

**Release no. 06– 2012**  
**Report on the first quarter of 2012**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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22 May 2012

**Report on the first quarter of 2012**  
**for Rockwool International A/S**

Today the Board of Directors of Rockwool International A/S has approved the following report on the first quarter of 2012.

**Highlights**

- Sales in the first quarter of 2012 at actual exchange rates increased by 11% compared to the same period in 2011.
- EBIT in the first quarter of 2012 amounts to DKK 154 million which is an increase of DKK 50 million, 48% above the same period in 2011.
- The Group still expects net sales at current exchange rates to increase by 5% for the full year 2012.
- The Group expects a result after minority interests between DKK 650 and 700 million.
- Capital expenditure excluding acquisitions is now expected to be DKK 1,300 million.

Further information: Gilles Maria, Chief Financial Officer

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

DKK million	1 <sup>st</sup> qtr. 2012	1 <sup>st</sup> qtr. 2011	Full year 2011
	Unaudited	Unaudited	Audited
<b>Income statement items in DKK million</b>			
Net sales	3,249	2,933	13,748
EBITDA	408	347	1,821
Depreciation, amortisation and write-downs	254	243	917
EBIT	154	104	904
Financial items	-16	-16	-47
Profit before tax	142	91	899
Profit for the period after minority interests	103	68	640
<b>Balance sheet items in DKK million</b>			
Non-current assets	9,544	8,997	9,377
Current assets	3,562	3,354	3,301
Total assets	13,106	12,351	12,678
Equity	8,922	8,800	8,635
Non-current liabilities	1,426	1,276	1,368
Current liabilities	2,758	2,275	2,675
<b>Other items in DKK million</b>			
Cash flow from operating activities	51	-25	1,527
Investments and acquisitions	260	280	1,200
Free cash flow	-209	-305	327
Net interest-bearing debt	760	676	550
<b>Number of employees</b>			
Number of employees at end of period	9,628	8,924	9,368
<b>Ratios</b>			
Profit ratio (%)	5	4	7
Earnings per share of DKK 10	4.9	3.1	29.6
Earnings per share of DKK 10, diluted	4.9	3.1	29.5
Cash earnings per share of DKK 10	2	-1.2	71
Book value per share of DKK 10	406	391	392
Return on invested capital (%)	2	1	10
Return on equity (%)	1	1	7
Equity ratio (%)	68	70	68
Financial gearing	0.09	0.08	0.06

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

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**Management report for the period from 1 January to 31 March 2012**Income statement

The Rockwool Group generated sales in the first quarter of 2012 of DKK 3,249 million corresponding to an increase of 11% compared to same period last year.

External sales in the Insulation Segment increased by 11% to DKK 2,660 million, and Systems Segment's external sales increased by 9% to DKK 589 million.

In the Insulation segment, the first quarter of 2012 benefited from good market conditions in the main European markets, driven by Poland, France and Germany. The sales increase in Russia is levelling out compared to last year although still showing an increase compared to same quarter last year. Sales in North America have continued their strong development seen throughout last year. In Asia, and especially in China, demand for non-combustible insulation material is still very high and our nice sales development is limited by available production capacity.

Sales prices have continued to increase during first quarter of 2012 however with large differences between markets. The inflation on oil related raw materials was still high for this period. However, lower demand on coking coal triggered a decrease in the price of foundry coke from which the Group should get more benefit in the coming quarters.

EBITDA for the Group reached DKK 408 million resulting in an EBITDA ratio of 13% for the first quarter of 2012 which is an improvement of 1% point compared to the same period last year.

EBIT was DKK 154 million – an increase of DKK 50 million compared to same period last year. Insulation segment EBIT for the first quarter reached DKK 85 million which is an increase of 143% compared to the first quarter of last year. Systems Segment generated an EBIT of DKK 64 million which is 9% below the EBIT for the first quarter of 2011.

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

Profit after minority interests for the first quarter of 2012 amounted to DKK 103 million which is DKK 35 million better than last year.

Cash flow

Cash flow from operations for the first quarter of 2012 is DKK 51 million which is DKK 76 million above last year.

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Working capital development has had a negative effect on cash flow of DKK 247 million in the first quarter of 2012 which is primarily due to increase of net sales resulting in higher debtors and to seasonal stocks.

