

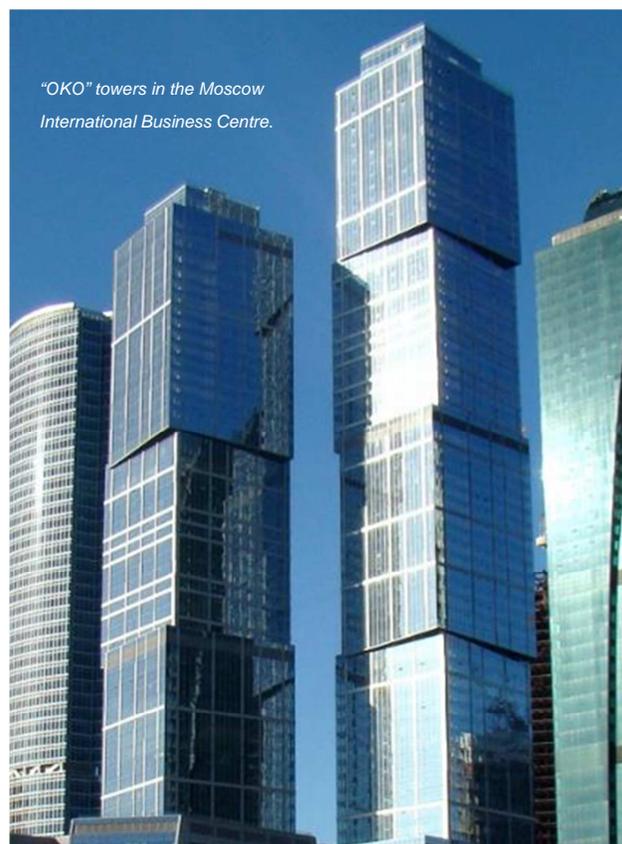
Strong EBIT growth as impact from the Business Transformation Program accelerates

Highlights

- Sales in local currencies in the first half year increased by 2.6%. Q2 sales grew 3.7%, measured in local currency.
- EBIT increased by 44% to EUR 104 million equal to a 10% EBIT margin. Especially the Insulation Business EBIT margin grew significantly. EBIT in Q2 was EUR 63 million.
- The Group's business transformation program accelerated and contributed with EUR 19 million included in the EBIT result of the first half year.
- Investment expenditure was EUR 70 million.
- Free cash flow improved by EUR 43 million to EUR 13 million for the half year 2016.
- Net profit reached EUR 73 million, an improvement of EUR 23 million. Net profit in Q2 was EUR 45 million.
- New sustainability report released today.

Outlook for the full year

- The Group's net sales are still expected to show a small positive organic growth in local currencies.
- EBIT margin excluding redundancy costs related to the Business Transformation Program is now expected to be around 10%, an upward adjustment from the previous expectation of 'above 9%'
- Investment expenditure expectation for 2016 remains unchanged at around EUR 130 million excluding acquisitions.



"OKO" towers in the Moscow International Business Centre.

"I am very satisfied with the continued improvement in our performance especially within the Insulation business. This is a result of the acceleration of our Business Transformation Program, improved market conditions in Germany and the successful expansion in the US. We are confident that we will deliver a strong result for 2016"

CEO Jens Birgersson

Conference call

The ROCKWOOL Group will host an earnings call on 25 August 2016 at 11.00 CET. To attend the conference call dial +4570223500, +44(0)2075721187 or +1 6467224972. Passcode 61978434#. The conference call will be transmitted live on www.rockwool.com.

