

Keller Group plc Capital Markets Day

16 October 2012



Keller Asia



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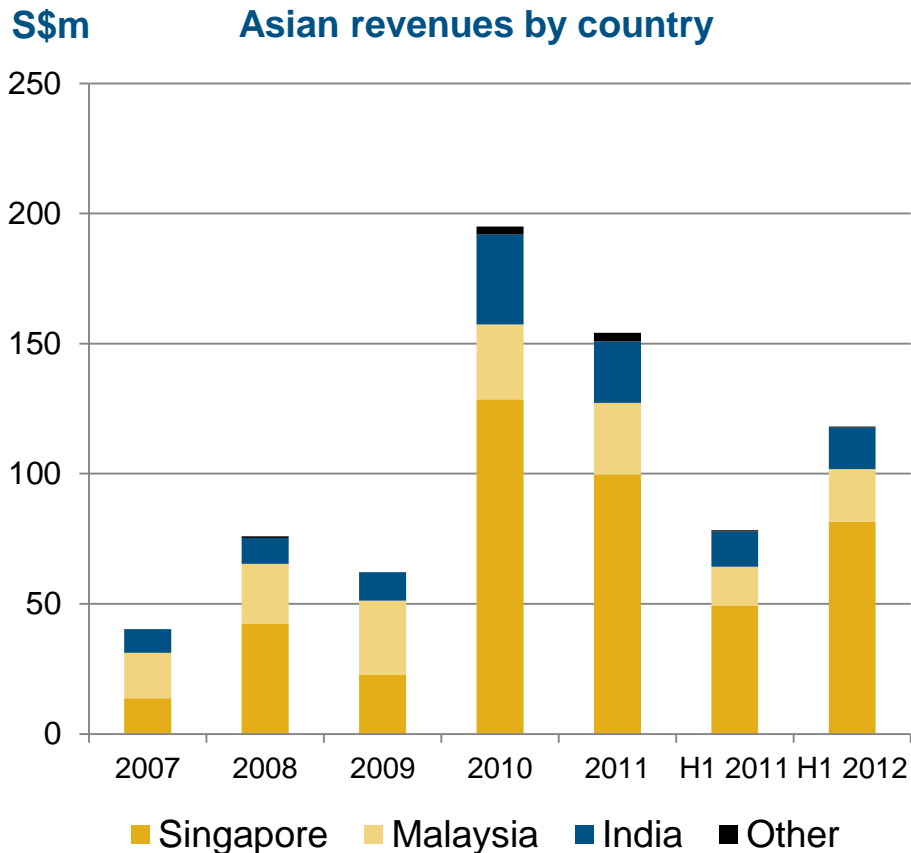
Keller Asia - Overview

- Established businesses in Singapore, Malaysia and India
 - Fledgling operations in Indonesia and Vietnam
- Clear market leader in Ground Improvement in Singapore, Malaysia and India
 - Existing Piling operations in Singapore and India
 - Commenced Piling in Malaysia
 - Increasingly selling multi-product & Design-Build solutions
- 2012 revenue will be over £100m
 - Except for 2009 acquisition of Resource Piling in Singapore, all growth organic through technology transfer from elsewhere in Keller

Keller Asia - Overview

- Countries, especially in ASEAN region, work closely together
 - Able to share experience, employees and equipment
 - Best way for relatively small businesses to resource large projects
- Over 900 employees in Keller Asia
 - Including over 300 in India
 - Finding enough, suitably-qualified quality people is a major challenge
- 70 contracts a year, about 40% design and build
 - Average contract size over £1.5m

