KINGSPAN GROUP PLC

HALF-YEARLY FINANCIAL REPORT

for the period ended 30th June 2013

KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2013

Kingspan, the global leader in high performance insulation and building envelope solutions, reports its half-yearly financial report for the period ended 30 June 2013

Highlights:

Financial Highlights:

- Revenue up 13% to €858.4m, (pre-acquisitions and currency, down 3%).
- Trading profit up 6% to €55.9m, (pre-acquisitions and currency, down 6%).
- Group trading margin of 6.5%, a decrease of 50bps versus the same period in 2012.
- Net debt of €165.9m (H1 2012: €171.2m). Net debt to EBITDA of 1.1x (H1 2012: 1.2x).
- Basic EPS up 4% to 23.0 cent (H1 2012: 22.1 cent).
- Interim dividend per share up 10% to 5.5 cent (H1 2012: 5.0 cent).
- Increase in ROCE by 30 bps to 10.8% (H1 2012: 10.5%).

Operational Highlights:

- Solid performance overall considering the prevailing weakness in European construction markets.
- Insulated Panels sales up 34% and trading profit up 24%, with significant contribution from both the ThyssenKrupp Construction and Rigidal Industries LLC acquisitions.
- Insulation Boards sales down by 3% and trading profit down 13%, but with a particularly solid performance in the UK.
- Environmental sales down by 17%, with quarter two down 3% as the division moves towards recovery.
- Access Floor sales were up 1%, with stable datacentre activity internationally and improving UK office activity.

Summary Financials:

	H1'13 €m	*H1'12 €m*	*% change*
Revenue	858.4	757.4	+13%
EBITDA	75.9	71.9	+6%
Trading Profit*	55.9	52.7	+6%
Trading Margin	6.5%	7.0%	-50bps
Profit after tax	39.2	37.2	+6%
EPS (cent per share)	23.0	22.1	+4%

**Operating profit before amortisation of intangibles*

Gene Murtagh, Chief Executive of Kingspan commented:
"Kingspan delivered a positive performance in the first half against a backdrop of weak European economic conditions and a tough winter across many regions. Our strategy of

positioning the company at the hub of conversion to lower energy buildings continues to enable us build the business globally notwithstanding the external conditions."

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Ed Micheau

Business Review

After a relatively sluggish start to the year, sales momentum accelerated through the second quarter resulting in first half revenue of €858m and trading profit of €56m, up 13% and 6% respectively. Trading margin dropped from 7% to 6.5%, a contributory factor being the initially dilutive impact of the ThyssenKrupp Construction acquisition. Whilst Europe's harsh winter marred quarter one trading, a number of the Group's markets recovered strongly in quarter two driven largely by the continuing conversion and penetration growth of high performance buildings. By market, the UK has shown strong second quarter growth for Kingspan, as has North America and the Middle East, with more stable performances in Germany, France, much of Central Europe and Australasia.

Rigidal Industries LLC in the UAE and ThyssenKrupp Construction in Europe, both acquired in the second half of last year, have performed well year-to-date with a combined turnover in the period of €138m. Rigidal's year-on-year growth has been strong, with a number of sizeable high specification roof and façade contracts won during the period. ThyssenKrupp's profitability improved well, moving the business from a significant loss last year to a small profit in the first half, driven predominantly by the cost-base initiatives implemented during our ownership.

Insulated Panels

	***HY* '13 €m**	***HY* '12 €m**	**Change**
Turnover	482.5	361.1	+34%(1)
Trading Profit	33.5	27.1	+24%
Trading Margin	6.9%	7.5%	

(1) Comprising volume -1%, price/mix -1%, currency impact -2% and acquisitions +38%

Overall the division recorded a strong trading performance, although margin slipped somewhat to 6.9%. This is reflective of the anticipated dilutive impact of ThyssenKrupp Construction and notwithstanding some pricing pressure, particularly in the Benelux. The underlying trading margin pre-acquisition was 7.5%. Year-on-year, the total worldwide order book was up 26% and 3% ahead of the same period last year pre-acquisitions.

UK
Sales revenue in the UK was down 3% while volume was off 5%. Quarter one was seasonally tough, and activity improved considerably towards mid-year. Order intake for the half was down 14%, and by quarter it was down 24% in quarter one and up 2% in quarter two. The specification bank has improved during the period and this pattern should continue through the second half. Similarly, the pipeline of potential Powerpanel® projects in the region is increasing well, some of which will be facilitated through a soon to be launched Kingspan Energy funded solution.

Mainland Europe and the Middle East
Sales revenue in the region doubled compared to the first half of 2012. Absent the impact of Rigidal Industries LLC and ThyssenKrupp Construction, revenue was behind by 5% year-on-year. Activity in the Benelux remained weak for most of the period and more competitive than it has been for some time. A solid performance in Germany and France went some way towards offsetting this although both of these markets were somewhat lacklustre by comparison to recent years. Central Europe was solid. Turkey and the GCC regions performed well, and we expect this can continue for the foreseeable future as the Kingzip® product is rolled out further in the region.

North America
Sales revenue grew by 10% or by 11% in volume. Following the relatively positive order intake towards the end of last year, sales in the Commercial and Industrial sector progressed well during the period, demonstrating the growing conversion towards lower energy building envelopes in North America. Order intake has also been strong which should lead to a solid second half outcome.

