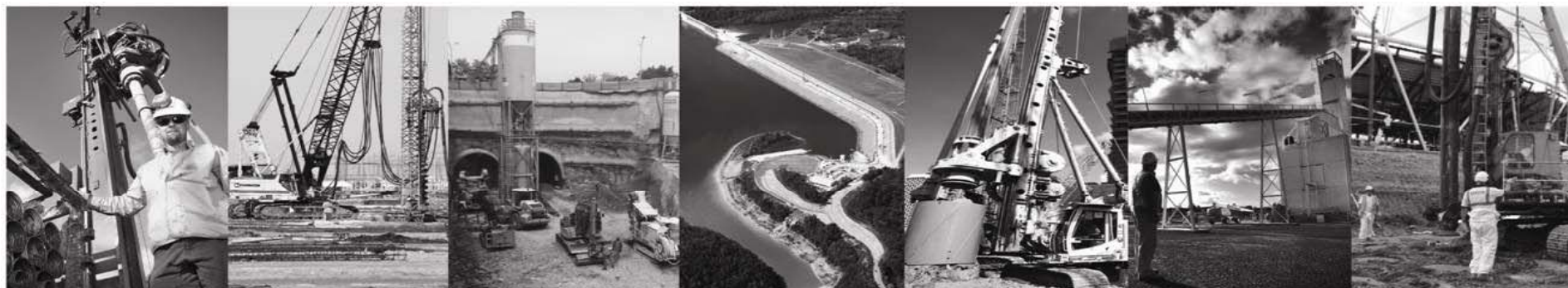


Keller Group plc

Preliminary Results 2009

March 2010



Highlights

- Good contract performance and firm cost control keeps operating margin high by historic standards
- Further geographic diversification
- Resource Holdings in Singapore acquired in October 2009 for an initial £27.1m
- £123.2m of cash generated from operations, representing 109% of EBITDA
- Year end net debt of £78.8m (0.7x EBITDA)
- Committed facilities of over £200m with substantial covenant headroom
- Total dividend of 21.75p, up 5%



Group Income Statement

£m	2009	2008*	% change
Revenue	1,037.9	1,196.6	-13%
EBITDA	113.2	144.3	-22%
Operating profit	77.3	119.4	-35%
Net finance costs	(2.6)	(6.2)	
Profit before tax	74.7	113.2	-34%
Tax	(22.6)	(35.9)	
Profit after tax	52.1	77.3	-33%

Constant currency basis
 – revenue down 24%
 – operating profit down 44%

Average exchange rates
 – US\$1.57 (2008: \$1.86)
 – €1.12 (2008: €1.26)

Effective tax rate 30%
 (2008: 32%)

*from continuing operations



Group Income Statement (continued)

£m	2009	2008	% change
Profit after tax	52.1	77.3	-33%
Discontinued operation (post tax)	-	(1.7)	
	52.1	75.6	
Minority interests	(1.7)	(4.8)	
Attributable to shareholders	50.4	70.8	
Earnings per share from continuing operations	78.8p	111.1p	-29%
Earnings per share	78.8p	108.6p	
Dividends per share	21.75p	20.7p	+5%

2008 discontinued losses
relate to Makers

Minority interests mainly
Saudi Arabia, Spain and
Algeria

Dividends up 5%
– 3.6x covered



Operating Profit & Margin

	2009			2008*		
£m	Revenue	Op Profit	Margin	Revenue	Op Profit	Margin
UK	57.6	0.5	0.9%	85.2	2.7	3.2%
USA	467.0	32.2	6.9%	532.1	52.1	9.8%
CEMEA	386.4	33.6	8.7%	442.2	49.9	11.3%
Australia	126.9	16.6	13.1%	137.1	19.4	14.2%
	1,037.9	82.9	8.0%	1,196.6	124.1	10.4%
Central costs	-	(5.6)		-	(4.7)	
	1,037.9	77.3	7.4%	1,196.6	119.4	10.0%

Constant currency revenues down 24%

- UK 33%
- US 26%
- CEMEA 22%
- Australia 16%

US result impacted by loss at Suncoast

Group margin still high by historic standards



*from continuing operations

Group Balance Sheet

£m	2009	2008
Goodwill/intangibles	119.1	111.8
Property, plant & equipment	264.4	254.7
Other non-current assets	12.7	12.5
	396.2	379.0
Inventories	37.4	50.9
Receivables	299.9	364.4
Payables	(252.3)	(323.1)
Working capital	85.0	92.2
Capital employed	481.2	471.2
Other liabilities/provisions	(44.3)	(48.8)
Retirement benefits	(20.2)	(13.6)
Tax	(14.6)	(21.6)
Net debt	(78.8)	(84.6)
Net assets	323.3	302.6

Comparisons impacted by different year end exchange rates

- US\$1.59 (2008: \$1.45)
- €1.11 (2008: €1.03)

Continuing additional focus on working capital

Gearing of 24% (2008: 28%)



Group Cash Flow Statement

£m	2009	2008
Cash from continuing operating activities	123.2	143.5
Discontinued operation	-	(5.1)
Capex – net	(35.5)	(65.2)
Tax	(30.0)	(27.9)
Interest	(4.5)	(4.1)
Free cash flow	53.2	41.2
Dividends	(17.4)	(15.9)
Acquisitions	(34.7)	(14.1)
Other	(2.0)	(20.6)
Net cash flow	(0.9)	(9.4)
Opening net debt	(84.6)	(54.5)
Exchange movements	6.7	(20.7)
Closing net debt	(78.8)	(84.6)

Cash from continuing operations 109% of EBITDA (2008: 99%)

Like-for-like capex halved

Acquisitions spend largely Resource Holdings

Other in 2008 includes £17.5m of share buy-backs



Group Financing Position

- Over £200m of committed facilities, mainly
 - £65m and £80m revolving credit facilities, expiring July 2010 and June 2011 respectively
 - £65m facility not used
 - US\$100m private placement
 - US\$30m repayable 2011, US\$70m repayable 2014
- Plan to refinance main bank facilities within a year
- Comfortably within key financial covenants
- A further £72m of other facilities held locally

