

**Release no. 08 – 2010**  
**Report on first quarter 2010**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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26 May 2010

**Report on first quarter 2010**  
**for Rockwool International A/S**

Today the Board of Directors of Rockwool International A/S has approved the following report on first quarter 2010.

**Highlights**

- Sales in first quarter at actual exchange rates decreased by 1% compared to the same period in 2009, or 9% based on comparable number of days in the Rockwool accounting calendar.
- EBIT in first quarter amounted to DKK 146 million which is an increase of DKK 78 million compared to the same period in 2009.
- The Group now expects net sales at actual exchange rates to decrease by 5% in 2010 compared to last year.
- The Group still expects a result after minority interests of DKK 300 million.
- Capital expenditure excluding acquisitions is expected to be in the range of DKK 800-900 million.

Further information: Gilles Maria, Chief Financial Officer

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

	1 <sup>st</sup> qtr. 2010	1 <sup>st</sup> qtr. 2009	Full year 2009
	Unaudited figures		Audited
<b>Income statement items in DKK million:</b>			
Net sales	2,520	2,539	11,168
EBITDA	377	274	1,529
Depreciation, amortisation and write-downs	231	206	953
EBIT	146	68	576
Financial items	-14	-8	-42
Profit before tax	135	62	556
Profit for the period after minority interests	78	38	322
<b>Balance sheet items in DKK million:</b>			
Non-current assets	8,177	7,719	8,117
Current assets	3,253	3,835	3,209
Total assets	11,430	11,554	11,326
Equity	8,552	7,850	8,228
Non-current liabilities	1,213	1,490	1,196
Current liabilities	1,665	2,214	1,902
<b>Other items in DKK million:</b>			
Cash flow (from operating activities)	37	77	1,950
Investments and acquisitions	86	350	1,170
Net interest-bearing debt	-75	735	-141
<b>Number of employees:</b>			
Number of employees	7,762	8,347	7,843
<b>Ratios:</b>			
Profit ratio (%)	6	3	5
Profit per share of DKK 10	4	2	15
Profit per share of DKK 10, diluted	4	2	15
Book value per share of DKK 10	389	346	362
Equity ratio (%)	75	68	73
Financial gearing	-0.01	0.09	-0.02
<b>Main figures in EUR million:</b>			
Net sales	339	341	1,501
Depreciation, amortisation and write-downs	31	28	128
EBIT	20	9	77
Profit before tax	18	8	75
Profit for the period after minority interests	10	5	43
Total assets	1,536	1,551	1,522
Equity	1,149	1,053	1,106
Cash flow (from operating activities)	5	10	262
Investments and acquisitions	12	47	157
Exchange rate	7.44	7.45	7.44

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 31 March 2010**

Income statement

The Rockwool Group generated sales in first quarter 2010 of DKK 2,520 million corresponding to a decrease of 1% compared to same period last year. Corrected for a difference in the number of days in the Rockwool calendar - which includes one week more in first quarter 2010 - the decrease corresponds to 9% compared to first quarter 2009.

External sales in the Insulation Segment decreased by 4% to DKK 2,022 million, and Systems Segment's external sales increased by 13% to DKK 498 million. The trading conditions in the Insulation Segment have been difficult during the first two months due to adverse weather conditions in most of Europe. The sales prices are holding up reasonably well in most countries where the Group operates however with some tension on segments exposed to large projects.

Despite a low capacity utilisation, the Group has improved its factory efficiencies according to plans.

The Systems Segment continues to outperform the market with excellent development in particularly the ceiling activities which are still benefiting from government stimulus packages in public buildings. Progress in the automotive industry has also benefited the engineered fibre business.

EBITDA for the Group increased 38% compared to same period last year and reached DKK 377 million resulting in an EBITDA ratio of 15% for the first three months. Higher benefit from the cost reduction programme as well as lower raw material costs were supporting the margin recovery.

EBIT ended at DKK 146 million – an increase of DKK 78 million compared to same period last year. EBIT in the Insulation Segment increased by 37% compared to same period last year and reached DKK 81 million. Systems Segment generated an EBIT of DKK 54 million which is an increase of 170% compared to first quarter 2009.

Net financial costs ended up at a cost of DKK 14 million which is DKK 6 million more than in the same period of 2009 primarily due to less capitalised interests and additional costs for the new credit facilities entered into during second and third quarter 2009.

