

## Rockwool innovations get warm welcome

The Rockwool Group used the major construction fair BAU 2011 in Munich to introduce the new building solutions Aerorock and RockShell to the customers. Learn more about Aerorock and RockShell inside this magazine, where you can also read about our Asian expansion, our growing ceiling business in Russian and fire safety in buildings

February 2011

# news letter



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

# Not all our eggs are in the same basket



Eelco van Heel  
CEO

Here at the start of 2011 the global economic picture still is quite blurred. In some regions of the world and in some areas of business the crisis still has developments in its firm grip. In other regions and market segments conditions are highly favourable and business is booming. At this particular point in time we are unfortunately negatively hit – directly or indirectly – by both mentioned trends. The majority of our activities are still in the mature European markets where general economic conditions – in the construction segment in particular – are weak. In addition - and as a consequence of a booming activity level especially in Asia – we are hit by strong inflationary pressure on especially our raw material prices.

There is therefore all reason to continue the cautious approach which has been followed by management over the past period. With specific focus on cost and capital expenditure developments. We will give sales price increases our highest level of attention amongst others in order to be able to compensate for mentioned inflationary pressure.

We are optimistic for the longer term and therefore continue to invest in the areas of our business which will sustain our success in the future:

The Rock the Globe strategic initiatives continue to be developed and initiated. Many of our actions are directed towards improvement of our abilities to optimally service our customers and expand the package of products, systems and services that we can offer. Specific initiatives launched during the last couple of months have been the establishment of our Energy Design Centre (EDC) as well as the RockShell business unit. In EDC we will gather and further develop the world's best expertise in all aspects of energy efficiency in buildings – to be put at the direct disposal of our customers. With RockShell we launch a unique system where the Rockwool stone wool product forms an important part of the load bearing construction of one and two storey buildings. The RockShell concept brings cold bridges

down to an absolute minimum and will therefore primarily be positioned in the passive house segment.

The Russian market develops according to its own particular parameters and construction activity is high. Our recently acquired operation in Troitsk – South Ural – is running efficiently and at full capacity. The high capacity green field factory under construction in the Volga region will be in operation in little over a year from now. From that point onwards we will be able to supply the Russian market with Russian produced products – eliminating the present necessity to import big volumes from other European sources.

On the 22nd of December 2010 we could finally put our signature on the closing agreement for acquisition of the Asian stone wool business of Australian CSR Ltd. Full integration of CSR's and the Group's businesses and organisations in the region had been prepared for a longer period and is under full, professional and successful implementation. Rockwool Asia is now one of the Group's bigger operating companies and will benefit from an increased awareness in this part of the world for the need to reduce energy use as well as CO2 emissions. In addition, some recent catastrophic fires in China have brought the fire safety in buildings issue high on the agenda.

Despite the fact that market conditions for the building segment in North America remain bleak, our sales and marketing approach in this continent remains successful and adds to the overall strength of the Group. This proves that spreading our risks through putting our eggs in several geographical baskets is the right one.

I would like to express a special thanks to all the Group's employees who again during 2010 have given their utmost to bring the company unharmed through the worst economic crisis in decades. The Group is in good shape and ready to reap the benefits from further improvements in world wide conditions in the construction industry.

# The big deal in Asia



The Rockwool Group has provided insulation for a number of large building projects in Asia, including the Kuala Lumpur Convention Centre in Malaysia.

## With the acquisition of the CSR stone wool business, the Rockwool Group has a strong foothold in the growing Asian insulation market.

There was cause for celebration when the Rockwool Group's acquisition in Asia was finalised in late 2010.

"Asia is a booming fast-moving market, with China - the world's second largest economy - as the big growth driver. The acquisition of the CSR stone wool business provides a robust platform for growth in this important region, so we are very excited about this expansion of our Asian activities," says Henrik Frank Nielsen, Division Managing Director with responsibility for the Asian region.

The deal means that the Rockwool Group will now be running four stone wool factories in Asia - located in China, Malaysia and Thailand - as well as one sandwich panel plant in China. The Group will also have a really strong commercial organisation with sales offices in mainland China, Malaysia, Thailand, Philippines, Vietnam and Singapore. Last, but not least, the number of Rockwool employees in Asia will grow from some 150 to close to 1000.

