

Climate for change



Interim Results
Monday 3rd September 2007



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.



First Half Highlights



- **Turnover up 34.4% to €908.4m.**
- **Operating Profit up 29.8% to €114.2m.**
- **Basic earnings per share up 30.4% to 52.7c.**
- **Total investment of €102.9m comprising capex of €73.4m to support organic expansion, and €29.5m of acquisitions.**
- **Total net debt now stands at €246.7m.**
- **Strong growth in Panels, Boards and Access Floors.**
- **North American Panels operations strengthened by the acquisition of Coldmatic business in Canada, now re-branded Kingspan.**
- **Consolidated position in the growing UK Offsite market with acquisition of Potton and Pace around the turn of the year.**
- **Entry into the emerging high growth Solar Thermal market.**



First Half Highlights



	H1-2006	H1-2007	% change
	€mn	€mn	
Sales	675.9	908.4	+34.4%
Operating profit	88.0	114.2	+29.8%
Operating margin %	13.0%	12.5%	-50bp
Profit before tax	83.4	108.2	+29.7%
	€cent	€cent	
Earnings per share	40.4	52.7	+30.4%
Dividend per share	6.00	8.00	+33%



Profit & Loss



Interim Results 2007

€mn	H1-2007						Total YonY growth
	H1-2006	H1-2007	Pre-Acquisition	YonY Growth	Acquired	Total	
Sales	675.9	908.4	897.6	33%	10.8	908.4	34%
Costs of sales	(458.5)	(626.8)	(618.1)		(8.7)	(626.8)	37%
Gross profit	217.4	281.6	279.5	29%	2.1	281.6	30%
Gross Margin	32.2%	31.0%	31.1%		19.1%	31.0%	
Operating costs	(129.4)	(167.4)	(164.8)		(2.6)	(167.4)	
Operating Profit	88.0	114.2	114.7	30%	(0.5)	114.2	30%
Net Interest	(4.6)	(6.0)				(6.0)	
Profit before Tax	83.4	108.2				108.2	30%
Tax	(15.4)	(18.5)				(18.5)	20%
Net Profit after tax	68.0	89.7				89.7	32%
Basic EPS (€cents)	40.4	52.7				52.7	30%
Diluted (€cents)	39.4	51.4				51.4	30%
Dividend per share (€cents)	6.00	8.00				8.00	33%



Cashflow Statement



€mn	H1-2006	H1-2007
Operating Profit	88.0	114.2
Depreciation	18.9	19.5
Amortisation	1.3	2.5
Pension Contributions	(1.8)	(1.5)
Working Capital Increase	(32.4)	(63.5)
Interest Paid	(4.3)	(5.5)
Taxation Paid	(7.7)	(9.8)
Others	3.1	9.4
Free Cash Flow	65.1	65.3
Acquisitions	(11.2)	(29.5)
Net Capital Expenditure	(24.9)	(73.4)
Dividends Paid	(15.0)	(20.8)
Cash Flow Movement	14.0	(58.4)
Debt Translation	(0.8)	(0.7)
Decrease / (increase) in Net Debt	13.2	(59.1)
Net Debt at start of Year	(163.5)	(187.6)
Net Debt at end of Period	(150.3)	(246.7)



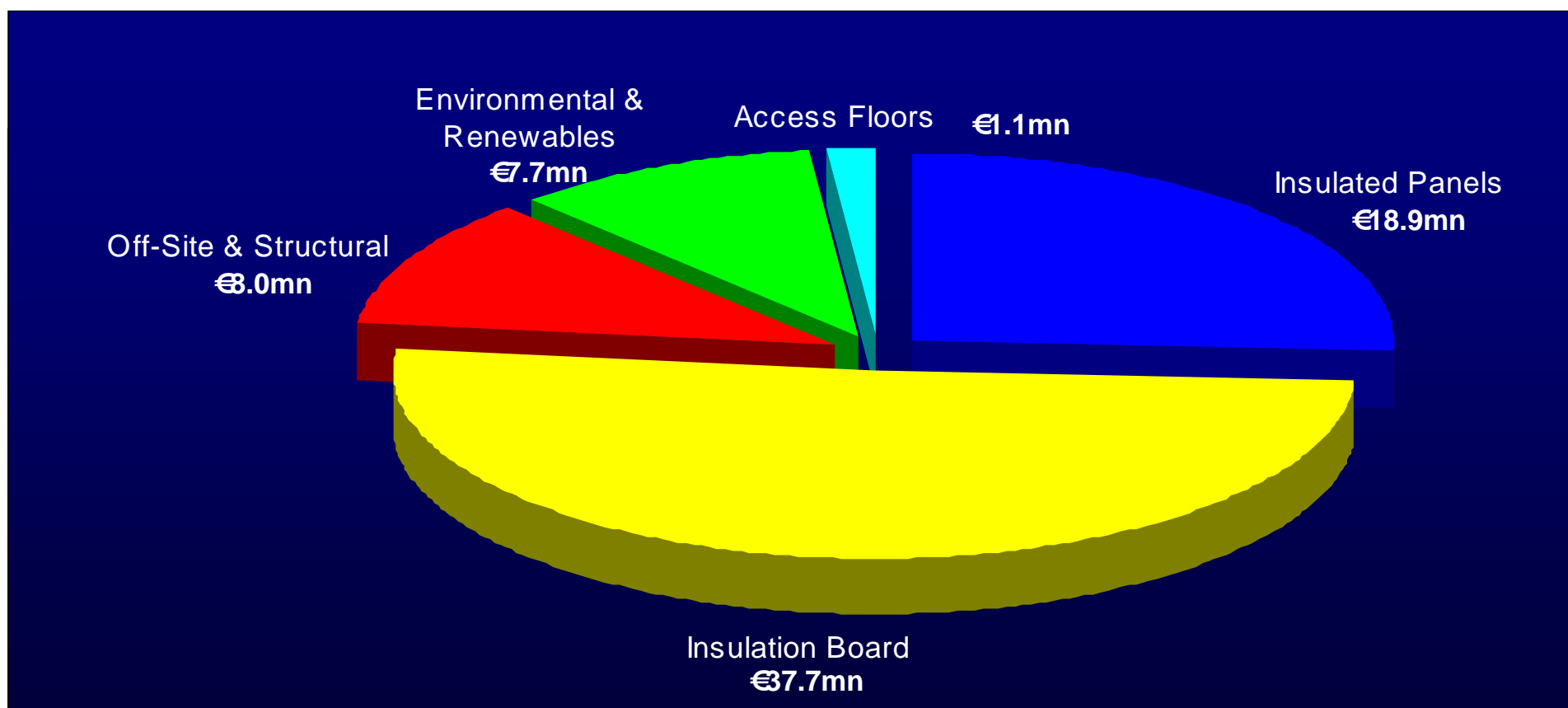
Financial Highlights



	H1-2006	FY-2006	H1-2007
Revenue Growth	17.0%	17.5%	34.4%
EBITDA	108.1	236.0	136.2
ROCE	24.5%	26.4%	26.3%
Effective tax rate	18.5%	18.2%	17.1%
Dividend cover - declared	6.7	4.7	6.6
Working capital % sales	12.8%	15.7%	14.8%
Working capital days	36	35	40
Gearing: (Net Debt/Shareholder's Funds)	32.6%	34.3%	39.7%
Debt Cover - Debt/EBITDA	0.74	0.79	0.93
Interest Cover - EBITDA/Net Interest	23.5	26.7	22.7
Free Cash Flow Growth	36.0%	16.3%	0.3%



