

Kingspan Group plc

2007 INTERIM RESULTS

Six months ended 30th June 2007

	H1-2007	H1-2006	% change
	€'mn	€'mn	
Sales	908.4	675.9	+34.4%
EBITDA	136.2	108.1	+26.0%
Operating Profit	114.2	88.0	+29.8%
Operating Margin %	12.5%	13.0%	-50bp
Profit before tax	108.2	83.4	+29.7%
	€'cent	€'cent	
Earnings per share	52.7	40.4	+30.4%
Dividend per share	8.00	6.00	+33%

- Strong momentum maintained in the first six months with sales up 34.4% and earnings per share up 30.4%.
- Insulated Panel and Insulation Board businesses delivered another period of significant growth in the UK through relentless conversion from traditional underperforming systems.
- Growth in Insulated Panel sales in Central and Eastern Europe of 82%.
- North American Panel operations strengthened by the acquisition of Coldmatic business in Canada, now re-branded Kingspan.
- Total investment in the period of €102.9m comprising capital expenditure of €73.4m to support organic expansion, and €29.5m of acquisitions.
- Consolidated position in the growing UK Offsite market with the acquisition of Potton and Pace around the turn of the year.
- Entry into the emerging high growth Solar Thermal market.

Gene Murtagh, Chief Executive Officer, commented:

“Overall, with earnings growth in excess of 30%, the first half of 2007 represented an excellent outturn for Kingspan. This pattern of growth was underpinned by a product and geographic blend that will continue to deliver a superior performance for the Group in markets that are becoming increasingly alerted to the significance of high performance building solutions in reducing direct energy consumption and carbon emissions generally.”

For further information contact:

James Dunny: Murray Consultants Tel: +353 (01) 4980 300

Tim Thompson/Jeremy Garcia: Buchanan Communications Tel: +(44) 207 466 5000

INTERIM RESULTS STATEMENT

Six months ended 30th June 2007

Kingspan Group plc announces half year results to 30th June 2007.

Summary results

- Turnover up 34.4% to €908.4 million (H1 2006: €675.9 million).
- Operating Profit up 29.8% to €114.2 million (H1 2006: €88.0 million).
- Basic earnings per share up 30.4% to 52.7 cent (H1 2006: 40.4 cent).
- Interim Dividend up 33% to 8 cent per share (H1 2006: 6 cent).
- Net debt, at €246.7 million, 39.7% of shareholder funds (32.6% at 30th June 2006).
- Interest cover (based on EBITDA) was 22.7 times (H1 2006: 23.5 times).
- Total investment in the period of €102.9m comprising capital expenditure of €73.4m to support organic expansion, and €29.5m of acquisitions.

Insulated Panels & Boards

Total sales in this business represented 55% of Group Sales.

Insulated Panels

Turnover in this business reached €365.2m in the period, representing 40% of Group turnover and an increase of 47% over H1 2006.

In Ireland the retail, logistics and smaller indigenous industries have proved resilient in the first half of 2007, and combined they contributed to growth of almost 30% in the Panel business.

Low-rise non-residential construction in the UK is marginally up on 2006, yet Kingspan's Panel business has delivered another year of significant growth through its relentless conversion of material choice away from traditional underperforming built-up systems. Revenue was up in the region well in excess of 20%. This advance has been supported by the increasing use of panel solutions in lesser converted applications including tiled roofing, aluminium standing seam and modern facade specifications. Capacity will be increased from 2008 to reflect the broadening market opportunity, particularly around wall products. Meanwhile, generally improved conditions in the Benelux markets have been beneficial and our Belgium based Door Panel business has continued to grow its share of that sector. Australia and New Zealand delivered strong year on year growth, and the local manufacturing facility will begin deliveries of wall product from Quarter 1, 2008, complimenting the existing roof and cold storage range.

