

LIGHT ON ENERGY LIGHT ON THE PLANET HIGH ON EFFICIENCY



JUST SAVE IT

Kingspan Full Year Results
25th February 2013



Disclaimer



Forward Looking Statements

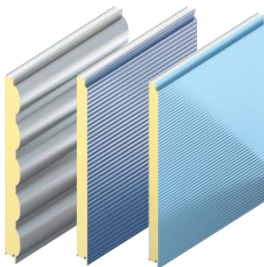
This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.



At a Glance

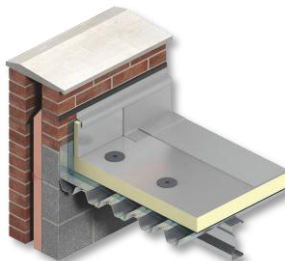
- A world leader in high performance insulation and building envelopes
- Market leading positions in UK, Mainland Europe, North America and Australasia
- Proprietary technology drives differentiation in product performance

Insulated Panels (52%)



- Insulated Roof & Wall Panel Systems
- Building Integrated Solar PV
- Benchmark Façade Systems
- Controlled Environments
- Structural Products
- Profiles & sections
- Door Components

Insulation (29%)



- Insulation Boards for Roofs, Walls & Floors
- HVAC, Piping & Ductwork Insulation
- Timber Frame Systems
- TEK Building Systems (SIPs)

Access Floors (9%)



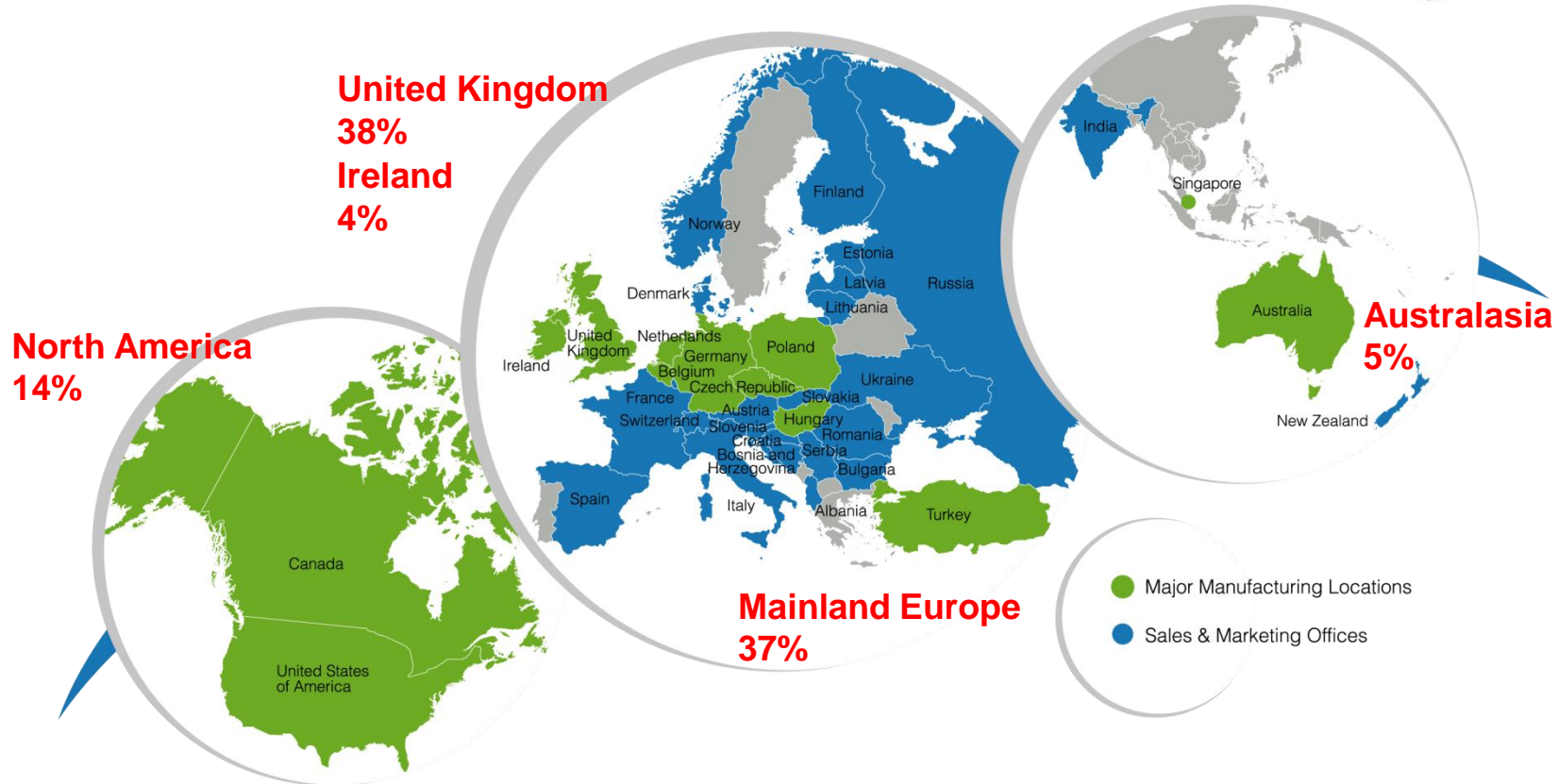
- Raised Access Floor Systems
- Underfloor Wire & Cable Management
- Underfloor Air Distribution

Environmental (10%)



- Solar Thermal Systems
- Solar Cooling & Heating Systems
- Micro Wind turbines
- Air Source Heat Pumps
- Hot Water Systems
- Environmental Rainwater Harvesting Systems
- Sustainable Drainage Systems
- Pollution Control Systems
- Fuel storage systems

Kingspan Global



- Manufacturing and distribution operations throughout Europe, North America, Australasia
- >70 Locations: 59 Manufacturing

Strategic Goals



Lead the field in high performance insulation globally, greater emphasis of proprietary and differentiating technologies.

- Kingspan IPN core
- Kooltherm®
- Optim-R®, Next Generation Insulation
- Benchmark® Architectural

Become the world's leading provider of low energy building solutions.

- The “Insulate & Generate” plus “EnvelopeFirst” concepts
- PowerPanel®
- Fabric & Renewables

Achieve greater geographic balance, primarily focusing on North America, Western Europe and appropriate developing markets.