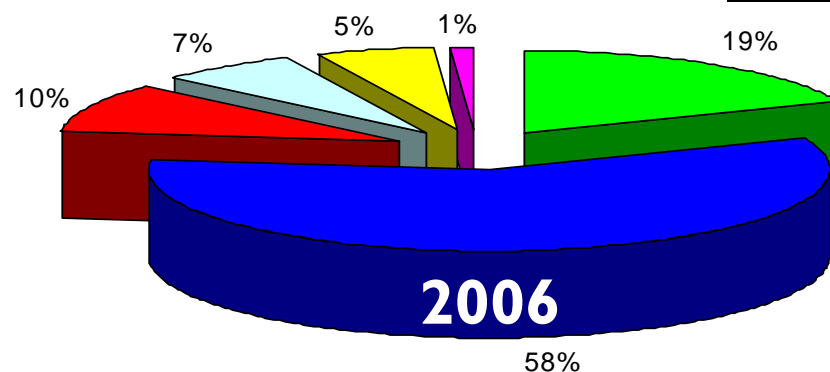
Capital Expenditure – €73.4mn



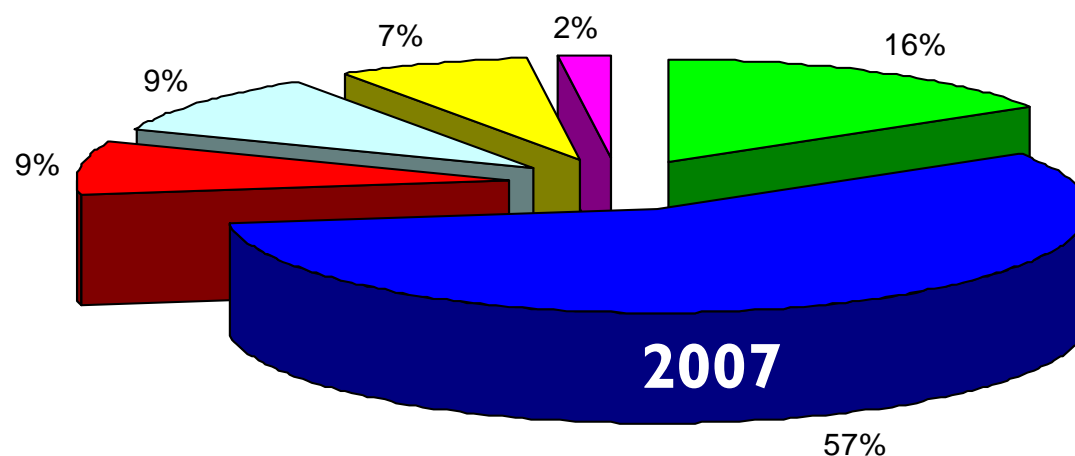
Sales by Geographic Market



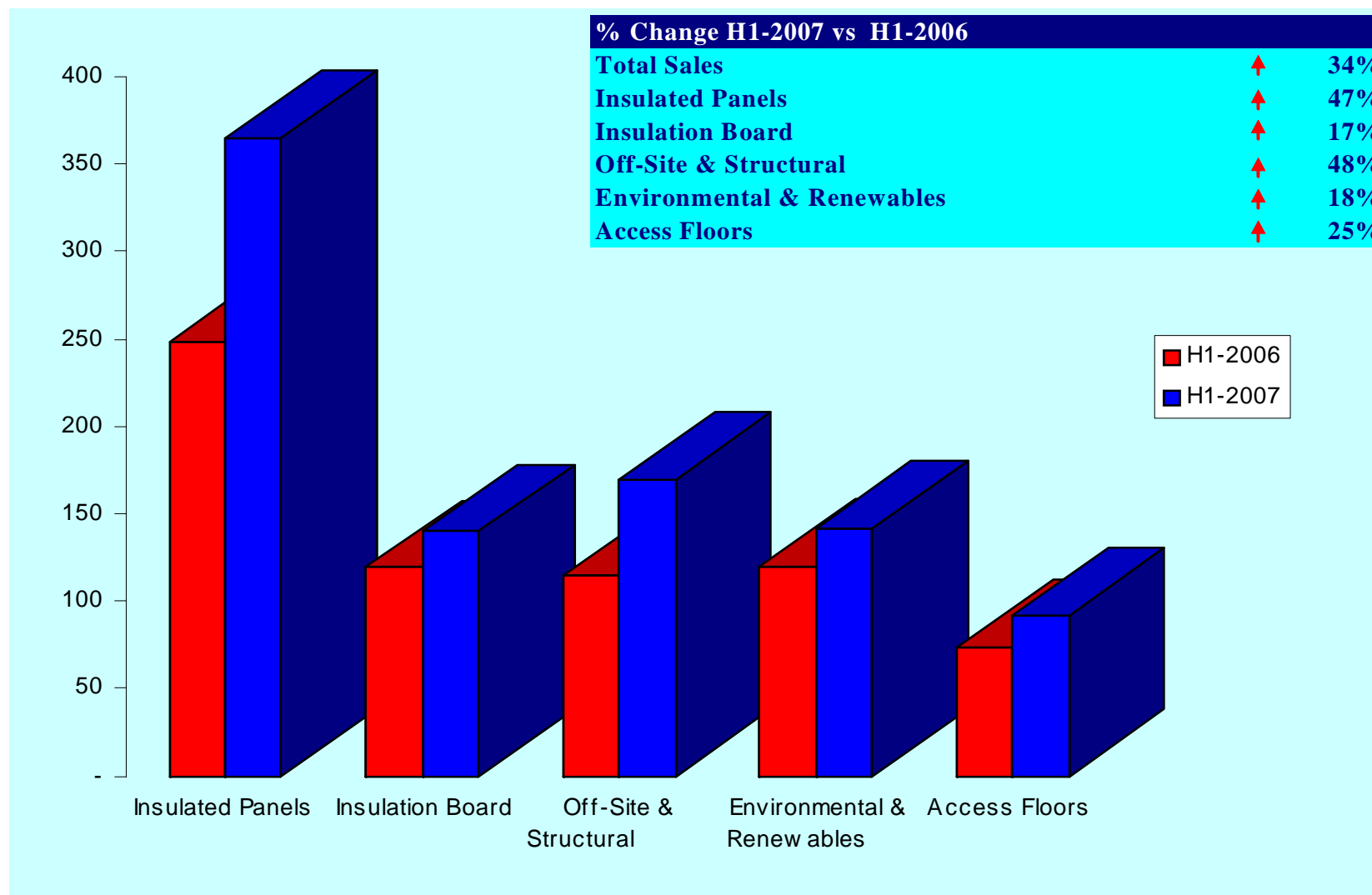
€mn	H1-2006	H1-2007	% change YonY	
Republic of Ireland	126	145	↑	15%
Britain/Northern Ireland	394	517	↑	31%
Western Europe	66	78	↑	18%
Central & Eastern Europe	46	85	↑	85%
Americas	36	66	↑	83%
Other	8	17	↑	112%
Group Sales	676	908	↑	34%



