KINGSPAN GROUP PLC

PRELIMINARY RESULTS

Year Ended 31 December 2015

KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

Kingspan, the global leader in high performance insulation and building envelope solutions, reports its preliminary results for the year ended 31 December 2015.

Financial Highlights:

- Revenue up 47% to €2.77bn, (pre-currency, up 38%).
- Trading profit up 72% to €256m, (pre-currency, up 58%).
- Acquisitions contributed 35% to sales growth and 35% to trading profit growth in the year.
- Group trading margin of 9.2%, an increase of 130bps.
- Basic EPS up 70% to 106.7 cent.
- Final dividend per share of 17.0 cent. Total dividend for the year up 54% to 25.0 cent.
- Year-end net debt of €328.0m (2014: €125.5m). Net debt to EBITDA of 1.04x (2014: 0.66x).
- Increase in ROCE by 180bps to 15.2% (2014:13.4%).

Operational Highlights:

- Strong performance in the larger core markets of the UK and US, with a relatively stable European performance.
- Insulated Panels in the UK had its strongest year since 2007, and the North American market continued on its path of penetration growth. European sales were largely flat.
- Insulation Boards had a strong year in the UK and US, as well as across the Middle East where our position is developing strongly. Europe was somewhat tougher.
- Environmental continued to grow profitability with momentum improving through the year.
- Access Floors remains a challenge in North America, but is growing strongly in the UK which can be expected to continue through 2016.
- The acquisitions of Joris Ide and Vicwest, for a combined consideration of €459m, have been integrating well, and both delivered underlying profits ahead of plan.

Summary Financials:

	2015	*2014*	*% change*
Revenue €m	2,774.3	1,891.2	+47%
EBITDA €m	316.4	189.3	+67%
Trading Profit €m	255.9	148.5	+72%
Trading Margin	9.2%	7.9%	+130bps
Profit after tax €m	190.6	106.5	+79%
EPS (cent)	106.7	62.6	+70%

Gene Murtagh, Chief Executive of Kingspan commented:

"We are delighted to report a record performance for the Group in 2015 and a strong start to 2016. The two major acquisitions completed last year have performed ahead of our expectations, with Joris Ide and Vicwest significantly expanding our presence in Continental Europe and North America respectively. Our confidence in the long-term prospects of the business, supported by our conservative balance sheet, has underpinned a decision to increase the total dividend for the year by 54%".

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Business Review

2015 was a record year for Kingspan in revenue, trading profit and investment in strategic platforms for the future. Revenue grew by 47% to €2.77bn, trading profit rose by 72% to €256m, and we invested €570m in acquisitions and capex across multiple geographies worldwide.

Strong organic growth was achieved in our major businesses in the UK, North America, Turkey and the Middle East, more than offsetting the more challenging experience we had in some European markets and in Australasia. Acquisitions contributed significantly to the outturn adding 35%, or €654m, in revenue to the Group with a commensurate growth in profit performance. Joris Ide, the largest acquisition completed by Kingspan to-date, gives us a significantly enhanced market presence and a manufacturing platform across Western Europe, South East Europe and Russia. Vicwest has greatly increased our presence across North America, with the territory now representing 20% of total Group revenue.

Raw material trends also featured prominently during the year with the downward pressure on commodities making its way into both our steel and chemical inputs. This situation is likely to prevail for much of the first half of 2016 although it is difficult to predict beyond that point.

On the technology side, we launched IPN Quadcore®, a potentially game-changing performance improvement in our Insulated Panel offering. This innovation provides significantly enhanced fire and thermal properties to our existing product range and will be rolled out across most of our manufacturing locations globally over the coming three years. This innovation adds to the Group's existing performance differentiating technology which includes Kooltherm® and Optim-R®.

Insulated Panels

	***FY* '15 €m**	***FY* '14 €m**	**Change**
Turnover	1,776.6	1,111.4	+60%(1)
Trading Profit	165.2	89.2	+85%
Trading Margin	9.3%	8.0%	+130bps

(1) Comprising acquisition impact +48%, volume +5%, price/mix -1% and currency impact +8%

UK

Sales volumes of Insulated Panels in the UK have been at their strongest for a number of years and we have experienced good growth across most segments of the market in 2015. Insulated Panel penetration in the UK is at the most advanced level of any market, and our range continues to evolve across the entire spectrum from basic roofing to the most architecturally discerning insulated office façades. Our proposition has been developing progressively, towards a model whereby we deliver the more complete building envelope solution including, for example, daylighting and solar integration. This wider offering will be rolled-out across other markets over time and is both central to our strategy and a natural evolution of our energy efficient proposition. Customers' appetite for low energy, highly efficient buildings is increasing and we are intent on being the key force globally in enabling the delivery of this across the broadest range of building types.

Mainland Europe & Middle East

This region is now the largest source of revenue for our Insulated Panels business. Germany and France, where our presence is largest, were both modestly ahead of last year, including Joris Ide on a like-for-like basis. Clear improvement was evident in the Netherlands market whilst underlying sales in Belgium increased by low single digits.

Central Europe has been mixed, with Poland and the Czech Republic solid and Hungary and the Balkans somewhat weaker. South Central Europe will be a key focus for organic market share improvement during 2016, as will Russia.

The performance in Turkey and its adjacent markets improved notably during the year, somewhat in contrast to the UAE, which was impacted to an extent by site delays on some large scale projects. This is likely to alleviate during 2016. Operationally, our businesses in this region have merged into a single integrated business in order to fully capitalise on the wider regional opportunity. The Nordics, where we will be investing in a new facility during the current year, will also be a key area of focus in the future.

Americas

Sales in this region grew at an organic level by 14% in the year. Layering on the acquisition of Vicwest, sales in the region grew by 89% over 2014.

The penetration rate of Insulated Panels in North America stands at approximately 12%, a noteable progression from the 5% level in 2006 when we first entered that market. Our ambition is to significantly grow the presence of low energy building envelopes, a space that remains dominated by highly inefficient legacy alternatives such as poorly insulated concrete and built-up

metal systems. The advance will be gradual in North America, with the appetite for "gas-guzzling buildings" slowly but surely abating. Mexico and South America are regions in which we have yet to develop any meaningful presence and we remain committed to developing those markets as a medium term goal.

