KINGSPAN GROUP PLC

HALF-YEARLY FINANCIAL REPORT

For the period 30th June 2012

KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2012

Kingspan, the global leader in high performance insulation and building envelope solutions, presents its half-yearly financial report for the period to 30 June 2012

Highlights:

Financial Highlights:

- Revenue up 3% to €757.4m, a decrease of 1% on a constant currency basis
- Trading profit up 19% to €52.7m, an increase of 14% on a constant currency basis
- Margin prioritised over volume, resulting in Group trading margin of 7.0%, an increase of 100bps versus the same period in 2011
- Basic EPS up 28% to 22.1 cent
- Interim dividend per share up 11% to 5.0 cent
- Net debt of €171.2m (H1 2011: €207.2m). Net debt to EBITDA of 1.2x (2011:1.8x) and interest cover of 9.9x (2011:12.2x)
- 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 5.3 years (June 2011: 2.8 years)

Operational Highlights:

- Insulated Panels divisional sales up 3% and trading profit up 25% reflecting a higher specification sales mix and penetration growth in developing markets
- Insulation Boards divisional sales up 4% and trading profit up 7% reflecting proportionately higher sales of Kooltherm® somewhat offset by pricing pressure in PIR board
- Access Floors divisional sales up 20% and trading profit up 31% reflecting strong datacentre volumes and a gradual improvement in office activity
- Environmental divisional sales down 12% and trading profit flat on prior year due, predominantly, to the conclusion of a contract in France and lower UK social housing refurbishment
- Agreement reached in August to acquire the businesses of Thyssenkrupp Construction in Europe and, separately, Rigidal Industries LLC in the UAE. Combined revenue in 2011 was approximately €340m

Summary Financials:

	H1'12 €m	***H1'11 €m***	***% change***
Revenue	757.4	736.0	+3.0%
EBITDA*	71.9	63.5	+13.2%
Trading Profit**	52.7	44.2	+19.2%
Trading Margin	7.0%	6.0%	+100bps
Profit after tax	37.2	29.2	+27.4%
EPS (cent per share)	22.1	17.3	+27.8%

**Earnings before finance costs, income tax, depreciation and intangible amortisation*

***Earnings before amortisation of intangibles, finance costs and income tax.*

Gene Murtagh, Chief Executive of Kingspan commented:
"Kingspan is very pleased to report another period of progress for the Group through a combination of organic growth and the successful integration of acquisitions. The trading environment across many of our geographies continues to be very uncertain which is having a moderating impact, albeit with Kingspan continuing to outperform the general markets in which we operate."

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Business Review

The first six months of 2012 were characterised by a relatively strong first quarter which flagged considerably towards mid-year. This moderation in recent activity levels coincided with weakening sentiment generally across Europe driven by interminable political indecision. Against this backdrop, Group sales in the period grew by 3% to €757.4m, while Group trading profit rose by 19% to €52.7m. Trading margin improved year on year by 100bps from 6% to 7% reflecting a combination of higher specification sales mix and a prioritisation across the Group of margin over volume.

The Group posted robust performances in both the Insulated Panels and Insulation businesses in the UK where, despite a lacklustre backdrop, sales grew by 1%. North America also performed satisfactorily across both Insulated Panels and Access Floors with Australasia again growing well for the Group. In contrast to these markets, Western Europe was hamstrung by an unusually weak construction environment in the Netherlands, owing in the main to sentiment driven weakness in the residential sector. Germany performed well, as did the core central European markets but sales declined in Russia and Turkey.

With regard to raw materials, chemical prices continued to harden during the period impacting the cost base of the Group's insulation businesses. Steel prices were more stable, and may reduce during the second half, acting as some counterbalance to an anticipated rise in chemical costs.

During August 2012 Kingspan entered an agreement to acquire the Thyssenkrupp Construction business, based in Germany, and also producing in France, Belgium, Austria and Hungary. The acquisition provides Kingspan with a significant platform from which to grow further in key continental European markets. Separately, the Group agreed to acquire Rigidal Industries LLC, a Dubai based regional leader in insulated roof and wall systems, again furthering the Group's geographical reach. Combined 2011 turnover of these businesses was approximately €340m.

Insulated Panels

	HY '12 €m	***HY '11 €m***	***Change***
Turnover	361.1	350.4	+3%(1)
Trading Profit	27.1	21.7	+25%
Trading Margin	7.5%	6.2%	

(1) Comprising volume -5%, price/mix +5% and currency impact +3%

Overall, the division recorded a strong trading performance in the period with an improved margin in all regions, up 130bps from 6.2% to 7.5%. This margin growth reflected, in the main, growing sales of higher specification products including architectural lines and operating leverage in newer, developing, markets such as Australia.

UK

Sales revenue in the UK grew by 1%, while volume declined by 2%. Although most end-market segments were steady, activity in the retail and food segments was particularly robust as has been the case in recent years. Additionally, Benchmark® architectural sales improved well year on year, with some notable success in specifications achieved. Growth in this product suite and other recent product introductions are key to achieving sustainable margin enhancement for the division more generally. The project pipeline through to year end points towards a stable performance in the second half across most sectors.

Mainland Europe

Sales revenue in the region grew by 1%, while volume declined by 6%, owing to a solid performance in Germany, Poland and the Czech Republic where volume grew significantly through both penetration and activity growth. Combined, the Netherlands and Belgium recorded volume reductions, as did the Balkans and Turkey. This trading pattern is likely to remain through the year, although the lower sales volume in some regions will be offset by improved margins through continuous improvement in the cost base and optimising the sales mix.

North America

Sales revenue in this region grew by 9%, while volume declined by 6%. Activity in the commercial and industrial segment began the year relatively muted but improved significantly during the second quarter as larger projects in the pipeline were awarded. The manufacturing and resources sectors have been particularly active as has government funded infrastructure. The coldstorage segment was weaker for Kingspan as, intentionally, volume was sacrificed for margin.

