



HARNESSING NATURE



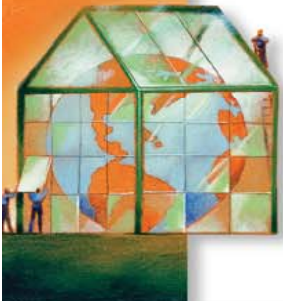
Full Year Results 2008
Monday 2nd March 2009

Disclaimer



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.

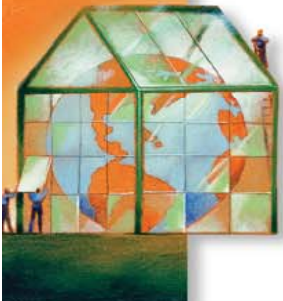


Agenda

- ❑ **Highlights for 2008**
- ❑ **Financial Review**
- ❑ **Review by Business Unit**
- ❑ **Strategy & Outlook 2009**



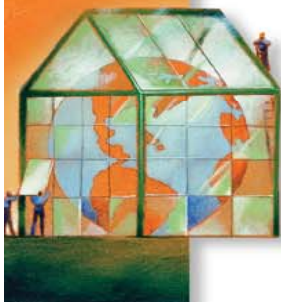
Shangri-La Hotel, Dubai, UAE



2008 Financial Highlights



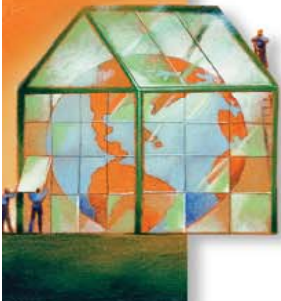
- ❑ **Turnover down 10.2% to €1,672.7mn**
 - On constant currency -2%
- ❑ **Pre-Exceptional Operating Result down 33.6% to €157.1mn**
 - On constant currency -28%
- ❑ **€76mn annualised savings achieved since the peak of late 2007**
 - Equates to a 24% reduction in the affected businesses
- ❑ **Reduction in working capital of €43.6mn**
- ❑ **Adjusted EPS 76 cent, Basic EPS 26.7 cent**
- ❑ **No final dividend in respect of 2008**
- ❑ **Exceptional/re-organisation costs €75.1mn including goodwill impairment €43.6mn**
- ❑ **Net Debt €299.6mn, interest cover 14.6 times**
- ❑ **Funding headroom at year end of c. €280mn**
- ❑ **Total investment of €193.4mn comprising €87.7mn in acquisitions, and €105.7mn in capex**
- ❑ **Planned capital investment 2009 reduced to €50mn**



2008 Operational Highlights

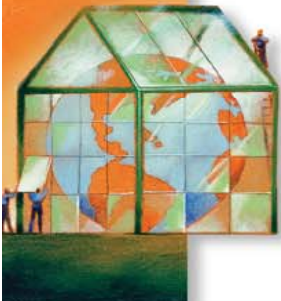


- ❑ **Strong growth in Insulated Panels across Western and Central & Eastern Europe (up 11% on constant currency basis)**
- ❑ **Macro driven decline in Insulated Panels & Insulation Boards in UK and Ireland. The combined sales of these products in this market was down 13% at constant currency**
- ❑ **Transformational growth in US Insulated Panel market position which has performed strongly since the acquisition of Metecno Inc. at end of August 2008. Canada has been weaker however**
- ❑ **Impressive growth of 66% in turnover in Solar Hot Water across Europe**
- ❑ **Record year in Access Floors as office construction continued to be strong for much of the period**
- ❑ **Off-site and Environmental both impacted heavily by the pace of contraction in housing**



Rationalisation

- ❑ **€76 mn annualised cost savings**
- ❑ **Consolidation of Off-site production**
 - ❑ **Closed five sites**
- ❑ **Consolidation of production in Environmental and Renewables**
 - ❑ **Consolidated five sites into one, a further eight to go in 2009**
- ❑ **Capital expenditure curbed for 2009/2010. €50mn anticipated for 2009**
- ❑ **Flexible Manufacturing**
- ❑ **Overhead Reductions throughout the organisation**
- ❑ **Significant procurement savings**