Australasia

Following several years of growth, our business in Australia had its challenges in 2015, owing largely to the waning resources sector that has long been an attractive end market for Insulated Panels. In its absence, the focus remains on growing penetration in the more regular building environment and steady progress is being made.

New Zealand has grown robustly for Kingspan over a number of years, and our emerging presence in South East Asia will become an area of focus over the coming five years. A manufacturing presence will be key to gaining a foothold in the region and we are at the early stages of assessing options.

Ireland

Sales volume in Ireland grew by just over 10% in 2015, reflecting a continuation of the recovery in the local market, and an indication of the growing investment in industry by both indigenous and international enterprises. 2016 is likely to see this pattern improve further.

Insulation Boards

	***FY* '15 €m**	***FY* '14 €m**	**Change**
Turnover	662.8	477.1	+39%(1)
Trading Profit	61.3	39.9	+54%
Trading Margin	9.2%	8.4%	+80bps

(1) Comprising growth from acquisition impact +26%, volume +4%, price/mix nil and currency impact +9%

UK

Our Insulation business in the UK made strong gains during 2015, particularly in the first half. Underlying improvement in building activity across virtually all segments created an attractive backdrop in the UK as rigid insulation continued to make inroads against traditional alternatives.

Kooltherm®, one of our unique insulation technologies, maintained its central role in our conversion strategy with significant R&D underway to deliver its next iteration during 2017, focusing on advancing the already market leading thermal properties of Kooltherm®. Optim-R®, our vacuum insulation solution, had a successful first full year of specification which is expected to convert progressively through 2016 and beyond.

Mainland Europe

The Netherlands is the Insulation division's largest single market in Western Europe, and notable growth was experienced there in 2015, bucking the challenging trends of the preceding three years or so. General building activity improved, as did the traction of high performance insulation, a pattern which thus far has lagged that of the UK and Ireland markets. During the year, a significant legislative upgrade in Dutch insulation codes was put into effect and should create an impetus for rigid insulation to grow further.

Belgium and France were weaker, mainly in the second half, and can be expected to remain challenging for the foreseeable future as sizeable industry over-capacity is absorbed over time. Germany, to date, has been somewhat slow in the pace of conversion towards our solutions although we expect to address this more aggressively in the future.

In 2015 we entered the Nordics market with the acquisition of SPU Oy in Finland, which is now a fully Kingspan branded business. This will act as our launch vehicle for a pan-Nordics strategy over the coming years, producing PIR insulation locally, as well as marketing the wider range of our products across the region.

Americas

2015 was a year of great progress for our Insulation business in the US. Revenue and profitability improved, and our facility in Winchester, Virginia, has now reached full capacity. Over the next twelve months, a significant expansion of the manufacturing capability of this plant will be completed, addressing both the volume requirement and also broadening the range of applications that our Insulation offering can satisfy across North America.

Australasia

It was a challenging year for the business in Australia, particularly in the earlier part of the year. Momentum picked up considerably towards year-end, with significant year on year growth in Kooltherm®, now key in the run up to our greenfield facility in Melbourne coming on-stream in early 2017. This will be the first facility of its kind anywhere across Australasia and, in addition to the local market, it will supply New Zealand, Indonesia and all other South East Asian markets where we have been progressively growing our specification and commercial resources.

Ireland

Growth in general activity, combined with our Kooltherm® conversion strategy, delivered strong growth in 2015 and this momentum has continued into the current year. Housing starts, in particular, remained relatively constrained and at a time of acute supply shortage, we expect gradual and prolonged growth in this segment.

Environmental

	***FY* '15 €m**	***FY* '14 €m**	**Change**
Turnover	159.0	147.6	+8%
Trading Profit	8.1	1.2	+575%
Trading Margin	5.1%	0.8%	+430bps

This division has had its share of challenges since 2009, owing largely to its over-riding exposure to the residential market in the UK.

Over the last couple of years it has undergone a deep restructuring programme. An integral part of this was a re-assessment of the business strands that will be important into the future. The focus of this division is now centered around Energy Storage Solutions, Water (rain, hot, and effluent), Microwind and all service activities associated with these areas.

This refined approach is already delivering results, with revenue having stabilised, and profits rebounding significantly in the last year. We expect this momentum to continue through 2016, and for the business to develop an increasing international dimension progressively.

Access Floors

	***FY* '15 €m**	***FY* '14 €m**	**Change**
Turnover	175.9	155.1	+13%(1)
Trading Profit	21.3	18.2	+17%
Trading Margin	12.1%	11.7%	+40bps

(1) Comprising volume -4%, price/mix +3% and currency impact +14%

Our largest markets for Access Floors are the US and UK. Whilst we are expanding in Australasia, South East Asia and the Middle East, these core markets remain the key determinant of performance at present.

US office market starts remained very subdued in 2015 and are forecast at similar levels for 2016. Growth, therefore, has to be drawn from the data centre market, hence the range of solutions we have launched into this segment over the past couple of years. These solutions, combined with our ongoing investment in an exposed concrete finish for niche applications, should ensure stability for the business pending a resumption of growth in the office market.

In contrast, our UK business gained momentum through 2015 and with London office vacancy rates now at 4%, this pattern is expected to continue at least through the current year.

Organic Expansion

Whilst much of the expansion in the Group's footprint in recent years has been acquisition driven, our core model is grounded in organic growth. This has naturally been a challenge in our prime markets over the last number of years. However, we have embarked on a number of organic development projects aimed at both extending our global exposure, and ensuring all our existing operations remain industry leading globally. A selection of these projects and their expected year of completion is outlined below:

- Dubai, UAE. Quadcore Insulated Panel line – 2016
- Zwevezele, Belgium. PIR Roofpanel Line – 2016
- Perpignan, France. PIR Roofpanel Line – 2016
- Leuze, Belgium. Door Panel Line – 2016
- Melbourne, Australia. Kooltherm Insulation facility – 2017
- Kamkampaa, Finland. Quadcore Insulated Panel Line – 2017
- Novosibirsk, Russia. Mixed Insulated Panel Line – 2017
- Winchester, USA. Insulation Line – 2017
- Modesto, USA. Quadcore Insulated Panel Line – 2017/2018
- Monterrey, Mexico. Quadcore Insulated Panel Line – 2018

Net Zero Energy

In 2011 the Kingspan Group embarked on its Net-Zero Energy Initiative committing to ensure that all its facilities worldwide are Net-Zero Energy by the year 2020, with an interim target of achieving 50% by 2016.

