

**Release no. 10 – 2009**  
**Report on the first half of 2009**  
**To NASDAQ OMX Nordic Exchange**  
**Copenhagen A/S**

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27 August 2009

**Report on the first half of 2009**  
**for Rockwool International A/S**

Today the Board of Directors of Rockwool International A/S has approved the following report on the first half of 2009.

**Highlights**

- Sales in the first half year decreased by 21% compared to the same period in 2008 or 17% based on comparable exchange rates.
- EBIT in the first half of 2009 amounts to DKK 177 million which is a decrease of DKK 596 million compared to the same period in 2008.
- An additional cost reduction programme has been initiated which will generate DKK 250 million savings when fully executed mid 2010. Restructuring and reorganisation costs are expected to reduce the net result by DKK 85 million in 2009.
- As the market is deteriorating more than anticipated, the total net sales for the year 2009 are now expected to decrease by 22% (or 18% based on comparable exchange rates).
- The net result after minority interests for 2009 is now expected to be DKK 200 million including restructuring and reorganisation costs.
- Capital expenditure is now expected to reach DKK 1,000 million excluding acquisitions.

Further information: Gilles Maria, Chief Financial Officer

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

|  | 2 <sup>nd</sup> qtr.<br>2009 | 2 <sup>nd</sup> qtr.<br>2008 | Acc.<br>2 <sup>nd</sup> qtr.<br>2009 | Acc.<br>2 <sup>nd</sup> qtr.<br>2008 | Full year<br>2008 |
|--|------------------------------|------------------------------|--------------------------------------|--------------------------------------|-------------------|
|  | Unaudited                    |                              |                                      |                                      | Audited           |
| <b>Income statement items in DKK million:</b>  |                              |                              |                                      |                                      |                   |
| Net sales                                      | 2,664                        | 3,479                        | 5,203                                | 6,577                                | 13,700            |
| EBITDA   | 324                          | 629                          | 598                                  | 1,156                                | 2,373             |
| Operating profit before financial items (EBIT) | 109                          | 435                          | 177                                  | 773                                  | 1,502             |
| Financial items                                | -14                          | -3                           | -24                                  | 4                                    | 8                 |
| Profit before tax                              | 98                           | 440                          | 158                                  | 789                                  | 1,545             |
| Profit for the period after minority interests | 51                           | 296                          | 90                                   | 538                                  | 1,004             |
| Cash flow (from operating activities)          | 536                          | 520                          | 613                                  | 663                                  | 1,507             |
| <b>Balance sheet items in DKK million:</b>     |                              |                              |                                      |                                      |                   |
| Non-current assets                             |                              |                              | 7,996                                | 7,365                                | 7,755             |
| Current assets                                 |                              |                              | 3,337                                | 4,333                                | 3,888             |
| Total assets                                   |                              |                              | 11,333                               | 11,698                               | 11,643            |
| Equity including minority interests            |                              |                              | 7,808                                | 8,010                                | 7,964             |
| Non-current liabilities                        |                              |                              | 1,717                                | 1,466                                | 1,626             |
| Current liabilities                            |                              |                              | 1,808                                | 2,222                                | 2,053             |
| <b>Other items in DKK million:</b>             |                              |                              |                                      |                                      |                   |
| Investments and acquisitions                   |                              |                              | 750                                  | 1,392                                | 2,642             |
| Depreciation                                   |                              |                              | 421                                  | 383                                  | 871               |
| <b>Number of employees:</b>                    |                              |                              |                                      |                                      |                   |
| Number of employees                            |                              |                              | 8,067                                | 8,769                                | 8,552             |
| <b>Ratios:</b>                                 |                              |                              |                                      |                                      |                   |
| EBIT ratio (%)                                 |                              |                              | 3                                    | 12                                   | 11                |
| Profit per share of DKK 10                     |                              |                              | 4                                    | 25                                   | 46                |
| Diluted profit per share of DKK 10             |                              |                              | 4                                    | 25                                   | 46                |
| Book value per share of DKK 10                 |                              |                              | 348                                  | 371                                  | 351               |
| Equity ratio (%)                               |                              |                              | 69                                   | 68                                   | 68                |
| Financial gearing                              |                              |                              | 0.10                                 | 0.00                                 | 0.06              |
| <b>Main figures in EUR million:</b>            |                              |                              |                                      |                                      |                   |
| Net sales                                      | 358                          | 466                          | 698                                  | 882                                  | 1,837             |
| Operating profit before financial items (EBIT) | 15                           | 58                           | 24                                   | 104                                  | 201               |
| Profit before tax                              | 13                           | 59                           | 21                                   | 106                                  | 207               |
| Profit for the period after minority interests | 7                            | 40                           | 12                                   | 72                                   | 134               |
| Cash flow (from operating activities)          | 72                           | 70                           | 82                                   | 89                                   | 202               |
| Total assets                                   |                              |                              | 1,522                                | 1,569                                | 1,563             |
| Equity including minority interests            |                              |                              | 1,049                                | 1,074                                | 1,068             |
| Investments and acquisitions                   |                              |                              | 101                                  | 187                                  | 355               |
| Depreciation                                   |                              |                              | 57                                   | 51                                   | 117               |
| Exchange rate DKK                              | 7.45                         | 7.46                         | 7.45                                 | 7.46                                 | 7.45              |

The ratios have been calculated in accordance with recommendations issued by the Danish Association of Financial Analysts (2005 edition).

