

For immediate release

Tuesday 24 May, 2016

Keller Group plc

Annual General Meeting and trading update

Keller Group plc (“Keller” or “the Group”), the international ground engineering specialist, issues a trading update, covering the period from 1 January 2016 to 23 May 2016, ahead of its Annual General Meeting to be held at 11.00am today.

Trading

There has been no significant change in market trends since we reported the Group’s 2015 results on 29 February. For the Group as a whole, both revenue and profit in the four months to the end of April are slightly above last year. We have seen good performances from our North American and EMEA Divisions although this has been offset by a disappointing performance in APAC.

Tendering activity and contract awards are generally healthy. At the end of April, the Group order book of work to be undertaken over the next 12 months, including acquisitions, was 15% higher year over year.

Looking ahead, the Group remains on course to meet the Board’s expectations for the full year.

Divisional Review

North America

In North America, which accounts for around half of the Group’s revenue, the total US construction market continues to grow steadily, with both private and public expenditure on construction in the first quarter of 2016 up on the comparable period in 2015. The Group’s US business has had a good start to the year, particularly Hayward Baker, our largest and most broadly-based business, and Suncoast. Bidding activity across the US remains robust.

Keller Canada continues to operate in a difficult market although results will improve in the seasonally better second half as the business starts work on a number of large jobs.

Europe, Middle East and Africa (EMEA)

In Europe, conditions in our larger construction markets remain stable whilst in the Middle East, despite construction activity levels remaining healthy, we have seen some projects delayed as a result of the relatively low oil price.

The Group’s most significant European businesses (the UK, Germany, Poland and Austria) have all had a good start to the year. Between them, these businesses account for over half of the Division’s revenue.

Elsewhere, trading has been mixed although we are continuing to make good progress on the major contract in the Caspian region.

APAC

The Group's main markets in the Asia Pacific ("APAC") Division are Australia, Singapore and Malaysia. These markets are all very challenging with volumes well down on the levels of recent years.

Whilst trading in India has been solid, elsewhere in Asia and in Australia, the Group has suffered from reduced revenue in the first few months of the year. This reflects both the depressed market conditions and delays in the start dates of certain large projects. As a result, we expect APAC to record a loss in the first half of 2016.

We continue to reduce our cost base to re-size our business units for current and anticipated work levels. With an order book well ahead of last year, the second half will see a significant increase in the Division's revenue and a return to profitability.

Financial Position

Apart from the £62m property acquisition announced on 13 May, there has been no material change in the financial position of the Group since the announcement on 29 February 2016 of the results for the year ended 31 December 2015.

Board changes

As announced on 23 March, Peter Hill will be appointed Non-Executive Director and Chairman designate of Keller with effect from the close of today's Annual General Meeting. Roy Franklin will retire as Chairman and from the Board on 26 July 2016 at which time Peter Hill will be appointed Chairman.

Summary

Alain Michaelis, CEO of Keller, said, "We have seen a solid start to 2016 despite a number of difficult markets. The order book is strong and we anticipate making continued progress in the remainder of the year. Accordingly, the Group remains on course to meet the Board's expectations for the full year."

Keller will announce its interim results on 1 August 2016.

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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 around £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.