

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 1/9

24 August 2012

Report on the first half-year of 2012

for Rockwool International A/S

Today the Board of Rockwool International A/S has discussed and approved the following report on the first half-year of 2012.

Highlights

- Sales in first half-year of 2012 at actual exchange rates increased by 9% compared to the same period in 2011.
- EBIT in first half-year of 2012 amounts to DKK 430 million which is an increase of DKK 136 million, 46% above the same period in 2011.
- The Group expects net sales at current exchange rates to increase by at least 5% for the full year 2012.
- The Group confirms its expectation for a result after minority interests between DKK 650 and 700 million.
- Capital expenditure excluding acquisitions is now expected to be DKK 1,200 million.

Further information: Gilles Maria, Chief Financial Officer

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 2/9

Main figures / key figures for the Group

	2 nd qtr.	2 nd qtr.	Acc.	Acc.	Full year
	2012	2011	2 nd qtr.	2 nd qtr.	2011
	Unaudited				Audited
Income statement items in DKK million					
Net sales	3,604	3,368	6,852	6,301	13,748
EBITDA	537	431	944	778	1,821
Depreciation, amortisation and write-downs	260	241	514	484	917
EBIT	277	190	430	294	904
Financial items	-18	-14	-33	-30	-47
Profit before tax	261	186	403	277	899
Profit for the period after minority interests	179	123	281	191	640
Balance sheet items in DKK million					
Non-current assets			9,475	9,018	9,377
Current assets			3,771	3,503	3,301
Total assets			13,246	12,521	12,678
Equity			8,818	8,313	8,635
Non-current liabilities			1,373	1,444	1,368
Current liabilities			3,055	2,764	2,675
Other items in DKK million					
Cash flow from operating activities	285	308	336	283	1,527
Investments and acquisitions	150	259	409	539	1,200
Free cash flow	135	49	-73	-256	327
Net interest-bearing debt			857	960	550
Number of employees					
Number of employees at end of period			9,731	9,033	9,368
Ratios					
Profit ratio (%)			6	5	7
Earnings per share of DKK 10			13	9	30
Earnings per share of DKK 10, diluted			13	9	30
Cash earnings per share of DKK 10			16	13	71
Book value per share of DKK 10			401	378	392
Return on invested capital (%)			27	11	10
Return on equity (%)			3	2	7
Equity ratio (%)			67	66	68
Financial gearing			0.10	0.11	0.06
Stock market information					
Share capital (DKK million)			220	220	220
Price per A share (DKK)			533	628	458
Price per B share (DKK)			536	625	461
Number of A shares (10 votes)			11,231,627	11,231,627	11,231,627
Number of B shares (1 vote)			10,743,296	10,743,296	10,743,296

The ratios have been calculated in accordance with recommendations issued by the Danish Society of Financial Analysts (2010 edition).

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 3/9

Management report for the period 1 January to 30 June 2012Income statement

The Rockwool Group generated sales in the first half of 2012 of DKK 6,852 million corresponding to an increase of 9% compared to same period last year.

External sales in the Insulation Segment increased by 9% to DKK 5,646 million, and Systems Segment's external sales increased by 7% to DKK 1,206 million.

In the Western European Insulation market, the good trading conditions observed in France and Germany since 2011 have continued during the second quarter of 2012 offsetting the negative trend in countries like Spain, UK and Netherland which are facing increasingly difficult market conditions.

In the Eastern European Insulation market, Poland has continued its strong recovery whereas Russia is levelling out, however with a sales increase over the same period last year. Sales in North America have continued their solid development. In Asia, and especially in China, demand for non-combustible insulation material is increasing and is likely to be even stronger when new Chinese regulation regarding fire safety in buildings will be in force.

Sales prices have continued to increase during second quarter of 2012, however at a lower level than during the first quarter and with large differences between markets. The inflation on most raw materials was still high for this period although the Group started to benefit from lower foundry coke prices deriving from more reasonable coking coal prices.

The number of employees has increased since the end of 2011 by 363 FTEs mainly in production areas due to the new factory in Russia and increased activity in factories like India and North America.

EBITDA for the Group reached DKK 944 million resulting in an EBITDA ratio of 14% for the first half-year of 2012 which is an improvement of 2% point compared to the same period last year.