### Building boom in China

"The insulation market in the Asian region is estimated to double in the next five years, and we expect that the market share for stone wool insulation will grow significantly over the same period. This development holds huge potential for the Rock-

wool Group," says Henrik Frank Nielsen, who has great expectations for the development of the Chinese market in particular.

"China's rapid transformation to a market based economy has triggered a building boom which, in turn, has had a positive impact on the insulation market," he enthuses and continues:

"For many years the Chinese insulation market has been dominated by plastic foam producers. Recently, however, China has been undergoing a fundamental change with increased focus on energy efficiency and green tech building. A growing awareness of fire safety in buildings is also stimulating the demand for non-combustible construction materials, including Rockwool insulation."

### Welcome to our 800 new employees

The Asian acquisition is one of the biggest in the Rockwool Group's history, and the integration of the two organisations is running at full speed.

"We have just welcomed 800 very professional and committed employees with dedicated customer focus and strong customer drive. They have at least 25 years experience across Asia, while we have only been in the region for about a decade. So this new organisation is a true asset which is going to play a key role in the development of our Asian activities as they progress. The Rockwool Group has worldwide ambitions and, it goes without saying, we cannot become truly global without a strong presence in Asia and particularly China," Henrik Frank Nielsen concludes.



# RockShell

– from idea to market



After several years of intense work, a pioneering external wall system is ready to hit the market. RockShell is a total building concept with all components included.

**ENERGY EFFICIENCY  
PUT INTO SYSTEM**

New building codes, developments on the energy market, and increasing attention on sustainability, will change building designs and materials dramatically over the next decade. In response to market demands, the Rockwool Group's new strategic initiative kicks off with the launch of its advanced low energy system – RockShell.

RockShell is the result of a complex development process providing simultaneous commercial and technological innovation.

Johan Prior Knock, Vice President of the Rockwool Group, comments:

"RockShell is a state-of-the-art external wall insulation solution. It really meets all future requirements for high performance systems. RockShell allows the choice of any kind of outer surface, whether it be brick, a rendered facade or, for that matter, our own RockPanel solutions. But I think what is truly unique is RockShell's intelligent and uncomplicated combination of components into one highly original system."

## All-in-one solution

The RockShell system was developed by a small and dedicated team headed by Senior Project Manager, Henrik Bøgeskov.

"Traditionally when you build an outer wall, first you construct the load-bearing part and then you insulate the wall. But with the RockShell system, the installation encompasses both parts – all in one. So now it is actually possible to design and build a house based primarily on stone wool," Henrik Bøgeskov explains.

RockShell integrates the unique stone wool properties of mechanical strength, fire protection, thermal performance, water resistance and a breathable structure, with a steel profile, internal boards and accessories. On the inside of the system

there is a service channel for cables and so forth, while on the outside the architect or the house owner can specify the external façade of their choice.

## From development project to business

RockShell was launched in January 2011 at the major construction exhibition in Munich, Germany, where it was very well received by the customers.

Commenting on the current challenges, Business Director Morten Thorlund Haahr says:

"We are currently in the process of transforming the RockShell concept from a development project into a business. This entails identifying production setups, agreeing our sales and marketing strategy and producing our marketing communications tools. Naturally the main challenge is to convince the market to buy into this new system. Internally it is also a big challenge, in that we are moving from being a product supplier to being a full system provider."

## Taking RockShell to the market

This year, in addition to Germany, RockShell will also be introduced in the UK and Scandinavia, followed in 2012 by the Netherlands, France and Italy.

"In parallel to this market expansion, we will continue to develop the system even further. My vision is that one day we will also have a flooring and roof system, enabling us to build a full RockShell house," says Johan Prior Knock. He continues:

"What really excites me is the enormous potential for the system. However, I do realise that we are introducing a totally new system and we are changing building habits. So it will take some time to get there."

A house built almost entirely out of stone wool? It may sound like a crazy idea, but with our new RockShell system it will now be possible.



## WHAT IS ROCKSHELL?

RockShell is a building system in which the stone wool insulation – placed between steel profiles – forms the main load-bearing part of the construction. Basically, it is possible to build a low energy or Passive House with RockShell walls which are mainly made of stone wool with an external facade of one's choice.

RockShell's target market is primarily focused on

residential buildings one and two storeys high. The system fits with all standard building components – roofs, windows, doors and various types of external facades - giving architects maximum freedom during the design process. Building with RockShell is faster than many standard constructions - having fewer separate components, it is quick and easy to erect by a minimum number of installers.

