H1 2009 results
Copenhagen
28 August 2009

CEO Eelco van Heel

CFO Gilles Maria

ROCKWOOL®

STOP LOCAL WARMING

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

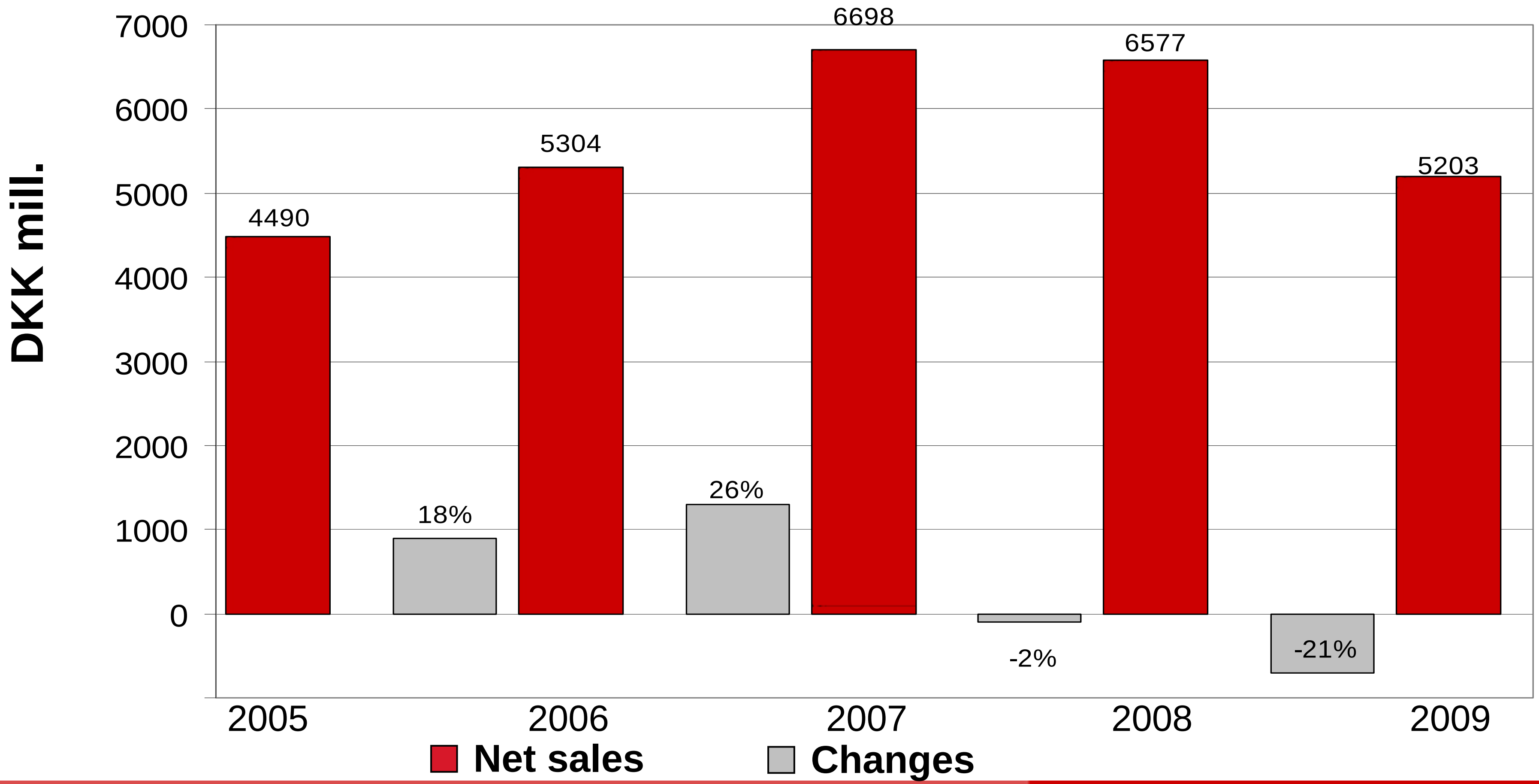
Agenda

1. Welcome by CFO Gilles Maria
2. Financials by CFO Gilles Maria
3. Group development by CEO Eelco van Heel
4. Q&A

Financials

Net sales H1

Market conditions in Q2 even tougher than in Q1 resulting in sales decrease by 21%



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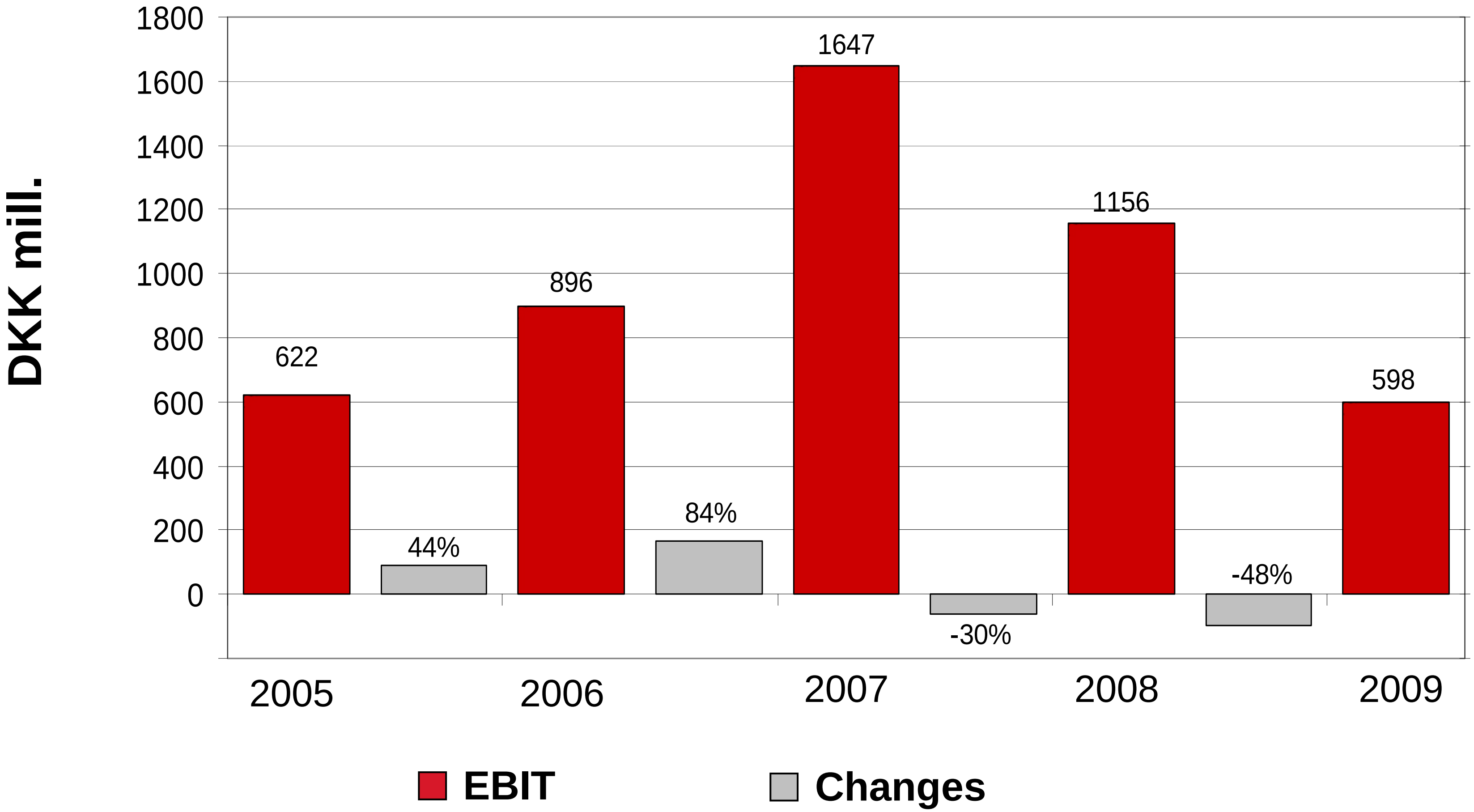
EBITDA H1

