

KINGSPAN GROUP plc

Full Year Results 2005

6th March 2006



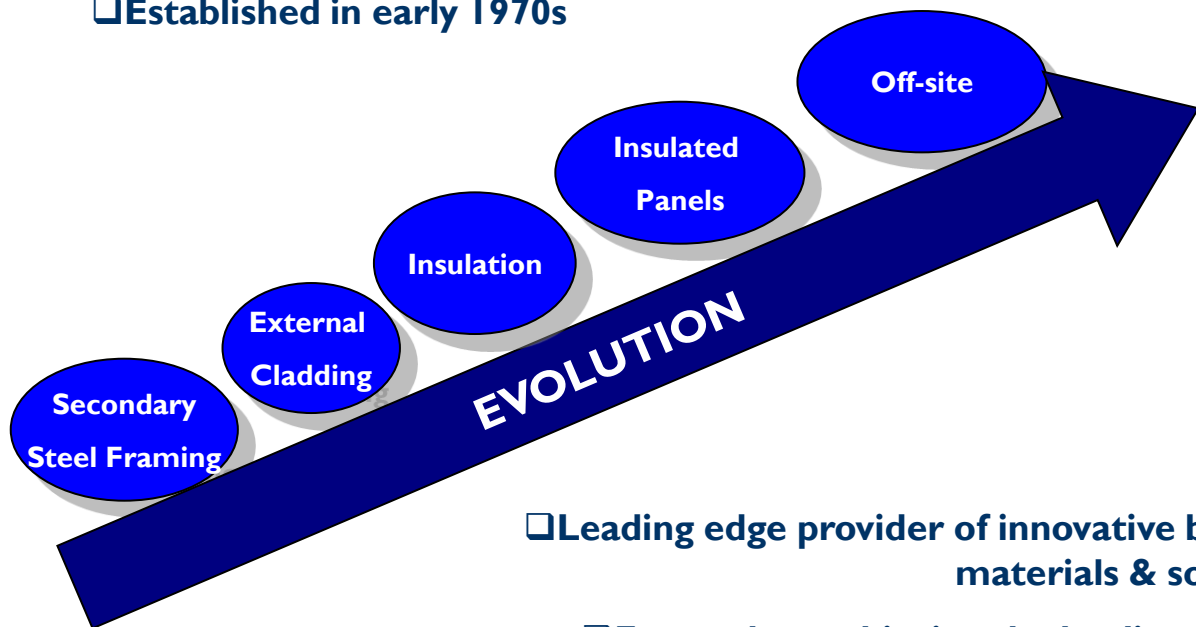
Sustainable : Renewable : Affordable

Forward Looking Statements

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.



