KINGSPAN GROUP PLC

PRELIMINARY RESULTS

Year Ended 31 December 2014

KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

Kingspan, the global leader in high performance insulation and building envelope solutions, reports its preliminary results for the year ended 31 December 2014.

Financial Highlights:

- Revenue up 6% to €1.89bn.
- Trading profit up 21% to €148.5m.
- Group trading margin of 7.9%, an increase of 100bps.
- Basic EPS up 21% to 62.6 cent.
- Final dividend per share of 10 cent. Total dividend for the year up 16% to 16.25 cent.
- An increase in net debt to €125.5m (2013: €106.7m). Net debt to EBITDA of 0.66x (2013: 0.66x).
- Increase in ROCE by 110bps to 13.4% (2013:12.3%).

Operational Highlights:

- Insulated Panels sales and trading profit up 7% and 18% respectively, reflecting strong margin improvement, particularly in the United Kingdom, North America, Australasia, and Kingspan Energy, our integrated solar panel business.
- Insulation Boards sales and trading profit up 8% and 35% respectively, owing to robust performance in both the UK and Benelux markets, and the continued growth of Kooltherm's® market presence more widely.
- A positive data centre activity backdrop was beneficial to Access Floors in the Americas, and improving office volume in the UK led to overall sales in line with the prior year (H2 +7%) and trading profit up 12%.
- Stability at the Environmental division remained the priority, and the many new initiatives underway should lead to profit growth in 2015.
- Three acquisitions were completed during the year: Dri-Design, a high end architectural façade business in the US, Pactiv Insulation, a rigid foam board producer in the US, and PAL Insulation, a Dubai based supplier of ducting insulation. The combined consideration for these was €114.4m.

Summary Financials:

	2014	*2013*	*% change*
Revenue €m	1,891.2	1,776.8	+6%
EBITDA €m	189.3	162.5	+16%
Trading Profit €m	148.5	122.8	+21%
Trading Margin	7.9%	6.9%	+100bps
Profit after tax €m	106.5	89.1	+20%
EPS (cent)	62.6	51.7	+21%

Gene Murtagh, Chief Executive of Kingspan commented:

"We are very pleased to report another strong year of profit growth at Kingspan, helped particularly by double-digit growth in our UK and North American businesses. Conditions in our core markets are improving, and our activity pipeline starting the new year is encouraging.
We are delivering on our strategic goal of broadening our geographic base through acquisitions, and will focus intensively this year on the integration of the companies acquired in 2014 and the Joris Ide and Vicwest businesses when those deals are completed."

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Business Review

2014 proved to be another positive year for Kingspan, with global sales and trading profit growing 6% and 21% respectively. The resultant earnings improvement was 21% to 62.6 cent per share (2013: 51.7 cent per share).

The trading pattern reflected an uncharacteristically strong start to the year, leading to a more stable performance through mid-year, culminating in a strong final quarter in most of our markets. The macro-economic environment remained mixed, with clear improvement evident in the key non-residential markets in both the UK and US, contrasting with weaker activity levels in pockets of Continental Europe. Germany, one of our larger end markets, was relatively stable, levelling off from the growth levels experienced there in recent years. Trading in the Netherlands improved marginally and, more importantly, the future pipeline showed encouraging signs that ought to bear fruit over the coming years. Australasia continued its growth pattern for Kingspan, owing mainly to penetration growth.

Exiting 2014, the general mood across our core markets, and our activity pipeline, were encouraging.

Insulated Panels

	***FY* ’14** **€m**	***FY* ’13** **€m**	**Change**
Turnover	1,111.4	1,036.0	+7%(1)
Trading Profit	89.2	75.6	+18%
Trading Margin	8.0%	7.3%	+70bps

(1) Comprising acquisition impact +1%, volume +3%, price/mix +3% and currency impact nil

<u>UK</u>

Growth resumed in Kingspan’s Insulated Panel business in the UK during 2014, after a number of relatively stable years. Some large-scale conversion successes played a part in this improvement, along with a more general lift in the sectors we are most exposed to. These sectors include low-rise non-residential buildings in the retail, distribution and manufacturing space among others. Benchmark® Architectural continues to challenge traditional and conventional high end facades, a journey that will likely last for many years. Kingspan Energy, our Integrated Rooftop Solar PV and Insulated Panel offering, posted a significant improvement over prior year, and again exited the year with an encouraging pipeline. Standards of building envelope continue to rise, evident from continually increasing insulation thicknesses, and geared towards advancing the lifetime energy performance of these buildings for their owners/occupiers. The UK has been, and remains, a prominent global voice on this front.

<u>Mainland Europe & Middle East</u>

Given the mixed backdrop across Mainland Europe, our performance varied somewhat. Sales in Germany were broadly flat whilst a slight improvement was experienced in the Netherlands. France showed encouraging improvement in commercial and industrial applications where penetration growth is capable of advancing significantly over the medium to longer term. Central and Eastern Europe weakened towards year-end, partly linked to the Russian crisis, and Turkey’s economic fragility continued to weigh on volumes there. Across the wider Gulf region, both activity and pipeline have been strong and should lead to a positive outcome in 2015.

Kingspan is also in the early stages of developing a presence in key markets in Africa. Early indications and contracts won have both been encouraging.

Americas

2014 was a year of significant advancement for our Insulated Panels business in North America. By mid-year, a record order-book and rising penetration pointed towards a strong second half, which duly materialised. Further sizeable projects were converted from traditional systems, boding well for the early part of 2015. The energy agenda is firmly centre stage in the US at present, with efficiency and conservation being key. Our role in this improving dynamic will be to continue driving penetration growth through specification.

In addition, we are in the early stages of exploring entry into the neighbouring Mexican market.

Australasia

Similar to North America, the growth in low-energy buildings continues to push ahead in Australia and New Zealand. Our volume grew significantly in 2014 and we expect to build upon this in 2015.

Ireland

Volumes in this market are still relatively low by historic comparison, albeit with a significant growth in activity in 2014. This momentum is likely to continue as Ireland gradually rebuilds itself, and the overhang from the 'boom' years gets absorbed, giving way to further newbuild opportunity.

Insulation Boards

	***FY* '14** **€m**	***FY* '13(2)** **€m**	**Change**
Turnover	477.1	441.9	+8%(1)
Trading Profit	39.9	29.5	+35%
Trading Margin	8.4%	6.7%	+170bps

(1) Comprising growth from acquisition impact +3%, price/mix +1%, volume +2% and currency impact +2%

(2) Restated to reflect adoption of IFRS 11 'Joint Arrangements'

UK

The strong revenue growth pattern reported in the first half of the year continued through to year-end, driven by a combination of positive residential and non-residential construction, and continued penetration growth of Kooltherm®. Albeit still at embryonic levels, specifications continue to grow for Optim-R® as an 'ultra-thin' insulation solution. Housing activity growth eased off somewhat in late 2014 after a relatively strong run for the previous couple of years. Forecasts for this segment remain positive, as they do for office construction, both of which present scope for further insulation volume growth in the coming years.