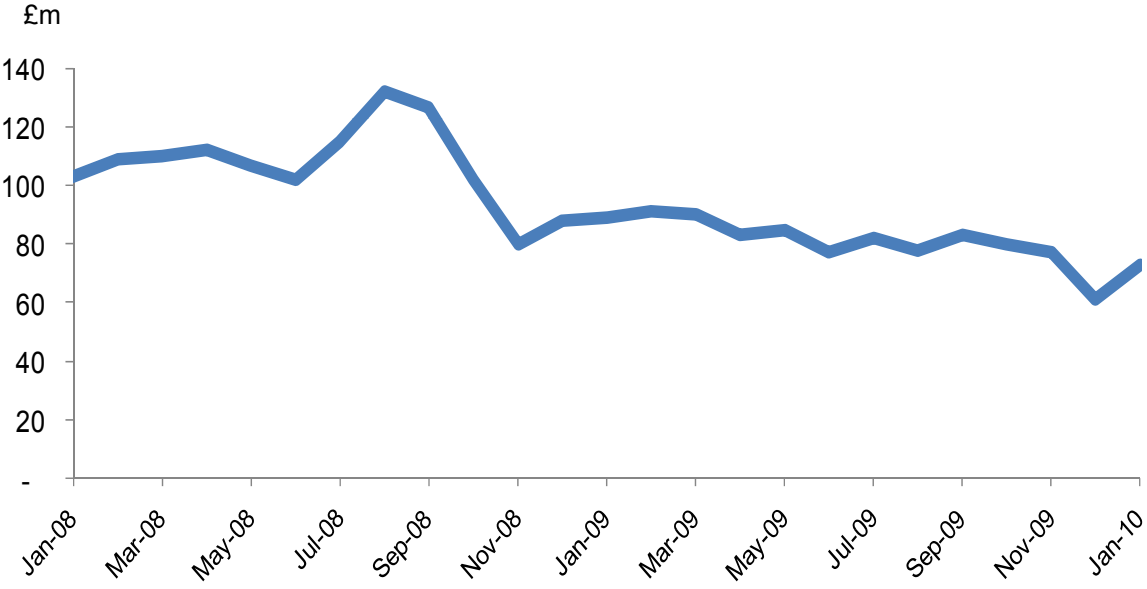
Key Financial Covenants

<i>Test</i>	<i>Status</i>
Net debt < 3x EBITDA	0.7x
EBITDA interest cover > 4x	43x
Net Assets > £78m	£323m



Group Orders

Monthly orders
(rolling 3 month average at constant currency*)



No sustained upturn in orders
– weak Q4 2009 followed by stronger start to 2010

Current order book 14% down from last year in constant currency



*at 2009 average exchange rates

Financial Summary

2009

- Excellent cash flow
- Strong balance sheet
 - net debt only 0.7x EBITDA
- Group operating margin still high by historic standards

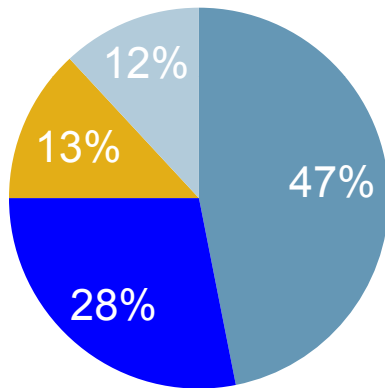
2010

- Further downward pressure on margins expected
- H1 result will be impacted by severe weather in northern hemisphere
 - greatly reduced volumes and margins



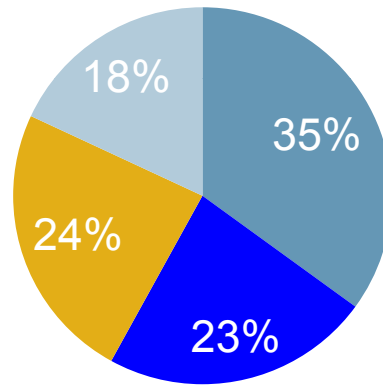
Group Analysis of Revenue

2009 Revenue by End Market
Total Revenue £1,038m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

2008 Revenue by End Market
Total Revenue £1,197m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

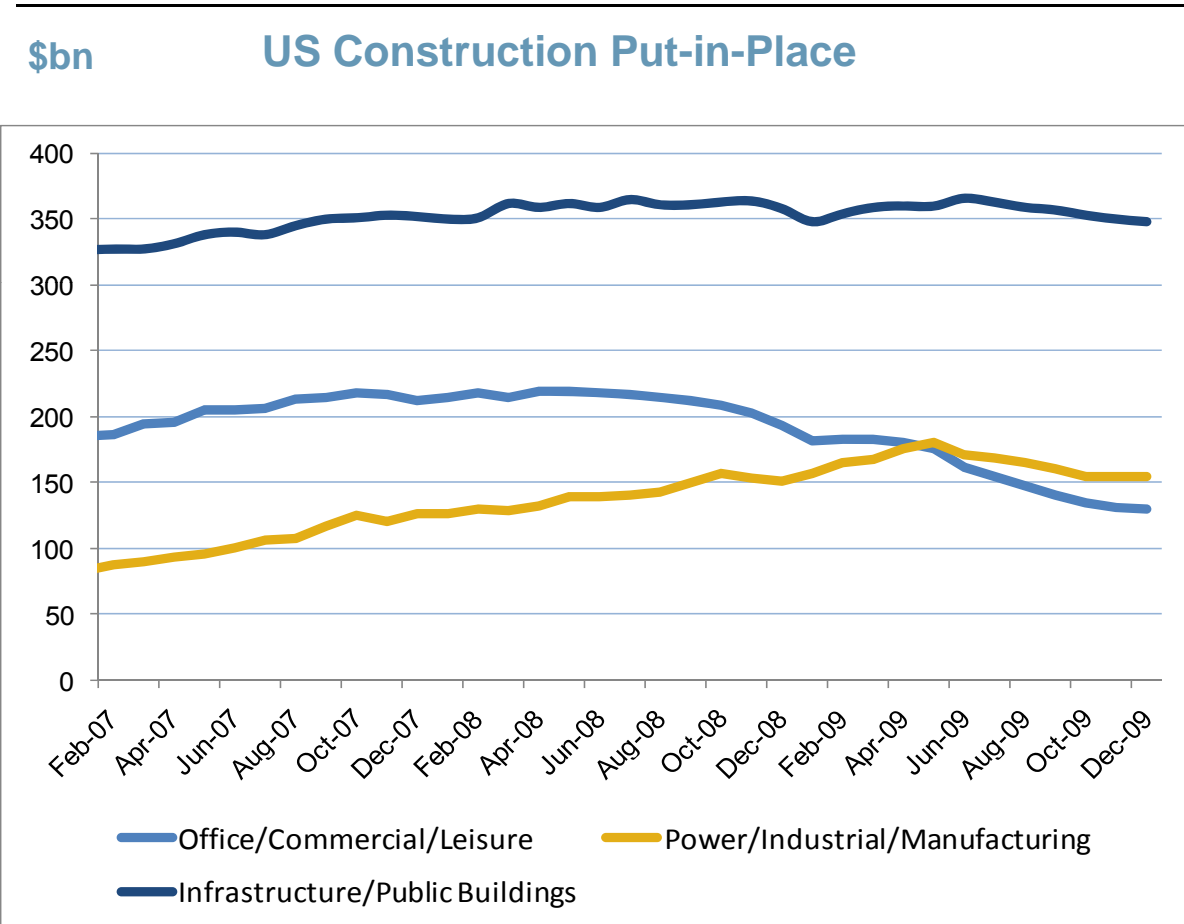
Keller operates across whole spectrum of the construction industry

Changes in absolute revenues:

- Infrastructure/Public Buildings up 16%
- Power up, but Manufacturing/Industrial down
- Office/Commercial and Residential both down circa 50%



US Non-residential Construction Market



Total non-residential US construction put-in-place down 5% year on year

- Infrastructure/Public Buildings flat
- Power/Industrial/Manufacturing up 16%
- Office/Commercial down 26%
 - further deterioration to come