The overall construction market in the emerging economies in Central & Eastern Europe continues on a strong growth trajectory and Kingspan's business in the region is up by 82%. This growth reflects the Group's acquisition in Turkey in 2006, excluding which, the underlying growth rate was approximately 40% in what was an unseasonably strong start to the year. Indications are very positive overall and capacity is being doubled in the Czech Republic where a new plant is expected to be commissioned in Quarter 3, 2008. In Turkey the Group has just completed a second plant, this time in the southern region, which recently commenced production.

As yet, Kingspan's Panel business is in its development phase in North America. The Group's initial focus is on the Canadian market where sales in the first half were on target reflecting mild comparable growth over 2006. Kingspan plans to exploit the specification market, which is becoming increasingly open to faster methods of construction that deliver clear economic and environmental benefits. The Group expects to invest in the relocation of its Toronto facility during 2008 to a site more appropriate for the long term development of the business.

Insulation Boards

Turnover in this business reached €140.0m in the period, representing 15% of Group turnover and an increase of 18% over H1 2006.

In the UK the Group's Insulation business has shown growth in excess of 10% over the same period last year. The new codes, which became law in April 2006, are beginning to have an impact on penetration rates, and also on the average thickness of materials. Growth in the phenolic product has been progressing as planned, and additional capacity has been put in place to support the Group's drive behind this growing segment. This investment is currently going through its commissioning phase in Ireland.

The performance of the business in Ireland has been very robust despite the clear slowdown in residential construction, which is expected to continue into the second half. Average thickness improvements, strong commercial construction, a strong one-off housing sector and the strength of Northern Ireland's commercial and housing sectors have all contributed to a steady outcome in the first six months.

In Continental Europe, Benelux and Germany sales have shown an accelerated pattern of growth led by greater acceptance of the phenolic product and a general improvement in conditions in the region. A new phenolic plant will be constructed in the Netherlands during 2008, to commence production in 2009. A similar sized facility, this time in PIR foam, will also be constructed in Poland during 2008. This will be the Group's first rigid board facility in Central Europe, where Kingspan sees strong potential for its insulation offering.

Environmental & Renewables

Turnover in this division reached €141.6m during the period, an increase of 18% over 2006, and representing 16% of Group turnover.

The period marked one of mixed performance in this division, which with its diverse range of environmental and water solutions, experienced some downs as well as ups, resulting in slightly compressed margins overall.

On Mainland Europe, in the Polish based business, there was strong growth once again in both sales and margins. This was largely the result of continued geographic expansion, particularly in Scandinavia.

Fuel storage products in the UK & Ireland experienced a more challenging time as an overall decline in these markets delivered a reduction in unit sales of around 5%. This pattern will be alleviated over the medium term by a shift towards higher value double skin containment solutions. As referred to in the 2006 Preliminary Results Statement, product warranty claims relating to faulty raw material supplied a number of years ago continued during the period and this continued to negatively affect margins. The Group expects to recover these costs from the supplier of the raw material.

Effluent Treatment had a steady six months in both the UK & Ireland and a new greenfield facility in Northern Ireland is nearing completion. This plant will supply the all-Ireland market and will deliver savings in the near term.

Hot water storage, a growing segment for Kingspan, provided another period of growth as conversion towards pressurised systems in the UK continued. During the period the Group has added a range of solar water systems to its offering which, given the rapidly increasing move towards renewable energy sources, will continue to support growth in this segment.

In all, margins were compressed in the Division but firm operational plans are in place to increase returns in this area over the medium term.

Offsite & Structural

Turnover in this division reached €169.3m during the period, an increase of 48% over H1 2006, and representing 19% of Group turnover.

Structural products, typically used as secondary steel members in low-rise non-residential construction, experienced slight increases in the UK and was particularly strong in Ireland where the non-residential sector continued to be buoyant.

