

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 1/8

24 May 2011

**Report on first quarter 2011**  
**for Rockwool International A/S**

Today the Board of Directors of Rockwool International A/S has approved the following report on first quarter 2011.

**Highlights**

- Sales in first quarter, at actual exchange rates, increased by 16% compared to the same period in 2010 of which 12% is organic growth.
- EBIT in first quarter amounted to DKK 104 million which is a decrease of DKK 42 million compared to the same period in 2010.
- The Group expects net sales at unchanged exchange rates to increase between 10 and 15% in 2011 compared to last year.
- The Group reaffirms its expectations of a result after minority interests of DKK 550 million.
- Capital expenditure excluding acquisitions is expected to be DKK 1,100 million.

Further information: Gilles Maria, Chief Financial Officer

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 2/8

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

	1 <sup>st</sup> qtr. 2011	1 <sup>st</sup> qtr. 2010	Full year 2010
	Unaudited figures		Audited
<b>Income statement items in DKK million:</b>			
Net sales	2,933	2,520	11,732
EBITDA	347	377	1,782
Depreciation, amortisation and write-downs	243	231	989
EBIT	104	146	793
Financial items	-16	-14	-17
Profit before tax	91	135	812
Profit for the period after minority interests	68	78	512
<b>Balance sheet items in DKK million:</b>			
Non-current assets	8,997	8,177	9,098
Current assets	3,354	3,253	3,133
Total assets	12,351	11,430	12,231
Equity	8,816	8,552	8,791
Non-current liabilities	1,260	1,213	1,179
Current liabilities	2,275	1,665	2,261
<b>Other items in DKK million:</b>			
Cash flow (from operating activities)	-25	37	1,285
Investments and acquisitions	280	86	1,412
Net interest-bearing debt	676	-75	426
<b>Number of employees:</b>			
Number of employees	8,924	7,762	8,808
<b>Ratios:</b>			
Profit ratio (%)	4	6	7
Profit per share of DKK 10	3	4	24
Profit per share of DKK 10, diluted	3	4	24
Book value per share of DKK 10	402	389	390
Equity ratio (%)	70	75	72
Financial gearing	0.08	-0.01	0.05
<b>Main figures in EUR million:</b>			
Net sales	394	339	1,575
Depreciation, amortisation and write-downs	33	31	133
EBIT	14	20	106
Profit before tax	12	18	109
Profit for the period after minority interests	9	10	69
Total assets	1,658	1,536	1,642
Equity	1,183	1,149	1,180
Cash flow (from operating activities)	-3	5	172
Investments and acquisitions	38	12	190
Exchange rate	7.45	7.44	7.45

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

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 3/8

**Management report for the period from 1 January to 31 March 2011**

Income statement

The Rockwool Group generated sales in first quarter 2011 of DKK 2,933 million corresponding to an increase of 16% compared to same period last year and an increase of 12% excluding the effect of acquisitions.

External sales in the Insulation Segment increased by 18% to DKK 2,392 million, and Systems Segment's external sales increased by 9% to DKK 541 million confirming the market recovery already experienced towards the end of 2010. Sales prices have slightly increased compared to the low point reached mid 2010. Inflation especially on raw materials and energy has been extremely high in first quarter 2011.

EBITDA for the Group reached DKK 347 million resulting in an EBITDA ratio of 12% for the first quarter to be compared to 15% for the same period last year.

EBIT was DKK 104 million – a decrease of DKK 42 million compared to same period last year. EBIT in the Insulation Segment decreased by 57% compared to same period last year and reached DKK 35 million. Systems Segment generated an EBIT of DKK 70 million which is an increase of 30% compared to first quarter 2010.

Net financial costs ended up at a cost of DKK 16 million which is the same level as last year.

Profit after minority interests for first quarter 2011 amounted to DKK 68 million which is DKK 10 million lower than last year.

Cash flow

Cash flow from operations for the period is DKK -25 million which is DKK 62 million lower than last year.

