KINGSPAN GROUP PLC

HALF-YEARLY FINANCIAL REPORT

for the period ended 30th June 2014

KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2014

Kingspan the global leader in high performance insulation, building fabric, and solar integrated building envelopes issues its half-yearly financial report for the period ended 30 June 2014.

Highlights:

Financial Highlights:
- Revenue up 4% to €889.3m, (pre-currency, up 5%).
- Trading profit up 24% to €69.2m, (pre-currency up 24%).
- Group trading margin of 7.8%, an increase of 120bps versus the same period in 2013.
- Net debt of €113.4m (H1 2013: €165.1m). Net debt to EBITDA of 0.7x (H1 2013: 1.1x).
- Basic EPS up 27% to 29.2 cent (H1 2013: 23.0 cent).
- Interim dividend per share up 14% to 6.25 cent (H1 2013: 5.5 cent).
- Increase in ROCE by 160 bps to 12.4% (H1 2013: 10.8%).

Operational Highlights:
- Good performance overall with sales levelling off in quarter two following a strong and unseasonal quarter one.
- Insulated Panels sales up 9% and trading profit up 30%, reflecting continuing penetration gains, a positive business mix, and some improvement in end markets in certain regions.
- Insulation Boards sales up 1% and trading profit up 32%, with a good performance in the UK in particular and an improved business mix. The Group's new facility in the Eastern region of Germany was fully commissioned in the second quarter.
- Environmental sales were flat overall and have stabilised.
- Access Floor sales were down 11%, with weak US office activity offsetting a good performance in UK office volumes.

Summary Financials:

	H1'14 €m	***H1'13 €m***	***Change***
Revenue	889.3	851.5	+4%
EBITDA	88.9	75.7	+17%
Trading Profit*	69.2	55.8	+24%
Trading Margin	7.8%	6.6%	+120bps
EPS (cent per share)	29.2	23.0	+27%

**Operating profit before amortisation of intangibles*

Gene Murtagh, Chief Executive of Kingspan commented:
"Kingspan has delivered strong growth in profitability, notwithstanding a tougher EU construction sector in the second quarter, and a global economic recovery that remains weak. Our order book carried good momentum into the second half of the year, driven by continued growth in the demand for low energy buildings."

For further information contact:
Murray Consultants Tel: +353 (0) 1 4980 300
Douglas Keatinge

Business Review

Kingspan recorded a positive start to the first six months of 2014 resulting in sales revenue of €889.3m and a trading profit of €69.2m, an increase of 4% and 24% respectively. Quarter one activity, in particular, showed a significant improvement over the same period in 2013, followed by a second quarter sales trend that eased towards mid-year.

UK revenue, representing 38% of Group sales, grew materially in the first half in the Insulated Panels, Insulation Boards and Access Floors businesses as general building activity continued to recover in the region. The trading environment in many of our other markets has been quite mixed with the Benelux and France remaining under some macro-economic pressure despite being enhanced by an unseasonably mild first quarter. The German market was stable, as was the Gulf region. The performance in Turkey was quite weak as a result of recent political instability there. North American non-residential activity was reasonably stable where our Insulated Panels business continued to gain from further penetration growth although this was countered somewhat by stubbornly weak office construction in that region.

Earlier this month we announced that we had entered into an agreement with Pactiv LLC to acquire its US building insulation business, which manufactures and sells a range of XPS insulation products throughout the USA under the GreenGuard® brand, for a total consideration of US$72.0m plus US$10.0m of working capital. This is a new and exciting frontier for Kingspan's Insulation Board business in North America with particular exposure to the residential sector. It provides a tremendous opportunity to build upon the growing success of our existing Insulated Panel business throughout the region at a time when North America's focus on energy efficiency and security is at an all-time high.

Insulated Panels

	***H1* '14 €m**	***H1* '13 €m**	**Change**
Turnover	526.1	482.5	+9%(1)
Trading Profit	43.7	33.5	+30%
Trading Margin	8.3%	6.9%	

(1) Comprising volume +7%, price/mix +2%, currency impact -1% and acquisitions +1%

UK

The majority of non-residential end-market applications for Insulated Panels in the UK showed considerable improvement over the same period in 2013, driven by a number of large scale retail and manufacturing projects which combined to drive sales volumes up on prior year. Our Kingspan Energy business, which delivers rooftop solar solutions, also continued to gain traction and is on target to deliver revenue in excess of €30m in its first full year. Benchmark architectural specifications are well up on prior year and should deliver an improved second half sales performance.

Mainland Europe and the Middle East

In Germany, Poland and Hungary the Group's combined sales volume grew by mid-single digit percentages in the first half, even after a sustained concentration on margin led to slight revenue contraction in some products. There was solid progress in the Nordics region where high performance insulation and building envelopes are gaining a sustainable foothold. Volumes in the Benelux region showed marginal gains, although order intake was down slightly. Overall market penetration of insulated panels grew again in France although this was countered by less buoyant commercial & industrial and cold storage end markets. Volumes in Turkey were impacted by recent political unrest and were in stark contrast to a strong performance in our business in the wider Middle East and Gulf regions.

North America

In the early part of the year the prolonged cold spell in the North East impacted upon sales volumes although order intake has been consistently strong. This clearly demonstrates the continuing growth in market acceptance of low energy building fabrics with an orderbook ending the period at a record high, and second half volumes are expected to trend positively.

Australasia

As a market, notwithstanding the difference in scale, Australia is evolving along similar lines to the US, showing compelling growth in high performance building solutions. Volumes were well up on prior year for the same period, and order intake grew substantially, albeit compared to what was a slow start to 2013.

