

Alternative2Energy

Kingspan Full Year Results
28th February 2011



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 2010
- Financial Review
- Review by Business Unit
- Strategy & Outlook



M3 Engineering – Tucson, Arizona, USA

2010 Financial Performance

- ❑ Turnover up 6% to €1,193.2mn

On constant currency +2%

- ❑ Operating Result up 8% to €67.4mn

On constant currency +2%

- ❑ Basic EPS 29.2 cent, up 2% (+20% on an underlying basis)

- ❑ Net Debt €128.7mn, a reduction of €35.6mn, interest cover 11.9 times

- ❑ Increase in working capital of €29.9mn

- ❑ Total capex of €22.1mn

- ❑ Final dividend of 6c



COTA – Columbus, Ohio, US

2010 Operational Performance

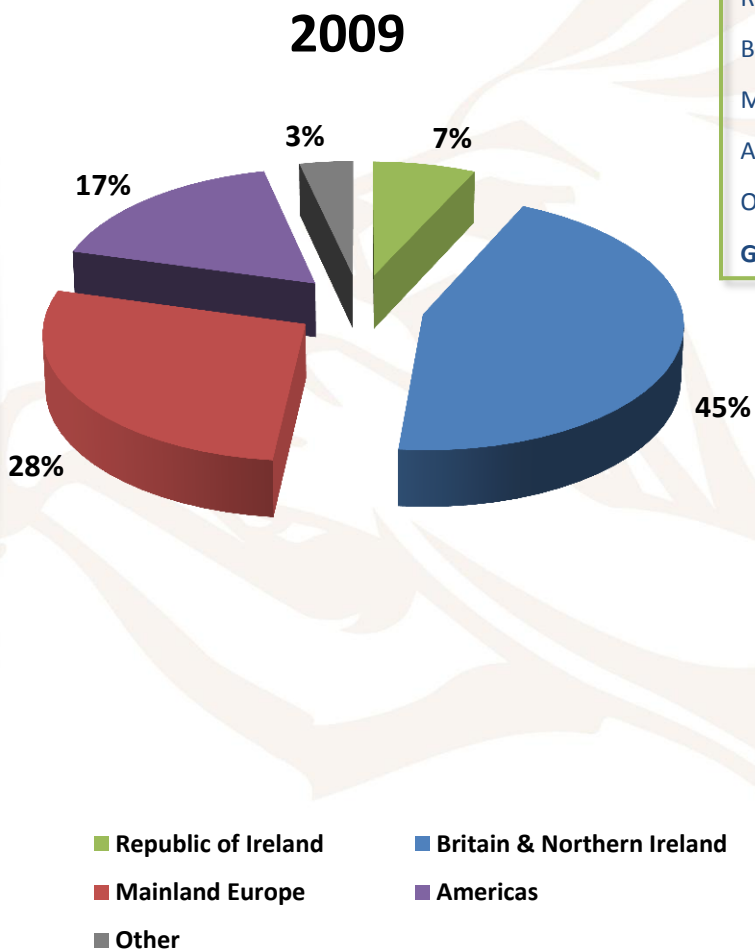


- ❑ Sales increase of 6%, despite being in the toughest construction environment for decades.
- ❑ Operating profit increase of 8%, with an EBITDA and EBIT margin of 9% and 6% respectively.
- ❑ Stability in the UK market, Group sales in that region were +3%.
- ❑ Growth in the US Insulated Panel business, up 16% year on year. Penetration increasing and 2011 momentum looking positive.
- ❑ Establishment of a firm footing in Australia, enhanced with the integration of ARI-CELL Insulations that was acquired late 2009.
- ❑ Acquisition of western European CIE Insulation businesses for c. €120mn, consolidating Kingspan's position as Europe's number one high performance insulation provider, and providing a platform for longer term growth in Continental Europe.

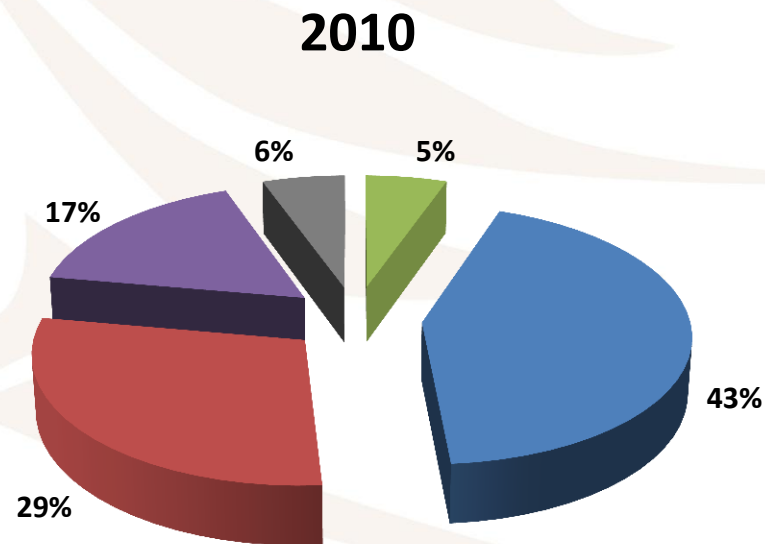
Summary P&L

€mn	2009	2010	YoY % Change
Revenue	1,125.5	1,193.2	+6%
Cost of Sales	(816.6)	(859.5)	+5%
Gross Profit	308.9	333.7	+8%
Operating Costs	(241.8)	(261.7)	+8%
Trading Profit	67.1	72.0	+7%
Amortisation	(4.4)	(4.6)	+5%
Operating Result	62.7	67.4	+8%
Net Finance Cost	(10.9)	(9.0)	-17%
Non-cash Finance Cost	4.9	(2.7)	-155%
Result for the year before tax	56.7	55.7	-2%
Income tax expense	(8.7)	(6.6)	-24%
Net result for the year	48.0	49.1	2%
Basic EPS (€ cent)	28.7	29.2	+2%
Diluted EPS (€ cent)	28.3	28.6	+1%
Dividend per share for year (€ cent)	0.0	10.0	+100%

