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## **Expansion in India**

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New Russian factory running at full capacity. Page 10-11

October 2010

# news letter

## **Less is more**

With its superior thermal performance and thinner profile, a new high performance insulation material from the Rockwool Group is a breakthrough in building insulation applications where space is at a premium.

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**ROCKWOOL**<sup>®</sup>  
FIRESAFE INSULATION

# Rock the Globe – time for implementation



Eelco van Heel  
CEO

The slow but gradual improvements experienced in market conditions and our business since the beginning of this year have fortunately continued. We still need to be fully aware of and focused on possible economic repercussions caused by the global crisis but we can breathe again in a somewhat more relaxed way and focus on the longer term potential and growth objectives of the company.

Since last editorial, the Group acquired the Asian stone wool business from Australian CSR, thereby adding 850 employees, 3 factories and a profitable business to our scope in one of the most dynamic growth areas in the world. We expect to close the final agreement before Christmas.

Since the kick off session of the Rock the Globe strategy in June this year with participation and creation of 160 ambassadors within the Group, we have put on our working boots, filled our tool box and started the implementation process. We have organised ourselves appropriately for these big tasks and many employees are actively involved in the big number of projects which have started in the course of the summer period.

Rock the Globe (RtG) is about bringing the Group, its employees and its actions closer to the decision makers in the building process and the market. RtG therefore focuses very much on efficiency and quality improvements in our sales and marketing forces and activities. To this effect, our OPCO organisations are being reorganised and 6 high priority RtG projects launched – all with the agenda to support our increased ambitions in sales and marketing as well as to prepare the ground for future RtG strategic initiatives to be taken.

Especially in the insulation markets in Europe we need to speed up the Group's innovation capabilities and entrepreneurship. In addition to mentioned 6 high priority projects, we therefore prepare 15 initiatives which will be prepared and rolled out successively – all according to market situation and internal priority setting.

Seen from my chair it is wonderful to see how the organisation has embraced Rock the Globe and shows its passion to contribute to its implementation. In this way we can keep the high momentum which we have experienced from the time of launch and change the company fast to the benefit of all its stakeholders – especially our customers and market partners.

## ROCK THE GLOBE IS ABOUT BRINGING THE GROUP CLOSER TO THE DECISION MAKERS IN THE BUILDING PROCESS AND THE MARKET

NEW BUSINESS GOALS



NEW MISSION

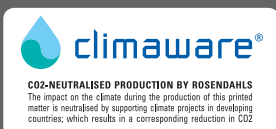
NEW VALUES



NEW STRATEGIC THEMES



NEW SEGMENTATION





# LESS



**The Rockwool Group is breaking new ground with the world's first mineral wool product range containing aerogel based on nanotechnology.**

The new product range is based on a revolutionary new insulation material, Aerowool, which has an extremely good thermal conductivity with a lambda value of only 19. This achievement has never been reached by any mineral wool product before and sets a new milestone.

The first product made of Aerowool is targeted at projects involving the renovation of internal walls where space considerations are of paramount importance. Such projects include, among others, listed buildings, hotels, offices and multi-storey buildings in densely built up areas.

#### **A true technological sensation**

Commenting on the commercial potential for the Rockwool Group, Business Manager Connie Enghus says:

"Aerowool is a true technological sensation, offering excellent thermal insulation even with really thin insulation boards. When retrofitting old buildings with internal insulation, one rule applies: less is more. The new product range is ideal for buildings where the space for retrofit insulation is limited - for instance, window and door openings, behind radiators, or where the architectural features of the façade do not allow for external insulation."

Germany is the first market to launch these innovative and exclusive products, branded as Aerorock. The introduction to other markets will start early 2011.

#### **Customer driven innovation**

The secret behind Aerowool lies in the unique combination of stone wool and aerogel. Aerogel - based on nanotechnology - is one of the lightest and best insulating solids in the world. The ability to control the integration of aerogel into our production process opens up a wide range of new opportunities within low energy building products.

The development of Aerowool once again demonstrates the Rockwool Group position as an innovative leader in energy efficient building solutions. CEO Eelco van Heel stresses that research and development is a high priority in supporting the Group's ambition to set the market agenda of the future.

