

**Q1 presentation
Nordea,
Copenhagen
26 May 2009**



CFO Gilles Maria

STOP LOCAL WARMING
AN INITIATIVE BY **ROCKWOOL®**

Forward-looking statement

The statements on the future in this presentation, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors



Agenda

1. Financials
2. Market development
3. Adapting the company

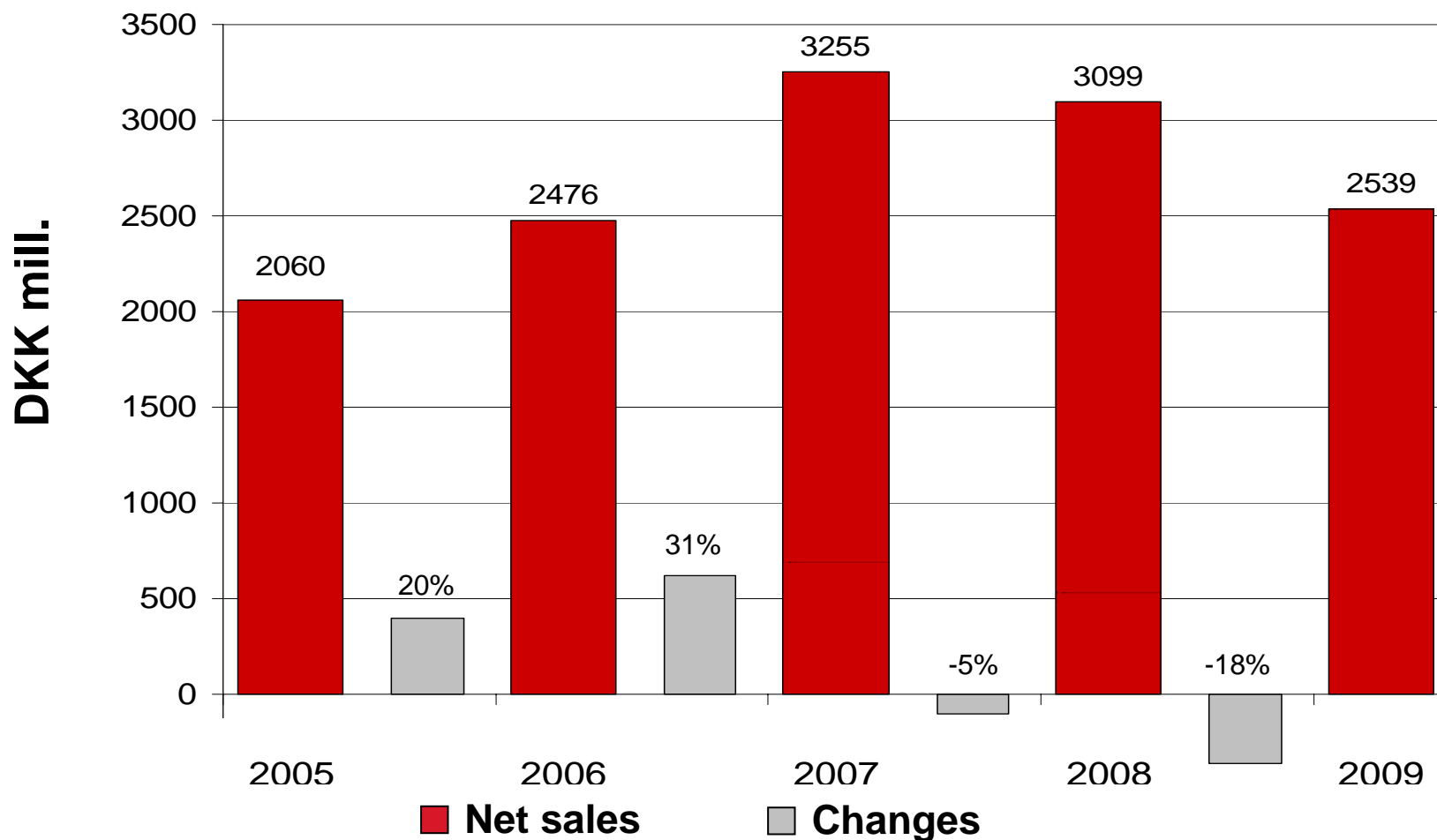


Financials



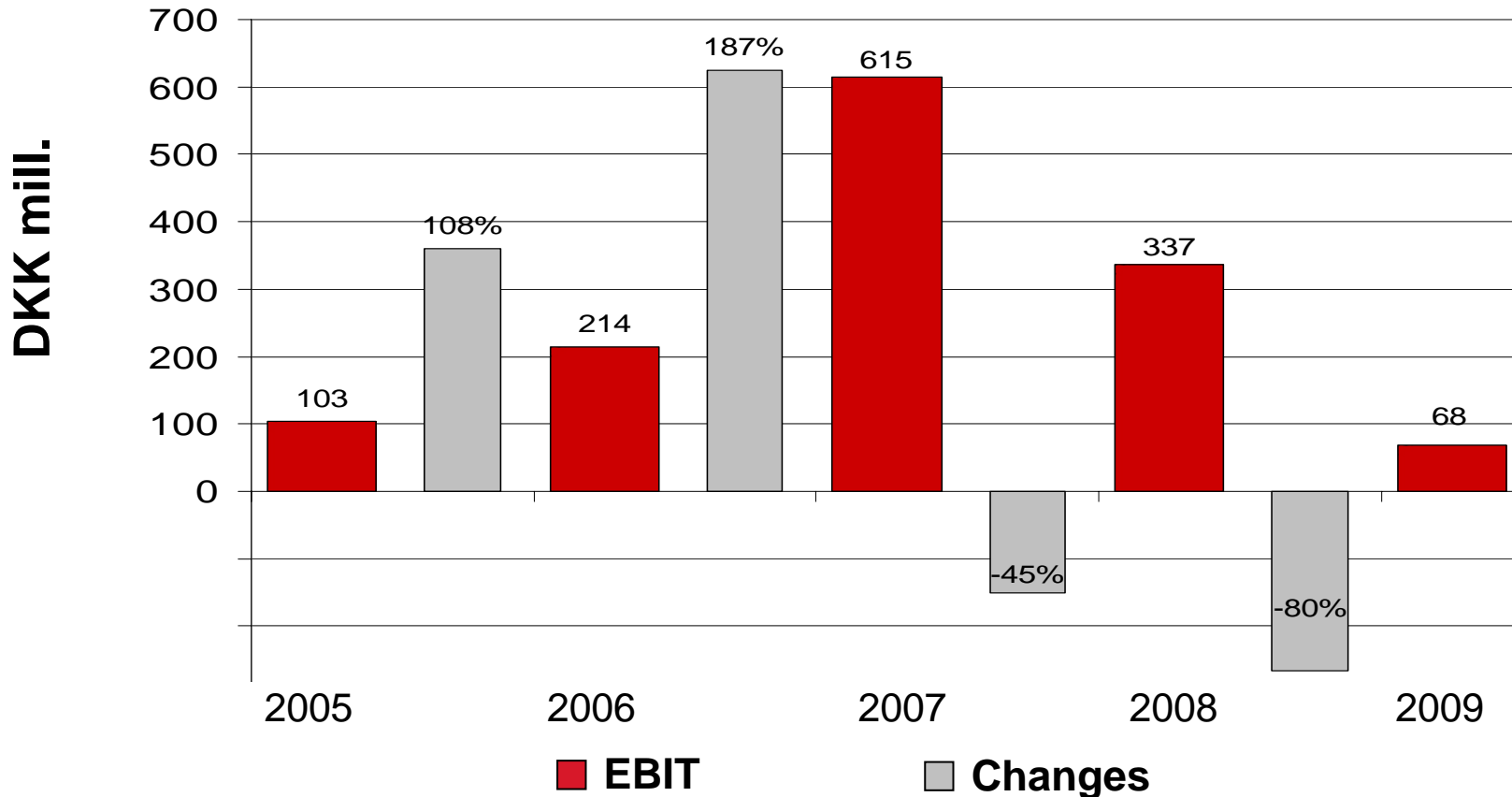
Net sales first quarter

- decreased by 18% or 14% on equal exchange rates

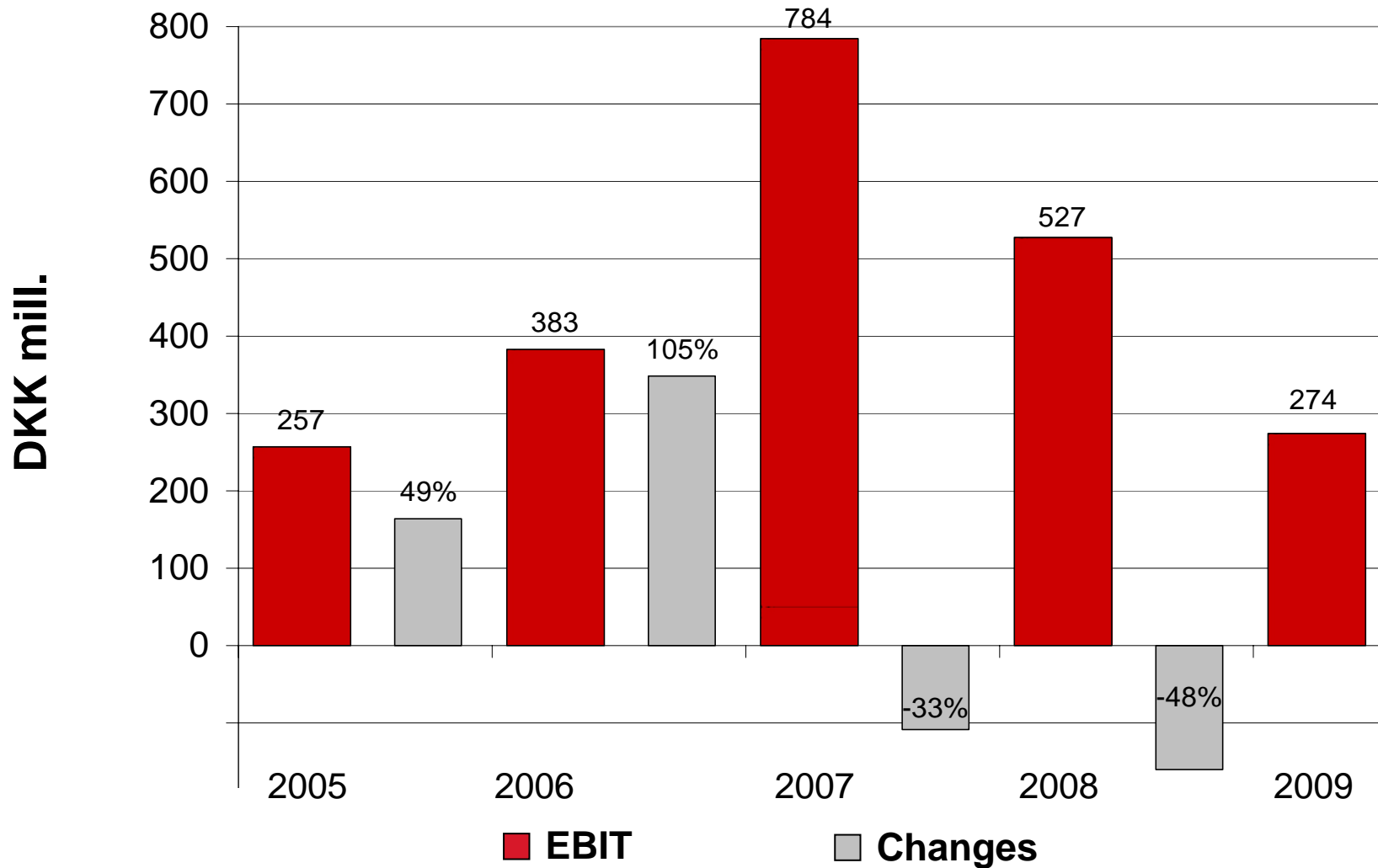


EBIT first quarter

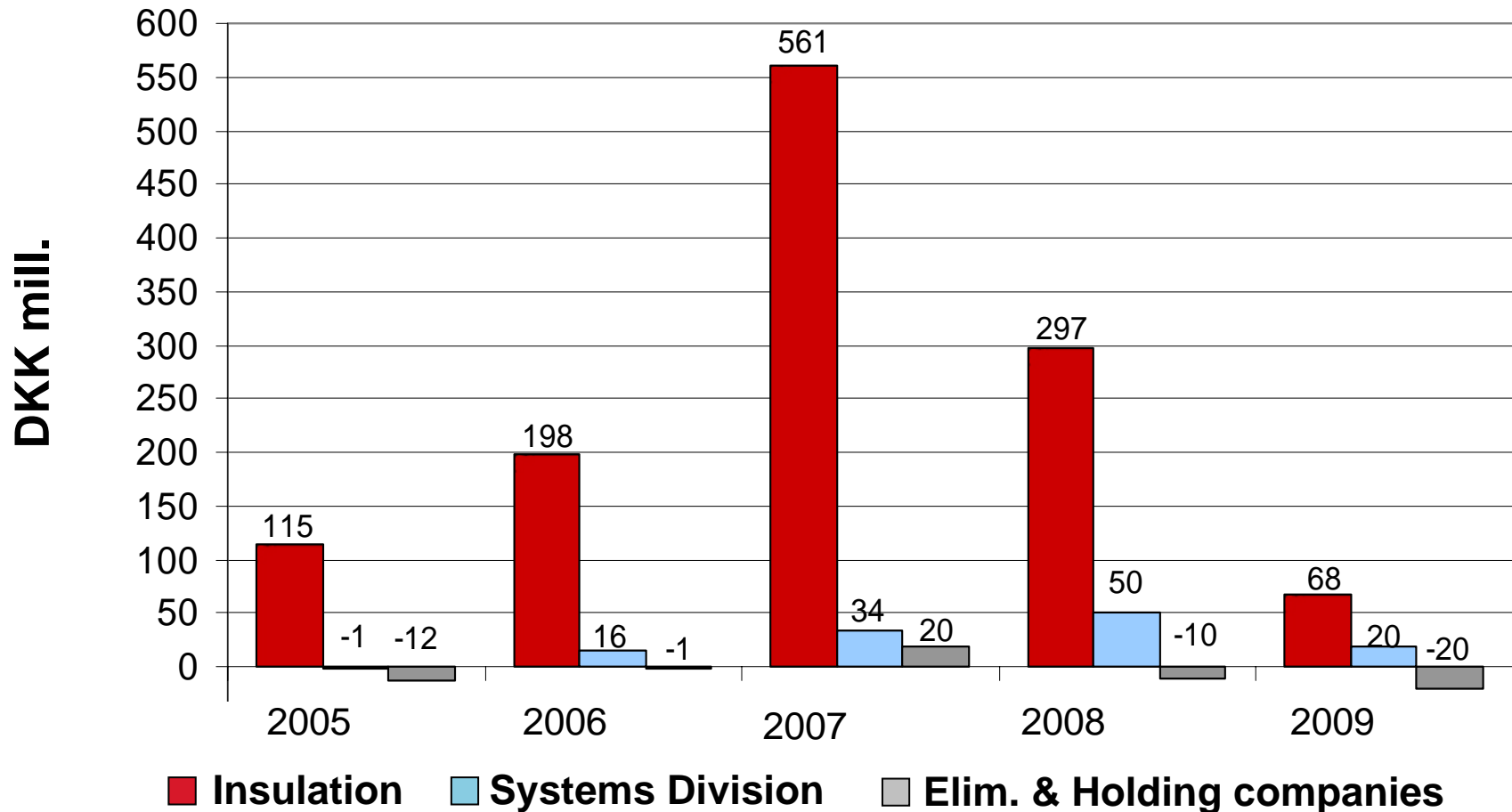
- affected by an increase in depreciation of DKK 53 mill. compared to Q1 2005