The Group recognises the significance of climate change to global society and the central importance of addressing the built environment as part of efforts to mitigate greenhouse gas emissions. This effort will not only be reliant on solutions for new buildings, but also on the ability to renovate existing buildings. Kingspan is committed to providing solutions in both areas, not only for the marketplace but also for its own facilities.

We have a three step strategy for achieving our goal – 'Save More' – 'Generate More' – 'Buy More'

- **Save More**. We believe that it is crucial to minimise energy use as the first step of the process. We have invested in energy efficiency on many of our sites.

- **Generate More**. On-site generation is a key priority. Projects completed or underway on our estate include solar PV, solar hot water, biomass and wind.

- **Buy More**. The purchase of renewable energy is a necessary part of delivering our target. We aim to procure fully certified renewable energy as far as possible.

The implementation of Kingspan systems and solutions at our sites has played a key role in making progress towards our target. The success of these measures at our own sites provides evidence that these same measures will also pay dividends for our customer base in terms of cost savings, carbon emission reduction and energy security, thereby underpinning our current business strategy. Our positive progress in moving towards our goal has enabled us to demonstrate the business case for investment in energy efficiency and renewable energy generation to stakeholders across the building sector. It helps demonstrate the value proposition for our products and solutions.

Year	Total Energy Use GWh	Total Renewable Energy GWh	NZE %
2012A	317	27	9
2013A	327	60	18
2014A	312	88	28
2015A	386	126	33
2016P	413	236	57

A=Actual; P=Plan

Group 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

The Financial Review provides an overview of the Group's financial performance for the year ended 31 December 2015 and of the Group's financial position at that date.

Overview of results

Group revenue increased by 47% to €2.77bn (2014: €1.89bn) and trading profit increased by 72% to €255.9m (2014: €148.5m) resulting in an improvement of 130 basis points in the Group's trading profit margin to 9.2% (2014: 7.9%). Basic EPS for the year was 106.7 cent (2014: 62.6 cent), representing an increase of 70%.

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

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+4%	+8%	+48%	+60%
Insulation Boards	+4%	+9%	+26%	+39%
Environmental	-	+8%	-	+8%
Access Floors	-1%	+14%	-	+13%
Group	+3%	+9%	+35%	+47%

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

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+26%	+13%	+46%	+85%
Insulation Boards	+8%	+17%	+29%	+54%
Environmental	+537%	+38%	-	+575%
Access Floors	-	+17%	-	+17%
Group	+23%	+14%	+35%	+72%

The key drivers of sales and trading profit performance in each division are set out in the Business Review.

Finance costs (net)

Finance costs for the year increased by €0.8m to €14.8m (2014: €14.0m). Finance costs included a non-cash charge of €0.1m (2014: €0.1m) in respect of the Group's legacy defined benefit pension schemes. A net non-cash charge of €0.5m (2014: charge of €0.8m) was recorded in respect of swaps on the Group's USD private placement notes. The Group's net interest expense on borrowings (bank and loan notes) was €14.2m compared to €13.1m in 2014. This increase reflects higher average net debt levels in 2015, due to acquisition spend, offset by favourable financing initiatives undertaken in both 2015 and 2014. The interest expense is driven extensively by gross debt balances with cash yields negligible in the current environment.

Taxation
The tax charge for the year was €41.4m (2014: €21.0m) which represents an effective tax rate of 17.8% (2014: 16.4%) on earnings before amortisation. The increase in the effective rate reflects, primarily, the change in the geographical mix of earnings year on year.

Dividends
The Board has proposed a final dividend of 17.0 cent per ordinary share payable on 13 May 2016 to shareholders registered on the record date of 22 April 2016. When combined with the interim dividend of 8.0 cent per share, the total dividend for the year increased to 25.0 cent (2014: 16.25 cent), an increase of 54%.

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 €7.3m (2014: €11.7m) as at 31 December 2015. The primary method of pension provision for current employees is by way of defined contribution arrangements.

Intangible assets and goodwill
Intangible assets and goodwill increased during the year by €393.1m to €899.6m (2014: €506.5m). Intangible assets and goodwill of €383.3m were recorded in the year relating to acquisitions completed by the Group, offset by annual amortisation of €9.1m, with an additional increase of €18.9m due to a release of previously recognised goodwill offset by an increase due to year end exchange rates used to translate intangible assets and goodwill other than those denominated in euro.

Key performance indicators - financial
The Group has a set of financial key performance indicators (KPIs) which are set out in the table below. These KPIs are used to measure the financial and operational performance of the Group and are used to track progress in achieving medium and long term targets.

Key performance indicators	2015	2014
Basic EPS growth	70%	21%
Sales growth	47%	6%
Trading margin	9.2%	7.9%
Free cashflow (€m)	267.0	109.3
Return on capital employed	15.2%	13.4%
Net debt/EBITDA	1.04x	0.66x

(a) Basic EPS growth. The growth in EPS is accounted for by the 72% increase in trading profit, generating a 79% increase in profit after tax.

(b) Sales growth of 47% (2014: 6%) was driven by a 35% contribution from acquisitions, a 3% increase in underlying sales and a 9% increase due to the effect of currency translation.

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

	2015	2014
Insulated Panels	9.3%	8.0%
Insulation Boards	9.2%	8.4%
Environmental	5.1%	0.8%
Access Floors	12.1%	11.7%

The Insulated Panels division trading margin reflects a continuing improvement in the higher margin architectural and industrial insulated panel mix as well as the impact of more subdued input prices. The trading margin improvement in the Insulation Boards division reflects a positive Kooltherm® mix, a positive geographical mix and more favourable input prices. The increase in the Environmental trading margin reflects the benefit of restructuring initiatives undertaken in previous years, a tighter product set and a widening of the geographical base. The increase in trading margin in Access Floors reflects a positive market mix and the benefit of higher margin new product lines introduced in the last eighteen months.

