

**Release no. 13 – 2009**  
**Report on the first nine months of 2009**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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19 November 2009

**Report on the first nine months of 2009**  
**for Rockwool International A/S**

Today the Board of Directors of Rockwool International A/S has approved the following report on the first nine months of 2009.

**Highlights**

- Sales in the first nine months decreased by 21% compared to the same period in 2008, or 17% based on comparable exchange rates. Sales in third quarter showed a small improvement and decreased by 20%, or 16% based on comparable exchange rates.
- EBIT in the first nine months amounts to DKK 340 million which is a decrease of DKK 836 million compared to the same period in 2008.
- The Group now expects net sales of at least DKK 10,700 million (a decrease of 22% or 18% based on comparable exchange rates).
- The Group now expects a result after minority interests of at least DKK 200 million including restructuring and reorganisation costs.
- Capital expenditure excluding acquisitions is now expected to be in the range of DKK 1,000-1,100 million.

Further information: Gilles Maria, Chief Financial Officer

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**Main figures / key figures for the Group**

	3 <sup>rd</sup> qtr. 2009	3 <sup>rd</sup> qtr. 2008	Acc. 3 <sup>rd</sup> qtr. 2009	Acc. 3 <sup>rd</sup> qtr. 2008	Full year 2008
	Unaudited				Audited
<b>Income statement items in DKK million:</b>					
Net sales	2,792	3,504	7,995	10,081	13,700
EBITDA	413	608	1,010	1,764	2,373
Depreciation and write-downs	249	205	670	588	871
Operating profit before financial items (EBIT)	164	403	340	1,176	1,502
Financial items	-15	2	-38	6	8
Profit before tax	152	407	310	1,196	1,545
Profit for the period after minority interests	79	264	170	802	1,004
<b>Balance sheet items in DKK million:</b>					
Non-current assets			7,906	7,861	7,755
Current assets			3,395	4,381	3,888
Total assets			11,301	12,242	11,643
Equity including minority interests			7,977	8,316	7,964
Non-current liabilities			1,456	1,643	1,626
Current liabilities			1,868	2,283	2,053
<b>Other items in DKK million:</b>					
Cash flow (from operating activities)			1,225	1,196	1,507
Investments and acquisitions			994	2,013	2,642
Net interest-bearing debt			424	73	446
<b>Number of employees:</b>					
Number of employees			7,925	8,812	8,552
<b>Ratios:</b>					
EBIT ratio (%)			4	12	11
Profit per share of DKK 10			8	37	46
Diluted profit per share of DKK 10			8	37	46
Book value per share of DKK 10			363	378	351
Equity ratio (%)			71	68	68
Financial gearing			0.05	0.01	0.06
<b>Main figures in EUR million:</b>					
Net sales	375	470	1,073	1,352	1,837
Depreciation and write-downs			90	79	117
Operating profit before financial items (EBIT)	22	54	46	158	201
Profit before tax	20	55	42	160	207
Profit for the period after minority interests	11	35	23	108	134
Total assets			1,517	1,641	1,563
Equity including minority interests			1,071	1,115	1,068
Cash flow (from operating activities)			164	160	202
Investments and acquisitions			133	270	355
Exchange rate DKK	7.45	7.46	7.45	7.46	7.45

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 2009**

Income statement

The Rockwool Group generated sales in the first nine months of 2009 of DKK 7,995 million corresponding to a decrease of 21% compared to same period last year and a decrease of 17% based on comparable exchange rates.

External sales in the Insulation Divisions decreased by 23% to DKK 6,585 million, and Systems Division's external sales decreased by 6% to DKK 1,410 million. Like in first half-year, trading conditions in the insulation segment have been difficult during third quarter both in residential and non-residential markets resulting in a sales decrease of 23%. Since August, sales prices have stabilised in most countries where the Group operates. In Systems Division, third quarter has been better than expected lowering the decrease in sales from 9% in first half-year to 6% in the first 9 months.

Approximately 50% of the costs for redundancy and restructuring, expected at DKK 85 million net of taxes, are now included in the Group result end of September.

EBITDA for the Group decreased 43% compared to same period last year and reached DKK 1,010 million resulting in an EBITDA ratio of 13% for the first three quarters. EBITDA for the third quarter has improved reaching DKK 413 million and a ratio of 15% as the Group is getting higher benefit from its cost reduction programme, from lower input costs and a better capacity utilisation.

EBIT ended at DKK 340 million – a decrease of DKK 836 million. EBIT in the Insulation Division decreased by 70% to DKK 308 million. Systems Division generated an EBIT of DKK 95 million which is a decrease of 27% compared to the first nine months of 2008.

Net financial costs ended up at a cost of DKK 38 million which is DKK 44 million more than in the same period of 2008.

