

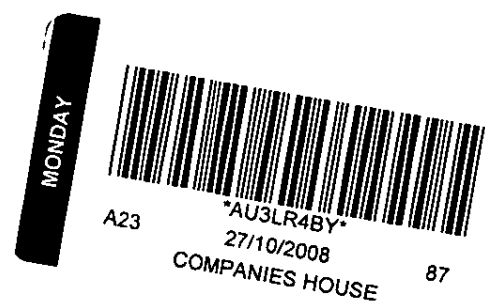
COMPANY REGISTRATION NUMBER 02897799

**KINGSPAN HOLDINGS (INSULATION) LIMITED
FORMERLY KOOLTHERM HOLDINGS LIMITED**

FINANCIAL STATEMENTS

FOR

31ST DECEMBER 2007



**KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY
KOOLTHERM HOLDINGS LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

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**KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY
KOOLTHERM HOLDINGS LIMITED**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Dermot Mulvihill
Peter Wilson
Peter Keeling

Company secretary

Kingspan Group Limited

Registered office

Greenfield Business Park No 2
Greenfield
Holywell
Flintshire
North Wales
CH8 7GJ

Auditor

Grant Thornton
Chartered Accountants
& Registered Auditors
24 - 26 City Quay
Dublin 2

Bankers

Barclays Bank plc
Northwest Larger Business Team
7th Floor
1 Marsden Street
Manchester M2 1HW

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2007

The directors present their report and the financial statements of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of investment holding

The directors consider the results and the year end financial position to be satisfactory

RESULTS AND DIVIDENDS

The profit for the year amounted to GBP£4,904,735 Particulars of dividends paid are detailed in note 8 to the financial statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors confirm that the company's ongoing process for identifying, evaluating and managing its significant risks is in accordance with best practice guidance The process has been in place throughout the accounting period and up to the date of approval of the Annual Report and Financial Statements, and is regularly reviewed by the Board

As part of the annual risk assessment, the Board reviewed the company's internal assessment of the risks to the business under a wide range of headings that included business and acquisition strategy, financial including transactional and translation FX risks, compliance, human resources, operational, inventory, sales and purchasing, product development, R&D and quality control, fixed assets, IT, and others including macro economic issues The Board identified and reported on the principal risks facing the business, and whilst recognising that these risks cannot be wholly eliminated, the Board is of the view that the risks are being appropriately addressed by the company's internal financial and management controls

DIRECTORS

The directors who served the company during the year were as follows

Dermot Mulvihill
Peter Wilson
Peter Keeling

The company is a wholly owned subsidiary of the ultimate parent Kingspan Group plc, being a company incorporated in the Republic of Ireland

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

**KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY
KOOLTHERM HOLDINGS LIMITED**

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2007

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors

John Treanor
Director



Approved by the directors on 3rd March 2008

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

YEAR ENDED 31ST DECEMBER 2007

We have audited the financial statements of Kingspan Holdings (Insulation) Limited formerly Kooltherm Holdings Limited for the year ended 31st December 2007, which have been prepared on the basis of the accounting policies set out on page 8

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

**KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY
KOOLTHERM HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY
KOOLTHERM HOLDINGS LIMITED**

YEAR ENDED 31ST DECEMBER 2007

the information given in the Directors' Report is consistent with the financial statements

24 - 26 City Quay
Dublin 2

3rd March 2008



GRANT THORNTON
Chartered Accountants
& Registered Auditors

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2007

	Note	2007 GBP£	2006 GBP£
TURNOVER		—	—
Administrative expenses		35,203	66,704
Other operating income		—	(845,069)
OPERATING (LOSS)/PROFIT	2	(35,203)	778,365
Loss on disposal of fixed assets	4	—	(230,595)
		(35,203)	547,770
Income from shares in group undertakings	5	7,959,195	—
Interest receivable		—	66
Interest payable and similar charges	6	(3,686,554)	(874,352)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,237,438	(326,516)
Tax on profit/(loss) on ordinary activities	7	(667,297)	(304,974)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		4,904,735	(21,542)
Balance brought forward		(52,706)	1,678,907
Equity dividends paid		(7,906,490)	(1,710,071)
Balance carried forward		(3,054,461)	(52,706)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 8 to 12 form part of these financial statements.

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

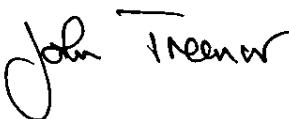
BALANCE SHEET

31ST DECEMBER 2007

	Note	GBP£	2007 GBP£	GBP£	2006 GBP£
FIXED ASSETS					
Investments	9		150,802,401		150,802,401
CURRENT ASSETS					
Debtors due within one year	10	48,249,288		3,131,155	
Cash at bank			—	63	
		48,249,288		3,131,218	
CREDITORS: Amounts falling due within one year	11	92,103,318		5,244,973	
NET CURRENT LIABILITIES			(43,854,030)		(2,113,755)
TOTAL ASSETS LESS CURRENT LIABILITIES			106,948,371		148,688,646
CREDITORS: Amounts falling due after more than one year	12		—		57,512,420
			106,948,371		91,176,226
CAPITAL AND RESERVES					
Called-up equity share capital	14		1,016,410		828,671
Share premium account	15		100,624,491		82,038,330
Revaluation reserve			8,361,931		8,361,931
Profit and loss account			(3,054,461)		(52,706)
SHAREHOLDERS' FUNDS	16		106,948,371		91,176,226

These financial statements were approved by the directors and authorised for issue on 3rd March 2008, and are signed on their behalf by

John Treanor
Director



The notes on page 7 form part of these financial statements.