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

Free cashflow	2015 €'m	2014 €'m
EBITDA*	316.4	189.3
Non-cash items	21.1	16.2
Movement in working capital	37.9	(27.7)
Pension contributions	(2.8)	(2.4)
Movement in provisions	7.1	(6.5)
Net capital expenditure	(69.5)	(30.9)
Net interest paid	(14.5)	(13.9)
Income taxes paid	(28.7)	(14.8)
Free cashflow	267.0	109.3

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

Working capital at year end was €301.8m (2014: €263.3m) and represents 10.9% (2014: 13.4%) of annual turnover. This metric is closely managed and monitored throughout the year and is subject to a certain amount of seasonal variability associated with trading patterns and the timing of significant purchases of steel and chemicals. The improvement reflects, in the main, lower inventory levels year on year.

(e) Return on capital employed, calculated as operating profit divided by total equity plus net debt, was 15.2% in 2015 (2014: 13.4%). The creation of shareholder value through the delivery of long term returns well in excess of the Group's cost of capital is a core principle of Kingspan's financial strategy.

(f) Net debt to EBITDA measures the ratio of net debt to earnings and at 1.04x (2014: 0.66x) is comfortably less than the Group's banking covenant of 3.5x in both 2015 and 2014.

Key performance indicators – non-financial
The Group measures and monitors a number of non-financial key performance indicators to measure progress on critical aspects of the Group's strategy:

a) **Net Zero Energy** - The Group's Net Zero Energy agenda is set out fully in the Business Review. This is a set of initiatives across the business globally targeting the adoption of renewable power.

b) **Carbon Disclosure Project** - The Group maintains an ongoing commitment to carbon reporting and reducing our impact on the environment. For the third consecutive year the Group participated in The Carbon Disclosure Project (CDP) recording the Group's highest ever disclosure score of 99 and making the 'A List' internationally.

c) **New Product Development** – The ongoing development of the Group's high performance insulation and building envelope proposition is the bedrock of the Group's continuing success. During 2015, the Insulated Panels division launched its IPN Quadcore® technology following an intensive R&D effort. The Insulation Boards division is targeting a 2017 launch of its next generation Kooltherm® product and Access Floors launched an exposed concrete finish product range during 2015.

Acquisitions and Capital Expenditure
Committed acquisition and capital expenditure amounted to €569.8m during 2015 comprising capital expenditure of €79.3m and an acquisition spend of €490.5m. Capital expenditure of €79.3m (2014: €45.4m) compares to a depreciation charge of €60.5m (2014: €40.8m). The acquisition spend of €490.5m was comprised as follows:

Joris Ide Group – In March 2015, the Group acquired the Joris Ide Group for a total consideration of €320.4m including the issue of three million shares in Kingspan Group to the founding shareholder of the Joris Ide business. Joris Ide is a pan European manufacturer of insulated panels, profiles and related accessories with leading market positions in France and the Benelux with operations also in Germany, Romania and Russia.

Vicwest Inc. – In May 2015, the Group acquired Vicwest Building Products for a total consideration of €138.3m. This adds significantly to the Group's Insulated Panels manufacturing and distribution presence in Canada and the US.

Other acquisitions – During the year, the Group also acquired the remaining interest of 50% of a previously held joint venture, Kingspan Industrial Insulation, based in the UK and Benelux; 100% of SPU Oy in Finland; and 100% of American Solar Alternative Power LLC in the US, for a combined consideration of €31.8m.

Capital Structure and Group Financing
The Group funds itself through a combination of equity and debt. Debt is funded through a syndicated and bilateral bank facilities and private placement loan notes. The primary bank debt facility is a €300m revolving credit facility, which was undrawn at year end and which matures in March 2019. As at 31 December 2015, the Group's committed bilateral bank facilities were €190m, of which €75m was drawn. Private Placement loan note funding totals €465.5m and has a weighted average maturity of 6.4 years.

The Group had significant available undrawn facilities and cash balances which, in aggregate, were €627m at 31 December 2015 and provide appropriate headroom for ongoing operational requirements and development funding.

Net debt

Net debt increased by €202.5m during 2015 to €328.0m (2014: €125.5m). This is analysed in the table below:

Movement in net debt	2015 €'m	2014 €'m
Free cashflow	267.0	109.3
Acquisitions	(438.7)	(105.0)
Share issues	9.3	5.5
Dividends paid	(31.8)	(25.3)
Cashflow movement	(194.2)	(15.5)
Exchange movements on translation	(8.3)	(3.3)
Increase in net debt	(202.5)	(18.8)
Net debt at start of year	(125.5)	(106.7)
Net debt at end of year	(328.0)	(125.5)

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 EBITDA to net interest coverage of 4 times

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

	Covenant	2015 Times	2014 Times
Net debt/EBITDA	Maximum 3.5	1.04	0.66
EBITDA/Net interest	Minimum 4.0	21.4	13.5

Investor relations

Kingspan is committed to interacting with the international financial community to ensure a full understanding of the Group's strategic plans and its performance against these plans. During the year, the executive management presented at 7 capital market conferences and conducted 441 institutional one-on-one and group meetings.

Share price and market capitalisation

The Company's shares traded in the range of €14.03 to €25.90 during the year. The share price at 31 December 2015 was €24.31 (31 December 2014: €14.35) giving a market capitalisation at that date of €4.3 billion (2014: €2.46 billion). Total shareholder return for 2015 was 71%.

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

Looking Ahead

2016 has got off to a strong start for us owing to the healthy order book on exiting last year and aided by an untypically mild winter season so far in most of our markets. Exchange rates, which were particularly supportive to Kingspan during 2015, have begun to drift somewhat from those levels, and the course they may take for the remainder of the year remains uncertain.

We note the current noise in capital markets, and whilst not distracted by that, we are conscious of the potential for that to influence our end markets in time. We remain firmly focused on the factors we can control and the combination of Kingspan's diverse range of end markets, innovative product set and strong balance sheet position the Group well for the year ahead.

