ROCKWOOL International A/S
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www.rockwool.com
Danish CVR no: 54879415

Release no. 2 – 2016
To Nasdaq Copenhagen

26 February 2016

The ROCKWOOL Group lifts operational results

The Board of Directors of ROCKWOOL International A/S has approved the Annual Report for the financial year that ended 31 December 2015 at their meeting today.

Commenting on the Group's performance, CEO Jens Birgersson says:

"We have had a good start for our Business Transformation Programme and a good end to the year. We are confident that the programme will continue to bring benefits in terms of better performance and improved operational results. The global construction markets are not untouched by the current economic turmoil but our ambition to grow remains"

Highlights 2015

- Net sales increased by 2.2% in local currencies. Net sales reached EUR 2,208 million, an increase of 1.3% in reported figures.
- The Business Transformation Programme is progressing per plan. The related redundancy costs included in 2015 amount to EUR 15.4 million.
- An impairment write-down of the businesses in India and China of EUR 21.4 million is included in 2015.
- Full year Operational EBIT excluding the above increased by 6% to EUR 172 million corresponding to 7.8% EBIT ratio - an increase of 0.4 percentage points against last year.
- Cash flow from operations amounted to EUR 297 million – an increase of 45% against 2014.
- Investments and acquisitions totalled EUR 201 million.
- The proposed dividend is increased from DKK 11.30 to DKK 11.50 per share.

Outlook 2016

- The Group forecasts slight positive sales growth for the year measured in local currencies.
- EBIT ratio for 2016 before redundancy costs of approximately EUR 10 million is expected to be above 8.5%.
- 2016 investment level excluding acquisitions is expected to be around EUR 130 million.

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For more details see the full Annual Report.

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Annual Report 2015

CREATE AND PROTECT®

Contents

With a superb view over the surrounding peaks, the cabin near Skuta Mountain in the Slovenian Alps provides protection and comfort for the mountaineers. Well-equipped with ROCKWOOL insulation, the cabin is ready to face the extreme climatic conditions which sometimes prevail at these altitudes.
Photograph by Anže Čokl, anzecokl.com

2015 AT A GLANCE

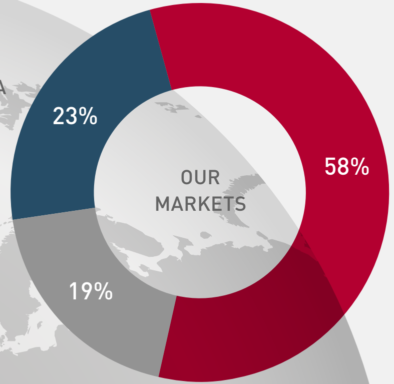
Queen Elizabeth Olympic Park, London, UK using ROCKWOOL roof insulation for its acoustic and fire resistance properties.

World leader in stone wool solutions

97%
RECYCLABLE NATURAL STONE CONTENT

37
COUNTRIES IN WHICH WE OPERATE

10,601
EMPLOYEES WORLDWIDE



€ 2,208
MILLION TOTAL GROUP NET SALES IN 2015

WE CREATE SUSTAINABLE SOLUTIONS TO PROTECT LIFE, ASSETS, AND THE ENVIRONMENT TODAY AND TOMORROW.

For more information, visit
> www.rockwool.com

Who we are
The ROCKWOOL Group was founded in 1909 and insulation production started in 1937. The Group's head office is located close to Copenhagen. In 2015, the Group generated net sales of EUR 2,208 million. The company is listed on the Nasdaq Copenhagen stock exchange.

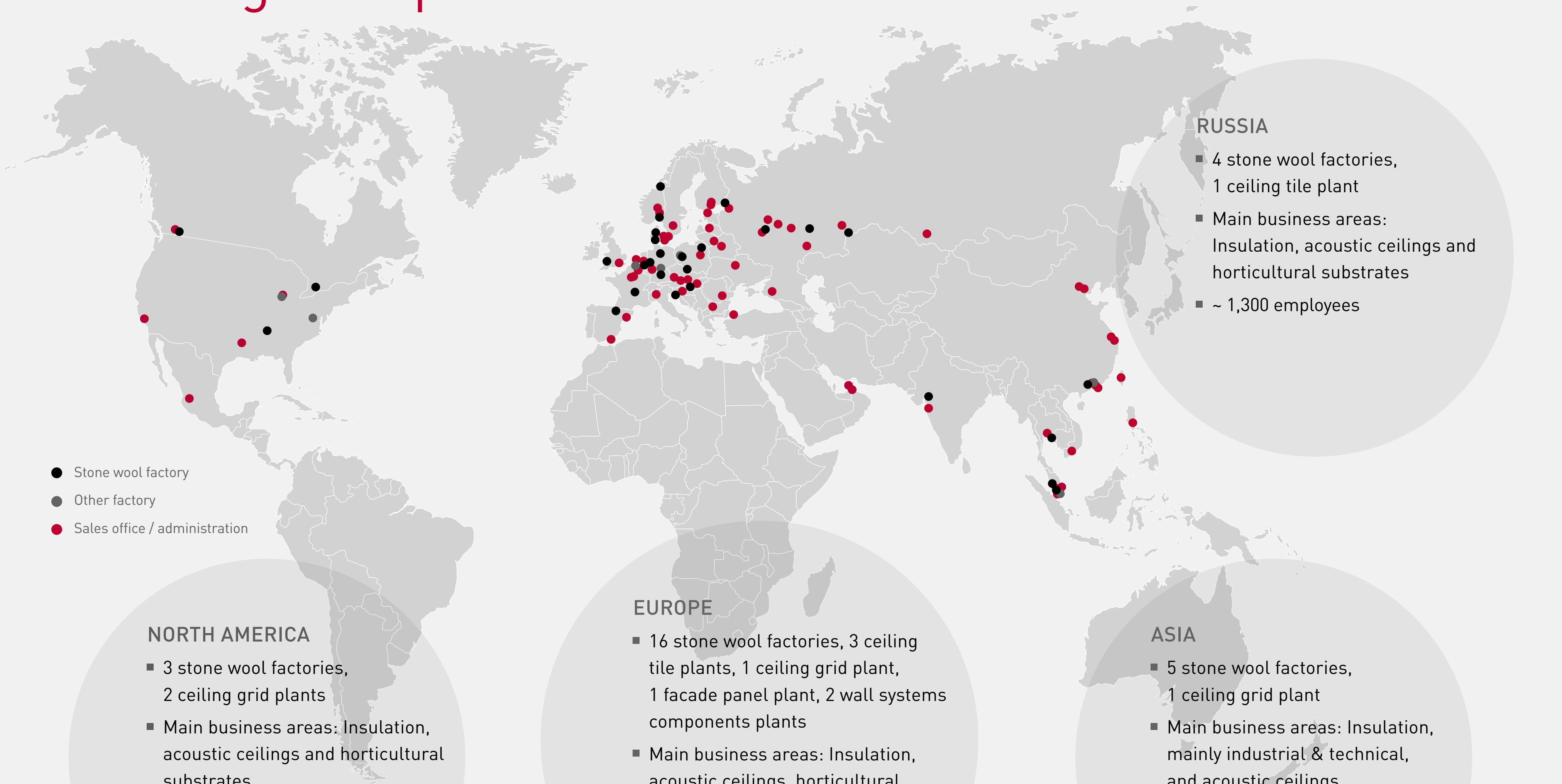
ROCKWOOL Group operations have a large presence in Europe and Russia, a rapidly growing position in North America, and facilities in Asia. With 10,601 employees in 37 countries, we are supporting customers worldwide.

What we do
Stone wool is a versatile material based on one of nature's most abundant resources – volcanic rock. It forms the basis of the ROCKWOOL Group businesses:

Insulation business
- Building insulation
- Industrial & technical insulation for process industry, marine and offshore
- Customised solutions for industrial applications
- Wall systems (External Thermal Insulation Composite Systems)

Systems business
- Acoustic ceilings and wall systems
- External cladding systems
- Horticultural substrate solutions
- Engineered fibres solutions e.g. for the automotive industry
- Noise and vibration control

A leading local presence



RUSSIA

- 4 stone wool factories, 1 ceiling tile plant
- Main business areas: Insulation, acoustic ceilings and horticultural substrates
- ~ 1,300 employees

NORTH AMERICA

- 3 stone wool factories, 2 ceiling grid plants
- Main business areas: Insulation, acoustic ceilings and horticultural substrates
- ~ 1,010 employees

EUROPE

- 16 stone wool factories, 3 ceiling tile plants, 1 ceiling grid plant, 1 facade panel plant, 2 wall systems components plants
- Main business areas: Insulation, acoustic ceilings, horticultural substrates, cladding boards, engineered fibres, and noise & vibration control
- ~ 7,150 employees

ASIA

- 5 stone wool factories, 1 ceiling grid plant
- Main business areas: Insulation, mainly industrial & technical, and acoustic ceilings
- ~ 1,140 employees

Unlocking our full potential

Bjørn Høi Jensen
Chairman
of the Board

Jens Birgersson
President and Chief
Executive Officer

THE ROCKWOOL GROUP IS TRANSFORMING. WE ENDED 2015 STRONGER AND LEANER.

Profitability improved throughout the quarters and, despite the turbulence in the world economy, we met our commitments and exceeded the operational EBIT expectation. This is a noteworthy achievement, given the challenges of a sluggish European economy, the strong headwinds in the Russian market and an Asian region impacted by the Chinese deceleration. As predicted, the US steamed ahead, underlining the promising potential of the North American market.

Sustainability - an excellent platform for our long-term growth

The global Climate Conference COP21 highlighted the need for international agreements addressing the global issues that affect our planet, although the individual countries' pledges to reduce emissions are in reality non-binding. This could be a turning point and add new momentum, not least with a stronger role played by the business sector, major cities and other private actors.

In the long-term, we are confident that the global ambition to tackle climate change will enable us to continue to lead the way in our industry thanks to the unique properties of our stone wool products and systems. In the short-term, we acknowledge the need for a rapid political alignment for legislation to counter the over-consumption of energy in the global building stock and we will continue to drive this agenda forward. The benefits that superior insulation has to offer in this field are multiple: reduced greenhouse gas emissions, increased energy efficiency, increased energy independency with a reduced need to import energy, and local job creation.

Raising the bar on performance
In 2015 we launched our Business Transformation Programme. The performance improvements were focused on three key drivers:

- Organisational agility
- Cost efficiency
- Customer centricity

Following a thorough analytical phase during the spring and summer, we noted the significant potential for improving scale benefits and efficiencies. The resulting initiatives comprise a more global set-up for our procurement activities, a new approach for how we price our products in the market place, a strengthened focus on streamlining our product portfolio as well as a flatter organisation with clearer responsibilities.

We are confident that the Business Transformation Programme will unlock considerable benefits and we aim to raise our profitability by EUR 50 million by 2017. We have already started to see the first effects in the fourth quarter of 2015.

Profitable expansion
Looking ahead into 2016, the turmoil in the world economy which characterised the latter part of last year is still a current reality. The ROCKWOOL Group continuously monitors the potential impact that these issues have on our different regional businesses; we must remain flexible in a new dynamic reality.

As part of the Business Transformation Programme we rebalanced our geographical priorities to reflect our investment strategy for profitable expansion. Confirmation of this approach is reflected in our prioritisation for expansion in North America. In November we announced the intention to build a ceiling tiles plant in connection with our US factory in Mississippi to support our successful ROCKFON ceiling business. We also see opportunities in the insulation business which is expanding rapidly and we will continue to drive double digit growth. This will compensate for the more modest short-term growth outlook we have for the European construction markets and the challenges we currently face in Russia, as well as the focused approach on profitable segments we apply in Asia.

In the current macro-economic environment we have therefore taken a cautious approach projecting 2%-4% organic growth in the coming 2-3 years, while keeping true to our core value of Entrepreneurship for pursuing new opportunities if positive market developments arise. The Business Transformation Programme will enable us to be even more ready for this.

> ” WE ARE CONFIDENT THAT THE BUSINESS TRANSFORMATION PROGRAMME WILL UNLOCK CONSIDERABLE BENEFITS.

The ROCKWOOL team
2015 has been a year of challenges and our employees have proven their willingness and capability to embrace change and adapt to the market demands. The ROCKWOOL team shares the same passion for a more profitable and sustainable future. This is what drives our continuous effort to develop innovative products and sustainable solutions for our customers, the building sector, our shareholders and the environment.

Bjørn Høi Jensen
Chairman of the Board
of the ROCKWOOL Group

Jens Birgersson
President and
Chief Executive Officer

Key events

2015

FEBRUARY

New ROCKWOOL Group CEO Jens Birgersson

JULY

Partnership with DanChurchAid to explore stone wool solutions for improving conditions for refugees around the world

SEPTEMBER

Inauguration of new production line in Denmark by Danish prime minister

SEPTEMBER

Major Business Transformation Programme launched to improve competitiveness and profitability

NOVEMBER

First ROCKFON factory in the US announced

DECEMBER

The ROCKWOOL Group participated in a number of COP21-related activities

Performance and outlook

HIGHLIGHTS

2015 Performance

- Net sales increased by 1.3% and reached EUR 2,208 million, corresponding to 2.2% in local currencies.
- EBIT before redundancy costs related to the Business Tranformation Programme and write-downs in Asia increased 6% and reached EUR 172 million corresponding to 7.8% EBIT ratio.
- Investments and acquisitions were reduced by 22% and totaled EUR 201 million.
- Cash flow from operations amounted to EUR 297 million – an increase of 45% compared to 2014.
- The proposed dividend is increased from DKK 11.30 to DKK 11.50 per share.

2016 Outlook

- Net sales is expected to show slight organic growth in local currencies.
- The EBIT ratio is expected to increase to above 8.5% before redundancy costs related to the Business Transformation Programme.
- Investment spend excluding acquisitions is expected to be reduced further to around EUR 130 million.

1.3% ↑

NET SALES INCREASED BY 1.3% AND REACHED EUR 2,208 MILLION

6% ↑

EBIT INCREASED BY 6% AND REACHED EUR 172 MILLION (7.8% EBIT RATIO) BEFORE WRITE-DOWNS IN ASIA AND REDUNDANCY COSTS RELATED TO THE BUSINESS TRANSFORMATION PROGRAMME

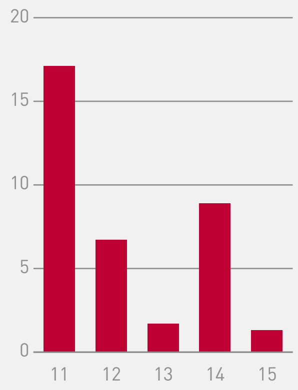
45% ↑

CASH FLOW FROM OPERATIONS GREW 45% AND REACHED EUR 297 MILLION

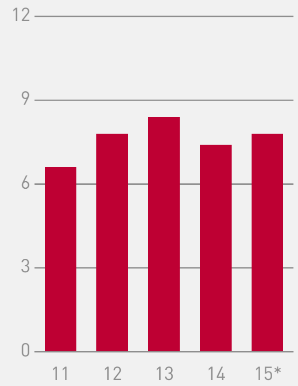
1.8% ↑

PROPOSED DIVIDEND UP 1.8% TOTALLING EUR 34 MILLION

SALES GROWTH
(%)

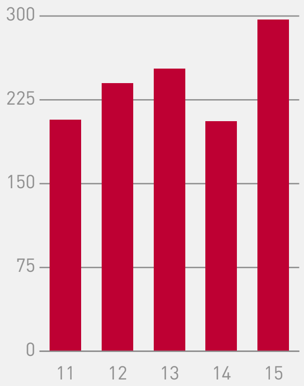


EBIT RATIO
(%)

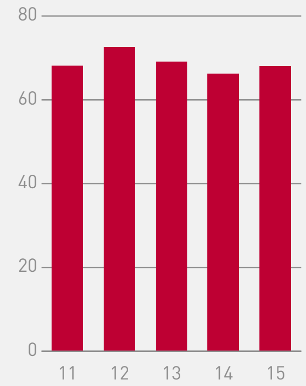


*Excluding redundancy costs related to Business Transformation Programme and write-downs in Asia

CASH FLOW FROM OPERATIONS
(EUR MILLION)



EQUITY RATIO
(%)



Five-year summary

EUR million	2011	2012	2013	2014	2015	2015 DKK million
Income statement items						
Net sales	1,845	1,969	2,003	2,180	2,208	16,468
EBITDA	244	303	313	312	*337	*2,514
Depreciation, amortisation and write-downs	123	149	144	150	187	1,393
EBIT	121	153	169	161	*172	*1,281
Financial items	-6	-7	-6	-6	-4	-28
Profit before tax	121	147	164	157	133	995
Profit for the year	84	104	116	113	91	677
Balance sheet items						
Non-current assets	1,272	1,271	1,371	1,431	1,446	10,793
Current assets	434	470	486	560	559	4,168
Total assets	1,705	1,741	1,857	1,991	2,005	14,961
Equity	1,162	1,263	1,284	1,303	1,367	10,201
Non-current liabilities	184	138	134	121	119	888
Current liabilities	360	339	439	566	519	3,872
Net interest-bearing debt	74	9	100	175	93	692
Net working capital	128	149	147	173	162	1,209
Invested capital	1,249	1,309	1,355	1,465	1,448	10,806
Gross investment in plant, property and equipment	146	125	217	234	167	1,243
Cash flow						
Cash flow from operating activities	207	240	253	206	297	2,217
Investments and acquisitions	163	133	265	257	201	1,497
Free cash flow	44	106	-13	-52	97	721
Exchange rate						
Average DKK/EUR	7.45	7.44	7.46	7.46	7.46	7.46

EUR million	2011	2012	2013	2014	2015	2015 DKK million
Others						
R&D costs	29	30	30	32	32	235
Patents granted in the year	121	218	161	98	165	165
Number of full time employees (year-end)	9,368	9,778	10,562	11,031	10,601	10,601
Ratios						
EBIT ratio	6.6%	7.8%	8.4%	7.4%	*7.8%	*7.8%
Payout ratio	32.5%	28.4%	25.9%	29.7%	37.1%	37.1%
Return on invested capital	9.8%	12.0%	12.6%	11.5%	*11.8%	*11.8%
Return on equity	7.4%	9.0%	9.1%	8.7%	6.8%	6.8%
Equity ratio	68.1%	72.6%	69.1%	65.5%	68.2%	68.2%
Financial gearing	0.06	0.01	0.08	0.13	0.07	0.07
Stock market information	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**	**EUR**
Earnings per share	29.5	35.9	40.1	38.8	31.3	4.2
Dividend per share	9.6	10.2	10.4	11.3	11.5	1.5
Cash flow per share	71	83	88	71	103	13.8
Book value per share	392	428	435	440	463	62.1
Share capital (million)	220	220	220	220	220	29.5
Price per A share	458	629	956	689	944	126.6
Price per B share	461	634	956	696	963	129.1
Market cap (million)	9,926	13,607	20,580	14,969	20,580	2,758
Number of own shares	379,702	427,310	437,246	359,522	391,835	391,835
Number of A shares of DKK 10 (10 votes)	11,231,627	11,231,627	11,231,627	11,231,627	11,231,627	11,231,627
Number of B shares of DKK 10 (1 vote)	10,743,296	10,743,296	10,743,296	10,743,296	10,743,296	10,743,296

* Excluding redundancy costs of EUR 15.4 million from the Business Transformation Programme and write-downs in Asia of EUR 21.4 million

For definitions of key figures and ratios see page 90.

STRATEGY AND GOALS

Prince Mahidol Hall, concert hall in Bangkok, Thailand insulated with ROCKWOOL products for amongst others its sound absorption qualities.

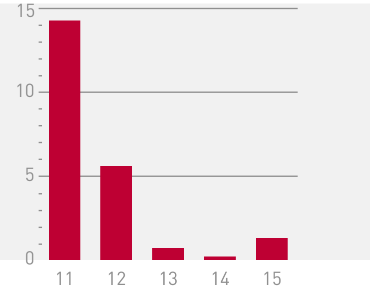
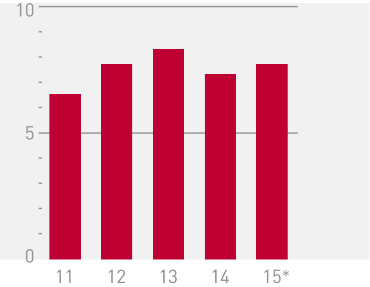
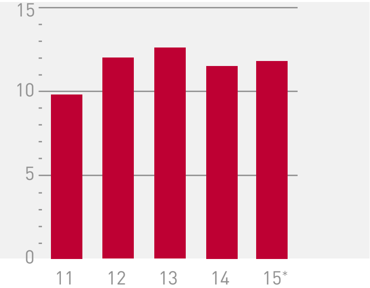
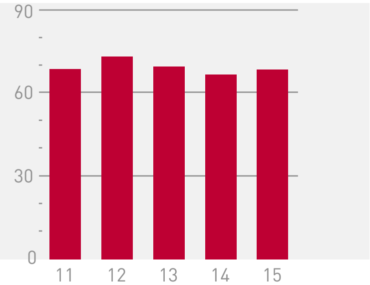
Financial ambitions 2016-2018

THE ROCKWOOL GROUP REVISED ITS FINANCIAL AMBITIONS IN 2015.

Compared to previous goal-setting, the Group has decided to give goals for the specific period 2016-2018 with a particular emphasis on improving profitability of operations and the return on invested capital, and a reduced focus on investments into new regions.

In addition to the goals on organic growth, EBIT and ROIC, the Group has also defined a boundary condition for the solidity of the business assuring that the equity ratio stays above 60% to secure a solid and resilient financial base.

The ROCKWOOL Group has a strong long-term growth potential but, for the next three years, the assumption is that our sales development will be hampered by low European construction activity and limited political action to target energy renovation. The targets are based on a scenario with no major acquisitions taking place.

FOCUS AREA	FUTURE AMBITION	PAST PERFORMANCE
ORGANIC SALES GROWTH	2%-4% PER ANNUM	
EBIT RATIO	10% IN 2018	
ROIC	14%-15% IN 2018	
EQUITY RATIO	ABOVE 60%	

* Excluding redundancy costs related to the Business Transformation Programme and write-downs in Asia

Strong strategic platform for improved operations

THE GROUP'S POSITION IN A NUMBER OF MARKETS DRIVEN BY THE SUSTAINABILITY AGENDA PROVIDES A SOLID FOUNDATION FOR THE FUTURE. A MAJOR BUSINESS TRANSFORMATION PROGRAMME WAS LAUNCHED IN 2015 TO IMPROVE PROFITABILITY AND COMPETITIVENESS FURTHER.

The ROCKWOOL Group has managed to show continued organic growth over the last five years despite weak construction activity in many markets. This has been possible due to the general movement towards sustainability in the building sector and especially because of the strengthened market positions in North America and within our Systems business. Prioritising markets with profitable growth potential and executing potential bolt-on acquisitions will be important drivers for our future success.

Our Business Transformation Programme
To outperform general market growth and enhance profitability, it is critical for the Group to be more agile, customer-focused and cost efficient.

We have identified great potential for rationalisation in relation to untapped scale advantage. The general objectives remain:

- To be a leading supplier of stone wool solutions in all prioritised markets
- To maintain our leadership position in established markets and gain market share in growth markets
- To deliver improved profits and create value for shareholders allowing us to continue to grow.

In order to lift our operational performance we launched a Business Transformation Programme in September 2015, revisiting our geographical priorities, as well as focusing on improvements in the following key areas:

- Simplifying the organisation
- Globalising procurement
- Optimising pricing and product portfolio
- Improving customer experience.

THE GREEN OPPORTUNITY

The movement towards more sustainable offerings is a major market driver for the ROCKWOOL Group. Our stone wool is part of the solution in many ways.

FIRE SAFETY

With one million people a week moving to an urban environment, fire safety in cities is important like never before

Stone wool can protect assets and lives because it is highly fire-resistant and does not emit high levels of toxic smoke. Smoke inhalation is the most common cause of death and injury in fires.

ENERGY EFFICIENCY

Our stone wool products save more than 100 times the energy needed to produce it

Technically, the net carbon footprint of the ROCKWOOL Group is positive, since each slab, during its life-time, has the opportunity to save more than a hundred times the CO_2 used to make it.

ENVIRONMENT

Our stone wool products are primarily made from natural stone and are ideal for recycling

The earth's volcanoes and plate tectonics annually generate 38,000 times more stone than the ROCKWOOL Group uses every year. As well as being able to recycle almost all our products, we can recycle other industries' waste that would otherwise go to landfill.

SOCIAL IMPACT

Transforming communities, one building at a time

ROCKWOOL stone wool products allow the millions of people facing the 'heat or eat' dilemma to spend less on heating their homes. Stone wool offers new job opportunities, both directly and indirectly. Through our shareholder, the independent, ROCKWOOL Foundation we give back to society by funding research and projects that improve lives everywhere.

HEALTH

Stone wool gives architects freedom to design healthy environments

Stone wool products can improve indoor climate including acoustics. Outdoors, they protect people in and around heavy traffic from noise pollution. Built environments should be inspiring and aesthetically pleasing, and stone wool solutions can facilitate this.

Learn more:
> sustainability.rockwool.com

Four key improvement areas

Simplifying the organisation

With the new simplified and flatter organisational model we will have a leaner and more focused headquarters. The aim is to establish a more globally driven organisation for most of our business support functions and to eliminate overlapping activities as well as reducing the hierarchical layers of the Group as a whole.

While the core of the ROCKWOOL Group business model with our local anchoring through regionally based Insulation companies and globally structured Systems businesses will be maintained, a number of business support functions have been merged:

- Group Operations & Technology now comprises our technical functions within R&D, Engineering and Procurement. This will enable innovation and optimisation along the value chain, from development to industrialisation, and an improved support structure for our factories around the world.
- Group Marketing, Communications & Public Affairs will streamline our external communication activities and secure aligned and more powerful messaging.

Globalising procurement

Through the optimisation of specifications and design, bundling of purchase volumes and implementing best practise across the businesses, synergies can be achieved to a much greater extent. Group Procurement aims to reduce the number of suppliers and take full advantage of scale.

Optimising pricing and product portfolio

The flexibility of our manufacturing set-up is seen as a competitive advantage. Being able to quickly switch a production line from one product to another, we can support a large product portfolio to meet customer demands for special applications delivered just-in-time.

As part of our Business Transformation Programme, we are taking a critical look at the product assortment based on the principle that products with very low turnover are either priced to reflect the real costs and value, or removed from our portfolio.

Improving customer experience

We are introducing new ways to increase knowledge of our customers, determine which parameters are critical for them and, based on that, enhance their overall customer experience. This approach will allow us to strengthen our commercial position with existing customers further, as well as with new customers in today's competitive environment.

TRACKING PROGRESS OF THE TRANSFORMATION PROGRAMME

Overall ambition is to deliver a positive contribution of EUR 50 million to the 2017 operating result, of which EUR 20 million by 2016. The positive effect in 2015 was close to EUR 4 million.