Australasia
Sales revenue declined in the first half which is counter to the trend of recent years in the region. New Zealand, in particular, was weak as was the resources sector in Australia by comparison to recent years. The order bank continues to build, helped by growing market penetration, and second half activity should represent a considerable improvement over the first half.

Ireland
Sales revenue in the region increased 19% or by 13% in volume. Although the absolute numbers were not particularly large, this positive outcome is as a result of a number of inward investment projects which have been largely absent for some years now. Order intake increased 7% by volume.

Insulation Boards

	***HY* ’13** **€m**	***HY* ’12** **€m**	**Change**
Turnover	225.7	232.1	-3% (1)
Trading Profit	13.5	15.5	-13%
Trading Margin	6.0%	6.7%	

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

Overall, the division performed well given the market activity weakness in quarter one. Trading margin was down on prior year, owing largely to lower incentive driven external wall insulation in the UK and Germany, both key end-markets for Kooltherm®.

UK
Sales revenue for rigid board grew by 1% and volume declined by 2%. Newbuild residential development improved marginally, as has our market share of that segment. In contrast, residential refurbishment, a prominent feature of our business in recent years, was weaker. This is unlikely to change in advance of dates being confirmed for the commencement of the Green Deal and other incentivized programmes. Kooltherm® continues to grow in penetration and along with Optim-R® forms a key strand in Kingspan’s ongoing strategy of differentiation.

Mainland Europe
Sales revenue for rigid board in this region decreased by 11% or by 10% in volume. Quarter one was a difficult trading environment with many construction sites in Western Europe being unworkable. Sales momentum accelerated however in quarter two, as rigid insulation penetration growth continued. In Germany, where external wall insulation activity has been strong in recent years, the pace of retrofit was notably slower in the first half with some improvement expected during half two. A key part of our strategy is servicing this demand locally, and the investment in our new facility in the eastern region of Germany is underway and should be operational in early 2014. This manufacturing resource will also service the neighbouring Central European markets, still an embryonic high performance insulation region.

Australasia
Sales revenue at constant exchange rates in this region grew 5% with volume in line with the same period last year. The Kooltherm® mix gave rise to the revenue growth with a number of significant specification orders in Australia and South East Asia. Australia's domestic residential newbuild market has been in slight decline, affecting our base insulation business in the region. Conversion to high performance materials remains the impetus behind our approach over the medium term.

Ireland
Sales revenue for rigid board grew 7% in the period or by 21% in volume. General construction and refurbishment activity has improved somewhat, with pricing being the key challenge as the market embarks on its long route to recovery.

Access Floors

	***HY* '13** **€m**	***HY* '12** **€m**	**Change**
Turnover	78.9	77.9	+1% (1)
Trading Profit	8.1	8.9	-9%
Trading Margin	10.3%	11.4%	

(1) Comprising volume -5%, price/mix +8% and currency impact -2%

Sales in this division grew 1% in the period. Trading margin reduced from 11.4% to 10.3% as a result of higher international sales and a somewhat more competitive environment in North America and Australia.

In the UK, particularly in London, the pipeline improved during the first half and should deliver a solid second half. In the medium term, 2014 would appear to have scope for further improvement in office construction. This pattern is also likely in North America where grade A office construction should begin to improve from late 2013 and into the year ahead. Datacentre activity has continued to perform robustly and this is likely to remain the case for the foreseeable future. A number of new innovative products were introduced in 2012 as part of our datacentre offering directed towards more energy efficient air distribution for server cooling. Sales and specification uptake has been quite encouraging, albeit in their early stages, and should contribute to a more rounded air management offering for datacentre applications longer term.

Environmental

	HY ’13 €m	*HY* ’12 €m	Change
Turnover	71.3	86.3	-17%
Trading Profit	0.8	1.2	-33%
Trading Margin	1.1%	1.4%	

Sales revenue in this division dropped 17% in the period, predominantly during quarter one. Quarter two sales year-on-year were behind by 3% and net margins improved in the quarter as the cost-base initiatives implemented in the preceding period began to contribute. A key milestone for this business has been the stabilisation of core product sales in the UK. A gradual rebuilding of the sales base, particularly Hot Water and Water Treatment plants, is now the priority. This stability will also afford the business a base platform necessary to further develop the renewables product set, including Rainwater Harvesting and Microwind, both of which longer term should have significant potential internationally.

Financial Review

Overview of results
Group revenue increased by 13% to €858.4m (H1 2012: €757.4m) and trading profit increased by 6% to €55.9m (H1 2012: €52.7m). This represented a 15% increase in sales and a 9% increase in trading profit on a constant currency basis. The Group’s trading margin decreased by 50bps to 6.5% (H1 2012: 7.0%). The amortisation charge in respect of intangibles was €1.9m compared to €1.4m in the first half of 2012 with the increase reflecting intangible assets acquired in respect of Rigidal Industries LLC and ThyssenKrupp Construction in the second half of 2012. Group operating profit after amortisation grew 5% to €53.9m. Profit after tax was €39.2m compared to €37.2m in the first half of 2012 driven, in the main, by the growth in trading profit. Basic EPS for the period was 23.0 cent, representing an increase of 4% on the first half of 2012 (H1 2012: 22.1 cent).