"Innovation is the key word at the moment. Everything is geared in the organisation to support and to promote innovation, and we are actually doing quite well. We have a lot of good initiatives in the pipeline," he concludes.

[www.rockwool.com](http://www.rockwool.com)

# IS MORE

– a slim insulation revolution



The innovative product line Aerorock is ideal for applications where 'thinness' and superior thermal properties are vital; both in the new build and retrofit sectors.



## WHAT IS AEROWOOL?

The Rockwool Group and Cabot Corporation, a global performance materials company, have been working together for the past two years to develop this material based on mineral wool combined with aerogel.

Sometimes called 'frozen smoke', aerogel is the lightest and best insulating solid in the world. Cabot's brand of aerogel is hydrophobic and produced as particles. Each particle consists largely of air (>90%) contained in a nanostructure with pore sizes less than the mean free path of air molecules, which severely inhibits heat transfer through the material.

These aerogel particles can be contained in various ways to allow assimilation with other materials resulting in a wide range of products and systems. These include pipe-in-pipe systems, LNG and cryogenic gas transportation and storage systems, insulation coatings, daylight panels, sporting equipment, clothing and many others.

**For more information, please visit: [www.aerowolle.de](http://www.aerowolle.de) and [www.cabot-corp.com/aerogel.com](http://www.cabot-corp.com/aerogel.com)**

# We can learn a lot from Asia – as Asia can from us

**The Rockwool Group's major acquisition in Asia - including factories in China, Malaysia and Thailand - will be an important platform for our growth in the region.**

The ink on the agreement documents is hardly dry yet. And the deal between the Rockwool Group and Australian CSR still awaits a final seal before the keys to the three insulation factories and the eight sales offices in China (3 offices), Malaysia, Singapore, Thailand, Philippines and Vietnam can be handed over to the Rockwool Group.

But having said that, the atmosphere around the acquisition is very energetic – and it seems that everybody involved is very eager to take on the challenges of our new joint future. The Rockwool Group is greatly looking forward to entering the Asian market. Likewise, the management and employees at the acquired CSR stone wool business are looking forward to becoming part of an organisation which is the world's leading producer of stone wool products. The right ingredients for fruitful integration and future development are definitely there.

"The Asian market for insulation is still rather immature. But if we look at it in a broader perspective, there is no doubt it will become a very interesting market for us. Perhaps, in 20 years, it will become our largest market," says Henrik Frank Nielsen, Division Managing Director with responsibility for the Asian region – including the integration of the newly acquired CSR business and its 820 employees.

## China will need to save energy

"We are still not into the detail, but if we look at the big picture, the Chinese market in particular has an interesting perspective from our side. The Chinese have already acknowledged the serious need to be more energy efficient if they are to sustain the rapid development in business and welfare in their huge coun-



try. China is actually a country with relatively modest energy resources, if they do not increase their energy efficiency, they will simply not be able to 'fuel' future development," Henrik Frank Nielsen explains.

## Norms and standards as business strategy

"In our case, we are not jumping on the same band wagon as many other foreign companies - entering China in the hope of profiting from the fast growing Chinese middle classes. We have to address the fact that the regulatory foundation for sustainable construction is extremely poor - both for energy efficiency and for fire safety. Our strategy will be to nurture close relationships with the various trade organisations and authorities involved in building and construction, in order to help develop codes, norms, standards and systems which will ensure long term sustainable development with the focus on energy efficiency and fire safety," says Henrik Frank Nielsen.

## ACQUISITION OF THE CSR ASIAN STONE WOOL INSULATION BUSINESS:

- the AUD 128 million acquisition will be finalised shortly.
- gives the Group an excellent Asian production platform with four stone wool factories located in China, Malaysia and Thailand, as well as one sandwich panel plant in China.
- a strong commercial organisation with sales offices in mainland China, Malaysia, Thailand, Philippines, Vietnam and Singapore.
- The number of Rockwool employees in Asia will grow from around 150 to around 1000.



The Rockwool Group's locations in Asia after the acquisition.



The iconic building The Sail at the Singapore skyline is another milestone for the Rockwool Group in Asia.

