ROCKWOOL FIRESAFE INSULATION

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

20 November 2014

Report on the first 9 months of 2014

for ROCKWOOL International A/S

Today the Board of ROCKWOOL International A/S has discussed and approved the following report on the first 9 months of 2014.

Highlights

- Sales in the first 9 months of 2014 at actual exchange rates increased 11% compared to the same period in 2013 or 6% like-for-like (comparable structure and exchange rates).

- EBIT end of the first 9 months in 2014 amounts to EUR 127.2 million which is an increase of 7% compared to the same period in 2013. The acquisitions have an impact of 2%.

- The Group re-confirms its expectations for 2014 net sales at comparable exchange rates to increase by 12% compared to last year and by 5% like-for-like.

- Due to the expected exchange rate effect, adjustment in restructuring provisions and the higher start-up costs in US, the Group's expectations for net profit for the year 2014 are now expected to be in the range of EUR 110-120 million whereas the previous expectation amounted to around EUR 127 million.

- Investment expenditure is still expected to be in the range of EUR 220-240 million excluding acquisitions.

Further information: Gilles Maria, Chief Financial Officer

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

Main figures / key figures for the Group

	3rd qtr. 2014	3rd qtr. 2013	Acc. 3rd qtr. 2014	Acc. 3rd qtr. 2013	Full year 2013
	Unaudited				Audited
Income statement items in EUR million					
Net sales	580.9	529.0	1,613.3	1,447.3	2,002.8
EBITDA	89.8	95.3	243.0	226.5	313.2
Depreciation, amortisation and write-downs	38.4	35.5	115.8	107.7	144.3
EBIT	51.4	59.8	127.2	118.8	168.9
Financial items	-2.3	-0.7	-5.3	-4.9	-6.2
Profit before tax	49.4	59.2	122.9	114.8	164.2
Profit for the period	35.3	41.5	87.9	80.7	115.7
Balance sheet items in EUR million					
Non-current assets			1,459.9	1,246.0	1,371.2
Current assets			600.4	501.4	485.7
Total assets			2,060.3	1,747.4	1,856.9
Equity			1,361.4	1,259.4	1,283.8
Non-current liabilities			168.9	146.2	134.1
Current liabilities			530.0	341.8	439.0
Other items in EUR million					
Cash flow from operating activities	112.2	94.3	146.6	142.0	252.8
Investments and acquisitions	81.3	104.2	209.9	183.6	265.3
Free cash flow	30.9	-9.9	-63.3	-41.6	-12.5
Net interest-bearing debt			82.7	84.7	100.3
Number of employees					
Number of employees at end of period			11,011	9,884	10,562
Ratios					
Profit ratio			7.9%	8.2%	8.4%
Earnings per share of DKK 10 (EUR 1.3)			4.1	3.8	4.8
Earnings per share of DKK 10 (EUR 1.3), diluted			4.1	3.8	4.8
Cash earnings per share of DKK 10 (EUR 1.3)			6.8	6.6	11.0
Book value per share of DKK 10 (EUR 1.3)			61.8	57.2	57.4
Return on invested capital			10%	10%	13%
Return on equity			7%	7%	9%
Equity ratio			66%	72%	69%
Financial gearing			0.07	0.07	0.08
Stock market information					
Share capital (EUR million)			29.5	29.5	29.5
Price per A share (EUR)			114.6	119.6	128.2
Price per B share (EUR)			114.5	119.7	128.2
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).

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

Management report for the period 1 January to 30 September 2014

Income statement

The ROCKWOOL Group generated sales in the first 9 months of 2014 of EUR 1,613.3 million which is an increase of 11% compared to the same period last year or 6% like-for-like (comparable structure and exchange rates). Included in the 11% is a negative exchange rate effect of 3.7%.

Sales in the third quarter increased 10% compared to same period last year including a negative exchange rate effect of 2.5 % or 3% like-for-like, impacted by more difficult market conditions.

External sales in the Insulation Segment reached EUR 1,256.9 million in the first 9 months of 2014 which is an increase of 5% compared to last year (or 6% like-for-like) while Systems Segment's external sales increased by 40% to EUR 356.4 million or 9% like-for-like.

Sales in Western Europe increased by 7% (flat development excluding the acquisition effect) for the first 9 months of 2014 and decreased by 3% (like for like) in the third quarter compared to same periods in 2013. The German insulation market has been flat against previous positive expectations, and the French market experienced difficult market conditions.