	TARGET	STATUS	COMMENTS
ORGANISATION	75% of plan realised by end of Q2 2016	●	Ahead of schedule
PROCUREMENT	50% of Group spend covered by global procurement end 2016, >90% by end 2017	●	On track
PRICING AND PRODUCT PORTFOLIO	90% of revenue managed by new principles and tools by the end of 2016	●	On track
CUSTOMER EXPERIENCE	To improve Group Net Promoter Score (NPS) to 38% by end 2017	●	NPS was 28% by end 2015 based on around 11,000 customer responses

Revisiting geographical priorities

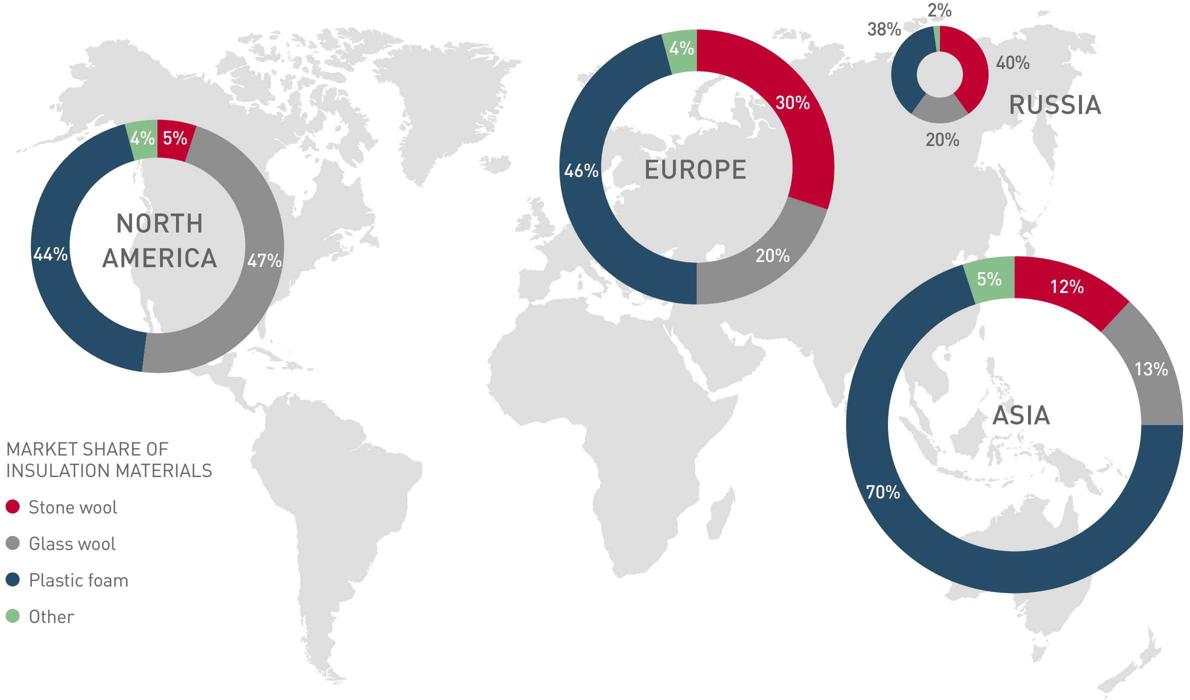
Europe will continue to be a focus area with the target of establishing better profitability within the Insulation business, while continuing to grow. The European insulation market is currently experiencing low new-build levels and limited political action to harvest the potential in renovation. We see improved branding, positioning and pricing as being crucial in terms of gaining market share and improving profitability. We also believe our Systems business in Europe can expand in the markets for cladding boards and consolidate its position in suspended ceilings.

Russia remains an important future growth market despite the current and medium term economic challenges. We already hold a leading position and will continue to focus on Do-It-Yourself and residential buildings. Our Systems business is focused on increasing the horticultural substrate business and consolidating the ceiling business.

In **North America**, high profitable growth within all major business areas will be vigorously pursued. The Systems business continues to focus on expanding the horticultural substrate business and penetrating the ceiling market.

In **Asia** we will apply a more selective approach in China targeting profitable segments. In South East Asia we expect better growth. Our presence in China, South East Asia and India has been consolidated making the best use of our local capacities for both the Insulation business and the Systems business.

NORTH AMERICA OFFERS THE BEST GROWTH OPPORTUNITY FOR STONE WOOL



2016-2018	RUSSIA	EUROPE	ASIA	NORTH AMERICA
EXPECTED INSULATION MARKET GROWTH	↘	↗	↗	↑
ROCKWOOL GROUP STONE WOOL LEADERSHIP	✓	✓		✓
EXPECTED ROCKWOOL GROUP DEVELOPMENT	↘	↗	↗	↑

↘ Decline ↗ Low growth ↑ High growth

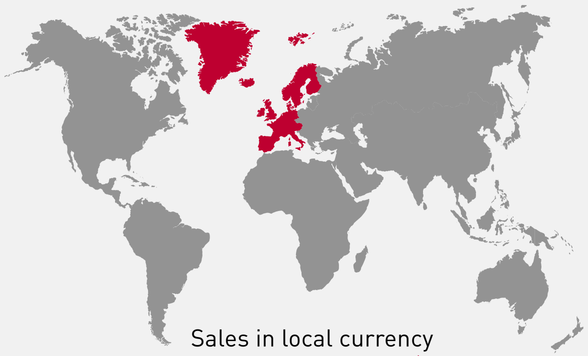
PERFORMANCE

The world's northernmost geodetic observatory is built as passive houses at Svalbard, Norway using ROCKWOOL insulation to minimise the risk of thermal bridges and improve fire safety.

Regional sales development

SALES IN THE ROCKWOOL GROUP GREW BY 2.2% IN LOCAL CURRENCIES IN 2015.

The geographical footprint of ROCKWOOL Group sales shifted towards the West in 2015. Strong growth in the United States and Canada meant that, for the first time in the Group's history, the combined turnover in the North American and Asian market segments surpassed our sales in Central and Eastern Europe. Sales growth was exclusively organic and ended up 2.2% in local currencies and 1.3% when we translate into Euros.



Sales in local currency

1.3%↑

Sales in the important **Western European** markets (58% of sales) saw a good start to the year, up 4% after the first quarter 2015. However, during the year, the growth pace declined and ended with a 1.3% increase in local currencies as well as in reported figures.

Market circumstances differed widely with a positive trend in many of the mid-sized markets such as Scandinavia, UK, the Netherlands and Spain. In our two main markets – France and Germany – performance was slower than expected, in particular sales in Germany were disappointing during the second half of the year while France showed signs of improvement.

Sales in local currency

-2.5%↓

The **Eastern European** region including Russia (19% of sales) was slightly negative with a 2.5% decline in local currencies, but 14.8% when we include the currency effect caused primarily by the fall in the rouble. Our important Russian business was impacted by the economic crisis and witnessed a double-digit market contraction in line with expectations, including a big part of sales in Ukraine disappearing and a major decline in building construction within Russia. On a more positive note, we evaluate that our performance was better than the general market, thanks to our prominent brand position and strong local organisation.

The other markets in the region showed a mixed picture with Poland and most of the neighbouring countries returning healthy sales, but with continued challenges further south in the Balkans.

Sales in local currency

9.8%↑

Sales outside Europe and Russia (23% of sales) progressed by 9.8% carried by the solid North American markets. Including the currency effect, sales were up by 19.1%, primarily helped by the appreciation of the US dollar.

In North America, the recovery of the building sector continued, in the first part of the year primarily in the US market but, during the second half, there were also healthy developments in Canada. This was especially true within the residential building market.

In Asia, the Chinese market was affected by the downward trend in the economy and by overcapacity resulting from the recently established local stone wool producers. The Group has decided to focus on selected segments such as industrial and technical applications which are performing better. The Group recognised impairment losses of EUR 21.4 million in the third quarter as a consequence of the changed outlook in China and India. The businesses in Malaysia and Thailand performed well especially in the second half of the year.

The ROCKWOOL Group continues to have a healthy business in Russia despite much headwind from the economic downturn in 2015. Overall, the market contracted by more than 15%, in particular industrial and commercial building projects showed a market decline. In 2015, construction of the "OKO" towers in the Moscow International Business Centre "Moscow City" was completed with ROCKWOOL insulation of the heating and ventilation systems.

Insulation business

ROCKWOOL STONE WOOL IS PART OF THE SOLUTION IN MANY WAYS

STABLE SALES IN THE INSULATION BUSINESS IN 2015.

Sales in the insulation business decreased slightly due to difficult markets in Russia. However, strong developments in North America and relatively stable Western European markets balanced the sales, which reached EUR 1,665 million.

Sales were down 0.8% of which the currency impact accounted for –2%, primarily due to the decline in value of the Russian rouble.

Sales prices were relatively stable and input costs trended down, in particular due to the decline in prices for oil related materials and foundry coke. This improving margin in the latter part of the year, combined with efficiencies in the factories and other parts of the organisation meant that EBIT before redundancy costs related to the Business Transformation Programme and write-downs in Asia – despite negative currency impact - reached EUR 99 million, corresponding to an EBIT ratio of 5.2%.

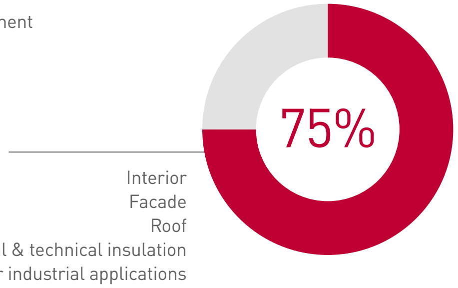
KEY FIGURES INSULATION SEGMENT

EUR million	2014	2015
External net sales	1,678	1,665
EBIT, segment profit	99	99*

* Excluding redundancy costs related to the Business Transformation Programme and write-downs in Asia.

SALES PER BUSINESS AREA

Insulation segment



Sales in North America continue to grow rapidly. ROXUL products' superior benefits, such as non-combustible properties, are especially valued in places where large numbers of people gather like the new stadium of the National Football Leagues, Minnesota Vikings. The stadium is built in accordance with LEED certification.

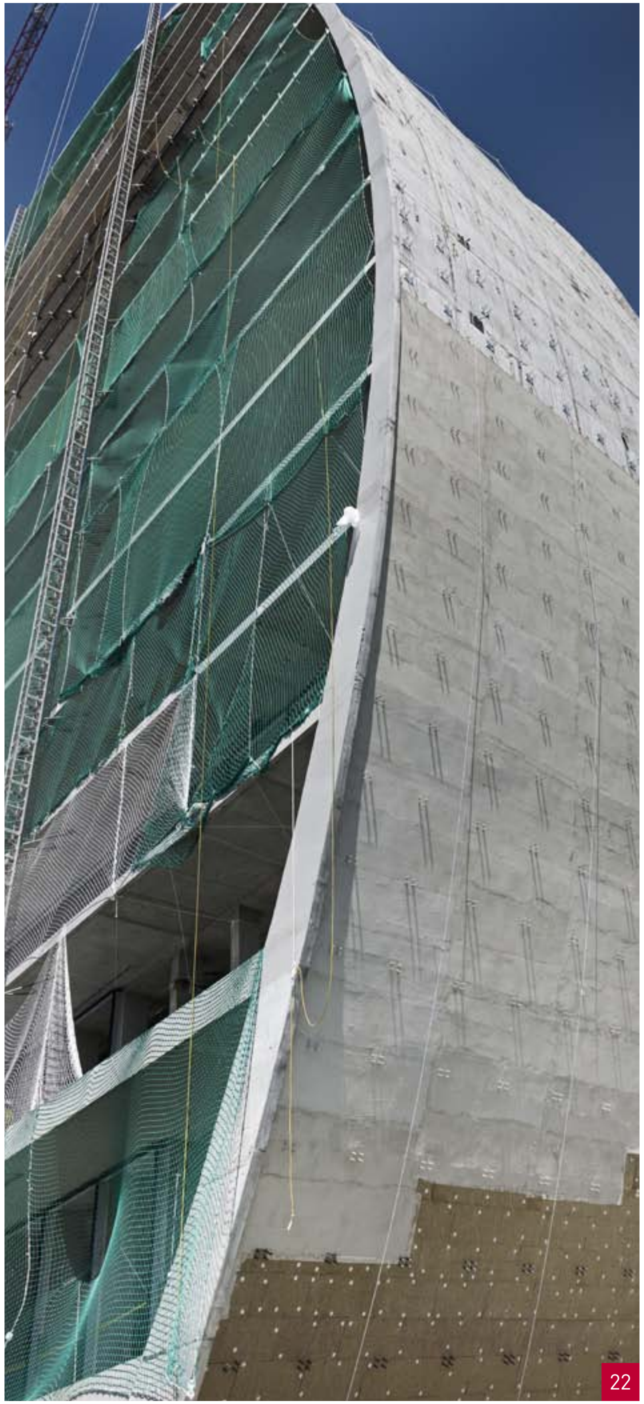
Sales of **interior building insulation** held up relatively well in Western Europe. A new energy renovation scheme was launched in France to incentivise homeowners via tax benefits to improve their buildings but the impact was relatively modest as the programme is still in an early phase. A similar initiative in Germany was expected in 2015 but did not materialise.

In North America, interior building insulation is the top-seller thanks to our successful partnerships with major Do-It-Yourself (DIY) chains such as Home Depot and Lowe's. The number of DIY stores offering our stone wool insulation increased by 15% during 2015. In order to support the strong growth in North America, the ROCKWOOL Group opened its first US factory in 2014, however the ramp-up caused considerable technical difficulties. During 2015, these issues were resolved and by autumn the plant was in normal operation.

The ROCKWOOL Group has gained market share within the European **facade insulation** market benefiting from our 2014 acquisition of HECK Wall Systems. Based on this platform, the drive to convert the market from plastic foam to stone wool insulation was actively pursued. In the important German facade insulation market there was a heated debate over the fire safety properties of facade systems which led to the authorities tightening the regulations in favour of non-combustible materials like stone wool. So despite an overall decline in the German facade insulation market, the Group managed to increase sales and anticipates expanding the installation of stone wool based facade systems to more European markets.

With regards to **roof insulation**, the non-residential end-markets were generally weaker than the residential markets and this impacted roofing board sales in countries such as Germany, France and the Netherlands, whereas Scandinavia and Poland showed progress.

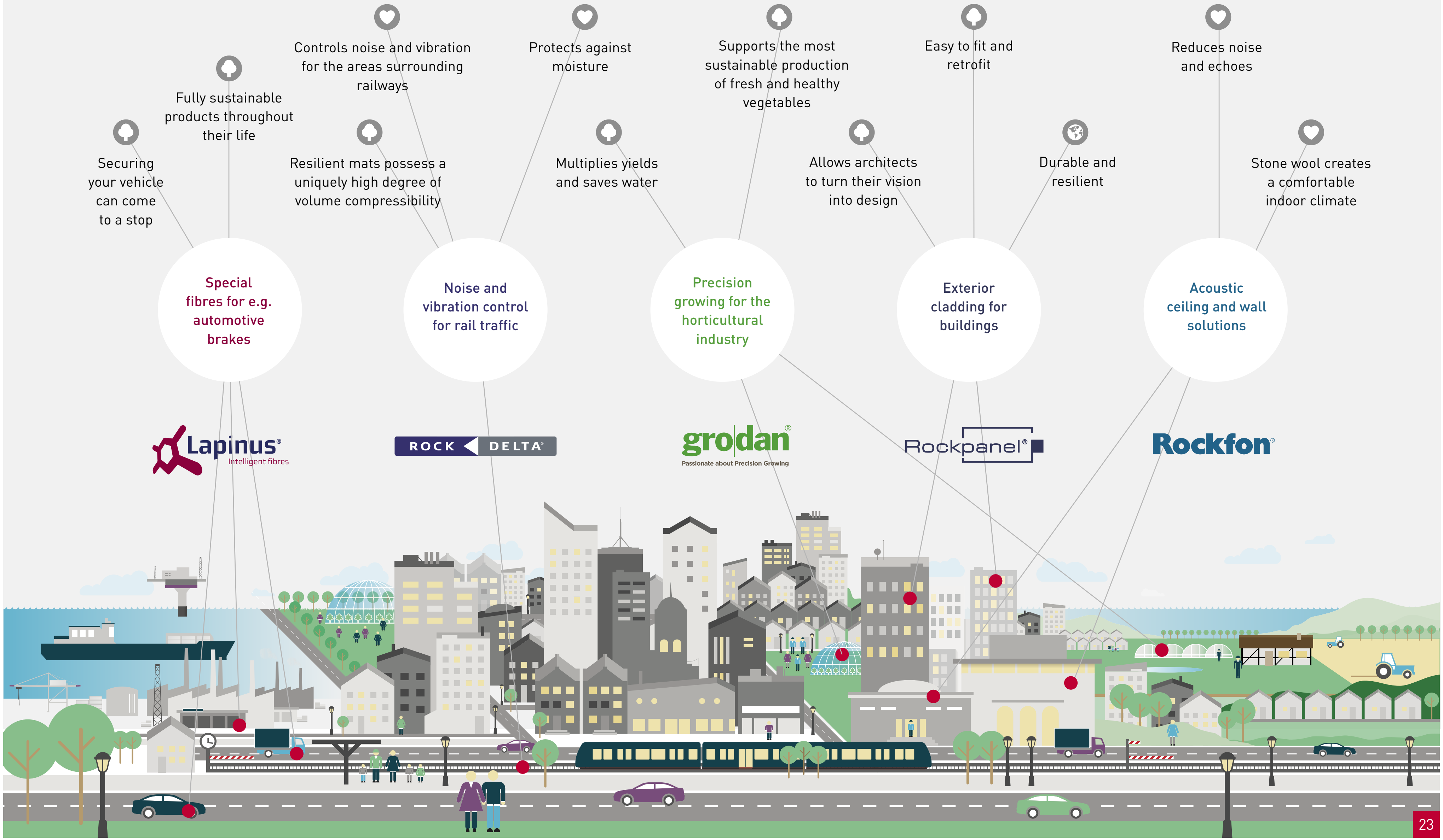
The ROCKWOOL Group has a leading position in the market for **industrial and technical insulation** where stone wool products are used to insulate pipes, ducts and boilers in industrial plants and power stations. Another important segment is the marine and offshore market where the non-combustible properties of stone wool insulation are very important to help prevent the spread of fire in ships or on oil rigs. Despite difficult market conditions in the oil-related industries, the segment managed to grow in 2015. A new pan-European production facility came on stream in 2015 in the Czech Republic giving a significantly more efficient production platform for the European markets.



Rendered facade insulation is an increasingly used building method. The ROCKWOOL Group is gaining share in the European market. A ROCKWOOL rendered facade solution was used at BBVA's new headquarters in Madrid, Spain and built in accordance with LEED Gold certificate requirements.

Systems business

ROCKWOOL STONE WOOL IS PART OF THE SOLUTION IN MANY WAYS



SALES IN THE SYSTEMS BUSINESS GREW BY 8% IN 2015.

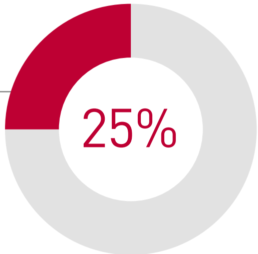
KEY FIGURES SYSTEMS SEGMENT

EUR million	2014	2015
External net sales	503	543
EBIT, segment profit	62	73*

* Excluding redundancy costs related to the Business Transformation Programme.

SALES PER BUSINESS AREA

Systems segment



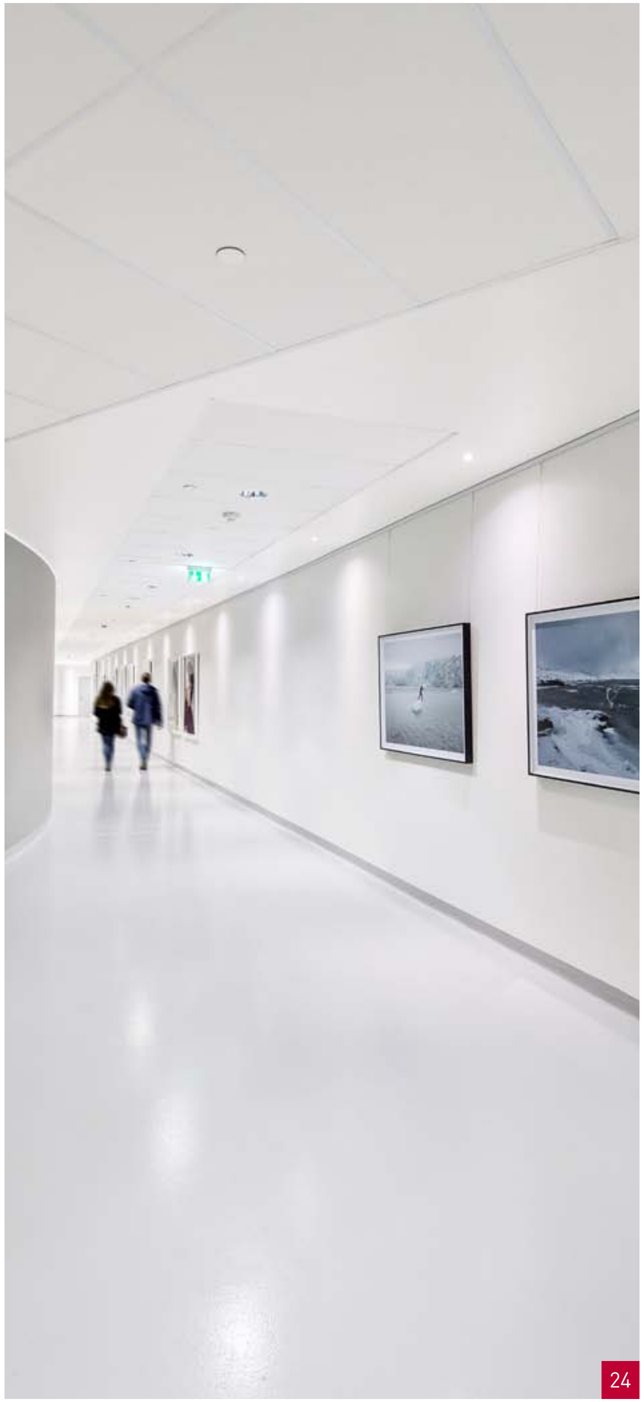
Sales in our systems business grew nicely and reached EUR 543 million, up 8% compared to 2014.

Of this growth, 3% was due to favourable currency effects, especially the appreciation of the US dollar.

EBIT reached EUR 73 million excluding redundancy cost related to the Business Transformation Programme, an increase of 17% compared to 2014 and corresponding to an EBIT ratio of 13%. The three biggest operations in the Systems business – ROCKFON ceiling systems, GRODAN horticultural substrates and ROCKPANEL cladding boards - all showed healthy profitability.

The biggest business area in the segment, ROCKFON acoustic **ceiling systems**, continued the drive into the North American ceiling market following the 2013 acquisition of the grid producer Chicago Metallic. The two companies are now fully integrated and sales of ceiling tiles have started to rise steeply. Sales have so far been based on European-manufactured imports. However, in November 2015, it was decided to invest USD 40 million in a ROCKFON production facility at our stone wool insulation factory in Mississippi. The plant is expected to be operational mid-2017 and will enable us to continue strong

The ROCKFON ceiling business has gained a strong position in Europe contributing to pleasant and aesthetic environments like here at the new Statoil office in Bergen, Norway, which has ROCKFON ceilings installed. The Group has now decided to establish its first North American ceiling tile factory.



profitable growth in the North American suspended ceiling market which is the largest in the world.

In Europe, exposure to relatively weak Western European non-residential markets put a strain on growth and the performance was weaker than in recent years.

Sales of ROCKPANEL **cladding boards** also saw lower growth rates than in recent years as several markets in Western Europe experienced a slowdown, especially in the second half of the year. The penetration of markets with growth potential outside the traditional strongholds of Benelux, UK and Scandinavia is our main expansion strategy which can be realised based on exports from our factory in the Netherlands. This factory was significantly enlarged in 2013 and now has the capacity to meet growing demand for ROCKPANEL solutions.

The GRODAN business, the world leader in **horticultural substrates** for professional growers, had a strong year, posting double-digit growth with the North American market developing particularly well. The ROCKWOOL Group is harvesting the benefits of its long-term focus on developing new substrate systems. A number of recent innovations have been well received by professional growers and there is potential in the DIY market – e.g. garden centres – where some promising new customers are being added to the portfolio.

Engineered fibres was the most difficult of the Systems business areas in 2015, particularly within the important automotive industry market. Especially in China, where most car manufacturing facilities are placed, we are impacted by oversupply due to new stone wool manufacturers. The engineered fibres business in Europe was performing better.

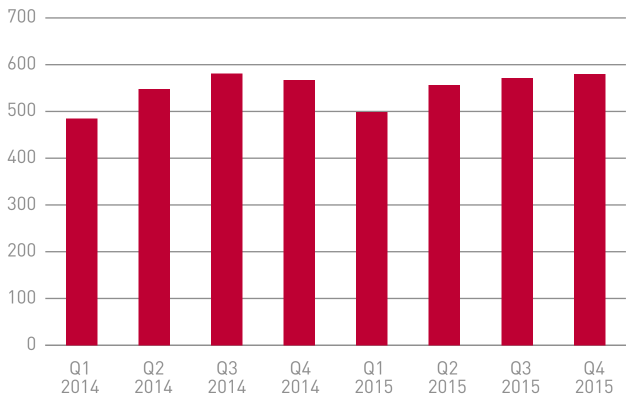
The GRODAN horticultural substrate business was our fastest growing product area in 2015. Increased sales to both professional growers and DIY customers were behind the strong performance.

Financial performance

DRIVEN BY AN INCREASE IN EFFICIENCY, THE GROUP MANAGED TO REVERSE THE DOWNWARD TREND IN PROFITABILITY AND REACHED AN EBIT RATIO OF 7.8%*. CASH GENERATION IMPROVED SIGNIFICANTLY WITH CASH FLOW FROM OPERATIONS UP 45%.

* Excluding redundancy costs related to the Business Transformation Programme and write-downs in Asia

QUARTERLY NET SALES
(EUR MILLION)



Group sales development

Net sales went up 1.3% and totalled EUR 2,208 million. Net sales measured in local currencies increased 2.2% as the impact from currencies was a negative 0.9%. The currency impact was higher than expected as the Russian rouble decreased significantly in December.

NET SALES 2015 COMPARED TO 2014

	Growth	EUR million
Net sales 2014		2,180
Currency translation adjustment	-0.9%	-19
Organic growth	2.2%	47
Net sales 2015	1.3%	2,208

Net sales were positively impacted by product mix which was only partly offset by slightly lower volume.

Group profitability

EBITDA, excluding redundancy costs related to the Business Transformation Programme of EUR 15.4 million, was up 8% and totalled EUR 337 million, which is an improvement in EBITDA margin to 15.3% from 14.3%. Reported EBITDA grew 3% mainly as a result of reduced overheads and input costs. Also the improved performance in our US factory contributed positively.

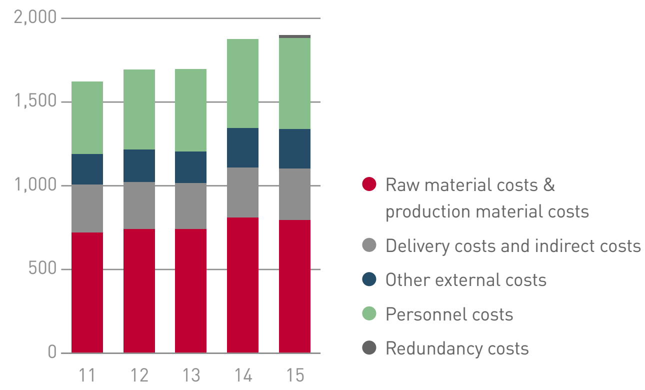
The impact of the Business Transformation Programme is estimated at close to EUR 4 million, excluding costs of the programme, and mainly related to personnel costs and procurement savings.