Ireland

Activity continues to improve in Ireland where both sales volume and order intake grew substantially over 2013.

Insulation Boards

	***H1* '14** €m	***H1* '13** (2) €m	**Change**
Turnover	221.1	218.8	+1% (1)
Trading Profit	17.7	13.4	+32%
Trading Margin	8.0%	6.1%	

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

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

UK

Revenue grew strongly in the first half of 2014, particularly in the first quarter, as the general economy and new house construction remain on a path of recovery. Growth has abated somewhat in recent months, although sales of Kooltherm® have been robust, and margins have benefitted considerably from this dynamic. Specifications for Optim-R®, our next generation insulation board, have been growing steadily from a standing start earlier in the year.

Mainland Europe

Despite the prevailing weakness in the Dutch economy, sales improved in the first six months driven by penetration growth and helped to an extent by an unseasonably mild first quarter. Revenue has also grown in Germany, the Nordics and Central Europe, which are now being supported by our recently commissioned facility in the eastern region of Germany. Penetration of modern insulation materials is relatively low in the Nordics and Central Europe but these markets are showing clear and emerging signs of adapting to rigid insulation as an efficient solution to increasingly stringent building energy codes. These regions will become an increasing focus for Kingspan in time.

Australasia

In recent years, Kooltherm® has been growing its position in Australia, and select SEA markets, and sales revenue in the first half increased further. It is our ambition to develop ongoing demand to a level that requires a local manufacturing presence by 2016. Volume growth thus far has been trending on target to achieve this goal.

Ireland

Whilst market volumes in Ireland have been improving gradually, from its low recent base, pricing remains under significant pressure. Our focus has been to drive conversion to Kooltherm® which has been key in improving the profitability of our business in the region even though it has been at the expense of volume in the current year.

Access Floors

	***H1* ’14** **€m**	***H1* ’13** **€m**	**Change**
Turnover	70.5	78.9	-11% (1)
Trading Profit	7.6	8.1	-6%
Trading Margin	10.8%	10.3%	

(1) Comprising volume +3%, price/mix -12% and currency impact -2%

Access Floors demand is derived primarily from office construction activity, datacentre, and education applications.

A significant proportion of our sales revenue is in North America where office starts remain at all time lows, weighing heavily on the overall divisional sales volume. The project pipeline, a barometer for medium term activity, has been improving steadily and augurs well for late 2015 and beyond. In the nearer term, we expect office applications to remain unexciting, balanced to an extent by stable datacentre activity.

In contrast to North America, office construction in the UK has improved markedly as has Kingspan's volume into this segment. This trend is likely to continue over the coming twelve months as London's skyline, in particular, continues to evolve.

Environmental

	H1 **'14** **€m**	***H1*** **'13** **€m**
Turnover	71.6	71.3
Trading Profit	0.2	0.8
Trading Margin	0.3%	1.1%

Sales of Environmental products remained stable in the first half across the UK, Ireland and Mainland Europe. In the second quarter, revenue from our Water Solutions business showed improvement in the UK following a slower start to the year resulting from an unusually wet season. Hot water products were down slightly with new home construction assisting demand although this was offset by intense competition and a structured volume decline in the more traditional copper vessel market.

Our KW15 microwind offering was launched in the second quarter and inquiries have accelerated in recent months. Deliveries commenced during the third quarter and should compensate for ongoing weakness in the Solar Thermal market, where volumes have been under pressure in recent years.

In all, this division is positioned to deliver gradual performance improvement into the future.

Financial Review

Overview of results

Group revenue increased by 4% to €889.3m (H1 2013: €851.5m) and trading profit increased by 24% to €69.2m (H1 2013: €55.8m). This represented a 5% increase in sales and a 24% increase in trading profit on a constant currency basis. The Group's trading margin increased by 120bps to 7.8% (H1 2013: 6.6%). The amortisation charge in respect of intangibles was €2.2m compared to €1.9m in the first half of 2013 with the increase reflecting intangible assets acquired in respect of Dri-Design in February 2014. Group operating profit after amortisation grew 24% to €67.0m. Profit after tax was €50.0m compared to €39.2m in the first half of 2013 driven, in the main, by the growth in trading profit. Basic EPS for the period was 29.2 cent, representing an increase of 27% on the first half of 2013 (H1 2013: 23.0 cent).

The Group's underlying sales and trading profit performance by division is set out below:

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+9%	-1%	+1%	+9%
Insulation Boards	0%	+1%	-	+1%
Access Floors	-9%	-2%	-	-11%
Environmental	-2%	+2%	-	-
Group	+4%	-1%	+1%	+4%

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

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+30%	-2%	+2%	+30%
Insulation Boards	+30%	+2%	-	+32%
Access Floors	-6%	-	-	-6%
Environmental	n/a	n/a	n/a	n/a
Group	+23%	0%	+1%	+24%

Change in accounting policy and reclassification
IFRS 11 'Joint Arrangements' has been adopted as required by IFRS for the half year ended 30 June 2014. All comparatives have been restated accordingly. Further details are set out in note 14.

Finance costs
Finance costs for the year were modestly higher than the same period last year at €7.0m (H1 2013: €6.8m). Finance costs include a non-cash charge of €0.1m (H1 2013: €0.2m) in respect of the Group's legacy defined benefit pension schemes. A net non-cash charge of €0.1m was recorded in respect of swaps on the Group's USD private placement notes (H1 2013: credit of €0.2m). The Group's net interest expense on borrowings (bank and loan notes) was €7.0m compared to €7.3m in the first half of 2013. This decrease reflects a reduction in the floating interest rates on the floating portion of the USD private placements and a reduction in commitment fees on the Group's revolving credit facility following its re-negotiation in March 2014.