**Achieve an average annual
return on investment of ca 15%.**



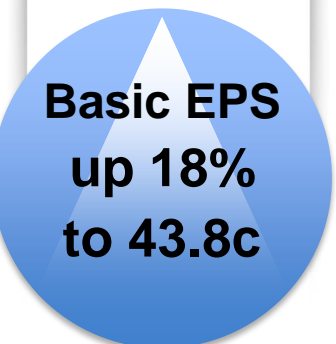
2012 In Summary



**Revenue
up 5%
to €1,628.7m**



**Trading
Profit
up 13%
to €107.7m**

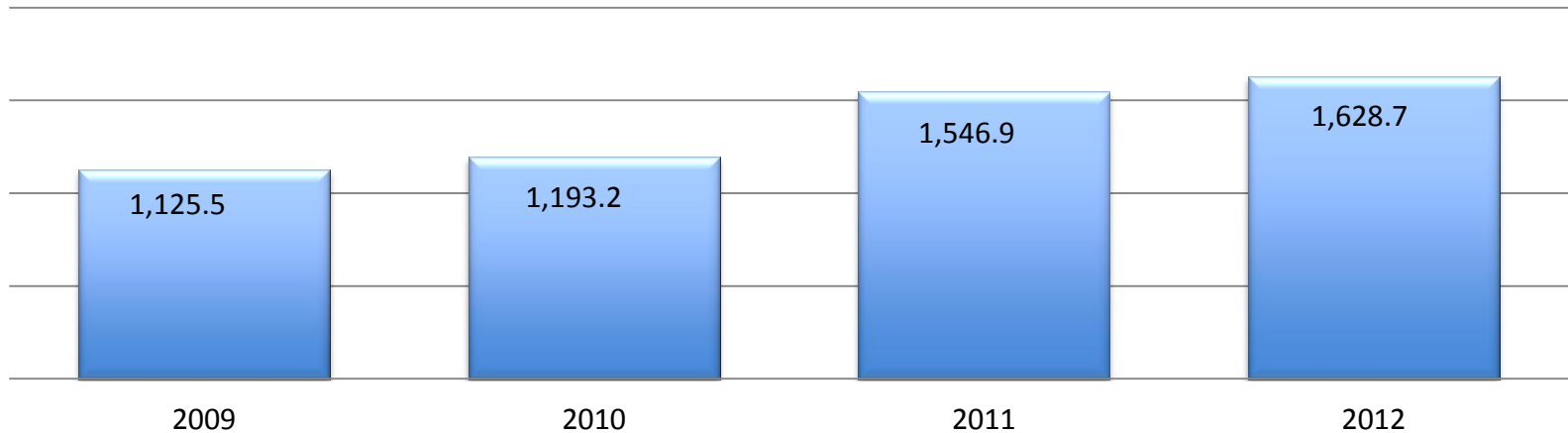


**Basic EPS
up 18%
to 43.8c**

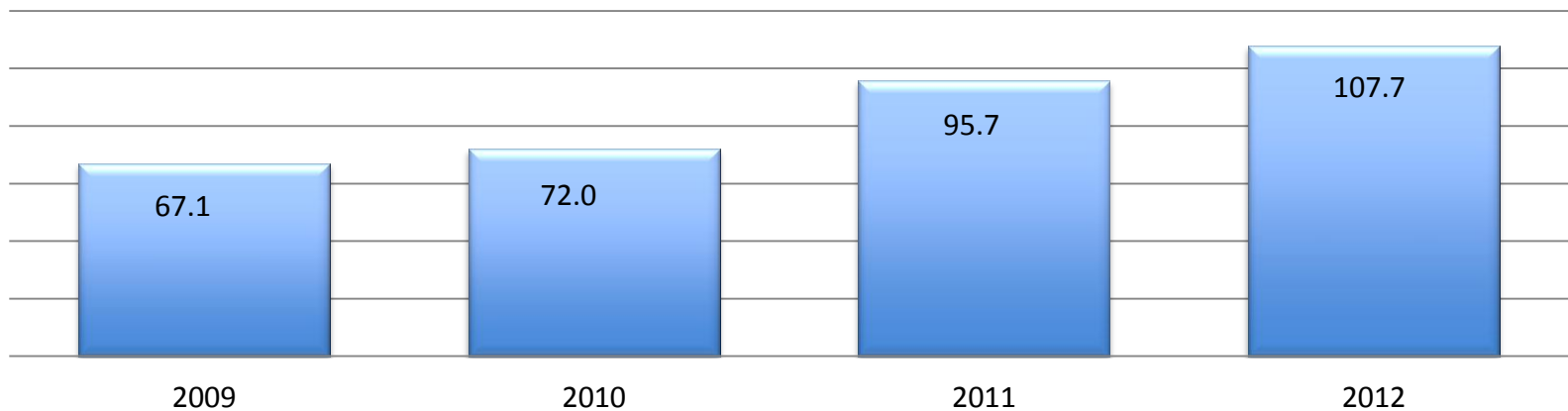
- Solid overall performance in Insulated Panels, with sales revenue +11%, particularly strong in Germany, Canada and Australia.
- Robust performance in Insulation, where revenues were up +2%, stable in the UK, and slightly up in Continental Europe.
- Continued stability of data centre related construction led to a relatively positive year for Access Floors, with revenue up 22%.
- Trading in Environmental proved tough, where revenue was down 19% in a year of tight markets and internal consolidation.
- In August, both the Germany based ThyssenKrupp Construction and the UAE based Rigidal Industries were acquired for a combined initial cash consideration of €61.6m.
- Improvement in underlying Group trading margin by 70bps, from 6.2% to 6.9%.
- Successful re-financing of a five year €300m syndicated bank facility in April 2012 extending the weighted average maturity of the Group's debt facilities to 4.9 years.

Financial Performance Since Trough

Revenue (€'m) (CAGR 13%)



Trading Profit (CAGR 17%)



