

Release no. 15 – 2007
Report on the first nine months of 2007
To OMX Nordic Exchange Copenhagen A/S
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20 November 2007

Report on the first nine months of 2007
for Rockwool International A/S

Today the Board of Rockwool International A/S has approved the following report on the first nine months of 2007.

Highlights

- Sales in the first nine months increased by 25% compared to the first nine months last year.
- EBIT increased by 151% compared to the first nine months last year.
- Expectations for the year remain unchanged with sales growth at 22%, net result after minorities' interests at DKK 1,900 million and investment expenditure at DKK 1,500 million.

Further information: Gilles Maria, Chief Financial Officer

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Main figures / key figures for the Group

	3 rd qtr. 2007	3 rd qtr. 2006	Acc. 3 rd qtr. 2007	Acc. 3 rd qtr. 2006	Full year 2006
	Unaudited				Audited
Income statement items in DKK million:					
Net sales	3,599.1	2,920.4	10,296.6	8,224.2	11,536.9
EBDIT	889.8	505.5	2,537.2	1,401.6	2,121.9
Operating profit before financial items (EBIT)	724.0	347.9	2,025.4	807.0	1,404.5
Financial items	10.5	-4.5	10.8	-33.6	-33.5
Profit before tax	741.1	348.9	2,056.0	789.2	1,400.8
Profit for the period after minorities' interests	509.6	218.4	1,414.4	521.3	950.0
Cash flow (from operating activities)	1,020.7	662.8	2,114.4	1,195.2	1,809.8
Balance sheet items in DKK million:					
Fixed assets			5,944.1	5,146.3	5,290.9
Current assets			4,499.6	3,156.4	3,320.0
Total assets			10,443.7	8,302.7	8,610.9
Equity including minorities' interests			7,199.6	5,567.0	6,033.2
Provisions			1,050.2	709.2	722.8
Long-term debt			39.6	215.3	77.9
Short-term debt			2,154.3	1,811.2	1,777.0
Other items in DKK million:					
Investments and acquisitions			1,108.7	683.1	1,004.4
Depreciation			511.8	594.7	717.4
Number of employees:					
Number of employees			8.510	7.823	8.017
Ratios:					
EBIT ratio (%)			19.7	9.8	12.2
Profit per share of DKK 10			65.5	23.7	44.0
Intrinsic value per share of DKK 10			320.2	249.2	274.0
Equity ratio (%)			68.9	67.1	70.1
Main figures in EUR million:					
Net sales	483.4	391.5	1,382.3	1,102.4	1,546.7
Operating profit before financial items (EBIT)	97.3	46.6	271.9	108.2	188.3
Profit before tax	99.6	46.8	276.0	105.8	187.8
Profit for the period after minorities' interests	68.4	29.3	189.9	69.9	127.4
Cash flow (from operating activities)	137.1	88.8	283.9	160.2	242.6
Total assets			1,401.0	1,113.3	1,154.9
Equity including minorities' interests			965.8	746.5	809.2
Investments and acquisitions			148.7	91.6	134.7
Depreciation			68.7	79.7	96.2
Exchange rate DKK	7.45	7.46	7.45	7.46	7.46

The ratios have been calculated in accordance with recommendations issued by the Danish Association of Financial Analysts (2005 edition).

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Management report for the period from 1 January to 30 September 2007

Income statement

The Rockwool Group generated sales in the first nine months of 2007 of DKK 10,296 million corresponding to an increase of 25% compared to the same period last year. In all markets, the positive effect from the increased level in sales price was seen. The inflation in the third quarter showed an upward trend – especially in raw material and energy.

Sales in the Insulation Division including intercompany sales increased by 24% to DKK 9,730 million. The external sales increased by 27%.

Systems Division's sales increased by 16% to DKK 1,320 million.

EBDIT for the Group totalled DKK 2,537 million which is 81% up on the year before.