On behalf of the Board

Gene Murtagh
Chief Executive Officer
22 February 2016

Geoff Doherty
Chief Financial Officer
22 February 2016

Kingspan Group plc

Group Condensed Income Statement

for the year ended 31 December 2015

	Note	**2015 €m**	2014 €m
REVENUE	2	**2,774.3**	1,891.2
Cost of sales		**(1,966.9)**	(1,375.1)
GROSS PROFIT		**807.4**	516.1
Operating costs, excluding intangible amortisation		**(551.5)**	(367.6)
TRADING PROFIT	2	**255.9**	148.5
Intangible amortisation	2	**(9.1)**	(4.9)
Non trading items	3	**-**	(2.1)
OPERATING PROFIT		**246.8**	141.5
Finance expense	4	**(15.1)**	(14.6)
Finance income	4	**0.3**	0.6
PROFIT FOR THE YEAR BEFORE INCOME TAX		**232.0**	127.5
Income tax expense		**(41.4)**	(21.0)
NET PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**190.6**	106.5
Attributable to owners of Kingspan Group plc		**188.1**	107.2
Attributable to non-controlling interests		**2.5**	(0.7)
		190.6	106.5
EARNINGS PER SHARE FOR THE YEAR			
Basic	9	**106.7c**	62.6c
Diluted	9	**105.0c**	61.3c

Gene M. Murtagh
Chief Executive Officer

Geoff Doherty
Chief Financial Officer

22 February 2016

Kingspan Group plc

Group Condensed Statement of Comprehensive Income

for the year ended 31 December 2015

	2015 €m	2014 €m
Profit for the year	**190.6**	106.5
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**40.6**	58.2
Effective portion of changes in fair value of cash flow hedges	**3.2**	0.6
Income taxes relating to changes in fair value of cash flow hedges	**(0.1)**	(0.1)
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit pension schemes	**1.8**	(6.7)
Income taxes relating to actuarial gains/(losses) on defined benefit pension schemes	**(0.2)**	0.8
Total other comprehensive income	**45.3**	52.8
Total comprehensive income for the year	**235.9**	159.3
Attributable to owners of Kingspan Group plc	**232.5**	159.2
Attributable to non-controlling interests	**3.4**	0.1
	235.9	159.3

Kingspan Group plc

Group Condensed Statement of Financial Position

As at 31 December 2015

	Note	**2015**	2014
		€m	€m
ASSETS			
NON-CURRENT ASSETS			
Goodwill		**821.2**	475.3
Other intangible assets		**78.4**	31.2
Property, plant and equipment		**619.1**	497.0
Investment in joint ventures	10	**-**	8.4
Derivative financial instruments		**29.6**	15.4
Retirement benefit assets		**7.8**	4.7
Deferred tax assets		**10.9**	7.0
		1,567.0	1,039.0
CURRENT ASSETS			
Inventories		**293.5**	236.5
Trade and other receivables		**474.5**	364.0
Derivative financial instruments		**2.1**	11.3
Cash and cash equivalents		**212.0**	185.7
		982.1	797.5
TOTAL ASSETS		**2,549.1**	1,836.5
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**468.2**	337.2
Provisions for liabilities		**47.2**	29.6
Derivative financial instruments		**0.1**	0.6
Deferred contingent consideration		**9.5**	0.6
Interest bearing loans and borrowings		**98.7**	132.7
Current income tax liabilities		**64.5**	42.6
		688.2	543.3
NON-CURRENT LIABILITIES			
Retirement benefit obligations		**15.1**	16.4
Provisions for liabilities		**36.4**	26.2
Interest bearing loans and borrowings		**470.9**	204.6
Deferred tax liabilities		**44.1**	22.1
Deferred contingent consideration		**0.6**	14.8
		567.1	284.1
TOTAL LIABILITIES		**1,255.3**	827.4
NET ASSETS		**1,293.8**	1,009.1
EQUITY			
Share capital		**23.3**	23.0
Share premium		**92.5**	48.4
Capital redemption reserve		**0.7**	0.7
Treasury shares		**(11.3)**	(30.7)
Other reserves		**(17.7)**	(63.2)
Retained earnings		**1,194.9**	1,022.9
EQUITY ATTRIBUTABLE TO OWNERS OF KINGSPAN GROUP PLC		**1,282.4**	1,001.1
NON-CONTROLLING INTEREST		**11.4**	8.0
TOTAL EQUITY		**1,293.8**	1,009.1

Gene M. Murtagh
Chief Executive Officer

Geoff Doherty
Chief Financial Officer

22 February 2016

Kingspan Group plc

Group Condensed Statement of Changes in Equity

for the year ended 31 December 2015

	Share Capital	Share Premium	Capital Redemption Reserve	Treasury Shares	Translation Reserve	Cash flow Hedging Reserve	Share Based Payment Reserve	Revaluation Reserve	Retained Earnings	Total attributable to owners of the parent	Non-Controlling Interest	Total Equity
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance at 1 January 2015	23.0	48.4	0.7	(30.7)	(90.6)	(0.2)	26.9	0.7	1,022.9	1,001.1	8.0	**1,009.1**
Transactions with owners recognised directly in equity												
Employee share based compensation	0.3	9.0	-	-	-	-	8.1	-	-	17.4	-	**17.4**
Tax on employee share based compensation	-	-	-	-	-	-	6.3	-	2.4	8.7	-	**8.7**
Exercise or lapsing of share options	-	-	-	-	-	-	(11.7)	-	11.7	-	-	**-**
Transfer of shares	-	35.1	-	19.4	-	-	-	-	-	54.5	-	**54.5**
Dividends	-	-	-	-	-	-	-	-	(31.8)	(31.8)	-	**(31.8)**
Transactions with owners	0.3	44.1	-	19.4	-	-	2.7	-	(17.7)	48.8	-	**48.8**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	188.1	188.1	2.5	**190.6**
Other comprehensive income:												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	3.2	-	-	-	3.2	-	**3.2**
- tax impact	-	-	-	-	-	(0.1)	-	-	-	(0.1)	-	**(0.1)**
Exchange differences on translating foreign operations	-	-	-	-	39.7	-	-	-	-	39.7	0.9	**40.6**
Items that will not be reclassified subsequently to profit or loss												
Actuarial gains of defined benefit pension scheme	-	-	-	-	-	-	-	-	1.8	1.8	-	**1.8**
Income taxes relating to actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	(0.2)	(0.2)	-	**(0.2)**
Total comprehensive income for the year	-	-	-	-	39.7	3.1	-	-	189.7	232.5	3.4	**235.9**
Balance at 31 December 2015	23.3	92.5	0.7	(11.3)	(50.9)	2.9	29.6	0.7	1,194.9	1,282.4	11.4	**1,293.8**