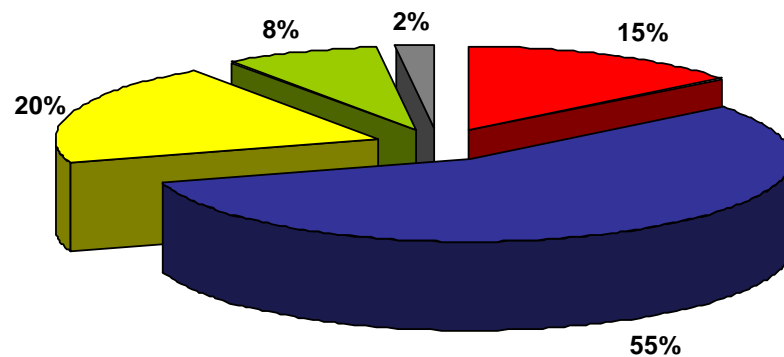


2008 Sales by Geography

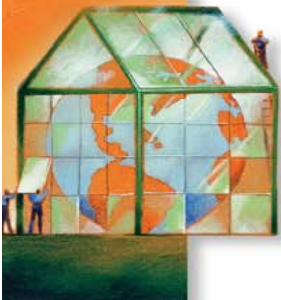
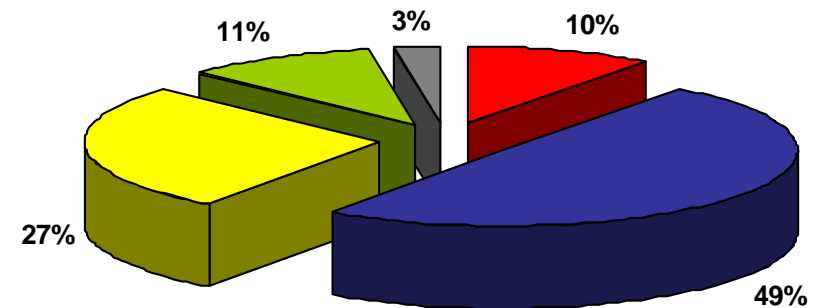


€ mn	2007	2008	% change at constant currency	% change YoY
Republic of Ireland	270.4	173.8	-36%	-36%
Britain & Northern Ireland	1036.7	826.6	-7%	-20%
Mainland Europe	375.5	453.1	18%	21%
Americas	144.5	177.1	29%	23%
Other	36.1	42.1	32%	17%
Group Sales	1,863.2	1,672.7	-2%	-10%

2007

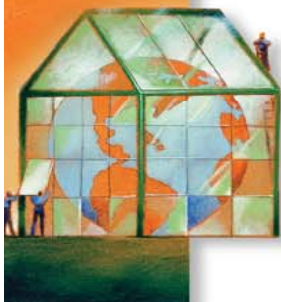
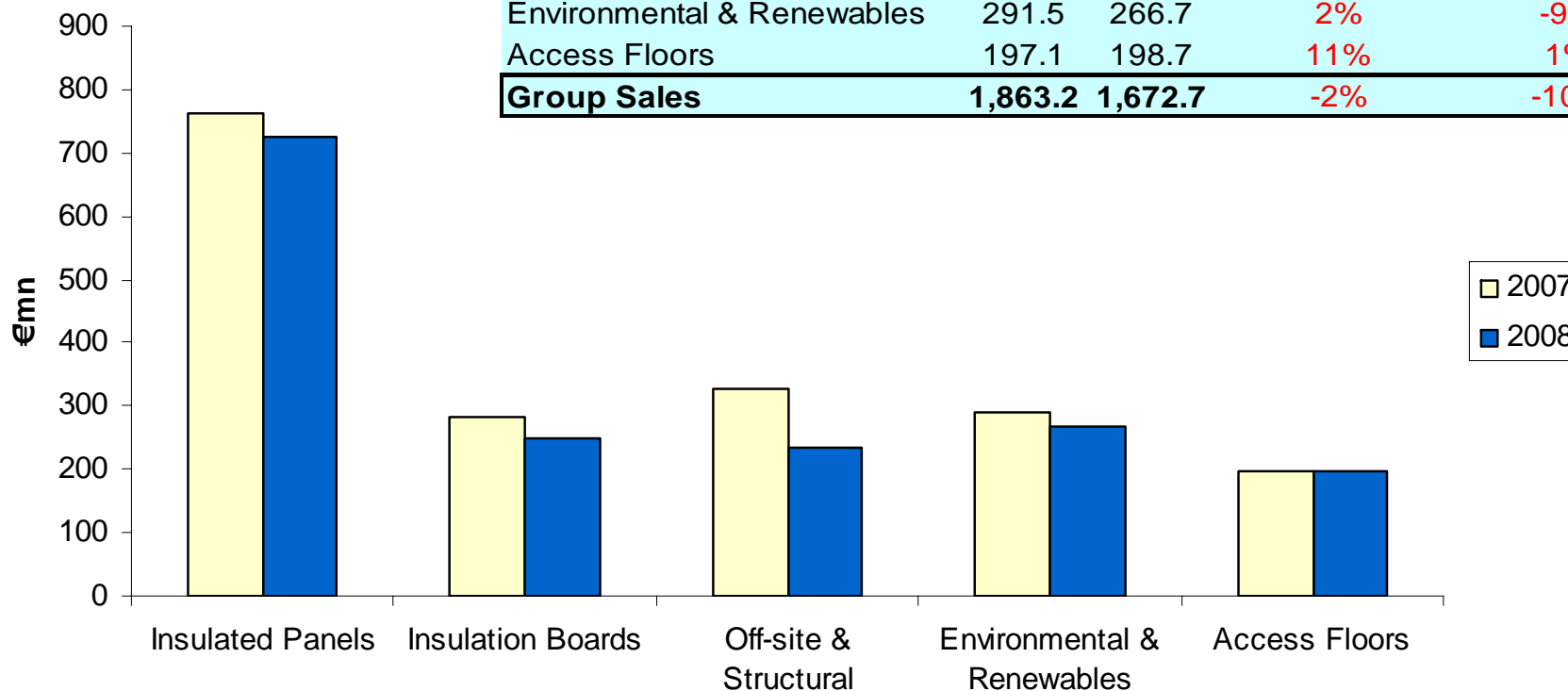


