstruction project was begun at the Ikast factory at the end of 1998. The objectives are to increase production capacity and to improve efficiency. The reconstruction is expected to be completed in early 1999.

There has also been an expansion of production capacity for a number of special products in the roof-underlay, damp-proofing and floor-underlay categories.

The roof-contracting companies Icopal Tagentreprise Sjælland a/s and Icopal Tagentreprise Øst a/s

were merged on 1 January 1998. As a result, nationwide roof-contracting activities are now undertaken by four companies.

1999:

Declines in both new construction and renovation are forecast for 1999. Overall, therefore, a slight reduction in turnover and a somewhat lower profit than in 1998 are forecast.



This farm's roof has been completely renovated with red Decra.



This renovation work at Manchester University involved the replacement of 1,600 m² of flat roofing. The Anderson Profile system, which consists of a vapour barrier, insulation, underlay and top felt, was used.

D. Anderson & Son Ltd.

D. Anderson & Son Ltd. has achieved a significant rise in turnover in a stagnating market. The increase is primarily attributable to the new Builders Merchant Division, and to the continued growth in sales of high quality bituminous membranes.

Operating profit for the year is also significantly higher than in 1997.

The company's most important investment during the year has been in a new computer software system. In addition, a new computer control system for

the factory's polymer plant mixer has been installed.

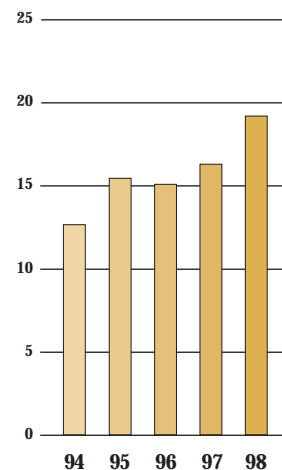
1999:

D. Anderson & Son Ltd. plans to introduce a new torching membrane and a new unique competitive insulation system.

Although the economic climate in the UK is uncertain, increases in both turnover and operating profit are forecast for 1999.

Turnover

GBP in millions





This beautiful house has a black Decra roof.

Icopal roofing felt was used to renovate the roof at the Tihange nuclear power station in Belgium.

Icopal GmbH

Growth of the German economy was at a lower rate than expected during 1998 and there was a slow-down in construction activity. There were sharp falls in the price of standard roofing felts throughout the year. This, combined with lower volume, resulted in large decreases in sales in the roofing-felt sector.

Icopal maintained its high-quality policy with stable selling prices and experienced lower sales both on the domestic market and in Belgium and the Czech Republic. There was however an increase in the Netherlands. Sales of Decra steel roof tiles were at the same level as in 1997.

Operating profit for the year was somewhat lower than in the previous year.

The company's range of self-adhesive roofing felts was further developed and significantly

improved during the year.

The production hall at the Werne factory was modernised and one of the roofing-felt machine sections was renewed. The office building at Saarwellingen was modernised.

Feumas GmbH achieved increases in both sales and profit.

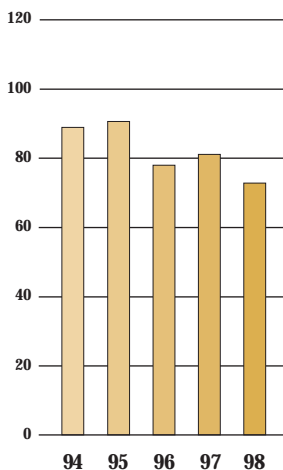
Towards the end of the year, the sales organisation in Polytuil's German subsidiary was integrated with Icopal's Decra organisation, since when all sales of the Decra roofing system in Germany have been undertaken by Icopal.

1999:

The German construction industry will have a difficult year in 1999. Nevertheless, with its strong product programme and a significantly larger Decra sales organisation, Icopal expects both turnover and profit to be slightly higher than in 1998.

Turnover

DEM in millions





Management
Mouloud Daou

Roofing / Belgium

Polytuil SA

Polytuil SA, which has subsidiaries in France and the Netherlands as well as jointly owning Decra Roof Systems (UK) Ltd. in the UK with Decra A/S, was taken over on 1st April 1998. As a consequence, the



Polytuil's factory and administration building at Herstal, Belgium.

The roofs of this exciting building are of black Decra.



Icopal Group is now the sole European producer of stone-chip surfaced steel roof tiles sold under the Decra name. Substantial positive synergy has resulted from the gathering of the Decra activities in Icopal Group, evidenced in improved raw-materials purchasing, more efficient distribution and increased effectiveness through the exchange of technology and experience.

Total sales in the period since the take-over have been better than expected, which is attributable to higher sales in the UK, Germany, Holland and Spain.

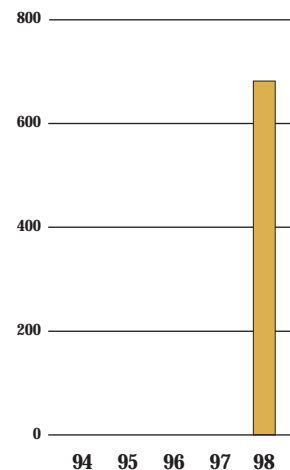
There was, however a decline in sales in the Belgian and Italian markets. Operating profit was also higher than forecast.

1999

Turnover from Decra activities in the Polytuil companies and the Group's other companies is expected to be higher than in 1998. An improvement in profit is also forecast.

Turnover*

BEF in millions



* Incl. turnover in Decra Roof Systems (UK) Ltd.



The green terrace at this school in Angers, France, has 20,000 plants. Siplast's roofing system was chosen on aesthetic, ecological and acoustical grounds.

Siplast SA

The upturn in the French economy has yet to have an impact on the roofing-felt market and Siplast experienced a decline in turnover in 1998.

In addition, sales in export markets were affected by the economic crises in Asia and eastern Europe. Among the consequences of these developments was the closure of the Singapore office at the end of the year.

A reduction in fixed costs was insufficient to compensate for the reduction in sales, and the 1998 operating profit was therefore much lower than in 1997.

Organisational adjustments and cost savings have been continued.

The largest investment during the year was the installation of a further fire protection system at the Mondoubleau factory.

The roof of the French Nautical Club's building at Neuilly has been covered with a copper-surfaced felt.



Welding bitumen membrane.

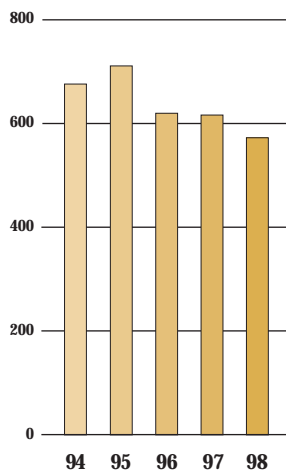
1999:

A degree of improvement in construction activity is in prospect for 1999, leading to a modest increase in turnover.

However, due to major expenditure in connection with new computing systems a profit on a par with that of 1998 is expected.

Turnover

FRF in millions





Management
Gregory Faherty

Roofing / U.S.A.



More than one million square feet of Siplast Teranap geomembrane were used to repair the California Aqueduct.

Siplast Inc.

In the American market, the positive trend of recent years continued in 1998. Siplast Inc. experienced significant increases in both turnover and operating profit in comparison with 1997.

In addition to the general market-related upturn, Siplast is continuing to steer sales towards products that ensure improved

installation through welding or the use of cold adhesive.

In 1998, as a result of a very large order for the California Aqueduct project, there were particularly large sales of Teranap, an asphalt-based geomembrane.

The turnover of the Canadian sales company was on a par with the 1997 figure.

1999:

Economic growth will remain positive, but not at the same levels experienced in 1998. Siplast therefore is projecting yet another good year, but it will be difficult to match the record profit achieved in 1998.