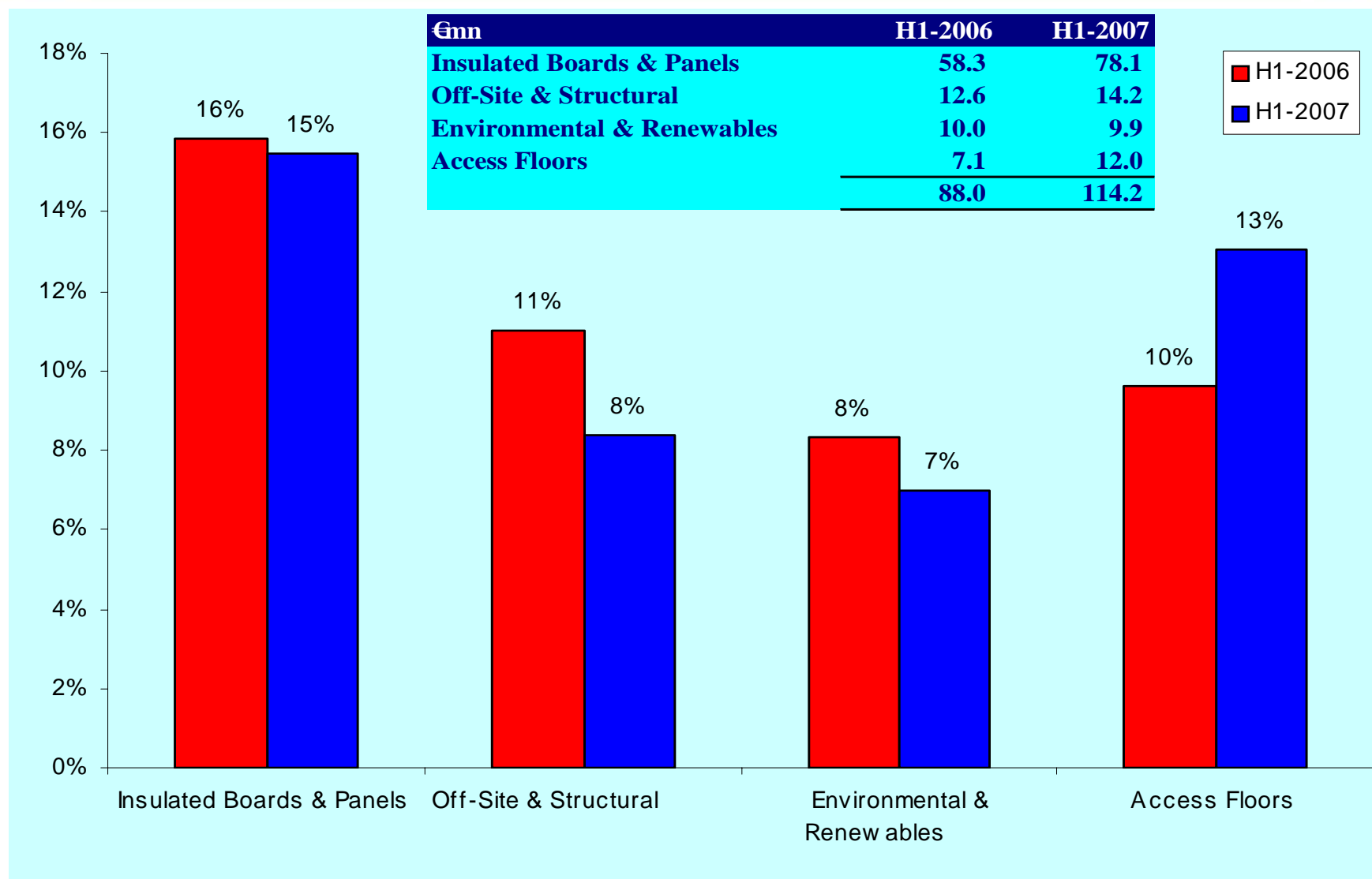
■ Republic of Ireland
■ Western Europe
■ Americas
■ Britain/Northern Ireland
■ Central & Eastern Europe
■ Other



