KINGSPAN GROUP PLC

PRELIMINARY RESULTS

Year Ended 31 December 2013

KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

Kingspan, the global leader in high performance insulation and building envelope solutions, reports its preliminary results for the year ended 31 December 2013.

Highlights:

Financial Highlights:

- Sales up 10% to €1.79bn.
- Trading profit up 14% to €122.8m.
- Group trading margin of 6.9%, an increase of 30bps. Underlying trading margin before the impact of acquisitions increased by 40bps.
- Basic EPS up 18% to 51.7 cent.
- Final dividend per share of 8.5 cent. Total dividend for the year up 14% to 14.0 cent (2012: 12.25 cent).
- A decrease in net debt to €107.6m (2012: €165.5m). Net debt to EBITDA of 0.66x (2012: 1.12x).
- Increase in ROCE by 160bps to 12.3% (2012:10.7%).

Operational Highlights:

- Insulated Panels sales up 23% and trading profit up 23%, with significant contributions from the ThyssenKrupp Construction and Rigidal Industries LLC acquisitions. Underlying sales pre-currency and acquisitions were up 2%.
- Solid performance in Insulation Boards where sales were down 3% (flat pre-currency), albeit improving in the UK in the second half with markets stabilising in Continental Europe.
- Improving UK office activity and resilient data centre related construction led to a positive year for Access Floors with sales in line with previous year (+5% pre-currency).
- Trading in Environmental proved tough with sales down 12% (H2 –5%) in a year of tight markets and internal consolidation.

Summary Financials:

	2013 €m	***2012 €m***	***% change***
Sales	1,790.3	1,628.7	+10%
EBITDA	162.9	147.9	+10%
Trading Profit	122.8	107.7	+14%
Trading Margin	6.9%	6.6%	+30bps
Profit after tax	89.2	74.7	+19%
EPS (cent)	51.7	43.8	+18%

Gene Murtagh, Chief Executive of Kingspan commented:

“Kingspan saw an improved momentum during 2013, despite various demanding market conditions, which has helped to deliver a strong operational performance including increased profitability, a higher return on capital and an improved dividend.

With some tentative signs of improved economic stability and sentiment, Kingspan remains focused on its core strategy of delivering innovation, prudent management and a widening global footprint that leaves the company well positioned to take advantage of any recovery that may take place in individual markets.”

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Business Review

During 2013 global sales at Kingspan grew by 10% to €1.79bn and trading profit by 14% to €122.8m. This delivered an earnings per share increase of 18% to 51.7 cent.

The trading year was characterised by an unusually slow start in construction activity in Northern Europe with momentum building thereafter.

Economic stability and sentiment improved in parallel through 2013 and in particular in the UK where 34% of our revenue was derived in the past year. This was a key factor in Kingspan's second half performance. In the Benelux, the economy struggled early in the year with activity gradually clawing its way back towards the end of the year and with momentum notably better than 12 months earlier. Germany performed solidly, albeit at similar levels of construction to 2012. The Middle East was positive for Kingspan, and Australia, despite some concerns of weakening demand from the resources rich region of Western Australia, advanced as our products continued on a path of improved penetration. North America, to some degree, countered this general trend beginning 2013 quite strongly then waning somewhat following the political uncertainty created over the Federal budget during the third quarter. Undoubtedly that political impasse affected construction decisions and, having since subsided, should give way to a more positive 2014.

In all, the general consensus from within our own business, combined with more positive internal and external leading indicators, points toward gradually improving construction momentum into 2014.

Insulated Panels

	***FY '13* €m**	***FY '12* €m**	**Change**
Sales Revenue	1,036.0	840.4	+23%(1)
Trading Profit	75.6	61.7	+23%
Trading Margin	7.3%	7.3%	-

(1) Comprising acquisition impact +24%, volume +7%, price/mix -5% and currency impact -3%

<u>UK</u>

Insulated Panels sales revenue in the UK grew by a modest 1% at constant currency, having been behind in the early part of the year owing to the difficult winter. The project pipeline, even at that earlier point, had shown considerable improvement over the prior year and ultimately led to a strong second half sales performance. During the second half of the year sentiment picked up markedly as reflected in quotation levels and an enquiry bank that improved on the same time a year earlier. The spread of activity was also well balanced, across a wide variety of end applications covering food, industrial, distribution, low rise office and commercial. Whilst the more established roof and wall product remained under considerable pricing pressure, the differentiation that has been built into the product suite over time played a material role in specification and margin protection. The phased release of Kingspan's Quadcore® technology from mid to late 2014 and the improving momentum of Benchmark® in architectural applications, Kingspan Energy and Powerpanel® should together play a key part in evolving our business further.