Mainland Europe

Insulation Boards sales volume showed a marked improvement in the Benelux with mid-single digit growth in Germany. This, as in recent years, is being predominately driven by the rising adoption of Kooltherm® in Western Europe. Further growth through specification will remain the medium to longer term focus in this region. Central European markets also provided growth as high performance rigid board begins to take a foothold from traditional alternatives. These regions are already well disposed towards Insulated Panel as a thermally efficient form of construction which should bode well for Board as a thermal solution. Our recently commissioned PIR Board facility in Eastern Germany is ideally situated to service this and key surrounding target markets.

North America
Following our acquisition of Pactiv Insulation during the third quarter, Kingspan's rigid board presence, and relevance, in North America has increased substantially. This business currently features XPS extruded polystyrene as a technology. Given the low penetration of this form of insulation in North America, our primary near-term focus will be on expanding our sales and capacity of XPS. Medium and longer term this product set will be complemented by the introduction of Kooltherm® and Optim-R® to the North American market.

Australasia and Middle East
Building upon the progress of recent years, penetration of Kooltherm® rigid board continued to forge ahead in Australia, again displacing lower performing insulation alternatives that still dominate the region. The process of establishing a new manufacturing facility in Melbourne has commenced to bolster this momentum and is scheduled for production in early 2017.

Our insulation presence in the Gulf and Middle East regions received a significant boost following the acquisition of PAL in late 2014. PAL's primary business is the delivery of ducting insulation, and has now begun the process of incorporating Kingspan's wider product set into the many markets it serves.

Ireland
Insulation revenue in Ireland grew by mid-single digit levels, reflecting the growing presence of Kooltherm® in this market. Volume slippage in other product sets was experienced as margin took priority over volume. Construction forecasts suggest that recent momentum is likely to continue into 2015 and beyond, a trend that Kingspan is ideally positioned to capitalise on.

Access Floors

	***FY* '14** **€m**	***FY* '13** **€m**	**Change**
Turnover	155.1	154.2	+1%(1)
Trading Profit	18.2	16.2	+12%
Trading Margin	11.7%	10.5%	+120bps

(1) Comprising volume +5%, price/mix -6% and currency impact +2%

2014 was a year characterised by solid data centre related activity in North America compensating for stubbornly lethargic office construction activity. This is in stark contrast to the UK market that appears to be midway through an upward cycle in office construction. The latter is likely to lead to notable growth in Access Floor applications through 2015 and 2016 given the late cycle nature of when flooring is installed.

In North America, whilst maintaining our market share in the weaker office market, our focus has been primarily on advancing energy efficient and more complete air distribution systems that are incorporated as an integrated floor application. Our unique range is used as the primary chassis for intelligently distributing air to cool individual data servers. The full commercialisation of this product set is our key near-term focus, in advance of more general office construction activity which is forecast to improve from late 2015 onward.

Environmental

	FY ’14 €m	*FY* ’13 €m	Change
Turnover	147.6	144.7	+2%
Trading Profit	1.2	1.5	-
Trading Margin	0.8%	1.0%	-

Sales in this division were broadly stable in 2014.

In our water business, revenue was marginally ahead on prior year, after a relatively sluggish start and picked up towards year end. Water treatment products performed best, with rainwater harvesting lagging despite the anticipated growth in this market. That dynamic may change as regulated water charges and conservation initiatives continue to increase in the future.

The micro-wind business saw the soft launch of the KW15 turbine in the fourth quarter, and interest levels are encouraging for 2015. Conventional fuel storage products performed well, and an expanding product set is designed to position the business for future growth not only in the UK and Ireland, but also more internationally.

Renewables remains competitive, both in solar thermal and hot water storage. We plan to see this phase of market instability through by maintaining our market share and investing further in lower cost manufacturing techniques to ensure our sustained presence in this sector longer term.

Innovation

The process of ‘staying ahead’ is a central theme throughout Kingspan.

Much of the emphasis in recent years has focused on ‘core’ performance, predominately from both a thermal and fire perspective. Kooltherm® remains a key platform for growth, and will in the coming 2-3 years see itself transition to the next generation with notably improved thermal values, from an evolving set of inputs. Optim-R®, our vacuum insulated offering, was launched in 2013. Technically and commercially it is positioned at the very upper end, and as a result, the process of building volume scale in this product can be expected to be gradual.

IPN Quadcore® is being developed for a more mainstream Insulated Panel offering. It is a unique Kingspan hybrid formulation that moves rigid foam in Insulated Panels to a completely new level, providing up to 25% in thermal advantage per thickness over the industry average. It will be launched in limited applications by mid-year 2015 and rolled out more globally in the following two years or so.

Net Zero Energy

A number of years back we set ourselves the goal of achieving Net Zero Energy status throughout Kingspan by 2020. This entails everything ranging from the procurement of renewable energy to local on-site generation of renewable power. While the rate of expansion of Kingspan in recent years might have rendered the 2020 target difficult to achieve, we remain largely on plan and expect to reach 50% by the end of 2017. The table below outlines that progress.

Year	Total Energy Use GWh	Total Renewable Energy GWh	NZE %
2012A	317	27	9
2013A	327	60	18
2014A	312	88	28
2015P	335	125	37
2016P	342	155	45
2017P	346	177	50

A=Actual; P=Plan

Our Strategy

For some time now, we have been pursuing a three pillar strategy:

- Conversion from traditional insulation and building techniques to high performance solutions.
- Innovating within our space to consistently maintain a competitive edge.
- Broadening our geographies, with primary focus on Mainland Europe, the Americas, Gulf & Middle East and Australasia.

The delivery of these objectives, within the scope of a conservatively managed balance sheet which has served the Group well, will remain the focus of our execution for the foreseeable future.

Financial Review

Overview of results

Group revenue increased by 6% to €1.89bn (2013: €1.78bn) and trading profit increased by 21% to €148.5m (2013: €122.8m) resulting in an improvement of 100 basis points in the Group's trading profit margin to 7.9% (2013: 6.9%). Basic EPS for the year was 62.6 cent (2013: 51.7 cent), representing an increase of 21%.

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

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+6%	-	+1%	+7%
Insulation Boards	+3%	+2%	+3%	+8%
Environmental	-2%	+4%	-	+2%
Access Floors	-1%	+2%	-	+1%
Group	+4%	+1%	+1%	+6%

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

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+14%	-	+4%	+18%

Insulation Boards	+29%	+5%	+1%	+35%
Environmental	-16%	-1%	-	-17%
Access Floors	+10%	+2%	-	+12%
Group	+16%	+2%	+3%	+21%

Change in accounting policy and reclassification
IFRS 11 'Joint Arrangements' has been adopted as required by IFRS for the year ended 31 December 2014. All comparatives have been restated accordingly. Further details are set out in note 10.