EBIT was DKK 430 million – an increase of DKK 136 million compared to same period last year. Insulation segment EBIT for the first half reached DKK 298 million which is an increase of 87% compared to the first half of last year. Systems Segment generated an EBIT of DKK 131 million which is 11% below the first half of 2011. This decline is due to extraordinary effects while the underlying business continues to see a positive development.

Net financial costs ended up at DKK 33 million which is on the same level as last year.

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 4/9

Profit after minority interests for the first half of 2012 amounted to DKK 281 million which is DKK 90 million better than last year.

Cash flow

Cash flow from operations for the first half of 2012 is DKK 336 million which is DKK 53 million above last year.

Working capital development has had a negative effect on cash flow of DKK 423 million in the first half of 2012 which is primarily due to increase of sales and to seasonal stocks.

Capital expenditure in the first half of 2012 was DKK 409 million which is a decrease of DKK 130 million compared to the same period of 2011.

Balance sheet

Total assets end of the first half of 2012 amounted to DKK 13,246 million. The equity ratio at the end of the period was 67%.

Expectations for 2012

In Western Europe, the general slowdown of the economy and Euro crisis consequences will have further negative effect on new built insulation markets while refurbishment is expected to be resilient. In Eastern Europe including Russia, we expect insulation markets to show robust double digit growth. The very positive sales development in North America is expected to continue, well supported by better market conditions. In Asia, our sales development will be limited by the not yet solved logistical challenges in importing products from Europe. Overall, the Group expects net sales at current exchange rates to increase by at least 5% for the full year 2012.

Despite the slowdown of the world economy, the Group expects a continuation of the inflationary pressure in 2012. The Group therefore maintains its focus on increasing sales prices and control spending carefully. The Group confirms its expectation for a result after minority interests for the year 2012 to be between DKK 650 and 700 million.

Capital expenditure excluding acquisitions is now expected to be DKK 1,200 million, a decrease of DKK 100 million compared to previous expectation.

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S*This is a translation of the Danish version.**Only the Danish version is legally binding.*

Page 5/9

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.

Management statement

The Board and Management Board have today discussed and approved this interim report of Rockwool International A/S for the first half-year of 2012.

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 interim reporting requirements for listed companies.

We believe that the accounting policies applied – which are unchanged from those applied in the annual report for 2011 – 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 at 30 June 2012 and of the result of the Group's operations and cash flow for the period 1 January - 30 June 2012.

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

24 August 2012

Management Board

Eelco van Heel Gilles Maria

Board

Tom Kähler Steen Riisgaard Carsten Bjerg

Heinz-Jürgen Bertram Claus Bugge Garn Bjørn Høi Jensen

Thomas Kähler Dorthe Lybye Connie Enghus Theisen

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 6/9

Income statement

DKK million	2 nd qtr.	2 nd qtr.	Acc.	Acc.	Full year
	2012	2011	2 nd qtr.	2 nd qtr.	
	Unaudited				Audited
Net sales	3,604	3,368	6,852	6,301	13,748
Operating income	3,633	3,413	6,927	6,382	13,906
Operating costs	3,356	3,223	6,497	6,088	13,002
EBITDA	537	431	944	778	1,821
Operating profit before financial items (EBIT)	277	190	430	294	904
Income from investments associated companies after tax	2	10	6	13	42
Financial items	-18	-14	-33	-30	-47
Profit before tax	261	186	403	277	899
Tax on profit for the period	81	63	123	94	276
Profit for the period	180	123	280	183	623
Minority interests	1	0	-1	-8	-17
Profit for the period after minority interests	179	123	281	191	640
Earnings per share of DKK 10			13	9	30
Earnings per share of DKK 10, diluted			13	9	30

Statement of comprehensive income

Profit for the period	180	123	280	183	623
Exchange rate adjustments of foreign subsidiaries	-50	-32	126	-76	-185
Changes to accounting policy for pension obligation	0	0	0	0	-33
Hedging instruments, value adjustments	-3	2	3	9	-9
Tax on comprehensive income	0	-1	-1	-3	9
Total comprehensive income	127	92	408	113	405
Minority interests	1	0	-1	-7	-16
Total income for the period after minority interests	126	92	409	120	421

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 7/9

Segment reporting

Acc. 2 nd qtr.	Unaudited						The Rockwool Group	
	Insulation segment		Systems segment		Group eliminations and holding companies		2012	2011
DKK million	2012	2011	2012	2011	2012	2011	2012	2011
External net sales	5,646	5,173	1,206	1,128	0	0	6,852	6,301
Internal net sales	859	636	0	0	-859	-636	0	0
Total net sales	6,505	5,809	1,206	1,128	-859	-636	6,852	6,301
EBIT	298	159	131	148	1	-13	430	294