Taxation
The tax charge for the first half of the year was €10.1m (H1 2013: €7.9m) which represents an effective tax rate of 16.2% on earnings before amortisation (H1 2013: 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 has assumed a defined benefit obligation in respect of certain current and former employees of ThyssenKrupp Construction acquired during 2012. The net pension liability in respect of all the Group's defined benefit obligations was €6.4m as at 30 June 2014 (30 June 2013: €11.3m).

Free cashflow

Free cashflow	H1’14 €’m	H1’13 €’m
EBITDA*	88.9	75.7
Movement in working capital	(29.5)	(40.2)
Net capital expenditure	(21.0)	(18.2)
Pension contributions	(1.2)	(1.3)
Finance costs paid	(7.6)	(6.3)
Income taxes paid	(6.0)	(5.3)
Other including non-cash items	5.1	5.4
Free cashflow	28.7	9.8

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

Working capital increased by €29.5m in the first half of 2014 (in H1 2013 it increased by €40.2m). The Group typically increases working capital in the first half reflecting seasonal variability associated with trading patterns and the timing of significant purchases for steel and chemicals. The average working capital to sales % was 12.7% in H1 2014 compared to 12.8% in H1 2013.

Net Debt

Net debt increased by €6.7m during the first half to €113.4m (31 December 2013: €106.7m). This is analysed in the table below:

Movement in net debt	H1’14 €’m	H1’13 €’m
Free cashflow	28.7	9.8
Acquisitions	(23.4)	-
Share issues	4.3	1.5
Dividends paid	(14.6)	(12.3)
Cashflow movement	(5.0)	(1.0)
Exchange movements on translation	(1.7)	1.1
Decrease / (Increase) in net debt	(6.7)	0.1
Net debt at start of year	(106.7)	(165.2)
Net debt at end of period	(113.4)	(165.1)

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, originally entered into in April 2012 and amended in March 2014, with a syndicate of international banks. The facility, which was undrawn at the period end, was favourably amended from a pricing perspective with the term extended to March 2019. 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 year end was 4.3 years (June 2013: 4.3 years).

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

Related Party Transactions
There were no changes in related party transactions from the 2013 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 2013 Annual Report. These risks, namely volatility in the macro environment, failure to innovate, product failure, business interruption (including IT continuity), credit risks and credit control, 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 6.25 cent per ordinary share, an increase of 14% on the 2013 interim dividend of 5.5 cent per share. The interim dividend will be paid on 26 September 2014 to shareholders on the register on the record date of 5 September 2014.

Outlook

The pace of economic recovery in the markets we serve, notwithstanding some exceptions, has been glacial at best and clearly not helped by the prevailing geo-political disquiet in some markets. Building activity more particularly, which began the year with positive momentum in many of our markets, has eased in more recent months and we anticipate that trend to remain through the second half of the year.

Against that backdrop, order intake at our larger businesses, most notably in the UK, North America, and Australia has been strong in the first half, which bodes well for the latter part of 2014 in those markets. Less positive has been the activity in some Continental European markets, which could impact the topline growth of the Group, although margins can still be expected to improve.

Overall, Kingspan remains well poised to advance in a medium to longer term environment that is likely to experience improvements in both building activity and methods, sustained by the drive towards achieving a more energy efficient living and working environment.

RESPONSIBILITY STATEMENT

Directors' Responsibility Statement in respect of the half-yearly financial report for the six months ended 30 June 2014

Each of the directors of Kingspan Group plc 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 IAS 34 "Interim Financial Reporting" as adopted by the EU. We confirm that to the best of our knowledge:

a) the condensed consolidated Half-yearly 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
26 August 2014	26 August 2014

Kingspan Group plc

Condensed consolidated income statement (unaudited)
for the half year ended 30 June 2014

	Note	**6 months ended 30 June 2014**	6 months ended 30 June 2013
	Note	**€'000**	€'000
Revenue	*4*	**889,303**	851,527
Cost of Sales		**(648,624)**	(631,338)
Gross Profit		**240,679**	220,189
Operating Costs, excluding intangible amortisation		**(171,476)**	(164,384)
Trading Profit	*4*	**69,203**	55,805
Intangible amortisation		**(2,211)**	(1,897)
Operating Profit		**66,992**	53,908
Finance expense	*6*	**(7,147)**	(7,217)
Finance income	*6*	**191**	399
Profit for the period before income tax		**60,036**	47,090
Income tax expense	*7*	**(10,085)**	(7,853)
Net Profit for the period		**49,951**	39,237
Attributable to owners of Kingspan Group plc		**49,880**	38,824
Attributable to non-controlling interests		**71**	413
		49,951	39,237
Earnings per share for the period			
Basic	*11*	**29.2c**	23.0c
Diluted	*11*	**28.6c**	22.5c