Mainland Europe

Sales revenue grew by 46% across this wide set of geographic markets, or by 1% pre-acquisition. Activity, and Kingspan's business, grew steadily in Germany as the year progressed cemented by the integration of the Continental European assets acquired from ThyssenKrupp Construction in late 2012. The manufacturing and sales presence of ThyssenKrupp Construction was largely concentrated around Germany, France, Hungary and the Benelux. The process of integrating these businesses progressed well during 2013 and, as we expected with its significant footprint, plenty remains to be done.

Activity in Poland performed well as did Hungary, despite its economic difficulties, as inward investment created some large scale opportunities for Kingspan in the region. Our business in Turkey and the Middle East had a very strong year with the associated momentum also carrying into early 2014.

North America

Sales revenue increased by 7% (+11% pre-currency) due to penetration growth and an element of improved construction macro activity. The US performed ahead of this level with Canada lagging somewhat, the latter showing considerable improvement as the year drew to a close. Insulated Panels, as a method of construction, has been growing consistently over the past five years, even during the times of economic weakness experienced in recent years. At approximately 10%, market penetration of the insulated panel remains relatively low and is set to continue growing. This trend is expected to continue driven by improving awareness of, and demand for, energy efficient building fabrics which is likely to vary materially from state to state. As a general theme, acceptance has been growing across the Americas that modern envelope technology significantly conserves energy and delivers sizeable financial and ecological benefits.

Australasia

Given the project led nature of the Australian market, sales revenue growth can ebb and flow, which was the case during 2013 when sales decreased by 6% (+4% pre-currency), following the breakthrough growth of 27% experienced a year earlier. Underlying conversion to Insulated Panels, as is the case in the US, continued through 2013 and order intake was ahead of prior year by 35%, boding well for early 2014. South East Asia, as an adjacent market, is still embryonic for Kingspan, but the prospects are positive for the medium term.

Ireland

Off a lowered base, sales revenue in Ireland grew by 24% reflecting the continued, albeit gradual, recovery of the local market. In absolute terms, we expect volume progression to be relatively subdued given the overhang in constructed space that still exists in some segments and regions.

Insulation Boards

	FY **'13 €m**	***FY*** **'12 €m**	**Change**
Sales Revenue	455.4	470.4	-3%(1)
Trading Profit	29.5	29.5	-
Trading Margin	6.5%	6.3%	+20bps

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

UK

In the UK, sales revenue improved through the year resulting in a like-for-like sales decrease of 1%. Residential newbuild, as with office construction, has been more positive than in recent years and this pattern is likely to remain for early 2014. Non-residential low-rise construction was broadly flat over the prior year, although activity in recent months has shown signs of improvement. Refurbishment in the UK, however, was somewhat disappointing having been a key driver for our business over recent years. External wall insulation, part of Kingspan's internationally growing Kooltherm® range, suffered as the Cert and CESP programs ceased. The Group can expect an increase in RMI demand over time from Government-sponsored energy efficiency initiatives.

Continental Europe

Kingspan's position in this region has strengthened significantly in recent years and, reflecting the troubles of certain economies in the Eurozone, sales revenue of rigid board fell by 8% in 2013 (H2 -5%). Demand in the Netherlands was generally weak for much of the year. However, the combination of growing penetration of Kooltherm® and improved sentiment in quarter four delivered growth. The case was similar in Belgium. Germany, a key longer term platform, had a relatively weak year as refurbishment activity was lower for rigid board products. The fundamentals of this market remain very attractive particularly given the extremely low level of penetration of high performance insulation. Our new facility, close to Dresden, will be commissioned by mid 2014 and will be focused on this regional market as well as neighbouring CEE countries.

Australasia

Sales revenue in Australasia improved markedly during 2013 and ended the year 11% ahead (flat post currency). Despite weaker residential newbuild in Australia, penetration growth of our high performance insulation continued to rise and delivered the positive outcome. Additionally, our relatively recent presence in South East Asia benefitted from a number of sizeable wins over the year.

Ireland

Ireland has shown clear signs of improvement during 2013 and sales revenue grew by a modest 2%. This should be viewed in the context of the absolute market size by volume which understandably trails the levels experienced five or more years ago. The market appears to be on a path towards a more measured and sustainable level of activity. Refurbishment activity, as a proportion of sales, continued to feature prominently.