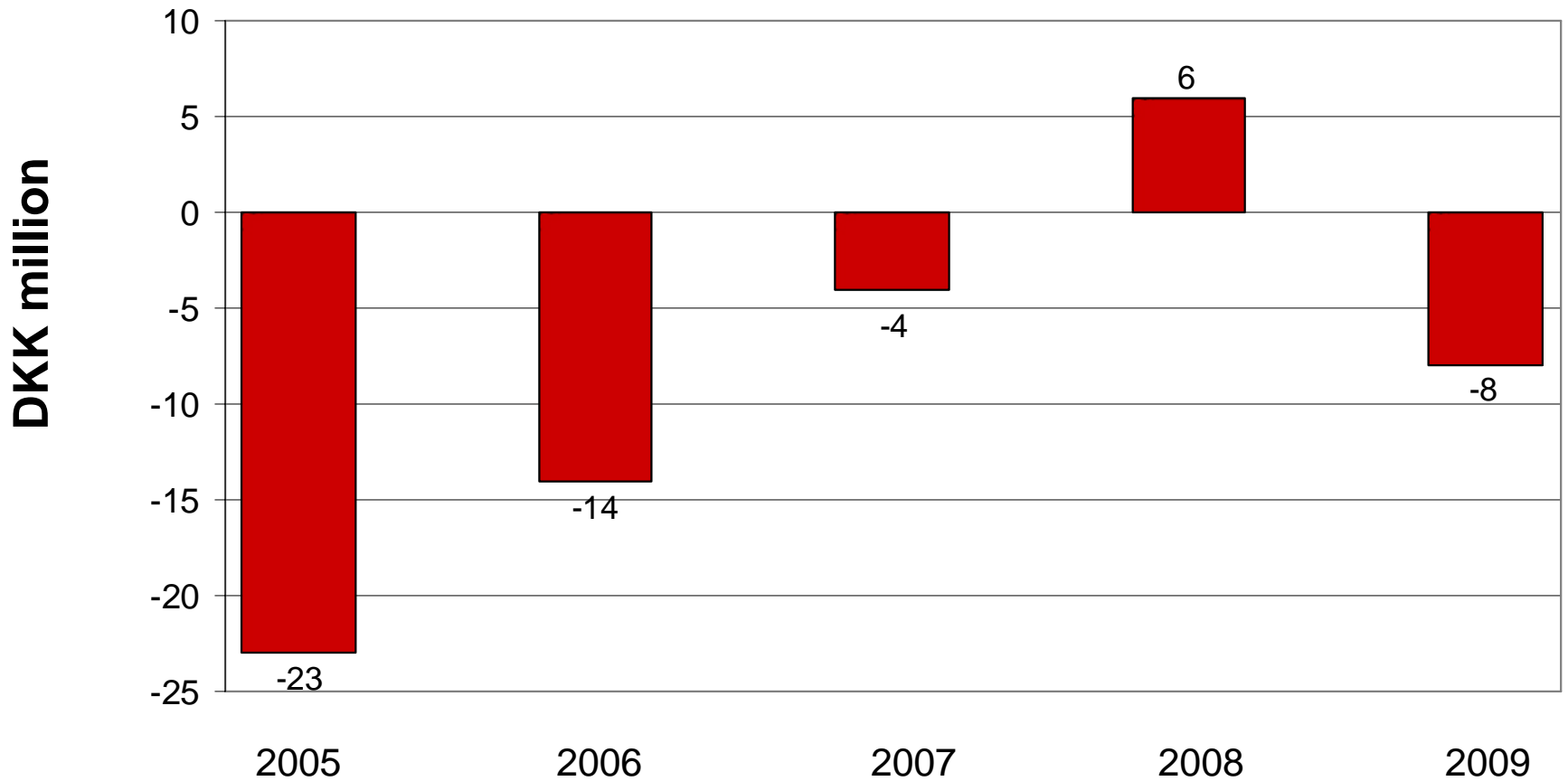
EBITDA first quarter



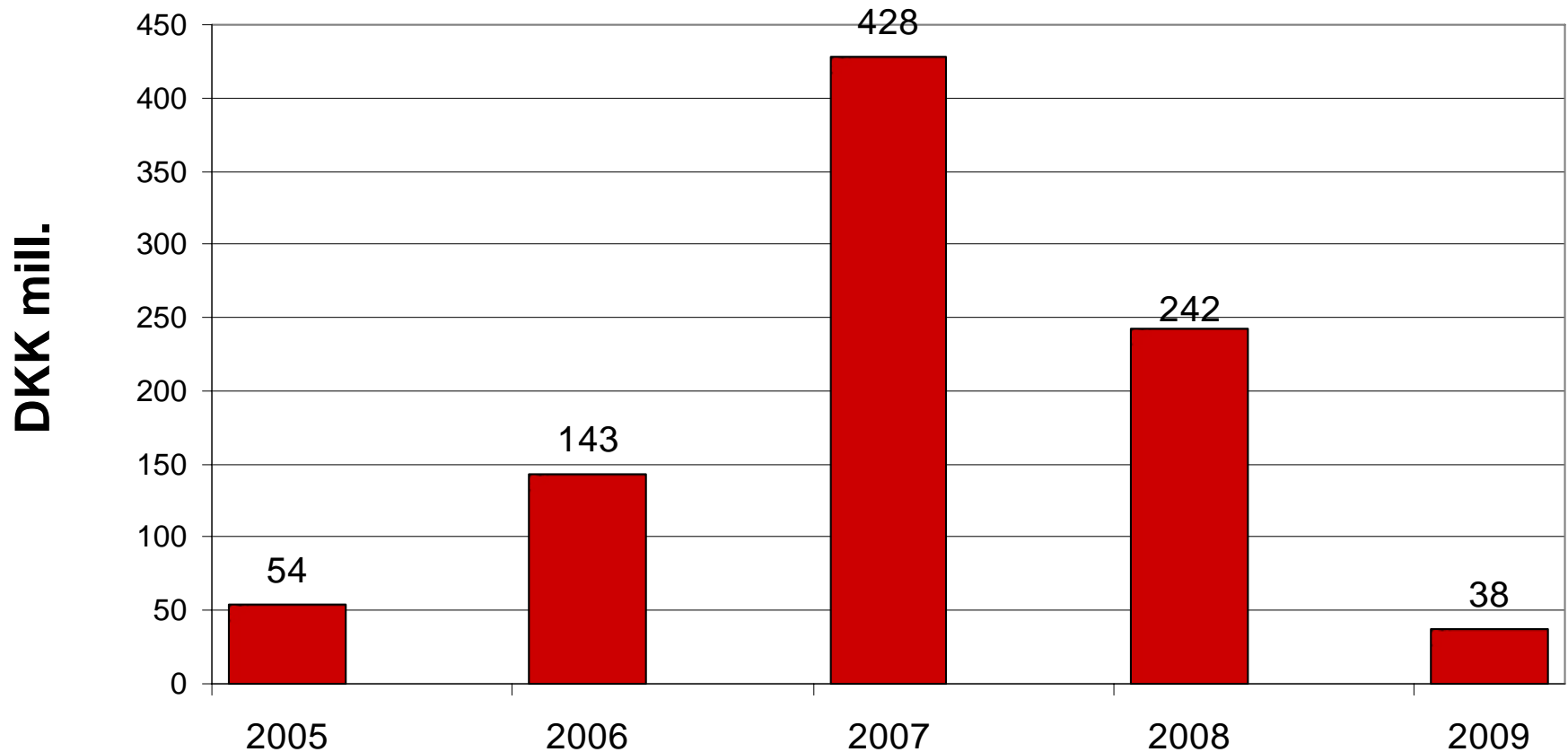
EBIT first quarter per business segment



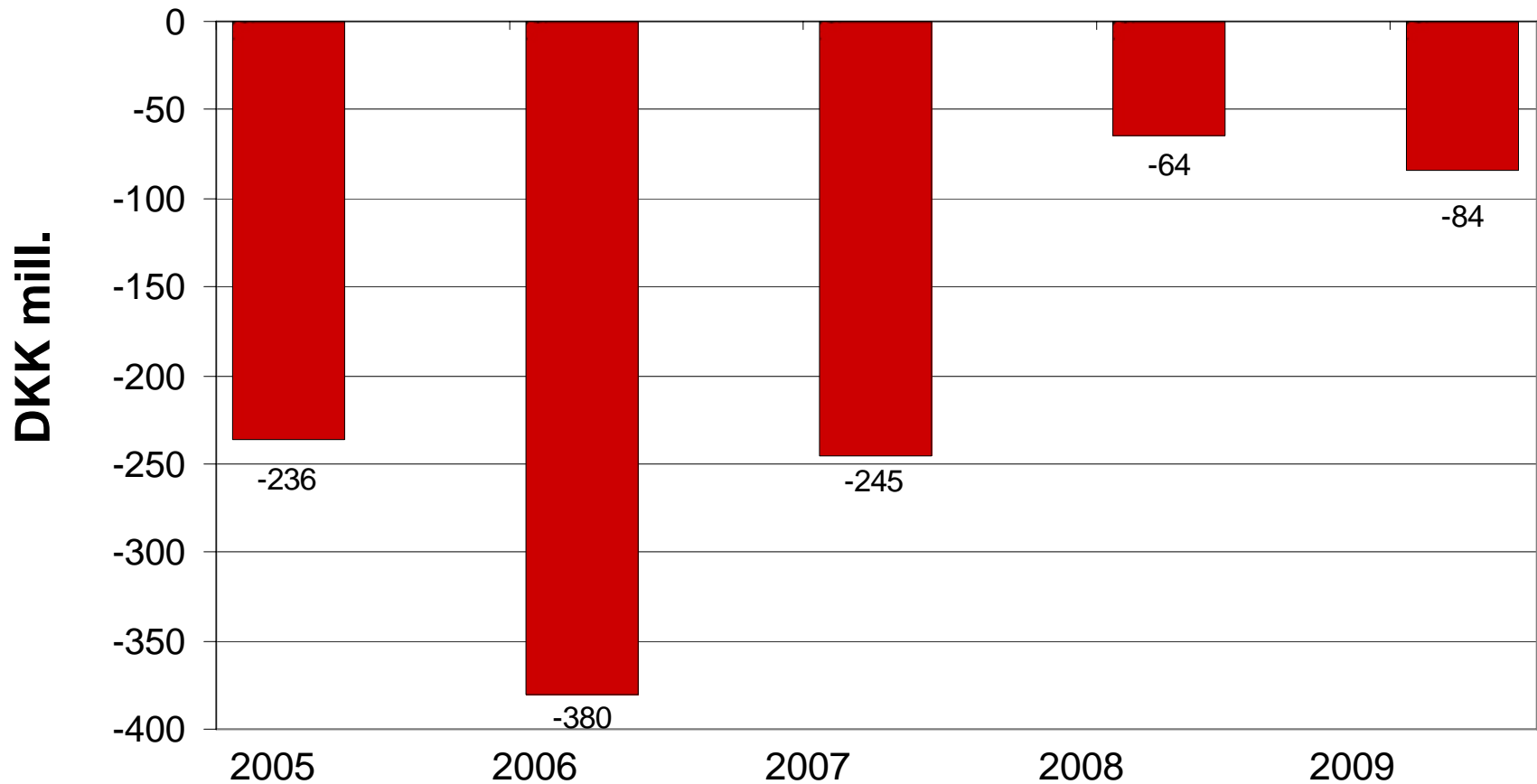
Financial items Q1 2009



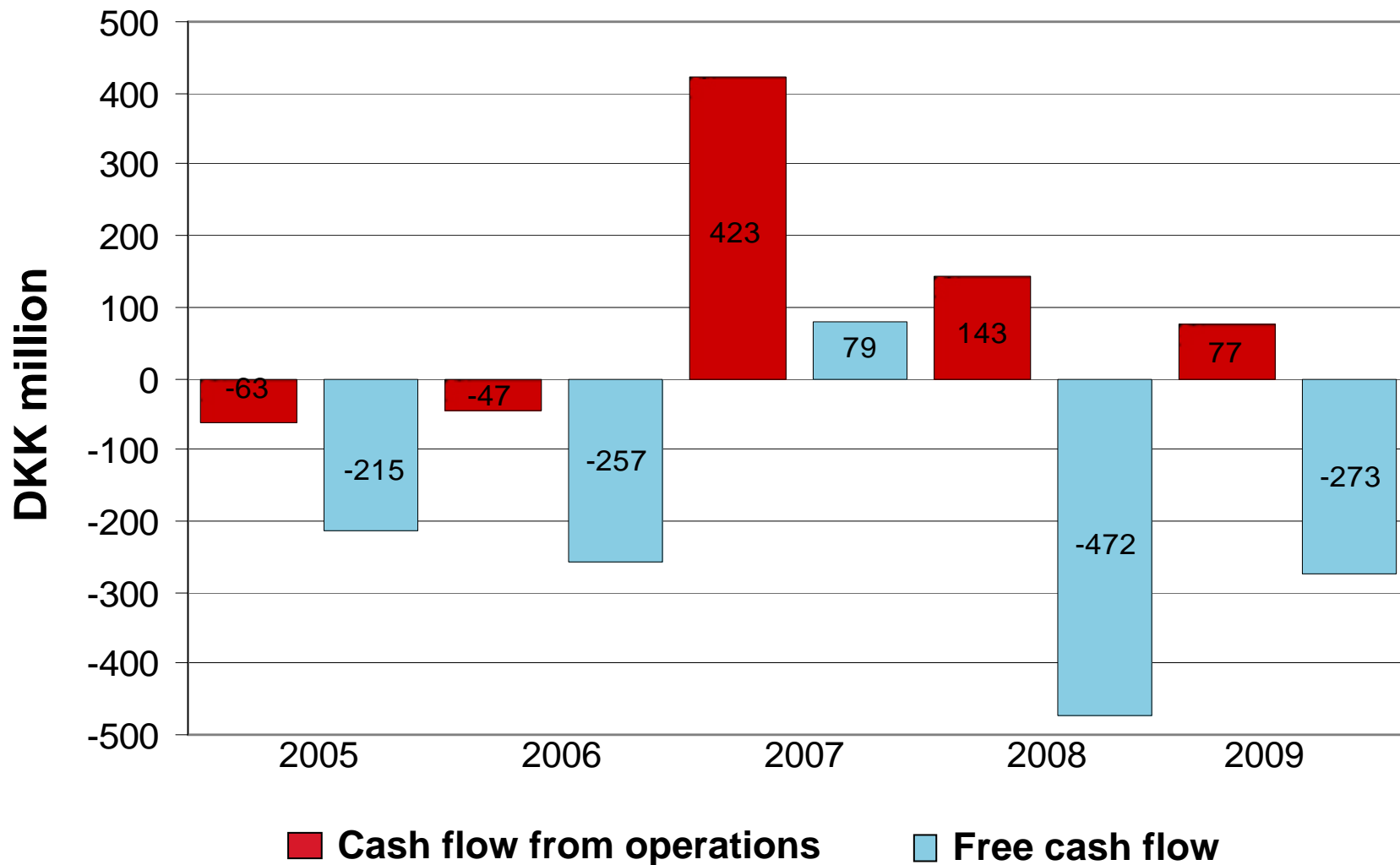
Profit first quarter after minority interests