Financial Review



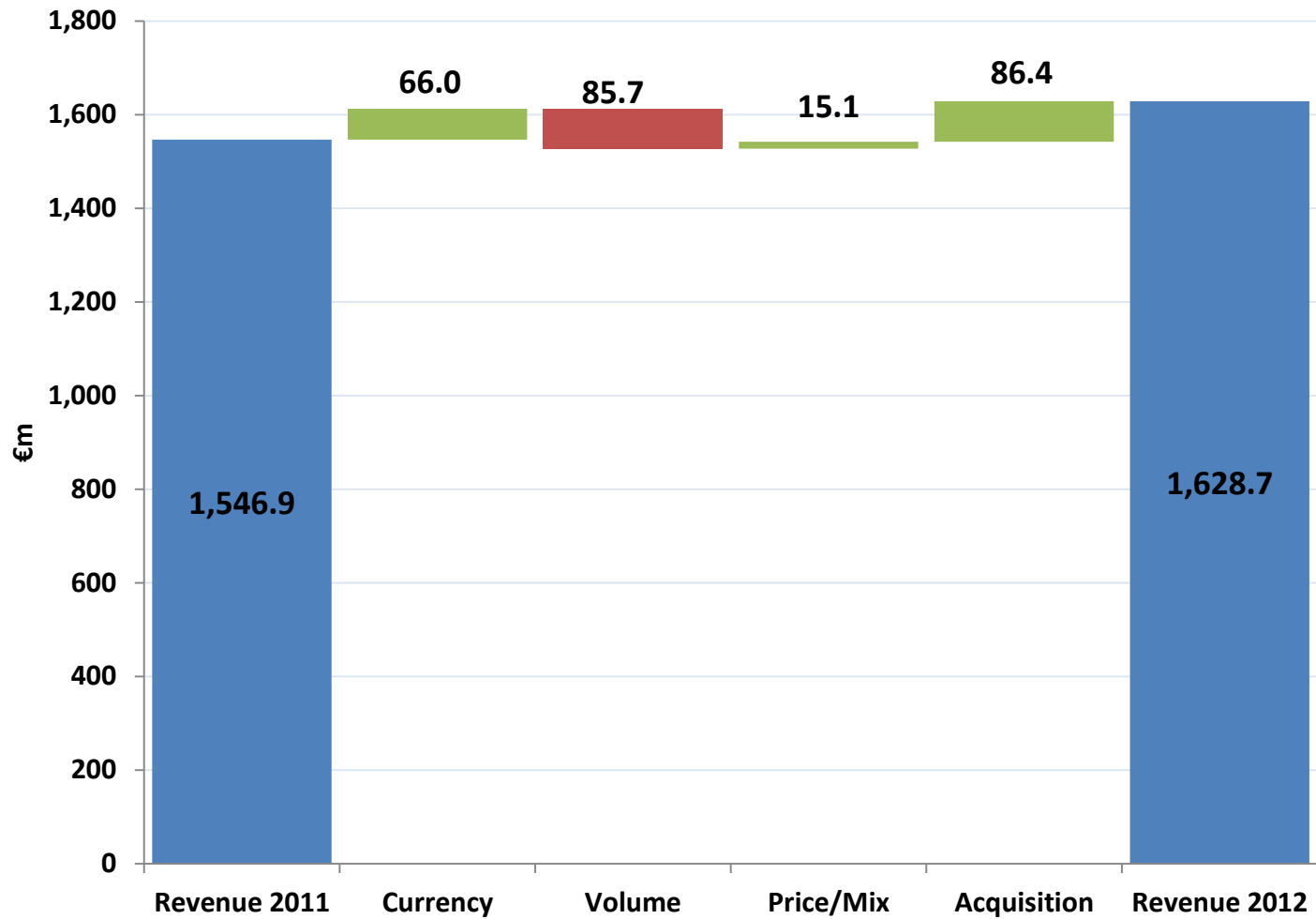
Financial Highlights

Revenue	→	€1,628.7m	+5% -5% like-for-like*
Trading Profit**	→	€107.7m	+13% +6% like-for-like*
Trading Margin	→	6.6%	+40bps
Profit after tax	→	€74.7m	+19%
Basic EPS	→	43.8c	+18.1%
Free cash flow	→	€106.6m	+39%
Total dividend	→	12.25c	+11%

* Like-for-like comparisons exclude the impact of acquisitions & currency movements

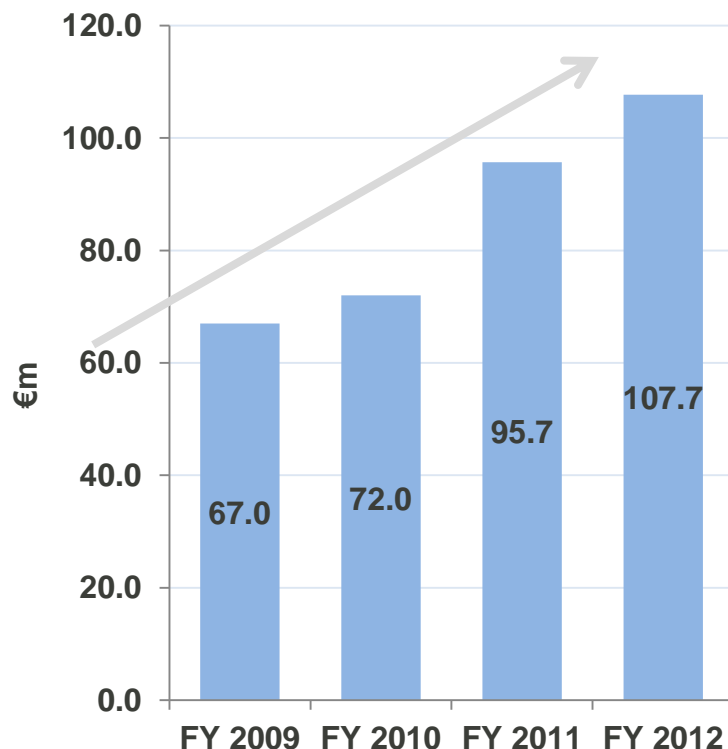
** Pre-intangible amortisation

Sales Bridge



Trading Profit & Margin Growth

Trading Profit



Margin %

Margin %			
	FY10	FY 11	FY 12
Insulated Panels	5.6%	6.7%	7.3%
Insulation Boards	6.7%	5.6%	6.3%
Environmental	0.5%	3.3%	0.7%
Access Floors	13.8%	10.2%	9.9%
Group	6.0%	6.2%	6.6%

FY 2012 Trading Profit Like-for-Like growth



	Like-for-like growth	Acquisitions/ Disposals	Currency Impact	Reported Growth
Insulated Panels	+14%	+2%	+6%	+22%
Insulation Boards	+8%	-	+7%	+15%
Environmental	-85%	-	+3%	-82%
Access Floors	+11%	-1%	+10%	+20%
Group	+6%	+1%	+6%	+13%



Kingspan Energi Centre, Holywell, UK

Strong Operating Cash Flow

€m	FY 12	FY 11	% change
Operating profit	104.6	90.9	+15%
Depreciation & amortisation	43.3	42.7	+1%
Working Capital decrease/(increase)	31.9	(17.0)	+288%
Operating cash flow	179.8	116.6	+54%
Interest and taxation	(31.0)	(21.5)	+44%
Net capital expenditure	(31.8)	(23.6)	+35%
Other including non cash items	(10.4)	5.4	
Free cash flow	106.6	76.9	+39%

Strong Net Debt Performance

€m	FY 12	FY 11
Free cash flow	106.6	76.9
Acquisitions (net of disposal proceeds)	(72.5)	(107.0)
Settlement of legal costs	(12.3)	-
Dividends paid/other	(16.6)	(16.8)
Cashflow Movement	5.2	(46.9)
Debt Translation	(0.6)	(2.4)
Decrease/(increase) in net debt	4.6	(49.3)
Net debt at start of period	(170.1)	(120.8)
Net debt at end of period	(165.5)	(170.1)
Net debt:EBITDA	1.12x	1.27x

Key Ratios

	FY 10	FY 11	H1 12	FY 12
ROCE	8.6%	10.0%	10.5%	10.7%
Gearing (Net Debt: Shareholders Funds)	18.1%	23.1%	21.7%	20.4%
Net Debt/EBITDA	1.12	1.27	1.21	1.12
Interest Cover	11.9	10.2	9.9	10.0
Working Capital as % of Sales	13.6%	12.2%	13.6%	12.3%