stands at 11% of Net Sales and is slightly better in Q2 than in Q1



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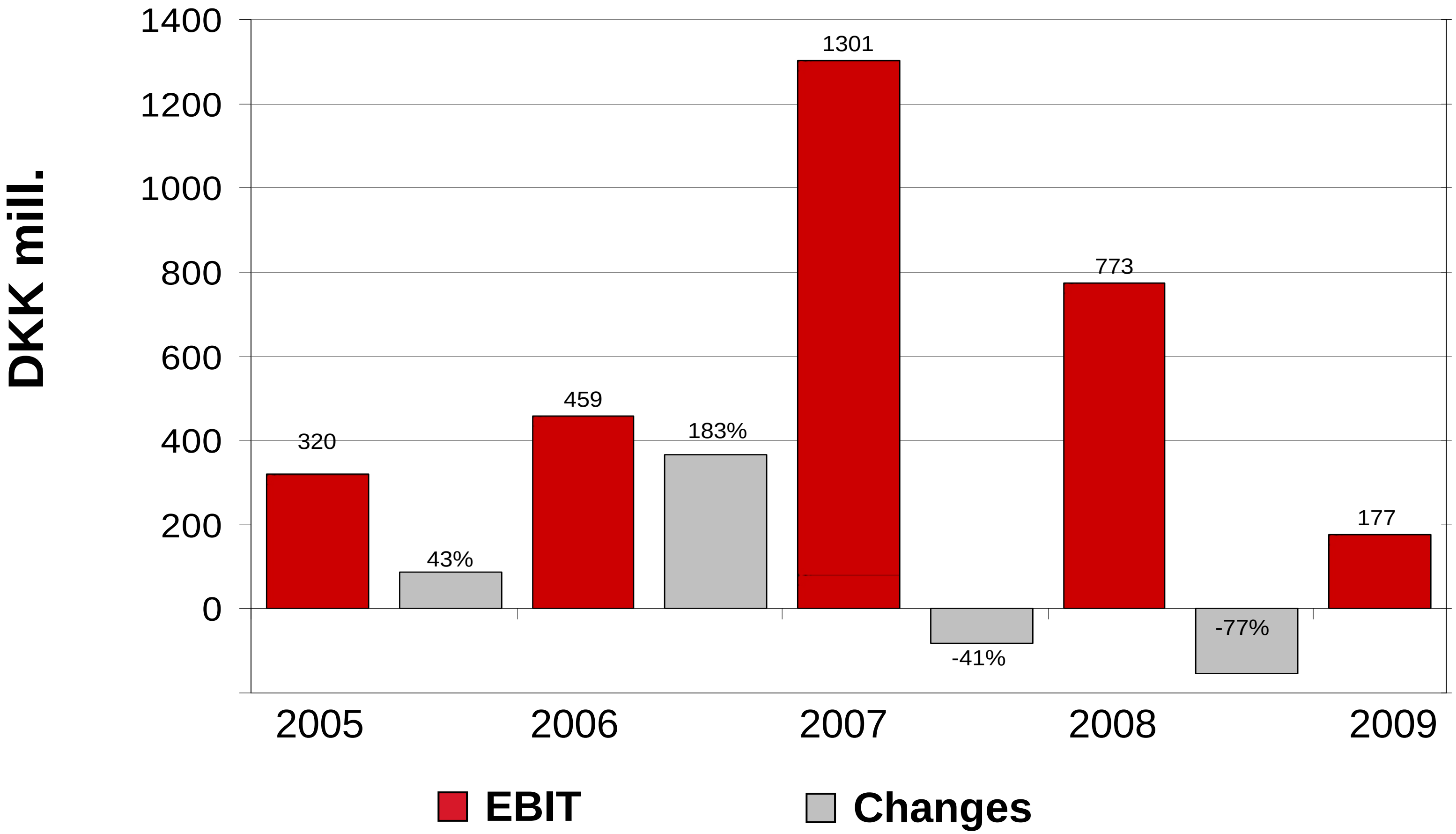
EBIT H1 ratio

stands at 3.5% of net sales
reflecting sales price decrease and still low benefit from input costs



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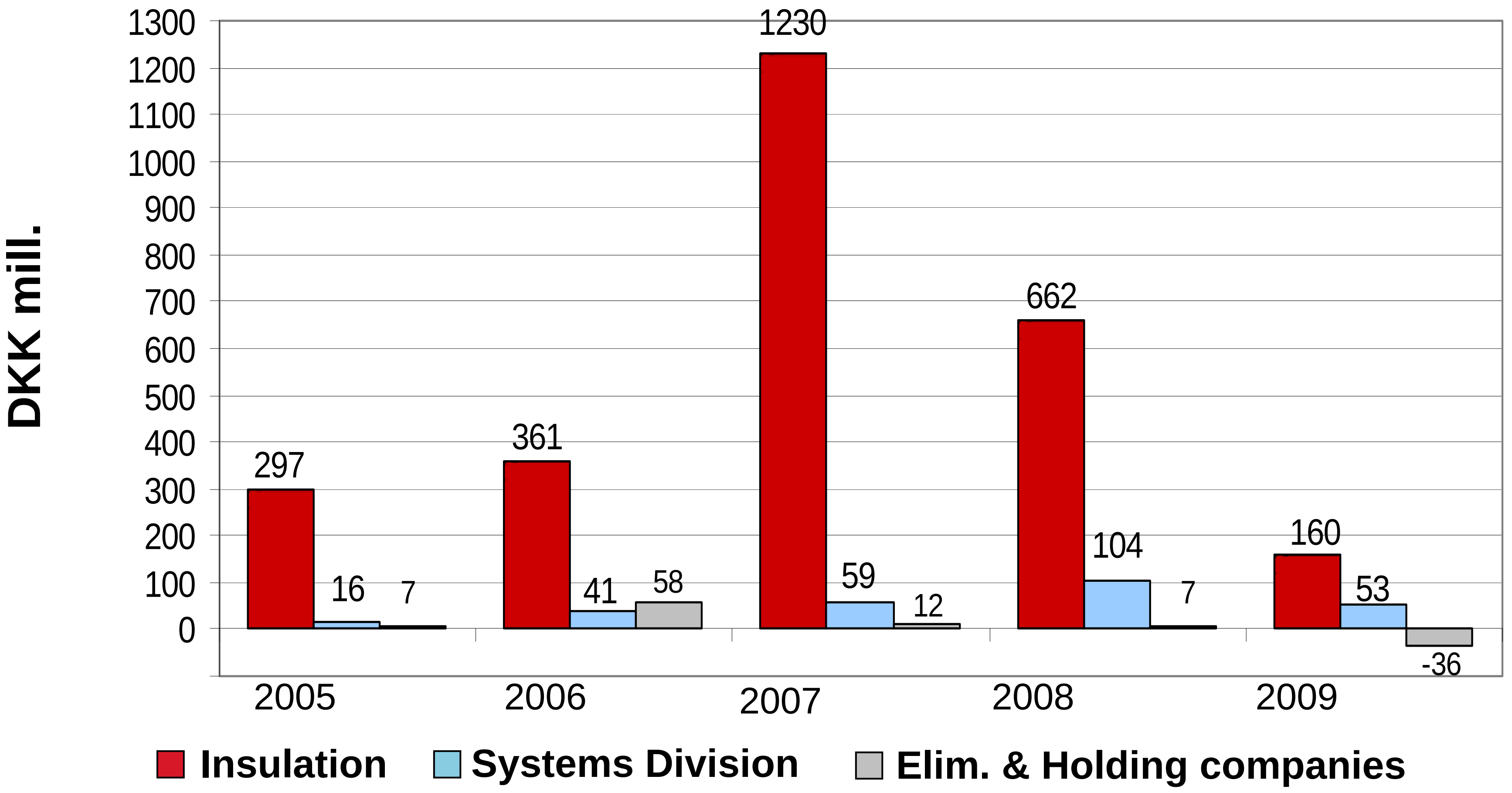
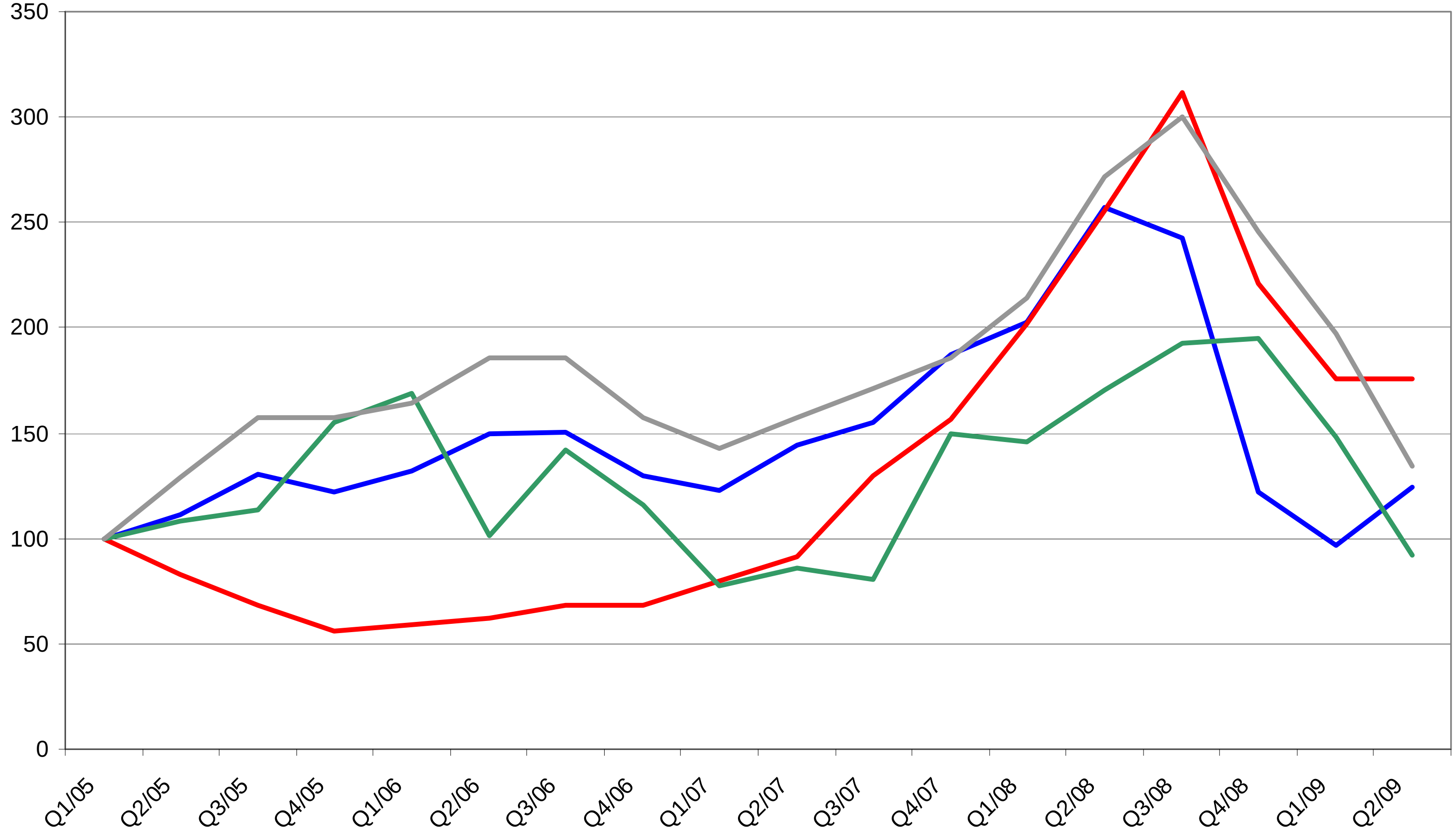
EBIT H1 per business segment