Australasia

Sales revenue grew by 32%, and volume grew by 13%, as the market conversion process evident over recent years generated real traction. Despite general economic weakness in Australia, activity in the resources and retail/distribution sectors drove much of the growth in the first half. This pattern is likely to continue for the foreseeable future and will be reinforced with further new product introductions in the region.

Ireland

Sales revenue declined by 13%, while volume declined by 9%, as the market slipped further downward. It now represents ca. 6% of the division's volume and can be expected to stabilise at around these levels.

Insulation Boards

	HY '12 *€m*	*HY '11* *€m*	*Change*
Turnover	232.1	222.6	+4% (1)
Trading Profit	15.5	14.5	+7%
Trading Margin	6.7%	6.5%	

(1) Comprising volume -9%, price/mix +10% and currency impact +3%

Overall, trading in the division in the early part of the year was relatively strong, but weakened during the second quarter, particularly in the UK and Netherlands which account for the lion's share of divisional activity. Margins improved year on year from 6.5% to 6.7% reflecting a combination of a positive Kooltherm® sales mix somewhat offset by margin pressure in PIR board.

UK
The early part of the year saw relatively buoyant activity in the UK, which tapered off somewhat towards mid-year, resulting in a year on year sales revenue increase of 1%, and a volume decline of 10%. The volume/value differential relates to a significant improvement in Kooltherm® penetration as well as inflation recovery over the same period a year earlier. Although private newbuild residential is somewhat encouraging, the second half could see a continuation of quarter two's performance as the timeframe for government social housing and refurbishment initiatives is extended further.

Mainland Europe
The division's primary Continental European presence is in the Benelux and Germany with growing positions in CEE and France. Similar to the UK, quarter one's performance was solid. However, some market slippage was evident during the second quarter resulting in volume for the first half decreasing by 8%, while increasing by 5% in revenue. Belgium performed particularly well, as did Germany, but the Netherlands weakened sharply toward mid-year with no improvement anticipated in the near-term.

Australasia
Sales volume declined 4% in the period, while value grew 12% driven by the process of transitioning the sales profile of the business more towards the higher value, proprietary Kooltherm® insulation. This dynamic was key to ensuring the business grew in the first half, despite a notable deterioration in newbuild residential activity in Australia and New Zealand.

Ireland
Sales volume declined again by 18%, or 9% by revenue, as the wider construction market dipped further. Refurbishment and the Kooltherm® product are the anchor drivers for this business presently with newbuild housing reaching a low of ca. 5,000 units per annum.

Access Floors

	HY '12 €m	*HY '11 €m*	*Change*
Turnover	77.9	65.1	+20% (1)
Trading Profit	8.9	6.8	+31%
Trading Margin	11.4%	10.4%	

(1) Comprising volume +6%, price/mix -2%, currency impact +8% and acquisition +8%

Sales revenue in North America grew 22% in the period resulting from continued robustness of the datacentre market, gradual evidence of recovery in the office sector and a number of attractive export contracts, including some to the Middle East and South America. Margins, however, have come under some pressure given what to-date has been the relentless weakness of the US office construction market. Canada was somewhat weaker than anticipated but recent contracts secured should see this trend improve towards year end.

Sales revenue in Europe was down by 3% owing predominately to weaker sales in Continental Europe and offset, to some extent, by an improvement in office construction activity in the UK. Given the late cycle nature of this business, the period from late 2012 through 2013 is likely to see continued gradual improvement in the performance of access floor sales in Europe.

In Australia, where the Group made a entry platform acquisition in January, a relatively weak start to the year should give way to improved activity later in 2012.

Environmental

	HY '12 €m	*HY '11 €m*	*Change*
Turnover	86.3	97.9	-12%
Trading Profit	1.2	1.2	-
Trading Margin	1.4%	1.2%	

During quarter one sales into France continued to perform strongly, however as indicated previously, this contract has now concluded. This, coupled with a sharp decline in UK social refurbishment projects, resulted in a reduction in sales in quarter two, generating a year on year sales decrease of 12%.

In excess of 50% of this division's revenues are currently generated in the UK, which is likely to hamper progress somewhat in the near-term. The division is expanding its presence in Mainland Europe, the Nordics, and North America with a range of integrated environmental solutions comprising solarthermal, micro wind power and water management. This will ultimately shape the success of the division in the coming years.

Financial Review

Overview of results

Group revenue increased by 3% to €757.4m (H1 2011: €736.0m) and trading profit increased by 19% to €52.7m (H1 2011: €44.2m). These measures were a 1% decrease in sales and 14% increase in trading profit on a constant currency basis. This resulted in an improvement of 100 basis points in the Group's trading profit margin to 7.0% (2011: 6.0%). The amortisation charge in respect of intangibles was €1.4m compared to €2.5m in the first half of 2011 with the decrease reflecting balances fully written off on expiration of their accounting useful lives. Group operating profit, after amortisation grew 23% to €51.3m. Profit after tax was €37.2m compared to €29.2m in the first half of 2011 driven in the main by the growth in trading profit. Basic EPS for the period was 22.1 cent, representing an increase of 28% on the first half of 2011 (H1 2011: 17.3 cent).