Environmental

	FY'13 **€m**	***FY'12*** **€m**	**Change**
Sales Revenue	144.7	163.8	-12%
Trading Profit	1.5	1.2	+25%
Trading Margin	1.0%	0.7%	+30bps

2013 was a year of restructuring for the Environmental business, particularly in the UK, with divisional fixed costs reducing by €4.1m over 2012. This is now complete and although sales dropped by 12% year-on-year profit generated grew modestly at both an EBITDA level of €5.4m (2012: €5.3m) and trading profit of €1.5m (2012: €1.2m). Clearly, the reduced cost base played a key part in achieving this. Sequentially, by quarter, the sales trend over prior year improved having been down 27% in quarter one, was down 2% in quarter four. The focus for the current year will be on stabilising sales driven primarily by the opportunity in the UK newbuild markets. Renewables product sales remain a significant challenge for the division where solarthermal sales in particular continue to fall in both the UK and Germany.

Access Floors

	***FY* '13** **€m**	***FY* '12** **€m**	**Change**
Sales Revenue	154.2	154.1	-
Trading Profit	16.2	15.3	+6%
Trading Margin	10.5%	9.9%	+60bps

(1) Comprising volume +1%, price/mix +4% and currency impact -5%

Sales revenue in Access Floors across all geographies grew by 5% in 2013 at constant exchange rates. Activity in North America was driven by the datacentre market which continued to develop robustly. This was further enhanced by our recent product introductions geared towards energy efficient underfloor air management. These solutions optimise airflow to the servers that require cooling and, in addition to newbuild, are being provided as an upgrade product for energy reduction in existing datacenters. The financial benefits in North America of these systems are extremely compelling.

Conversely, office construction remains critically low in that region. However, the medium term pipeline is showing early signs of gradual improvement in late 2014 and into 2015.

In the UK, the office construction cycle has already improved through late 2013. This trend is almost certain to continue in 2014 and our Hull based facility is operationally geared for the growth anticipated over the coming year or two.

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 sales increased by 10% to €1.79bn (2012: €1.63bn) and trading profit increased by 14% to €122.8m (2012: €107.7m) reflecting an improvement of 30 basis points in the Group's trading profit margin to 6.9% (2012: 6.6%). The trading profit margin grew by 40 basis points to 7.3% excluding the impact of acquisitions. Basic EPS for the year was 51.7 cent, representing an increase of 18% (2012: 43.8 cent).

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

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+2%	-3%	+24%	+23%
Insulation Boards	-	-3%	-	-3%
Environmental	-8%	-4%	-	-12%
Access Floors	+5%	-5%	-	-
Group	1%	-3%	+12%	+10%

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

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+10%	-6%	+19%	+23%
Insulation Boards	+5%	-5%	-	-
Environmental	+37%	-12%	-	+25%
Access Floors	+10%	-4%	-	+6%
Group	+8%	-5%	+11%	+14%

Finance costs

Finance costs for the year decreased by €1.2m to €13.5m (2012: €14.7m). Finance costs include a non-cash charge of €0.3m (2012: nil) in respect of the Group's legacy defined benefit pension schemes. A net non-cash credit of €0.7m was recorded in respect of swaps on the Group's USD private placement notes (2012: credit of €0.4m). The Group's net interest expense on borrowings (bank and loan notes) and net of interest receivable was €14.0m compared to €15.1m in 2012. This decrease reflects lower average net debt levels in 2013 compared to 2012. The interest expense is driven extensively by gross debt balances with cash yields negligible in the current low interest rate environment. Average gross debt during the year was €298m (2012: €307m) with average cash balances amounting to €158m (2012: €123m). The average is calculated by reference to the month end position.

Non trading items

The Group recorded a non trading charge of €3.5m (2012: credit of €0.1m) in the year. The charge is a composite item comprising an impairment charge of €6.0m in respect of certain fixed assets within the Environmental division and a credit of €2.5m reflecting the reversal of an impairment charge taken previously on a fixed asset within the Insulated Panels division. The credit in the prior year is a composite item which is set out in further detail in the Group's 2012 annual report.

Taxation
The tax charge for the year was €12.8m (2012: €15.3m) which represents an effective tax rate of 13.8% (2012: 18.6%) on earnings before intangible amortisation and non-trading items.

Dividends
The Board has proposed a final dividend of 8.5 cent per ordinary share payable on 15 May 2014 to shareholders registered on the record date of 25 April 2014. When combined with the interim dividend of 5.5 cent per share, the total dividend for the year increases to 14.0 cent (2012: 12.25 cent), an increase of 14.3%.

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 €7.7m as at 31 December 2013 (31 December 2012: liability of €12.3m).

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

Key performance indicators	2013	2012
Basic EPS growth	18%	18%
Sales growth	10%	5%
Trading margin	6.9%	6.6%
Free cashflow (€m)	77.7	106.6
Return on capital employed	12.3%	10.7%
Net debt/EBITDA	0.66x	1.12x

EPS growth. The growth in EPS is accounted for by the 14% increase in trading profit generating a 19.4% increase in profit after tax.

