

To the editor

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***The Rockwool Group expands in the East:  
Invests EUR 50 million in a new Russian factory***

**Rockwool International A/S has decided to establish its second production facility in Russia. The factory will be placed in Vyborg close to the Finnish border and will support the growing Russian market as well as Rockwool Group sales in the Baltic region.**

At their meeting on 27 November 2003 the board of Rockwool International A/S has given the go-ahead on establishing a production facility in the town of Vyborg, between Skt. Petersborg and the Finnish border. The new factory will be a joint-venture between the Rockwool Group and the Danish Investment Fund for Central and Eastern Europe (IØ).

Division managing director Steen Ørnslund explains the background for the investment:

“During the last couple of years the Russian market has developed into the fastest growing market for the Rockwool Group’s insulation products. There is a tremendous need for insulation in Russia for new constructions which are currently driving the market, but even more for old dwellings where insulation standards are poor”.

**Capacity needed in the region**

Rockwool Russia established its first factory in Moscow in 1999. Despite a tenfold increase in factory output, this factory has been sold out so we need to import large amounts from Western and Central Europe.

“The new factory is instrumental in supporting the Group’s organic growth on the Russian market and at the same time provides support for Rockwool sales in the neighbouring countries”, says Ørnslund.

Rockwool Russia is part of the Rockwool Group’s North Division which also includes the neighbouring areas in Scandinavia and the Baltic region.

The factory is expected to start production in the autumn of 2005.

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