EBIT 2015 COMPARED TO 2014

	EUR million
EBIT 2014	161
Currency translation adjustment	-19
Increased earnings from operations	30
EBIT excl. redundancy costs** and write-downs in Asia	172
Redundancy costs** and write-downs in Asia	-37
EBIT 2015	135

** related to the Business Transformation Programme

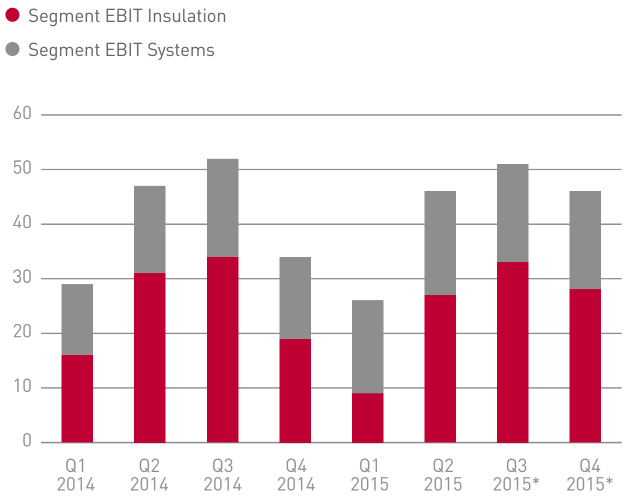
COST SPLIT
(EUR MILLION)



EBIT excluding redundancy costs related to the Business Transformation Programme and write-downs in Asia amounted to EUR 172 million, which is an increase of EUR 10 million or 6% compared to 2014. Depreciations for the year, excluding the impairment cost of EUR 21.4 million, amounted to EUR 165 million, an increase of EUR 15 million, mainly due to the full year effect of the new factory in the US, finalisation of the factory upgrades in Doense, Denmark, and Bohumin, Czech Republic.

The EBIT level exceeded the expectation announced in November mainly due to a good December and a generally lower costs level than anticipated.

EBIT SPLIT BETWEEN INSULATION SEGMENT AND SYSTEMS SEGMENT (EUR MILLION)



* Excluding redundancy costs related to the Business Transformation Programme and write-downs in Asia

A write-down amounting to EUR 21.4 million of the assets in India and China is included in 2015 due to slower than expected market development and increased local competition. The write-down represents 30% of the combined assets base in these two markets.

The EBIT ratio, excluding redundancy costs and write-downs, reached 7.8% compared to 7.4% in 2014. Adjusting for a negative currency effect, the EBIT ratio was up 1.2 percentage point.

Net financial costs amounted to EUR 4 million including EUR 0.4 million net exchange rate gains, which is an improvement of EUR 2 million compared to 2014. During the year the level of borrowings and interest costs remained low.

The tax for the year amounted to EUR 43 million compared to EUR 45 million in 2014. The effective tax rate was 32% impacted by the significant write-downs made in India and China.

Profit after tax in the parent company amounted to EUR 17 million, a decrease of EUR 122 million compared to 2014, primarily due to a significant write-down in the cost price of shares and loans in the business in India and China.

Cash flow and investments

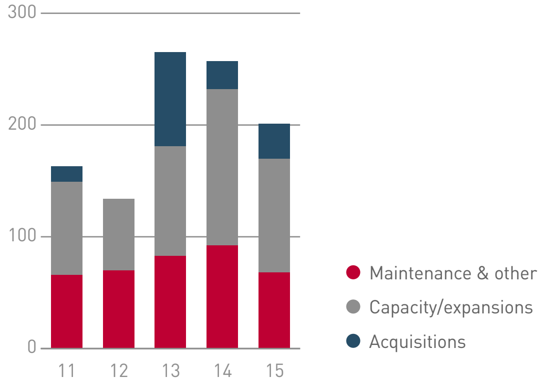
Cash flow from operating activities was EUR 297 million for 2015 against EUR 206 million for 2014 – an increase of EUR 92 million or 45%. The increase is mainly attributable to the high operating profit, control of working capital and lower tax payments.

The Group funds tied up in working capital by year-end came to EUR 162 million against EUR 173 million in 2014. The decrease mainly came from lower finished goods due to high focus on inventory management, whereas the level of raw materials remained stable. Trade receivables increased primarily due to higher sales which also led to a higher level of creditors.

Net working capital as a percentage of net sales was 7.3% at year-end 2015 against 7.9% the year before.

Investments reached EUR 201 million in 2015 which is a decrease of EUR 57 million compared to 2014 and somewhat lower than the forecast. Included is the third and last instalment related to the acquisition of Chicago Metallic in 2013 amounting to EUR 31 million.

INVESTMENT SPLIT (EUR MILLION)



Free cash flow came to EUR 97 million against negative EUR 52 million for 2014 – an increase of EUR 148 million. The free cash flow for 2015 was spent as distribution to the company's shareholders through purchase of own shares (EUR 5 million), dividend payments (EUR 33 million) and reduction of the net interest bearing debt (EUR 59 million).

Net debt at the end of 2015 amounted to EUR 93 million, an improvement of EUR 82 million compared to the year before. By year-end, the Group had unused committed credit facilities of EUR 351 million.

Invested capital

Invested capital amounted to EUR 1,448 million against EUR 1,465 million in 2014. The decrease is primarily due to increased provisions and payables.

Return on invested capital, corrected for redundancy costs related to the Business Transformation Programme and write-downs in Asia, was 11.8% compared to 11.5% in 2014 showing a stable performance.

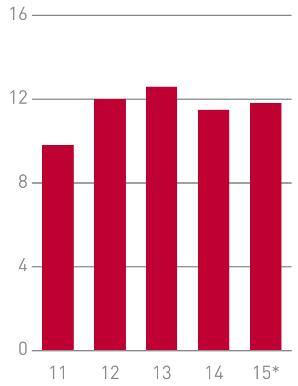
At the end of 2015, total assets were EUR 2,005 million, an increase of EUR 14 million compared to 2014.

Equity

Equity of the Group came to EUR 1,367 million as at 31 December 2015 compared to EUR 1,303 million in 2014, corresponding to an equity ratio of 68% compared to 66% the year before. Equity was mainly affected by the profit for the year, dividend and exchange rate adjustments.

Customised solutions for industrial partners is a growing business. Insulated bricks represent innovative solutions for highly energy efficient buildings and the ROCKWOOL Group is market leader in providing stone wool cores to major brick manufacturers.

RETURN ON INVESTED CAPITAL (%)



* Excluding redundancy costs related to the Business Transformation Programme and write-downs in Asia

Outlook for 2016

CONTINUED IMPROVEMENT IN PROFITABILITY AND CASH FLOW GENERATION ON A BACKGROUND OF MODEST MARKET GROWTH.

Overall market developments
The European insulation market in general remains subdued. We expect limited growth in some major markets such as Germany and France. We see signs of normalisation in the market dynamics of Eastern Europe which should now develop at the same growth pace as Western Europe. The insulation markets in Spain, Denmark and Sweden are expected to continue to improve, allowing for growth above the European average.

The decline in the Russian insulation market continued into the fourth quarter of 2015, and we expect this trend to continue in 2016 with further negative impact from the development of falling oil and gas prices.

The positive development during 2015 in the North American insulation markets is expected to continue into 2016. With the ramp-up of the factory in the US, we are well placed to take advantage of this market growth.

Further to the restructuring in Asia including China, we expect to improve profitability and – to a lesser extent – sales, by focusing on selected segments and countries. As our footprint in China is relatively modest, the slower growth in the Chinese economy is expected to have only limited impact on our ability to develop the business positively.

Sales within the Systems business saw healthy growth in most markets in 2015. We expect this to continue in 2016 with notable growth for our business in North America, especially in the ceiling and horticultural substrate businesses. In 2016, we will start construction of the new ceiling tile plant in Mississippi with the aim to be operational mid-2017, further fuelling our expansion plans in this promising market.

Sales price development and operational efficiencies
The lower input costs achieved in 2015 are expected to continue in the beginning of 2016 but will be offset against inflation on other operational expenses. Sales price increases are expected to be limited. Improved selling prices and cost control will have a positive impact on profitability in 2016.

Financial outlook
The recent turbulence in the world economy is making it more difficult to forecast trading conditions in 2016, and high volatility in key currencies such as the US dollar and the Russian rouble adds to the uncertainty. The Group forecasts slight positive organic sales growth measured in local currencies.

The expected benefits from the Business Transformation Programme will as earlier announced have a positive accumulated impact on the earnings level in 2016 of around EUR 20 million of which EUR 4 million was already attained in 2015. The 2016 outlook for the EBIT margin before redundancy costs related to the Business Transformation Programme of around EUR 10 million is above 8.5%.

The investment level for 2016 is expected to be lower than in 2015 with an estimated capital expenditure level around EUR 130 million. Of this amount, some EUR 60 million is related to capacity expansion – primarily the building of a new ceiling tile plant in the US and the finalisation of the factory upgrade in Poland.

SUSTAINABILITY

The world's tallest wooden house "Treet" in Bergen, Norway with ROCKWOOL facade insulation contributing to the apartments being built according to passive house requirements.

Sustainable by nature

IN ALL BUSINESS AREAS OF THE ROCKWOOL GROUP WE AIM TO OPTIMISE THE ENVIRONMENTAL, SOCIAL AND ETHICAL ASPECTS OF OUR OPERATIONS. WE CARE FOR OUR CUSTOMERS' ASSETS, THEIR ENVIRONMENT AND WELL-BEING.

Our ambition is to work as smart and as sustainably as possible, a goal we share with our suppliers and employees across every part of our value chain. To this end, we constantly refine our production processes, as well as our policies, codes of conduct, guidelines and management systems.

Our aim to contribute positively to society is formalised in the Group's Social Charter. Read more:
> www.rockwool.com/social+charter

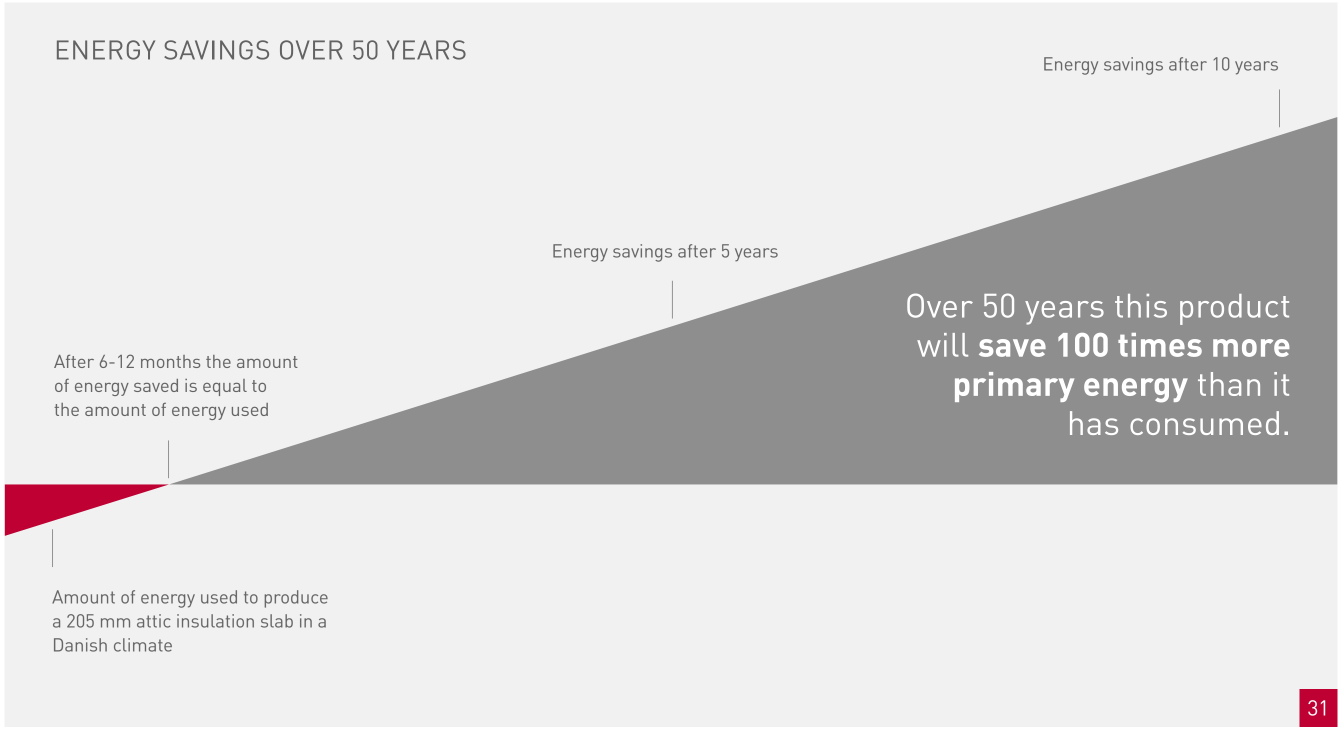
Pages 30-39 constitute the company's reporting in accordance with the Danish Financial Statements Act, Art. 99a on social responsibility.

Protecting your environment
Our most significant impact on the environment is through the application of our range of energy efficient products. The ROCKWOOL products provide a portfolio of sustainable solutions that have a positive impact on many of the global environmental issues facing our planet today, for example:

- With GRODAN horticultural substrates applied in the most state-of-the-art closed growing systems you can grow 1 kg of tomatoes using only 4 litres of water instead of up to 60 litres of water in soil with drip irrigation.
- Traditional 250 mm ROCKWOOL attic insulation – manufactured and installed in an un-insulated attic in a Danish climate and used over 50 years – will save 100 times more primary energy than it has consumed (See illustration below).

Read more about the positive impact of ROCKWOOL products on the environment on page 14.

Within the ROCKWOOL Group, we continuously strive to improve our practices in order to reduce any negative impact our production process might have on the environment. We invest in developing new technologies to improve our own energy efficiency and environmental performance.



Reducing energy consumption and emissions
The production of stone wool products requires an initial use of energy for e.g. the melting of raw materials. In terms of CO_2, for instance, the ratio today is clearly positive with one production unit of CO_2 to more than a hundred saved, on average, in the lifetime of the installed product.

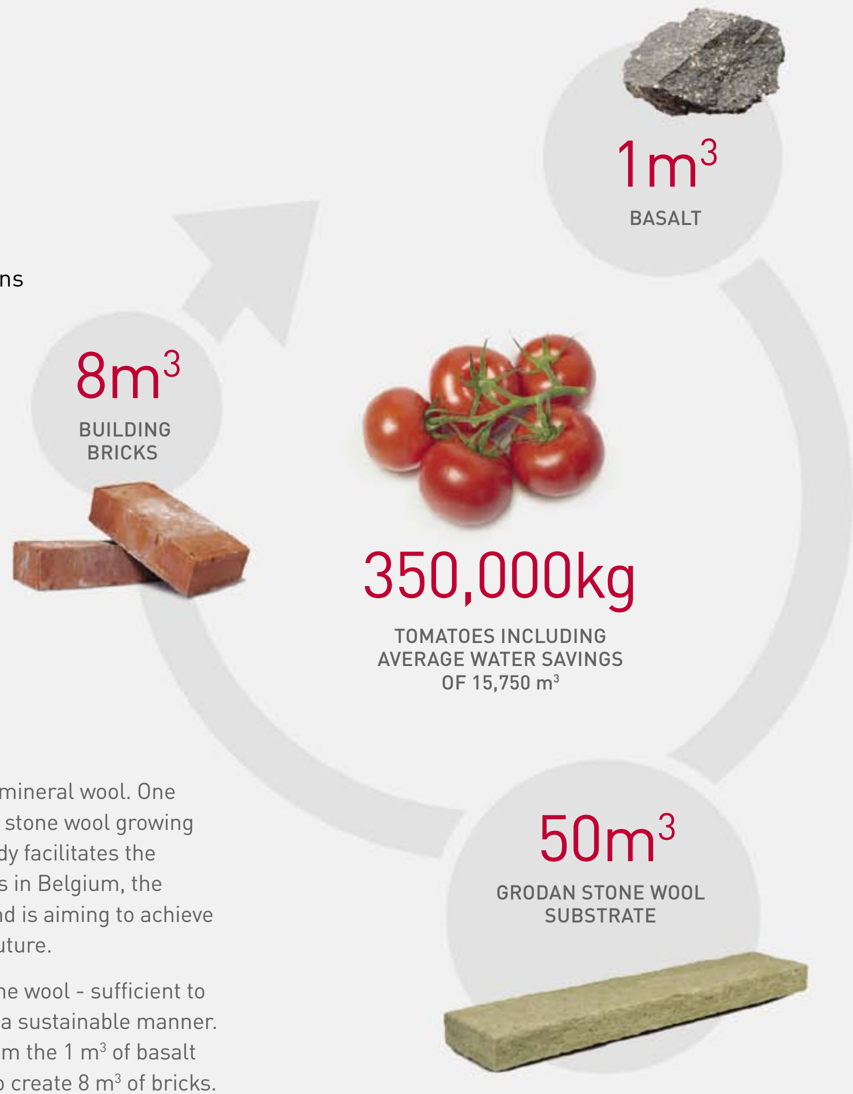
In 2012 the ROCKWOOL Group set an ambitious goal of a 15% improvement in our energy and CO_2- efficiency by 2015. The goal was based primarily on implementing specific technical measures in the melting process. We experienced several challenges within the production process which prevented us from achieving our stated goal for energy consumption and CO_2 emissions. In the ROCKWOOL Group Sustainability Report covering 2015, to be released later this year, we will present our performance in greater detail and share the outlook for improvements in the future.

In 2016 we will continue to place emphasis on our energy efficiency programme and targets. In recent years we have been concentrating on the Asian and Chinese factories that we acquired in 2012. Our upgrades have resulted in increased energy efficiency although, due to their relative size compared to European factories, the improvements at these factories have been unable to make a significant mark on overall Group performance.

We report and monitor CO_2 emissions in compliance with the scoping requirements defined by the Greenhouse Gas Protocol Standard (www.ghgprotocol.org). In addition, our European factories comply with the EU ETS regulation; consequently our CO_2 data is externally verified.

GRODAN RECYCLING

3x SUSTAINABLE
- Sustainable manufacturing
- Sustainable growing
- Sustainable end-of-life solutions



The ROCKWOOL Group recycles old mineral wool. One example is the recycling of GRODAN stone wool growing media. The GRODAN business already facilitates the recycling of 100% of its sold products in Belgium, the Netherlands, France and Canada, and is aiming to achieve this for all of its global sales in the future.

1 m^3 of basalt produces 50 m^3 of stone wool - sufficient to grow e.g., 350,000 kg of tomatoes in a sustainable manner. After use, the stone wool created from the 1 m^3 of basalt can be used again as raw material to create 8 m^3 of bricks. At the same time this saves the use of clay or sand which would otherwise be used as raw material for brick manufacturing.

Read more in the latest Sustainability Report
> www.rockwool.com/sustainability+reports

Upgraded abatement systems
During 2015 we upgraded the abatement systems for several of our production lines to reduce emissions even further. These measures also ensure that all relevant factories meet the requirements of new legislation for the glass industry, which includes glass and stone wool production (based on BAT - Best Available Technology), due to come into force in 2016 in the majority of EU member countries.

Recycling and minimising waste
For more than 30 years recycling has been an important focus area for the ROCKWOOL Group. We recycle our own waste from the majority of our operations, mostly on-site but also externally. In addition, the nature of the ROCKWOOL production process offers excellent opportunity for recycling end-of-life materials from other industries. This is a win-win situation as it both solves a waste disposal problem and cuts down on the use of virgin raw materials.

With the introduction of our state-of-the-art melting technology, we are able to use secondary raw materials from other industries directly in the melting process. This represents a step forward as the traditional technology requires waste materials to be processed into briquettes before they can be used in the cupola furnace. However, the new technology has also posed some initial challenges in terms of the number of different materials we are able to recycle. In general in 2015 we continued to sustain a high degree of recycling secondary raw materials, as well as developing the new technology even further for the future.

Embedding environmental management in our factories
In order to establish continuous improvement in our environmental performance, the ROCKWOOL Group has an environmental management system for every factory. Our environmental department regularly carries out audits and, in addition to this, several factories have chosen to have their management systems certified by a third party – such as environmental management (OHSAS 18001) or energy management (ISO 50001), as well as quality management (ISO 9001).

In 2015 our factory in Wales added an energy management certification (ISO 50001) to their existing third party certification. Out of our 28 factories, 25 have implemented at least one management system certified by a third party.

Our environmental policy can be viewed at:
> www.rockwool.com/environmental+policy

A sustainable supply chain
Working closely with our suppliers is an essential part of sustainability in the ROCKWOOL Group. As a globally active company, it is crucial to have the right policies in place to ensure that our suppliers respect human rights and work together with us on environmental excellence.

Our Code of Conduct for suppliers
In order to ensure that our suppliers work together with us on sustainability, we ask them to sign a Code of Conduct. All our significant suppliers - whether of raw materials and equipment for repair, maintenance, operations or suppliers with whom we spend more than EUR 100,000 annually - are obliged to sign this document.

Topics covered in the Code include human rights such as equal opportunities, abolition of child labour, trade union recognition and fair employment terms. To stimulate our suppliers to improve their own environmental performance, suppliers are obliged to appoint an Environmental Officer as well. We expect our supplier companies to have an Environmental Management System in place with specific three year plans and expect that all new machinery go through an environmental risk assessment before coming into operation. Likewise, our suppliers must ensure their own suppliers meet the same requirements.

STONE WOOL TO THE BENEFIT OF REFUGEE CAMPS

In 2015, the ROCKWOOL Group signed a 3 year agreement to collaborate with DanChurchAid - an experienced organisation in refugee aid.
As the ROCKWOOL Group is world leader in stone wool and its properties, the intention is to utilise the core values of fire safety, durability, energy efficiency and acoustics in a variety of applications. These include insulating against heat, moisture or cold, as a medium for growing crops, as a protection against flooding, and other new solutions as they arise.

For DanChurchAid, the partnership is an opportunity to develop innovative technology and practical solutions based on stone wool for the benefit of the world's refugees. Proposals are likely to involve the local workforce and raw materials – not only from within the relevant refugee camps but also in the wider vicinity.

A steering committee with members from both parties will be responsible for the project management of jointly developed activity plans.

"This is innovation in a nutshell: using stone wool in new ways within a challenging context that benefits people in distress. On the basis of our Kenyan refugee camp field trip, together we will identify areas where we can offer practical support and develop viable solutions," explains Dorte Gram, Innovation Manager at ROCKWOOL International A/S

In autumn 2015, ROCKWOOL Group R&D employees visited a refugee camp in Kenya with DanChurchAid. The two organisations will now be working together to improve conditions for refugees in disaster areas around the world.

Mobilising our employees to drive business success

THE ORGANISATIONAL ASPECT OF THE GROUP'S TRANSFORMATION PROCESS HAS BEEN APPROACHED WITH CARE, RIGOUR AND CROSS-FUNCTIONAL ALIGNMENT TO DEVELOP AN EFFECTIVE AND SUSTAINABLE STRUCTURE.

The aim is to reduce hierarchical layers, eliminate overlapping activities and establish a more globally driven model for most of the business support functions. This will create a flatter and more agile organisation, empowering employees to take better and quicker decisions.

THE MAIN DESIGN CRITERIA FOR THE NEW ORGANISATION ARE:

- Clear separation between business areas and Group functions
- Reduction of hierarchical layers
- Clear accountability and mandates
- Focus on professionalism and best practice sharing

Enablers for the Business Transformation Programme

Employee engagement
Implementing change requires close follow up of employee engagement. Therefore more frequent interactions, compared to the normal annual RockPulse employee engagement survey, were introduced for office staff during 2015 and these will be continued in 2016.

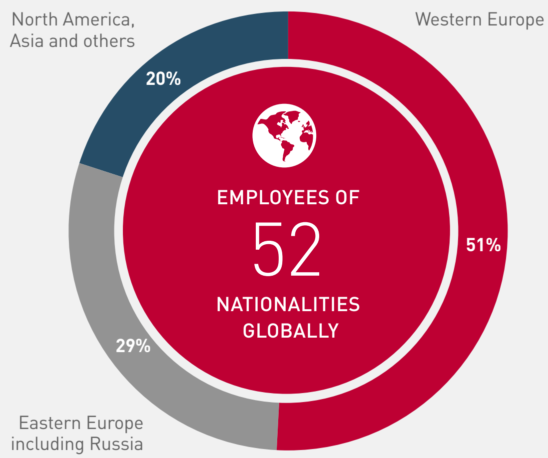
For the first time all factory employees worldwide were invited to give their feedback through the RockPulse survey. This will provide important insight for the company and therefore further the development of our organisation.

Performance management
Aligning individual and organisational objectives is a key element in effectively delivering our strategic goals. The ROCKWOOL Group's performance management process has matured over the past five years. We have now achieved an integrated approach linking performance with remuneration and talent management. Our globally harmonised process supports focused goal setting to sustain the ambitions of the Business Transformation Programme.

Learning and development
With the overall ambition of continuous improvement, it is critical to create a culture of continuous learning. Therefore a new plan to drive change and improvements is being developed. We will introduce a blended learning approach in order to improve efficiency, reduce cost and spend less time travelling. The Business Transformation Programme creates excellent opportunities for project

LEARN MORE ABOUT WHAT IT IS LIKE TO WORK IN THE ROCKWOOL GROUP
> www.rockwool.com/career/our+stories

EMPLOYEES BY REGION



10,601

TOTAL NUMBER OF EMPLOYEES

assignments and cross-functional collaboration which is good for 'on the job' learning.

Complete overview with data transparency
A key success factor in the organisational design process has been to ensure that appropriate data is available empowering people to take the right decisions at all levels. The new integrated HR system has already in the first year since implementation proven the value of visibility of the local and global organisational data supplying employees and managers with a self-service approach for selected HR process steps and much more. Over 90% of our office staff is actively using the system.

Diversity in our business matters
Having a diverse workforce is valuable to our business performance. It fosters creativity and innovation, as well as a dynamic culture across the global setup. We take great pride in offering equal opportunities and making it possible for employees to move between business units and countries. We also encourage and guide managers in practical ways to bring employees from different parts of the Group to their teams.

Our job rotation ambitions are part of the Group's performance management process, including global succession planning. We are now well placed to match our employees who are interested in working abroad with the available positions around the world.

Being a global company our workforce includes people of 52 different nationalities spread across our business worldwide – for instance there are some 21 different nationalities working in the German operations alone.

We strive to stimulate diversity in the management teams, as well as in Group functions. In 2013, we set the target of 15%-30% female executives on our management teams by 2017. We are still at the lower end of this range with a score of 16% compared to 17% the year before. At the very top, the level is higher - with the new team operational as of 1 February 2016, Group Management moves to a proportion of 22% compared to 14% in 2014.

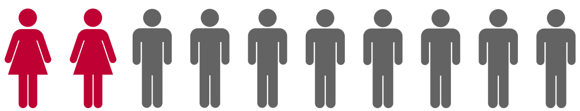
In addition to increased transparency in reporting on diversity, we have made efforts to support equal opportunities further by launching a new internal career website in 2015. By being more transparent about new career opportunities we avoid bypassing relevant candidates for vacant positions. We are continuously developing our annual HR processes with increased focus on systematic succession management and talent development supporting career ambitions.