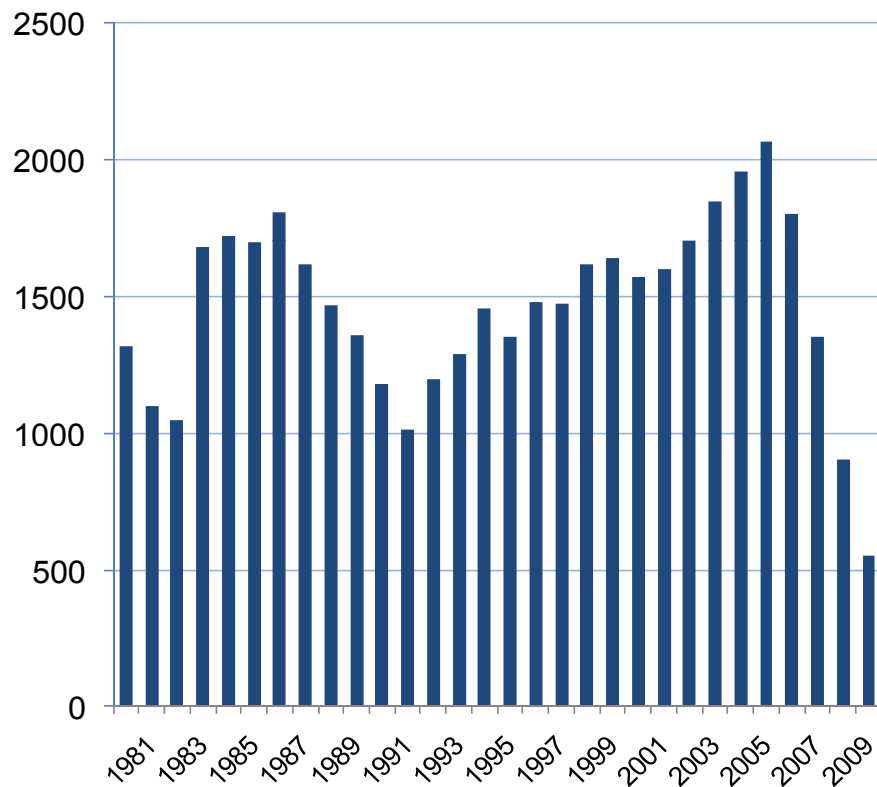
Total non-residential US construction starts down 22%

- Commercial down 43%



Source: US Census Bureau, February 2010
 McGraw-Hill, October 2009

US Housing Starts



2009 starts 74% off 2006 peak
– around half the troughs of 1982 and 1991

Now stabilised, with H2 2009 better than H1

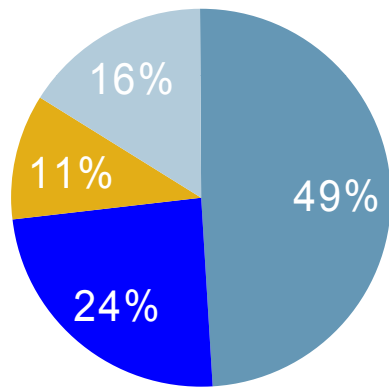
Most forecasts are for a slow, steady recovery
– consensus is circa 20% increase in 2010



Source: US Census Bureau, Housing Starts

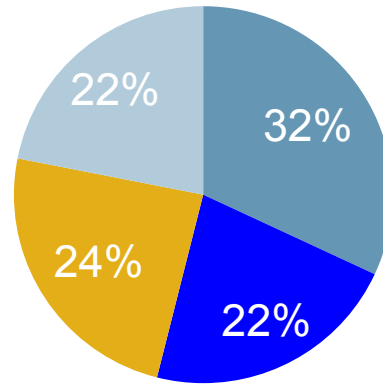
US Analysis of Revenue

2009 Revenue by End Market
Total revenue \$733m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

2008 Revenue by End Market
Total revenue \$990m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

Performed well in
Infrastructure/Public Buildings
and Power/Industrial/
Manufacturing

Office/Commercial and
Residential revenues fell
around 50%

- in line with falls in starts
- more competitive markets



US Highlights



Remedial work at Wolf Creek Dam, Kentucky
Drilling and grouting to cut off water seepage

Hayward Baker again extended product offering

Further progress in integrating the Olden business

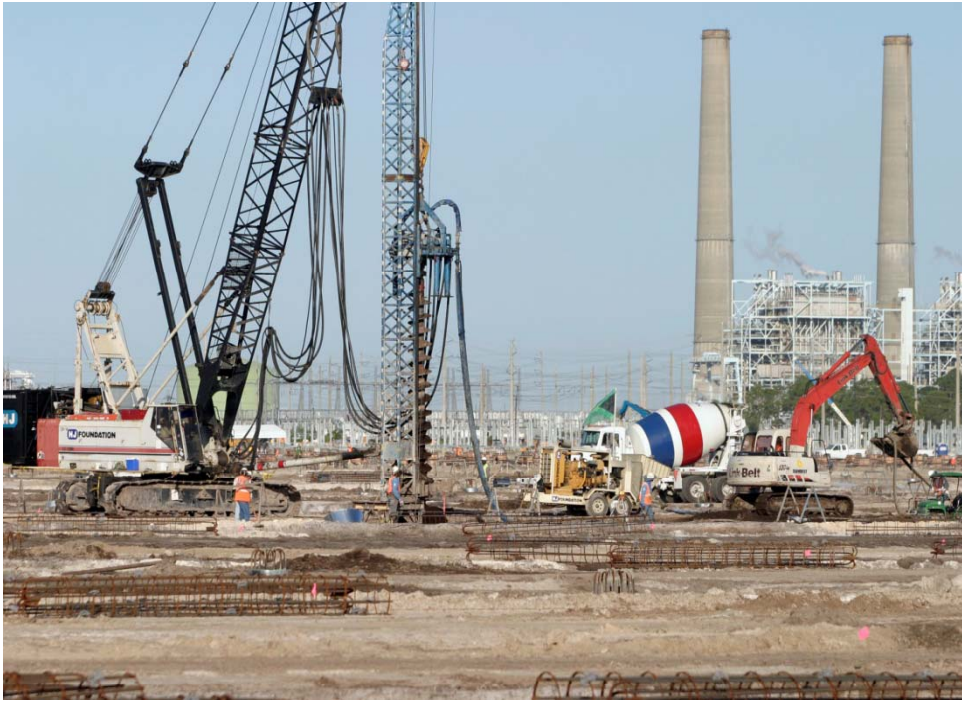
Case now much more geographically diverse

Important partnerships undertaken between businesses on large jobs

Continued expansion of HJ outside of Florida

Further cost cutting and headcount reduction at Suncoast

US Case Studies



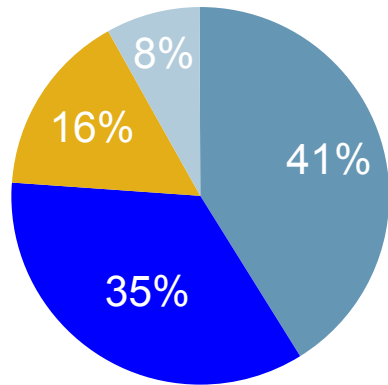
New solar power plant in Florida
CFA piling for the solar panels