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**Management report for the period from 1 January to 30 June 2009**

Income statement

The Rockwool Group generated sales in the first half of 2009 of DKK 5,203 million corresponding to a decrease of 21% compared to same period last year and a decrease of 17% based on comparable exchange rates.

External sales in the Insulation Division decreased by 23% to DKK 4,286 million and Systems Division's external sales decreased by 9% to DKK 917 million. Market conditions during the second quarter have been more difficult than in first quarter both in residential and non-residential segments resulting in a sales decrease by 23%. Sales prices have continued to decrease in Eastern Europe while being resilient in Western Europe with few exceptions.

The cost reduction program is progressing as expected giving DKK 100 million of savings in the first half of 2009. Total number of persons working for the Group directly or through external contracts has decreased by 10% compared to the same period last year.

EBITDA for the Group decreased 48% compared to same period last year and reached DKK 598 million resulting in an EBITDA ratio of 11% for the first half of 2009.

EBIT ended at DKK 177 million – a decrease of DKK 596 million. EBIT in the Insulation Division decreased by 76% to DKK 160 million. Systems Division generated an EBIT of DKK 53 million which is a decrease of 49% compared to the first half of 2008.

Net financial costs ended up at DKK 24 million which is DKK 27 million more than in first half of 2008.

Profit after minority interests for the first half of 2009 amounted to DKK 90 million which is DKK 448 million lower than last year.

Cash flow

Cash flow from operations for the period is DKK 613 million which is only DKK 50 million less than last year despite the large decrease in profit. Amongst others, this is due to improvement of the working capital and reduced payment of taxes.

The working capital has had a positive effect on the cash flow of DKK 162 million in first half of 2009 compared to the same period last year which is primarily due to a decrease in stocks.

Investment expenditure in the first half year was DKK 750 million which is a decrease of DKK 642 million compared to the same period of 2008. Most of the expenditure is related to

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finalisation of the new production lines in Canada and in the UK while the recurring investment expenditure of about DKK 300 million is in line with the yearly expectations.

Since the end of second quarter, the Group has enhanced its – already strong – financial position by adding further committed credit facilities of DKK 1,080 million.

Balance sheet

Total assets end of the first half of 2009 amounted to DKK 11,333 million. The equity ratio at the end of the period was 69%.

Expectations for 2009

As the market is deteriorating more than anticipated, the net sales are now expected to decrease by 22% (or 18% based on comparable exchange rates).

An additional cost reduction programme has been initiated which will generate DKK 250 million savings when fully executed mid 2010. Restructuring and reorganisation costs are expected to reduce the net result by DKK 85 million in 2009. Tax rate has been increased to 35% to take into account extraordinary tax consequences of restructuring and less favourable country mix.

The 2009 expectations for the net result after minority interests now amount to DKK 200 million, including restructuring and reorganisation costs.

Capital expenditure is now expected to be DKK 1,000 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.

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Management statement

The Board of Directors and Group Management have today approved this interim report for the first half year of 2009.

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 2008 – are appropriate and that the accounting estimates made are reasonable. The implementation of new and amended IFRS's have only resulted in additional disclosures. In our opinion this interim report presents a true and fair view of the Group's assets, liabilities and financial position on 30 June 2009 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.