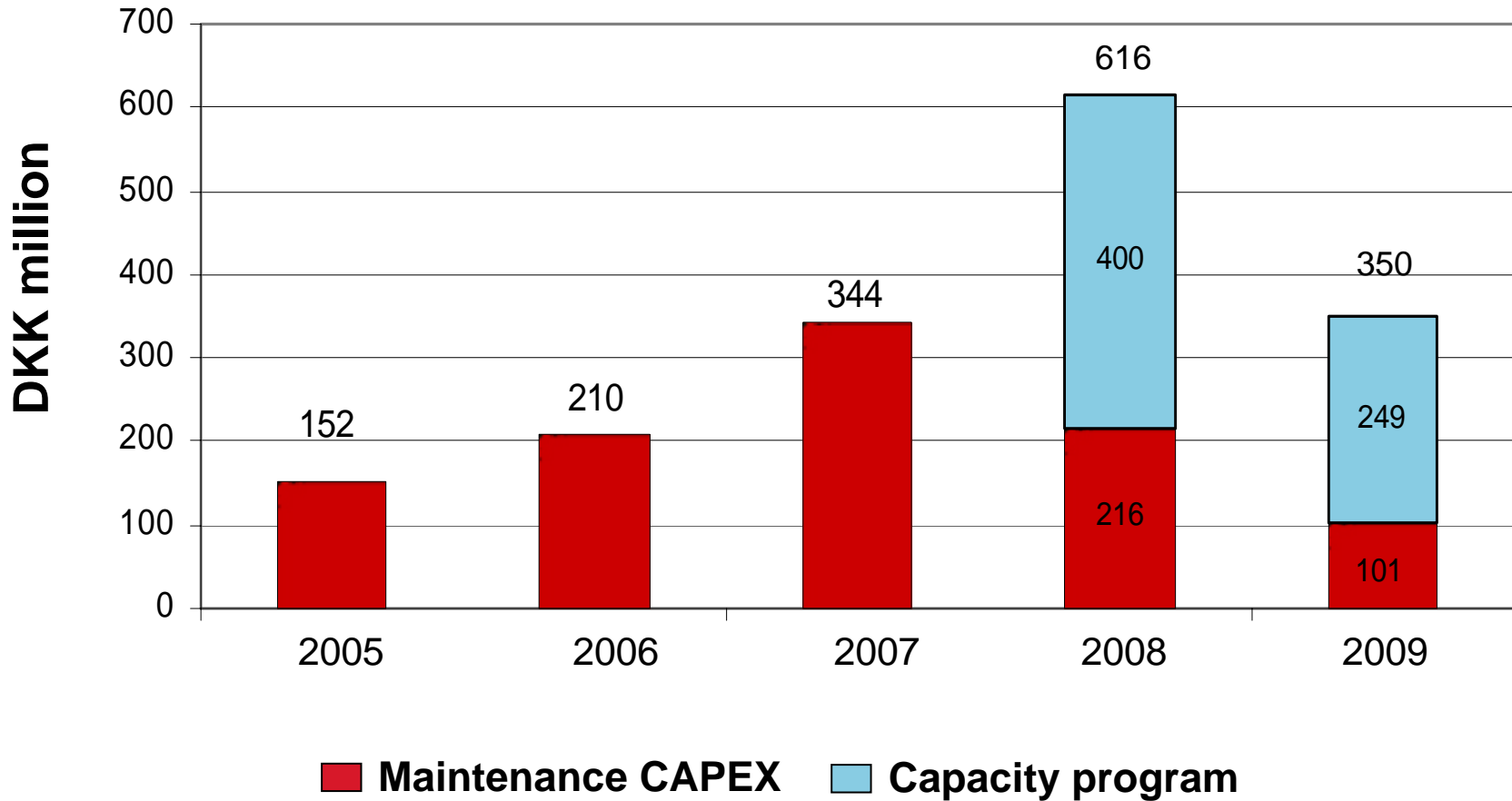
Change in working capital first quarter



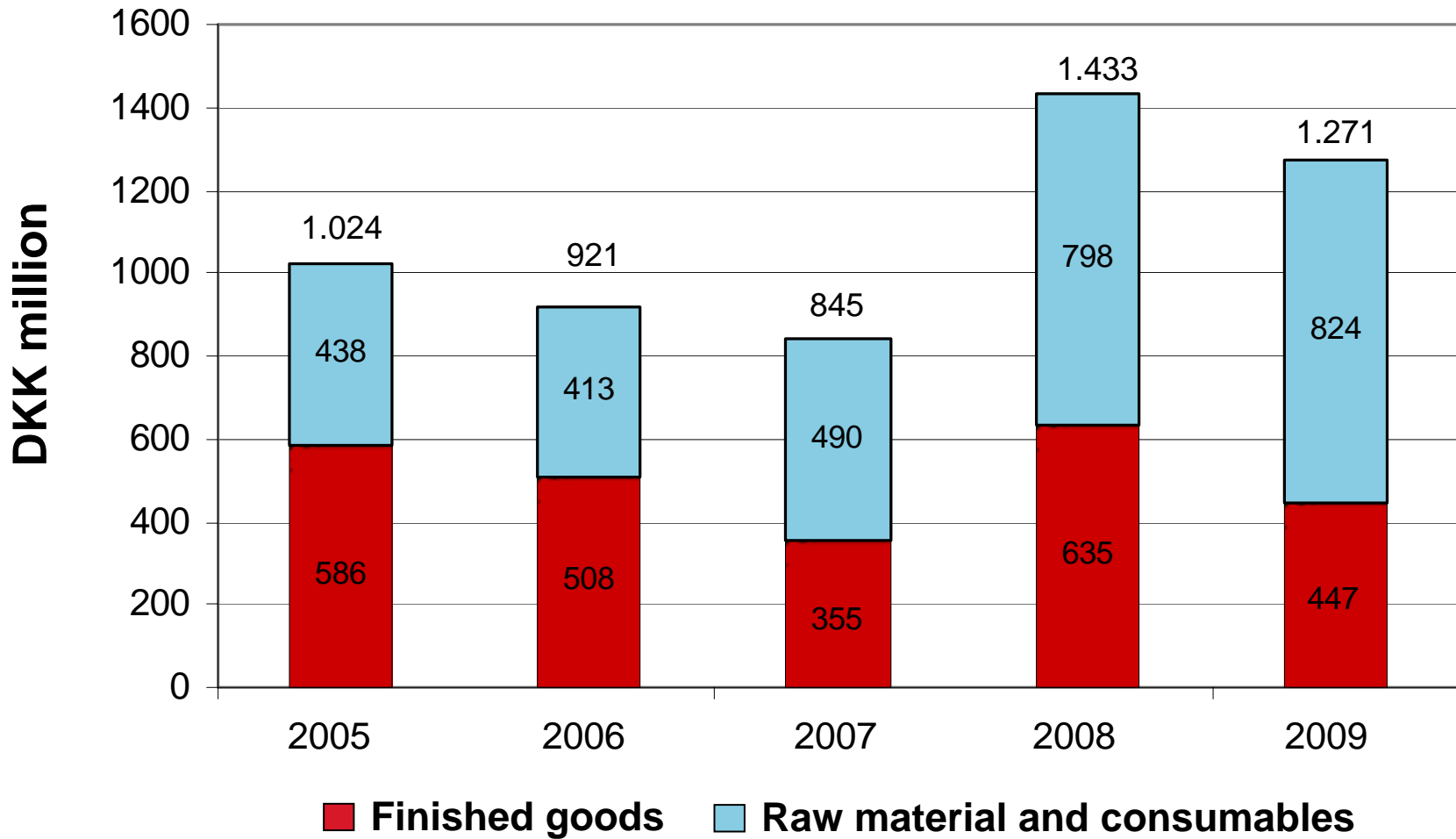
Cash flow from Q1 2009



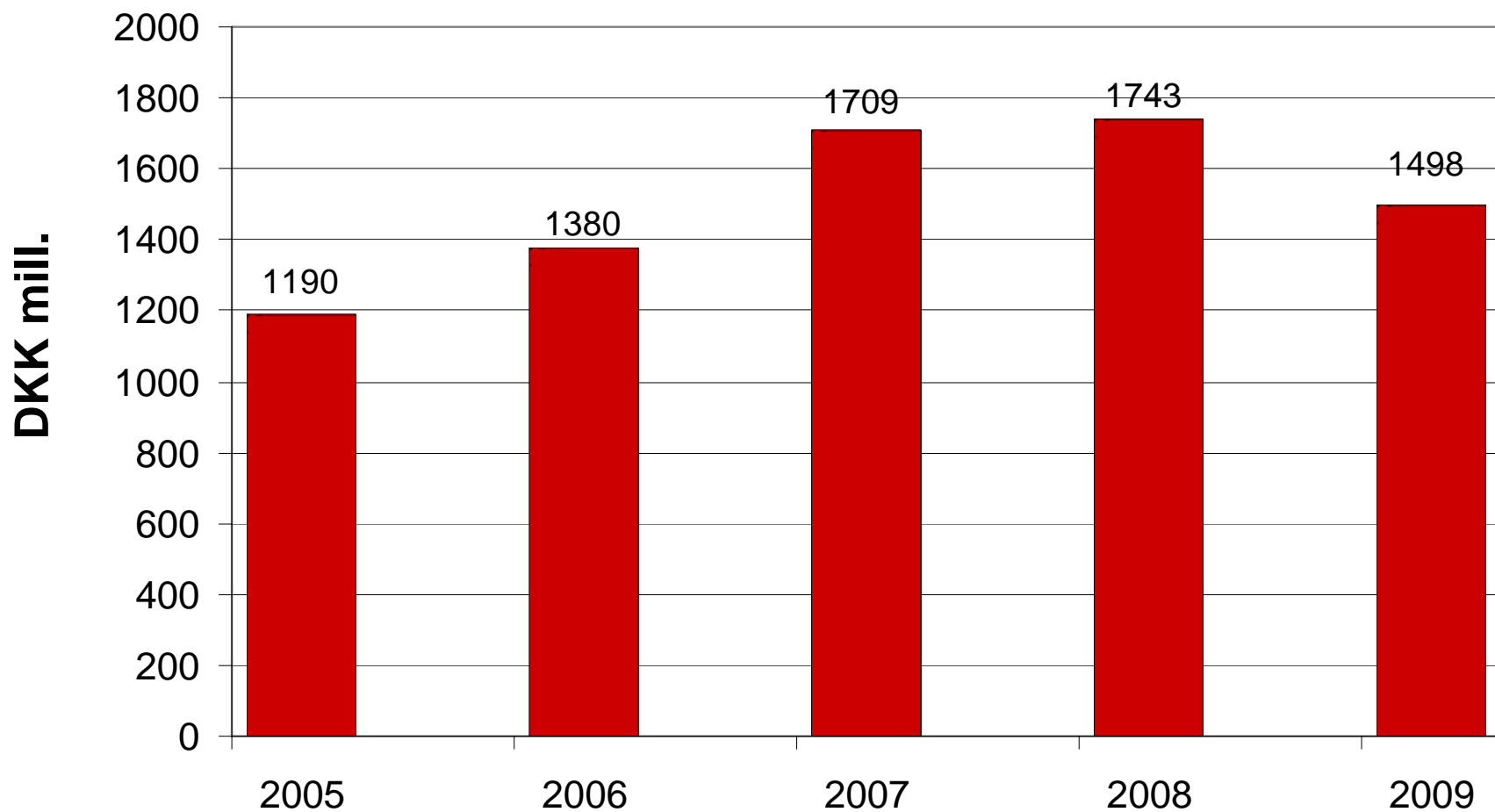
Investments and acquisitions first quarter



Stock end of first quarter