Kingspan Group plc

Group Condensed Statement of Changes in Equity

for the year ended 31 December 2014

	Share Capital	Share Premium	Capital Redemption Reserve	Treasury Shares	Translation Reserve	Cash flow Hedging Reserve	Share Based Payment Reserve	Revaluation Reserve	Retained Earnings	Total Attributable to Owners of the Parent	Non-Controlling Interest	Total Equity
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance at 1 January 2014	22.7	43.1	0.7	(30.7)	(148.0)	(0.7)	21.9	0.7	942.0	851.7	7.9	**859.6**
Employee share based compensation	0.3	5.3	-	-	-	-	7.7	-	-	13.3	-	**13.3**
Tax on employee share based compensation	-	-	-	-	-	-	1.1	-	1.1	2.2	-	**2.2**
Exercise or lapsing of share options	-	-	-	-	-	-	(3.8)	-	3.8	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	(25.3)	(25.3)	-	**(25.3)**
Transactions with owners	0.3	5.3	-	-	-	-	5.0	-	(20.4)	(9.8)	-	**(9.8)**
Total comprehensive income for the year												
Profit/(loss) for the year	-	-	-	-	-	-	-	-	107.2	107.2	(0.7)	**106.5**
Other comprehensive income:												
Items that may be reclassified subsequently to profit or loss												
Cash flow hedging in equity												
- current year	-	-	-	-	-	0.6	-	-	-	0.6	-	**0.6**
- tax impact	-	-	-	-	-	(0.1)	-	-	-	(0.1)	-	**(0.1)**
Exchange differences on translating foreign operations	-	-	-	-	57.4	-	-	-	-	57.4	0.8	**58.2**
Items that will not be reclassified subsequently to profit or loss												
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	-	-	(6.7)	(6.7)	-	**(6.7)**
Income taxes relating to actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	0.8	0.8	-	**0.8**
Total comprehensive income for the year	-	-	-	-	57.4	0.5	-	-	101.3	159.2	0.1	**159.3**
Balance at 31 December 2014	**23.0**	**48.4**	**0.7**	**(30.7)**	**(90.6)**	**(0.2)**	**26.9**	**0.7**	**1,022.9**	**1,001.1**	**8.0**	**1,009.1**

Kingspan Group plc

Group Condensed Statement of Cash Flows

for the year ended 31 December 2015

	Note	**2015 €m**	2014 €m
OPERATING ACTIVITIES			
Cash generated from operations	7	**379.7**	168.9
Income tax paid		**(28.7)**	(14.8)
Interest paid		**(14.8)**	(14.5)
Net cash flow from operating activities		**336.2**	139.6
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(79.3)**	(45.4)
Proceeds from disposals of property, plant and equipment		**9.8**	14.5
Purchase of subsidiary undertakings	11	**(434.4)**	(100.5)
Payment of deferred contingent consideration in respect of acquisitions		**(4.3)**	(4.5)
Interest received		**0.3**	0.6
Net cash flow from investing activities		**(507.9)**	(135.3)
FINANCING ACTIVITIES			
Drawdown of bank loans		**336.5**	-
Repayment of bank loans		**(119.3)**	(4.3)
Finance lease liability payment		**(0.5)**	(0.1)
Proceeds from share issues		**9.3**	5.5
Dividends paid	8	**(31.8)**	(25.3)
Net cash flow from financing activities		**194.2**	(24.2)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**22.5**	(19.9)
Translation adjustment		**3.8**	9.0
Cash and cash equivalents at the beginning of the year		**185.7**	196.6
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**212.0**	185.7

Notes to the Preliminary Statement

for the year ended 31 December 2015

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 2014 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 2015 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 2014 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 material gains or losses from non trading items.
- 'Trading margin' refers to the trading profit, as calculated above, as a percentage of revenue.
- 'Non trading items' refers to material gains or losses on the disposal or acquisition of businesses and material related acquisition and integration costs, and material impairments to the carrying value of intangible assets or property, plant and equipment. It is determined by management that each of these items relate to events or circumstances that are unusual due to their size or incidence.
- 'Operating profit' is profit before income taxes and net finance costs.

The Group adopted *Annual Improvements to IFRSs 2011 to 2013 Cycle* for the first time in the current financial year with no significant impact on the Group's result for the year or financial position.

There are a number of new standards, amendments to standards and interpretations that are not yet effective for the current financial year and have not been applied in preparing these consolidated financial statements. These new standards, amendments to standards and interpretations are either not expected to have a material impact on the Group's financial statements or are still under assessment by the Group.

1 GENERAL INFORMATION *(continued)*

Basis of Preparation and Accounting Policies *(continued)*

The new standards, amendments to standards and interpretations are as follows:

	Effective Date – periods beginning on or after
IAS 19 Amendment: *Defined Benefit Plans: Employee Contributions*	1 February 2015
Annual Improvements to IFRSs 2010 to 2012 Cycle	1 February 2015
Amendments to IFRS 11: *Accounting for acquisitions of interests in Joint Operations*	1 January 2016
Amendments to IAS 16 and IAS 38: *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Bearer plants*	1 January 2016
IFRS 14: *Regulatory Deferral Accounts*	1 January 2016
Amendments to IAS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associate or joint venture (September 2014)*	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: *Applying the consolidation exception (December 2014)*	1 January 2016
Amendments to IAS 1: *Disclosure Initiative*	1 January 2016
Annual Improvements to IFRSs 2012 to 2014 Cycle	1 January 2016
IFRS 15: *Revenue from contracts with customers*	1 January 2018
IFRS 9 *Financial Instruments (2009 and subsequent amendments in 2010 and 2013)*	1 January 2018

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. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

Operating segments
The Group has the following four operating segments:

Insulated Panels	Manufacture of insulated panels, structural framing and metal facades.
Insulation Boards	Manufacture of rigid insulation boards, building services insulation and engineered timber systems.
Environmental	Manufacture of energy storage solutions, water and microwind systems and all related service activities.
Access Floors	Manufacture of raised access floors and data centre storage solutions.

Analysis by class of business
Segment revenue

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total €m**
Total revenue – 2015	1,776.6	662.8	159.0	175.9	**2,774.3**
Total revenue – 2014	1,111.4	477.1	147.6	155.1	1,891.2

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. For the purposes of the segmental analysis, corporate overheads have been allocated to each division based on their respective revenue for the year.

