KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31st DECEMBER 2006

Results Highlights

	2006	2005	% Change
Turnover	**€1,461.2mn**	**€1,243.4mn**	**+18%**
Operating profit	**€194.0mn**	**€145.1mn**	**+34%**
Operating margin	**13.3%**	**11.7%**	
Net profit before tax	**€185.2mn**	**€135.0mn**	**+37%**
Basic earnings per share	**89.8 €cent**	**66.4 €cent**	**+35%**
Dividend per share for the year	**19.0 €cent**	**13.4 €cent**	**+42%**
Dividend cover	**4.7 times**	**5.0 times**	
Interest cover (EBITDA/Net Interest)	**26.7 times**	**17.6 times**	

- Strong momentum across all of the Group's businesses.
- Robust underlying construction markets.
- Continued advances in penetration levels of high performance insulation products.
- Total investment in the period under review was €167 million.
- Acquisitions have extended the geographic reach of the Insulated Panel division and given increased scale to the Group's UK timber-frame business.

Gene Murtagh, Chief Executive, commented:

"2006 was another strong year for the Group with earnings growth of 35%, and we enter 2007 with confidence that it will be another year of progress at Kingspan. This is underpinned by generally strong construction markets, ongoing product development and growth from new and embryonic markets, which will help to offset increasingly competitive markets and the expectation that raw material prices will be more unpredictable".

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Chief Executive's Review

2006 was another year of great progress for Kingspan as momentum in our core markets continued and the foundations of the Group in new geographical territories were established. Globally, the focus on energy consumption intensified during the year and there is an increasing awareness of the role that construction techniques and building fabrics can play in alleviating future environmental damage. Generally, activity across the construction sector in Europe improved in the year and whilst preferences in material choices continued to change the Group's focus on developing solutions to capitalise on this shift drove further growth.

Some key highlights of 2006 were:

- Growth of 18% in sales revenue and growth of 35% earnings over 2005, which in itself was a year of significant growth for Kingspan
- Continued advances in penetration levels of high performance insulation materials in the UK and Irish markets
- Group activities in Central & Eastern European markets, strategically a core market for Kingspan, saw sales growth of 60%
- Combined acquisition and capital investments of €167 million, €107 million of which was in a range of small to medium sized acquisitions across the Group
- The establishment of an extended geographical footprint for the Insulated Panels business, with a presence now in North America, Australia and Turkey
- Positive impact from raw material pricing movements.

Insulated Panels & Boards

Insulated Panels

Representing 39% of Group turnover in 2006, Insulated Panels continued to deliver strong growth with revenues up by 21%. Growth in this business unit was mainly organic, derived from further conversion away from traditional materials and systems in Ireland and the UK, which was augmented by healthy rates of activity in those markets. In particular, many large logistic projects were built in the year, where construction timetables and the increasing appetite for more sustainable buildings are most appropriately satisfied by the Insulated Panel solution.

Insulated Panels in Central and Eastern Europe (CEE), a key area of focus for the Group in recent years, grew by a very strong 50%. In the industrial and commercial buildings markets in that region, Insulated Panels are becoming an increasingly preferred building material, largely due to the compelling build speed benefits of the system. This is also influenced by the continued trend of inward investment in CEE. Reflecting the significant expansion of the Group in the region, Kingspan now has a commercial presence in 13 CEE countries. Building upon this in 2006, Kingspan entered into a new manufacturing joint venture in Turkey which provides a platform to expand further east in the future. The clear benefits of Insulated Panels with respect to environmental sustainability have not yet been fully recognised in these markets but it is inevitable that Kingspan can expect these issues to become a market driver for Insulated Panels as these evolving economies develop further.

Kingspan entered the North America market for Insulated Panels late in 2006 through the acquisition of a business with a leading presence in Canada, which has manufacturing facilities in Toronto and Vancouver. In January 2007 the Group also acquired two continuous panel production lines in Toronto. Over the coming year these businesses will be fully integrated in terms of systems and processes, which have been refined over the years by Kingspan in all of its existing markets. Combined, these businesses provide the Group with an excellent product range with which to launch the Kingspan brand on a continent that is only at the very early stages of embracing more energy efficient building solutions. Whilst the ultimate opportunity here is very significant for Kingspan, progress will be gradual.