# Record growth in

**It is a great start for the Rockfon Group in Russia, and now the company is going after an even bigger piece of the ceiling solutions pie.**

In almost no time at all, the Rockfon Group, a member of the Rockwool Group, has positioned itself among the leading ceiling suppliers in Russia. The company entered the market in 2009 and established a dedicated sales organisation. This paved the way for extraordinary progress, making the Rockfon Group one of the fastest growing companies in the country in 2010.

Business Director Christian Agner comments:

"We're talking here about extremely impressive growth – we've previously never experienced the likes of this before at the Rockfon Group. We had high ambitions when we went into the market, so I'm pleased to say that we are most definitely moving in the right direction."

## **Support from Rockwool Russia**

The Rockfon Group is among the market leaders in Europe, and is widely regarded as a very customer-oriented company that appeals to customers across the entire value chain – from architects to ceiling installers. Now the company has its eyes set on Russia which is equal in size to approximately 20% of the total European market.

"For many years the Rockwool Group has been running a successful insulation business in Russia. This was a great help, especially in the initial phase, when we could draw on the local Rockwool organisation's expertise and contacts in the market. This business model has worked very well for us," says Sales Manager Sergey Kuritsyn.

He explains that the Rockfon Group has entered Russia with



## ROCKFON GROUP AT A GLANCE

- The Rockfon Group develops and markets integrated ceiling solutions that actively improve the acoustic performance, indoor environment and internal design of buildings.
- The base material of Rockfon ceiling products is stone wool produced according to the environment-friendly principles of the Rockwool Group.
- Rockfon products are known for their design, aesthetics and ease of installation; coupled with the key performance features of superior fire resistance and acoustics.



# Russia

The ceiling makes all the difference. The Rockfon Group has made an impressive appearance on the Russian market with a large museum project in Moscow as the interim milestone.

a strong product range which addresses the current trends in the market.

"Our ceiling solutions are among the highest performing, most cost effective and time efficient in today's interiors market. These qualities fit perfectly with the growing focus on modern technologies, as well as safety, sustainability, ergonomic design and acoustic comfort, which we are now seeing in Russia," Sergey Kuritsyn says.

## On the look out for 'something new'

The Rockfon Group is also able to attract attention because it is the latest incomer to a market that is currently on the look out for 'something new'. Christian Agner explains:

"We are the last to join the party in a market where our main competitors have been around for some 10 to 15 years. This has turned out to be a big advantage; because we can exploit the expertise we have from other European markets and, at the same time, learn from the experience of other companies in Russia."

"We have worked really hard and respectfully to reach this far. We have an exceptionally strong team in Russia, which has extensive market knowledge and close connections to the highly professional main distribution channels in the market. The value of this market insight is priceless for our company," Christian Agner concludes.



## ROCKFON PRODUCTS USED FOR HISTORIC MUSEUM REFURBISHMENT

**The refurbishment of a famous Moscow museum complex is a milestone for the Rockfon Group in Russia.**

The museum complex is one of the most famous symbols of the Soviet era, known by the name "Rabochiy i Kolkhoznitsa" (working man and collective farmer lady). It is one of the brightest sights of Moscow, beloved by residents and guests alike, and is comparable with London's Big Ben or the Eiffel Tower in Paris.

The Rockfon Group's contribution to the refurbishment project involves consultancy as well as materials, including the trendy and stylish Rockfon Eclipse ceiling solution. This innovative and aesthetically attractive ceiling system was launched in July 2010 and is completely new to the Russian market.

The refurbishment project has been driven by a group of leading Russian architects and restoration specialists. All the leading building materials producers took part in the tender for supplying the museum. The Rockfon Group successfully passed all stages of the selection process.

Sales Manager Sergey Kuritsyn comments:

"It is extremely important for the Rockfon Group to be part of this project. The city authorities pay special attention to the restoration and maintenance works of art and architectural monuments. Such projects are the public face of Moscow's urban policy to protect historic buildings, therefore participation in such projects is highly prestigious and respected. Our involvement opens the door to other projects and helps to promote the Rockfon Group in the region."

**FIRE SAFETY  
IN BUILDINGS**

# Rockwool insulation

# protects people and



**Several serious fires around the world have recently highlighted the dangers of plastic foam insulation. Consequently, the Rockwool Group is now increasing its effort to promote the benefits of non-combustible stone wool insulation.**

At the end of last year in Shanghai, China, 58 people were killed and more than 90 others were seriously injured by a fire that got out of control in a high-rise building. The building was undergoing renovation when sparks from welding work started the fire. The renovation project included the installation of plastic foam insulation material.