2008



Sales by Product Group

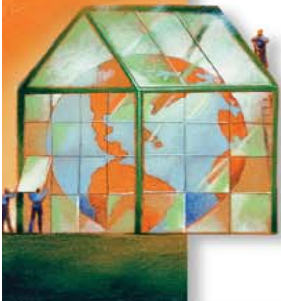
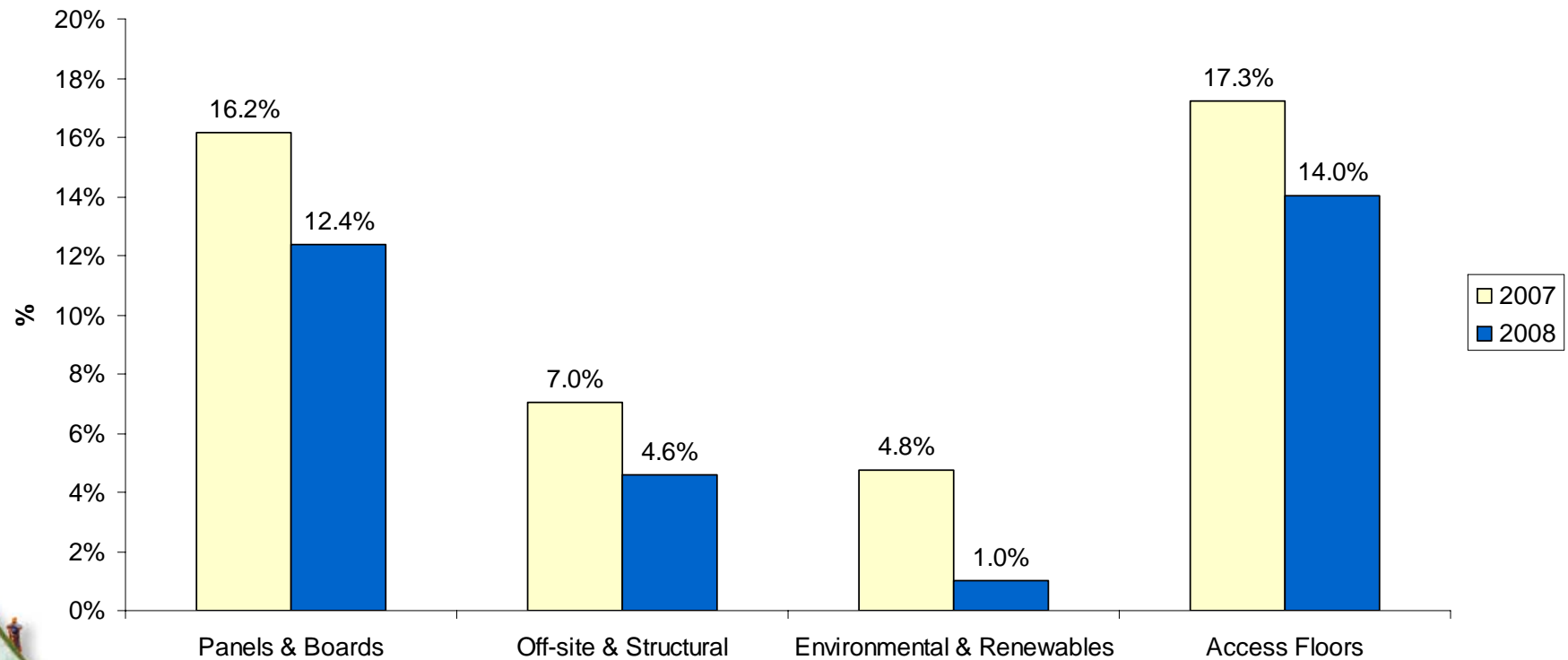
€mn	2007	2008	% change at constant rates	% change at actual rates
Insulated Panels	763.6	724.0	0%	-5%
Insulation Boards	284.2	250.0	-3%	-12%
Offsite & Structural	326.8	233.3	-20%	-29%
Environmental & Renewables	291.5	266.7	2%	-9%
Access Floors	197.1	198.7	11%	1%
Group Sales	1,863.2	1,672.7	-2%	-10%



