KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31st DECEMBER 2007.

Kingspan ("Kingspan"), the leading manufacturer of an integrated range of energy conserving building solutions, announces preliminary results for the year ended 31 December 2007.

Financial highlights:

	2007	2006	% Change
Turnover	**€1,863.2mn**	**€1,461.2mn**	**27.5%**
Operating profit	**€236.7mn**	**€194.0mn**	**22.0%**
Net profit before tax	**€224.2mn**	**€185.2mn**	**21.0%**
Basic earnings per share	**110.5 €cent**	**89.8 €cent**	**23.0%**
Dividend per share for the year	**25.0 €cent**	**19.0 €cent**	**31.5%**
Dividend cover	**4.4 times**	**4.7 times**	
Interest cover (EBITDA/Net Interest)	**22.8 times**	**26.7 times**	
Gearing ratio (net debt as % shareholders funds)	**33.4%**	**34.3%**	

Operational highlights:

- Increased penetration of Insulated Panels and rigid Insulated Boards in the UK
- Further significant progression in CEE with turnover up 33%.
- Total acquisition and capital expenditure of €194.6mn:
    - Commissioned new phenolic insulation line in Ireland and new Insulated Panel facility in Turkey;
    - Commencement of building projects for additional lines/greenfield plants in the UK, Czech Republic, Poland, the Netherlands and Canada.
- Solid, early stage progress in the newer markets of Australia, New Zealand & Canada.
- Encouraging growth in Offsite residential in the UK with significant like for like growth in order book.
- Outstanding performance of Access Floors, both UK and North America.

Gene Murtagh, Chief Executive of Kingspan commented:

"Kingspan delivered another record year of profitable growth in 2007. Our strategy of focusing on higher growth, energy sensitive segments of the building industry with a diverse product range will continue to be beneficial in dealing with a backdrop of challenging market conditions and the ongoing battle against climate change.

As a Group, we have little control over global market conditions, but are clearly taking all reasonable measures to respond to the immediate challenges facing the business. That aside, we believe our ability to penetrate further into existing markets and our *continually expanding geographic reach, coupled with the growing global demand for energy conserving building systems, will provide excellent growth opportunities for Kingspan in the longer term."*

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Chief Executive's Review

2007 was another year of strong organic development throughout the Group, resulting in a period of record earnings with operating profit growing 22% to €236.7mn.

The Group's model of focusing on higher growth, energy sensitive segments of the building industry proved resilient in a year of mixed overall performance. The core energy conservation qualities of many of the Group's products again demonstrated Kingspan's ability to relentlessly convert specifiers and end-users from traditional and less effective materials towards more modern solutions.

The enormity of climate change, and its accelerating implications, continues to gain much greater exposure than at any stage in the past. With that comes the very evident shift in demand for all solutions that will contribute to an easing of these pressures over the medium to long term. Buildings, be they residential, commercial or manufacturing account for in excess of 40% of carbon emissions globally. Recognising this, Kingspan has, and continues to innovate and deliver solutions today that will dramatically reduce the need for energy tomorrow, and provide compelling economic payback. Becoming the first in the world to develop the Zero Carbon home, which in itself meets the 2016 standards as outlined in the Code for Sustainable Homes, is the latest example of this innovation. This code envisages much higher insulation standards, rainwater recovery, use of renewables such as solar hot water and power generation, all products currently in the Kingspan suite.

Insulated Panels & Boards

Insulated Panels

Representing 40% of Group sales, Insulated Panels continued its pattern of strong organic sales growth, delivering revenue of €763.6mn in 2007, an increase of 33% over prior year. Growth was achieved in all markets.

In Ireland, volumes grew in the year by 9% in a non-residential market that continued to display strength despite weakness in other segments of construction. In particular, retail and distribution drove much of the progress in the year. However, the buoyancy of the first half was not evident in the second half. Low rise non-residential activity in the UK continued to be as robust as in recent years, and the market grew by an estimated 5% in 2007. Penetration growth continued, which together with a strong market contributed to a volume increase of 15%. The Group's R&D resources delivered a number of new products to the market, particularly in the area of architectural facades. As yet sales levels are low as the concepts move through the process of launch, specification and receipt of order, but progress has been encouraging for product specifications in these newer, future segments, including the Group's EnergiPanel. It will be 2009 before these specifications materialise into orders.