"Plastic foam insulation is based on oil and known to be highly combustible, so when the fire broke out the insulation material fuelled a quick spread of the flames and toxic smoke. This would not have happened with Rockwool insulation, which is made out of rock that cannot burn," explains Vice President and expert in fire safety Claus Bugge Garn from the Rockwool Group.

#### **Fire safety is vital in buildings**

At the Rockwool Group we continuously research and develop building products to exceed regulatory requirements. We also have a long-standing, strong working relationship with the authorities on fire safety matters.

"We see it as our responsibility to help building regulators and other key decisionmakers understand the importance of fire safety in buildings. That is why, we are now planning a campaign to raise awareness with both professionals and the general public about the difference between combustible and non-combustible insulation," Claus Bugge Garn says.

The campaign will be rolled out in 2011. It includes seminars, workshops and fire demonstrations for architects, facility managers, building owners, fire risk managers and insurance agents, to mention a few examples.

#### **A remarkable lack of knowledge**

According to Claus Bugge Garn, the Shanghai fire is a textbook example of how inappropriate and incorrectly fitted insulation materials can contribute to the spread of fire.

"Fire safety in buildings is not a high priority area for the construction business in China, and there is a remarkable lack of knowledge about the benefits of non-combustible insulation.



property

## EXPERTS WARN AGAINST FOAM INSULATION

**A new regulatory initiative gives rise for concern in Denmark. Yet firemen and insurance agents now warn directly against foam insulation.**

The warning is related to a new proposal from the Danish Enterprise and Construction Authority that will allow cladding on the outer walls of family houses to include foam insulation.

"Foam insulation is lightweight, easy to work with and it is cheap. But it is also highly combustible. So in my book this material does not belong on a family house where people sleep," says Chief Engineer at Tryg Forsikring, Erik Møller Isbrand on [www.dr.dk](http://www.dr.dk)

"Foam products can develop suffocating smoke and, once the insulation material catches fire, the house may well burn to the ground," he says.

The new rules will also weaken the safety of work personnel, the organisation for Danish firemen warns.

"There are already many dangers upon entering a burning building, and now the authorities are adding another, by allowing combustible foam insulation on the outside of houses. The problem for us is that it burns extremely easily, and therefore poses a great danger to both residents and firemen. This regulation will simply weaken fire safety, and we fear for major fires," says Tommy Kjær, Vice Chairman of the Danish firemen organisation to the Danish newspaper Berlingske Tidende.

The issue of fire safety is however also relevant in countries with stricter regulations, as a recent example from Dijon in France shows," he says.

Claus Bugge Garn here points to a case where seven people were killed by a fire in a nine-storey building. This incident took place in November 2010, and once again plastic foam insulation contributed to the dramatic spread of the fire, which started in a dumpster.

### **Insulation that even works as a fire barrier**

Rockwool insulation is based on stone wool, meaning that it is non-combustible and tolerates temperatures up to 1000°C. Therefore, correctly installed, Rockwool insulation actually works as a fire barrier. As such, it provides those vital extra minutes needed for people to escape and for the fire brigade to arrive and extinguish the flames, before the building structure starts to collapse.

Rockwool products and solutions can make a difference to

safety in all kinds of constructions, particularly flat roofs, outdoor facade insulation systems and sandwich panel buildings.

"Proper insulation is not just a matter of keeping warm and saving energy. In case of fire, the choice of insulation material can also become a vital issue in terms of casualties, property or environmental damage. Unfortunately it often takes a tragedy before people find this out," says Claus Bugge Garn and he concludes:

"It is really hard to understand why the authorities are not working harder to stop the use of plastic foam insulation in constructions which can be exposed to a fire. Experience has shown time and again that combustible insulation poses a serious risk in case of fire, and these recent examples from Shanghai and Dijon show that there is still a lot of work to be done."



# Hospital improves fire protection with stone wool

**An attentive roofing contractor ensured that the originally planned use of polystyrene in the expansion of Gentofte Hospital's roof was replaced with Rockwool insulation.**

In the eyes of the roofing contractor Hetag Tagdækning Sjælland A/S, compromising on fire protection for a building with as many overnight guests as Gentofte Hospital is out of the question. In cooperation with the general contractor, Hoffmann, the company oversaw roof construction for the 16,000 square metre extension of Gentofte Hospital over the past two years.

