

Keller Group plc

Preliminary Results 2007

March 2008



Highlights

- Revenue* of £955.1m (2006: £857.7m), up 11%
- Strong organic growth, particularly from outside of US, and good contribution from acquisitions
- Record operating margin* of 11.2% (2006: 10.4%)
- Profit before tax* up 23% to £103.2m (2006: £83.7m)
- Earnings per share* up 24% to 97.6p (2006: 79.0p before one-off tax credit)
- Proposed final dividend of 12.0p (2006: 11.4p), taking the total dividend for the year to 18.0p (2006: 15.6p), a 15% increase
- Buy-back programme for up to 5% of share capital announced



Group Income Statement

Continuing operations

| £m | 2007 | 2006 | % change |
|-------------------|--------------|--------|----------|
| Revenue | 955.1 | 857.7 | +11% |
| Operating profit | 107.4 | 89.3 | +20% |
| Interest | (4.2) | (5.6) | |
| Profit before tax | 103.2 | 83.7 | +23% |
| Tax - recurring | (35.9) | (30.7) | |
| - one-off credit | - | 3.8 | |
| Profit after tax | 67.3 | 56.8 | |

Average US rate \$2.00 (2006: \$1.84)

Constant currency growth
 - revenue up 16%
 - operating profit up 27%

Good contributions from acquisitions

Effective tax rate 35% (2006: 37%; 2005: 41%)



Group Income Statement (continued)

| £m | 2007 | 2006 | % change |
|-----------------------------------------------|--------------|--------|----------|
| Profit after tax | 67.3 | 56.8 | |
| Discontinued operation (post tax) | (10.5) | - | |
| | 56.8 | 56.8 | |
| Minority interests | (2.8) | (1.1) | |
| Attributable to shareholders | 54.0 | 55.7 | |
| Earnings per share from continuing operations | 97.6p | 79.0p* | +24% |
| Earnings per share | 81.8p | 79.0p* | |
| Dividends per share | 18.0p | 15.6p | +15% |

Discontinued operation (Makers)

- substantially all sold
- full year pre-tax cost of £14.2m (H2: £8.9m)

Dividend policy

- 15% annual growth, subject to 3x cover

Share buy-back programme announced – up to 5% of share capital



Operating Profit & Margin*

| | 2007 | | | 2006 | | |
|---------------|---------|-----------|--------|---------|-----------|--------|
| £m | Revenue | Op Profit | Margin | Revenue | Op Profit | Margin |
| UK | 78.0 | 3.8 | 4.9% | 60.7 | 3.4 | 5.6% |
| USA | 473.2 | 61.6 | 13.0% | 476.9 | 64.1 | 13.4% |
| CEMEA | 296.8 | 30.4 | 10.2% | 255.0 | 17.9 | 7.0% |
| Australia | 107.1 | 14.7 | 13.7% | 65.1 | 7.0 | 10.8% |
| | 955.1 | 110.5 | 11.6% | 857.7 | 92.4 | 10.8% |
| Central costs | - | (3.1) | | - | (3.1) | |
| | 955.1 | 107.4 | 11.2% | 857.7 | 89.3 | 10.4% |