Central & Eastern Europe, together with Turkey, once again showed exceptional growth in the Panel business. Strong markets, favourable mix, and expansions into a small number of new markets all combined to deliver 48% growth both in revenue and volume in the region. This business is currently in the process of expanding its product offering of architectural, roofing and Firesafe® solutions throughout the region which will form the foundation for longer term sustainable growth. Significant additional capacity is being added to the Czech facility in 2008, in addition to that in Turkey successfully commissioned during 2007. The Turkish and Middle Eastern markets remain very competitive however, and it is a medium to longer term process to bring these business opportunities into satisfactory levels of profitability.

Canada and Australia, both delivered solid progress in 2007. In Australia, the focus remained largely on expanding our presence in the cold and food store sectors, and towards the end of the period, production of roofing systems commenced. This, together with an architectural wall offering which began production in early 2008, significantly broadens the longer term opportunity for Kingspan in that region. In Canada, the front end of the business has been rebranded Kingspan, and the manufacturing side will become fully integrated as we establish a new, multi-product panel facility south of Toronto during 2008. To date, both the Canadian and Australian markets have been slow to embrace policies to deal with the challenges of climate change. During 2007, there was evidence that this is beginning to turn, as was also the case in the US where the Group intends to become more established over the medium term.

Insulation Boards

Representing 15% of Group sales, Insulation sales at €284.2mn grew by 17% over prior year, in all markets.

In Ireland, and against a challenging backdrop, sales in Insulation Boards grew by 7.7%.
The drivers for this robust performance were strong commercial construction, improving standards of insulation, steady one-off residential construction, and an increasing need for high performance insulation in Northern Ireland. In addition to this, Kingspan's phenolic insulation sales are outgrowing the market, which are being further supported by a newly commissioned production line in Ireland during the year.

In Britain sales increased by 20%, continuing the pattern of growth displayed in recent years. The Group's high performance rigid insulation business is optimally positioned to benefit from the rapid improvement in thermal building standards. Accordingly, the market attainable by Kingspan's products continues to expand, as does our product range, and our capacity. Early 2008 will see the commissioning of a new Northern UK PIR insulation facility designed to support the longer term growth and service demands of Kingspan's client network through the UK, whilst significantly enhancing the Group's ability to retain its clear number one market position in the face of growing demand and an increasingly competitive environment.

On Mainland Europe, both Western and Central regions performed well in 2007. Benelux sales grew significantly, particularly in phenolic, as did sales in our insulation business' more recent markets in CEE. The Group places growing emphasis on its ability to expand this product offering throughout Mainland Europe, and has committed to substantial greenfield expansion in both the Netherlands and Poland where production is expected in early 2009.

Offsite & Structural

Representing 18% of Group sales, this Division generated sales of €326.8mn for 2007, growth of 33% over prior year, driven entirely by strong progress in the UK market.

Offsite construction has become much more prevalent in the UK in recent years, which is clearly evidenced by year on year growth of 66% in that market during 2007. The Group's emphasis has been placed predominately on highly insulated timberframe applications, which showed growth in penetration in the England/Wales markets from 13% to 15% of residential construction. Also the Group's secondary steel products performed satisfactorily in both the UK and Ireland.

More significant for the longer term is the adoption in the UK of the Code for Sustainable Homes which has mapped out a mandatory roadmap to zero carbon for all new dwelling construction by 2016. Whilst perceived by many as an ambitious timeline, Kingspan made a practical contribution to this debate by developing and building the world's first net zero carbon house, the Lighthouse, during 2007. The Lighthouse now represents the future standard, versions of which will be increasingly reflected in the products offered by the Group. Similarly in Ireland regulations are trending in this direction, the first step of which will be a 40% energy efficiency improvement in late 2008, followed in 2010 by a 60% improvement on today's levels, plus mandatory use of renewable energy. The Group's products have been developed and tailored for these advancing standards.

In the shorter term however, Ireland's residential construction market is experiencing a dramatic downturn, likely to last at least until late 2009. To-date this has had a significant effect on this business' sales and profits, to the extent that the unit traded at breakeven in 2007. Appropriate measures have been taken, including satellite plant closures, to minimise the effect on the business in the short term.

Environmental & Renewables

Representing almost 16% of Group sales, this Division grew sales by 17% to €291.5mn in the year, owing largely to a continued strong performance in Hot Water Systems, and the addition of a number of bolt-ons, including Thermomax, now Kingspan's own manufactured solar thermal solution.