Sales Manager Thomas Kræmmer from Hetag Tagdækning Sjælland says:

"Our view is that when it comes to places where people sleep every single night, the building structures should utilise as many non-flammable materials as possible. This applies even if the building regulations permit building with flammable materials, such as insulating roofs with polystyrene."

"You have to ask yourself: How much faster would a fire spread with the different materials? And can people get out of the burning building? When you ask these questions, it becomes clear that choosing a non-flammable material is preferable for buildings such as schools, hospitals and nursing homes."

## **Significantly better fire protection**

"When we discovered that the Gentofte Hospital construction plans included the use of polystyrene, we immediately began

exploring alternatives within the existing budget framework. We found that replacing the polystyrene with Rockwool insulation made a lot of sense because it would have been necessary to build firebreaks with mineral wool anyway at building transitions and glass sections, because of the fire risk involved with polystyrene. In other words, we could offer to build the roof at the same price with significantly higher fire protection."

## **Requires technical know-how**

One of Hetag Tagdækning Sjælland's strengths is their extensive technical know-how. The company is among the few roofing contractors capable of examining tender materials to identify technical issues.

"The problem with flammable materials on the roof is that most people are unaware of the risks involved. They simply look at the building regulations and the price, without thinking about the fact that many buildings should have a higher than minimum level of fire protection. But fortunately, once in a while we manage to change the construction plans by pointing out these issues, which are extremely important in a bidding process, so that the focus is not only on price, but also on fire protection."

# Green building revolution in France

**A Rockwool campaign targeting architects and professional builders is attracting a good deal of attention in France, where the government has introduced ambitious plans to improve the energy efficiency of buildings.**

Right now the final stages of a unique construction project, driven by Rockwool France, can be viewed on the internet. The project is part of a campaign – branded as 'Maison Respekt' – which includes a competition to design and construct four low energy houses at different locations in France. The construction work is being documented step by step on [www.maison-respekt.fr](http://www.maison-respekt.fr) in order to create awareness about energy efficiency in buildings.

Frédéric-Jérôme Cardona, Project Manager at Rockwool France comments:

"The campaign fits perfectly with the Rockwool Group's strategy to become the most trusted partner for stakeholders in the building industry seeking guidance on energy efficiency issues. In this case, we not only provide construction products, we are also involved in many aspects of the project – particularly on site, where we have an everyday presence offering guidance and support."

## Massive media attention

More than 700 candidates signed up for the competition with the four project winners each receiving financial assistance as well as Rockwool products to realise their projects. Two of the houses are already finished, and the remaining two are expected to be completed during 2011. The entire

project is being closely followed by the French press, with several reports in newspapers, radio and television.

"So far our focus has been on new buildings, but in the next phase of the campaign we will also look towards the refurbishment market. This is a business area which holds a lot of potential for our company, and of course we also want to provide our customers with advice and guidelines in this very important area," Frédéric-Jérôme Cardona says.

## Government programme to save energy

The award-winning 'Maison Respekt' project was initiated in 2008 in the light of global climate change. The French government launched an ambitious programme to cut CO2 emissions from buildings by 50 % within 10 years. This programme contains a wide range of goals and measures regarding new buildings as well as older buildings.

"We wanted to challenge architects and professional builders by introducing a competition to build individual 'houses of tomorrow': healthy, comfortable and energy efficient on a reasonable budget. I am pleased to say that our mission is a great success. On top of this, the campaign has helped to confirm our position as a major player championing energy efficiency in buildings," Frédéric-Jérôme Cardona concludes.





# Next stop China,

**RockDelta is gearing up for growth outside Europe.**

**The booming railway market promises a bright future for industry suppliers.**

RockDelta is a specialised business unit within the Rockwool Group, which provides advanced solutions to control outdoor noise and vibration problems caused by car and rail traffic. In recent years the company has participated in a number of major railway projects in Norway, Switzerland, Sweden, Finland and Spain. Now the time has come to explore new growth opportunities outside Europe.

"The positive market outlook in the railway industry holds huge potential to increase our international activities further," says Jan Roll, Sales & Marketing Director of RockDelta. He continues:

"China, for instance, is planning to build some 41,000 km of rail track in the coming years. I think we all can imagine what it will mean for our company to break into the Chinese market. India, US, Mexico, Brazil, Japan, South Korea, Turkey and North Africa are also important markets which need help to develop the infrastructure. On top of that we will, of course, continue to grow and develop our European home base."

