



HARNESSING NATURE



Interim Results
24th August 2009

Disclaimer



Forward Looking Statements

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.



Agenda

- q Highlights for H1 2009
- q Financial Review
- q Review by Business Unit
- q Strategy & Outlook



Atlantis, The Palm, Dubai, UAE



H1 Financial Highlights

- q Turnover down 35% to €552.5mn
 - On constant currency -29%
- q Operating Result down 66% to €30.3mn
 - On constant currency -62%
- q Positive action over the last eighteen months has reduced the fixed cost base by €60mn (FY09: €44mn) to offset sales decline
- q Reduction in working capital of €40.8mn
- q Basic EPS 12.3cent
- q No interim dividend in respect of 2009
- q Non-trading item costs €3.5mn
- q Net Debt €230.8mn, a reduction of €68.8mn, interest cover 9.5 times, net debt:EBITDA 1.64
- q Funding headroom at half year of c. €350mn
- q Total investment of €28mn in capex



2009 Operational Highlights



- q Overall Insulated Panel volumes down 34%, impacted by the global pullback in non-residential development
- q Solid progress in the integration of the Metecno Inc. acquisition, operating performance on plan
- q Insulation Boards produced a relatively strong performance, particularly solid in Western Europe
- q Access Floor volumes increasingly under pressure given the late cycle nature of office demand, but operating result in the period was healthy
- q Environmental & Renewables weak due to continued low newbuild residential activity in the UK, slower demand for solar in Germany, and warranty issues as outlined previously

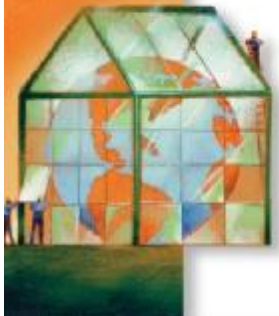
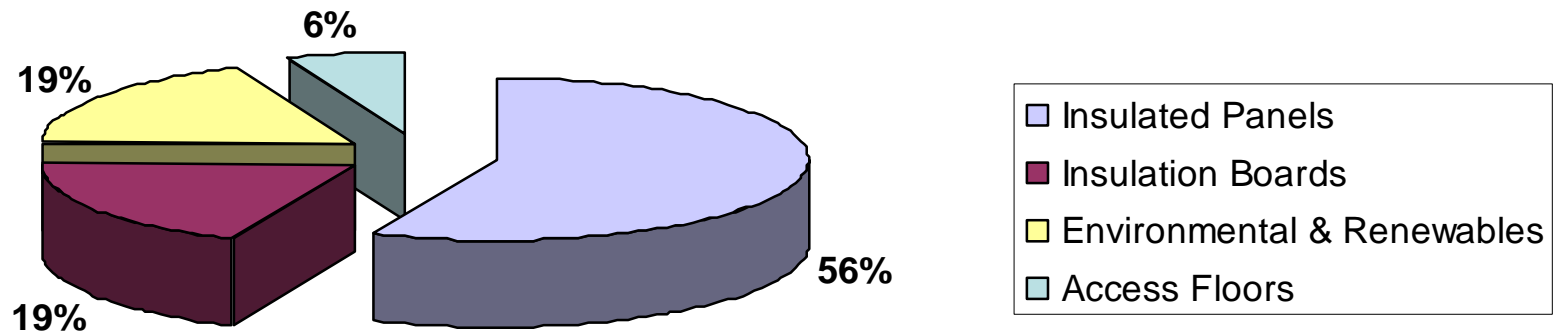


Cost Savings

€60mn annualised fixed cost savings achieved since the peak summarised as follows;