## ROCKWOOL INSULATION PROTECTS INSULIN PLANT

**The acquisition of CSR Asia not only gives the Rockwool Group a strong foothold in the Chinese market but also complements our existing Asian business in the best possible way.**

The Rockwool Group has provided insulation for a number of large building projects in this region. The most recent example is a hi-tech insulin plant in Tianjin, China for the global healthcare company Novo Nordisk. This investment amounts to close on \$400 million and it is one of the largest investments in Novo Nordisk's history.

Rockwool products make up part of the system for the roof which incorporates 240 mm thick insulation and for the wall where the insulation is 100 mm thick. It is believed to be the first project of its kind with such insulation thicknesses in China, contributing to the good thermal performance of the building envelope.

Claus Christensen, Director of Facility & Product Support of Novo Nordisk comments:

"As a Danish company, we of course know about the Rockwool brand in Denmark. It is a good brand. So for the Novo Tianjin plant project, we compared the quality and price of Rockwool products manufactured by its Asian plant in Malaysia with other suppliers' products and found it to be the most competitive. We finally chose your products for the project."

The building which is protected by Rockwool insulation has been successfully completed and the overall project is nearly finished, with just a few smaller buildings still outstanding.



The new Novo Nordisk plant in China is a recent example of the Rockwool Group's many projects in Asia.

### **They can teach us about customer relations**

Henrik Frank Nielsen is very serious when he points out that, in spite of China's obvious need for learning about sustainable buildings, it will not be a one-way exercise:

"One thing that we definitely can learn from our new Asian colleagues is how to develop strong customer relationships. CSR is originally a trading company. Their products have been fine and adequate – rather than technologically advanced. But they have been very good at thinking about customers and fulfilling their needs. So actually, I can easily imagine that we could have people from our new Asian organisation teaching and inspiring other parts of the Rockwool organisation about how customer relations and sales might be conducted."

According to the plan, the acquisition of the CSR stone wool business will be concluded by the end of this year.

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# Entering the biggest democracy in the world



The Rockwool Group is gearing up to meet the soaring demand for quality insulation in India. The market for mineral wool in industrial applications is expected to double by 2015.

India, one of the world's foremost emerging economies has a different growth story from that of other up-and-coming markets. Its strong economic foundation and steadily paced growth plan has enabled it to show resilience, even during the financial turbulence of the current world economy.

The huge population (1.15 billion) accounts for approximately 18% of the total world population, making India an extremely attractive country for development and growth.

"The Indian process industry – including power, cement, oil and gas plants – is growing steadily and rapidly due to the development of infrastructure. This is our primary target market. The ongoing energy efficiency drive in the country makes the building sector look interesting too," explains Samson Suresh, General Manager of the Rockwool Group's company in India.

Frank Jacobs, Managing Director of the business unit Rockwool Technical insulation adds:

"India is just another example of an emerging market, like Russia was for us 10 years ago – now the time is right to step in. Even if, at the start, we have to knock down barriers, this will not hinder us from staying firm on our ambition for long term growth."

## The place to be

Together with a small but dedicated team of enthusiastic staff, Samson Suresh will be driving the Rockwool Group's expansion in India from Mumbai. The establishment of a regional

headquarters in this particular part of the India is an important part of the strategy. Mumbai is the commercial capital of India, where most corporate headquarters are located.

"This is the place to be in order to meet the decision makers. However, to stay close to our customers and their projects, and considering the vast size of this country, we will also aim for geographical expansion to the north and south," Samson Suresh says.