The Group's Hot Water Systems business in the UK continued its growth trend, through market share and penetration gains. Increasingly, pressurised systems are replacing traditional gravity fed systems and Kingspan has positioned itself ideally to benefit from this trend. In the short term, however, the slowdown in residential construction in the UK and Ireland means we will not see the full benefit of the transition in the coming year. It is further envisaged that renewable sources of energy for hot water will become much more evident in the medium term in the UK & Ireland, and indeed across Europe. The Thermomax product range now puts the Group at the forefront of this emerging opportunity and renewables will favour storage over direct heating, pointing towards sustainable growth in hot water storage. Augmenting our position in this sector will be central to this business' development. The Effluent Treatment products again delivered a steady performance, but Fuel Storage suffered greater warranty related costs than in previous years. Whilst Fuel Storage products remain a robust contributor to the sales line, warranty issues alone hampered the business' outcome and compressed the Division's margin by approximately 5% in 2007. During 2008, legal proceedings will commence against the raw material manufacturer to recover past and future costs.

On Mainland Europe, profits grew once again as the small sales subsidiaries around the continent delivered another year of local growth. The Group will continue to focus on this region in 2008, through both organic and acquisition led opportunities.

Access Floors

Representing almost 11% of Group sales, turnover in this Division grew by 32% to €197.1mn in 2007.

In North America, the business delivered an excellent performance, with record profits, despite sales trailing the sector's last peak. Good product mix, lean cost and gradual growth in penetration all contributed to the strong performance. This was further supported by the small but advantageous bolt-on of Tate ASP in Canada, which is now fully integrated and partially supplied by the Group's US operations. Order intake activity was well ahead of prior year.

In many ways, performance of the UK based business mirrored that of North America. Strong topline growth, exceptionally low cost base and record operating margins. Vacancy rates in London, in particular, remained extremely low at year end. Notwithstanding a slight weakening in vacancy rates in the early part of 2008, we expect the order bank to deliver a strong first half to the current year.

Strategy

The Group's strategic focus is to pursue a broadening geographic footprint of sustainable building solutions, with market leading positions in regions where energy conservation and creative aesthetics are the priority. In support of this goal, significant internal resources and emphasis has been placed on nurturing a continuous flow of new and leading edge products and solutions to our markets, produced in the most highly efficient manufacturing environment possible.

Outlook

The backdrop of recent global economic and financial turmoil has made itself increasingly evident in most construction markets in the developed world. Limited access to debt markets for investors and developers along with dwindling consumer confidence is resulting in contraction of building activity generally. While it is still early in the year, if present market conditions persist it is likely to result in the Group's earnings performance being appreciably behind the 2007 outcome.

The Group is taking all reasonable measures to respond to the immediate challenges it faces. Kingspan's strategy, however, leaves it well positioned to capitalise on future improvements in global construction markets. The climate change agenda is here to stay resulting in both voluntary and mandatory measures to alleviate its impact on our surroundings. Longer term, the Group remains absolutely confident and ambitious about its ability to grow, and is fully committed to its strategy of increasing penetration in existing markets and further geographic expansion in response to growing global demand for energy conserving building systems.

Financial Review

Results

Turnover for the year ended 31st December 2007 was €1,863.2mn, an increase of 27.5% on 2006. Acquisitions completed during the course of the year generated €43.6mn additional turnover.

Profit before tax was €224.2mn, 21% up on the €185.2mn achieved in 2006. Earnings attributable to ordinary shareholders were €187.3mn (2006:€151mn). Cash generation remained strong with earnings before interest, tax, depreciation and amortisation (EBITDA) of €284.2mn, which represented a 20.4% increase on the €236mn out-turn in 2006. The amortisation charge for the year amounted to €4.6mn (2006:€2.7mn).

Turnover and Margins

Group turnover increased by 27.5% or €402mn compared to 2006. The tables below summarise the Profit and Loss account and detail the Group's Turnover by Class of Activity and Geographical Area and the year on year growth achieved.

Summary Profit and Loss Account:

	2007 **€'mn**	**2006** **€'mn**
Sales Revenue	1,863.2	1,461.2
Gross Profit	562.8	456.6
Gross Profit %	30.2%	31.2%
Operating Costs	322.3	259.9
	240.5	196.7
Add profit on sale of Land/Buildings	3.9	-
Less Goodwill Impairment	(3.1)	-
Less Amortisation of Intangibles	(4.6)	(2.7)
Operating Result	**236.7**	**194.0**

