

Kingspan Group Plc

Trading Update

14 November 2016

Kingspan Group plc, the global leader in high performance insulation and building envelope solutions, today issues a Trading Update, with trading information for the period to 30 September 2016.

Sales in the nine month period to 30 September were €2.27bn, up 13% on the same period in the prior year (+17% pre currency). Sales in the third quarter were up 5% (+10% pre currency). Underlying sales, pre currency and acquisitions, were up 6% in the year to date and were up 4% in the third quarter.

Insulated Panel sales in the first nine months increased by 17% (+20% pre currency), and increased by 4% (+8% pre currency) in the third quarter. Underlying sales were 6% ahead year to date and were up 4% in the third quarter. The UK continues to trade positively, Mainland Europe is very solid overall with France and the Benelux performing well with some softness evident in Germany. North American activity has been sluggish in recent months and, based on order intake patterns, is expected to continue in a similar vein for the remainder of the year. Sales in Australasia have improved steadily through the year.

Insulation Board sales in the first nine months were up 6% (+10% pre currency) and were flat in quarter three (+7% pre currency). Underlying sales growth, pre currency and acquisitions, was up 7% both year to date and in the third quarter. UK sales in the third quarter have been strong overall, Ireland is robust, with Mainland Europe progressing solidly with a notably strong performance in the Nordic region. North American sales are steadily ahead year on year with good Kooltherm® activity in Australasia.

Light & Air the Group's new energy efficient daylighting and natural ventilation activity has had a milestone year following the completion of the platform acquisitions of Essmann in Europe in September and Bristolite in the US in October. The annualised sales of this division, as we exit 2016, will be in the region of €190m.

Environmental sales in the first nine months were up 2% (+11% pre currency) and were up 2% in the third quarter (+16% pre currency). Profitability continues to improve overall and rainwater harvesting activity in Australia has been encouraging following our investment earlier in the year.

Access Floors sales in the first nine months increased by 6% (+11% pre currency). Sales in the third quarter increased by 4% (+12% pre currency). US office activity is particularly weak and the impact of this has been offset by good UK office activity and continuing headway across our range of datacentre solutions.

Net debt at the end of September 2016 was €466.0m, which is €52.0m higher than at the same point in 2015 due, in the main, to cumulative acquisition spend (net of cash acquired) of €196m year on year. Net debt at year end is forecast to be in the region of €400m.

As anticipated, we are going through a period of mild raw material cost inflation and the related recovery effort is underway. The weakening of GBP Sterling against the Euro, in

particular since mid-year, is impacting the translation of the Group's sterling denominated earnings.

Assuming current exchange rates prevail, we expect to deliver a full year trading profit of approximately €335m, over 30% ahead of prior year, conscious that much of the seasonally variable fourth quarter remains.

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