In order to develop our understanding of the stumbling blocks for future diversity at top management level the Group entered into cooperation with a major consultancy firm about a 'women in leadership' survey. The results of the survey will come out in 2016 and be further evaluated.

With regard to female members elected to the Board by the General Assembly, the current aim is at least one member by 2017; however, if the opportunity arises, and a suitable candidate becomes available, a higher target may be pursued.

Read more about our Diversity and Equal Opportunity Policy on the global website
> www.rockwool.com/diversity+management

The above constitutes the company's reporting in accordance with the Danish Financial Statements Act, Art. 99b.



GENDER: 19% FEMALE EMPLOYEES
- 81% MALE EMPLOYEES

Working with human rights

The ROCKWOOL Group supports the UN universal human rights principles which define a number of rights including freedom of association, non-discrimination and the abolition of child and forced labour.

Our suppliers are also obliged to follow our principles by signing a Code of Conduct.

The Group is against any kind of discrimination due to age, gender, race, colour, religion, political opinion, social origin, or any other human rights aspects. Any incident of discrimination, and action taken against it, must be reported to the management responsible. In 2015, no incidents of discrimination were filed.

Another right we take seriously is the right to exercise freedom of association and collective bargaining. In 2015, the Group has not identified any operations in which this right has been violated or been at significant risk. The Group generally has constructive working relations with the unions and also hosts a European Forum where employee representatives from major operations in Europe are in regular dialogue with members of Group Management on strategic cross-border issues.

We believe child labour must be abolished. Fortunately, the Group's operations are not at significant risk of using child labour and no incidents of child labour have been identified. Additionally, the ROCKWOOL Group does not use forced or compulsory labour.

In general, no grievances relating to human rights were filed in 2015. Compliance with human rights is monitored through our HR organisation, our general management processes, our risk management process, random checks by Group auditing, consultation with employee representatives and our 'whistleblower' system.

Learn more about business ethics at the ROCKWOOL Group website:
> www.rockwool.com/business+ethics

A safe place to work

The nature of our work, and the environment our employees work in, can expose them to the risk of harm. Mitigating and managing these risks, so that people return home safely every day, is our paramount concern.

Any injury is unacceptable and, in 2015, an important step for the ROCKWOOL Group has been to expand the scope of safety to include all employees also outside factory operations, i.e. while travelling, driving, visiting customers/ building sites, in offices, etc.

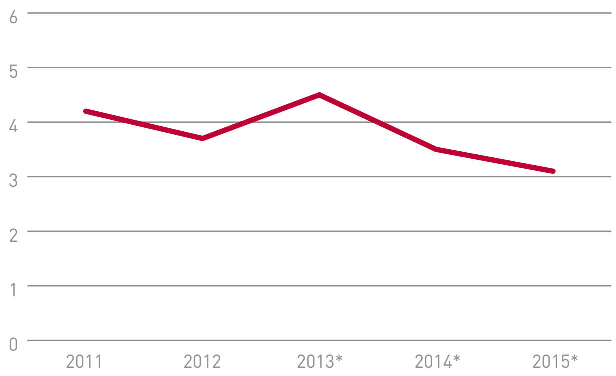
Furthermore, we invested in, and did the first pilot roll-out of, new health and safety systems with the aim of further managing accidents in our manufacturing environment. Our new systems also facilitate ways to learn from accidents which do occur, so that we can address the root causes quickly and efficiently. Also in 2015, focus has been on integrating the acquired non-stone wool factories into our safety programme 'One Group One Safety'.

The continued effort to improve the safety of our staff is led from the top of the organisation, supported by human resources and safety experts across the Group.

The Frequency Rate of Accidents for operations is on a continuously stable low level, which we try to drive even lower – our ultimate target being zero accidents. In the pursuit of this goal, we have a 'good catches' reporting system in place where employees can report a potential risk so we can act upon it before any accidents occur.

FREQUENCY OF ACCIDENTS

Frequency of accidents, production staff (per million working hours)



* including contractors and, as of 2014, also comprising our non-stone wool companies

A TRUE GLOBAL EMPLOYEE

Project Manager Osama Hamza is the epitome of a true global ROCKWOOL employee. With a passion for travelling the world, a highly developed sense of managing cultural differences, and an ambition to deliver excellence wherever his skills are required, Osama Hamza has left a positive imprint at every ROCKWOOL facility he has worked at – counting six different countries to date.

After graduating with a BSc. in Civil Engineering in 2007 and working a few years in Hedehusene, Denmark, the first ROCKWOOL destination abroad was Canada where Osama assumed the role of site manager for a new building project at our plant in Toronto. In the following years he carried out major renovation and new construction projects at our factories in Russia, Czech Republic, Croatia and China. In the latter, he was stationed with his family for two years and, in addition to the construction projects in China, he was also responsible for operating and optimising our local purchasing department in Beijing.
Today Osama is based in Denmark – but this is not necessarily his final destination and he is still open to new challenges abroad.

"Working at a global organisation like the ROCKWOOL Group has made it possible for me to work with colleagues, suppliers, contractors and authorities in very different parts of the word and experience the personal and managerial challenge of doing projects in diverse places each time. On top of that it has also been a great opportunity for me to grow both professionally and personally through the different job opportunities within the organisation," says Osama Hamza.

Last year Osama was selected by Danish newspaper Berlingske Business among 100 young talents in Danish companies, as part of the yearly Berlingske Talent100 issue.

With a global mind-set that goes beyond daily work and on top of his professional achievement at the ROCKWOOL Group, Osama has used his professional skills for volunteer work. In 2010 he took a few months' leave and flew to Haiti as a volunteer for Engineers Without Borders. Here he led a transitional shelter project (construction of temporary wooden huts to replace tents and tarpaulins – for families who had lost everything they owned in the earthquake). When Osama arrived at Haiti seven shelters were being built per week. However he set up logistics, a supply chain and training so smart that, by the time he left, the number had risen to an impressive 47 new shelters a week.

The ROCKWOOL Foundation

THE FOUNDATION IS THE LARGEST SINGLE SHAREHOLDER OF ROCKWOOL INTERNATIONAL A/S WITH 23% OF THE SHARES.

It is a charitable organisation established in 1981 by six members of the Kähler family who each contributed 25% of their own shares.The Foundation has two primary objectives: to deliver information about society through reliable independent research and to develop interventions that address the challenges in society.

The research is conducted both by the ROCKWOOL Foundation's Research Unit and specialised external researchers. The practical interventions are managed by the ROCKWOOL Foundation's Interventions Unit.

Addressing the sustainability of the welfare society, has been at the core of the Foundation's work since its establishment. Currently work is focused on five areas: immigration and integration; tax and undeclared work; time use and working hours; marginalised groups and risk behaviour and a special area of emphasis: disconnected youths.

One example of the ROCKWOOL Foundation's diverse projects in 2015 is described on the following page.

Read more about the ROCKWOOL Foundation at:
> www.rockwoolfonden.dk

23%

23% OF THE ROCKWOOL GROUP DIVIDEND GOES TO THE FOUNDATION'S BENEVOLENT ACTIVITIES.

THE ROCKWOOL FOUNDATION RESEARCH UNIT IS ONE OF THE MOST TRUSTED INSTITUTIONS FOR SOCIAL AND ECONOMIC STUDY IN DENMARK

€6.3 mill

IN 2015, THE FOUNDATION MADE DONATIONS OF MORE THAN EUR 6.3 MILLION.

NExTWORK

Youth unemployment is a serious structural and personal challenge throughout most of Europe. In Denmark there are 37,000-39,000 young people aged 16-29 who are in neither education nor employment. This is often due to complex social or personal problems.

In 2015 the ROCKWOOL Foundation launched a new initiative, NExTWORK aimed at bringing together unemployed young people, local companies and the municipality in a joined effort to establish internships for these vulnerable youth.

The thought behind this approach is to establish a network where potential workplaces get to meet the young unemployed in person. Thereby they get a first-hand impression of the young person's story and driving force in relation to getting a job. The other way around the young people meet companies willing to support them in preparing for a job.

A small test pilot project is being tried out in Roskilde, a municipality with 85,000 inhabitants, and the initial experiences are positive. 20 young people and 20 companies are participating. The young unemployed are offered support and internships for up to 3 months in a company matching their interests and goals. Every 3 months the young people can rotate to another company to gain new experiences in different settings. Both the youth and the companies participate in and support each other in ongoing peer network meetings, facilitated by the municipality.

GOVERNANCE

Philharmonie de Paris, France with sound absorbing and non-combustible ROCKWOOL insulation.

Risk Management

MANAGING RISK IS IMPORTANT. WE ADDRESS RISKS PROACTIVELY AND IMPLEMENT APPROPRIATE CONTROL SYSTEMS.

Our mitigation procedures involve all relevant parts of the organisation, from subsidiaries to Group functions, Group Management and Board of Directors level.

Systems and processes
The Board of Directors continuously evaluates the overall and specific risks associated with the ROCKWOOL Group activities and operations, and the risks associated with the financial reporting process. As part of the general risk management, we have established internal control systems that are reviewed periodically by the Audit committee on behalf of the Board of Directors to ensure they are appropriate and adequate.

RISK ASSESSMENT PROCESS

Risk categories covered are:

1. **Strategic risks** that relate to issues such as governance, geopolitical developments, market dynamics and major technological developments.
2. **Operational risks** within sales and marketing, manufacturing, the supply chain, HR, IT and physical assets.
3. **Compliance risks** associated with code of conduct, legal affairs and regulatory matters.
4. **Financial risks** concerning accounting and reporting, foreign exchange, tax, interest rates, credit and liquidity (see also note 26).

Risk management is part of the CFO function but reports directly to the Board of Directors. All managing directors of our subsidiaries and Group functions must ensure that foreseeable risks within their areas of responsibility are identified, scored for severity and likelihood, and quantified in terms such as predicted financial impact. Appropriate mitigation actions to control identified risks are proposed by the company or function department and studiously evaluated to ensure effective risk management at Group level.

During 2015, we adjusted and tested our risk management tools in order to improve risk management assessments even further. Implementation of these improvements will be finalised in 2016.

1 Strategic risks

Public energy efficiency programmes
The insulation markets in several countries are stimulated through various incentive systems in order to promote energy efficient buildings. In 2015, the risk associated with a large scale withdrawal of these incentive systems was not significantly higher than previously. However, the Group still awaits the enactment of a new incentive scheme in one of the larger EU markets.

In the EU, new targets were set for energy and climate protection to 2030; we estimate that these goals will maintain incentives at the status quo level.

Uneven competitive field
Politically influenced production costs imposed on, for instance, raw materials or emissions, pose a risk – especially with regard to the cost of energy and CO_2 emissions. The Group is working actively to encourage legislators to establish programmes that will not counteract the competitiveness of stone wool insulation or encourage producers to allocate production facilities outside the taxation area. Furthermore, we continue to address this challenge by concentrating effort on developing new highly energy efficient process technologies with a lower CO_2 impact.

The ROCKWOOL Group was awarded Carbon Leakage for 2015-2019, meaning that we receive free allowances on the basis of a benchmark system until 2019 and are therefore not economically affected by the EU ETS system during this period.

Nationalisation of assets and lack of local currency convertibility
In a number of countries where we operate production facilities, democratic convention and the rule of law are less well established than in our traditional core markets. In none of the countries where we have evaluated the risk of nationalisation, do our local assets represent more than 10% of total ROCKWOOL Group assets. Currently, the highest percentage of assets in a single country is Russia where we currently operate four stone wool facilities.

2 Operational risks

Production risks
The stone wool production process relies on substantial amounts of energy to melt volcanic rock and recycled materials. In most factories this is done via a coke-fired cupola oven. The price of coke – which has fluctuated highly over the years - is thus an essential element of the costs and profitability of the Group. To limit this risk factor, we focus on researching alternative energy sources for the cupola oven, as well as developing new melting technology using energy sources other than coke. As with all new technologies, these represent a risk of unforeseen developments due to lack of operational experience.

Violation of intellectual property rights
One of the great strengths of the ROCKWOOL Group, compared to its competitors, is the proprietary technology which secures lower production costs and a strong product portfolio. Therefore, considerable attention is focused on protecting access to our production facilities. This is especially pertinent to those factories which are equipped with our latest state-of-the-art equipment, likewise the importance of care in handling secret information generally within the Group.

A new system to strengthen the protection of communications, documents and professional know-how, has recently been established. Our new green field factory in the US has piloted this system and similar programmes for existing factories will follow.

Patents are essential to the ROCKWOOL Group in order to support the business and to safeguard our freedom to operate. Patent strategies are formulated to secure our innovative work as well as to support to the business strategies. We file patents to protect investments in research and development that give us a competitive advantage. To counter balance the risk of having our freedom to operate reduced, we oppose blocking patents or we license technology.

The ROCKWOOL® trademark is one of our largest assets which we endeavour to protect at all costs throughout the world. Therefore, we focus most strongly on ensuring that our trademark is not misused - whether by identical use, generically or in company names from competitors. In 2015, we successfully concluded a case allowing us continued freedom to use the trademark ROCKWOOL® in the US.

IT systems
IT systems are increasingly central to the running of our operations; therefore appropriate risk management is essential to avoid major failures. In 2015, we have continued to consolidate various local IT platforms into a single centrally organised system with new contingency plans, both to enhance security and to avoid system failures.

Company standards
The ROCKWOOL Group is maintaining systematic processes for starting new companies and introducing technologies which understandably involve a number of risks. Our current programme includes proper industrialisation, verified process capability and procedures for quality assurance. We will continue to standardise detailed specifications across the Group and formalise systems for the implementation of development projects.

3 Compliance risks

Ethics and stakeholder management
We want to work with all of our stakeholders in a responsible manner. Our business ethics manual covers topics such as bribery, fraud, fair competition and money laundering, and we are dedicated to best practice through a wide variety of activities. Our stakeholder management includes a strong emphasis on environmental responsibility, encouraging and stimulating our diverse workforce and management groups, and giving priority to the protecting of our people by implementing rules and programmes for robust operational safety.

In 2015, we held a large number of workshops in business ethics to facilitate direct reports and ensure that we reach the highest standards across all ROCKWOOL Group markets and functions.

Clean technology
The ROCKWOOL Group production facilities are of significant size and are, as with other heavy industries, subject to strict environmental supervision by local authorities and stakeholders. This is especially the case in densely populated areas. When new factories are constructed, these will normally be located in industrial zones or well apart from major residential areas.

However, for a number of our older plants, increasing urbanisation has brought residential areas closer. The Group invests heavily in cleaner technologies to address potential nuisance and to ensure – as a minimum – that we comply with local regulations. We also operate open door policies where we engage in dialogue with local stakeholders to define neighbourhood challenges and solutions to environmental issues.

Environmental legislation
There is a trend in several markets towards more stringent environmental legislation. This includes the production process, as well as the products and materials used in our industry. We closely monitor the likelihood of new legislation and standards so as to be able to accommodate new conditions in our markets and maintain our competitive edge.

4 Financial risks

As a global business the ROCKWOOL Group is exposed to a number of financial risks relating to currency and interest rate fluctuations, liquidity and credit risks.

Please refer to note 27 for further information on these risks.

Corporate governance

THE AIM OF ROCKWOOL INTERNATIONAL A/S' CORPORATE GOVERNANCE WORK IS TO ENSURE THAT THE STRUCTURE AND FUNCTION OF ALL DECISION-MAKING BODIES ARE THE BEST POSSIBLE FOR OUR BUSINESS AND OUR STAKEHOLDERS.

As a company organised under Danish law, and with a listing on the Nasdaq Copenhagen stock exchange, ROCKWOOL International A/S is in compliance with the Danish Securities Trading Act and is guided by the corporate governance recommendations of the stock exchange.

ROCKWOOL International A/S is generally in compliance with such recommendations but has, in few cases, chosen to differ. The variations are generally due to company specific views on the requirements to optimise value for our shareholders. For further clarification please see: "Report regarding the recommendations from the Danish Committee on Corporate Governance", available on our corporate website – see link on page 49.

Further to these stipulated regulations from the Danish authorities, our Corporate Governance framework also comprises internal instructions such as the Articles of Association, the Business Procedure for the Board of Directors and the Management Instructions for the Registered Directors. These work in accordance with our corporate values and Principles of Leadership, and the business rules applied within the ROCKWOOL Group.

Governance bodies

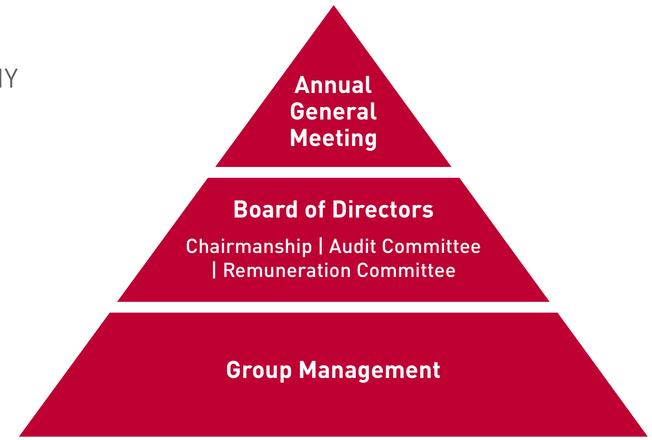
Pursuant to the provisions of the Danish Companies Act and the ROCKWOOL International A/S Articles of Association, the supervision and management of the ROCKWOOL Group is divided among the General Meeting of shareholders, the Board of Directors (with well-defined committees), and Group Management.

Annual General Meeting of shareholders

The ROCKWOOL International A/S ordinary General Meeting is of great significance as it convenes our shareholders. It is held once a year and is broadcasted live in Danish and English on our corporate website.

Voting at the General Meeting is based on possession of two types of ROCKWOOL shares: A shares (51.1% of the capital) carry ten votes each and B shares (48.9% of the capital) carry one vote each. This share structure is deemed optimal for the strategic development of the company, thereby creating long-term value. Together with the high equity ratio – currently 68% - this structure provides independence from financial markets, plus stability to counterbalance fluctuating conditions in building sector markets, as well as the high operational leverage of our business model. This leverage is linked to the capital intensive nature of our factories – one new plant may cost more than EUR 120 million and must operate with sufficiently high capacity to pay back the investment.

THE GOVERNANCE HIERARCHY OF THE ROCKWOOL GROUP



The ROCKWOOL Foundation – our largest shareholder with 23% of share capital – works for the benefit of society while also duly considering the long-term interests of the Group. Members of the Board of the ROCKWOOL Foundation include ROCKWOOL International A/S Board of Directors member Søren Kähler and Lars Elmekilde Hansen - one of three employee-elected members – as well as Andrzej Kielar, Managing Director of ROCKWOOL Polska.

There is an agreement between certain members of the Kähler family (founders of the business), to meet regularly to coordinate their interests in the company, including voting strategy at General Meetings, although there is no requirement for them to vote jointly. Søren Kähler and Thomas Kähler – both members of the Board of Directors – participate in these meetings.

ROCKWOOL International A/S Board of Directors and Group Management are not aware of the existence of any shareholder agreements containing pre-emption rights or restrictions in voting rights.

The Board of Directors

The Board of Directors today consists of nine members, six of whom are elected by the shareholders at General Meetings for a period of one year and may be re-elected. Of these, four members, including the chairman, are deemed independent according to the Danish Recommendations on Corporate Governance. Three members are elected by the employees, for a period of four years, pursuant to the Danish Companies Act. The roles and responsibilities of the Board of Directors are defined in the Business Procedure for the Board of Directors.

The Board of Directors evaluates its own competences and the work and performance of Group Management on an annual basis.

The Chairmanship

The Board of Directors has established a structure consisting of the Chairman and two Deputy Chairs.

The Board of Directors established an Audit Committee and a Remuneration Committee. The committees report to the Board of Directors. The majority of the members of the committees are independent members of the Board of Directors.

Audit Committee

The Board of Directors has appointed an Audit Committee consisting of three members of the Board of Directors. The majority of the members of the Audit Committee are independent.

The Audit Committee monitors accounting and audit policies plus conditions which, if determined by the Board of Directors or the Audit Committee, should be subject to thorough evaluation. Further, the Audit Committee evaluates internal control and risk systems.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee consisting of three members of the Board of Directors. The majority of the members of the Remuneration Committee are independent.

The Remuneration Committee prepares the Remuneration Policy for the members of the Board of Directors and Group Management, and ensures that the guidelines for Group level variable pay schemes support the strategy. The Remuneration Policy and the Incentive Guideline, and all changes thereto, are approved by the Board of Directors, as well as the General Meeting. The Remuneration Committee evaluates and brings forward recommendations for the remuneration of the Board of Directors. The Remuneration Committee is authorised by the Board of Directors to approve remuneration for senior executives.

Group Management

Group Management is responsible for the day-to-day management of the company and compliance with the guidelines and recommendations set forth by the Board of Directors. The responsibility of Group Management covers organisation of the company, as well as allocation of resources, creating and implementing strategies and policies, and ensuring timely reporting to the Board of Directors.

In 2015, the Group launched a major Business Transformation Programme to improve the company's competitiveness and profitability. As a consequence, Group Management was restructured and increased from six to nine executives. The CEO and CFO are the Registered Directors (in Danish "Direktionen") with the Danish Business Authority.

Read more about the transformation programme throughout in the Annual Report and on our website
> www.rockwool.com/business-transformation

Auditing

To safeguard the interests of shareholders and the general public, an independent auditor is appointed at the General Meeting following a recommendation from the Board of Directors. Before making its recommendation, the Board of Directors undertakes a critical evaluation of the auditor's independence and competence.

The auditor submits a written report to the assembled Board of Directors once a year but also immediately if any issues of which the Board of Directors should be informed are identified. The auditor's report is discussed in detail in the Audit Committee.

The Group works closely with the auditor in relation to procedures and internal controls by exchanging controller reports and audit reports, and by generally sharing all relevant information.

Internal control

The ROCKWOOL Group considers strong internal controls to be an essential management tool.

Group Management sets out general requirements for business processes and internal controls relating to the financial affairs of subsidiaries. The internal control system includes clearly defined organisational roles and responsibilities, reporting requirements and authorities. Local management teams are responsible for ensuring

ROCKPANEL facade panels used at a new headquarters for BRUNNER GmbH in Eggenfelden, Germany.

that the control environment in each subsidiary company is sufficient to meet local and Group requirements.

Each month the ROCKWOOL Group companies report financial data and every quarter they comment on financial and commercial developments to head office. This information is used to prepare consolidated financial statements and reports for Group Management. As part of this process, the accounting information reported by all companies in the Group is reviewed, both by controllers with regional links and in-depth knowledge of the individual companies, and by Group Controlling.

Twice a year, the financial directors of the ROCKWOOL Group's companies meet with Group Controlling to align financial procedures and reporting, and suggest possible improvements. Commercial and financial developments, and associated risks, are also discussed regularly by Group Management, regional management teams and our subsidiary companies' supervisory committees and management teams.

Group Internal Audit

The Group has set up a Group Internal Audit to ensure objective and independent assessment of the adequacy and quality of the Group's internal controls. The most important role of the Group Audit is to assess whether the Group has well-established accounting practices, written policies and procedures in all important business areas, plus adequate internal control measures.

The ROCKWOOL Group publishes its statutory report on Corporate Governance for the financial year 2015 cf. the Danish Financial Statements Act section 107b (in Danish "Lovpligtig redegørelse for virksomhedsledelse, jf. årsregnskabsloven § 107b") on the company's website, including a detailed description of the Board of Directors' consideration in respect of all the recommendations. The statutory report on Corporate Governance can be found at:

> www.rockwool.com/corporate+governance+report+2016

Low-energy buildings with insulation as part of the load-bearing structure can reduce heat loss – an important innovation for standard houses introduced in 2015. Here used in Ringsted, Denmark.

Board of Directors

From left:

Heinz-Jürgen Bertram
Born in 1958, nationality: German
CEO of Symrise AG.
Positions in other Danish companies:
Member of the Board of Novozymes A/S, Denmark.
Other positions:
Member of the Boards of Nord/LB - Region Holzminden and Deutsche Bank - Region Hannover.

Lars Elmekilde Hansen
Born in 1960, nationality: Danish
Elected by employees
Senior Project Manager, ROCKWOOL International A/S.
Other positions related to the company:
Member of the Board of the ROCKWOOL Foundation.

Dorte Hanne Page Larsen
Born in 1955, nationality: Danish
Elected by employees
Senior Transport Coordinator, ROCKWOOL International A/S.

Lars Frederiksen
Born in 1958, nationality: Danish
Other positions related to the company:
Member of the Audit Committee. In accordance with legislation for audit committees in Denmark, Lars Frederiksen is the member of the Audit Committee who is independent and possesses the required insight and experience in financial, accounting and audit aspects of a company listed on the stock exchange.
Positions in other Danish companies:
Chairman of the Board of Matas A/S. Member of the Boards of Falck A/S, Widex A/S, Hedorf Holding A/S, Hedorf Foundation, and Augustinus Industri A/S.
Other positions:
Chairman of the Board of the Committee for Good Corporate Governance, Denmark. Member of the Supervisory Board of PAI Partners SA, France.

Bjørn Høi Jensen, Chairman
Born in 1961, nationality: Danish
CEO of Zeno ApS.
Other positions related to the company:
Member of the Chairmanship and Chairman of the Remuneration Committee. Chairman of the Audit Committee until November 2015.
Positions in other Danish companies:
Deputy Chairman of the Board of Erhvervsinvest Management A/S.
Other positions:
Chairman of the Board of CEPOS. Member of the Board of the Bevica Foundation.

Thomas Kähler
Born in 1970, nationality: Danish
Senior Vice President, Head of Systems Division, ROCKWOOL International A/S.
Other positions related to the company:
Member of Group Management and Senior Vice President, Head of Systems Division. Member of the Kähler Family Meeting.

Connie Enghus Theisen
Born in 1960, nationality: Danish
Elected by employees
Corporate CSR and Sustainability Director, ROCKWOOL International A/S.

Carsten Bjerg, First Deputy Chairman
Born in 1959, nationality: Danish
Other positions related to the company:
Member of the Chairmanship, as of November 2015 Chairman of the Audit Committee. Member of the Remuneration Committee.
Positions in other Danish companies:
Chairman of the Board of PCH Engineering A/S. Vice Chairman of the Board of Højgaard Holding A/S. Member of the Boards of Vestas Wind Systems A/S, MT Højgaard A/S, and K. Nissen International A/S.
Other positions:
Chairman of the Board of the Market Development Fund.

Søren Kähler, Second Deputy Chairman
Born in 1950, nationality: Danish.
Other positions related to the company:
Member of the Chairmanship, Remuneration Committee, Audit Committee, Board of the ROCKWOOL Foundation, and the Kähler Family Meeting.
Positions in other Danish companies:
Chairman of the Board of A/S Saltbækvig.
Other positions:
Member of the Board of the Foundation Sagnlandet Lejre.