Capital expenditure in the first quarter of 2012 was DKK 260 million which is a decrease of DKK 20 million compared to the same period of 2011.

#### Balance sheet

Total assets end of the first quarter of 2012 amounted to DKK 13,106 million. The equity ratio at the end of the period was 68%.

#### Expectations for 2012

In Europe, market conditions are expected to be more difficult in the coming quarters as a consequence of the on-going Euro crisis and the low confidence level in most of the countries. The Russian insulation market will most likely continue to grow at a reasonable pace despite a slowdown observed in the first quarter. The very positive sales development in North America is expected to continue, and recent improvement on market conditions should support it further. Demand in Asia is expected to continue and the Group organises supplies to be able to satisfy it. Overall, the Group confirms its expectations for a net sales increase at current exchange rates by 5% for the full year 2012.

Although European market conditions are seen less favourable, the Group is still aiming to continue to increase sales price. The slowdown of the world economy should reduce the inflationary pressure seen over the last quarters, and the Group expects to benefit from this in coming quarters helping margins to recover. The Group now expects a result after minority interests for the year 2012 between DKK 650 and 700 million.

Capital expenditure excluding acquisitions is expected to be DKK 1,300 million, a decrease of DKK 100 million compared to previous expectation.

#### 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 the first quarter 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 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 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 on 31 March 2012 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.

22 May 2012

**Group Management**

Eelco van Heel

Gilles Maria

**Board of Directors**

Tom Kähler

Steen Riisgaard

Carsten Bjerg

Heinz-Jürgen Bertram

Claus Bugge Garn

Bjørn Høi Jensen

Thomas Kähler

Dorthe Lybye

Connie Enghus Theisen

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**Income statement**

DKK million	1 <sup>st</sup> qtr.	1 <sup>st</sup> qtr.	Full year 2011
	2012	2011	
	Unaudited		Audited
Net sales	3,249	2,933	13,748
<b>Operating income</b>	<b>3,294</b>	<b>2,969</b>	<b>13,906</b>
<b>Operating costs</b>	<b>3,141</b>	<b>2,865</b>	<b>13,002</b>
EBITDA	408	347	1,821
<b>Operating profit before financial items (EBIT)</b>	<b>154</b>	<b>104</b>	<b>904</b>
Income from investments associated companies after tax	4	3	42
Financial items	-16	-16	-47
<b>Profit before tax</b>	<b>142</b>	<b>91</b>	<b>899</b>
Tax on profit for the period	42	31	276
<b>Profit for the period</b>	<b>100</b>	<b>60</b>	<b>623</b>
Minority interests	-3	-8	-17
<b>Profit for the period after minority interests</b>	<b>103</b>	<b>68</b>	<b>640</b>
Profit per share of DKK 10	4.9	3.1	29.6
Profit per share of DKK 10, diluted	4.9	3.1	29.5

**Statement of comprehensive income**

<b>Profit for the period</b>	<b>100</b>	<b>60</b>	<b>623</b>
Exchange rate adjustments of foreign subsidiaries	176	-44	-185
Changes to recognition of pension obligations	0	0	-33
Hedging instruments, value adjustments	6	7	-9
Tax on comprehensive income	-1	-2	9
<b>Total income</b>	<b>281</b>	<b>21</b>	<b>405</b>
Minority interests	-3	-7	-16
<b>Total income for the period after minority interests</b>	<b>284</b>	<b>28</b>	<b>421</b>

**Segment reporting**

1st 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	2,660	2,392	589	541	0	0	3,249	2,933
Internal net sales	410	306	0	0	-410	-306	0	0
Total net sales	3,070	2,698	589	541	-410	-306	3,249	2,933
EBIT	85	35	64	70	5	-1	154	104