Working capital development has had a negative effect on the cash flow of DKK 339 million in first quarter 2011 primarily due to a planned increase in stocks and to increase in debtors in line with net sales growth.

Investment expenditure in first quarter was DKK 280 million.

Balance sheet

Total assets end of first quarter 2011 amounted to DKK 12,351 million. The equity ratio at the end of the period was 70%.

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 4/8

Expectations for 2011

European insulation markets are expected to continue to gradually recover - this being more pronounced in Germany. In Russia, there are solid indications that insulation market growth will be strong continuing the trend experienced during the last 3 quarters. Our sales in North America are expected to post a double digit growth like in 2010. The demand for our products in Asia is increasing also in the light of implementation of more stringent fire regulation for residential constructions in China. The Group expects the positive development of the Systems Segment to continue in 2011.

All in all, the Group expects net sales at unchanged exchanges rates to increase between 10 and 15% in 2011 compared to 2010.

The Group expects the price pressure on raw materials and energy to increase in the second quarter materially affecting the production costs in the coming quarters.

Sales prices are seen to follow an upward trend in coming quarters but are not expected to balance the negative inflation effect. The Group therefore reaffirms its expectations of a result after minority interests of DKK 550 million.

Capital expenditure excluding acquisitions is expected to be DKK 1,100 million of which expenditure for the new factories in India and the Volga region in Russia is DKK 430 million.

An agreement with the Danish state owned investment fund IØ, shareholder of our activities in Russia since 1999, was made on 5 April 2011 for a progressive step-out between June 2011 and December 2014, at a defined price.

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.

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 5/8

Management statement

The Board of Directors and Group Management have today approved this interim report for first quarter 2011.

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 2010 – 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 on 31 March 2011 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.

Hedehusene, 24 May 2011

**Group Management**

Eelco van Heel

Gilles Maria

**Board of Directors**

Tom Kähler

Steen Riisgaard

Bjørn Høi Jensen

Heinz-Jürgen Bertram

Carsten Bjerg

Claus Bugge Garn

Jan W. Hillege

Thomas Kähler

Dorthe Lybye

Connie Enghus Theisen

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 6/8

**Income statement**

DKK million	1 <sup>st</sup> qtr.		Full year
	2011	2010	2010
	Unaudited		Audited
Net sales	2,933	2,520	11,732
<b>Operating income</b>	<b>2,969</b>	<b>2,563</b>	<b>11,907</b>
<b>Operating costs</b>	<b>2,865</b>	<b>2,417</b>	<b>11,114</b>
EBITDA	347	377	1,782
<b>Operating profit before financial items (EBIT)</b>	<b>104</b>	<b>146</b>	<b>793</b>
Income from investments in associated companies after tax	3	3	36
Financial items	-16	-14	-17
<b>Profit before tax</b>	<b>91</b>	<b>135</b>	<b>812</b>
Tax on profit for the period	31	50	275
<b>Profit for the period</b>	<b>60</b>	<b>85</b>	<b>537</b>
Minority interests	-8	7	25
<b>Profit for the period after minority interests</b>	<b>68</b>	<b>78</b>	<b>512</b>
Profit per share of DKK 10	3.1	3.5	24
Profit per share of DKK 10, diluted	3.1	3.6	24

**Statement of recognised income and expenses**

<b>Profit for the period</b>	<b>60</b>	<b>85</b>	<b>537</b>
Exchange rate adjustments of foreign subsidiaries	-44	233	249
Hedging instruments, value adjustments	7	-3	-3
Tax on hedging instruments, value adjustments	-2	1	0
<b>Total income</b>	<b>21</b>	<b>316</b>	<b>783</b>
Minority interests	-7	29	45
<b>Total income for the period after minority interests</b>	<b>28</b>	<b>287</b>	<b>738</b>

