KINGSPAN GROUP PLC
Interim Management Statement
9th May 2013

Kingspan Group plc, the leading international provider of low energy building solutions, is issuing this Interim Management Statement in advance of its Annual General Meeting which is being held today at 10.00am in Dublin.

The Group has recorded a solid performance in the first four months of 2013 against a backdrop of tough European construction markets. Group sales of €520m were 10% ahead of prior year, or 11% ahead at constant exchange rates. Trading in the period was characterised by a particularly slow start to the year, followed by some pick-up in activity levels during March and April.

In the UK, market conditions have been relatively weak, particularly in non-office commercial construction with some improvement in residential and office activity. Mainland Europe was quite mixed as was the case for much of last year. The Benelux market continues to be persistently weak, particularly residential build in the Netherlands, and Germany started sluggishly, but continues to progress as a market for Kingspan with the increased exposure following the Group's acquisition of ThyssenKrupp Construction last year. Ireland is showing some signs of improvement in commercial construction, albeit from a negligible base. The US has had a good start to the year on the back of a strong order book and this is expected to continue for the foreseeable future. Australasia has slowed from levels seen last year, particularly in commercial construction, while the Middle East and GCC regions are relatively buoyant.

Insulated Panel sales revenues were up 31% (down 5% pre-acquisitions) in the first four months, boosted significantly by the ThyssenKrupp and Rigidal acquisitions made in the second half of last year. The divisional trading margin is lower year on year due to the dilutive impact of the ThyssenKrupp acquisition and its more pronounced seasonality. In overall terms, the order book at the end of April was 37% higher (up 1% pre-acquisition) than the same period last year. The acquired businesses are integrating well and on track with plan.

Insulation Board sales revenues were 5% lower in the first four months compared to the same period last year reflecting, in particular, general economic weakness in the Netherlands and unhelpful weather conditions across Mainland Europe and the UK.

Access Floor sales revenues were 9% ahead during the first four months reflecting some improvement in the US and UK office activity, reasonable data centre build, as well as international contract wins.

Environmental sales revenues were 22% behind for the first four months although sales are expected to stabilise towards mid-year and into the second half.

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Net debt at the end of April was €165.2m in line with the position at the end of last year. There were higher levels of working capital than at year end due to seasonal factors.

The Board wishes to thank Tony McArdle who retires today as a Non-Executive Director. We are very grateful to Tony for his advice and contribution to the Board during his time as a Director.

Looking ahead, activity levels have picked up more recently, but the slow start to 2013, together with the more pronounced seasonality in the Insulated Panels business due to the ThyssenKrupp acquisition will lead to an anticipated tough first half comparison. Whilst the current environment leaves it difficult to predict market conditions much beyond mid-year, a combination of growing order intake levels, improving acquisition benefits, and a more diversified geography should position the Group well for the second half.

Kingspan will issue its half-year financial report for the period ended 30 June 2013 on Monday 19 August 2013.

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