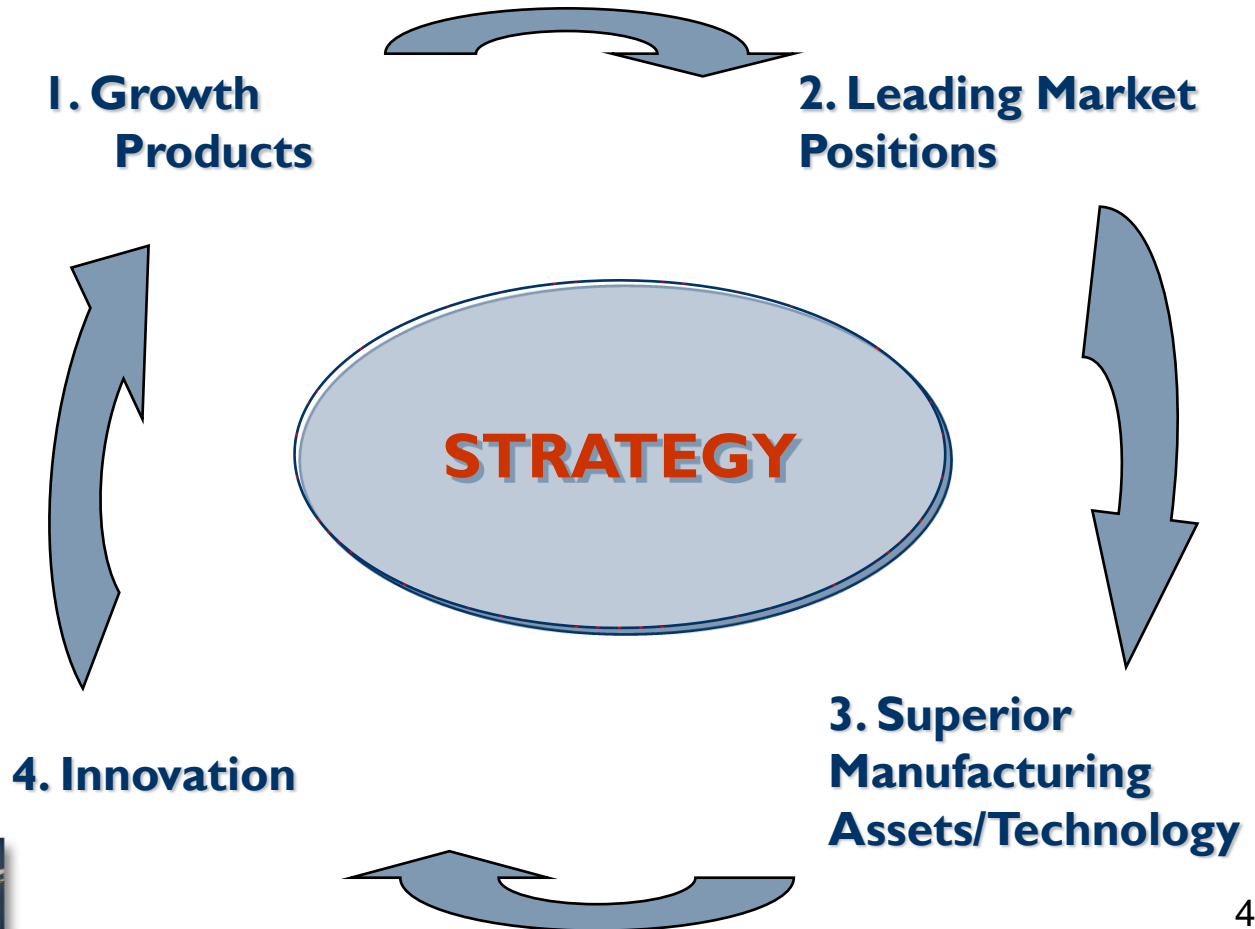
- ❑ Established in early 1970s



- ❑ Leading edge provider of innovative building materials & solutions
- ❑ Focused on achieving the leading market positions in growth products/sectors
- ❑ Emphasis on continuous product & process developments to ensure sustainability of competitive edge



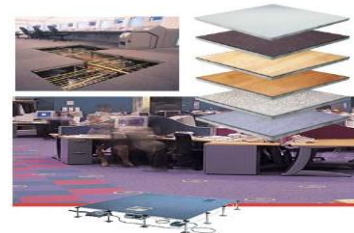
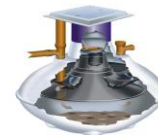
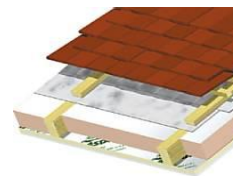
The Model



