



KINGSPAN GROUP PLC
Interim Management Statement
1st May 2014

Kingspan Group plc, the global leader in high performance insulation, building fabric and solar integrated building envelopes, is issuing this Interim Management Statement in advance of its Annual General Meeting which is being held today at 10.00am in Dublin.

Overall Kingspan has experienced a strong start to the year with Continental Europe showing tentative signs of recovery, and the UK market being relatively buoyant across all key sectors we serve. Group sales of €561m in the first four months were 8% ahead of prior year, or 9% ahead at constant exchange rates.

The general pick-up in activity in the UK, which we saw in the final quarter of 2013, has continued into the early part of 2014. The Benelux market has shown early signs of recovery although industry activity is at relatively low levels, and Germany remains solid. In North America, our Insulated Panel business continues to advance driven by market penetration gains, however there is limited evidence of a wider market recovery in that region. The Middle East continues to be quite active, and Australia started the year well as penetration continues to grow.

Insulated Panel sales revenues were up 14% (+16% constant currency) in the first four months with all key markets recording growth, reflecting both penetration gains and increased market activity, compounded by a mild winter in Europe. The sales performance also reflects a good first quarter from Kingspan Energy which should be well positioned to deliver its full year sales target. In February, we completed the acquisition of Dri-Design®, a high-end architectural façades business in the US with annual revenues of c. \$25m.

Insulation Board sales revenues were 3% ahead (+3% constant currency) in the first four months reflecting a busier UK market and an improving environment in the Benelux, albeit off a low base. The Group's next generation Insulation, Optim-R®, entered production in the UK during the period, and a new insulation board facility in Burkhardtsdorf in eastern Germany is scheduled to be fully commissioned by mid-year.

Access Floor sales revenues were 9% behind (-7% constant currency) in the first four months. UK sales were ahead, driven by a lively London office market, countered by a US office environment which is stubbornly slow to recover. There is some evidence of a potential improvement in office activity in the US for 2015.

Environmental sales revenues in the four month period were in line with the same period last year, as the divisional activity enters a more stable phase.

Net debt at the 25th April was €124m an increase of €16m from the position at last year end reflecting, in part, the US façades acquisition for €23.2m. The Group's funding position is robust and,

as announced recently, was further helped by the recent re-pricing and term extension of the Group's syndicated bank facility to March 2019.

The Board wishes to thank David Byrne and Brian Hill who will retire today as Non-Executive Directors. We are very grateful to both David and Brian for their counsel and contribution to the Board during the past nine years.

Looking ahead, the order backlog across the Group points towards a strong first half for the business, albeit somewhat complimented by a favourable quarter one comparative, ahead of a more demanding second quarter comparison. Activity levels generally across our markets are encouraging. We remain mindful of the prevailing geo-political uncertainty and its potential to upset what has so far been a relatively nebulous recovery. Notwithstanding this, growing conversion, a strong innovation pipeline, and the greater worldwide focus on energy efficiency, leaves us confident about Kingspan's longer term future.

Kingspan will issue its half-year financial report for the period ended 30 June 2014 on Tuesday 26 August 2014.

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