Keller Asia - Overview



Resource Piling in Singapore acquired late 2009

- Singapore currently over 50% of revenue

India and Malaysia growing in importance

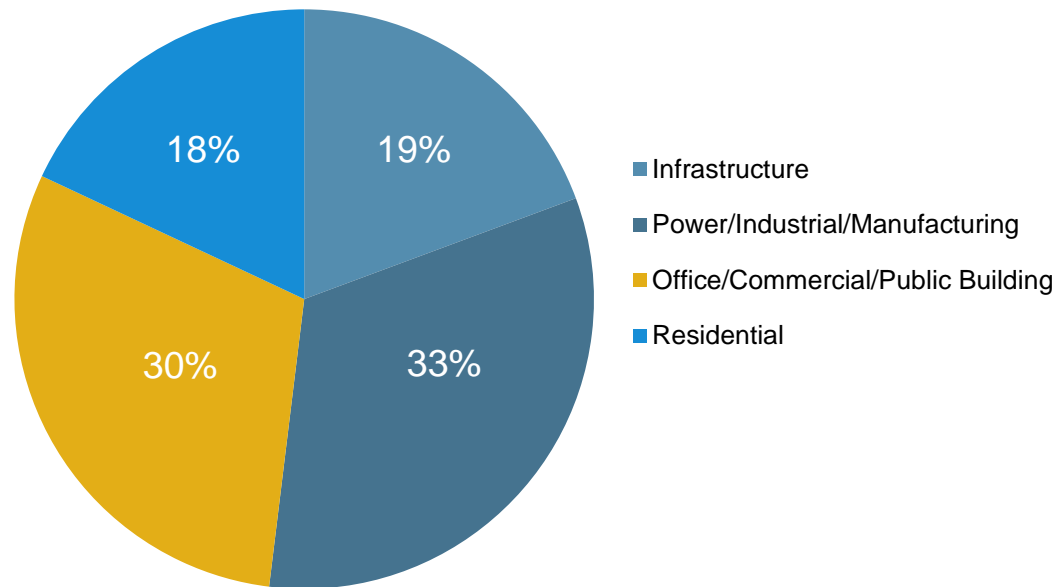
Targeting Vietnam and Indonesia

Division earns higher margins than Group average

Asia Revenue by End Market

H1 2012

Revenue £60m



Revenue balanced across end markets
- Residential almost solely in Singapore

In India focussing on Infrastructure and Power/Industrial/Manufacturing sectors

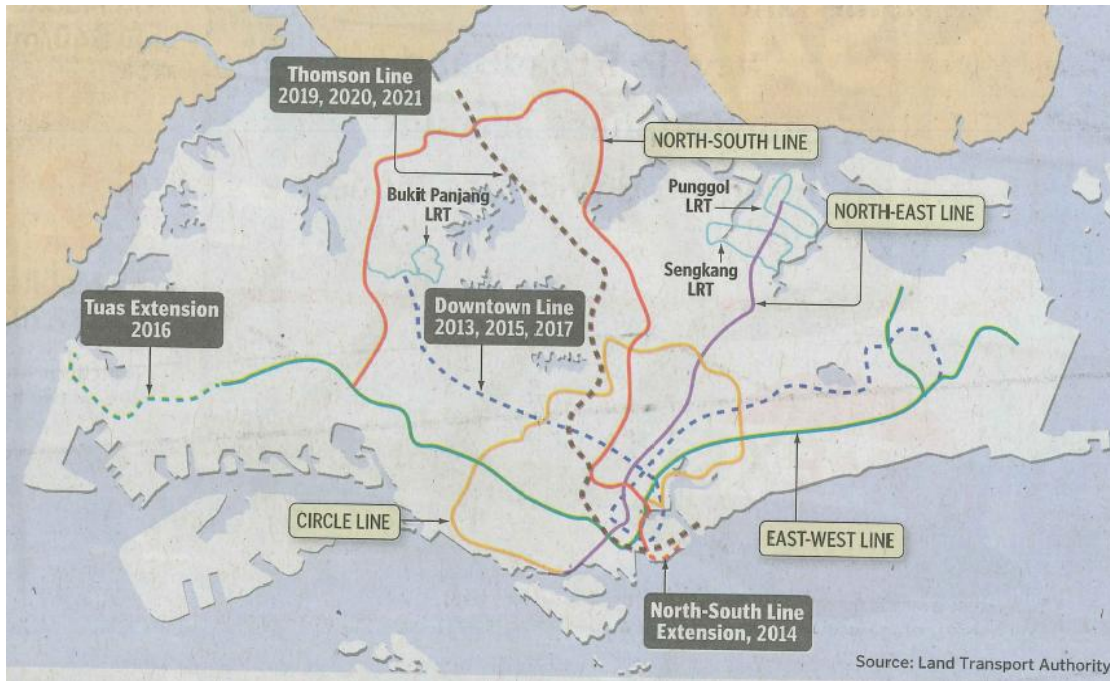
Power and Infrastructure sectors expected to grow significantly across the region

Keller Asia – Competitive advantages

- Global brand and quality
 - established relationships with inward investors
 - health and safety
 - business ethics
- Local management, expertise and cost structure
 - strong local network and contacts
- Excellent engineering skills leading to Design & Build solutions
- Able to execute both small and very large contracts
- Able to service both local and international clients
- Access to Keller Group resources expertise, technologies and equipment



Singapore Market Outlook



Existing & Proposed Metro network in Singapore

The annual construction demand for 2013 to 2014 is expected to range between £10bn and £13bn

Urban rails and expressways worth about £28bn expected to be built by 2021. Includes Thomson Line (£9bn) and North-South Expressway (£4bn)

Other major projects include Mega Tuas Port, Changi Terminal 4

Demand for 25,000 units of public housing every year

Malaysia Market Outlook



Proposed Petronas Oil Terminal in Johor

GDP growth around 5% expected in 2013 and driven by Govt spending

Urban rails (KVMRT) and expressways worth about £19bn expected to be spent by 2019