*27 August 2009***Group Management**

Eelco van Heel

Gilles Maria

Carsten B. Winther

**Board of Directors**

Tom Kähler

Henrik Nyegaard

Steen Rüsgaard

Michael Emborg

Lars Elmekilde Hansen

Jan W. Hillege

Bjørn Høi Jensen

Thomas Kähler

Connie Enghus Theisen

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**Income statement**

| DKK million   | 2 <sup>nd</sup> qtr. | 2 <sup>nd</sup> qtr. | Acc.                 | Acc.                 | Full year     |
|---|----------------------|----------------------|----------------------|----------------------|---------------|
|   | 2009                 | 2008                 | 2 <sup>nd</sup> qtr. | 2 <sup>nd</sup> qtr. |               |
|   | Unaudited            |                      |                      |                      | Audited       |
| Net sales   | 2,664                | 3,479                | 5,203                | 6,577                | 13,700        |
| <b>Operating income</b>                               | <b>2,709</b>         | <b>3,550</b>         | <b>5,275</b>         | <b>6,703</b>         | <b>13,951</b> |
| <b>Operating costs</b>                                | <b>2,600</b>         | <b>3,115</b>         | <b>5,098</b>         | <b>5,930</b>         | <b>12,449</b> |
| EBITDA  | 324                  | 629                  | 598                  | 1,156                | 2,373         |
| <b>Operating profit before financial items (EBIT)</b> | <b>109</b>           | <b>435</b>           | <b>177</b>           | <b>773</b>           | <b>1,502</b>  |
| Income from associated companies after tax            | 3                    | 7                    | 5                    | 13                   | 35            |
| Financial items                                       | -14                  | -2                   | -24                  | 3                    | 8             |
| <b>Profit before tax</b>                              | <b>98</b>            | <b>440</b>           | <b>158</b>           | <b>789</b>           | <b>1,545</b>  |
| Tax on profit for the period                          | 38                   | 124                  | 55                   | 216                  | 465           |
| <b>Profit for the period</b>                          | <b>60</b>            | <b>316</b>           | <b>103</b>           | <b>573</b>           | <b>1,080</b>  |
| Minority interests                                    | 9                    | 20                   | 13                   | 35                   | 76            |
| <b>Profit for the period after minority interests</b> | <b>51</b>            | <b>296</b>           | <b>90</b>            | <b>538</b>           | <b>1,004</b>  |
| Profit per share of DKK 10                            |                      |                      | 4                    | 25                   | 46            |
| Diluted profit per share of DKK 10                    |                      |                      | 4                    | 25                   | 46            |

**Statement of recognised income and expenses**

|   |            |            |           |            |            |
|---|------------|------------|-----------|------------|------------|
| <b>Profit for the period</b>                                | 60         | 316        | 103       | 573        | 1,080      |
| Exchange rate adjustments of foreign subsidiaries           | 116        | 130        | -42       | 35         | -590       |
| Hedging instruments, value adjustments                      | -17        | 0          | -29       | 10         | 26         |
| <b>Total income</b>   | <b>159</b> | <b>446</b> | <b>32</b> | <b>618</b> | <b>516</b> |
| Minority interests  | 14         | 21         | -2        | 34         | 38         |
| <b>Total income for the period after minority interests</b> | <b>145</b> | <b>425</b> | <b>34</b> | <b>584</b> | <b>478</b> |

**Segment reporting**

| Acc. 2nd qtr.      | Unaudited  |       |                  |       |  |      | The Rockwool Group |       |
|--------------------|------------|-------|------------------|-------|--|------|--------------------|-------|
|                    | Insulation |       | Systems Division |       | Group eliminations and holding companies |      |                    |       |
|                    | 2009       | 2008  | 2009             | 2008  | 2009                                     | 2008 | 2009               | 2008  |
| External net sales | 4,286      | 5,558 | 917              | 1,012 | 0  | 7    | 5,203              | 6,577 |
| Internal net sales | 501        | 512   | 34               | 30    | -535                                     | -542 | 0                  | 0     |
| Total net sales    | 4,787      | 6,070 | 951              | 1,042 | -535                                     | -535 | 5,203              | 6,577 |
| EBIT               | 160        | 662   | 53               | 104   | -36                                      | 7    | 177                | 773   |

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**Cash flow statement**

| DKK million   | 2 <sup>nd</sup> qtr. | 2 <sup>nd</sup> qtr. | Acc.                 | Acc.                 | Full          |
|---|----------------------|----------------------|----------------------|----------------------|---------------|
|   | 2009                 | 2008                 | 2 <sup>nd</sup> qtr. | 2 <sup>nd</sup> qtr. | year          |
|   | Unaudited            |                      |                      |                      | Audited       |
| Profit for the period   | 60                   | 316                  | 103                  | 573                  | 1,080         |
| Adjustments   | 255                  | 331                  | 489                  | 565                  | 1,270         |
| Change in net working capital   | 248                  | 65                   | 164                  | 2                    | -138          |
| <b>Cash flow from operations before financial items and tax</b>             | <b>563</b>           | <b>712</b>           | <b>756</b>           | <b>1,140</b>         | <b>2,212</b>  |
| <b>Cash flow from operations activity</b>                                   | <b>536</b>           | <b>520</b>           | <b>613</b>           | <b>663</b>           | <b>1,507</b>  |
| <b>Cash flow from investments activities</b>                                | <b>-400</b>          | <b>-777</b>          | <b>-750</b>          | <b>-1,392</b>        | <b>-2,642</b> |
| <b>Cash flow from operating and investments activities (free cash flow)</b> | <b>136</b>           | <b>-257</b>          | <b>-137</b>          | <b>-729</b>          | <b>-1,135</b> |
| Cash flow from finance activities   | 155                  | 108                  | -35                  | 150                  | 381           |
| <b>Change in cash available</b>   | <b>291</b>           | <b>-149</b>          | <b>-172</b>          | <b>-579</b>          | <b>-754</b>   |
| Cash available – beginning of period  | -99                  | 743                  | 368                  | 1,188                | 1,188         |
| Adjustments to exchange rates   | 4                    | 7                    | 0                    | -8                   | -66           |
| <b>Cash available – end of period</b>                                       | <b>196</b>           | <b>601</b>           | <b>196</b>           | <b>601</b>           | <b>368</b>    |
| <b>Unutilised committed credit facilities</b>                               |                      |                      | <b>1,692</b>         | <b>950</b>           | <b>726</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 at the beginning of the year have been converted at the rates of exchange on 30 June.