Kingspan Group plc

Condensed consolidated statement of comprehensive income (unaudited)

for the half year ended 30 June 2014

	6 months ended 30 June 2014	6 months ended 30 June 2013
	€'000	€'000
Net profit for financial period	**49,951**	39,237
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**21,882**	(22,101)
Net change in fair value of cash flow hedges reclassified to income statement	**(59)**	(194)
Effective portion of changes in fair value of cash flow hedges	**(2,347)**	2,451
Income taxes relating to changes in fair value of cash flow hedges	**313**	-
Items that will not be reclassified to profit or loss		
Actuarial losses on defined benefit pension schemes	**-**	-
Income taxes relating to actuarial losses on defined benefit pension schemes	**-**	-
Total comprehensive income for the period	**69,740**	19,393
Attributable to owners of Kingspan Group plc	**69,592**	18,913
Attributable to non-controlling interests	**148**	480
	69,740	19,393

Kingspan Group plc

Condensed consolidated statement of financial position (unaudited)

as at 30 June 2014

	Note	**At 30 June 2014 €'000**	At 30 June 2013 (Restated)* €'000	At 31 December 2013 (Restated)* €'000
Assets				
Non-current assets				
Goodwill		**398,945**	375,793	368,464
Other intangible assets		**19,215**	18,206	16,204
Property, plant and equipment	*12*	**494,931**	494,136	487,751
Investment in joint ventures		**8,972**	8,359	8,323
Derivative financial instruments		**1,471**	10,971	674
Retirement benefit assets		**7,315**	3,276	6,099
Deferred tax assets		**7,103**	9,071	6,615
		937,952	919,812	894,130
Current assets				
Inventories		**228,049**	204,024	190,370
Trade and other receivables		**390,689**	361,466	308,132
Derivative financial instruments		**45**	3,999	26
Cash and cash equivalents	*9*	**192,711**	135,855	196,587
		811,494	705,344	695,115
Non-current assets classified as held for sale		**-**	388	-
		811,494	705,732	695,115
Total assets		**1,749,446**	1,625,544	1,589,245
Liabilities				
Current liabilities				
Trade and other payables		**373,523**	333,064	285,501
Provisions for liabilities		**37,138**	38,573	39,936
Derivative financial instruments		**5,018**	-	2,359
Deferred contingent consideration		**7,159**	484	7,474
Interest bearing loans and borrowings		**4,300**	4,121	6,947
Current income tax liabilities		**39,040**	45,282	37,313
		466,178	421,524	379,530
Non-current liabilities				
Retirement benefit obligations		**13,722**	14,602	13,837
Provisions for liabilities		**16,385**	20,862	17,289
Interest bearing loans and borrowings		**296,971**	310,681	290,730
Derivative financial instruments		**3,303**	-	4,481
Deferred tax liabilities		**24,675**	24,936	23,756
Deferred contingent consideration		**5,193**	7,379	-
		360,249	378,460	350,093
Total liabilities		**826,427**	799,984	729,623
Net Assets		**923,019**	825,560	859,622
Equity				
Share capital		**22,914**	22,695	22,747
Share premium		**47,235**	41,937	43,145
Capital redemption reserve		**723**	723	723
Treasury shares		**(30,707)**	(30,707)	(30,707)
Other reserves		**(105,400)**	(113,614)	(126,152)
Retained earnings		**980,248**	897,163	942,008
Equity attributable to owners of Kingspan Group plc		**915,013**	818,197	851,764
Non-controlling interests		**8,006**	7,363	7,858
Total Equity		**923,019**	825,560	859,622

* IFRS 11 'Joint Arrangements' has been adopted as required by IFRS for the half year ended 30 June 2014. The comparatives for the half year ended 30 June 2013 and for the year ended 31 December 2013 have been restated (refer to note 14).

Kingspan Group plc

Condensed consolidated statement of changes in equity (unaudited)

For the half year ended 30 June 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 interests	Total equity
	€'000	€'000	€’000	€'000	€’000	€'000	€'000	€’000	€'000	€'000	€'000	€'000
Balance at 1 January 2014	22,747	43,145	723	(30,707)	(148,047)	(682)	21,864	713	942,008	851,764	7,858	**859,622**
Transactions with owners recognised directly in equity												
Shares issued	167	4,090	-	-	-	-	-	-	-	4,257	-	**4,257**
Employee share based compensation	-	-	-	-	-	-	3,957	-	-	3,957	-	**3,957**
Exercise or lapsing of share options	-	-	-	-	-	-	(2,917)	-	2,917	-	-	-
Dividends	-	-	-	-	-	-	-	-	(14,557)	(14,557)	-	**(14,557)**
Transactions with non-controlling interests:												
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners	167	4,090	-	-	-	-	1,040	-	(11,640)	(6,343)	-	**(6,343)**
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	49,880	49,880	71	**49,951**
Other comprehensive income												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(2,347)	-	-	-	(2,347)	-	**(2,347)**
- reclassification to profit	-	-	-	-	-	(59)	-	-	-	(59)	-	**(59)**
- tax impact	-	-	-	-	-	313	-	-	-	313	-	**313**
Exchange differences on translating foreign operations	-	-	-	-	21,805	-	-	-	-	21,805	77	**21,882**
Items that will not be reclassified to profit or loss												
Defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes relating to actuarial gains/(losses) on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,805	(2,093)	-	-	49,880	69,592	148	**69,740**
Balance at 30 June 2014	22,914	47,235	723	(30,707)	(126,242)	(2,775)	22,904	713	980,248	915,013	8,006	**923,019**

Kingspan Group plc

Condensed consolidated statement of changes in equity (unaudited)