Operating Profit by Division before Amortisation & Exceptional Items



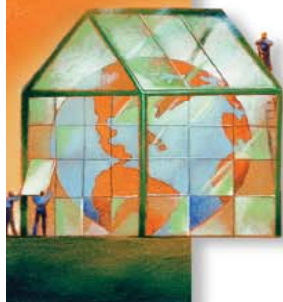
€mn	2007	2008
Panels & Boards	16.2%	12.4%
Offsite & Structural	7.0%	4.6%
Environmental & Renewables	4.8%	1.0%
Access Floors	17.3%	14.0%
	12.9%	9.7%



Summary P&L



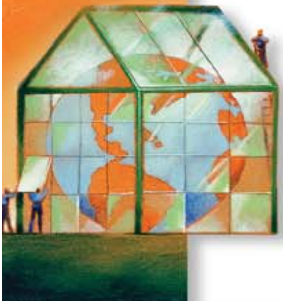
	Before non-trading Items 2008 €'000	Non- trading Items 2008 €'000	Total 2008 €'000	Total 2007 €'000	YoY % change
Revenue	1672.7	-	1672.7	1863.2	-10%
Trading Profit	161.7	-	161.7	241.3	-33%
Intangible Amortisation	(4.6)	-	(4.6)	(4.6)	0%
Non-trading Items	-	(75.1)	(75.1)	-	
Operating result	157.1	(75.1)	82.0	236.7	-65%
Net Finance Cost	(13.9)	-	(13.9)	(12.5)	12%
Result for the period before tax	143.2	(75.1)	68.1	224.2	-70%
Income tax expense	(20.9)	(3.2)	(24.2)	(36.9)	-35%
Net result for the period	122.3	(78.3)	44.0	187.3	-77%
Basic EPS (€ cents)			26.7	110.5	-76%
Diluted EPS (€ cents)			26.5	108.5	-76%
Dividend per share (€ cents)			8.0	25.0	-68%



Exceptionals



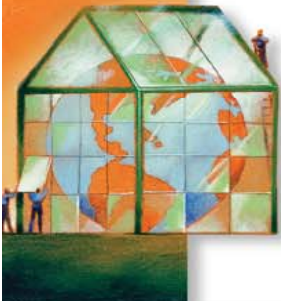
	€'mn
Goodwill Impairment	43.6
Business Restructuring	12.3
Redundancy Costs	11.6
Asset Impairment	3.2
Product Discontinuance	<u>4.4</u>
Total Exceptional costs	<u>75.1</u>
Annualised savings from peak	€76mn