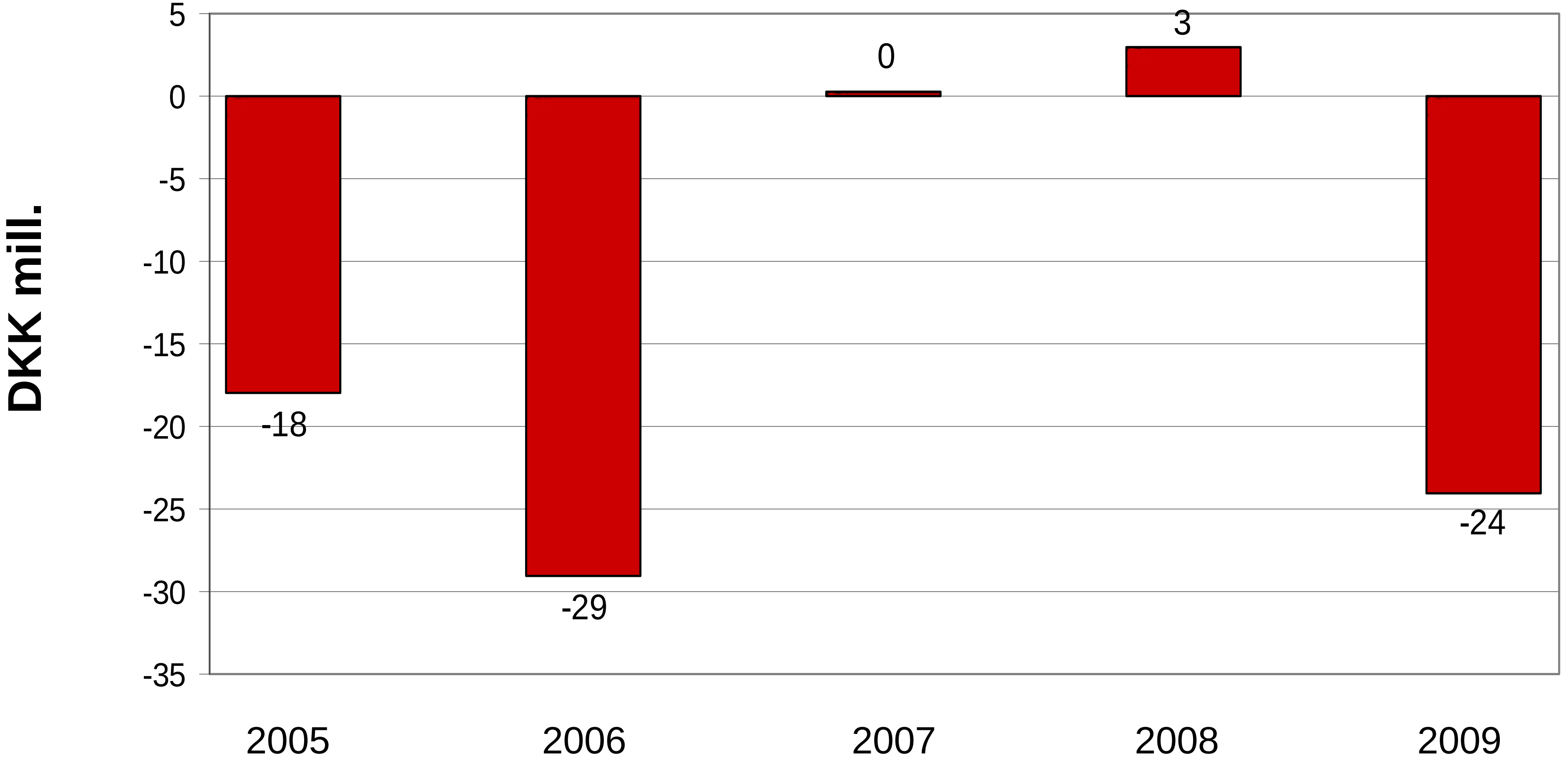
Energy spot prices

have continued to decrease

Indexed spotprices of oil, foundry coke, gas and electricity
2005-2009 (Q1, 2005 = 100)



Financial items H1 2009



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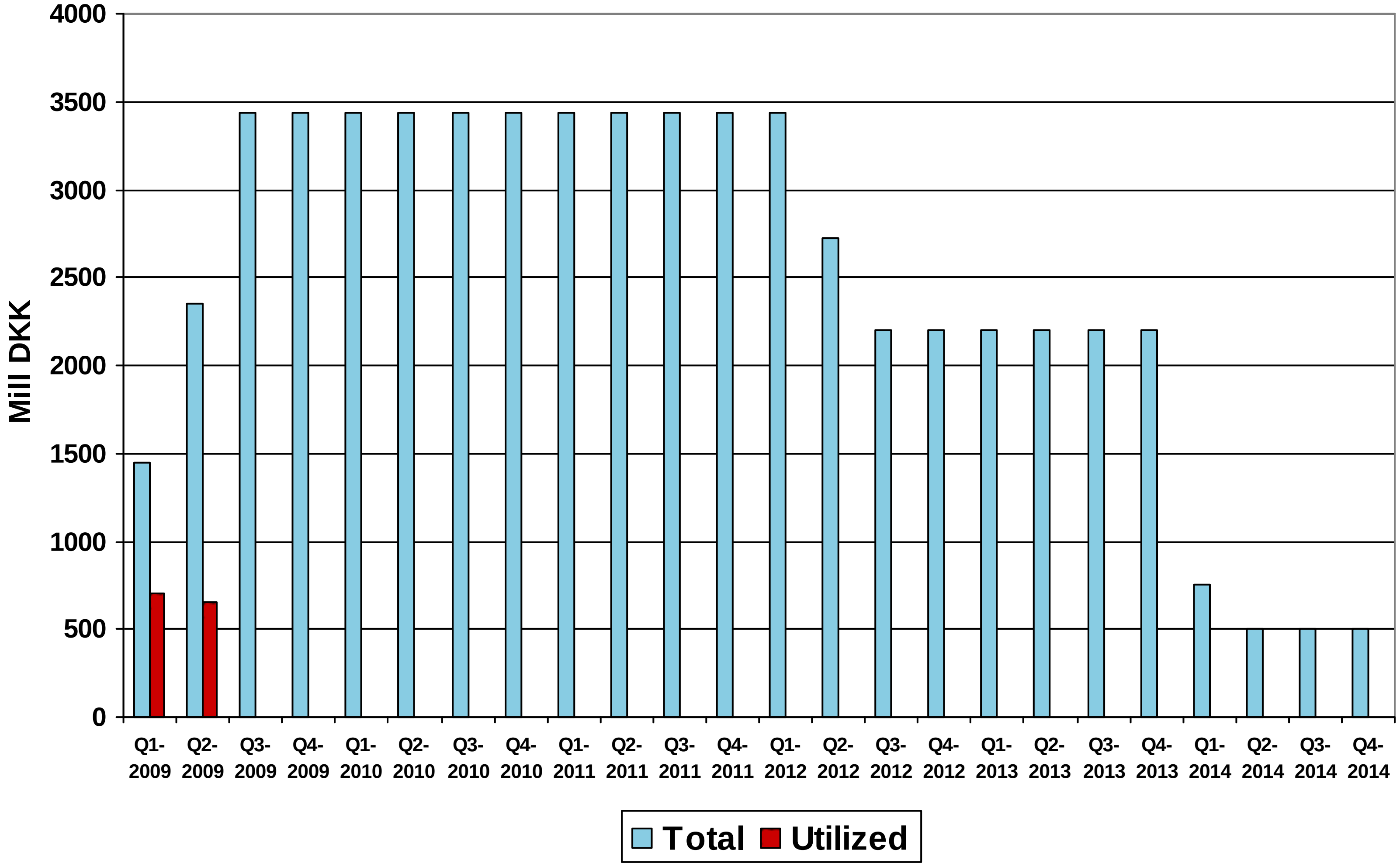
Group committed credit facilities 2009-2014