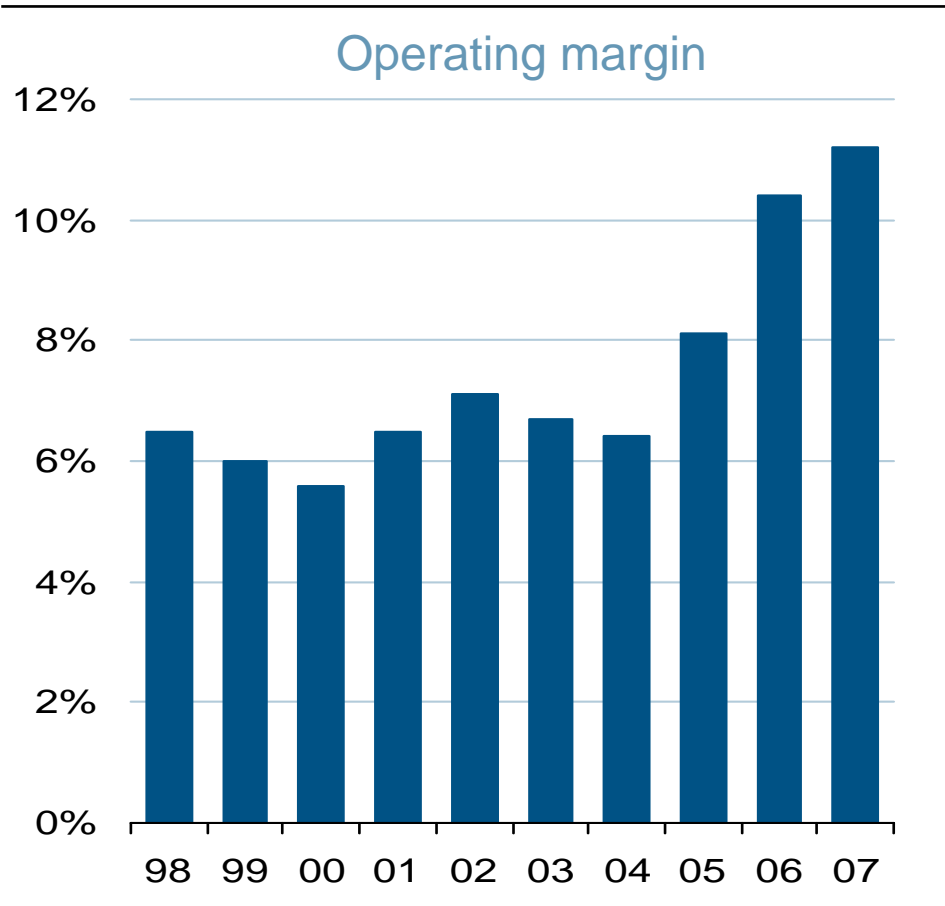
Another record operating margin

US revenue up 8% in dollar terms
- profits up 4%

Record margins for CEMEA and Australia



Operating Profit Margins*



Industry-leading margins

Changes since 2004 leading to increased Group margins

- generally strong markets
- economies of scale
- shift in revenue mix to higher margin countries

Spread of businesses and end markets helps smooth margins through cycles



Group Balance Sheet

| £m | 2007 | 2006 |
|-----------------------------|--------------|--------------|
| Goodwill / intangibles | 80.8 | 57.5 |
| Property, plant & equipment | 155.8 | 114.6 |
| Other non-current assets | 13.7 | 8.8 |
| | 250.3 | 180.9 |
| Inventories | 26.9 | 25.5 |
| Debtors | 273.6 | 221.7 |
| Creditors | (244.8) | (192.4) |
| Working capital | 55.7 | 54.8 |
| Long-term liabilities | (16.8) | (11.5) |
| Capital employed | 289.2 | 224.2 |
| Employee benefits | (14.6) | (18.8) |
| Tax | (8.6) | (7.7) |
| Net debt | (54.5) | (38.6) |
| Net assets | 211.5 | 159.1 |

Minimal exchange rate impact

Working capital ratios improved again

Gearing of 26% (2006: 24%)

Total borrowing facilities circa £180m - £130m committed until 2011



Group Cash Flow Statement

| £m | 2007 | 2006 |
|-------------------------------------------|---------------|--------|
| Cash from continuing operating activities | 127.4 | 98.3 |
| Discontinued operation | (10.2) | - |
| Capex – net | (47.1) | (27.4) |
| Tax | (32.0) | (30.7) |
| Interest | (4.0) | (5.1) |
| Free cash flow | 34.1 | 35.1 |
| Dividends | (12.3) | (9.0) |
| Acquisitions | (34.5) | (26.4) |
| Net cash flow | (12.7) | (0.3) |
| Other | (3.2) | 2.6 |
| Opening net debt | (38.6) | (40.9) |
| Closing net debt | (54.5) | (38.6) |

Cash from continuing operations 101% of EBITDA (2006:94%)