Goodwill Impairment

- ❑ **Off-site €40mn**
 - ❑ **Goodwill of €76.5mn written down to €36.5mn**
 - ❑ **No recovery in profitability expected until 2011**

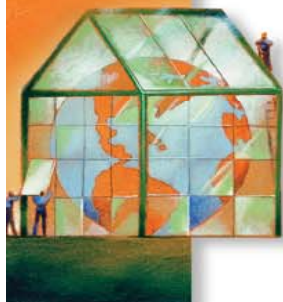
- ❑ **Insulated Panels €4.2mn**
 - ❑ **Goodwill write off in respect of investment in Turkey €4.2mn**
 - ❑ **Business recapitalised in early 2009**
 - ❑ **Outlook still looks promising**



Cashflow Statement



€mn	2007	2008
Inflows		
Operating profit	236.7	82.0
Depreciation	39.8	40.6
Amortisation	7.7	4.6
Pension contributions	(3.4)	(2.6)
Working capital (increase)/decrease	(66.8)	43.6
Interest paid	(12.3)	(12.7)
Taxation paid	(27.0)	(18.1)
Others	17.6	60.3
Free cash flow	192.3	197.7
Acquisitions	(49.8)	(92.6)
Net capital expenditure	(140.3)	(97.5)
Dividends paid	(35.5)	(42.3)
Share Buyback	0.0	(32.6)
	(225.6)	(265.0)
Cash flow movement	(33.3)	(67.3)
Debt translation	(4.1)	(7.3)
Decrease / (increase) in net debt	(37.4)	(74.6)
Net debt at start of year	(187.6)	(225.0)
Net debt at end of year	(225.0)	(299.6)

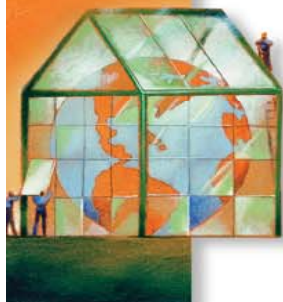


Net Assets Statement & Key Ratios



Net Assets Statement - €mn	2007	2008
Tangible Fixed Assets	398.7	411.1
Intangible Assets	318.1	292.9
Working Capital	285.4	222.3
Current Corporate Tax & Deferred Tax	(43.2)	(47.4)
Provisions	(61.1)	(60.2)
Net Debt	(225.0)	(299.6)
Net Assets	672.9	519.1

Key ratios	2007	2008
Gearing (Net Debt:Shareholder funds)	33.4%	57.7%
Debt/EBITDA	0.79	1.48
Interest Cover	22.8	14.6
ROCE (before non-trading items)	26.4%	19.2%
Working Capital as % of Sales	15.3%	14.5%



Core Banking Facilities

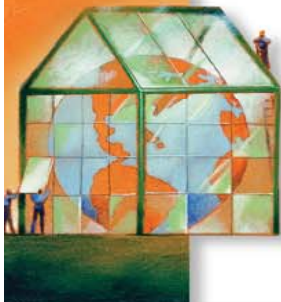
- ❑ **Successful re-negotiation of €330mn credit facility – September 2013 maturity date**

- ❑ **Private placement €151mn (USD200mn)**
 - Repayable 2015 €119mn & 2017 €32mn
 - Same covenants as Revolving Facility

- ❑ **Various bilateral facilities totalling c. €100mn**

- ❑ **Significant headroom on the covenants**
 - Max 3.5x net debt:EBITDA actual 1.48
 - Min 4.0x interest cover actual 14.6

