

Investor meeting
31 March 2006

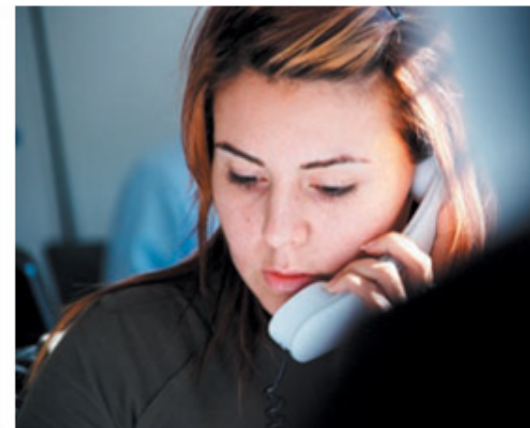
ROCKWOOL®
FIRESAFE INSULATION

Agenda

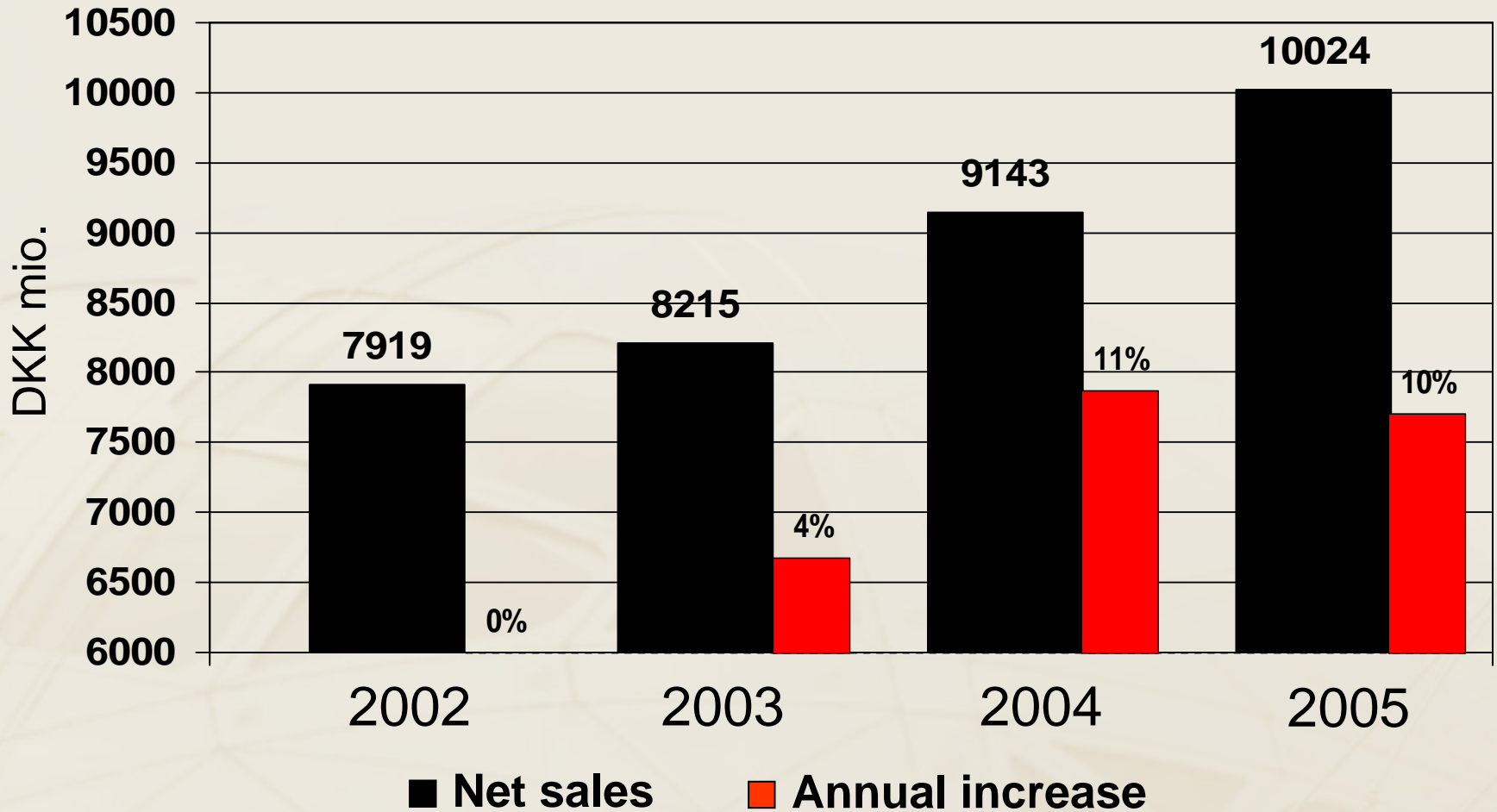
1. Welcome by CFO Knud Jørning
2. Main results from 2005 by CFO Knud Jørning
3. Group development by CEO Eelco van Heel
4. Questions



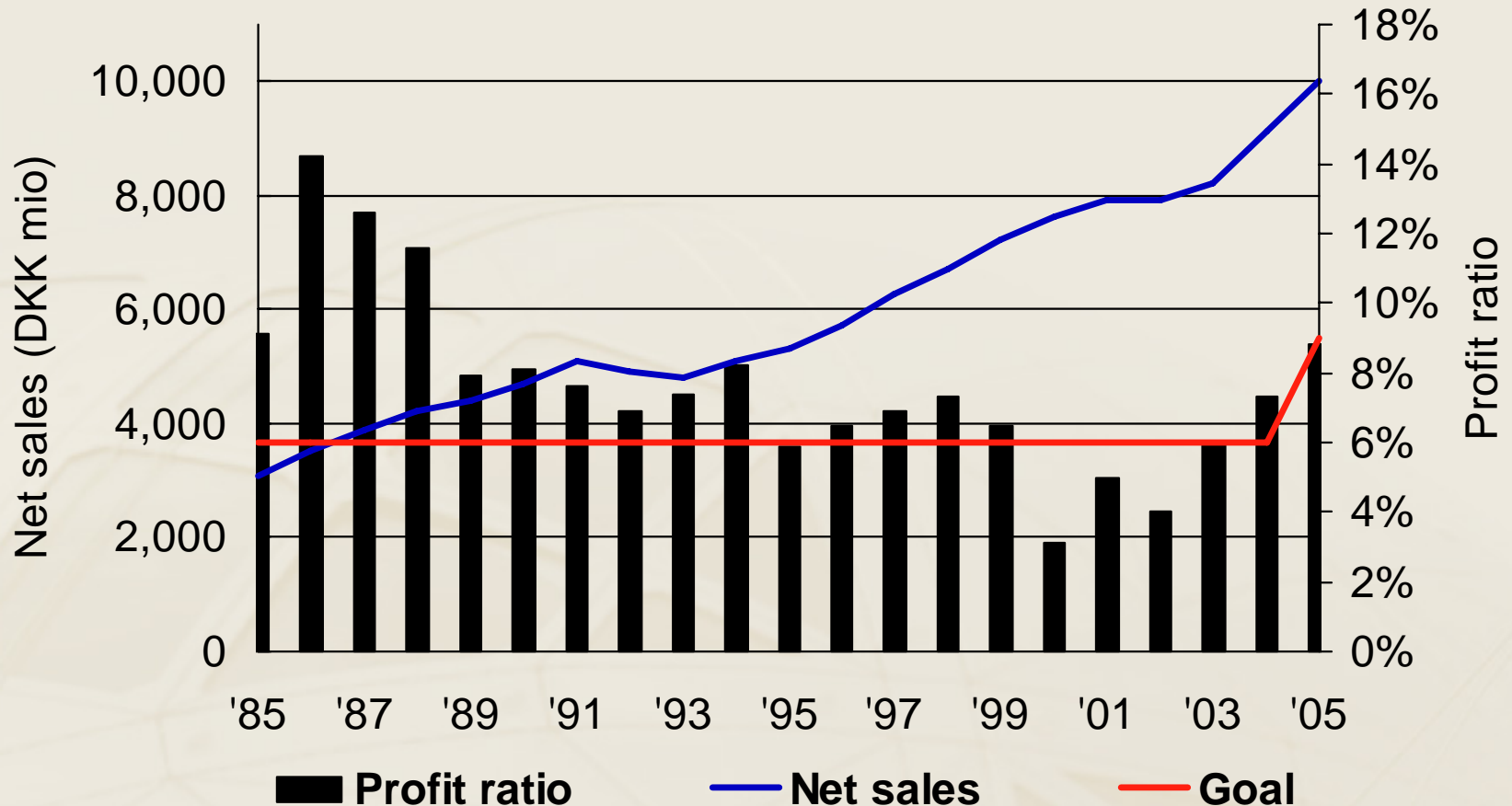
Main results from 2005 by CFO Knud Jørning