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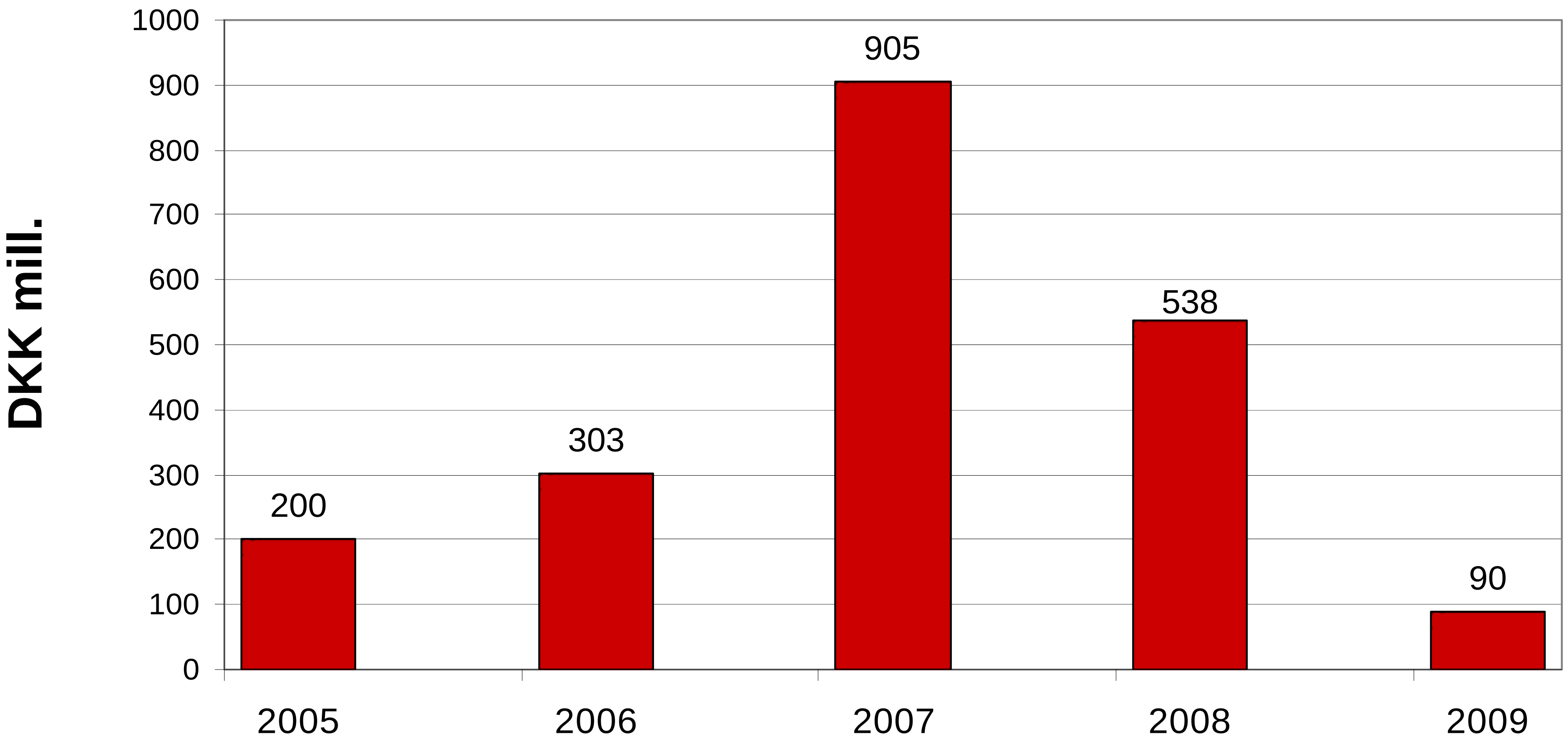
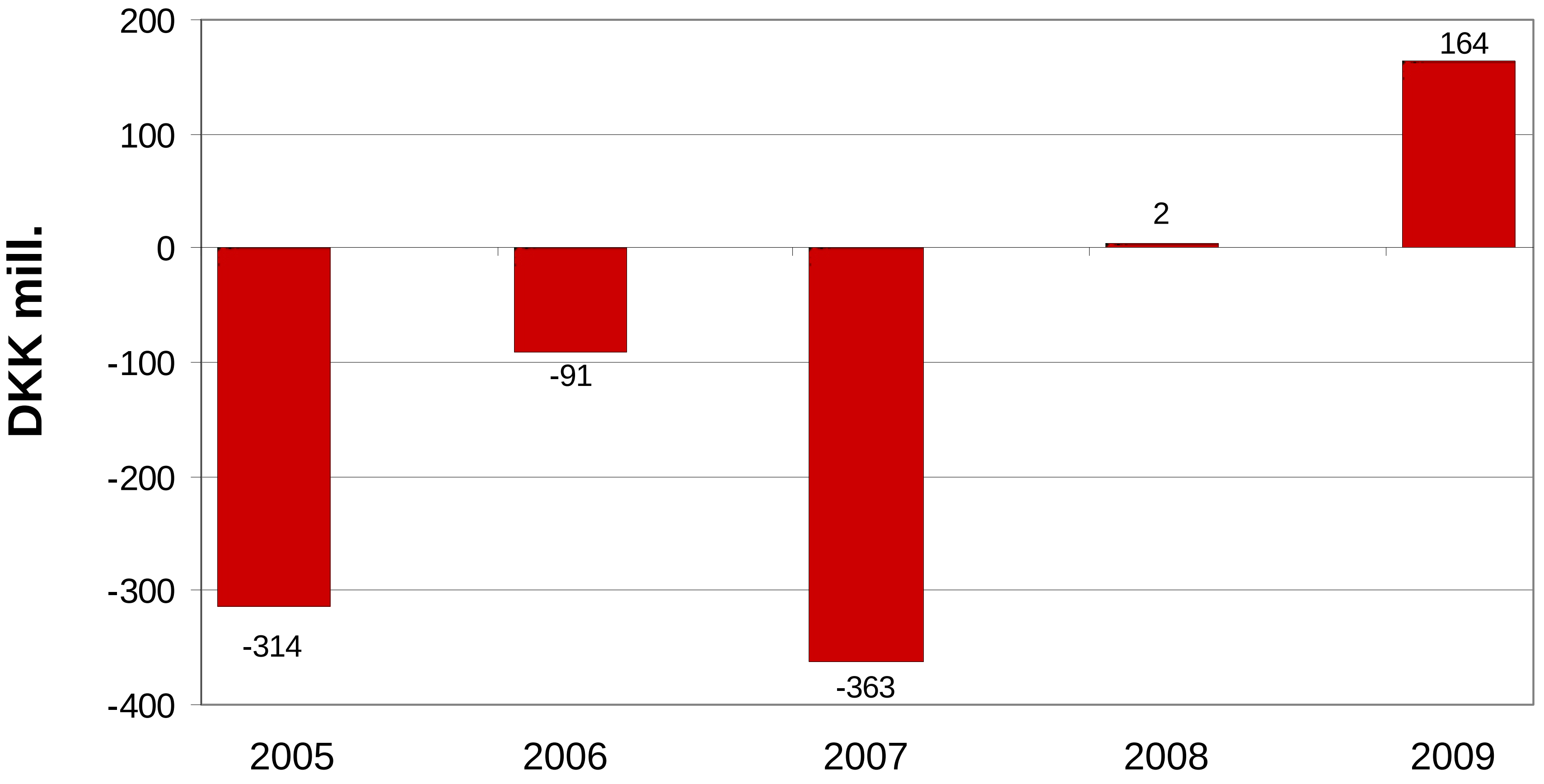
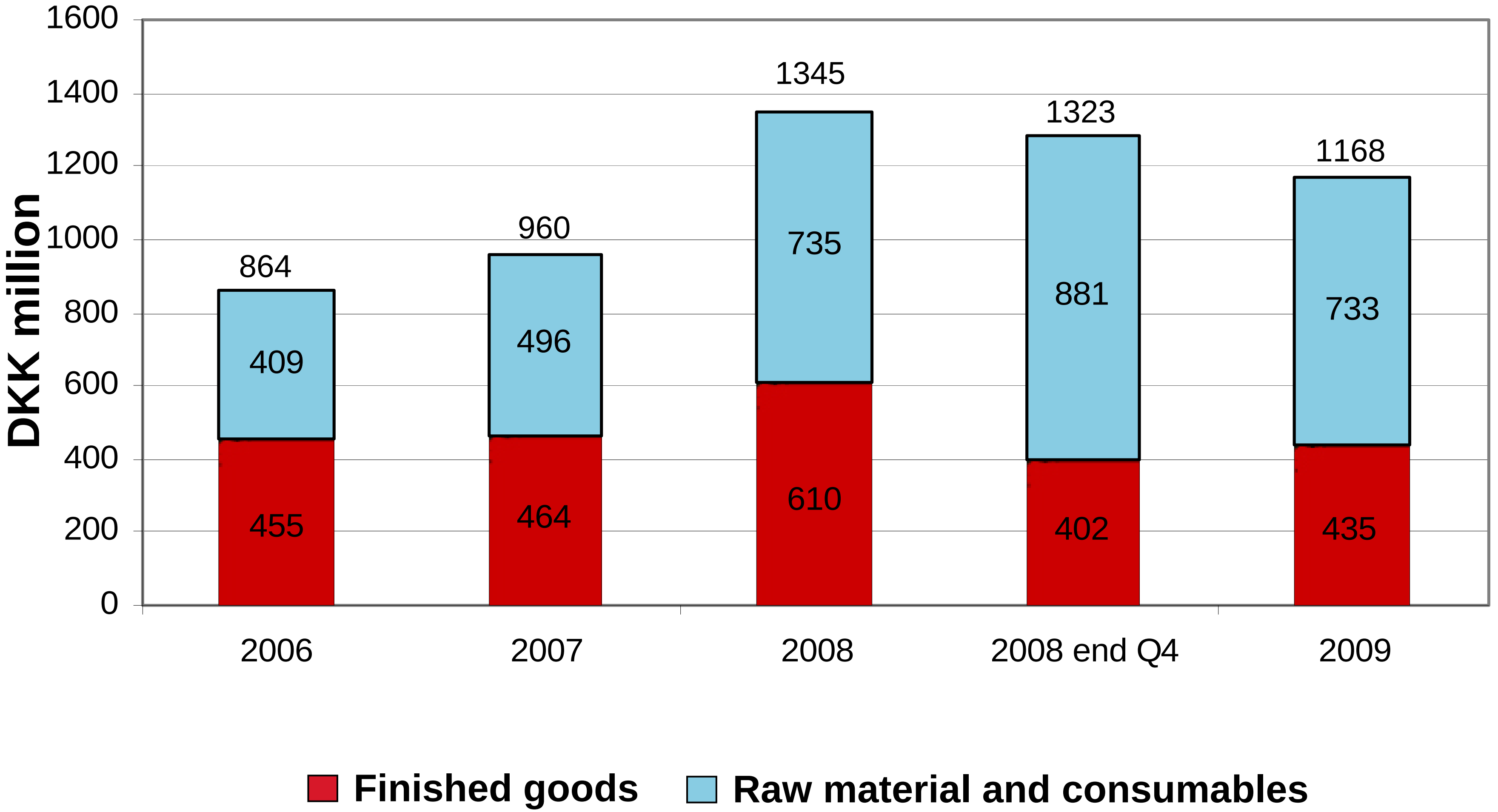
Profit H1 after minority interests