Sales by Geography

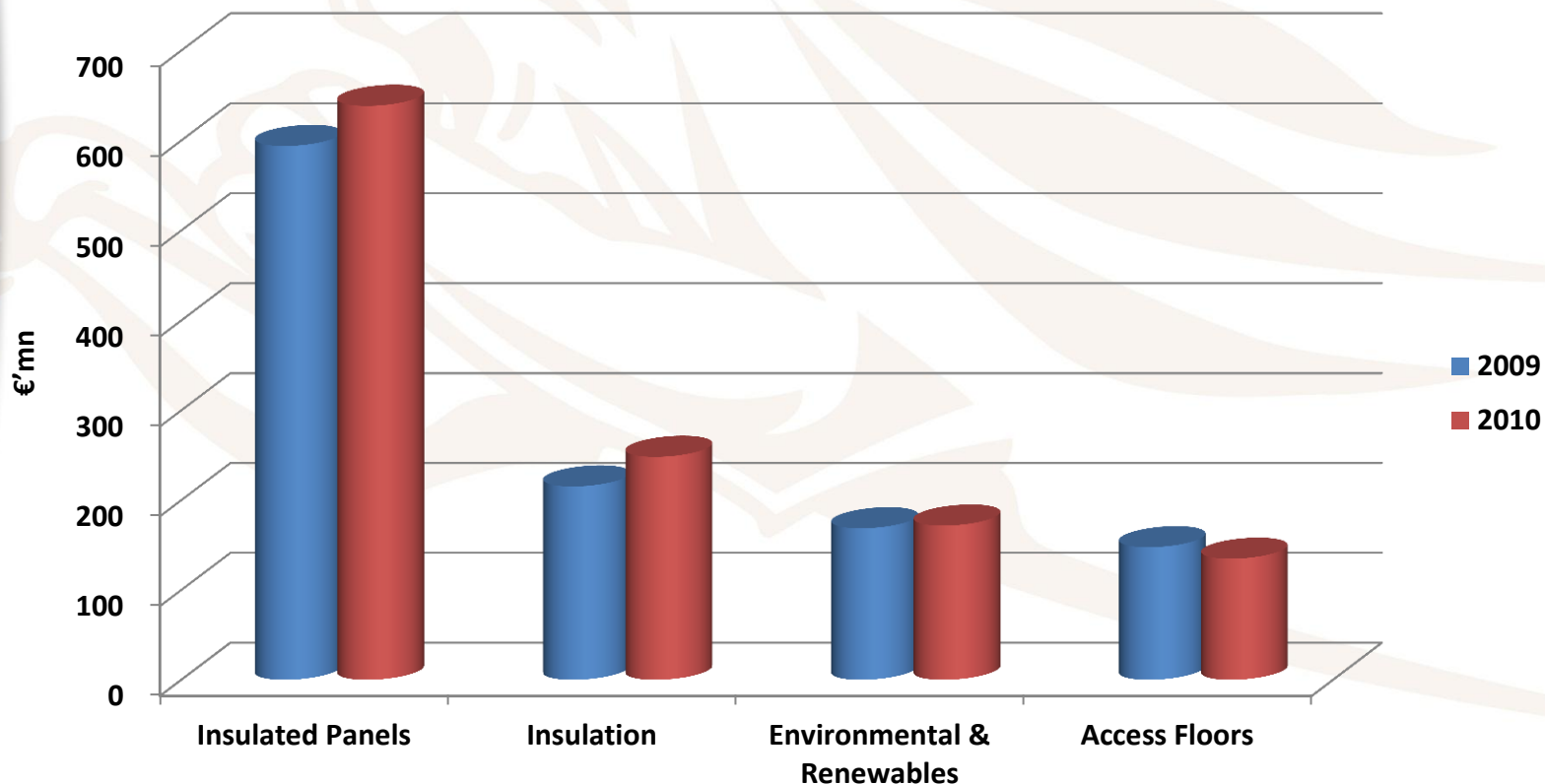


€mn	2009	2010	% Change at Constant Rates	YoY % Change
Republic of Ireland	78.1	65.2	-17%	-17%
Britain & Northern Ireland	503.3	517.1	-1%	+3%
Mainland Europe	310.9	345.1	+10%	+11%
Americas	192.7	199.5	-3%	+4%
Other	40.5	66.3	+41%	+64%
Group Sales	1,125.5	1,193.2	+2%	+6%

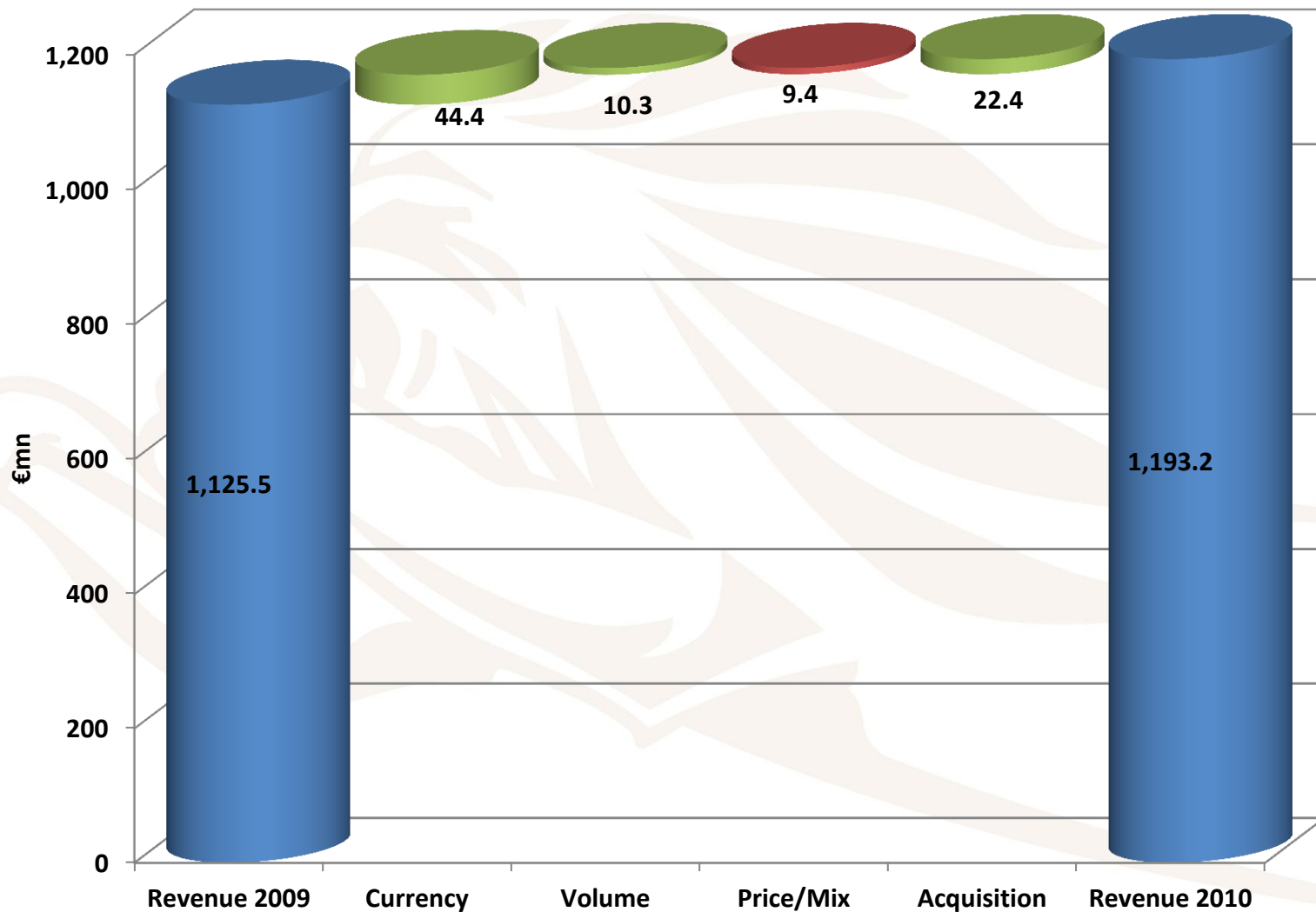


Sales by Product Group

€mn	2009	2010	% Change at Constant Rates	YoY % Change
Insulated Panels	593.9	638.5	+4%	+8%
Insulation Boards	215.3	248.2	+11%	+15%
Environmental & Renewables	168.7	171.7	-1%	+2%
Access Floors	147.6	134.8	-13%	-9%
Group Sales	1,125.5	1,193.2	+2%	+6%