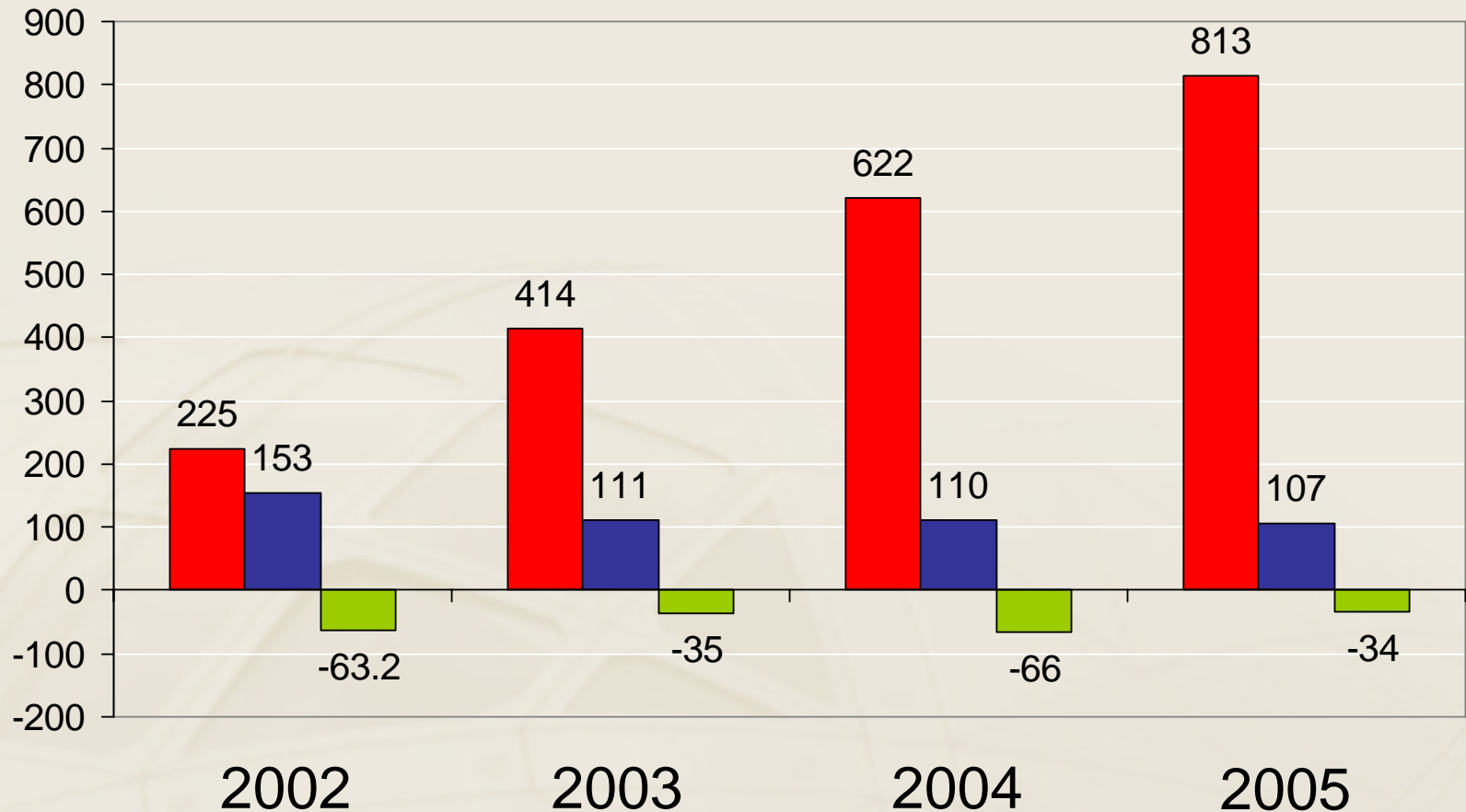
Sales increased by 10% reaching DKK 10.0 bn



The historic perspective: Sales growth is at a very high level but the profit ratio which increased from 7.3 to 8.8% has been higher