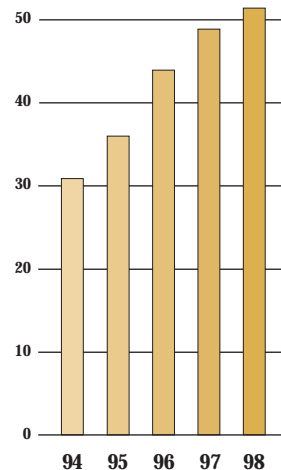
Construction on a new corporate office for Siplast Inc. in Dallas will begin by 1 April. Occupancy is scheduled for 1 December 1999.

The roof of Clark County's municipal building in Nevada has been covered with Siplast's lightweight insulation system and surfaced with Paradiene roofing felt.



Turnover

USD in millions



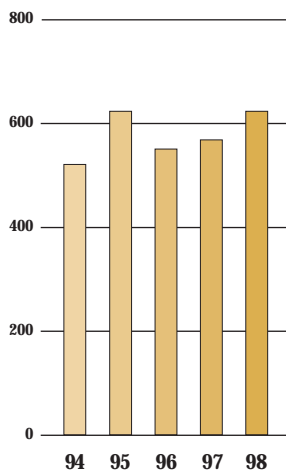


Collection of asphalt from a production plant.

Road materials and road surfacing are the Group's second largest business area. Sales totalled DKK 626 million in 1998, equivalent to 15% of Group turnover.

Turnover

DKK in millions



Road surfacing materials are produced at 28 asphalt plants in Norway and Denmark. In addition, a number of mobile asphalt plants produce hot and cold asphalt materials.

Asphalt is the main material for both new roads and repair work. A very large proportion of asphalt surfacing is recycled.

Road surfacing is not the only activity area of the Roads Division. A special department in Denmark undertakes the damp-proofing of bridges and lays artificial-turf surfaces for tennis courts, football fields etc.



Asphalt production plant.



Management
Arne Frank Johansen

Icopal as

Turnover was higher than last year, following the acquisition of 50% of the shares in Nordasfalt AS and the production plant of Sørreisa Asfalt. However, because of an intensification of competition and poor weather conditions for long periods during the year, profit was slightly down from the 1997 level.

There was lively activity in the production of gravel and stone materials for the construction and civil-engineering sector.

A new asphalt works at Tromsø was taken into use in spring 1998, further strengthening the company's position in northern Norway.

1999:

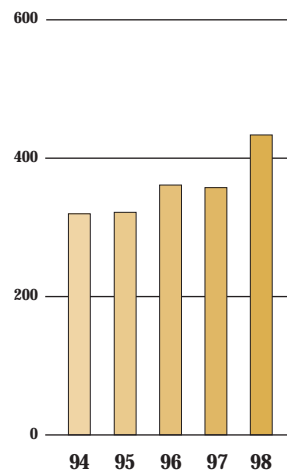
With only a marginal increase in the allocation of funds to improvement of the road network and a continuation of tough price competition in prospect, higher turnover is not forecast for 1999. However, a certain improvement in profit is expected as the result of cost reductions.

Icopal has carried out a major asphalting contract on the E6 European motor road north of Oslo. A total of approx. 12,000 tons of asphalt were laid over two weekends.



Turnover

NOK in millions





Icopal's Roads Division has bought the rights to the American product "Street Print", which is used to pattern asphalt.

Icopal a/s

The overall market for asphalt was significantly lower than in 1997 and the poor weather in the last three months of the year meant that production conditions were particularly difficult during that period.

In spite of the negative trend in the market, the Roads Division managed to maintain turnover at the 1997 level and to improve its level of profit. This is primarily attributable to increased efficiency, as well as to an improvement in price levels.

The year's most interesting project has been the introduction of thin-layer surfacing, which is applied with an entirely new machine. Apart from laying a top surface of high quality, this

method has the additional benefit of great flexibility, and it can be applied under difficult weather conditions.

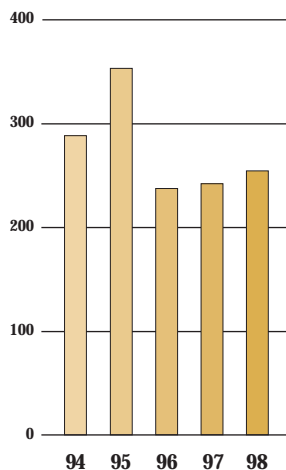
1999:

The Roads Division expects a modest decline in prices in 1999, slightly lower production and, as a consequence a somewhat lower turnover and result than in 1998.

In 1999, a functional tender system is expected to be adopted by the authorities, in the first instance on an experimental basis. As the name implies, certain requirements will be defined and the contractor will be responsible for ensuring that the road meets those requirements for a period of typically 10-15 years.

Turnover

DKK in millions





The Group's production of plastic films is undertaken by Norfolier, Norway's largest producer of plastic films. A substantial proportion is exported.

There are three factories and the most important products are carrier bags, sacks and films for construction, agriculture and manufacturing industry. Waste sacks and carrier bags are produced from reclaimed plastic and all Norfolier's products can be recycled.

The business area's sales were DKK 252 million in 1998 equivalent to 6% of Group turnover.

Norfolier as & Co.

The volume of plastic film sold was larger than in 1997, particularly in the construction and agricultural product groups. One of the factors contributing to the increase was the falling value of the Norwegian krone, which has improved the competitive situation in relation to most foreign-based competitors. There was a significant improvement in profit compared with 1997.



A printing machine for plastic carrier bags.

During the year, investment was made in a new extruder and a welding machine for carrier bags, an extruder line for waste sacks and new offices at the Lillestrøm factory.

1999:

Only a marginal improvement in turnover is forecast for 1999 and profit is expected to be a little lower than in 1998.

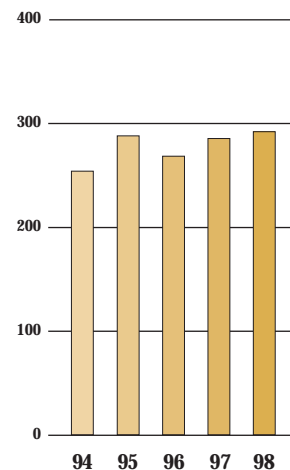
Because Norfolier's production capacity is fully utilised in certain areas, significant investments are planned to expand capacity.

Plastic carrier bags are an important element in Norfolier's product programme.



Turnover

NOK in millions





Management
Morten Vollan



Surface-drainage pipes.

The Group's fourth business area is the manufacture of plastic pipes. Sales totalled DKK 159 million in 1998, equivalent to 4% of Group turnover.

Plastic pipes are manufactured at three factories in Norway,

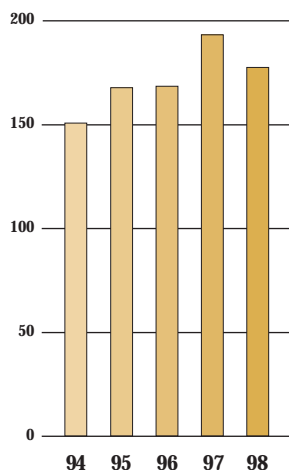
where Icopal is the second largest company in the sector.

The main products are construction pipes, drainage pipes, pressure pipes and cable conduits.

pipes is currently being installed. Production capacity has been expanded for PVC pipes and two injection-moulding machines for the manufacture of pipe components have been installed at the Drangedal factory.

Turnover

NOK in millions



Icopal as

The market for plastic pipes, which has expanded steadily for the past three years, contracted during the second half of 1998. In addition, increased competition in certain product areas resulted in a reduction in prices. As a result, turnover was lower than in 1997. The level of profit was also somewhat lower than in 1997.

Substantial investments were made in the production facilities at Høland. A production line for small surface-water pipes was installed and a production line for very large surface-water

1999:

There is great uncertainty surrounding market trends in 1999. Several factors point to a further contraction of the Norwegian market. However, overall, as a result of the take-over of Arot, substantial increases are forecast in both sales and profit.

On 15 February 1999, Icopal as purchased the Swedish plastic-pipes company AB Arot, which manufactures pipes and pipe components for the cable-conduit market. Arot has production in Sweden and Poland and is also represented in the Czech Republic, Norway and Denmark.