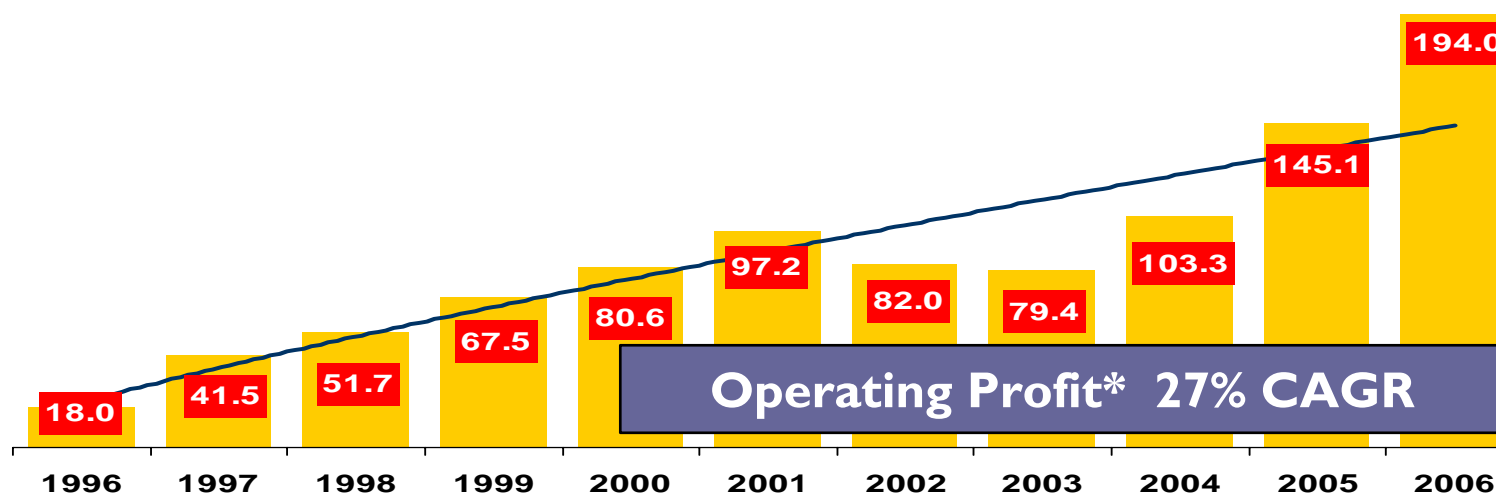
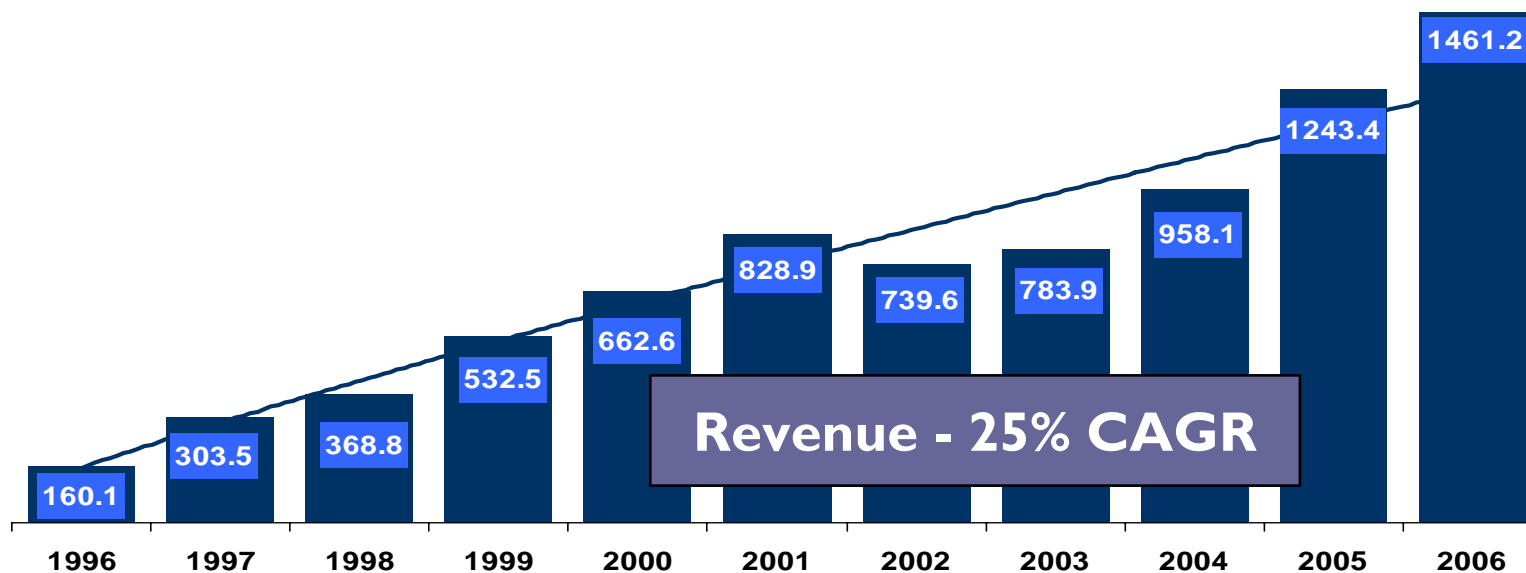
Sales by Product Group (€'mn)



Operating Profit by Product



10 Year Growth (€'mn)



*Operating Profit stated pre-goodwill amortisation for pre IFRS periods (1998-2003)

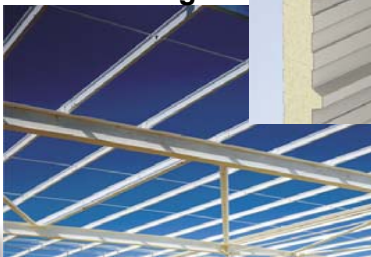


The Group at a Glance



- ❑ Leading edge provider of innovative building materials and solutions
- ❑ Focused on achieving strong market positions in growth products/sectors
- ❑ Emphasis on continuous product and process developments