Sales growth of 10% (2012: 5%) was driven by a 12% contribution from acquisitions, a 1% increase in underlying sales offset by a 3% decrease due to the negative impact of currency translation.

Trading margin by division is set out below:

	2013	2012
Insulated Panels	7.3%	7.3%
Insulation Boards	6.5%	6.3%
Environmental	1.0%	0.7%
Access Floors	10.5%	9.9%

The Insulated Panels division trading margin reflects an increase in overall margin due to a positive business mix oriented towards higher specification industrial and architectural applications which offset the initially dilutive impact of acquisitions made towards the end of 2012. The trading margin improvement in the Insulation Boards division reflects some recovery in overall margin and business mix in Mainland Europe. The increase in the Environmental trading margin was due to the impact of restructuring initiatives undertaken on the divisional cost base. 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/data centre mix.

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	2013 €'m	2012 €'m
EBITDA*	162.9	147.9
Non-cash items	5.8	(7.4)
Movement in working capital	(16.9)	31.3
Movement in provisions	(5.1)	0.6
Net capital expenditure	(36.7)	(31.8)
Pension contributions	(3.6)	(3.0)
Finance costs	(13.3)	(17.1)
Income taxes paid	(15.4)	(13.9)
Free cashflow	77.7	106.6

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

Working capital at year end was €209.1m (2012: €200.0m) and represents 11.7% of annual turnover (2012: 12.3%). 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 for steel and chemicals.

Return on capital employed, calculated as operating profit, adjusted for non-trading items, divided by total equity plus net debt, was 12.3% in 2013 (2012: 10.7%).

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 2013 and 2012.

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 maturing in April 2017. The facility was undrawn at year end. The Group has two US Private Placement loan notes in issue and the total Private Placement debt outstanding is $400m. $158m of this matures in 2015, $42m matures in 2017 with the balance of $200m maturing in 2021. The weighted average maturity of debt facilities at year end was 3.9 years (December 2012: 4.9 years).

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

Net debt
Net debt decreased by €57.9m during 2013 to €107.6m (2012: €165.5m). This is analysed in the table below:

Movement in net debt	2013 €'m	2012 €'m
Free cashflow	77.7	106.6
Acquisitions (net of disposal proceeds)	(1.5)	(72.5)
Settlement of legal costs	-	(12.3)
Share issues	2.8	2.7
Dividends paid	(22.0)	(19.3)
Cashflow movement	57.0	5.2
Exchange movements on translation	0.9	(0.6)
Decrease in net debt	57.9	4.6
Net debt at start of year	(165.5)	(170.1)
Net debt at end of year	(107.6)	(165.5)

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 net debt to net interest coverage of 4 times

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

	Covenant	2013 Times	2012 Times
Net debt/EBITDA	Maximum 3.5	0.66	1.12
EBITDA/Net interest	Minimum 4.0	12.0	10.0

Financial risk management
The Group operates a centralised treasury function governed by a treasury policy approved by the Group Board. 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.

Looking Ahead

There has been much commentary of late regarding global economic recovery and there is evidence to suggest that such a recovery may be underway in certain regions of the world. As a global business, Kingspan is well placed to take advantage of this in time. It is also the case that market recovery is somewhat patchy, and we are conscious of false dawns which have occurred previously. That said, it would appear that key markets for Kingspan, such as the UK, have seen a notable change in sentiment over the past six months. Consequently, Group sales in the early part of 2014 are encouraging albeit against a weak comparative period.

We remain focused on delivering our innovation and product development agenda, extending and consolidating our global footprint and improving returns on capital. Kingspan is well placed for the year ahead.

On behalf of the Board

Gene Murtagh	Geoff Doherty
Chief Executive Officer	Chief Financial Officer
24 February 2014	24 February 2014

Kingspan Group plc

Group Condensed Income Statement
for the year ended 31 December 2013

	2013 € '000	2012 € '000
Revenue	**1,790,291**	1,628,718
Trading Profit	**122,805**	107,702
Intangible amortisation	**(3,790)**	(3,125)
Non trading items	**(3,485)**	112
Operating Profit	**115,530**	104,689
Finance expense	**(14,078)**	(15,327)
Finance income	**533**	590
Profit for the year before income tax	**101,985**	89,952
Income tax expense	**(12,829)**	(15,274)
Net profit for the year from continuing operations	**89,156**	74,678
Attributable to owners of Kingspan Group plc	**87,643**	73,526
Attributable to non-controlling interests	**1,513**	1,152
	89,156	74,678
Earnings per share for the year		
Basic	**51.7c**	43.8c
Diluted	**50.7c**	42.9c