Having entered the Australian and New Zealand markets in 2003 with a sales presence, Kingspan commenced manufacturing early in 2006 and progress has been very satisfactory in the first nine months of operation.

Insulation Boards

Representing 17% of Group turnover in 2006, sales of Insulation Boards grew by 12% over the prior year.

Ireland has been a solidly performing construction market for a number of years now. Momentum once again was exceptionally strong in 2006, right across all aspects of this sector, and Kingspan continued to take advantage of that environment with strong double-digit volume growth. Insulation Boards is now the clear material of choice in this market.

The UK also provided volume growth, however, it was more moderate at circa 7%, with the market still in the transition phase between old and new regulations. The Group's strategy has been to shift specification patterns towards the most efficient rigid insulation material available, comprising Kingspan's proprietary technology. This product, which is currently marketed across Western Europe and gaining traction particularly in Ireland and the UK, will be the subject of significant capital investment during 2007 aimed primarily at increasing capacity for further penetration growth. The regulation review of 2006 is expected to impact the Group from mid 2007. Although somewhat later than initially anticipated, it will create the necessity for further expansion of the Group's manufacturing capacity for its standard range of boards commencing in 2007. This investment will be significant and will be at a new location in the UK, enhancing Kingspan's goal of providing our customers with unequalled products and service performance.

In Western Europe, Kingspan continues to review opportunities to strengthen the Group's market presence, and following the success of the Insulated Panel business in CEE, plans are currently being drawn up for Insulation Board production in that region.

Raised Access Floors

Representing 10% of Group turnover in 2006, Raised Access Floors revenue grew by 15% during the year, largely in response to the recent upturn on both sides of the Atlantic in activity in the office construction market.

In the US, commercial office construction, which had lagged other sectors of the industry, began to show signs of improvement in 2006. This momentum has continued into the current year bolstered by Kingspan's consolidation of its market leadership position in the US during the period. A more favourable market backdrop coupled with an exceptionally lean manufacturing environment and a positive mix in market applications has resulted in a successful outcome for the year and a return to double-digit operating margins for the US.

In the UK and Ireland, commercial office construction was strong, which had a positive impact on the performance of Kingspan's business in this highly penetrated but cyclical sector.

Currently going through a clear upturn in the cycle, the medium-term outlook for our North American and European Raised Access Floors businesses is encouraging.

Environmental

Representing 17% of Group turnover in 2006, this division grew turnover by 13% in the past year. This was driven by both organic growth and contributions from bolt-on deals completed over the last two years.

This division remains focused on converting leading market positions in relatively low value products towards higher value added solutions. The three key product areas are:

- Water Systems
- Fuel Storage and Containment
- Waste Water Treatment Solutions

All of these products have an ever increasing role to play in the area of environmental and sustainable solutions.

The Group's traditional emphasis on gravity fed water systems has been successfully superseded by the growth in recent years of the higher value Unvented Cylinder market. As water pressures increase and changes in lifestyle preferences demand greater comfort and convenience, our new enhanced product range should continue to gain share against the traditional alternative. This has been particularly evident in the UK.

At a time when environmental legislation is becoming more widely enforced, the shift towards Wastewater Treatment solutions has continued to benefit the Group. Similar influences will increasingly drive markets towards more planet friendly fuel storage solutions. The risks associated with single skin fuel storage tanks became more evident in recent years as there were widespread and costly failures across the industry, linked to unsuitable raw material specifications. This has served to strongly reinforce Kingspan's efforts to encourage a regulatory move towards Bunded (secondary containment) tanks. Kingspan's Ecosafe™ Bunded Fuel Tanks with telemetric leak detection, are the most environmentally protective storage solution.

The range of products is evolving in this division continuously. Further businesses and products will be added to reflect evolving opportunities and the shift towards more environmentally sustainable solutions.

Off-Site & Structural

Representing 17% of Group turnover in 2006, this division grew revenue by 21%. The operating result benefited from efficiency gains and once-off procurement gains.

Performance of structural metal components in the UK and Ireland reflected the state of low rise non-residential construction, and was therefore quite flat.

This division is also focused on delivering a range of factory manufactured construction solutions. By incorporating many on-site processes in a modern production environment, such solutions vastly reduce time on-site and provide certainty of performance over the buildings' life-cycle. Regulation has also contributed to the attractiveness of these systems, but so too has the heightened awareness of the extent to which modern building solutions can reduce energy consumption and greenhouse gas emissions.