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

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	-2%	-2%	+38%	+34%
Insulation Boards	-1%	-2%	-	-3%
Access Floors	+3%	-2%	-	+1%
Environmental	-15%	-2%	-	-17%
Group	-3%	-2%	+18%	+13%

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

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	-3%	-3%	+30%	+24%
Insulation Boards	-10%	-3%	-	-13%
Access Floors	-7%	-2%	-	-9%
Environmental	-28%	-5%	-	-33%
Group	-6%	-3%	+15%	+6%

Finance costs
Finance costs for the year were in line with the same period last year at €6.8m (H1 2012: €6.8m). Finance costs include a near neutral non-cash item (H1 2012: €0.3m credit) in respect of the Group's legacy defined benefit pension schemes. A net non-cash credit of €0.2m was recorded in respect of swaps on the Group's USD private placement notes (H1 2012: credit of €0.9m). The Group's net interest expense on borrowings (bank and loan notes) was €6.9m compared to €7.7m in the first half of 2012. This decrease reflects a reduction in the floating interest rates on the floating portion of the USD private placements.

Taxation
The tax charge for the first half of the year was €7.8m (H1 2012: €7.3m) which represents an effective tax rate of 16% on earnings before amortization (H1 2012: 16%). The flat effective tax rate is primarily reflecting the changed geographic mix of earnings and a reduction in the headline corporation tax rate in the UK.

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 obligation in respect of certain current and former employees of ThyssenKrupp Construction acquired during 2012. The net pension liability in respect of all the Group's defined benefit obligations was €11.3m as at 30 June 2013 (30 June 2012: €0.6m), with the increase due to the acquired obligation.

Free cashflow

Free cashflow	H1'13 €'m	H1'12 €'m
EBITDA*	75.9	71.9
Movement in working capital	(40.8)	(17.8)
Net capital expenditure	(18.3)	(16.0)
Pension contributions	(1.3)	(0.8)
Finance costs	(6.3)	(9.5)
Income taxes paid	(5.3)	(6.8)
Other including non-cash items	10.0	6.6
Free cashflow	13.9	27.6

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

Working capital increased by €40.8m in the first half of 2013 (increase of €17.8m in H1 2012). The Group typically increases working capital in the first half reflecting seasonal variability associated with trading patterns and the timing of significant purchases for steel and chemicals. Additionally, the increase in H1 2013 reflects the seasonal impact of the acquisitions of ThyssenKrupp Construction and Rigidal Industries LLC made in the second half of 2012. The average working capital to sales % was 12.8% in H1 2013 compared to 13.6% in H1 2012.

Net Debt
Net debt increased marginally by €0.4m during the first half to €165.9m (31 December 2012: €165.5m). This is analysed in the table below:

Movement in net debt	H1'13 €'m	H1'12 €'m
Free cashflow	13.9	27.6
Acquisitions (net of disposal proceeds)	-	(7.2)
Settlement of legal costs	-	(12.3)
Share issues	1.5	1.4
Dividends paid	(12.3)	(10.8)
Cashflow movement	3.1	(1.3)
Exchange movements on translation	(3.5)	0.2
Increase in net debt	(0.4)	(1.1)
Net debt at start of year	(165.5)	(170.1)
Net debt at end of year	(165.9)	(171.2)

Financing
The Group funds itself through a combination of equity and debt. Debt is funded through a combination of a syndicated bank facility and private placement loan notes. The primary debt facility is a revolving credit facility of €300m entered into in April 2012 with a syndicate of international banks and which matures in April 2017. The facility was undrawn at the period end. The Group has two US Private Placement loan notes for $400m, in aggregate, of which $158m matures in 2015, $42m in 2017 with the balance of $200m maturing in 2021. The weighted average maturity of debt facilities at year end was 4.3 years (June 2012: 5.3 years).

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

Related Party Transactions
There were no changes in related party transactions from the 2012 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

Principal Risks & Uncertainties
Details of the principal risks and uncertainties facing the Group can be found in the 2012 Annual Report. These risks in particular macro-economic construction activity in key markets, fluctuating raw material costs and volatile currencies, remain the most likely to affect the Group in the second half of the current year. The Group actively manages these and all other risks through its control and risk management processes.

Dividend
The Board has declared an interim dividend of 5.5 cent per ordinary share, an increase of 10% on the 2012 interim dividend of 5.0 cent per share. The interim dividend will be paid on 20 September to shareholders on the register on the record date of 30 August 2013.

Outlook
Penetration growth, driven by conversion towards modern high performance insulation and building envelopes remains the core of our strategy.

Although sentiment internationally seems to have improved more recently, broader economic activity is unlikely to provide much of a springboard for growth in the near term. This aside, Kingspan's commitment to an expanding geographic platform and its recent and new product introductions, combined with a robust order book and pipeline, should deliver an improved year-on-year result in the second half of 2013.

RESPONSIBILITY STATEMENT

Directors' Responsibility Statement in respect of the half-yearly financial report for the six months ended 30 June 2013

Each of the directors, whose names and functions are listed in the 2012 Annual Report (with the exception of Mr Tony McArdle, who retired on 9 May 2013) as well as Ms Linda Hickey (who was appointed on 1 June 2013) confirm our responsibility for preparing the half yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Republic of Ireland's Financial Regulator and with IAS34 "Interim Financial Reporting" as adopted by the EU. We confirm that to the best of our knowledge:

a) the condensed consolidated Interim Financial Statements comprising the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Republic of Ireland's Financial Regulator and with IAS 34 "Interim Financial Reporting" as adopted by the EU.

b) The interim management report includes a fair review of the information required by:

i) Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

ii) Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Gene Murtagh
Chief Executive Officer

19 August 2013

Geoff Doherty
Chief Financial Officer

19 August 2013

INDEPENDENT REVIEW REPORT TO KINGSPAN GROUP PLC.