In parallel with its growth activities, RockDelta is also actively involved with international standardisation work. This aims to increase efficiency and cut costs for the benefit of all players in the railway industry.

## **The industry has never been better**

When the global financial crisis began towards the end of

2007, it had an immediate and weakening effect on many businesses, including the construction industry.

However the international railway industry has never been better than right now. Governmental stimulus packages, massive investments and heavy pressure on politicians to find sustainable alternatives to air and road travel, are the main forces behind current developments which, according to forecasts, will continue many years ahead.

"Consequently we expect to see increasing demand for both equipment and services to railway systems around the globe," Jan Roll says.

## **The green wave**

Dealing in the railway industry, traditionally a rather conservative business, often requires patience on the part of suppliers.

"After the idea for a railway project is conceived, it might easily take up to 10 years before implementation," Jan Roll says.

However, fresh winds are blowing at the moment, guiding things in the right direction for RockDelta.

"Some 33 % of all energy used in the EU is for transport, so the need for cleaner travel is moving up the agenda globally. Rail traffic is one of the cleanest and most efficient modes of transport, and our products fit perfectly with the new green mindset," Jan Roll concludes.



In Norway, where tunnels pose a particular challenge, RockDelta has for many years been the preferred supplier of anti-vibration solutions for rail projects. Photo: Nina Rongved, Jernbaneverket.

# India, Brazil...

## LARGEST ORDER IN HISTORY

**RockDelta has just delivered the final part of a record order for Norwegian railways.**

As the prime contractor of anti-vibration solutions to Norwegian Railway Administration, Jernbaneverket, RockDelta plays a key role in the construction of a new railway line between Skøyen and Asker, west of Oslo.

The project includes a new 19.5 km double track, which will run through mountains and across rivers in rough terrain.

"The Skøyen-Asker line is currently the largest single onshore infrastructure project in Norway and we have provided materials, as well as specialist know-how, for the project. It is the largest order ever in our history, and we are naturally proud to be selected as supplier for this record project," enthuses Jan Roll, Sales & Marketing Director in RockDelta.

RockDelta products are based on stone wool which, among other things, means that they have excellent durability. They can withstand the high temperatures of fire and the ingress of water, plus the products are 100 % recyclable. Production takes place at Rockwool factories in Denmark and Poland, in accord-

ance with international quality systems. The company has two main product areas - noise barriers for residential use and anti-vibration mats installed underneath rail tracks.

# From Greensleeves to Green Energy

**The Rockwool Group and British Gas install insulation in Hampton Court Palace, the Tower of London and Kensington Palace.**

Three of Britain's most iconic and best-loved palaces are getting a green makeover through a rigorous insulation project which will be installed by British Gas and Rockwool UK.

After these historic buildings, Hampton Court Palace, Kensington Palace's Orangery and the Tower of London's Queen's House, have been properly insulated they will cut a combined £130,000 from their gas bills and reduce their CO<sub>2</sub> emissions by 850 tonnes over the lifetime of the insulation.

In total, nearly 4500 square meters of the three palaces will be covered by insulation – the equivalent of 100 average semi-detached houses. 11,000 rolls of insulation will be required for the project which will take around 1000 hours to complete.

## **Protecting the national heritage**

Hampton Court Palace, the former 16th Century residence of King Henry VIII, will be the focus for nearly 80% of the work with over 3,500 square meters of the palace, being insulated. The Queen's House at the Tower of London, built in 1530 for Anne Boleyn (King Henry VIII's second wife) and Queen Anne's early 18th century Orangery at Kensington Palace will also feel the warmth of this initiative.

The palaces, managed by independent charity Historic Royal Palaces, are probably the oldest former royal residences to be insulated and will require unique expertise to install insulation in rafters which are over 500 years old.

Michael Day, Chief Executive of Historic Royal Palaces, said:

"These great palaces have stood the test of time over hundreds of years. Today we must make sure they are suitable for a new low carbon future. This project, generously supported by British Gas and Rockwool UK, will not only make some of Britain's most

important buildings more environmentally sound, but will also deliver significant and ongoing savings to our energy bills which is invaluable to us as a self-funded charity. Protecting the environment and making savings to charitable expenditure will further enable us to ensure these palaces and their wonderful stories will be here for future generations to enjoy."