Gene M. Murtagh
Chief Executive

Geoff Doherty
Chief Financial Officer

24 February 2014

Kingspan Group plc

Group Condensed Statement of Comprehensive Income

for the year ended 31 December 2013

	2013	2012
	€ '000	€ '000
Profit for the year	**89,156**	74,678
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**(31,464)**	12,421
Net change in fair value of cash flow hedges reclassified to income statement	**152**	244
Effective portion of changes in fair value of cash flow hedges	**(1,028)**	(1,724)
Income taxes relating to changes in fair value of cash flow hedges	**97**	-
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit pension schemes	**1,350**	851
Income taxes relating to actuarial gains/(losses) on defined benefit pension schemes	**(328)**	208
Total comprehensive income for the year	**57,935**	86,678
Attributable to owners of Kingspan Group plc	**56,723**	85,607
Attributable to non-controlling interests	**1,212**	1,071
	57,935	86,678

Kingspan Group plc

Group Condensed Statement of Financial Position

as at 31 December 2013

	2013	2012
	€’000	€’000
Assets		
Non-current assets		
Goodwill	**369,858**	385,427
Other intangible assets	**16,204**	20,253
Property, plant and equipment	**491,888**	508,056
Derivative financial instruments	**674**	10,039
Retirement benefit assets	**6,099**	2,357
Deferred tax assets	**6,615**	9,178
	891,338	935,310
Current assets		
Inventories	**191,981**	191,294
Trade and other receivables	**313,827**	313,961
Derivative financial instruments	**26**	3,226
Cash and cash equivalents	**197,318**	141,611
	703,152	650,092
Non-current assets classified as held for sale	**-**	404
	703,152	650,496
Total assets	**1,594,490**	1,585,806
Liabilities		
Current liabilities		
Trade and other payables	**288,793**	297,596
Provisions for liabilities	**39,967**	49,426
Derivative financial instruments	**2,359**	193
Deferred contingent consideration	**7,474**	506
Interest bearing loans and borrowings	**6,947**	3,749
Current income tax liabilities	**37,540**	43,359
	383,080	394,829
Non-current liabilities		
Retirement benefit obligations	**13,837**	14,671
Provisions for liabilities	**17,289**	13,951
Interest bearing loans and borrowings	**292,352**	316,218
Derivative financial instruments	**4,481**	-
Deferred tax liabilities	**23,829**	25,407
Deferred contingent consideration	**-**	7,352
	351,788	377,599
Total liabilities	**734,868**	772,428
Net Assets	**859,622**	813,378
Equity		
Share capital	**22,747**	22,542
Share premium	**43,145**	40,570
Capital redemption reserve	**723**	723
Treasury shares	**(30,707)**	(30,707)
Other reserves	**(126,152)**	(92,061)
Retained earnings	**942,008**	865,196
Equity attributable to owners of Kingspan Group plc	**851,764**	806,263
Non-controlling interest	**7,858**	7,115
Total Equity	**859,622**	813,378

Gene M. Murtagh
Chief Executive

Geoff Doherty
Chief Financial Officer

24 February 2014

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**
	€'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	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 interest	-	-	-	-	-	-	-	-	(1,515)	(1,515)	(27)	**(1,542)**
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(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

Group Condensed Statement of Changes in Equity
for the year ended 31 December 2012

	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
	€'000	**€'000**	**€’000**	**€'000**	**€’000**	**€'000**	**€'000**	**€’000**	**€'000**	**€'000**	**€'000**	**€'000**
Balance at 1 January 2012	22,344	38,059	723	(30,707)	(129,386)	1,577	19,381	713	806,144	728,848	6,137	**734,985**
Transactions with owners recognised directly in equity												
Shares issued	198	2,511	-	-	-	-	-	-	-	2,709	-	**2,709**
Employee share based compensation	-	-	-	-	-	-	6,737	-	-	6,737	-	**6,737**
Tax on employee share based compensation	-	-	-	-	-	-	1,145	-	419	1,564	-	**1,564**
Exercise or lapsing of share options	-	-	-	-	-	-	(3,250)	-	3,250	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	(19,202)	(19,202)	-	**(19,202)**
Transactions with non-controlling interests:												
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(93)	**(93)**
Transactions with owners	198	2,511	-	-	-	-	4,632	-	(15,533)	(8,192)	(93)	**(8,285)**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	73,526	73,526	1,152	**74,678**
Other comprehensive income												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(1,724)	-	-	-	(1,724)	-	**(1,724)**
- reclassification to profit	-	-	-	-	-	244	-	-	-	244	-	**244**
Exchange differences on translating foreign operations	-	-	-	-	12,502	-	-	-	-	12,502	(81)	**12,421**
Items that will not be reclassified subsequently to profit or loss												
Defined benefit pension scheme	-	-	-	-	-	-	-	-	851	851	-	**851**
Income taxes relating to actuarial gains/ (losses) on defined benefit pension scheme	-	-	-	-	-	-	-	-	208	208	-	**208**
Total comprehensive income for the year	-	-	-	-	12,502	(1,480)	-	-	74,585	85,607	1,071	**86,678**
Balance at 31 December 2012	22,542	40,570	723	(30,707)	(116,884)	97	24,013	713	865,196	806,263	7,115	**813,378**