Introduction

We have been engaged by the company to review the condensed consolidated interim financial statements for the six months ended 30 June 2013 which comprise the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Transparency (Directive 2004/109/EC) Regulations 2007 ("the TD Regulations") and the Transparency Rules of the Central Bank of Ireland.

Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Director's responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the TD Regulations and the Transparency Rules of the Central Bank of Ireland.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for ensuring that the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independents Auditor of the Entity* issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements for the six months ended 30 June 2013 are not prepared, in all material respects, in accordance with IAS 34 adopted by the EU, the TD Regulations and the Transparency Rules of the Central Bank of Ireland.

Roger Gillespie 19 August 2013
For and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

Kingspan Group plc

Condensed consolidated income statement
for the half year ended 30 June 2013

	Note	**6 months ended 30 June 2013 (Unaudited) €'000**	6 months ended 30 June 2012 (Unaudited) €'000
Revenue	*4*	858,400	757,391
Trading Profit	*4*	55,851	52,721
Intangible amortization		(1,947)	(1,378)
Operating Profit		53,904	51,343
Finance expense	*6*	(7,222)	(7,278)
Finance income	*6*	400	454
Profit for the period before income tax		47,082	44,519
Income tax expense	*7*	(7,845)	(7,344)
Net Profit for the period		39,237	37,175
Attributable to owners of Kingspan Group plc		38,824	37,033
Attributable to non-controlling interests		413	142
		39,237	**37,175**
Earnings per share for the period			
Basic	*11*	**23.0c**	22.1c
Diluted	*11*	**22.5c**	21.7c

Kingspan Group plc

Condensed consolidated statement of comprehensive income
for the half year ended 30 June 2013

	6 months ended 30 June 2013 (Unaudited) €'000	6 months ended 30 June 2012 (Unaudited) €'000
Net profit for financial period	**39,237**	37,175
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**(22,101)**	23,904
Net change in fair value of cash flow hedges reclassified to income statement	**(194)**	188
Effective portion of changes in fair value of cash flow hedges	**2,451**	(1,046)
Items that will not be reclassified to profit or loss:		
Actuarial losses on defined benefit pension schemes	**-**	-
Total comprehensive income for the period	**19,393**	60,221
Attributable to owners of Kingspan Group plc	**18,913**	59,884
Attributable to non-controlling interests	**480**	337
	19,393	60,221

Kingspan Group plc

Condensed consolidated statement of financial position

as at 30 June 2013

	Note	**At 30 June 2013 (Unaudited) €'000**	At 30 June 2012 (Unaudited) €'000	At 31 December 2012 (Audited) €'000
Assets				
Non-current assets				
Goodwill		**377,179**	388,715	385,427
Other intangible assets		**18,206**	7,254	20,253
Property, plant and equipment	*12*	**498,266**	451,484	508,056
Derivative financial instruments		**10,971**	23,607	10,039
Deferred tax assets		**9,071**	6,858	9,178
		913,693	877,918	932,953
Current assets				
Inventories		**205,506**	176,134	191,294
Trade and other receivables		**366,877**	321,857	313,961
Derivative financial instruments		**3,999**	2,895	3,226
Cash and cash equivalents		**136,616**	140,666	141,611
		712,998	641,552	650,092
Non-current assets classified as held for sale		**388**	409	404
		713,386	641,961	650,496
Total assets		**1,627,079**	1,519,879	1,583,449
Liabilities				
Current liabilities				
Trade and other payables		**335,928**	285,209	297,596
Provisions for liabilities		**38,588**	36,037	49,426
Derivative financial instruments		**-**	1,342	193
Deferred contingent consideration		**484**	18	506
Interest bearing loans and borrowings		**4,121**	6,711	3,749
Current income tax liabilities		**45,510**	40,254	43,359
		424,631	369,571	394,829
Non-current liabilities				
Retirement benefit obligations		**11,326**	625	12,314
Provisions for liabilities		**20,862**	8,060	13,951
Interest bearing loans and borrowings		**312,303**	331,651	316,218
Deferred tax liabilities		**25,018**	20,040	25,407
Deferred contingent consideration		**7,379**	354	7,352
		376,888	360,730	375,242
Total liabilities		**801,519**	730,301	770,071
Net Assets		**825,560**	789,578	813,378
Equity				
Share capital		**22,695**	22,454	22,542
Share premium		**41,937**	39,314	40,570
Capital redemption reserve		**723**	723	723
Treasury shares		**(30,707)**	(30,707)	(30,707)
Other reserves		**(113,614)**	(83,948)	(92,061)
Retained earnings		**897,163**	835,268	865,196
Equity attributable to owners of Kingspan Group plc		**818,197**	783,104	806,263
Non-controlling interest		**7,363**	6,474	7,115
Total Equity		**825,560**	789,578	813,378

Kingspan Group plc

Condensed consolidated statement of changes in equity

For the half year ended 30 June 2013 (unaudited)

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

Kingspan Group plc

Condensed consolidated statement of changes in equity

For the half year ended 30 June 2012 (unaudited)