Liquidity

The development in liquid funds and securities, interest-bearing debt and net liquidity is shown on the graph. Figures at the end of the month have been used.

Net liquidity of the Group was highest in January at DKK 897 million and lowest in May at DKK 438 million. In average, the Group had a net liquidity of DKK 567 million.

Compared to last year the development in liquidity has been influenced by higher dividend payments and the acquisition of Polytuil S.A. in April and also by the parent company's purchase of its own shares in October.

Net liquidity has entailed a net interest income of DKK 30 million. Liquid funds have primarily been placed in Denmark, United Kingdom, France and the USA. During the year some of the liquid funds in United Kingdom and France have been invested in bonds with high rating and low duration. Other liquid funds in subsidiaries have

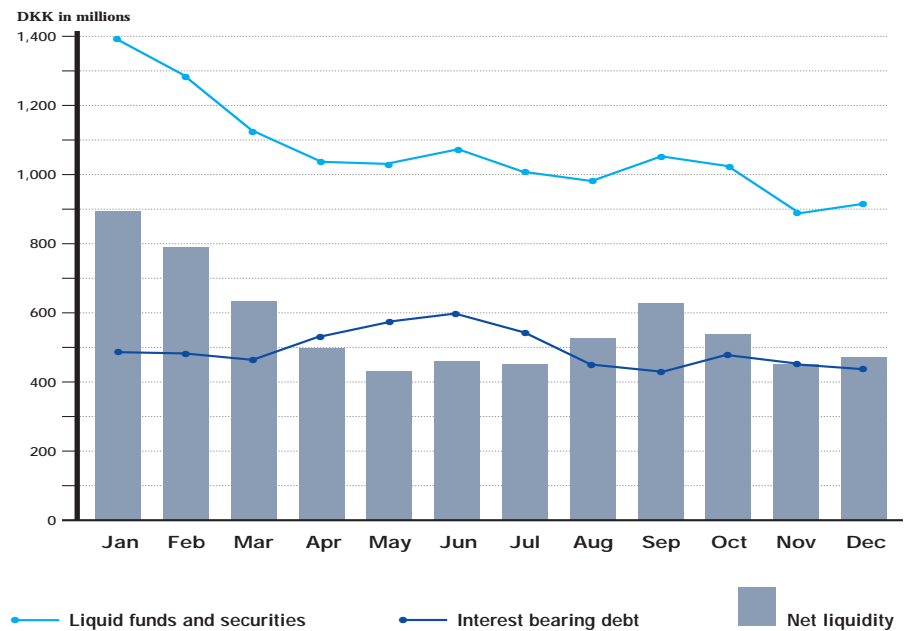
been placed as money market deposits in banks or as loans to the parent company. The parent company has also acted as an internal bank for those subsidiaries who needed to raise loans.

In the parent company securi-

ties almost exclusively have been placed in Danish convertible mortgage bonds with high coupon rates.

In 1998 the main part of the Group's interest bearing debt had floating interest rates.

Liquidity 1998



Raw materials

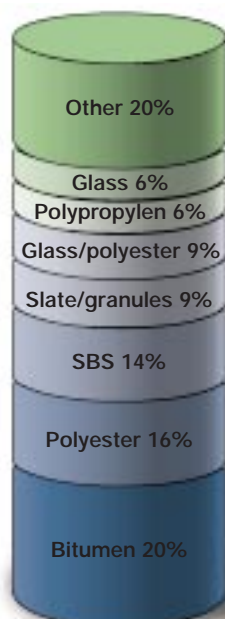
The most important raw materials' share of the principal products of the Group, measured by value, are shown in the figures at the right.

Generally, in the production of roofing felt raw material prices have declined a little. The prices of SBS polymer and bitumen have decreased which is partly counterbalanced by a minor increase in the prices of polyester.

Raw materials used in road asphalt have been on the same price level as in 1997.

In both plastic divisions there was a decrease in almost all raw material prices compared to 1997.

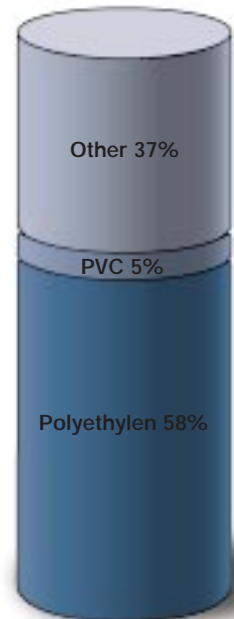
Roofing felt



Road asphalt



Plastic Films and Pipes



Accounting practice

The annual accounts are presented in accordance with the accounting provisions in Danish legislation and currently applicable accounting guidelines.

The accounting practices are identical for parent company and consolidated subsidiaries and remain unchanged from last year.

Consolidation

The consolidated accounts comprise Icopal a/s and companies in which Icopal a/s, directly or indirectly, has a controlling influence.

The consolidated accounts are prepared on the basis of the accounts for Icopal a/s and its subsidiaries by consolidating accounting items with identical content and thereafter eliminating internal income and expenditure posts, internal shareholdings and receivables, as well as internal Group profits on inventory and tangible fixed assets.

Goodwill on the acquisition of activities is calculated as the difference between purchase price and the acquired company's book value at the time of purchase after any adjustment of the value of assets and liabilities that may prove necessary. In the case of major strategic acquisitions outside the Group's existing operational entities, goodwill is written down against equity capital during the year of purchase. For purchases within existing operational units, goodwill is activated and depreciated in the profit and loss account over the expected life - usually five years and at most 10 years.

Newly acquired and sold companies are included in the profit and loss account during the period of ownership. Comparative figures are not corrected for newly acquired and sold companies.

Currency conversion

The profit and loss accounts of foreign subsidiaries are converted to Danish kroner using periodic average exchange rates, while the balance sheet is converted using rounded closing rates.

In the consolidation of foreign subsidiaries, the balance sheet at 1 January 1998 has been converted using rounded closing rates, as stated in note 18. The profit and loss account and cash flow analysis are thereafter based on the recalculated opening balance. The net effect of recalculating the opening balance and the profit and loss account from average exchange rate to rounded closing rate is booked under equity capital.

The same applies for currency adjustments in connection with long-term loans from the parent company and dispositions that are considered as hedging for investments in subsidiaries. The comparative figures for 1997 are unchanged from the figures given in the 1997 annual report and accounts.

Turnover

Contracting work is included on completion. Sale of goods is included when invoiced. Net turnover also includes fees and royalties receivable. Cash discounts are set off against turnover.

Tax

Tax in the profit and loss account comprises corporation tax and dividend tax. Deferred tax is stated under contingencies in the notes.

The parent company is jointly taxed with a number of the subsidiaries. Tax regarding the consolidated taxable income has been provided for in the parent company.

Tangible fixed assets

Tangible fixed assets are stated at cost after addition of revaluation and improvements and deduction of accumulated depreciation. Depreciation is calculated on a straight-line basis over the following useful lives:

| | |
|--|----------|
| EDP equipment, other equipment and furniture | 5 years |
| Mobile plant and vehicles | 7 years |
| Other plant and machinery | 10 years |
| Buildings | 50 years |

Depreciation for an entire year is made in the year of acquisition. Investments under DKK 50,000 are expensed in the year of acquisition. Research and development costs are charged as an expense in the year in which they are incurred.

Financial fixed assets

In the parent company's balance sheet, shares in subsidiaries are booked according to the equity method. Thus, these are entered in the balance sheet at the book value of the equity capital less unrealised intra-group profits. The after-tax results of subsidiaries are included in the parent company's profit and loss account.

Partnerships are included in the parent company's accounts and the con-

solidated accounts in proportion to the shares held. Sales to partners are not included in turnover.

Other capital interests, including investments in associated companies are recorded at the lower of acquisition price and market value.

Own shares are valued at purchase price and an equivalent amount is provided under equity capital as a reserve relating to own shares.

Stocks

Raw materials, consumables and merchandise are stated at purchase price according to the FIFO formula.