Change in working capital H1



Stock end of H1



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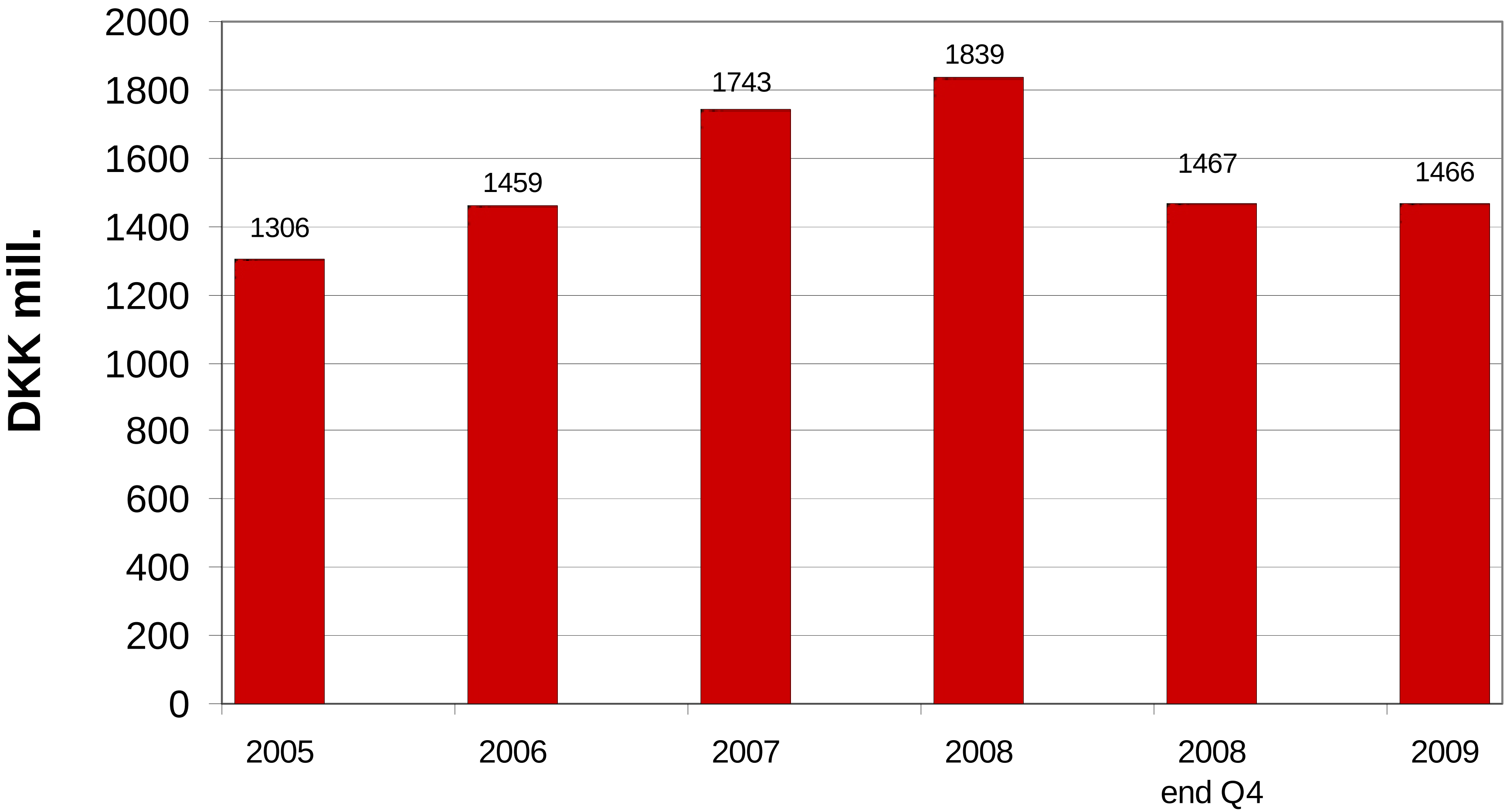
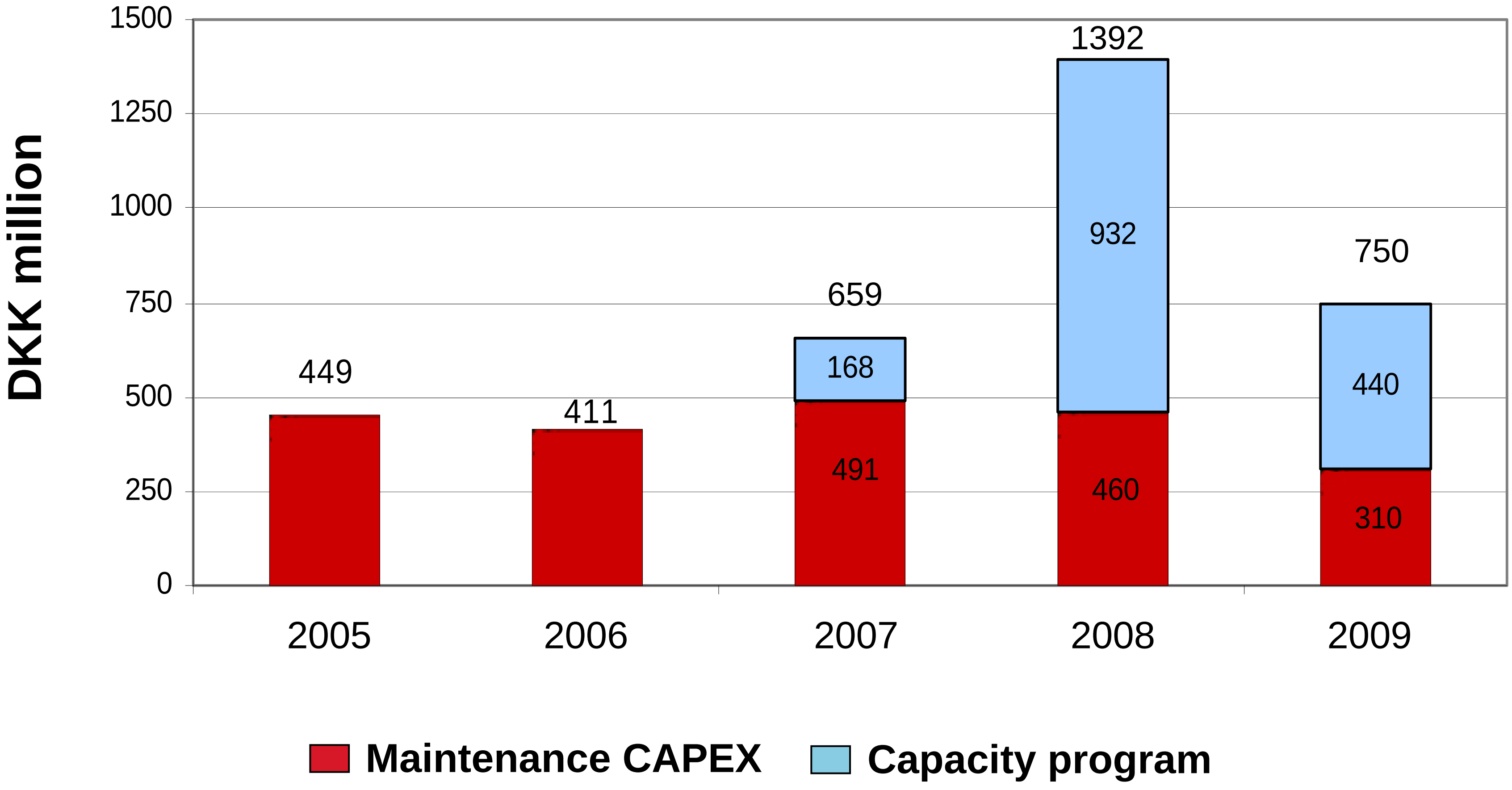
Debtors end of H1