	Share capital	**Share premium**	**Capital redemption reserve**	**Treasury shares**	**Translation reserve**	**Cash flow hedging reserve**	**Share based payment reserve**	**Revaluation reserve**	**Retained Earnings**	**Total attributable to owners of the parent**	**Non-controlling interest**	**Total equity**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Balance at 1 January 2012	22,344	38,059	723	(30,707)	(129,386)	1,577	19,381	713	806,144	728,848	6,137	**734,985**
Transactions with owners recognised directly in equity												
Shares issued	110	1,255	-	-	-	-	-	-	-	1,365	-	**1,365**
Employee share based compensation	-	-	-	-	-	-	3,854	-	-	3,854	-	**3,854**
Exercise or lapsing of share options	-	-	-	-	-	-	(2,938)	-	2,938	-	-	-
Dividends	-	-	-	-	-	-	-	-	(10,847)	(10,847)	-	**(10,847)**
Transactions with non-controlling interests:												
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners	110	1,255	-	-	-	-	916	-	(7,909)	(5,628)	-	**(5,628)**
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	37,033	37,033	142	**37,175**
Other comprehensive income												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(1,046)	-	-	-	(1,046)	-	**(1,046)**
- reclassification to profit	-	-	-	-	-	188	-	-	-	188	-	**188**
Defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes relating to actuarial gains/ (losses) on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	23,709	-	-	-	-	23,709	195	**23,904**
Total comprehensive income for the period	-	-	-	-	23,709	(858)	-	-	37,033	59,884	337	**60,221**
Balance at 30 June 2012	22,454	39,314	723	(30,707)	(105,677)	719	20,297	713	835,268	783,104	6,474	**789,578**

Kingspan Group plc

Condensed consolidated statement of changes in equity

For the financial year ended 31 December 2012(audited)

	Share capital	Share premium	Capital redemption reserve	Treasury shares	Translation reserve	Cash flow hedging reserve	Share based payment reserve	Revaluation reserve	Retained Earnings	Total attributable to owners of the parent	Non-controlling interest	Total equity
	€'000	€'000	€’000	€'000	€’000	€'000	€'000	€’000	€'000	€'000	€'000	€'000
Balance at 1 January 2012	22,344	38,059	723	(30,707)	(129,386)	1,577	19,381	713	806,144	728,848	6,137	**734,985**
Transactions with owners recognised directly in equity												
Shares Issued	198	2,511	-	-	-	-	-	-	-	2,709	-	**2,709**
Employee share based compensation	-	-	-	-	-	-	6,737	-	-	6,737	-	**6,737**
Tax on employee share based compensation	-	-	-	-	-	-	1,145	-	419	1,564	-	**1,564**
Exercise or lapsing of share options	-	-	-	-	-	-	(3,250)	-	3,250	-	-	-
Dividends	-	-	-	-	-	-	-	-	(19,202)	(19,202)	-	**(19,202)**
Transactions with non-controlling interests:												
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(93)	**(93)**
Transactions with owners	198	2,511	-	-	-	-	4,632	-	(15,533)	(8,192)	(93)	**(8,285)**
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	73,526	73,526	1,152	**74,678**
Other comprehensive income												
Cash flow hedging in equity												
- current year	-	-	-	-	-	(1,724)	-	-	-	(1,724)	-	**(1,724)**
- reclassification to profit	-	-	-	-	-	244	-	-	-	244	-	**244**
Defined benefit pension scheme	-	-	-	-	-	-	-	-	851	851	-	**851**
Income taxes relating to actuarial gains/ (losses) on defined benefit pension scheme	-	-	-	-	-	-	-	-	208	208	-	**208**
Exchange differences on translating foreign operations	-	-	-	-	12,502	-	-	-	-	12,502	(81)	**12,421**
Total comprehensive income for the year	-	-	-	-	12,502	(1,480)	-	-	74,585	85,607	1,071	**86,678**
Balance at 31 December 2012	22,542	40,570	723	(30,707)	(116,884)	97	24,013	713	865,196	806,263	7,115	**813,378**

Kingspan Group plc

Condensed consolidated statement of cash flows

for the half year ended 30 June 2013

	6 months ended 30 June 2013 (Unaudited) €'000	6 months ended 30 June 2012 (Unaudited) €'000
Operating activities		
Profit for the period before income tax	**47,082**	44,519
Depreciation of property, plant and equipment and amortisation of intangible assets	**21,960**	20,561
Employee equity-settled share options	**3,773**	3,854
Finance income	**(400)**	(454)
Finance expense	**7,222**	7,278
Non-cash items	**1,917**	2,819
Profit on sale of property, plant and equipment	**(104)**	(99)
Settlement of legal costs	**-**	(12,272)
Change in inventories	**(17,320)**	(10,035)
Change in trade and other receivables	**(64,844)**	(27,308)
Change in trade and other payables	**41,389**	19,977
Pension contributions	**(1,325)**	(784)
Cash generated from operations	**39,350**	48,056
Taxes paid	**(5,298)**	(6,756)
Net cash flow from operating activities	**34,052**	41,300
Investing activities		
Additions to property, plant and equipment	**(18,728)**	(16,374)
Proceeds from disposals of property, plant and equipment	**461**	404
Purchase of subsidiary undertakings, net of disposals	**-**	(7,169)
Payment of deferred consideration in respect of acquisitions	**-**	(482)
Interest received	**329**	416
Net cash flow from investing activities	**(17,938)**	(23,205)
Financing activities		
Drawings / (Repayment) of bank loans	**506**	(1,433)
Change in finance lease liability	**(177)**	(148)
Proceeds from share issues	**1,520**	1,365
Interest paid	**(6,593)**	(9,786)
Dividend paid to non-controlling interest	**(232)**	-
Dividends paid	**(12,272)**	(10,847)
Net cash flow from financing activities	**(17,248)**	(20,849)
Decrease in cash and cash equivalents	**(1,134)**	(2,754)
Translation adjustment	**(3,476)**	4,716
Cash and cash equivalents at the beginning of the period	**141,226**	137,374
Cash and cash equivalents at the end of the period	**136,616**	139,336
Cash and cash equivalents at beginning of period were made up of:		
- Cash and cash equivalents	**141,611**	141,067
- Overdrafts	**(385)**	(3,693)
	141,226	137,374
Cash and cash equivalents at end of period were made up of:		
- Cash and cash equivalents	**136,616**	140,666
- Overdrafts	**-**	(1,330)
	136,616	139,336