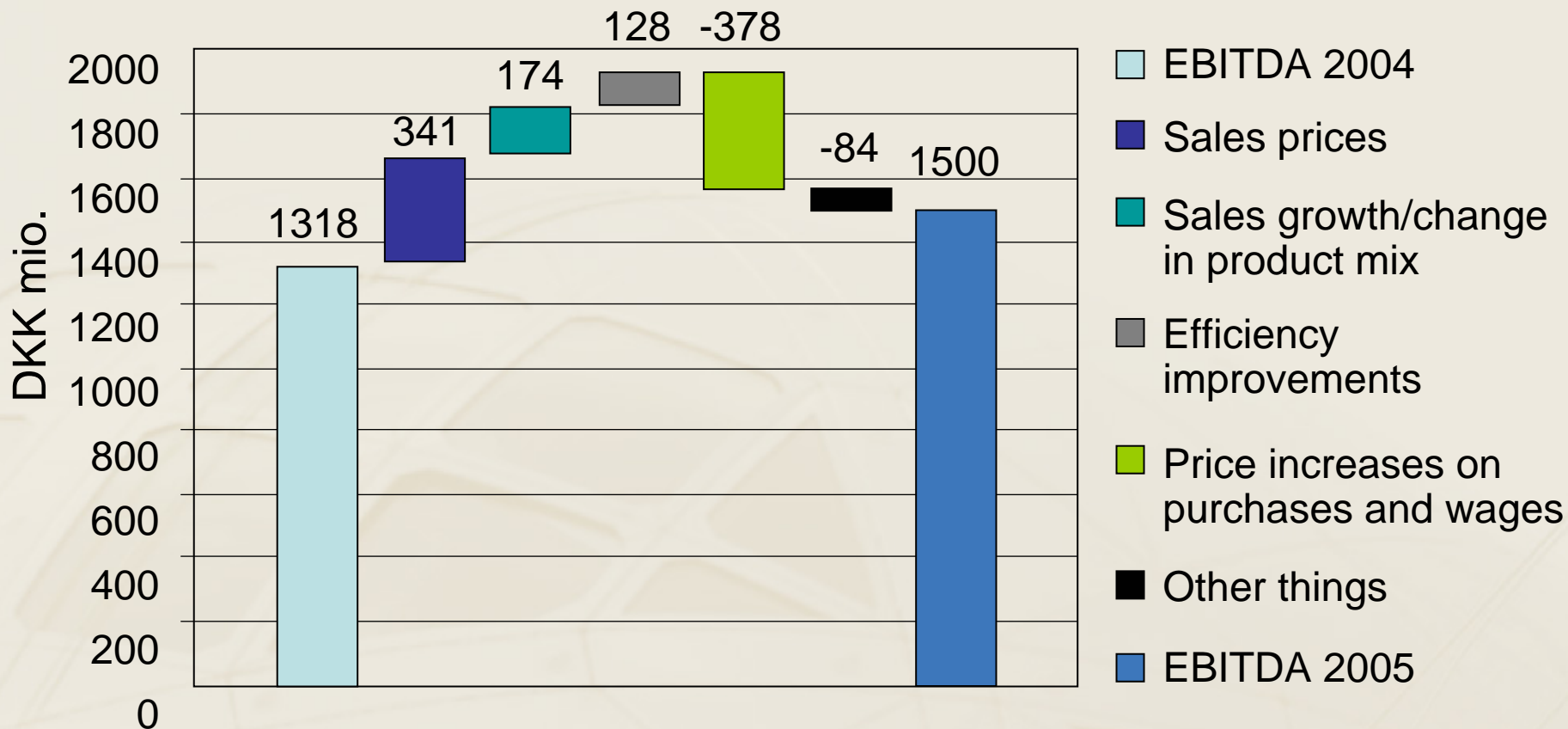


Primary result per business segment

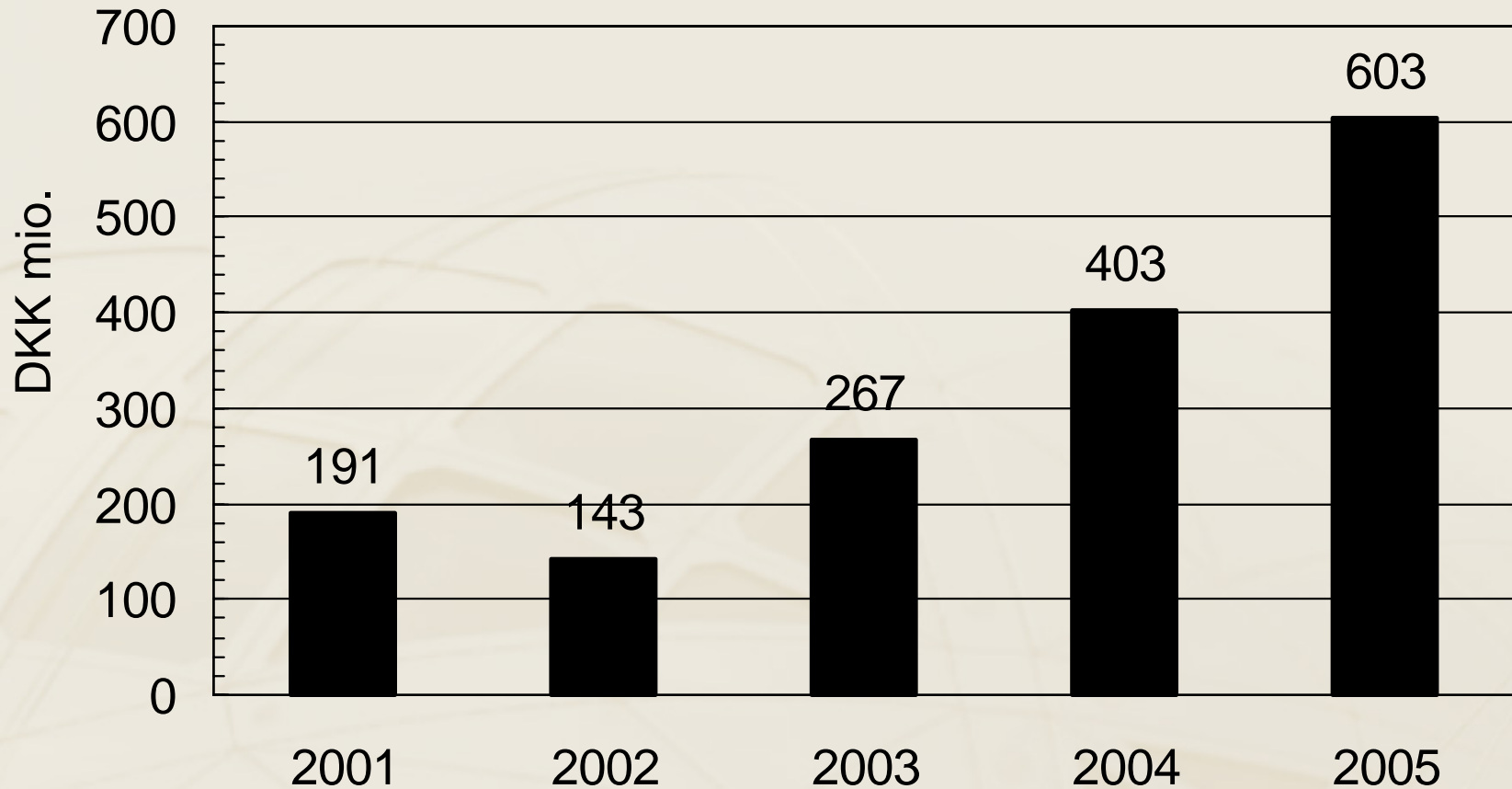


■ Insulation ■ Systems Division ■ Elim. & Holding companies

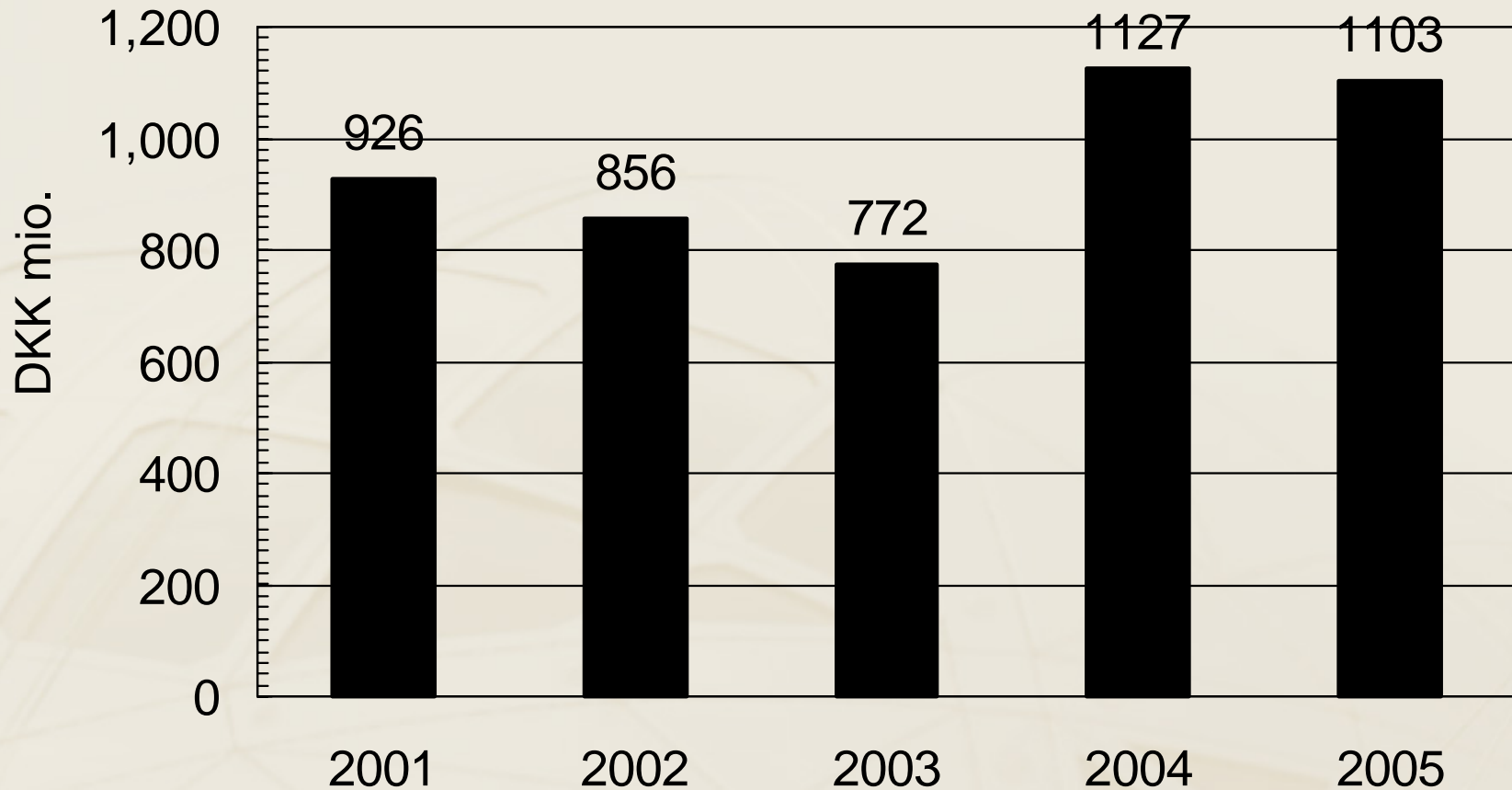
Profit development 2005 (DKK mio.)