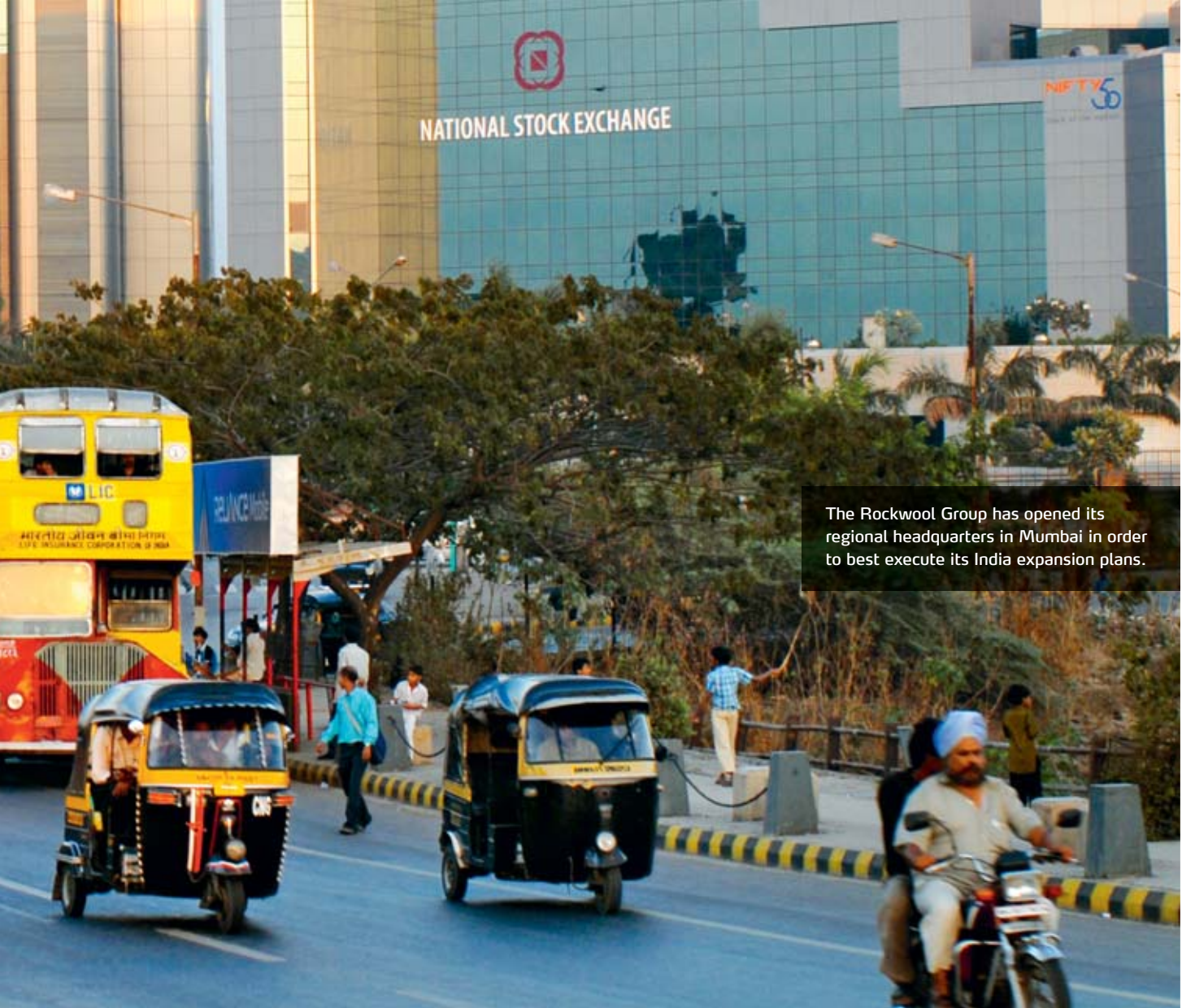
The first Rockwool products are planned to hit the market by the start of February 2011. Production will take place at the Group's new greenfield site factory, which is currently under construction on the west coast of India.

## High end of the market

In Mumbai, the main focus right now is to get the commercial part of the business up and running.

"Our challenge in India starts with entry barriers like vendor approval processes. This requires experience of supplying goods from the local factory to get approvals. We are also facing tough competition from already established manufacturers. On top of this, there is the important aspect of understanding Indian culture, which is key to successful business relationships," notes Samson Suresh.

According to Samson Suresh, there is clear indication from the specifier community about the demand for high



The Rockwool Group has opened its regional headquarters in Mumbai in order to best execute its India expansion plans.



Better insulation of industrial processes offers huge potential for energy and CO<sub>2</sub> savings. This is particularly so in the emerging economies where every week new power plants and factories see the light of day. The Rockwool Group's first factory in India will help boost energy efficiency.

performance products and comprehensive technical advice for choosing the correct product and system solutions for Indian projects.

"As the Rockwool Group in India is focused on providing both, we seem to enjoy a warm welcome in the high end quality-conscious market; however the battle for 'the right price' is inevitable."

