

Press Releases

Results for the year ended 31 December 2008

02/03/2009

Kingspan Group Plc ("Kingspan"), the leading manufacturer of an integrated range of energy conserving building solutions, announces preliminary results for the year ended 31 December 2008.

Financial highlights:

	2008	2007	% Change
Turnover	€1,672.7mn	€1,863.2mn	-10.2%
Operating profit *	€157.1mn	€236.7mn	-33.6%
Exceptionals	€75.1mn	€Nil	
Profit before tax	€68.1mn	€224.2mn	-69.6%
Adjusted earnings per share **	76.0 €cent	110.5 €cent	-31.2%
Basic earnings per share	26.7 €cent	110.5 €cent	-75.8%
Dividend per share for the year	8.0 €cent	25.0 €cent	-68.0%
Interest cover (EBITDA/Net Interest)	14.6 times	22.8 times	
Gearing ratio (net debt as % shareholders funds)	57.7%	33.4%	

* before non-trading items

**before amortisation of intangibles and non-trading items

Operational highlights:

- Strong growth in Insulated Panels across Western and Central& Eastern Europe, up 11% at constant currency.
- Macro driven decline in Insulated Panels & Insulation Boards in the UK and Ireland. The combined sales of these products in these markets were down 13% at constant currency.
- Transformational growth in the US Insulated Panels market position, which has performed strongly since the acquisition of Metecno at the end of August 2008.
- Annualised overhead and direct labour cost savings of €76mn achieved since the peak. This excludes raw material reductions and equates to a 24% reduction in the impacted businesses.
- Robust performance in Access Floors as office construction continued to be strong for much of the period.
- Impressive growth of 66% in turnover in Solar Hot Water across Europe.
- Off-site and Environmental both impacted heavily by the pace of contraction in housing.
- Total investment of €193.4mn comprising €87.7mn in acquisitions, and €105.7mn in capex primarily relating to an expanded facility in the Czech Republic, and new facilities in the Netherlands and the UK.

Gene Murtagh, Chief Executive of Kingspan commented:

“In 2008, we saw a global economic downturn and a dislocation in financial markets not seen in many years. Kingspan responded quickly and decisively to these changing conditions with a cost reduction programme and a focus on operational efficiencies that provides the group with an appropriate cost base to meet the anticipated economic headwinds. 2009 will present greater challenges than the year gone by and the prime focus is cost and cash management throughout the organisation.”

While the timing of a recovery remains uncertain, moves towards acceptance of the need for enhanced energy efficiency in buildings continue apace. Kingspan has differentiated itself through a strategy of providing an integrated range of energy conserving building solutions to meet these needs. The Group has the benefits of a strong balance sheet and cash flow, and the correct product mix to leave it well positioned in the longer term.”

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