EBIT ended at DKK 2,025 million – an increase of DKK 1,218 million which is 151% more compared to same period last year.

EBIT in the Insulation Division rose by 175% to DKK 1,897 million. Systems Division generated an EBIT of DKK 106 million which is an increase of 78% compared to same period last year.

Net financial items showed an income of DKK 11 million which is DKK 44 million better than in same period last year.

Profit after minorities interests for the first nine months was DKK 1,414 million which is DKK 893 million higher than last year, corresponding to a an increase of 171%.

Cash flow

Cash flow from operations for the period is DKK 2,115 million which is DKK 919 million better than last year. This increase is mainly caused by the positive development in Group profit.

Working capital increased by DKK 221 million in the first nine months of 2007 compared to a decrease of DKK 144 million in the same period last year. This increase is mainly due to a higher level of commercial debtors and inventories.

Investment expenditure in the first nine month of 2007 was DKK 1,108 million which is an increase of DKK 426 million compared to the same period last year.

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Balance sheet

As per 30 September 2007 total assets amounted to DKK 10,444 million. The equity ratio at the end of the period was 68.9%

Expectations for 2007

Following a buoyant first half-year where we could fulfil neither our customers' demands nor establish the planned stocks, all our markets are now back to a more normal situation which is expected to continue in last quarter 2007. Balance between supply and demand has been restored and allows rebuilding of stock levels in order to secure better services in the coming period.

The new green field factory in Croatia, equipped with latest technology, has started as expected on 17 September and is living up to all requirements in the environmental permit.

Due to the Groups relative high market share within well performing sectors like non-residential buildings, technical insulation and OEM, the Group is less affected by the drop in the new housing sector than the industry as a whole.

Our expectations for 2007 are unchanged with a sales growth of 22%, net result after minorities' interests of DKK 1,900 million and investment expenditure of DKK 1,500 million.

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Management statement

The Board and Group Management have today approved this interim report for the first nine months of 2007.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as approved by the EU 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 2006 – 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 30 September 2007 and of earnings and cash flows during the period.

The statements on the future in this report, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors.

Hedehusene, 20 November 2007

Group Management

Eelco van Heel

Gilles Maria

Carsten B. Winther

Board

Tom Kähler

Henrik Nyegaard

Preben Damgaard

Connie Enghus

Lars Elmekilde Hansen

Jan W. Hillege

Gustav Kähler

Peter Nørgård

Jürgen Sengera

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Income statement

DKK million	3 rd qtr. 2007	3 rd qtr. 2006	Acc. 3 rd qtr. 2007	Acc. 3 rd qtr. 2006	Full year 2006
	Unaudited				Audited
Net sales	3,599.1	2,920.4	10,296.6	8,224.2	11,536.9
Operating income	3,649.4	2,956.5	10,427.1	8,368.2	11,704.6
Operating costs	2,925.4	2,608.6	8,401.7	7,561.3	10,300.1
EBDIT	889.8	505.5	2,537.2	1,401.6	2,121.9
Operating profit before financial items (EBIT)	724.0	347.9	2,025.4	807.0	1,404.5
Income from associated companies	6.6	5.5	19.8	15.9	29.8
Financial items	10.5	-4.5	10.8	-33.6	-33.5
Profit before tax	741.1	348.9	2,056.0	789.2	1,400.8
Tax on profit for the period	207.5	114.8	575.7	260.5	431.8
Minorities' interests	24.0	15.7	65.9	7.3	19.0
Profit for the period after minorities' interests	509.6	218.4	1,414.4	521.3	950.0