The Group's underlying sales and trading profit growth by division are set out below:

Sales	***Underlying***	***Currency***	***Acquisition***	***Total***
Insulated Panels	-	+3%	-	+3%
Insulation Boards	+1%	+3%	-	+4%
Access Floors	+4%	+8%	+8%	+20%
Environmental	-16%	+4%	-	-12%
Group	-2%	+4%	+1%	+3%

The Group's trading profit measure is earnings before interest, tax and amortisation of intangibles:

Trading Profit	***Underlying***	***Currency***	***Acquisition***	***Total***
Insulated Panels	+20%	+4%	-	+24%
Insulation Boards	+3%	+4%	-	+7%
Access Floors	+26%	+7%	-	+33%
Environmental	-8%	+7%	-	-1%
Group	+14%	+5%	-	+19%

Finance costs

Finance costs for the half year increased by €1.3m to €6.8m (H1 2011: €5.6m). Finance costs include a near neutral non-cash item (H1 2011: €0.3m credit) in respect of the Group's legacy defined benefit pension schemes. A net non-cash credit of €0.9m was recorded in respect of swaps on the Group's USD private placement notes (H1 2011: charge of €0.3m). The Group's net interest expense on borrowings (bank and loan notes) was €7.7m compared to €5.5m in the first half of 2011. This increase reflects the USD private placement completed in August 2011 which was used to repay the shorter term revolving credit bank facility with the balance placed on deposit to fund the Group's future development needs. In the near term this has increased the Group's net interest expense but affords flexibility with an extended debt maturity.

Taxation

The tax charge for the first half of the year was €7.3m (H1 2011: €7.0m) which represents an effective tax rate of 16% on earnings before amortisation (H1 2011: 18%). The decrease in the effective tax rate is primarily due to the geographic mix of earnings and a reduction in the headline corporation tax rate in the UK.

Retirement benefits

The Group makes pension provision for current pensionable employees through defined contribution arrangements. The Group has two legacy defined benefit schemes which are closed to new members and to future accrual. The net pension deficit in respect of these schemes was €0.6m as at 30 June 2012 (30 June 2011: deficit of €0.1m).

Free cashflow

Free cashflow	*H1'12 €'m*	*H1'11 €'m*
EBITDA*	71.9	63.5
Movement in working capital	(17.8)	(16.9)
Net capital expenditure	(16.0)	(10.7)
Pension contributions	(0.8)	(1.4)
Finance costs	(9.5)	(6.0)
Income taxes paid	(6.8)	(2.6)
Other including non-cash items	6.6	3.8
Free cashflow	27.6	29.7

**Earnings before finance costs, income taxes, depreciation and amortisation*

Working capital increased by €17.8m in the first half of 2012 (increase of €16.9m in H1 2011). This reflects seasonal variability associated with trading patterns and the timing of significant purchases for steel and chemicals.

Net debt

Net debt increased by €1.1m during the first half to €171.2m (31 December 2011: €170.1m). This is analysed in the table below. The amount recorded in respect of settlement of legal costs relates to legal fees associated with the Group's unsuccessful litigation in respect of the Borealis claim in the Environmental division.

Movement in net debt	*H1'12 €'m*	*H1'11 €'m*
Free cashflow	27.6	29.7
Acquisitions (net of disposal proceeds)	(7.2)	(107.4)
Settlement of legal costs	(12.3)	-
Share issues	1.4	0.2
Dividends paid	(10.8)	(9.8)
Cashflow movement	(1.3)	(87.3)
Exchange movements on translation	0.2	0.9
Increase in net debt	(1.1)	(86.4)
Net debt at start of year	(170.1)	(120.8)
Net debt at end of period	(171.2)	(207.2)

Financing

The Group funds itself through a combination of equity and debt. Debt is funded through a combination of a syndicated bank facility and private placement loan notes. The primary debt facility is a revolving credit facility of €300m entered into in April 2012 with a syndicate of international banks and which matures in April 2017. The facility was undrawn at the period end and replaced a pre-existing facility of €330m scheduled to mature in September 2013. The Group has two US Private Placement loan notes for $400m in aggregate, of which $158m matures in 2015, $42m in 2017 with the balance of $200m maturing in 2021. The weighted average maturity of debt facilities at half year end was 5.3 years (June 2011: 2.8 years).

The Group has significant available undrawn facilities which provide appropriate headroom for potential development opportunities.

Key financial covenants
The majority of Group borrowings are subject to primary financial covenants calculated in accordance with lenders' facility agreements:

- A maximum net debt to EBITDA ratio of 3.5 times
- A maximum net debt to net interest coverage of 4 times

The performance against these covenants in the current and comparative year is set out below:

	Covenant	*June 2012 Times*	*June 2011 Times*
Net debt/EBITDA	Maximum 3.5	1.2	1.8
EBITDA/Net interest	Minimum 4.0	9.9	12.2

Related party transactions
There were no changes in related party transactions from the 2011 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

Principal risks & uncertainties
Details of the principal risks and uncertainties facing the Group can be found in the 2011 Annual Report. These risks in particular macro-economic construction activity in key markets, fluctuating raw material costs and volatile currencies, remain the most likely to affect the Group in the second half of the current year. The Group actively manages these and all other risks through its control and risk management processes.

Dividend
The Board has declared an interim dividend of 5.0 cent per ordinary share, an increase of 11.1% on 2011 interim dividend of 4.5 cent per share. The interim dividend will be paid on 21 September to shareholders on the register on the record date of 31 August 2012.

Looking Ahead
The macro backdrop in recent years has been variously described as challenging and uncertain. This is the environment we now operate in, and we remain focused on what we can influence, continuing to make progress in that context.

As outlined, after an encouraging start to the year markets moderated through the second quarter. Without looking too far ahead, it is likely that the Group's trading environment for the remainder of the year will weaken further from that experienced in the second quarter. That said, the Group enters the second half with a positive orderbook overall. In Insulated Panels the orderbook at the end of June 2012 was ahead of the same period last year in North America by +3%, in the UK and Western Europe by +13% and CEE by +22%. In Insulation Boards, the trend seen in the year to date of overall volume weakness relieved somewhat by a positive sales mix can be expected to continue in the near-term, although activity in the Netherlands is likely to ease further. Our Environmental division is likely to record more pronounced weakness in the second half, versus the same period last year, at which time sales to France were at a peak. Somewhat encouraging in the year to date were sales of Access Floors and, in the second half, performance could be modestly ahead of the same period last year.

