



# ROCKWOOL NEWSLETTER

## Facade market continues to grow

The profitable market for aesthetic facade cladding continues to grow. Learn more in this issue of the Rockwool Newsletter, where you can also read about the expansion in Asia, optimism in North America and the factory opening in India.

**ROCKWOOL®**  
FIRESAFE INSULATION

Editorial comment by  
CEO Eelco van Heel



# Economic recovery – but on shaky ground

For quite some months now we have experienced substantial sales volume growth in most regions of our global business resulting in a 16% growth figure in first quarter this year compared to same period last year. It is in particular satisfactory to notice that construction and insulation activities seem back on track in important areas of mature Europe. Germany, France and Central/Eastern European markets as the front runners, carried by the refurbishment market and governmental programmes supporting improved energy efficiency in existing buildings. However, the general situation in mature Europe is far from stabilised compared to the period before the recent economic crisis. Some countries could be declared bankrupt which will have dramatic effects on the total world around us. And the steep inflation on energy and raw materials which we are inheriting from the booming new economies in the world has not yet been compensated by the sales prices we should obtain in the market.

Market circumstances for construction and insulation activities in North America remain very weak. Insulation manufacturers have to operate with very low capacity utilisation and we have seen the announcement of the first plant closure. As a consequence of making the right choices concerning which market segments to service followed by professional product and service positioning, the Group's insulation business in North America is growing with double digit figures and performs well in all aspects. We are especially proud of the fact that the success in the retail/DIY Canadian market now seems to spread to the United States as well.

The Russian market remains buoyant, also supported by the federal government's agenda to severely restrict the energy wasted in the huge, old and very energy inefficient building stock. Investments in new build remain high as a consequence of high prices of oil, gas and other relevant raw materials. The acquisition of the Troitsk (South Ural region) factory has been fully digested, operations are efficient and output increased

considerably. The greenfield factory in Elabuga (Republic of Tatarstan) will be in production beginning of 2012 and its capacity is expected to be fully utilised within a very short period of time.

We are very pleased with the CSR acquisition in Asia which we concluded in December 2010. The merger between our existing operation and the CSR activities has gone very smooth and the new Rockwool Asia is already a major player on the Asian scene and performing well. Helped by the fact that the Chinese authorities are heavily supporting use of stone wool after some recent dramatic fires in (residential) high-rises causing extensive loss of human life. During the month of May the Group's first production facility in India – in the state of Gujarat – was officially opened and is now in full operation.

I would like to draw special attention to the magnificent performance of our Systems Division businesses. Rockfon Group continues to gain share with new products and services in a very difficult market. Grodan Group has returned to the role of innovator in the high end greenhouse crop market. Rockpanel continues to amaze architects and contractors alike with its aesthetic and easy to use cladding material. Lapinus Fibres has not looked back from its successful trip to globally conquer certain reinforcement engineered fibre segments.

And in the meantime we continue to generate deliverables generated through our strategic initiatives within the Rock the Globe strategy. Nationally as well as internationally we have now reorganised ourselves in order to service existing and new customer groups even better. A new and internally developed Customer Relationship Management system is ready for rollout. The first Group customer perception survey with 3,000 participants executed and giving very encouraging results. Start made on a Group strategy for the DIY segment. The list can be made much longer but we will deal with more Rock the Globe issues in the next editorial.

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# Social housing gets new lease of life

The Rockwool Group has been selected as preferred partner in a Dutch project showing the huge potential for energy efficient investments in social housing.

Work has begun on the innovative retrofit of a social housing complex in Nieuwkuijk, a small town in the Netherlands. The project aims to bring 16 rundown and poorly insulated dwellings from the 1960s up to the passive house standard of today – with a maximum calculated energy use of 15 kWh per m<sup>2</sup> – whilst at the same time, giving them an aesthetic makeover.

This will not only improve the living conditions for residents, it will also significantly extend the lifetime of the properties. The project is driven by the medium size social housing company “Woonveste” and the main contractor De Bonth van Hulsten.

Johan Gijsman, International Segment Director in the Rockwool Group comments:

“We will provide know-how, as well as insulation materials, for the project, which poses rigorous technical challenges. Consequently, the building owner and main contractor want only the best commercial partners to be involved. We are, of course, proud to be selected as preferred partner for this project and will be setting a highly ambitious standard right from the beginning.”