Finance costs (net)
Finance costs for the year increased by €0.4m to €14.0m (2013: €13.6m). Finance costs included a non-cash charge of €0.1m (2013: €0.3m) in respect of the Group's legacy defined benefit pension schemes. A net non-cash charge of €0.8m (2013: credit of €0.7m) was recorded in respect of swaps on the Group's USD private placement notes. The Group's net interest expense on borrowings (bank and loan notes) was €13.1m compared to €14.0m in 2013. This decrease reflects lower average net debt levels in 2014 compared to 2013 and favourable financing initiatives undertaken in 2014. The interest expense is driven extensively by gross debt balances with cash yields negligible in the current environment. Average gross debt during the year was €304m (2013: €298m) with average cash balances amounting to €186m (2013: €158m). The average is calculated by reference to the month end position.

Non trading items
The Group recorded a non trading charge of €2.1m (2013: charge of €3.5m) in the year. The charge is a composite item comprising an impairment of €2.1m in respect of certain goodwill within the Environmental division, a loss of €2.7m on the disposal of a property asset and a credit of €2.7m in respect of a surplus deferred consideration accrual on an acquisition made in a prior year. The charge in the prior year is a composite item which is set out in further detail in the Group's 2013 annual report.

Taxation
The tax charge for the year was €21.0m (2013: €12.8m) which represents an effective tax rate of 16.4% (2013: 13.8%) on earnings before amortization and non trading items.

Dividends
The Board has proposed a final dividend of 10 cent per ordinary share payable on 15 May 2015 to shareholders registered on the record date of 24 April 2015. When combined with the interim dividend of 6.25 cent per share, the total dividend for the year increased to 16.25 cent (2013: 14.0 cent), an increase of 16%.

Retirement benefits
The Group has two legacy defined benefit schemes which are closed to new members and to future accrual. In addition, the Group assumed a defined benefit pension liability in respect of current and former employees of ThyssenKrupp Construction acquired during 2012. The net pension liability in respect of these schemes and obligations was €11.7m (2013: €7.7m) as at 31 December 2014.

Key performance indicators
The Group has a set of key performance indicators which are set out in the table below:

Key performance indicators	2014	2013
Basic EPS growth	21%	18%
Sales growth	6%	10%
Trading margin	7.9%	6.9%
Free cashflow (€m)	109.3	78.2
Return on capital employed	13.4%	12.3%
Net debt/EBITDA	0.66x	0.66x

(a) Basic EPS growth. The growth in EPS is accounted for by the 21% increase in trading profit, generating a 19% increase in profit after tax.

(b) Sales growth of 6% (2013: 10%) was driven by a 1% contribution from acquisitions, a 4% increase in underlying sales and a 1% increase due to the effect of currency translation.

(c) Trading margin by division is set out below:

	2014	2013
Insulated Panels	8.0%	7.3%
Insulation Boards	8.4%	6.7%
Environmental	0.8%	1.0%
Access Floors	11.7%	10.5%

The Insulated Panels division trading margin reflects an increase in overall margin due to positive overall operating leverage within the division, reflecting increased volume, and a positive business mix oriented towards higher specification industrial and architectural applications. The trading margin improvement in the Insulation Boards division reflects some recovery in overall margin, continuing progression in Kooltherm® volumes and a positive business mix in Mainland Europe. The modest decrease in the Environmental trading margin reflects the relative product mix year on year, in particular a decline in renewables. The increase in trading margin in Access Floors reflects the year on year sales mix between domestic and international markets as well as the office and data centre product mix.

(d) Free cashflow is an important indicator and it reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

Free cashflow	2014 €'m	2013 €'m
EBITDA*	189.3	162.5
Non-cash items	16.2	5.9
Movement in working capital	(27.7)	(16.1)
Movement in provisions	(6.5)	(5.1)
Net capital expenditure	(40.6)	(36.6)
Property disposal proceeds	9.7	-
Pension contributions	(2.4)	(3.6)
Finance costs	(13.9)	(13.4)
Income taxes paid	(14.8)	(15.4)
Free cashflow	109.3	78.2

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

Working capital at year end was €263.3m (2013: €212.5m) and represents 13.4% (2013: 12.0%) of annual turnover. This metric is monitored throughout the year and is subject to a certain amount of seasonal variability associated with trading patterns and the timing of significant purchases of steel and chemicals.

(e) Return on capital employed, calculated as operating profit divided by total equity plus net debt, was 13.4% in 2014 (2013: 12.3%). The creation of shareholder value through the delivery of long term returns well in excess of the Group's cost of capital is a core principle of Kingspan's financial strategy.

(f) Net debt to EBITDA measures the ratio of debt to earnings and at 0.66x is comfortably less than the Group's banking covenant of 3.5x in both 2014 and 2013.

Capital Structure and Group Financing

The Group funds itself through a combination of equity and debt. Debt is funded through a combination of syndicated bank facilities and private placement loan notes. The primary bank debt facility is a €300m revolving credit facility, with a syndicate of international banks, entered into in April 2012 and amended in March 2014. The facility, which was undrawn at year end, was favourably amended from a pricing perspective with the term extended to March 2019. In December 2014 the Group agreed a €127.5m private placement loan note with equal maturities of 6, 8 and 10 years. These notes will be drawn in March 2015 to fund the repayment of pre-existing loan notes of $158m. In December 2014, the Group agreed bi-lateral facilities of €190m with three banks with a two year maturity which were undrawn at year-end. The Group has two US Private Placement loan notes in issue and the total Private Placement debt outstanding at year-end was $400m. $158m of this matures in March 2015, $42m matures in March 2017 with the balance of $200m maturing in August 2021.

The Group has significant available undrawn facilities which provide appropriate headroom for ongoing operational requirements and development funding.

Net debt

Net debt increased by €18.8m during 2014 to €125.5m (2013: €106.7m). This is analysed in the table below:

Movement in net debt	2014 €'m	2013 €'m
Free cashflow	109.3	78.2
Acquisitions (net of disposal proceeds)	(105.0)	(1.5)
Share issues	5.5	2.8
Dividends paid	(25.3)	(22.0)
Cashflow movement	(15.5)	57.5
Exchange movements on translation	(3.3)	1.0
Decrease/(increase) in net debt	(18.8)	58.5
Net debt at start of year	(106.7)	(165.2)
Net debt at end of year	(125.5)	(106.7)

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; and

- A minimum EBITDA to net interest coverage of 4 times

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

	Covenant	2014 Times	2013 Times
Net debt/EBITDA	Maximum 3.5	0.66	0.66
EBITDA/Net interest	Minimum 4.0	13.5	12.0

Investor relations
Kingspan is committed to interacting with the international financial community to ensure a full understanding of the Group's strategic plans and its performance against these plans. During the year, the executive management presented at nine capital market conferences and conducted 320 institutional one-on-one and group meetings.