Overall, the Group will continue to drive its conversion approach with the objective of increasing market penetration for higher performance insulation and building envelope solutions. Our focus will continue on iteratively rebuilding margin and returns on capital through greater efficiency, product specification, innovation and operating leverage, not alone in Kingspan's existing businesses, but in the recently acquired TK Construction businesses across Europe. The Group has a strong, well capitalised balance sheet and, overall, is well placed to progress in the years ahead.

RESPONSIBILITY STATEMENT

Directors' Responsibility Statement in respect of the half-yearly financial report for the six months ended 30 June 2012

Each of the directors, whose names and functions are listed in the 2011 Annual Report (with the exception of Mr Danny Kitchen, who retired on 10 May 2012) confirm our responsibility for preparing the half yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Republic of Ireland's Financial Regulator and with IAS34 "Interim Financial Reporting" as adopted by the EU. We confirm that to the best of our knowledge:

a) the condensed consolidated interim financial statements comprising the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Republic of Ireland's Financial Regulator and with IAS 34 "Interim Financial Reporting" as adopted by the EU.

b) The interim management report includes a fair review of the information required by:

i) Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

ii) Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Gene Murtagh Chief Executive Officer	Geoff Doherty Chief Financial Officer
20 August 2012	20 August 2012

Kingspan Group plc

Condensed consolidated income statement
for the half year ended 30 June 2012

	Note	**6 months ended 30 June 2012 (Unaudited) €'000**	6 months ended 30 June 2011 (Unaudited) €'000
Revenue	*4*	757,391	735,950
Costs of sales		(533,824)	(533,109)
Gross Profit		223,567	202,841
Operating costs, excluding intangible amortisation		(170,846)	(158,596)
Trading Profit	*4*	52,721	44,245
Intangible amortisation		(1,378)	(2,518)
Operating Profit		51,343	41,727
Finance expense	*6*	(7,278)	(5,980)
Finance income	*6*	454	415
Profit for the period before income tax		44,519	36,162
Income tax expense	*7*	(7,344)	(6,962)
Net Profit for the period		37,175	29,200
Attributable to owners of Kingspan Group plc		37,033	28,786
Attributable to non-controlling interests		142	414
		37,175	29,200
Earnings per share for the period			
Basic	*10*	**22.1c**	17.3c
Diluted	*10*	**21.7c**	16.7c

Kingspan Group plc

Condensed consolidated statement of comprehensive income

for the half year ended 30 June 2012

	Note	**6 months ended 30 June 2012 (Unaudited) €'000**	6 months ended 30 June 2011 (Unaudited) €'000
Net profit for financial period		**37,175**	29,200
Other comprehensive income:			
Effective portion of changes in fair value of cash flow hedges		**(1,046)**	2,946
Net change in fair value of cash flow hedges reclassified to income statement		**188**	-
Actuarial losses on defined benefit pension schemes		**-**	128
Exchange differences on translating foreign operations		**23,904**	(18,878)
Total comprehensive income for the period		**60,221**	13,396
Attributable to owners of Kingspan Group plc		**59,884**	12,980
Attributable to non-controlling interests		**337**	416
		60,221	13,396

Kingspan Group plc

Condensed consolidated statement of financial position
as at 30 June 2012

	Note	**At 30 June 2012 (Unaudited) €'000**	At 30 June 2011 (Unaudited) €'000	At 31 December 2011 (Audited) €'000
Assets				
Non-current assets				
Goodwill		**388,715**	358,330	373,959
Other intangible assets		**7,254**	11,149	8,530
Property, plant and equipment	*11*	**451,484**	444,140	443,240
Financial assets		**-**	10	-
Derivative financial instruments		**23,607**	-	14,163
Deferred tax assets		**6,858**	4,507	7,576
		877,918	818,136	847,468
Current assets				
Inventories		**176,134**	178,129	160,661
Trade and other receivables		**321,857**	303,789	281,802
Derivative financial instruments		**2,895**	6,803	2,947
Cash and cash equivalents		**140,666**	95,342	141,067
		641,552	584,063	586,477
Non-current assets classified as held for sale		**409**	-	392
		641,961	584,063	586,869
Total assets		**1,519,879**	1,402,199	1,434,337
Liabilities				
Current liabilities				
Trade and other payables		**285,209**	310,487	253,055
Provisions for liabilities		**36,037**	39,035	45,955
Derivative financial instruments		**1,342**	-	21
Deferred consideration		**18**	489	480
Interest bearing loans and borrowings		**6,711**	24,914	10,430
Current income tax liabilities		**40,254**	36,688	39,363
		369,571	411,613	349,304
Non-current liabilities				
Retirement benefit obligations		**625**	67	1,389
Provisions for liabilities		**8,060**	9,857	9,857
Interest bearing loans and borrowings		**331,651**	272,943	317,796
Derivative financial instruments		**-**	11,475	-
Deferred tax liabilities		**20,040**	21,631	20,662
Deferred consideration		**354**	956	344
		360,730	316,929	350,048
Total liabilities		**730,301**	728,542	699,352
Net Assets		**789,578**	673,657	734,985
Equity				
Share capital		**22,454**	22,332	22,344
Share premium		**39,314**	37,960	38,059
Capital redemption reserve		**723**	723	723
Treasury shares		**(30,707)**	(32,565)	(30,707)
Other reserves		**(83,948)**	(142,843)	(107,715)
Retained earnings		**835,268**	782,686	806,144
Equity attributable to owners of Kingspan Group plc		**783,104**	668,293	728,848
Non-controlling interest		**6,474**	5,364	6,137
Total Equity		**789,578**	673,657	734,985