During the first six months of 2007, Ireland's residential construction sector began to experience a slight reduction in output. This trend is likely to deteriorate somewhat in the second half of the year. Kingspan's Offsite revenues in Ireland, representing around 3% of Group sales, were broadly flat but are expected to slow in the second half. This moderation has coincided with significant increases in timber costs, which combined with the reduction in output, contributed to margin compression. It is clear, however, that future mandatory thermal performance standards in Ireland will require a minimum 40% improvement on those of today. Much of the Group's recent R&D emphasis has focussed on designing products that will meet that need, and ultimately increase the penetration of modern methods in Ireland.

This dynamic shift in future requirements will be particularly evident in the UK, where plans to move towards compulsory Zero Carbon new build construction in the residential sector were unveiled by the Government during the period. With the recent acquisitions of Pace and Potton, Kingspan has taken steps to consolidate its position in advance of this trend.

In the short term, the Group expects margins to be lower than previously, as it continues to restructure the recently acquired businesses.

Access Floors

Turnover in this division reached €92.3m in the period, an increase of 25% over the same period in the prior year, and represented 10% of Group turnover.

Office construction activity in the UK has continued the pattern of resumed growth that it has demonstrated for the last couple of years. Vacancy rates in London, a key indicator for medium and high rise development, is now in the region of 5%. This is clearly visible in current trading at the Group's Access Floors business and in the level of quotation activity for future projects.

In North America Kingspan has experienced a significant upturn in Access Floors activity in the first six months of the year. This growth has been driven by a resilient office construction market, a buoyant data centre market, and an element of continued penetration growth by Access Flooring systems across the continent. The manufacturing performance of the business is exceptionally lean, and has been a sizeable contributor to the rise in operating margin in North America. As in Europe, quotation and order intake activity have both been strong and the Group's multi-branding approach to the market is proving a robust formula. This will be further enhanced by the recent bolt-on acquisition of ASP Maxcess in Ontario, Canada.

FINANCIAL REVIEW

Turnover and Operating Margins

Group turnover increased by 34.4% compared with the corresponding period last year. The organic underlying growth, when the impact of acquisitions made in 2006 and 2007 are excluded was 19.0%.

The gross margin at 31.0% compares with 32.2% in the first half of 2006 and 30.4% in the second half. This reflects some changes in product mix and the dilution effect of acquisitions as these are being bedded in from a manufacturing and operations viewpoint. Distribution costs as a percentage of sales came down from 5.4% to 4.9% year on year, and administration costs came down from 13.8% to 13.5% reflecting the benefits of operational leverage.

The operating margin at 12.5% compares with 13.0% in the same period last year and 13.3% for the full year 2006.

Sales by geographical market (H1-2007 versus H1-2006)

	HI 2006	HI 2007	% change in 2007
Ireland	126.0	145.0	+15%
Britain and Northern Ireland	394.0	517.0	+31%
Mainland Europe	112.0	163.0	+45%
North America	36.0	66.0	+83%

Sales by product group (H1-2007 versus H1-2006)

	HI 2006	HI 2007	% change in 2007
Insulated Panel	248.5	365.2	+47%
Insulated Board	119.2	140.0	+18%
Offsite and Structural	114.6	169.3	+48%
Environmental and Renewables	119.9	141.6	+18%
Access Floors	73.7	92.3	+25%

Cash Flow

The table below summarises the Group's funds flow for H1-2007, H1-2006 and FY06

	H1-2007 €'mn	H1-2006 €'mn	FY06 €'mn
Inflows			
Operating Profit	114.2	88.0	194.0
Depreciation	19.5	18.9	39.3
Amortisation	2.5	1.3	2.7
Pension contributions	(1.5)	(1.8)	(4.6)
Working Capital increase	(63.5)	(32.4)	(48.5)
Interest paid	(5.5)	(4.3)	(8.4)
Taxation paid	(9.8)	(7.7)	(25.5)
Others	9.4	3.1	17.7
Free cash flow	65.3	65.1	166.7
Acquisitions	(29.5)	(11.2)	(107.3)
Net Capital Expenditure	(73.4)	(24.9)	(57.7)
Dividends paid	(20.8)	(15.0)	(25.1)
Cash Flow movement	(58.4)	14.0	(23.4)
Debt translation	(.7)	(0.8)	(0.7)
Decrease / (Increase) in net debt	(59.1)	13.2	(24.1)
Net debt at start of period	(187.6)	(163.5)	(163.5)
Net debt at end of period	(246.7)	(150.3)	(187.6)