Share price and market capitalisation
The Company's shares traded in the range of €11.23 to €14.67 during the year. The share price at 31 December 2014 was €14.35 (31 December 2013: €13.00) giving a market capitalisation of €2.46 billion (2013: €2.21 billion). Total shareholder return for 2014 was 11.64%.

Financial risk management
The Group operates a centralised treasury function governed by a treasury policy approved by the Group Board. This policy primarily covers foreign exchange risk, credit risk, liquidity risk and interest rate risk. The principal objective of the policy is to minimise financial risk at reasonable cost. Adherence to the policy is monitored by the CFO and the Internal Audit function. The Group does not engage in speculative trading of derivatives or related financial instruments.

Acquisitions

During 2014 we completed three acquisitions for a combined consideration of €114.4m, Dri-Design, a high end architectural façade business in the US, Pactiv Insulation, a rigid foam board producer in the US, and PAL Insulation, a Dubai based supplier of ducting insulation. The recent performance and early integration of those businesses has been most encouraging. Since then, we have entered into agreements to acquire Vicwest Building Products in Canada for C$155m, and Joris Ide Group in Belgium for €315m. Both of these businesses offer Kingspan tremendous growth avenues, in market niches largely untouched by our current brand presence. These transactions are subject to regulatory approval in their respective jurisdictions, and we hope to be in a position to complete these processes during the first half of this year. More recently, earlier this month we bought out the 50% share in Kingspan Tarec Industrial Insulation held by our joint venture partner, Recticel NV, and will now fully integrate this premium performance pipe insulation business into our UK and Belgian Insulation Boards businesses.

Following these transactions, we expect peak net debt/EBITDA to be relatively conservative, at approximately two times.

Looking Ahead

The positive momentum experienced in late 2014 has carried through into the early part of 2015, and should lead to a solid first quarter notwithstanding a flat January. This is particularly so in the UK, North America, and Germany. Central Europe and Turkey remain somewhat fragile, owing in both cases to the neighbouring political situation, the outcomes of which remain uncertain.

Amongst our 2015 priorities will be the execution of the recently announced Joris Ide acquisition, and that of Vicwest announced late 2014, as well as completing the integration of the businesses successfully acquired during the year. This integration phase is well underway in all three cases, and their outlook is encouraging. Furthermore, maintaining a strong balance sheet will remain the bedrock of our financial strategy.

Energy costs, catalysed by recent oil prices, have been the subject of vast debate in recent months, with no clear consensus on future trends emerging. Whatever that outcome, we live in a time where concern over the future of fossil fuel is unquestionably at an all-time high. From both geopolitical and environmental perspectives, the focus on energy conservation and alternative sources is almost certain to remain relentless. With our unparalleled global solutions portfolio, this backdrop can only be encouraging for Kingspan.

On behalf of the Board

Gene Murtagh
Chief Executive Officer
23 February 2015

Geoff Doherty
Chief Financial Officer
23 February 2015

Kingspan Group plc

Group Condensed Income Statement
for the year ended 31 December 2014

	Note	**2014** **€m**	2013 €m
REVENUE	2	**1,891.2**	1,776.8
Cost of sales		**(1,375.1)**	(1,316.8)
GROSS PROFIT		**516.1**	460.0
Operating costs, excluding intangible amortisation		**(367.6)**	(337.2)
TRADING PROFIT	2	**148.5**	122.8
Intangible amortisation		**(4.9)**	(3.8)
Non trading items	3	**(2.1)**	(3.5)
OPERATING PROFIT		**141.5**	115.5
Finance expense	4	**(14.6)**	(14.1)
Finance income	4	**0.6**	0.5
PROFIT FOR THE YEAR BEFORE INCOME TAX		**127.5**	101.9
Income tax expense		**(21.0)**	(12.8)
NET PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**106.5**	89.1
Attributable to owners of Kingspan Group plc		**107.2**	87.6
Attributable to non-controlling interests		**(0.7)**	1.5
		106.5	89.1
EARNINGS PER SHARE FOR THE YEAR			
Basic	9	**62.6c**	51.7c
Diluted	9	**61.3c**	50.7c

Gene M. Murtagh
Chief Executive Officer

Geoff Doherty
Chief Financial Officer

23 February 2015

Kingspan Group plc

Group Condensed Statement of Comprehensive Income
for the year ended 31 December 2014

	2014	2013
	€m	€m
Profit for the year	**106.5**	89.1
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**58.2**	(31.4)
Net change in fair value of cash flow hedges reclassified to income statement	**-**	0.1
Effective portion of changes in fair value of cash flow hedges	**0.6**	(1.0)
Income taxes relating to changes in fair value of cash flow hedges	**(0.1)**	0.1
Items that will not be reclassified subsequently to profit or loss		
Actuarial (losses)/gains on defined benefit pension schemes	**(6.7)**	1.4
Income taxes relating to actuarial (losses)/gains on defined benefit pension schemes	**0.8**	(0.3)
Total comprehensive income for the year	**159.3**	58.0
Attributable to owners of Kingspan Group plc	**159.2**	56.8
Attributable to non-controlling interests	**0.1**	1.2
	159.3	58.0

Kingspan Group plc

Group Condensed Statement of Financial Position

As at 31 December 2014

	Note	2014 €m	2013 (Restated)* €m
ASSETS			
NON-CURRENT ASSETS			
Goodwill		**475.3**	368.5
Other intangible assets		**31.2**	16.2
Property, plant and equipment		**497.0**	487.7
Investment in joint ventures	10	**8.4**	8.3
Derivative financial instruments		**15.4**	0.7
Retirement benefit assets		**4.7**	6.1
Deferred tax assets		**7.0**	6.6
		1,039.0	894.1
CURRENT ASSETS			
Inventories		**236.5**	190.4
Trade and other receivables		**364.0**	308.1
Derivative financial instruments		**11.3**	-
Cash and cash equivalents		**185.7**	196.6
		797.5	695.1
TOTAL ASSETS		**1,836.5**	1,589.2
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**337.2**	285.5
Provisions for liabilities		**29.6**	39.9
Derivative financial instruments		**0.6**	2.4
Deferred contingent consideration		**0.6**	7.5
Interest bearing loans and borrowings		**132.7**	6.9
Current income tax liabilities		**42.6**	37.3
		543.3	379.5
NON-CURRENT LIABILITIES			
Retirement benefit obligations		**16.4**	13.8
Provisions for liabilities		**26.2**	17.3
Interest bearing loans and borrowings		**204.6**	290.7
Derivative financial instruments		**-**	4.5
Deferred tax liabilities		**22.1**	23.8
Deferred contingent consideration		**14.8**	-
		284.1	350.1
TOTAL LIABILITIES		**827.4**	729.6
NET ASSETS		**1,009.1**	859.6
EQUITY			
Share capital		**23.0**	22.7
Share premium		**48.4**	43.1
Capital redemption reserve		**0.7**	0.7
Treasury shares		**(30.7)**	(30.7)
Other reserves		**(63.2)**	(126.1)
Retained earnings		**1,022.9**	942.0
EQUITY ATTRIBUTABLE TO OWNERS OF KINGSPAN GROUP PLC		**1,001.1**	851.7
NON-CONTROLLING INTEREST		**8.0**	7.9
TOTAL EQUITY		**1,009.1**	859.6