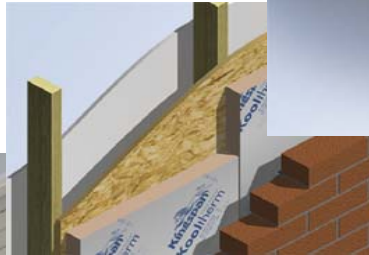
Secondary Steel Framing



Insulated Panels



Insulation



Access Floors



Environmental & Renewables



Off-Site



Evolution



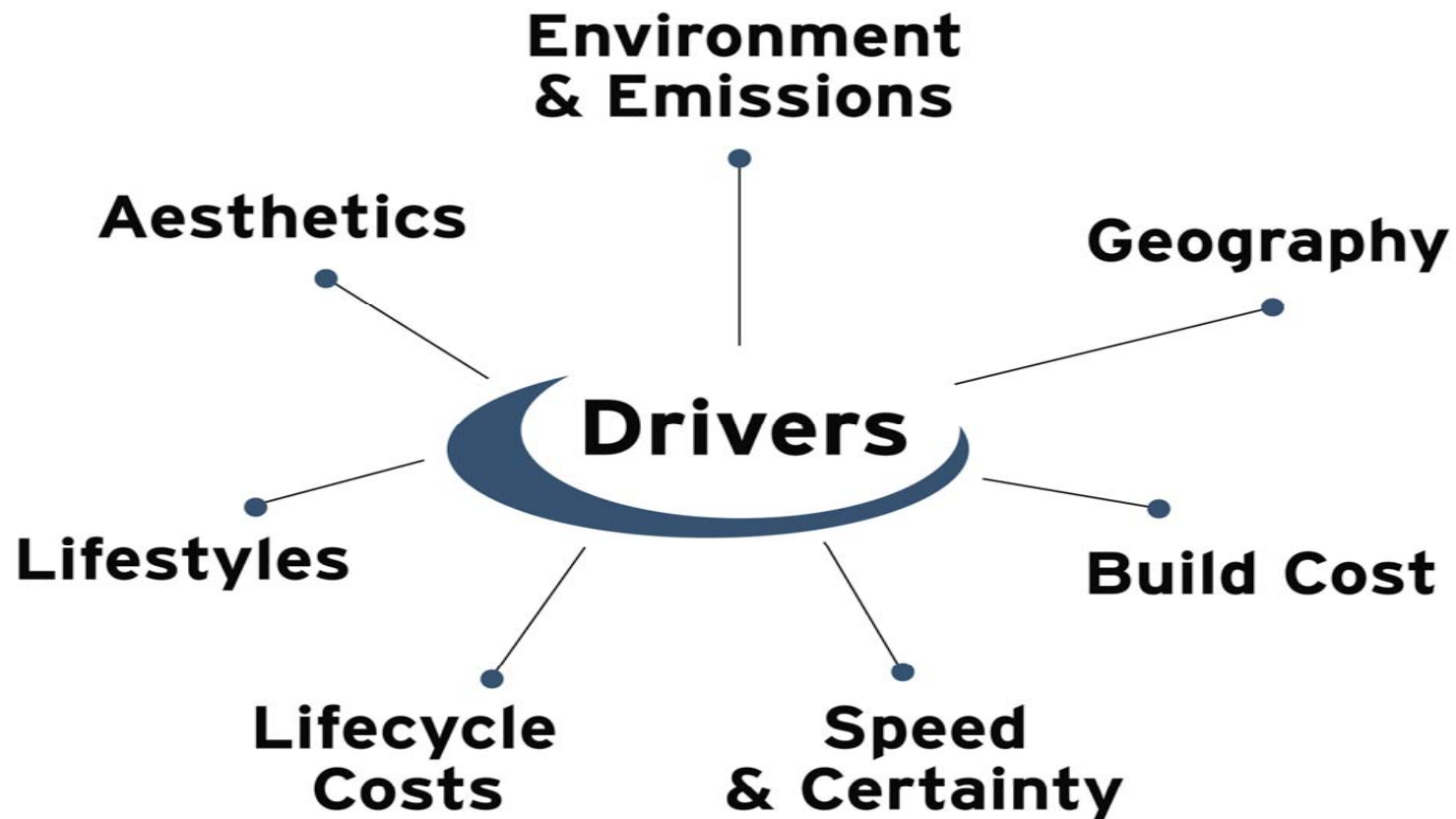
Where Kingspan Operates



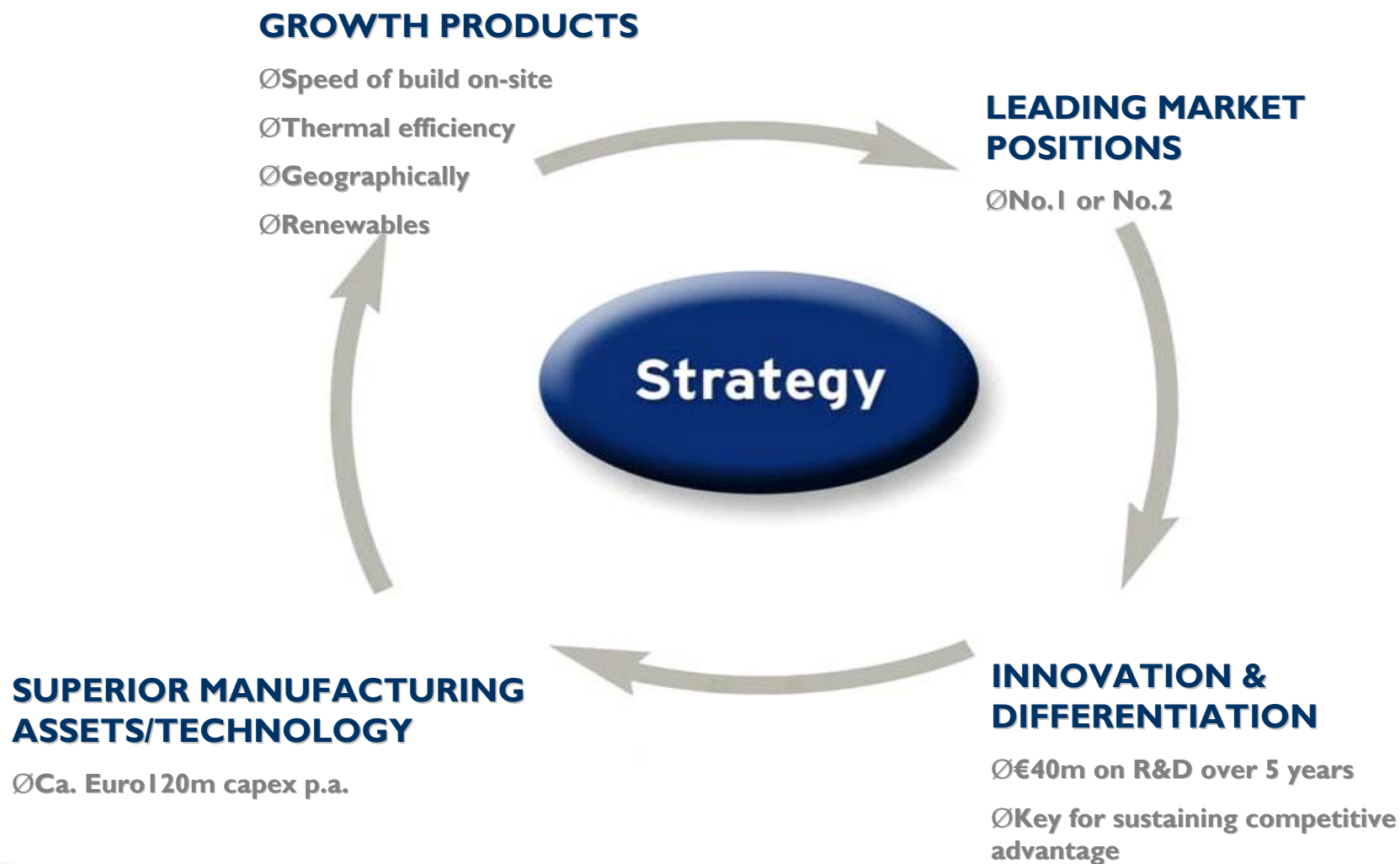
- ☐ **Manufacturing and distribution operations throughout Europe, North America, Australasia**
- ☐ **Ninety-seven locations: 59 Manufacturing and 38 Sales Offices**
- ☐ **Manufacturing: 17 Panels, 4 Insulation, 16 Off-Site & Structural, 4 Access Floors, 18 Environmental & Renewables**



Key Drivers



Business Model



Energy Directives – The Backdrop



- ❑ **Energy Performance in Buildings Directive**
 - ❑ Fully implemented by 2008
 - ❑ **Energy End Use and Efficiency & Energy Services Directive**
 - ❑ 2008-2017
 - ❑ Compulsory, real targets, 1% ↓ p.a for 9yrs
 - ❑ **EU Action Plan for Energy Efficiency**
 - ❑ 20% ↓ in energy usage by 2020
 - ❑ Strategy by 2009, roll-out by 2015
 - ❑ By 2012, the EU reduction will be twice what was required under Kyoto
 - ❑ “Largest savings potential lies in buildings”
- 57% of Energy Use**



Building Regulations – A Key Driver



England/Wales:

- ☐ New regulations effective since April 2006
- ☐ Currently, revision planned for 2010
- ☐ May be accelerated due to recent “Code for Sustainable Homes”
- ☐ Stepped approach towards “Carbon Zero” by 2016
- ☐ Improvement likely to be substantial