Analysis by Class of Activity	**Year ended 31.12.07 €'mn**	**Year ended 31.12.06 €'mn**	**% Change 2007-2006**	**€'mn increase**
Insulated Panels	*763.6*	*574.1*	*+33%*	*+189.5*
Insulation Boards	*284.2*	*242.4*	*+17.2%*	*+41.8*
Insulated Panels & Boards	1,047.8	816.5	+28.3%	+231.4
Raised Access Flooring	197.1	149.5	+31.8%	+47.6
Environmental &.Renewables	291.5	249.0	+17.1%	+42.5
Offsite & Structural	326.8	246.2	+32.7%	+80.6
	1,863.2	**1,461.2**	**+27.5%**	**+402**
	Year ended 31.12.07 €'mn	**Year ended 31.12.06 €'mn**	**% Change 2007-2006**	**€'mn increase**
Republic of Ireland	270.4	261.5	+3.4%	+8.9
Britain and Northern Ireland	1,036.7	822.1	+26.1%	+214.6
Mainland Europe	375.5	272.1	+38%	+103.4
Americas	144.5	78.9	+83%	+65.6
Other	36.1	26.6	+35.7%	+9.5
	1,863.2	**1,461.2**	**+27.5%**	**+402**

The gross profit margin was 30.2%, down from 31.2% last year. The operating costs at €322.3mn represent 17.3% of sales revenue, compared to 17.8% in the previous year.

Within the product groups, the operating margin in insulated panels and insulation boards, which together represent 56% of group sales revenue, increased to 16.2% (2006:15.8%). The margin in off-site and structural products fell to 7.0% (2006:11.7%), the result of the significant fall-off in sales in Ireland in the second half of the year. This business has now been downsized to the current market environment. The margin in environmental and renewable products at 4.8% is down from 8.6% in 2006. This division is in the process of rationalizing production sites, the benefit of which will only come through in 2008/9, and continues to be negatively affected by warranty costs. Access floor products delivered an operating margin of 17.3% (2006:11.8%) and benefited in the year from a good mix of products, a favourable procurement environment and from the timing of the final completion of certain projects.

The ongoing amortisation of intangibles was €4.6mn in the year (2006:€2.7 mn). There was a profit of €3.9mn on the disposal of a property, resulting from the relocation of a business to a more modern and efficient building, and there was an impairment of goodwill charge of €3.1mn relating to the discontinuance of a particular product line.

The operating margin, being profits before interest and tax, as a percent of turnover, and after accounting for the items above, was 12.7% (2006:13.3%)

Taxation

The effective tax rate in the year at 16.4% compares with 18.1% last year.

Earnings Per Share

Basic earnings per share at 110.5 cent shows an increase of 23% over the previous year. This figure has grown at an annual compound rate of 20% over the ten year period 1997 to 2007. The average number of shares in issue during 2007 was 169.6mn and the number of shares in issue at 31st December 2007 was 170.4mn.

Dividends

Subject to shareholder approval at the 2008 Annual General Meeting, it is proposed that the dividend for 2007 will be 25 cent per share. This consists of an interim dividend of 8.0 cent per share paid on 5th October 2007, and a final dividend of 17 cent per share proposed to be paid on 30th May 2008 to shareholders on the register on 14th March 2008. This represents a 31.5% increase on the previous year. The dividend for the year is covered 4.4 times by earnings which compares to 4.7 times in 2006, which is line with previously given management guidance of a progressive dividend policy so as to bring dividend cover to a level closer to industry norms.

Funds Flow

The table below summarises the Group's funds flow for 2007 and 2006:

	2007 **€'mn**	***2006*** **€'mn**
Operating profit	236.7	194.0
Depreciation	39.8	39.3
Amortisation	7.7	2.7
Working capital increase	(66.8)	(48.5)
Pension contributions	(3.4)	(4.6)
Interest	(12.3)	(8.4)
Taxation paid	(27.0)	(25.5)
Others	17.6	17.7
Free cash	**192.3**	**166.7**
Acquisitions	(49.8)	(107.3)
Net capital expenditure	(140.3)	(57.7)
Dividends paid	(35.5)	(25.1)
	(225.6)	**(190.1)**
Cash flow movement	**(33.3)**	**(23.4)**
Debt translation	(4.1)	(0.7)
(Increase) in net debt	**(37.4)**	**(24.1)**
Net debt at start of year	(187.6)	(163.5)
Net debt at end of year	**(225.0)**	**(187.6)**

The free cash flow for the year, representing operating cash flow less interest and taxation paid, amounted to €192.3mn, which was up 15% on last year. This was used to fund investment of €194.6mn in acquisitions and capital expenditure, and dividends of €35.5mn to shareholders

Operational working capital at the year end was €285.4mn (2006:€229.7mn) and represented 15.3% of turnover (2006:15.7%).