Working capital, expressed in terms of days sales, increased by 4 days compared to 30th June 2006 (30th June 2007: 40 days; 30th June 2006: 36 days), this equates to approximately €20m and is mainly carried in stock of raw material in support of the increased levels of activity, particularly in panels referred to above.

These cashflows were used to fund net capital expenditure of €73.4m, and acquisition investment in five businesses of €29.5m.

These movements resulted in net debt at the end of June 2007 of €246.7m, which represents an increase of €59.1m from the €187.6m reported for the end of December 2006. This represents gearing of 39.7% (30th June 2006: 32.6%) and compares to current banking facilities in place of over €500m.

BOARD CHANGES

As planned, after 35 years in the Group, Mr Brendan Murtagh will retire from his executive role as Head of Corporate Development on the 31st December 2007. He has agreed to remain as a non-executive director on the Board. The Chairman, on behalf of the Board, extends his sincere gratitude to Brendan for his tremendous contribution to the development of the Group both as a director and in his various executive roles.

As previously announced during the period, Mr Kevin O'Connell retired from the Board following this year's AGM, and we were pleased to welcome to the Board Ms Helen Kirkpatrick and Mr Louis Eperjesi as an additional non-executive and executive director respectively.

OUTLOOK

Among the key indicators of future performance in the Group are both order intake and quotations. In the Group's larger businesses, these levels of activity have been greater than ever experienced in Kingspan before. Insulated Panels and Access Floors have both entered the second half of 2007 with robust order banks, while Insulation Boards is also expected to have a strong end to the year. When combined with an anticipated steady outcome for both the Offsite & Structural and the Environmental & Renewables Divisions, the Group is confident that the operating outcome for the year as a whole will exceed last year's performance of €194m by at least 20%.

GROUP INCOME STATEMENT
for the period ended 30th June 2007

	Notes	Continuing Operations 6 months ended 30.6.07 (Unaudited) € '000	Acquisitions 6 months ended 30.6.07 (Unaudited) € '000	6 months ended 30.6.07 (Unaudited) € '000	6 months ended 30.6.06 (Unaudited) € '000	Year ended 31.12.06 (Audited) € '000
Revenue	3	897,608	10,769	908,377	675,874	1,461,170
Costs of sales		(618,138)	(8,708)	(626,846)	(458,434)	(1,004,613)
Gross profit		279,470	2,061	281,531	217,440	456,557
Operating costs		(164,686)	(2,649)	(167,335)	(129,426)	(262,512)
Operating result		114,784	(588)	114,196	88,014	194,045
Finance costs				(6,781)	(6,048)	(11,620)
Finance income				769	1,447	2,775
Result for the period before tax				108,184	83,413	185,200
Income tax expense				(18,505)	(15,424)	(33,520)
Net result for the period				89,679	67,989	151,680
<i>Profit attributable to:</i>						
Shareholders of Kingspan Group plc				89,171	67,979	151,032
Minority Interest				508	10	648
Attributable to shareholders of Kingspan Group plc				89,679	67,989	151,680
Earnings per share for the period	5					
Basic				52.7	40.4	89.8
Diluted				51.4	39.4	87.8