"We are positioning ourselves in the top segment of the market, with a clear differentiation from competitors, by emphasising our qualities like bio solubility, a wider range of densities, lower thermal conductivity and technical advice to customers. Installation is a key component of the insulation work in the process industry, so customers can expect the Rockwool Group to provide total solutions. This demands our strategic partnership with expert insulation installers. That is the key to our long-term growth strategy in this market," Samson Suresh concludes.

[www.rockwool.com](http://www.rockwool.com)



Eelco van Heel, CEO of the Rockwool Group meets the Russian press after the acquisition in Troitsk.

# New Russian factory running at full capacity

**Increasing activity in the construction and insulation market makes Russia one of our most important markets. The opening of a new factory in the Ural region allows the Rockwool Group to take advantage of positive developments.**

On 11 August 2010 the third Rockwool factory in Russia was officially opened. The Rockwool Group took over this plant, located in Troitsk – a town in the Ural region – from the Russian company Linerock.

The inaugural event marked the completion of the plant transition to Rockwool ownership. As such, it was also an opportune occasion for the company management to meet government officials, partners, media and trade representatives. The opening of the new factory was actively welcomed by the local authorities who are glad to have such a strong partner as the Rockwool Group among the investors and employers in their region.

This acquisition is a strategic step forward in the Rockwool Group's development in Russia and strengthens the

company's leading position. The geographical expansion of production capacity will allow the company to get closer to the consumers of the Urals, Siberia and Kazakhstan. The Troitsk factory will increase annual production in Russia by 30,000 tonnes with the possibility of augmenting the capacity of the existing line in future.

Nick Vince, Managing Director of Rockwool Russia comments:

"The purchase of the new factory in Troitsk was a wise and timely investment. After a strong recession period, construction and insulation markets in Russia are showing strong growth. There is great demand for thermal insulation, especially Rockwool products. In the past we've experienced shortage of capacity – we've actually had to import products. So we already have a full order book for

the new factory which has been working at full capacity from the very start - 24 hours 7 days a week."

After installation of additional equipment, the new production line was started in a record time for the Rockwool Group – less than 3 weeks.

"The professionalism and passion of the team, including employees from Troitsk and colleagues from Rockwool factories in Russia, the UK, Denmark and Spain, made it possible. The joint goal was to get the line running and to maximise the output as fast as possible without compromising quality, safety or housekeeping," says Nick Vince. He continues:

"After some frenetic round the clock work, we were pleased to announce that the new production line in Troitsk started up on 18 July – three days ahead

## “WE NEED TO OVERCOME THIS BACKWARDNESS AND CHANGE THE THERMAL EFFICIENCY OF BUILDINGS”

President Dmitry Medvedev, Russia



The new Rockwool factory in Troitsk has 270 employees and an annual capacity of 30,000 tonnes.

of schedule. We are completely sold out in Russia, as the market shows such a rapid recovery. We even started to import products in order to cover market demand. That's why we were so focused on getting the new factory started up quickly.”

[www.rockwool.ru](http://www.rockwool.ru)

## NATIONAL SUPPLIER OF ENERGY EFFICIENT SOLUTIONS

A new law on energy savings has increased the demand for thermal insulation in Russia.

The law is a big motivator for customers, the business world and the authorities to be more efficient regarding energy consumption and the environment.

As an expert and reliable supplier of energy efficient building solutions, Rockwool Russia takes part in several federal projects. An example is the programme “To responsible owners – renovated house” in Moscow. During this programme, 1454 houses will be refurbished in the period 2008-2014. At present 462 flats have been through extensive refurbishment and an additional 862 houses have had new facade insulation. According to the authorities in Moscow the major repairs have helped to reduce the energy consumption for heating in each home by an average of 30 %.

Another big federal project is the building of military accommodation in the northern part of Saint Petersburg. The total size of the project, which will house approximately 16,200 people, is 30,000 m<sup>2</sup>. All buildings are equipped with Rockwool insulation systems. The governor of Saint Petersburg, Valentina Matvienko, is deeply involved with this project, which has given the Rockwool Group status as an approved government supplier.