Further information is available at
> www.rockwool.com/board

Group Management

From left:

Henrik Frank Nielsen
Senior Vice President, Head of Insulation North East Europe
Member of Group Management: 2007
Born in 1961, nationality: Danish

Gilles Maria
Senior Vice President, Head of Insulation South West Europe and Insulation Asia
Chief Financial Officer (CFO) until end 2015.
Member of Group Management: 2007
Born in 1958, nationality: French

Camilla Grönholm
Senior Vice President, Group Human Resources
Member of Group Management: 2012
Born in 1964, nationality: Finnish

Thomas Kähler
Senior Vice President, Head of Systems Division
Member of Group Management: 2015
Born in 1970, nationality: Danish
Member of the Board of Directors and the Kähler Family Meeting

Jens Birgersson
President and Chief Executive Officer (CEO)
Member of the Registered Directors (in Danish: Direktionen).
Member of Group Management: 2015
Born in 1967, nationality: Swedish

Volker Christmann
Senior Vice President, Head of Insulation Central Europe
Member of Group Management: 2015
Born in 1957, nationality: German

Mirella Vitale
Senior Vice President, Marketing, Communications and Public Affairs
Member of Group Management: 2016
Born in 1970, nationality: Italian

Bernard Plancade
Senior Vice President, Group Operations & Technology
Member of Group Management: 2015
Born in 1962, nationality: French

Kim Junge Andersen
Senior Vice President, Chief Financial Officer (CFO)
Member of the Registered Directors (in Danish: Direktionen).
Member of Group Management: 2016
Born in 1962, nationality: Danish

Further information is available at
> www.rockwool.com/group+management

The ROCKWOOL shares

IN 2015, THE ROCKWOOL B SHARE PRICE INCREASED BY 39% AND THE LIQUIDITY MEASURED BY THE AVERAGE DAILY TRADING VOLUME WAS UP BY 65% TO DKK 30 MILLION. THE ROCKWOOL A SHARE FOLLOWED THE SAME PATTERN.

Trading of shares
Liquidity in the shares improved during the year. The number of ROCKWOOL shares traded on the Nasdaq Copenhagen stock exchange increased by 66.1% from 2014 to 2015, of which A-share trading rose by 80.7%.

Also the share price improved - along with the general stock market, so by end 2015 the two shares had increased in price on average by 37.7 % compared to end of 2014, whereas the bench market index 'STOXX® Europe 600 Construction & Materials' only increased by 16.4%. For comparison, the OMX C20 CAP index increased by 29.0% during 2015.

SHARE PRICE DEVELOPMENT 2015

SHARE DATA

Stock exchange:	Nasdaq Copenhagen	
Index:	OMXC Large Cap	
Sector:	Building Materials	
ISIN code (A):	DK0010219070	
ISIN code (B):	DK0010219153	
Short code:	ROCK-A / ROCK-B	
Nominal size:	DKK 10	
No. of shares:	11,231,627 A-shares,	10,743,296 B-shares
Voting rights:	A-shares, 10 votes,	B-shares, 1 vote

The official share price at 31 December 2015 was DKK 969,0 (B-share) and 948,5 (A-share) ending the year with a combined market capitalization of DKK 20,957 million.

Dividend
ROCKWOOL International A/S aims to pay a stable dividend taking into consideration the Group's profitability and equity development. At the Annual General Meeting on 6 April 2016, the Board of Directors will propose a dividend of DKK 11.50 per share for the financial year 2015 (2014: DKK 11.30).

Dividend is paid out in DKK. The dividend payment is three banking days after the Annual General Meeting.

Ownership
The company had 18,207 registered shareholders on 31 December 2015. By end 2015, 12.1% of the shares were owned by shareholder deposits located outside Denmark. In terms of voting capital, 6.3% were located outside Denmark. See below for an overview of ownership.

Investor Relations activities
As a listed company ROCKWOOL International A/S has a defined policy for its activities relating to the ROCKWOOL shares. The aim is to:

- Ensure that the capital market has an accurate picture of the earnings potential of ROCKWOOL shares by communicating relevant, correct, balanced, and timely information;
- Ensure that the company complies with all relevant rules and regulations as laid out in the Nasdaq Copenhagen Rules for issuers of shares, as well as applicable Danish legislation for publicly listed companies;
- Ensure fair and transparent rules for the trading of ROCKWOOL shares by the company itself and by persons considered to be 'insiders';
- Communicate the ROCKWOOL Group values so the capital market perception is of an honest, accessible, reliable, and responsible company;
- Maintain broad coverage by both domestic and foreign equity analysts;
- Work towards a diversified shareholder base in terms of both investment horizon and geographical location;
- Committed to being knowledgeable, responsive, and proactive in our investor communication maintaining a fair balance between expectations and performance.

Shareholders can communicate with and receive information from ROCKWOOL International A/S through various channels:

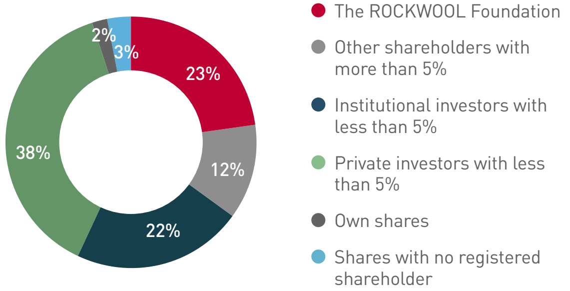
- The shareholder portal where you can view your shareholdings; register or change whether you wish to receive the invitation to the General Meeting electronically or by letter; order admission cards to the Annual General Meeting; unsubscribe or re-subscribe to the printed version of our shareholder magazine;
- The Annual General Meeting;
- Shareholder magazine;
- Financial communications such as investor webcasts, presentations, and stock exchange releases;
- Our website provides general information on the ROCKWOOL Group, the performance of the ROCKWOOL Group shares, news from the company, and much more.

Announcements to Nasdaq Copenhagen stock exchange in 2015, can be found at:
> www.rockwool.com/investor/financial+news/stock+exchange+releases

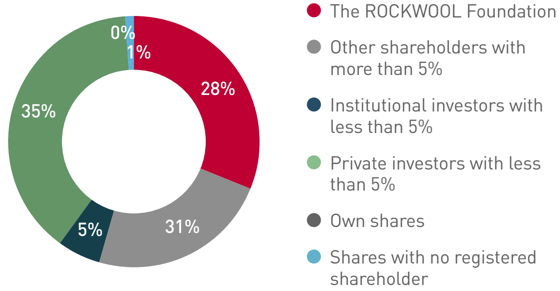
The Investor relations team can be contacted at:
investor@rockwool.com

For a list of shareholders holding more than 5% of the share capital or the votes, please refer to note 30.

OWNERSHIP PER SHAREHOLDER CATEGORY



VOTES PER SHAREHOLDER CATEGORY



FINANCIAL CALENDAR 2016

26 February	Annual Report for 2015
6 April	Annual General Meeting
19 May	Report on the first quarter of 2016
25 August	Report on the first half-year of 2016
17 November	Report on the first 3 quarters of 2016

We adopt a "quiet period", where financial communication is halted three weeks prior to the publication of the interim reports, as well as before the full year results.

BANKS FOLLOWING THE ROCKWOOL SHARES

ABG Sundal Collier	HSBC
Berenberg Bank	Jyske Bank
Carnegie Bank A/S	Nordea
Danske Bank	SEB
Exane BNP Paribas	Sydbank
Handelsbanken	

Contact details for the analysts:
> www.rockwool.com/investor/analyst+coverage

Annual General Meeting
The upcoming Annual General Meeting will take place on Wednesday 6 April 2016 and is hosted at Roskilde, Denmark. The meeting can be followed live on our website or viewed after the meeting has taken place.

The agenda will be distributed 3-5 weeks prior to the meeting to shareholders who have registered their choice of either electronic or printed communication at our shareholder portal. The agenda will be published on our website.

The agenda will include:
1. The Board of Directors' report on the company's activities during the past financial year;
2. Presentation of the Annual Report 2015 with the auditors' report;
3. Adoption of the Annual Report and discharge of liability for Group Management and the Board of Directors;
4. Approval of Board of Directors' remuneration;
5. Allocation of profits or cover of losses according to the adopted accounts;
6. Election of members to the Board of Directors;
7. Appointment of auditors;
8. Proposals, if any, by the Board of Directors or the shareholders.

Shares must be registered by name in order to vote. Shareholders could submit proposals for the agenda until 9 February 2016.

FINANCIAL STATEMENTS

Installation of ROCKWOOL industrial insulation

Income statement & statement of comprehensive income

1 January - 31 December

		Group		Parent Company	
EUR million	Note	2015	2014	2015	2014
Income statement					
Net sales	2	2,207.9	2,180.4	74.4	110.0
Other operating income	3	12.7	6.7	114.4	136.3
Operating income		**2,220.6**	**2,187.1**	**188.8**	**246.3**
Raw material costs and production material costs		793.9	810.6	47.1	82.6
Delivery costs and indirect costs		308.4	297.6	9.3	15.2
Other external costs		238.3	235.0	57.2	67.1
Personnel costs	4	558.3	532.2	38.6	40.1
Hereof redundancy costs from Business Transformation Programme	5	15.4	0	2.4	0
Operating costs		**1,898.9**	**1,875.4**	**152.2**	**205.0**
EBITDA		**321.7**	**311.7**	**36.6**	**41.3**
EBITDA ex. redundancy costs from Business Transformation Programme		337.1	311.7	39.0	41.3
Depreciation, amortisation and write-downs	6	186.8	150.3	14.5	12.3
Hereof write-down of assets in Asia	5	21.4	0	0	0
EBIT		**134.9**	**161.4**	**22.1**	**29.0**
EBIT ex. redundancy costs and write-downs from Business Transformation Programme		171.7	161.4	24.5	29.0
Income from investments in subsidiaries	7	0	0	-5.6	106.5
Income from investments in associated companies	30	2.3	1.5	1.9	1.3
Financial income	8	20.6	27.2	35.8	35.2
Financial expenses	9	24.4	32.8	20.0	22.0
Profit before tax		**133.4**	**157.3**	**34.2**	**150.0**
Tax on profit for the year	10	42.7	44.7	17.4	11.6
Profit for the year		**90.7**	**112.6**	**16.8**	**138.4**

		Group		Parent Company	
EUR million	Note	2015	2014	2015	2014
Attributable to:					
Non-controlling interests		-0.5	0.2		
Shareholders in the parent company		91.2	112.4		
		90.7	**112.6**		
Dividend per share of DKK 10				DKK 11.5	DKK 11.3
Earnings per share of DKK 10 (EUR 1.3)	11	4.22	5.20		
Earnings per share of DKK 10 (EUR 1.3), diluted	11	4.20	5.18		
Statement of comprehensive income					
Profit for the year		**90.7**	**112.6**	**16.8**	**138.4**
Items that will not be reclassified to the income statement:					
Actuarial gains and losses of pension obligations		-1.0	-8.8	0	0
Tax on other comprehensive income		-0.2	0.2	0	0
Items that may be subsequently reclassified to the income statement:					
Exchange rate adjustments of foreign subsidiaries		12.2	-63.1	-2.5	1.6
Hedging instruments, value adjustments		0.7	-2.3	0	0
Tax on other comprehensive income		-2.4	0.6	0	0
Total other comprehensive income		**9.3**	**-73.4**	**-2.5**	**1.6**
Comprehensive income for the year		**100.0**	**39.2**	**14.3**	**140.0**
Attributable to:					
Non-controlling interests		-1.1	0.5		
Shareholders in the parent company		101.1	38.7		
		100.0	**39.2**		

Balance sheet – Assets As at 31 December

		Group		Parent Company	
EUR million	**Note**	**2015**	**2014**	**2015**	**2014**
Goodwill	12	67.2	65.6	0	0
Software	12	18.8	22.4	18.3	23.8
Customer relationships	12	22.3	35.7	0	0
Other intangible assets	12	31.2	27.0	27.8	22.0
Total intangible assets		139.5	150.7	46.1	45.8
Buildings and sites	13	564.9	540.3	14.2	14.3
Plant and machinery	13	538.1	541.2	0	0
Other operating equipment	13	20.2	19.7	4.2	1.7
Prepayments and tangible assets under construction	13	69.4	84.7	0	0
Total tangible assets		1,192.6	1,185.9	18.4	16.0
Shares in subsidiaries	14	0	0	842.3	911.3
Shares in associated companies	14	49.8	44.7	4.2	4.6
Loans to subsidiaries	14, 29, 30	0	0	436.4	480.7
Long term deposits and debtors		3.5	5.8	0	0
Deferred tax assets	19	60.9	44.1	0	0
Total financial assets		114.2	94.6	1,282.9	1,396.6
Non-current assets		**1,446.3**	**1,431.2**	**1,347.4**	**1,458.4**
Inventories	16	168.4	176.7	3.5	3.2
Work in progress		0	0	0.8	3.2
Trade receivables	17	226.3	220.7	0	0
Receivables from subsidiaries and associated companies	29, 30	2.0	1.9	211.4	131.6
Other receivables		39.9	31.7	15.1	14.0
Prepayments		10.9	17.7	2.5	3.0
Income tax receivable	23	23.5	32.4	0	3.2
Cash	26	87.5	78.4	0	0
Current assets		**558.5**	**559.5**	**233.3**	**158.2**
Total assets		**2,004.8**	**1,990.7**	**1,580.7**	**1,616.6**

Balance sheet – Equity and liabilities As at 31 December

		Group		Parent Company	
EUR million	Note	2015	2014	2015	2014
Share capital	18	29.5	29.5	29.5	29.5
Foreign currency translation		-138.7	-149.2	-0.5	2.0
Proposed dividend		33.9	33.4	33.9	33.4
Retained earnings		1,442.1	1,388.7	1,003.9	1,024.5
Hedging		-2.4	-3.0	0	0
Equity attributable to shareholders in the parent company		**1,364.4**	**1,299.4**	**1,066.8**	**1,089.4**
Non-controlling interests		2.6	3.7	0	0
Total equity		**1,367.0**	**1,303.1**	**1,066.8**	**1,089.4**
Deferred tax liabilities	19	47.7	44.6	17.7	21.0
Pension obligations	20	54.3	40.4	0	0
Provisions for other liabilities and charges	21	12.6	30.4	0.4	0.4
Loans from subsidiaries	22, 30	0	0	0	0
Bank loans and other loans	22	4.4	5.9	0	0
Non-current liabilities		**119.0**	**121.3**	**18.1**	**21.4**
Short-term portion of long-term debt	22	0.1	29.1	0	29.0
Bank debt	22, 26	175.7	218.1	155.1	213.7
Trade payables	22	149.0	162.4	14.3	15.4
Payables to subsidiaries and associated companies	22, 30	0	0	296.8	234.5
Provisions for other liabilities and charges	21	20.0	8.9	1.6	0
Income tax payable	23	27.2	20.8	8.3	0
Other payables	22	146.8	127.0	19.7	13.2
Current liabilities		**518.8**	**566.3**	**495.8**	**505.8**
Total liabilities		**637.8**	**687.6**	**513.9**	**527.2**
Total equity and liabilities		**2,004.8**	**1,990.7**	**1,580.7**	**1,616.6**

Cash flow statement

		Group		Parent Company	
EUR million	**Note**	**2015**	**2014**	**2015**	**2014**
EBIT		134.9	161.4	22.1	29.0
Adjustments for depreciation, amortisation and write-downs		186.8	150.3	14.5	12.3
Other adjustments	24	7.8	3.2	115.7	140.8
Change in net working capital	25	12.2	-29.7	-14.9	49.8
Cash flow from operations before financial items and tax		**341.7**	**285.2**	**137.4**	**231.9**
Finance income etc. received		22.4	19.8	35.8	35.2
Finance costs etc. paid		-22.1	-28.2	-20.0	-22.0
Taxes paid		-44.7	-71.3	-4.7	-9.2
Cash flow from operating activities		**297.3**	**205.5**	**148.5**	**235.9**
Purchase of tangible assets		-167.1	-221.2	-3.5	-6.8
Purchase of intangible assets		-3.3	-11.0	-13.7	-12.2
Acquisition of new activities, net of cash acquired	31	-30.7	-60.5	0	0
Additions of subsidiaries and associated companies		0	0	-30.6	-108.7
Disposals of subsidiaries and associated companies		0.4	0	0	0
Dividend and capital decrease in subsidiaries and associated companies		0	0	30.7	46.4
Prepayments	31	0	35.4	0	0
Cash flow from investing activities		**-200.7**	**-257.3**	**-17.1**	**-81.3**
Cash flow from operating and investing activities (free cash flow)		**96.6**	**-51.8**	**131.4**	**154.6**

		Group		Parent Company	
EUR million	**Note**	**2015**	**2014**	**2015**	**2014**
Dividend paid		-32.6	-30.1	-32.6	-30.1
Purchase of own shares		-10.0	0	-10.0	0
Sale of own shares		4.8	8.0	4.8	8.0
Change in non-current debtors		2.5	-1.1	-6.7	-250.8
Instalments of non-current debt		-1.5	-20.4	-28.3	-48.5
Increase in non-current debt		1.4	2.0	0	0
Cash flow from financing activities		**-35.4**	**-41.6**	**-72.8**	**-321.4**
Changes in cash available		**61.2**	**-93.4**	**58.6**	**-166.8**
Cash available 1/1		-139.7	-35.7	-213.7	-46.9
Exchange rate adjustments		-9.7	-10.6	0	0
Cash available 31/12	26	**-88.2**	**-139.7**	**-155.1**	**-213.7**
Unutilised, committed credit facilities 31/12		**350.8**	**303.2**	**350.8**	**303.2**

Individual items in the cash flow statement cannot be directly deduced from the consolidated balance sheet, as balance sheet items of the foreign companies have been converted at average exchange rates for the year.

Statement of changes in equity

Group

Attributable to shareholders of the parent company

EUR million	Share capital	Foreign currency translation	Proposed dividend	Retained earnings	Hedging	Equity before minority interests	Minority interests	Total equity
Equity 1/1 2015	**29.5**	**-149.2**	**33.4**	**1,388.7**	**-3.0**	**1,299.4**	**3.7**	**1,303.1**
Profit for the year	0	0	33.9	57.3	0	91.2	-0.5	90.7
Other comprehensive income	0	10.5	0	-1.2	0.6	9.9	-0.6	9.3
Comprehensive income for the year	0	10.5	33.9	56.1	0.6	101.1	-1.1	100.0
Sale and purchase of own shares	0	0	0	-5.2	0	-5.2	0	-5.2
Expensed value of options issued	0	0	0	1.7	0	1.7	0	1.7
Dividend paid to the shareholders	0	0	-33.4	0.8	0	-32.6	0	-32.6
Equity 31/12 2015	**29.5**	**-138.7**	**33.9**	**1,442.1**	**-2.4**	**1,364.4**	**2.6**	**1,367.0**
Equity 1/1 2014	**29.5**	**-85.8**	**30.1**	**1,308.1**	**-1.3**	**1,280.6**	**3.2**	**1,283.8**
Profit for the year	0	0	33.4	79.0	0	112.4	0.2	112.6
Other comprehensive income	0	-63.4	0	-8.6	-1.7	-73.7	0.3	-73.4
Comprehensive income for the year	0	-63.4	33.4	70.4	-1.7	38.7	0.5	39.2
Sale and purchase of own shares	0	0	0	8.0	0	8.0	0	8.0
Expensed value of options issued	0	0	0	2.2	0	2.2	0	2.2
Dividend paid to the shareholders	0	0	-30.1	0	0	-30.1	0	-30.1
Equity 31/12 2014	**29.5**	**-149.2**	**33.4**	**1,388.7**	**-3.0**	**1,299.4**	**3.7**	**1,303.1**

ROCKWOOL International A/S aims to pay a stable dividend taking into consideration the Group's profitability and development in equity. In 2015 a dividend of DKK 11.30 (EUR 1.52) per share was decided. At the Annual General Meeting on 6th April 2016, the Board of Directors will propose a dividend of DKK 11.50 (EUR 1.54) per share for the financial year 2015.

Management assesses the Group's capital requirements on an ongoing basis. At the end of 2015 the equity ratio was 68.2% (2014: 65.5%). The Group aims at having an equity ratio of at least 60%.

Statement of changes in equity

Parent Company

EUR million	Share capital	Foreign currency translation	Proposed dividend	Retained earnings	Hedging	Total equity
Equity 1/1 2015	**29.5**	**2.0**	**33.4**	**1,024.5**	**0**	**1,089.4**
Profit for the year	0	0	33.9	-17.1	0	16.8
Other comprehensive income	0	-2.5	0	0	0	-2.5
Comprehensive income for the year	0	-2.5	33.9	-17.1	0	14.3
Sale and purchase of own shares	0	0	0	-5.2	0	-5.2
Expensed value of options issued	0	0	0	0.9	0	0.9
Dividend paid to the shareholders	0	0	-33.4	0.8	0	-32.6
Equity 31/12 2015	**29.5**	**-0.5**	**33.9**	**1,003.9**	**0**	**1,066.8**
Equity 1/1 2014	**29.5**	**0.4**	**30.1**	**910.7**	**0**	**970.7**
Profit for the year	0	0	33.4	105.0	0	138.4
Other comprehensive income	0	1.6	0	0	0	1.6
Comprehensive income for the year	0	1.6	33.4	105.0	0	140.0
Sale and purchase of own shares	0	0	0	8.0	0	8.0
Expensed value of options issued	0	0	0	0.8	0	0.8
Dividend paid to the shareholders	0	0	-30.1	0	0	-30.1
Equity 31/12 2014	**29.5**	**2.0**	**33.4**	**1,024.5**	**0**	**1,089.4**

Notes contents

Notes

1. Key accounting estimates and assumptions

In connection with the practical application of the accounting policies described, management must carry out estimates and set out assumptions concerning future events affecting assets and liabilities as well as contingent assets and liabilities. Management bases its estimates on historical experience and a number of other assumptions deemed reasonable under the given circumstances.

Especially estimates of importance for the financial reporting are made in the following:
Impairment testing. When there is an indication of a reduction in the profitability of an asset an impairment test is performed for the assets in question and write-downs are made if necessary. For goodwill annual impairment tests are made. The recoverable amounts of the assets and cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as they are based on budgets, business plans and projections for 5 years and take into account previous experience and represent Management's best estimate of future developments. Key parameters are growth in sales margin, future investments working capital, discount rate and future growth expectations. Please refer to note 6/7.

Expected lifetime for assets. The expected lifetime for intangible and tangible assets is determined based on past experience and expectations for future use of the assets. Reassessments of the expected future lifetime are also made in connection with changes in production structures. Please refer to note 32.

Deferred tax assets. The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining provision for income tax or the recognition of a deferred tax asset. A tax asset is recognised if it is assessed that the asset can be utilised in a foreseeable future. The judgement is made annually and is based on budgets and Management's expectations for the coming 5-10 years taxable income and whether this is sufficient to utilise the temporary differences and cover unused tax losses including the Group's future tax planning. Please refer to note 19.

Pensions. The present value of defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes to these assumptions will impact the carrying amount of pension obligations. The discount rate and other key assumptions are based in part on the current market conditions. Additional information is disclosed in note 20.

Business combinations. Management makes estimates of the fair value of acquired assets, liabilities and contingent liabilities. The significant assets are often goodwill, tangible and intangible assets. The determined fair value of an item may be associated with uncertainty and adjusted subsequently. For the major part of the acquired assets and liabilities no effective market exists where a fair value can be measured. The methods used are therefore often model based on future cash flows based on e.g. royalty and sales forecasts. The unallocated purchase price is recognised in the balance sheet as goodwill, which is allocated to the Group's cash-generating units. Management makes estimates of the acquired cash-generating units and the allocation of goodwill. Please refer to note 31.

There are not identified any special areas in the accounting principles applied for the Group where Management has made judgements when applying policies.

Notes

2. Segmented accounts

Business segments Group	Insulation segment		Systems segment		Eliminations		The ROCKWOOL Group	
EUR million	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Income statement								
External net sales	1,664.7	1,677.5	543.2	502.9	0	0	2,207.9	2,180.4
Internal net sales	253.0	226.9	0	0	-253.0	-226.9	0	0
EBIT, segment profit	64.3	99.2	70.6	62.2	0	0	134.9	161.4
EBIT ratio	*3.4%*	*5.2%*	*13.0%*	*12.4%*			*6.1%*	*7.4%*
EBIT, segment profit*	99.1	99.2	72.6	62.2	0	0	171.7	161.4
*EBIT ratio**	*5.2%*	*5.2%*	*13.4%*	*12.4%*			*7.8%*	*7.4%*
Non-current asset investments	169.7	266.2	4.1	4.9	0	0	173.8	271.1

* Excl. redundancy costs from the Business Transformation Programme and write-downs in Asia.

The ROCKWOOL Group operates in two business segments based on products: Insulation segment and Systems segment. The information is based on the management structure and internal management reporting to Group Management and constitutes the reportable segments. The resent change in Group Management has not affected the business segments.

Headquarters costs are allocated to the business segments based on allocation keys used in the internal management reporting. These allocation keys are reassessed annually based on planned activity in the segments. Intangible and tangible assets and related amortisation/depreciation are not fully allocated to business segments as all stone wool production is done in the Insulation segment. Financial income and expenses, and income taxes are managed at Group level and are not allocated to business segments. Internal net sales from the Insulation segment to the Systems segment are at arms' length prices.

The Insulation segment includes among others interior building insulation, facade insulation, roof insulation and industrial and technical insulation. The Systems segment includes acoustic ceilings, cladding boards, engineered fibres, noise and vibration control, and horticultural substrates.

Of the redundancy costs related to the Business Transformation Programme amounting to EUR 15.4 million, EUR 13.4 million is related to the Insulation segment and EUR 2.0 million to the Systems segment. Write-down of the assets in China and India amounting to EUR 21.4 million is all related to the Insulation segment.

Geographical segments Group	Intangible and tangible assets		Net sales	
EUR million	**2015**	**2014**	**2015**	**2014**
Western Europe	550.1	518.6	1,290.0	1,273.0
Eastern Europe and Russia	338.8	321.5	408.1	479.2
North America, Asia and others	443.2	496.5	509.8	428.2
Total	**1,332.1**	**1,336.6**	**2,207.9**	**2,180.4**

The net sales information above is based on the location of the customers while the information regarding the assets distribution is based on the physical placement of the assets. The domestic sale in Denmark is in the range of 3-4% of the Group's net sales both this year and last year. The domestic intangible and tangible assets in Denmark amount to EUR 156.3 million (2014: EUR 122.4 million).

No customer exceeds 10% of the Group's net sales neither this year nor last year.

Net sales in 2015 and 2014 in both Germany and France exceeded 10% of the Group's total net sales. In 2014 net sales in Russia also exceeded 10% of the Group's total net sales.

Notes

3. Other operating income	Group		Parent Company	
EUR million	2015	2014	2015	2014
Royalties and other income	12.4	7.5	114.4	136.3
Net profit and loss on sale/scrapping of assets	0.3	-0.8	0	0
Total	**12.7**	**6.7**	**114.4**	**136.3**

4. Personnel costs	Group		Parent Company	
EUR million	2015	2014	2015	2014
Wages and salaries	442.8	443.8	31.7	35.5
Redundancy costs from Business Transformation Programme	15.4	0	2.4	0
Expensed value of options issued	1.7	2.2	0.8	0.8
Pension contributions	28.3	20.1	3.4	3.5
Other social security costs	70.1	66.1	0.3	0.3
Total	**558.3**	**532.2**	**38.6**	**40.1**
Average number of employees	10,844	10,999	312	326
The above items include to Board of Directors and Group Management:				
Remuneration to Group Management	4.4	8.0	4.4	8.0
Pension contribution	0.3	0.4	0.3	0.4
Value of options issued	0.8	0	0.8	0
Board of Directors' remuneration	0.7	0.6	0.7	0.6
Total	**6.2**	**9.0**	**6.2**	**9.0**
Hereof remuneration to Registered Directors	1.7	5.0	1.7	5.0
Hereof value of options issued to Registered Directors	0.5	0	0.5	0
Hereof pension to Registered Directors	0.1	0.2	0.1	0.2
Total to Registered Directors	**2.3**	**5.2**	**2.3**	**5.2**

The redundancy agreement for one change in Group Management is included in the remuneration in 2015, while the redundancy agreements for two changes in Group Management are included in 2014.