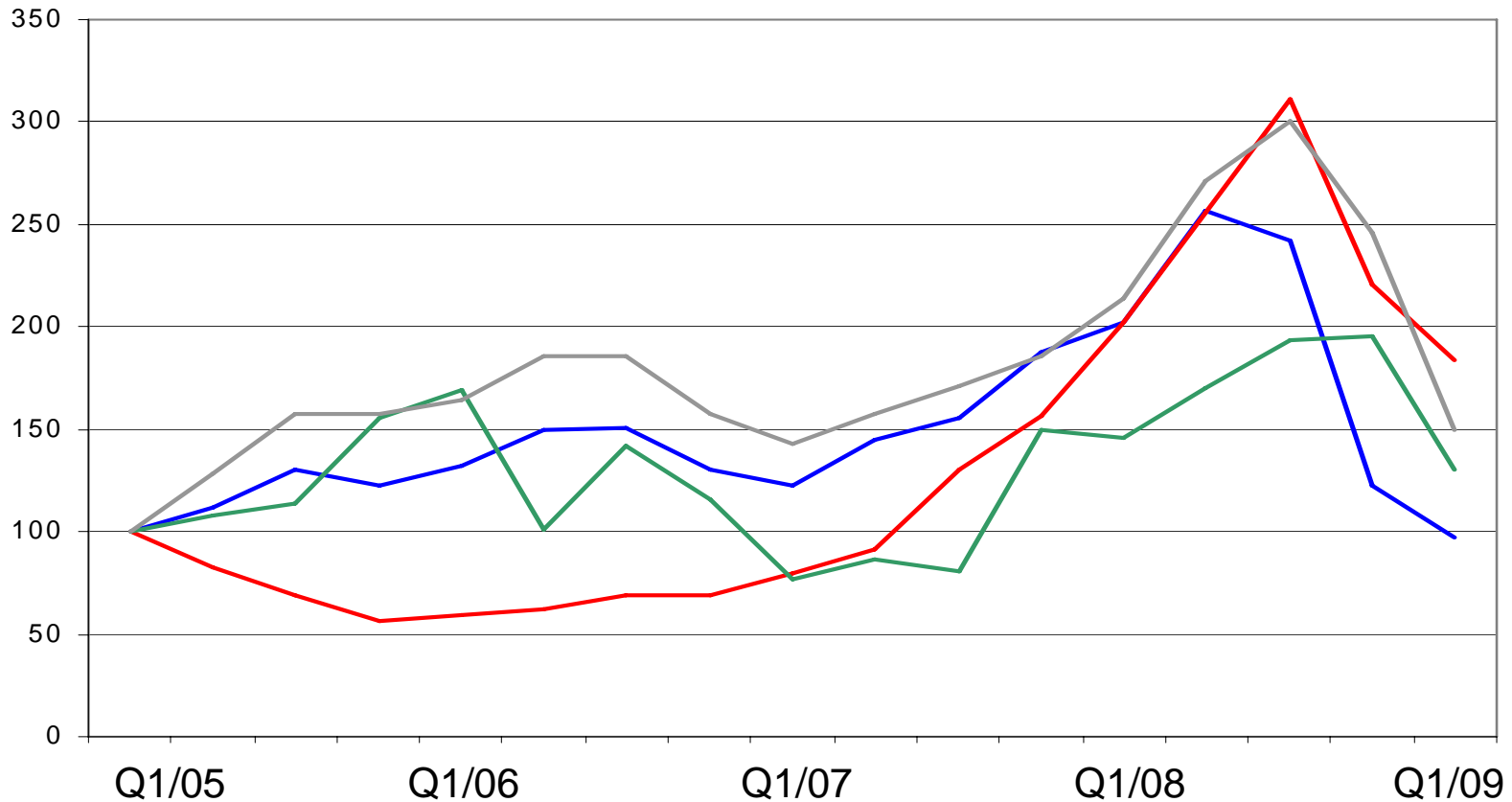


Debtors end of first quarter



Energy prices have decreased strongly and gap between energy types is now reduced

Indexed spot prices of **oil**, **foundry coke**,
gas and **electricity** 2004-2009 (Q1, 2005 = 100)

