

*For immediate release*

*Date – 15 May 2013*

## **Keller Group plc**

### **Interim Management Statement**

Keller Group plc (“Keller” or “the Group”), the international ground engineering specialist, issues its Interim Management Statement covering the period 1 January to 14 May 2013.

#### **Overview**

As anticipated in our full-year results announcement in March, economic conditions across our global construction markets continue to be varied. We remain optimistic about a progressive strengthening of the North American construction markets, assuming that the wider US fiscal position does not worsen. Whilst economic uncertainty in Europe continues to hold back a recovery in its construction markets, we have seen no further deterioration in market conditions since the start of the year. Elsewhere, the two-speed construction market in Australia continues, whilst in Asia we continue to see good opportunities.

Keller has had a strong start to the year, helped by the successful completion of a number of major projects, good contract performance overall and relatively benign winter weather in our markets in North America. This has resulted in both revenue and profit in the first four months being better than the Board expected at the time of announcing the Group’s 2012 preliminary results.

After adjusting for the exceptionally large Wheatstone project, which was awarded in January 2012 and on which we have only recently mobilised, order intake for the year to date has been at a similar level to the same period last year. Accordingly, the order book for work to be executed over the next 12 months is broadly in line with this time last year.

Looking ahead to the rest of the year, the Board expects to see a continuation of recent progress.

#### **Divisional Review**

##### **North America**

In the four months to the end of April, the Group’s North American foundation contracting companies have performed ahead of budget and the same period last year, benefitting from positive momentum in the construction market in many parts of the US and a strong operational performance.

The integration of Geo-Foundations Contractors, Inc., the Toronto-based specialist geotechnical contractor acquired in January, is progressing well and management is confident that the developing co-operation between Geo-Foundations and Hayward Baker will deliver significant business benefits over time.

At Suncoast, the steady increase in production during 2012 has been maintained in the first four months of this year, as the business continues to take full advantage of growth in US residential construction. As a result, both revenue and profit in the year to date are well ahead of both last year and budget.

#### Europe, Middle East & Africa (EMEA)

Overall, despite the challenging market conditions, the performance of the EMEA division has improved in the year to date, benefitting from the self-help measures implemented during 2012.

Our large infrastructure projects in EMEA – most notably the Crossrail and Victoria Station Upgrade contracts in the UK and the Gdansk road tunnel project in Poland – are all progressing well.

We were recently awarded our largest contract to date in Russia, involving the preparation of a complete excavation pit for a new residential complex located in central Moscow. In undertaking this contract, we will draw on our equipment and experienced workforce from neighbouring countries, in particular Poland.

In the Middle East, we are seeing some increase in activity and our operations in the region have generally performed better than in the same period last year.

#### Asia

Our Asian business has made a good start to the year, although market conditions in India remain somewhat challenging.

In Malaysia, where the foundation market is currently buoyant, we have now completed our major piling and ground improvement project for Vale at Lumur and have since been awarded another piling contract in Kuala Lumpur, which will further strengthen our credentials as a piling business in Malaysia. We have also commenced our first ground anchor contract in the country, with support from our businesses in India and Austria.

Work is underway on our first contract in Hong Kong for many years, where we now have four rigs on site. The project involves installing stone columns for the new Hong Kong Link Road project. We have also been awarded our first ground improvement contract in Indonesia, to install stone columns for a new fuel oil terminal on Karimun Island.

## Australia

The two-speed construction market in Australia continues, with projects for the resources sector generating a significant part of the overall demand, whereas the building and infrastructure sectors remain very quiet.

Despite the market challenges, the performance of our Australian business in the year to date has been ahead of last year, with another excellent contribution from Waterway Constructions.

Work has now commenced on the Wheatstone contract, which is set to be the Group's largest contract to date.

## **Financial Position**

The Group's financial position remains strong. Other than the normal seasonal increase in working capital, there has been no significant change to our financial position since the last year end.

## **Annual General Meeting and Interim Results**

Keller will be holding its Annual General Meeting at 11.00 a.m. on 23 May 2013 at the offices of Investec, 2 Gresham Street, London, EC2V 7QP.

The Company intends to announce its interim results on Monday, 29 July 2013.

### **For further information, please contact:**

#### **Keller Group plc**

Justin Atkinson, Chief Executive  
James Hind, Finance Director

[www.keller.co.uk](http://www.keller.co.uk)

**020 7616 7575**

#### **Finsbury**

Gordon Simpson, Rowley Hudson

**020 7251 3801**

## **Forward-looking Statements**

This statement contains forward-looking statements which have been made in good faith based on the information available at the time of its approval. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of risks and uncertainties that are inherent in any forward-looking statement which could cause actual results to differ materially from those currently anticipated.

**Notes to Editors:**

Keller is the world's largest independent ground engineering specialist, providing technically advanced and cost-effective foundation solutions to the construction industry. With annual revenue of £1.3bn, Keller has approximately 7,000 staff world-wide.

Keller is the clear market leader in the US and Australia; it has prime positions in most established European markets; and a strong profile in many developing markets.