Main figures / key figures for the Group

	Unaudited			Audited	
	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	FY 2015
Income statement items in EUR million					
Net sales	555	557	1,049	1,056	2,208
EBITDA	108	89	191	156	*337
Depreciation, amortisation and write-downs	45	43	86	83	187
EBIT	63	47	104	73	*172
Profit before tax	61	45	100	70	133
Profit for the period	45	32	73	50	91
Balance sheet items in EUR million					
Non-current assets			1,420	1,493	1,446
Current assets			612	641	559
Total assets			2,032	2,134	2,005
Equity			1,421	1,364	1,367
Non-current liabilities			137	121	119
Current liabilities			474	649	519
Net interest-bearing debt			109	251	93
Net working capital			247	243	162
Invested capital			1,523	1,581	1,448
Cash flow in EUR million					
Cash flow from operating activities	78	75	83	71	297
Investments and acquisitions	28	40	70	100	201
Free cash flow	50	35	13	-29	97
Other items					
Number of employees at end of period			10,440	11,026	10,601
Ratios					
EBITDA margin	19.4%	16.0%	18.2%	14.7%	*15.3%
EBIT margin	11.4%	8.4%	10.0%	6.9%	*7.8%
Return on invested capital (rolling 4 quarters)			*13.1%	10.4%	*11.8%
Return on equity (rolling 4 quarters)			8.2%	8.2%	6.8%
Equity ratio			69.9%	63.9%	68.2%
Share information (DKK)					
Earnings per share	15.7	10.9	25.3	17.0	31.3
Cash flow per share	26.3	25.4	28.7	24.1	103
Book value per share			480	462	463
Share capital (million)			220	220	220
Price per A share			1,185	1,004	944
Price per B share			1,197	1,010	963
Market cap (million)			25,731	21,696	20,580
Number of own shares			327,780	437,295	391,835

*) Excluding redundancy costs from the Business Transformation Program and write-downs in Asia in 2015.
 The ratios have been calculated in accordance with recommendations issued by the Danish Society of Financial Analysts (2015 edition).

Management report for the period 1 January to 30 June 2016

Sales development

The global market recovery continued in first half of 2016 where mainly Asia and North America performed well, and there were improving trends in many Western European markets. The decline in Russia continued, however at a slower pace than previous quarters. The full-year sales outlook for Russia remains uncertain.

In the first half of 2016 the ROCKWOOL Group generated net sales of EUR 1,049 million, an increase of 2.6% measured in local currencies. The effect from exchange rates was negative by 3.3% primarily due to devaluation of the Russian rouble, resulting in a slight decline of 0.7% in reported net sales in the first half year.

Group sales
+2.6%

The sales growth was higher in the second quarter where net sales amounted to EUR 555 million, an improvement of 3.7% in local currencies.

Overall, sales prices have slightly improved with the most upside in North America and parts of Asia.

On a regional level, sales in Western Europe increased by 1.3% in local currencies. Sales picked up in the second quarter which increased by 4.5% in local currencies. Scandinavia performed well and the German and French markets started to recover after a weak first quarter, while most markets remained stable.

Sales in Western Europe
+ 1.3 %

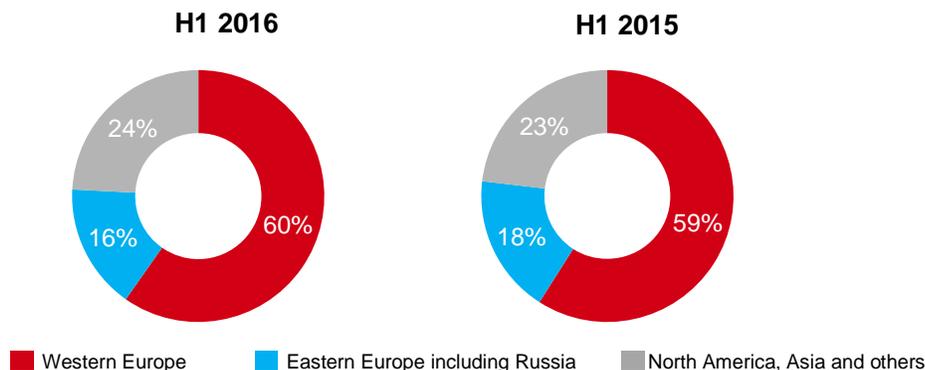
Sales in Eastern Europe in the first half year decreased 1.1% in local currencies. In the second quarter the decrease amounted to 3.3% as the Polish market continued to weaken while the sales decrease in Russia was lower than during the first quarter.

Sales in Eastern Europe
-1.1%

In North America and Asia, sales in the first half year continued to show positive developments with an increase of 8.4% in local currencies with stable sales over the two quarters. The growth mainly came from North America but Asia also performed well despite this region's heavy exposure to the difficult Industrial and Technical Insulation market.