4. Personnel costs (continued)

Share options programme

Group Management and senior managers receive share options to retain them in the ROCKWOOL Group. The share option schemes for retaining executives fulfil the criteria provided for in the Corporate Governance recommendations. The Board of Directors members do not receive share options.

The share options are exercisable 3 years after the issue date and will expire between 6 to 8 years after the issue date. The exercise price is based on the market price of the ROCKWOOL International share at the date of grant and in 2011 corrected for the estimated future dividend and interest costs.

2015

Year	Agree-ments	Number of shares	Price (DKK)	Exercise period
2009	37	35,745	421	01.11.2013 - 31.10.2016
2011	90	66,140	642-644-646	01.09.2014 - 31.08.2017*
2012	60	73,350	515	01.09.2015 - 31.08.2020
2013	58	98,900	900	23.09.2016 - 22.09.2021
2015	60	105,100	769	20.03.2018 - 19.03.2023
	305	**379,235**		

* Share options can be exercised by employees in the Group at the lower value in the beginning of the period and at the higher value at the end of the period.

Of the number of shares 49,235 belongs to Registered Directors and 330,000 to senior managers.

2014

Year	Agree-ments	Number of shares	Price (DKK)	Exercise period
2009	48	44,075	421	01.11.2013 - 31.10.2016
2011	134	93,325	642-644-646	01.09.2014 - 31.08.2017*
2012	92	107,000	515	01.09.2015 - 31.08.2020
2013	60	102,700	900	23.09.2016 - 22.09.2021
	334	**347,100**		

* Share options can be exercised by employees in the Group at the lower value in the beginning of the period and at the higher value at the end of the period.

Of the number of shares 12,550 belongs to Registered Directors and 334,550 to senior managers.

Notes

4. Personnel costs (continued)

Share options	2015 Number of shares	2015 Average price	2014 Number of shares	2014 Average price
Options outstanding 1/1	347,100	87.4	429,000	89.3
Issued during the year	107,000	103.1	535	86.1
Exercised during the year	65,415	74.6	78,285	94.5
Expired/cancelled during the year	9,450	96.6	4,150	102.8
Options outstanding 31/12	**379,235**	**93.7**	**347,100**	**87.4**

Share options issued during 2015, were at the time they were issued, valued at EUR 1.9 million (2014: EUR 0.1 million). The average share price for the exercised share options in 2015 was 129.8 EUR (2014: 138.3 EUR).

The market value of the share options has been calculated using the Black & Scholes option pricing model with assumptions as shown below, where the volatility is based on a 3 year historical average of volatility of the ROCKWOOL International A/S B-share:

	2015	2014
Expected life of the option in years (average)	3	0
Expected volatility	22.7%	0
Expected dividend per share	1.47%	0
Risk-free interest rate	0.15%	0
ROCKWOOL B share price at the date of grant (EUR)	103.2	0

5. "Hereof redundancy costs from Business Transformation Programme and write-downs in Asia"

As a consequence of the Business Transformation Programme launched in September 2015 redundancy costs of a significant level has been recognised. As this is seen as an exceptional event the figures have been disclosed separately with no comparison figures as the ordinary redundancy costs is not seen as part of this for neither 2015 nor 2014.

In Asia, the ambition level is lowered and combined with a more selective approach in terms of targeted segments and countries. As a consequence, reassessment of the Group's Asian assets has been carried out which has resulted in write-downs of assets in China and India. The write-downs of assets made in China and India are disclosed in the "hereof" line as they are part of the Business Transformation Programme aiming at establishing a more focused business.

6. Depreciation, amortisation and write-downs

EUR million	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Amortisation of intangible assets	17.0	13.7	13.4	11.0
Write-down of intangible assets	4.3	0	0	0
Depreciation of tangible assets	148.0	133.0	1.1	1.3
Write-down of tangible assets	23.2	8.4	0	0
Reversal of previous write-down of tangible assets	-5.7	-4.8	0	0
Total	**186.8**	**150.3**	**14.5**	**12.3**

Management performed the yearly impairment test of the carrying amount of goodwill and impairment test of other assets, where indication of reduction of value was found. In the impairment test, the carrying amount of the assets is compared to the discounted value of the future cash flows. The assessment of future cash flows is typically based on 5-year management reviewed budgets and business plans, where the last year is used as a normalized terminal year. Net sales, input costs, working capital, future investments, pre-tax discount rate and future growth assumptions constitutes the most material parameters in the calculation.

The pre-tax discount rates in the Insulation segment range from 9%-19% (2014: 9%-14%) and in the Systems segment it is 10% (2014: 10%). The average growth rate in the terminal period has been set between 0-0.5% similar to last year in both the Insulation and Systems segment. Based on the impairment calculation, write-down of goodwill of EUR 2.8 million was recognized in 2015 for the Insulation segment. No write-down of goodwill was needed in 2014.

Growth in sales is estimated to be between 2%-8% depending on the businesses. Gross margins are based on average values the last 3 years and adjusted over the budget period for efficiency improvements and expected raw material inflation based on past actual price movements and future market conditions. Future investment is derived from the management approved investment budget and the capacity utilization is based on the current situation including investment plans. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

2015

Due to difficult market conditions combined with a more selective approach in terms of targeted segments and countries, the impairment test of the businesses in China and India resulted in a write-down of EUR 21.4 million in the Asian Insulation segment of which EUR 2.2 million is related to goodwill, EUR 1.5 million to other intangible assets and EUR 17.7 million to buildings, plant and machinery. In addition, the Group has evaluated the value in use for some businesses in Western Europe and Asia in the Insulation segment and a write down of EUR 6.1 million is recognized, while the test in other parts of Western Europe resulted in a reversal of EUR 5.7 million in the Insulation segment.

6. Depreciation, amortisation and write-downs (continued)

Sensitivity analysis
As part of the preparation of impairment tests, sensitivity analyses are prepared on the basis of relevant risk factors and scenarios that management can determine within reasonable reliability. Sensitivity analyses are prepared by altering the estimates with a range of probable outcomes. The sensitivities have been assessed as follows, all other things being equal; an increase in the pre-tax discount rate of 1%, a decrease in sales prices of 1% p.a. and an increase of input costs of 1% p.a. None of the impairment tests have given rise to adjustment of the result.

2014
In 2014 the value of the Group businesses was assessed and the impairment calculation shows no further need for a write-down and consequently the write-down made last year is kept. Based on future capacity plans and the decision to discontinue the Chinese factory in Tianjin the Group has evaluated the value in use for some businesses in North America, Asia and other countries in the Insulation segment and a write-down of EUR 8.4 million is recognised, while the result in Western Europe was a reversal of EUR 4.8 million in the Insulation segment.

7. Income from investments in subsidiaries

	Parent Company	
EUR million	**2015**	**2014**
Dividends received from subsidiaries	78.8	123.1
Purchase and sale of shares in subsidiaries	18.3	9.9
Write-down of shares and loans in subsidiaries	-102.7	-26.5
Total	**-5.6**	**106.5**

In the parent company an impairment test of subsidiaries has been made, which has led to a write-down of EUR 102.7 million (2014: EUR 26.5 million) mainly due to difficult market conditions in Asia. The recoverable amount of the subsidiaries amounts to EUR 32.6 million (2014: EUR 102.9 million) and was calculated as the value in use. The discount rate used in the impairment test was set at 9%-14% (2014: 9%-14%).

8. Financial income

	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Interest income	4.3	6.7	2.9	1.9
Interest income from subsidiaries	0	0	10.2	8.5
Foreign exchange gains	16.3	20.5	22.7	24.8
Total	**20.6**	**27.2**	**35.8**	**35.2**
Financial income on financial assets at amortised cost	3.8	3.4	2.9	0

9. Financial expenses

	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Interest expenses etc.	8.5	11.4	4.3	5.4
Interest expenses to subsidiaries	0	0	1.7	4.0
Foreign exchange losses	15.9	21.4	14.0	12.6
Total	**24.4**	**32.8**	**20.0**	**22.0**
Financial expenses on financial liabilities at amortised cost	6.8	5.4	4.3	5.4

Notes

10. Tax on profit for the year	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Current tax for the year	47.2	60.8	8.9	7.8
Change in deferred tax	-15.4	-12.0	-3.2	4.4
Withholding taxes	4.4	0	4.4	0
Adjustment in current tax in previous years	6.5	-4.1	7.3	-0.6
Total	**42.7**	**44.7**	**17.4**	**11.6**

Reconciliation of effective tax rate	Group	
	2015	**2014**
Danish tax rate	23.5%	24.5%
Deviation in non-Danish subsidiaries' tax compared to Danish tax percentage	3.4%	1.6%
Prior year adjustment regarding current taxes	4.9%	-2.6%
Withholding tax adjustment	3.3%	0%
Permanent differences	2.0%	1.4%
Adjustment to valuation of tax assets	-5.3%	4.7%
Other deviations	0.2%	-1.2%
Effective tax percentage	**32.0%**	**28.4%**

11. Earnings per share	Group	
EUR million	**2015**	**2014**
Profit for the year excluding minority interests	91.2	112.4
Average number of shares ('000)	21,975	21,975
Average number of own shares ('000)	376	394
Average number of shares outstanding ('000)	**21,599**	**21,581**
Dilution effect of share options ('000)	95	137
Diluted average number of outstanding shares ('000)	**21,694**	**21,718**
Earnings per share of DKK 10 (EUR 1.3)	4.22	5.20
Earnings per share of DKK 10 (EUR 1.3), diluted	4.20	5.18

Notes

12. Intangible assets

EUR million	Group					Parent Company		
2015	Goodwill	Software	Customer relation-ships	Other	Total	Software	Other	Total
Cost:								
Accumulated 1/1 2015	86.9	68.0	43.5	40.0	238.4	63.0	33.6	96.6
Exchange rate adjustments	5.0	0.1	-0.5	2.1	6.7	-0.1	0	-0.1
Additions for the year	0	9.9	0	0	9.9	6.5	9.9	16.4
Business combinations	0	0	0	0	0	0	0	0
Reclassification between asset types	0	-5.7	-13.1	16.1	-2.7	-2.7	0	-2.7
Disposals for the year	0	-0.4	0	-1.6	-2.0	-0.4	0	-0.4
Accumulated 31/12 2015	**91.9**	**71.9**	**29.9**	**56.6**	**250.3**	**66.3**	**43.5**	**109.8**
The above costs include:								
Intangible assets under construction	0	3.5	0	0	3.5	3.5	0	3.5
Amortisation and write-downs:								
Accumulated 1/1 2015	21.3	45.6	7.8	13.0	87.7	39.2	11.6	50.8
Exchange rate adjustments	0.6	0.2	-0.3	1.4	1.9	-0.1	0	-0.1
Amortisation for the year	0	9.4	3.2	4.4	17.0	9.3	4.1	13.4
Write-downs for the year	2.8	0	1.5	0	4.3	0	0	0
Reclassification between asset types	0	-2.0	-4.6	6.6	0	0	0	0
Disposals for the year	0	-0.1	0	0	-0.1	-0.4	0	-0.4
Accumulated 31/12 2015	**24.7**	**53.1**	**7.6**	**25.4**	**110.8**	**48.0**	**15.7**	**63.7**
Net book value 31/12 2015	**67.2**	**18.8**	**22.3**	**31.2**	**139.5**	**18.3**	**27.8**	**46.1**

The Group has reassessed the classification of intangible assets which has led to some reclassification with no effect on the net book value for intangible assets as a total.

Notes

12. Intangible assets (continued)

EUR million			Group				Parent Company	
2014	Goodwill	Software	Customer relation-ships	Other	Total	Software	Other	Total
Cost:								
Accumulated 1/1 2014	55.0	64.6	38.7	41.2	199.5	59.4	31.1	90.5
Exchange rate adjustments	4.6	0	0.8	2.8	8.2	0.1	0.1	0.2
Additions for the year	0	10.0	0	2.2	12.2	9.8	2.4	12.2
Business combinations	27.3	0	4.0	-6.2	25.1	0	0	0
Disposals for the year	0	-6.6	0	0	-6.6	-6.3	0	-6.3
Accumulated 31/12 2014	**86.9**	**68.0**	**43.5**	**40.0**	**238.4**	**63.0**	**33.6**	**96.6**
The above costs include:								
Intangible assets under construction	0	7.2	0	0	7.2	7.2	0	7.2
Amortisation and write-downs:								
Accumulated 1/1 2014	21.3	43.2	6.9	7.8	79.2	37.3	8.7	46.0
Exchange rate adjustments	0	0	0.4	0.3	0.7	0	0.1	0.1
Amortisation for the year	0	8.3	0.5	4.9	13.7	8.2	2.8	11.0
Disposals for the year	0	-5.9	0	0	-5.9	-6.3	0	-6.3
Accumulated 31/12 2014	**21.3**	**45.6**	**7.8**	**13.0**	**87.7**	**39.2**	**11.6**	**50.8**
Net book value 31/12 2014	**65.6**	**22.4**	**35.7**	**27.0**	**150.7**	**23.8**	**22.0**	**45.8**

Goodwill is allocated to the business segment Insulation at an amount of EUR 27.0 million (2014: EUR 29.5 million) and to the Systems segment at an amount of EUR 40.2 million (2014: EUR 35.8 million). Goodwill has been impairment tested in 2015 and 2014 for the identified cash generation units, which for 2015 led to a write-down amounting to EUR 0.6 million in the Insulation segment. No write-down was needed in 2014. In addition a write-down amounting to EUR 2.2 million is recognised due to the distribution of the write-down based on the Chinese impairment test.

The impairment test of goodwill is based on current and future results for the segments to where the results are allocated. Most of the goodwill in the Group is related to the acquisition of HECK Wall Systems in 2014, Chicago Metallic in 2013 and CSR in 2010 and this part of the Group is performing according to plan. For a description of impairment test on intangible assets please refer to note 6.

The net book value of other intangible assets includes development projects amounting to EUR 6.4 million (2014: EUR 7.7 million) and brands amounting to EUR 6.6 million (2014: EUR 7.4 million).

Notes

13. Tangible assets

EUR million	Group					
2015	**Buildings and sites**	**Plant and machinery**	**Other operating equipment**	**Prepayments and tangible assets under construction**	**Investment grants**	**Total**
Cost:						
Accumulated 1/1 2015	891.4	1,844.6	84.3	84.7	-64.5	2,840.5
Exchange rate adjustments	-10.5	-10.9	-0.9	14.3	-0.7	-8.7
Additions for the year	2.0	13.3	0.4	149.0	-0.8	163.9
Transfer of assets under construction	61.1	112.1	7.9	-178.4	0	2.7
Disposals for the year	-8.8	-43.6	-6.5	-0.2	-14.1	-73.2
Accumulated 31/12 2015	**935.2**	**1,915.5**	**85.2**	**69.4**	**-80.1**	**2,925.2**
Depreciation and write-downs:						
Accumulated 1/1 2015	340.8	1,296.4	64.6	0	-47.2	1,654.6
Exchange rate adjustments	-4.4	-10.8	-0.6	0	-0.5	-16.3
Depreciation for the year	26.9	117.1	7.5	0	-3.5	148.0
Write-downs for the year	5.9	17.3	0	0	0	23.2
Reversal of previous write-downs for the year	0	-5.7	0	0	0	-5.7
Disposals for the year	-8.5	-42.2	-6.5	0	-14.0	-71.2
Accumulated 31/12 2015	**360.7**	**1,372.1**	**65.0**	**0**	**-65.2**	**1,732.6**
Net book value 31/12 2015	**574.5**	**543.4**	**20.2**	**69.4**	**-14.9**	**1,192.6**
Investment grants	**-9.6**	**-5.3**	**0**	**0**	**14.9**	**0**
Net book value after investment grants 31/12 2015	**564.9**	**538.1**	**20.2**	**69.4**	**0**	**1,192.6**

Notes

13. Tangible assets (continued)

EUR million	Group					
2014	Buildings and sites	Plant and machinery	Other operating equipment	Prepayments and tangible assets under construction	Investment grants	Total
Cost:						
Accumulated 1/1 2014	825.4	1.758,5	89.7	137.0	-78.7	2,731.9
Exchange rate adjustments	-39.1	-43.3	-4.0	14.0	-0.6	-73.0
Additions for the year	4.4	8.9	1.2	204.1	-0.1	218.5
Business combinations	9.8	3.0	0.7	1.9	0	15.4
Transfer of assets under construction	94.0	163.4	7.5	-264.9	0	0
Disposals for the year	-3.1	-45.9	-10.8	-7.4	14.9	-52.3
Accumulated 31/12 2014	**891.4**	**1,844.6**	**84.3**	**84.7**	**-64.5**	**2,840.5**
Depreciation and write-downs:						
Accumulated 1/1 2014	328.5	1,259.2	71.6	0	-59.0	1,600.3
Exchange rate adjustments	-8.8	-20.0	-2.6	0	-0.5	-31.9
Depreciation for the year	23.5	105.7	5.8	0	-2.0	133.0
Write-downs for the year	0	1.0	0	7.4	0	8.4
Reversal of previous write-downs for the year	0	-4.8	0	0	0	-4.8
Disposals for the year	-2.4	-44.7	-10.2	-7.4	14.3	-50.4
Accumulated 31/12 2014	**340.8**	**1,296.4**	**64.6**	**0**	**-47.2**	**1,654.6**
Net book value 31/12 2014	**550.6**	**548.2**	**19.7**	**84.7**	**-17.3**	**1,185.9**
Investment grants	**-10.3**	**-7.0**	**0**	**0**	**17.3**	**0**
Net book value after investment grants 31/12 2014	**540.3**	**541.2**	**19.7**	**84.7**	**0**	**1,185.9**

Notes

13. Tangible assets (continued)

Of the total net book value of buildings and sites, EUR 98.3 million (2014: EUR 79.1 million) represent sites not subject to depreciation.
Costs for building and machinery acquired as finance lease at EUR 4.3 million (2014: EUR 6.1 million) represent a net book value of EUR 0.2 million (2014: EUR 0.4 million). Accumulated capitalised interests amounting to EUR 5.8 million (2014: EUR 5.8 million) are included in the cost of tangible assets.
The range of interest rates used is 1%-10% (2014: 1%-10%).

For the recognised investment grants the conditions are fulfilled or are expected to be fulfilled. Some of the received investment grants are subject to repayment obligations provided that the attached conditions are not fulfilled within a number of years. The Group's investment grants are for the main part received in Poland, Spain, the UK, Germany and the US. The investment grants are in most cases linked to expansion of the Group including the amount of investment in tangible assets and the creation of jobs - and is given as cash or loans. Only limited contingent liabilities exist.

For a description of impairment tests on tangible assets please see note 6.

Contractual obligations for the purchase of tangible assets amounts to EUR 15.7 million (2014: EUR 19.0 million). The parent company has investment obligations of EUR 13.7 million (2014: EUR 18.3 million).

EUR million			Parent Company			
2015	**Buildings and sites**	**Plant and machinery**	**Other operating equipment**	**Prepayments and tangible assets under construction**	**Investment grants**	**Total**
Cost:						
Accumulated 1/1 2015	27.5	0	8.8	0	0	36.3
Exchange rate adjustments	0	0	0	0	0	0
Additions for the year	0.4	0	0.4	0	0	0.8
Transfers from assets under construction	0	0	2.7	0	0	2.7
Disposals for the year	0	0	0	0	0	0
Accumulated 31/12 2015	**27.9**	**0**	**11.9**	**0**	**0**	**39.8**
Depreciation and write-downs:						
Accumulated 1/1 2015	13.2	0	7.1	0	0	20.3
Exchange rate adjustments	0	0	0	0	0	0
Depreciation for the year	0.5	0	0.6	0	0	1.1
Disposals for the year	0	0	0	0	0	0
Accumulated 31/12 2015	**13.7**	**0**	**7.7**	**0**	**0**	**21.4**
Net book value 31/12 2015						
Investment grants	**0**	**0**	**0**	**0**	**0**	**0**
Net book value after investment grants 31/12 2015	**14.2**	**0**	**4.2**	**0**	**0**	**18.4**

Notes

13. Tangible assets (continued)

EUR million	Parent Company					
2014	**Buildings and sites**	**Plant and machinery**	**Other operating equipment**	**Prepayments and tangible assets under construction**	**Investment grants**	**Total**
Cost:						
Accumulated 1/1 2014	27.4	0	12.3	0	0	39.7
Exchange rate adjustments	0	0	0	0	0	0
Additions for the year	5.8	0	1.0	0	0	6.8
Disposals for the year	-5.7	0	-4.5	0	0	-10.2
Accumulated 31/12 2014	**27.5**	**0**	**8.8**	**0**	**0**	**36.3**
Depreciation and write-downs:						
Accumulated 1/1 2014	12.6	0	10.9	0	0	23.5
Exchange rate adjustments	0	0	0	0	0	0
Depreciation for the year	0.6	0	0.7	0	0	1.3
Disposals for the year	0	0	-4.5	0	0	-4.5
Accumulated 31/12 2014	**13.2**	**0**	**7.1**	**0**	**0**	**20.3**
Net book value 31/12 2014	**14.3**	**0**	**1.7**	**0**	**0**	**16.0**
Investment grants	**0**	**0**	**0**	**0**	**0**	**0**
Net book value after investment grants 31/12 2014	**14.3**	**0**	**1.7**	**0**	**0**	**16.0**

Notes

14. Financial assets

EUR million	Group	Parent Company			
2015	Shares in associated companies	Shares in subsidiaries	Loans to subsidiaries	Shares in associated companies	Total
Cost:					
Accumulated 1/1 2015	8.6	1,160.0	485.7	4.6	1,650.3
Exchange rate adjustments	0	-2.4	-1.2	0	-3.6
Additions for the year	0	30.6	48.9	0	79.5
Reductions/disposals for the year	-0.4	-45.0	-42.1	-0.4	-87.5
Accumulated 31/12 2015	**8.2**	**1,143.2**	**491.3**	**4.2**	**1,638.7**
Adjustments:					
Accumulated 1/1 2015	36.1	-248.7	-5.0	0	-253.7
Exchange rate adjustments	5.3	0.6	0	0	0.6
Profit for the year after tax	2.3	0	0	0	0
Write-down for the year	0	-52.8	-49.9	0	-102.7
Dividend	-2.1	0	0	0	0
Accumulated 31/12 2015	**41.6**	**-300.9**	**-54.9**	**0**	**-355.8**
Net book value 31/12 2015	**49.8**	**842.3**	**436.4**	**4.2**	**1,282.9**
2014					
Cost:					
Accumulated 1/1 2014	8.8	1,095.5	234.9	4.7	1,335.1
Exchange rate adjustments	0	2.2	0.5	0	2.7
Additions for the year	0	108.7	250.6	0	359.3
Reductions for the year	-0.2	-46.4	-0.3	-0.1	-46.8
Accumulated 31/12 2014	**8.6**	**1,160.0**	**485.7**	**4.6**	**1,650.3**
Adjustments:					
Accumulated 1/1 2014	35.3	-221.7	-5.0	0	-226.7
Exchange rate adjustments	0.9	-0.5	0	0	-0.5
Profit for the year after tax	1.7	0	0	0	0
Write-down for the year	0	-26.5	0	0	-26.5
Dividend	-1.8	0	0	0	0
Accumulated 31/12 2014	**36.1**	**-248.7**	**-5.0**	**0**	**-253.7**
Net book value 31/12 2014	**44.7**	**911.3**	**480.7**	**4.6**	**1,396.6**

Notes

14. Financial assets (continued)

Shares in associated companies consist of 20% ownership in RESA SA in France and 42.3% ownership in Flumroc AG in Switzerland. Shares in associated companies have been reduced as shares in Transys have been sold in October 2015.

In 'Loans to subsidiaries' an amount of EUR 183.5 million (2014: EUR 74.3 million) is recognised as an addition to the share investment. Reference is made to the list of Group companies page 91.

In the parent company impairment tests have been made of the value of the shares in subsidiaries and the loans to subsidiaries. Please refer to note 7.

In connection with the raising of loans and credit facilities, the parent company has accepted restrictions of its rights of disposal of the shares in subsidiaries representing a book value of EUR 238.2 million (2014: EUR 230.8 million).

15. Own shares (A and B shares)

Group	2015			2014		
	Number of shares	Average purchase/ sales price	% of share capital	Number of shares	Average purchase/ sales price	% of share capital
Own shares 1/1	359,522		1.6	437,246		2.0
Purchase	97,578	102.8	0.4	0		0
Adjustment	150	56.4	0.0	561	107.7	0
Sale	65,415	74.6	0.3	78,285	94.5	0.4
Own shares 31/12	**391,835**		**1.7**	**359,522**		**1.6**

Own shares are acquired and sold in connection with hedging of the Group's share options programme etc. Own shares are purchased based on authorisation from the General Assembly.

Notes

16. Inventories	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Inventory before write-downs	177.8	184.9	3.5	3.2
Write-downs 1/1	-8.2	-16.8	0	0
Change in the year	-1.2	8.6	0	0
Write-downs 31/12	-9.4	-8.2	0	0
Inventories 31/12	**168.4**	**176.7**	**3.5**	**3.2**

Specification of inventories	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Raw materials and consumables	80.4	81.1	3.5	3.2
Work in progress	8.1	8.2	0	0
Finished goods	79.9	87.4	0	0
Inventories 31/12	**168.4**	**176.7**	**3.5**	**3.2**

17. Trade receivables	Group	
EUR million	**2015**	**2014**
Trade receivables before write-downs (maximum credit risk)	241.5	237.5
Write-downs 1/1	-16.8	-11.8
Exchange rate adjustments	-0.2	-0.2
Movements during the year	-0.2	-3.5
Realised losses during the year	2.0	-1.3
Write-downs 31/12	-15.2	-16.8
Trade receivables 31/12	**226.3**	**220.7**

Trade receivables (gross) can be specified as follows:	Group	
EUR million	**2015**	**2014**
Not due	203.2	188.8
Overdue by:		
1-60 days	24.3	31.6
60-360 days	5.9	6.6
Older	8.1	10.5
Trade receivables before write-downs	**241.5**	**237.5**

Primarily trade receivables overdue more than 90 days are written off.

18. Share capital	Parent Company	
EUR million	**2015**	**2014**
A shares - 11,231,627 shares of DKK 10 each (EUR 1.3)	15.0	15.0
B shares - 10,743,296, shares of DKK 10 each (EUR 1.3)	14.5	14.5
Total	**29.5**	**29.5**

Each A share of a nominal value of DKK 10 (EUR 1.3) carries 10 votes, and each B share of a nominal value of DKK 10 (EUR 1.3) carries 1 vote. The total share capital has been unchanged for the last 17 years.