On the back of a number of strategic investments, Kingspan has been actively positioning itself for this dynamic of tougher regulations and increasing environmental awareness, and now through its timber and steel framing capabilities has a leading presence in both the UK and Ireland markets. While the Group's UK business is much less established than in Ireland and is effectively in the developing stages, its market position has been greatly enhanced by the acquisition of two timber-frame businesses in 2006, with a view to providing the Group with greater market penetration. These developments in the UK are unlikely to contribute significantly in the short term, pending major redesign of products to meet future requirements.

To this end, much of the Group's Research and Development has been centred on advancing the off-site product, and to date, progress is evident from successes such as the "House of Tomorrow" projects in Ireland and the winning of the "SixtyK" Modern Methods Competition sponsored by the UK Government. Home designs that achieve zero carbon emissions are already being finalised by the Group, and are due for launch in 2007. This is in keeping with the UK's confirmation of its intention to have all new build reach zero carbon by 2016, an innovative policy measure which Ireland may find difficult not to follow.

The Group plans to invest significantly in both metal and timber framing processes to ensure that the business is well positioned to take advantage of these developments. These projects are expected to be completed over the coming two years to ensure that Kingspan has sufficient manufacturing scale to give house builders and developers the confidence to move their developments towards the Group's modern methods solutions.

Capital Expenditure and Acquisitions

Combined investment by the Group in 2006 came to €167 million. Throughout the Group, Kingspan continues to invest in superior manufacturing assets that ensure maximum efficiency, while providing the Group with appropriate levels of capacity to support further growth and expansion. As part of the Group's strategy, acquisitions often substitute directly for capital expenditure, as well as providing Kingspan with a more immediate presence in the Group's targeted sectors and geographic markets. In the year gone by, Kingspan completed ten deals amounting to €107 million. The average size of these acquisitions clearly reflects the bolt-on nature of the deals.

Outlook

In general, construction markets in 2007 are expected to show continued growth, particularly in the UK and CEE markets. However the rate of growth in the Irish construction market should inevitably slow down. Raw material prices are also expected to be less predictable during the current year. The Group is conscious that competition is likely to increase in its main markets as more companies are alerted to the environmental and sustainable drivers in the construction industry. These developments make it more imperative that the Group continues to differentiate itself from competitors through an enhanced product development programme. Whilst we are not anticipating growth rates throughout the Group in line with the last few years, good momentum has nevertheless continued into the current year. This momentum together with the Group's presence in new and embryonic markets gives us confidence that 2007 will be another year of progress at Kingspan.

Gene Murtagh
Chief Executive
5th March 2007

Financial Review

Results

Turnover for the year ended 31st December 2006 was €1,461.2 million, an increase of 18% on 2005. Acquisitions completed during the course of the year generated €35.0 million in additional turnover.

Profit before tax was €185.2 million, 37% up on the €135.0 million achieved in 2005. Earnings attributable to ordinary shareholders were €151.0 million (2005: €111.4 million). Cash generation remained strong with earnings before interest, tax, depreciation and amortisation (EBITDA) of €236.0 million, which represented a 33% increase on the €177.6 million out-turn in 2005. The amortisation charge for the year amounted to €2.7 million (2005: €1.9 million).

Turnover and Margins

Group turnover increased by 18% or €217.8 million compared to 2005. The tables below detail the Group's Turnover by Class of Activity and Geographical Area and the year on year growth achieved.

Analysis by Class of Activity	**Year ended 31.12.06 €'mn**	**Year ended 31.12.05 €'mn**	**% Change 2006-2005**	**€'mn increase**
Insulated Panels	*574.1*	*472.4*	*+21%*	*+101.7*
Insulation Boards	*242.4*	*217.0*	*+12%*	*+25.4*
Insulated Panels & Boards	816.5	689.4	+18%	+127.1
Raised Access Floors	149.5	130.0	+15%	+19.5
Environmental	249.0	220.1	+13%	+28.9
Off-Site & Structural	246.2	203.9	+21%	+42.3
	1461.2	**1243.4**	**+18%**	**+217.8**
	Year ended 31.12.06 €'mn	**Year ended 31.12.05 €'mn**	**% Change 2006-2005**	**€'mn increase**
Republic of Ireland	261.5	215.3	+21%	+46.2
Britain and Northern Ireland	822.1	753.3	+9%	+68.8
Mainland Europe	272.1	196.4	+39%	+75.7
Americas	78.9	63.7	+24%	+15.2
Other	26.6	14.7	+81%	+11.9
	1461.2	**1243.4**	**+18%**	**+217.8**

In continuing operations the gross profit margin was 31.5%, up from 30.3% last year. Acquisitions completed in 2006 had an equivalent margin of 21.6%, which had the effect of diluting the overall gross profit margin to 31.2%.