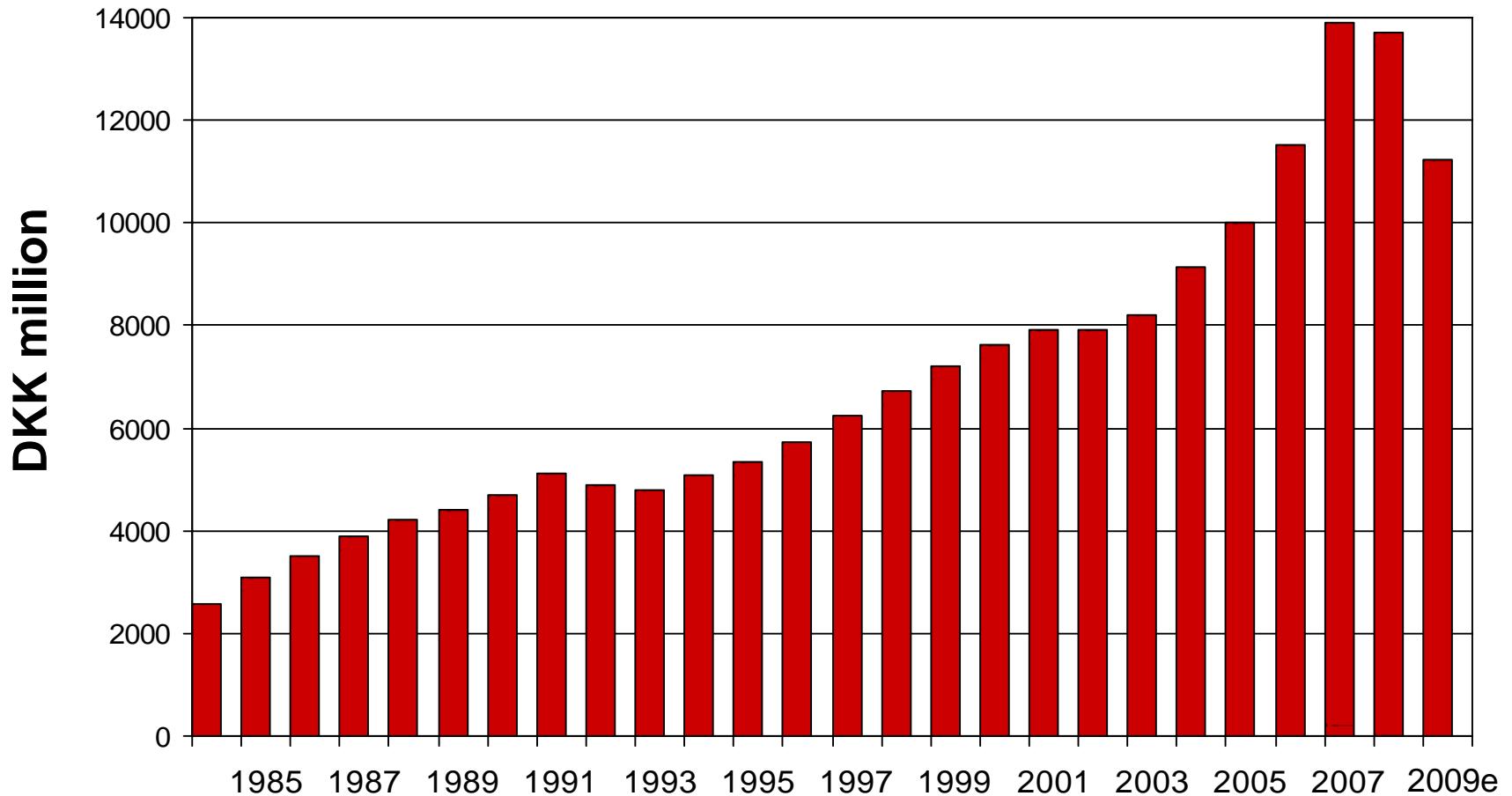


Expectations for 2009

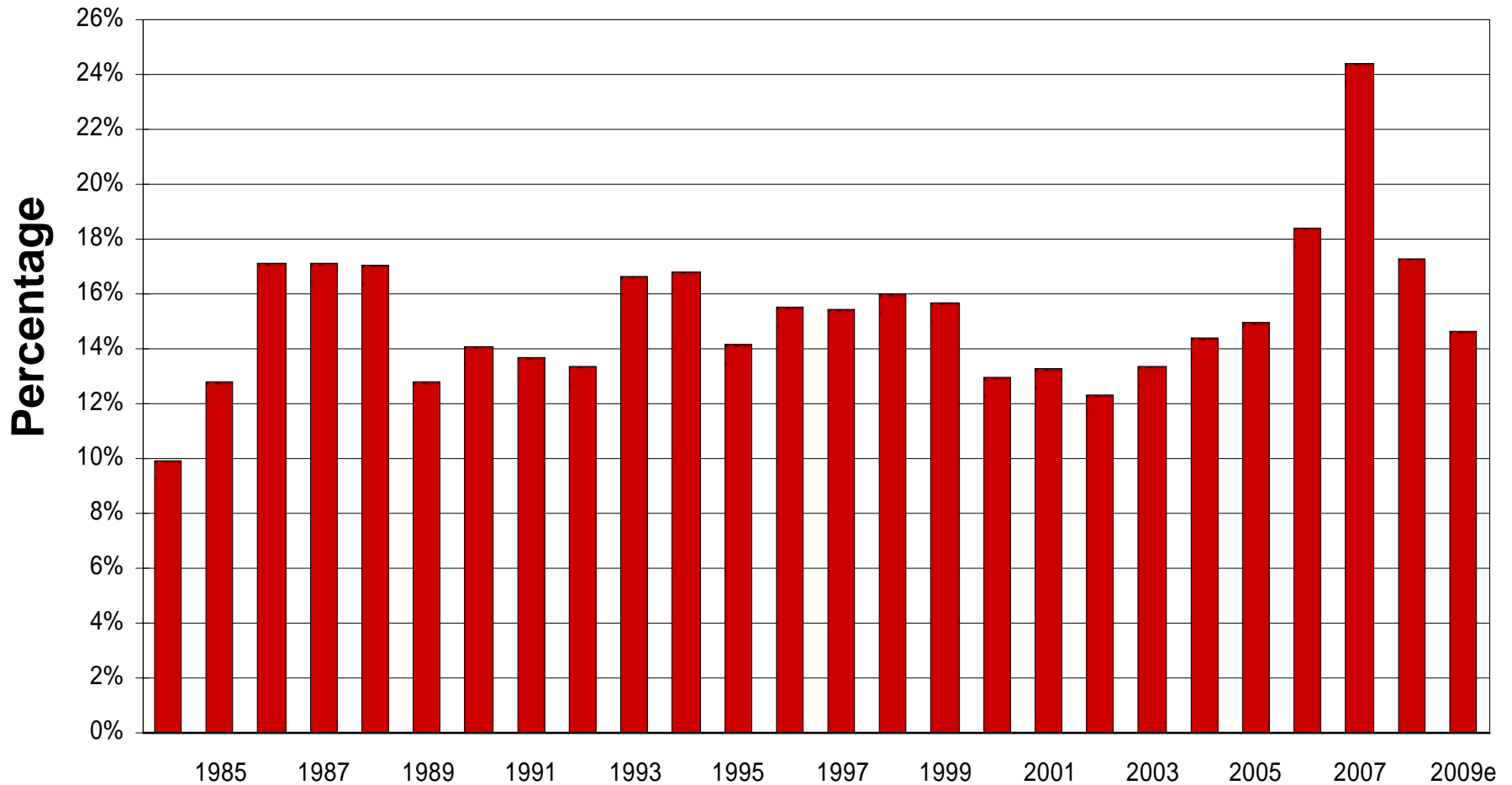
- Net sales – calculated with the April exchange rate levels – are now expected to decrease by 18% (or 14% based on comparable exchange rates).
- Net profit for the year of DKK 400 million.
- Capital expenditure is expected at DKK 900 million.



