

Keller Group plc

Annual General Meeting - trading update

Keller Group plc (“Keller” or “the Group”), the international ground engineering specialist, today issues a trading update, covering the period from 1 January 2015 to 13 May 2015.

Overview of Markets

There has been no significant change in market trends since we reported the Group’s 2014 preliminary results on 2 March.

The total US construction market continues to improve slowly, with both private and public expenditure on construction in the first quarter of 2015 slightly up on the comparable period in 2014. In Canada, the lull in activity levels for major project awards persists.

Whilst we are seeing few signs of improvement in Europe, conditions in all our larger markets remain stable. Construction activity levels in the Middle East remain reasonably healthy, with only a few signs to date of investment being delayed following the fall in the oil price, although competition in the region remains intense.

Elsewhere, we continue to see good opportunities in Asia and Africa. In Australia, however, the market remains subdued although there are some significant opportunities for work in 2016 and beyond.

Trading

For the Group as a whole both revenue and profit in the four months to April are behind last year, in large part due to previously flagged decreases in Australia following the completion of the A\$230m Wheatstone project. In what is seasonally the quietest period of the year, the results have also been impacted by delays on certain major projects, for reasons outside Keller’s control, and the heavy snowfall in North America in late February which extended well into March.

Year-to-date contract awards, however, have exceeded revenue, as a result of which the order book has increased since we last reported. At the end of April, the value of the Group’s like-for-like order book was slightly ahead of last year, despite a substantial reduction in Australia.

Accordingly, the Board believes that the Group’s results for the full year will be in line with current market expectations, albeit more second half weighted than normal.

Financial Position

There has been no material change in the financial position of the Group since the announcement on 2 March 2015 of the full-year results for the year ended 31 December 2014.

Divisional Review

North America

The Group's US foundation contracting businesses started 2015 slowly, largely as a result of the heavy snowfall in North America late in the winter. Activity levels have now ramped up considerably and these businesses are well positioned for a strong performance in the remainder of the year. Suncoast, whose revenue is largely dependent on single-family home starts, has had a solid start to the year.

Keller Canada continues to operate in a difficult market and is currently undertaking a further review of its cost base.

Europe, Middle East and Africa (EMEA)

Given the challenging market conditions, the Group's European businesses continue to focus on cost controls, business improvements and risk management. The major project in the Caspian region is proceeding more slowly than originally envisaged, although the rail project in Austria that we announced in February is now getting into full swing, albeit two months behind schedule.

Our businesses in both the Middle East and Africa have had a good start to the year.

Asia

Trading in India has been strong with results ahead of expectations. Elsewhere in Asia, the Group has suffered from low volumes in the first few months of the year due in part to the fact that we have not yet started the S\$56m job in connection with the expansion of Changi airport in Singapore, pending the client resolving some permitting issues. With an order book well ahead of last year, we expect a significant increase in revenue in the second half.

Australia

As expected and as previously indicated, Keller Australia's performance in the year to date is well behind last year following the effective completion of the A\$230m Wheatstone project towards the end of 2014. We are undertaking a number of cost-cutting measures to re-size the business for current and anticipated work levels.

Board changes

As announced on 23 March 2015, Justin Atkinson will step down as Chief Executive of Keller with effect from the close of today's annual general meeting and Alain Michaelis will be appointed.

Summary

Justin Atkinson, CEO of Keller, said, "Although we have seen a slow start to 2015, the order book is strong and we anticipate a good second half of the year, underpinned by our US business. Accordingly, we believe that the Group's results for the full year will be in line with current market expectations, albeit more second half weighted than normal."

On a personal note, it has been a pleasure and a privilege to be CEO of Keller for the last eleven years. I would like thank all employees for their support over the years and to wish Alain and everyone at Keller all the best for the future.”

Keller will announce its preliminary half year results on 3 August 2015.

For further information, please contact:

Keller Group plc

www.keller.co.uk

Justin Atkinson, Chief Executive

020 7616 7575

James Hind, Finance Director

Finsbury

Gordon Simpson

020 7251 3801

Rowley Hudson

Cautionary Statement

This announcement contains forward looking statements which are 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. Nothing in this document should be regarded as a profits forecast.

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 £1.6bn, Keller has approximately 9,000 staff world-wide.

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