GROUP BALANCE SHEET
as at 30th June 2007

	Notes	6 months ended 30.6.07 (Unaudited) € '000	6 months ended 30.6.06 (Unaudited) € '000	Year ended 31.12.06 (Audited) € '000
Assets				
Non-current assets				
Goodwill	6	302,017	220,800	287,580
Other intangible assets	7	16,116	10,949	17,117
Property, plant and equipment		359,165	258,589	294,875
Financial assets		208	774	227
Deferred tax assets		2,694	2,263	2,694
		680,200	493,375	602,493
Current assets				
Inventories		161,416	106,403	130,868
Trade and other receivables		431,820	319,807	357,966
Cash and cash equivalents		40,934	105,819	69,060
		634,170	532,029	557,894
Total assets		1,314,370	1,025,404	1,160,387

Liabilities			
Current liabilities			
Trade and other liabilities	295,248	223,809	259,112
Provisions for liabilities and charges	47,222	30,699	42,554
Deferred consideration	7,266	6,633	5,659
Financial liabilities	73,622	31,975	34,631
Current tax liabilities	35,080	23,902	26,130
	458,438	317,018	368,086
Non-current liabilities			
Pension and other employee obligations	19,784	26,656	20,958
Financial liabilities	196,567	216,758	205,979
Deferred tax liabilities	8,372	3,951	8,212
Deferred consideration	10,161	731	10,355
	234,884	248,096	245,504
Total liabilities	693,322	565,114	613,590
NET ASSETS	621,048	460,290	546,797
Equity			
Equity attributable to shareholders of Kingspan Group plc			
Called-up share capital	22,285	22,073	22,161
Additional paid-in share capital	29,144	23,882	26,341
Other reserves	(23,715)	(34,690)	(25,601)
Revaluation reserve	713	713	713
Capital redemption reserve	513	513	513
Retained earnings	588,253	446,862	519,390
	617,193	459,353	543,517
Minority interest	3,855	937	3,280
TOTAL EQUITY	621,048	460,290	546,797

STATEMENT OF RECOGNISED INCOME AND EXPENSE
as at 30th June 2007

	6 months ended 30.6.07 (Unaudited) € '000	6 months ended 30.6.06 (Unaudited) € '000	Year ended 31.12.06 (Audited) € '000
Net result for financial period attributable to Group shareholders	89,171	67,979	151,032
Currency translation	2,044	(9,430)	(4,657)
Cash flow hedging in equity	(91)	(157)	(337)
Actuarial losses on defined benefit pension scheme	-	(4,265)	(685)
Income taxes relating to items charged or credited to equity	-	1,279	206
Total recognized income and expense for the period	91,124	55,406	145,559

GROUP CASH FLOW STATEMENT

for the period ended 30th June 2007

	Notes	6 months ended 30.6.07 (Unaudited) € '000	6 months ended 30.6.06 (Unaudited) € '000	Year ended 31.12.06 (Audited) € '000
Operating activities				
Result for the year before tax		108,184	83,413	185,200
Adjustments	8	30,341	25,768	54,393
Change in inventories		(28,535)	(9,910)	(18,446)
Change in trade and other receivables		(67,997)	(51,601)	(68,313)
Change in trade and other liabilities		37,855	30,104	48,669
Pension contributions		(1,499)	(1,817)	(4,561)
Cash generated from operations		78,349	75,957	196,942
Taxes paid		(9,827)	(7,725)	(25,498)
Net cash flow from operating activities		68,522	68,232	171,444
Investing activities				
Additions to property, plant and equipment		(75,514)	(26,510)	(59,487)
Increase in finance leases		2,807	-	67
Proceeds from disposals of property, plant and equipment		2,110	1,636	1,747
Proceeds from financial assets		19	-	528
Purchase of subsidiary undertakings		(26,561)	(6,487)	(70,815)
Net cash acquired with acquisitions		716	(768)	(7,073)
Payment of deferred consideration in respect of acquisitions		(2,241)	(10,450)	(16,102)
Dividends paid to minorities		-	-	(14)
Interest received		784	1,340	2,654
Net cash flow from investing activities		(97,880)	(41,239)	(148,495)
Financing activities				
Proceeds from bank loans and loan notes		46,924	1,636	-
Repayment of bank loans		(12,915)	(13,313)	(35,998)
Discharge of finance lease liability		(124)	(150)	(2,406)
Proceeds from share issues		2,188	1,149	3,288
Interest paid		(6,313)	(5,603)	(11,087)
Dividends paid		(20,767)	(15,014)	(25,103)
Net cash flow from financing activities		8,993	(31,295)	(71,306)
Cash and cash equivalents at the beginning of the period		61,864	110,231	110,231
Net increase in cash and cash equivalents		(20,365)	(4,302)	(48,357)
Translation adjustment		(568)	(1,456)	(10)
Cash and cash equivalents at the end of the period		40,931	104,473	61,864
Cash and cash equivalents as at 1st January 2007 were made up of:				
Cash and cash equivalents		69,060	120,165	120,165
Overdrafts		(7,196)	(9,934)	(9,934)
		61,864	110,231	110,231
Cash and cash equivalents as at 30th June 2007 were made up of:				
Cash and cash equivalents		40,934	105,819	69,060
Overdrafts		(3)	(1,346)	(7,196)
		40,931	104,473	61,864