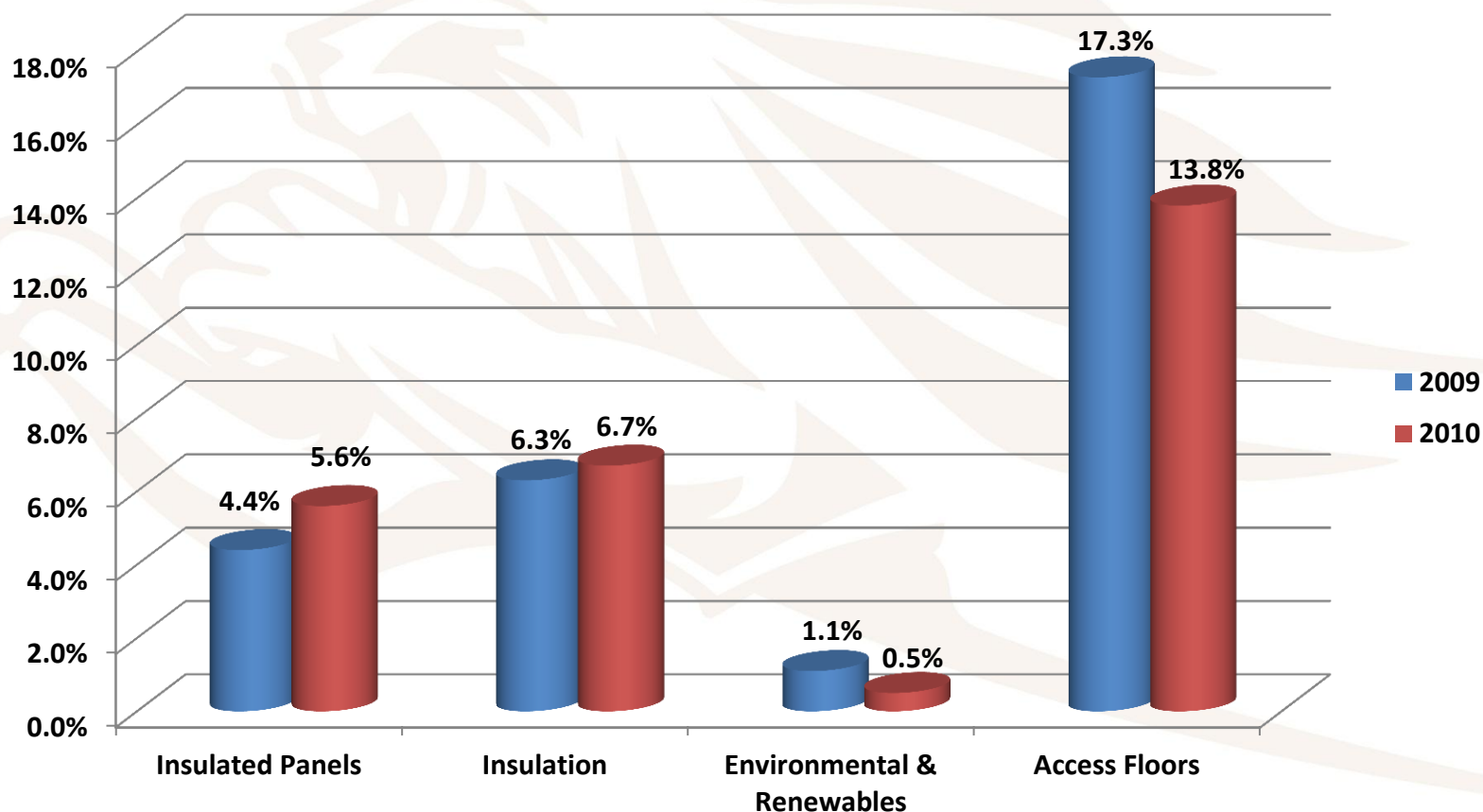
Turnover Bridge



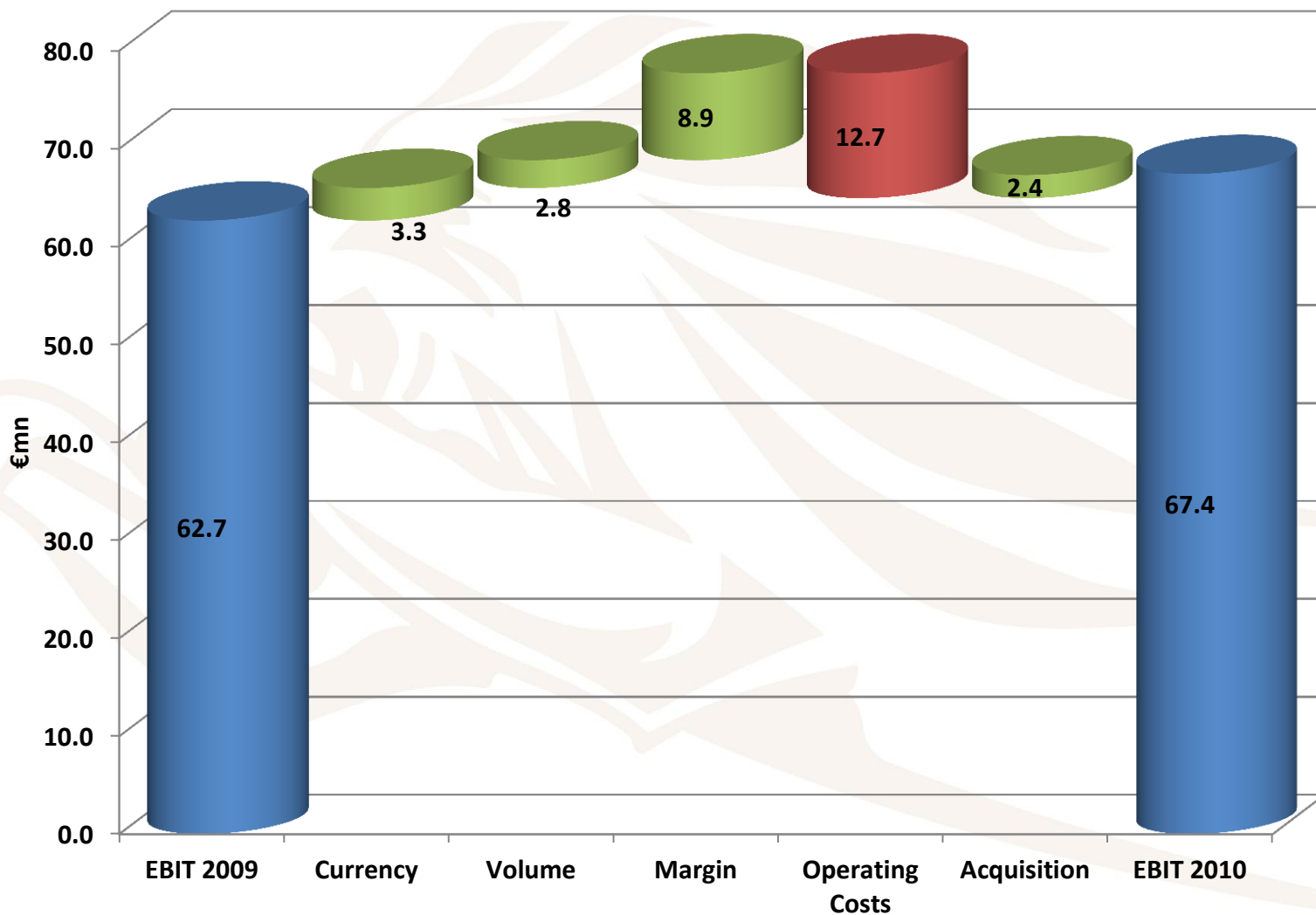
Trading Margin by Division



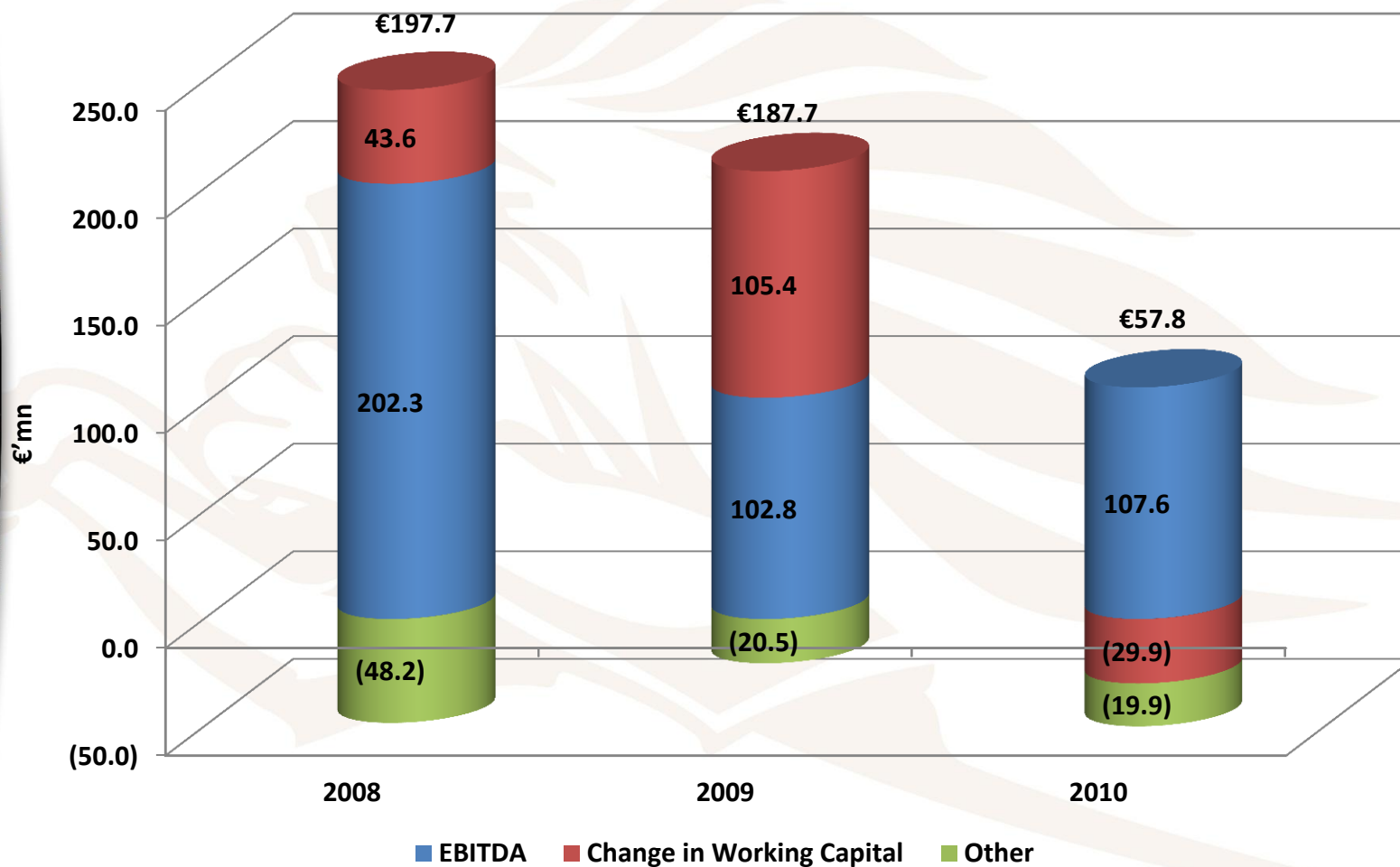
	2009	2010
Group	6.0%	6.0%



Operating Profit Bridge



Free Cash Flow



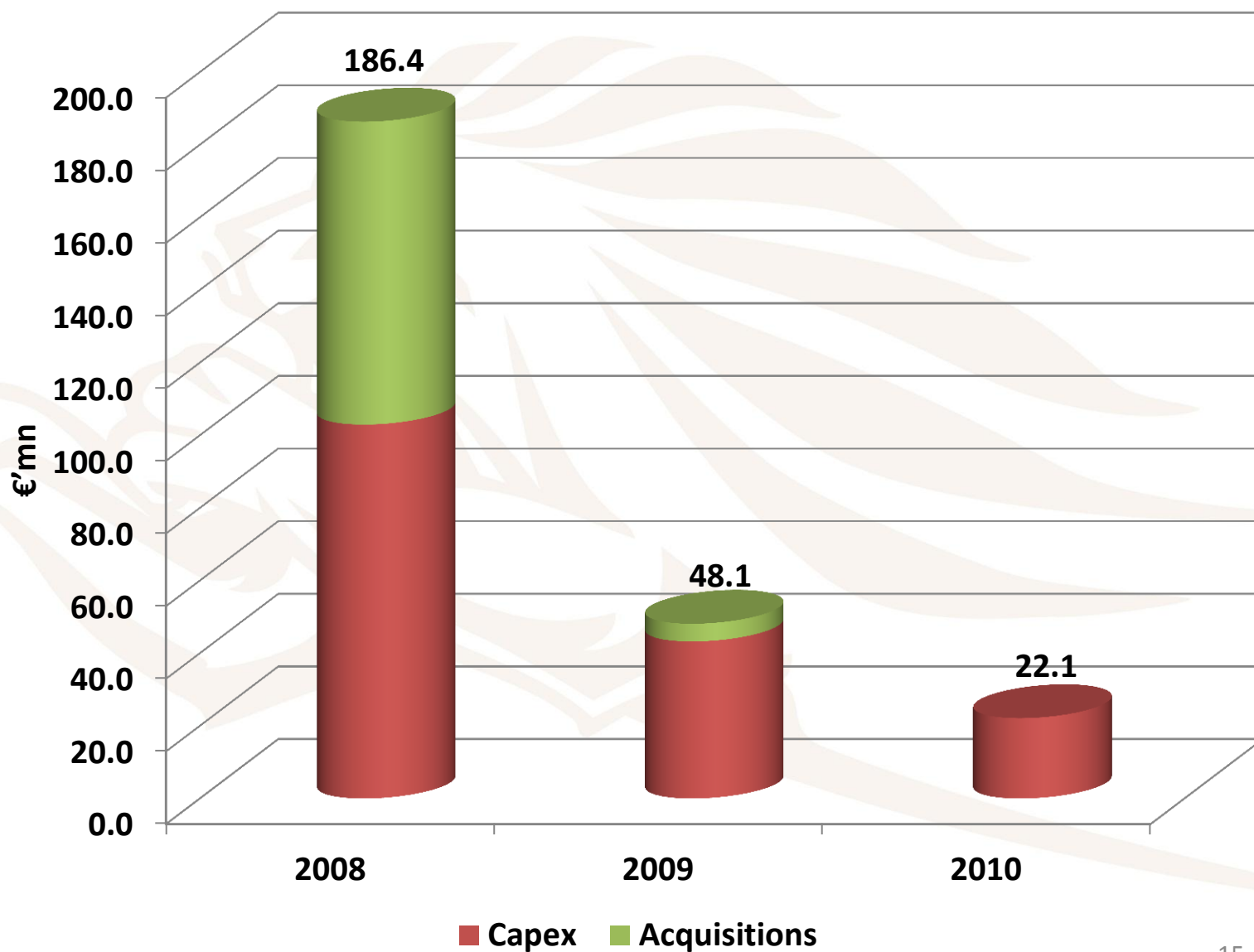
Cashflow Statement

€mn	2009	2010
Inflows		
Operating Profit	62.7	67.4
Depreciation	35.8	35.6
Amortisation	4.3	4.6
Pension Contributions	(2.9)	(3.2)
Working Capital (increase)/decrease	99.0	(29.9)
Interest Paid	(12.9)	(9.6)
Taxation Paid	(10.1)	(2.2)
Others	11.8	(4.9)
Free cash flow	187.7	57.8
Acquisitions	(8.0)	(0.2)
Net capital expenditure	(45.9)	(15.8)
Dividends paid	(0.3)	(6.8)
	(54.2)	(22.8)
Cashflow Movement	133.5	35.0
Debt Translation	1.8	0.6
Decrease/(increase) in net debt	135.3	35.6
Net debt at start of period	(299.6)	(164.3)
Net debt at end of period	(164.3)	(128.7) ¹³