Investments and acquisitions H1



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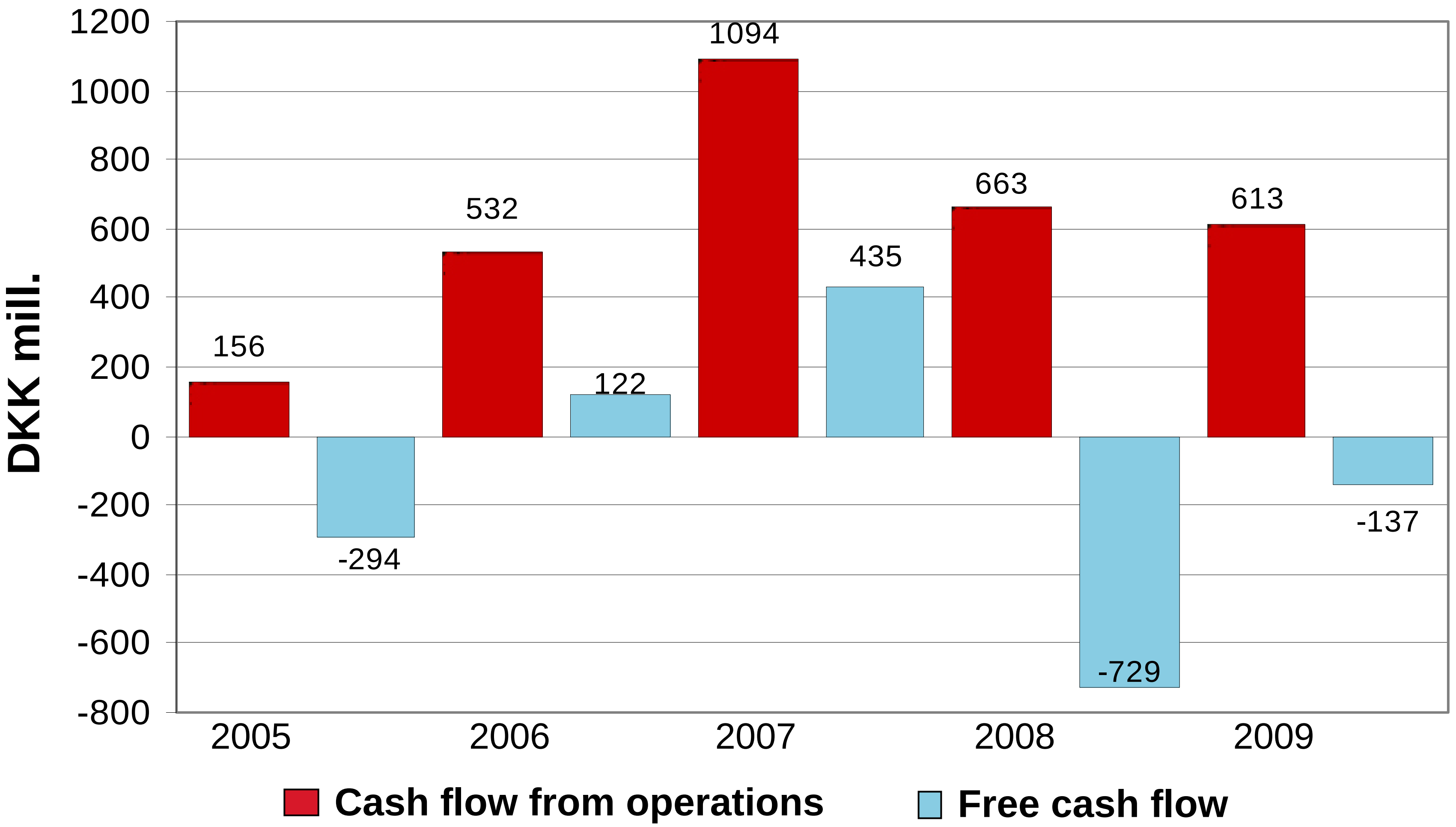
Cash flow from H1 2009



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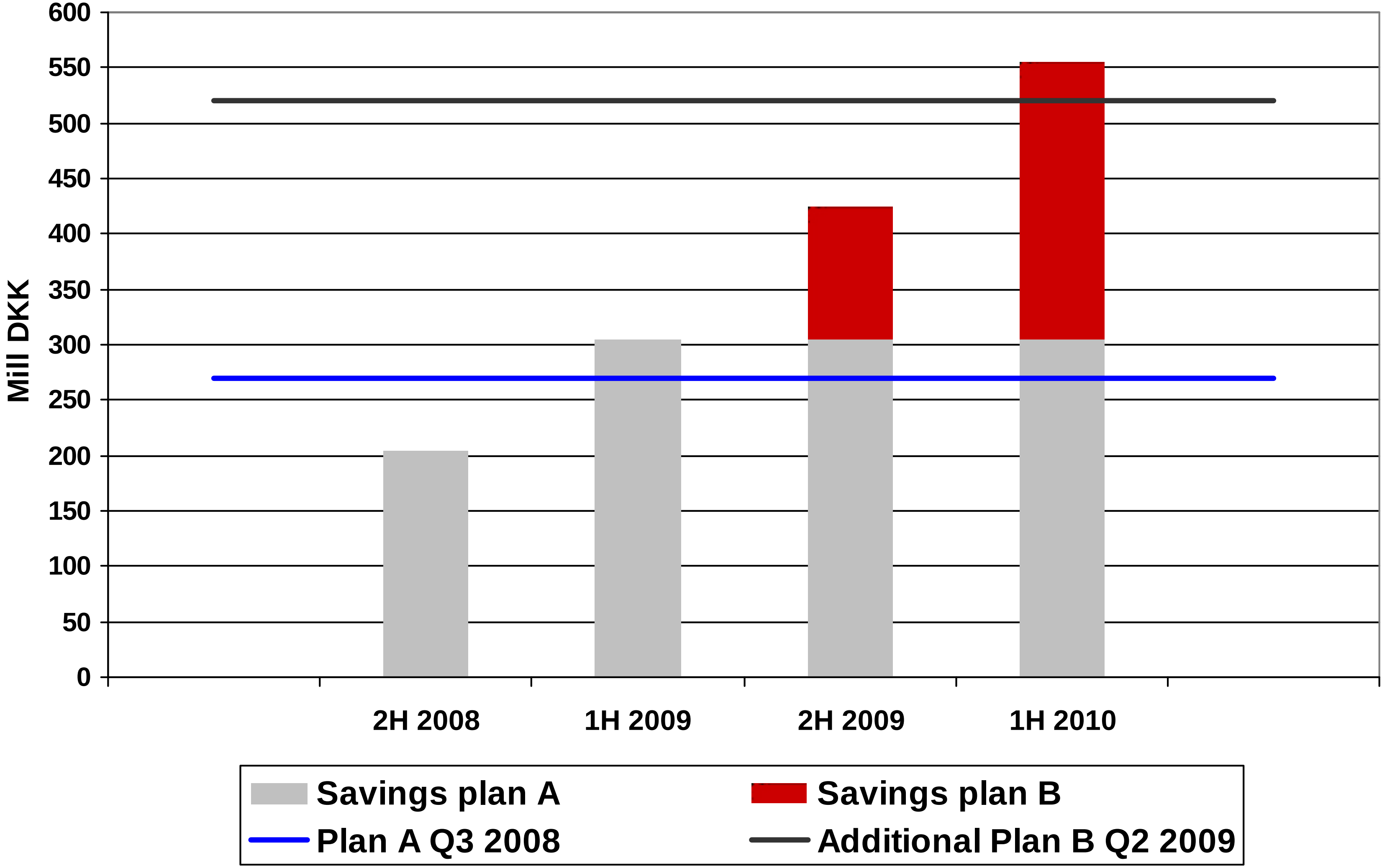
Cost reduction programme (accumulated figures)



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Expectations for 2009

- Net sales are now expected to decrease by 22% (or 18% based on comparable exchange rates).
- Net profit for the year is reduced to DKK 200 million including DKK 85 million for restructuring and reorganization costs, equivalent to an operational EBIT ratio around 4.5%.
- Capital expenditure is now expected at DKK 1,000 million excluding acquisitions.

Group development

Key trends

- The market situation has further deteriorated in Q2. No improvement is expected for the remainder of 2009.

- The newbuild private market remains in many places at a historical low level in both non-residential and residential segments. The renovation and public activities are performing better in those markets where intelligent governmental stimulus packages have been introduced.