The Eastern European insulation sales increased 9% compared to last year (or 19% based on comparable rates) primarily due to a continued positive development in Russia and a good market recovery in Poland. Sales were significantly impacted by exchange rate developments in Russia and Ukraine.

Sales in North America continued the positive development and increased 31% compared to last year (or 13% like-for-like). The start of the new US factory has been slower and more costly than anticipated partly due to technology changes. The factory is getting gradually back to the expected ramp up plan. Sales in Asia were stable.

In the first nine months of 2014, the sales in the two acquired businesses, Chicago Metallic and HECK Wall Systems, have increased compared to the same period last year. The operational profit, corrected for the additional depreciation and integration costs, is in line with the plans.

Sales prices have continued to be stable in most countries where the Group operates with a slightly negative trend in some business areas. Overall, input prices are slightly higher in the quarter compared to the same period last year although with a continued positive effect stemming from lower energy prices.

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

EBITDA for the first 9 months of 2014 reached EUR 243.0 million corresponding to a ratio of 15.1% which represents a decrease of 0.5%-point. Also additional costs for the green field factory in Mississippi have weighted on EBITDA this quarter,

EBIT was recorded at EUR 127.2 million – an increase of 7% compared to same period last year (or 11% like-for-like). EBIT for the third quarter was EUR 51.4 million – a decrease by 8.4 million compared to the same period last year.

Insulation segment EBIT for the first 9 months reached EUR 80.4 million which is a decrease of EUR 3.7 million or -4% compared to same period in 2013. Like-for-like the Insulation segment EBIT increased 3%. Systems Segment generated an EBIT of EUR 46.8 million which is EUR 12.1 million higher than the same period in 2013.

Net financial costs ended at EUR 5.3 million which is as the same level as last year.

Net profit for the first 9 months of 2014 amounted to EUR 87.9 million which is EUR 7.2 million higher than last year.

Cash flow

Cash flow from operations end of the first 9 months of 2014 was recorded at EUR 146.6 million which is EUR 4.6 million above same period last year.

Working capital increased by EUR 61.0 million in the first 9 months of 2014 (versus end of 2013) as a consequence of increased sales resulting in higher debtor level and a planned seasonal stock higher than end of 2013.

Capital expenditure by the end of the first 9 months of 2014 was EUR 184.5 million of which EUR 127.0 million were related to capacity expansion projects; primarily for the new green field insulation factory in the USA and the factory re-engineering projects in Poland, Denmark and the Czech Republic. The second instalment of the purchase price for Chicago Metallic was made amounting to EUR 25.4 million.

Balance sheet

Total assets end of the first 9 months of 2014 amounted to EUR 2,060.3 million. The equity ratio at the end of the period was 66%.

Expectations for 2014

The third quarter of 2014 has confirmed the fragile recovery in Europe, however, with countries experiencing market decrease like France and Netherland. The Group expects the European market conditions to remain the same in the coming quarters. In Russia, the existing pro-

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

ject portfolio will ensure a decent activity for the coming quarter while consequences of weaker currency and high interest rates are increasing uncertainty.

Market conditions in North America remain positive, and the Group still expects sales to continue increasing with the same trend. Performance of the green field factory in Mississippi is planned to improve over an 18 months ramp-up period. Production costs will remain high in the next quarter. Sales development in South Asia is expected to remain stable.

Sales prices are overall expected to stay at their current level even if more difficult market conditions are strengthening competition.

The Group re-confirms its expectation for 2014 of net sales at comparable exchange rates to increase by 12% compared to last year and by 5% excluding acquisitions. Based on main exchange rate of importance to the Group at the end of October, the expected negative effect on the Group net sales for 2014 will be around 3%.

Raw material and energy prices are expected to remain stable in the coming months. The Group still expects its tax rate for 2014 to decrease by 1%-point to 28.5%.

Considering the expected exchange rate effect on net profit by approx. EUR 7 million, adjustment in restructuring provisions and the higher start-up cost for the green field factory in Mississippi, the Group has revised its expectation for net profit for the year 2014 to be in the range of EUR 110-120 million. The previous net profit expectation for the year 2014 was around EUR 127 million.

Investment expenditure is still expected to be in the range of EUR 220-240 million excluding acquisitions.

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.

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

Management statement

The Board and Management Board have today discussed and approved this interim report of ROCKWOOL International A/S for the first 9 months of 2014.