Sales in North America
and Asia
+8.4%

Regional sales



Group profitability

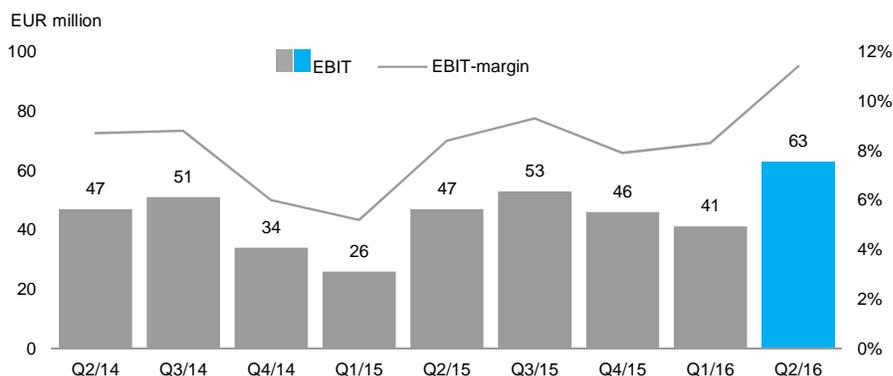
Strong increase in EBITDA for the first half year, which reached EUR 191 million corresponding to a margin of 18.2% - an improvement of 3.5 %-points compared to last year.

**EBITDA margin
 +3.5 %-points**

This strong development was driven by cost savings in logistics and production, lower raw material and personnel costs as well as better pricing and improved product mix. These effects were to a large extent the outcome of the successful execution of the Business Transformation Program which saw an acceleration in the period.

The provisions for business transformation related restructuring costs have been slightly increased during the first half year.

EBIT & EBIT MARGIN



EBIT increased by 44% despite a negative currency effect of around 5%, resulting in a 49% increase in local currencies. EBIT therefore reached EUR 104 million, corresponding to a 10.0% EBIT margin – an increase of 3.1 %-points. EBIT margin for second quarter reached 11.4%.

**EBIT margin
 +3.1%-points**

The execution of the Business Transformation Program is ahead of its original time schedule and the EBIT impact amounted to EUR 19 million in the first half year.

**Business Transformation
 Program impact
 +19 mEUR**

Net financial costs for the first half year of 2016 ended at EUR 5 million, an increase of EUR 2 million compared to the same period last year mainly due to exchange rate impact.

The effective tax rate for the first half year was realized at 27.0% compared to 28.5% in the first quarter. The decrease is primarily due to adjustments to calculation of deferred tax in prior years.

Net profit for the first half year of 2016 amounted to EUR 73 million, which is a EUR 23 million improvement compared to last year.

Cash flow and balance sheet

Cash flow from operations before financial items and tax in the first half year of 2016 was EUR 111 million, which is a EUR 26 million improvement compared to last year. The improvement mainly comes from the better EBITDA result.

**Operational cash flow before
financial items and tax increase
26 mEUR**

Net working capital has increased from EUR 243 million from the end of second quarter 2015 to EUR 247 million by end of second quarter 2016. As a percentage of net sales, net working capital was 11.2% similar to same period last year.

Capital expenditure during the first half year of 2016 was EUR 70 million compared to EUR 100 million last year. The biggest individual investment relates to the factory re-engineering project in Poland.

Free cash flow increased by EUR 43 million and reached EUR 13 million which compares to EUR -29 million in the same period last year.

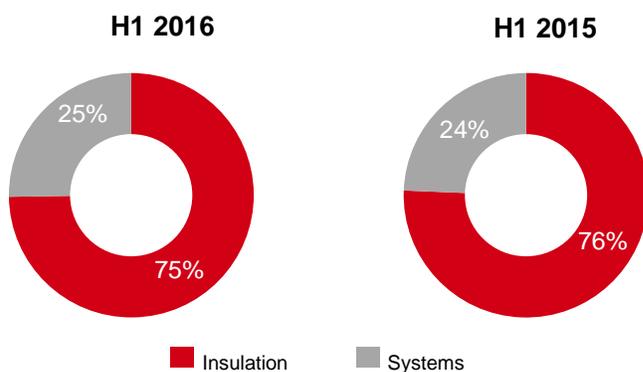
**Free cash flow increase
43 mEUR**

Annualised return on invested capital was 13.1% compared to 10.4% for the same period last year, driven by improved profitability.

Total assets at the end of the 2016 first half year amounted to EUR 2,032 million. The equity ratio at the end of the period was 70%.

Business segments

Sales per business



Sales in the Insulation Segment reached EUR 784 million in the first half year, which is an increase of 2.1% in local currencies. The increase was mainly carried by the Building insulation segment whereas the Industrial & Technical insulation area continues to be challenged by low investment levels in the Oil & Gas related industries.