Profit after minority interests for the first nine months of 2009 amounted to DKK 170 million which is DKK 632 million lower than last year.

Cash flow

Cash flow from operations for the period is DKK 1,225 million which is DKK 29 million better than last year despite the large decrease in profit. Amongst others, this is due to a strong improvement of the working capital and reduced payment of taxes.

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The working capital has had a positive effect on the cash flow of DKK 336 million in the first nine months of 2009 compared to the same period last year which primarily is due to a decrease in stocks and receivables.

Investment expenditure in the first nine months was DKK 994 million of which DKK 46 million have been spent on acquisitions. The new production lines in Canada and in the UK are now finalised and other investments kept at a relative low level around DKK 400 million.

#### Balance sheet

Total assets end of the first three quarters of 2009 amounted to DKK 11,301 million. The equity ratio at the end of the period was 71%.

#### Expectations for 2009

The market for insulation products continues to be influenced by the low activity within construction of residential and non-residential new buildings in most countries – whereas incentive programs for energy improvements of existing buildings in the larger EU countries as well as increased public spending have a growing and positive impact on our sales.

Therefore, the Group now expects net sales of at least DKK 10,700 million (a decrease of 22% or 18% based on comparable exchange rates), and a result after minority interests of at least DKK 200 million including restructuring and reorganisation costs.

Capital expenditure excluding acquisitions is now expected to be in the range of DKK 1,000-1,100 million.

#### Disclaimer

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.

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Management statement

The Board of Directors and Group Management have today approved this interim report for the first nine months of 2009.

This interim report, which has not been audited or reviewed by the Group's auditor, 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 2008 – are appropriate and that the accounting estimates made are reasonable. The implementation of new and amended IFRS's have only resulted in additional disclosures. In our opinion this interim report presents a true and fair view of the Group's assets, liabilities and financial position on 30 September 2009 and of earnings and cash flows during the period.

Furthermore we believe that the management report gives a true and fair statement of the development of the Group's activities and financial situation, the result of the period and of the Group's financial position as a whole as well as a description of the most important risks and uncertainties which the Group is facing.

*19 November 2009***Group Management**

Eelco van Heel

Gilles Maria

**Board of Directors**

Tom Kähler

Henrik Nyegaard

Steen Riisgaard

Michael Emborg

Lars Elmekilde Hansen

Jan W. Hillege

Bjørn Høi Jensen

Thomas Kähler

Connie Enghus Theisen

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**Income statement**

DKK million	3 <sup>rd</sup> qtr.	3 <sup>rd</sup> qtr.	Acc.	Acc.	Full year
	2009	2008	3 <sup>rd</sup> qtr.	3 <sup>rd</sup> qtr.	
	Unaudited				Audited
Net sales	2,792	3,504	7,995	10,081	13,700
<b>Operating income</b>	<b>2,845</b>	<b>3,578</b>	<b>8,120</b>	<b>10,281</b>	<b>13,951</b>
<b>Operating costs</b>	<b>2,681</b>	<b>3,175</b>	<b>7,780</b>	<b>9,105</b>	<b>12,449</b>
EBITDA	413	608	1,010	1,764	2,373
<b>Operating profit before financial items (EBIT)</b>	<b>164</b>	<b>403</b>	<b>340</b>	<b>1,176</b>	<b>1,502</b>
Income from associated companies after tax	3	2	8	14	35
Financial items	-15	2	-38	6	8
<b>Profit before tax</b>	<b>152</b>	<b>407</b>	<b>310</b>	<b>1,196</b>	<b>1,545</b>
Tax on profit for the period	53	131	108	347	465
<b>Profit for the period</b>	<b>99</b>	<b>276</b>	<b>202</b>	<b>849</b>	<b>1,080</b>
Minority interests	20	12	32	47	76
<b>Profit for the period after minority interests</b>	<b>79</b>	<b>264</b>	<b>170</b>	<b>802</b>	<b>1,004</b>
Profit per share of DKK 10			8	37	46
Diluted profit per share of DKK 10			8	37	46

**Statement of recognised income and expenses**

<b>Profit for the period</b>	99	276	202	849	1,080
Exchange rate adjustments of foreign subsidiaries	74	24	32	59	-590
Hedging instruments, value adjustments	-18	-14	-47	-4	26
<b>Total income</b>	<b>155</b>	<b>286</b>	<b>187</b>	<b>904</b>	<b>516</b>
Minority interests	17	30	15	64	38
<b>Total income for the period after minority interests</b>	<b>138</b>	<b>256</b>	<b>172</b>	<b>840</b>	<b>478</b>