Cost Savings			Total
HY2 08	HY1 09	HY2 09	
€16mn	€31mn	€13mn	€60mn

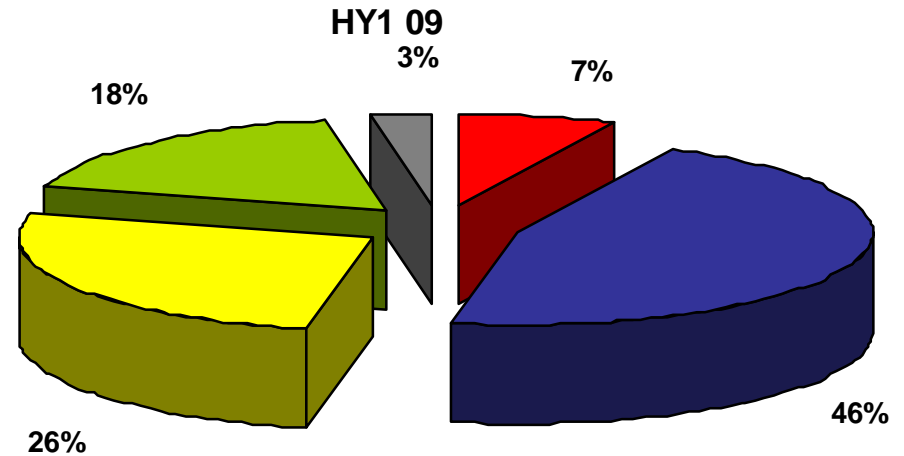
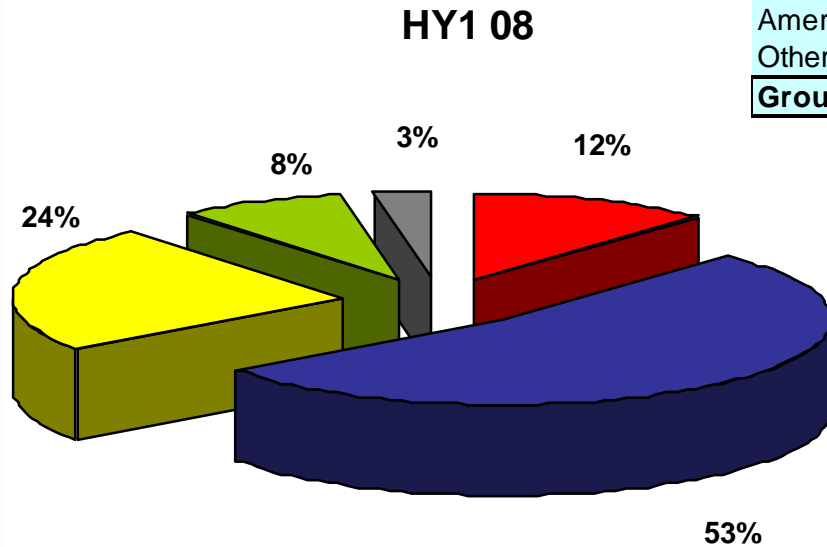
Cost Savings by Division