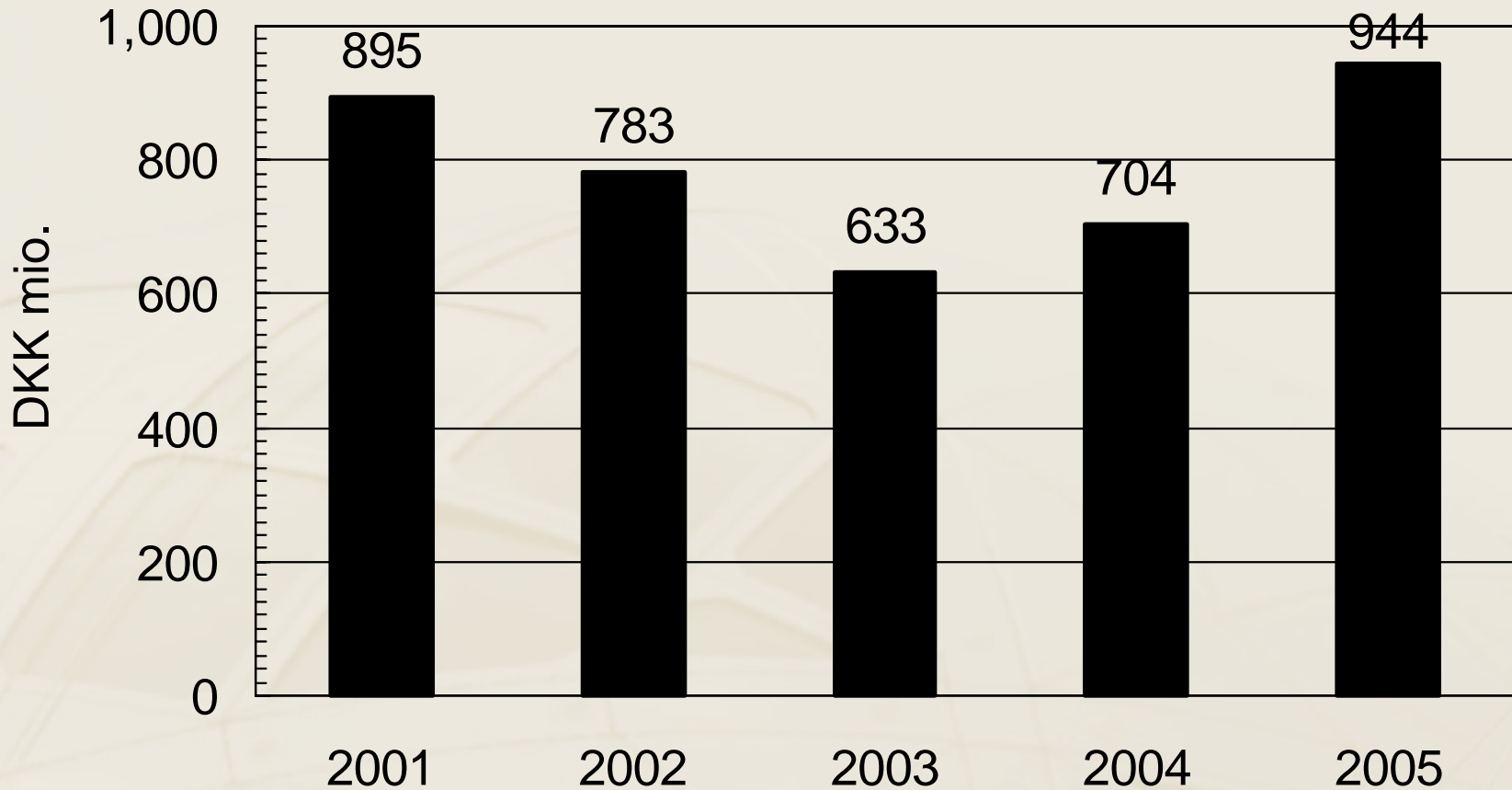
Profit after tax increased by 50% reaching DKK 603 mio.



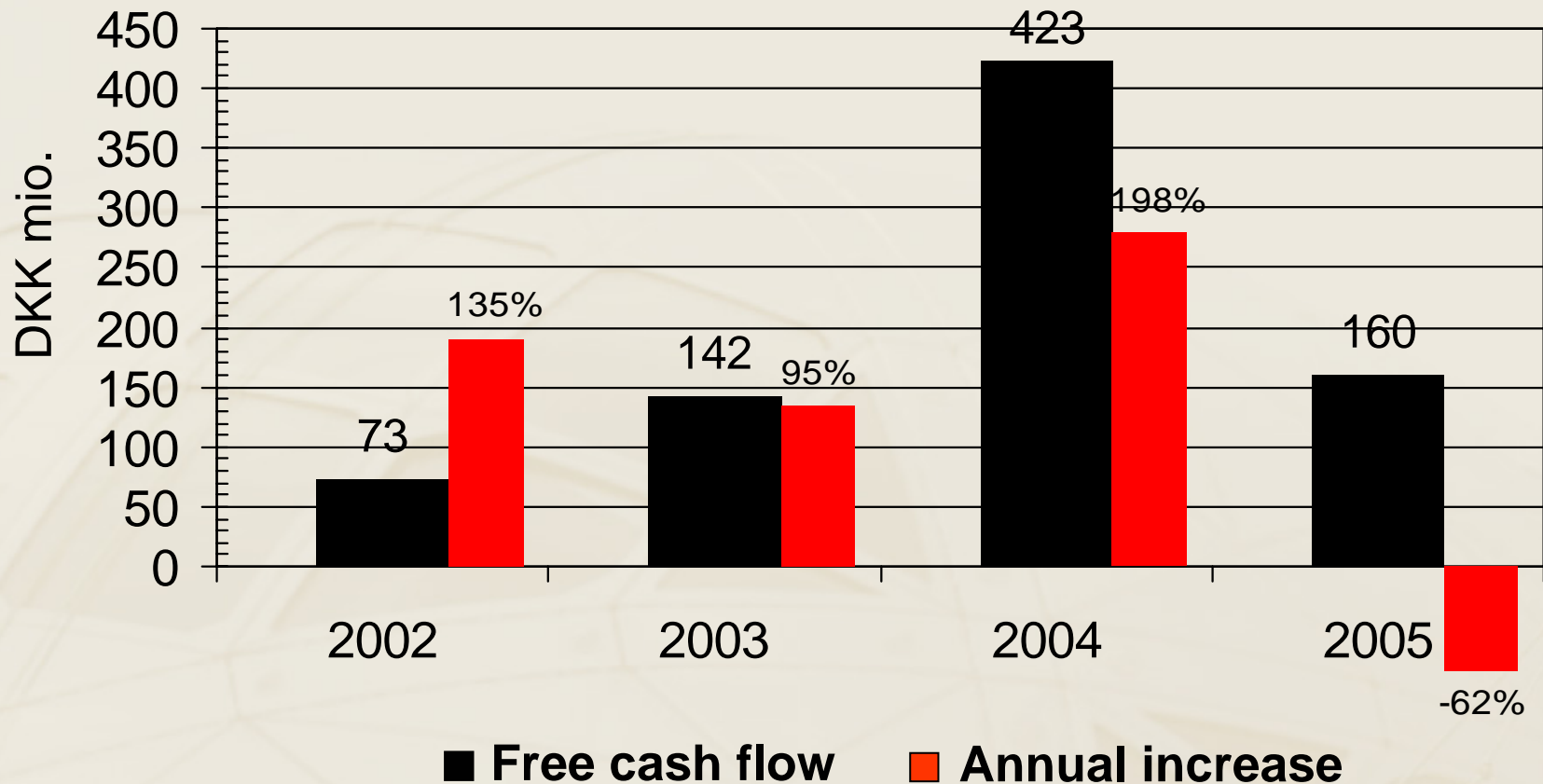
Cash flow from operations stable compared to 2004