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Cash flow statement

The directors have availed of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small

Fixed assets

All fixed assets are initially recorded at cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2007 GBP£	2006 GBP£
Directors' emoluments	—	—
Auditor's remuneration		
- as auditor	258	700
Net loss on foreign currency translation	<u>—</u>	<u>66,000</u>

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year

4. LOSS ON DISPOSAL OF FIXED ASSETS

	2007 GBP£	2006 GBP£
Loss on disposal of fixed assets	<u>—</u>	<u>(230,595)</u>

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

5 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2007 GBP£	2006 GBP£
Dividend receivable	<u>7,959,195</u>	<u>—</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 GBP£	2006 GBP£
Other similar charges payable	<u>3,686,554</u>	<u>874,352</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007 GBP£	2006 GBP£
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	(668,000)	(283,000)
Over/under provision in prior year	703	(21,974)
Total current tax	<u>(667,297)</u>	<u>(304,974)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007 GBP£	2006 GBP£
Profit/(loss) on ordinary activities before taxation	<u>4,237,438</u>	<u>(326,516)</u>
Profit/(loss) on ordinary activities by rate of tax	1,271,231	(97,955)
Expenses not deductible for tax purposes	(272)	68,475
Profits not subject to tax	(1,938,959)	(253,520)
Adjustments to tax in respect of previous periods	703	(21,974)
Total current tax (note 7(a))	<u>(667,297)</u>	<u>(304,974)</u>

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

8 DIVIDENDS

Equity dividends

	2007 GBP£	2006 GBP£
Paid during the year		
Equity dividends on ordinary shares	<u>7,906,490</u>	<u>1,710,071</u>

9. INVESTMENTS

Investments in subsidiaries at cost	2006 GBP£
COST	
At 1st January 2007 and 31st December 2007	<u>150,802,401</u>
NET BOOK VALUE	
At 31st December 2007	<u>150,802,401</u>
At 31st December 2006	<u>150,802,401</u>

The principle subsidiary companies and percentage shareholdings held at the balance sheet date are as follows,

The company owns 100% of the issued share capital in Kooltherm Properties Limited whose registered office is Greenfield Business Park No 2, Greenfield, Holywell, Flintshire, North Wales

The company owns 100% of the issued share capital in Kingspan Insulation Limited whose registered office is Pembridge, Leominster, Herefordshire, England

The company owns 99.95% of the issued share capital in Kingspan Insulation Limited whose registered office is Dublin Road, Kingscourt, Co. Cavan, Ireland

The company owns 100% of the issued share capital in Kingspan China Limited following the acquisition during the year of the 20% minority interest. Its registered office is 26 Wong Chuk Hang Road, Aberdeen, China

10. DEBTORS

	2007 GBP£	2006 GBP£
Amounts owed by group undertakings	47,581,288	2,848,155
Corporation tax repayable	668,000	283,000
	<u>48,249,288</u>	<u>3,131,155</u>

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

11 CREDITORS: Amounts falling due within one year

	2007 GBP£	2006 GBP£
Amounts owed to group undertakings	92 067,658	5 244,263
Accruals and deferred income	35,660	710
	<u>92,103,318</u>	<u>5,244,973</u>

12. CREDITORS: Amounts falling due after more than one year

	2007 GBP£	2006 GBP£
Amounts owed to group undertakings	—	<u>57,512,420</u>

13. RELATED PARTY TRANSACTIONS

The company has availed of the exemption under Financial Reporting Standard No 8 paragraph 3(c) which allows non-disclosure with other group companies

14. SHARE CAPITAL

Authorised share capital.

	2007 GBP£	2006 GBP£
10,000,000 Ordinary shares of GBP£1 each	10,000,000	1,000,000
7,500,000,000 Floating Rate Irredeemable Preference shares of GBP£0 01 each	75,000,000	75,000,000
	<u>85,000,000</u>	<u>76,000,000</u>

Allotted and called up:

	2007 No	GBP£	2006 No	GBP£
Ordinary shares fully paid of GBP£1 each	<u>1,016,410</u>	<u>1,016,410</u>	<u>828,671</u>	<u>828,671</u>

KINGSPAN HOLDINGS (INSULATION) LIMITED FORMERLY KOOLTHERM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

15 SHARE PREMIUM ACCOUNT

	2007 GBP£	2006 GBP£
Balance brought forward	82,038,330	—
Premium on shares issued in the year	18,586,161	82,038,330
Balance carried forward	<u>100,624,491</u>	<u>82,038,330</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 GBP£	2006 GBP£
Profit/(Loss) for the financial year	4,904,735	(21,542)
New equity share capital subscribed	187,739	828,670
Premium on new share capital subscribed	<u>18,586,161</u>	<u>82,038,330</u>
Equity dividends	(7,906,490)	(1,710,071)
Equity instrument reserve	8,361,931	8,361,931
Net addition to shareholders' funds	24,134,076	89,497,318
Opening shareholders' funds	82,814,295	1,678,908
Closing shareholders' funds	<u>106,948,371</u>	<u>91,176,226</u>

17. ULTIMATE PARENT COMPANY

The ultimate parent company is Kingspan Group plc, a company incorporated in the Republic of Ireland