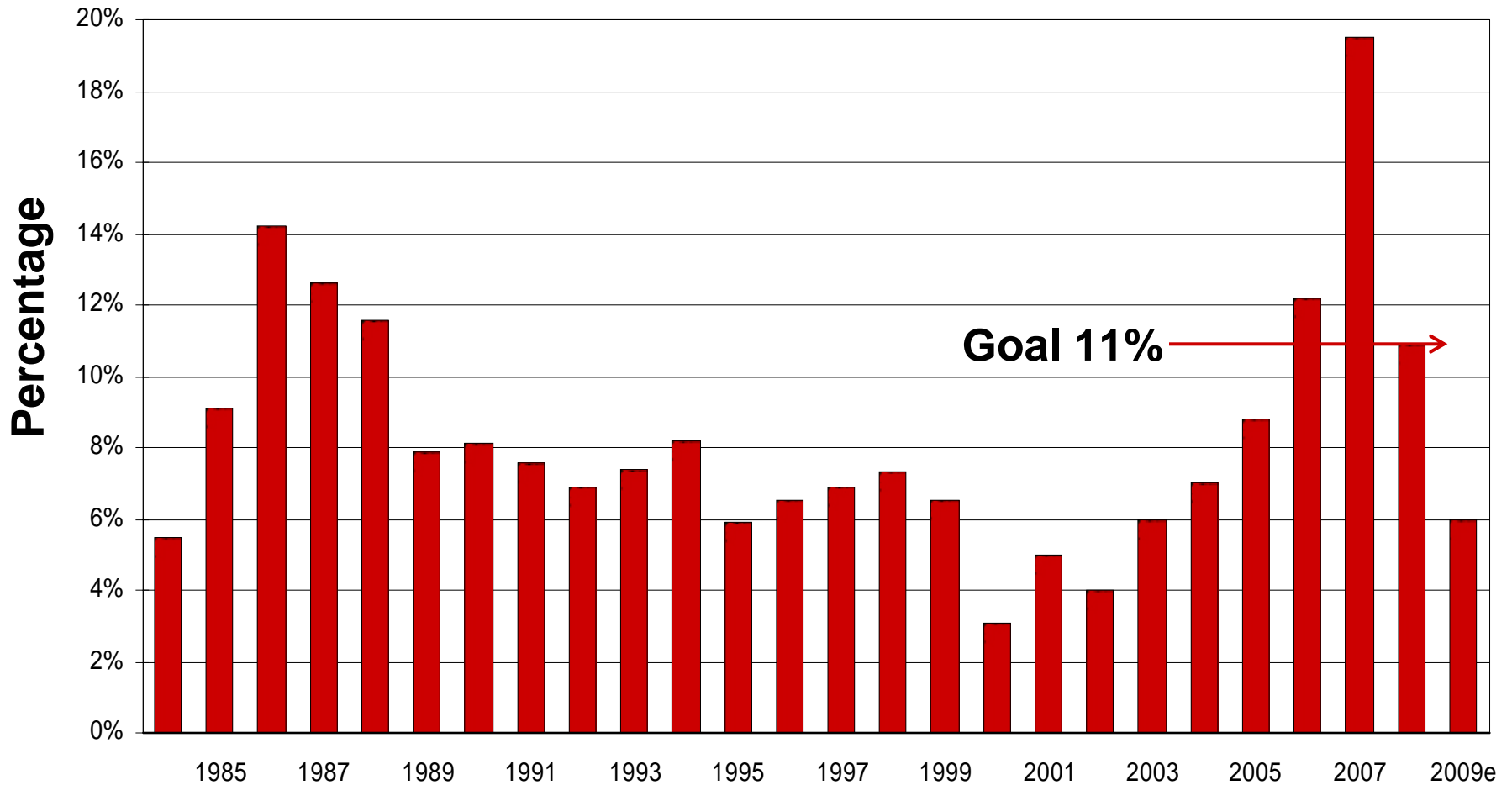
Long term sales development 1984-2009e



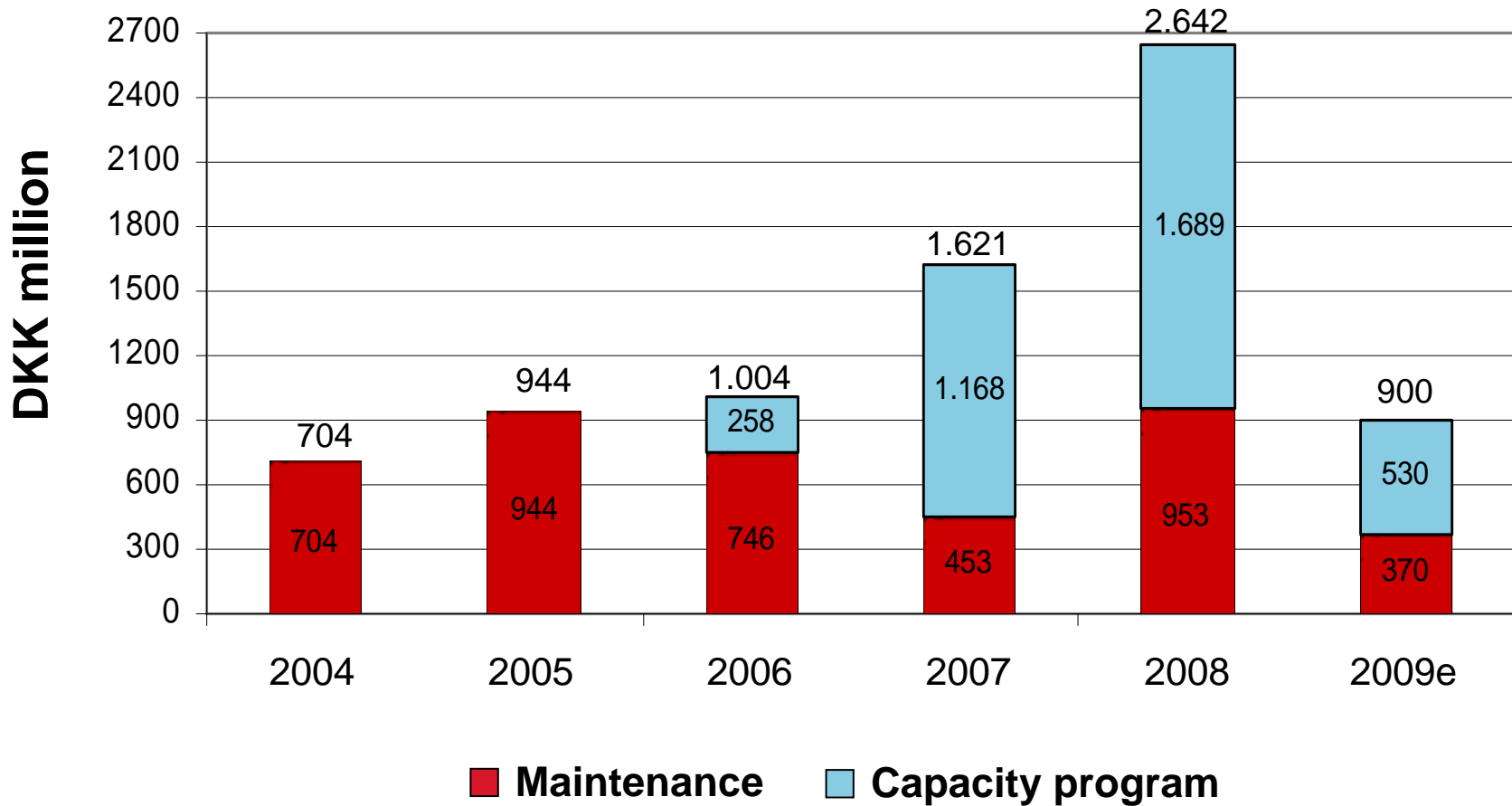
Long term EBITDA ratio 1984-2009e



Long term EBIT ratio 1984-2009e



Investments and acquisitions full year



Market development



European insulation market

- The economical crisis' impact on business and consumer confidence and construction activities continues to affect the insulation market negatively. March turned out more negatively than anticipated.
- The newbuild activity continues to decrease in both residential and non-residential segments. The project and building permit pipeline is at a low level.
- The renovation market is performing better, and in some important countries we see an increasing effect of public financial incentives stimulating improved energy efficiency in buildings as well as increased spending for public buildings.
- Price levels are still holding up well in the major part of the business but are under continued pressure in Central and Eastern Europe.



Construction region 1: The Anglo-Saxon downturn

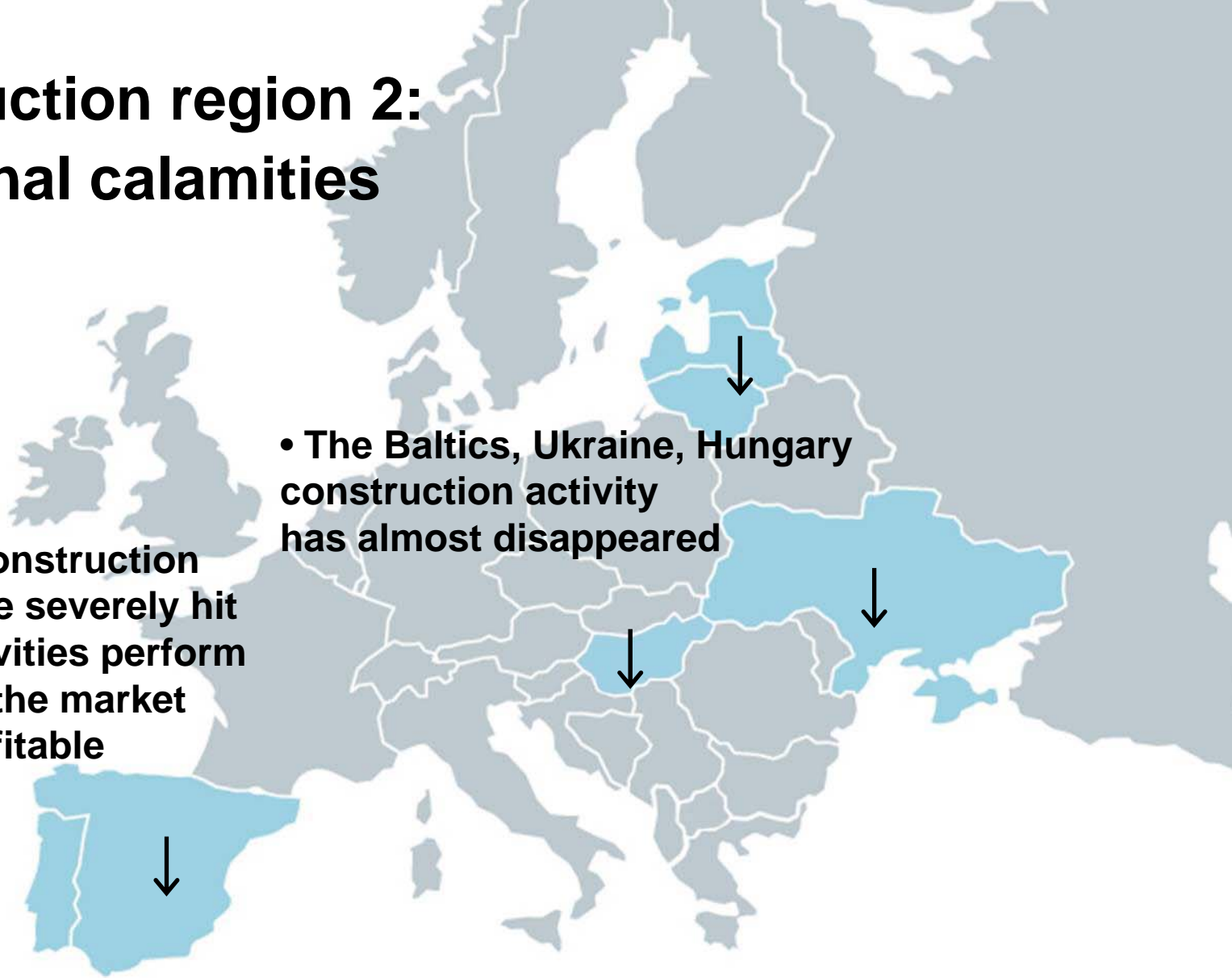


- The trading is at a very low level but we see increased effects from the public programs

