

Keller Group plc

Keller in Eastern Europe

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Agenda

- Introduction
- Keller Polska
 - introduction
 - current business
 - performance trends
 - competition
 - future prospects
- Summary

Introduction

- Total Eastern European construction market over \$100bn in 2006* (ex Russia)
 - Poland comprised \$37bn*
 - total market projected to grow at 11% a year to 2011*
 - 10% a year from 2011-2016*
- Keller present in Eastern Europe for over 10 years
 - market leading business in Poland
 - also looking at Ukraine and Baltic states
 - present in seven other countries
 - managed out of Austria
- Keller 2007 Eastern European sales around €70m at strong margins
 - trebled since 2004

* Source: Global Insight



Keller in Eastern Europe

Vienna

Croatia

Varaždin

Slovakia

Bratislava,
Košice

Slovenia

Ljubljana

Czech. Rep.

Prague
Brno

Hungary

Budapest

Romania

Bucharest

Serbia

Belgrade

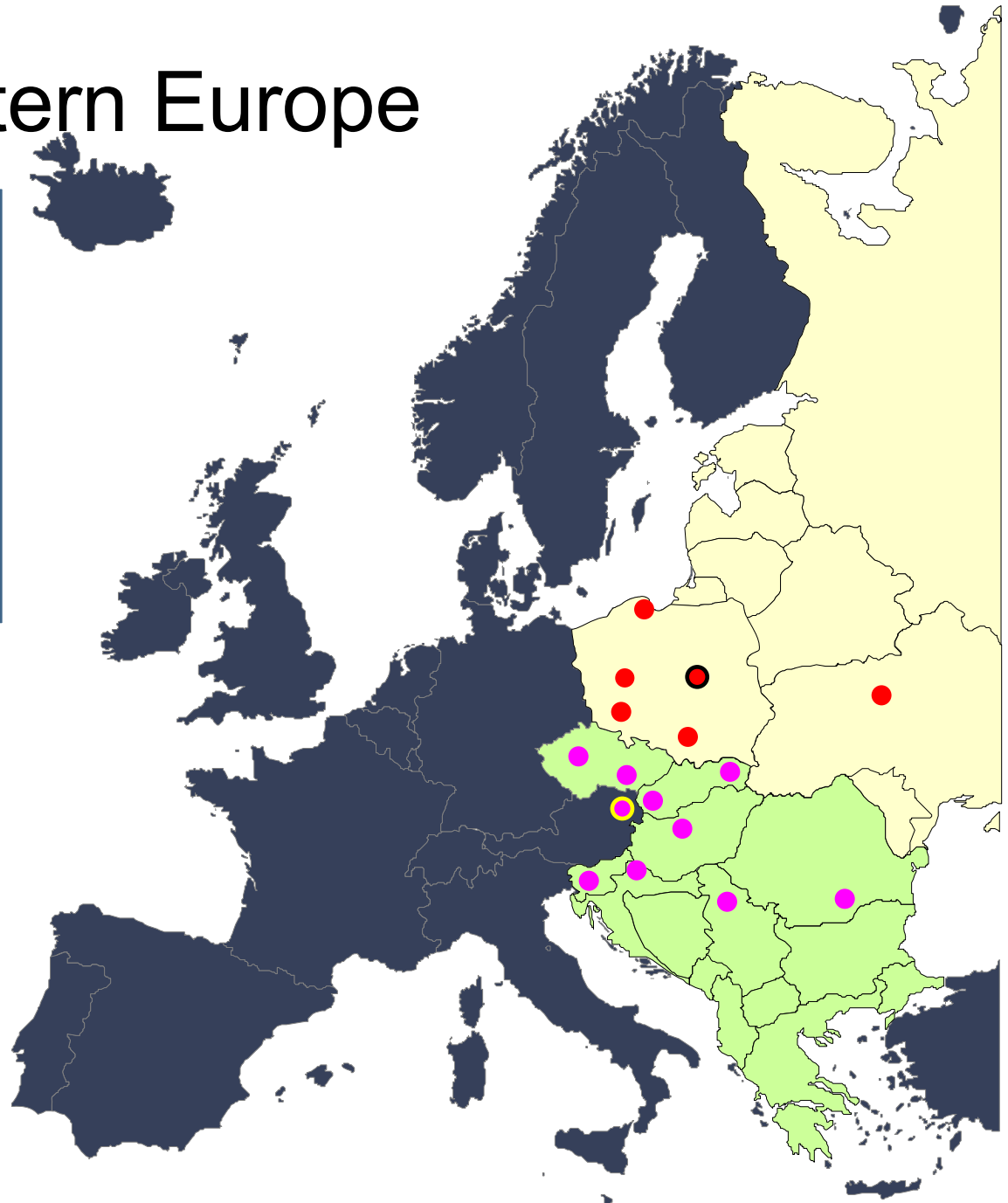
Poland

Warsaw

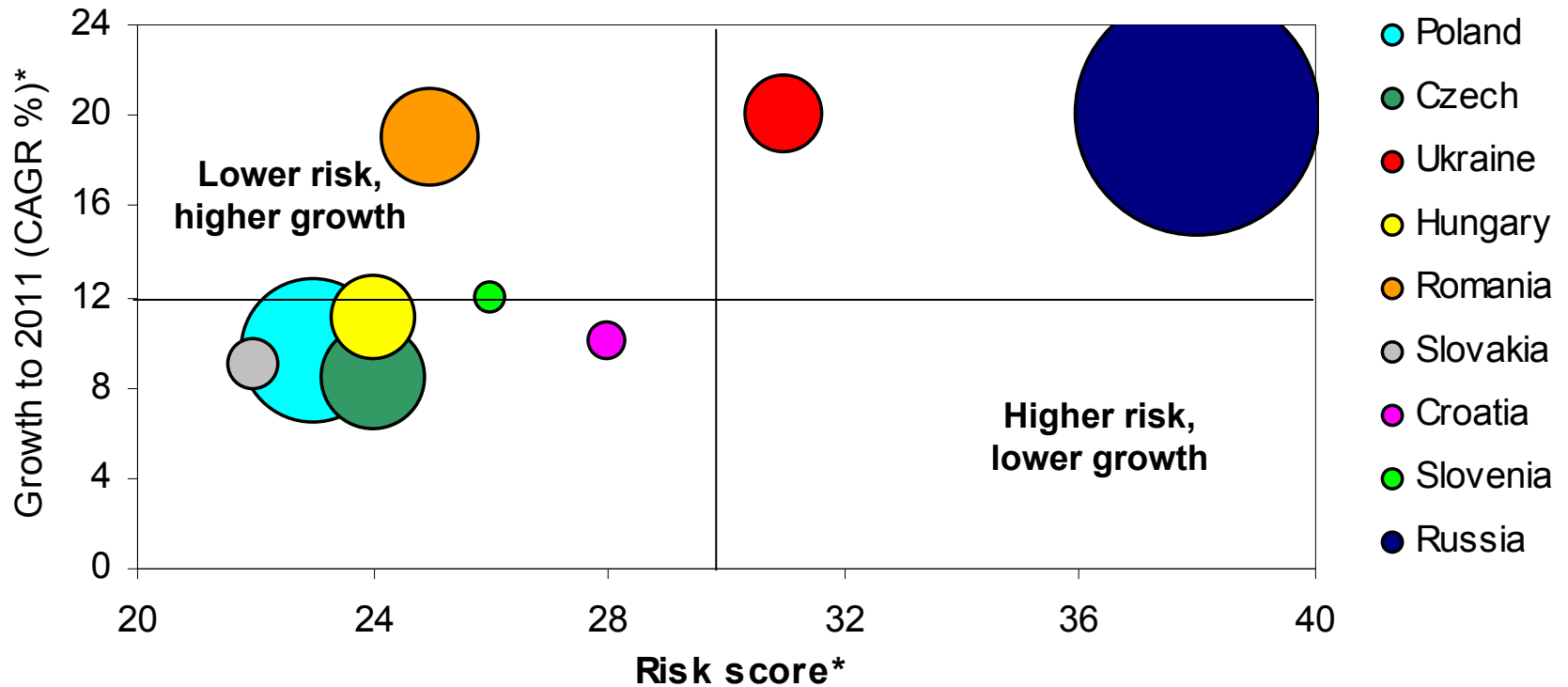
Gdynia
Kraków
Poznań
Wrocław

Ukraine

Kiev



East European construction markets



Size of circle = market size

Securing growth in the future

- Investing to continue rapid growth in Poland
- Product diversification in established businesses in Czech, Slovakia, Hungary and the Balkans
 - to date, restricted to ground improvement products
 - recently ordered five rigs to build a piling business
 - to be managed as a pool
- Start focussing more on potentially larger markets of Romania and Ukraine
 - initial contracts undertaken in both
- Considering how to enter Russia
- Acquisitions to be assessed throughout the region
 - likely to be small