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 2013 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 September 2014 and of the result of the Group's operations and cash flow for the period 1 January - 30 September 2014.

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.

Besides what has been disclosed in this interim report and other interim reports in 2014, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2013.

20 November 2014

Management Board

Gilles Maria

Board

Bjørn Høi Jensen	Carsten Bjerg	Thomas Kähler
Heinz-Jürgen Bertram	Lars Frederiksen	Lars Elmekilde Hansen
Søren Kähler	Dorte Page	Connie Enghus Theisen

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

Income statement

EUR million	3rd qtr. 2014	3rd qtr. 2013	Acc. 3rd qtr. 2014	Acc. 3rd qtr. 2013	Full year 2013
			Unaudited		Audited
Net sales	580.9	529.0	1,613.3	1,447.3	2,002.8
Operating income	**582.3**	**531.4**	**1,618.6**	**1,453.9**	**2,011.2**
Operating costs	**530.9**	**471.6**	**1,491.4**	**1,335.1**	**1,842.3**
EBITDA	89.8	95.3	243.0	226.5	313.2
Operating profit before financial items (EBIT)	**51.4**	**59.8**	**127.2**	**118.8**	**168.9**
Income from investments associated companies after tax	0.3	0.1	1.0	0.9	1.5
Financial items	-2.3	-0.7	-5.3	-4.9	-6.2
Profit before tax	**49.4**	**59.2**	**122.9**	**114.8**	**164.2**
Tax on profit for the period	14.1	17.7	35.0	34.1	48.5
Profit for the period	**35.3**	**41.5**	**87.9**	**80.7**	**115.7**
Attributable to:					
Minority interests	0.0	0.1	0.1	0.1	0.1
Shareholders in the parent company	35.3	41.4	87.8	80.6	115.6
Profit for the period after minority interests	**35.3**	**41.5**	**87.9**	**80.7**	**115.7**
Earnings per share of DKK 10			4.1	3.8	4.8
Earnings per share of DKK 10, diluted			4.1	3.8	4.8

Statement of comprehensive income

Profit for the period	**35.3**	**41.5**	**87.9**	**80.7**	**115.7**
Items that may not be reclassified to the income statement					
Actuarial gains and losses of pension obligations	0.0	0.0	0.0	0.0	2.1
Tax on actuarial gains and losses of pension obligations	0.0	0.0	0.0	0.0	-0.8
Items that may be reclassified to the income statement					
Exchange rate adjustments of foreign subsidiaries	10.2	-15.6	11.7	-47.2	-68.4
Hedging instruments, value adjustments	-1.4	0.5	-1.4	0.9	2.7
Tax on other comprehensive income	0.2	-0.1	0.2	-0.1	-0.8
Other comprehensive income	**9.0**	**-15.2**	**10.5**	**-46.4**	**-65.2**
Comprehensive income for the period	**44.3**	**26.3**	**98.4**	**34.3**	**50.5**
Attributable to:					
Minority interests	0.0	0.1	0.7	0.1	-0.1
Shareholders in the parent company	44.3	26.2	97.7	34.2	50.6
	44.3	**26.3**	**98.4**	**34.3**	**50.5**

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

Segment reporting

Unaudited

Acc. 3rd qtr.	Insulation segment		Systems segment		Eliminations		The ROCKWOOL Group	
EUR million	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
External net sales	1,256.9	1,192.1	356.4	255.2	0.0	0.0	1,613.3	1,447.3
Internal net sales	161.4	146.4	0.0	0.0	-161.4	-146.4	0.0	0.0
Total net sales	1,418.3	1,338.5	356.4	255.2	-161.4	-146.4	1,613.3	1,447.3
EBIT	80.4	84.1	46.8	34.7	0.0	0.0	127.2	118.8
EBIT ratio	*5.7%*	*6.3%*	*13.1%*	*13.6%*			*7.9%*	*8.2%*

The segment accounts have been redefined to fit with the improved internal management follow-up giving a better operational understanding of the two segments. Parent company costs are now allocated to the business segments where they are consumed. Comparative figures have been changed.