Kingspan Group plc

Notes
forming part of the financial statements

1 Reporting entity

Kingspan Group plc ("the Company" or "the Group") is a public limited company registered and domiciled in Ireland. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly controlled entities.

The Group is primarily involved in the manufacture of high performance insulation and building envelope solutions.

The financial information presented in the half-yearly report does not represent full statutory accounts. Full statutory accounts for the year ended 31 December 2012 prepared in accordance with IFRS, as adopted by the EU, upon which the auditors have given an unqualified audit report, are available on the Group's website (www.kingspan.com).

2 Basis of preparation

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

(a) Statement of compliance

These condensed consolidated interim financial statements (the Interim Financial Statements) have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements.

The Interim Financial Statements were approved by the Board of Directors on 16 August 2013.

(b) Significant accounting policies

The accounting policies applied by the Group in the Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012, except for the adoption of new accounting standards as set out below.

The following new standards and amendments to standards, including any consequential amendments to other standards, were effective with a date of initial application of 1 January 2013:

IFRS 10 Consolidated Financial Statements (2011)
IFRS 11 Joint Arrangements
IFRS 13 Fair Value Measurement
Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
IAS 19 Employee Benefits (2011)
Annual Improvements to IFRS 2009–2011 Cycle

The adoption of these or other new standards and interpretations (as set out in the 2012 Annual Report) that become effective in the current period would not have any significant impact on the interim financial statements. The impact of changes to IAS 19 has been to decrease finance income by

€38,000 and actuarial gains by €66,000 in the period to 30 June 2013. The effect on the period to 30 June 2012 is not material and the comparative has therefore not been restated. Disclosures required by IFRS 13 are set out in note 9.

The income statement has been condensed to align the report more closely with the key reporting metrics used by the Chief Operating Decision Maker, which the Group has defined as the Board of Directors. These key metrics are revenue and trading profit.

(c) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

The Interim Financial Statements are available on the Group's website (www.kingspan.com).

3 Reporting currency

The Interim Financial Statements are presented in euro which is the functional currency of the Company and presentation currency of the Group.

Results and cash flows of foreign subsidiary undertakings have been translated into euro at the average exchange rates for the period, as these approximate the exchange rates at the dates of the transactions. The related assets and liabilities have been translated at the closing rates of exchange ruling at the end of the reporting period.

The following significant exchange rates were applied during the period:

	Average rate			**Closing rate**		
	H1 2013	**H1 2012**	**FY 2012**	**30.06.13**	**30.06.12**	**31.12.12**
Euro =						
Pound Sterling	**0.851**	0.823	0.811	**0.850**	0.806	0.816
US Dollar	**1.314**	1.30	1.286	**1.304**	1.26	1.319
Canadian Dollar	**1.333**	1.31	1.285	**1.360**	1.29	1.313
Australian Dollar	**1.295**	1.26	1.242	**1.400**	1.24	1.271
Czech Koruna	**25.687**	25.13	25.135	**25.887**	25.81	25.092
Polish Zloty	**4.176**	4.24	4.182	**4.331**	4.26	4.086
Hungarian Forint	**296.09**	294.78	289.20	**295.39**	288.08	292.55

4 Operating segments

The Group has the following four reportable segments:

Insulated Panels	Manufacture of insulated panels, structural framing and metal facades.
Insulation Boards	Manufacture of rigid insulation boards, building services insulation and engineered timber systems.
Environmental	Manufacture of environmental, pollution control and renewable energy solutions.
Access Floors	Manufacture of raised access floors.