Route 303 Outer Loop Freeway, Arizona
Bored piling for nine new bridges

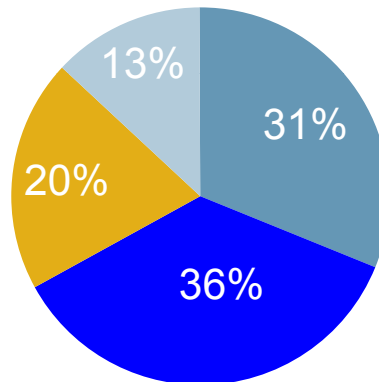
CEMEA¹ Analysis of Revenue

2009 Revenue by End Market
Total Revenue €433m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

2008 Revenue by End Market
Total Revenue €557m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

Infrastructure/Public Buildings markets generally robust
– absolute revenue flat

Power/Industrial/Manufacturing remains an important factor

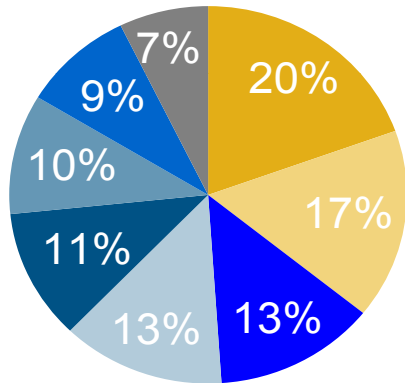
Significant revenue reduction from Office/Commercial and Residential



¹CEMEA = Continental Europe, Middle East & Asia

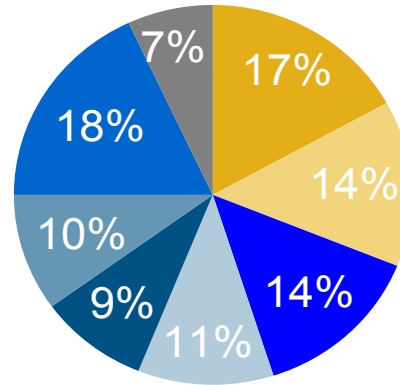
CEMEA¹ Analysis of Revenue

2009 Revenue by Region
Total Revenue €433m



- Eastern Europe
- France
- Other
- Middle East
- Germany
- Spain
- Austria
- Asia

2008 Revenue by Region
Total Revenue €557m



- Eastern Europe
- France
- Other
- Middle East
- Germany
- Spain
- Austria
- Asia

Eastern Europe the largest contributor in 2009

– Poland represents over 60%

Middle East revenues down from 18% to 9% of total

Asian contribution should double in 2010 following acquisition of Resource Holdings



¹CEMEA = Continental Europe, Middle East & Asia

CEMEA Highlights



Ipoh to Padang Besar Railway, Malaysia
Ground improvement for a new electrified double track

Solid performance from more mature markets

- best margin for many years in Germany
- cost cutting in Spain ensured business remained profitable

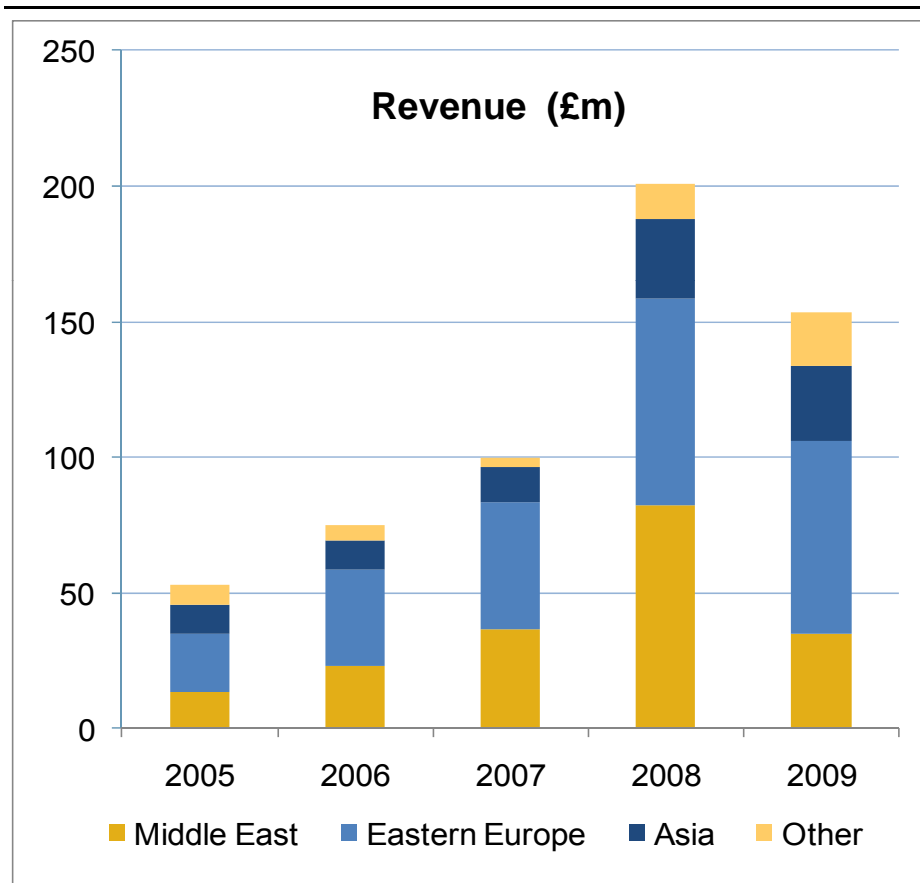
Polish business continues to expand its product offering

A much quieter year in the Middle East

Excellent results from our Asian business

- Malaysia performed several large infrastructure jobs
- India continued to build capacity and product range

CEMEA – Developing Markets



Revenue from developing markets increased threefold since 2005

- despite substantial 2009 decrease in the Middle East

Together with Australia, these markets comprised 26% of Group 2009 revenue (2005: 13%)

- typically earned at above Group average margins

Additional resources put into India, Egypt and Algeria in 2009

Asian revenues should more than double in 2010 following acquisition of Resource Holdings

Resource Holdings Acquisition



New commercial project at Gardens by the Bay, Singapore

Large diameter bored piling

Resource is a Singapore piling business

- specialises in large diameter piling in deep soft clays
- over 20 years' experience

Significantly strengthens existing operations in Singapore

- introduction of piling enables packaged solutions to be offered

Brings critical mass to South East Asia

- already co-operating with existing businesses
- will facilitate growth of piling in the region

CEMEA Case Studies



Eastern Europe
New A1 motorway south of Gdansk, Poland
Ground improvement



Western Europe
New light underground tunnel, Linz, Austria
Several products, including jet grouting and anchors

Australia Highlights



Piling work on road infrastructure, Brisbane

Multi company input

Australian businesses had another excellent year

- public infrastructure and the resources sector continued to be strong
- commercial construction remained weak
- Vibro-Pile diversified into infrastructure
- substantial part of Frankipile's revenue from the resources sector
- KGE further penetrated the market
- co-operation between the four businesses continues to increase

Australia – Mine Bulk Infill Project



Infrastructure for grouting of disused mine workings, Queensland
Engineering support from three continents

Motorway upgrade over disused mine workings at Ipswich, Queensland

- internal JV between Piling Contractors and KGE to fill the mines
- significant technical input from other parts of Keller
- disused mines either flooded or impacted by methane gases
- sophisticated water monitoring process required
- first enquiry June 2008; first grout injected July 2009
- total expected revenues of >\$50m, mainly in 2009