The operating margin, being earnings before interest and tax as a percentage of turnover, was 13.3% in the year, up from 11.7% last year. This improvement reflected the increase in gross margin and favourable leverage on the operating cost base which represented 18.0% of turnover compared with 18.7% in 2005.

Taxation

The effective tax rate in the year at 18.1% compares with 17.5% last year, a reflection of the growing overseas business.

Earnings Per Share

Basic Earnings per share at 89.8 cent shows an increase of 35% over the previous year. This figure has grown at an annual compound rate of just over 25% over the ten year period 1996 to 2006.

Dividends

Subject to shareholder approval at the 2007 Annual General Meeting, it is proposed that the dividend for 2006 will be 19.0 cent per share. This consists of an interim dividend of 6.0 cent per share paid on 6th October 2006, and a final dividend of 13.0 cent per share proposed to be paid on 8th June 2007 to shareholders on the register on 23rd March 2007. This represents a 42% increase on the previous year. The dividend for the year is covered 4.7 times by earnings which compares to 5.0 times in 2005, which is in 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 2006 and 2005:

	2006 **€'mn**	*2005* **€'mn**
Operating profit	194.0	145.1
Depreciation	39.3	30.6
Amortisation	2.7	1.9
Working capital increase	(48.5)	(9.4)
Pension contributions	(4.6)	(2.9)
Interest	(8.4)	(7.5)
Taxation paid	(25.5)	(28.2)
Others	17.7	13.8
Free cash	**166.7**	**143.4**
Acquisitions	(107.3)	(141.7)
Net capital expenditure	(57.7)	(42.2)
Dividends paid	(25.1)	(17.8)
	(190.1)	**(201.7)**
Cash flow movement	**(23.4)**	**(58.3)**
Debt translation	(0.7)	2.9
(Increase) in net debt	**(24.1)**	**(55.4)**
Net debt at start of year	(163.5)	(108.1)
Net debt at end of year	**(187.6)**	**(163.5)**

The free cash flow for the year, representing operating cash flow less interest and taxation paid, amounted to €166.7 million, which was up 16.3% on last year. This was used to fund spending of €107.3 million on ten bolt-on deals, net capital expenditure of €57.7 million and dividends of €25.1 million.

Operational working capital at the year end was €229.7 million (2005: €172.1 million) and represented 15.7% of turnover (2005: 13.8%). This is higher than the company target of 15.0% reflecting the second half bias to acquisition spend and a busy end to the year. Working capital expressed as days sales (which takes into account the phasing of sales) was up slightly at 35 days compared to 33 days for the prior year end.

Overall, net debt at the end of the year was up slightly on the previous year at €187.6 million (2005: €163.5 million), which represents gearing of 34.3%.

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 26.4% compared to 25.0% in 2005.

Treasury

At 31st December 2006 the Group had total facilities of €537 million, comprising of syndicated bank facilities of €300 million, €151.5 million loan notes and €85.5 million of overdraft and other facilities. The syndicated facilities include a €75 million term loan with repayments of €25 million per annum to 16th December 2009 and a €225 million revolving credit which will also mature at that date. The Group's private placement of US$200.0 million (€151.5 million) loan notes matures in March 2015 (US$158.0 million) and March 2017 (US$42.0 million).

The drawn down bank facilities and loan notes at 31st December 2006 were €232.5 million, comprising €186.6 million EUR debt, €44.6 million of STG debt and €1.3 million of other debt.

The loan notes which represent 65% of the drawn down facilities are fixed out to maturity in Euro terms 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 cash flow projections for the existing businesses to 31st December 2007, it is estimated that the Group has the need to sell the equivalent of €120 million in Sterling for Euro and sell the equivalent of US$13 million in Sterling for US Dollar. As at 31st December 2006, given hedges in place, these currency exposures have been reduced to €60 million at a weighted average rate of £0.677, and reduced to US$3 million at a weighted average rate of £0.522.