Northern Ireland:

- ☐ Previous Revision 1999
- ☐ Revised in line with England/Wales in November 2006
- ☐ Improvement 40%+

Ireland:

- ☐ Dwellings: Last revised January 2003
- ☐ Non-domestic: Last revised July 1998
 - Part L regulations revised July 2006
- ☐ Review anticipated 2008
- ☐ Commitment to 40-60% improvement

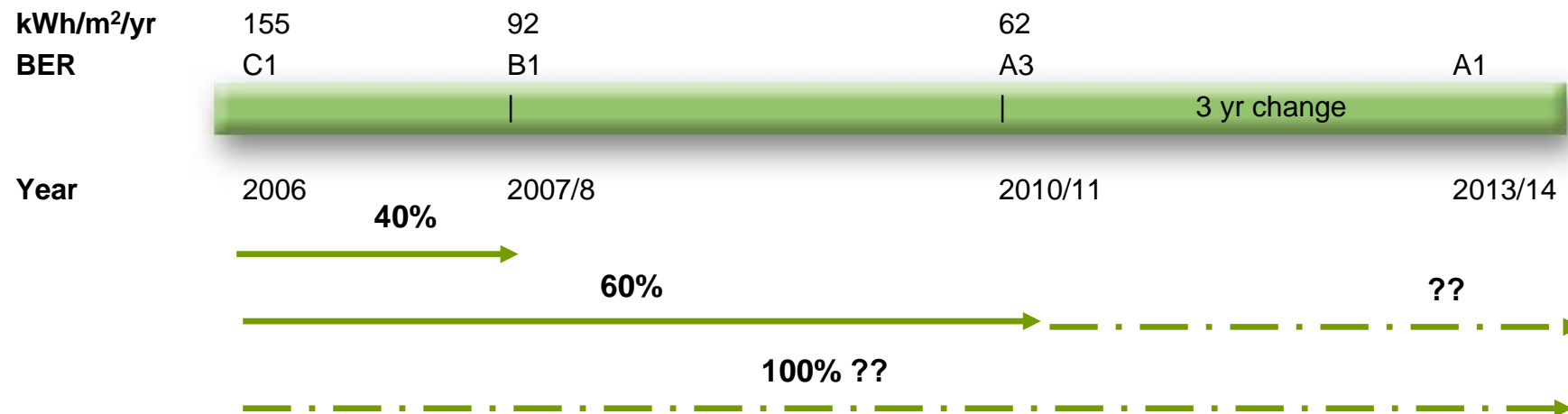


Time Line to Zero Carbon



Ireland

Example:



UK



Sustainability – Non Residential

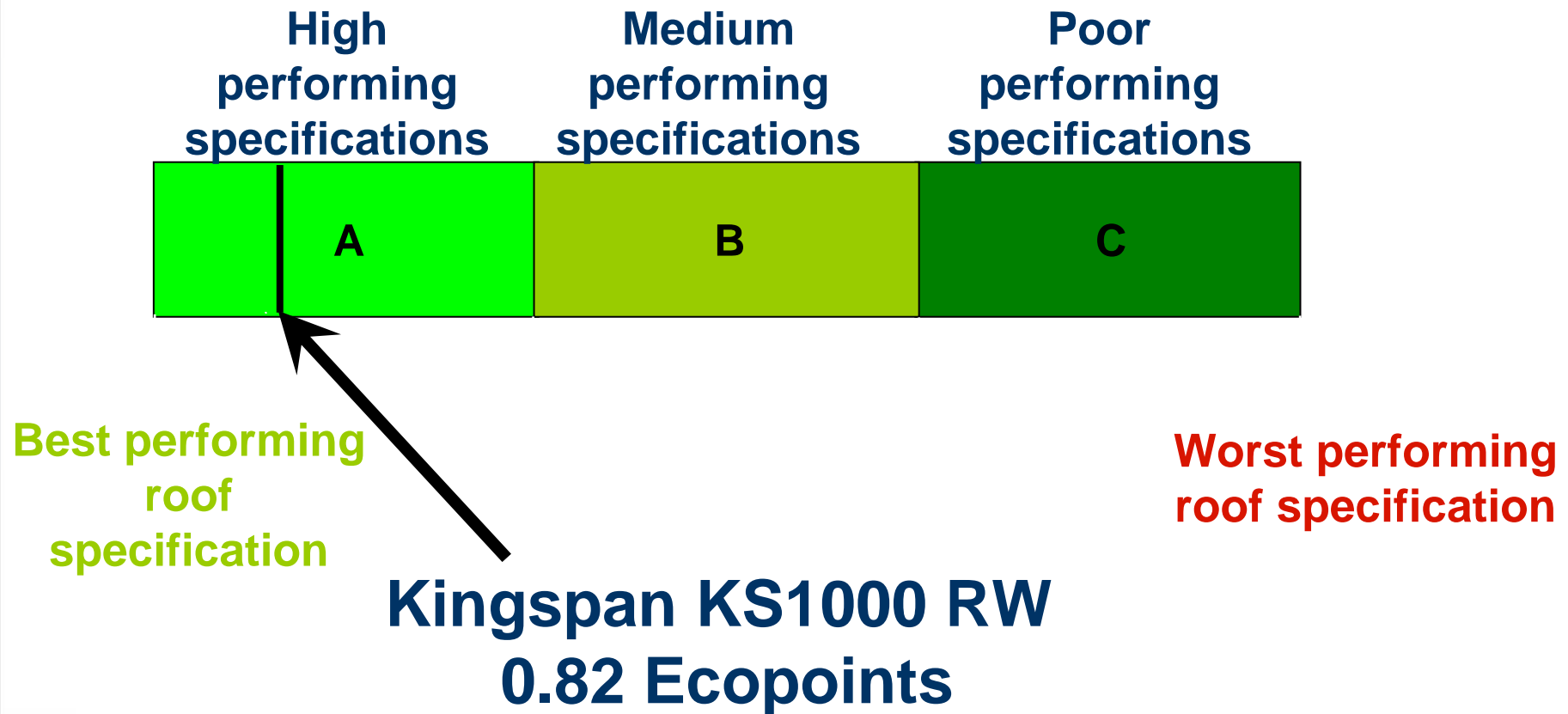


- ☐ **Clear leader in providing sustainable solutions**
- ☐ **Driver towards energy efficient materials and solutions**
- ☐ **Global Property Developers’ – initiatives and commitment to Carbon reduction & neutrality**
- ☐ **New Product launches – “EnergiPanel”**
- ☐ **Interdivisional product bundling**
 - **Solar**
 - **Rainwater**
- ☐ **Key focus of future R&D**
- ☐ **Kingspan’s guaranteed “over-life” energy performance**