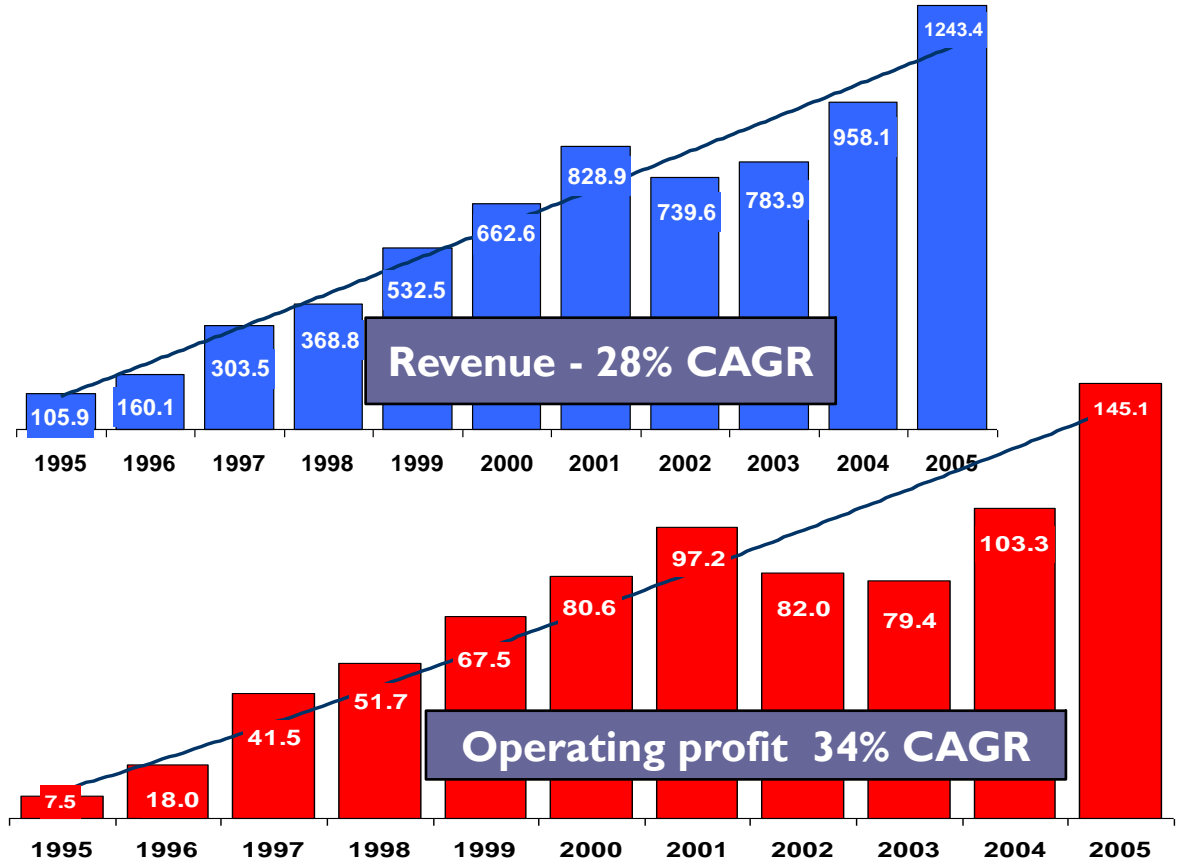
Main Product / Market Sectors



- ☐ **Insulated Panels**
 - ☐ *Industrial/Commercial/Foodstore/Coldstore Panels*
 - ☐ *#1 producer of insulated panels in Europe*
- ☐ **Insulation boards**
 - ☐ *Domestic Housing/Industrial/Commercial*
 - ☐ *#1 producer of rigid insulation boards in Europe*
- ☐ **Off-site & Structural**
 - ☐ *Off-site Solutions*
 - ☐ *#1 producer of Off-site Residential solutions UK/Irl*
 - ☐ *#1 producer of structural secondary steel sections in UK and Ireland*
- ☐ **Environmental/Pollution Control**
 - ☐ *Domestic housing*
 - ☐ *#1 producer of environmental and pollution control products in UK and Ireland*
- ☐ **Access Floors**
 - ☐ *Office market*
 - ☐ *#1 producer of access floors in the USA and Europe*



10 Year Growth (€'mn)



* Operating profit stated pre Goodwill amortisation for pre-IFRS periods (1996-2003)



Where Kingspan Operates



EUROPE



U.S



- ☐ Manufacturing and distribution operations throughout Europe, US and Australasia
- ☐ Total number of locations 64; 40 Manufacturing, 24 Sales Offices
- ☐ Manufacturing: 9 Panels, 4 Insulation, 7 Structural & Offsite, 3 Access Floors, 17 Environmental Containers



2005 Highlights

- ☐ Revenue growth of 30% to €1,243.4m
 - ☐ Excluding acquisitions ↑15%
- ☐ Operating Profit growth of 40% to €145.1m
 - ☐ Excluding acquisitions ↑25%
- ☐ EPS growth of 41%
- ☐ Margin improvement from 10.8% to 11.7%
- ☐ Hungary facility fully commissioned, supporting organic growth of 33% in the overall CEE region
- ☐ Strong defence of Insulation market share in UK/IRL
- ☐ Acquisition activity of €142m, most notably in
 - ☐ Insulated Panels (ATC)
 - ☐ Offsite (Century)
 - ☐ Environmental Containers (RCM & Albion)
- ☐ Improved profit performance at Access Floors



Profit & Loss

€'mn	FY-05						Total YonY growth
	2004	2005	Pre- acquisition	Underlying YonY growth	Acquired	Total	
Sales	958.1	1,243.4	1,104.5	15%	138.9	1,243.4	30%
Gross profit	282.4	377.1	339.7	20%	37.4	377.1	34%
Gross Margin	29.5%	30.3%	30.8%	4%	26.9%	30.3%	3%
Operating profit	103.3	145.1	129.0	25%	16.1	145.1	40%
Operating profit %	10.8%	11.7%	11.7%		11.6%	11.7%	8%
Net interest	(6.9)	(10.1)				(10.1)	46%
Profit before Tax	96.4	135.0				135.0	40%
Tax	(18.3)	(23.6)				(23.6)	29%
Net Profit after tax	78.1	111.4				111.4	43%
Basic EPS (€cents)	47.1	66.4				66.4	41%
Diluted EPS (€cents)	46.3	64.8				64.8	40%
Dividend per share (€cents)	9.6	13.4				13.4	40%



Financial Highlights



	2004	2005
Revenue Growth	22%	30%
EBITDA	128.4	177.6
ROCE	21.4%	22.4%
Effective tax rate	19.0%	17.5%
Dividend cover - declared	4.9	4.9
Working capital days	33	33
Gearing: (Net Debt/Shareholder's Funds)	35.4%	39.2%
Debt Cover - Debt/EBITDA	0.84	0.92
Interest Cover - EBITDA/Net Interest	18.6	17.6
Free Cash Flow Growth	37%	74%