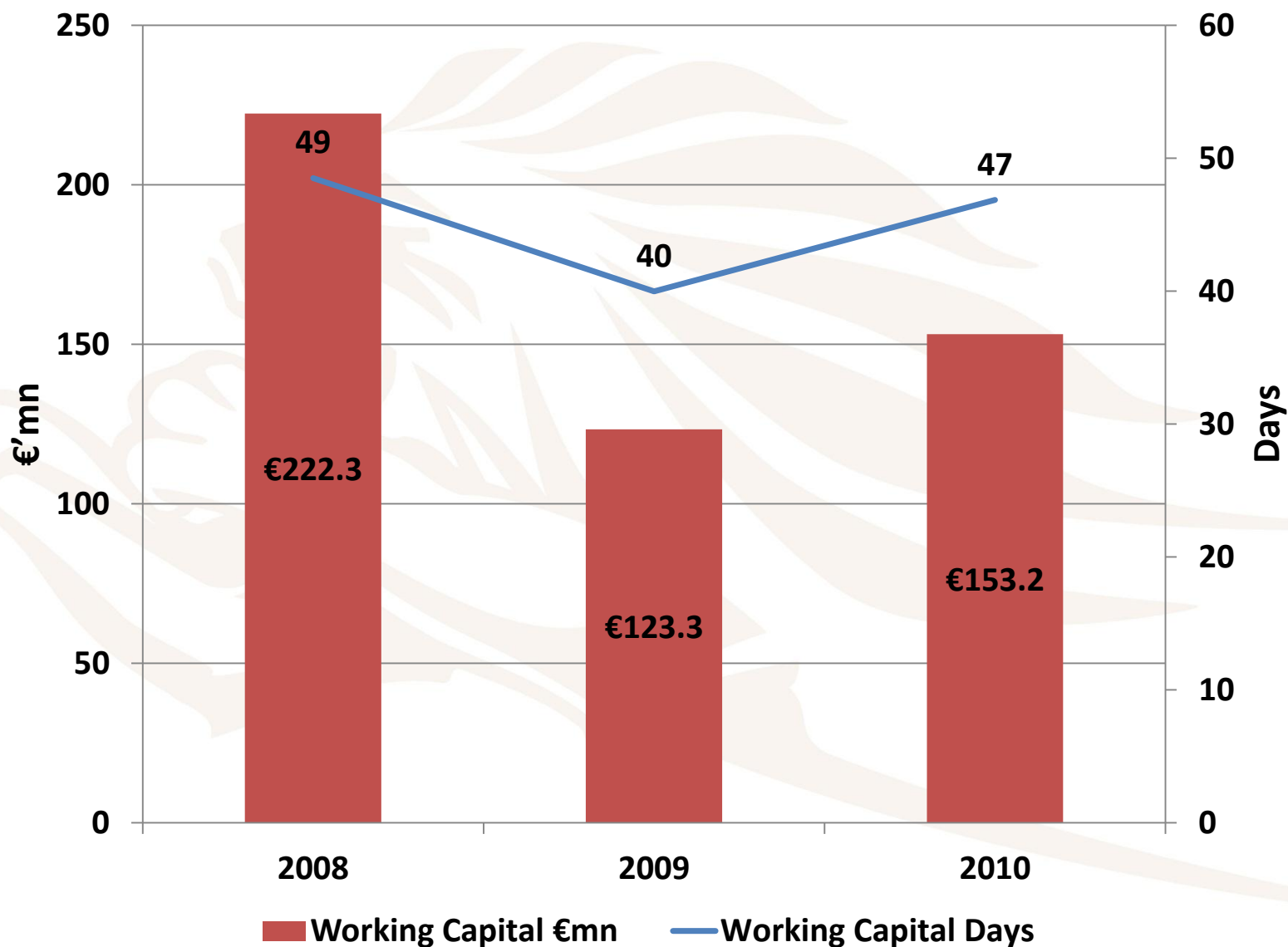
Net Assets Statement & Key Ratios

Net Asset Statement - €mn	2009	2010
Tangible Fixed Assets	419.0	410.3
Intangible Assets	310.3	324.7
Working Capital	123.3	153.2
Current Corporate & Deferred Tax	(43.5)	(46.7)
Provisions	(64.2)	(51.0)
Net Debt	(164.3)	(128.7)
Net FX on PP Debt	4.9	5.1
Net Assets	585.5	666.9
Key Ratios	2009	2010
Gearing (Net Debt: Shareholders Funds)	28.1%	19.3%
Debt/EBITDA	1.6	1.2
Interest Cover	9.4	11.9
ROCE (before non-trading items)	8.4%	8.4%
Working Capital as % of Sales	11.0%	12.8%

Capex



Working Capital

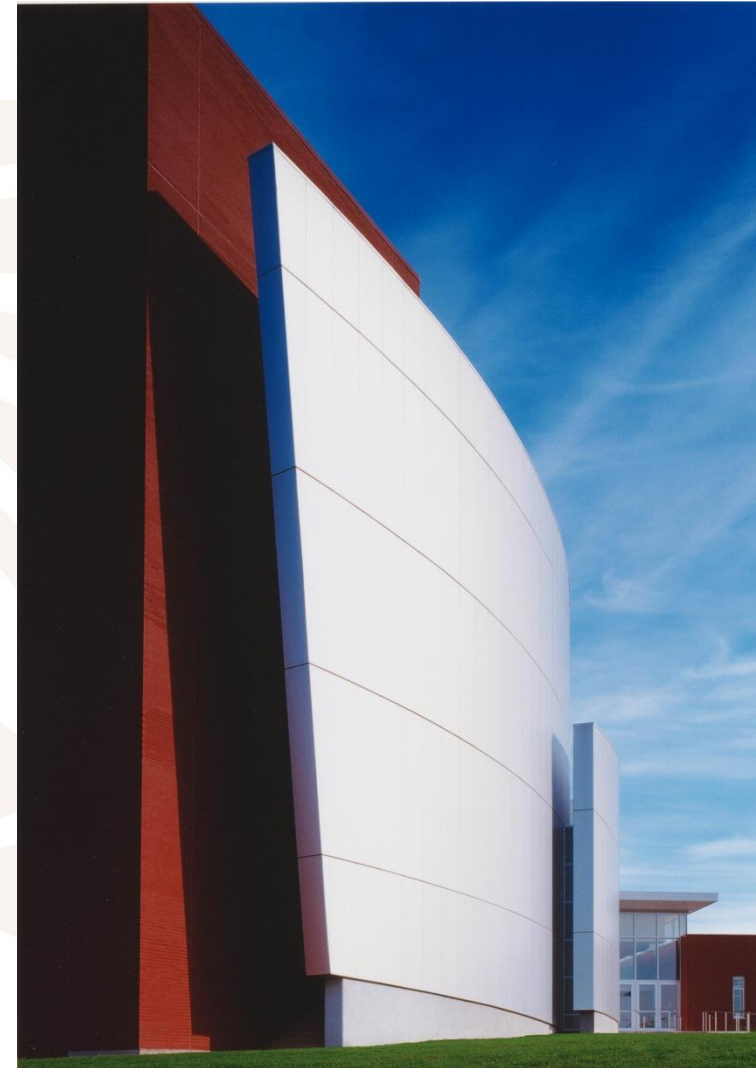


Core Banking Facilities

- ☐ **Revolving Credit Facility of €330mn**
 - September 2013 maturity date
- ☐ **Private placement €151mn (USD200mn)**
 - Repayable 2015 €119mn & 2017 €32mn
 - Same covenants as Revolving Facility
- ☐ **Various bilateral facilities totalling c. €55mn**
- ☐ **Significant headroom on covenants**
 - Max 3.5x net debt:EBITDA; actual 1.2
 - Min 4.0x interest cover; actual 11.9
 - Min €400mn net assets; actual €666.9mn
- ☐ **Year End 2010 Net Debt €128.7mn – headroom c. €407mn**

Recovery of Input Price Inflation

- ❑ Potential cost inflation over the course of 2011 in the range of €80-100mn
- ❑ Plan in place, and being executed, for recovery of industry wide raw material price inflation. Partial lag to be expected
- ❑ Several strands to recovery plan including buffer stocks in hand, forward purchasing with suppliers and timely communication of selling price increases to customers
- ❑ Key inflationary inputs are chemicals (c.a. €210mn) and steel (c.a. €350mn)