## Focus on mature markets

For the Rockwool Group, the project is also an excellent showcase within the area of retrofitting social housing from the 1960s and 1970s. This is a period where thousands upon thousands of buildings, like this Dutch example, were constructed all over Europe.

“At the Rockwool Group we have the technology and the expertise to breathe new life into old and energy wasteful buildings,

and we already have extensive experience in the social housing field. We therefore see it as our job to create awareness among building owners and main contractors about the opportunities and benefits,” Johan Gijsman says.

Generally speaking, a residential building needs an in depth renovation after 25-30 years in order to meet current standards and to maintain its value. The buildings from the 1960s and 1970s were constructed according to energy standards that were much lower than ours today. The result is a massive waste of heat and energy loss, costing a lot of money and reducing the quality of life for people living in these houses.

“The social housing associations are facing a severe challenge to make their 1960s and 1970s houses and apartments attractive to the new generation of residents. A focused effort on improvements now can help to ensure that the buildings retain their value in the future,” Johan Gijsman says.

## Soaring energy prices

In recent years scarce resources, especially fossil fuels, have pushed energy prices to record highs which are critical for private households as well as commercial enterprises. But for the residents of social housing, these high costs may hit extra hard.

“Residents are unlikely to have a big income and they have to rely on the property owner to improve the energy efficiency in their building. It is already becoming apparent that many residents cannot afford to pay their energy bills – this will only get worse if we do not act now,” Johan Gijsman concludes.



A Dutch social housing complex gets an eco-friendly makeover with support from the Rockwool Group.

# Grand opening ceremony in India

The Rockwool Group inaugurates its new production site in India: massive energy savings are possible for the process industry in emerging markets.

The new facility's main purpose is to supply hi-tech insulation products for technical installations – such as hot pipes, boilers and tanks – to the fast-growing industrial market in India and neighbouring countries.

“Our initial focus will be on technical insulation for industrial application – a market which is growing rapidly. However there is another big market we are also looking at and, although still at a very early stage, it appears to be extremely promising. Today, since most of the country has a rather warm climate, a major part of India's energy consumption is for keeping buildings cool inside. We believe that Indians will appreciate the obvious advantages of using insulation as a means to keep buildings at an ambient temperature – instead of energy-intensive air conditioning,” said the Rockwool Group's CEO Eelco van Heel at the opening of the new production facility.

The new EUR 22,7 million factory is located in the populous state of Gujarat on the West coast of India. It has the capacity

## About India

- **Population:** 1.15 billion (18% of total world population)
- **GNP growth:** 8% (annually)
- 17 million people enter the labour market each year and the number of consumers is rising rapidly.
- **CO<sub>2</sub> emissions:** + 1000 million tonnes per year

to produce 30,000 tonnes per year and, when in full production, the factory will employ up to 200 people. It was inaugurated by Shri Narendra Modi, Chief Minister of Gujarat.

## Indian industry growing rapidly

“The Indian process industry – including power, cement, oil and gas plants – is growing steadily due to the rapid development of the country's infrastructure. That is why it is currently





The Rockwool Group's new factory in India was officially opened by Shri Narendra Modi, Chief Minister of Gujarat State, accompanied by CEO Eelco van Heel.

our primary target market. But the ongoing energy efficiency drive in the country makes the building sector look interesting too."

"Some years ago, we were quite successful at entering the Russian market and creating a growing business – and I believe that we can now foresee a similar development in India," says Eelco van Heel.

### Fueling India's growth and prosperity

Like many other emerging economies, over the last couple of years India has paid more and more attention to the need

for increased energy efficiency in order to sustain economic growth and the increasing prosperity of its population.

"We can see from calculations made by Eurostat (EU's statistic office) and others, that some of the fastest growing economies in the world are also some of the least efficient when comparing their consumption of energy with the GNP they derive from it. Therefore – in a situation where energy is increasingly expensive – reducing energy waste is an absolute must if these countries wish to secure their future ability to grow and develop in a sustainable way," says Eelco van Heel.

# Land of opportunity

Investment in greater capacity will be key to increasing sales and market share in the huge North American insulation market.

There is growth and optimism, despite a weak market. This year, the Rockwool Group's sales in North America are expected to post a double digit growth figure – just as in 2010 – and this is only the beginning. The US market holds huge untapped potential for stone wool insulation, which the Rockwool Group is now targeting.

## Two-fold optimism

So 'yes', Trent Ogilvie, president of the Rockwool Group's operation in North America, Roxul Inc., is optimistic about the future – despite the fact that the US construction market has been under a lot of pressure since the financial crisis began in 2007.

