

Release no. 8 - 2005
Report on the first quarter of 2005
To the Copenhagen Stock Exchange
This is a translation of the Danish version.
Only the Danish version is legally binding.

Page 1/7

26 May 2005

Report on the first quarter of 2005
for Rockwool International A/S

Today the Board of Rockwool International A/S discussed and approved the following report on the first quarter of 2005.

Highlights

- Sales during the first quarter grew by 7% relative to the same period last year.
- EBIT totalled DKK 103 million, an increase of almost 6% on last year.
- Expectations for 2005 are unchanged.

Further information: Knud Jørning, Chief Financial Officer

Release no. 8 - 2005
Report on the first quarter of 2005
To the Copenhagen Stock Exchange
This is a translation of the Danish version.
Only the Danish version is legally binding.

Page 2/7

Main figures / key figures for the Group

	1st qtr. 2005	1st qtr. 2004	Full year 2004
	Unaudited figures		Audited
Income statement items in million DKK:			
Net sales	2,060.0	1,923.3	9,143.2
EBITDA	256.7	252.7	1,317.8
Operating profit before financial items (EBIT)	102.9	97.3	665.8
Financial items	-22.7	-19.4	-80.1
Profit before tax	81.4	81.2	603.5
Profit after tax	54.6	53.6	403.0
Cash flow (from operating activities)	-63.3	-6.2	1,127.4
Balance sheet items in million DKK :			
Fixed assets	4,562.0	4,299.4	4,481.0
Current assets	3,085.6	2,703.8	2,625.0
Total assets	7,647.6	7,003.2	7,106.0
Equity	4,596.8	4,216.0	4,501.1
Provided obligations	355.6	330.9	389.6
Long-term debt	476.4	585.2	384.7
Short-term debt	2,218.8	1,871.1	1,830.6
Other items in million DKK:			
Investments and acquisitions	152.0	88.8	704.2
Depreciation and amortisation	153.8	155.4	652.0
Number of employees:			
Number of employees	7,366	7,287	7,385
Ratios:			
Profit ratio	5.0	5.1	7.3
Profit per share of DKK 10	2.5	2.4	18.5
Intrinsic value per share of DKK 10	209.2	189.4	204.9
Equity ratio (%)	60.1	60.2	63.3

The ratios have been calculated in accordance with recommendations issued by the Danish Association of Financial Analysts

Release no. 8 - 2005
Report on the first quarter of 2005
To the Copenhagen Stock Exchange

*This is a translation of the Danish version.
Only the Danish version is legally binding.*

Page 3/7

Management report for the period from 1 January to 31 March 2005Income statement

The Rockwool Group generated sales of DKK 2,060 million in the first quarter ending Sunday 3 April 2005. Relative to the first quarter last year ending Sunday 28 March 2004, this is an increase of 7%, which can be attributed to increased sales prices and more working days than in 2004, while on the other hand weather conditions in key markets were less favourable than last year.

The sales within the insulation area grew by 7% to DKK 1,940 million. The increase was fuelled mainly by growth in Scandinavia, Russia and United Kingdom.

The Systems Division's sales grew by 8% relative to the same period last year.

EBITDA for the period totalled DKK 257 million, while EBIT came to DKK 103 million, an increase of 6% on last year.

The Insulation Division's EBIT rose by 2% to DKK 115 million, while the Systems Division's EBIT was on the same level as last year.

Net financial costs grew slightly to DKK 23 million, due mainly to the financing for increased stocks of finished goods.

As in 2004, an effective tax rate of approximately 33% is anticipated for the year as a whole.

Profit after tax was DKK 55 million, which is DKK 1 million more than in the same period last year.

Cash flow statement

The increase in stocks of finished goods ahead of the high season led to a rise in working capital of DKK 235 million during first quarter 2005.

Compared to same period last year, the stocks – primarily finished goods – have increased by DKK 242 million.

Trade accounts receivable were reduced by DKK 100 million compared to same period 2004.

This led to a net outflow of cash from operating activities of DKK 63 million, compared with DKK 6 million last year.

Release no. 8 - 2005
Report on the first quarter of 2005
To the Copenhagen Stock Exchange

*This is a translation of the Danish version.
Only the Danish version is legally binding.*

Page 4/7

Balance sheet and equity

Total assets amounted to DKK 7,648 million at the end of the period. The increase since the beginning of the year is due primarily to the increase in stocks of finished goods ahead of the high season.

Including the profit for the period but excluding the distribution of dividend approved by the general meeting on 18 April, equity amounted to DKK 4,598 million, corresponding to an equity ratio of 60.1%.

Expectations for 2005

The Management's expectations for 2005 were set out in the annual report. These expectations and the basis for these expectations have not changed since, and so the expectations for 2005 remain as follows:

Continued sales growth is anticipated in 2005, albeit at a slightly lower level than in 2004. Sales are forecast to grow by 8% to DKK 9.9 billion. Again the greatest increase is expected to be in the markets of Central and Eastern Europe.

Production costs are expected to rise again in 2005 as a result of higher prices for labour, services and raw materials. World market prices for coke are now decreasing.

EBITDA is expected to grow by around 10% to DKK 1.46 billion.

Profit for the year is expected to rise to DKK 450-500 million based on current rules for joint taxation.

Investments are expected to be at a higher level at around DKK 1.1 billion.

Management statement

The Board and Group Management have today approved this interim report for the period from 1 January to 31 March 2005.

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and additional Danish requirements for financial reporting by listed companies.