**Insulation sales
+2.1%**

Sales in the second quarter amounted to EUR 417 million, an increase of 3.2% in local currencies.

Key figures Insulation segment

EUR million	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015
External net sales	417	424	784	799
EBIT, segment profit	42.3	27.2	64.0	36.0
EBIT margin	8.8%	5.6%	7.1%	3.9%

Insulation EBIT margin
+3.2%-points

The Insulation Segment EBIT for the first half year of 2016 reached EUR 64 million with an EBIT margin of 7.1%, an increase of 3.2%-points compared to the same period last year. Only Russia saw a lower profitability than last year.

The Systems Segment's sales in the first half year of 2016 amounted to EUR 265 million which is an increase by 3.7% in local currencies. All businesses contributed to this increase with GRODAN horticultural business as the main contributor benefitting from solid growth in both North America and Europe. The ROCKFON business also improved after a relatively weak first quarter.

Systems sales
+3.7%

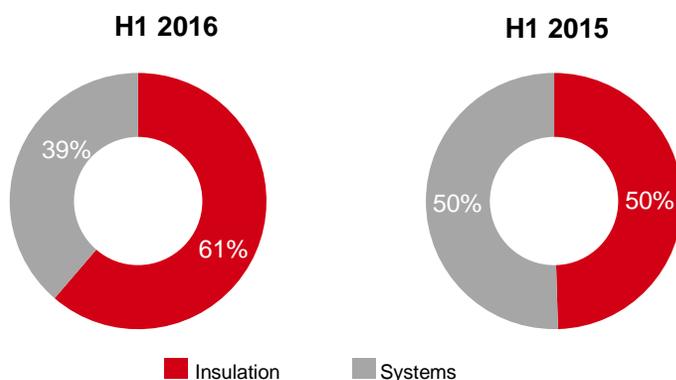
Key figures Systems segment

EUR million	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015
External net sales	138	133	265	258
EBIT, segment profit	20.8	19.3	40.4	36.7
EBIT margin	15.1%	14.5%	15.3%	14.2%

Systems EBIT margin
+1.1%-points

The Systems Segment performed well and generated an EBIT of EUR 40 million with an EBIT margin of 15.3%. This is 1.1 %-points higher than the same period in 2015.

EBIT per business



Outlook for the Full Year 2016

- For the full year, the Group's net sales are still expected to show a small positive organic growth in local currencies.
- EBIT margin excluding redundancy costs related to the Business Transformation Program is now expected to be around 10%, an upward adjustment from the previous expectation of 'above 9%'.
- Investment expenditure expectation for 2016 remains unchanged around EUR 130 million excluding acquisitions.

2016 outlook overview

	26 February 2016	19 May 2016	25 August 2016
Net sales	Slight positive growth in local currencies	Small positive growth in local currencies	Small positive organic growth in local currencies
EBIT margin excluding redundancy costs related to the Business Transformation Program	Above 8.5%	Above 9.0%	Around 10.0 %
Investments excluding acquisitions	Around EUR 130 million	Around EUR 130 million	Around EUR 130 million

Further information:

Kim Junge Andersen, Chief Financial Officer
ROCKWOOL International A/S
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The ROCKWOOL Group is world leader in stone wool solutions. We create sustainable solutions to protect life, assets, and the environment today and tomorrow. The Group is amongst the global leaders within the insulation industry with products and solutions for all major application areas for both residential and non-residential buildings. Together with other construction-related products such as acoustic ceilings and cladding boards, the Group ensures energy efficient and fire-safe buildings with good acoustics and a comfortable indoor climate. We also create green solutions for the horticultural industry, special fibres for industrial use, effective insulation for the process industry and marine & offshore as well as noise and vibration systems for modern infrastructure.

Management statement

The Board of Directors and the Registered Directors have today considered and approved this interim report of ROCKWOOL International A/S for the first half year of 2016.

This interim report, which has not been audited or reviewed by the ROCKWOOL Group 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 of the 2015 annual report - are appropriate and that the accounting estimates made are reasonable. In our opinion, this interim report presents a true and fair view of Group's assets and liabilities, and the financial position at 30 June 2016 and the result from Group's operations and cash flow for the period 1 January to 30 June 2016.

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 2016, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2015.