Finished goods manufactured by Group companies are booked at the direct variable costs involved, i.e. raw materials and packaging, as well as energy consumption in manufacturing processes where this is a significant charge.

Obsolete and slow-moving stocks are depreciated to their expected value on realisation.

Contracting work in progress

Contracting work in progress is booked at direct variable costs less amounts invoiced on account.

Trade debtors

Accounts receivable are booked at nominal value with deduction of provisions to meet losses. These provisions are made on the basis of an individual assessment of the accounts concerned.

Bonds, securities etc.

Current investments in securities are booked at the lowest of acquisition and market value on the balance sheet date. Interest accrued but not due is included.

Capital and reserves

Consolidated capital and reserves are calculated as the total book value of net assets of the consolidated companies less intra-group shareholdings and unrealised profits. Dividends for 1998 from subsidiary companies are not accounted for.

Provisions

Pension schemes not covered by insurance are stated as pension obligations in the balance sheet.

Guarantees are provided for based on empirical figures.

Profit and loss account

| Parent company | | | Group | |
|----------------|--------------|-------|--------------|--------------|
| 1998 | 1997 | Notes | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | DKK in mill. | DKK in mill. |
| 592 | 579 | | 4,135 | 3,970 |
| -7 | 3 | | -30 | -1 |
| 11 | 13 | 1 | 14 | 12 |
| | | | 4,119 | 3,981 |
| 279 | 287 | | 1,948 | 1,912 |
| 105 | 99 | 2 | 715 | 675 |
| | | | 1,456 | 1,394 |
| 136 | 131 | 3 | 1,029 | 958 |
| 19 | 20 | 4 | 122 | 116 |
| - | 2 | | 24 | 15 |
| - | - | | 3 | 2 |
| 57 | 56 | | 278 | 303 |
| 152 | 183 | 10 | - | - |
| 58 | 57 | 5 | 85 | 95 |
| 29 | 34 | | 46 | 52 |
| | | | 317 | 346 |
| 30 | 29 | 8 | 107 | 115 |
| | | | 210 | 231 |
| 1 | 5 | 6 | 1 | 12 |
| 1 | 6 | 7 | 1 | 13 |
| - | -1 | 8 | - | -3 |
| | | | 210 | 233 |
| - | - | | 2 | - |
| | | | 208 | 233 |
| | | | 208 | 233 |

Balance sheet

| Parent company | | Assets at 31 December | | Group | |
|----------------|--------------|-----------------------|-----------------------------------|--------------|--------------|
| 1998 | 1997 | Notes | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | | DKK in mill. | DKK in mill. |
| - | - | 9 | Intangible fixed assets | 28 | 7 |
| 43 | 43 | | Land and buildings | 385 | 393 |
| 73 | 71 | | Plant and machinery | 331 | 324 |
| 11 | 10 | | Vehicles, equipment and furniture | 85 | 80 |
| 11 | 4 | | Assets in course of construction | 58 | 22 |
| 138 | 128 | 9 | Tangible fixed assets | 859 | 819 |
| 1,455 | 1,470 | | Shares in subsidiaries | - | - |
| 156 | 95 | | Amounts owed by subsidiaries | - | - |
| 1 | 1 | | Shares in associated companies | 3 | 8 |
| - | - | | Other investments | 6 | 4 |
| - | - | | Other loans | 19 | 24 |
| 250 | - | | Own shares | 250 | - |
| 1,862 | 1,566 | 10 | Financial fixed assets | 278 | 36 |
| 2,000 | 1,694 | | Total fixed assets | 1,165 | 862 |
| 20 | 22 | | Raw materials and consumables | 169 | 135 |
| 26 | 25 | | Finished goods and merchandise | 236 | 220 |
| 46 | 47 | | Stocks | 405 | 355 |
| 41 | 45 | | Trade debtors | 569 | 562 |
| 67 | 33 | | Amounts owed by subsidiaries | - | - |
| 29 | 3 | | Other debtors | 83 | 53 |
| 137 | 81 | | Debtors | 652 | 615 |
| 256 | 711 | 11 | Bonds, securities etc. | 568 | 1,204 |
| 12 | 24 | | Cash at bank and in hand | 340 | 219 |
| 451 | 863 | | Total current assets | 1,965 | 2,393 |
| 2,451 | 2,557 | | Total assets | 3,130 | 3,255 |

Balance sheet

| Parent company | | Liabilities at 31 December | | Group | |
|----------------|--------------|----------------------------|--|--------------|--------------|
| 1998 | 1997 | Notes | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | | DKK in mill. | DKK in mill. |
| 205 | 205 | | Share capital | 205 | 205 |
| 1,668 | 1,658 | | Other reserves | 1,668 | 1,658 |
| 1,873 | 1,863 | 12 | Capital and reserves | 1,873 | 1,863 |
| - | - | | Minority interests | 3 | - |
| 1 | 1 | | Pension obligations | 47 | 43 |
| 18 | 22 | | Guarantees | 127 | 124 |
| 8 | 8 | 13 | Other provisions | 17 | 17 |
| 27 | 31 | | Provisions | 191 | 184 |
| 284 | 400 | | Financial institutions, non-current portion | 373 | 501 |
| 14 | 19 | | Financial institutions, current portion | 17 | 8 |
| 28 | 4 | | Bank overdrafts | 42 | 7 |
| 326 | 423 | | Interest-bearing debt | 432 | 516 |
| -19 | -26 | | Work in progress | -105 | -128 |
| 32 | 39 | | Invoiced on account | 140 | 168 |
| 39 | 39 | | Trade creditors | 227 | 248 |
| 41 | 45 | | Amounts owed to subsidiaries | - | - |
| - | - | | Corporation tax | 33 | 59 |
| 40 | 40 | | Other creditors | 244 | 242 |
| 92 | 103 | | Dividend | 92 | 103 |
| 225 | 240 | | Passive debt | 631 | 692 |
| 551 | 663 | 14 | Total creditors | 1,063 | 1,208 |
| 2,451 | 2,557 | | Total liabilities | 3,130 | 3,255 |
| | | 15-17 | Secured liabilities, contractual commitments and contingencies | | |
| | | 18 | Conversion rates | | |

Cash flow statement

| Notes | Group | |
|---|----------------------|----------------------|
| | 1998 DKK in mill. | 1997 DKK in mill. |
| | 210 | 233 |
| Profit after tax | | |
| Provisions | 5 | 7 |
| Depreciation | 122 | 116 |
| Financial result | 337 | 356 |
| Debtors | 4 | 19 |
| Stocks | -37 | 12 |
| Passive debt ex dividend | -90 | 26 |
| Cash flow from operations | 214 | 413 |
| Purchase of fixed assets | 174 | 120 |
| Proceeds from sale of fixed assets | -11 | -33 |
| Financial investments | 250 | 15 |
| 19 Investments in companies | 132 | - |
| 19 Net liquidity in acquired companies | -19 | - |
| Net investments | 526 | 102 |
| Net loans | -80 | -42 |
| Minority interests | 1 | |
| Dividend | -103 | -51 |
| Cash flow from financing | -182 | -93 |
| Change in liquid funds and securities etc. | -494 | 218 |

Board of Directors and Management

Herlev, 11 March 1999

Board of Directors:

Alf Torp-Pedersen
chairman

Bent Pedersen

Poul Møller

Hans C. Andreasen

Palle Bisballe

Jan Lykke Hansen

Management:

Hans C. Andreasen
Managing Director

Steen Weywadt
Deputy Managing Director

Asger Laursen

Anders Buchwald

Auditors' Report

Auditors' Report

We have audited the financial statements, presented by the Board of Directors and the Management, of the group and the parent company, Icopal a/s, for the year ended 31/12 1998.