Overall net debt, including amounts outstanding in respect of acquisitions, at the end of year was up slightly on the previous year at €225mn (2006:€187.6mn), which represents gearing of 33.4%.

Return on Capital Employed

The return on capital employed, being profit before interest and taxation as a percentage of shareholders' funds plus net debt at the year end, was maintained at 26.4%.

Treasury

At 31st December 2007 the Group had total facilities of €533mn comprising of syndicated bank facilities of €275mn, €151.5mn loan notes and €106.5mn of overdraft and other facilities. The syndicated facilities include a €50mn term loan with repayments of €25mn per annum to 16th December 2009, and a €225mn revolving credit facility which will also mature at that date. The Group's private placement of $200mn (€151.5mn) loan note matures in March 2015 ($158mn) and March 2017 ($42mn).

The drawn down bank facilities and loan notes at 31st December 2007 were €248.4mn, comprising €171.3mn EUR debt, €77.1mn of STG debt.

The loan notes, which represent 60% of the drawn down facilities, are fixed out to maturity in Euro at 4.15%. The remainder of the drawn down facilities are subject to floating rates.

Currently the Group does not enter into any external hedges to limit the exposure on translating non-Euro earnings.

Foreign exchange transaction exposures are internally hedged as far as possible and to the extent that they are not, such material residual exposures are hedged on a rolling 12 month basis. Based on current cashflow projections for the existing businesses to 31st December 2008, it is estimated that the Group has the need to sell the equivalent of €55mn in Sterling for Euro and sell the equivalent of US$24m in Sterling for US Dollar. As at 31st December 2007, hedges were in place covering over 50% of the Sterling to Euro exposure at a weighted average rate of 0.6990, and covering over 60% of the Sterling to US$ exposure at a weighted average rate of 2.01.

Pension Deficit

The Group has three legacy defined benefit pension schemes in the U.K. These schemes have been closed and the liability relates only to past service. As at 31st December 2007 there were assets in the schemes of €61.4mn and actuarial assessed pension liabilities of €67.9mn, giving a net deficit of €6.5mn. The corresponding liability at 31st December 2006 was €20.9mn.

The main drivers in this movement were:

	Assets €'mn	Liabilities €'mn	Net €'mn
Opening deficit	61.3	(82.2)	(20.9)
Translation	(5.6)	7.5	1.9
Contributions paid	3.4	-	3.4
Benefits paid	(1.7)	1.7	0
Actuarial gains/(losses)	0.3	8.9	9.2
Net return on asset	3.7	-	3.7
Interest cost	-	(3.8)	(3.8)
Closing deficit	61.4	(67.9)	(6.5)

Summary

Overall the Group is in a strong financial position going into 2008. The balance sheet is conservatively geared with interest cover significantly above both banking covenants and company targets. This will enable the Group to comfortably fund its anticipated growth, through both organic means and bolt on acquisitions.

GROUP INCOME STATEMENT

for the year ended 31 December 2007

	Continuing Operations 2007 € '000	Acquisitions 2007 € '000	**Total 2007 € '000**	Total 2006 € '000
Revenue	1,819,654	43,585	**1,863,239**	1,461,170
Costs of sales	(1,266,178)	(34,282)	**(1,300,460)**	(1,004,613)
Gross profit	553,476	9,303	**562,779**	456,557
Operating costs	(317,105)	(9,010)	**(326,115)**	(262,512)
Operating result	236,371	293	**236,664**	194,045
Finance costs			**(14,297)**	(11,620)
Finance income			**1,837**	2,775
Result for the year before tax			**224,204**	185,200
Income tax expense			**(36,877)**	(33,520)
Net result for the year			**187,327**	151,680
Profit attributable to:				
Shareholders of Kingspan Group plc			**187,295**	151,032
Minority Interest			**32**	648
Net Result for the year			**187,327**	151,680
Earnings per share for the year				
Basic			**110.5**	89.8
Diluted			**108.5**	87.8