Notes

19. Specification of tax assets and deferred tax	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Deferred taxes, net 1/1	0.5	12.9	21.0	16.6
Change in deferred tax recognised in profit and loss	-15.4	-12.0	-3.2	4.4
Exchange rate adjustments	-0.9	0.4	-0.1	0
Deferred tax for the year recognised in other comprehensive income for the year	2.6	-0.8	0	0
Deferred tax, net 31/12	**-13.2**	**0.5**	**17.7**	**21.0**
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax assets	60.9	44.1	0	0
Deferred tax liabilities	47.7	44.6	17.7	21.0
Deferred tax, net 31/12	**-13.2**	**0.5**	**17.7**	**21.0**
Deferred tax relates to:				
Non-current assets	29.8	35.8	4.3	9.4
Current assets	-7.2	-9.4	0.4	-5.2
Non-current liabilities	-30.6	-38.7	-0.1	-1.0
Current liabilities	-4.2	0.3	0	0
Tax loss carried forward	-14.1	-5.3	0	0
Retaxable amounts	13.1	17.8	13.1	17.8
Deferred tax, net 31/12	**-13.2**	**0.5**	**17.7**	**21.0**

The tax assets expire as follows:

	Group			
EUR million	**2015**		**2014**	
	Recognised assets	Unrecognised assets	Recognised assets	Unrecognised assets
Within 1 year of balance sheet date	0.7	2.1	1.9	0.0
Within 1-5 years of balance sheet date	2.9	12.0	13.3	8.8
After 5 years of balance sheet date	0.7	6.1	3.7	1.2
Do not expire	56.6	19.3	25.2	29.8
Total	**60.9**	**39.5**	**44.1**	**39.8**

Tax assets not recognised amount to EUR 39.5 million (2014: EUR 39.8 million). The tax assets have not been recognised as they have arisen in subsidiaries that have been loss-making for some time and there is no evidence of recoverability in the near future.

Deferred tax assets and liabilities are offset in the consolidated balance sheet if the Group has a legally enforceable right to set off and the deferred tax assets and liabilities relate to the same legal tax entity/consolidation. Of the total deferred tax assets recognised, EUR 14.1 million (2014: EUR 5.3 million) relate to tax loss carry forwards. The valuation of tax assets is done on a yearly basis and is based on expected positive taxable income within the next 5-10 years.

Notes

20. Pension obligations

A number of the Group's employees and former employees participate in pension schemes. The pension schemes are primarily defined contribution plans. However, defined benefit plans are used for Belgium and for past services only in the UK and for small groups of employees in Norway, Switzerland and Germany.

Under a defined benefit plan the Group carries the risk associated with the future development in e.g. interest rates, inflation, salaries, mortality and disability. Defined benefit plans typically guarantee the employees a retirement benefit based on the final salary at retirement.

The pension benefit plans in the UK and Belgium have assets placed in independent pension funds. A number of plans in Germany, Poland, Italy, France and Norway are unfunded. For these plans the retirement benefit obligations amount to approximately 28% (2014: 25%) of the total gross liability. Except for the UK plan, the mentioned defined benefit plans are not subject to regulatory requirements regarding minimum funding.

The granted pension payments of the mentioned defined benefit plans are based upon the salary of the participating employees during the period of employment. The Group's contributions are derived from the split of the pension premium between the employee and employer.

	Group	
EUR million	**2015**	**2014**
Defined contribution plans		
Pension costs for the year, total	**20.7**	**18.5**
Defined benefit plans		
Pension costs	6.8	0.6
Interest costs	4.9	4.6
Interest income	-3.6	-3.6
Curtailments/settlements	-0.5	0
Pension costs for the year, total	**7.6**	**1.6**

Net value of pension plans			Group		
EUR million	**2015**	**2014**	**2013**	**2012**	**2011**
Present value of pension liabilities	150.5	134.0	106.5	103.6	97.8
Fair value of plan assets	-96.2	-93.6	-79.0	-73.6	-66.3
Net value of pension plans 31/12	**54.3**	**40.4**	**27.5**	**30.0**	**31.5**

The actuarial assessment of the pension obligation is based on assumptions specific to each country. The latest actuarial calculation is prepared by authorised experts. The valuation of the assets is based on the composition and the expectations to the economic development. The assumptions used are weighted averages:

	Group	
	2015	**2014**
Increase in salaries and wages	2.1%	2.2%
Discount rate	3.4%	3.3%
Remaining life expectancy at the time of retirement (years)	26.2	26.2

Development in the present value of the defined benefit obligation	Group	
EUR million	**2015**	**2014**
Balance 1/1	134.0	106.5
Exchange rate adjustments	5.8	5.9
Pension costs	6.8	0.6
Interest costs	4.9	4.6
Settlements	-0.5	0
Actuarial gains/losses from changes in demographic assumptions	0	0
Actuarial gains/losses from changes in financial assumptions	-2.0	15.4
Actuarial gains/losses from changes in experience	1.0	-0.2
Benefits paid	-6.9	-4.1
Business combinations	7.4	5.3
Total 31/12	**150.5**	**134.0**

Sensitivity analysis:
A sensitivity analysis for significant assumptions as at 31 December 2015 is shown below:

	Group					
Assumptions	Discount rate		Salary increase		Life expectancy	
	-0.5%	+0.5%	-0.5%	+0.5%	-1 year	+1 year
EUR million						
Impact on obligation	**13.7**	**-12.0**	**-0.8**	**0.9**	**-3.5**	**3.5**

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions.

Notes

20. Pension obligations (continued)

The following payments are expected contributions to the defined benefit plan obligation:

	Group	
EUR million	2015	2014
0-1 year	2.2	2.0
1-5 years	9.8	8.8
Falling due after 5 years	15.8	15.0
Total	**27.8**	**25.8**

The expected duration of the defined benefit plan obligation is 20 years (2014: 20 years) as at year end.

Development in the fair value of the plan assets:	Group	
EUR million	2015	2014
Balance 1/1	93.6	79.0
Exchange rate adjustments	5.4	5.7
Interest income	3.6	3.6
Actuarial gains/losses	-2.0	5.3
Employer's contribution	1.0	0.8
Benefits paid	-5.4	-2.7
Business combinations	0	1.9
Total 31/12	**96.2**	**93.6**

Plan assets in major categories held as a percentage of total plan assets	Group	
	2015	2014
Assets quoted in active markets:		
Equities in European markets	49%	48%
Bonds in European markets	49%	50%
Assets unquoted:		
Cash	0%	0%
Other	2%	2%

21. Provisions for other liabilities and charges	Group		Parent Company	
EUR million	2015	2014	2015	2014
Provision for employees 1/1	25.5	17.2	0.4	0.4
Exchange rate adjustments	0	0.1	0	0
Additions for the year	2.7	10.6	0	0
Used during the year	-8.4	-0.5	0	0
Reversed during the year	-11.2	-1.9	0	0
Total 31/12	**8.6**	**25.5**	**0.4**	**0.4**
Provisions for claims and legal proceedings 1/1	3.9	4.3	0	0
Exchange rate adjustments	0	0	0	0
Additions for the year	3.5	1.9	0	0
Used during the year	-1.7	-1.4	0	0
Reversed during the year	-0.8	-0.9	0	0
Total 31/12	**4.9**	**3.9**	**0**	**0**
Other provisions 1/1	9.9	15.6	0	0
Exchange rate adjustments	0	0.3	0	0
Additions for the year	15.4	10.1	2.4	0
Used during the year	-4.4	-8.8	-0.8	0
Reversed during the year	-1.8	-7.3	0	0
Total 31/12	**19.1**	**9.9**	**1.6**	**0**
Total provisions	**32.6**	**39.3**	**2.0**	**0.4**
Specification of provisions:				
Non-current liabilities	12.6	30.4	0.4	0.4
Current liabilities	20.0	8.9	1.6	0
Total provisions	**32.6**	**39.3**	**2.0**	**0.4**

Provisions relate primarily to jubilee obligations and retirement benefits, restructuring and ongoing disputes, lawsuits etc.

As at 31 December 2015 other provisions include a provision of EUR 13.7 million (2014: EUR 6.7 million) for restructuring measures. This provision is expected to be utilized within 1-3 years.

Notes

22. Bank loans and other financial liabilities	Group		Parent Company	
EUR million	2015	2014	2015	2014
Redemption				
Redemption within 1 year	**471.6**	**536.6**	**485.9**	**505.8**
Redemption between 1 and 3 years	2.9	2.9	0	0
Redemption between 3 and 5 years	1.3	2.6	0	0
Falling due after 5 years	0.2	0.4	0	0
Total non-current	**4.4**	**5.9**	**0**	**0**
Interest reassessment time				
Reassessed less than 12 months	3.7	5.1	0	0
Reassessed after more than 12 months or is fixed-interest	0.7	0.8	0	0
Total	**4.4**	**5.9**	**0**	**0**
Yield				
Non-interests bearing	0.7	0	0	0
Below 4%	3.7	0.9	0	0
Between 4% and 6%	0	5.0	0	0
Between 6% and 8%	0	0	0	0
Total	**4.4**	**5.9**	**0**	**0**

None of the debt in 2015 or in 2014 comprises capitalized finance lease commitments.

23. Income tax receivable and payable	Group		Parent Company	
EUR million	2015	2014	2015	2014
Balance 1/1	-11.6	-0.1	-3.2	-1.2
Exchange rate adjustments	-0.4	0	0	0
Current tax for the year	47.2	60.8	8.9	7.8
Payments during the year	-38.0	-68.1	-4.7	-9.2
Adjustment in respect of prior years	6.5	-4.2	7.3	-0.6
Total 31/12	**3.7**	**-11.6**	**8.3**	**-3.2**
Income tax is recognised as follows:				
Income tax receivable	23.5	32.4	0	3.2
Income tax payable	27.2	20.8	8.3	0
Total 31/12	**3.7**	**-11.6**	**8.3**	**-3.2**

24. Adjustments	Group		Parent Company	
EUR million	2015	2014	2015	2014
Provisions	5.8	1.8	1.6	0
Expensed value of options issued	1.7	2.2	0.8	0.8
Gain/loss on sale of intangible and tangible assets	0.3	-0.8	0	5.7
Income from subsidiaries and associated companies	0	0	113.3	134.3
Total adjustments	**7.8**	**3.2**	**115.7**	**140.8**

25. Change in net working capital	Group		Parent Company	
EUR million	2015	2014	2015	2014
Change in inventories	8.3	-19.3	2.1	1.3
Change in trade receivables	-7.6	-4.7	0	0
Change in other receivables	-1.4	-4.2	-85.2	-17.1
Change in trade payables	-6.7	0.9	-1.1	6.7
Change in other debt	19.6	-2.4	69.3	58.9
Change in net working capital	**12.2**	**-29.7**	**-14.9**	**49.8**

Notes

26. Cash available

EUR million	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Cash	87.5	78.4	0	0
Bank debts	175.7	218.1	155.1	213.7
Cash available 31/12	**-88.2**	**-139.7**	**-155.1**	**-213.7**

27. Financial risks and instruments

As a consequence of the ROCKWOOL Group's extensive international activities the Group's income statement and equity are subject to a number of financial risks. The Group manages these risks in the following categories:

- Exchange-rate risk
- Interest-rate risk
- Liquidity risk
- Credit risk

The Group's policy is to identify and hedge significant financial risks on an ongoing basis. This is the responsibility of the individual companies in which financial risks might arise. The parent company continuously monitors the Group's financial risks in accordance with a framework determined by Group Management.

Exchange-rate risk
As a consequence of the Group's structure, net sales and expenditure in foreign currency are to a significant degree set off against each other, so that the Group is not exposed to major exchange-rate risks.

Commercial exchange-rate risks in the companies which cannot be set off are hedged on a continuous basis, to the extent that they may significantly affect the results of the individual company in a negative direction, using currency loans, currency deposits and/or financial derivatives. Exchange-rate risks are hedged in the individual companies.

The Group's net sales and expenditures will be subject to exchange-rate fluctuations on translation into Euro; however, the risk is assessed to be limited.

27. Financial risks and instruments (continued)

A sensitivity analysis is made for the Group's result and equity based on the underlying currency transactions. The financial instruments included in the sensitivity analysis are cash, debtors, creditors, non-current and current liabilities and financial investments without taking hedging into consideration. The result of the sensitivity analysis cannot be directly transferred to the fluctuations on translating the financial result and equity of subsidiaries into EUR.

The Group's result is most exposed to USD and RUB. A movement of 5%, other things equal, in USD would change the result of around EUR 6-9 million (2014: EUR 5-8 million). A 10% movement, other things equal, in RUB would give a change in the result of around EUR 4-6 million (2014: EUR 7-10 million).

The Group's equity is most exposed to USD and RUB. A 5% movement in USD would, other things equal, result in a change in the equity of around EUR 8-11 million (2014: EUR 7-10 million) while movement in RUB of 10%, other things equal, would result in a change of around EUR 15-23 million (2014: EUR 14-17 million).

The impact on the net sales of the difference between average rate and year-end rate amounts to EUR -32.1 million (2014: EUR -53.4 million) for the 4 largest currencies, which is a change of -1.5% (2014: -2.4%).

Parent company:
The Group's policy is not to hedge exchange rate risks in long-term investments in subsidiaries.

When relevant, external investment loans and Group loans are, as a general rule, established in the local currency of the company involved, while cash at bank and in hand are placed in the local currency. In the few countries with ineffective financial markets loans can be raised and surplus liquidity placed in DKK, EUR or USD, subject to the approval of the parent company's finance function.

Most Group loans that are not established in DKK or EUR are hedged in the parent company via forward agreements, currency loans and cash pools or via the SWAP market.

Interest-rate risk
The Group's interest-rate risk primarily comprises interest-bearing debt since the Group does not currently have significant interest-bearing assets of longer duration. The Group's policy is that necessary financing of investments should primarily be affected by raising 5 to 7 year loans at fixed or variable interest rates.

Drawings on credit facilities at variable interest rates generally match the liquid assets, and all Group loans are symmetrical in terms of interest rates. As a consequence, changes in interest rates will not have a significant effect on the result of the Group.

Notes

27. Financial risks and instruments (continued)

Liquidity risk
The current surplus and deficit liquidity in the Group's companies is set off, to the extent that this is profitable, via the parent company acting as intra-Group bank and via cash pool systems. When considered appropriate, underlying cash pool systems are established in foreign companies. To the extent that the financial reserves are of an appropriate size, the parent company also acts as lender to the companies in the Group.

Parent company:
In order to ensure financial reserves of an acceptable size, investment loans can be raised on a continuous basis to partly cover new investments and to refinance existing loans. The parent company has guaranteed for some credit facilities and loans. Please refer to note 14 for further specification of the loans.

The parent company has issued ownership clauses and/or deed of postponements in connection with intercompany loans. Please refer to note 29.

The parent company ensures on an ongoing basis that flexible, unutilised committed credit facilities of an adequate size are established with major solid banks. The Group's financial reserves also consist of cash at bank and in hand, and unused overdraft facilities.

Credit risk
As a consequence of the considerable customer spread in terms of geographical location and numbers the credit risk is fundamentally limited. To a minor degree, when considered necessary, insurance or bank guarantees are used to hedge outstanding debtors.

As a consequence of the international diversification of the Group's activities there are business relations with a number of different banks in Europe, North America and Asia. In order to minimise the credit risk on placement of liquid funds and on entering into agreements on derived financial instruments, only major sound financial institutions are used.

No customer exceeds 10% of the Group's net sales neither this year nor last year.

Categories of financial instruments
Financial assets and liabilities at fair value are related to foreign exchange rate forward contracts, foreign exchange rate swaps or interest rate swaps all of which have been valued using a valuation technique with market observable inputs (level 2). The Group is using no other valuation technique.

The Group enters into derivative financial instruments with financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing models using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot rates. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk.

27. Financial risks and instruments (continued)

	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Financial instruments for hedging of future cash flows	0.3	0.1	0	0
Fair value hedges	0	0	0	0
Financial assets at fair value	**0.3**	**0.1**	**0**	**0**
Trade receivables	226.3	220.7	0	0
Other receivables	41.9	31.7	662.9	626.3
Cash	87.5	78.4	0	0
Receivables at amortised costs	**355.7**	**330.8**	**662.9**	**626.3**
Financial instruments for hedging of future cash flows	1.0	2.0	0	0
Fair value hedges	0	0	0	0
Financial liabilities at fair value	**1.0**	**2.0**	**0**	**0**
Bank loans incl. short term	4.5	35.0	0	29.0
Bank debt	175.7	218.1	155.1	213.7
Trade payables	149.0	162.4	14.3	15.4
Other payables	146.8	127.0	316.5	247.7
Financial liabilities at amortised costs	**476.0**	**542.5**	**485.9**	**505.8**

The carrying value of the Group's and the parent company's financial assets and liabilities measured at amortised costs are assessed to be a reasonable approximation of fair value.

28. Auditors fee

Fees to auditors elected at the Annual General Meeting consist of:

	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Statutory audit	1.2	1.0	0.3	0.3
Other opinions	0.1	0	0	0
Tax consultancy	0	0.1	0	0
Other services	0.2	0.1	0.1	0
Total	**1.5**	**1.2**	**0.4**	**0.3**

Notes

29. Commitments and contingent liabilities

For the Group, commitments comprise EUR 0.5 million (2014: EUR 1.6 million). Contingent liabilities amounts to EUR 1.9 million (2014: EUR 2.7 million). Contractual obligations for purchase of tangible assets are mentioned in note 13. The Group is engaged in a few legal proceedings. It is expected that the outcome of these legal proceedings will not impact the Group's financial position in excess of what has been provided for in the balance sheet as at 31 December 2015 (as well as at 31 December 2014). For the parent company contingent liabilities amounts to EUR 0.0 million (2014: EUR 0.8 million).

Operational lease commitments expire within the following periods as from the balance sheet date:

	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Within 1 year	17.7	15.3	0.3	0.4
Between 1 and 5 years	21.2	18.7	0.1	0.3
After 5 years	0	0	0	0
Total	**38.9**	**34.0**	**0.4**	**0.7**

Lease costs for the Group amounting to EUR 20.7 million (2014: EUR 17.3 million) are included in the income statement. The lease costs for the parent company amount to EUR 0.3 million (2014: EUR 0.3 million).

For certain loans and receivables provided by the parent company amounting to EUR 461.4 million (2014: EUR 269.3 million) deeds of postponement have been given. In connection with the raising of loans and credit facilities, the parent company has accepted restrictions of its rights of disposal of the shares in subsidiaries representing a book value of EUR 238.2 million (2014: EUR 230.8 million).

30. Related parties

Shareholders holding more than 5% of the share capital or the votes
ROCKWOOL International A/S has registered the following shareholders holding more than 5% of the share capital or the votes:

	2015		2014	
	Share capital	Votes	Share capital	Votes
ROCKWOOL Foundation, DK-1360 Copenhagen K	23%	28%	23%	26%
15. Juni Fonden, DK-2970 Hoersholm	6%	11%	6%	10%
Gustav Kähler, DK-2930 Klampenborg	6%	9%	6%	9%
Dorrit Eegholm Kähler, DK-2830 Virum	4%	6%	4%	6%
Tom Kähler, DK-3540 Lynge	3%	5%	3%	5%
Jan Kähler, DK-2830 Virum	<5%	<5%	4%	6%

30. Related parties (continued)

The Company has no related parties with controlling interests.

The Group's related parties comprise the Company's shareholder the ROCKWOOL Foundation, the Company's Board of Directors and Management and associated companies. Apart from dividends no transactions were carried out with the shareholders during the year. For transactions with the Board of Directors and Management please refer to note 4.

Parent company:
The parent company's related parties also include the subsidiaries and associated companies listed as Group companies on page 91. Transactions with these companies include consultancy work - including support on establishing and expanding production capacity, use of know-how and brands, use of central IT and procurement resources etc. - and financing. The parent company has entered into an agreement with Zeno ApS, owned by Bjørn Høi Hansen, according to which the parent company will procure certain secretarial services to be given to Bjørn Høi Hansen in his position as Chairman of the ROCKWOOL International Board of Directors.

As a management company, the parent company is jointly taxed with other Danish group entities and is jointly and severally liable for payment of corporate income taxes as well as for payments of withholding taxes on dividend, interests, royalties etc.

The income statement and balance sheet include the following transactions with other companies in the Group:

	Group		Parent Company	
EUR million	**2015**	**2014**	**2015**	**2014**
Transactions with subsidiaries:				
Income from the engineering business			18.1	20.9
Royalty and services			75.7	97.0
Dividend from subsidiaries			78.8	123.1
Interest from subsidiaries			10.2	8.5
Interest to subsidiaries			1.7	4.0
Loans to subsidiaries			436.4	480.7
Receivables from subsidiaries			209.4	129.7
Loans from subsidiaries			0	0
Payables to subsidiaries			296.8	234.5
Transactions with associated companies:				
Dividend from associated companies	1.8	1.5	1.9	1.3
Receivable from associated companies	2.0	1.9	2.0	1.9

Notes

31. Acquisition of subsidiaries and activities

Chicago Metallic

2015
In 2015 the third and final instalment amounting to EUR 30.7 million was paid.

2014
The valuation of acquired assets and liabilities in Chicago Metallic was finalised as per 30 September 2014 based on an updated understanding of the underlying assumptions. Especially the assumption on the expected future sales related to the IP rights changed which decreased the fair value of the intangible assets.

In 2014 the second instalment amounting to EUR 25.4 million was paid.

HECK Wall Systems

2014
On 1 January 2014 the Group has acquired 100% of HECK Wall Systems, a leading German system holder for external facade insulation (ETICS). The acquisition covers 100% of HECK Wall Systems including the state of art render production facility in Marktredwitz and the well-established brands HECK Wall Systems 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 total consideration paid was EUR 38.3 million and was included in the 2013 cash flow as prepayments net of cash. Transaction costs amounts to EUR 0.5 million.

Net assets at fair value amount to EUR 23.7 million. The assessment of the fair value of sites and buildings is based on a calculation method also used by external appraisers. The fair value of plant and machinery is based on an internal valuation and the fair value of customer relationships is based on an excess earnings model with estimates for future cash flows and customer attrition rates etc. After recognition of identifiable assets and liabilities at fair value, goodwill was recognised with a fair value of EUR 11.4 million. Goodwill represents the value of employees and knowhow and expected synergies from the merger with ROCKWOOL International A/S. The goodwill recognised is not tax deductible.

The fair value of the trade receivables amounts to EUR 4.3 million where only a limited provision for bad debt has been included. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected. Cash flow on acquisition amounts to EUR 35.1 million comprised of consideration paid cash of EUR 38.0 million and cash acquired in subsidiaries of EUR 2.9 million.

From the date of acquisition, HECK Wall Systems has contributed with EUR 61.2 million of net sales and EUR -1.6 million to the profit before tax of the Group.

The valuation of the acquired assets and liabilities in HECK Wall Systems was finalised as per 31 December 2014 based on an updated understanding of the underlying assumptions.

HECK Wall systems

EUR million	2014 Fair value at the acquisition date (updated)	Changes	1 January 2014 Fair value at the acquisition date
Intangible assets	14.4	-9.2	23.6
Tangible assets	15.4	0	15.4
Deferred tax	-4.5	2.7	-7.2
Inventories	2.4	0	2.4
Receivables	4.3	0	4.3
Other current assets	1.1	0	1.1
Non-current liabilities	-3.4	0	-3.4
Current liabilities	-6.0	-0.2	-5.8
Net assets	**23.7**	**-6.7**	**30.4**
Goodwill	11.4	6.4	5.0
Cash consideration for the company	35.1	-0.3	35.4
Cash less interest-bearing debt	2.9	0	2.9
Total consideration	**38.0**	**-0.3**	**38.3**

Notes

32. Accounting policies applied

The Annual Report for ROCKWOOL International A/S has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. Danish disclosure requirements for listed companies are those laid down by the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act and the reporting requirements of NASDAQ Copenhagen for listed companies.

The fiscal year for the Group is 1 January – 31 December 2015.

The accounting policies are unchanged compared to last year. Some comparable figures have been adjusted, primarily in other operating revenue and segments.

New and changed standards and interpretations
The following EU adopted IFRS standards and interpretations with relevance for the Group were implemented with effect from 1 January 2015:

- Annual improvements to IFRSs (2010-2012)
- Annual improvements to IFRSs (2011-2013)
- Amendments to IAS 19: Defined Benefit Plans: Employee contributions

The changed standards and interpretations have not impacted the recognition and measurement and have only led to additional information.

New and changed standards and interpretations not yet entered in to force
EU adopted standards and amendments issued by IASB with effective date after 31 December 2015 and therefore not implemented, comprise:

- Annual improvements to IFRSs (2012-2014)
- Amendments to IAS 16 and IAS 41: Bearer Plants
- Amendments to IAS 16 and IAS 38: Revenue based depreciation
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendment to IAS 1: Improved disclosures
- Amendment to IAS 27: Equity method allowed in parent company

Implementation of these will lead to further specifications in the notes and reclassifications but no material changes in recognition and measurement.

In addition IASB has issued IFRS 9 'Financial Instruments', with effective date January 1, 2018. It currently awaits EU endorsement. IFRS 9 is part of the IASB's project to replace IAS 39, and the new standard will substantially change the classification and measurement of financial instruments and hedging requirements. ROCKWOOL will perform a preliminary assessment of the impact of the standard on the consolidated financial statements.

IASB has issued IFRS 15 'Revenue from contracts with customers', with effective date January 1, 2018. It currently awaits EU endorsement. IFRS 15 is part of the convergence project with FASB to replace IAS 18. The new standard will establish a single, comprehensive framework for revenue recognition. ROCKWOOL has completed a preliminary assessment of the impact of the standard and judged that it will not have any significant impact on the consolidated financial statements.

IASB has issued IFRS 16 "Leasing", with effective date January 1, 2019. It currently awaits EU endorsement. All leases must be recognized in the balance sheet with a corresponding lease liability, except for short-term assets and minor assets. Leased assets are amortised over the lease term, and payments are allocated between instalments on the lease obligation and interest expense, classified as financial items.

ROCKWOOL has preliminarily assessed the impact of IFRS 16 on the balance sheet. Recognition of leases will affect a number of financial ratios such as EBITDA margin, return on equity and solvency ratio. The change will have a minor impact on net profit as IFRS 16 requires the lease payments to be split between a depreciation charge included in operating costs and an interest expense on lease liabilities included in finance costs.

Group Accounts
The consolidated financial statements comprise ROCKWOOL International A/S and the enterprises in which this company and its subsidiaries hold the majority of the voting rights.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, determined according to the Group's accounting policies, and with elimination of dividends, internal revenue and expenditure items, internal profits as well as intercompany balances and intercompany shareholdings.

Besides shares, capital investments in subsidiaries include long-term loans to subsidiaries if such loans constitute an addition to the shareholding.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements at the time such enterprises are taken over. Divested or terminated enterprises are recognised in the consolidated income statement until the time of disposal. No adjustments are made to the comparative figures for newly acquired or divested enterprises.

On acquisitions of new enterprises the acquisition method is used. The newly acquired enterprises' identifiable assets and liabilities are recognised in the balance sheet at fair values at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right, and the fair value can be reliably measured. Deferred tax on revaluations is recognised.

The acquisition date is the date when the ROCKWOOL Group effectively obtains control of the acquired subsidiary, enters the management of the joint venture or obtains significant influence over the associate. Acquisition costs are included in operating costs.

Minority interests are recognised as a relative share of the acquired enterprises identifiable assets and liabilities.