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Keller Polska

Michał Topolnicki

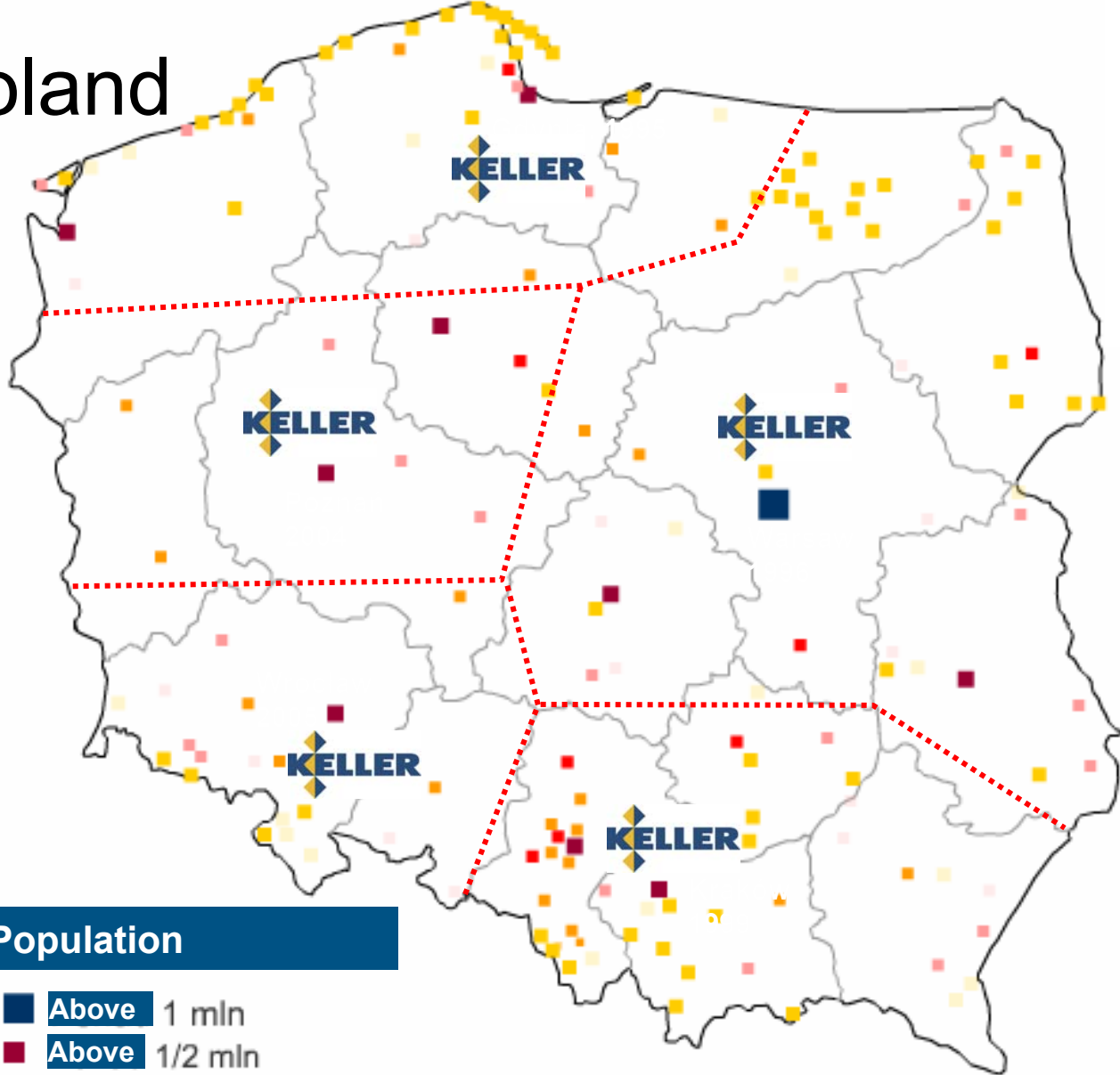


Introduction to Keller Polska

- Organic start-up in 1994 in Gdynia
 - second office opened in Warsaw in 1996
 - now five offices in Poland
- Began with Keller's ground improvement techniques
 - new to Poland, so had to create a market
 - broadened product range over time
 - started heavy foundations in 2006
- Now market leader in Poland
 - plenty of scope for further growth