Kingspan Group plc
Notes to the Financial Statements
as at 30 June 2007

Accounting policies (Notes 1 & 2)

1 Basis of preparation

The information presented in these condensed interim financial statements has been prepared in accordance with the IAS 34 issued by the International Accounting Standards Board and in accordance with the accounting policies as set out on pages 64 to 70 of the Annual Report for the year ended 31st December 2006.

The 2007 interim results and balance sheet are presented in Euro. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at the average exchange rates for the period, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date.

The interim results for the half year to 30th June 2007 and 30th June 2006 are unaudited. The comparative figures for the year ended 31st December 2006 represent an abbreviated version of the Group's full accounts for that year which have been filed with the Registrar of Companies and on which the auditors, Grant Thornton, have issued an unqualified audit report.

These interim results are available on the Group's website (www.kingspan.com). A printed copy will be sent by post to all registered shareholders. Copies may also be obtained from the Company's Registrars: Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.

Kingspan Group plc is a public limited company domiciled in Ireland with its registered office being held at Dublin Road, Kingscourt, Co. Cavan. Kingspan Group plc is a building product business focused on establishing leading market positions by providing innovative construction systems and solutions with a global reach.

2 Reporting currency

The currency used in this preliminary announcement is Euro. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at the average exchange rates, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date.

Exchange rates used were as follows:

		Average rate			Closing rate	
Euro =	30.6.07	30.6.06	31.12.06	30.6.07	30.6.06	31.12.06
Pound Sterling	0.675	0.687	0.682	0.673	0.684	0.670
US Dollar	1.330	1.230	1.256	1.346	1.262	1.313
Czech Koruna	28.172	28.522	28.367	28.700	28.480	27.590
Polish Zloty	3.852	3.899	3.906	3.789	4.070	3.840
Canadian Dollar	1.509	1.400	1.425	1.440	1.400	1.525
Australian Dollar	1.645	1.656	1.668	1.585	1.710	1.670

3 Segment reporting

Analysis by class of business

Segment Revenue	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL
	€m	€m	€m	€m	€m
Total Revenue – H1 2007	505.2	169.3	141.6	92.3	908.4
Total Revenue – H1 2006	367.7	114.6	119.9	73.7	675.9
Total Revenue – 2006	816.5	246.2	249.0	149.5	1,461.2

Intersegment revenue is not material and is thus not subject to separate disclosure in the above analysis

Segment Result (profit before finance costs)