UK Highlights



Refurbishment of Corinthia Hotel, London

Minipiling in restricted areas

Market conditions remained very challenging

- housing and commercial sectors particularly weak
- after significant cost reductions in H1, a profit of £0.9m reported in H2
- restructuring and refocusing of business enabling better positioning on larger projects
 - M1 and M74 projects
 - Crossrail

Strategy

- Our Objective
 - to extend our global leadership in specialist ground engineering through:
 - organic growth, particularly in developing markets
 - targeted acquisitions
- Our Execution
 - transfer of technologies and techniques within our current geographic regions
 - offering design and build capability and alternative solutions
 - expansion into new higher growth geographic regions
 - acquisition and development of new technologies and techniques
- Progress in 2009
 - acquisition of Resource Holdings
 - investment in India, Egypt and Algeria
 - further extended our range of technologies in a number of markets

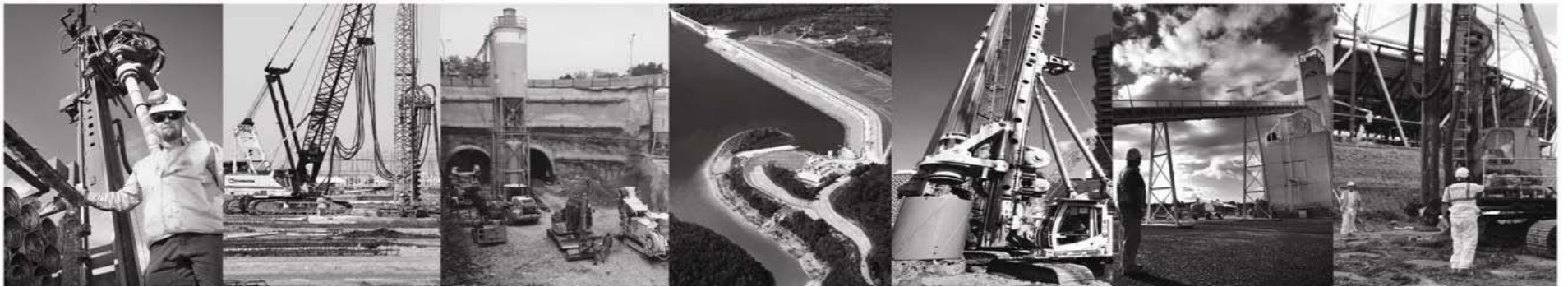


Outlook

- 2010 will be another challenging year
 - impacted by severe weather in the northern hemisphere in January/February
 - will continue to reduce costs to protect profitability
- Commercial markets in the developed world to contract further pressuring margins
 - particularly in the US
- Government spending in most of our markets should remain relatively high
 - some benefit of US stimulus expected in H2
- Underlying fundamentals in Australia and developing markets remain strong
- Strong position to take advantage of recovery elsewhere



Appendix



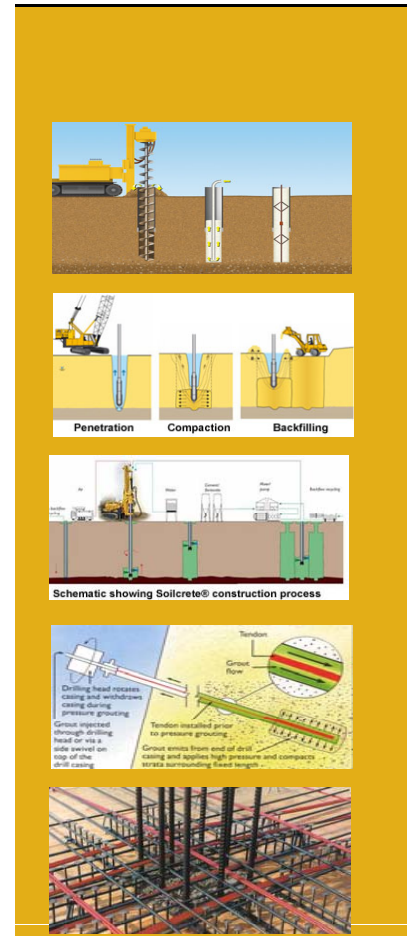
Introduction to Keller

- **The world's largest independent ground engineering contractor**
 - ground engineering is a small, niche sub-sector of construction
 - growing faster than construction, reflecting:
 - more pressure to build on brownfield and marginal land
 - more ambitious development and infrastructure projects
- **Unrivalled geographic coverage, working in around 40 countries**
 - clear market leader in US and Australia
 - well established businesses in most West European countries
 - growing in developing markets
- **Generally work as a subcontractor for main contractors**
- **Typical contracts are**
 - short duration and less than £500k
 - across the construction spectrum