We believe that the accounting policies applied – which are unchanged from those applied in the annual report for 2004 – are appropriate and that the accounting estimates made are reasonable. In our opinion this interim report presents a true and fair view of the Group's assets, liabilities and financial position on 31 March 2005 and of earnings and cash flows during the period.

Release no. 8 - 2005
Report on the first quarter of 2005
To the Copenhagen Stock Exchange

*This is a translation of the Danish version.
Only the Danish version is legally binding.*

Page 5/7

Copenhagen, 26 May 2005

Group Management

Eelco van Heel

Knud Jørning

Carsten B. Winther

Supervisory Board

Tom Kähler

Henrik Nyegaard

Birthe Bækman

Preben Damgaard

Lars Elmekilde Hansen

Jan W. Hillege

Arne Kraglund

Gustav Kähler

Jürgen Sengera

Release no. 8 - 2005
Report on the first quarter of 2005
To the Copenhagen Stock Exchange
This is a translation of the Danish version.
Only the Danish version is legally binding.

Page 6/7

Income statement

Million DKK	1st qtr.	1st qtr.	Full year
	2005	2004	2004
	Unaudited		Audited
Net sales	2,060.0	1,923.3	9,143.2
Operating income	2,098.7	1,961.0	9,357.5
Operating costs	1,995.8	1,863.7	8,691.7
EBITDA	256.7	252.7	1,317.8
Operating profit before financial items (EBIT)	102.9	97.3	665.8
Income from associated companies	1.2	3.3	17.8
Financial items	-22.7	-19.4	-80.1
Profit before tax	81.4	81.2	603.5
Tax on profit for the period	26.8	27.6	200.5
Profit after tax	54.6	53.6	403.0

Statement of funds

Million DKK	1st qtr.	1st qtr.	Full year
	2005	2004	2004
	Unaudited		Audited
Profit after tax	54.6	53.6	403.0
Adjustments	190.9	202.4	940.6
Change in net working capital	-236.1	-229.4	8.1
Funds flow from operations before financial items and tax	9.4	26.6	1,351.7
Funds flow from operations activity	-63.3	-6.2	1,127.4
Funds flow from investments activities	-152.0	-88.8	-704.2
Funds flow from operating and investments activities (free cash flow)	-215.3	-95.0	423.2
Funds flow from finance activities	76.1	-18.9	-250.2
Change in funds available	-139.2	-113.9	173.0
Funds available – opening balance	432.3	257.2	257.2
Adjustments to exchange rates	2.5	1.8	2.1
Funds available – end balance	295.7	145.1	432.3
Unutilised committed credit facilities	2,232.5	2,322.0	2,325.5

Individual items in the statement of funds cannot be directly deduced from the consolidated balance sheet, as balance sheet items of the foreign companies at the beginning of the year have been converted at the rates of exchange on 31 December.

Segment reporting (primary segment distribution)

Million DKK	1st qtr.	1st qtr.	Full year
	2005	2004	2004
	Unaudited		Audited
Net sales per business segment			
Insulation	1,940.0	1,811.9	8,464.6
Systems Division	337.6	312.6	1,629.9
Group eliminations and holding companies	-217.6	-201.2	-951.3
The Group	2,060.0	1,923.3	9,143.2
Operating profit before fin. Items per business segment			
Insulation	115.2	112.6	621.9
Systems Division	-0.8	-1.1	109.6
Group eliminations and holding companies	-11.5	-14.2	-65.7
The Group	102.9	97.3	665.8

Release no. 8 - 2005
Report on the first quarter of 2005
To the Copenhagen Stock Exchange

*This is a translation of the Danish version.
Only the Danish version is legally binding.*

Page 7/7

Balance sheet			
Million DKK	1st qtr.	1st qtr.	Full year
	2005	2004	2004
	Unaudited		Audited
Assets			
Intangible fixed assets	87.0	70.0	86.2
Tangible fixed assets	4,270.3	4,047.9	4,170.1
Financial fixed assets	152.3	155.9	149.8
Deferred tax assets	52.4	25.6	74.9
Fixed assets	4,562.0	4,299.4	4,481.0
Stocks	1,024.3	784.0	782.7
Receivables	1,501.0	1,600.7	1,355.4
Bonds	1.4	5.2	1.9
Cash funds	558.9	313.9	485.0
Total current assets	3,085.6	2,703.8	2,625.0
Total assets	7,647.6	7,003.2	7,106.0
Liabilities and equity			
Share capital	219.7	219.7	219.7
Other reserves	4,344.3	3,941.9	4,251.0
Minority interests	32.8	54.4	30.4
Total equity	4,596.8	4,216.0	4,501.1
Total provided obligations	355.6	330.9	389.6
Long-term debt	476.4	585.2	384.7
Short-term debt	2,218.8	1,871.1	1,830.6
Total long-term and short-term debts	2,695.2	2,456.3	2,215.3
Total liabilities and equity	7,647.6	7,003.2	7,106.0

Changes in equity

Million DKK	1st qtr.	1st qtr.	Full year
	2005	2004	2004
Equity as of 1 January	4,501.1	4,138.2	4,138.2
Profit for the period	54.6	53.6	403.0
Redemption of minority interest	-	-	-14.3
Acquisition of own shares	10.8	-	-14.5
Expensed value of options issued	1.4	0.8	3.3
Exchange rate adjustments regarding foreign subsidiaries	28.9	23.4	56.3
Paid dividend	0.0	0.0	-70.9
Equity as of end of period	4,596.8	4,216.0	4,501.1