Analysis by class of business

Segment revenue

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Total revenue - H1 2013	**482.5**	**225.7**	**71.3**	**78.9**	**858.4**
Total revenue - H1 2012	361.1	232.1	86.3	77.9	757.4

Segment result (profit before finance expense)

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Trading profit - H1 2013	33.5	13.5	0.8	8.1	**55.9**
Intangible amortisation	(1.1)	(0.8)	(0.1)	-	**(2.0)**
Operating result - H1 2013	32.4	12.7	0.7	8.1	**53.9**
Net finance expense					**(6.8)**
Profit for the period before income tax					**47.1**
Income tax expense					**(7.9)**
Profit for the period - H1 2013					**39.2**

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Trading profit - H1 2012	27.1	15.5	1.2	8.9	52.7
Intangible amortisation	(0.3)	(0.8)	(0.3)	-	(1.4)
Operating result - H1 2012	26.8	14.7	0.9	8.9	51.3
Net finance expense					(6.8)
Profit for the period before income tax					44.5
Income tax expense					(7.3)
Profit for the period - H1 2012					37.2

Segment assets and liabilities

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total 30 June 2013 €m	Total 30 June 2012 €m
Assets - H1 2013	**732.8**	**439.7**	**160.1**	**133.8**	**1,466.4**	
Assets – H1 2012	569.8	450.5	184.1	141.4		1,345.8
Derivative financial instruments					**15.0**	26.5
Cash and cash equivalents					**136.6**	140.7
Deferred tax asset					**9.1**	6.9
Total assets					**1,627.1**	1,519.9
Liabilities - H1 2013	**(250.4)**	**(95.8)**	**(37.6)**	**(22.9)**	**(406.7)**	
Liabilities - H1 2012	(166.9)	(96.0)	(40.6)	(27.7)		(331.2)
Interest bearing loans and borrowings (current and non-current)					**(316.4)**	(338.4)
Deferred consideration (current and non-current)					**(7.9)**	(0.4)
Income tax liabilities (current and deferred)					**(70.5)**	(60.3)
Total liabilities					**(801.5)**	(730.3)

Other segment information

	Insulated Panels €m	Insulation Boards €m	Environmental €m	Access Floors €m	Total €m
Capital Investment - H1 2013	**11.1**	**8.2**	**1.1**	**0.8**	**21.2**
Capital Investment - H1 2012	10.9	3.3	0.7	1.3	16.2
Depreciation included in segment result - H1 2013	**(11.5)**	**(5.7)**	**(1.8)**	**(1.1)**	**(20.1)**
Depreciation included in segment result - H1 2012	(9.8)	(6.1)	(2.1)	(1.2)	(19.2)
Non cash items included in segment result - H1 2013	**(2.8)**	**(1.5)**	**(0.8)**	**(0.5)**	**(5.6)**
Non cash items included in segment result - H1 2012	(1.7)	(1.0)	(0.8)	(0.4)	(3.9)

Analysis of segmental data by geography

	Republic of Ireland €m	United Kingdom €m	Rest of Europe €m	Americas €m	Others €m	Total €m
Income Statement Items						
Revenue - H1 2013	**36.1**	**292.6**	**338.6**	**119.8**	**71.3**	**858.4**
Revenue - H1 2012	32.8	303.9	259.7	110.7	50.3	757.4
Statement of Financial Position Items						
Non current assets - H1 2013	**54.9**	**317.3**	**302.4**	**159.2**	**60.3**	**894.1**
Non current assets - H1 2012	67.8	344.8	230.9	165.6	38.8	847.9
Capital Investment - H1 2013	**1.2**	**7.9**	**9.3**	**2.3**	**0.5**	**21.2**
Capital Investment - H1 2012	0.5	8.1	3.6	3.3	0.7	16.2

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers.

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

5 Seasonality of operations

Activity in the global construction industry is characterised by cyclicality and is dependent to a significant extent on the seasonal impact of weather in some of the Group's operating locations. Activity is second half weighted.

6 Finance expense and finance income

	6 months ended 30 June 2013 (Unaudited) €'000	6 months ended 30 June 2012 (Unaudited) €'000
Finance expense		
Bank loans	**1,352**	1,769
Private placement	**5,956**	6,365
Finance leases	**-**	9
Net defined benefit pension scheme	**157**	-
Fair value movement on derivative financial instruments	**(99)**	(8,405)
Fair value movement on private placement debt	**(144)**	7,540
	7,222	7,278
Finance income		
Interest earned	**(400)**	(416)
Net defined benefit pension scheme	**-**	(38)
Net finance cost	**6,822**	6,824

No borrowing costs were capitalised during the period (H1 2012: Nil).

7 Taxation

Taxation provided for on profits is €7.8m which represents 16% of the profit before tax and amortisation for the period (H1 2012: 16%). The full year effective tax rate in 2012 was 16.4%. The taxation charge for the six month period is accrued using an estimate of the applicable rate for the year as a whole.

8 Analysis of net debt

	At 30 June 2013 (Unaudited) €'000	At 30 June 2012 (Unaudited) €'000
Cash and cash equivalents	**136,616**	140,666
Derivative financial instruments	**13,859**	26,456
Current borrowings	**(4,121)**	(6,711)
Non-current borrowings	**(312,303)**	(331,651)
Total net debt	**(165,949)**	(171,240)

Net debt, which is a non GAAP measure, is stated net of interest rate and currency hedges which relate to hedges of debt. Foreign currency derivatives which are used for transactional hedging are not included in the definition of net debt.

9 Financial instruments

The following table outlines the components of net debt by category at the balance sheet date:

	Loans & Receivables & Other Financial Assets/(Liabilities) at Amortised Cost €'m	Liabilities at Fair Value through Profit or Loss €'m	Derivatives Designated as Hedging Instruments €'m	Total Net Debt by Category €'m
Assets:				
Interest rate swaps	-	-	13.9	13.9
Cash at bank and in hand	136.6	-	-	136.6
Total assets	136.6	-	13.9	150.5
Liabilities:				
Private placement notes	(31.7)	(278.8)	-	(310.5)
Other bank loans	(5.9)	-	-	(5.9)
Borrowings	**(37.6)**	**(278.8)**	**-**	**(316.4)**
Total liabilities	**(37.6)**	**(278.8)**	**-**	**(316.4)**
At 30 June 2013	**99.0**	**(278.8)**	**13.9**	**(165.9)**

For information on the currency and maturity profile of net debt please refer to note 21 in the 2012 annual report.