"Our goal is to double sales over the next five years – and thus cement the Rockwool Group's position as the leading manufacturer of stone wool insulation products for the North American market. We also have an ambition to increase our share of Group turnover from 7% to above 10%," Trent Ogilvie says.

The US market has not changed much since the recession – it is still in bad shape, but the reason for Trent Ogilvie's optimism is two-fold.

"First of all, the US still remains one of the largest insulation markets in the world. Although currently dominated by cheap plastic foam products, with high-end products such as stone wool insulation having a rather small market share, this only means that we have tremendous opportunity for growth. Secondly, energy efficiency is on the rise, building codes are

strengthening and insulation levels are increasing. So this combination of factors really gives us plenty of reason to be optimistic about the US market."

## Growing Do-It-Yourself market

Trent Ogilvie also highlights the growing Do-It-Yourself market as a main priority for the Rockwool Group in North America:

"Do-It-Yourself really is a large and active market in the US. Every weekend you see numerous home owners out there doing renovation projects. We've really connected with the consumer by demonstrating the unique properties of stone wool – fire and sound as well as thermal – in such a way that people are actually prepared to pay a premium for our Rockwool products over more basic commodity insulation."

## Looking at all options

Roxul Inc. currently has two strategically placed manufacturing facilities in North America, one in Milton (Northeast) and the other in Grand Forks, British Columbia (Northwest). Both factories use world-class technology to produce stone wool products for residential properties, as well as a wide array of industrial and commercial insulation.

"In order to cover all areas, what's currently missing from our portfolio is capacity for the Southeast and Southwest. It is too early to say whether that will be building a new line or making an acquisition, but we're looking at all options," Trent Ogilvie says – and he concludes:

"In 2009 we opened a new high capacity line at the Milton premises which actually doubled our capacity in North America. We must continue to have the foresight to invest in extra capacity to realise the untapped market potential. Unlike Europe, or other countries, where we can borrow from our sister factories or the country next door and built a market, in this North American land of opportunity, we actually have to invest in building the capacity often well ahead of sales. So we intend to keep doing this strategically, in order to sustain our double digit sales growth."





The Rockwool Group has provided insulation for a number of large building projects in North America. The 53-story luxury hotel Ritz-Carlton, Toronto, which officially opened its doors in February 2011, is a recent example.

## Rockwool Group expands in US with Lowe's partnership

The Rockwool company, Roxul Inc., is drastically expanding product availability in the US through a partnership with Lowe's. Starting 1 July, this will bring Rockwool products into 227 Lowe's stores in 13 states, covering much of the east coast.

Lowe's is the second largest home improvement retailer worldwide, operating more than 1,725 stores in the US, Canada and Mexico. Previously, Rockwool insulation has been available through Lowe's by special order only, but will now be readily available in store.

"American homeowners are looking for high quality, energy efficient insulation that delivers comfort beyond the level offered by more traditional US products for residential property," says Rory Moss, Vice President, Residential & Interior Solutions, Roxul Inc. He continues:

"The demand for Rockwool products has steadily increased over the years, so partnering with one of the largest home improvement retailers enables us to satisfy this growing need. Availability at Lowe's means home owners can purchase the product immediately when they need it."

# An end to cold feet at childcare centres

New EU Energy Efficiency Plan: public buildings should double ambitious energy upgrades. Danish Municipality shows how to save taxpayers' money and cut CO<sub>2</sub> emissions.

Many childcare centres struggle with unpleasant drafts and poor indoor air quality in outdated buildings while heat and taxpayers' money gush out of the walls – such conditions may even have health implications.

The municipality of Høje-Taastrup outside Copenhagen was no exception. Yet despite – or perhaps because of – lean public finances, the climate conscious municipality has now inaugurated the first seven of a total 27 facilities, in what may be Denmark's most ambitious project for the energy efficient upgrade of childcare centres. Once these facilities have been renovated, heating bills will typically be reduced by 50%-60% while, in some of the 30+ year old preschools and nurseries, energy costs will be even lower than those of some new facilities. Therefore this deal will also be economically beneficial for the local authority.

Lykke Friis, Denmark's Minister for Climate and Energy, was thrilled when she cut the ribbon. The thorough and systematic energy renovation of old buildings is now considered to be pivotal, not only in Denmark's national effort to become independent of fossil fuels, but also in the EU's ambition to become energy and CO<sub>2</sub> efficient.