Keller in Poland

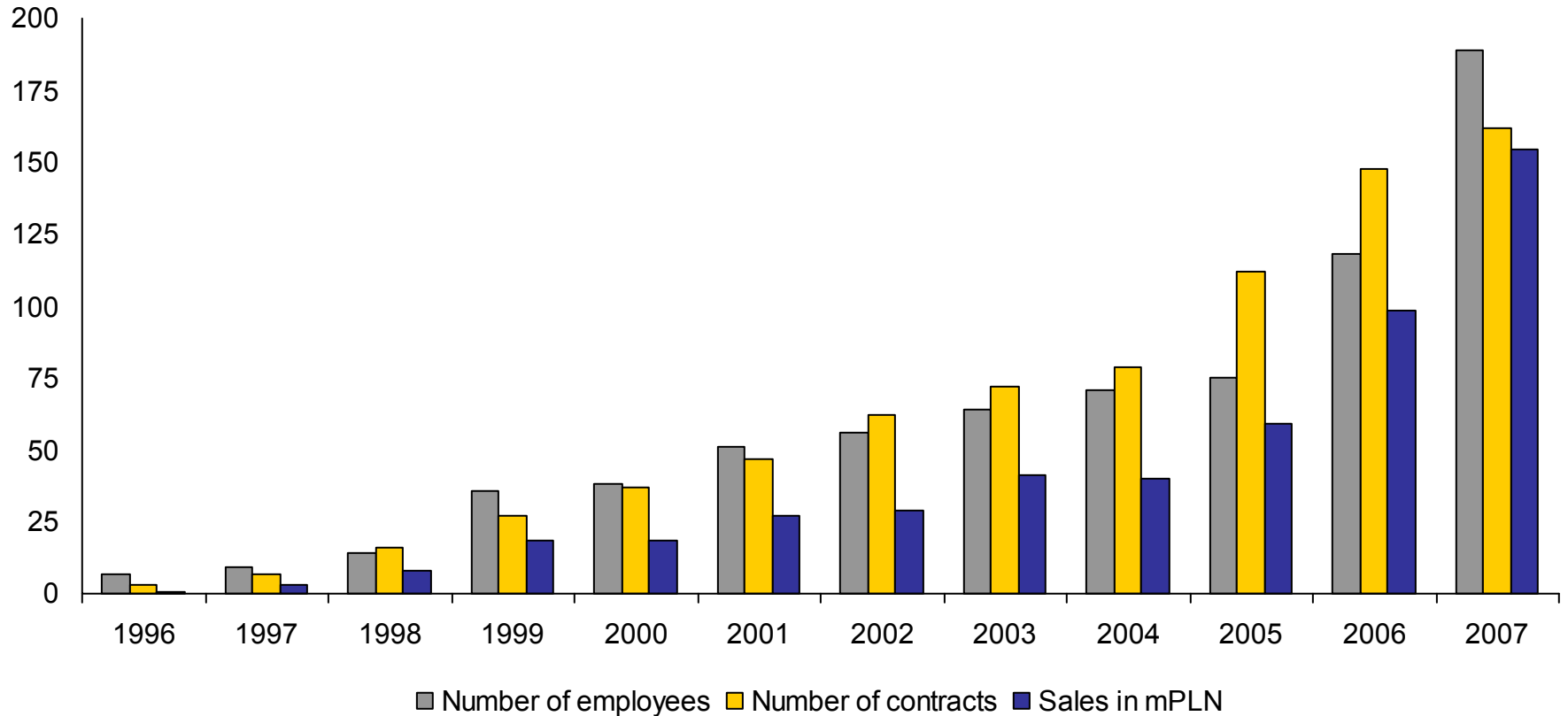


Population

- Above 1 mln
- Above 1/2 mln
- Above 200.000
- Above 100.000
- Above 50.000
- Above 5.000