Profit after minority interests for first quarter 2010 amounted to DKK 78 million which is DKK 40 million higher than last year.

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Cash flow

Cash flow from operations for the period is DKK 37 million which is DKK 40 million lower than last year.

Working capital development has had a negative effect on the cash flow of DKK 280 million in first quarter 2010 primarily due to a planned increase in stocks.

Investment expenditure in first quarter was DKK 86 million.

Balance sheet

Total assets end of first quarter 2010 amounted to DKK 11,430 million. The equity ratio at the end of the period was 75%.

Expectations for 2010

Group trading conditions for insulation are stabilising in Europe while North America and Asia are expected to continue their good progress. The Group does not expect any solid recovery in Europe during 2010, however, still with sales progress in countries where use of insulation is benefitting from government incentives. The Group expects the positive development of the Systems Segment to continue in 2010.

All in all, the Group now expects net sales at actual exchanges rates to decrease by 5% in 2010 compared to 2009.

The Group now experiences unexpected price tension on raw materials including coke which will impact the coming quarters. Therefore, despite relative improvement on net sales, the Group still maintains its expectation for a result after minority interests of DKK 300 million.

Capital expenditure excluding acquisitions is now expected to be in the range of DKK 800-900 million of which expenditure for the new factories in India and the Volga region in Russia is DKK 200 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 first quarter 2010.

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 2009 – 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 31 March 2010 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.

26 May 2010

**Group Management**

Eelco van Heel

Gilles Maria

**Board of Directors**

Tom Kähler

Henrik Nyegaard

Steen Rüsgaard

Claus Bugge Garn

Jan W. Hillege

Bjørn Høi Jensen

Thomas Kähler

Dorthe Lybye

Connie Enghus Theisen

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**Income statement**

DKK million	1 <sup>st</sup> qtr.		Full year
	2010	2009	2009
	Unaudited		Audited
Net sales	2,520	2,539	11,168
<b>Operating income</b>	<b>2,563</b>	<b>2,581</b>	<b>11,362</b>
<b>Operating costs</b>	<b>2,417</b>	<b>2,513</b>	<b>10,786</b>
EBITDA	377	274	1,529
<b>Operating profit before financial items (EBIT)</b>	<b>146</b>	<b>68</b>	<b>576</b>
Income from investments in associated companies after tax	3	2	22
Financial items	-14	-8	-42
<b>Profit before tax</b>	<b>135</b>	<b>62</b>	<b>556</b>
Tax on profit for the period	50	20	206
<b>Profit for the period</b>	<b>85</b>	<b>42</b>	<b>350</b>
Minority interests	7	4	28
<b>Profit for the period after minority interests</b>	<b>78</b>	<b>38</b>	<b>322</b>
Profit per share of DKK 10	3.5	1.8	14.9
Profit per share of DKK 10, diluted	3.6	1.8	14.9

**Statement of recognised income and expenses**

<b>Profit for the period</b>	<b>85</b>	<b>42</b>	<b>350</b>
Exchange rate adjustments of foreign subsidiaries	233	-158	119
Hedging instruments, value adjustments	-3	-18	-50
Tax on hedging instruments, value adjustments	1	8	14
<b>Total income</b>	<b>316</b>	<b>-126</b>	<b>433</b>
Minority interests	29	-16	18
<b>Total income for the period after minority interests</b>	<b>287</b>	<b>-110</b>	<b>415</b>

**Segmented accounts**

Acc. 1 <sup>st</sup> qtr.	Unaudited							
	Insulation Segment		Systems Segment		Group eliminations and holding companies		The Rockwool Group	
	2010	2009	2010	2009	2010	2009	2010	2009
DKK million								
External net sales	2,022	2,097	498	442	0	0	2,520	2,539
Internal net sales	266	251	4	7	-270	-258	0	0
Total net sales	2,288	2,348	502	449	-270	-258	2,520	2,539
EBIT	81	59	54	20	11	-11	146	68