* IFRS 11 has been adopted as required by IFRS for the year ended 31 December 2014. The comparatives for the year ended 31 December 2013 have been restated (refer to Note 10)

Gene M. Murtagh — *Chief Executive Officer*

Geoff Doherty — *Chief Financial Officer*

23 February 2015

Kingspan Group plc

Group Condensed Statement of Changes in Equity

for the year ended 31 December 2014

	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
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance at 1 January 2014	22.7	43.1	0.7	(30.7)	(148.0)	(0.7)	21.9	0.7	942.0	851.7	7.9	**859.6**
Transactions with owners recognised directly in equity												
Shares issued	0.3	5.3	-	-	-	-	-	-	-	5.6	-	**5.6**
Employee share based compensation	-	-	-	-	-	-	7.7	-	-	7.7	-	**7.7**
Tax on employee share based compensation	-	-	-	-	-	-	1.1	-	1.1	2.2	-	**2.2**
Exercise or lapsing of share options	-	-	-	-	-	-	(3.8)	-	3.8	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	(25.3)	(25.3)	-	**(25.3)**
Transactions with owners	0.3	5.3	-	-	-	-	5.0	-	(20.4)	(9.8)	-	**(9.8)**
Total comprehensive income for the year												
(Loss)/Profit for the year	-	-	-	-	-	-	-	-	107.2	107.2	(0.7)	**106.5**
Other comprehensive income:												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	0.6	-	-	-	0.6	-	**0.6**
- tax impact	-	-	-	-	-	(0.1)	-	-	-	(0.1)	-	**(0.1)**
Exchange differences on translating foreign operations	-	-	-	-	57.4	-	-	-	-	57.4	0.8	**58.2**
Items that will not be reclassified subsequently to profit or loss												
Defined benefit pension scheme	-	-	-	-	-	-	-	-	(6.7)	(6.7)	-	**(6.7)**
Income taxes relating to actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	0.8	0.8	-	**0.8**
Total comprehensive income for the year	-	-	-	-	57.4	0.5	-	-	101.3	159.2	0.1	**159.3**
Balance at 31 December 2014	23.0	48.4	0.7	(30.7)	(90.6)	(0.2)	26.9	0.7	1,022.9	1,001.1	8.0	**1,009.1**

Kingspan Group plc

Group Condensed Statement of Changes in Equity

for the year ended 31 December 2013

	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
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	**€m**
Balance at 1 January 2013	22.5	40.6	0.7	(30.7)	(116.9)	0.1	24.0	0.7	865.2	806.2	7.1	**813.3**
Transactions with owners recognised directly in equity												
Shares issued	0.2	2.5	-	-	-	-	-	-	-	2.7	-	**2.7**
Employee share based compensation	-	-	-	-	-	-	7.2	-	-	7.2	-	**7.2**
Tax on employee share based compensation	-	-	-	-	-	-	(0.2)	-	2.1	1.9	-	**1.9**
Exercise or lapsing of share options	-	-	-	-	-	-	(9.1)	-	9.1	-	-	-
Dividends	-	-	-	-	-	-	-	-	(21.6)	(21.6)	-	**(21.6)**
Transactions with non-controlling interests:												
Buy out of non-controlling interest	-	-	-	-	-	-	-	-	(1.5)	(1.5)	-	**(1.5)**
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(0.4)	**(0.4)**
Transactions with owners	0.2	2.5	-	-	-	-	(2.1)	-	(11.9)	(11.3)	(0.4)	**(11.7)**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	87.6	87.6	1.5	**89.1**
Other comprehensive income:												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(1.0)	-	-	-	(1.0)	-	**(1.0)**
- reclassification to profit	-	-	-	-	-	0.1	-	-	-	0.1	-	**0.1**
- tax impact						0.1				0.1		**0.1**
Exchange differences on translating foreign operations	-	-	-	-	(31.1)	-	-	-	-	(31.1)	(0.3)	**(31.4)**
Items that will not be reclassified subsequently to profit or loss												
Defined benefit pension scheme	-	-	-	-	-	-	-	-	1.4	1.4	-	**1.4**
Income taxes relating to actuarial gains/ (losses) on defined benefit pension scheme	-	-	-	-	-	-	-	-	(0.3)	(0.3)	-	**(0.3)**
Total comprehensive income for the year	-	-	-	-	(31.1)	(0.8)	-	-	88.7	56.8	1.2	**58.0**
Balance at 31 December 2013	22.7	43.1	0.7	(30.7)	(148.0)	(0.7)	21.9	0.7	942.0	851.7	7.9	**859.6**

Kingspan Group plc

Group Condensed Statement of Cash Flows

for the year ended 31 December 2014

	Note	**2014**	2013 (Restated)*
		€m	€m
OPERATING ACTIVITIES			
Cash generated from operations	7	**168.9**	143.6
Income tax paid		**(14.8)**	(15.4)
Interest paid		**(14.5)**	(13.9)
Net cash flow from operating activities		**139.6**	114.3
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(45.4)**	(41.8)
Proceeds from disposals of property, plant and equipment		**14.5**	5.2
Purchase of subsidiary undertakings		**(100.5)**	(1.5)
Payment of deferred contingent consideration in respect of acquisitions		**(4.5)**	-
Interest received		**0.6**	0.5
Net cash flow from investing activities		**(135.3)**	(37.6)
FINANCING ACTIVITIES			
(Repayment)/drawdown of bank loans		**(4.3)**	3.8
Change in finance lease liability		**(0.1)**	(0.4)
Proceeds from share issues		**5.5**	2.8
Dividends paid to non-controlling interests		-	(0.4)
Dividends paid		**(25.3)**	(21.6)
Net cash flow from financing activities		**(24.2)**	(15.8)
(Decrease)/increase in cash and cash equivalents		**(19.9)**	60.9
Translation adjustment		**9.0**	(4.2)
Cash and cash equivalents at the beginning of the year		**196.6**	139.9
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**185.7**	196.6
Cash and cash equivalents as at 1 January were made up of:			
- Cash and cash equivalents		196.6	140.3
- Overdrafts		-	(0.4)
		196.6	139.9
Cash and cash equivalents as at 31 December were made up of:			
- Cash and cash equivalents		**185.7**	196.6
- Overdrafts		-	-
		185.7	196.6

* IFRS 11 has been adopted as required by IFRS for the year ended 31 December 2014. The comparatives for the year ended 31 December 2013 have been restated (refer to Note 10)

Notes to the Preliminary Statement
for the year ended 31 December 2014

1 GENERAL INFORMATION

The financial information presented in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as set out in the Group's annual financial statements in respect of the year ended 31 December 2013 except as noted below. The financial information does not include all the information and disclosures required in the annual financial statements. The Annual Report will be distributed to shareholders and made available on the Company's website www.kingspan.com in due course. It will also be filed with the Company's annual return in the Companies Registration Office. The auditors have reported on the financial statements for the year ended 31 December 2014 and their report was unqualified and did not contain any matters to which attention was drawn by way of emphasis. The financial information for the year ended 31 December 2013 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued and which have been filed with the Companies Registration Office.