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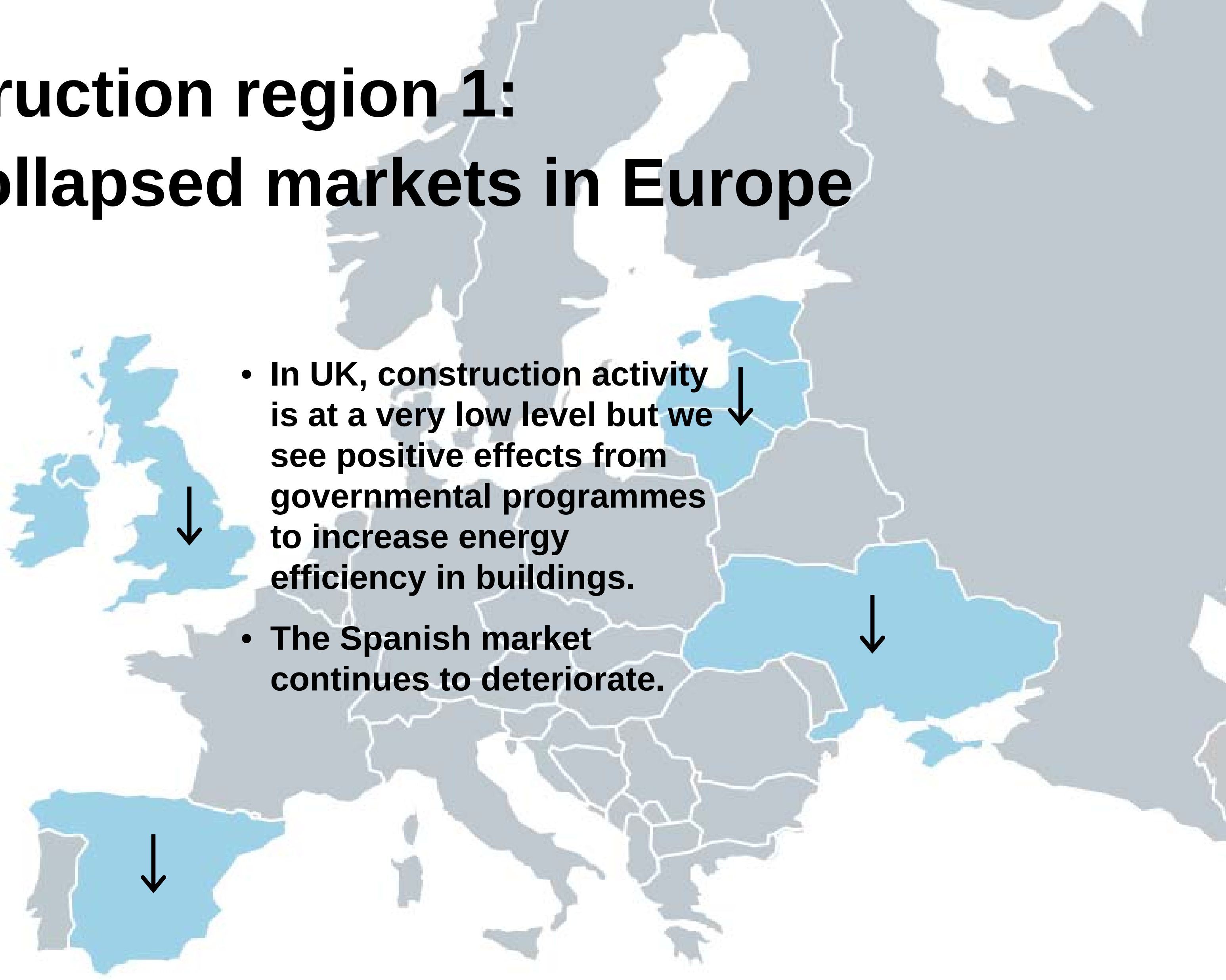
Key trends, cont.

- Price levels are rather stable under the circumstances in the major part of the business but remain under continued pressure in Central and Eastern Europe (now back at 2006 level).

- Raw material prices continue to decrease as expected. This will benefit the Group’s H2 performance in line with longer term procurement contracts running out.

- The earlier announced cost reduction programme progresses as planned and a new reduction programme has been initiated.

Construction region 1:
The collapsed markets in Europe



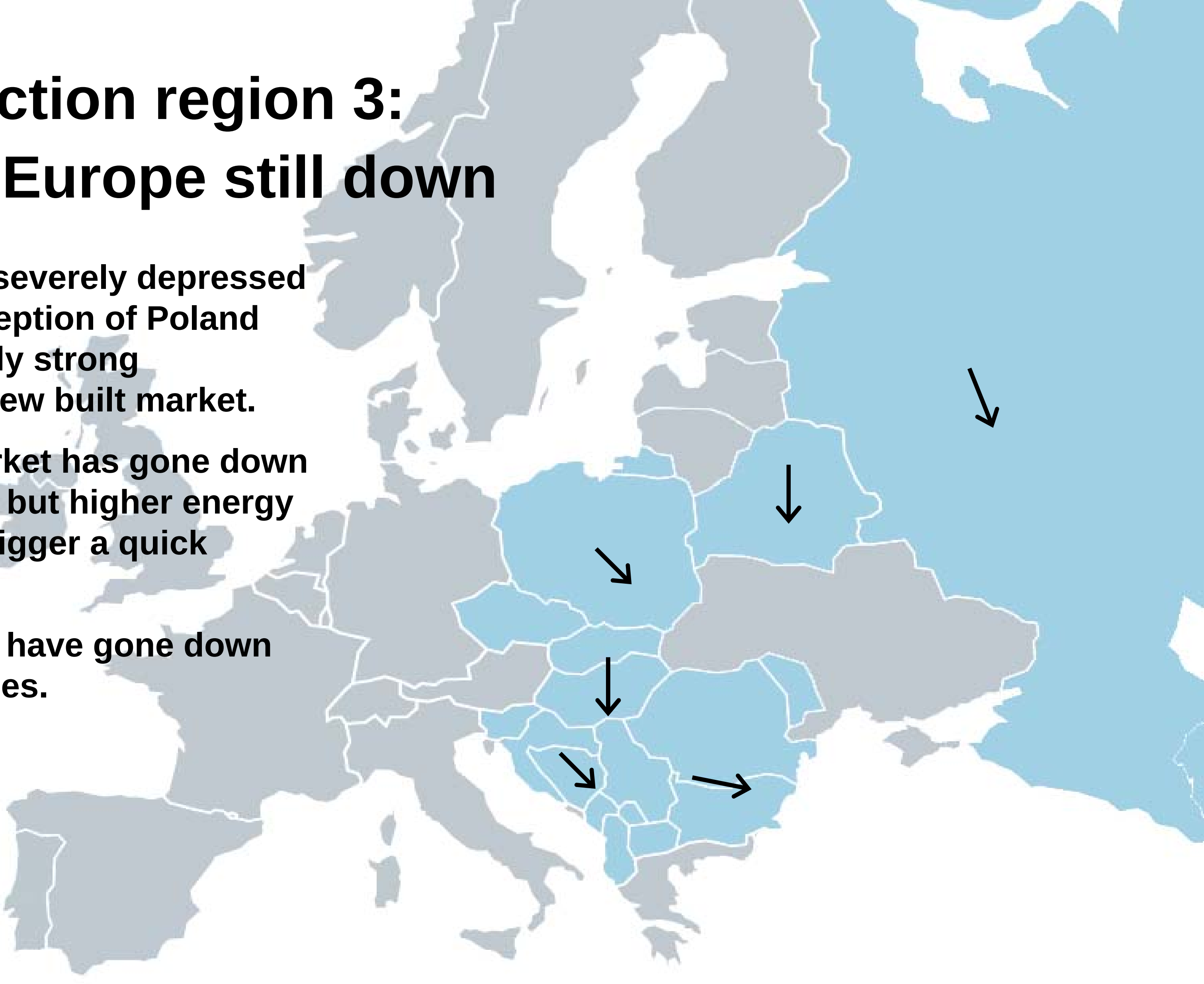
- **In UK, construction activity is at a very low level but we see positive effects from governmental programmes to increase energy efficiency in buildings.**
- **The Spanish market continues to deteriorate.**

Construction region 2:
More resilient markets in Western Europe

- **The main markets in France and Germany remain strong due to governmental stimulus packages.**
- **Scandinavia is down and recently Benelux has weakened. Governmental stimulus packages not always targeted optimally.**
- **Sales price levels are holding up.**

Construction region 3: Eastern Europe still down

- Region still severely depressed with the exception of Poland with relatively strong residential new built market.
- Russian market has gone down dramatically but higher energy prices will trigger a quick recovery.
- Sales prices have gone down in all countries.



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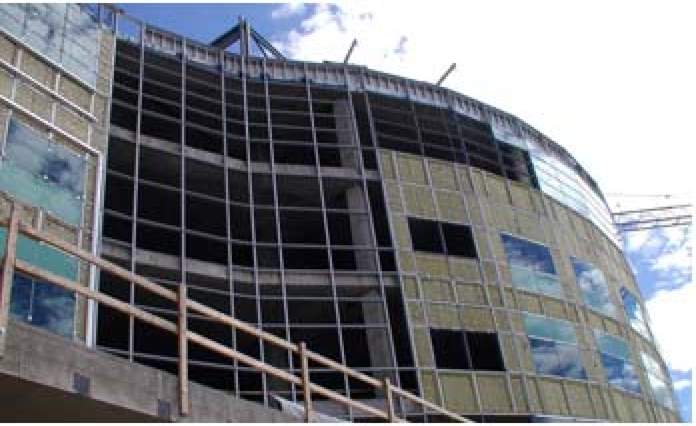
North American insulation market

- The US housing market is in very early stage of recovery. The effect of the administration’s stimulus packages is not yet felt in the construction sector at large but should gradually take effect in the coming quarters.
- Canadian market still holding up well.
- Prices higher than last year for the Rockwool Group’s products.
- A new production line started up in March 2009. The running-in is progressing successfully and the Rockwool Group’s strategy of growth in specific segments is moving in the right direction.