## Applauding green growth

"We must thoroughly energy-renovate old buildings as this will help us to become independent of fossil fuels and reduce our CO<sub>2</sub> emissions. Currently many of our public buildings are in need of energy renovation. We know that energy will become more expensive in the future; therefore it is very positive to see a local authority which – rather than spending large amounts of money on energy bills – is reducing its energy costs and, at the same time, creating a better indoor climate for its residents. Such energy technologies are also in high demand abroad. By taking an ambitious approach, we can create green jobs and pave the way for the export of green-tech solutions," says the Minister for Climate and Energy Lykke Friis.

## Healthy business for the local authority

The long term net saving will be more than EUR 30,000 for



An end to cold feet and energy waste in preschool! Lykke Friis, Minister for Climate and Energy, inaugurates the first childcare centre in Denmark's most ambitious project for energy renovation of childcare facilities.



a typical institution, thanks to the lower energy bills – and that's not even adding the benefit of a possible reduction in the number of sick days.

"We can create better buildings and, over time, even save so much costly energy that our total expenditure here in Høje-



Taastrup municipality will be reduced. By going further than the minimum statutory requirements for energy efficiency, we actually expect that our energy modernisation will not only provide a better indoor environment for our children and staff, but it will also be sound business for the taxpayer,” says the mayor of Høje-Taastrup, Michael Ziegler.

### Great potential in energy renovation

The Rockwool Group provides support for the documentation and communications of the results of this lighthouse project:

“Energy renovation of existing buildings is high on the political agenda of many countries, as it has an impact on our energy security, our competitiveness and our climate. The biggest task ahead is to get energy-renovated existing buildings down to the “near-zero” energy level which, in a few years, will become the standard for new build in Europe. The new EU Energy Efficiency Plan 2011 urges the public sector to take the lead in this area. It is therefore important that we have role-model projects that decision-makers from many countries can visit and be inspired by,” says CEO Eelco van Heel.

### New EU Plan: the public sector to speed up ambitious energy renovation

The EU is strongly focused on the need to do something about the very high energy consumption of our buildings and, in particular, is concentrating on the public sector. In the recently published Plan from the EU Commission on energy efficiency, the Commission urges member states to energy-modernise a minimum of 3% of their public buildings per year – this is more than double the current level for many countries. The renovations must meet a high energy standard which corresponds to the top 10% of buildings on the market. This is a quality requirement which is met by the renovated childcare facilities in Høje-Taastrup.

# Facade market continues to grow

The Rockpanel Group looks to Europe for growth in the profitable market for aesthetic facade cladding.

The Rockpanel Group, a specialised business unit within the Rockwool Group, continues to enjoy an upward trend within the somewhat turbulent construction market. The global financial crisis has had its impact on the cladding market, but not as hard as on other parts of the building industry, including the insulation market. In fact, the cladding market has been growing steadily 2%-3% in recent years, and this positive development is expected to continue.

“In order to use the momentum, we have kicked off with an ambitious growth plan to expand sales and explore new market opportunities within Europe,” says Frank Weigelt, Head of Marketing & Business Development in the Rockpanel Group.

“We think this is a good time to increase our international activities further, without losing sight of existing markets in the process, of course. We entered the French market last year and, after an impressive launch event in Russia earlier this year, the roll-out for Poland, Spain and Austria is now in the pipeline.”

## High end of the market

For many years now, the innovative and colourful Rockpanel facade boards have been used in the Netherlands, Belgium,

Denmark, UK, Switzerland and Germany for finishing facades, and for detailing around the roof.

According to Frank Weigelt, two key factors are driving the current positive development: the mounting attention on energy efficiency and indoor climate, plus the increase in building designs with ventilated facades. Based on stone wool with a unique mix of properties, Rockpanel facade boards are ideal for these global trends within the cladding market.

“We are a niche player, active in the high end of the aesthetic cladding market. The main focus of our expansion is on large projects within areas such as schools and colleges, the health sector, apartment complexes and urban development. These are areas where aesthetics, ease of use, sustainability and high quality is paramount, and where building owners and architects are unwilling to compromise on design or building materials,” Frank Weigelt concludes.