**Segment reporting**

Acc. 3 <sup>rd</sup> qtr.	Unaudited						The Rockwool Group	
	Insulation		Systems Division		Group eliminations and holding companies			
	2009	2008	2009	2008	2009	2008	2009	2008
External net sales	6,585	8,565	1,410	1,503	0	13	7,995	10,081
Internal net sales	776	762	56	50	-832	-812	0	0
Total net sales	7,361	9,327	1,466	1,553	-832	-799	7,995	10,081
EBIT	308	1,032	95	131	-63	13	340	1,176

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**Cash flow statement**

DKK million	3 <sup>rd</sup> qtr.	3 <sup>rd</sup> qtr.	Acc.	Acc.	Full
	2009	2008	3 <sup>rd</sup> qtr.	3 <sup>rd</sup> qtr.	year
	Unaudited				Audited
Profit for the period	99	276	202	849	1,080
Adjustments	299	331	788	896	1,270
Change in net working capital	277	104	441	105	-138
<b>Cash flow from operations before financial items and tax</b>	<b>675</b>	<b>711</b>	<b>1,431</b>	<b>1,850</b>	<b>2,212</b>
<b>Cash flow from operations activity</b>	<b>612</b>	<b>532</b>	<b>1,225</b>	<b>1,196</b>	<b>1,507</b>
<b>Cash flow from investments activities</b>	<b>-244</b>	<b>-622</b>	<b>-994</b>	<b>-2,013</b>	<b>-2,642</b>
<b>Cash flow from operating and investments activities (free cash flow)</b>	<b>368</b>	<b>-90</b>	<b>231</b>	<b>-817</b>	<b>-1,135</b>
Cash flow from finance activities	-265	102	-300	252	381
<b>Change in net cash available</b>	<b>103</b>	<b>12</b>	<b>-69</b>	<b>-565</b>	<b>-754</b>
Net cash available – beginning of period	196	601	368	1,188	1,188
Adjustments to exchange rates	2	4	2	-6	-66
<b>Net cash available – end of period</b>	<b>301</b>	<b>617</b>	<b>301</b>	<b>617</b>	<b>368</b>
<b>Unutilised committed credit facilities</b>			<b>3,079</b>	<b>833</b>	<b>726</b>

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.

**Balance sheet**

DKK million	3 <sup>rd</sup> qtr.	3 <sup>rd</sup> qtr.	Full year
	2009	2008	2008
	Unaudited		Audited
<b>Assets</b>			
Intangible fixed assets	250	190	323
Tangible fixed assets	7,222	7,269	6,989
Other financial fixed assets	225	168	195
Deferred tax assets	209	234	248
<b>Total non-current assets</b>	<b>7,906</b>	<b>7,861</b>	<b>7,755</b>
Stocks	993	1,360	1,323
Receivables	1,965	2,334	2,121
Cash	437	687	444
<b>Total current assets</b>	<b>3,395</b>	<b>4,381</b>	<b>3,888</b>
<b>Total assets</b>	<b>11,301</b>	<b>12,242</b>	<b>11,643</b>
<b>Liabilities and equity</b>			
Share capital	220	220	220
Foreign currency translation	-478	66	-527
Retained earnings	7,971	7,778	8,025
Minority interests	264	252	246
<b>Total equity</b>	<b>7,977</b>	<b>8,316</b>	<b>7,964</b>
Non-current liabilities	1,456	1,643	1,626
Current liabilities	1,868	2,283	2,053
<b>Total liabilities</b>	<b>3,324</b>	<b>3,926</b>	<b>3,679</b>
<b>Total liabilities and equity</b>	<b>11,301</b>	<b>12,242</b>	<b>11,643</b>

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**Statement of equity**

DKK million	Unaudited				
	Share capital	Foreign currency translation	Retained earnings	Minority interests	Total
<b>Equity 1/1 2009</b>	<b>220</b>	<b>-527</b>	<b>8,025</b>	<b>246</b>	<b>7,964</b>
<b>Total income</b>		<b>49</b>	<b>123</b>	<b>15</b>	<b>187</b>
Sale and purchase of own shares			2		2
Expensed value of options issued			28		28
Dividend paid to the shareholders			-207		-207
Addition/disposal of minority interests			0	3	3
<b>Equity 3<sup>rd</sup> qtr. 2009</b>	<b>220</b>	<b>-478</b>	<b>7,971</b>	<b>264</b>	<b>7,977</b>
<b>Equity 1/1 2008</b>	<b>220</b>	<b>25</b>	<b>7,344</b>	<b>188</b>	<b>7,777</b>
<b>Total income</b>		<b>41</b>	<b>799</b>	<b>64</b>	<b>904</b>
Sale and purchase of own shares			-77		-77
Expensed value of options issued			25		25
Dividend paid to the shareholders			-313		-313
Addition/disposal of minority interests			0		0
<b>Equity 3<sup>rd</sup> qtr. 2008</b>	<b>220</b>	<b>66</b>	<b>7,778</b>	<b>252</b>	<b>8,316</b>