Pension Deficit

The Group has two legacy defined benefit pension schemes in the UK. These schemes have been closed and the liability relates only to past service. As at 31st December 2006 there were assets in the schemes of €61.3 million and actuarial assessed pension liabilities of €82.2 million, giving a net deficit of €20.9 million. The corresponding deficit at 31st December 2005 was €24.0 million. The main drivers in this deficit movement were:

	Assets €'mn	Liabilities €'mn	Net €'mn
Opening balance	52.4	(76.4)	(24.0)
Translation	0.6	(1.0)	(0.4)
Contribution paid	4.6		4.6
Benefits paid	(1.6)	1.6	0.0
Actuarial gain/(losses)	2.1	(2.8)	(0.7)
Net return on asset	3.2		3.2
Interest cost		(3.6)	(3.6)
Closing balance	**61.3**	**(82.2)**	**(20.9)**

Summary

Overall the Group is in a strong financial position going into 2007 and is well positioned for continued growth. 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.

Dermot Mulvihill
Finance Director
5th March 2007

GROUP INCOME STATEMENT
for the year ended 31 December 2006

	Continuing Operations 2006 € '000	Acquisitions 2006 € '000	**Total 2006 € '000**	Total 2005 € '000
Revenue	1,426,134	35,036	**1,461,170**	1,243,410
Costs of sales	(977,151)	(27,462)	**(1,004,613)**	(866,348)
Gross profit	448,983	7,574	**456,557**	377,062
Operating costs	(256,499)	(6,013)	**(262,512)**	(231,993)
Operating result	192,484	1,561	**194,045**	145,069
Finance costs			**(11,620)**	(11,607)
Finance income			**2,775**	1,535
Result for the year before tax			**185,200**	134,997
Income tax expense			**(33,520)**	(23,628)
Net result for the year			**151,680**	111,369
Profit attributable to:				
Shareholders of Kingspan Group plc			**151,032**	111,378
Minority Interest			**648**	(9)
Net Result for the year			**151,680**	111,369
Earnings per share for the year				
Basic			**89.8**	66.4
Diluted			**87.8**	64.8

GROUP BALANCE SHEET
as at 31 December 2006

	2006 € '000	2005 € '000
Assets		
Non-current assets		
Goodwill	**287,580**	217,736
Other intangible assets	**17,117**	12,265
Property, plant and equipment	**294,875**	250,757
Financial assets	**227**	755
Deferred tax assets	**2,694**	2,366
	602,493	483,879
Current assets		
Inventories	**130,868**	97,323
Trade and other receivables	**357,966**	268,124
Cash and cash equivalents	**69,060**	120,165
	557,894	485,612
Total assets	**1,160,387**	969,491
Liabilities		
Current liabilities		
Trade and other liabilities	**259,112**	193,368
Provisions for liabilities and charges	**42,554**	30,252
Deferred consideration	**5,659**	16,777
Interest bearing loans and borrowings	**34,631**	38,864
Current tax liabilities	**26,130**	16,366
	368,086	295,627
Non-current liabilities		
Pension and other employee obligations	**20,958**	24,009
Interest bearing loans and borrowings	**205,979**	226,799
Deferred tax liabilities	**8,212**	5,173
Deferred consideration	**10,355**	1,241
	245,504	257,222
Total liabilities	**613,590**	552,849
NET ASSETS	**546,797**	416,642

Equity

Equity attributable to shareholders of Kingspan Group plc		
Called-up share capital	**22,161**	22,003
Additional paid-in share capital	**26,341**	22,803
Other reserves	**(25,601)**	(23,650)
Revaluation reserve	**713**	713
Capital redemption reserve	**513**	513
Retained earnings	**519,390**	393,898
	543,517	416,280
Minority interest	**3,280**	362
TOTAL EQUITY	**546,797**	416,642

STATEMENT OF RECOGNISED INCOME AND EXPENSE
as at 31 December 2006

	2006	2005
	€ '000	€ '000
Profit for financial year attributable to Group shareholders	**151,032**	111,378
Currency translation	**(4,657)**	15,032
Cash flow hedging in equity	**(337)**	18
Actuarial losses in defined benefit pension scheme	**(685)**	(2,979)
Income taxes relating to items charged or credited to equity	**206**	891
Total recognised income and expense for the year	**145,559**	124,340