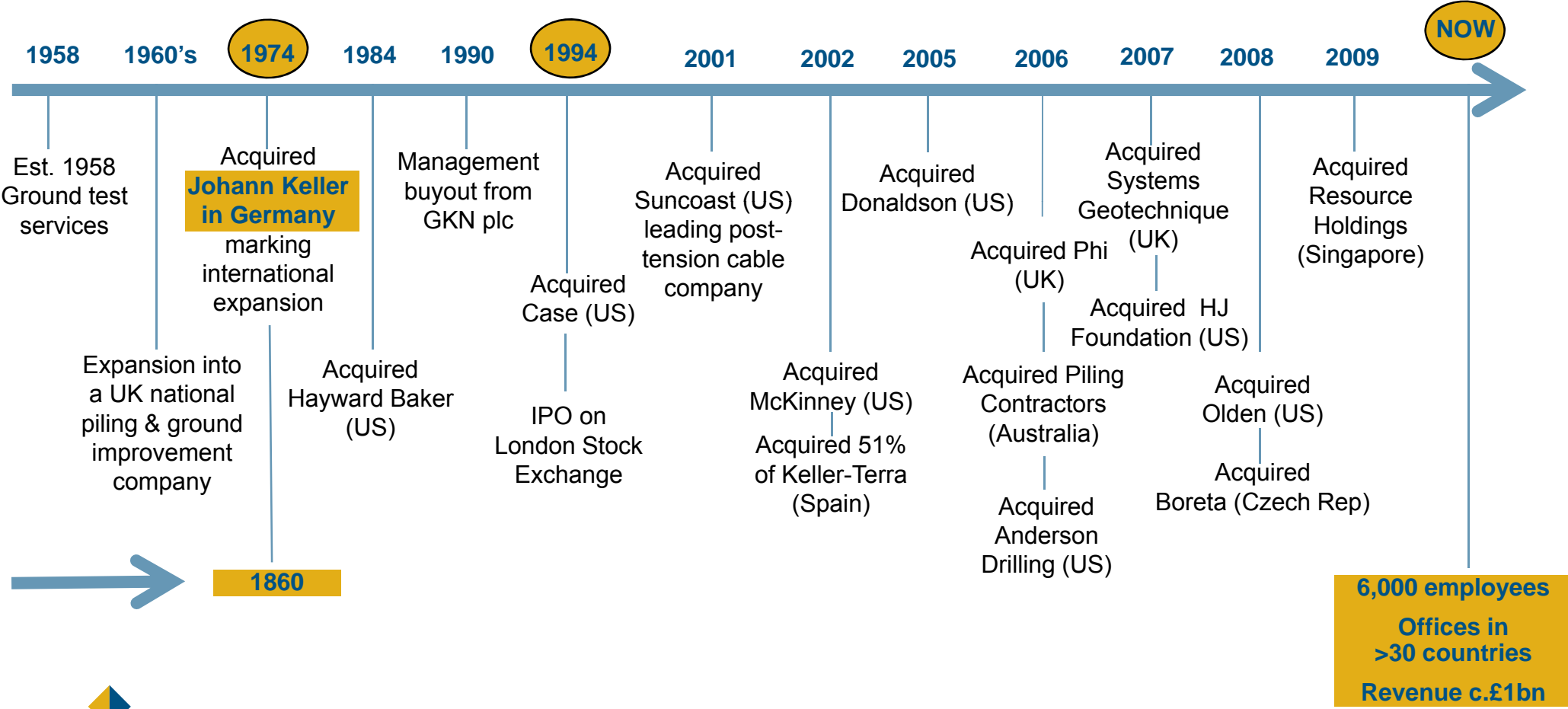


Ground Engineering Worldwide

Activities	% of 2009 revenue	Regions of use	Applications
Piling	36%	US/UK Eastern Europe Middle East & Asia Australia	Foundation support Earth retention
Ground improvement	21%	US/UK Continental Europe Middle East & Asia Australia	Foundation support Seismic risk protection
Speciality Grouting	18%	US/UK Continental Europe Asia Australia	Control of building settlement Groundwater control
Anchors, Nails, Minipiles	18%	US/UK Continental Europe Asia	Excavation support Slope protection Underpinning
Post-tension concrete	7%	US	Slab-on-grade foundations High rise structures



Keller's History



Strategy

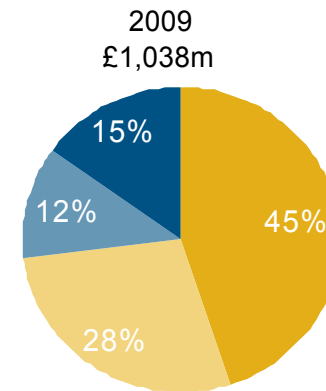
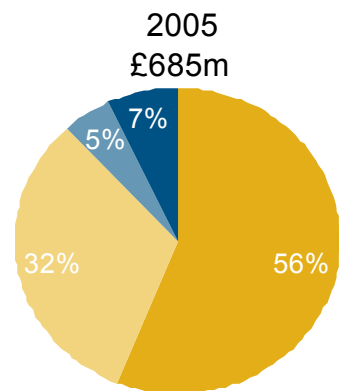
- Our Objective

- to extend our global leadership in specialist ground engineering through:
 - organic growth, particularly in developing markets
 - targeted acquisitions

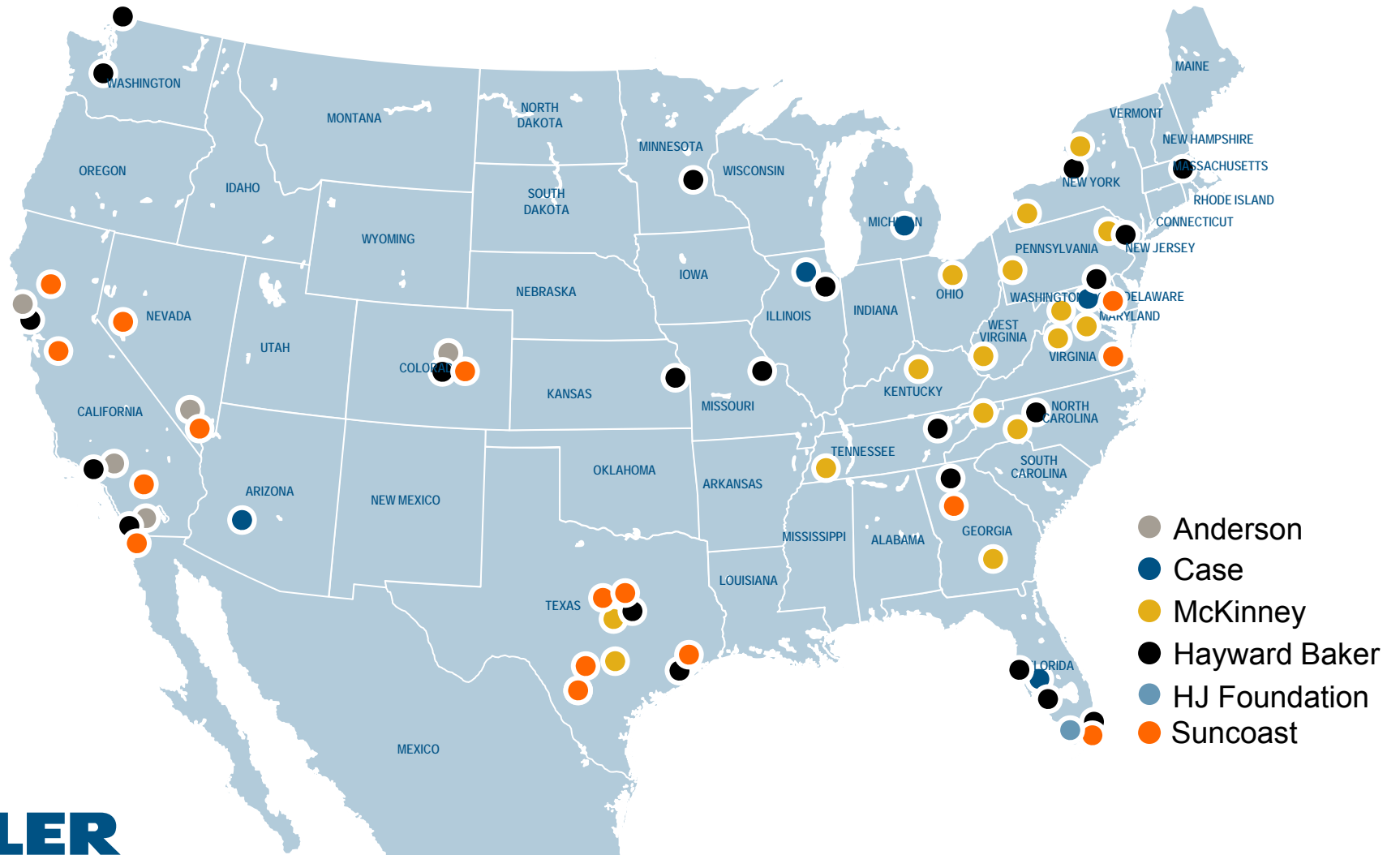
- Our Execution

- transfer of technologies and techniques within our current geographic regions
- offering design and build capability and alternative solutions
- expansion into new higher growth geographic regions
- acquisition and development of new technologies and techniques