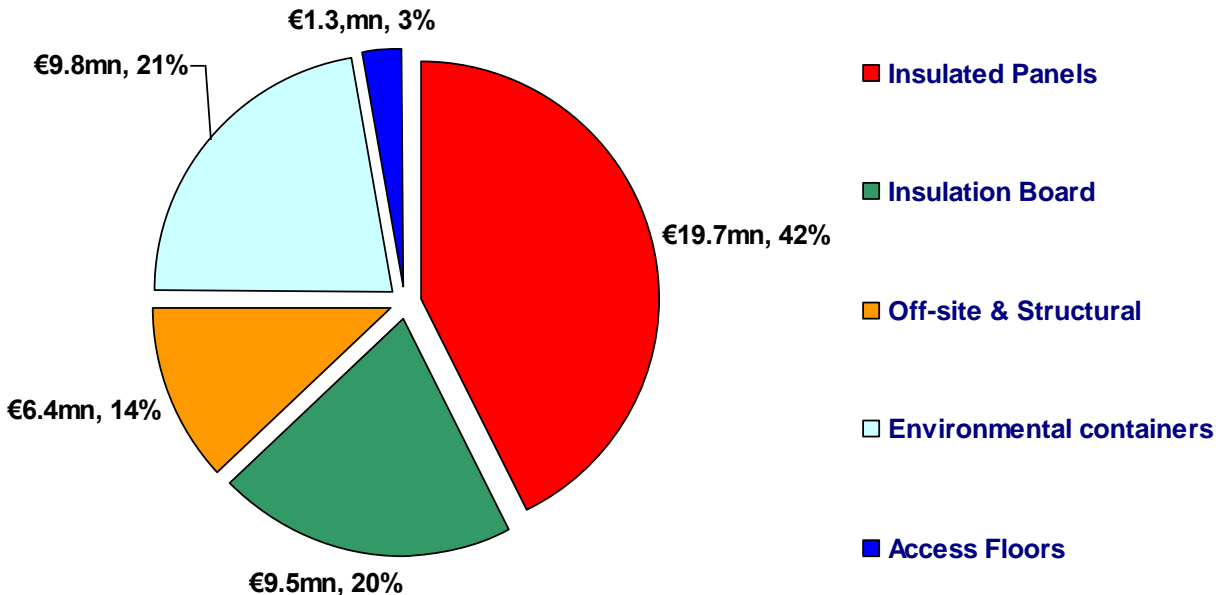
Cashflow Statement



€'mn	2004	2005
Operating profit	103.3	145.1
Depreciation	24.4	30.6
Amortisation	0.7	1.9
Pension contributions	(2.9)	(2.9)
Working capital increase	(36.0)	(9.4)
Interest Paid	(6.6)	(7.5)
Taxation paid	(14.8)	(28.2)
Others	14.2	13.7
Free cash flow	82.3	143.3
Acquisitions	(26.6)	(141.6)
Receipt of Tate settlement	24.7	-
Net capital expenditure	(53.5)	(42.2)
Dividends paid	(13.2)	(17.8)
Cash flow movement	13.7	(58.3)
Debt translation	(0.6)	2.9
Decrease/ (increase) in net debt	13.1	(55.4)
Net debt at start of year	(121.2)	(108.1)
Net debt at end of year	(108.1)	(163.5)



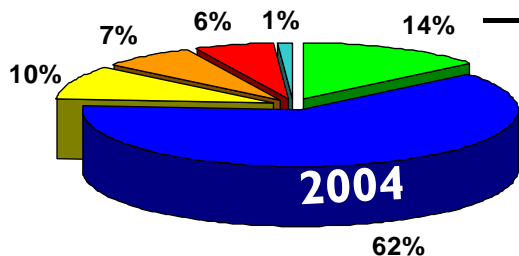
Capital Expenditure - €46.7mn spend for the year