For the half year ended 30 June 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 interests	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2013	22,542	40,570	723	(30,707)	(116,884)	97	24,013	713	865,196	806,263	7,115	**813,378**
Transactions with owners recognised directly in equity												
Shares issued	153	1,367	-	-	-	-	-	-	-	1,520	-	**1,520**
Employee share based compensation	-	-	-	-	-	-	3,773	-	-	3,773	-	**3,773**
Exercise or lapsing of share options	-	-	-	-	-	-	(5,415)	-	5,415	-	-	-
Dividends	-	-	-	-	-	-	-	-	(12,272)	(12,272)	-	**(12,272)**
Transactions with non-controlling interests:												
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(232)	**(232)**
Transactions with owners	153	1,367	-	-	-	-	(1,642)	-	(6,857)	(6,979)	(232)	**(7,211)**
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	38,824	38,824	413	**39,237**
Other comprehensive income												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	2,451	-	-	-	2,451	-	**2,451**
- reclassification to profit	-	-	-	-	-	(194)	-	-	-	(194)	-	**(194)**
Exchange differences on translating foreign operations	-	-	-	-	(22,168)	-	-	-	-	(22,168)	67	**(22,101)**
Items that will not be reclassified subsequently to profit or loss												
Defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes relating to actuarial gains/(losses) on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(22,168)	2,257	-	-	38,824	18,913	480	**19,393**
Balance at 30 June 2013	22,695	41,937	723	(30,707)	(139,052)	2,354	22,371	713	897,163	818,197	7,363	**825,560**

Kingspan Group plc

Condensed consolidated statement of changes in equity (audited)

For the financial year ended 31 December 2013

	Share Capital €'000	Share Premium €'000	Capital Redemption Reserve €'000	Treasury Shares €'000	Translation Reserve €'000	Cash flow Hedging Reserve €'000	Share Based Payment Reserve €'000	Revaluation Reserve €'000	Retained Earnings €'000	Total attributable to owners of the parent €'000	Non Controlling Interests €'000	Total Equity €'000
Balance at 1 January 2013	22,542	40,570	723	(30,707)	(116,884)	97	24,013	713	865,196	806,263	7,115	**813,378**
Transactions with owners recognised directly in equity												
Shares issued	205	2,575	-	-	-	-	-	-	-	2,780	-	**2,780**
Employee share based compensation	-	-	-	-	-	-	7,227	-	-	7,227	-	**7,227**
Tax on employee share based compensation	-	-	-	-	-	-	(233)	-	2,089	1,856	-	**1,856**
Exercise or lapsing of share options	-	-	-	-	-	-	(9,143)	-	9,143	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	(21,570)	(21,570)	-	**(21,570)**
Transactions with non-controlling interests:												
Buy out of non-controlling interests	-	-	-	-	-	-	-	-	(1,515)	(1,515)	(27)	**(1,542)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(442)	**(442)**
Transactions with owners	205	2,575	-	-	-	-	(2,149)	-	(11,853)	(11,222)	(469)	**(11,691)**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	87,643	87,643	1,513	**89,156**
Other comprehensive income												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(1,028)	-	-	-	(1,028)	-	**(1,028)**
- reclassification to profit	-	-	-	-	-	152	-	-	-	152	-	**152**
- tax impact	-	-	-	-	-	97	-	-	-	97		**97**
Exchange differences on translating foreign operations	-	-	-	-	(31,163)	-	-	-	-	(31,163)	(301)	**(31,464)**
Items that will not be reclassified subsequently to profit or loss												
Defined benefit pension scheme	-	-	-	-	-	-	-	-	1,350	1,350	-	**1,350**
Income taxes relating to actuarial gains/ (losses) on defined benefit pension scheme	-	-	-	-	-	-	-	-	(328)	(328)	-	**(328)**
Total comprehensive income for the year	-	-	-	-	(31,163)	(779)	-	-	88,665	56,723	1,212	**57,935**
Balance at 31 December 2013	22,747	43,145	723	(30,707)	(148,047)	(682)	21,864	713	942,008	851,764	7,858	**859,622**

Kingspan Group plc

Condensed consolidated statement of cash flows (unaudited)
for the half year ended 30 June 2014

	6 months ended 30 June 2014 €'000	6 months ended 30 June 2013 (Restated)* €'000
Operating activities		
Profit for the period before income tax	**60,036**	47,090
Depreciation of property, plant and equipment and amortisation of intangible assets	**21,922**	21,755
Employee equity-settled share options	**3,957**	3,773
Finance income	**(191)**	(399)
Finance expense	**7,147**	7,217
Non-cash items	**1,739**	1,917
Profit on sale of property, plant and equipment	**(106)**	(104)
Change in inventories	**(33,539)**	(17,482)
Change in trade and other receivables	**(72,290)**	(63,638)
Change in trade and other payables	**76,359**	40,966
Pension contributions	**(1,227)**	(1,325)
Cash generated from operations	**63,807**	39,770
Taxes paid	**(6,045)**	(5,298)
Net cash flow from operating activities	**57,762**	34,472
Investing activities		
Additions to property, plant and equipment	**(21,510)**	(18,612)
Proceeds from disposals of property, plant and equipment	**545**	461
Purchase of subsidiary undertakings	**(23,404)**	-
Payment of deferred consideration in respect of acquisitions	**(441)**	-
Interest received	**191**	329
Net cash flow from investing activities	**(44,619)**	(17,822)
Financing activities		
Drawings / (Repayment) of bank loans	**(2,485)**	505
Change in finance lease liability	**(135)**	(177)
Proceeds from share issues	**4,257**	1,520
Interest paid	**(7,832)**	(6,593)
Dividend paid to non-controlling interest	**-**	(232)
Dividends paid	**(14,557)**	(12,272)
Net cash flow from financing activities	**(20,752)**	(17,249)
Decrease in cash and cash equivalents	**(7,609)**	(599)
Translation adjustment	**3,733**	(3,456)
Cash and cash equivalents at the beginning of the period	**196,587**	139,910
Cash and cash equivalents at the end of the period	**192,711**	135,855
Cash and cash equivalents at beginning of period were made up of:		
- Cash and cash equivalents	**196,587**	140,295
- Overdrafts	**-**	(385)
	196,587	139,910
Cash and cash equivalents at end of period were made up of:		
- Cash and cash equivalents	**192,711**	135,855
- Overdrafts	**-**	-
	192,711	135,855