Kingspan Group plc

Condensed consolidated statement of changes in equity

For the half year ended 30 June 2012 (unaudited)

	Share capital	Share premium	Capital redemption reserve	Treasury shares	Translation reserve	Cash flow hedging reserve	Share based payment reserve	Revaluation reserve	Retained Earnings	Total attributable to owners of the parent	Non-controlling interest	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2012	22,344	38,059	723	(30,707)	(129,386)	1,577	19,381	713	806,144	728,848	6,137	**734,985**
Transactions with owners recognised directly in equity												
Shares issued	110	1,255	-	-	-	-	-	-	-	1,365	-	**1,365**
Employee share based compensation	-	-	-	-	-	-	3,854	-	-	3,854	-	**3,854**
Exercise or lapsing of share options	-	-	-	-	-	-	(2,938)	-	2,938	-	-	-
Dividends	-	-	-	-	-	-	-	-	(10,847)	(10,847)	-	**(10,847)**
Transactions with non-controlling interests:												
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners	110	1,255	-	-	-	-	916	-	(7,909)	(5,628)	-	**(5,628)**
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	37,033	37,033	142	**37,175**
Other comprehensive income												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(1,046)	-	-	-	(1,046)	-	**(1,046)**
- reclassification to profit	-	-	-	-	-	188	-	-	-	188	-	**188**
Defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Tax on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	23,709	-	-	-	-	23,709	195	**23,904**
Total comprehensive income for the period	-	-	-	-	23,709	(858)	-	-	37,033	59,884	337	**60,221**
Balance at 30 June 2012	22,454	39,314	723	(30,707)	(105,677)	719	20,297	713	835,268	783,104	6,474	**789,578**

Kingspan Group plc

Condensed consolidated statement of changes in equity

For the half year ended 30 June 2011 (unaudited)

	Share capital	**Share premium**	**Capital redemption reserve**	**Treasury shares**	**Translation reserve**	**Cash flow hedging reserve**	**Share based payment reserve**	**Revaluation reserve**	**Retained Earnings**	**Total attributable to owners of the parent**	**Non-controlling interest**	**Total equity**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Balance at 1 January 2011	22,325	37,739	723	(32,565)	(147,411)	2,570	14,895	713	763,008	661,997	4,948	**666,945**
Transactions with owners recognised directly in equity												
Shares issued	7	176	-	-	-	-	-	-	-	183	-	**183**
Employee share based compensation	-	-	-	-	-	-	2,922	-	-	2,922	-	**2,922**
Exercise or lapsing of share options	-	45	-	-	-	-	(598)	-	553	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	(9,789)	(9,789)	-	**(9,789)**
Transactions with non-controlling interests:												
Capital contribution	-	-	-	-	-	-	-	-	-	-	-	**-**
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	**-**
Transactions with owners	7	221	-	-	-	-	2,324	-	(9,236)	(6,684)	-	**(6,684)**
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	28,786	28,786	414	**29,200**
Other comprehensive income												
Cash flow hedging in equity												
- current year	-	-	-	-	-	2,946	-	-	-	2,946	-	**2,946**
- reclassification to profit	-	-	-	-	-	-	-	-	-	-	-	**-**
Defined benefit pension scheme	-	-	-	-	-	-	-	-	128	128	-	**128**
Exchange differences on translating foreign operations	-	-	-	-	(18,880)	-	-	-	-	(18,880)	2	**(18,878)**
Total comprehensive income for the period	-	-	-	-	(18,880)	2,946	-	-	28,914	12,980	416	**13,396**
Balance at 30 June 2011	22,332	37,960	723	(32,565)	(166,291)	5,516	17,219	713	782,686	668,293	5,364	**673,657**

Kingspan Group plc

Condensed consolidated statement of changes in equity

For the financial year ended 31 December 2011(audited)

	Share capital	Share premium	Capital redemption reserve	Treasury shares	Translation reserve	Cash flow hedging reserve	Share based payment reserve	Revaluation reserve	Retained Earnings	Total attributable to owners of the parent	Non-controlling interest	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2011	22,325	37,739	723	(32,565)	(147,411)	2,570	14,895	713	763,008	661,997	4,948	**666,945**
Transactions with owners recognised directly in equity												
Shares issued	19	320	-	-	-	-	-	-	-	339	-	**339**
Employee share based compensation	-	-	-	-	-	-	5,427	-	-	5,427	-	**5,427**
Tax on employee share based compensation	-	-	-	-	-	-	255	-	-	255	-	**255**
Exercise or lapsing of share options	-	-	-	-	-	-	(1,196)	-	1,196	-	-	**-**
Transfer of shares	-	-	-	1,858	-	-	-	-	(58)	1,800	-	**1,800**
Dividends	-	-	-	-	-	-	-	-	(17,473)	(17,473)	-	**(17,473)**
Transactions with non-controlling interests:												
Capital contribution	-	-	-	-	-	-	-	-	-	-	200	**200**
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(51)	**(51)**
Transactions with owners	19	320	-	1,858	-	-	4,486	-	(16,335)	(9,652)	149	**(9,503)**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	61,835	61,835	1,035	**62,870**
Other comprehensive income												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(1,292)	-	-	-	(1,292)	-	**(1,292)**
- reclassification to profit	-	-	-	-	-	299	-	-	-	299	-	**299**
Defined benefit pension scheme	-	-	-	-	-	-	-	-	(3,179)	(3,179)	-	**(3,179)**
Tax on defined benefit pension scheme	-	-	-	-	-	-	-	-	815	815	-	**815**
Exchange differences on translating foreign operations	-	-	-	-	18,025	-	-	-	-	18,025	5	**18,030**
Total comprehensive income for the year	-	-	-	-	18,025	(993)	-	-	59,471	76,503	1,040	**77,543**
Balance at 31 December 2011	22,344	38,059	723	(30,707)	(129,386)	1,577	19,381	713	806,144	728,848	6,137	**734,985**