Basis of Preparation and Accounting Policies
The financial information contained in this Preliminary Statement has been prepared in accordance with the accounting policies set out in the last annual financial statements.

IFRS does not define certain Income Statement headings. For clarity, the following are the definitions as applied by the Group:

- 'Trading profit' refers to the operating profit generated by the businesses before intangible asset amortisation and gains or losses from non trading items.
- 'Non trading items' refers to material gains or losses on the disposal or acquisition of businesses and material related acquisition and integration costs, and material impairments to the carrying value of intangible assets or property, plant and equipment. It is determined by management that each of these items relate to events or circumstances that are unusual due to their size or incidence.
- 'Operating profit' is profit before income taxes and net finance costs.

The Group makes this distinction to give a better understanding of the financial performance of the business.

The Income Statement has been expanded to include cost of sales, gross profit and operating costs in order to assist the reader to better understand the components of profit.

The following are the new standards that were effective for the Group's financial year ending 31 December 2014. They had no significant impact on the results or financial position as set out in this Preliminary Statement.

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- Investment Entities (Amendments to IFRS 10, 12 and IAS 27)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
- IFRIC 21 Levies

There are a number of forthcoming requirements of IFRSs as adopted by the EU which are not yet effective and have therefore not been adopted in these financial statements.

- IAS 19 Amendment: Defined Benefit Plans; Employee Contributions
- Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle
- Amendments to IFRS 11: Accounting for acquisitions of interests in Joint Operations
- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 and IAS 41: Bearer plants
- IAS 27: (Amendments) Equity Method in Separate Financial Statements
- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities: exception to consolidation
- Amendments to IAS 1: Disclosure Initiative
- Annual Improvements to IFRSs 2012-2014 Cycle
- IFRS 15: Revenue from contracts with customer
- IFRS 9 Financial Instruments (2014)

The Group does not plan to adopt these standards early and the extent of their impact has not yet been determined.

2 SEGMENT REPORTING

In identifying the Group's operating segments, management based its decision on the product supplied by each segment and the fact that each segment is managed and reported separately to the Chief Operating Decision Maker, which the Group has defined as the Board of Directors. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

Operating segments
The Group has the following four operating 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 – 2014	1,111.4	477.1	147.6	155.1	**1,891.2**
Total revenue – 2013 (restated)	1,036.0	441.9	144.7	154.2	1,776.8

Inter-segment transfers are carried out at arm's length prices and using an appropriate transfer pricing methodology. As inter-segment revenue is not material, it is not subject to separate disclosure in the above analysis.

Segment result (profit before finance expense)

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total 2014 €m**	Total 2013 €m
Trading profit	89.2	39.9	1.2	18.2	**148.5**	
Intangible amortisation	(2.7)	(2.0)	(0.2)	-	**(4.9)**	
Non trading items	2.7	(2.7)	(2.1)	-	**(2.1)**	
Operating profit – 2014	89.2	35.2	(1.1)	18.2	**141.5**	
Trading profit	75.6	29.5	1.5	16.2		122.8
Intangible amortisation	(2.0)	(1.6)	(0.2)	-		(3.8)
Non trading items	2.5	-	(6.0)	-		(3.5)
Operating profit - 2013	76.1	27.9	(4.7)	16.2		115.5
Net finance expense					**(14.0)**	(13.6)
Profit for the year before tax					**127.5**	101.9
Income tax expense					**(21.0)**	(12.8)
Net profit for the year					**106.5**	89.1

Segment assets

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total 2014 €m	Total 2013 €m
Assets – 2014	801.2	523.3	145.9	146.7	**1,617.1**	
Assets – 2013 (restated)	691.0	412.6	150.6	131.1		1,385.3
Derivative financial instruments					**26.7**	0.7
Cash and cash equivalents					**185.7**	196.6
Deferred tax asset					**7.0**	6.6
Total assets as reported in the Consolidated Statement of Financial Position					**1,836.5**	1,589.2

Segment liabilities

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total 2014 €m	Total 2013 €m
Liabilities – 2014	(244.4)	(116.4)	(36.8)	(27.2)	**(424.8)**	
Liabilities – 2013 (restated)	(212.5)	(87.7)	(38.1)	(25.7)		(364.0)
Interest bearing loans and borrowings (current and non-current)					**(337.3)**	(297.7)
Derivative financial instruments (current and non-current)					**(0.6)**	(6.8)
Income tax liabilities (current and deferred)					**(64.7)**	(61.1)
Total liabilities as reported in the Consolidated Statement of Financial Position					**(827.4)**	(729.6)

Other segment information

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Capital investment – 2014 *	23.6	28.4	2.2	2.0	**56.2**
Capital investment – 2013 * (restated)	20.5	17.8	2.4	2.1	42.8
Depreciation included in segment result – 2014	(23.5)	(12.4)	(3.2)	(1.7)	**(40.8)**
Depreciation included in segment result – 2013 (restated)	(22.5)	(11.3)	(3.9)	(2.0)	(39.7)
Non-cash items included in segment result – 2014	(1.4)	(2.0)	(2.9)	(0.9)	**(7.2)**
Non-cash items included in segment result – 2013	(3.6)	(1.9)	(7.0)	(0.7)	(13.2)

* Capital investment includes fair value of property, plant and equipment acquired in business combinations

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 – 2014	81.1	687.4	668.0	274.1	180.6	**1,891.2**
Revenue – 2013 (restated)	72.1	595.2	693.2	231.9	184.4	1,776.8
Statement of Financial Position Items						
Non-current assets – 2014	50.5	334.2	284.4	253.5	94.0	**1,016.6**
Non-current assets – 2013 (restated)	53.5	324.5	296.2	149.4	63.2	886.8
Other segmental information						
Capital investment – 2014	2.5	12.6	19.7	11.6	9.8	**56.2**
Capital investment – 2013 (restated)	2.5	15.6	18.5	4.8	1.4	42.8

The Group has a presence in over 70 countries worldwide. The revenues from external customers and non-current assets (as defined in IFRS 8) attributable to the country of domicile and all foreign countries or regions of operation are as set out above and specific regions are highlighted separately on the basis of materiality.