Strong Balance Sheet



- Net Debt €165.5m – headroom
c. €477m
- New revolving credit facility of €300m
- 2005 Private placement €151mn (USD200m)
- 2011 Private placement €150m (USD200m)
- Significant headroom on covenants
 - Max 3.5x net debt:EBITDA; actual 1.12x
 - Min 4.0x interest cover; actual 10.0x
- Weighted average maturity of debt facilities of 4.9 years



Indoor racing, New York, USA

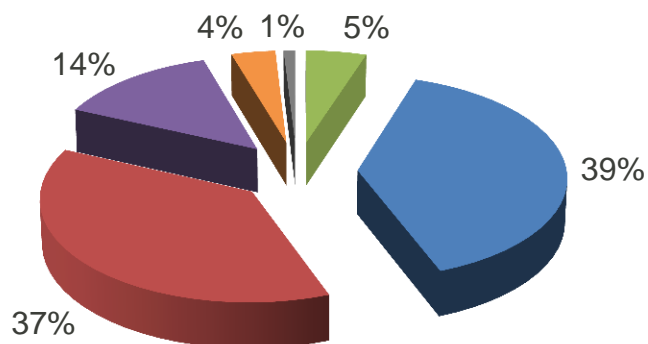


Business Review & Outlook

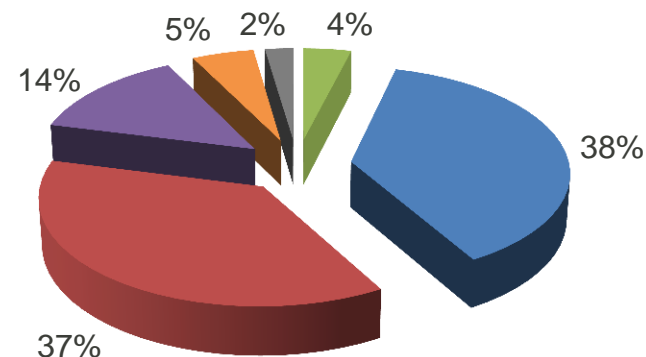


Sales by Geography

FY 2011



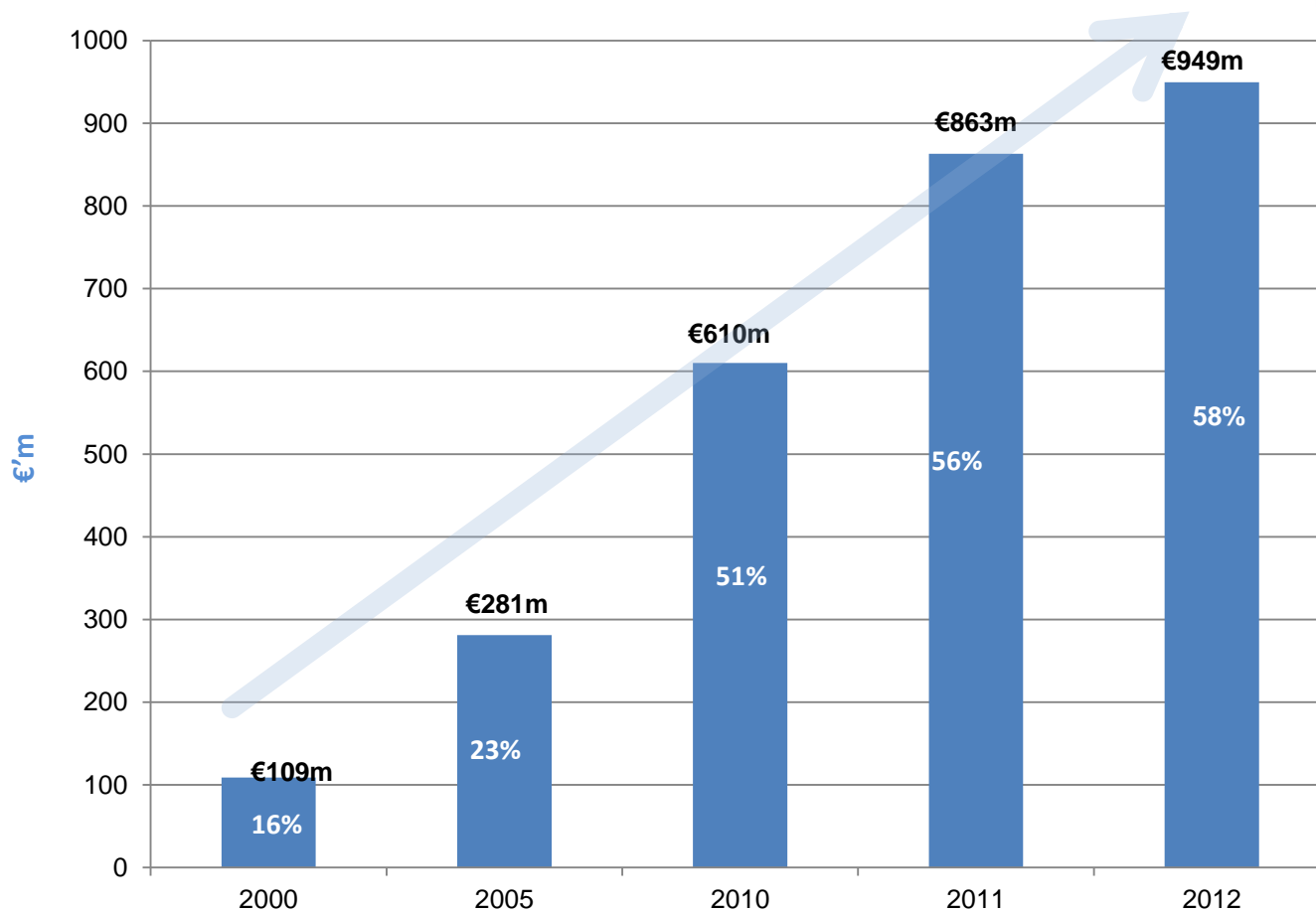
FY 2012



- Republic of Ireland
- Britain & Northern Ireland
- Mainland Europe
- Americas
- Australasia
- Rest of World