Sales by Geography

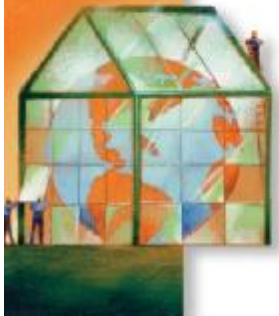
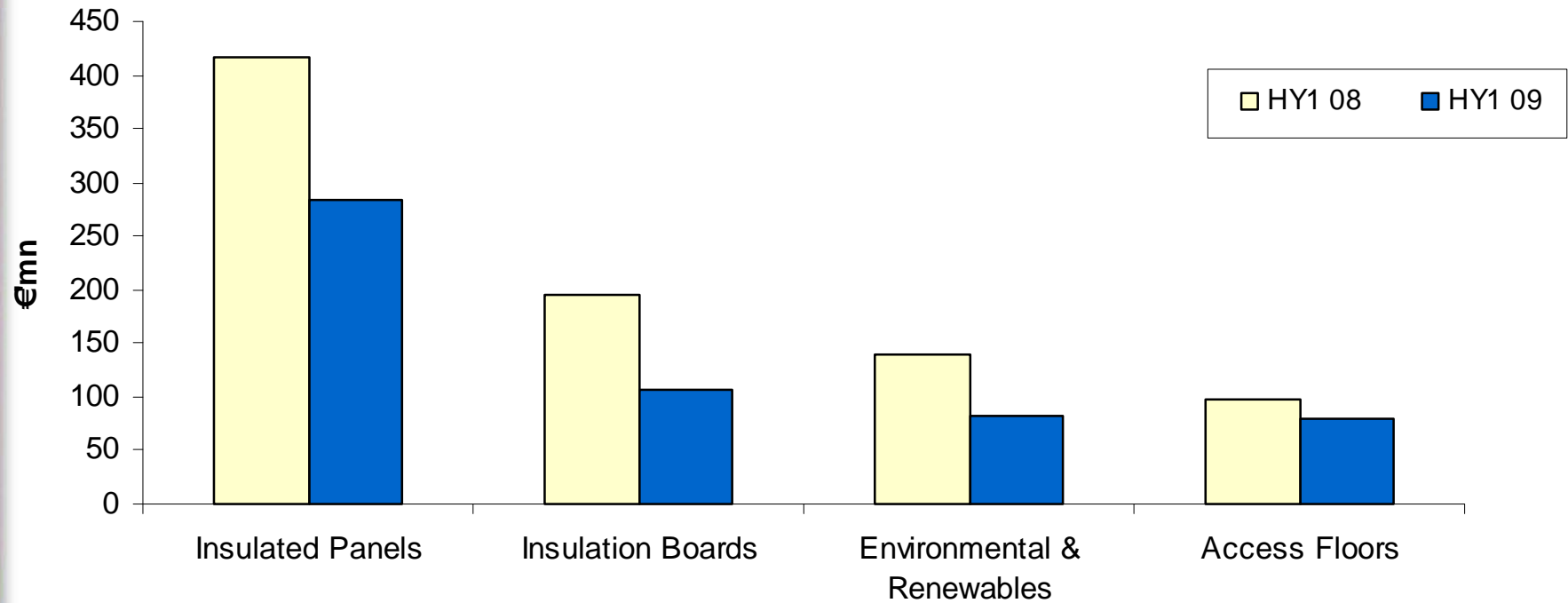


€mn	HY1 08	HY1 09	% change at constant currency	% change YoY
Republic of Ireland	101.8	39.8	-61%	-61%
Britain & Northern Ireland	450.5	253.5	-36%	-44%
Mainland Europe	203.6	144.3	-25%	-29%
Americas	69.3	100.2	+34%	+45%
Other	24.2	14.7	-34%	-39%
Group Sales	849.4	552.5	-29%	-35%