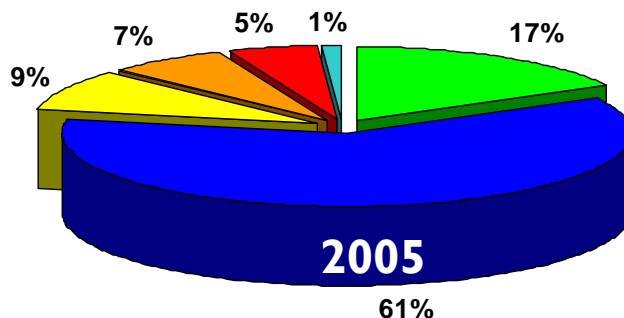
Sales by Geographic Market



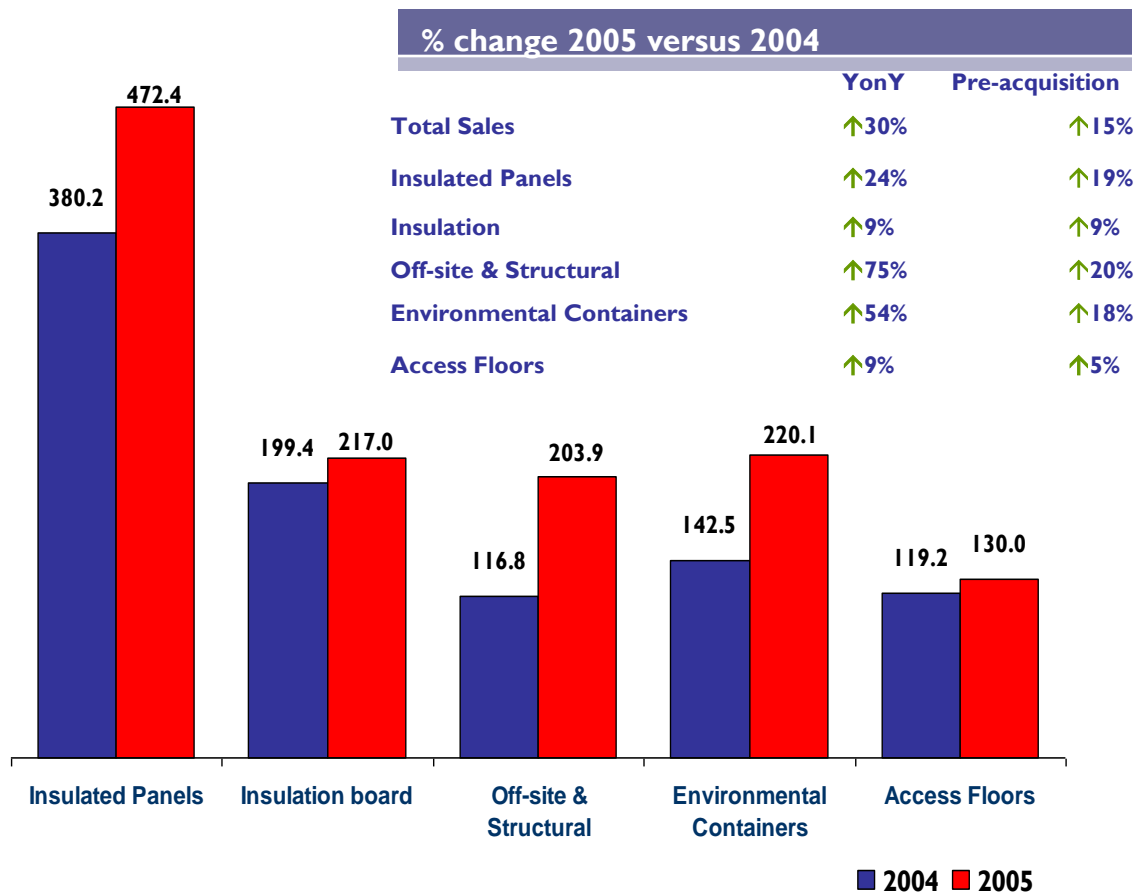
€mn	2004	2005	% change in 2005		Pre-acquisition
Republic of Ireland	136.8	215.3	↑	57%	19%
Britain/Northern Ireland	592.4	753.3	↑	27%	14%
Western Europe	96.5	107.4	↑	11%	11%
Central & Eastern Europe	66.7	89.0	↑	33%	33%
Americas	53.6	63.7	↑	19%	10%
Other	12.1	14.7	↑	22%	6%
	958.1	1243.4	↑	30%	15%



■ Rep of Irl ■ Britain/Nl
■ Western Europe ■ Eastern Europe
■ Americas ■ Other



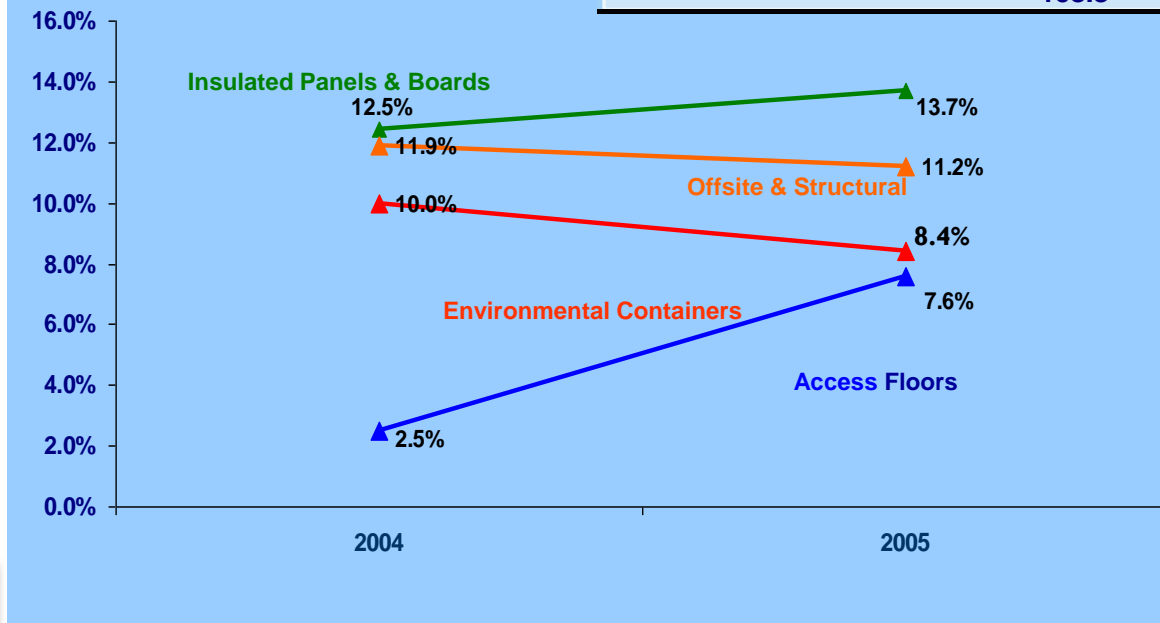
Sales by Product Group (€'mn)