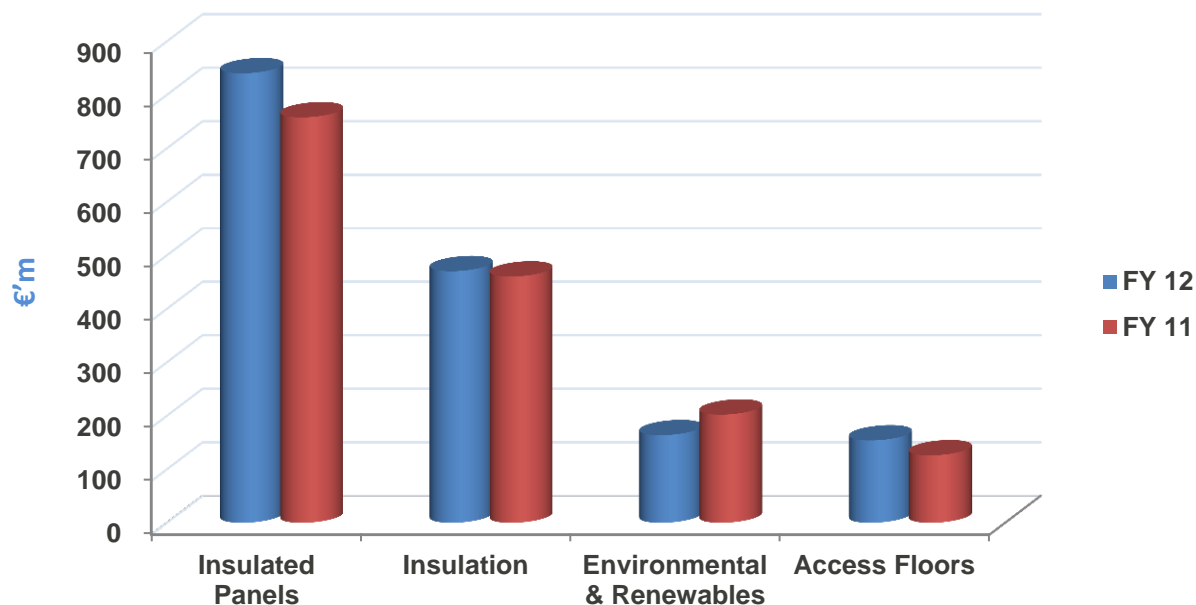
€mn	FY 12	FY 11	Constant Currency Change	YoY % Change
Britain & Northern Ireland	614.7	605.9	-5%	+1%
Mainland Europe	606.0	580.8	+4%	+4%
Americas	222.6	210.3	-2%	+6%
Australasia	82.9	57.0	+33%	+45%
Republic of Ireland	64.6	78.1	-17%	-17%
Rest of World	37.9	14.8	+144%	+157%
Group Sales	1,628.7	1,546.9	+1%	+5%

Group Sales Outside UK/IRL



- Internationalisation of the Group through the cycle

Sales by Product Group



€m	FY 12	FY 11	Constant Currency	YoY % Change
Insulated Panels	840.4	758.0	+7%	+11%
Insulation Boards	470.4	460.4	-1%	+2%
Environmental	163.8	202.3	-23%	-19%
Access Floors	154.1	126.2	+13%	+22%
Group Sales	1,628.7	1,546.9	+1%	+5%

Insulated Panels



Insulated Panels UK, IRL, WE

- Volume in key markets
 - Britain -2%
 - Benelux -10%
 - Ireland -17%
 - Australia/NZ +26%
- Order intake down 1%. Current orderbook is +2% on prior year
- Food & retail sectors strong
- Refurbishment growing
- Australasia delivering real growth
- Significant increase in footprint in Europe and Middle East following TK and Rigidal acquisitions
- Integration on-track
 - Operational
 - Commercial
 - Procurement

	FY 12	FY 11
Sales (€m)	453.1	409.5
% of Group Sales	28%	26%

Analysis of YoY % Change				
Currency	Volume	Price & Mix	Acquisitions	Total
+5%	-3%	0%	+9%	+11%



Business Park, Kelway, UK

Insulated Panels CEMEI

- Mixed sales pattern across the territory but solid volume growth overall
 - Germany +10%
 - Poland -9%
 - Czech +2%
- Order intake -6%. CEE orderbook now at +6%
- Market pressure remains in South East European Markets, Hungary and Romania
- Turkey volumes weaker but returns improving
- Integration of ThyssenKrupp on track
 - Operational
 - Commercial
 - Procurement

	FY 12	FY 11
Sales (€m)	251.1	215.1
% of Group Sales	16%	14%

Note: The above figures include Germany and Turkey

Analysis of YoY % Change				
Currency	Volume	Price & Mix	Acquisitions	Total
0%	-7%	+6%	+18%	+17%



Nostra Cement, Hungary

Insulated Panels North America

- 2% growth in sales, despite 10% volume decline over same period prior year.
- Insulated Panel order intake +9%, weak in Q1, but much improved later in the year
- Panel orderbook currently +79% on prior year albeit with extended delivery lead time
- Commercial & industrial conversion growth continuously evident
- Coldstore volumes weaker but margin improving
- Architectural sales stable
- Canada performing well, significant natural resources led projects

	FY 12	FY 11
Sales (€m)	136.2	133.4
% of Group Sales	8%	9%

Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
+8%	-10%	+4%	+2%



San Francisco, USA

Insulation



Photo credit to Glasgow Life



Insulation

- Solid underlying performance in UK, growth in Western Europe, Ireland weak
- Kooltherm® conversion on track in all markets, Germany a little slower
- Optim-R® (Next Generation Insulation) launched commercially. Target production start Q2 2013
- Australasia solid performance in a weaker environment, particularly residential
- Refurbishment key growth driver in all markets, now >35% of divisional revenue
- Investment in a new PIR rigid board plant underway in Germany, production expected early 2014. Target markets SE Germany and CEE

	FY 12	FY 11
Sales (€m)	470.4	460.4
% of Group Sales	29%	30%

Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
+3%	-2%	+1%	+2%



Emirates Air Line, London, UK

Access Floors

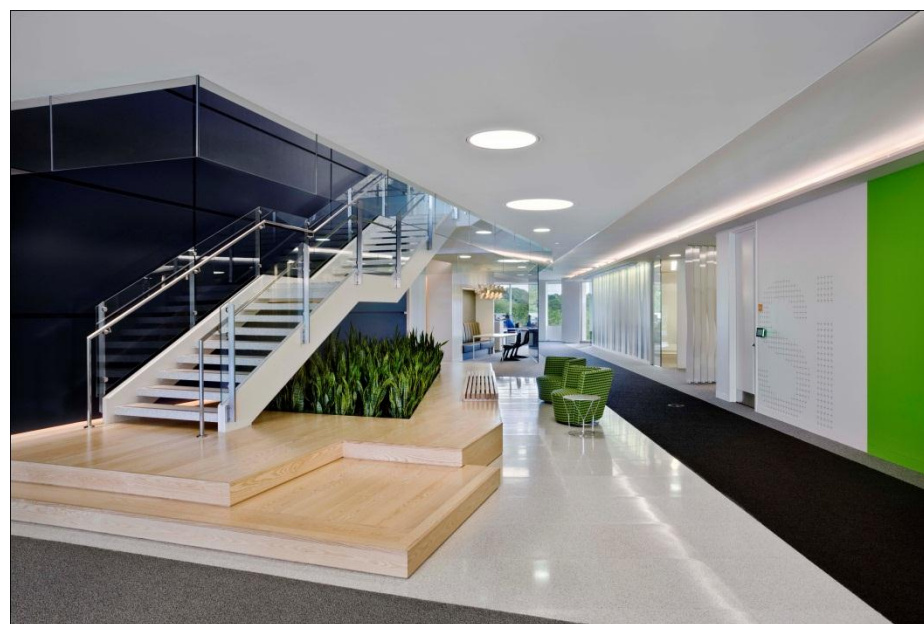


Access Floors

- Good performance in a weak environment
- US office activity showing early signs of slow recovery
- Datacentre market was steady
- UK office market volume in recovery, H2 was strong and pipeline for 2013 encouraging
- Australasia market slower than anticipated. A number of key projects currently out to tender
- Export contracts to Middle East and South America growing