How Kingspan Performs

Roof Applications Cradle to Grave





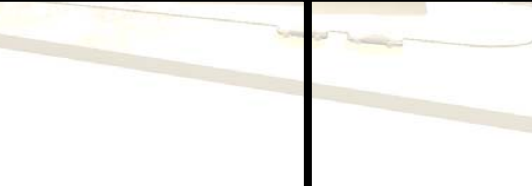

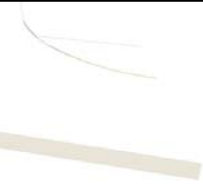
Source: BRE Rating



The Roll Out



Capital Expenditure : €250m over '07/'08

	UK	IRL	CEE	WE	North America
Panels	Wall Panel		<ul style="list-style-type: none"> •Czech Roof •Turkey 		Ontario re-location
Boards	Greenfield PIR	Phenolic line	Poland PIR	Phenolic line	
Off-Site	Greenfield site				



Insulated Panels



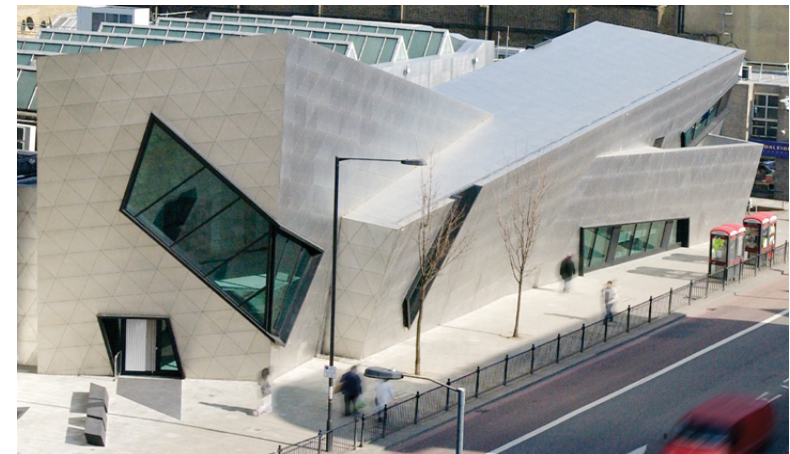
HALF YEAR

	2006	2007
Sales (€mn)	248.5	365.2
% of Group Sales	37%	40%

Analysis of YonY % change

Total	Organic	Acquisitions
+47%	+44%	+3%

- ☐ **Ireland non-residential remains strong**
- ☐ **UK strong**
 - **Insulated Metal Roof & Wall Conversion on-track to rise from 53% to 59% in 2007**
 - **Growth in new product applications continues gradually**
- ☐ **Foodstore/Coldstore**
 - **Robust**
 - **Focus of expansion geographically with first moves into Canada / Turkey and Australia / NZ progressing well**
- ☐ **Benelux steady after strong 2006 recovery**



Insulated Panels Central & Eastern Europe



HALF YEAR

	2006	2007
Sales (€mn)	45.6	83.4
% of Group Sales	7%	9%

Note: The above figures include Germany and Turkey

Analysis of YonY % change

Total	Organic	Acquisitions
+82%	+82%	+0%

- ☐ Strong growth across entire region
- ☐ Market leadership – unique pan-regional presence
- ☐ Strong construction fundamentals - Euroconstruct growth estimates for building construction in 2007
 - Poland – 4.2%; Hungary – 3.3%; and, Czech Republic – 3.2%
- ☐ Product enhancement and differentiation
 - Firesafe®
 - Broaden applications
 - Shorter lead times
- ☐ Product Range Extension - Capex



Insulated Panels North America



- ❑ **Entry into Canadian market with two deals**
 - Annualised sales of €40-45mn
 - No.1 panel producer in region
 - Performing as planned in H1
- ❑ **Timing ideal – Sustainability and energy agenda now coming centre stage**
- ❑ **Initial emphasis on cold store (c.70% of business), followed by wall applications – conversion @ <4%**
- ❑ **Ongoing product range / technology transfer from Europe**
- ❑ **Further greenfield / acquisitions**



Clear future target is U.S.



- Insulated Panel Manufacturing
- Access Floors Manufacturing
- Access Floors Distribution

Insulation Boards



	HALF YEAR	
	2006	2007
Sales (€mn)	119.2	140.0
% of Group Sales	17%	15%

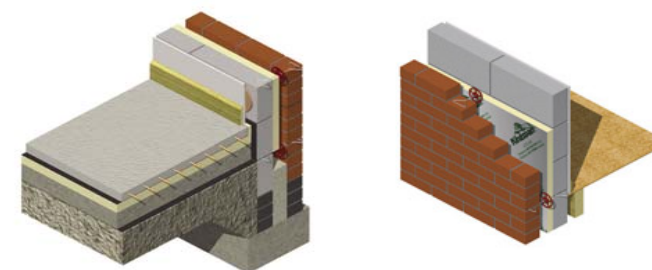
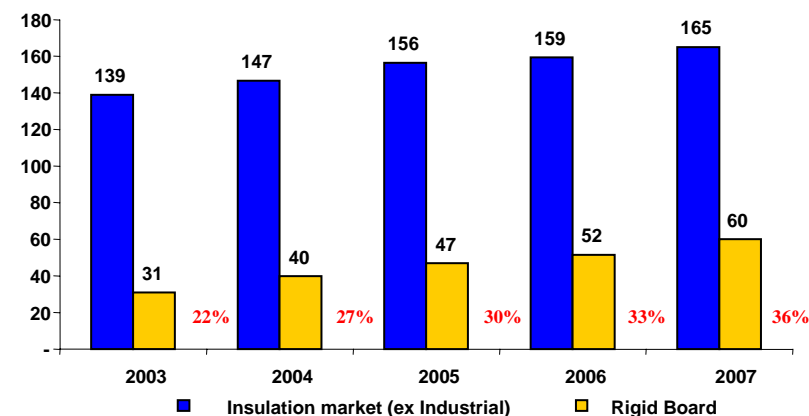
Analysis of YonY % change

Total	Organic	Acquisitions
+18%	+18%	+0%

- ☐ Ireland robust
- ☐ UK experienced good growth with regulations now having an impact
- ☐ Additional capacity
 - Phenolic line in Ireland operational from July 2007
 - €40-45mn Capex in second UK plant 2007/2008
- ☐ Increasing presence in Western Europe
 - Phenolic line capex underway, operational early 2009
- ☐ At early stage of developing a position in Central Eastern Europe, Sales very encouraging, Green field Capex likely during 2008



Rigid Board penetration of UK & Ireland
Insulation Markets



Off-Site & Structural



HALF YEAR

	2006	2007
Sales (€mn)	114.6	169.3
% of Group Sales	17%	19%

Analysis of YonY % change

Total	Organic	Acquisitions
+48%	+47%	+1%

- ☐ **Structural Products**
 - Strong in UK
 - Very strong in Ireland
- ☐ **UK Off-Site sales growth strong**
 - Organic growth in UK
 - Acquisition in UK
- ☐ **Ireland Off-Site sales began well, but weakening**
- ☐ **Margin dilution due to**
 - Acquisitions
 - Rising timber costs
 - Rising development costs
 - Ireland sales volumes
- “Lighthouse” launch**
 - Exceptionally positive reception