* IFRS 11 ‘Joint Arrangements’ has been adopted as required by IFRS for the half year ended 30 June 2014. The comparatives for the half year ended 30 June 2013 and for the year ended 31 December 2013 have been restated (refer to note 14).

Kingspan Group plc

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 2014 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 2013 prepared in accordance with IFRS, as adopted by the EU, upon which the auditors have given an unqualified audit report, are available on the Group's website (www.kingspan.com).

2 Basis of preparation

This Half-Yearly Financial Report is unaudited but has been reviewed by the auditors.

(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 22 August 2014.

(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 2013, except for the adoption of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IFRIC 21 Levies and amendments to IAS 27, IAS 28, IAS 32, IAS 36 and IAS 39.

The effect of the adoption of IFRS 11 is set out in note 14. The adoption of other new standards and interpretations (as set out in the 2013 Annual Report) that become effective in the current period did not have any significant impact on the interim financial statements.

Comparative information has been restated, where applicable to be consistent.

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.

(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 judgements 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 2013.

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 and presentation currency of the Group.

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 2014	**H1 2013**	**FY 2013**	**30.06.14**	**30.06.13**	**31.12.13**
Euro =						
Pound Sterling	**0.822**	0.851	0.849	**0.800**	0.850	0.833
US Dollar	**1.371**	1.314	1.329	**1.362**	1.304	1.377
Canadian Dollar	**1.504**	1.333	1.369	**1.457**	1.360	1.464
Australian Dollar	**1.499**	1.295	1.378	**1.446**	1.400	1.540
Czech Koruna	**27.443**	25.687	25.976	**27.468**	25.887	27.401
Polish Zloty	**4.175**	4.176	4.195	**4.154**	4.331	4.151
Hungarian Forint	**306.79**	296.09	296.87	**308.55**	295.39	297.08

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 distributed energy, water and environmental management 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 2014	**526.1**	**221.1**	**71.6**	**70.5**	**889.3**
Total revenue - H1 2013 (restated)*	482.5	218.8	71.3	78.9	851.5

Segment result (profit before finance expense)

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Trading profit - H1 2014	43.7	17.7	0.2	7.6	**69.2**
Intangible amortisation	(1.4)	(0.7)	(0.1)	-	**(2.2)**
Operating result - H1 2014	42.3	17.0	0.1	7.6	**67.0**
Net finance expense					**(7.0)**
Profit for the period before income tax					**60.0**
Income tax expense					**(10.1)**
Profit for the period - H1 2014					**49.9**

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Trading profit - H1 2013	33.5	13.4	0.8	8.1	55.8
Intangible amortisation	(1.1)	(0.7)	(0.1)	-	(1.9)
Operating result - H1 2013	32.4	12.7	0.7	8.1	53.9
Net finance expense					(6.8)
Profit for the period before income tax					47.1
Income tax expense					(7.9)
Profit for the period - H1 2013					39.2

Segment assets and liabilities

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total 30 June 2014 €m	Total 30 June 2013 €m
Assets - H1 2014	**804.6**	**451.0**	**156.3**	**136.2**	**1,548.1**	
Assets – H1 2013 (restated)*	732.8	438.8	160.1	133.8		1,465.5
Derivative financial instruments					**1.5**	15.0
Cash and cash equivalents					**192.7**	135.9
Deferred tax asset					**7.1**	9.1
Total assets					**1,749.4**	1,625.5
Liabilities - H1 2014	**(270.6)**	**(105.2)**	**(39.5)**	**(25.4)**	**(440.7)**	
Liabilities - H1 2013 (restated)*	(250.4)	(96.2)	(37.6)	(22.9)		(407.1)
Interest bearing loans and borrowings (current and non-current)					**(301.3)**	(314.8)
Derivative financial instruments (current and non-current)					**(8.3)**	-
Deferred consideration (current and non-current)					**(12.4)**	(7.9)
Income tax liabilities (current and deferred)					**(63.7)**	(70.2)
Total liabilities					**(826.4)**	(800.0)

Other segment information

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Capital Investment - H1 2014	**11.0**	**8.7**	**1.1**	**0.7**	**21.5**
Capital Investment - H1 2013	11.1	8.1	1.1	0.8	21.1
Depreciation included in segment result - H1 2014	**(11.5)**	**(5.7)**	**(1.6)**	**(0.9)**	**(19.7)**
Depreciation included in segment result - H1 2013 (restated)*	(11.5)	(5.4)	(1.8)	(1.1)	(19.8)
Non cash items included in segment result - H1 2014	**(2.0)**	**(1.2)**	**(0.4)**	**(0.4)**	**(4.0)**
Non cash items included in segment result - H1 2013	(2.8)	(1.5)	(0.8)	(0.5)	(5.6)

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 2014	**35.1**	**335.3**	**314.2**	**113.7**	**91.0**	**889.3**
Revenue - H1 2013 (restated)*	36.0	290.7	316.6	119.8	88.4	851.5
Statement of Financial Position Items						
Non current assets - H1 2014	**51.8**	**336.4**	**298.8**	**177.2**	**65.2**	**929.4**
Non current assets - H1 2013	54.9	321.7	304.1	159.2	60.3	900.2
Capital Investment - H1 2014	**1.1**	**6.0**	**10.7**	**2.0**	**1.7**	**21.5**
Capital Investment - H1 2013	1.2	7.9	9.2	2.3	0.5	21.1

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.