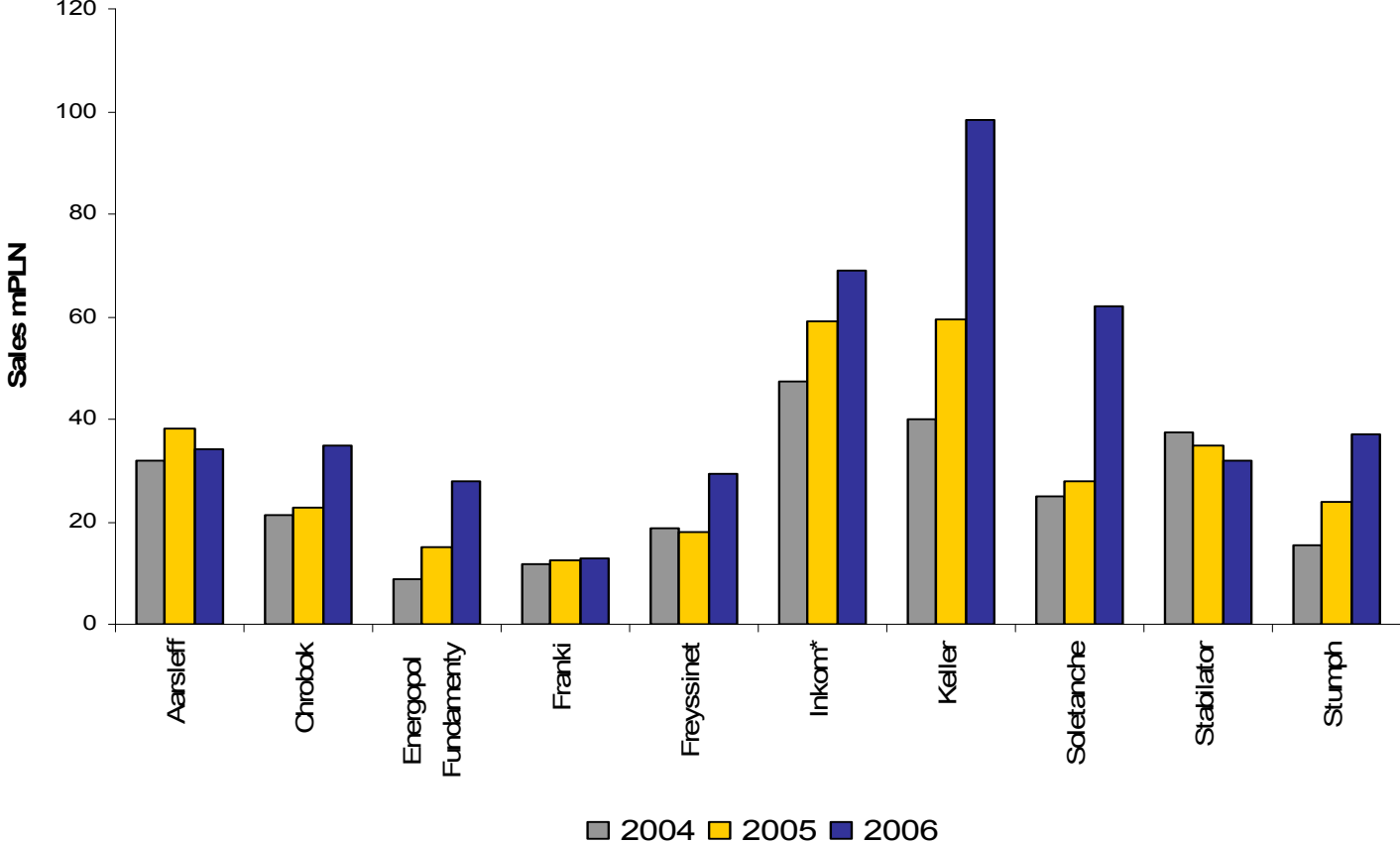


Consistent organic growth

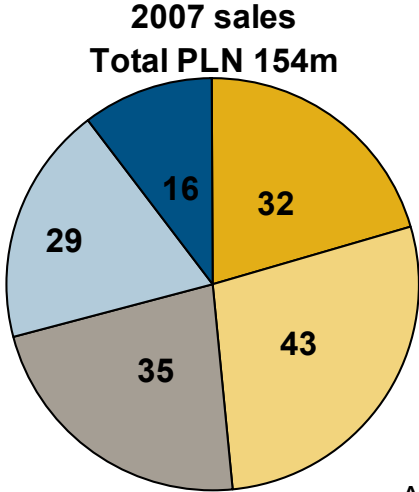
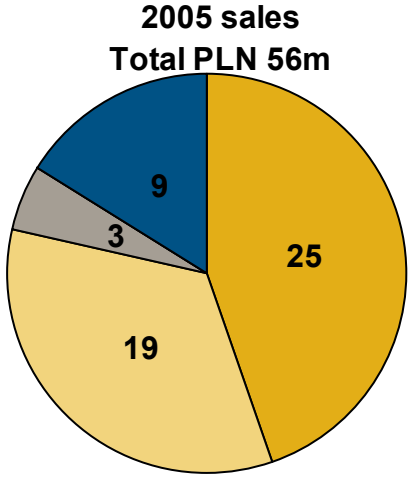
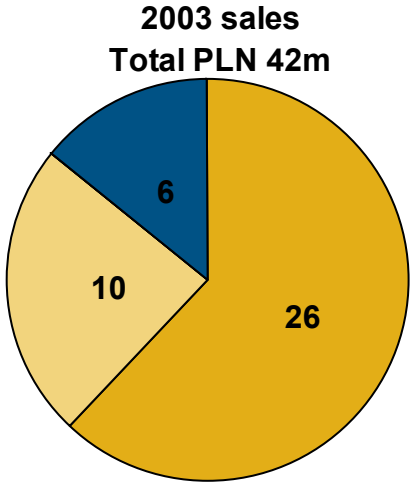


£1=4.2PLN

Main competitors



Growth through product diversification



- Vibro
- Other ground improvement
- Piling
- Diaphragm walls
- Other

Absolute numbers are sales in million PLN

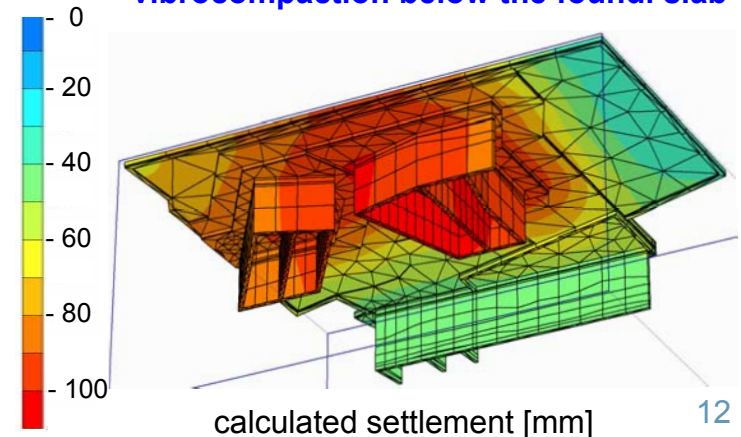


Keller's competitive advantage

- Technical excellence
 - design departments in all offices