GROUP BALANCE SHEET
as at 31 December 2007

	2007	2006
	€ '000	€ '000
Assets		
Non-current assets		
Goodwill	**303,966**	287,580
Other intangible assets	**14,164**	17,117
Property, plant and equipment	**398,688**	294,875
Financial assets	**209**	227
Deferred tax assets	**2,401**	2,694
	719,428	602,493
Current assets		
Inventories	**152,140**	130,868
Trade and other receivables	**386,744**	357,966
Cash and cash equivalents	**66,626**	69,060
	605,510	557,894
Total assets	**1,324,938**	1,160,387
Liabilities		
Current liabilities		
Trade and other liabilities	**253,454**	259,112
Provisions for liabilities and charges	**54,670**	42,554
Deferred consideration	**3,351**	5,659
Interest bearing loans and borrowings	**46,102**	34,631
Current tax liabilities	**32,861**	26,130
	390,438	368,086
Non-current liabilities		
Pension and other employee obligations	**6,509**	20,958
Interest bearing loans and borrowings	**234,392**	205,979
Deferred tax liabilities	**12,933**	8,212
Deferred consideration	**7,750**	10,355
	261,584	245,504
Total liabilities	**652,022**	613,590
NET ASSETS	**672,916**	546,797
Equity		
Equity attributable to shareholders of Kingspan Group plc		
Called-up share capital	**22,146**	22,161
Additional paid-in share capital	**31,917**	26,341
Other reserves	**(67,568)**	(25,601)
Revaluation reserve	**713**	713
Capital redemption reserve	**723**	513
Retained earnings	**681,755**	519,390
	669,686	543,517
Minority interest	**3,230**	3,280
TOTAL EQUITY	**672,916**	546,797

STATEMENT OF RECOGNISED INCOME AND EXPENSE
as at 31 December 2007

	2007	2006
	€ '000	€ '000
Profit for financial year attributable to Group shareholders	**187,295**	151,032
Currency translation	**(43,670)**	(4,657)
Cash flow hedging in equity	**1,702**	(337)
Actuarial losses in defined benefit pension scheme	**9,203**	(685)
Income taxes relating to items charged or credited to equity	**(3,110)**	206
Total recognised income and expense for the year	**151,420**	145,559

GROUP CASH FLOW STATEMENT
for the year ended 31 December 2007

	2007	2006
	€ '000	€ '000
Operating activities		
Result for the year before tax	**224,204**	185,200
Adjustments	**62,350**	54,393
Change in inventories	**(21,759)**	(18,446)
Change in trade and other receivables	**(37,829)**	(68,313)
Change in trade and other payables	**3,519**	48,669
Pension contributions	**(3,447)**	(4,561)
Cash generated from operations	**227,038**	196,942
Taxes paid	**(26,985)**	(25,498)
Net cash flow from operating activities	**200,053**	171,444
Investing activities		
Additions to property, plant and equipment	**(144,880)**	(59,420)
Proceeds from disposals of property, plant and equipment	**7,310**	1,747
Proceeds from financial assets	**-**	528
Purchase of subsidiary undertakings	**(48,647)**	(70,815)
Net cash acquired with acquisitions	**2,284**	(7,073)
Payment of deferred consideration in respect of acquisitions	**(2,163)**	(16,102)
Dividends paid to minorities	**(24)**	(14)
Interest received	**1,846**	2,654
Net cash flow from investing activities	**(184,274)**	(148,495)
Financing activities		
Proceeds from bank loans and loan notes	**-**	-
Repayment of bank loans	**35,487**	(35,998)
Discharge of finance lease liability	**(246)**	(2,406)
Proceeds from share issues	**4,644**	3,288
Interest paid	**(14,188)**	(11,087)
Dividends paid	**(35,546)**	(25,103)
Net cash flow from financing activities	**(9,849)**	(71,306)
Cash and cash equivalents at the beginning of the year	**61,864**	110,231
Net increase in cash and cash equivalents	**5,930**	(48,357)
Translation adjustment	**(4,856)**	(10)
Cash and cash equivalents at end of the year	62,938	61,864

Cash and cash equivalents as at 1st January 2007 were made up of:

Cash and cash equivalents	**69,060**	120,165
Overdrafts	**(7,196)**	(9,934)
	61,864	110,231

Cash and cash equivalents as at 31st December 2007 were made up of:

Cash and cash equivalents	**66,626**	69,060
Overdrafts	**(3,688)**	(7,196)
	62,938	61,864

The following non-cash adjustments have been made to the pre-tax result for the year to arrive at operating cash flow:

	2007	2006
	€'000	€'000
Depreciation, amortisation and impairment charges of fixed and intangible assets	**47,572**	41,957
Employee equity-settled share options	**5,650**	3,492
Finance income	**(1,837)**	(2,775)
Finance cost	**14,297**	11,620
Loss on sale of tangible assets	**(3,332)**	99
Total	**62,350**	54,393