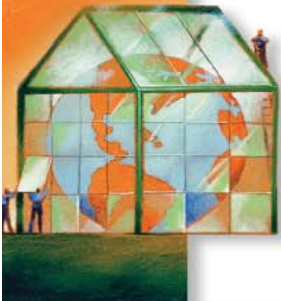
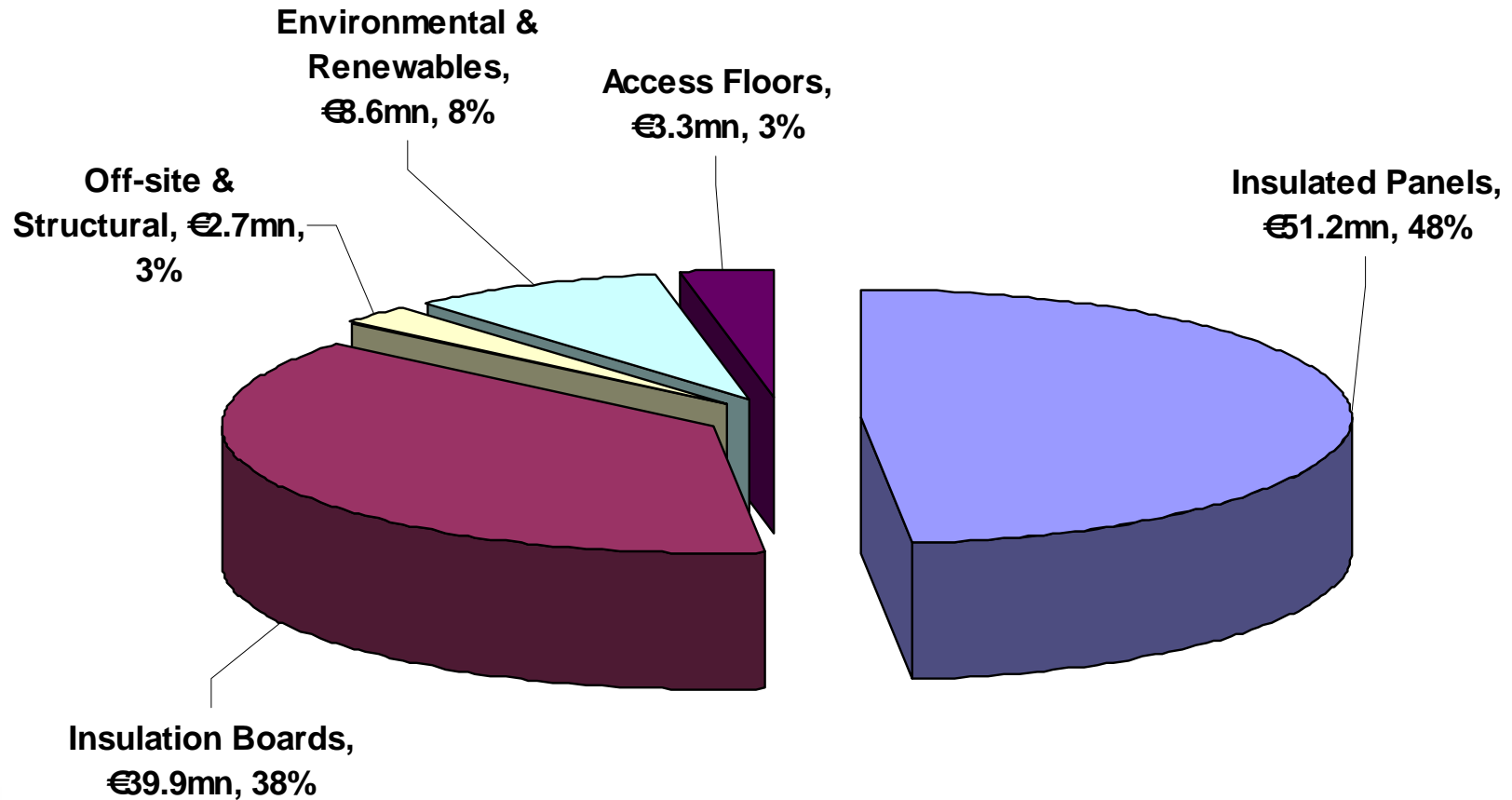
- ❑ **Year End 2008 Net Debt €299.6mn – headroom c. €280mn**



Capital Expenditure – €105.7mn



□ Total investment of €193.4mn comprising €87.7mn in acquisitions and €105.7mn in capex, 2.6 times depreciation



Major Capital Investment Projects

- ❑ Investment of €105.7mn in 2008 & estimated c. €50mn in 2009

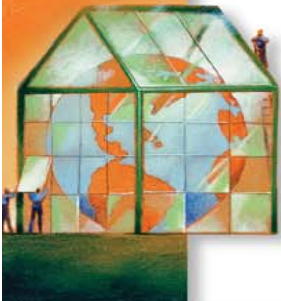
- ❑ **Insulation Boards**
 - Selby in production & Pembridge scaled down to compensate
 - Tiel, Netherlands – on schedule – must move from current site in late 2009
 - Poland postponed until 2010/2011