Kingspan Group plc

Condensed consolidated statement of cash flows

for the half year ended 30 June 2012

	Note	**6 months ended 30 June 2012 (Unaudited) €'000**	6 months ended 30 June 2011 (Unaudited) €'000
Operating activities			
Profit for the period before income tax		**44,519**	36,162
Depreciation of property, plant and equipment and amortisation of intangible assets		**20,561**	21,800
Employee equity-settled share options		**3,854**	2,922
Finance income		**(454)**	(415)
Finance expense		**7,278**	5,980
Non-cash items		**2,819**	1,177
Profit on sale of property, plant and equipment		**(99)**	(415)
Settlement of legal costs		**(12,272)**	-
Change in inventories		**(10,035)**	(35,532)
Change in trade and other receivables		**(27,308)**	(52,391)
Change in trade and other payables		**19,977**	73,204
Pension contributions		**(784)**	(1,365)
Cash generated from operations		**48,056**	51,127
Taxes paid		**(6,756)**	(2,577)
Net cash flow from operating activities		**41,300**	48,550
Investing activities			
Additions to property, plant and equipment		**(16,374)**	(12,429)
Additions to intangible assets		**-**	(41)
Proceeds from disposals of property, plant and equipment		**404**	1,803
Purchase of subsidiary undertakings, net of disposals		**(7,169)**	(107,374)
Payment of deferred consideration in respect of acquisitions		**(482)**	(2,202)
Interest received		**416**	120
Net cash flow from investing activities		**(23,205)**	(120,123)
Financing activities			
Drawdown of bank loans		**-**	67,535
Repayment of bank loans		**(1,433)**	-
Discharge of finance lease liability		**(148)**	(293)
Proceeds from share issues		**1,365**	183
Interest paid		**(9,786)**	(5,808)
Dividends paid		**(10,847)**	(9,789)
Net cash flow from financing activities		**(20,849)**	51,828
Decrease in cash and cash equivalents		**(2,754)**	(19,745)
Translation adjustment		**4,716**	(3,613)
Cash and cash equivalents at the beginning of the period		**137,374**	99,481
Cash and cash equivalents at the end of the period		**139,336**	76,123
Cash and cash equivalents at beginning of period were made up of:			
- Cash and cash equivalents		**141,067**	104,402
- Overdrafts		**(3,693)**	(4,921)
		137,374	99,481
Cash and cash equivalents at end of period were made up of:			
- Cash and cash equivalents		**140,666**	95,342
- Overdrafts		**(1,330)**	(19,219)
		139,336	76,123

Notes
forming part of the financial statements

1 Reporting entity

Kingspan Group plc (“the Company” or “the Group”) is a public limited company registered and domiciled in Ireland. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly controlled entities.

The Group is primarily involved in the manufacture of high performance insulation and building envelope solutions.

The financial information presented in the half-yearly report does not represent full statutory accounts. Full statutory accounts for the year ended 31 December 2011 prepared in accordance with IFRS, as adopted by the EU, upon which the auditors have given an unqualified audit report, have been filed with the Registrar of Companies.

2 Basis of preparation

The interim results for the half year to 30 June 2012 and 30 June 2011 are unaudited.

(a) Statement of compliance

These condensed consolidated interim financial statements (the Interim Financial Statements) have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements.

The Interim Financial Statements were approved by the Board of Directors on 17 August 2012.

(b) Significant accounting policies

The accounting policies applied by the Group in the Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

The adoption of other new standards and interpretations (as set out in the 2011 Annual Report) that became effective for the Group's financial statements for the year ended 31 December 2012 did not have any significant impact on the interim financial statements.

Notes *(continued)*

2 Basis of preparation

(c) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2011.

The Interim Financial Statements are available on the Group's website (www.kingspan.com).

3 Reporting currency

The Interim Financial Statements are presented in euro which is the functional currency of the Company.

Results and cash flows of foreign subsidiary undertakings have been translated into euro at the average exchange rates for the period, as these approximate the exchange rates at the dates of the transactions. The related assets and liabilities have been translated at the closing rates of exchange ruling at the end of the reporting period.

The following significant exchange rates were applied during the period:

	Average rate			**Closing rate**		
	H1 2012	**H1 2011**	**FY 2011**	**30.06.12**	**30.06.11**	**31.12.11**
Euro =						
Pound Sterling	**0.823**	0.868	0.868	**0.806**	0.90	0.840
US Dollar	**1.30**	1.40	1.39	**1.26**	1.44	1.30
Canadian Dollar	**1.31**	1.37	1.38	**1.29**	1.40	1.32
Australian Dollar	**1.26**	1.36	1.35	**1.24**	1.36	1.27
Czech Koruna	**25.13**	24.32	24.53	**25.81**	24.30	25.80
Polish Zloty	**4.24**	3.94	4.10	**4.26**	4.00	4.45
Hungarian Forint	**294.78**	269.00	278.00	**288.08**	266.00	311.55

Notes *(continued)*

4 Operating segments

The Group has the following four reportable segments:

Insulated Panels	Manufacture of insulated panels, structural framing and metal facades.
Insulation Boards	Manufacture of rigid insulation boards, building services insulation and engineered timber systems.
Environmental	Manufacture of environmental, pollution control and renewable energy solutions.
Access Floors	Manufacture of raised access floors.