**Balance sheet**

| DKK million                         | 2 <sup>nd</sup> qtr. | 2 <sup>nd</sup> qtr. | Full year     |
|-------------------------------------|----------------------|----------------------|---------------|
|                                     | 2009                 | 2008                 | 2008          |
|                                     | Unaudited            |                      | Audited       |
| <b>Assets</b>                       |                      |                      |               |
| Intangible fixed assets             | 324                  | 188                  | 323           |
| Tangible fixed assets               | 7,259                | 6,777                | 6,989         |
| Other financial fixed assets        | 231                  | 167                  | 195           |
| Deferred tax assets                 | 182                  | 233                  | 248           |
| <b>Total non-current assets</b>     | <b>7,996</b>         | <b>7,365</b>         | <b>7,755</b>  |
| Stocks                              | 1,168                | 1,345                | 1,323         |
| Receivables                         | 1,851                | 2,335                | 2,121         |
| Cash                                | 318                  | 653                  | 444           |
| <b>Total current assets</b>         | <b>3,337</b>         | <b>4,333</b>         | <b>3,888</b>  |
| <b>Total assets</b>                 | <b>11,333</b>        | <b>11,698</b>        | <b>11,643</b> |
| <b>Liabilities and equity</b>       |                      |                      |               |
| Share capital                       | 220                  | 220                  | 220           |
| Foreign currency translation        | -553                 | 60                   | -527          |
| Retained earnings                   | 7,897                | 7,508                | 8,025         |
| Minority interests                  | 244                  | 222                  | 246           |
| <b>Total equity</b>                 | <b>7,808</b>         | <b>8,010</b>         | <b>7,964</b>  |
| Non-current liabilities             | 1,717                | 1,466                | 1,626         |
| Current liabilities                 | 1,808                | 2,222                | 2,053         |
| <b>Total liabilities</b>            | <b>3,525</b>         | <b>3,688</b>         | <b>3,679</b>  |
| <b>Total liabilities and equity</b> | <b>11,333</b>        | <b>11,698</b>        | <b>11,643</b> |

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**Statement of equity**

| DKK million                             | Unaudited     |                              |                   |                    |              |
|---|---------------|------------------------------|-------------------|--------------------|--------------|
|   | Share capital | Foreign currency translation | Retained earnings | Minority interests | Total        |
| <b>Equity 1/1 2009</b>                  | <b>220</b>    | <b>-527</b>                  | <b>8,025</b>      | <b>246</b>         | <b>7,964</b> |
| <b>Total income</b>                     |               | <b>-26</b>                   | <b>60</b>         | <b>-2</b>          | <b>32</b>    |
| Sale and purchase of own shares         |               |                              | 0                 |                    | 0            |
| Expensed value of options issued        |               |                              | 19                |                    | 19           |
| Dividend paid to the shareholders       |               |                              | -207              |                    | -207         |
| Addition/disposal of minority interests |               |                              | 0                 |                    | 0            |
| <b>Equity 2<sup>nd</sup> qtr. 2009</b>  | <b>220</b>    | <b>-553</b>                  | <b>7,897</b>      | <b>244</b>         | <b>7,808</b> |
| <b>Equity 1/1 2008</b>                  | <b>220</b>    | <b>25</b>                    | <b>7,344</b>      | <b>188</b>         | <b>7,777</b> |
| <b>Total income</b>                     |               | <b>35</b>                    | <b>549</b>        | <b>34</b>          | <b>618</b>   |
| Sale and purchase of own shares         |               |                              | -77               |                    | -77          |
| Expensed value of options issued        |               |                              | 5                 |                    | 5            |
| Dividend paid to the shareholders       |               |                              | -313              |                    | -313         |
| Addition/disposal of minority interests |               |                              | 0                 |                    | 0            |
| <b>Equity 2<sup>nd</sup> qtr. 2008</b>  | <b>220</b>    | <b>60</b>                    | <b>7,508</b>      | <b>222</b>         | <b>8,010</b> |