- ❑ **Environmental & Renewables**
 - Consolidation of sites in Ireland completed end 2008
 - Investment in Solar Thermal capacity in 2009

- ❑ **Insulated Panels UK**
 - Replacement line complete in 2008

- ❑ **Insulated Panels CEMEI**
 - New line in Czech complete in 2008

- ❑ **Insulated Panels Canada**
 - Vancouver complete Q1 2009. Toronto scheduled Q3 2009



Insulated Panels UK, IRL, WE



	2007	2008
Sales (€mn)	505.7	415.6
% of Group Sales	27%	25%

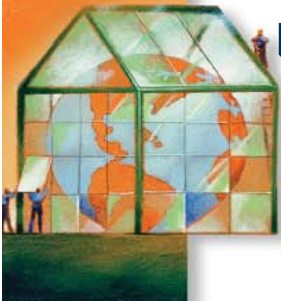
Analysis of YonY % change

Currency	Volume	Price & Mix	Total
-8%	-12%	+2%	-18%

- ❑ **Against very tough market environment in the UK, solid performance, volume down 17%**
- ❑ **Exceptionally difficult period in Ireland, volume down 32%**
- ❑ **Western Europe very strong, volumes up 17%, although this weakened towards year end**
- ❑ **Aus/NZ volume marginally up, long term potential**
- ❑ **Good progress of new product sales as well as new markets, particularly France**
- ❑ **Current orderbook down 28% year on year**
- ❑ **Margins will be under significant pressure due to negative operational leverage and steel overhang**



Yealands Estate Winery, New Zealand



Insulated Panels CEMEI



	2007	2008
Sales (€mn)	214.2	235.1
% of Group Sales	11%	14 %

Note: The above figures include Germany and Turkey

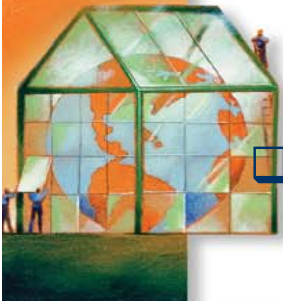
Analysis of YoY % change

Currency	Volume	Price & Mix	Total
+3%	+6%	+1%	+10%

- ❑ **Excellent sales performance for year as whole, volume up 6%**
- ❑ **Germany, Poland & Balkans particularly strong**
- ❑ **New Czech roof line commissioned in Q4**
- ❑ **Turkey remained tough, but encouraging early stage progress in India**
- ❑ **Focus on consolidating position in wider geography and great emphasis on new product sales**
- ❑ **Current orderbook down 33% year on year**



Kingspan Energy Centre in Hradec Kralove, Cz



Insulated Panels North America



	2007	2008
Sales (€mn)	43.7	73.3
% of Group Sales	2%	4%

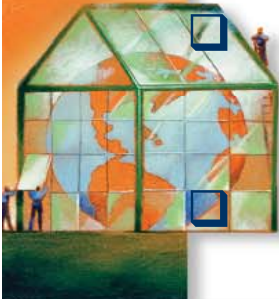
Analysis of YoY % change

Currency	Volume & Price	Acquisitions	Total
-8%	-12%	+88%	+68%

- ❑ Completed Metecno USA acquisition in Q3 2008
- ❑ Market leadership across the continent, now five Insulated Panel facilities, two profiling plants, capacity c. \$250mn
- ❑ Market becoming more receptive to low energy building solutions
 - key focus on conversion of commercial & industrial end markets
- ❑ Focus on operational efficiencies and processing improvements
- ❑ Canada – tough trading environment, new Toronto plant on schedule Q3 2009, new Vancouver plant commissioned Q1 2009
- ❑ Absorption of high cost steel will impact margins in H1 2009



Boston Convention Center, USA



Insulation Boards

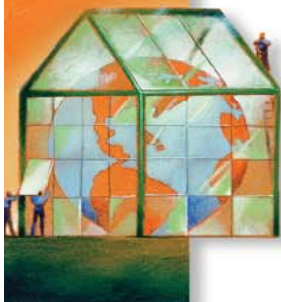


	2007	2008
Sales (€mn)	284.2	250.0
% of Group Sales	15%	15%

Analysis of YoY % change

Currency	Volume	Price & Mix	Total
-9%	-12%	+9%	-12%

- Tough backdrop to UK and Ireland housing markets lead to volume contraction of 12% in the year
- Trend anticipated to continue through 2009
- Refurbishment and upgrading of existing dwellings to receive boost. Kingspan ideally positioned for this
- Sales in Western and Central Europe performed well
- Phenolic replacement capacity in Netherlands expected to complete Q3 2009
- New capacity in Poland postponed until 2010/2011
 - Sales and marketing focus to intensify