Reconciliation of net cash flow to movement in net debt

	2007	2006
	€'000	€'000
(Decrease)/increase in cash and bank overdrafts	**5,930**	(48,357)
Decrease/(increase) in debt, lease finance and deferred consideration	**(33,078)**	54,506
Change in net debt resulting from cash flows	**(27,148)**	6,149
Loans and lease finance acquired with subsidiaries	**(5,469)**	(15,365)
Deferred consideration arising on acquisitions in the period	**2,035**	(14,086)
New finance leases	**(2,704)**	(67)
Translation movement	**(4,119)**	(679)
Net movement	**(37,405)**	(24,048)
Net debt at start of the year	**(187,564)**	(163,516)
Net debt at end of the year	**(224,969)**	(187,564)

SUPPLEMENTARY INFORMATION

1 Reporting currency

The currency used in this Preliminary Announcement is Euro. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at the average exchange rates, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date.

Exchange rates of material entites used were as follows:

	Average rate		**Closing Rate**	
Euro =	**2007**	2006	**2007**	2006
Pound Sterling	**0.685**	0.682	**0.738**	0.670
US Dollar	**1.371**	1.256	**1.471**	1.313
Canadian Dollar	**1.469**	1.425	**1.438**	1.525
Australian Dollar	**1.636**	1.668	**1.669**	1.670
Czech Koruna	**27.782**	28.367	**26.335**	27.590
Polish Zloty	**3.792**	3.906	**3.625**	3.840

2 Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and liabilities.

Business segments
The Group comprises operates in the following four business segments:

Insulated Panels & Boards	Manufacture of insulated panels and rigid insulation products.
Offsite & Structural	Manufacture of offsite solutions, timber frame buildings and structural products.
Environmental & Renewables	Manufacture of environmental and pollution control products.
Access Floors	Manufacture of raised access floors.

Geographical segments
In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customer.

Segment assets are based on the geographical location of the assets.

Analysis by class of business

Segment Revenue	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL
	€m	**€m**	**€m**	**€m**	**€m**
Total Revenue - 2007	1,047.8	326.8	291.5	197.1	**1,863.2**
Total Revenue - 2006	816.5	246.2	249.0	149.5	1,461.2

Intersegment revenue is not material and is thus not subject to separate disclosure in the above analysis.
Intersegment transfers are priced using an appropriate transfer pricing methodology.

Segment Result (profit before finance costs)

	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL 2007	TOTAL 2006
	€m	**€m**	**€m**	**€m**	**€m**	€m
Operating result pre goodwill/impairment	169.6	23.0	13.9	34.0	**240.5**	
Sale of property	3.9				**3.9**	
Intangible Amortisation	(1.2)	(2.4)	(0.9)	(0.1)	**(4.6)**	
Goodwill Impairment			(3.1)		**(3.1)**	
Operating result - 2007	172.3	20.6	9.9	33.9	**236.7**	
Operating result - 2006	128.0	27.5	20.9	17.6		194.0
Finance costs (net)					**(12.5)**	(8.8)
Result for the year before tax					**224.2**	185.2
Income tax expense					**(36.9)**	(33.5)
Net result for the year					**187.3**	151.7

Segment Assets and Liabilities

	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL 2007	TOTAL 2006
	€m	**€m**	**€m**	**€m**	**€m**	€m
Assets - 2007	659.9	204.3	249.4	142.3	**1,255.9**	
Assets - 2006	534.8	216.0	201.2	136.6		1,088.6
Liabilities - 2007	(171.4)	(52.2)	(57.4)	(33.6)	**(314.6)**	
Liabilities - 2006	(163.8)	(77.5)	(50.5)	(30.9)		(322.7)
Total assets less total liabilities					**941.3**	765.9
Cash and cash equivalents					**66.6**	69.1
Deferred tax asset					**2.4**	2.7
Interest bearing loans and borrowings (current and non-current)					**(280.5)**	(240.6)
Deferred consideration (current and non-current)					**(11.1)**	(16.0)
Income tax liabilities (current and deferred)					**(45.8)**	(34.3)
Total Equity as reported in Group Balance Sheet					**672.9**	546.8