## **Energy saving in modern homes**

Insulation can also make a dramatic difference to more modern homes. Nearly £1 in every £4 spent heating UK homes is wasted due to poor energy efficiency yet loft insulation can cut £150 off energy bills and cavity insulation can cut £115. British Gas offers free loft and cavity-wall insulation to people over 70 and on income or disability-related benefits.

Jon Kimber, Managing Director of British Gas New Energy, said:

"It is great to see three of Britain's oldest and most iconic buildings leading the way on energy efficiency. Whilst this project is a massive undertaking, insulating modern homes is the quickest and easier way to cut energy bills, reduce your carbon footprint and save money. Whether it's a 500 year old Royal Palace or a suburban semi-detached house, installing insulation makes financial and environmental sense."

The British Gas installers will be using Rockwool insulation for the project. Hans Schreuder, Managing Director of Rockwool UK, said:

"Rockwool UK is proud to be able to offer insulation solutions to Historic Royal Palaces in partnership with British Gas. These buildings are part of Britain's national heritage. They will survive the test of time because Historic Royal Palaces is protecting them today from tomorrow's environmental pressures."

The Rockwool Group has wide experience of retrofitting historic buildings.





## ANNUAL REPORTING IN A NEW SET-UP

The Rockwool Group is continuously looking for ways to optimise communications to shareholders and the financial community, as well as other stakeholders.

On 10 March 2011, we are releasing the electronic version of our 2010 Annual Report.

This year, we are issuing two publications:

- (1) The complete annual report, including the accounts, will only be available as a PDF on our website.
- (2) A printed pamphlet covering the management report - that part of the annual report which describes the Rockwool Group during 2010, how we see market development and our 2010 performance.

We encourage you to download the PDF version on our website [www.rockwool.com/annual+report](http://www.rockwool.com/annual+report).

You can also order the printed pamphlet.

- Shareholders may order at our shareholder portal [www.rockwool.com/investor/shareholder+portal](http://www.rockwool.com/investor/shareholder+portal)
- Others may order on our website [www.rockwool.com/annual+report](http://www.rockwool.com/annual+report)
- You are also welcome to use the pre-paid order form attached to the address slip of this Newsletter.

You can also order the Rockwool Foundation's annual report.

The deadline for ordering a printed copy is 24 March 2011.



Read previous annual reports on [www.rockwool.com/annual+report](http://www.rockwool.com/annual+report)

# Rockwool sensation gets eco-label

The German Blue Angel eco-label denotes products that fulfil especially stringent ecological and health standards.



With its superior thermal performance and thinner profile, Aerorock ID is a breakthrough in building insulation applications where space is at a premium.



Volker Christmann, Managing Director at Rockwool Germany (left) receives the Blue Angel award for the Aerorock solution from Dr. Wolf D. Karl, Chairman of the RAL Executive Board.

As the range of products tested for the Blue Angel continues to expand, the label is now also increasingly found on construction materials. The Blue Angel makes it easier for investors and builders to select products for the renovation or new construction of buildings.

At the BAU 2011, which is a leading international trade fair for architecture, materials and systems, the executive board at RAL gGmbH awarded the Blue Angel to Rockwool Germany for its innovative Aerorock ID insulation solution. The award is especially notable because the Rockwool product stands out for its use of a completely novel insulating material.

"New products using completely new raw materials, such as Aerorock, must obviously be tested very thoroughly," explains Frank Mörke, Public Affairs Officer Sustainability and Energy Efficiency at Rockwool Germany. "And while we naturally test every new product as thoroughly as possible in our own test laboratories, it's important to have monitoring by independent specialists as well".

The awarding of the Blue Angel confirms Rockwool Germany's belief that "the new Aerorock solution adheres to the strictest emissions thresholds", says Dr. Wolf D. Karl, Chairman of the RAL Executive Board.

## Reliably safe

"In particular, for the contractors the award for the Aerorock ID solution represents an important confirmation", believes Volker Christmann, Managing Director at Rockwool Germany. "The manufacture of this interior insulation represents the first time that stone wool has been combined with aerogel in serial production. The interior insulation solution produced in this way achieves optimal energy savings even with thin layers of insulation. As always, however, when a new material appears on the market, contractors and buyers look for an objective evaluation of its safety, which is what the Blue Angel represents".