Basis of opinion

We have planned and conducted our audit in accordance with generally accepted auditing standards as applied in Denmark to obtain reasonable assurance that the financial statements are free from material misstatements. Based on an evaluation of materiality and risk, we have tested the basis and documentation for the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting policies applied and the accounting estimates made by the Board of Directors and the Management. In addition, we have evaluated the overall adequacy of the presentation in the financial statements.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements have been presented in accordance with the accounting provisions of Danish law and give a true and fair view of the company's and the group's assets and liabilities, financial position and profit for the year.

Copenhagen, 11 March 1999

Ernst & Young

Statsautoriseret Revisionsaktieselskab

Mortensen & Beierholm

Statsautoriseret Revisionsaktieselskab

Mogens Lundin
State Authorized Public Accountant

Henrik Barner Christiansen
State Authorized Public Accountant

Poul Østergaard Mortensen
State Authorized Public Accountant

Notes

1. Own work capitalized and other operating income

| Parent company | | | Group | |
|----------------|--------------|-----------------------|--------------|--------------|
| 1998 | 1997 | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | DKK in mill. | DKK in mill. |
| 11 | 13 | Rents receivable etc. | 12 | 11 |
| - | - | Own work capitalized | 2 | 1 |
| <u>11</u> | <u>13</u> | | <u>14</u> | <u>12</u> |

2. Fee to auditors elected by the general assembly

| Parent company | | |
|----------------|--------------|-----------------------|
| 1998 | 1997 | |
| DKK in mill. | DKK in mill. | |
| 0.3 | 0.3 | Audit |
| 0.1 | - | Ernst & Young |
| | | Mortensen & Beierholm |
| - | 0.1 | Other expenses |
| | | Ernst & Young |
| <u>0.4</u> | <u>0.4</u> | |

3. Wages, salaries, pensions etc.

| Parent company | | | Group | |
|----------------|--------------|--------------------------------|--------------|--------------|
| 1998 | 1997 | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | DKK in mill. | DKK in mill. |
| 129 | 125 | Wages and salaries | 782 | 734 |
| 3 | 3 | Pensions | 76 | 66 |
| 4 | 3 | Other social security payments | 171 | 158 |
| <u>136</u> | <u>131</u> | | <u>1,029</u> | <u>958</u> |

In the consolidated accounts wages and salaries, pensions, insurance and emoluments to directors and the management board of the parent company totalled DKK 1 million and DKK 8.5 million respectively.

| | | | | |
|------------|------------|-----------------------------|--------------|--------------|
| <u>434</u> | <u>434</u> | Average number of employees | <u>3,244</u> | <u>3,039</u> |
|------------|------------|-----------------------------|--------------|--------------|

4. Depreciation

| Parent company | | | Group | |
|----------------|--------------|-----------------------------------|--------------|--------------|
| 1998 | 1997 | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | DKK in mill. | DKK in mill. |
| - | 1 | Intangible assets | 8 | 6 |
| 2 | 2 | Land and buildings | 13 | 12 |
| 16 | 14 | Plant and machinery | 78 | 75 |
| 3 | 3 | Vehicles, equipment and furniture | 26 | 24 |
| <u>21</u> | <u>20</u> | | <u>125</u> | <u>117</u> |
| -2 | -1 | Profit on disposals etc. | -5 | -3 |
| - | 1 | Loss on disposals etc. | 2 | 2 |
| <u>19</u> | <u>20</u> | | <u>122</u> | <u>116</u> |

5. Financial income

The financial income of the parent company includes interest income from subsidiaries to the amount of DKK 8 million. In 1997 the amount was DKK 10 million.

6. Extraordinary income

The Group's extraordinary income primarily consists of reversal of provision.

7. Extraordinary charges

The Group's extraordinary charges primarily consists of loss on disposal of premises and environmental expenses.

8. Tax

| Parent company | | | Group | |
|----------------|--------------|---------------------------------------|--------------|--------------|
| 1998 | 1997 | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | DKK in mill. | DKK in mill. |
| 32 | 28 | Tax on the year's profit | 111 | 113 |
| -2 | - | Adjustment relating to previous years | -4 | -1 |
| <u>30</u> | <u>28</u> | | <u>107</u> | <u>112</u> |

Corporation tax etc. paid by the parent company in 1998 amounted to DKK 28 million.

9. Intangible and tangible fixed assets

| Group | Intangible assets | Land and buildings | Plant and machinery | Vehicles, equipment and furniture | Assets in course of construction | Total |
|--|-------------------|--------------------|---------------------|-----------------------------------|----------------------------------|--------------|
| DKK in millions | | | | | | |
| Cost 1.1.1998 | 24 | 461 | 1,298 | 305 | 22 | 2,110 |
| Exchange rate adjustments | -2 | -23 | -74 | -14 | -1 | -114 |
| Additions | 3 | 9 | 91 | 34 | 37 | 174 |
| Disposals | -5 | -1 | -32 | -23 | | -61 |
| Additions due to investment in companies | 27 | 10 | 16 | 13 | | 66 |
| Cost 31.12.1998 | <u>47</u> | <u>456</u> | <u>1,299</u> | <u>315</u> | <u>58</u> | <u>2,175</u> |
| Revaluation 1.1.1998 | | 166 | 7 | 1 | | 174 |
| Revaluation 1998 | | -3 | -1 | -1 | | -5 |
| Revaluation 31.12.1998 | <u>-</u> | <u>163</u> | <u>6</u> | <u>0</u> | <u>-</u> | <u>169</u> |
| Depreciation 1.1.1998 | 17 | 234 | 981 | 226 | | 1,458 |
| Exchange rate adjustments | -1 | -10 | -59 | -12 | | -82 |
| Depreciation 1998 | 8 | 13 | 78 | 26 | | 125 |
| Disposals | -5 | -4 | -31 | -18 | | -58 |
| Additions due to investment in companies | | 1 | 5 | 8 | | 14 |
| Depreciation 31.12.1998 | <u>19</u> | <u>234</u> | <u>974</u> | <u>230</u> | <u>-</u> | <u>1,457</u> |
| Net book value 31.12.1998 | <u>28</u> | <u>385</u> | <u>331</u> | <u>85</u> | <u>58</u> | <u>887</u> |

Notes

9. Intangible and tangible fixed assets (continued)

| Parent company DKK in millions | Intangible assets | Land and buildings | In accordance with accounting provisions in Danish legislation (§2f) the Danish partnerships have not prepared annual reports. | | | Total |
|-----------------------------------|----------------------|-----------------------|---|---|--|-------|
| | | | Plant and machinery | Vehicles, equipment and furniture | Assets in course of construction | |
| Cost 1.1.1998 | 1 | 89 | 234 | 36 | 4 | 364 |
| Additions | | 2 | 17 | 5 | 7 | 31 |
| Disposals | | | -14 | -3 | | -17 |
| Cost 31.12.1998 | 1 | 91 | 237 | 38 | 11 | 378 |
| Depreciation 1.1.1998 | 1 | 46 | 163 | 26 | | 236 |
| Depreciation 1998 | | 2 | 16 | 3 | | 21 |
| Disposals | | | -15 | -2 | | -17 |
| Depreciation 31.12.1998 | 1 | 48 | 164 | 27 | - | 240 |
| Net book value 31.12.1998 | 0 | 43 | 73 | 11 | 11 | 138 |

Tax assessment of real property as at 1.1.1998 amounts to DKK 119 million. (DKK 115 million in 1997)

10. Financial fixed assets

| Parent company DKK in millions | Shares in subsidiaries | Amounts owed by subsidiaries | Shares in associated companies | Other invest- ments and other loans | Own shares | Total |
|-----------------------------------|---------------------------|------------------------------------|--------------------------------------|---|------------|-------|
| Cost 1.1.1998 | 1,349 | 95 | 1 | | | 1,445 |
| Additions | 93 | 61 | | | 250 | 404 |
| Disposals | | | | | | - |
| Cost 31.12.1998 | 1,442 | 156 | 1 | - | 250 | 1,849 |
| Revaluation 1.1.1998 | 121 | | | | | 121 |
| Net profit 1998 | 152 | | | | | 152 |
| Payment of dividend | -159 | | | | | -159 |
| Exchange rate adjustments | -58 | | | | | -58 |
| Goodwill write-down | -43 | | | | | -43 |
| Revaluation 31.12.1998 | 13 | - | - | - | - | 13 |
| Net book value 31.12.1998 | 1,455 | 156 | 1 | - | 250 | 1,862 |
| Group | | | | | | |
| Cost 1.1.1998 | | | 8 | 28 | | 36 |
| Additions | | | | | 250 | 250 |
| Disposals | | | -5 | -3 | | -8 |
| Cost 31.12.1998 | | | 3 | 25 | 250 | 278 |
| Net book value 31.12.1998 | | | 3 | 25 | 250 | 278 |