25 August 2016

The Registered Directors

Jens Birgersson

Kim Junge Andersen

Board of Directors

Bjørn Høi Jensen

Carsten Bjerg

Søren Kähler

Lars Frederiksen

Thomas Kähler

Andreas Ronken

Lars Elmekilde Hansen

Dorte Hanne Page Larsen

Connie Enghus Theisen

Income statement

EUR million	Unaudited				Audited
	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	FY 2015
Net sales	554.6	557.1	1,048.9	1,056.4	2,207.9
Other operating income	2.2	1.1	4.0	3.6	12.7
Operating income	556.8	558.2	1,052.9	1,060.0	2,220.6
Raw material costs and Production material costs	179.3	198.4	338.8	372.9	793.9
Delivery costs and indirect costs	77.6	76.6	148.1	149.2	308.4
Other external costs	57.3	55.3	108.3	109.2	238.3
Personnel costs	134.8	138.6	266.9	273.1	558.3
Operating costs	449.0	468.9	862.1	904.4	1,898.9
EBITDA	107.8	89.3	190.8	155.6	321.7
Depreciation, amortisation and write-downs	44.8	42.7	86.4	82.9	186.8
EBIT	63.0	46.6	104.4	72.7	134.9
Income from investments in associated companies	0.6	0.1	0.8	0.4	2.3
Financial items	-3.0	-1.8	-5.0	-3.5	-3.8
Profit before tax	60.6	44.9	100.2	69.6	133.4
Tax on profit for the period	15.7	12.8	27.0	19.8	42.7
Profit for the period	44.9	32.1	73.2	49.8	90.7
Attributable to:					
Non-controlling interests	0.1	0.0	0.1	0.0	-0.5
Shareholders in the parent company	44.8	32.1	73.1	49.8	91.2
	44.9	32.1	73.2	49.8	90.7
Earnings per share of DKK 10 (EUR 1.3)	2.1	1.5	3.4	2.3	4.2
Earnings per share of DKK 10 (EUR 1.3), diluted	2.1	1.5	3.4	2.3	4.2

Statement of comprehensive income

EUR million	Unaudited				Audited
	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	FY 2015
Profit for the period	44.9	32.1	73.2	49.8	90.7
Items that will not be reclassified to the income statement:					
Actuarial gains and losses of pension obligations	0.0	0.0	0.0	0.0	-1.0
Tax on other comprehensive income	0.0	0.0	0.0	0.0	-0.2
Items that may be subsequently reclassified to the income statement:					
Exchange rate adjustments of foreign subsidiaries	4.9	-16.0	6.5	53.2	12.2
Hedging instruments, value adjustments	1.4	3.4	2.9	-0.2	0.7
Tax on other comprehensive income	-0.3	-0.9	-0.7	0.0	-2.4
Other comprehensive income	6.0	-13.5	8.7	53.0	9.3
Comprehensive income for the period	50.9	18.6	81.9	102.8	100.0
Attributable to:					
Non-controlling interests	0.1	0.0	0.1	0.1	-1.1
Shareholders in the parent company	50.8	18.6	81.8	102.7	101.1
	50.9	18.6	81.9	102.8	100.0

Segment reporting

YTD Q2	Unaudited							
	Insulation segment		Systems segment		Eliminations		The ROCKWOOL Group	
EUR million	2016	2015	2016	2015	2016	2015	2016	2015
External net sales	784.4	798.6	264.5	257.8			1,048.9	1,056.4
Internal net sales	117.7	114.9	0	0	-117.7	-114.9	0	0
Total net sales	902.1	913.5	264.5	257.8	-117.7	-114.9	1,048.9	1,056.4
EBIT, segment profit	64.0	36.0	40.4	36.7	0	0	104.4	72.7
EBIT margin	7.1%	3.9%	15.3%	14.2%			10.0%	6.9%

Geographical split of external net sales

EUR million	Q2		YTD		FY 2015
	2016	2015	Q2 2016	Q2 2015	
Western Europe		327.4	316.5	626.7	1,290.0
Eastern Europe including Russia		96.1	111.7	168.6	408.1
North America, Asia and others		131.1	128.9	253.6	509.8
Total external net sales		554.6	557.1	1,048.9	2,207.9