6 Finance expense and finance income

	6 months ended 30 June 2014 €'000	6 months ended 30 June 2013 €'000
Finance expense		
Bank loans	**1,123**	1,347
Private placement	**5,869**	5,956
Net defined benefit pension scheme	**91**	157
Fair value movement on derivative financial instruments	**(1,760)**	(99)
Fair value movement on private placement debt	**1,824**	(144)
	7,147	7,217
Finance income		
Interest earned	**(191)**	(399)
Net finance cost	**6,956**	6,818

No borrowing costs were capitalised during the period (H1 2013: Nil).

7 Taxation

Taxation provided for on profits is €10.1m which represents 16.2% of the profit before tax and amortisation for the period (H1 2013: 16%). The full year effective tax rate in 2013 was 13.8%. 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 2014 €'000	At 30 June 2013 (Restated)* €'000
Cash and cash equivalents	**192,711**	135,855
Derivative financial instruments	**(4,852)**	13,859
Current borrowings	**(4,300)**	(4,121)
Non-current borrowings	**(296,971)**	(310,681)
Total net debt	**(113,412)**	(165,088)

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.

9 Financial instruments

The following table outlines the components of net debt by category:

	Loans & Receivables & Other Financial Assets/(Liabilities) at Amortised Cost €'m	Liabilities at Fair Value through Profit or Loss €'m	Derivatives Designated as Hedging Instruments €'m	Total Net Debt by Category €'m
Assets:				
Interest rate swaps	-	-	1.5	**1.5**
Cash at bank and in hand	192.7	-	-	**192.7**
Total assets	192.7	-	1.5	**194.2**
Liabilities:				
Interest rate swaps	-	-	(6.4)	**(6.4)**
Private placement notes	(177.2)	(119.4)	-	**(296.6)**
Other bank loans	(4.6)	-	-	**(4.6)**
Total liabilities	(181.8)	(119.4)	(6.4)	**(307.6)**
At 30 June 2014	**10.9**	**(119.4)**	**(4.9)**	**(113.4)**

	Loans & Receivables & Other Financial Assets/(Liabilities) at Amortised Cost €'m	Liabilities at Fair Value through Profit or Loss €'m	Derivatives Designated as Hedging Instruments €'m	Total Net Debt by Category €'m
Assets:				
Interest rate swaps	-	-	13.9	13.9
Cash at bank and in hand	135.9	-	-	135.9
Total assets	135.9	-	13.9	149.8
Liabilities:				
Private placement notes	(31.7)	(278.8)	-	(310.5)
Other bank loans	(4.4)	-	-	(4.4)
Total liabilities	(36.1)	(278.8)	-	(314.9)
At 30 June 2013 (restated)*	99.8	(278.8)	13.9	(165.1)

For information on the currency and maturity profile of net debt please refer to note 21 in the 2013 annual report.

Fair Value of financial instruments carried at fair value

Financial instruments recognised at fair value are analysed between those based on quoted prices in active markets for identical assets or liabilities (Level 1), those involving inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly (Level 2); and those involving inputs for the assets or liabilities that are not based on observable market data (Level 3). The following table sets out the fair value of all financial instruments whose carrying value is at fair value:

	Level 1 30 June 2014 €'m	Level 2 30 June 2014 €'m	Level 3 30 June 2014 €'m
Financial assets			
Interest rate swaps	-	1.5	-
Foreign exchange contracts for hedging	-	-	-
Financial liabilities			
Deferred contingent consideration	-	-	(12.4)
Interest rate swaps	-	(6.4)	-
Foreign exchange contracts for hedging	-	(2.0)	-
At 30 June 2014	**-**	**(6.9)**	**(12.4)**

	Level 1 30 June 2013 €'m	Level 2 30 June 2013 €'m	Level 3 30 June 2013 €'m
Financial assets			
Interest rate swaps	-	13.9	-
Foreign exchange contracts for hedging	-	1.1	-
Financial liabilities			
Deferred contingent consideration	-	-	(7.9)
Interest rate swaps	-	-	-
Foreign exchange contracts for hedging	-	-	-
At 30 June 2013	-	15.0	(7.9)

All derivatives entered into by the Group are included in level 2 and consist of foreign currency forward contracts, interest rate swaps and cross currency interest rate swaps.

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. Normally, the derivatives entered into by the Group are not traded in active markets. The fair values of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. market exchange and interest rates.

Deferred contingent consideration is included in level 3. Further details on deferred contingent consideration is set out in notes 20 and 24 of the 2013 Annual Report. The €4.9m increase in deferred contingent consideration in the period since December 2013 arises from the Dri Design acquisition (see note 15), the effect of movement in exchange rates and a small payment. The contingent element is measured on a series of trading performance targets, and is adjusted by the application of a range of outcomes and associated probabilities.

During the period ended 30 June 2014, there were no significant changes in the business or economic circumstances that affect the fair value of financial assets and liabilities, no reclassifications and no transfers between levels of the fair value hierarchy used in measuring the fair value of the financial instruments.