Associated companies:

| Name | Ownership |
|--|-----------|
| Garantiselskabet Dansk Tagdækning A/S, Denmark | 50% |
| Oldroyd Systems a/s , Norway | 34.8% |
| Moelven Grus AS, Norway | 50% |
| Folldal Gjenvinning as , Norway | 45% |
| Nordasfalt AS, Norway | 50% |

Partnerships etc.:

| Name | Ownership |
|--|-----------|
| VASA I/S, Denmark | 33.3% |
| Østjyllands Asfaltfabrik I/S, Denmark | 60% |
| Sønderjyllands Asfaltfabrik I/S, Denmark | 50% |
| Vildsund Asfaltfabrik I/S, Denmark | 50% |
| Viborg Asfaltfabrik I/S, Denmark | 50% |
| Dansk Vejrenovering I/S, Denmark | 50% |
| DAG Fræsning I/S, Denmark | 50% |
| Genfalt Nymølle I/S, Denmark | 20% |
| WUPPI A/S, Denmark | 20% |
| Martin Haraldstad, Norway | 50% |
| Isolitt as, Norway | 33.3% |
| Lørenskog Asfalt ANS, Norway | 50% |

10. Financial fixed assets (continued)

Subsidiaries:

| Name | Ownership | Name | Ownership |
|--|-----------|----------------------------------|-----------|
| Icopal oy, Finland | 100% | Rovakate oy, Finland | 50% |
| Icopal as, Norway | 100% | IcopalTak Øst as, Norway | 100% |
| Icopal ab, Sweden | 100% | IcopalTak Vest as, Norway | 100% |
| D. Anderson & Son Ltd., United Kingdom | 100% | IcopalTak Sør as, Norway | 100% |
| Icopal GmbH, Germany | 100% | IcopalTak Nord as, Norway | 100% |
| Siplast S.A., France | 100% | Norfolier as & co., Norway | 100% |
| Siplast Inc., USA | 100% | Lettbodygtekniikk AS, Norway | 68% |
| Polytuil S.A., Belgium | 100% | Icopal Poland Sp.zo.o, Poland | 100% |
| Decra Roof Systems (UK) Ltd., United Kingdom | 100% | Icopal Entreprenad AB, Sweden | 100% |
| Decra A/S, Denmark | 100% | Brave System AB, Sweden | 100% |
| Icopal Tagentreprise Nord a/s, Denmark | 100% | Feumas GmbH, Germany | 100% |
| Icopal Tagentreprise Midt a/s, Denmark | 100% | Icopal N.V., Belgium | 100% |
| Icopal Tagentreprise Syd & Fyn a/s, Denmark | 100% | Siplast S.r.l., Italy | 100% |
| Icopal Tagentreprise Øst a/s, Denmark | 100% | Siplast Espana S.L., Spain | 100% |
| Icopal Etelä-Suomi oy, Finland | 100% | Icopal A.G., Switzerland | 100% |
| Icopal Länsi-Suomi oy, Finland | 100% | Siplast Canada Inc., Canada | 100% |
| Icopal Keski-Suomi oy, Finland | 100% | Polytuil France S.A., France | 100% |
| Icopal Itä-Suomi oy, Finland | 100% | Polytuil Nederland SPRL, Holland | 100% |

11. Bonds, securities etc.

| Group | Current maturity average | Nominal value | Market value | Book value |
|---------------------------|--------------------------|---------------|--------------|------------|
| DKK in millions | | | | |
| Money market paper | | 208 | 208 | 208 |
| Bonds | | | | |
| Interest accrued | | 7 | 7 | 7 |
| Called bonds 1.1.1999 | | 30 | 30 | 30 |
| Bullet issues | 3.8 years | 103 | 108 | 107 |
| Convertible annuity loans | | | | |
| - Coupon rate 7% | 16 years | 93 | 95 | 95 |
| - Coupon rate 8% | 23 years | 41 | 42 | 42 |
| - Coupon rate 9% | 8 years | 66 | 69 | 69 |
| - Coupon rate 10% | 4 years | 10 | 10 | 10 |
| Total 31.12.1998 | | 558 | 569 | 568 |

12 Capital and reserves of parent company

| Parent company | Share capital | Premium on share issue | Reserves relating to own shares | Subsidiaries' reserves | Other reserves | Total |
|---------------------------------|---------------|------------------------|---------------------------------|------------------------|----------------|-------|
| DKK in millions | | | | | | |
| Capital and reserves 1.1.1998 | 205 | 249 | | 120 | 1,289 | 1,863 |
| Exchange rate adjustments | | | | -58 | -5 | -63 |
| Dividends from subsidiaries | | | | -159 | 159 | 0 |
| Profit for the year | | | | 152 | 56 | 208 |
| Dividend for the year | | | | | -92 | -92 |
| Reserves relating to own shares | | | 250 | | -250 | 0 |
| Goodwill write-down | | | | -43 | | -43 |
| Capital and reserves 31.12.1998 | 205 | 249 | 250 | 12 | 1,157 | 1,873 |

The share capital is made up for 10,250,000 shares of DKK 20.

The Group's equity is distributed on currencies by 32% in DKK, 21% in FRF, 18% in NOK and 29% in other currencies.

Notes

13 Other provisions

This item consists of provisions for environmental obligations that might occur.

14. Total creditors

| Parent company | | | Group | |
|----------------|--------------|----------------------------|--------------|--------------|
| 1998 | 1997 | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | DKK in mill. | DKK in mill. |
| | | The debt fall due | | |
| | | After more than five years | 71 | 84 |
| 284 | 400 | Between one and five years | 302 | 417 |
| 284 | 400 | Long-term debt | 373 | 501 |
| 267 | 263 | Short-term debt | 690 | 707 |
| 551 | 663 | Total creditors | 1,063 | 1,208 |

15. Secured liabilities

Group

The following security has been given for current liabilities of DKK 3 million and long-term debt of DKK 17 million:

| | |
|---|-----------------|
| Mortgages on real property and plant | DKK 33 million |
| Mortgages on stocks, debtors and securities | DKK 140 million |

On the Group's pension obligations security has been given in the form of mortgages on stocks, debtors etc. totalling DKK 20 million.

16. Contractual commitments

The Group's leasing obligations, all of which fall due within 5 years, amounted to DKK 18 million at 31.12.1998.

The Group's contractual obligations relating to investments in fixed assets amount to DKK 19 million and in the parent company DKK 8 million.

17. Contingencies

Contracts of guarantee amount to DKK 2 million for the Group. No other guarantees beyond the usual trade guarantees have been given.

Through their participation in partnerships, the Group and the parent company have provided joint surety amounting DKK 18 million, of which DKK 8 million is included in the balance sheet.