Balance sheet

EUR million	Unaudited		Audited
	Q2 2016	Q2 2015	FY 2015
Assets			
Intangible assets	129.8	153.6	139.5
Tangible assets	1,179.2	1,250.3	1,192.6
Other financial assets	53.2	48.1	53.3
Deferred tax assets	57.8	40.6	60.9
Total non-current assets	1,420.0	1,492.6	1,446.3
Inventories	185.0	204.6	168.4
Receivables	354.2	346.5	302.6
Cash	72.3	90.4	87.5
Total current assets	611.5	641.5	558.5
Total assets	2,031.5	2,134.1	2,004.8
Equity and liabilities			
Share capital	29.5	29.5	29.5
Foreign currency translation	-132.2	-96.1	-138.7
Proposed dividend	0.0	0.0	33.9
Retained earnings	1,520.9	1,430.4	1,442.1
Hedging	-0.2	-3.2	-2.4
Non-controlling interests	2.7	3.8	2.6
Total equity	1,420.7	1,364.4	1,367.0
Non-current liabilities	136.7	121.0	119.0
Current liabilities	474.1	648.7	518.8
Total liabilities	610.8	769.7	637.8
Total equity and liabilities	2,031.5	2,134.1	2,004.8

Cash flow statement

EUR million	Unaudited				Audited
	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	FY 2015
EBIT	63.0	46.6	104.4	72.7	134.9
Adjustments for depreciation, amortisation and write-downs	44.8	42.7	86.4	82.9	186.8
Other adjustments	-0.3	1.0	-1.4	2.3	7.8
Change in net working capital	-24.6	-11.9	-78.2	-72.5	12.2
Cash flow from operations before financial items and tax	82.9	78.4	111.2	85.4	341.7
Cash flow from operating activities	77.6	74.9	83.3	70.5	297.3
Cash flow from investing activities	-28.1	-39.6	-69.9	-99.7	-170.0
Cash flow from acquisitions	0.0	0.0	0.0	0.0	-30.7
Cash flow from operating and investing activities (free cash flow)	49.5	35.3	13.4	-29.2	96.6
Cash flow from financing activities	-29.6	-26.4	-28.6	-31.7	-35.4
Change in cash available	19.9	8.9	-15.2	-60.9	61.2
Cash available – beginning of period	-118.6	-214.6	-88.2	-139.7	-139.7
Exchange rate adjustments	-5.6	0.0	-0.9	-5.1	-9.7
Cash available – end of period	-104.3	-205.7	-104.3	-205.7	-88.2
Unutilised, committed credit facilities			357.4	209.1	350.8

Statement of changes in the equity

EUR million	Unaudited						Total
	Share capital	Foreign currency translation	Proposed dividend	Retained earnings	Hedging	Non-controlling interests	
Equity 1/1 2016	29.5	-138.7	33.9	1,442.1	-2.4	2.6	1,367.0
Profit for the period				73.1		0.1	73.2
Other comprehensive income		6.5			2.2		8.7
Comprehensive income for the period		6.5		73.1	2.2	0.1	81.9
Sale and purchase of own shares				4.4			4.4
Expensed value of options issued				0.7			0.7
Dividend paid to shareholders			-33.9	0.6			-33.3
Equity Q2 2016	29.5	-132.2	0.0	1,520.9	-0.2	2.7	1,420.7
Equity 1/1 2015	29.5	-149.2	33.4	1,388.7	-3.0	3.7	1,303.1
Profit for the period				49.8			49.8
Other comprehensive income		53.1			-0.2	0.1	53.0
Comprehensive income for the period		53.1		49.8	-0.2	0.1	102.8
Sale and purchase of own shares				-8.9			-8.9
Expensed value of options issued				0.8			0.8
Dividend paid to shareholders			-33.4				-33.4
Equity Q2 2015	29.5	-96.1	0.0	1,430.4	-3.2	3.8	1,364.4

Main figures in DKK million

	Unaudited			Audited	
	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	FY 2015
Net sales	4,131	4,154	7,814	7,876	16,468
Depreciation, amortisation and write-downs	333	318	644	618	1,393
EBIT	470	347	778	542	*1,281
Profit before tax	452	335	747	519	995
Profit for the period	334	240	545	371	677
Total assets			15,113	15,921	14,961
Equity			10,569	10,179	10,201
Cash flow (from operating activities)	578	558	621	526	2,217
Investments and acquisitions	209	295	521	743	1,497
Exchange rate	7.44	7.46	7.44	7.46	7.46

*) Excluding redundancy costs from the Business Transformation Program and write-downs in Asia in 2015.

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.