Sales by Product Group

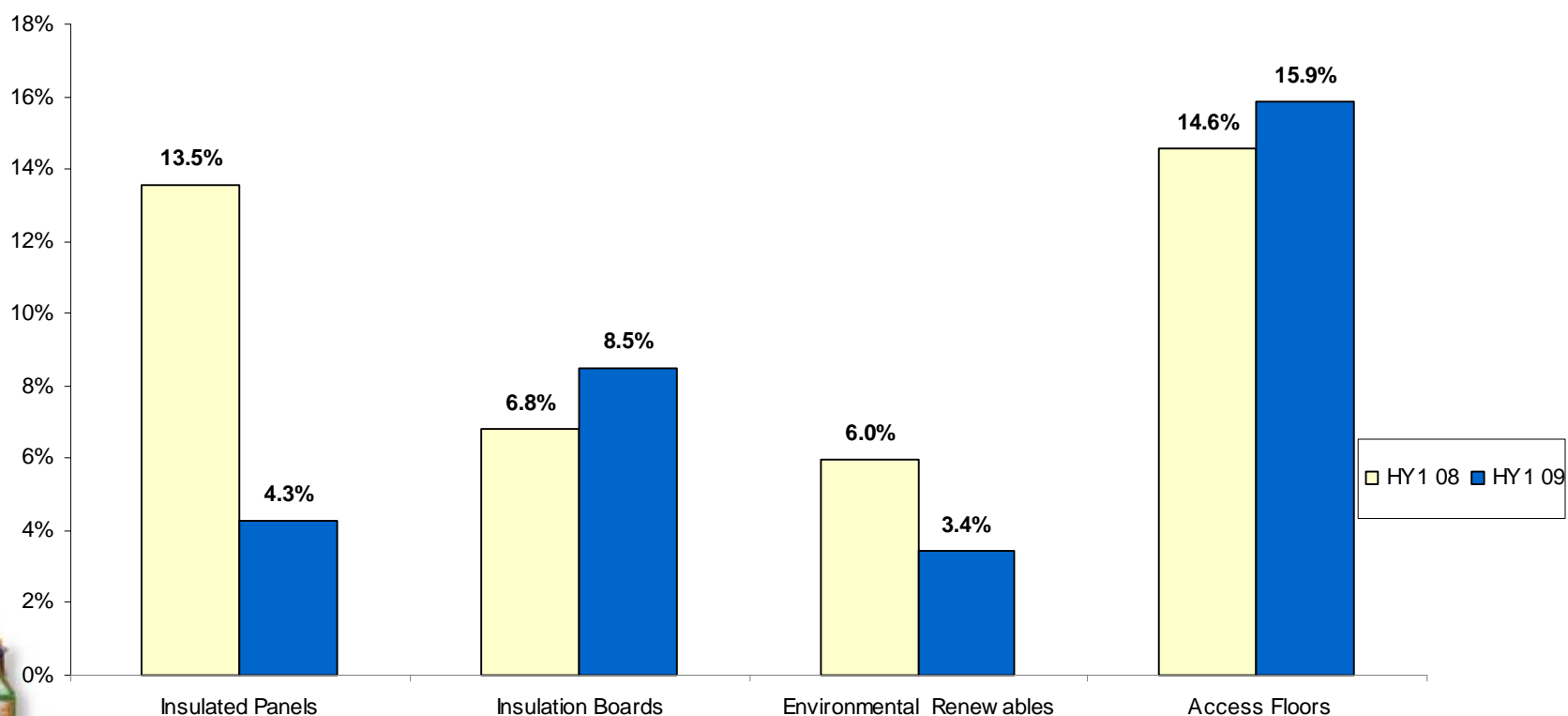
€mn	HY1 08	HY1 09	% change at constant rates	% change at actual rates
Insulated Panels	416.4	284.0	-26%	-32%
Insulation Boards	195.7	106.9	-40%	-45%
Environmental & Renewables	140.0	81.6	-33%	-42%
Access Floors	97.3	80.0	-19%	-18%
Group Sales	849.4	552.5	-29%	-35%



Operating Margins by Division before Amortisation & Non-Trading Items



€mn	HY1 08	HY1 09
Insulated Panels	13.5%	4.3%
Insulation Boards	6.8%	8.5%
Environmental & Renewables	6.0%	3.4%
Access Floors	14.6%	15.9%
	10.9%	6.6%



Summary P&L



	H1 '08 €'000	H1 '09 €'000	YoY % change
Revenue	849.4	552.5	-35%
Costs of sales	(594.1)	(402.1)	-32%
Gross profit	255.2	150.4	-41%
	30.1%	27.2%	
Operating costs	(165.1)	(120.1)	
Operating result	90.1	30.3	-66%
Net Interest	(6.2)	(5.3)	
Result for the period before tax	83.9	25.0	-70%
Income tax expense	(13.8)	(4.4)	
Net result for the period	70.1	20.6	-71%
Basic EPS (€ cents)	41.4	12.3	-70%
Diluted EPS (€ cents)	41.0	12.1	-70%
Dividend per share (€ cents)	8.0	0.0	-100%



Cashflow Statement



€mn	HY1 08	FY 08	HY1 09
Inflows			
Operating profit	90.1	82.0	30.3
Depreciation	19.9	40.6	17.5
Amortisation	2.1	4.6	2.9
Pension contributions	(0.5)	(2.6)	(1.4)
Working capital decrease	32.6	43.6	49.6
Interest paid	(6.4)	(12.7)	(8.6)
Taxation paid	(0.7)	(18.1)	(4.4)
Other	3.7	60.3	11.7
Free cash flow	140.8	197.7	97.6
Acquisitions	(5.3)	(92.6)	0.0
Net capital expenditure	(53.9)	(97.5)	(30.3)
Dividends paid	(29.0)	(42.3)	0.0
Share Buyback	(20.0)	(32.6)	0.0
	(108.2)	(265.0)	(30.3)
Cash flow movement	32.6	(67.3)	67.3
Debt translation	(1.8)	(7.3)	1.5
Decrease / (increase) in net debt	30.8	(74.6)	68.8
Net debt at start of period	(225.0)	(225.0)	(299.6)
Net debt at end of period	(194.2)	(299.6)	(230.8)