Deferred tax

| Parent company | | | Group | |
|----------------|--------------|--|--------------|--------------|
| 1998 | 1997 | | 1998 | 1997 |
| DKK in mill. | DKK in mill. | | DKK in mill. | DKK in mill. |
| | | Differences between financial and tax accounts | | |
| -3 | 1 | Stocks, work in progress and forward purchases | -36 | -26 |
| 51 | 48 | Tangible fixed assets | 259 | 264 |
| -11 | -16 | Other untaxed reserves | -40 | -27 |
| 37 | 33 | Total differences | 183 | 211 |
| 12 | 12 | Deferred tax | 47 | 58 |

18. Conversion rates

The following exchange rates have been used in the conversion of foreign subsidiaries to Danish kroner.

| | Profit and loss account 1998 | Balance sheet 1998 | Balance sheet 1997 |
|-----------------|------------------------------------|--------------------------|--------------------------|
| Finnish mark | 125 | 125 | 130 |
| Norwegian krone | 90 | 85 | 95 |
| Swedish krona | 85 | 80 | 85 |
| Pound Sterling | 1,110 | 1,060 | 1,130 |
| German mark | 380 | 380 | 380 |
| French franc | 115 | 115 | 115 |
| US-dollar | 670 | 640 | 680 |
| Belgian franc | 18.5 | 18.5 | - |

19. Investments in companies

The total value of the acquired assets and liabilities consists of:

| | DKK in mill. |
|------------------------------|--------------|
| Tangible assets | 26 |
| Other investments | 5 |
| Stocks | 34 |
| Debtors | 64 |
| Cash at bank and in hand | 35 |
| Provisions | -9 |
| Interest-bearing debt | -16 |
| Passive debt | -70 |
| Minority interests | -1 |
| Net assets | 68 |
| Goodwill | 64 |
| Total costs | 132 |
| Cash at bank and in hand | -35 |
| Interest-bearing debt | 16 |
| Net investments in companies | 113 |

28-year summary

| | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Profit and loss account, DKK in millions | | | | | | | | | | | | | | |
| Turnover | 513 | 595 | 655 | 868 | 933 | 1.027 | 1.124 | 1.104 | 1.324 | 1.536 | 1.720 | 1.778 | 1.902 | 2.221 |
| Operating profit | 27 | 36 | 33 | 53 | 59 | 59 | 58 | 54 | 52 | 72 | 60 | 95 | 115 | 145 |
| Profit before tax | 21 | 31 | 20 | 35 | 41 | 46 | 50 | 46 | 39 | 55 | 40 | 80 | 112 | 154 |
| Profit after tax | 13 | 17 | 11 | 20 | 21 | 28 | 28 | 25 | 25 | 30 | 27 | 46 | 63 | 89 |
| Assets, DKK in millions | | | | | | | | | | | | | | |
| Fixed assets | 121 | 161 | 204 | 226 | 229 | 234 | 226 | 235 | 275 | 314 | 336 | 330 | 379 | 438 |
| Stocks | 63 | 68 | 94 | 142 | 121 | 131 | 129 | 149 | 173 | 216 | 239 | 225 | 239 | 271 |
| Debtors | 120 | 126 | 153 | 171 | 168 | 187 | 212 | 186 | 260 | 239 | 227 | 226 | 245 | 295 |
| Liquid funds | 33 | 28 | 13 | 10 | 27 | 24 | 30 | 52 | 43 | 40 | 81 | 167 | 273 | 380 |
| Total assets | 337 | 383 | 464 | 549 | 545 | 576 | 597 | 622 | 751 | 809 | 883 | 948 | 1.136 | 1.384 |
| Liabilities, DKK in millions | | | | | | | | | | | | | | |
| Capital and reserves | 90 | 116 | 128 | 146 | 164 | 191 | 210 | 218 | 252 | 283 | 318 | 354 | 452 | 544 |
| Minority interests | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Provisions | 46 | 57 | 67 | 82 | 96 | 107 | 111 | 120 | 143 | 174 | 195 | 211 | 265 | 286 |
| Interests-bearing debt | 105 | 98 | 136 | 192 | 155 | 135 | 125 | 106 | 138 | 140 | 142 | 135 | 130 | 203 |
| Passive debt | 96 | 112 | 133 | 129 | 130 | 143 | 151 | 178 | 218 | 212 | 228 | 248 | 289 | 351 |
| Total liabilities | 337 | 383 | 464 | 549 | 545 | 576 | 597 | 622 | 751 | 809 | 883 | 948 | 1.136 | 1.384 |
| Profit ratios | | | | | | | | | | | | | | |
| Operating profit to net operating assets 1) | 13% | 15% | 10% | 13% | 15% | 14% | 14% | 14% | 10% | 13% | 10% | 18% | 20% | 22% |
| Profit after tax to capital and reserves | 14% | 14% | 9% | 13% | 13% | 15% | 13% | 12% | 10% | 10% | 8% | 13% | 14% | 16% |
| Equity ratio | | | | | | | | | | | | | | |
| Capital and reserves to total assets | 27% | 30% | 28% | 27% | 30% | 33% | 35% | 35% | 34% | 35% | 36% | 37% | 40% | 39% |
| Shares | | | | | | | | | | | | | | |
| Share capital, DKK in millions | 8,9 | 17,7 | 17,7 | 17,7 | 17,7 | 35,5 | 36,5 | 54,7 | 54,7 | 54,7 | 54,7 | 54,7 | 82,0 | 82,0 |
| Listed price 31.12 2) | 275 | 620 | 800 | 265 | 565 | 380 | 455 | 380 | 274 | 335 | 395 | 395 | 890 | 640 |
| Market value at 31.12. DKK in millions | 24 | 110 | 142 | 47 | 100 | 135 | 166 | 208 | 150 | 183 | 216 | 216 | 730 | 525 |
| Price/earnings ratio after tax | 2 | 6 | 13 | 2 | 5 | 5 | 6 | 8 | 6 | 6 | 8 | 5 | 12 | 6 |
| Dividend | | | | | | | | | | | | | | |
| Dividend as a percentage of share capital | 14% | 9% | 10% | 13% | 15% | 10% | 12% | 9% | 9% | 10% | 10% | 10% | 10% | 10% |
| Dividend as a percentage of market value | 5% | 1% | 1% | 5% | 3% | 3% | 3% | 2% | 3% | 3% | 3% | 3% | 1% | 2% |
| Dividend as a percentage of profit after tax | 9% | 9% | 16% | 12% | 13% | 13% | 16% | 20% | 20% | 18% | 20% | 12% | 13% | 9% |
| Organisation | | | | | | | | | | | | | | |
| Employees | 3.400 | 3.400 | 3.500 | 3.450 | 3.200 | 3.100 | 3.100 | 3.200 | 3.100 | 3.000 | 2.950 | 2.700 | 2.525 | 2.675 |
| Factories | 32 | 34 | 41 | 44 | 44 | 43 | 44 | 45 | 47 | 51 | 52 | 52 | 49 | 48 |
| Offices | 21 | 26 | 31 | 33 | 34 | 31 | 28 | 30 | 31 | 32 | 32 | 29 | 30 | 29 |

1) Net operating assets = total assets less liquid funds less passive debt.

2) In 1998 the par value of the company's shares has been changed from DKK 100 to DKK 20.

| | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Profit and loss account, DKK in millions | | | | | | | | | | | | | | |
| Turnover | 2.311 | 2.216 | 2.456 | 2.750 | 3.976 | 4.074 | 3.898 | 3.361 | 3.304 | 3.552 | 3.807 | 3.645 | 3.970 | 4.135 |
| Operating profit | 132 | 183 | 162 | 158 | 250 | 274 | 216 | 182 | 230 | 329 | 291 | 240 | 303 | 278 |
| Profit before tax | 156 | 215 | 181 | 187 | 185 | 245 | 172 | 129 | 234 | 334 | 319 | 278 | 345 | 317 |
| Profit after tax | 89 | 126 | 104 | 116 | 113 | 180 | 117 | 88 | 188 | 231 | 218 | 199 | 233 | 210 |
| Assets, DKK in millions | | | | | | | | | | | | | | |
| Fixed assets | 446 | 466 | 559 | 578 | 856 | 945 | 922 | 839 | 802 | 796 | 817 | 851 | 862 | 1.165 |
| Stocks | 288 | 207 | 215 | 225 | 291 | 350 | 300 | 261 | 249 | 271 | 305 | 311 | 355 | 405 |
| Debtors | 305 | 349 | 389 | 411 | 750 | 772 | 698 | 565 | 563 | 629 | 614 | 618 | 615 | 652 |
| Liquid funds | 413 | 596 | 644 | 532 | 530 | 417 | 560 | 582 | 793 | 971 | 986 | 1.184 | 1.423 | 908 |
| Total assets | 1.452 | 1.618 | 1.807 | 1.746 | 2.427 | 2.484 | 2.480 | 2.247 | 2.407 | 2.667 | 2.722 | 2.964 | 3.255 | 3.130 |
| Liabilities, DKK in millions | | | | | | | | | | | | | | |
| Capital and reserves | 597 | 638 | 697 | 797 | 931 | 1.021 | 1.097 | 1.079 | 1.219 | 1.391 | 1.552 | 1.702 | 1.863 | 1.873 |
| Minority interests | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 |
| Provisions | 318 | 312 | 327 | 352 | 88 | 100 | 100 | 101 | 96 | 95 | 156 | 171 | 184 | 191 |
| Interests-bearing debt | 194 | 261 | 321 | 120 | 709 | 671 | 638 | 540 | 542 | 475 | 439 | 536 | 516 | 432 |
| Passive debt | 343 | 407 | 462 | 477 | 699 | 692 | 645 | 527 | 550 | 706 | 575 | 555 | 692 | 631 |
| Total liabilities | 1.452 | 1.618 | 1.807 | 1.746 | 2.427 | 2.484 | 2.480 | 2.247 | 2.407 | 2.667 | 2.722 | 2.964 | 3.255 | 3.130 |
| Profit ratios | | | | | | | | | | | | | | |
| Operating profit to net operating assets ¹⁾ | 19% | 30% | 23% | 21% | 21% | 20% | 17% | 16% | 22% | 33% | 25% | 20% | 27% | 17% |
| Profit after tax to capital and reserves | 15% | 20% | 15% | 15% | 12% | 18% | 11% | 8% | 15% | 17% | 14% | 12% | 13% | 11% |
| Equity ratio | | | | | | | | | | | | | | |
| Capital and reserves to total assets | 41% | 39% | 39% | 46% | 38% | 41% | 44% | 48% | 51% | 52% | 57% | 57% | 57% | 60% |
| Shares | | | | | | | | | | | | | | |
| Share capital, DKK in millions | 123,0 | 123,0 | 153,8 | 153,8 | 205,0 | 205,0 | 205,0 | 205,0 | 205,0 | 205,0 | 205,0 | 205,0 | 205,0 | 205,0 |
| Listed price 31.12 ²⁾ | 835 | 605 | 660 | 866 | 920 | 908 | 850 | 669 | 1.050 | 1.600 | 1.340 | 1.500 | 1.470 | 185 |
| Market value at 31.12. DKK in millions | 1.027 | 744 | 1.015 | 1.332 | 1.886 | 1.861 | 1.743 | 1.371 | 2.153 | 3.280 | 2.747 | 3.075 | 3.014 | 1.896 |
| Price/earnings ratio after tax | 12 | 6 | 10 | 11 | 17 | 10 | 15 | 16 | 11 | 14 | 13 | 15 | 13 | 9 |
| Dividend | | | | | | | | | | | | | | |
| Dividend as a percentage of share capital | 10% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 20% | 25% | 25% | 25% | 50% | 50% |
| Dividend as a percentage of market value | 1% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 3% | 5% |
| Dividend as a percentage of profit after tax | 14% | 15% | 22% | 20% | 27% | 17% | 26% | 35% | 22% | 22% | 23% | 26% | 44% | 49% |
| Organisation | | | | | | | | | | | | | | |
| Employees | 2.765 | 2.825 | 2.920 | 3.036 | 3.747 | 3.820 | 3.525 | 3.131 | 3.027 | 3.064 | 3.087 | 3.032 | 3.039 | 3.244 |
| Factories | 49 | 50 | 50 | 51 | 60 | 62 | 61 | 58 | 53 | 54 | 54 | 53 | 51 | 56 |
| Offices | 43 | 43 | 46 | 52 | 57 | 57 | 49 | 52 | 51 | 49 | 52 | 58 | 60 | 71 |

1) Net operating assets = total assets less liquid funds less passive debt.

2) In 1998 the par value of the company's shares has been changed from DKK 100 to DKK 20.

Icopal's history

Roofing:

The roofing activity was established in Copenhagen in 1876 by Jens Villadsen, a master carpenter. His speciality was the repair of old felt and zinc roofs. He developed 'Dansk Tagpixtjære', a brand of roof tar, in the 1890s.

His son, Christian Villadsen, registered in 1907 the trademark Icopal. Copal is an Aztec word for resin which was used as a binder in "Tagpixtjære" and later in asphalt roofing felt.

In 1912 Christian Villadsen established the limited company Jens Villadsens Fabriker in order to manufacture the new product Icopal asphalt roofing felt.

Since then, this business area has been steadily developed. Thus, the cardboard originally used as reinforcement in roofing felt has been replaced by modern materials such as glass-fibre and polyester, in the form of felt or webbing.

The asphalt used to make roofing felts waterproof has also undergone change. Today, most of the Icopal Group's roofing felts include a rubber-like material, SBS (styrene-butadiene-styrene), which makes them elastic and thus helps to preserve their characteristics, even after long exposure. The use of this technology also means that roofing felt can be better adapted to a number of special tasks, such as the damp and water-pressure insulation of bridges.

This business area now offers a range of products for both sloping and flat roofs, as well as other building materials. These include steel roof tiles, plastic roofing panels, shingles, skylights and chimney pipes.

Today, the Icopal Group manufactures roofing products in Finland, Norway, Sweden, Denmark, the United Kingdom, Germany, Belgium, France and the USA.



The first factory in Lampevej, now Finsensvej, in Copenhagen.

Roads:

Road-surfacing activities were established in Norway, Sweden and Denmark at the end of the 1920s.

This business area began with the production of asphalt emulsion which, as the road network was extended, developed into a comprehensive activity that included the production and laying of asphalt road materials.

At a later date, a department for special surfaces was established in Denmark, with a particular focus on the supply of products for bridges and sports facilities.

Plastic films:

The manufacture of plastic films for the construction industry began in Norway in 1960. The production of carrier bags began shortly afterwards. Today the product range also includes films for agricultural and industrial use, as well as waste sacks.

Icopal's Norwegian subsidiary has become Norway's largest producer of plastic films, partly through the acquisition of a number of smaller Norwegian film manufacturers.

Plastic pipes:

The Group began its activities in this business area in 1964, the year in which the production of plastic drainage pipes and guttering began.



The founder of Icopal Jens Villadsen (1842-1910).



Chr. Villadsen (1878-1950) founder of the limited company in 1912.

Since then, the range has expanded significantly. Pipes are primarily manufactured from polyethylene but the range also includes PVC pipes.

Former business areas:

The Group formerly manufactured cardboard, flooring products, LECA lightweight-clinker insulation, facades and windows.

| THE ICOPAL GROUP | | | | |
|------------------|------|-------|---------------|---------------|
| | Roof | Roads | Plastic films | Plastic pipes |
| Finland | 1931 | | | |
| Norway | 1917 | 1933 | 1960 | 1964 |
| Sweden | 1907 | | | |
| Denmark | 1876 | 1929 | | |
| U.K | 1990 | | | |
| Germany | 1969 | | | |
| Belgium | 1998 | | | |
| France | 1989 | | | |
| U.S.A. | 1989 | | | |



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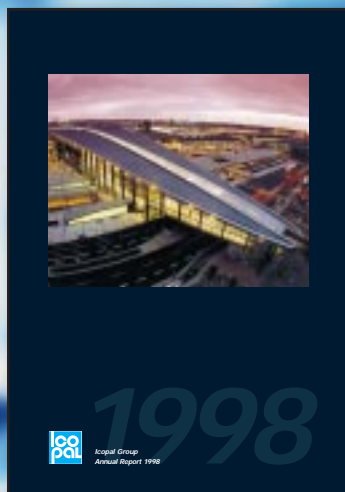
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Icopal



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