Education/Aud - Lake Zurich, Illinois, US

Insulated Panels: UK, IRL, WE

	2009	2010
Sales (€mn)	331.4	340.1
% of Group Sales	30%	29%

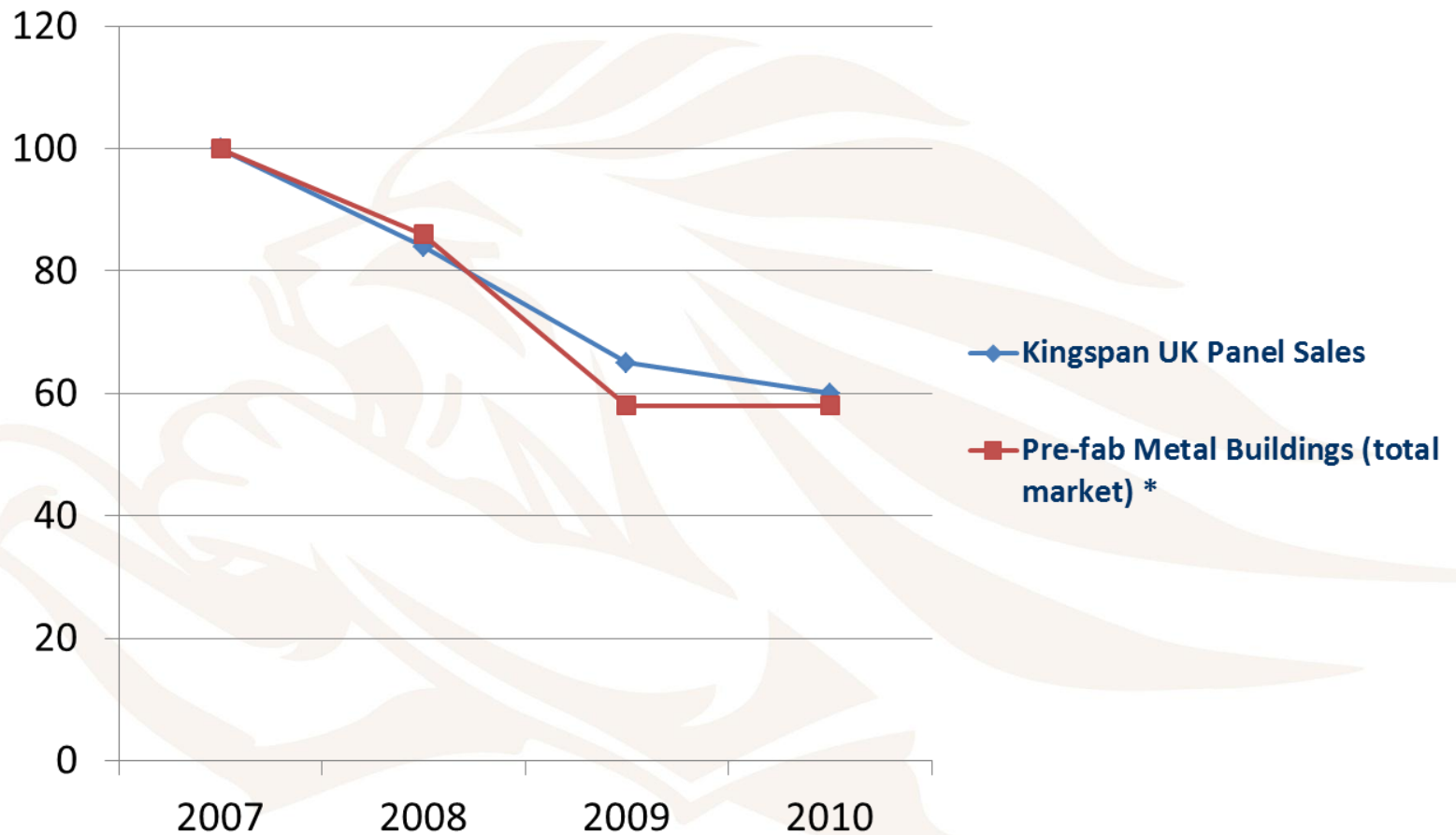
Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
+4%	+1%	-2%	+3%

- ❑ Stable year in the UK, volumes down 1%; intake up 6%
- ❑ Benelux volume solid at -4%, expected to weaken during 2011
- ❑ Encouraging growth in Australia once again, volumes up 26%
- ❑ Ireland remains weak
- ❑ Steel & chemical inflation a key challenge Q1/Q2 2011
- ❑ Overall orderbook +7% at year-end



Jersey Airport, UK

Performance vs Construction Macro's UK Panels



Performance slightly ahead of market

** Source: UK Construction Market*

Insulated Panels CEMEI

	2009	2010
Sales (€mn)	156.7	177.6
% of Group Sales	14%	15%

Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
+2%	+6%	+5%	+13%

Note: The above figures include Germany and Turkey

- ❑ A year of mild recovery in general
- ❑ Improved performance in most key markets
- ❑ Czech Republic & Hungary particularly strong, market share recovery
- ❑ Germany volume was strong at +16%, focus on improved margins
- ❑ Overall CEE intake up 10%
- ❑ Turkey volumes strong, although exports to further ME markets deteriorated. Exports focus during 2011
- ❑ Overall orderbook +5% at year-end



Yamuna Stadium, New Delhi

Insulated Panels North America

	2009	2010
Sales (€mn)	105.8	120.8
% of Group Sales	9%	10%

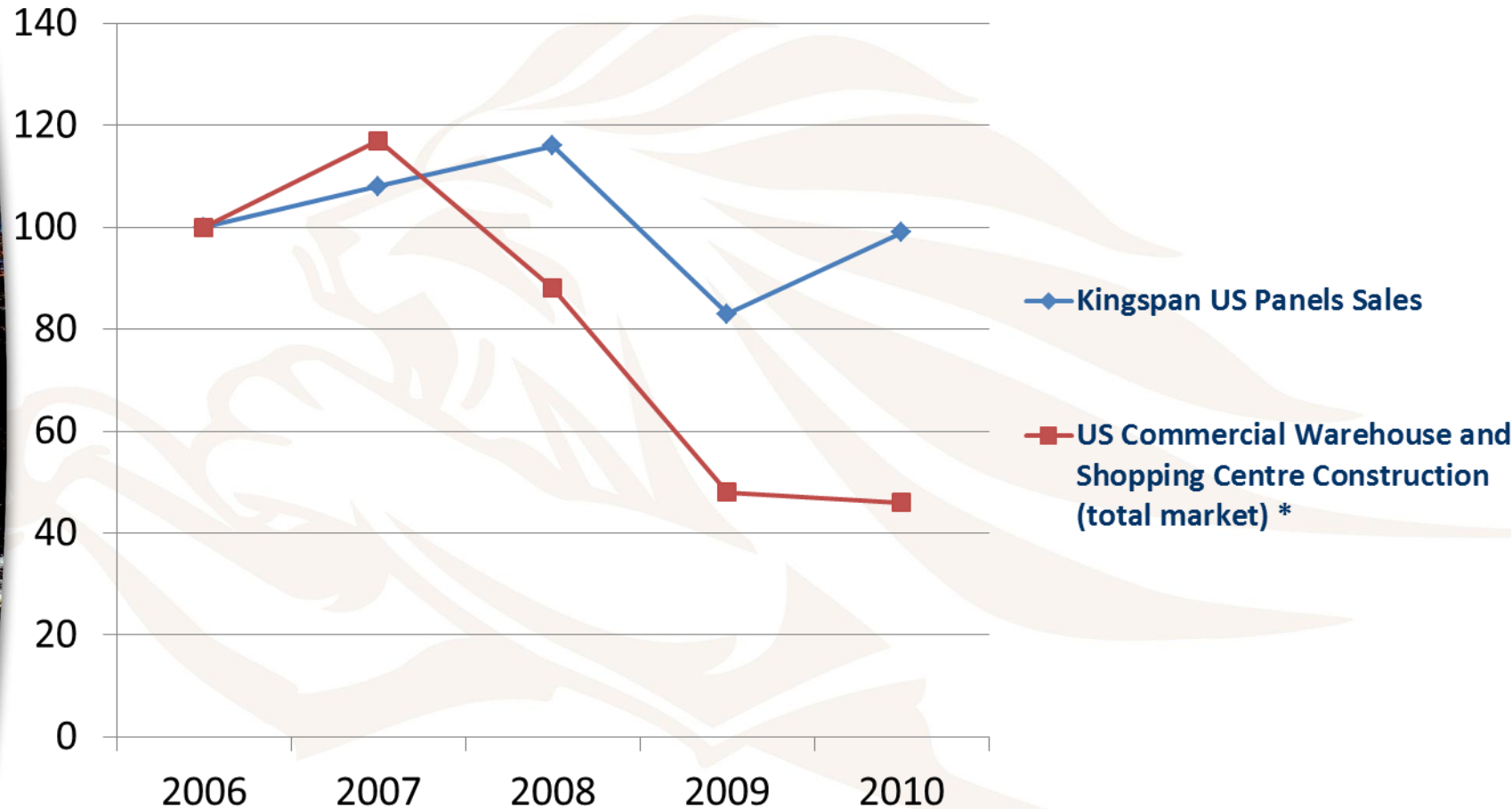
Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
+8%	+11%	-5%	+14%

- ❑ Excellent performance in US, sales volume up 16%. Canada volume down 6%
- ❑ Clear evidence of penetration growth in the low niche insulated metal cladding market and further market share gains in the cold storage segment
- ❑ Architectural sales disappointing, however orderbook significantly ahead of prior year, expecting a strong H1 2011
- ❑ Overall orderbook up 23% at year-end
- ❑ Consolidation of US/Canada completed late Q3. 2010 will lead to more streamlined operations/commercial