Segment result (profit before finance expense)

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total 2015 €m**	Total 2014 €m
Trading profit – 2015	165.2	61.3	8.1	21.3	**255.9**	
Intangible amortisation	(5.9)	(3.1)	(0.1)	-	**(9.1)**	
Operating profit – 2015	159.3	58.2	8.0	21.3	**246.8**	
Trading profit – 2014	89.2	39.9	1.2	18.2		148.5
Intangible amortisation	(2.7)	(2.0)	(0.2)	-		(4.9)
Non trading items	2.7	(2.7)	(2.1)	-		(2.1)
Operating profit - 2014	89.2	35.2	(1.1)	18.2		141.5
Net finance expense					**(14.8)**	(14.0)
Profit for the year before tax					**232.0**	127.5
Income tax expense					**(41.4)**	(21.0)
Net profit for the year					**190.6**	106.5

Segment assets

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total 2015 €m**	Total 2014 €m
Assets – 2015	1,401.3	586.2	149.9	157.1	**2,294.5**	
Assets – 2014	801.2	523.3	145.9	146.7		1,617.1
Derivative financial instruments					**31.7**	26.7
Cash and cash equivalents					**212.0**	185.7
Deferred tax assets					**10.9**	7.0
Total assets as reported in the Consolidated Statement of Financial Position					**2,549.1**	1,836.5

Segment liabilities

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total 2015 €m**	Total 2014 €m
Liabilities – 2015	(377.0)	(133.9)	(39.9)	(26.2)	**(577.0)**	
Liabilities – 2014	(244.4)	(116.4)	(36.8)	(27.2)		(424.8)
Interest bearing loans and borrowings (current and non-current)					**(569.6)**	(337.3)
Derivative financial instruments (current and non-current)					**(0.1)**	(0.6)
Income tax liabilities (current and deferred)					**(108.6)**	(64.7)
Total liabilities as reported in the Consolidated Statement of Financial Position					**(1,255.3)**	(827.4)

Other segment information

	Insulated Panels €m	**Insulation Boards €m**	**Environmental €m**	**Access Floors €m**	**Total €m**
Capital investment – 2015 *	209.4	26.4	3.5	5.3	**244.6**
Capital investment – 2014 *	28.7	41.5	2.2	2.0	74.4
Depreciation included in segment result – 2015	(38.7)	(15.7)	(3.7)	(2.4)	**(60.5)**
Depreciation included in segment result – 2014	(23.5)	(12.4)	(3.2)	(1.7)	(40.8)
Non-cash items included in segment result – 2015	(4.7)	(2.0)	(0.6)	(0.8)	**(8.1)**
Non-cash items included in segment result – 2014	(1.4)	(2.0)	(2.9)	(0.9)	(7.2)

* Capital investment includes fair value of property, plant and equipment and intangible assets 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 – 2015	92.4	816.9	1,079.3	566.7	219.0	**2,774.3**
Revenue – 2014	81.1	687.4	668.0	274.1	180.6	1,891.2
Statement of Financial Position Items						
Non-current assets – 2015 *	49.3	351.2	628.2	382.8	115.0	**1,526.5**
Non-current assets – 2014 *	50.5	334.2	284.4	253.5	94.0	1,016.6
Other segmental information						
Capital investment – 2015	5.3	21.7	141.1	55.8	20.7	**244.6**
Capital investment – 2014	2.5	12.6	19.7	29.8	9.8	74.4

* Total non-current assets excluding derivative financial instruments and deferred tax assets

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

	2015 €m	2014 €m
Deferred contingent consideration no longer payable	-	2.7
Impairment of goodwill	-	(2.1)
Impairment of property, plant and equipment	-	(2.7)
	-	(2.1)

In the current year, the Group did not incur any non-trading items.

The prior year non trading items relate to the release of unpaid contingent consideration for the Rigidal acquisition as the associated EBITDA targets were not achieved, goodwill impairment relating to a business within the Environmental segment and the impairment of property, plant and equipment relating to a loss made on the disposal of an industrial building in Poland.

4 FINANCE EXPENSE AND FINANCE INCOME

	2015	2014
	€m	€m
Finance expense		
Bank loans	**3.9**	2.1
Private placement loan notes	**10.6**	11.6
Fair value movement on derivative financial instrument	**(14.8)**	(31.4)
Fair value movement on private placement debt	**15.3**	32.2
Net defined benefit pension scheme	**0.1**	0.1
	15.1	14.6
Finance income		
Interest earned	**(0.3)**	(0.6)
Net finance cost	**14.8**	14.0

No borrowing costs were capitalised during the year (2014: €nil).

No costs were reclassified from Other Comprehensive Income to profit during the year (2014: €nil).

5 ANALYSIS OF NET DEBT

	2015	2014
	€m	€m
Cash and cash equivalents	**212.0**	185.7
Derivative financial instruments - net	**29.6**	26.1
Current borrowings	**(98.7)**	(132.7)
Non current borrowings	**(470.9)**	(204.6)
Total Net Debt	**(328.0)**	(125.5)

The Group's core funding is provided by a number of private placement loan notes totalling €465.5m. The notes have a weighted average maturity of 6.4 years.

In addition, the Group has a €300m revolving credit facility, which was undrawn at year end and which matures in March 2019. As at 31 December 2015, the Group's committed bilateral bank facilities were €190m, of which €75m was drawn.

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 assets of €2.0m (2014: €0.01m) 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

	2015	2014
	€m	€m
Increase/(decrease) in cash	**22.5**	(19.9)
Drawdown of bank loans	**(336.5)**	-
Repayment of bank loans	**119.3**	4.3
Decrease in lease finance	**0.5**	0.1
Change in net debt resulting from cash flows	**(194.2)**	(15.5)
Translation movement - relating to US dollar loan	**(24.0)**	(43.6)
Translation movement - other	**1.5**	8.5
Derivative financial instruments movement	**14.2**	31.8
Net movement	**(202.5)**	(18.8)
Net debt at start of the year	**(125.5)**	(106.7)
Net debt at end of the year	**(328.0)**	(125.5)

Further analysis on net debt at the start and end of the year is provided in note 5.