Operating profit by Product



€'m n	2004	2005
Insulated Panels & Boards	72.2	94.2
Off-site & Structural	13.9	22.7
Environmental Containers	14.2	18.4
Access Floors	3.0	9.8
	103.3	145.1



Building Regulations & Energy Performance



□ 2002, **2006**, 2010

Aim:

- To substantially lower energy usage from buildings, reducing Carbon Emissions by approx 20% by 2015

How:

- Introduction of building certificates
- Compulsory Air Leakage Testing for buildings above 1,000m²
- Revised assessment procedure

Kingspan:

- Ideally positioned.

Building Energy Certificate

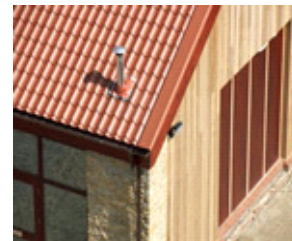
Building	Type
ACME house	Bank
Carbon Rating	19 kgC/m ²
Benchmark Rating	16 kgC/m ²
Design Rating	A B C D E F G
Actual Rating	A B C D E F G
<small>Issued in compliance with the European Directive on Energy Performance on Buildings and UK statutory Instrument 1945 2005.</small>	
Issue Date 8/2007	



Insulated Panels



- ❑ Sales ↑24% to €472.4mn versus 2004
 - ❑ Excluding acquisitions ↑19%
- ❑ 38% of 2005 Group Sales
- ❑ UK Building Regulations ↑ Conversion
 - ❑ Target >70% penetration in UK by 2009
- ❑ Foodstore/Coldstore #1 in UK/Irl
 - ❑ ATC now Kingspan Controlled Environments
 - ❑ Australia/NZ Opportunity
- ❑ New capacity requirements 2008
 - ❑ Benelux will be a consideration

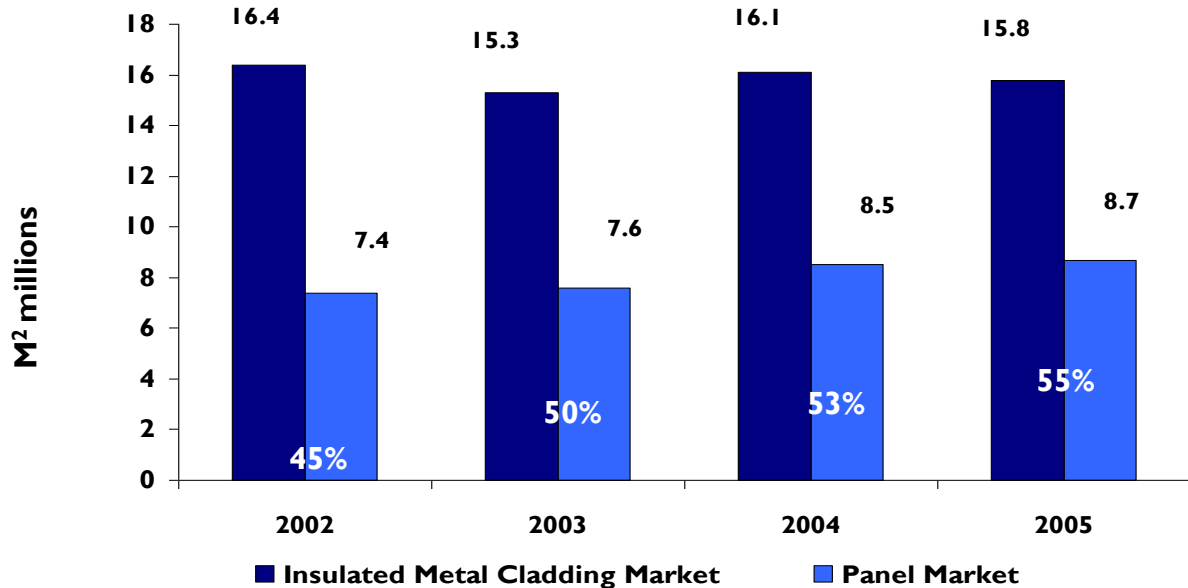


Insulated Panels Market Model

Britain



Panel Market (Excluding Membrane) continues to grow share relative to Insulated Metal Cladding Market