Kingspan Group plc

Group Condensed Statement of Cash Flows
for the year ended 31 December 2013

	2013 € '000	2012 € '000
Operating activities		
Profit for the year before income tax	**101,985**	89,952
Depreciation of property, plant and equipment and amortisation of intangible assets	**43,874**	43,284
Impairment of non-current assets	**5,651**	21,655
Employee equity-settled share options	**7,227**	6,737
Finance income	**(533)**	(590)
Finance expense	**14,078**	15,327
Non cash items	**(957)**	(1,273)
Negative goodwill	**(49)**	(34,458)
Profit on sale of property, plant and equipment	**(2,571)**	(182)
Settlement of legal costs	**-**	(12,272)
Change in inventories	**(6,708)**	10,634
Change in trade and other receivables	**(8,064)**	37,619
Change in trade and other payables	**(2,154)**	(16,450)
Change in provisions	**(5,099)**	609
Pension contributions	**(3,558)**	(3,026)
Cash generated from operations	**143,122**	157,566
Taxes paid	**(15,406)**	(13,905)
Net cash flow from operating activities	**127,716**	143,661
Investing activities		
Additions to property, plant and equipment	**(41,845)**	(34,239)
Proceeds from disposals of property, plant and equipment	**5,151**	2,445
Purchase of subsidiary undertakings, net of disposals	**(1,542)**	(72,519)
Payment of deferred consideration in respect of acquisitions	**-**	(477)
Interest received	**525**	533
Net cash flow from investing activities	**(37,711)**	(104,257)
Financing activities		
Drawdown / (repayment) of bank loans	**3,804**	(3,605)
Change in finance lease liability	**(423)**	(278)
Proceeds from share issues	**2,780**	2,709
Interest paid	**(13,853)**	(17,321)
Dividends paid to non-controlling interests	**(442)**	(93)
Dividends paid	**(21,570)**	(19,202)
Net cash flow from financing activities	**(29,704)**	(37,790)
Increase in cash and cash equivalents	**60,301**	1,614
Translation adjustment	**(4,209)**	2,238
Cash and cash equivalents at the beginning of the year	**141,226**	137,374
Cash and cash equivalents at the end of the year	**197,318**	141,226
Cash and cash equivalents as at 1 January were made up of:		
- Cash and cash equivalents	141,611	141,067
- Overdrafts	(385)	(3,693)
	141,226	137,374
Cash and cash equivalents as at 31 December were made up of:		
- Cash and cash equivalents	**197,318**	141,611
- Overdrafts	**-**	(385)
	197,318	141,226

Notes to the Preliminary Statement for the year ended 31 December 2013

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 2012 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 2013 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 2012 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 non-recurring in nature.
- '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 layout of the Condensed Income Statement has been changed during the year to align the report more closely with the key reporting metrics used by the Chief Operating Decision Maker, which the Group has defined as the Board of Directors. These key metrics are revenue and trading profit.

The following are the new standards that were effective for the Group's financial year ending 31 December 2013. They had no significant impact on the results or financial position as set out in this Preliminary Statement.

- IFRS13 Fair Value Measurement
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
- IAS 19 Employee Benefits (amended 2011)
- Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
- Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)
- Annual Improvements to IFRS 2009-2011 Cycle

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. These new standards and interpretations, which are effective from the beginning of the periods outlined below include:

- January 2014 - Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32), IFRS 10 Consolidated Financial

Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements (2012), IAS 28 Investments in Associates and Joint Ventures (2012).

