

For immediate release

Tuesday, 19 November 2013

Keller Group plc Interim Management Statement

Keller Group plc (“Keller” or “the Group”), the international ground engineering specialist, issues this Interim Management Statement, covering the period from 1 July to 18 November 2013.

Overview

The Group’s trading in the four months to the end of October has continued the improving trend established in the first half of the year.

Although there has been no significant change in overall market conditions since we last reported, our project awards have increased. Accordingly, the value of the like-for-like order book at the end of October, for work to be executed over the next 12 months, is now slightly above this time last year.

As expected, revenue has been broadly flat, after adjusting for the effect of acquisitions. However, the efficiencies driven by our ongoing business improvement initiatives, combined with very strong final results on some completed major projects, have generated better-than-expected margin improvement.

Accordingly, the Group’s results for the full year are expected to be slightly above the top end of current market expectations.

Divisional Review

North America

The US construction market as a whole continues to recover, albeit there are some indications that the rate of recovery is slowing. Private expenditure on construction continues to grow, while public expenditure has fallen for the third consecutive year.

Following a strong first half, our North American business has continued to perform well. Our US foundation contracting companies are expected to end the year with both revenue and, in particular, profit significantly ahead of last year. North American Piling, which we acquired in July 2013 and have rebranded as Keller Foundations Canada, is performing in line with our expectations at the time of the acquisition. Our post-tension cable systems business, Suncoast, continues to benefit from the positive momentum in the US residential sector.

Europe, Middle East & Africa (EMEA)

Conditions in our key EMEA construction markets remain mixed and in those regions where we have started to see signs of improvement, recovery continues to be somewhat fragile.

Despite this market backdrop, we expect overall revenue for the full year to be ahead of last year. In profit terms, the self-help measures implemented by management continue to bring benefits, which we expect to be reflected in a much improved full-year operating margin.

In South Africa, Esorfranki Limited has secured shareholder approval for our acquisition of its geotechnical division, which we announced in October. The acquisition is set to complete by the end of November.

Asia

Overall, we have seen little change in the conditions in our Asian markets.

Revenue in the last four months has lagged behind the corresponding period last year, reflecting a slowdown in the Indian market and the absence of a major project in Malaysia to replace the Vale contract. However, operating profit for the full year is expected to be close to last year's level, helped by a strong finish on a number of projects and a good start on the Sengkang hospital project in Singapore, which together have helped to offset a weaker result in India.

Australia

As we reported in July, the resources sector of Australia's construction market has been less buoyant than in recent years and this has not changed discernibly in the past four months. Nor has there been any improvement in the weak commercial and infrastructure sectors.

Overall, however, Keller Australia has fared better than the market conditions might suggest, thanks to a strong performance on some of its larger contracts. In particular, since our last report, encouraging progress has been made on the Wheatstone contract, the value of which has now reached A\$200m (£116m) and which we expect will contribute towards a much-improved full-year result.

Financial Position

There has been no material change in the financial position of the Group since the interim results announcement on 30 July 2013.

Outlook

Given the better-than-expected improvement in the overall margin in the period to the end of October, driven largely by business efficiencies and strong contract outcomes, the Group's results for the full year are expected to be slightly above the top end of current market expectations.

Looking further ahead, we remain optimistic about the long-term prospects for our sector and our business. Recent acquisitions have increased the Group's presence in higher-growth regions and we feel that our business is in good shape to take full advantage of future opportunities.

Keller will issue a pre-close statement in respect of the year ending 31 December 2013 on 19 December 2013.

For further information, please contact:

Keller Group plc

Justin Atkinson, Chief Executive

James Hind, Finance Director

www.keller.co.uk

020 7616 7575

Finsbury

Gordon Simpson, Rowley Hudson

020 7251 3801

This document 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.

Note 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 around £1.5bn, Keller has approximately 8,000 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.