Commenting on the energy law, which was approved in November 2009, Russian President Dmitry Medvedev said:

“The most significant reduction in energy consumption can be achieved in the housing sector, we all know that. Our country is an outsider on the world rankings for thermal efficiency in buildings. This problem has a long history. It is connected with old buildings. It is related to the technologies that were used 30, 40, 50 years ago. But we need to overcome this backwardness and change the thermal efficiency of buildings. We have huge untapped reserves in energy efficient construction and in maintenance of houses. Investments in this sector are able to provide an annual saving of almost 70 million tonnes of oil equivalent.”

[www.rockwool.ru](http://www.rockwool.ru)



In Russia, where the goal is a 40% improvement in national energy efficiency, cities like Moscow are actively insulating and modernising numerous dilapidated “Krushev” concrete blocks of flats, most of which were erected in the 1950s and 60s.

# Sustainability

## – building a better life

**A better life today and the day after tomorrow.  
This is the positive message of the Rockwool Group's  
new Sustainability Report 2010.**

Buildings consume some 40% of our energy. They are also the places where we spend most of our lives. So why live in a poorly insulated home that is cold and draughty in the winter, or uncomfortably hot in the summer, when it's possible for you to have an energy efficiency upgrade? Or why not wave good-bye to your household energy bills once and for all?



Like the Christensen family (see page 13) who have built a new home which is so well insulated and energy efficient that it easily produces more energy than it consumes. By following their example, you will also improve your indoor climate and cut your family's carbon footprint by several tonnes. The Report is full of such inspiring examples of environmental sustainability that are happening right now.

### **What are we waiting for?**

Globally, we can actually save 75% of the energy used in buildings – primarily by using technologies available today. More than a million green jobs can be created. A first important step has now been taken by the EU.

After 2020 all new buildings must be constructed as 'nearly-zero-energy' buildings. This requires much more insulation and much better installation techniques than are customary in most countries today. A sustainable and climate-friendly future requires energy efficient buildings - and insulation is one of the most important cost effective solutions. It is as simple as that!

### **Still huge potential**

What's even more important, the potential for insulation globally is far from exploited. Few new buildings today are constructed to best available standards. However, this will be crucial for a sustainable future, not least in the emerging economies where a large part of the world's building activity is taking place, but where insulation too often remains inadequate or even non-existent.

In the more traditional economies most of the building stock is old, meeting far from contemporary standards. The rate of building renovations - currently in the EU just 1.2 – 1.4% per year - needs to be tripled. On average, the energy performance of these renovated buildings should, with today's energy prices, have improved cost optimally by around 84%. Unfortunately today a mere 15-20% improvement in many renovated buildings is common. The Sustainability Report demonstrates examples of how best practice energy performance can be achieved – and also financed. The huge potential that still remains for insulating industrial processes is also highlighted.



**Read more:**

[http://www.rockwool.com/  
environment/environment+reports](http://www.rockwool.com/environment/environment+reports)

Energy & Climate Minister, Lykke Friis, inaugurates Denmark's first PassivePlus House seconded by CEO Eelco van Heel (left hand side) and the local mayor, Willy Eliassen.



## GOOD-BYE TO ENERGY BILLS

**No more energy bills - or even a plus on your energy accounts. Does this sound too good to be true?**

Not for Kalle, Anne and their 4 year old daughter Freja Christensen in Stenløse. They are the proud owners of Denmark's first PassivePlus house. A house so well insulated and energy efficient that - with solar cells on the roof - it can supply more energy annually than the house requires for heating, hot water and appliances. Their comfortable home saves so much expensive energy that the extra investment in building a better house will even give the family an economic gain. 500 mm of Rockwool insulation in roof and walls helps curb energy waste.

If all homes were constructed like this one, the world would reduce its energy consumption by 40% because buildings constitute the largest consumer of energy. Denmark's Energy & Climate minister Ms. Lykke Friis enthusiastically inaugurated this visionary, yet affordable, role model home. Both CEO of the Rockwool Group, Eelco van Heel, and the local mayor, Willy Eliassen, called for quicker adoption of very low energy technologies and for stronger political leadership on this issue. The sustainable solutions are ready.