Major infrastructure work worth £6bn will be awarded in 2012 & 2013

Major commercial building development around the new KL International Financial District

Construction of £12bn Petronas oil terminal started in Johor

Indonesia Market Outlook



Proposed Sunda Bridge between Java and Sumatra

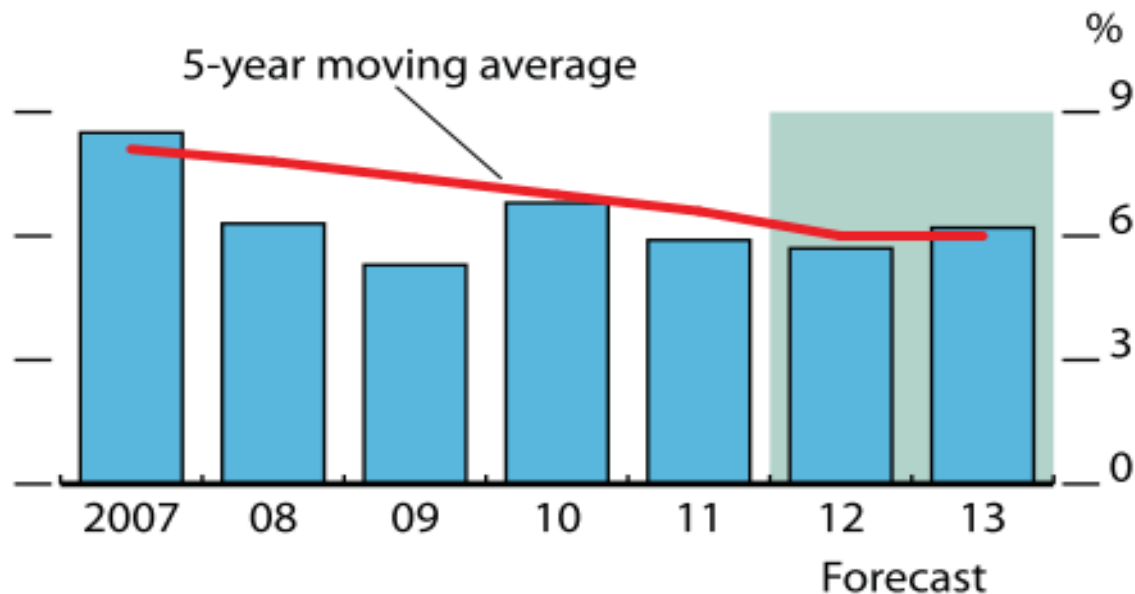
The annual construction demand for 2013 to 2014 is expected to be about £10bn with main demand coming from the infrastructure sector

Notable major projects are 20,000km of toll roads, the Sunda Bridge linking Java and Sumatra Island, Jakarta Metro and Jakarta Port

Major obstacles are land acquisition issues and external funding

Vietnam Market Outlook

GDP Growth



Source: Asian Development Outlook database.

GDP growth expect to be about 6%

Economy not doing well due to :

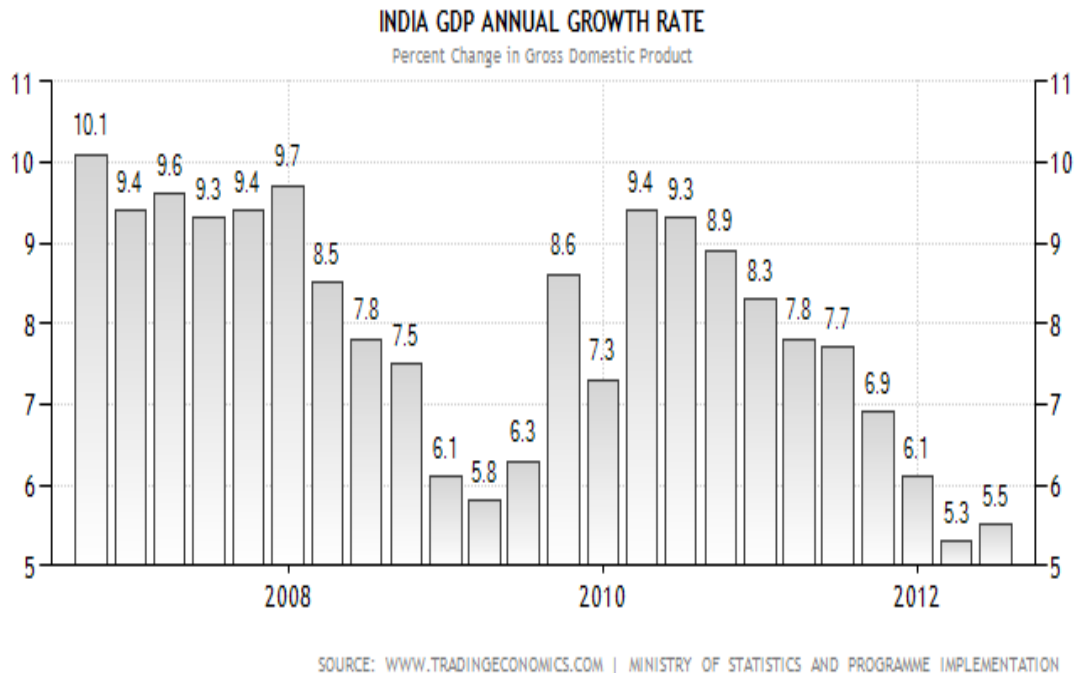
- Weak financial system (bad debt is 10% of total loans in banks and low liquidity)
- Reduction in FDI (28% reduction compared to 2011)
- Ongoing restructuring of State Owned Enterprises (SOEs)