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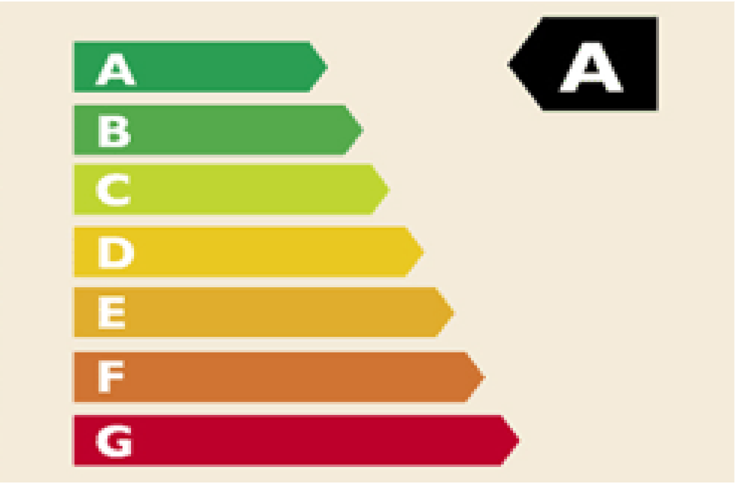
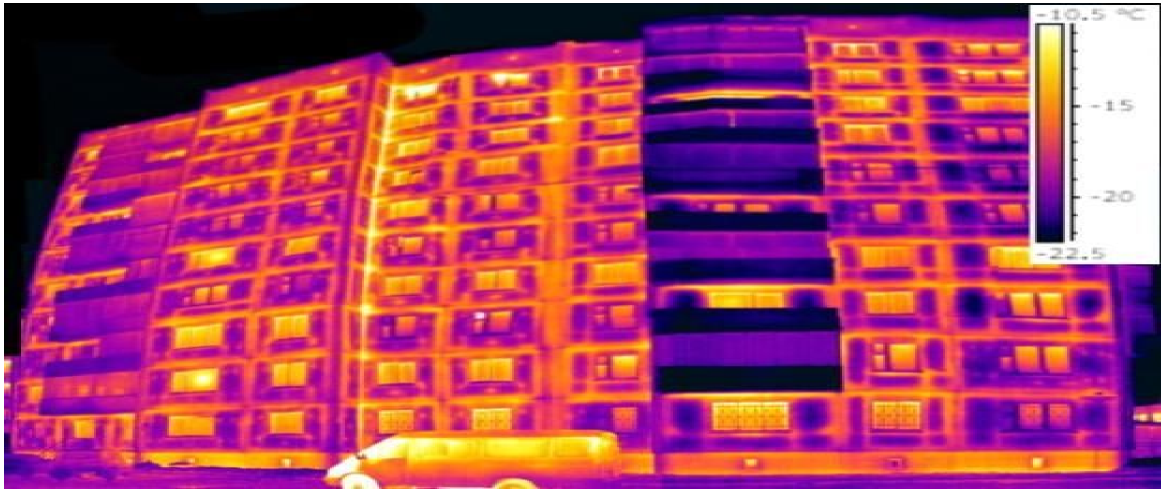
Governmental support packages start to kick in and will increase in importance

- The effect of the stimulus packages in countries such as Germany, France and UK can now be felt in the renovation and public segments. The Group estimates **the positive effect on our sales to be in the range of DKK 1 bn. in 2009** and 2010.
- The above mentioned countries are examples where the government has put in place **long-term incentives** for private building owners as well as the public sector **targeted at energy renovation,** whilst eliminating the worst effects of the economic crisis and fighting unemployment.
- Untargeted stop-and-go programs should be avoided.





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Systems Division

- The Rockfon Group continues to outperform the market.
  The important summer renovation activities of schools has brought high activity.
- The Rockpanel activities are hit by the downturn in residential construction.
- Both the Grodan and RockDelta activities are performing well.
- The activities within reinforced fibres are severely hit.
  The main customer segment is the automotive industry.

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Rockfon Group continues to outperform

- Rockfon represents approx. 10% of the Group's turnover and is an important contributor to its EBIT.
- Rockfon is the market leader in the premium segment of the 175 mill. m2 European suspended ceiling market.
- The ceiling market is expected to decrease strongly in 2009. Rockfon is taking significant market share.

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Rockfon Group continues to outperform

- Main reasons for the success:
  - Excellent product properties (e.g. sound absorption and insulation, fire performance, humidity resistance, easiness of installing) and innovative and customer-oriented product development.
  - Growth strategy in lower market share areas like UK, Germany and Poland is paying off.
  - Most important segments for Rockfon are healthcare and education which are being supported by several European governments.

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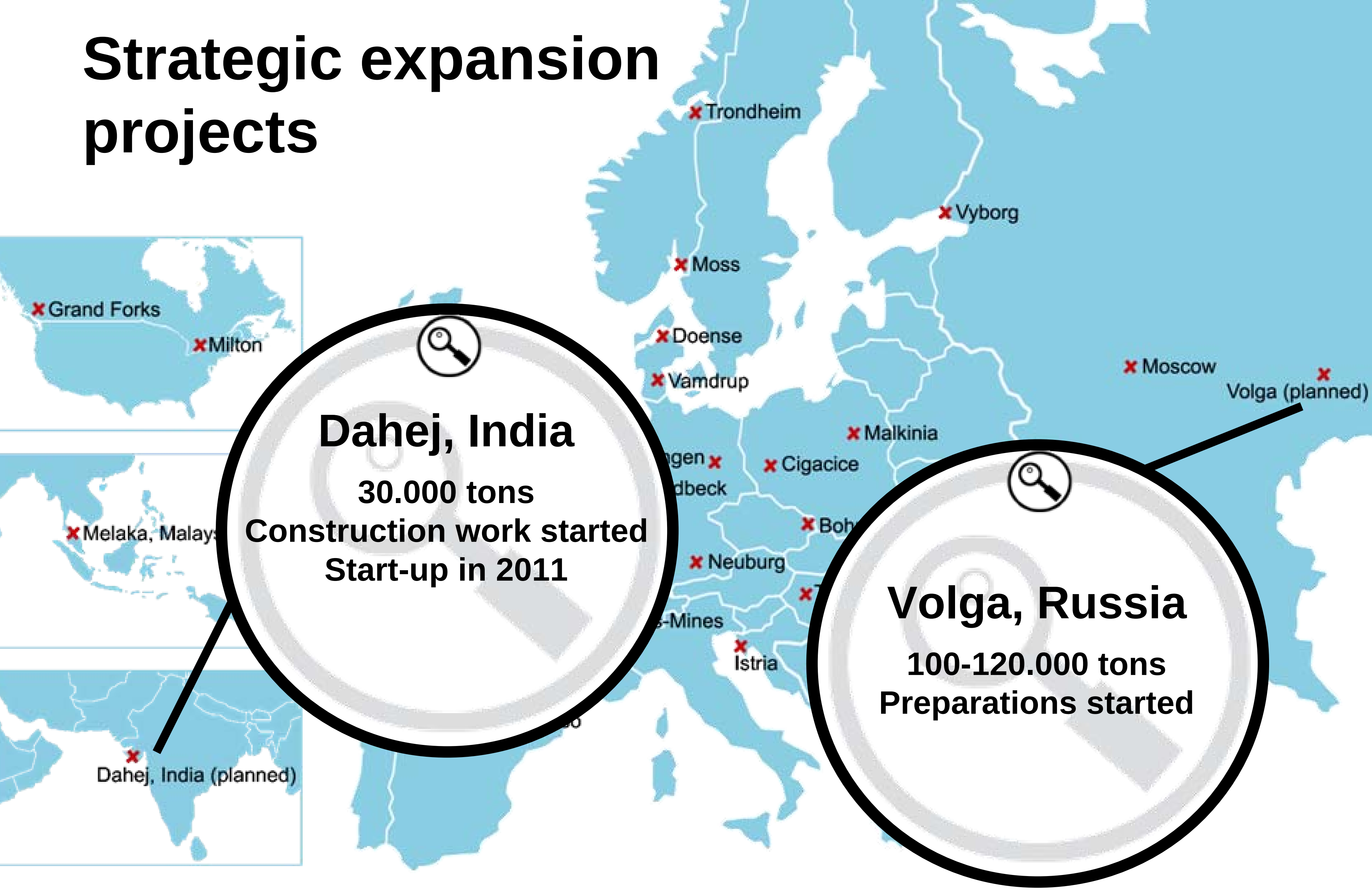
Streamlining the company

- The process of adapting the organisation to the new market environment proceeds: over the last year the head count has been brought down by 10%.
- 2 plants have been closed, 4 lines are being mothballed and many production lines have stopped week-end production. This is possible due to our flexible process.
- The company will emerge from the crisis with a considerably leaner production and overhead structure.
- Maintenance CAPEX has been reduced to the minimum level and only strategic investment plans are maintained. Total CAPEX level is now expected at DKK 1 bn.

Strategic expansion projects



Dahej, India

30.000 tons
Construction work started
Start-up in 2011

Volga, Russia

100-120.000 tons
Preparations started

Acquisition possibilities

- The already strong capital structure of the company has recently been strengthened even further.
- The company is in an optimal position to take over struggling companies which fit with our strategy. Various targets are being investigated.

Questions

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