## New business model

Up until now, the Rockpanel Group has operated in its existing markets via local Rockpanel organisations. As part of both the Rockpanel growth strategy and the new Rockwool Group strategy Rock the Globe, the company is taking a new path to



Rockpanel boards offer limitless design possibilities, they are produced from a sustainable natural resource, and their unique properties mean they are durable, workable and very low maintenance.



the market. When entering new markets, the Rockpanel Group will preferably join forces with the local Rockwool insulation organisation, which will handle the sales and marketing activities in their region.

“This is a business model which is beneficial for all parties,” Frank Weigelt explains. “For our part we can draw on the expertise and contacts in the local Rockwool companies, which are all well established and have a strong position in the market. This is a huge advantage in markets where we would

otherwise have to spend a great deal of effort to get a foothold.”

“In return, the local Rockwool companies can use our expertise as a door opener to architects, contractors and other key decision makers. This fits well with the Rockwool Group’s current strategy to move up the value chain and to demonstrate ‘building envelope’ competence. We’ve been working in this field for very many years and therefore have thorough understanding and know-how about this part of the commercial market,” Frank Weigelt concludes.

## Rockpanel roll-out in Russia

Earlier this year, the Rockpanel Group hit an important milestone with a high profile introduction to the Russian market.

Rockpanel facade boards, already widely known in Europe, have now come to Russia, where the Rockwool Group is already known for its high-quality insulation products.

The impressive Rockpanel launch, organised by the local Rockwool organisation, took place at an old factory which is now owned by a famous Moscow architect. The idea was to keep the presentation informal and to show the product qualities via installations and demonstration projects.

Frank Weigelt, Head of Marketing and Business Development in the Rockpanel Group says: “The Russian market is very interesting for our company. The construction industry in Russia is making a rapid recovery after the crisis, so now is a good time to offer new products and opportunities

to potential clients. I’m sure the appearance of the highly aesthetic Rockpanel facade boards in Russia will be beneficial for both companies.”

Anton Kapustin, product specialist in Rockwool Russia adds: “With Rockpanel facade boards in our product range, we aim to enhance the perception of our company and differentiate ourselves from ordinary suppliers of insulation. The facade boards have advantages like durability, flexibility and variety of finish. They also perfectly complement modern trends such as aesthetic building features and sustainability. With a strong emphasis on cost efficiency, our Rockpanel products will surely attract the attention of Russian architects and designers”.



# 'Discover how attractive your business can be'

The Rockwool Group targets the process industry in a new campaign: insulate, save energy and increase profits.

Big companies in the chemical, petrochemical and oil refining industries are not aware of the potential savings afforded by using optimum insulation systems. Owners, designers and operators of large industrial plants often look solely at the cost of the investment without recognising the pay back of lower energy consumption and CO<sub>2</sub> reduction. However, by insulating properly, millions of euros can be saved, and investments can be repaid relatively quickly.

"Although insulating technical installations – such as hot pipes, boilers and tanks – can be very attractive with the financing repaid in almost no time, process industries continue to waste valuable energy and money. This is why we are now taking the lead in providing cost effective and energy efficient insulation solutions, protecting both the environment and company investments," explains Frank Jacobs, Managing Director of the specialist organisation Rockwool Technical Insulation.

## Hidden potential

Under the heading 'Discover how attractive your business can be', Rockwool Technical Insulation wants to convince specifiers and insulation specialists of the 'hidden potential' in the

process industry, by creating awareness of energy efficient insulation.

"Today the process industry accounts for about a quarter of the annual energy consumption globally, while it produces almost 40% of total energy-related CO<sub>2</sub> emissions. Although improvements in energy savings have been realised and CO<sub>2</sub> intensity has declined, growing industrial production worldwide reduces these effects," says Frank Jacobs. He continues:

"While industry has already made substantial investments to reduce energy consumption and emissions, the hidden potential of an existing solution like insulation has not yet been fully exploited. Very often insulation is applied too thinly or is only partially complete. New installations need to be properly and fully insulated, and existing installations need to be upgraded."

In a recently published report, the company provides an example of the potential savings based on the premise that 50 mm of insulation is common for a 250°C hot pipe. Calculations from Rockwool Technical Insulation show that, even allowing for additional insulation costs, a moderate increase to 100 mm thickness around a 10 km long pipe with a 150 mm diameter will save more than EUR 2 million in energy costs at current price levels, over a very conservative ten year life time.

## Hot industrial processes neglected

The campaign also addresses decision makers in the design phase of a plant, highlighting opportunities for thicker insulation solutions.