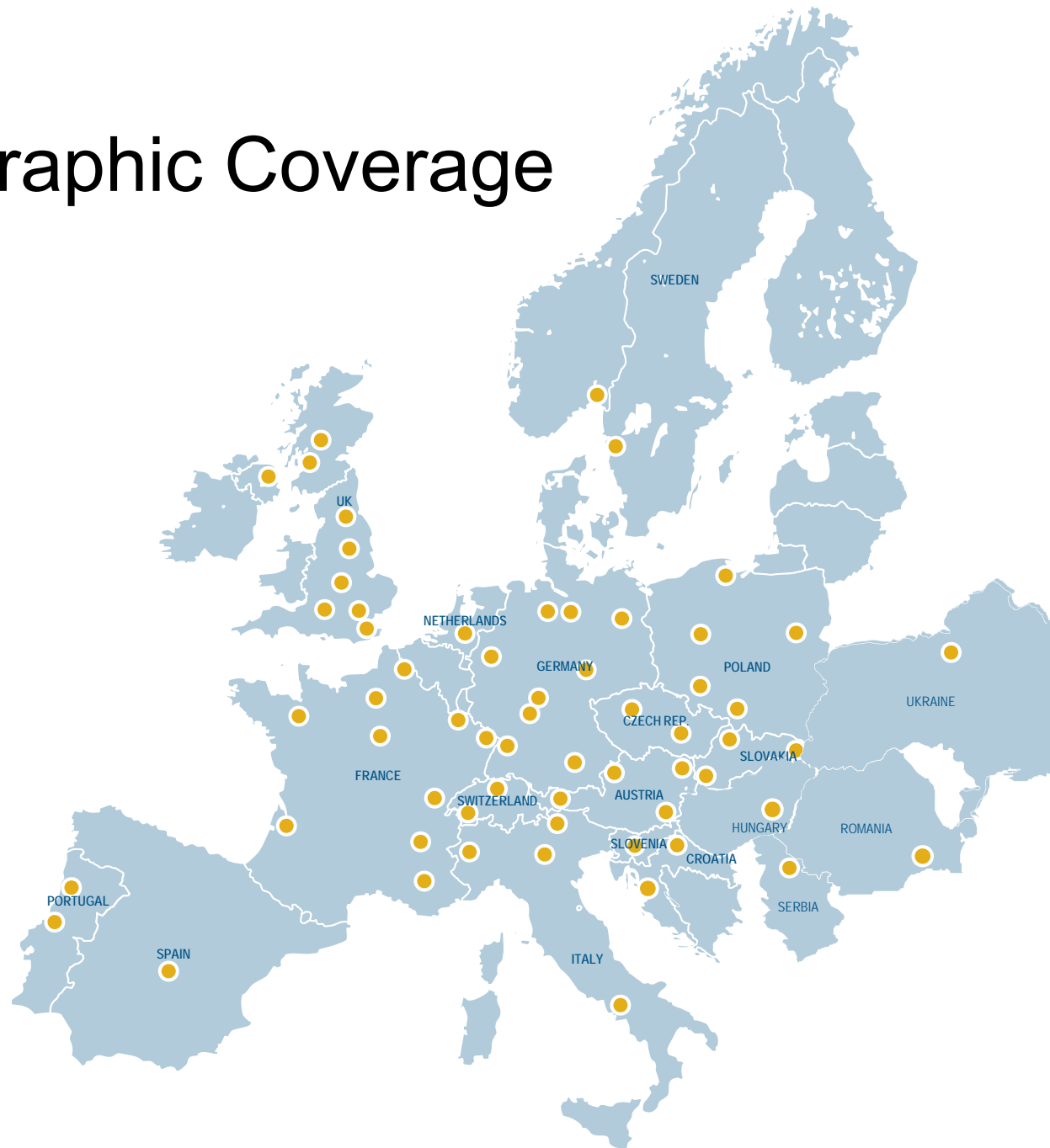
Analysis of Revenue



US Geographic Coverage

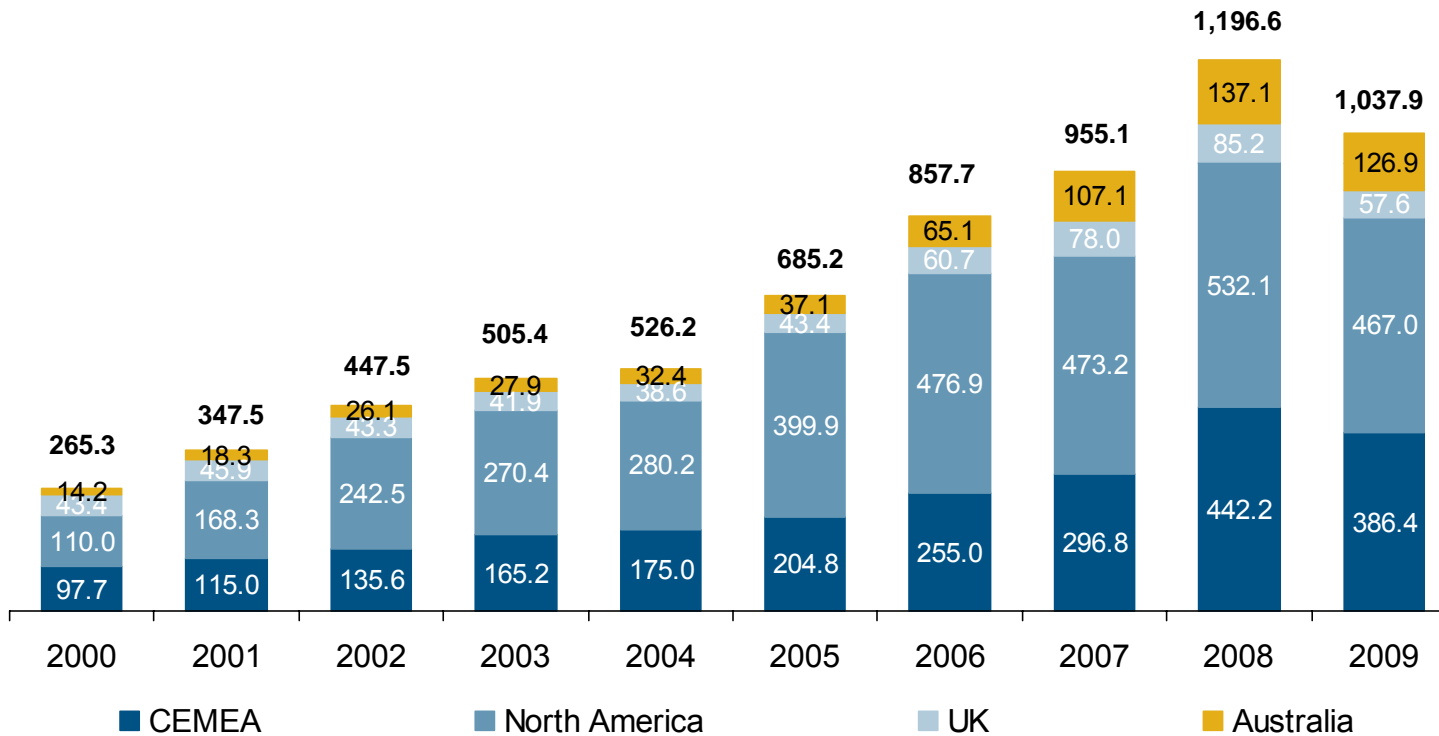


Europe Geographic Coverage



Ten Year Track Record

Revenue 2000 – 2009 (£m)
(Continuing Operations)