Analysis by class of business
Segment revenue

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Total revenue - H1 2012	**361.1**	**232.1**	**86.3**	**77.9**	**757.4**
Total revenue - H1 2011	350.4	222.6	97.9	65.1	736.0

Segment result (profit before finance costs)

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Trading profit - H1 2012	27.1	15.5	1.2	8.9	**52.7**
Intangible amortisation	(0.3)	(0.8)	(0.3)	-	**(1.4)**
Operating result - H1 2012	26.8	14.7	0.9	8.9	**51.3**
Net finance expense					**(6.8)**
Profit for the period before income tax					**44.5**
Income tax expense					**(7.3)**
Profit for the period - H1 2012					**37.2**
Attributable to:					
Owners of the Company					**37.0**
Non-controlling interest					**0.2**
					37.2

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Notes *(continued)*

4 Operating segments *(continued)*

Segment result (profit before finance costs)

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total €m**
Trading profit - H1 2011	21.7	14.5	1.2	6.8	44.2
Intangible amortisation	(1.2)	(0.9)	(0.4)	(0.0)	(2.5)
Operating result - H1 2011	20.5	13.6	0.8	6.8	41.7
Net finance expense					(5.6)
Profit for the period before income tax					36.1
Income tax expense					(7.0)
Profit for the period - H1 2011					29.2
Attributable to:					
Owners of the Company					28.8
Non-controlling interest					0.4
					29.2

Segment assets and liabilities

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total 30 June 2012 €m**	Total 30 June 2011 €m
Assets - H1 2012	**569.8**	**450.5**	**184.1**	**141.4**	**1,345.8**	
Assets – H1 2011	559.6	435.7	184.6	115.7		1,295.6
Derivative financial instruments					**26.5**	6.8
Cash and cash equivalents					**140.7**	95.3
Deferred tax asset					**6.9**	4.5
Total assets					**1,519.9**	1,402.2
Liabilities - H1 2012	**(166.9)**	**(96.0)**	**(40.6)**	**(27.7)**	**(331.2)**	
Liabilities - H1 2011	(172.1)	(116.2)	(68.0)	(14.6)		(370.9)
Interest bearing loans and borrowings (current and non-current)					**(338.4)**	(297.9)
Deferred consideration (current and non-current)					**(0.4)**	(1.4)
Income tax liabilities (current and deferred)					**(60.3)**	(58.3)
Total liabilities					**(730.3)**	(728.5)

Notes *(continued)*

4 Operating segments *(continued)*

Other segment information

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Capital Investment - H1 2012	**10.9**	**3.3**	**0.7**	**1.3**	**16.2**
Capital Investment - H1 2011	7.2	54.3	2.1	0.5	64.1
Depreciation included in segment result - H1 2012	**(9.8)**	**(6.1)**	**(2.1)**	**(1.2)**	**(19.2)**
Depreciation included in segment result - H1 2011	(9.8)	(6.2)	(2.1)	(1.2)	(19.3)
Non cash items included in segment result - H1 2012	**(1.7)**	**(1.0)**	**(0.8)**	**(0.4)**	**(3.9)**
Non cash items included in segment result - H1 2011	0.1	0.2	0.1	-	0.4

Analysis of segmental data by geography

	Republic of Ireland €m	United Kingdom €m	Rest of Europe €m	Americas €m	Others €m	Total €m
Income Statement Items						
Revenue - H1 2012	**32.8**	**303.9**	**259.7**	**110.7**	**50.3**	**757.4**
Revenue - H1 2011	36.2	308.1	258.6	100.0	33.1	736.0
Statement of Financial Position Items						
Non current assets - H1 2012	**67.8**	**344.8**	**230.9**	**165.6**	**38.8**	**847.9**
Non current assets - H1 2011	70.8	311.5	251.2	147.2	32.9	813.6
Capital Investment - H1 2012	**0.5**	**8.1**	**3.6**	**3.3**	**0.7**	**16.2**
Capital Investment - H1 2011	2.4	5.1	53.4	2.6	0.6	64.1

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers.

Segment assets are based on the geographic location of the assets.

5 Seasonality of operations

Activity in the global construction industry is characterised by cyclicality and is dependent to a significant extent on the seasonal impact of weather in some of the Group's operating locations. Activity is second half weighted.

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Notes *(continued)*

6 Finance expense and finance income

	6 months ended 30 June 2012 (Unaudited) €'000	6 months ended 30 June 2011 (Unaudited) €'000
Finance expense		
Bank loans	**1,769**	2,254
Private placement	**6,365**	3,364
Finance leases	**9**	25
Fair value movement on derivative financial instruments	**(8,405)**	10,524
Fair value movement on private placement debt	**7,540**	(10,187)
	7,278	5,980
Finance income		
Interest earned	**(416)**	(120)
Net defined benefit pension scheme	**(38)**	(295)
Net finance cost	**6,824**	5,565

There were no borrowing costs capitalised during the period (H1 2011: Nil).

7 Taxation

Taxation provided for on profits is €7.3m which represents 16% of the profit before tax and amortisation for the period (H1 2011: 18%). The full year effective tax rate in 2011 was 18%. The taxation charge for the six month period is accrued using an estimate of the applicable rate for the year as a whole.

8 Analysis of net debt

	At 30 June 2012 (Unaudited) €'000	At 30 June 2011 (Unaudited) €'000
Cash and cash equivalents	**140,666**	95,342
Derivative financial instruments	**26,456**	(4,672)
Current borrowings	**(6,711)**	(24,914)
Non-current borrowings	**(331,651)**	(272,943)
Total net debt	**(171,240)**	(207,187)

Net debt, which is a non GAAP measure, is stated net of interest rate and currency hedges which relate to hedges of debt. Foreign currency derivatives which are used for transactional hedging are not included in the definition of net debt.

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Notes *(continued)*

9 Dividends

A final dividend on ordinary shares of 6.5 cent per share in respect of the year ended 31 December 2011 (31 December 2010: 6.0c) was paid on 17 May 2012.