	FY 12	FY 11
Sales (€m)	154.1	126.2
% of Group Sales	9%	8%

Analysis of YoY % Change				
Currency	Volume	Acquisition	Price & Mix	Total
+9%	+9%	+9%	-5%	+22%



Florham Park, New Jersey, USA

Environmental



Environmental

- Difficult trading year for the division
- Continental Europe weaker as France volume significantly reduced
- Fuel storage and Hot Water weak in the UK as social housing refurbishment is squeezed, although H2 was more stable
- Solarthermal growth in UK, US encouraging, volumes still low
- Kinspanwind performed well. Early signs encouraging. Development of 15kw unit on track due for launch Q3 2013

	FY 12	FY 11
Sales (€m)	163.8	202.3
% of Group Sales	10%	13%

Analysis of YoY % Change		
Currency	Volume, Price & Mix	Total
+4%	-23%	-19%



St James Hospital, Dublin, Ireland

Outlook

- More pronounced seasonality results in a slow start to 2013
- Macro indicators mixed. Improvement expected in US, Germany, stable in UK, and weaker in Benelux and France
- Quarter 1 will be testing, however orderbooks positive year on year, should lead to growth in Q2



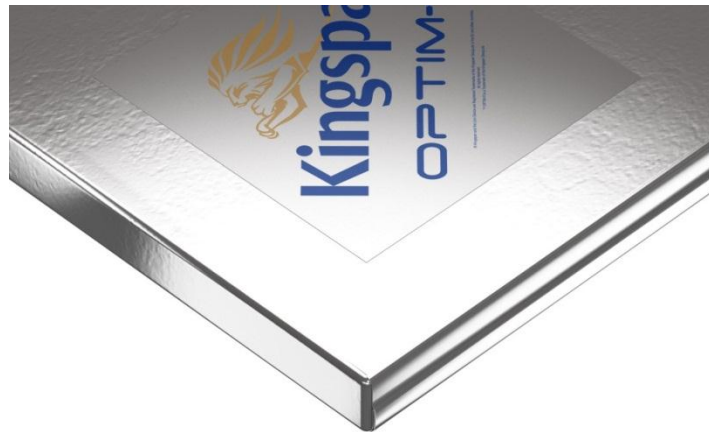
Broadway Pier, San Diego, CA, USA

Additional Information



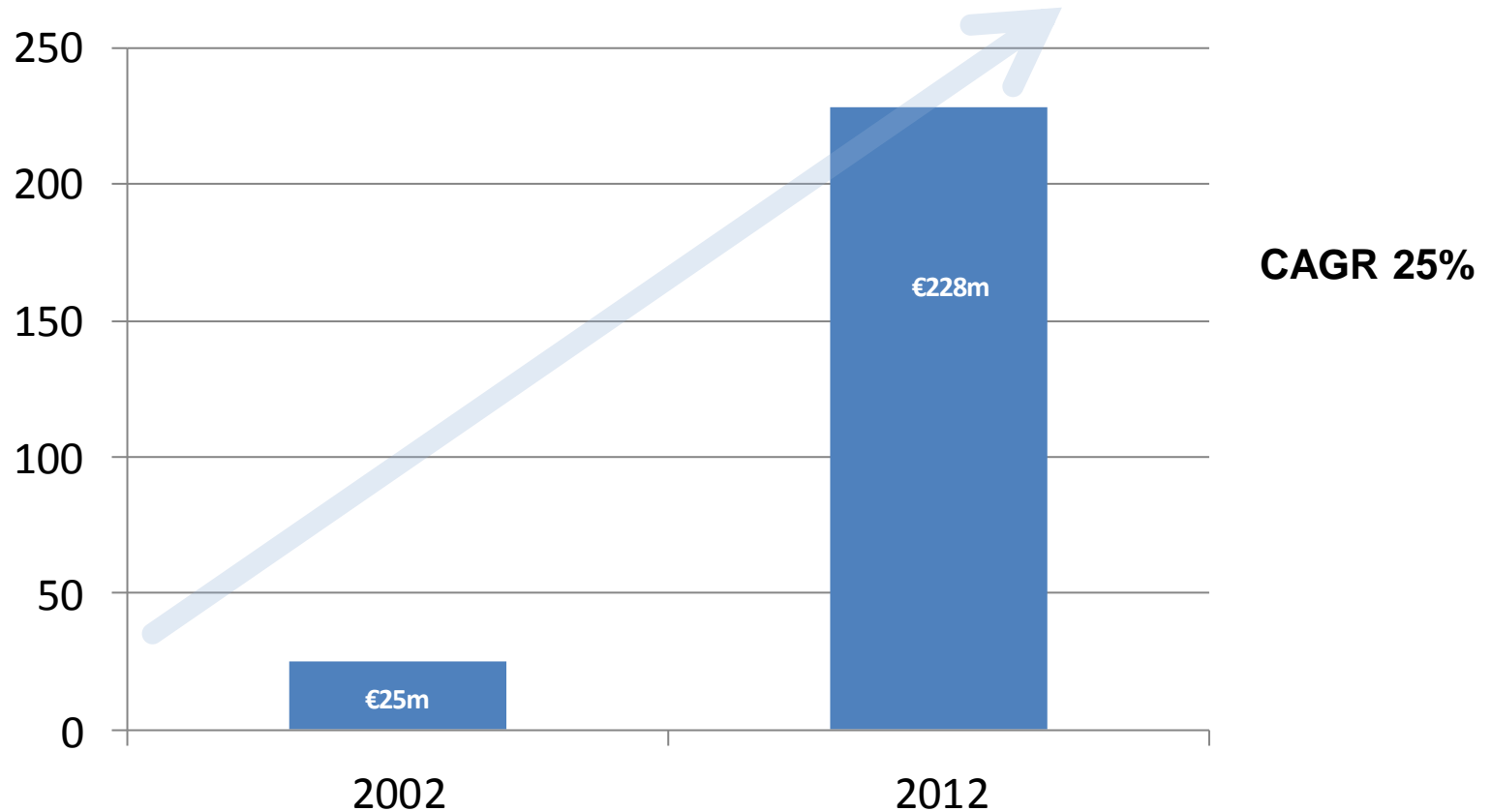
Innovation Pipeline

- Primary objective: Growing differentiation and competitive advantage
- >40 active projects, annual spend ca. 1% turnover
- Ranging from continuous evolutionary developments, to fundamental advancements in basic materials
- Key projects:
 - NGI (Next Generation Insulation)
 - Solar Integration PowerPanel® (Insulate & Generate)
 - Density Reductions & Thermal Improvement
 - Microwind
 - Access Floors product extension