Target >70% by 2009

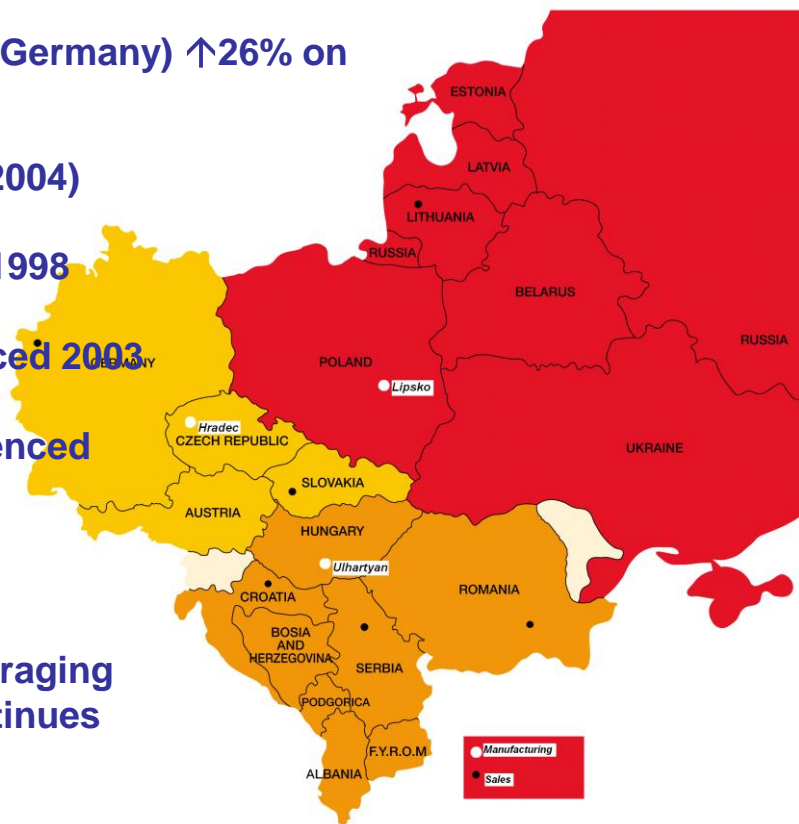


Insulated Panels

Central & Eastern Europe



- ❑ CEE Panel Sales (including Germany) ↑26% on 2004 to €96.5mn
- ❑ = 20% of Panel Sales (17% 2004)
- ❑ First entered Czech Rep in 1998
- ❑ Polish production commenced 2003
- ❑ Hungary production commenced Q2-05
- ❑ Strong finish to 2005
- ❑ Order book indicates encouraging start to 2006, as rollout continues



Insulation Boards



- ❑ Sales ↑9% on 2004 to €217.0mn
- ❑ 17% of 2005 Group Sales
- ❑ Building Regulations driving conversion
 - ❑ UK Regulation update April 2006
- ❑ Inter-changeability of Insulants
- ❑ Additional capacity UK/Irl – 2006/07
 - ❑ Manufacturing & Marketing geared towards proprietary Phenolic range
- ❑ Western Europe (From the Netherlands)
 - ❑ Phenolic offering to compete against alternative product
 - ❑ Development focus