Geographical split of external net sales

EUR million	3rd qtr. 2014	3rd qtr. 2013	Acc. 3rd qtr. 2014	Acc. 3rd qtr. 2013	Full year 2013
Western Europe	326.9	309.3	938.6	875.7	1,187.7
Eastern Europe including Russia	145.9	139.7	365.7	335.8	475.1
North America, Asia and others	108.1	80.0	309.0	235.8	340.0
Total external net sales	580.9	529.0	1,613.3	1,447.3	2,002.8

Balance sheet

EUR million	3rd qtr. 2014	3rd qtr. 2013	Full year 2013
Assets	**Unaudited**		**Audited**
Intangible assets	150.0	72.1	120.3
Tangible assets	1,220.1	1,086.4	1,131.6
Other financial assets	54.5	48.9	83.9
Deferred tax assets	35.3	38.6	35.4
Total non-current assets	**1,459.9**	**1,246.0**	**1,371.2**
Inventories	198.8	170.3	161.7
Receivables	317.4	284.0	256.7
Cash	84.2	47.1	67.3
Total current assets	**600.4**	**501.4**	**485.7**
Total assets	**2,060.3**	**1,747.4**	**1,856.9**
Equity and liabilities			
Share capital	29.5	29.5	29.5
Hedging	-2.6	-2.4	-1.3
Foreign currency translation	-74.8	-64.8	-85.9
Proposed dividend	0.0	0.0	30.0
Retained earnings	1,405.3	1,293.8	1,308.3
Minority interests	4.0	3.3	3.2
Total equity	**1,361.4**	**1,259.4**	**1,283.8**
Non-current liabilities	168.9	146.2	134.1
Current liabilities	530.0	341.8	439.0
Total liabilities	**698.9**	**488.0**	**573.1**
Total equity and liabilities	**2,060.3**	**1,747.4**	**1,856.9**

ROCKWOOL
FIRESAFE INSULATION

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

Cash flow statement

EUR million	3rd qtr. 2014	3rd. 2013	Acc. 3rd qtr. 2014	Acc. 3rd qtr. 2013	Full year 2013
		Unaudited			Audited
Operating profit before financial items	51.4	59.8	127.2	118.8	168.9
Adjustments for depreciation, amortisation and write-downs	38.4	35.5	115.8	107.7	144.3
Other adjustments	-1.0	0.3	5.4	1.9	3.2
Change in net working capital	36.6	15.4	-61.0	-44.0	-1.6
Cash flow from operations before financial items and tax	**125.4**	**111.0**	**187.4**	**184.4**	**314.8**
Cash flow from operating activities	**112.2**	**94.3**	**146.6**	**142.0**	**252.8**
Cash flow from investing activities	**-55.9**	**-45.3**	**-184.5**	**-124.7**	**-181.4**
Cash flow from acquisitions	**-25.4**	**-58.9**	**-25.4**	**-58.9**	**-83.9**
Cash flow from operating and investing activities (free cash flow)	**30.9**	**-9.9**	**-63.3**	**-41.6**	**-12.5**
Cash flow from financing activities	0.1	2.9	-32.5	-48.1	-49.6
Change in cash available	**31.0**	**-7.0**	**-95.8**	**-89.7**	**-62.1**
Cash available – beginning of period	-164.9	-57.7	-35.7	25.3	25.3
Business combinations		0.0		0.0	0.0
Exchange rate adjustments	-1.1	-1.7	-3.5	-2.0	1.1
Cash available – end of period	**-135.0**	**-66.4**	**-135.0**	**-66.4**	**-35.7**
Unutilised, committed credit facilities			**374.8**	**409.1**	**417.1**

Statement of changes in equity

EUR million	Share capital	Hedging	Proposed dividend	Foreign currency translation	Retained earnings	Minority interests	Total
			Unaudited				
Equity 1/1 2014	**29.5**	**-1.3**	**30.0**	**-85.9**	**1,308.3**	**3.2**	**1,283.8**
Profit for the period					87.8	0.1	87.9
Other comprehensive income		-1.3		11.1		0.7	10.5
Comprehensive income for the period	**0.0**	**-1.3**	**0.0**	**11.1**	**87.8**	**0.8**	**98.4**
Sale and purchase of own shares					7.7		7.7
Expensed value of options issued					1.5		1.5
Dividend paid to the shareholders			-30.0				-30.0
Equity 3rd qtr. 2014	**29.5**	**-2.6**	**0.0**	**-74.8**	**1,405.3**	**4.0**	**1,361.4**
Equity 1/1 2013	**29.5**	**-3.2**	**29.5**	**-17.6**	**1,221.9**	**3.2**	**1,263.3**
Profit for the period					80.7	0.1	80.8
Other comprehensive income		0.8		-47.2			-46.4
Comprehensive income for the period	**0.0**	**0.8**	**0.0**	**-47.2**	**80.7**	**0.1**	**34.4**
Sale and purchase of own shares					-9.7		-9.7
Expensed value of options issued					0.9		0.9
Dividend paid to the shareholders			-29.5				-29.5
Equity 3rd qtr. 2013	**29.5**	**-2.4**	**0.0**	**-64.8**	**1,293.8**	**3.3**	**1,259.4**