Innovation in Action

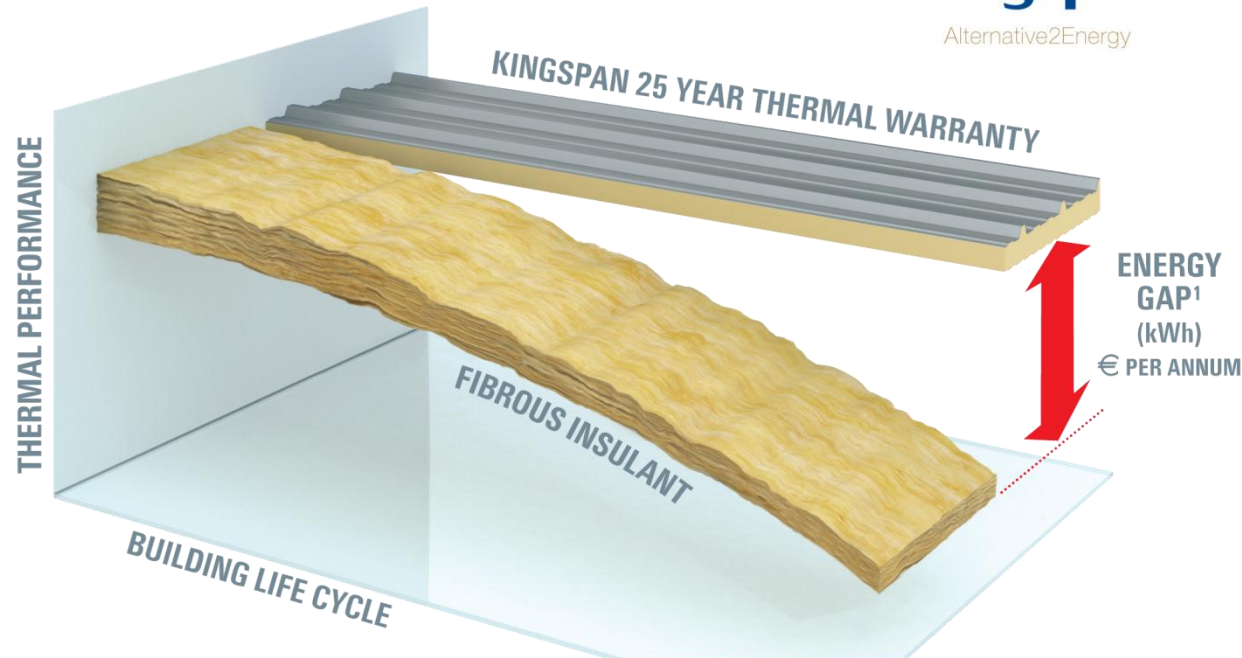
10 year organic growth of new/embryotic products*



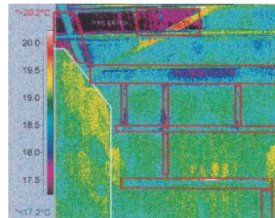
* includes Kooltherm®, Optim-R®, Benchmark®, Top Deck®, X Deck®

The Energy Gap¹

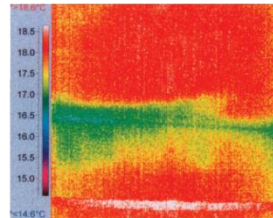
Reduced thermal performance of fibrous insulant in building envelope and fabric systems will increase energy use, costs and CO₂ emissions¹.



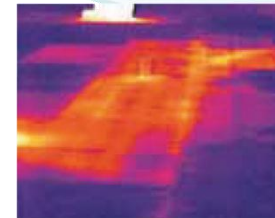
1% moisture content by volume in **fibrous insulants** can reduce thermal performance by up to **85%** or more which can cause massive energy and heat loss.²



Degradation of **fibrous insulation** due to ageing, thinning and settlement can reduce U-value performance by up to **20%**.³



Air movement through **fibrous insulation** can result in increased energy and heat loss of up to **500%**.⁴



Impact: Moisture in flat roof insulation can for example **reduce U-value from 0.26 W/m²K to 0.47 W/m²K**.⁵

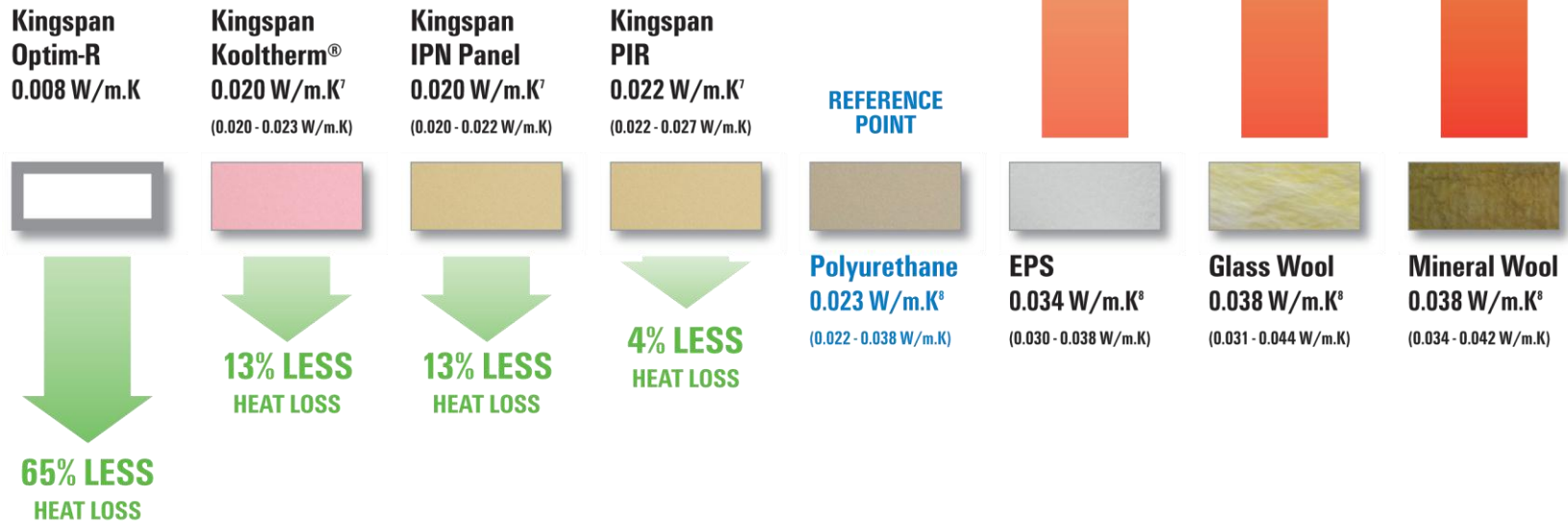


Night sky radiation leads to supercooling of the outer weathersheet. This can lead to increased levels of interstitial condensation accumulation within the cavity of **fibrous insulation** systems. For example, up to **0.86 kg/m²** of condensate may accumulate over **60 days** with no dry back, for well sealed liner sheets allowing for air flow through ventilated eaves fillers.