Other Segment Information

	Insulated Panels & Boards	Offsite & Structural	Environmental & Renewables	Access Floors	TOTAL
	€m	**€m**	**€m**	**€m**	**€m**
Capital investment pre goodwill impairment	126.6	16.7	52.3	4.5	200.1
Goodwill impairment	0.0	0.0	(3.1)	0.0	(3.1)
Capital Investment - 2007	126.6	16.7	49.2	4.5	**197.0**
Capital Investment - 2006	77.8	56.4	21.8	8.8	164.8
Depreciation included in segment result - 2007	(21.6)	(7.8)	(6.8)	(3.7)	**(39.9)**
Depreciation included in segment result - 2006	(19.7)	(6.8)	(6.5)	(6.3)	(39.3)
Amortisation & impairment included in segment result – 2007	(1.2)	(2.4)	(4.0)	(0.1)	**(7.7)**
Amortisation included in segment result - 2006	(0.9)	(1.3)	(0.4)	(0.1)	(2.7)
Non cash Items included in segment result - 2007	3.8	(0.1)	(0.4)	0.0	**3.3**
Non cash Items included in segment result - 2006	(0.1)	0.0	0.0	0.0	(0.1)

Analysis of Segmental Data by Geography

	Republic of Ireland	United Kingdom	Rest of Europe	Americas	Others	TOTAL
	€m	€m	€m	€m	€m	€m
Income Statement Items						
Revenue - 2007	270.4	1,036.7	375.5	144.5	36.1	**1,863.2**
Revenue - 2006	261.5	822.1	272.1	78.9	26.6	1,461.2
Balance Sheet Items						
Assets - 2007	189.1	730.6	208.3	111.8	16.1	**1,255.9**
Assets - 2006	162.6	653.2	171.1	87.2	14.5	1,088.6
Other segmental information						
Capital investment pre goodwill impairment	27.9	117.9	32.6	20.3	1.4	200.1
Goodwill impairment		(3.1)				(3.1)
Capital Investment - 2007	27.9	114.8	32.6	20.3	1.4	**197.0**
Capital Investment - 2006	21.6	87.5	21.1	21.5	13.1	164.8

3 Dividends

Dividends on Ordinary Shares are recognised in the Group's financial statements on a cash paid basis under IFRS rather than on an accruals basis which was the accounting treatment previously adopted under Irish GAAP.

The Final Dividend on Ordinary Shares for 2006 (€22.0 million) was approved by shareholders in May 2007 and, in accordance with IFRS, was recognised as a charge to Reserves in the year ended 31 December 2007. The Interim Dividend on Ordinary Shares for 2007 (€13.5 million) was recognised as a charge to Reserves in the year ended 31 December 2007.

The Final Dividend on Ordinary Shares for 2007 (€29 million) is being proposed at the Group's AGM and, in accordance with IFRS, will be recognised as a charge to Reserves in the year ended 31 December 2008.

DIVIDENDS		**2007**	2006
		€'000	€'000
Ordinary dividends			
Paid:	2006 Final dividend 13.00c per share (2005: 8.95c per share) on 169,827,909 shares	22,000	15,007
	2007 Interim dividend 8.00c per share (2006: 6.00c per share) on 168,893,070 shares	13,546	10,096
		35,546	**25,103**

4 Earnings per share

	2007	2006
	€'000	€'000
The calculations of earnings per share are based on the following:		
Profit attributable to ordinary shareholders	**187,295**	151,032

	Number of shares ('000)	Number of shares ('000)
	2007	2006
Weighted average number of ordinary shares for the calculation of basic earnings per share	**169,567**	168,149
Dilutive effect of share options	**3,118**	3,936
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**172,685**	172,085

	2007	2006
	€ cent	€ cent
Basic earnings per share	**110.5**	89.8
Diluted earnings per share	**108.5**	87.8

5 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission, which comprise standards and interpretations approved by International Accounting Standards Board (IASB) and International Accounting Standards and Standing Interpretations Committee interpretations approved by the predecessor International Accounting Standards Committee that have been subsequently authorised by IASB and remain in effect.

These financial statements, which are presented in euro, have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and the measurement of fair value share options and derivative instruments. The carrying value of recognised assets and liabilities that are hedged are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The accounting policies set out below have been applied consistently by all the Groups' subsidiaries. The financial period-ends of the Group's subsidiaries are coterminous.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, relate primarily to the accounting for defined benefit pension schemes, share-based payments, receivable provisions, guarantees & warranties, tangible assets, intangible assets, goodwill impairment, and acquisition deferred consideration.

6 Distribution of Preliminary Announcement

These results are available on the group's website at www.kingspan.com. A printed copy is available to view at the Company's registered office or from the Company's Registrars: Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18.