 - 90% of projects are designed internally
- Broadest product range
- Reputation for innovation
 - introduced new products in the Polish market
 - vibro, combined concrete/gravel columns, rigid inclusions, soil mixing (broadest application range in Europe)
- Support of Keller Group



- full FEM 3D soil-structure analysis
- vibrocompaction below the found. slab



Illustrative project: Royal Palace, Warsaw

Client: POLNORD Warszawa

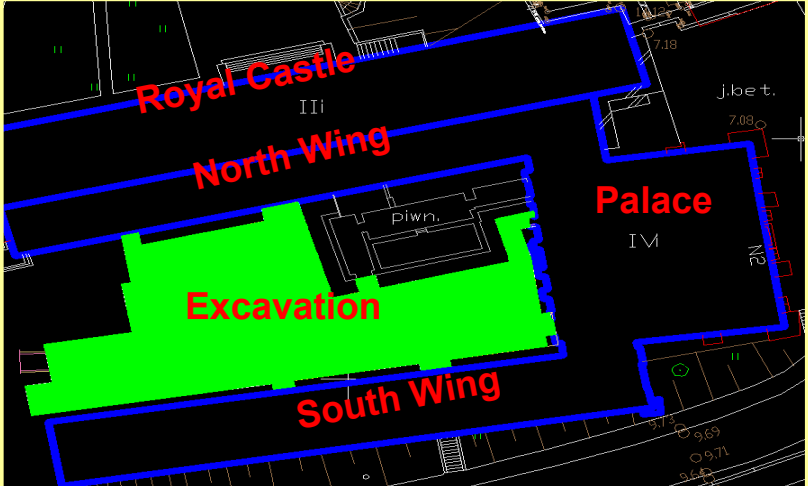
Product: Reinforced Deep Soil Mixing columns and Pre-Stressed Anchors