An ordinary family in an extraordinary home. The Christensen family in Stenløse inhabit the first PassivePlus house in Denmark. Their new home is so well insulated and energy efficient that they can wave goodbye to energy bills simply by installing a moderate sized solar voltaic panel.

# Corporate Europe is

**An increasing number of companies are opting for green buildings. This is not only about reputation management, but also because it makes good business sense, says Johan Gijsman, Managing Director of the Rockwool Group's consultancy business.**

An increasing number of corporations 'think green' when they make decisions about new headquarters and other buildings. For the BuildDesk Group, our consultancy business focused on energy efficiency and sustainability in buildings and the built environment, this green trend equals welcome new business.

Managing Director of the BuildDesk Group Johan Gijsman says:

"There's a growing consciousness about the value of sustainable buildings. Not just from an environmental and energy

perspective, but also from a human and financial view. So we've only just seen the tip of the iceberg of companies willing to invest in sustainability. Although there's still a lot of talk and not enough action, our experience is that the market is starting to stir."

#### **A case story: Enexis goes for sustainability**

An example is a contract recently awarded to the BuildDesk Group by Enexis, a leading Dutch company working in trans-

## SMART GRID PILOT

In addition to the ongoing consultancy services to build the new Enexis headquarters, the BuildDesk Group is helping Enexis to design the first pilot project in Europe to integrate smart grids in new residential areas. Charles Nauta says:

"Smart grids are the technology of the future to ensure more intelligent production and distribution of energy. The pilot scheme will test models for a smart system that allows energy to be used where it is being produced. Home owners will no longer be buyers of energy; instead they will produce energy for themselves and others via their energy efficient and energy producing homes."

Currently the BuildDesk Group is screening the market for a suitable housing project for 300-400 new homes.

## GREEN, GREENER, GREENEST

The green movement is currently sweeping across all sectors in Europe, according to the BuildDesk Group. This is demonstrated by the broad nature of the company's client base which ranges from local authorities, who want to become energy neutral, to social housing corporations, who aim to build models for ESCOs (energy services companies), to corporations intent on being green.

The BuildDesk Group, with headquarters in the Netherlands, operates in five European countries.

# Social responsibility is also about fire safety

**Insulation for sandwich panels is a growing business for the Rockwool Group. The outlook for further expansion is good as fire safety starts to become a focal point for building owners and real estate developers.**

Tragically, every year more than 5,000 Europeans lose their lives in fires. Some of these lives could have been saved if building owners and developers had paid more attention to the fire safety of their buildings - this is the cruel truth about fire safety in buildings. Yet it is also the doorway to a bigger market for the Rockwool Sandwich Panels business which expects to double its sales over the next five years.

Managing Director of Rockwool Sandwich Panels Patrice Azaïs says:

"Developers and building owners who want to safeguard their public image, and who take social responsibility seriously, are starting to look more carefully at the safety of their buildings. This is particularly true when their buildings are used for

public visitors in large numbers as is the case for hotels, airports and shopping centres etc."

#### **Need for higher levels of fire safety**

The Rockwool Sandwich Panels business does not sell directly to end buyers, but supplies the insulation core, as a subcontractor, to steel sandwich panel producers. Patrice Azaïs says:

"Our unique selling point is the superb fire safety properties of stone wool insulation. Our main competitors offer various products of foam plastic insulation, which is a combustible material. While Rockwool stone wool is non-combustible and will reduce the spread of a fire, some foam insulation may contribute to the fire spreading even faster. Even when national building codes allow for the use of foam in sandwich panels, the fire safety classification level is not as high as when stone wool is the core material. Therefore, it's advisable that responsible building owners to do more than just follow the building codes."

"Fires can destroy a company's property and its public image in an instant and, in some cases, severely affect employee live-

# building green



The BuildDesk Group helps Enexis build its green headquarters in the Netherlands (photo: atelier PRO architecten bv, The Hague, NL).

portation and distribution of gas and electricity. Only last year Enexis became an independent grid company as a result of the liberalisation of the energy sector. The company is currently in the process of developing its future business platform. Senior Consultant Charles Nauta from the BuildDesk Group says:

“With a strong belief that the future lies in sustainable buildings, Enexis has an important role to play in this area. Therefore, the company has decided to build its new headquarters in accordance with environmental assessment methods, and we

are very proud to have been chosen to assist in transforming vision to reality.”