Fair Value of financial instruments carried at fair value

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

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

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

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

Deferred contingent consideration is included in level 3. Further details on deferred contingent consideration is set out in notes 20 and 24 of the 2012 Annual Report. There were no movements in deferred contingent consideration in the period, the contingent element is measured on a series of trading performance targets, and is adjusted by the application of a range of outcomes and associated probabilities.

During the period ended 30 June 2013, there were no significant changes in the business or economic circumstances that affect the fair value of financial assets and liabilities, no reclassifications and no transfers between levels of the fair value hierarchy used in measuring the fair value of the financial instruments.

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

	Carrying amount €'m	**Fair value €'m**
Private placement notes	310.5	312.0

10 Dividends

A final dividend on ordinary shares of 7.25 cent per share in respect of the year ended 31 December 2012 (31 December 2011: 6.5c) was paid on 16 May 2013.

The Directors are proposing an interim dividend of 5.5 cent (2012: 5.0 cent) per share in respect of 2013, which will be paid on 20 September 2013 to shareholders on the register on the record date of 30 August 2013.

11 Earnings per share

	6 months ended 30 June 2013 (Unaudited) €'000	6 months ended 30 June 2012 (Unaudited) €'000
The calculations of earnings per share are based on the following:		
Profit attributable to owners of the Company	38,824	37,033
	Number of shares ('000) 6 months ended 30 June 2013	**Number of shares ('000) 6 months ended 30 June 2012**
Weighted average number of ordinary shares for the calculation of basic earnings per share	169,105	167,298
Dilutive effect of share options	3,440	3,162
Weighted average number of ordinary shares for the calculation of diluted earnings per share	172,545	170,460
	€ cent	**€ cent**
Basic earnings per share	**23.0**	22.1
Diluted earnings per share	**22.5**	21.7
Adjusted basic (pre amortisation) earnings per share	**24.1**	23.0

The number of options which are anti-dilutive and have therefore not been included in the above calculations are 1,207,684 (H1 2012: 1,709,597).

12 Property, plant & equipment

	At 30 June 2013 (Unaudited) €'000	At 30 June 2012 (Unaudited) €'000	At 31 December 2012 (Audited) €'000
Cost or valuation	1,119,605	937,076	1,119,170
Accumulated depreciation and impairment charges	(621,339)	(485,592)	(611,114)
Net carrying amount	498,266	451,484	508,056
Opening net carrying amount	508,056	443,240	443,240
Acquisitions through business combinations	-	66	64,038
Additions	21,221	16,150	34,450
Disposals	(359)	(305)	(2,264)
Depreciation charge	(20,013)	(19,183)	(40,159)
Impairment charge	-	-	(485)
Effect of movement in exchange rates	(10,639)	11,516	9,236
Closing net carrying amount	498,266	451,484	508,056

The disposals generated a profit of €0.1m (H1 2012: €0.1m profit) which has been included within Operating Costs.

13 Reconciliation of net cash flow to movement in net debt

	6 months ended 30 June 2013 (Unaudited) €'000	6 months ended 30 June 2012 (Unaudited) €'000	Year ended 31 December 2012 (Audited) €'000
(Decrease)/increase in cash and bank overdrafts	**(1,134)**	(2,754)	1,614
(Increase)/decrease in debt	**(505)**	1,704	4,134
Increase/(decrease) in lease finance	**177**	148	(432)
Change in net debt resulting from cash flows	**(1,462)**	(902)	5,316
Translation movement - relating to US dollar loans	**3,503**	(14,127)	1,155
Translation movement - other	**(3,493)**	4,491	2,331
Derivative financial instruments movement	**1,032**	9,387	(4,242)
Net movement	**(420)**	(1,151)	4,560
Net debt at start of the period	**(165,529)**	(170,089)	(170,089)
Net debt at end of the period	**(165,949)**	(171,240)	(165,529)

14 Capital and reserves

Issues of ordinary shares

1,176,516 ordinary shares (H1 2012: 846,912) were issued as a result of the exercise of vested options arising from the Group's share option schemes (see the 2012 Annual Report for full details of the Group's share option schemes). Options were exercised at an average price of €1.29 per option.

15 Significant events and transactions

There were no individually significant events or transactions in the period which contributed to the material changes in the Statement of Financial Position; the more significant movements are described below:

- the changes in Inventories, Trade & other receivables and Trade & other payables reflect the normal business cycle;
- the fair value of derivatives moved as a result of the movements in the US dollar exchange rate against both sterling and the euro; and
- the negative currency translation movement of €22.2m reflected in the Consolidated Statement of Comprehensive Income reflects primarily the weakening of sterling (closing rate 0.85 for the period compared to 0.816 at 31 December 2012).

16 Related party transactions

There were no changes in related party transactions from the 2012 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

17 Subsequent events

There have been no material events subsequent to 30 June 2013 which would require disclosure in this report.