Buhler Centre – Winnipeg, Manitoba, Canada

Performance vs Construction Macro's US Panels



Growth in penetration

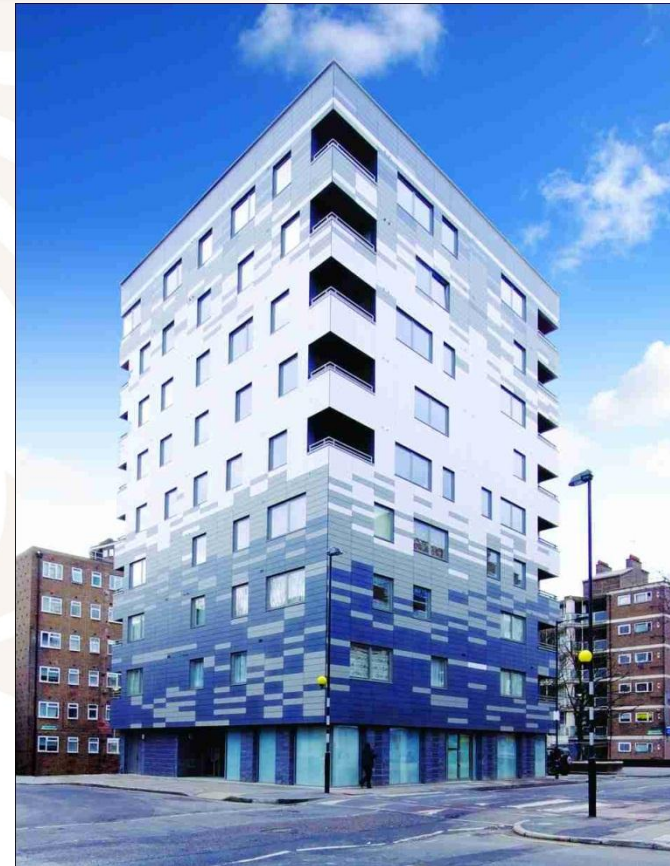
**Source: McGraw Hill Construction*

Insulation

	2009	2010
Sales (€mn)	215.3	248.2
% of Group Sales	19%	21%

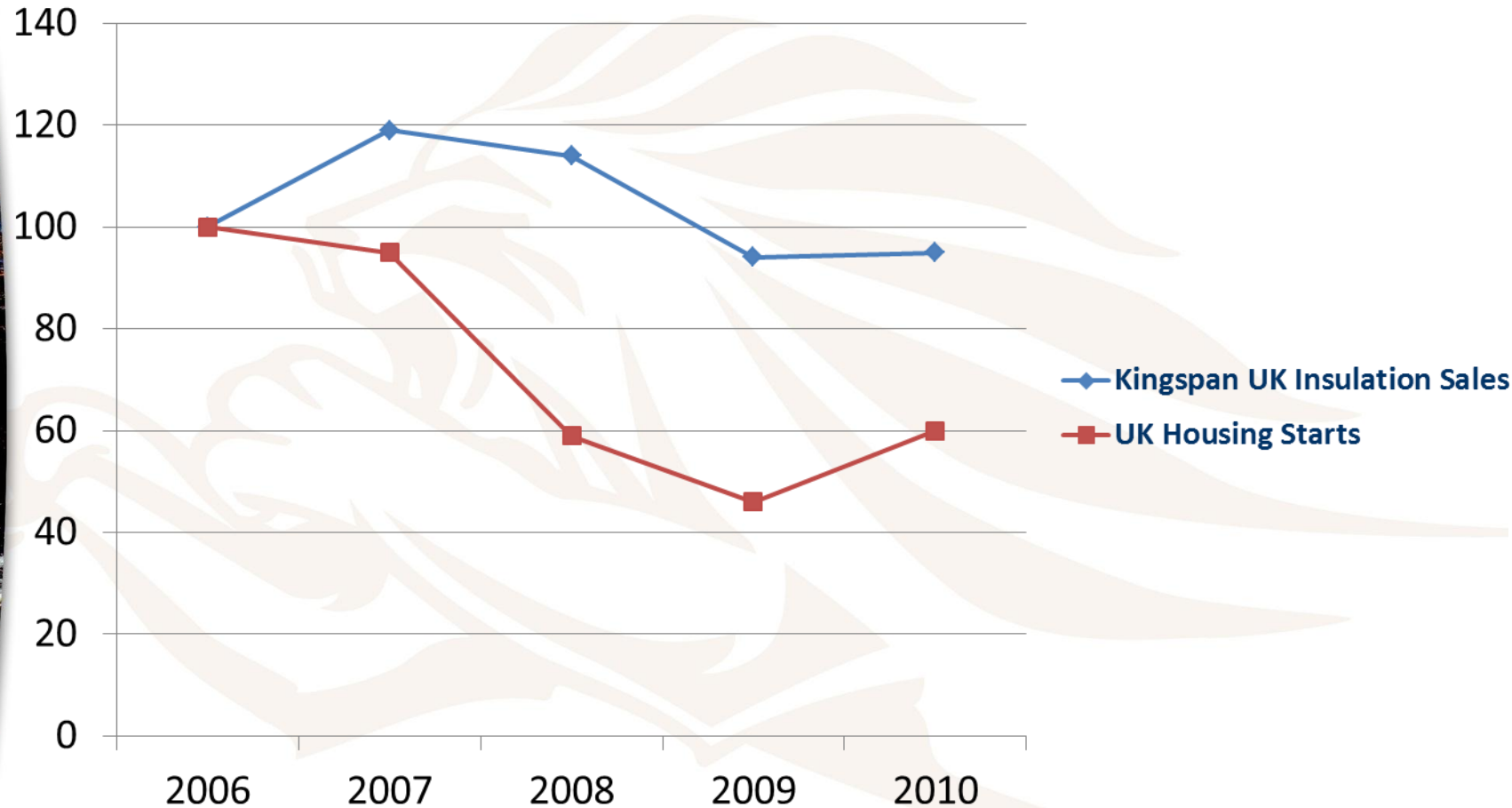
Analysis of YoY % Change				
Currency	Volume	Price & Mix	Acquisition	Total
+4%	+1%	0%	+10%	+15%

- ❑ Overall, 2010 was a year of progress and expansion of the Insulation business
- ❑ Tough environment in the UK (flat), and even more pronounced in Ireland (down 10%)
- ❑ Refurbishment growing strongly and will receive a further boost from UK “Green Deal”
- ❑ Western Europe grew well, in particular in Germany on external wall applications
- ❑ Excellent progress in Australia, sales continue to advance
- ❑ Ireland volumes weak & tough pricing conditions



Stadthaus apartment block, Murray Grove, Hackney, UK

Performance vs Construction Macro's UK Insulation



“Conversion” enabling out-performance

Insulation Europe Acquisition



- ❑ First phase of acquisition complete (Unidek & Ecotherm)
- ❑ Second & final phase scheduled to complete 31st March
- ❑ Integration on track
- ❑ 2011 forecast financial impact
 - ❑ Sales €180.0mn*
 - ❑ Earnings neutral after restructuring and finance costs
- ❑ 2012 forecast financial impact
 - ❑ Sales €150.0mn**
 - ❑ EBIT €12.0mn
- ❑ Net acquisition cost forecast at approx. €90.0mn post disposal proceeds

* *pre disposal*

** *post disposal*

Environmental & Renewables

	2009	2010
Sales (€mn)	168.7	171.7
% of Group Sales	15%	14%

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

- ❑ UK housing recovery continued to be positive for Hot Water Systems & solarthermal
- ❑ Ireland weak but stable
- ❑ Scandinavia & Central Europe showed solid recovery in Q4 after a weak H1
- ❑ Growth in solarthermal sales to US, UK & Ireland has been encouraging, although Germany remains weak
- ❑ Case against Borealis ongoing, trial to commence May 2011