Cash flow statement

DKK million	3 rd qtr. 2007	3 rd qtr. 2006	Acc. 3 rd qtr. 2007	Acc. 3 rd qtr. 2006	Full year 2006
	Urevideret				Revideret
Profit for the period	533.6	234.1	1,480.3	528.8	969.0
Adjustments	491.2	258.8	1,225.9	783.5	1,170.0
Change in net working capital	142.0	235.4	-221.3	144.1	-4.0
Cash flow from operations before financial items and tax	1,166.8	728.3	2,484.9	1,456.4	2,135.0
Cash flow from operations activity	1,020.7	662.8	2,114.4	1,195.2	1,809.8
Cash flow from investments activities	-449.6	-272.2	-1,108.7	-683.1	-1,004.4
Cash flow from operating and investments activities (free cash flow)	571.1	390.6	1,005.8	512.1	805.4
Cash flow from finance activities	-181.6	-235.2	-420.2	-303.3	-438.5
Change in cash available	389.5	155.4	585.6	208.8	366.9
Cash available – beginning of period	882.6	372.5	689.8	323.3	323.3
Adjustments to exchange rates	-1.9	3.2	-5.2	-1.0	-0.4
Cash available – end of period	1,270.2	531.1	1,270.2	531.1	689.8
Unutilised committed credit facilities			1,450.0	1,450.0	1,450.0

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 30 September.

Segment reporting

DKK million	3 rd qtr. 2007	3 rd qtr. 2006	Acc. 3 rd qtr. 2007	Acc. 3 rd qtr. 2006	Full year 2006
	Unaudited				Audited
Net sales per business segment					
Insulation	3,404.3	2,786.6	9,730.1	7,833.2	10,851.1
Systems Division	450.4	378.3	1,320.1	1,138.6	1,793.0
Group eliminations and holding companies	-255.6	-244.5	-753.6	-747.6	-1,107.2
The Group	3,599.1	2,920.4	10,296.6	8,224.2	11,536.9
Operating profit before fin. items per business segment					
Insulation	667.1	329.4	1,897.4	690.0	1,149.9
Systems Division	47.5	19.0	106.4	59.7	170.9
Group eliminations and holding companies	9.4	-0.5	21.6	57.3	83.7
The Group	724.0	347.9	2,025.4	807.0	1,404.5

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Balance sheet

DKK million	3rd qtr.	3rd qtr.	Full year
	2007	2006	2006
	Unaudited		Audited
Assets			
Intangible fixed assets	171.2	97.6	109.7
Tangible fixed assets	5,431.2	4,627.1	4,849.6
Financial fixed assets	187.8	166.8	184.8
Deferred tax assets	153.9	254.8	146.8
Fixed assets	5,944.1	5,146.3	5,290.9
Stocks	1,053.4	799.7	769.1
Receivables	2,109.5	1,729.3	1,825.6
Cash funds	1,336.7	627.4	725.3
Total current assets	4,499.6	3,156.4	3,320.0
Total assets	10,443.7	8,302.7	8,610.9
Liabilities and equity			
Share capital	219.7	219.7	219.7
Other reserves	6,815.7	5,254.8	5,712.9
Minorities interests	164.2	92.5	100.6
Total equity	7,199.6	5,567.0	6,033.2
Total provisions	1,050.2	709.2	722.8
Long-term debt	39.6	215.3	77.9
Short-term debt	2,154.3	1,811.2	1,777.0
Total long-term and short-term debts	2,193.9	2,026.5	1,854.9
Total liabilities and equity	10,443.7	8,302.7	8,610.9

Changes in equity

DKK million	3rd qtr.	3 rd qtr.	Full year
	2007	2006	2006
Equity as of 1 January	6,033.2	5,075.2	5,075.2
Exchange rate adjustments	32.5	-26.0	15.1
Tax on changes in equity	0.0	0.0	-25.6
Profit for the period	1,480.3	528.8	969.0
Acquisition of own shares	-162.1	18.5	26.9
Expensed value of options issued	24.2	5.9	7.9
Paid dividend	-208.5	-103.8	-103.7
Minorities' interests – addition and dividend (net)	0.0	68.4	68.4
Equity as of end of period	7,199.6	5,567.0	6,033.2