The BuildDesk Group is helping Enexis with the design and choice of the most sustainable constructions and materials. This is in accordance with the cradle-to-cradle philosophy which champions building designs incorporating materials that can be reused by future generations in a never ending cycle.

[www.builddesk.com](http://www.builddesk.com)



likelihood and even bring down an entire corporation. This means that there's a growing consciousness about fire safety among building owners and developers. We work to support this trend by making policy makers aware of the need to strengthen the demands for fire safety norms and standards,” Patrice Azaï's adds.

[www.rockwool-sandwichpanel.com](http://www.rockwool-sandwichpanel.com)

## WHAT ARE SANDWICH PANELS?

Sandwich panels are large scale prefabricated building elements used for external walls, facades, roofs and internal partition walls. They consist of two outer metal sheets with a stabilising core of insulation sandwiched between them. They are typically used for large buildings such as hotels, airports, shopping centres, supermarkets, airports, warehouses and industrial buildings.

The European insulation market for sandwich panels is estimated at 800 million euro. The Rockwool Group is the leading supplier of stone wool for sandwich panel cores, but the stone wool suppliers' total share of the market is currently only 17%. So, for Rockwool Sandwich Panels, there's a big market to conquer. The company is now ready for the challenge after re-organising the business following the market downturn during the recent financial crisis. Rockwool Sandwich Panels expects to grow by 15% this year.



Rockwool Peninsular has provided insulation for the bioclimatic house, which is a new Spanish demonstration project.

# Better energy efficiency – por favor!

**Spain is expected to see a rise in demand for thermal insulation as a result of reductions in subsidies to the energy sector and the implementation of new legislation.**

The Spanish construction market has been hit hard by the international financial crisis, a situation which is expected to last for at least two more years. But for Rockwool Peninsular, the Rockwool Group's operating company in Spain, the future nevertheless looks bright due to new building codes and increased awareness of energy efficiency in buildings.

"In the past, people here didn't pay attention to their energy consumption and didn't care about energy efficiency due to a heavily subsidised energy sector. But this is currently changing fast," says Rafael Rodriguez, Managing Director for Rockwool Peninsular.

## **New building codes**

The main reason for Spain's growing interest in energy efficiency in buildings is the launch of new regulations which are being phased in, based on the EU Directive for Energy Efficiency in Buildings. The current 2006 building codes were a breakthrough for the concept of energy efficiency in Spain. And there is more to come:

"There will be an upgrade in 2012 and again in 2016-17. As in the rest of the EU, the trend is moving towards nearly zero energy buildings in 2020. For the next upgrade there are several issues on the table, and there will be special focus on energy efficiency with insulation as one of the key resources," Rafael Rodriguez says.

## **Incentives from Madrid to renovate**

Up until now consumers have not had to pay the market price for energy. However, the government in Madrid recently announced plans to reduce subsidies to the energy sector which will lead to higher energy prices. In addition, regional governments have implemented building renovation schemes including grants and tax incentives.

"In Spain we currently have 20% unemployment. Fortunately local governments have realised that one way to create new jobs is to boost the renovation of buildings, as many unemployed people come from construction and related industries," Rafael Rodriguez explains.



The Rockwool Group is working actively to set the energy efficiency agenda in Spain. Here, Rafael Rodriguez, Managing Director for Rockwool Peninsular and Beatriz Corredor, Minister of Housing shake hands on a new sponsorship agreement.

## **Setting a new agenda**

All of these initiatives contribute to a change of mindset in Spain, and Rockwool Peninsular is actively playing an important role in setting the energy efficiency agenda on several levels.

An example is the Sotavento Bioclimatic House, situated at the Sotavento Experimental Wind Farm in Galicia. The Bioclimatic House is insulated with Rockwool and is an excellent project for demonstrating energy efficiency through insulation.

"We are the market leader, and the increased focus on energy efficiency issues offers our business huge new opportunities; therefore showcase projects are important to us. However, since the new build market is still quite slow, we are particularly keen to explore opportunities in the renovation market including industrial buildings, offices, schools and hospitals," concludes Rafael Rodriguez.

[www.rockwool.es](http://www.rockwool.es)