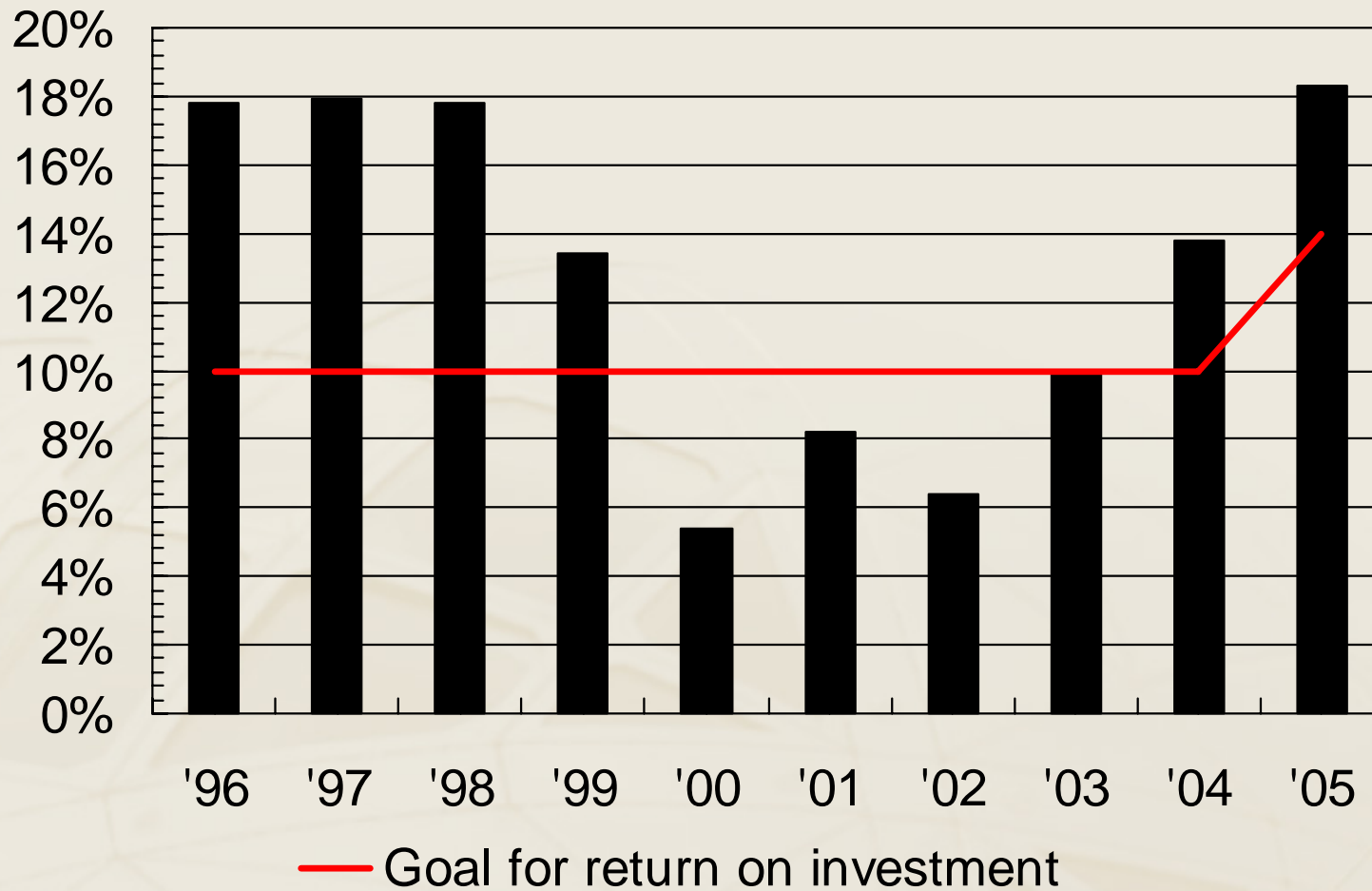
Investments and acquisitions at DKK 944 mio.



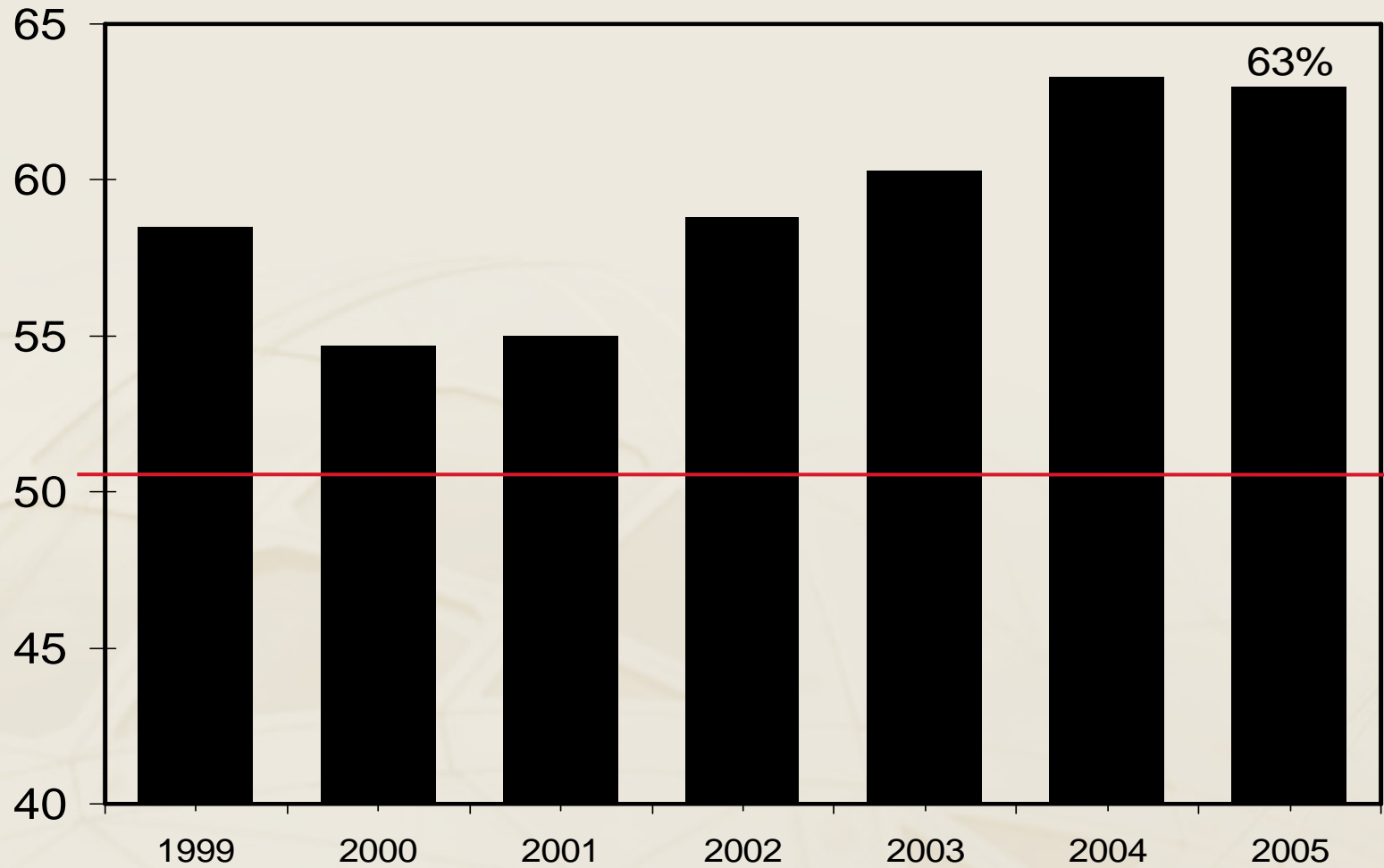
Free cash flow decreased to DKK 160 mio due to higher investments and extraordinary tax payments



Return on invested capital



Equity ratio



Tax percent



2003:

37,3

2004:

33,2

2005:

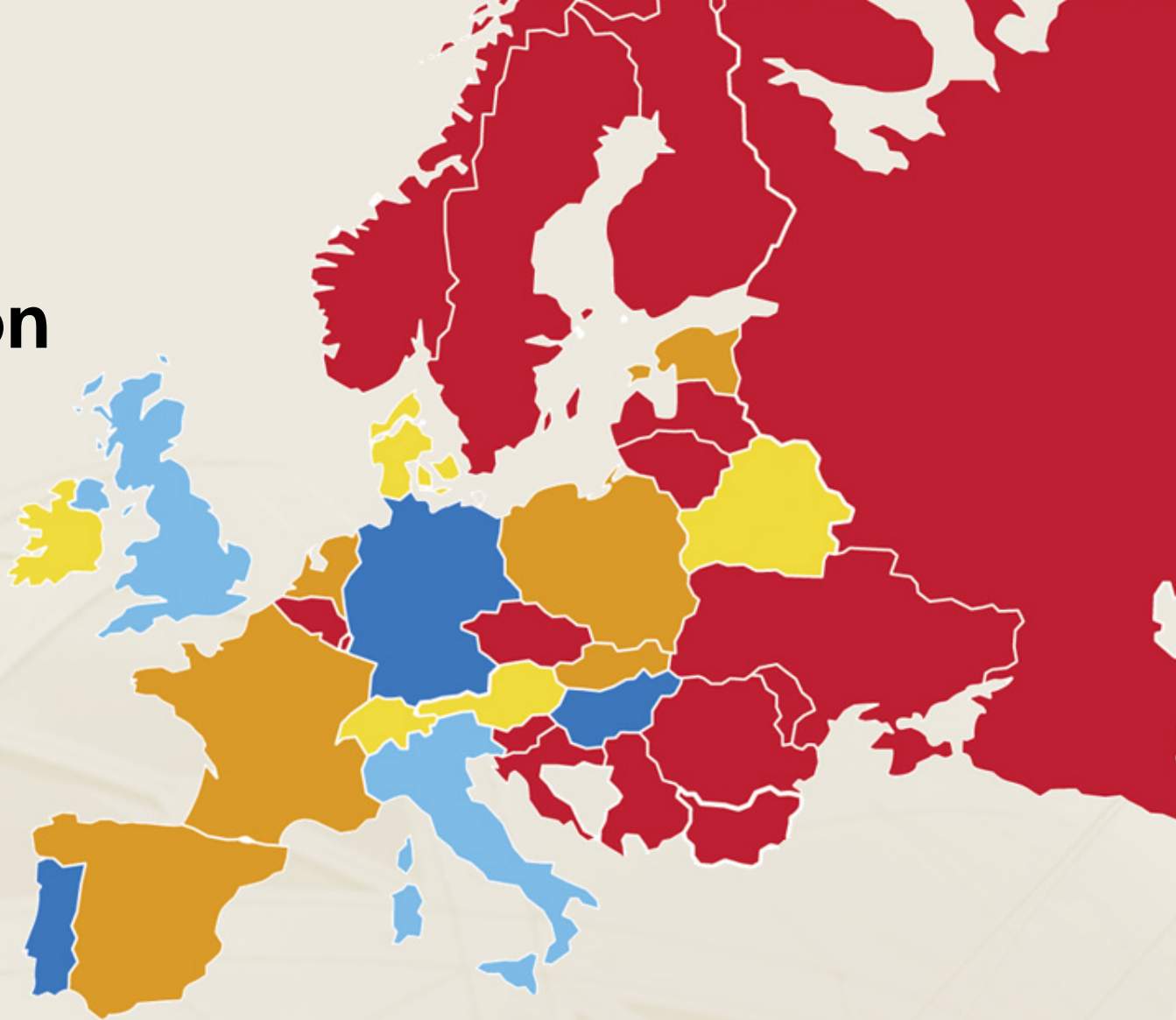
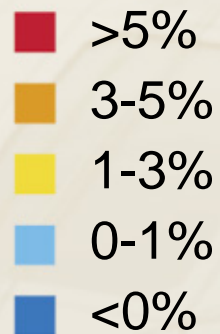
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Development of the Group by CEO Eelco van Heel

- the market situation
- the competitive situation
- our own performance
- the future growth drivers



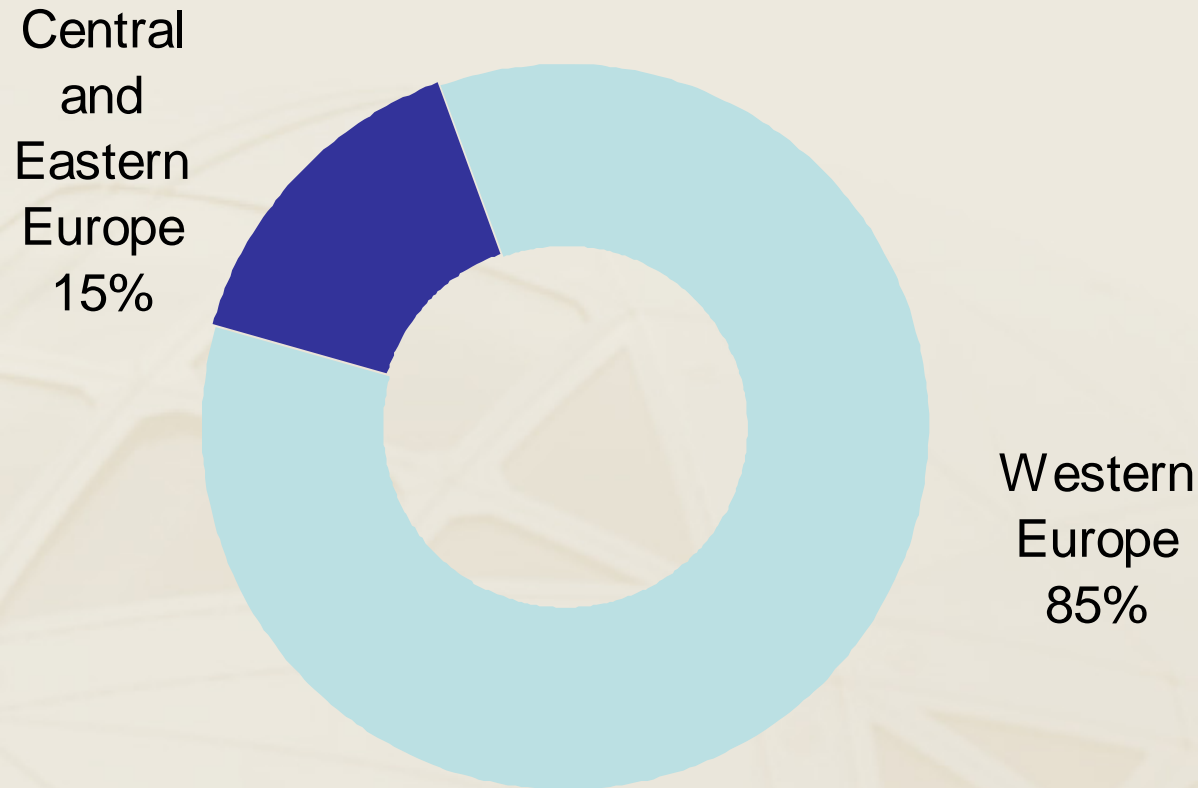
Growth in European construction markets in 2005



Sources: Euroconstruct et al.

Estimate of total European insulation market

- Total market volume = DKK 40 bn



Regions and segments

- **WESTERN EUROPE**
- **Residential construction** has been on an acceptable level for several years and is expected to show stable development. After several years with a strong decrease in Germany, the market is now finally expected to stabilise.
- **Non-residential construction** is slowly improving, a trend which we believe will continue in line with the general economic upturn.

Regions and segments

- **EASTERN EUROPE**
- **Residential construction** is expected to continue a good growth rate.
- **Non-residential construction** continued growth.



Regions and segments

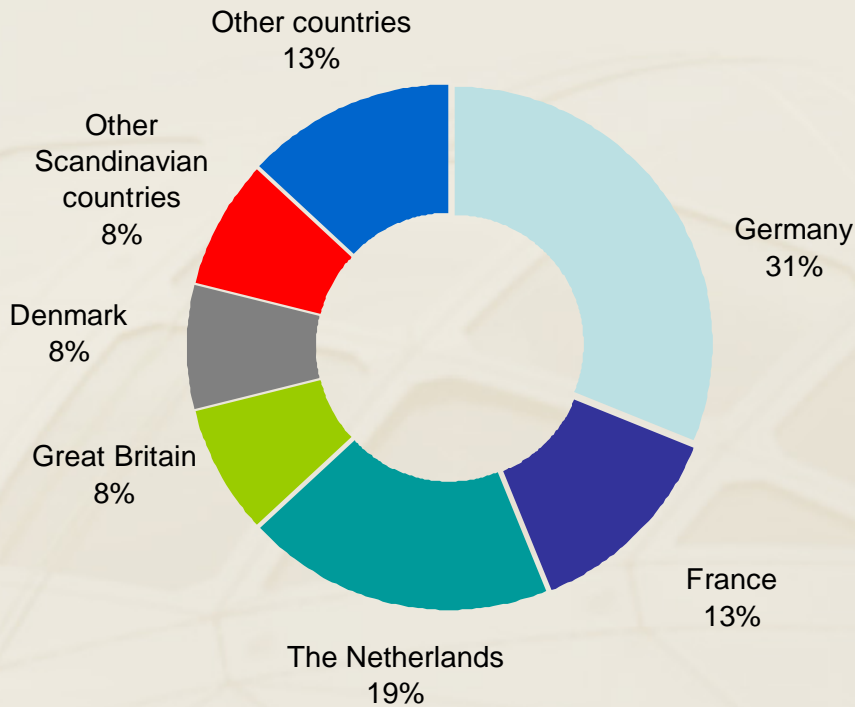
- **RUSSIA**
- After some years with a very strong growth, the growth will be at a lower level.