"Process industries often work with high temperatures up to 600-700°C, so safety has traditionally been the main priority for plant designers. But now, with increasing energy prices and the fact that strict CO<sub>2</sub> reduction targets have to be met, decision makers are looking for help with new solutions. It's exactly this combination of protection from injury as well as energy efficiency that we offer to industry," Frank Jacobs concludes.



# New market leader in Asia

The Rockwool Group anticipates growth in Asia as wealth increases in the region.

The deal is sealed and, in a blink of an eye, the Rockwool Group has become the biggest producer of stone wool insulation on the Asian market. The acquisition of the CSR stone wool business in December 2010 marked a milestone in the Group's adventure in Asia.

"But even together, the Rockwool Group and CSR cover only a small part of the entire market. So there is still a lot to conquer," says Henrik Frank Nielsen, Division Managing Director with responsibility for the Asian market.

## Building boom in Asia

The Asian insulation market is very different from the Rockwool Group's main markets in Europe. The estimated market size in Asia is Euro 2.5 billion. Currently the market is dominated by plastic foam products which have more than 70% market share, whereas stone wool and glass wool have 8% and 12% respectively. By comparison, the European market is Euro 6.5 billion with the market share for plastic foam products around 40%-45%, while stone wool and glass wool each has a 25%-30% share.

"The good news is that today the building market in Asia is booming, mainly driven by high economic growth in the region. This has created a general demand for improvements in living

"We are building on the basis of a very strong local organisation, focusing on good recruitment and first class training of our staff"

conditions which, in turn, has a positive effect on demand for our products and solutions," explains Henrik Frank Nielsen.

The expectation of improved circumstances has also kicked off a human migration from rural to urban areas, which is developing faster than anywhere else in the world. Forecasts predict that in China, for instance, half the entire population will be living in cities by 2015. This development requires massive investment in new housing, hospitals, schools, business and offices; this will evidently stimulate the interest in high quality construction products, including Rockwool insulation.

"Furthermore, there is growing awareness among legislators of the benefits of energy efficient buildings as a means to combat energy supply shortages, high energy prices and CO<sub>2</sub>

The world's fastest growing construction markets are in Asia. In 2010 the Rockwool Group acquired the Asian insulation activities of the Australian conglomerate CSR Ltd., significantly boosting our presence in the region.





emissions. So there is every good reason to be optimistic,” Henrik Frank Nielsen enthuses.

### **Doubling the activities in Asia**

With the marked expansion in Asia, the Rockwool Group has set an ambitious goal to double its activities in the region in five years. The integration of the two companies is vital for the success of this venture.

“We have, for instance, produced a plan for efficiency in the plants, and the sales force is working flat out to meet our targets. We already command the leading position on technical insulation in the region, and aim to expand this even further.

Then we want to strengthen and develop our position on building insulation in China, Malaysia and Singapore. Developing new markets is another key issue, primary with focus on India.

“We are building on the basis of a very strong local organisation, focusing on good recruitment and first class training of our staff. We want to be positioned as a high end brand, based on high product quality, technical know-how, sales skills and market knowledge. Alongside this, the cornerstone in our strategy is to be active in public affairs and lobbying. We will be working with governments and authorities to help set up standards and regulations that will ensure good insulation and fireproofing of buildings,” Henrik Frank Nielsen concludes.



CEO Eelco van Heel meets Russian Prime Minister Vladimir Putin.

## Rockwool CEO invited to meet Putin

During his first official visit to Denmark in April, Russian Prime Minister Vladimir Putin met with Rockwool CEO Eelco van Heel.

Putin was in Copenhagen to meet with, among others, Queen Margrethe II and Denmark's Prime Minister, Lars Løkke Rasmussen. The focus of the political talks included opportunities to promote trade and Danish investments in Russia.

During the visit, Putin also met with a small group of Danish business executives at an informal dinner. Here Eelco van Heel had the opportunity to speak directly with Putin and Løkke Rasmussen about the need for energy efficiency in buildings and the Rockwool Group's investments in Russia.

### A growing market place

Russia is an exciting market place with lots of potential for the Rockwool Group. The Russian insulation market showed solid growth in 2010 and the Rockwool Group is currently building its fourth factory to satisfy the increasing demand for better indoor comfort and energy efficiency in buildings. Located in the Volga region, this greenfield factory is expected to deliver products to market in the first half of 2012. The three existing Rockwool factories are located near Moscow, St. Petersburg and in the Ural region.

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