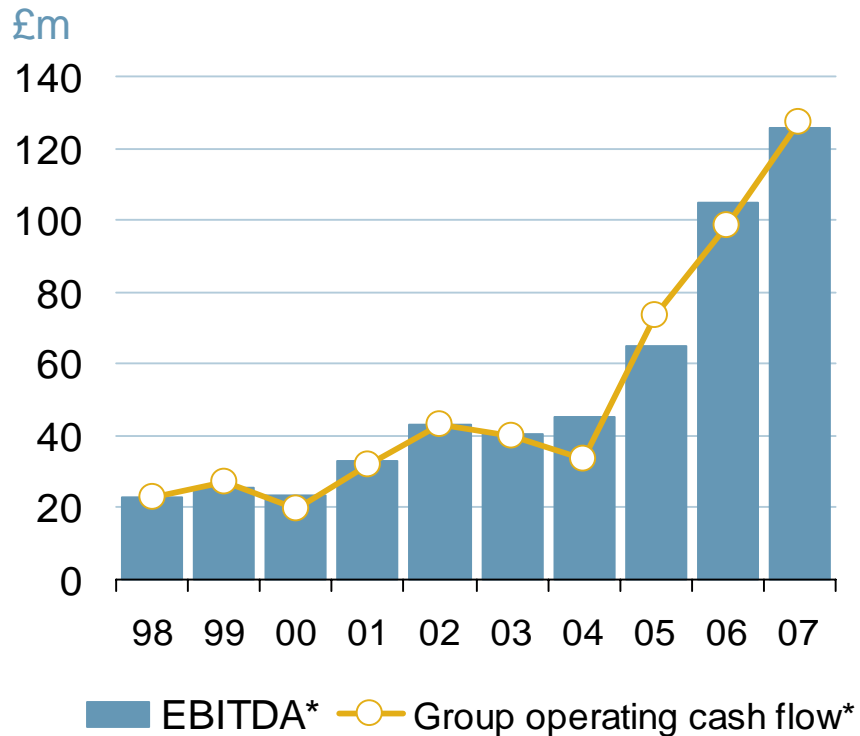
Capex: investing for growth

Acquisitions mainly HJ (£23.6m) and Systems Geotechnique (£9.1m)

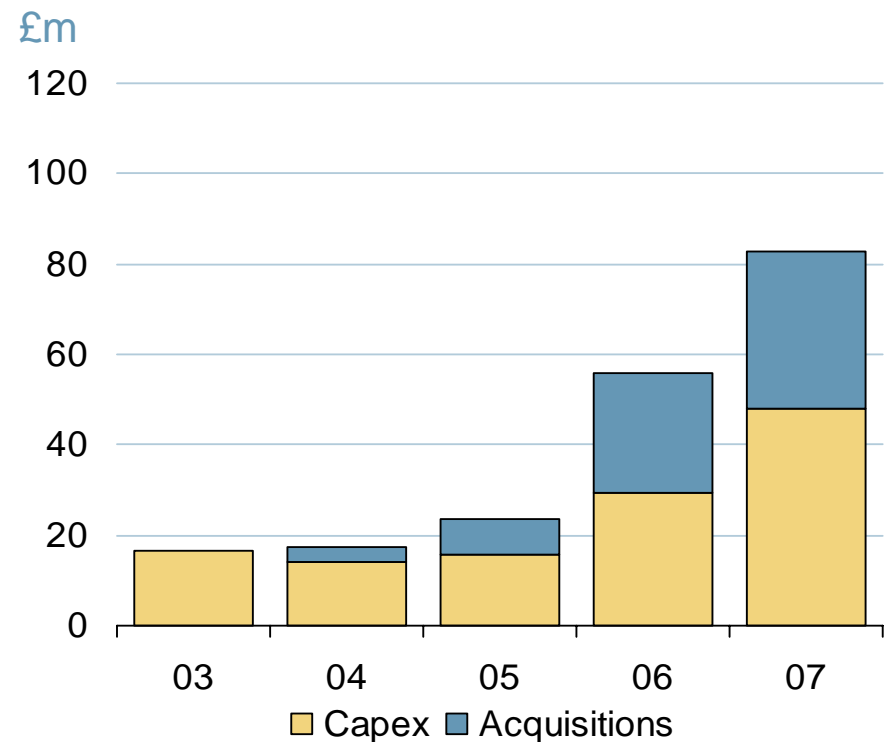


Cash Flow History

Profits = cash



Investing for growth



2008 Guidance

- Encouraging start to 2008
 - New orders, tendering and trading
 - US medium term outlook unclear
 - Suncoast 2008 budgeted profit \$13m down on 2007 actual
 - No signs yet of general downturn in non-residential construction
 - Revenue and profits growth expected outside US
 - Likely effective tax rate of 34%
 - Similar capex in 2008, targeted at growth areas
-