Construction region 2: Additional calamities

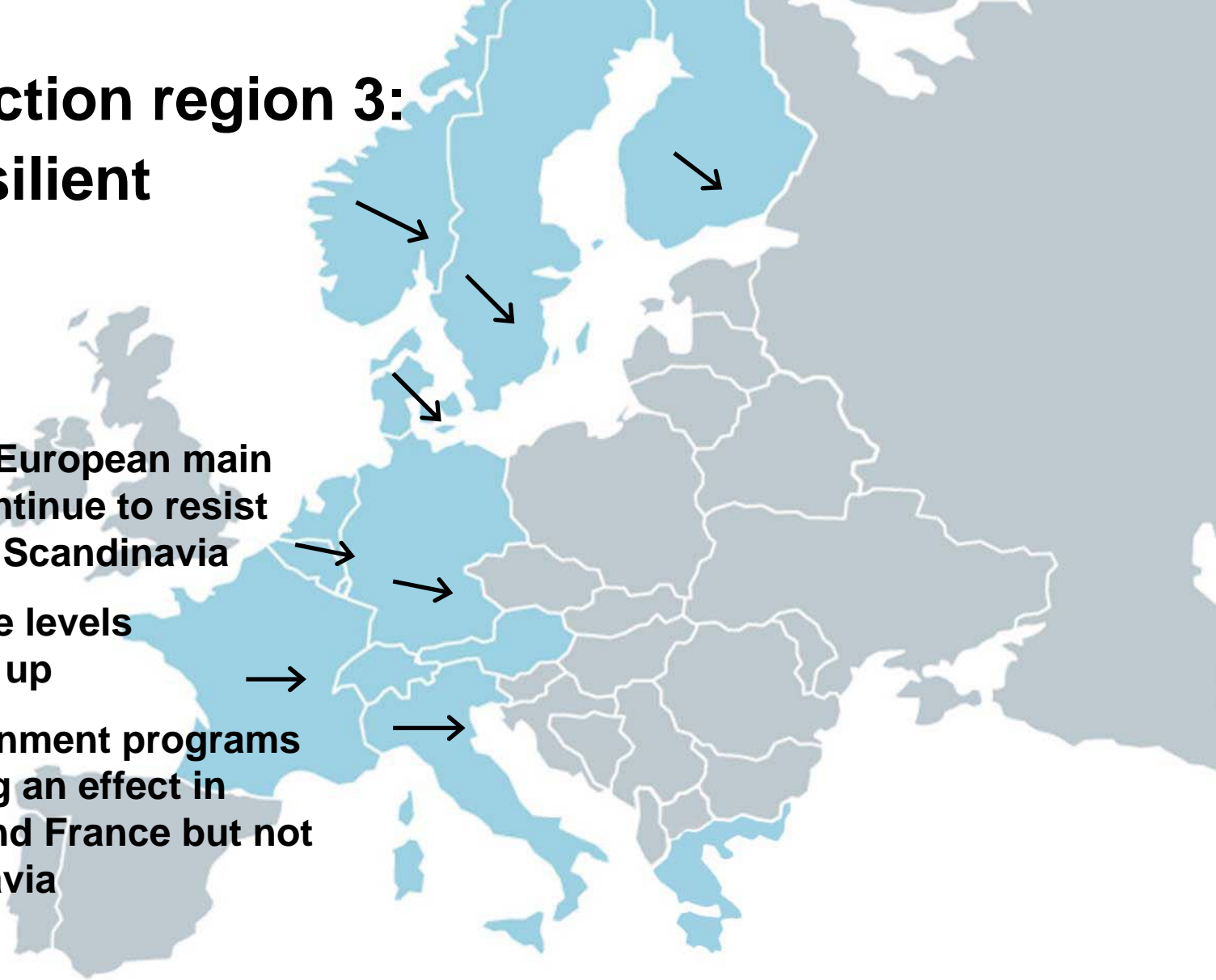
• Spanish construction activities are severely hit but our activities perform better than the market and are profitable

• The Baltics, Ukraine, Hungary construction activity has almost disappeared



Construction region 3: More resilient

- The West European main markets continue to resist well except Scandinavia
- Sales price levels are holding up
- The government programs are showing an effect in Germany and France but not in Scandinavia



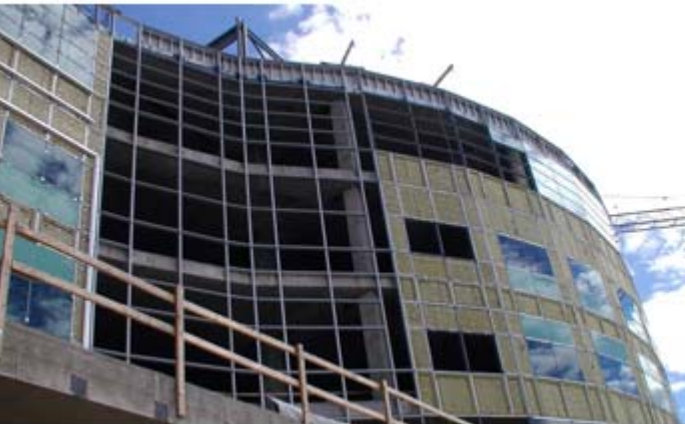
Construction region 4: At risk for a calamity?

- No light at the end of the tunnel yet
- Sales prices have gone down in most countries
- Polish market is the best performing market in the region
- Strong uncertainties for the next quarters in Russia despite reasonable Rockwool sales in Q1



North American insulation market

- The Group develops positively despite the continued decline of the US construction market.
- A new Rockwool production line started up in March 2009. The running-in is progressing successfully and the Rockwool Group has created a strong platform to benefit from Obama's stimulus packages where energy efficiency of buildings is a cornerstone.

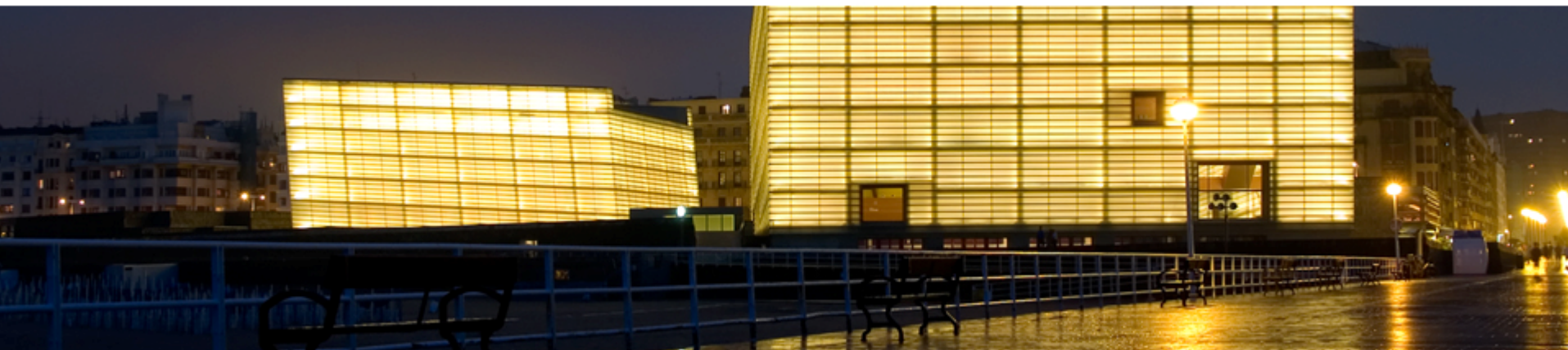


Systems Division

- The Rockfon Group continues to outperform the market but is of course increasingly affected by the tightening market. Summer renovation activities will be extremely interesting to follow.
- Grodan Group's markets are also affected by the crisis but less than the other businesses.
- The Rockpanel activities are now clearly affected.
- Lapinus Fibres is feeling the impact of the trading conditions in the automotive industry which is the main customer group.



Adapting the company



Sizing production and organisation for the future

- The work on placing high-performing production lines in UK, Canada and Poland is now almost finalised. This will improve our competitiveness in strategic areas and allow us to introduce new products & solutions.
- Decision to close low-performing and small plants (30,000 tonnes) such as in Hungary and Italy have been made.
- The Croatian plant is still producing under a test period. This state of the art production line will support our expansion in Southern Europe.
- The fixed cost reduction programme is running according to plan.



Questions



Q1 26 May

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