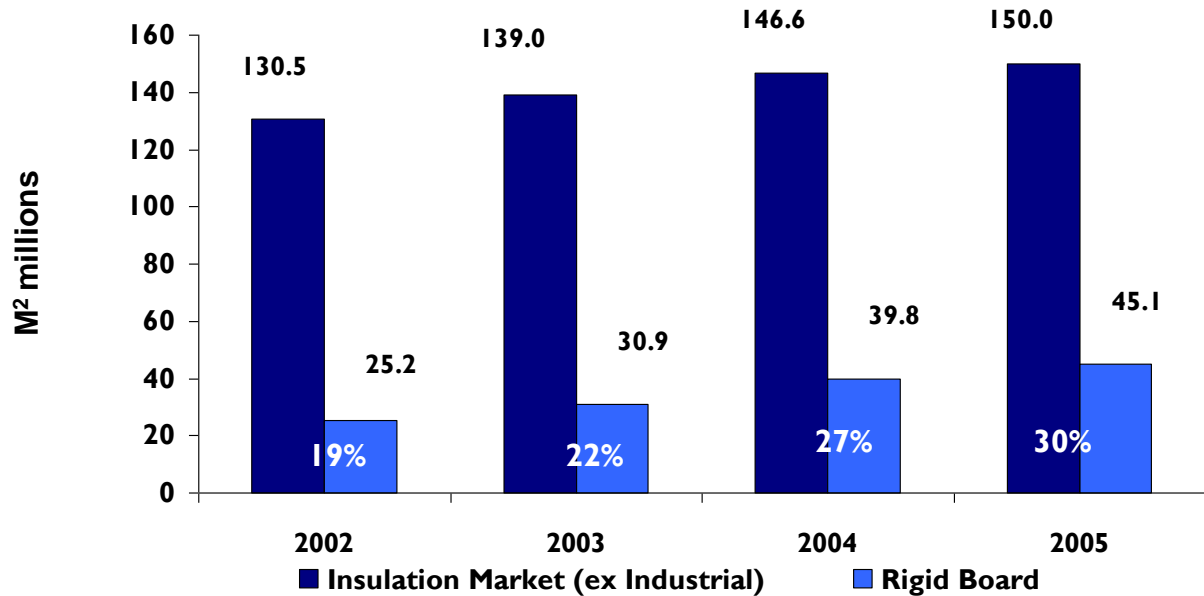


Insulation Market Model

UK & Ireland



Rigid Board penetration of overall Insulation Market



40% Penetration Target by 2009



Off-Site & Structural

Factory manufactured 'foundation-to-roof' construction systems and solutions, for residential and non-residential sectors, utilising Modern Methods Of Construction.

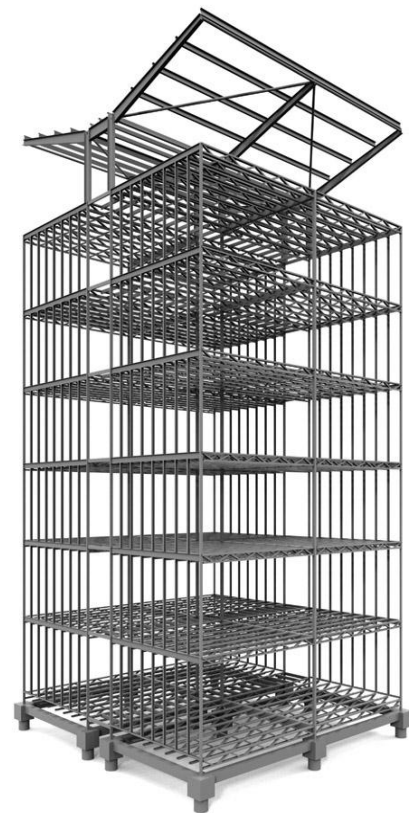
- Timber framed systems – drive penetration UK/Irl
- Steel framed systems – medium rise & non-residential
- Hybrid systems – steel & timber framed
- Architectural Façade Framing Systems – conversion from traditional masonry



Off-Site & Structural



- ❑ **Sales ↑75% on 2004 to €203.9mn**
- ❑ **Excluding the Century acquisition
Sales ↑20%**
- ❑ **17% of 2005 Group Sales**
- ❑ **Continuous development & extension
of the metal/timber product offering**
- ❑ **UK timber frame expansion**
 - ❑ **Options under review**



Access Floors



- ❑ **Sales ↑9% on 2004 to €130.0mn**
 - ❑ **Excluding acquisitions ↑5%**
- ❑ **10% Group Sales**
- ❑ **Market – Office/Financial**
- ❑ **Market Conditions improving**

- ❑ **UK**
 - ❑ **Estimating level up >30%YonY**
 - ❑ **London office vacancy rates <10%**

- ❑ **US**
 - ❑ **Improved product mix**
 - ❑ **Addition of a second brand,ASM**



Environmental Containers



- ❑ Sales ↑54% to €220.1mn versus 2004

- ❑ Excluding acquisitions ↑18%

- ❑ 18% of 2005 Group Sales

- ❑ Emphasis on growth sectors -

- ❑ Unvented

- ❑ Treatment Plants

- ❑ Bunded Fuel Tanks

- ❑ Conversion to Added Value products

- ❑ UK YonY bunded conversion increased from 35% to 45%

- ❑ Total available oil tank market down 10% on 2004

- ❑ Mainland Europe 30% Capacity increase now operational

- ❑ Bolt on acquisitions



- ↑ **Continue to pursue proven strategy**
- ↑ **Leading market positions**
- ↑ **Geographic and product diversity**
- ↑ **Opportunities to grow within existing markets**
- ↑ **Commitment to R&D and product innovation**

Delivering:

- ↑ **Strong cash flow across businesses**
- ↑ **Pattern of strong earnings growth**