2013 GDP growth expected to remain about 6% and 2013 inflation above 10%. Market is expected to improve with restructuring of financial system and SOEs

Opportunities – ASEAN Countries

- Singapore – significant Government investments in infrastructure and residential housing. Opportunities to do more packaged work involving both heavy foundations and ground improvement
- Malaysia – major infrastructure spending on KL metro lines and expressways. Opportunities to grow heavy foundations business after completing the piling works at the Vale project
- Indonesia and Vietnam have significant potential for growth from a low base

India Market Outlook



- GDP was at five year low of 5.3% in Q2 2012
- Reasons include:
 - Ineffective monetary policies
 - Weakening of Indian Rupee
 - High inflation
- Signs of some improvement
- Forecast GDP for 2013-2014 of 6-7% (Source: Asian Development Bank)

Opportunities – India

(as per XII plan – 2012 - 2017)

	Investment (Rs. crore)			Share (%)			Construction Intensity [@] (% of Total Cost)	Construction Opportunity (Rs. crore)			
	X th Plan	XI th Plan	XII th Plan#	X th Plan	XI th Plan	XII th Plan		X th Plan	XI th Plan	XII th Plan	
Electricity	340,237	658,630	1,314,320	38%	32%	32%	40%	1,36,095	2,63,452	5,25,728	£60bn
Roads & Bridges	127,107	278,658	556,072	14%	14%	14%	65%	82,620	1,81,128	3,61,447	
Railways (incl. MRTS)	102,091	200,802	400,708	11%	10%	10%	75%	76,568	1,50,602	3,00,531	
Irrigation	106,743	246,234	491,369	12%	12%	12%	75%	80,057	1,84,676	3,68,527	
Water Supply	60,108	111,689	222,879	7%	5%	5%	60%	36,065	67,013	1,33,728	
Ports	22,997	40,647	81,113	3%	2%	2%	70%	16,098	28,453	56,779	
Airports	6,893	36,138	72,115	1%	2%	2%	30%	2,068	10,841	21,634	
Total	766,176	1,572,798	3,138,575	85%	77%	77%		429,570	886,164	1,768,373	£210bn

Assuming similar allocation among sectors during the XIth Five-Year Plan

@ Based on past estimates

Source: Planning Commission, GoI

- Projected construction opportunity in the power sector is ~ £60bn for 5 years
- Total construction opportunity is ~ £210bn for 5 years

Opportunities - India

- Strong market growth over the medium to long term
 - Only international player in India (so far)
- Power and Infrastructure sectors expected to lead the way
 - Matches Keller's sector focus
- Opportunity to graduate into selected main contractor services such as concrete supply and civil works

Power Sector in India



- Keller India has performed £20m worth of work on 7 power projects (coal, gas, hydro and wind power)
- Combination of a range of ground improvement and heavy foundation techniques (key competitive advantage)

Marina Bay Projects - Singapore



- £70m of contracts undertaken by Resource Piling in the Marina Bay area (Sail, MBFC, Gardens by the Bay)
- Clear leader in big and deep piles (92m) in soft marine clays in Singapore
- Ability to conduct large load tests up to 5700t (key competitive advantage)

Vale Project - Malaysia



£30m single contract in Malaysia

Market leader in ground improvement in Malaysia

- Re-design capability and range of techniques a competitive advantage

Global capabilities exploited

- Repeat client from Brazil
- Technical & management support from Europe
- Operational input from Australia and Resource Piling in Singapore
- Equipment from Europe

Keller Asia Summary

- Our Asian markets have substantial potential for growth and contribution to the Keller Group
- Established businesses well positioned after five years of strong growth
 - Clear market leader in ground improvement and a growing presence in heavy foundations
- Scope for further above market growth through:
 - Increased product offerings and multi-product sales
 - Expansion into new countries