7 CASH GENERATED FROM OPERATIONS

	2015	2014
	€m	€m
Profit for the year	**190.6**	106.5
Add back non-operating expenses:		
- Income tax expense	**41.4**	21.0
- Depreciation of property, plant and equipment	**60.5**	40.8
- Amortisation of intangible assets	**9.1**	4.9
- Impairment of non-current assets	**13.4**	5.6
- Employee equity-settled share options	**8.1**	7.7
- Finance income	**(0.3)**	(0.6)
- Finance expense	**15.1**	14.6
- Non-cash items	**1.7**	2.1
- (Profit)/loss on sale of property, plant and equipment	**(2.1)**	2.9
Changes in working capital:		
- Inventories	**57.5**	(23.5)
- Trade and other receivables	**(21.2)**	(26.9)
- Trade and other payables	**1.6**	22.7
Other		
- Change in provisions	**7.1**	(6.5)
- Pension contributions	**(2.8)**	(2.4)
Cash generated from operations	**379.7**	168.9

8 DIVIDENDS

Equity dividends on ordinary shares:	**2015 €m**	2014 €m
2015 Interim dividend 8.0 cent (2014: 6.25 cent) per share	**14.2**	10.7
2014 Final dividend 10.0 cent (2013: 8.5 cent) per share	**17.6**	14.6
	31.8	25.3
Proposed for approval at AGM		
Final dividend of 17.0 cent (2014: 10.0 cent) per share	**30.4**	17.2

This proposed dividend for 2015 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 2015 in accordance with IAS 10 Events after the Reporting Date. The proposed final dividend for the year ended 31 December 2015 will be payable on 13 May 2016 to shareholders on the Register of Members at close of business on 22 April 2016.

9 EARNINGS PER SHARE

	2015 €m	2014 €m
The calculations of earnings per share are based on the following:		
Profit attributable to ordinary shareholders	**188.1**	107.2
	Number of shares ('000) 2015	Number of shares ('000) 2014
Weighted average number of ordinary shares for the calculation of basic earnings per share	**176,221**	171,128
Dilutive effect of share options	**2,977**	3,621
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**179,198**	174,749

	2015 € cent	2014 € cent
Basic earnings per share	**106.7**	62.6
Diluted earnings per share	**105.0**	61.3
Adjusted basic earnings per share	**111.2**	66.6

Adjusted basic earnings reflects the profit attributable to ordinary shareholders after eliminating the impact, net of tax, of the Group's intangible amortisation and non trading items.

The number of options which are anti-dilutive and have therefore not been included in the above calculation is Nil (2014: 589,484).

10 JOINT VENTURES

	2015 €m	2014 €m
Interest in joint venture		
At beginning of year	**8.4**	8.3
Share of profit after tax	**-**	0.6
Dividend received	**-**	(0.5)
Disposal of joint venture	**(8.4)**	-
At end of year	**-**	8.4

On 17 February 2015, the Group acquired the remaining 50% of a previously held joint venture, Kingspan Industrial Insulation ("KII"). KII forms part of the Insulation division and operates mainly in the Benelux countries and the UK. In line with IFRS 3, this transaction has been treated as a disposal of the Group's share of the joint venture and acquisition of the full 100% of the business.

Given the close proximity of the transaction to the beginning of the year, the Group's share of the current year profit after tax up to the disposal date is considered immaterial and has no impact on the movement of the Group's interest in the year as shown above.

11 BUSINESS COMBINATIONS

In March 2015, the Group acquired 100% of the share capital of Steel Partners NV, the holding company of the Joris Ide Group. Joris Ide is a pan European manufacturer and supplier of insulated panels, profiles and related accessories. The total consideration including debt and related costs amounts to €320.4m.

In May 2015, Kingspan acquired the Building Products division of Vicwest Inc. ("Vicwest"). Vicwest was a Canadian listed company and its Building Products division comprised three Insulated Panel manufacturing plants, in addition to a number of profiling facilities across Canada and the US. The total consideration including debt and related costs amounts to €138.3m.

The Group made three additional acquisitions during the year; the purchase of 100% of the share capital of American Solar Alternative Power LLC, the purchase of 100% of the share capital of SPU Oy, a Finnish based Insulation boards business, and the purchase of the remaining 50% of a previously held joint venture, Kingspan Industrial Insulation ("KII"), which has been disclosed further in Note 10. The combined total consideration of these additional acquisitions was €39.6m.

11 BUSINESS COMBINATIONS *(continued)*

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

	Joris Ide €m	Vicwest €m	Other €m	Total €m
Non-current assets				
Intangible assets	34.5	20.9	-	**55.4**
Property, plant and equipment	81.8	22.9	5.5	**110.2**
Deferred tax assets	-	-	0.5	**0.5**
Current assets				
Inventories	79.0	24.3	5.1	**108.4**
Trade and other receivables	38.1	28.4	10.3	**76.8**
Current liabilities				
Trade and other payables	(93.4)	(32.6)	(9.9)	**(135.9)**
Provisions for liabilities	(13.0)	(3.5)	(2.3)	**(18.8)**
Non-current liabilities				
Deferred tax liabilities	(22.0)	(4.2)	-	**(26.2)**
Total identifiable assets	105.0	56.2	9.2	**170.4**
Goodwill	215.4	82.1	30.4	**327.9**
Total consideration	320.4	138.3	39.6	**498.3**
Satisfied by:				
Cash (net of cash acquired)	265.9	138.3	30.2	**434.4**
Deferred contingent consideration	-	-	1.6	**1.6**
Share capital issued	54.5	-	-	**54.5**
Value attributed to initial 50% of the business	-	-	7.8	**7.8**
	320.4	138.3	39.6	**498.3**

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

In the post-acquisition period to 31 December 2015, the businesses acquired during the current year contributed revenue of €567m and a trading profit of €39m to the Group's results.

12 POST BALANCE SHEET EVENTS

There have been no material events subsequent to 31 December 2015 which would require disclosure in this report.

13 EXCHANGE RATES

The financial information included in this report is expressed in Euro which is the presentation currency of the Group and the functional currency of the Company. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at actual exchange rates or average, 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 =	**2015**	2014	**2015**	2014
Pound Sterling	**0.726**	0.806	**0.735**	0.780
US Dollar	**1.110**	1.328	**1.090**	1.215
Canadian Dollar	**1.419**	1.467	**1.515**	1.409
Australian Dollar	**1.478**	1.473	**1.491**	1.483
Czech Koruna	**27.282**	27.534	**27.022**	27.744
Polish Zloty	**4.184**	4.185	**4.266**	4.259
Hungarian Forint	**309.93**	308.69	**314.90**	314.85

14 CAUTIONARY STATEMENT

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

15 BOARD APPROVAL

This announcement was approved by the Board on 22 February 2016.