**Segment reporting**

Acc. 1 <sup>st</sup> qtr.	Unaudited							
	Insulation Segment		Systems Segment		Group eliminations and holding companies		The Rockwool Group	
	2011	2010	2011	2010	2011	2010	2011	2010
DKK million								
External net sales	2,392	2,022	541	498	0	0	2,933	2,520
Internal net sales	306	266	0	4	-306	-270	0	0
Total net sales	2,698	2,288	541	502	-306	-270	2,933	2,520
EBIT	35	81	70	54	-1	11	104	146

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 7/8

**Cash flow statement**

DKK million	1 <sup>st</sup> qtr.	1 <sup>st</sup> qtr.	Full year
	2011	2010	2010
	Unaudited		Audited
Operating profit for the period	104	146	793
Adjustment for depreciation, amortisation and write-downs	243	231	989
Other adjustments	18	15	-32
Change in net working capital	-339	-280	-84
<b>Cash flow from operations before financial items and tax</b>	<b>26</b>	<b>112</b>	<b>1,666</b>
<b>Cash flow from operating activities</b>	<b>-25</b>	<b>37</b>	<b>1,285</b>
<b>Cash flow from investing activities</b>	<b>-280</b>	<b>-86</b>	<b>-1,412</b>
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>-305</b>	<b>-49</b>	<b>-127</b>
Cash flow from financing activities	-64	-76	-319
<b>Change in cash available</b>	<b>-369</b>	<b>-125</b>	<b>-446</b>
Cash available – beginning of period	132	588	588
Exchange rate adjustments	11	3	-10
<b>Cash available – end of period</b>	<b>-226</b>	<b>466</b>	<b>132</b>
<b>Unutilised, committed credit facilities</b>	<b>3,505</b>	<b>3,432</b>	<b>3,659</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
	2011	2010	2010
	Unaudited		Audited
<b>Assets</b>			
Intangible assets	447	265	451
Tangible assets	7,991	7,380	8,027
Other financial assets	337	243	338
Deferred tax assets	222	289	282
<b>Total non-current assets</b>	<b>8,997</b>	<b>8,177</b>	<b>9,098</b>
Inventories	1,182	926	1,007
Receivables	1,925	1,810	1,779
Cash	247	517	347
<b>Total current assets</b>	<b>3,354</b>	<b>3,253</b>	<b>3,133</b>
<b>Total assets</b>	<b>12,351</b>	<b>11,430</b>	<b>12,231</b>
<b>Equity and liabilities</b>			
Share capital	220	220	220
Hedging	-7	-11	-12
Foreign currency translation	-214	-187	-169
Retained earnings	8,612	8,232	8,540
Minority interests	205	298	212
<b>Total equity</b>	<b>8,816</b>	<b>8,552</b>	<b>8,791</b>
Non-current liabilities	1,260	1,213	1,179
Current liabilities	2,275	1,665	2,261
<b>Total liabilities</b>	<b>3,535</b>	<b>2,878</b>	<b>3,440</b>
<b>Total liabilities and equity</b>	<b>12,351</b>	<b>11,430</b>	<b>12,231</b>

**Release no. 08 – 2011**  
**Report on first quarter 2011**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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

Page 8/8

**Statement of equity**

DKK million	Unaudited					
	Share capital	Hedging	Foreign currency translation	Retained earnings	Minority interests	Total
<b>Equity 1/1 2011</b>	<b>220</b>	<b>-12</b>	<b>-169</b>	<b>8,540</b>	<b>212</b>	<b>8,791</b>
Profit for the period				68	-8	60
Exchange rate adjustments of foreign subsidiaries			-45		1	-44
Hedging instruments, value adjustments		7				7
Tax on hedging instruments, value adjustments		-2				-2
<b>Total income</b>		<b>5</b>	<b>-45</b>	<b>68</b>	<b>-7</b>	<b>21</b>
Sale and purchase of own shares				0		0
Expensed value of options issued				4		4
Dividend paid to the shareholders				0		0
Addition/disposal of minority interests				0		0
<b>Equity 1<sup>st</sup> qtr. 2011</b>	<b>220</b>	<b>-7</b>	<b>-214</b>	<b>8,612</b>	<b>205</b>	<b>8,816</b>
<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>