Geographical split of external net sales:

DKK million	2012	2011
Western Europe	4,502	4,348
Eastern Europe including Russia	1,392	1,202
North America, Asia and others	958	751
Total external net sales	6,852	6,301

Balance sheet

DKK million	2 nd qtr. 2012	2 nd qtr. 2011	Full year 2011
	Unaudited		Audited
Assets			
Intangible assets	555	470	559
Tangible assets	8,174	7,977	8,102
Other financial assets	392	318	401
Deferred tax assets	354	253	315
Total non-current assets	9,475	9,018	9,377
Inventories	1,367	1,183	1,110
Receivables	2,010	2,004	1,844
Cash	394	316	347
Total current assets	3,771	3,503	3,301
Total assets	13,246	12,521	12,678
Equity and liabilities			
Share capital	220	220	220
Hedging	-17	-6	-19
Foreign currency translation	-228	-246	-354
Retained earnings	8,827	8,324	8,776
Minority interests	16	21	12
Total equity	8,818	8,313	8,635
Non-current liabilities	1,373	1,444	1,368
Current liabilities	3,055	2,764	2,675
Total liabilities	4,428	4,208	4,043
Total equity and liabilities	13,246	12,521	12,678

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 8/9

Cash flow statement

DKK million	2 nd qtr.	2 nd qtr.	Acc.	Acc.	Full year
	2012	2011	2 nd qtr.	2 nd qtr.	
	Unaudited				Audited
Operating profit before financial items	277	190	430	294	904
Adjustments for depreciation, amortisation and write-downs	260	241	514	484	917
Other adjustments	5	-9	-14	9	41
Change in net working capital	-176	-23	-423	-362	-47
Cash flow from operations before financial items and tax	366	399	507	425	1,815
Cash flow from operating activities	285	308	336	283	1,527
Cash flow from investing activities	-150	-259	-409	-539	-1,200
Cash flow from operating and investing activities (free cash flow)	135	49	-73	-256	327
Cash flow from financing activities	-305	-361	-365	-425	-514
Change in cash available	-170	-312	-438	-681	-187
Cash available – beginning of period	-396	-226	-128	132	132
Business combinations	0	0	0	0	-24
Exchange rate adjustments	3	11	3	22	-49
Cash available – end of period	-563	-527	-563	-527	-128
Unutilised, committed credit facilities			2,898	3,133	3,450

Statement of changes in equity

DKK million	Unaudited					
	Share capital	Hedging	Foreign currency translation	Retained earnings	Minority interests	Total
Equity 1/1 2012	220	-19	-354	8,776	12	8,635
Total comprehensive income		2	126	281	-1	408
Sale and purchase of own shares				-25		-25
Expensed value of options issued				7		7
Dividend paid to the shareholders				-207		-207
Addition/disposal of minority interests				-5	5	0
Equity 2nd qtr. 2012	220	-17	-228	8,827	16	8,818
Equity 1/1 2011	220	-12	-169	8,524	212	8,775
Total comprehensive income	0	6	-77	191	-7	113
Sale and purchase of own shares				-76		-76
Expensed value of options issued				8		8
Dividend paid to the shareholders				-207		-207
Addition/disposal of minority interests				-116	-184	-300
Equity 2nd qtr. 2011	220	-6	-246	8,324	21	8,313

Release no. 09 – 2012
Report on the first half-year of 2012
To NASDAQ OMX Nordic Exchange
Copenhagen A/S

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

Page 9/9

Main figures in EUR million	2 nd qtr.	2 nd qtr.	Acc.	Acc.	Full year
	2012	2011	2 nd qtr.	2 nd qtr.	
	Unaudited				Audited
Net sales	485	452	922	845	1,845
Depreciation, amortisation and write-downs	35	32	69	65	123
EBIT	37	25	58	39	122
Profit before tax	35	25	54	37	121
Profit for the period after minority interests	24	17	38	26	86
Total assets			1,782	1,678	1,705
Equity			1,186	1,143	1,162
Cash flow (from operating activities)	38	41	45	38	205
Investments and acquisitions	20	35	55	72	161
Exchange rate	7.43	7.46	7.43	7.46	7.43