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**Cash flow statement**

DKK million	1 <sup>st</sup> qtr.	1 <sup>st</sup> qtr.	Full year 2011
	2012	2011	
	Unaudited		Audited
Operating profit before financial items	154	104	904
Adjustments for depreciation, amortisation and write-downs	254	243	917
Other adjustments	-19	18	41
Change in net working capital	-247	-339	-47
<b>Cash flow from operations before financial items and tax</b>	<b>142</b>	<b>26</b>	<b>1,815</b>
<b>Cash flow from operating activities</b>	<b>51</b>	<b>-25</b>	<b>1,527</b>
<b>Cash flow from investing activities</b>	<b>-260</b>	<b>-280</b>	<b>-1,200</b>
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>-209</b>	<b>-305</b>	<b>327</b>
Cash flow from financing activities	-60	-64	-514
<b>Change in cash available</b>	<b>-269</b>	<b>-369</b>	<b>-187</b>
Cash available – beginning of period	-128	132	132
Business combinations	0	0	-24
Exchange rate adjustments	1	11	-49
<b>Cash available – end of period</b>	<b>-396</b>	<b>-226</b>	<b>-128</b>
<b>Unutilised, committed credit facilities</b>	<b>3,236</b>	<b>3,505</b>	<b>3,450</b>

**Balance sheet**

DKK million	1 <sup>st</sup> qtr.	1 <sup>st</sup> qtr.	Full year 2011
	2012	2011	
	Unaudited		Audited
<b>Assets</b>			
Intangible assets	549	447	559
Tangible assets	8,287	7,991	8,102
Other financial assets	393	337	401
Deferred tax assets	315	222	315
<b>Total non-current assets</b>	<b>9,544</b>	<b>8,997</b>	<b>9,377</b>
Inventories	1,277	1,182	1,110
Receivables	1,943	1,925	1,844
Cash	342	247	347
<b>Total current assets</b>	<b>3,562</b>	<b>3,354</b>	<b>3,301</b>
<b>Total assets</b>	<b>13,106</b>	<b>12,351</b>	<b>12,678</b>
<b>Equity and liabilities</b>			
Share capital	220	220	220
Hedging	-14	-7	-19
Foreign currency translation	-178	-214	-354
Retained earnings	8,885	8,596	8,776
Minority interests	9	205	12
<b>Total equity</b>	<b>8,922</b>	<b>8,800</b>	<b>8,635</b>
Non-current liabilities	1,426	1,276	1,368
Current liabilities	2,758	2,275	2,675
<b>Total liabilities</b>	<b>4,184</b>	<b>3,551</b>	<b>4,043</b>
<b>Total equity and liabilities</b>	<b>13,106</b>	<b>12,351</b>	<b>12,678</b>

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**Statement of equity**

DKK million	Unaudited					Total
	Share capital	Hedging	Foreign currency translation	Retained earnings	Minority interests	
<b>Equity 1/1 2012</b>	<b>220</b>	<b>-19</b>	<b>-354</b>	<b>8,776</b>	<b>12</b>	<b>8,635</b>
Profit for the period				103	-3	100
Exchange rate adjustments of foreign subsidiaries			176		0	176
Hedging instruments, value adjustments		6				6
Tax on hedging instruments, value adjustments		-1				-1
<b>Total income</b>		<b>5</b>	<b>176</b>	<b>103</b>	<b>-3</b>	<b>281</b>
Sale and purchase of own shares						0
Expensed value of options issued				6		6
Dividend paid to the shareholders						0
Addition/disposal of minority interests						0
<b>Equity 1<sup>st</sup> qtr. 2012</b>	<b>220</b>	<b>-14</b>	<b>-178</b>	<b>8,885</b>	<b>9</b>	<b>8,922</b>
<b>Equity 1/1 2011</b>	<b>220</b>	<b>-12</b>	<b>-169</b>	<b>8,524</b>	<b>212</b>	<b>8,775</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
Expensed value of options issued				4		4
Dividend paid to the shareholders						0
Addition/disposal of minority interests						0
<b>Equity 1<sup>st</sup> qtr. 2011</b>	<b>220</b>	<b>-7</b>	<b>-214</b>	<b>8,596</b>	<b>205</b>	<b>8,800</b>

**Main figures in EUR million:**

	1 <sup>st</sup> qtr. 2012	1 <sup>st</sup> qtr. 2011	Full year 2011
	Unaudited		Audited
Net sales	437	394	1,845
Depreciation, amortisation and write-downs	34	33	123
EBIT	21	14	122
Profit before tax	19	12	121
Profit for the period after minority interests	14	9	86
Total assets	1,762	1,658	1,705
Equity	1,199	1,181	1,162
Cash flow (from operating activities)	7	-3	205
Investments and acquisitions	35	38	161
Exchange rate	7.44	7.45	7.43