Roseville Aquatic Centre, California, US

Access Floors

	2009	2010
Sales (€mn)	147.6	134.8
% of Group Sales	13%	11%

Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
+4%	-11%	-2%	-9%

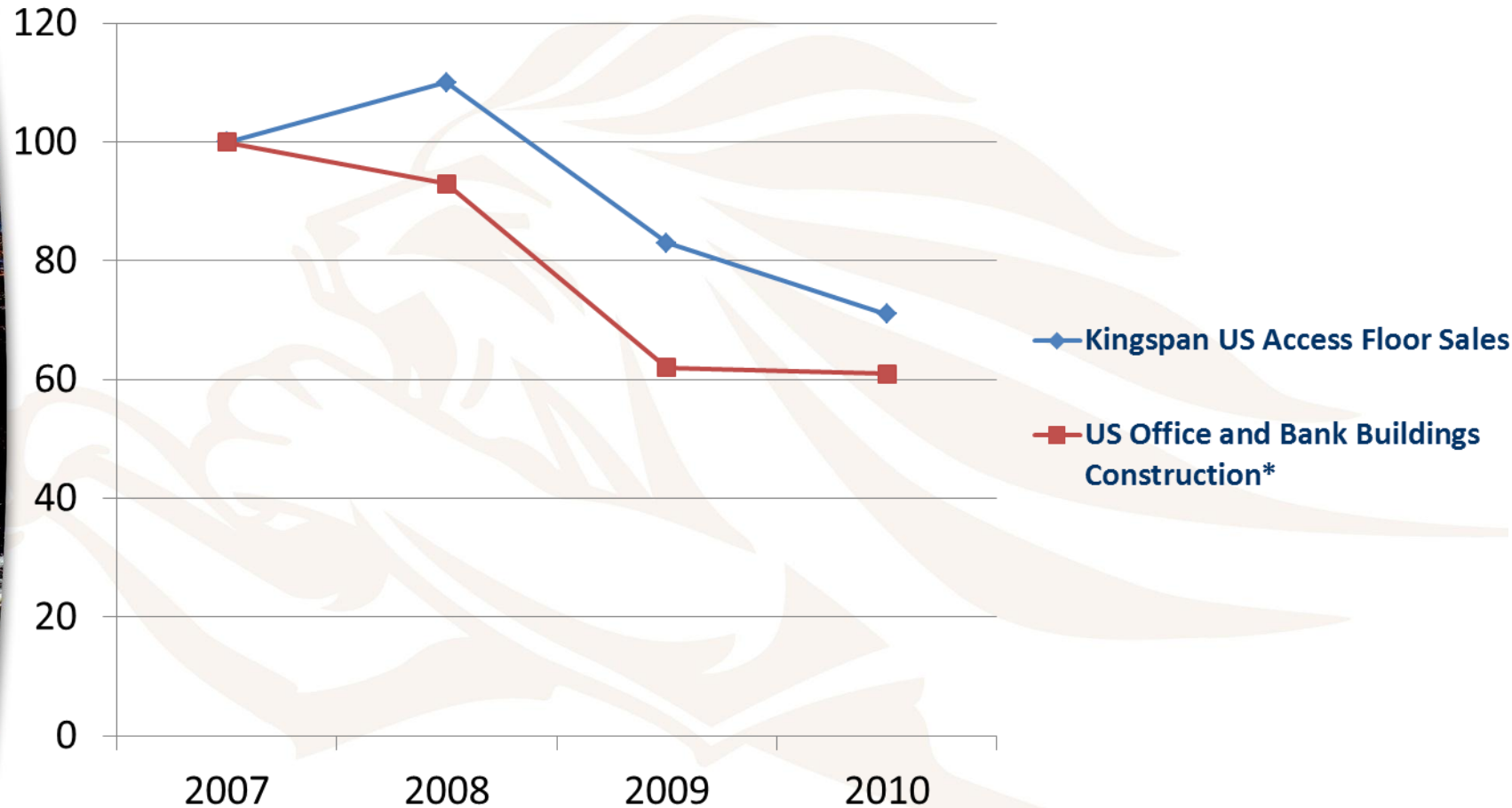
- ❑ Strong margin performance, in a weak macro environment
- ❑ North America sales volumes deteriorated in Q4, with an overall backlog at year-end down 45% on prior year
- ❑ UK volumes weakened noticeably in Q2, but stabilised for the remainder of the year
- ❑ Both US & Europe anticipated to be very weak through 2011
- ❑ Jan/Feb order intake in North America -16%; UK flat



Palestra Building, London, UK

Performance vs Construction Macro's

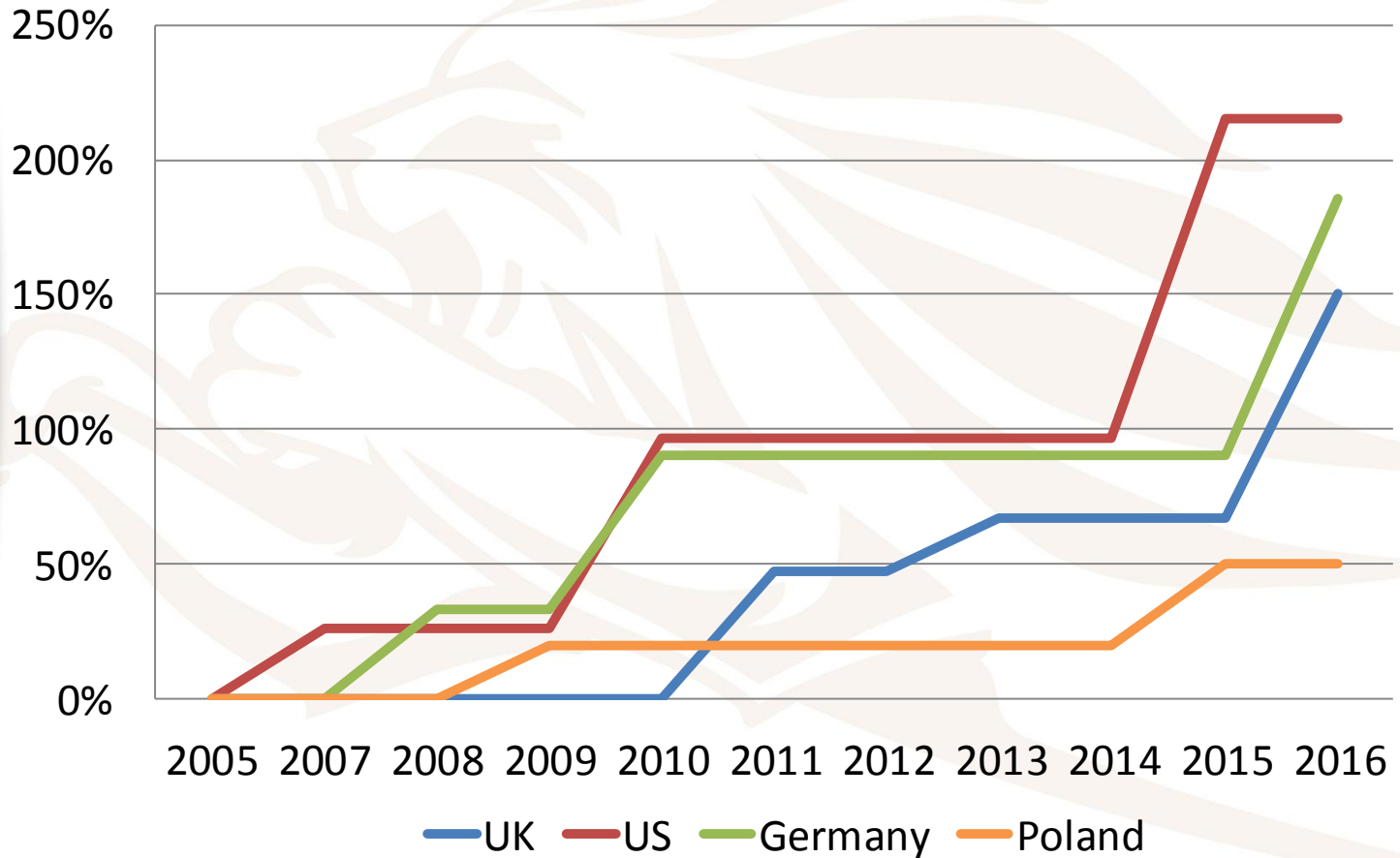
US Access Floors



**Source: McGraw Hill Construction*

Building Regulations by Region

Percentage improvement in standards from 2005



*Note: 2011/16 are estimates in UK & US

Penetration Potential



	2005A	2010A	2015F
Insulated Panels UK	55%	62%	75%
Insulated Panels NA	5%	8%	11%
UK Insulation	30%	34%	38%
Germany External Wall	0%	2%	10%
CEE Insulation Board	0%	0.7%	6%



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