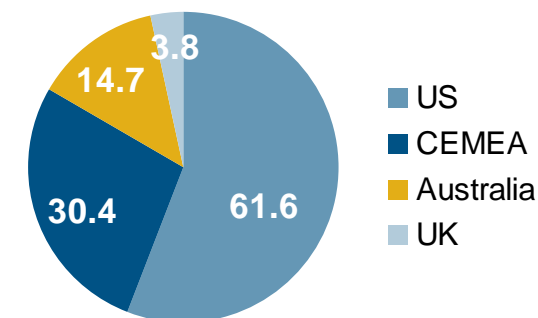


Business Model

- A very broadly based business by
 - Geographies and products
 - Customers and end markets
 - Individual contracts (circa 8,500 in 2007)
- Strong control framework but with local empowerment
 - Global and local benefits
- Continuous innovation
 - Manufacture own equipment for ground improvement products
 - Successfully transfer technology around the Group
 - Offer design and build capability and alternative solutions
- A good track record of acquisitions
 - Synergistic effects help grow the turnover and profit

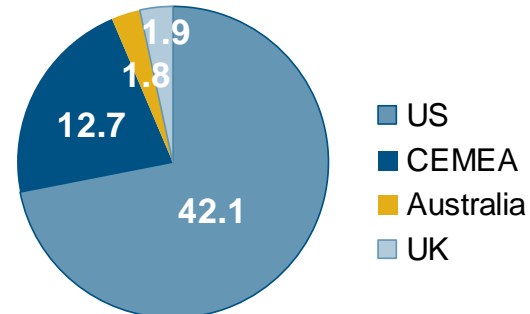
Profit by Geography*

2007
£m



Profit by Geography*

2005
£m



*from continuing operations 10

Strategy

Keller is the world's largest and most profitable independent ground engineering contractor with leading market positions in many countries

- Market Drivers

- More pressure to build on brownfield/marginal land
- More ambitious development and infrastructure projects

- Our Objective

- To extend our global leadership in specialist ground engineering through:
 - Organic growth, particularly in growing markets
 - Targeted acquisitions

- Our Execution

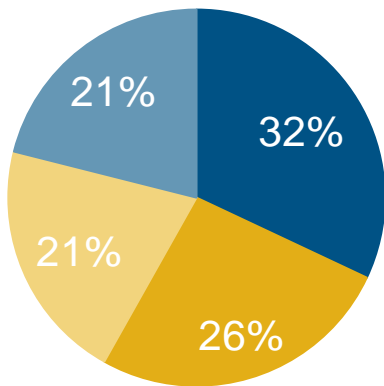
- Transfer of technologies across our geographic regions
 - Expansion into new geographic regions
 - Acquisition and development of new technologies and techniques
-



North America Analysis of Revenue

2007 Revenue by End User

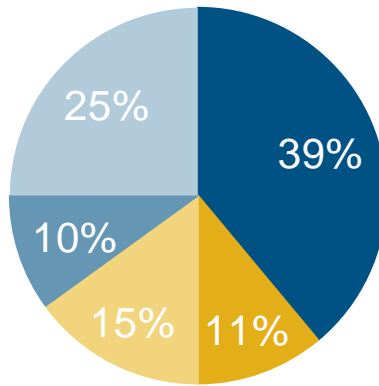
Total revenue £473.2m



- Residential (including apartments)¹
- Commercial
- Infrastructure
- Other²

2007 Revenue by Product

Total revenue £473.2m



- Piling
- Ground Improvement
- Anchors/Nails/Minipiles
- Grouting
- Post Tensioning