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### Cash flow statement

DKK million	1 <sup>st</sup> qtr.	1 <sup>st</sup> qtr.	Full year
	2010	2009	2009
	<b>Unaudited</b>		<b>Audited</b>
Operating profit for the period	146	42	576
Adjustment for depreciation, amortisation and write-downs	231	206	953
Other adjustments	15	29	44
Change in net working capital	-280	-84	598
<b>Cash flow from operations before financial items and tax</b>	<b>112</b>	<b>193</b>	<b>2,171</b>
<b>Cash flow from operating activities</b>	<b>37</b>	<b>77</b>	<b>1,950</b>
<b>Cash flow from investing activities</b>	<b>-86</b>	<b>-350</b>	<b>-1,170</b>
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>-49</b>	<b>-273</b>	<b>780</b>
Cash flow from financing activities	-76	-190	-570
<b>Change in cash available</b>	<b>-125</b>	<b>-463</b>	<b>210</b>
Cash available – beginning of period	588	368	368
Exchange rate adjustments	3	-4	10
<b>Cash available – end of period</b>	<b>466</b>	<b>-99</b>	<b>588</b>
<b>Unutilised, committed credit facilities</b>	<b>3,432</b>	<b>754</b>	<b>3,323</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 have been converted at the average exchange rates.

### Balance sheet

DKK million	1 <sup>st</sup> qtr.	1 <sup>st</sup> qtr.	Full year
	2010	2009	2009
	<b>Unaudited</b>		<b>Audited</b>
<b>Assets</b>			
Intangible assets	265	319	273
Tangible assets	7,380	6,936	7,340
Other financial assets	243	197	239
Deferred tax assets	289	267	265
<b>Total non-current assets</b>	<b>8,177</b>	<b>7,719</b>	<b>8,117</b>
Inventories	926	1,271	801
Receivables	1,810	2,242	1,675
Cash	517	322	733
<b>Total current assets</b>	<b>3,253</b>	<b>3,835</b>	<b>3,209</b>
<b>Total assets</b>	<b>11,430</b>	<b>11,554</b>	<b>11,326</b>
<b>Equity and liabilities</b>			
Share capital	220	220	220
Hedging	-11	17	-9
Foreign currency translation	-187	-665	-398
Retained earnings	8,232	8,048	8,146
Minority interests	298	230	269
<b>Total equity</b>	<b>8,552</b>	<b>7,850</b>	<b>8,228</b>
Non-current liabilities	1,213	1,490	1,196
Current liabilities	1,665	2,214	1,902
<b>Total liabilities</b>	<b>2,878</b>	<b>3,704</b>	<b>3,098</b>
<b>Total liabilities and equity</b>	<b>11,430</b>	<b>11,554</b>	<b>11,326</b>

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**Statement of equity**

DKK million	Unaudited					
	Share capital	Hedging	Foreign currency translation	Retained earnings	Minority interests	Total
<b>Equity 1/1 2010</b>	<b>220</b>	<b>-9</b>	<b>-398</b>	<b>8,146</b>	<b>269</b>	<b>8,228</b>
Profit for the period				78	7	85
Exchange rate adjustments of foreign subsidiaries			211		22	233
Hedging instruments, value adjustments		-3				-3
Tax on hedging instruments, value adjustments		1				1
<b>Total income</b>		<b>-2</b>	<b>211</b>	<b>78</b>	<b>29</b>	<b>316</b>
Sale and purchase of own shares				1		1
Expensed value of options issued				7		7
Dividend paid to the shareholders				0		0
Addition/disposal of minority interests				0		0
<b>Equity 1<sup>st</sup> qtr. 2010</b>	<b>220</b>	<b>-11</b>	<b>-187</b>	<b>8,232</b>	<b>298</b>	<b>8,552</b>
<b>Equity 1/1 2009</b>	<b>220</b>	<b>27</b>	<b>-527</b>	<b>7,998</b>	<b>246</b>	<b>7,964</b>
Profit for the period				38	4	42
Exchange rate adjustments of foreign subsidiaries			-138		-20	-158
Hedging instruments, value adjustments		-18				-18
Tax on hedging instruments, value adjustments		8				8
<b>Total income</b>		<b>-10</b>	<b>-138</b>	<b>38</b>	<b>-16</b>	<b>-126</b>
Sale and purchase of own shares				0		0
Expensed value of options issued				12		12
Dividend paid to the shareholders				0		0
Addition/disposal of minority interests				0		0
<b>Equity 1<sup>st</sup> qtr. 2009</b>	<b>220</b>	<b>17</b>	<b>-665</b>	<b>8,048</b>	<b>230</b>	<b>7,850</b>