Notes

32. Accounting policies applied (continued)

Any outstanding positive difference between the cost of the enterprise and the Group's share of the fair value of the identifiable assets and liabilities is goodwill and is recognised in the balance sheet. Goodwill is not amortised but is tested annually for impairment. The first impairment test is performed before the end of the acquisition year. Goodwill is allocated to the cash-generating units upon acquisition, which subsequently form the basis for the impairment test.

In case of any uncertainties regarding measurement of acquired identifiable assets, liabilities and contingent liabilities at the acquisition date, initial recognition will take place on the basis of preliminary fair values. In case identifiable assets, liabilities and contingent liabilities subsequently are determined to have a different fair value at the acquisition date than that first assumed, goodwill is adjusted up until 12 months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and comparative figures are restated accordingly.

Non-controlling interests
Non-controlling interests are recognised at the minority's share of the net assets.

On acquisition of non-controlling interests acquired net assets are not re-measured at fair value. The difference between the costs and the non-controlling interests' share of the total carrying amount including goodwill is transferred from the minority interests' share of the equity to the equity belonging to the shareholders of ROCKWOOL International A/S.

Translation of foreign currency
The Annual Report has been presented in Euro (EUR) which is the group's presentation currency. The functional currency for the parent company is DKK. Each company in the Group determines its own functional currency.

Transactions in foreign currency are translated using the exchange rate at the transaction date or a hedged rate. Monetary items in foreign currency are translated using the exchange rates at the balance sheet date. Accounts of foreign subsidiaries are translated using the exchange rates at the balance sheet date for balance sheet items, and average exchange rates for items of the income statement.

All exchange rate adjustments are recognised in the income statement under financial items, apart from the exchange rate differences arising on:

- conversion of equity in subsidiaries at the beginning of the financial year using the exchange rates at the balance sheet date
- conversion of the profit for the year from average exchange rates to exchange rates at the balance sheet date
- conversion of long-term intercompany balances that constitute an addition to the holding of shares in subsidiaries
- conversion of the forward hedging of capital investments in subsidiaries
- conversion of capital investments in associated and other companies
- profit and loss on effective derivative financial instruments used to hedge expected future transactions.

These value adjustments are recognised directly under other comprehensive income.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost price and are subsequently measured at fair value. Derivative financial instruments are recognised in other receivables and other debt.

Changes to the fair value of derivative financial instruments, which meet the conditions for hedging the fair value of a recognised asset or liability, are recognised in the income statement together with any changes in the fair value of the hedged asset or liability.

Changes to the fair value of derivative financial instruments, which meet the conditions for hedging future cash flow, are recognised in other comprehensive income provided the hedge has been effective. The accumulated value adjustment related to these hedge transactions is transferred from other comprehensive income when the position is realised, and is included in the value of the hedged position e.g. the adjustment follows the cash flow.

For derivative financial instruments, which do not qualify as hedging instruments, changes to the fair value are recognised on an ongoing basis in the income statement as financial income or financial expenses.

INCOME STATEMENT

Net sales
Net sales are recognised in the income statement provided that delivery and risk transition has taken place before year-end. Net sales are calculated excluding VAT, duties and sales discounts. Royalty and licence fees are recognised when earned according to the terms of the agreements.

Investment grants
Investment grants are recognised as income in step with the depreciation against the equivalent tangible assets. Investment grants not yet recognised as income are set off against the assets to which the grant is related.

Research and development activities
The costs of research activities are carried as expenditure in the year in which they are incurred. The costs of development projects which are clearly defined and identifiable, and of which the potential technical and commercial exploitation is demonstrated, are capitalised to the extent that they are expected to generate future revenue. Other development costs are recognised on an ongoing basis in the income statement under operating costs.

Financial items
Financial income and expenses include interest, financial expenditure on finance lease, fair value adjustments and realised and unrealised foreign exchange gains and losses.

Dividends on capital investments in subsidiaries and associated enterprises are recognised as income in the parent company's income statement in the financial year in which the dividends are declared.

Notes

32. Accounting policies applied (continued)

Tax
The parent company is taxed jointly with all Danish subsidiaries. Income subject to joint taxation is fully distributed.

Tax on the profit for the year, which includes current tax on the profit for the year as well as changes to deferred tax, is recognised in the income statement. Tax on changes in other comprehensive income is recognised directly under equity.

BALANCE

Intangible assets
Intangible assets, apart from goodwill, are stated at cost less accumulated amortisation and write-downs. Amortisation of the following intangible assets is made on a straight-line basis over the expected future lifetime of the assets, which is:

Development projects	2-10 years
Patents	up to 20 years
Software	2-4 years
Trademarks	up to 20 years
Customer relationships	10-15 years

Goodwill arisen from acquisition of enterprises and activities are stated at cost. The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on the management structure and internal financial control.

Acquired CO_2 rights are capitalised under intangible assets. Granted CO_2 rights are not capitalised.

Tangible assets
Tangible assets are stated at cost less accumulated depreciation and impairment losses.

The cost of technical plant and machinery manufactured by the Group comprises the acquisition cost, expenditure directly related to the acquisition, engineering hours, including indirect production costs and borrowing costs.

Financial leased assets are recognised in the balance sheet at market value at the date of acquisition, and are written off at depreciation rates equivalent to those for the same category of owned assets.

Depreciation is carried out on a straight-line basis, based on current assessment of their useful lives and scrap value. The expected lifetimes are:

Buildings	20-40 years
Technical plant and machinery	5-15 years
Operating equipment and fixtures and fittings	3-10 years

On sale or scrapping of assets, any losses or gains are included under other operating income for the year.

Capital investments in subsidiaries and associated enterprises
The parent company's shares in subsidiaries and associated enterprises are measured at cost less write-downs as a result of permanent decreases in the earning capacity of the enterprises in question.

Investments in associates are measured in the balance sheet of the Group at equity value in accordance with the Group's accounting principles applied after proportional elimination of intra group profit and losses.

The relative share of the associated enterprises' profit after tax is recognised in the Group income statement.

Impairment of assets
Goodwill is tested annually for impairment and the book value of other assets is reviewed on indications of impairment. When testing for impairment, the value is written down to the estimated net sales price or the useful value, if greater. Other assets are tested for impairment when there are indications of change in the structural profitability.

Inventories
Inventories are valued at the lowest value of historical cost calculated as a weighted average or the net realisation value. The cost of finished goods and work in progress include the direct costs of production materials and wages, as well as indirect production costs.

Receivables
Receivables are measured after deduction for write-downs to meet losses on the basis of an individual assessment.

Equity
Dividend is included as a liability at the time of adoption by the Annual General Meeting. Dividend that is expected to be paid for the year is shown separately in the equity.

Acquisition and sales prices as well as dividends on own shares are recognised under retained earnings in the equity.

The reserve for foreign currency translation consists of exchange rate differences that occur when translating the foreign subsidiaries' financial statements from their functional currency into EUR.

Hedging adjustments comprise changes in the fair value of hedging transactions that qualify for recognition as cash flow hedges and where the hedged transaction has not yet been realised.

Pension
Pension payments concerning defined contribution plans are recognised on an ongoing basis in the income statement. Defined benefit plans are stated at the net present value at the balance sheet date and included in the consolidated financial statements. Adjustments of the plans are carried out on a regular basis in accordance with underlying actuarial assessments. Actuarial gains or losses for defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. The actuarial assessment is carried out every year.

Notes

32. Accounting policies applied (continued)

For certain defined benefit plans the related assets are placed in pension funds not included in the consolidated financial statements. The payments to the pension funds are based on the usual actuarial assessments and are recognised in the income statement after maturity. Provided that the actuarial assessments of pension obligations show noticeable excess solvency or insolvency in relation to the pension fund's assets, the difference is entered to the balance sheet and the future payments are adjusted accordingly. With regard to these schemes, the actuarial assessment is also carried out every year.

Share option programme
An equity-based share option programme has been established, which is offered to Management and senior managers. The share option programme is not part of the ordinary remuneration, as the Board of ROCKWOOL International A/S will, from time to time, decide whether share options are to be offered.

On issuing of share options, the value of the allotted options is estimated in compliance with the formula of Black & Scholes at the time of allotment and is expensed under staff costs over the expected life of the option. The amount charged is set off against equity.

The effect of void options is adjusted continuously over the income statement and set off against equity, respectively.

Deferred tax
Provisions for deferred tax are calculated on all temporary differences between accounting and taxable values, calculated using the balance-sheet liability method. Deferred tax provisions are also made to cover the re-taxation of losses in jointly taxed foreign companies previously included in the Danish joint taxation. Deferred tax assets are recognised when it is probable that the assets will reduce tax payments in coming years and they are assessed at the expected net realisable value.

Deferred tax is stated according to current tax regulations. Changes in deferred tax as a consequence of changes in tax rates are recognised in the income statement.

Provisions
Liabilities are recognised if they are certain or probable at the balance sheet date, and if the size of the liability can be measured on a reliable basis. The liability is calculated as the amount expected to be paid.

Financial liabilities
Interest-bearing debt is valued at amortised cost measured on the basis of the effective interest rate at the time of borrowing. The proceeds from the loan are compiled less transaction costs.

Lease commitments
Lease commitments concerning finance lease are assessed at the current value of the remaining lease instalments, including any possible guaranteed residual value based on the internal interest rate of each lease agreement.

CASH FLOW STATEMENT

Cash flow statement
The cash flow statement is presented using the indirect method on the basis of EBIT. The cash flow statement shows cash flows for the year, as well as cash and cash equivalents at the beginning and at the end of the financial year. Cash flows from operating activities are calculated as operating profit before financial items adjusted for non-cash operating items and working capital changes. Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and other asset investments. Cash flows from financing activities comprise the raising of loans, instalments on loans, payment of dividends and increases of the share capital.

Cash and cash equivalents include cash and bonds less short-term bank debt.

SEGMENT ACCOUNTS

Segmental data
Group Management has determined the business segments for the purpose of assessing business performance and allocating resources. Primarily segments are based on products and thermal performance, as Systems segment is primarily defined as non-thermal insulation products.

Segmental data is stated for business areas and geographical areas. The division by business areas is in accordance with the Group's internal reporting. The segmental data is presented according to the same principle as the consolidated financial statements. The segmental EBIT includes net sales and expenditure including non-recurring expenditure operationally related to the segment. Net interest costs are not allocated to the segments as this type of activity is driven centrally in the Group.

Ratios
The ratios have been calculated in accordance with "Anbefalinger & Nøgletal 2015" (Recommendations & Ratios 2015) issued by the Danish Society of Financial Analysts. The ratios mentioned in the five-year summary are calculated as described in the notes.

Definitions of key figures and ratios

EBIT	Profit before financial items and tax
EBITDA	Profit before depreciation, write-downs, amortisations, financial items and tax
EBIT ratio (%)	$\frac{\text{EBIT}}{\text{Net sales}} \times 100$
Earnings per share of DKK 10 (EUR 1.3)	$\frac{\text{Profit for the year after minority interests}}{\text{Average number of outstanding shares}}$
Diluted earnings per share of DKK 10 (EUR 1.3)	$\frac{\text{Profit for the year after minority interests}}{\text{Diluted average number of outstanding shares}}$
Cash flow per share of DKK 10 (EUR 1.3)	$\frac{\text{Cash flows from operating activities}}{\text{Average number of outstanding shares}}$
Dividend per share of DKK 10 (EUR 1.3)	$\frac{\text{Dividend percentage} \times \text{nominal value of the share}}{100}$
Book value per share of DKK 10 (EUR 1.3)	$\frac{\text{Equity end of the year after minority interests}}{\text{Number of shares at the end of the year}}$
Return on invested capital (ROIC)	$\frac{\text{EBIT}}{\text{Average invested capital including goodwill}} \times 100$
Return on equity (%)	$\frac{\text{Profit for the year after minority interests}}{\text{Average equity excluding minority interests}} \times 100$
Equity ratio (%)	$\frac{\text{Equity end of the year}}{\text{Total equity and liabilities at the end of the year}} \times 100$
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Equity end of the year}} \times 100$
Payout ratio (%)	$\frac{\text{Dividend for the year}}{\text{Profit for the year after minority interests}} \times 100$
Market cap	Number of outstanding shares x share price

Group companies

	Country	Shares owned %
Parent company		
ROCKWOOL International A/S	Denmark	
Subsidiaries		
Insulation		
ROCKWOOL Handelsgesellschaft m.b.H.	Austria	100
ROCKWOOL N.V.	Belgium	100
Etablissements Charles Wille et cie SA	Belgium	100
ROCKWOOL Bulgaria Ltd.	Bulgaria	100
ROXUL Inc.	Canada	100
ROCKWOOL Building Materials (Tianjin) Co. Ltd.	China	100
ROCKWOOL Firesafe Insulation (Guangzhou) Co. Ltd.	China	94.84
ROCKWOOL Firesafe Insulation (Shanghai) Co. Ltd.	China	100
ROCKWOOL Adriatic d.o.o.	Croatia	100
ROCKWOOL a.s.	Czech Republic	100
ROCKWOOL A/S	Denmark	100
ROXUL ROCKWOOL Technical Insulation Middle East FZE	Dubai	100
ROCKWOOL EE OÜ	Estonia	100
ROCKWOOL Finland OY	Finland	100
ROCKWOOL France S.A.S	France	100
Deutsche ROCKWOOL Mineralwoll GmbH & Co. OHG	Germany	100
HECK Wall Systems GmbH	Germany	100
ROCKWOOL Mineralwolle GmbH Flechtingen	Germany	100
ROCKWOOL Limited	Great Britain	100
ROCKWOOL Building Materials Ltd.	Hong Kong	100
ROCKWOOL Hungary Kft.	Hungary	100
ROXUL ROCKWOOL Insulation India Ltd.	India	100
ROXUL ROCKWOOL Technical Insulation India Pvt. Ltd.	India	100
ROCKWOOL Ltd.	Ireland	100
ROCKWOOL Italia S.p.A.	Italy	100
SIA ROCKWOOL	Latvia	100
ROCKWOOL UAB	Lithuania	100
ROCKWOOL Malaysia Sdn. Bhd.	Malaysia	94.84
ROCKWOOL Insulation Sdn. Bhd.	Malaysia	100
Breda Confectie B.V.	Netherlands	100
ROCKWOOL B.V.	Netherlands	100
A/S ROCKWOOL	Norway	100
ROCKWOOL Polska Sp. z o.o.	Poland	100
FAST Sp. z o.o.	Poland	100
ROCKWOOL Romania s.r.l.	Romania	100
CSJC Mineralnaya Vata	Russia	100
LLC ROCKWOOL North	Russia	100
LLC ROCKWOOL Ural	Russia	100
LLC ROCKWOOL Volga	Russia	100
ROCKWOOL Building Materials (Singapore) Pte Ltd.	Singapore	100
ROCKWOOL Slovensko s.r.o.	Slovakia	100
ROCKWOOL Peninsular S.A.	Spain	100
ROCKWOOL AB	Sweden	100
ROCKWOOL GmbH	Switzerland	100
ROCKWOOL Limited	Thailand	94.84
ROCKWOOL Insaat ve Yelitim Sistemleri San. Ve Tic. Ltd. Sti.	Turkey	100
LLC ROCKWOOL Ukraine	Ukraine	100
ROXUL USA Inc.	USA	100
Systems Division		
Chicago Metallic Canada ULC	Canada	100
Chicago Metallic (Shenzhen) Co., Ltd.	China	100
Chicago Metallic Continental (Deutschland) GmbH	Germany	100
ROCKWOOL ROCKFON GmbH	Germany	100
ROCKFON Ltd. (Dormant)	Great Britain	100
Chicago Metallic Limited	Great Britain	100
Chicago Metallic (Asia Pacific) Ltd.	Hong Kong	100
Chicago Metallic (Malaysia) Sdn. Bhd.	Malaysia	100
GRODAN S. de R.L de C.V.	Mexico	100
Consmat Metallic Pte. Ltd.	Singapore	100
Fortalan Asesores S.L. in liquidation	Spain	55
GRODAN MED S.A.	Spain	100
Other subsidiaries		
ROCKWOOL LAT S.A.S.	France	100
ROCKWOOL Beteiligungs GmbH	Germany	100
Rockwool.com GmbH	Germany	100
ROCKWOOL Benelux Holding B.V.	Netherlands	100
BuildDesk Polska Sp. z o.o.	Poland	100
Chicago Metallic Company LLC	USA	100
ROXUL Holding USA, Inc.	USA	100
CMC Productos Perlitas s de rl de cv	Mexico	100
Servicios Pearl de Mexico s de rl de cv	Mexico	100
Associated companies		
RESO SA	France	20
Flumroc AG	Switzerland	42.3

Contact information can be found at
> www.rockwool.com/near+you

Management's report

The Board of Directors and the Registered Directors have today considered and approved the Annual Report of ROCKWOOL International A/S for the financial year that ended 31 December 2015.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies.

In our opinion the accounting principles used are appropriate and the Group's internal controls relevant to the preparation and presentation of the Annual Report are adequate.

The consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 2015.

In our opinion the Management's review includes a true and fair presentation about the development in the parent company's and the Group's operations and financial matters, the results for the year and the Group's and the parent company's financial position and the position as a whole for the entities included in the consolidated financial statements, as well as a description of the more significant risks and uncertainties faced by the Group and the parent company.

We recommend that the Annual Report be approved at the Annual General Meeting.

Hedehusene, 26 February 2016

Registered Directors

Jens Birgersson	Kim Junge Andersen

Board of Directors

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

Independent auditors' reports

TO THE SHAREHOLDERS
OF ROCKWOOL INTERNATIONAL A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the parent company financial statements of ROCKWOOL International A/S for the financial year 1 January to 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

STATEMENT ON MANAGEMENT'S REVIEW

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the consolidated financial statements and the parent company financial statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the consolidated financial statements and the parent company financial statements.

Hellerup, 26 February 2016, PricewaterhouseCoopers,
Statsautoriseret Revisionspartnerselskab,
CVR no.: 33 77 12 31

Lars Baungaard
State Authorised
Public Accountant

Torben Jensen
State Authorised
Public Accountant

OTHER INFORMATION

The ROCKWOOL Group was present at Roskilde Festival 2015 in Denmark with among others 'House of ROCK'

Quarterly follow-up (part of Management review)

	2015				2014			
EUR million	**1st qtr.**	**2nd qtr.**	**3rd qtr.**	**4th qtr.**	**1st qtr.**	**2nd qtr.**	**3rd qtr.**	**4th qtr.**
Income statement								
Net sales	499.3	557.1	571.6	579.9	484.5	547.9	580.9	567.1
Operating income	501.8	558.2	577.0	583.6	485.8	550.5	582.3	568.5
Operating costs	435.6	468.8	484.9	509.6	417.1	466.0	492.5	499.8
EBITDA	66.2	89.4	92.1	74.0	68.7	84.5	89.8	68.7
EBITDA ex. redundancy costs*	66.2	89.4	92.1	89.4	68.7	84.5	89.8	68.7
Depreciation, amortisation and write-downs	40.1	42.8	60.2	43.7	40.3	37.1	38.4	34.5
EBIT	26.1	46.6	31.9	30.3	28.4	47.4	51.4	34.2
EBIT ex. redundancy costs and write-downs*	26.1	46.6	53.3	45.7	28.4	47.4	51.4	34.2
Income from investments in associated companies	0.3	0.1	0	1.9	0.3	0.4	0.3	0.5
Financial items	-1.8	-1.7	-0.3	0	-1.6	-1.4	-2.3	-0.3
Profit before tax	24.6	45.0	31.6	32.2	27.1	46.4	49.4	34.4
Tax on profit for the period	7.0	12.8	12.6	10.3	8.0	12.9	14.1	9.7
Profit for the period	**17.6**	**32.2**	**19.0**	**21.9**	**19.1**	**33.5**	**35.3**	**24.7**
EBITDA ratio	*13.3%*	*16.0%*	*16.1%*	*12.8%*	*14.2%*	*15.4%*	*15.5%*	*12.1%*
*EBITDA ratio ex. redundancy costs**	*13.3%*	*16.0%*	*16.1%*	*15.4%*	*14.2%*	*15.4%*	*15.5%*	*12.1%*
EBIT ratio	*5.2%*	*8.4%*	*5.6%*	*5.2%*	*5.9%*	*8.7%*	*8.8%*	*6.0%*
*EBIT ratio ex. redundancy costs and write-downs**	*5.2%*	*8.4%*	*9.3%*	*7.9%*	*5.9%*	*8.7%*	*8.8%*	*6.0%*
Statement of comprehensive income								
Profit for the period	17.6	32.2	19.0	21.9	19.1	33.5	35.3	24.7
Exchange rate adjustments of foreign subsidiaries	69.2	-16.0	-51.0	10.0	-35.6	37.2	10.1	-74.8
Change in pension obligation	0	0	0	-1.0	0	0	0	-8.8
Hedging instruments, value adjustments	-3.6	3.4	1.6	-0.7	-0.5	0.4	-1.3	-0.9
Tax on comprehensive income	0.9	-0.9	-0.3	-2.3	0.1	-0.1	0.2	0.6
Total comprehensive income	**84.1**	**18.7**	**-30.7**	**27.9**	**-16.9**	**71.0**	**44.3**	**-59.2**

* from Business Transformation Programme

continues...

Sales development
Sales in the fourth quarter reached EUR 580 million, an increase of 2.3% compared to the same period last year. In local currencies net sales increased by 3.2%. Sales prices and especially product mix were showing a positive trend while volume was slightly negative. Most of the businesses showed positive signs in the fourth quarter.

In the Insulation segment, net sales amounted to EUR 424 million against EUR 421 million last year. This constitutes an increase of 0.7% or 2.4% in local currencies. Positive signs were seen in most countries whereas Germany and France and especially Russia still struggled.
The Systems segment grew 6.6% in the fourth quarter compared to last year or 5.4% in local currencies. Almost all businesses had a good performance in the fourth quarter.

In the fourth quarter, Western Europe increased sales compared to last year by 1.8% in reported figures and 2.6% in local currencies mainly from good performance in UK, Denmark and the Netherlands. In Eastern Europe, net sales decreased 9.5% against last year in reported figures while the decrease in local currencies was 1.6%. The main impact comes from Russia while Poland is performing well. In North

Quarterly follow-up (part of Management review)

	2015				2014			
EUR million	**1st qtr.**	**2nd qtr.**	**3rd qtr.**	**4th qtr.**	**1st qtr.**	**2nd qtr.**	**3rd qtr.**	**4th qtr.**
Cash flow statement								
EBIT	26.1	46.6	31.9	30.3	28.4	47.4	51.4	34.2
Adjustments for depreciation, amortisation and write-downs	40.1	42.8	60.2	43.7	40.3	37.1	38.4	34.5
Other adjustments	1.3	1.0	-0.7	6.2	-0.6	7.0	-1.0	-2.2
Change in net working capital	-60.6	-11.9	32.8	51.9	-66.6	-31.0	36.6	31.3
Cash flow from operations before financial items and tax	6.9	78.5	124.2	132.1	1.5	60.5	125.4	97.8
Cash flow from operating activities	**-4.4**	**74.9**	**116.6**	**110.2**	**-10.6**	**45.0**	**112.2**	**58.9**
Cash flow from investing activities	-60.1	-39.6	-64.6	-36.4	-60.4	-68.2	-81.3	-47.4
Cash flow from operating and investing activities (free cash flow)	**-64.5**	**35.3**	**52.0**	**73.8**	**-71.0**	**-23.2**	**30.9**	**11.5**
Cash flow from financing activities	-5.3	-26.4	3.3	-7.0	0.5	-33.1	0.1	-9.1
Change in cash available	-69.8	8.9	55.3	66.8	-70.5	-56.3	31.0	2.4
Segment reporting								
Insulation segment:								
External net sales	374.9	423.7	442.4	423.7	374.3	427.9	454.7	420.6
Internal net sales	51.2	63.7	57.7	80.4	46.9	56.1	58.4	65.5
EBIT	8.7	27.3	14.0	14.3	15.9	31.0	33.5	18.8
EBIT ratio	*2.0%*	*5.6%*	*2.8%*	*2.8%*	*3.8%*	*6.4%*	*6.5%*	*3.9%*
EBIT ex. redundancy costs and write-downs*	8.7	27.3	35.4	27.7	15.9	31.0	33.5	18.8
*EBIT ratio ex. redundancy costs and write-downs**	*2.0%*	*5.6%*	*7.1%*	*5.5%*	*3.8%*	*6.4%*	*6.5%*	*3.9%*
Systems segment:								
External net sales	124.4	133.4	129.2	156.2	110.2	120.0	126.2	146.5
Internal net sales	0	0	0	0	0	0	0	0
EBIT	17.4	19.3	17.9	16.0	12.5	16.4	17.9	15.4
EBIT ratio	*14.0%*	*14.5%*	*13.9%*	*10.2%*	*11.3%*	*13.7%*	*14.2%*	*10.5%*
EBIT ex. redundancy costs and write-downs*	17.4	19.3	17.9	18.0	12.5	16.4	17.9	15.4
*EBIT ratio ex. redundancy costs and write-downs**	*14.0%*	*14.5%*	*13.9%*	*11.5%*	*11.3%*	*13.7%*	*14.2%*	*10.5%*
Geographical split of external net sales:								
Western Europe	307.6	316.5	325.5	340.4	296.6	315.1	326.9	334.4
Eastern Europe including Russia	76.1	111.7	117.6	102.7	93.8	126.0	145.9	113.5
North America, Asia and others	115.6	128.9	128.5	136.8	94.1	106.8	108.1	119.2
Total external net sales	**499.3**	**557.1**	**571.6**	**579.9**	**484.5**	**547.9**	**580.9**	**567.1**

* from Business Transformation Programme

America, Asia and other countries the increase in net sales was 14.8% compared to last year in reported figures, in local currencies the increase amounted to 9.7%. The development in North America remained positive.

Profitability

EBIT excluding redundancy costs from the Business Transformation Programme in the fourth quarter reached EUR 46 million against EUR 34 million in the same period last year – an increase of 34% in reported figures and 52% in local currencies. The profitability in the fourth quarter was positively impacted by improved efficiency especially in the factories. Overall input prices remained stable. In reported figures, EBIT ended at EUR 30 million – a decrease of 11% mainly due to the redundancy costs booked in the quarter.

EBIT in the Insulation segment excluding redundancy costs from the Business Transformation Programme increased 47% compared to last year with a solid contribution from the improved performance in the new factory in North America.

EBIT in the Systems segment excluding redundancy costs from the Business Transformation Programme increased 17% compared to last year and 22% in local currencies. Mainly GRODAN horticultural business had a good fourth quarter.

The ROCKWOOL® trademark

ROCKWOOL® - our trademark

The ROCKWOOL trademark was initially registered in Denmark as a logo mark back in 1936. In 1937, it was accompanied with a word mark registration; a registration which is now extended to more than 60 countries around the world.

The ROCKWOOL trademark is one of the largest assets in the ROCKWOOL Group, and thus well protected and defended by us throughout the world.

Please help us protect our trademark:

- The ROCKWOOL® trademark must always be written in capital letters
- The word ROCKWOOL must always be followed by a descriptive noun
  Example: ROCKWOOL products, ROCKWOOL insulation or ROCKWOOL stone wool
- Always write the ROCKWOOL trademark completely. Never abbreviate, change or modify it
- The ROCKWOOL word is not the generic term for insulation or stone wool, and may not be used as such. Use instead e.g. the term ROCKWOOL insulation
- The first time you mention the ROCKWOOL trademark, it must include the registration symbol ®.
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