Growing exposure to public expenditure

- circa 25% versus 17% in 2006

Circa 10 - 15% of the workload is refurbishment-related



¹Previously, residential category referred only to Single Family Homes

²Other category includes industrial, power, educational, healthcare 12

North America Highlights



New oil storage tanks, South Louisiana
Wet soil mixing
Design & build. Repeat client
Hayward Baker

Excellent results from the foundation contracting businesses

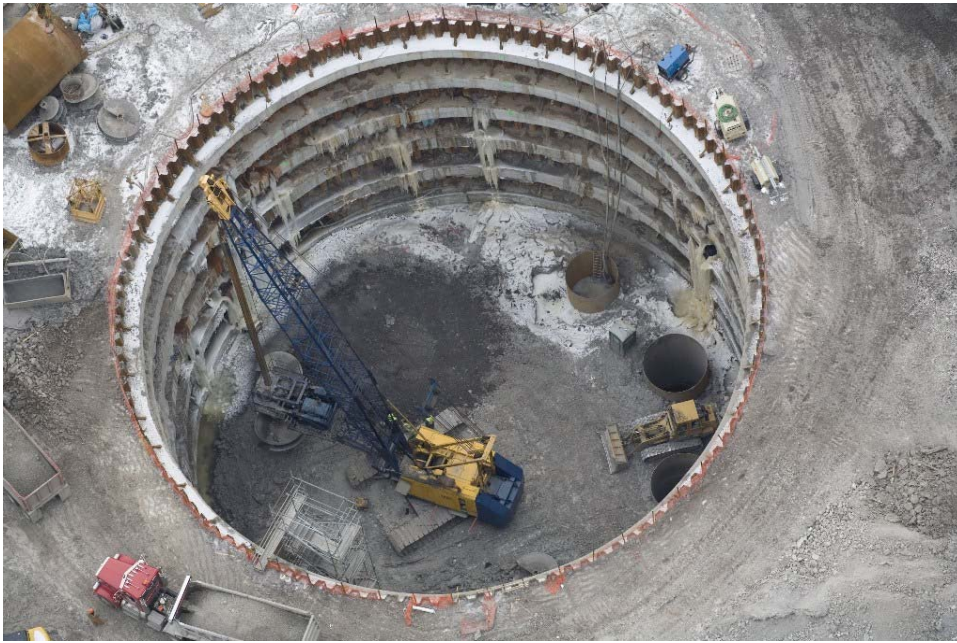
- very good first full year for Anderson
- improved geographic penetration with several new offices opened
- continued product innovation
- increasing synergies between companies

Reduced sales & profitability at Suncoast

- single family home related sales in Texas and California down 17% and 23% respectively (market down 27% and 31% in these states)
- proactive approach to cost control and headcount reduction



North America Case Studies



The Spire, Chicago, Illinois
610m residential tower
Large diameter piles/sheet pile wall
Case & Hayward Baker



I35W, Minneapolis, Minnesota
Bridge replacement
Large diameter piles
Joint venture Case & Anderson

North America HJ Foundation Acquisition



Foundations for a new hotel, Miami, Florida
Continuous flight auger piling
HJ Foundation