Working Capital

	HY1 09	HY1 08
Stock Days	59	50
Debtor Days	72	73
Creditor Days	80	85



Net Assets Statement & Key Ratios

Net Assets Statement - €mn	HY1 08	FY 08	HY1 09
Tangible Fixed Assets	423.1	411.1	435.4
Intangible Assets	305.2	292.9	304.7
Working Capital	241.8	222.3	181.5
Current Corporate Tax & Deferred Tax	(55.6)	(47.4)	(46.8)
Provisions	(59.5)	(60.2)	(67.8)
Net Debt	(194.2)	(299.6)	(230.8)
Net Assets	660.9	519.1	576.2

Key ratios	HY1 08	FY 08	HY1 09
Gearing (Net Debt:Shareholder funds)	29.4%	57.7%	40.1%
Debt/EBITDA	0.75	1.48	1.64
Interest Cover	18	14.6	9.5
ROCE (before non-trading items)	24.9%	19.2%	12.1%
Working Capital as % of Sales	14.3%	14.5%	13.2%



Core Banking Facilities

- q Revolving Credit Facility of €330mn
 - September 2013 maturity date

- q Private placement €151mn (USD200mn)
 - Repayable 2015 €119mn & 2017 €32mn
 - Same covenants as Revolving Facility

- q Various bilateral facilities totalling c. €100mn

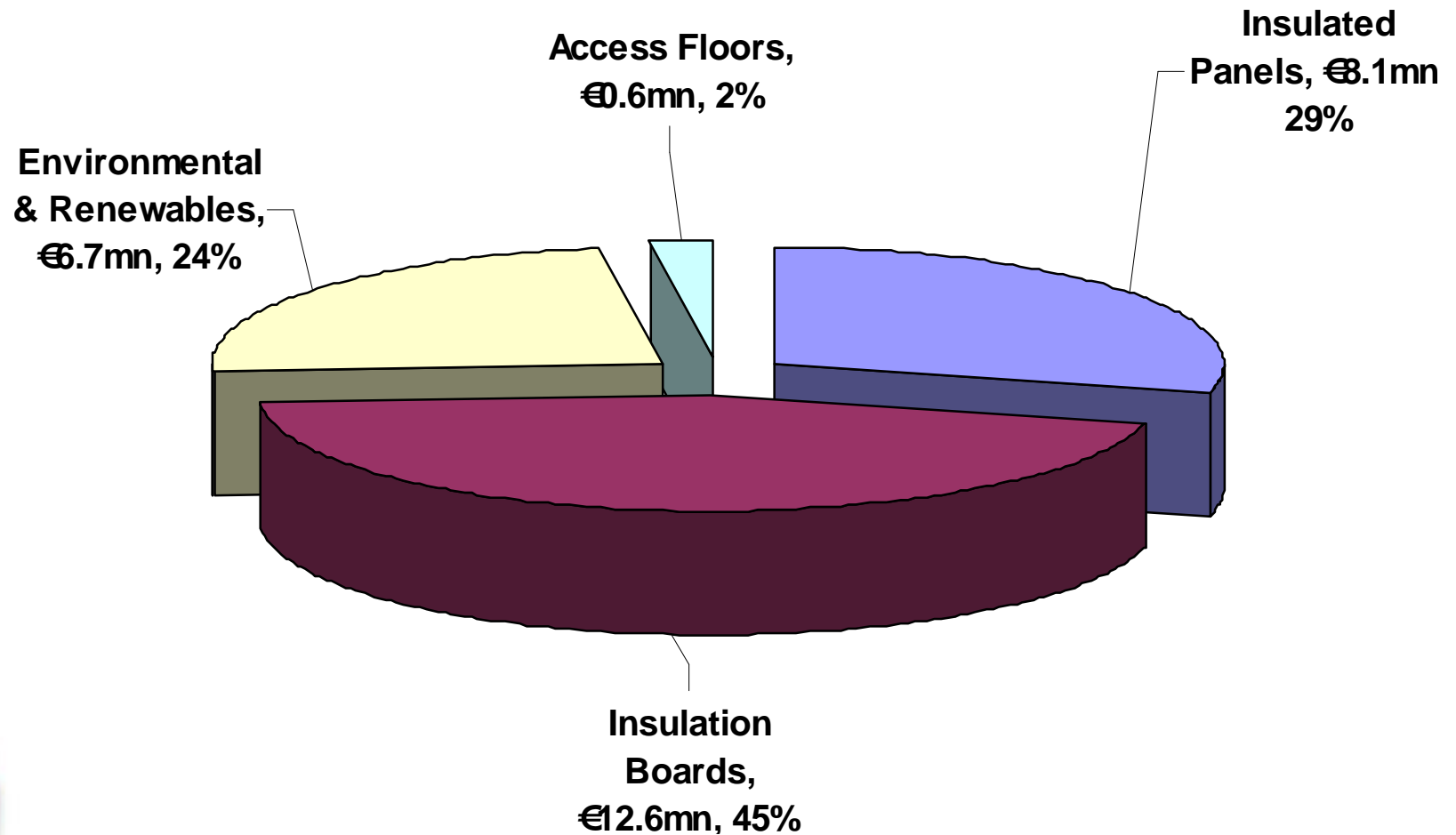
- q Significant headroom on covenants
 - Max 3.5x net debt:EBITDA; actual 1.64
 - Min 4.0x interest cover; actual 9.5
 - Min €400mn net assets; actual €576.2mn