Fair Value of financial instruments at amortised cost
Except as detailed below, it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

Private placement notes	Carrying amount	Fair value
	€'m	€'m
At 30 June 2014	**296.6**	**313.3**
At 30 June 2013	310.5	312.0

10 Dividends

A final dividend on ordinary shares of 8.5 cent per share in respect of the year ended 31 December 2013 (31 December 2012: 7.25c) was paid on 15 May 2014.

The Directors are proposing an interim dividend of 6.25 cent (2013: 5.5 cent) per share in respect of 2014, which will be paid on 26 September 2014 to shareholders on the register on the record date of 5 September 2014.

11 Earnings per share

	6 months ended 30 June 2014 €'000	6 months ended 30 June 2013 €'000
The calculations of earnings per share are based on the following:		
Profit attributable to owners of the Company	49,880	38,824
	Number of shares ('000) 6 months ended 30 June 2014	**Number of shares ('000) 6 months ended 30 June 2013**
Weighted average number of ordinary shares for the calculation of basic earnings per share	170,790	169,105
Dilutive effect of share options	3,605	3,440
Weighted average number of ordinary shares for the calculation of diluted earnings per share	174,395	172,545
	€ cent	**€ cent**
Basic earnings per share	**29.2**	23.0
Diluted earnings per share	**28.6**	22.5
Adjusted basic (pre amortisation) earnings per share	**30.5**	24.1

The number of options which are anti-dilutive and have therefore not been included in the above calculations are 613,012 (H1 2013: 1,207,684).

12 Property, plant & equipment

	At 30 June 2014 **€'000**	At 30 June 2013 (Restated)* €'000	At 31 Dec 2013 (Restated)* €'000
Cost or valuation	1,116,647	1,111,551	1,084,016
Accumulated depreciation and impairment charges	(621,716)	(617,415)	(596,265)
Net carrying amount	494,931	494,136	487,751
Opening net carrying amount	487,680	503,761	503,761
Acquisitions through business combinations	179	-	(1,000)
Additions	21,343	21,105	43,770
Disposals	(471)	(359)	(2,581)
Reanalysed from “held for sale”	-	-	395
Depreciation charge	(19,711)	(19,808)	(39,661)
Impairment charge	(1,214)	-	(5,623)
Effect of movement in exchange rates	7,125	(10,563)	(11,310)
Closing net carrying amount	494,931	494,136	487,751

The disposals generated a profit of €0.1m (H1 2013: €0.1m profit) which has been included within Operating Costs.

13 Reconciliation of net cash flow to movement in net debt

	6 months ended 30 June 2014 **€'000**	6 months ended 30 June 2013 (Restated)* €'000	Year ended 31 December 2013 (Restated)* €'000
(Decrease)/increase in cash and bank overdrafts	**(7,610)**	(598)	60,876
(Increase)/decrease in debt	**2,485**	(505)	(3,804)
(Increase)/decrease in lease finance	**135**	177	423
Change in net debt resulting from cash flows	**(4,990)**	(926)	57,495
Translation movement - relating to US dollar loans	**(6,188)**	3,503	23,515
Translation movement - other	**3,706**	(3,475)	(4,049)
Derivative financial instruments movement	**806**	1,032	(18,485)
Net movement	**(6,666)**	134	58,476
Net debt at start of the period	**(106,746)**	(165,222)	(165,222)
Net debt at end of the period	**(113,412)**	(165,088)	(106,746)

14 Change in accounting policy and reclassification

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 Joint Arrangements 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

Arrangements. The share of the profit after tax from Joint Arrangements for the half year ending 30 June 2014 was €365,000 (half year ending 30 June 2013: loss of €89,000). Due to the relative size of these amounts, the share of results from Joint Arrangements has been included within the Operating Costs line of the Income Statement. The adoption of IFRS 11 on the individual line items in the Statement of Financial Position and the Statement of Cash Flows is not material.

15 Acquisitions

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. The provisional fair value of the acquired assets and liabilities at that date are set out below:

	€'000
Non-current assets	
Intangible assets	5,118
Property, plant and equipment	179
Deferred tax assets	485
Current assets	
Inventories	954
Trade and other receivables	2,879
Current liabilities	
Trade and other payables	(2,107)
Provisions for liabilities	(702)
Total identifiable assets	6,806
Goodwill	21,761
Total consideration	28,567
Satisfied by:	
Cash	23,404
Deferred contingent consideration	5,163
	28,567

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

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

The gross value, before impairment provisions, of trade and other receivables at acquisition was €4.4m. The deferred contingent consideration includes a potential amount payable to the former owners if certain trading targets are achieved and an estimate for 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 entity as a 100% subsidiary.

In the post-acquisition period to 30 June 2014, the acquired business contributed revenue of €5.4m and a trading profit of €0.75m to the Group's results.

16 Capital and reserves

Issues of ordinary shares

1,283,257 ordinary shares (H1 2013: 1,176,516) were issued as a result of the exercise of vested options arising from the Group's share option schemes (see the 2013 Annual Report for full details of the Group's share option schemes). Options were exercised at an average price of €3.32 per option.

17 Significant events and transactions

There were no 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 €21.8m reflected in the Consolidated Statement of Comprehensive Income reflects primarily the strengthening of sterling, partially offset by the weakening of US dollars, Australian dollars and Canadian dollars.

18 Related party transactions

There were no changes in related party transactions from the 2013 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

19 Subsequent events

There have been no material events subsequent to 30 June 2014 which would require disclosure in this report.