GROUP CASH FLOW STATEMENT
for the year ended 31 December 2006

	2006	2005
	€ '000	€ '000
Operating activities		
Result for the year before tax	**185,200**	134,997
Adjustments	**54,393**	46,625
Change in inventories	**(18,446)**	8,032
Change in trade and other receivables	**(68,313)**	(5,627)
Change in trade and other payables	**48,669**	(4,392)
Pension contributions	**(4,561)**	(2,873)
Cash generated from operations	**196,942**	176,762
Taxes paid	**(25,498)**	(28,159)
Net cash flow from operating activities	**171,444**	148,603
Investing activities		
Additions to property, plant and equipment	**(59,420)**	(46,802)
Proceeds from disposals of property, plant and equipment	**1,747**	4,654
Proceeds from financial assets	**528**	29
Purchase of subsidiary undertakings	**(70,815)**	(142,970)
Net cash acquired with acquisitions	**(7,073)**	18,910
Payment of deferred consideration in respect of acquisitions	**(16,102)**	(1,441)
Dividends paid to minorities	**(14)**	(44)
Interest received	**2,654**	1,606
Net cash flow from investing activities	**(148,495)**	(166,058)
Financing activities		
Proceeds from bank loans and loan notes	**-**	151,458
Repayment of bank loans	**(35,998)**	(89,862)
Discharge of finance lease liability	**(2,406)**	(413)
Proceeds from share issues	**3,288**	2,749
Interest paid	**(11,087)**	(9,138)
Dividends paid	**(25,103)**	(17,713)
Net cash flow from financing activities	**(71,306)**	37,081

Cash and cash equivalents at the beginning of the year	**110,231**	85,201
Net increase in cash and cash equivalents	**(48,357)**	19,626
Translation adjustment	**(10)**	5,404
Cash and cash equivalents at end of the year	**61,864**	110,231

Cash and cash equivalents as at 1st January 2006 were made up of:

Cash and cash equivalents	**120,165**	87,791
Overdrafts	**(9,934)**	(2,590)
	110,231	85,201

Cash and cash equivalents as at 31st December 2006 were made up of:

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

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

	2006	2005
	€'000	€'000
Depreciation, amortisation and impairment charges of fixed and intangible assets	**41,957**	32,515
Employee equity-settled share options	**3,492**	2,256
Finance income	**(2,775)**	(1,535)
Finance cost	**11,620**	11,607
Loss on sale of tangible assets	**99**	1,782
Total	**54,393**	46,625

Reconciliation of net cash flow to movement in net debt

	2006	2005
	€'000	€'000
(Decrease)/increase in cash and bank overdrafts	**(48,357)**	19,626
Decrease/(increase) in debt, lease finance and deferred consideration	**54,506**	(59,742)
Change in net debt resulting from cash flows	**6,149**	(40,116)
Loans and lease finance acquired with subsidiaries	**(15,365)**	(6,314)
Deferred consideration arising on acquisitions in the period	**(14,086)**	(11,383)
New finance leases	**(67)**	(45)
Translation movement	**(679)**	2,472
Net movement	**(24,048)**	(55,386)
Net debt at start of the year	**(163,516)**	(108,130)
Net debt at end of the year	**(187,564)**	(163,516)

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 entities used were as follows:

	Average rate		**Closing Rate**	
Euro =	**2006**	2005	**2006**	2005
Pound Sterling	**0.682**	0.684	**0.670**	0.678
US Dollar	**1.256**	1.245	**1.313**	1.185
Canadian Dollar	**1.425**	1.510	**1.525**	1.390
Australian Dollar	**1.668**	1.633	**1.670**	1.620
Czech Koruna	**28.367**	29.836	**27.590**	28.920
Polish Zloty	**3.906**	4.029	**3.840**	3.830

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	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	Access Floors	TOTAL
	€m	€m	€m	€m	€m
Total Revenue - 2006	816.5	246.2	249.0	149.5	**1,461.2**
Total Revenue - 2005	689.4	203.9	220.1	130.0	1,243.4