- **NORTH AMERICA**
- Will show good growth figures.

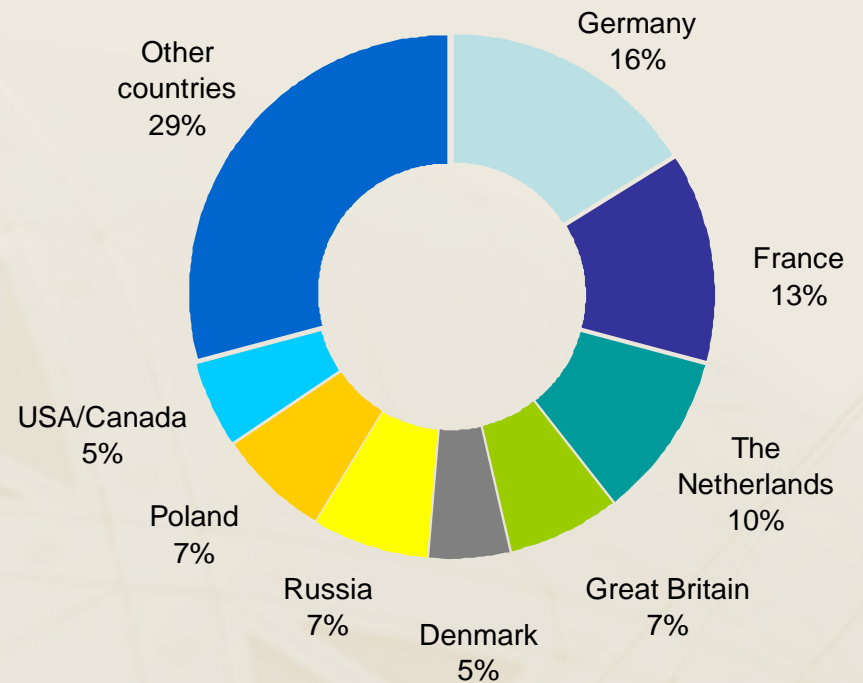


Sales distributed on countries 1995/2005

1995



2005



The competitive landscape in the European insulation market – the other major brands

- Isover
- Heraklith
- Knauf
- URSA
- Paroc



Future growth drivers

- Energy efficiency in buildings
 - Energy Performance of Buildings Directive (EPBD)
 - Energy Services Directive (ESD)
 - BuildDesk
- Geographic expansion
 - Europe
 - North America
 - Far East

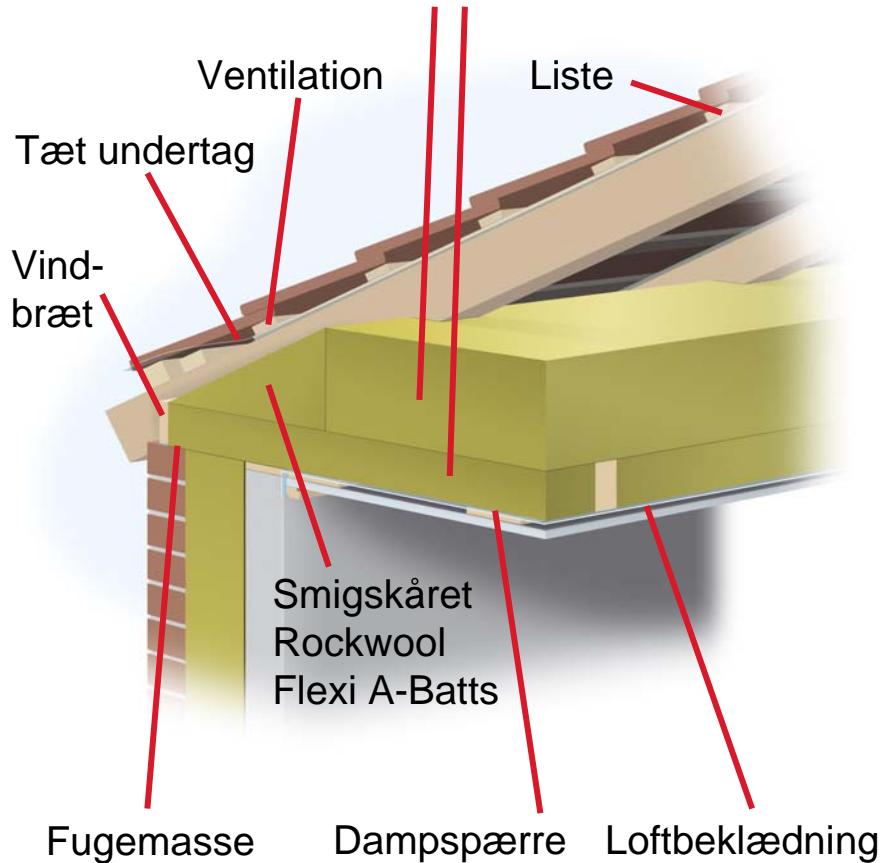
Energy performance of Buildings Directive (EPBD)

- Entered into force on 4 January 2006
- Goal: Improve energy efficiency of buildings by 22%
- Covers also new EU countries and Norway/Switzerland
- National implementation varies from country to country
- In 2006, at least 8 countries will introduce more rigorous thermal regulations. Another 3 have indicated restrictions in 2007-2009.
- This is expected to begin affecting insulation sales from end 2006