Task: Excavation support 10m below the courtyard of 18th century palace

Soil conditions: Uncontrolled deposits underlain by fine sands and pliocene clay.
Groundwater at depths of 2-6 m below ground level



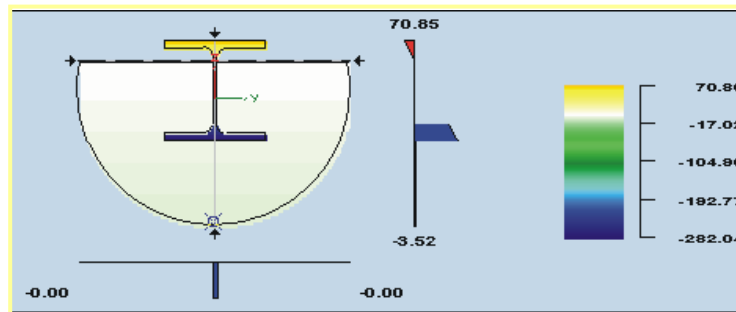
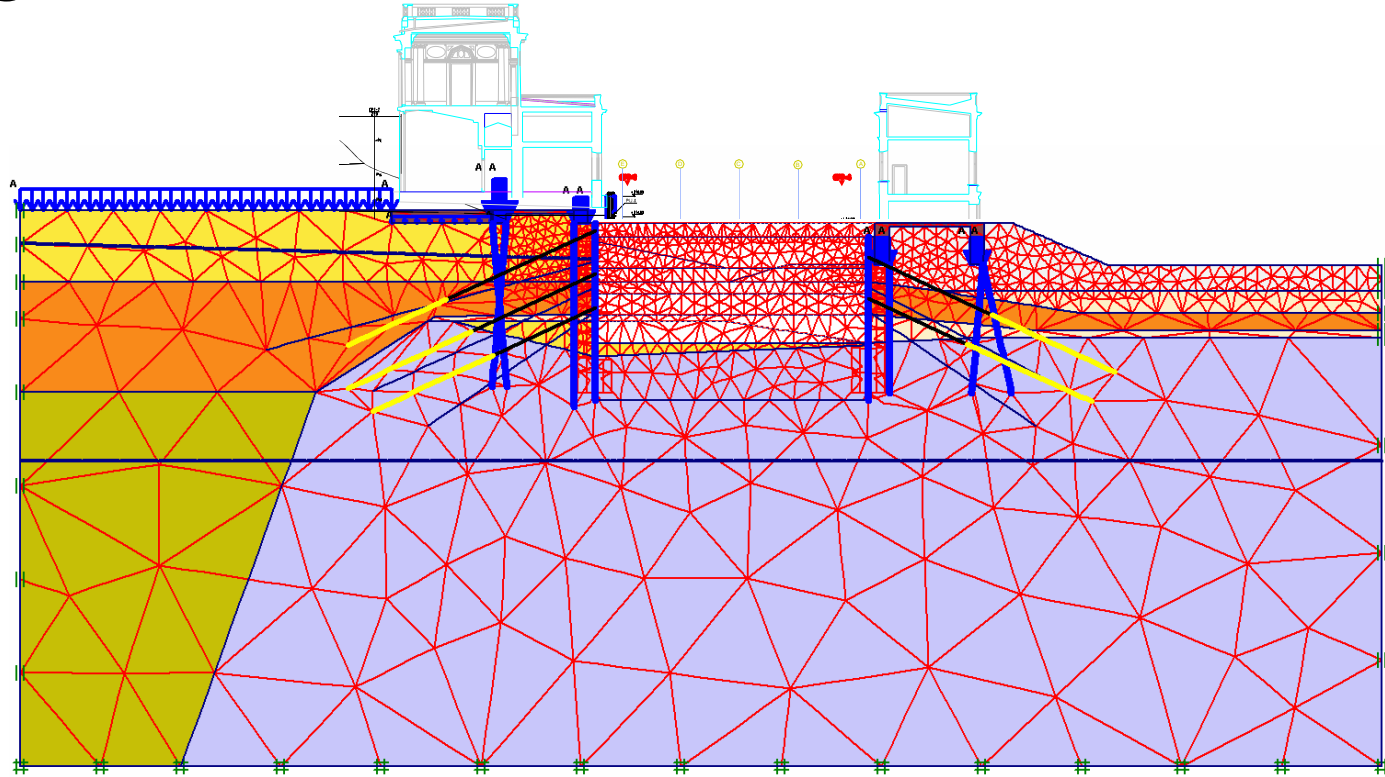
Construction site