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	Access Floors	TOTAL 2006	TOTAL 2005
	€m	**€m**	**€m**	**€m**	**€m**	€m
Operating result - 2006	128.0	27.5	20.9	17.6	**194.0**	
Operating result - 2005	94.2	22.7	18.4	9.8		145.1
Finance costs (net)					**(8.8)**	(10.1)
Result for the year before tax					**185.2**	135.0
Income tax expense					**(33.5)**	(23.6)
Net result for the year					**151.7**	111.4

Segment Assets and Liabilities

	Insulated Panels & Boards	Offsite & Structural	Environmental	Access Floors	TOTAL 2006	TOTAL 2005
	€m	**€m**	**€m**	**€m**	**€m**	€m
Assets - 2006	534.8	216.0	201.2	136.6	**1,088.6**	
Assets - 2005	413.3	134.6	161.2	137.9		847.0
Liabilities - 2006	(163.8)	(77.5)	(50.5)	(30.9)	**(322.7)**	
Liabilities - 2005	(131.2)	(50.2)	(40.2)	(26.1)		(247.7)
Total assets less total liabilities					**765.9**	599.3
Cash and cash equivalents					**69.1**	120.2
Deferred tax asset					**2.7**	2.3
Interest bearing loans and borrowings (current and non-current)					**(240.6)**	(265.7)
Deferred consideration (current and non-current)					**(16.0)**	(18.0)
Income tax liabilities (current and deferred)					**(34.3)**	(21.5)
Total Equity as reported in Group Balance Sheet					**546.8**	416.6

Other Segment Information

	Insulated Panels & Boards	Offsite & Structural	Environmental	Access Floors	TOTAL
	€m	€m	€m	€m	€m
Capital Investment - 2006	77.8	56.4	21.8	8.8	**164.8**
Capital Investment - 2005	61.3	73.6	45.9	5.8	186.6
Depreciation included in segment result – 2006	(19.7)	(6.8)	(6.5)	(6.3)	**(39.3)**
Depreciation included in segment result – 2005	(14.8)	(5.0)	(6.3)	(4.5)	(30.6)
Amortisation included in segment result – 2006	(0.9)	(1.3)	(0.4)	(0.1)	**(2.7)**
Amortisation included in segment result – 2005	(0.8)	(0.8)	(0.3)	0.0	(1.9)
Non cash Items included in segment result – 2006	(0.1)	0.0	0.0	0.0	**(0.1)**
Non cash Items included in segment result – 2005	(1.9)	(0.1)	0.2	0.0	(1.8)

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 - 2006	261.5	822.1	272.1	78.9	26.6	**1,461.2**
Revenue - 2005	215.3	753.3	196.4	63.7	14.7	1,243.4
Balance Sheet Items						
Assets - 2006	162.6	653.2	171.1	87.2	14.5	**1,088.6**
Assets - 2005	119.2	532.8	127.6	66.1	1.3	847.0
Other segmental information						
Capital Investment - 2006	21.6	87.5	21.1	21.5	13.1	**164.8**
Capital Investment - 2005	76.7	65.0	37.7	4.5	2.7	186.6

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 2005 (€15.0 million) was approved by shareholders in May 2006 and, in accordance with IFRS, was recognised as a charge to Reserves in the year ended 31 December 2006. The Interim Dividend on Ordinary Shares for 2006 (€10.1 million) was recognised as a charge to Reserves in the year ended 31 December 2006.

The Final Dividend on Ordinary Shares for 2006 (€22.0 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 2007.

DIVIDENDS		**2006**	2005
		€'000	€'000
Ordinary dividends			
Paid:	2005 Final dividend 8.95c per share (2004: 6.20c per share) on 167,760,629 shares	15,007	10,300
	2006 Interim dividend 6.00c per share (2005: 4.45c per share) on 168,244,464 shares	10,096	7,413
		25,103	**17,713**

4 Earnings per share

	2006	2005
	€'000	€'000
The calculations of earnings per share are based on the following:		
Profit attributable to ordinary shareholders	**151,032**	111,378

	Number of shares ('000) 2006	Number of shares ('000) 2005
Weighted average number of ordinary shares for the calculation of basic earnings per share	**168,149**	167,625
Dilutive effect of share options	**3,936**	4,269
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**172,085**	171,894

	2006	2005
	€ cent	€ cent
Basic earnings per share	**89.8**	66.4
Diluted earnings per share	**87.8**	64.8

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.