More rigorous energy regulations – the Danish case

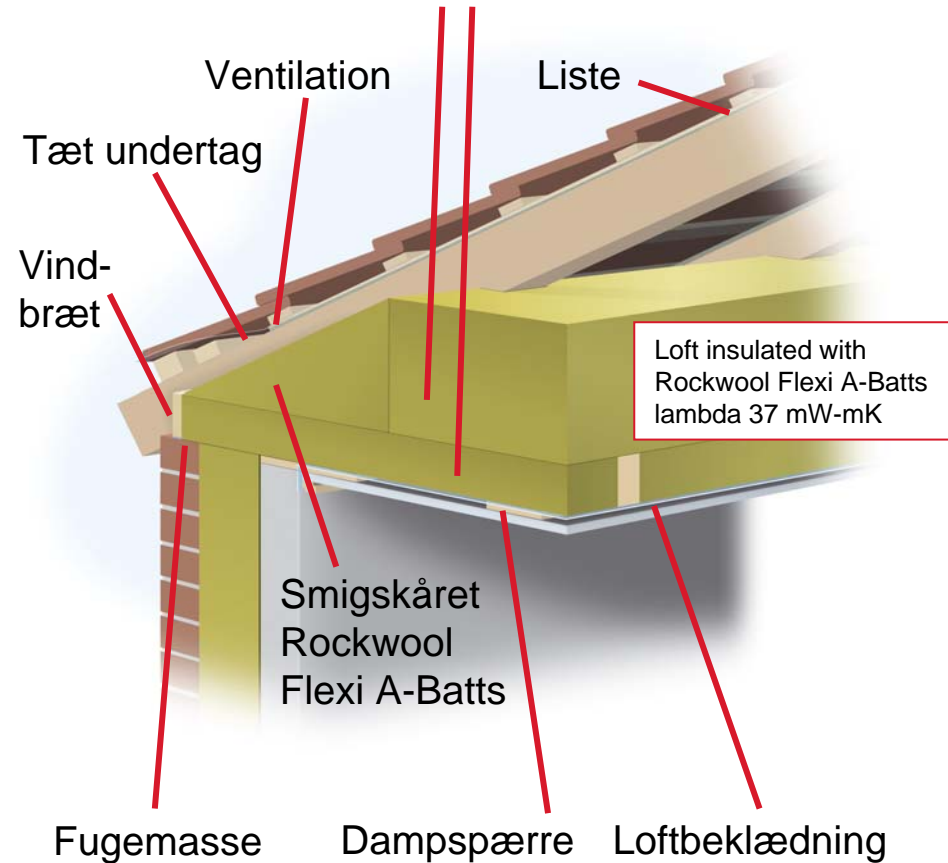
Before

Total 240 mm Rockwool Flexi A-Batts

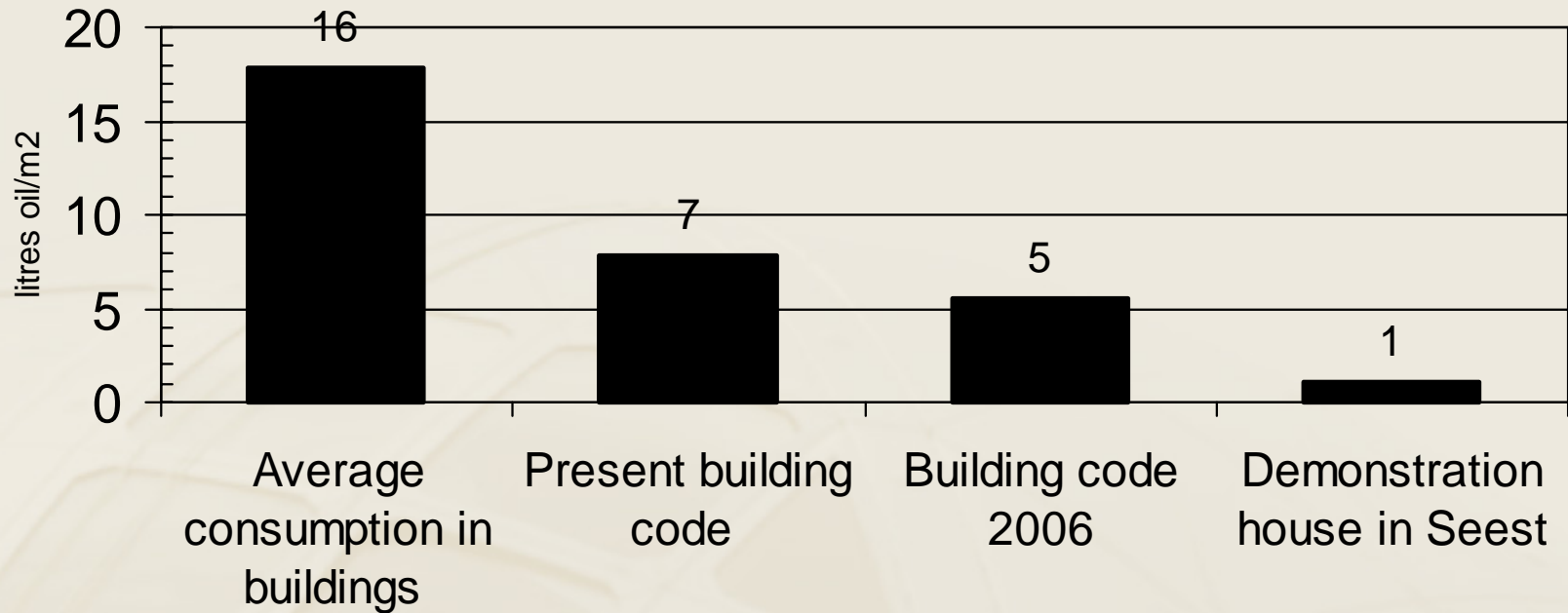


Now

Total 340 mm Rockwool Flexi A-Batts



The potential - energy used for heating of buildings in DK



Energy Services Directive

- Adopted in December 2005
- Enters into force in January 2008
- Goal: Force energy suppliers to save energy consumption at the end user level in the magnitude of 1% per year on average



Builddesk

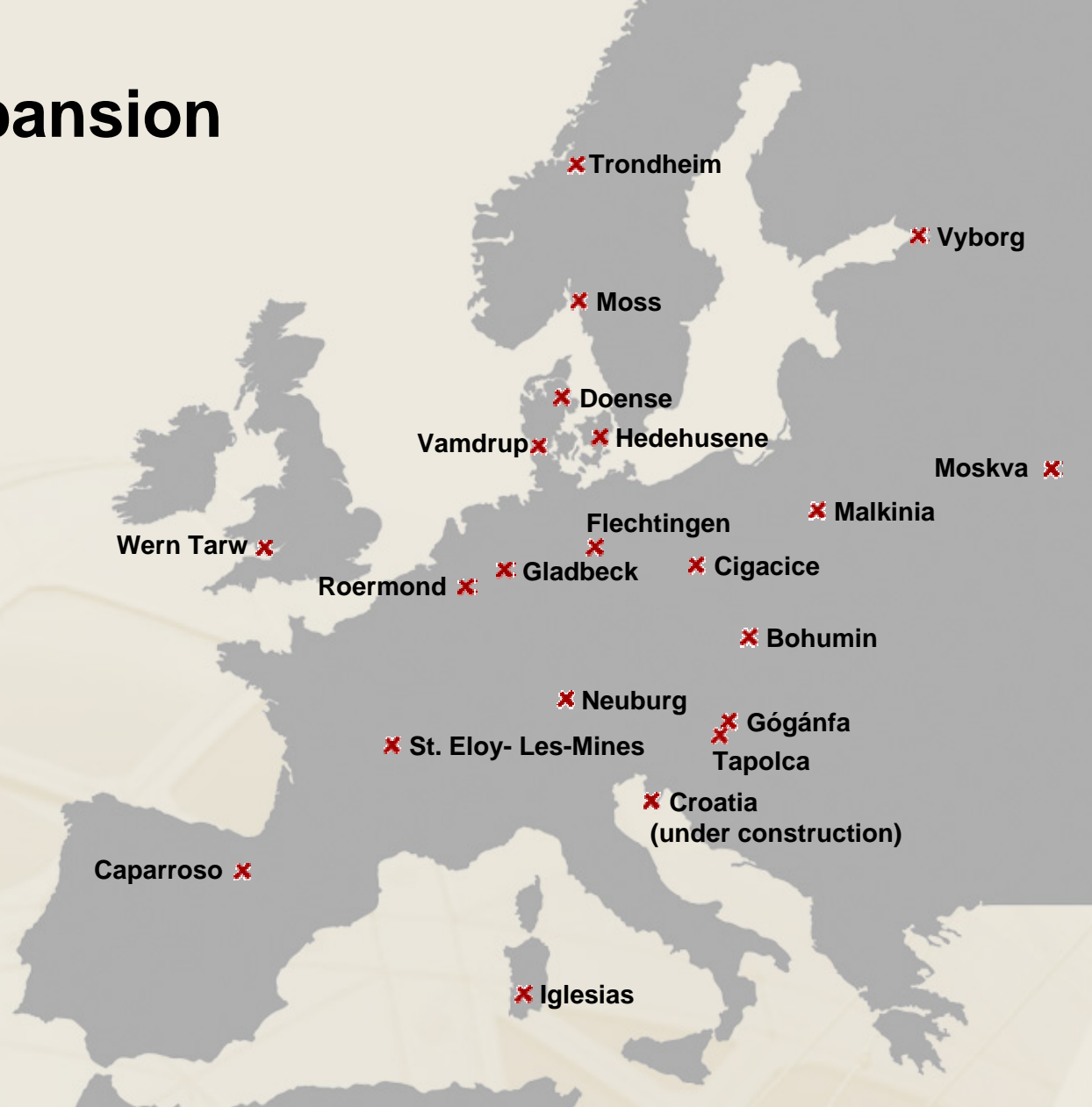


builddesk[®]
save your energy



- Now in 4 countries:
 - Germany
 - The Netherlands
 - Denmark
 - Great Britain

Geographic expansion



Expectations for 2006

- Sales growth 8% → 2006 turnover of DKK 10.8 bn
- Financial items DKK 70 mio.
- Effective tax rate slightly lower
- Profit of the year of DKK 700 mio.
- Higher investment level reaching DKK 1.2 bn



Questions