	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL H1 2007	TOTAL H1 2006	TOTAL 2006
	€m	€m	€m	€m	€m	€m	€m
Operating result - H1 2007	78.1	14.2	9.9	12.0	114.2		
Operating result - H1 2006	58.3	12.6	10.0	7.1		88.0	
Operating result – 2006	128.0	27.5	20.9	17.6			194.0
Finance costs (net)					(6.0)	(4.6)	(8.8)
Result for the period before tax					108.2	83.4	185.2
Income tax expense					(18.5)	(15.4)	(33.5)
Net result for the period					89.7	68.0	151.7

Segment Assets and Liabilities

	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL H1 2007	TOTAL H1 2006	TOTAL 2006
	€m	€m	€m	€m	€m	€m	€m
Assets – H1 2007	670.2	235.8	225.1	139.6	1,270.7		
Assets – H1 2006	457.3	149.4	172.7	137.9		917.3	
Assets – 2006	534.8	216.0	201.2	136.6			1,088.6
Liabilities- H1 2007	(193.4)	(77.4)	(52.1)	(39.3)	(362.2)		
Liabilities - H1 2006	(143.4)	(60.1)	(46.8)	(30.9)		(281.2)	
Liabilities – 2006	(163.8)	(77.5)	(50.5)	(30.9)			(322.7)
Total assets less total liabilities					908.5	636.1	765.9
Cash and cash equivalents					40.9	105.8	69.1
Deferred tax asset					2.7	2.3	2.7
Interest bearing loans and borrowings (current and non-current)					(270.2)	(248.7)	(240.6)
Deferred consideration (current and non-current)					(17.4)	(7.4)	(16.0)
Income tax liabilities (current and deferred)					(43.5)	(27.9)	(34.3)
Total Equity as reported in Group Balance Sheet					621.0	460.2	546.8

Other Segment Information

	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL
	€m	€m	€m	€m	€m
Capital Investment - H1 2007	77.3	9.6	13.5	2.7	103.1
Capital Investment -H1 2006	29.3	2.2	2.7	4.3	38.5
Capital Investment -2006	77.8	56.4	21.8	8.8	164.8
Depreciation included in segment result - H1 2007	(10.7)	(3.6)	(3.3)	(1.9)	(19.5)
Depreciation included in segment result - H1 2006	(8.6)	(2.9)	(3.4)	(3.9)	(18.8)
Depreciation included in segment result – 2006	(19.7)	(6.8)	(6.5)	(6.3)	(39.3)
Amortisation included in segment result - H1 2007	(0.6)	(1.4)	(0.5)	0.0	(2.5)
Amortisation included in segment result - H1 2006	(0.5)	(0.6)	(0.2)	0.0	(1.3)
Amortisation included in segment result – 2006	(0.9)	(1.3)	(0.4)	(0.1)	(2.7)
Non- Cash Items included in segment result - H1 2007	0.1	0.0	0.0	0.0	0.1
Non- Cash Items included in segment result - H1 2006	0.5	0.0	0.0	0.0	0.5
Non- Cash Items included in segment result – 2006	(0.1)	0.0	0.0	0.0	(0.1)

Analysis of Segmental Data by Geography

	Republic of Ireland	United Kingdom	Rest of Europe	Americas	Others	TOTAL
	€m	€m	€m	€m	€m	€m
<u>Income Statement Items</u>						
Segment Revenue - H1 2007	144.5	517.5	163.3	66.1	17.0	908.4
Segment Revenue - H1 2006	125.7	394.3	111.2	36.3	8.4	675.9
Segment Revenue – 2006	261.5	822.1	272.1	78.9	26.6	1,461.2
<u>Balance Sheet Items</u>						
Assets - H1 2007	188.2	750.4	195.3	118.5	18.3	1,270.7
Assets - H1 2006	203.8	498.2	136.5	64.5	14.3	917.3
Assets – 2006	162.6	653.2	171.1	87.2	14.5	1,088.6
<u>Other segmental information</u>						
Capital Investment - H1 2007	15.1	57.2	12.4	17.5	0.9	103.1
Capital Investment - H1 2006	2.6	16.1	3.8	3.9	12.1	38.5
Capital Investment – 2006	21.6	87.5	21.1	21.5	13.1	164.8

4 Dividends

An interim dividend at the rate of 8.00c per share (2006 : 6.00c) is payable on 5th October 2007 to shareholders on the register at close of business on 14th September 2007.