Off-site & Structural

	2007	2008
Sales (€mn)	326.8	233.3
% of Group Sales	18%	14%

Analysis of YoY % change

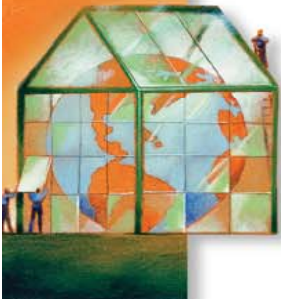
Currency	Price & Volume	Total
-9%	-20%	-29%

- Downward pressure on Structural Products volumes due to reduction in non-residential activity**
- Volume of framing systems to residential sector continued to deteriorate in both UK & IRL**
- Further plant rationalisation in the UK & IRL; Five plants closed**
- Significant fixed cost reductions in the UK & IRL**



SixtyK House Avante, Coxheath, UK

with kind permission from Crest Nicholson



Environmental & Renewables



	2007	2008
Sales (€mn)	291.5	266.7
% of Group Sales	16%	16%

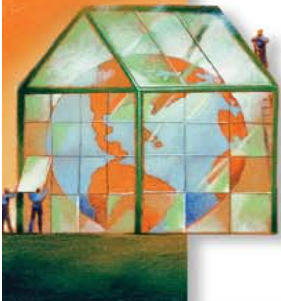
Analysis of YoY % change

Currency	Price & Volume	Acquisitions	Total
-11%	-8%	+10%	-9%

- ❑ Mixed performance in the overall business
- ❑ Excellent result at Solarthermal, which grew by 66% in revenue on a like for like basis
- ❑ Capacity in Solar being increased by 300% in 2009
- ❑ Hot Water product sales reflected decline in newbuild housing market
 - ❑ Significant overhead reduction and restructuring underway
- ❑ Water, Fuel and Treatment products all seeing lower demand
 - ❑ Site consolidation complete
- ❑ Legal process for recovering warranty losses due to faulty raw material continuing



University of South Carolina, USA



Access Floors

	2007	2008
Sales (€mn)	197.1	198.7
% of Group Sales	11%	12%

Analysis of YonY % change

Currency	Volume	Price & Mix	Total
-10%	+5%	+6%	+1%

- ❑ **Strong performance in all geographies**
 - **Office completions remained buoyant**
- ❑ **Data centre construction was favourable**
- ❑ **Order intake reduced progressively as year moved on**
- ❑ **YOY orderbook now down 19% in US while down 6% in Europe**
- ❑ **Margins expected to suffer to impact of negative operational leverage**



**Great River Energy
Maple Grove, USA**

Strategy



Solar
Façades UK/IRE
Low/Low Density
Acoustics
Phenolic Insulated Panels
Longspan CEE

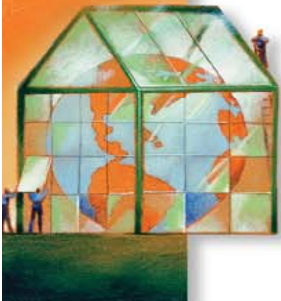
PRODUCTS & TECHNOLOGY

UK & Ireland
Mainland Europe
North America
Central Europe
Middle East & India

GEOGRAPHY

Insulation & Conservation
Solar Space Heating
Power Panel
EnergiPanel
Solar Hot Water
Solar Cooling
Upgrading Existing Buildings
Airtightness

ENVIRONMENT & ENERGY



2009 Outlook

- ❑ **Further pressure on volumes of Insulated Panels and Boards in UK/Ireland and Mainland Europe**
- ❑ **A year of integration in North America. Volumes will be down on prior year**
- ❑ **Sharp downward movement in steel pricing and more modest reduction in chemicals**
- ❑ **Net margin to remain below historic average mainly due to impact of negative leverage**
- ❑ **Continued focus on innovation and development**
- ❑ **The short term presents headwinds not experienced for many years, but Kingspan remains well poised and funded to weather the storm**