ROCKWOOL FIRESAFE INSULATION
ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

Release no. 08 – 2014
Report on the first 9 months of 2014
To NASDAQ Copenhagen A/S

Main figures in DKK million:	3rd qtr. 2014	3rd qtr. 2013	Acc. 3rd qtr. 2014	Acc. 3rd qtr. 2013	Full year 2013
			Unaudited		Audited
Net sales	4,333	3,945	12,034	10,793	14,903
Depreciation, amortisation and write-downs	286	265	864	803	1,076
EBIT	384	446	949	886	1,260
Profit before tax	369	441	917	856	1,225
Profit for the period	263	309	656	602	863
Total assets			15,336	13,032	13,851
Equity			10,133	9,393	9,576
Cash flow (from operating activities)	833	703	1,090	1,059	1,885
Investments and acquisitions	606	777	1,566	1,369	1,979
Exchange rate	7.44	7.46	7.44	7.46	7.46

Business combinations

HECK Wall Systems
The Group has acquired 100% of HECK Wall Systems, a leading German system holder for external facade insulation. The acquisition covers 100% of HECK Wall Systems including the state of art render production facility in Marktredwitz and the well-established brands HECK and RAJASIL. The acquired business complements very well the existing ROCKWOOL ETICS strategy in Europe - primarily in Germany - where we have seen good growth in the facade insulation markets in recent years. The acquisition date is 1 January 2014.

The total consideration paid was EUR 38.5 million.

Chicago Metallic
On 1 October 2013 the ROCKWOOL Group took over 100% control of Chicago Metallic (CMC). CMC is a global provider of architectural building products and services - including metal panels and ceiling systems, suspended grid systems, and acoustical and sustainable ceiling panels. It has a network of sales and distribution channels throughout North America, Europe and Asia supported by production facilities in China, Malaysia, Belgium and the US. The acquisition is part of the ROCKWOOL Group’s strategy to globalise and develop its ceiling business which today accounts for approx. 10% of Group revenues.

The total consideration was EUR 110.3 million, of which EUR 58.9 million was paid in cash in 2013 and EUR 25.4 million as per 30 September 2014. The remainder amount will be paid 2015.

The valuation of acquired intangible assets and liabilities in Chicago Metallic was finalized as per 30 September 2014 based on an updated understanding of the underlying assumptions. The final valuation has led to recognition of goodwill of EUR 32.6 million, intangible assets of EUR 18.7 million, deferred tax asset of EUR 8.2 million and current liabilities of EUR -21.0 million (previously reported EUR 17.3 million, EUR 35.5 million, EUR 4.7 million and EUR -19.0 million, respectively).

The ROCKWOOL Group has made the following preliminary determination of fair value of the acquired net assets and goodwill at the acquisition date for HECK Wall systems and at 30 September 2014 for Chicago Metallic:

ROCKWOOL International A/S
Hovedgaden 584, Entrance C
DK-2640 Hedehusene
Phone: +45 4656 0300
www.rockwool.com

	Unaudited	
	2014	**2013**
EUR million	Fair value at the acquisi-tion date (Preliminary)	Fair value at the acquisi-tion date (Updated Q3 2014)
	HECK	**CMC**
Intangible assets	23.6	18.7
Other non-current assets	15.4	36.9
Current assets	7.8	25.5
Deferred tax	-7.2	8.2
Other non-current liabilities	-3.4	-0.9
Current liabilities	-5.7	-21.0
Net assets	**30.5**	**67.4**
Goodwill	5.0	32.6
Cash consideration for the company	**35.5**	**100.0**
Cash less interest-bearing debt	3.0	10.3
Total consideration	**38.5**	**110.3**

Goodwill related to synergies and potential for development of the acquired operations is not tax deductible for HECK Wall systems but part of the Chicago Metallic goodwill is tax deductible.