- q Year end 2008 Net Debt €230.8mn – headroom c. €350mn



Capital Expenditure – €28mn

q Total investment in capex €28mn, 1.6 times depreciation



Insulated Panels UK, IRL, WE



	HY1 08	HY1 09
Sales (€mn)	292.7	161.2
% of Group Sales	34%	29%

Analysis of YoY % change			
Currency	Volume	Price & Mix	Total
-5%	-37%	-3%	-45%

- q Exceptionally tough trading environment
- q Virtual cessation of speculative developments in UK/IRL
- q Retail and food sectors remain reasonably solid in UK
- q Western Europe weaker, down just 18%
- q Integration of Structural Framing & Metal Façades (Off-site) well underway
- q Launch of specialised façade business unit addressing higher value segment of market
- q Overall orderbook down 38% and volumes have stabilised considerably



Chatterley Valley Blue Planet Project, North Staffordshire, UK

**Image courtesy of Central & Gazeley Photography*



Insulated Panels CEMEI



	HY1 08	HY1 09
Sales (€mn)	105.9	69.1
% of Group Sales	12%	12 %

Analysis of YoY % change

Currency	Volume	Price & Mix	Total
-7%	-28%	0%	-35%

Note: The above figures include Germany and Turkey

- q Pronounced seasonality combined with weaker demand led to a 28% reduction in volume
- q Recent months showing an increase in volume
- q Volumes in Germany most robust, Poland and Czech were particularly weak
- q Orderbook in CEE region down 44%
- q Turkey & Middle East performed well, volumes similar to prior year, and orderbook up over 10%
- q First sizeable contracts supplied to India



Spaladium Arena, Croatia



Insulated Panels North America

	HY1 08	HY1 09
Sales (€mn)	17.8	53.7
% of Group Sales	2%	10%

Analysis of YoY % change

Currency	Volume & Price	Acquisitions	Total
-3%	-30%	+235%	+202%

- q Predictably tough non-residential market in US and Canada
- q Underlying sales (\$) down 20%
- q Operating broadly within acquisition plan assumptions
- q Internal re-structuring complete
- q Commercial focus on conversion, operational focus on chemistry and efficiency
- q Zero Energy Codes nearing completion. Aggressive roadmap, akin to the EU



Land o Frost, Madisonville, Kentucky, US



Penetration Targets

Insulated Panels:

	2008	2013
UK Industrial*	60%	75%
UK Façades	1%	5%
North America*	4%	8%

* Targets relate to total market rather than Kingspan's market share



Insulation Boards

	HY1 08	HY1 09
Sales (€mn)	195.7	106.9
% of Group Sales	23%	19%

Analysis of YonY % change

	Currency	Volume	Price & Mix	Total
Insulation	-8%	-32%	+9%	-31%

	Currency	Price, Mix & Volume	Total
Timber Framing	-4%	-74%	-78%

- q UK & Ireland newbuild residential weak, but stable. Refurbishment steady
- q Non-residential office robust in the period, H2 decline anticipated
- q Western Europe solid first half, Germany refurbishment strong. CEE pricing environment tough-competing fibre products being sold below cost
- q Transition to Phenolic continuing on plan
- q Weak chemical costs mitigated sales price decline
- q Integration of timber framing (offsite) well underway



Bauhaus Rossetti Place, Manchester, UK



Penetration Targets *

Rigid Insulation:

	2008	2013
UK/IRL	33%	40%
Germany External Wall	1.5%	7%
CEE	2%	5%

* Targets relate to total market rather than Kingspan's market share

Environmental & Renewables



	HY1 08	HY1 09
Sales (€mn)	140.0	81.6
% of Group Sales	16%	15%

Analysis of YoY % change

Currency	Price & Volume	Disposals	Total
-9%	-23%	-10%	-42%

q UK & Ireland weaker in storage and containment solutions, Mainland Europe comparatively robust

q Solarthermal strong in UK & Ireland, but sizeable reduction in the larger German market drove margin contraction

q Hot Water Systems stabilised, but at levels reflecting newbuild numbers in UK

q Margins affected by downward sales leverage, and ongoing warranty costs



Lido, Bristol, UK



Access Floors

	HY1 08	HY1 09
Sales (€mn)	97.3	80.0
% of Group Sales	11%	15%

Analysis of YonY % change

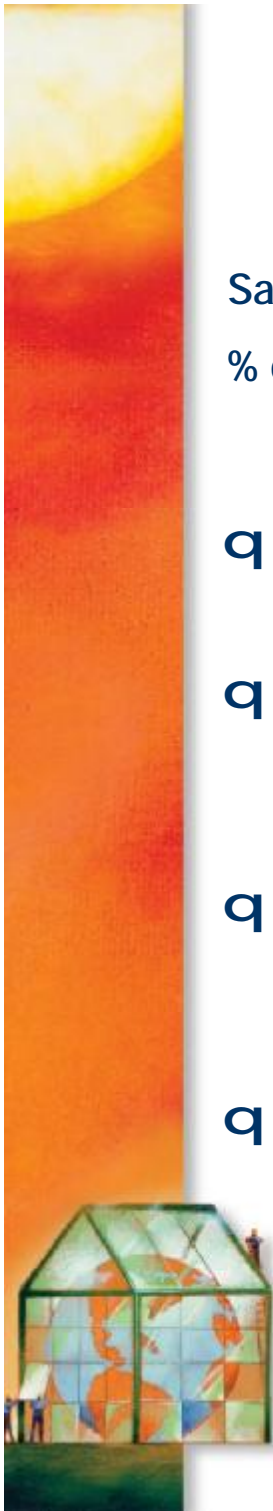
Currency	Volume	Price & Mix	Total
+1%	-29%	+10%	-18%

- q Volumes weak, profitability strong
- q Decline in office construction increasingly evident
- q Order intake volume in the period was down 40%
- q Margins enhanced by weak raw materials and favourable mix data-centres



Champaign Public Library

Champaign, IL, US



Strategy



H2 Outlook

- q Low but more stable volumes in all Insulated Panel markets
- q Insulation to continue robust sales pattern, growing refurbishment activity
- q Access Floors to weaken further as office construction tails off more rapidly in both Europe and North America
- q Some improvement expected in Solarthermal sales, other environmental products to remain stable
- q Margin pressure to remain, particularly as both steel and chemical price rises are expected
- q Overall expectation of a more stable performance.