- Unknown date - IFRS 9 Financial Instruments

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 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. This segment includes the Tarec joint ventures.
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 – 2013	1,036.0	455.4	144.7	154.2	**1,790.3**
Total revenue – 2012	840.4	470.4	163.8	154.1	1,628.7

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 2013 €m**	Total 2012 €m
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**	
Trading profit	61.7	29.5	1.2	15.3		107.7
Intangible amortisation	(0.9)	(1.6)	(0.5)	(0.1)		(3.1)
Non trading items	21.2	(10.4)	(10.7)	-		0.1
Operating profit - 2012	82.0	17.5	(10.0)	15.2		104.7
Net finance expense					**(13.5)**	(14.7)
Profit for the year before tax					**102.0**	90.0
Income tax expense					**(12.8)**	(15.3)
Net profit for the year					**89.2**	74.7

Segment assets

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	**Total 2013 €m**	Total 2012 €m
Assets – 2013	691.0	417.2	150.6	131.1	**1,389.9**	
Assets – 2012	695.8	422.7	164.3	139.0		1,421.8
Derivative financial instruments					**0.7**	13.2
Cash and cash equivalents					**197.3**	141.6
Deferred tax asset					**6.6**	9.2
Total assets as reported in the Consolidated Statement of Financial Position					**1,594.5**	1,585.8

Segment liabilities

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	**Total 2013 €m**	Total 2012 €m
Liabilities – 2013	(206.2)	(89.9)	(38.1)	(25.7)	**(359.9)**	
Liabilities – 2012	(223.4)	(88.4)	(37.1)	(26.7)		(375.6)
Interest bearing loans and borrowings (current and non-current)					**(299.3)**	(320.0)
Derivative financial instruments (current and non-current)					**(6.8)**	(0.2)
Deferred contingent consideration (current and non-current)					**(7.5)**	(7.9)
Income tax liabilities (current and deferred)					**(61.4)**	(68.8)
Total liabilities as reported in the Consolidated Statement of Financial Position					**(734.9)**	(772.5)

Other segment information

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Capital investment – 2013 *	20.5	18.1	2.4	2.1	**43.1**
Capital investment – 2012 *	84.7	9.4	1.7	2.7	98.5
Depreciation included in segment result – 2013	(22.5)	(11.7)	(3.9)	(2.0)	**(40.1)**
Depreciation included in segment result – 2012	(21.5)	(12.3)	(4.1)	(2.3)	(40.2)
Non- cash items included in segment result – 2013	(3.6)	(1.9)	(7.0)	(0.7)	**(13.2)**
Non- cash items included in segment result – 2012	30.9	(12.2)	(11.9)	(0.8)	6.0

* 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 – 2013	72.3	599.1	700.9	231.9	186.1	**1,790.3**
Revenue – 2012	64.6	614.7	569.3	222.6	157.5	1,628.7
Statement of Financial Position Items						
Non-current assets – 2013	53.5	323.3	294.6	149.4	63.2	**884.0**
Non-current assets – 2012	56.1	334.7	292.2	159.7	73.8	916.5
Other segmental information						
Capital investment – 2013	2.5	15.7	18.7	4.8	1.4	**43.1**
Capital investment – 2012	1.5	15.0	69.8	6.3	5.9	98.5

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

	2013	2012
	€'000	€'000
Impairment of plant & machinery	**(6,046)**	-
Reversal of previous impairment	**2,512**	-
Negative goodwill	**49**	34,458
Acquisition related costs	**-**	(13,176)
Impairment of goodwill & intangibles	**-**	(21,170)
	(3,485)	112

The impairment of plant and machinery relates to certain assets within the Environmental segment. Due to difficult trading conditions in specific activities, the carrying value of the associated plant and machinery has been written down to nil. In addition, an accrual has been recorded for the potential repayment of associated grant aid.

The reversal of previous impairment, which was originally made in 2008, arises following receipt of compensation from a landowner following the aborted development of a new Insulated Panels plant in Canada.

Negative goodwill represents the excess of the fair value of the acquired net assets in the Thyssenkrupp Construction Group (TKCG) over the consideration paid to acquire the business. The excess has been recorded as a credit to the Income Statement in line with IFRS3 (2008) 'Business Combinations'. The fair values were reassessed in 2013, resulting in a further credit of €48,626.

Acquisition related costs relate to the legal and other due diligence costs incurred in acquiring TKCG. In addition, the Group incurred costs in integrating the acquisition into the Group's operations and structures.

The impairment of goodwill and intangibles in 2012 arose as a result of the annual goodwill impairment review required under IAS36. It relates to the Group's timberframe and renewable activities which are respectively part of the Insulation Boards and Environmental cash generating units.

The tax effect of the above items was €1.4m (2012: credit of €1.5m). The income tax expense for the year in the Consolidated Income Statement includes the impact of this effect.