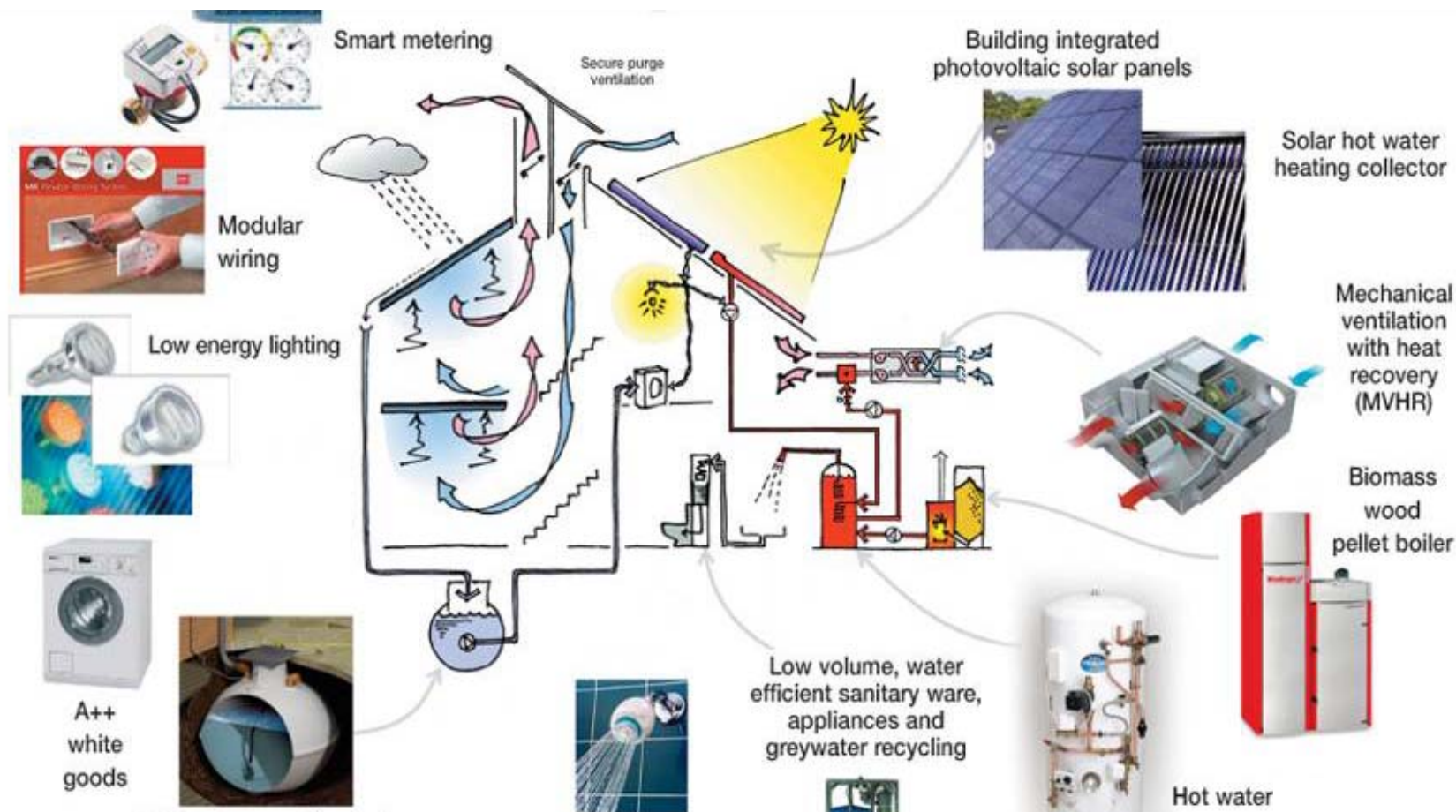
The Lighthouse



Off-Site & Structural



Achieving the Zero Carbon Kingspan Lighthouse



Environmental & Renewables



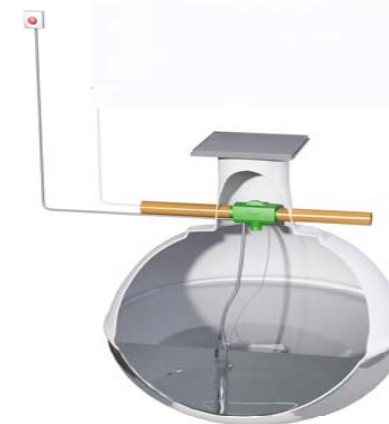
HALF YEAR

	2006	2007
Sales (€mn)	119.9	141.6
% of Group Sales	18%	16%

Analysis of YonY % change

Total	Organic	Acquisitions
+18%	+18%	+0%

- ❑ Entry into high growth Solar Thermal market, complimented by acquisition of Thermomax, completed in Q3.
- ❑ Effluent Treatment sales performance steady
- ❑ Single skin Fuel Storage volumes weak
- ❑ Conversion to higher value products
 - UK bundled conversion has increased from 45% to over 50% in 2006
 - Copper → Stainless steel cylinders → Plug & play solutions
 - Increased focus on renewables, acquisition route to market
- ❑ Operational plans in place to improve margins from 2008



Access Floors



	HALF YEAR	
	2006	2007
Sales (€mn)	73.7	92.3
% of Group Sales	11%	10%

- ☐ **Record operating performance in North America**
- ☐ **Favourable market conditions result in another year where profits advance significantly**
- ☐ **Order intake in both regions very strong**
- ☐ **North America**
 - **Office Construction strong**
 - **Penetration rising**
- ☐ **UK**
 - **Strong pipeline underpins growth**
 - **Central London office vacancy rates at lowest level since mid-2001**

Analysis of YonY % change

Total	Organic	Acquisitions
+25%	+21%	+4%



Future



- ↑ Continue to pursue proven strategy
- ↑ Leading market positions
- ↑ Geographic and product diversity
- ↑ Opportunities to grow within existing markets
- ↑ Commitment to R&D and product innovation

Delivering:

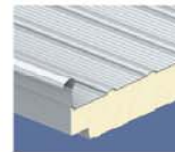
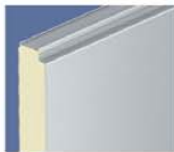
- ↑ Strong cash flow across businesses
- ↑ Pattern of strong earnings growth



The Entire Masterplan

Kingspan Off-Site systems provide lifetime low energy and low carbon (CO₂) emission solutions across your whole masterplan, ensuring your buildings are

FUTURE-PROOFED



Residential



Education



Healthcare



Leisure



Retail



Commercial



Industrial

Sustainable : Renewable : Affordable