The Directors are proposing an interim dividend of 5.0 cent (2011: 4.5 cent) per share in respect of 2012, which will be paid on 21 September 2012 to shareholders on the register on the record date of 31 August 2012.

10 Earnings per share

	6 months ended 30 June 2012 (Unaudited) €'000	6 months ended 30 June 2011 (Unaudited) €'000
The calculations of earnings per share are based on the following:		
Profit attributable to owners of the Company	37,033	28,786
	Number of shares ('000) 6 months ended 30 June 2012	**Number of shares ('000) 6 months ended 30 June 2011**
Weighted average number of ordinary shares for the calculation of basic earnings per share	167,298	166,568
Dilutive effect of share options	3,162	5,453
Weighted average number of ordinary shares for the calculation of diluted earnings per share	170,460	172,021
	€ cent	**€ cent**
Basic earnings per share	**22.1**	17.3
Diluted earnings per share	**21.7**	16.7
Adjusted basic (pre amortisation) earnings per share	**23.0**	18.8

The number of options which are anti-dilutive and have therefore not been included in the above calculations are 1,709,597.

Notes *(continued)*

11 Property, plant & equipment

	At 30 June 2012 (Unaudited) €'000	At 30 June 2011 (Unaudited) €'000	At 31 December 2011 (Audited) €'000
Cost or valuation	937,076	876,217	905,432
Accumulated depreciation (and impairment charges)	(485,592)	(432,077)	(462,192)
Net carrying amount	451,484	444,140	443,240
Opening net carrying amount	443,240	408,632	408,632
Acquisitions through business combinations	66	52,592	48,974
Additions	16,150	11,507	28,793
Disposals	(305)	(1,313)	(3,368)
Reanalysed as "held for sale"	-	1,658	(232)
Depreciation charge	(19,183)	(19,282)	(37,914)
Impairment charge	-	(75)	(1,702)
Effect of movement in exchange rates	11,516	(9,579)	57
Closing net carrying amount	451,484	444,140	443,240

The disposals generated a profit of €0.1m (H1 2011: €0.4m profit) which has been included within Operating Costs.

12 Reconciliation of net cash flow to movement in net debt

	6 months ended 30 June 2012 (Unaudited) €'000	6 months ended 30 June 2011 (Unaudited) €'000	Year ended 31 December 2011 (Audited) €'000
(Decrease)/increase in cash and bank overdrafts	**(2,754)**	(19,745)	37,022
Increase/(decrease) in debt	**1,704**	(65,332)	(85,453)
Decrease in lease finance	**148**	293	666
Change in net debt resulting from cash flows	**(902)**	(84,784)	(47,765)
Translation movement - relating to US dollar loans	**(14,127)**	10,187	(16,037)
Translation movement - other	**4,491**	(4,390)	171
Derivative financial instruments movement	**9,387**	(7,384)	14,358
Net movement	**(1,151)**	(86,371)	(49,273)
Net debt at start of the period	**(170,089)**	(120,816)	(120,816)
Net debt at end of the period	**(171,240)**	(207,187)	(170,089)

Notes *(continued)*

13 Acquisitions

In January 2012 the Group acquired an Access Floors business in Australia for a cash consideration of €7.2m. The fair value of the net assets of the acquired business totalled €3.0m (mainly working capital assets of inventory, debtors and creditors) resulting in goodwill of €4.2m.

14 Capital and reserves

Issues of ordinary shares

846,912 ordinary shares were issued as a result of the exercise of vested options arising from the Group's share option schemes (see the 2011 annual report for full details of the Group's share option schemes). Options were exercised at an average price of €1.61 per option.

15 Significant events and transactions

On 1 May 2012 judgment was issued in respect of the Borealis case in which Kingspan was plaintiff and the Group's claim was unsuccessful. The defendant's legal costs of €12.3m were settled in full by the Group before the period end. Adequate provision overall had been made in the 31 December 2011 Statement of Financial Position and hence the judgment had no impact on the Income Statement for the period.

There were no other individually significant events or transactions in the period which contributed to the material changes in the Statement of Financial Position; the more significant movements are described below:

- the changes in Inventories, Trade & other receivables and Trade & other payables reflect the normal business cycle;
- the fair value of derivatives moved as a result of the movements in the US dollar exchange rate against both sterling and the euro; and
- the positive currency translation movement of €23.7m reflected in the Consolidated Statement of Comprehensive Income reflects primarily the strengthening of sterling (closing rate 0.806 for the period compared to 0.84 at 31 December 2011).

16 Related party transactions

There were no changes in related party transactions from the 2011 annual report that could have a material effect on the financial position or performance of the Group in the first half of the year.

17 Subsequent events

During August 2012, Kingspan entered agreements to acquire two separate businesses, the Thyssenkrupp Construction Group and Rigidal Industries LLC.

ThyssenKrupp Construction Group, which includes brands including Hoesch, Isocab and EMS, has seven manufacturing plants in Germany, France, Belgium, Austria and Hungary. The business had sales in the year to 31 March 2012 of €315m and recorded an operating loss of €5.7m in the period. It has gross assets of circa €101m. The purchase consideration is circa €65m, of which circa €50m is payable in cash on completion and circa €15m represents assumed past service pension liabilities. The consideration is based on acquiring the business free of cash and bank debt and will vary depending on the timing of completion. The agreement is subject to local regulatory approval.

Separately, the Group has agreed to acquire 100% of the share capital of Rigidal Industries LLC, a leading Middle Eastern manufacturer of composite panels and roofing systems based in Dubai. It had sales of US$39m in the year to 30 June 2012. The consideration, on a debt free cash free basis, is US$38.6m of which US$30m is payable in cash on completion. Completion of the acquisition is subject to local approval.

There have been no other material events subsequent to 30 June 2012 which would require disclosure in this report.