4 Finance Expense and Finance Income

	2013 **€'000**	2012 €'000
Finance expense		
Bank loans	**2,878**	3,302
Private Placement	**11,671**	12,414
Finance leases	**2**	8
Fair value movement on derivative financial instrument	**17,890**	2,872
Fair value movement on private placement debt	**(18,620)**	(3,269)
Net defined benefit pension scheme	**257**	-
	14,078	15,327
Finance income		
Interest earned	**(533)**	(607)
Net defined benefit pension scheme	**-**	17
	(533)	(590)
Net finance cost	**13,545**	14,737

5 Analysis of Net Debt

	2013 **€'000**	2012 €'000
Cash and cash equivalents	**197,318**	141,611
Derivative financial instruments	**(5,657)**	12,827
Current borrowings	**(6,947)**	(3,749)
Non current borrowings	**(292,352)**	(316,218)
Total Net Debt	**(107,638)**	(165,529)

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 €0.483m net liabilities (2012: €0.24m net assets) 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

	2013 **€'000**	2012 €'000
Increase in cash and bank overdrafts	**60,301**	1,614
Decrease/(increase) in debt	**(3,804)**	4,134
Increase/(decrease) in lease finance	**423**	(432)
Change in net debt resulting from cash flows	**56,920**	5,316
Translation movement - relating to US dollar loan	**23,515**	1,155
Translation movement - other	**(4,059)**	2,331
Derivative financial instruments movement	**(18,485)**	(4,242)
Net movement	**57,891**	4,560
Net debt at start of the year	**(165,529)**	(170,089)
Net debt at end of the year	**(107,638)**	(165,529)

7 Dividends

Equity dividends on ordinary shares:	**2013**	2012
	€'000	€'000
2013 Interim dividend 5.5 cent (2012: 5.0 cent) per share	**9,298**	8,355
2012 Final dividend 7.25 cent (2011: 6.5 cent) per share	**12,272**	10,847
	21,570	19,202
Proposed for approval at AGM		
Final dividend of 8.5 cent (2012: 7.25 cent) per share	**14,453**	12,214

This proposed dividend for 2013 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 2013 in accordance with IAS 10 Events After the Reporting Date. The proposed final dividend for the year ended 31 December 2013 will be payable on 15 May 2014 to shareholders on the Register of Members at close of business on 25 April 2014.

8 Earnings per share

	2013	2012
	€ '000	€ '000
The calculations of earnings per share are based on the following: Profit attributable to ordinary shareholders	**87,643**	73,526
	Number of shares ('000) 2013	Number of shares ('000) 2012
Weighted average number of ordinary shares for the calculation of basic earnings per share	**169,468**	167,698
Dilutive effect of share options	**3,559**	3,501
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**173,027**	171,199

	2013	2012
	€ cent	€ cent
Basic earnings per share	**51.7**	43.8
Diluted earnings per share	**50.7**	42.9
Adjusted basic (pre amortisation and non trading items) earnings per share	**54.7**	44.7

The number of options which are anti-dilutive and have therefore not been included in the above calculations is 1,139,686 (2012: 1,616,200*)*.

9 Business Combinations

In the prior year the Group made four acquisitions. The 2013 items relate to revisions to the provisional fair value adjustments that were initially determined for these prior year acquisitions. These revisions are not considered material, either individually or in aggregate, and the comparatives have therefore not been restated.

	2013	2012
	€'000	€'000
Non-current assets		
Intangible assets	**-**	15,130
Property, plant and equipment	**(1,000)**	64,038
Current assets		
Inventories	**(1,001)**	39,620
Trade and other receivables	**3,221**	63,957
Assets held for resale, subsequently disposed of	-	1,100
Current liabilities		
Trade and other payables	**(737)**	(56,412)
Provisions for liabilities	**(434)**	(19,010)
Finance lease obligations	**-**	(712)
Current income tax liabilities	**-**	(263)
Non-current liabilities		
Retirement benefit obligations	-	(14,668)
Deferred tax liabilities	-	(6,633)
Total identifiable assets	**49**	86,147
Goodwill	-	29,428
Negative goodwill	**(49)**	(34,458)
Total consideration	**-**	81,117
Satisfied by:		
Cash (net of cash acquired)	**-**	73,619
Deferred contingent consideration	**-**	7,498
	-	81,117

10 Related Party Transactions

There were no related party transactions or changes in related party transactions from those described in the 2012 Annual Report that materially affected the financial position or the performance of the Group during 2013.

11 Events after the Balance Sheet Date

There have been no material events subsequent to 31 December 2013 which would require disclosure in this report.

12 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, 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 =	**2013**	2012	**2013**	2012
Pound Sterling	**0.849**	0.811	**0.833**	0.816
US Dollar	**1.329**	1.286	**1.377**	1.319
Canadian Dollar	**1.369**	1.285	**1.464**	1.313
Australian Dollar	**1.378**	1.242	**1.540**	1.271
Czech Koruna	**25.976**	25.135	**27.401**	25.092
Polish Zloty	**4.195**	4.182	**4.151**	4.086
Hungarian Forint	**296.870**	289.200	**297.080**	292.550

13 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.

14 Board Approval

This announcement was approved by the Board on 24 February 2014.