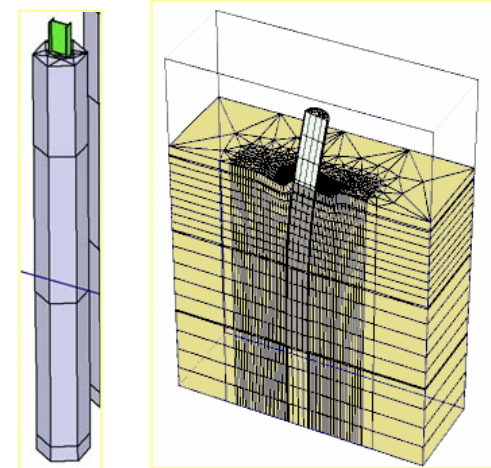
Excavation layout



Design based on FEM 2D calculation



Strength and stiffness analysis of reinforced DSM column



Final stage of excavation



Recent awards for Keller Polska



**Euro Leader
The best
company in
Poland
in specialised
geotechnical
works
(2006)**



**The best
company in
Poland
in geotechnical
engineering
(2007)**



**Keller Polska
among
fastest growing
companies in
Poland
(2007)**

Looking ahead

- Polish construction market to grow at 10% per annum to 2011*
 - civil engineering fastest growing sector (up >15% per annum)*
- Growth driven by:
 - road building programs (€7bn annually to 2012*), partly EU financed
 - flood protection schemes
 - Euro 2012
 - rising personal incomes (GDP per head up 8% pa to 2013**)
 - inward investment
 - growing tourist industry

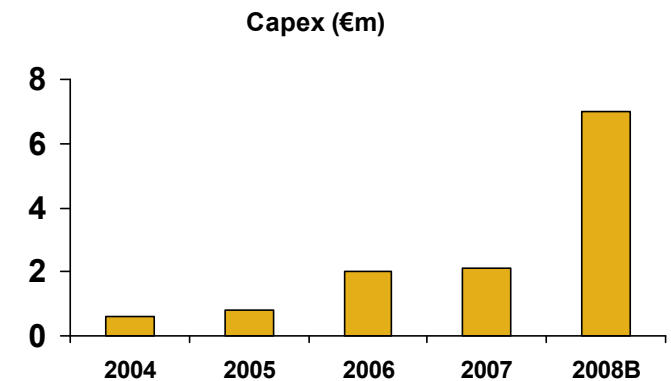
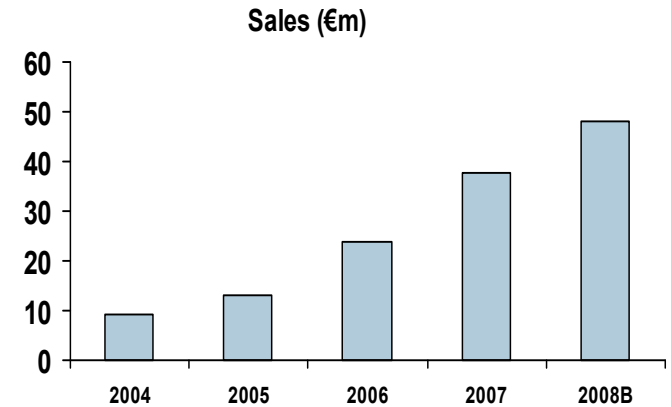


*Source: Euroconstruct

**Source: IMF

Prospects for Keller Polska

- Well positioned to benefit from market development
 - market leader with excellent reputation
 - successful track record of growth
 - geographically and product diverse
- Investing for further growth
- Investment focussed on heavy foundations
 - largest part of market, where previously under-represented
 - 8 new rigs in 2008 and 2009
- Key challenge is securing quality people



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Eastern Europe - Summary

Justin Atkinson



Eastern Europe – Summary

- Markets to grow fast over medium term
- Keller Polska a successful, market-leading business
 - full range of products and first class reputation
 - investing for further growth
- Keller established in eight other countries
 - currently product limited, but investing in heavy foundation equipment
- Markets further east offer potential over medium term
- Targeting sales of €150m in Eastern Europe by 2011