0.86 kg/m² (= 0.86 litres/m²) of condensate in 160mm insulation quilt (0.25 U-value 2006 spec) is equivalent to approximately 0.54% water by volume.⁶

Kingspan Insulates Better

Comparison assumes same thickness of insulation material. Lambda values given at 10°C.



1 Heating energy only.

2 **Stuckes A.D.** *The Thermal Resistance of A Cavity Filled Wall – Physics Technology 15.*
Sandberg P.I. *Thermal Resistance Of A Wet Mineral Fibre Insulation – ASTM STP 922.*
Jespersen H.B. *Fugtige Materialers Varmeledningstal (Danish) VARME No 3.*
www.excellence-in-insulation.eu.

3 **Building Sciences Ltd** *Infra-red Comparison Study July 1997, published as a report by Kingspan.*

4 **Taylor B.E. & Phillips A.J.** *Thermal Transmittance and Conductance of Roof Constructions Incorporating Fibrous Insulation. ASTM STP 789.*

5 **Building Sciences Ltd.**

6 **Building Sciences Ltd** *Night Sky Radiation and its Effects, Insulated Metal Cladding Systems, October 1998.*

7 Most commonly sold variant of product.

8 Median value of the thermal conductivity range shown below. Thermal conductivity range based on insulation manufacturer's websites or Agrément certificates.

Rigid Insulation: How it Performs

THINNESS

Kingspan's mainstream insulation technologies can be less than 50% of the thickness of man-made mineral fibre (MMM). Optim-R can be less than 20% of the thickness of MMM.

Optim-R is less than half the thickness of aerogel based mineral fibre products.

FIRE

Kingspan's insulation technologies comply with regulatory authority requirements of their intended application, and many products also have insurance industry approvals from FM Global, LPCB and Underwriters Laboratories.

THERMAL

The thermal performance of Kingspan's mainstream insulated products is certified as being good for 25 years and significantly better than MMM on an equivalent thickness basis. What's more...

AIR INFILTRATION

...unlike MMM, Kingspan's mainstream insulation technologies have a closed cell structure which is impervious to air infiltration, thereby limiting the risk of loss in thermal performance, and...

MOISTURE

...MMM can absorb moisture in significant quantities and 1% moisture content by volume can decrease its thermal performance by 85%.²

ACOUSTICS

Kingspan's insulated panel and insulation board products have an acoustic benefit, however MMM can perform better.

MECHANICAL

Kingspan's mainstream flat roof insulation boards can have approximately 2x the compressive strength of mainstream MMM flat roof insulation boards.

WEIGHT

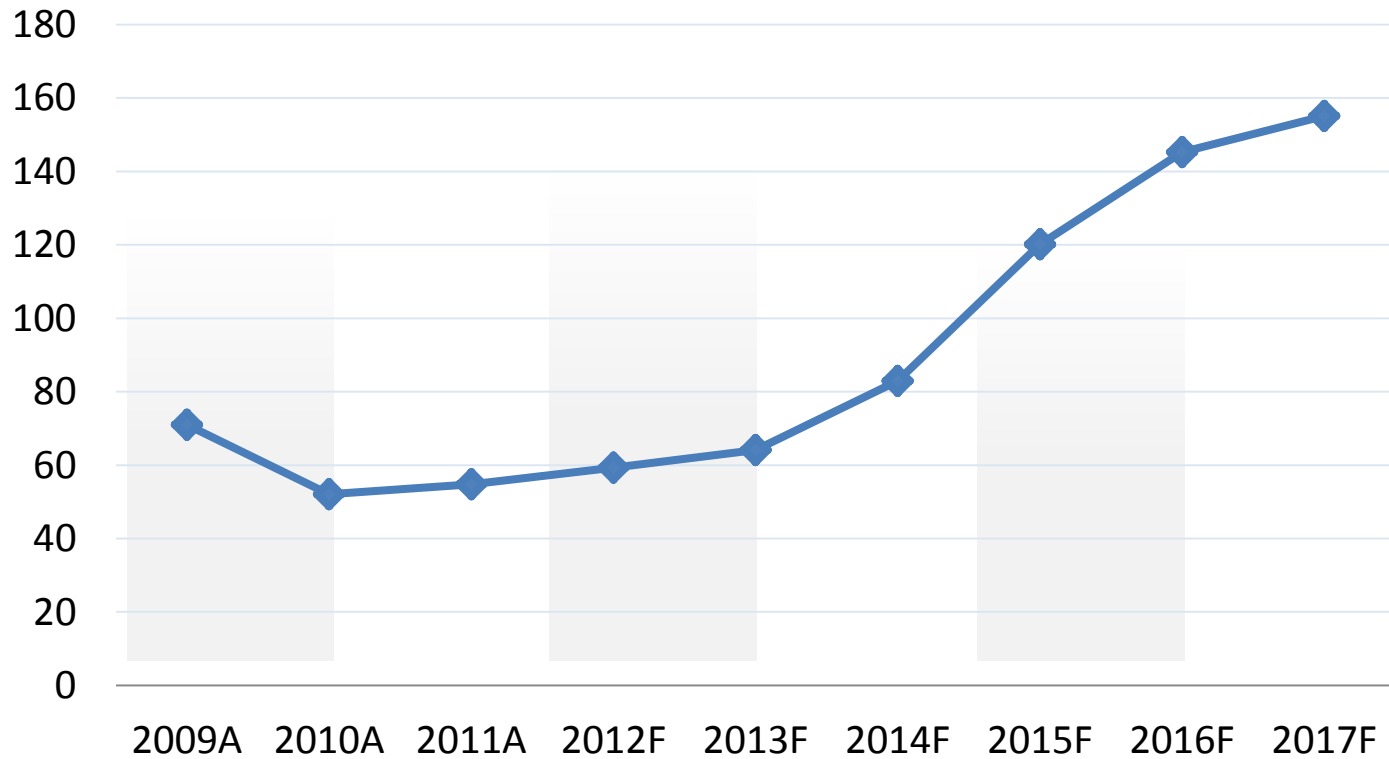
On flat roofs, MMM can be up to 8 times heavier than Kingspan's mainstream flat roof insulation boards. This may have an impact on handling, laying speed and structural steelwork costs.

IPN core steel faced panels can be half the weight of comparable MMM core panels to achieve the same thermal performance.



US Office Market Starts

Million Square Feet



Source: McGraw Hill Construction

Penetration Potential

	2005A	2012A	2015F
Insulated Panels UK	55%	66%	75%
Insulated Panels NA	5%	9%	12%
Insulated Panels Germany	23%	38%	42%
Insulated Panels Australia	6%	9.5%	12%
Insulation Board UK	30%	36%	40%
Insulation Board Germany	5%	7%	8.5%
Insulation Board Australia	2%	6.5%	8%
Insulation Board CEE	0%	1.5%	3%



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