There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The individual entities within the Group each have a large number of customers spread across various activities, end-uses and geographies.

3 NON TRADING ITEMS

	2014 €m	2013 €m
Deferred consideration no longer payable	**2.7**	-
Impairment of goodwill	**(2.1)**	-
Impairment of property, plant and equipment	**(2.7)**	(6.0)
Reversal of previous impairment	-	2.5
	(2.1)	(3.5)

During the year $5.0m deferred consideration was paid relating to the Rigidal business which was acquired in 2012. The remaining provision for deferred consideration has been released as the associated EBITDA targets were not achieved.

The goodwill impairment relates to a business within the Environmental segment.

The impairment of property, plant and equipment in 2014 relates to a loss made on the disposal of an industrial building in Poland for €9.75m.

The non trading items in respect of prior year are disclosed in note 4 to the Group's 2013 annual report.

The tax effect of the above items was €0.4m (2013: €1.4m). The income tax expense for the year in the Consolidated Income Statement includes the impact of this effect.

4 FINANCE EXPENSE AND FINANCE INCOME

	2014	2013
	€m	€m
Finance expense		
Bank loans	**2.1**	2.8
Private Placement	**11.6**	11.7
Fair value movement on derivative financial instrument	**(31.4)**	17.9
Fair value movement on private placement debt	**32.2**	(18.6)
Net defined benefit pension scheme	**0.1**	0.3
	14.6	14.1
Finance income		
Interest earned	**(0.6)**	(0.5)
Net finance cost	**14.0**	13.6

No borrowing costs were capitalised during the year (2013: €nil).

No costs were reclassified from Other Comprehensive Income to profit during the year (2013: €0.2m).

5 ANALYSIS OF NET DEBT

	2014	2013
	€m	(Restated)*
		€m
Cash and cash equivalents	**185.7**	196.6
Derivative financial instruments - net	**26.1**	(5.7)
Current borrowings	**(132.7)**	(6.9)
Non current borrowings	**(204.6)**	(290.7)
Total Net Debt	**(125.5)**	(106.7)

The Group's core funding is provided by two private placements totalling US $400m, of which US $158m matures in March 2015, US $42m matures in March 2017 and a further US $200m matures in 2021. In December 2014 the Group arranged new notes totalling €127.5m. These notes have a deferred draw down date of March 2015 and have a weighted average maturity of 8 years.

In addition the Group has a committed revolving credit facility with a syndicate of banks of €300m maturing in March 2019 and committed bilateral facilities of €190m which mature in December 2016. The facilities are fully undrawn at year end.

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 of €0.01m (2013: €0.5m) which are used for transactional hedging are not included in the definition of net debt.

6 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014	2013 (Restated)*
	€m	€m
(Decrease)/Increase in cash and bank overdrafts	**(19.9)**	60.9
Decrease/(increase) in debt	**4.3**	(3.8)
Decrease in lease finance	**0.1**	0.4
Change in net debt resulting from cash flows	**(15.5)**	57.5
Translation movement - relating to US dollar loan	**(43.6)**	23.5
Translation movement - other	**8.5**	(4.0)
Derivative financial instruments movement	**31.8**	(18.5)
Net movement	**(18.8)**	58.5
Net debt at start of the year	**(106.7)**	(165.2)
Net debt at end of the year	**(125.5)**	(106.7)

7 CASH GENERATED FROM OPERATIONS

	2014	2013 (Restated)*
	€m	€m
Profit for the year	**106.5**	89.1
Add back non-operating expenses:		
Income tax expense	**21.0**	12.8
Depreciation of property, plant and equipment	**40.8**	39.7
Amortisation of intangible assets	**4.9**	3.8
Impairment of non-current assets	**5.6**	5.7
Employee equity-settled share options	**7.7**	7.2
Finance income	**(0.6)**	(0.5)
Finance expense	**14.6**	14.1
Non cash items	**2.1**	(0.9)
Loss/(profit) on sale of property, plant and equipment	**2.9**	(2.6)
Change in inventories	**(23.5)**	(6.7)
Change in trade and other receivables	**(26.9)**	(7.2)
Change in trade and other payables	**22.7**	(2.2)
Change in provisions	**(6.5)**	(5.1)
Pension contributions	**(2.4)**	(3.6)
Cash generated from operations	**168.9**	143.6

8 DIVIDENDS

Equity dividends on ordinary shares:	**2014 €m**	2013 €m
2014 Interim dividend 6.25 cent (2013: 5.5 cent) per share	**10.7**	9.3
2013 Final dividend 8.5 cent (2012: 7.25 cent) per share	**14.6**	12.3
	25.3	21.6
Proposed for approval at AGM		
Final dividend of 10 cent (2013: 8.5 cent) per share	**17.2**	14.4

This proposed dividend for 2014 is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in the Consolidated Statement of Financial Position of the Group as at 31 December 2014 in accordance with IAS 10 Events After the Reporting Date. The proposed final dividend for the year ended 31 December 2014 will be payable on 15 May 2015 to shareholders on the Register of Members at close of business on 24 April 2015.

9 EARNINGS PER SHARE

	2014 €m	2013 €m
The calculations of earnings per share are based on the following:		
Profit attributable to ordinary shareholders	**107.2**	87.6
	Number of shares ('000) 2014	Number of shares ('000) 2013
Weighted average number of ordinary shares for the calculation of basic earnings per share	**171,128**	169,468
Dilutive effect of share options	**3,621**	3,559
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**174,749**	173,027
	2014 € cent	2013 € cent
Basic earnings per share	**62.6**	51.7
Diluted earnings per share	**61.3**	50.7
Adjusted basic (pre amortisation and non trading items) earnings per share	**66.6**	54.7

The number of options which are anti-dilutive and have therefore not been included in the above calculations is 589,484 (2013: 1,139,686*)*.

10 JOINT VENTURES

The Group adopted IFRS 11 'Joint Arrangements' from 1 January 2014 with retrospective application to 2013, as required by the standard. Previously the Group reported its share of the results from jointly controlled entities separately on each line of the Income Statement and its share of the assets and liabilities separately on each line of the Statement of Financial Position.

The standard now requires that the Group report only its share of the profit after tax and the net investment in the Joint Ventures. The share of the profit after tax from Joint Ventures for the year ending 31 December 2014 was €0.6m (2013: €0.01m).

Due to the relative size of these amounts, the share of results from Joint Ventures has been included within the Operating Costs line of the Income Statement.

The effect of adoption of IFRS 11 on the individual line items in the Statement of Financial Position and the Statement of Cash Flows is not material.