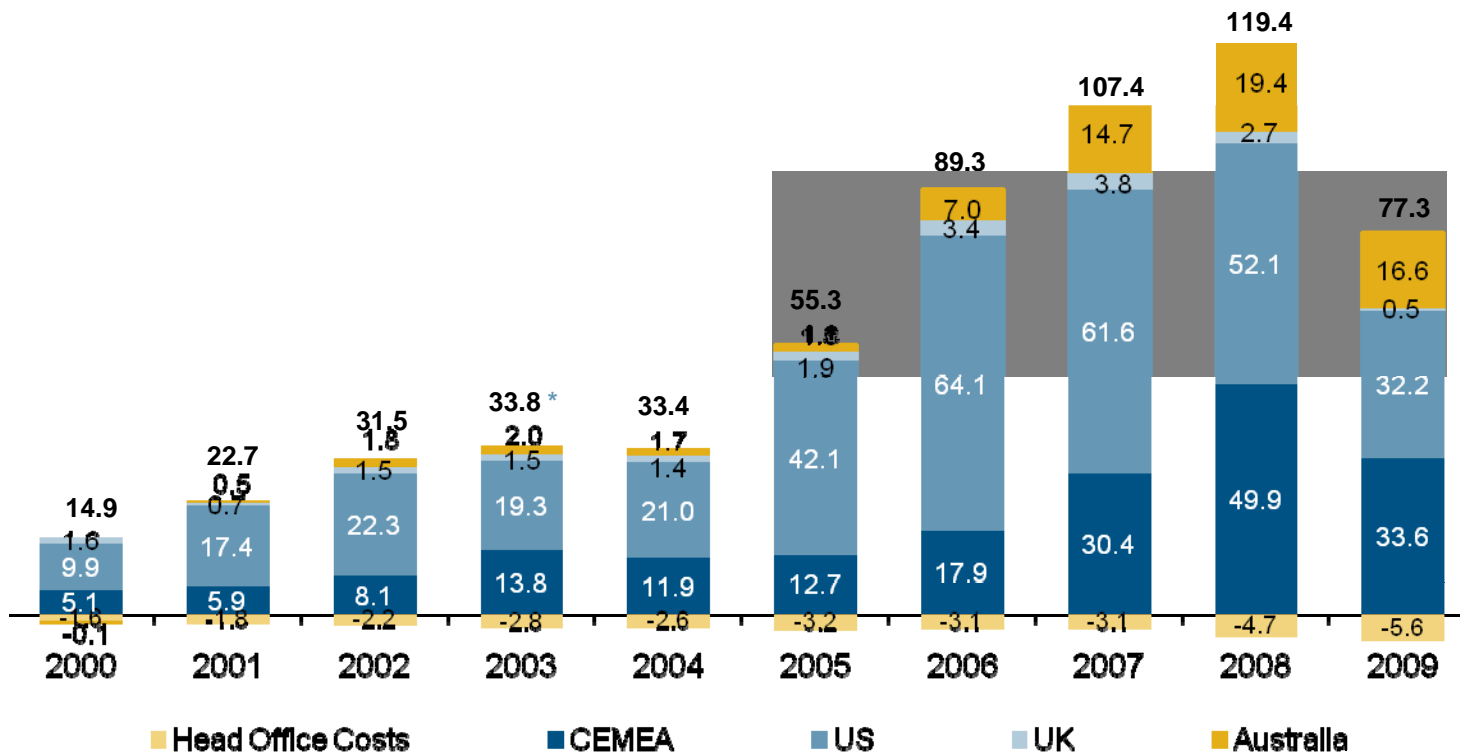


Compound
annual growth
rate of 16%



Ten Year Track Record

Operating Profit 2000 – 2009 (£m)
(Continuing Operations)



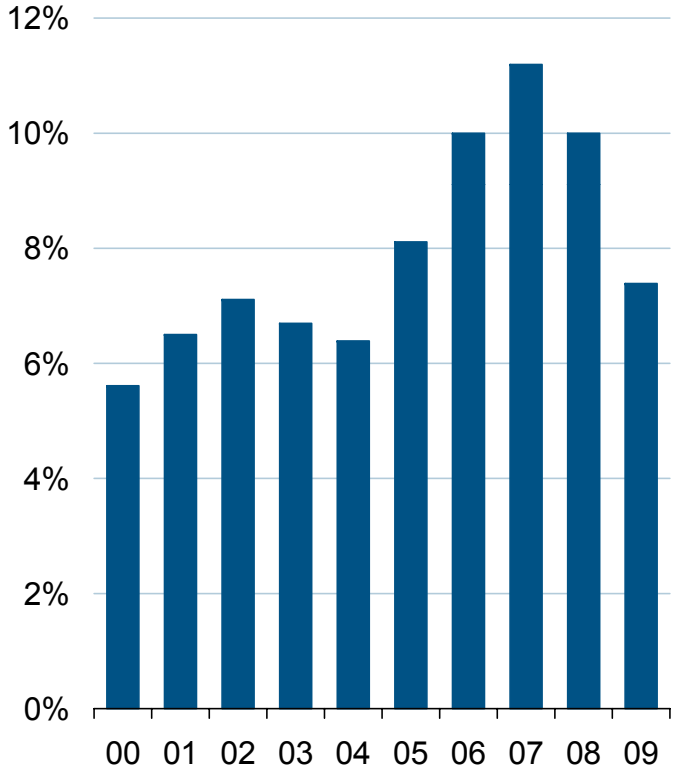
Compound annual growth rate of 20%



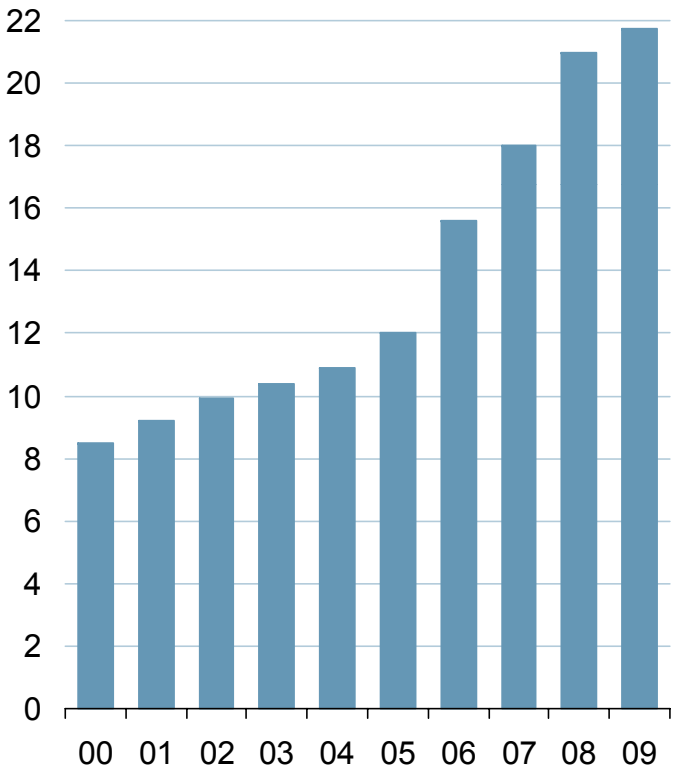
*pre-exceptionals 35

Financial Performance

Operating margin*



Dividend per share



Operating margin still good by historic standards

Dividend increased every year since flotation in 1994



*from continuing operations

