

For immediate release

Monday 16 November, 2015

Keller Group plc

Trading update

Keller Group plc (“Keller” or “the Group”), the international ground engineering specialist, today issues a trading update, covering the period from 1 July 2015 to 15 November 2015.

Overview of markets

There has been no significant change in market conditions since we reported the Group’s half-year results on 3 August 2015.

In North America, which accounts for over half of the Group’s revenue, the US construction market continues to grow steadily while the market in Canada remains very challenging. European construction markets as a whole remain stable while the outlook in Australia shows no sign of improvement.

Trading

Overall trading for the Group in the four months to the end of October has been in line with management expectations. Year to date revenue remains down on last year as a result of lower revenues from major projects, primarily due to the completion of the Wheatstone project in 2014. Operating profit is ahead of the same time last year, supported by solid operational progress and some good final project settlements, particularly in the US.

The order book at the end of October, for work to be executed over the next twelve months, including that of acquired businesses, is around 20% higher than the same time last year. On a like-for-like basis, this increase is around 15%.

The Board’s expectations of the Group’s results for the full year remains in line with current market expectations.

Financial position

The financial position of the Group remains strong. There is comfortable headroom in the Group’s main financing facilities and we continue to operate well within all of our financial covenants.

The acquisitions of GeoConstruction group (“Bencor”) for a consideration of US\$44m (£29m) and Austral Construction Pty Limited (“Austral”) for an initial consideration of A\$40m (£19m) were both completed in the period.

Other than the cash payments for these acquisitions, there has been no material change in the financial position of the Group since 30 June 2015.

Divisional review

North America

The ongoing improvement in the US construction market continues to contribute to good results from the Group's US businesses as a whole. Case and HJ, both of which have strong positions in their regional markets, have performed well whilst Suncoast continues to benefit from the increase in housing starts.

Bencor, the business we bought earlier this year for its advanced diaphragm wall technology, is being successfully integrated and working on a number of prospects with other Keller businesses, both in the US and more widely.

Keller Canada is still operating in a very difficult market. Ongoing cost reductions have enabled the business to record a small profit.

Europe, Middle East and Africa (EMEA)

The EMEA division has continued to produce results ahead of last year, helped by good profitability in the central European countries of Germany, Poland and Austria where Keller has a strong pool of engineering excellence.

Franki Africa is performing well and we are seeing increased opportunities in the Middle East. The major contract in the Caspian region continues, albeit slower than originally anticipated, and the next US\$25m of work has just been confirmed.

Asia

The performance of our Asian businesses has improved in recent months and the Division will, as expected, have a much better second half. The result is underpinned by a major project in the refinery and petrochemical integrated development (RAPID) complex in south-eastern Johor, Malaysia where we have just secured another contract bringing the total value of Keller's contracted projects on RAPID to US\$46m.

In October, we won our first major ground improvement project in Indonesia for around US\$25m of vibro-compaction works at Pluit City, a newly created island located near Jakarta.

Australia

Our foundations businesses continue to struggle in a difficult market and further cost reductions are being implemented.

We expect to reach agreement on a final settlement on Wheatstone before the end of the year, which will benefit the 2015 Australia results.

Waterways and Austral, our near-shore marine construction specialists, continue to perform well. The integration of Austral is proceeding to plan.

Organisational changes

The Group has recently completed a strategic review of its organisational capabilities. The results will form the basis of how we operate in 2016 and beyond. Changes include the strengthening of key functions, formalising product teams and rationalising

structure where appropriate. The Asia and Australia divisions are to merge with effect from 1 January 2016 and the structures within both are under review. With effect from this date, the Group will comprise three geographic divisions for management and reporting purposes; North America, EMEA and the newly created Asia-Pacific (“APAC”) division.

We are also pleased to announce three Executive Committee appointments for 2016: Thorsten Holl, (ex-Alstom), as President of EMEA; Serge Zimmerlin, (ex-Bouygues) as Group Human Resources Director; and Joseph Hubback in a newly created role of Strategy Director (ex-McKinsey).

Summary

While conditions remain challenging in many of the markets in which we operate, the US construction market, the Group's largest market, remains healthy. This, together with the benefits from internal measures, means that the Board remains confident that the Group's results for the year will be in line with current market expectations.

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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 10,000 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.