An interim dividend on Ordinary Shares is recognised as a liability in the Group's financial statements on a cash paid basis under IFRS rather than on an accruals basis which was the accounting treatment previously adopted under Irish GAAP.

The Final Dividend on Ordinary Shares for 2006 (€22.0 million) was approved by shareholders in May 2007 and, in accordance with IFRS, was recognised as a charge to reserves in the six month period ended 30 June 2007.

5 Earnings per share

	6 months ended 30.6.07 €'000	6 months ended 30.6.06 €'000	Year Ended 31.12.06 €'000
The calculations of earnings per share are based on the following:			
Profit attributable to ordinary shareholders	89,171	67,979	151,032
	Number of shares ('000) 30.6.07	Number of shares ('000) 30.6.06	Number of shares ('000) 31.12.06
Weighted average number of ordinary shares for the calculation of basic earnings per share	169,150	168,169	168,149
Dilutive effect of share options	4,418	4,525	3,936
Weighted average number of ordinary shares for the calculation of diluted earnings per share	173,568	172,694	172,085
	€ cent	€ cent	€ cent
Basic earnings per share	52.7	40.4	89.8
Diluted earnings per share	51.4	39.4	87.8

6 Goodwill

As at 30th June 2007	Goodwill € '000
At 1st January	287,580
Additions	15,136
Net exchange difference	(699)
At 30th June 2007	302,017

7 Other intangible assets

As at 30th June 2007					
	Patents € '000	Brands € '000	Technical Know-how € '000	Other € '000	Total € '000
At 1st January	923	13,965	976	1,253	17,117
Additions	-	-	-	1,500	1,500
Amortisation	(222)	(1,832)	(60)	(383)	(2,497)
Net exchange difference	-	(14)	1	9	(4)
At 30th June 2007	701	12,119	917	2,379	16,116

8 Cash flow statement

The following non-cash adjustments have been made to the pre-tax result for the period to arrive at operating cash flow:

	6 months ended 30.6.07 €'000	6 months ended 30.6.06 €'000	Year Ended 31.12.06 €'000
Adjustments:			
Depreciation, amortisation and impairment charges of fixed and intangible assets	21,989	20,116	41,957
Employee equity-settled share options	2,392	1,532	3,492
Finance income	(769)	(1,447)	(2,775)
Finance cost	6,781	6,048	11,620
(Profit)/loss on sale of tangible assets	(52)	(481)	99
Total	30,341	25,768	54,393

9 Reconciliation of net cash flow to movement in net debt

	6 months ended 30.6.07 €'000	6 months ended 30.6.06 €'000	Year Ended 31.12.06 €'000
Decrease in cash and bank overdrafts (Increase)/Decrease in debt, lease finance and deferred consideration	(20,365) (31,644)	(4,302) 22,277	(48,357) 54,506
Change in net debt resulting from cash flows	(52,009)	17,975	6,149
Loans and lease finance acquired with subsidiaries	(23)	(3,969)	(15,365)
Deferred consideration arising on acquisitions in the period	(3,590)	-	(14,086)
New finance leases	(2,807)	-	(67)
Translation movement	(689)	(768)	(679)
Net movement	(59,118)	13,238	(24,048)
NET DEBT AT START OF THE PERIOD	(187,564)	(163,516)	(163,516)
NET DEBT AT END OF THE PERIOD	(246,682)	(150,278)	(187,564)

10 Board approval

The Interim Report was approved by the Board of Directors of Kingspan Group plc on 31st August 2007.