11 BUSINESS COMBINATIONS

On 28 February 2014 the Group acquired 95% of the share capital in Dri-Design Inc., a high-end architectural facades business in the US. This acquisition will allow the Group to expand its product offering to customers in its Panels division.

On 1 November 2014 the Group's Insulation Boards division acquired the trade of the Building Insulation division of Pactiv LLC. Pactiv building insulation produces a comprehensive range of XPS insulation products under the GreenGuard brand which it supplies throughout the USA from its manufacturing base in Virginia.

On 3 November 2014 the Group acquired 90% of the share capital in Pal International, a rigid insulation boards business with a manufacturing presence in Dubai and India and sales throughout the Middle East and North Africa. This acquisition will allow the Group's Insulation Boards division to expand its geographical footprint into these new markets.

The provisional fair values of the acquired assets and liabilities at acquisition are set out below:

	Pactiv €m	Pal €m	Dri-Design €m	Total €m
Non-current assets				
Intangible assets	13.1	-	5.1	**18.2**
Property, plant and equipment	4.3	5.7	0.2	**10.2**
Deferred tax asset	-	-	0.5	**0.5**
Current assets				
Inventories	9.8	3.3	1.0	**14.1**
Trade and other receivables	0.6	9.4	2.9	**12.9**
Current liabilities				
Trade and other payables	(7.5)	(8.0)	(2.2)	**(17.7)**
Provisions for liabilities	(1.4)	(0.6)	(0.7)	**(2.7)**
Total identifiable assets	18.9	9.8	6.8	**35.5**
Goodwill	37.3	19.8	21.8	**78.9**
Total consideration	56.2	29.6	28.6	**114.4**
Satisfied by:				
Cash (net of cash acquired)	56.2	20.9	23.4	**100.5**
Deferred contingent consideration	-	8.7	5.2	**13.9**
	56.2	29.6	28.6	**114.4**

Since the valuation of the fair value of assets and liabilities recently acquired is still in progress, the above values have been determined provisionally.

The acquired goodwill is attributable principally to the profit generating potential of the businesses, together with cross-selling opportunities and other synergies expected to be achieved from integrating the acquired businesses into the Group's existing business.

In the case of Pal and Dri Design, the deferred contingent consideration includes a potential amount payable to the former owners if certain trading targets are achieved and an estimate of the cost of the buy-out of the non-controlling interest. There are put and call option arrangements in place that are exercisable between years 3 and 5 and are based on a multiple of EBITDA. As these options are expected to be exercised, the Group has consolidated the acquired entities as 100% subsidiaries.

In the post-acquisition period to 31 December 2014, the acquired businesses contributed revenue of €28.3m and a trading profit of €3.3m to the Group's results.

12 POST BALANCE SHEET EVENTS

The Group has announced two acquisitions which are in the process of obtaining regulatory approval at the date of approval of these financial statements. Further details of these possible acquisitions are set out below.

Vicwest
On 11 November 2014 Kingspan announced that it had entered into an agreement to acquire the Building Products ("BP") division of Vicwest Inc ("Vicwest").

Vicwest is a Canadian listed company. Its BP division comprises three Insulated Panel manufacturing plants in addition to a number of profiling facilities across Canada and the US.

The consideration is expected to be circa C$154.5m inclusive of debt and reorganisation costs, payable in cash on completion. The BP revenues for the 12 months to 31 December 2013 were C$253.7m, and pro forma EBITDA for the same period was C$13.2m. Forecast pro forma EBITDA for 2014 is C$15.0m. BP had gross assets of C$127.1m as at 30 June 2014. Post acquisition, Kingspan plans to implement further changes in the BP business and the impact of these changes is expected to increase the annual pro forma EBITDA to circa C$18.0m. The current management team of the BP business will be transferring to Kingspan following completion.

The acquisition of the BP business will be funded from Kingspan's existing credit facilities.

Completion of the Arrangement is subject to a number of conditions including, but not limited to, anti trust approvals. Subject to receipt of all required approvals, closing is expected to occur in the first half of 2015.

Joris Ide
On 27 January 2015 Kingspan announced that it had entered into an agreement with Ergon Capital Partners II NV and Bremhove NV to acquire 100% of the shares of Steel Partners NV, the holding company of the Joris Ide Group ("Joris Ide").

Joris Ide is a pan European manufacturer and supplier of insulated panels, profiles and related accessories, with leading market positions in France and the Benelux. It has 5 insulated panel manufacturing facilities in Belgium, Germany, Romania and Russia, and 11 regional manufacturing sites across Europe, which provide a uniquely complementary geographic footprint to Kingspan's existing European insulated panel business.

The consideration for the business will be circa €315m inclusive of debt, which will vary depending on the specific amount of working capital and debt on completion. The consideration will be satisfied on completion partly in cash and by the assumption of debt, with the balance of the consideration satisfied by the issue of three million shares in Kingspan Group plc to Bremhove NV, which is the holding company of the founder and major shareholder, Mr Joris Ide.

In the 12 months to 31 December 2014, Joris Ide had unaudited revenues of €465m and EBITDA of €36m. Revenues and adjusted EBITDA to 31 December 2013 were €435m and €28m respectively. As at 31 December 2013, Joris Ide had gross assets of €316m, and on completion net assets excluding goodwill are expected to be €135m.

The existing management team of Joris Ide will be retained in the business, and will continue to manage and develop the business distinct from the Kingspan brand. The acquisition is conditional on regulatory clearance, and is expected to complete towards the end of the first quarter of 2015.

As the initial accounting for the above business combinations is incomplete further details on these two prospective acquisitions has not been provided.

There have been no other material events subsequent to 31 December 2014 which would require disclosure in this report.

13 EXCHANGE RATES

The financial information included in this report is expressed in Euro which is the presentation currency of the Group and the functional currency of the Company. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at actual exchange rates or average rates, where this is a reasonable approximation, and the related Statements of Financial Position have been translated at the rates of exchange ruling at the balance sheet date.

Exchange rates of material currencies used were as follows:

	Average rate		Closing rate	
Euro =	**2014**	2013	**2014**	2013
Pound Sterling	**0.806**	0.849	**0.780**	0.833
US Dollar	**1.328**	1.329	**1.215**	1.377
Canadian Dollar	**1.467**	1.369	**1.409**	1.464
Australian Dollar	**1.473**	1.378	**1.483**	1.540
Czech Koruna	**27.534**	25.976	**27.744**	27.401
Polish Zloty	**4.185**	4.195	**4.259**	4.151
Hungarian Forint	**308.69**	296.870	**314.85**	297.080

14 CAUTIONARY STATEMENT

This report contains forward-looking statements. These statements have been made by the directors in good faith based on the information available to them up to the time of their approval of this report. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The directors undertake no obligation to update any forward-looking statements contained in this report, whether as a result of new information, future events, or otherwise.

15 BOARD APPROVAL

This announcement was approved by the Board on 23 February 2015.