Acquired in October 2007 for an initial cash consideration of \$47m

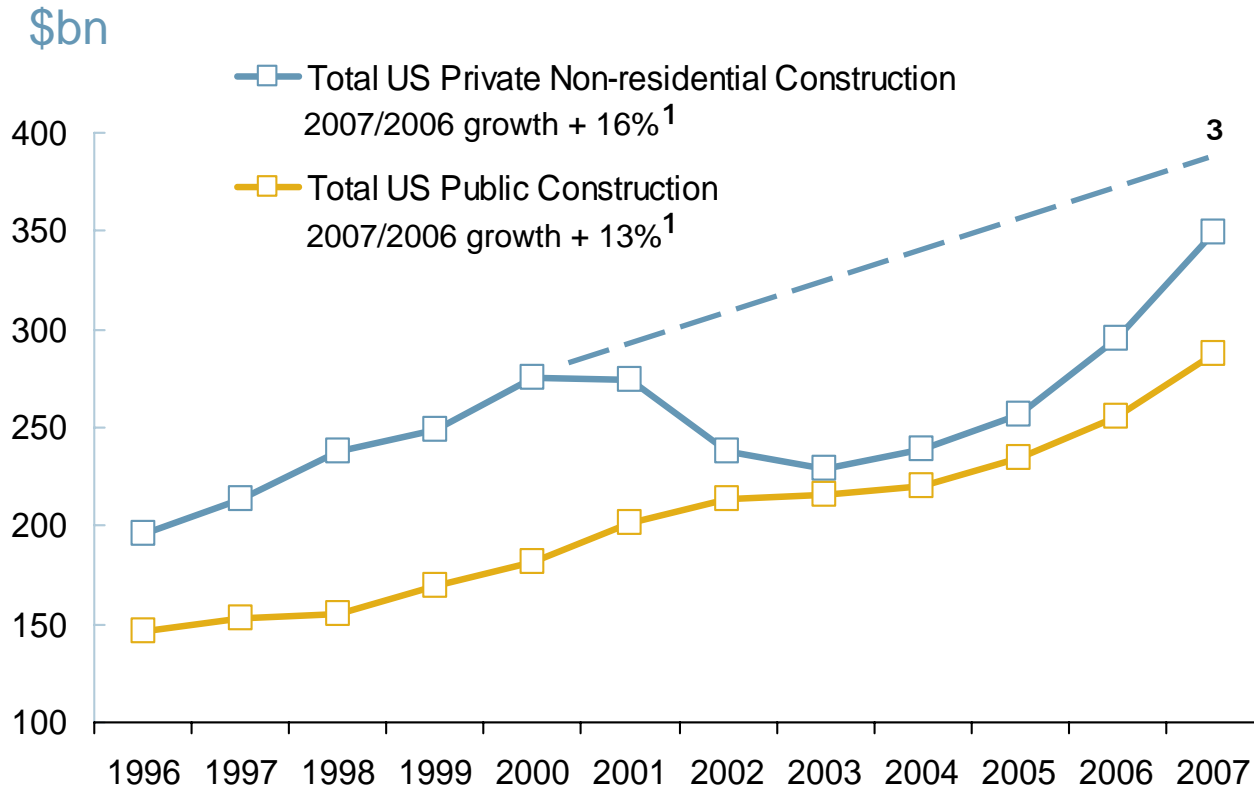
Market leader in continuous flight auger piling (CFA) in southern Florida

CFA is a growing piling method in the US

- will enable Keller to expand CFA elsewhere in US

- HJ already assisting other Keller companies with CFA outside Florida

US Non-residential Construction Growth



Consensus forecasts for private non-residential expenditure for 2008 broadly flat²

Public expenditure has increased (by circa 6% p.a.) for each of the last 15 years



¹Source: US Census, US Department of Commerce, 01 Feb 2008

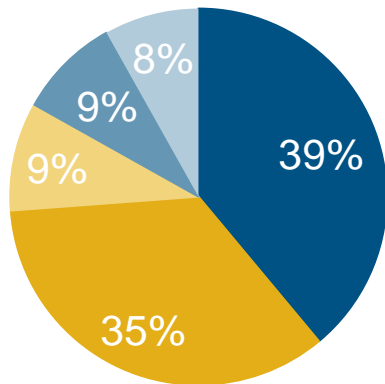
² Source: American Institute of Architects, 11 Jan 2008. Engineering News Record, 19 Nov 2007

³ Trend line assumes 5% p.a. growth since 2000

CEMEA¹ Analysis of Revenue

2007 Revenue by End User

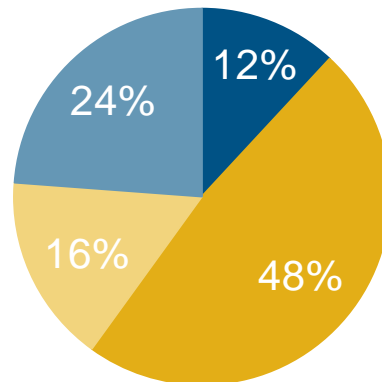
Total revenue £296.8m



- Private New Build
- Public New Build
- Public Refurbishment
- Private Refurbishment
- Residential

2007 Revenue by Product

Total revenue £296.8m



- Piling
- Ground Improvement
- Anchors/Nails/Minipiles
- Grouting

44% of workload public-related

Less than 10% exposure to the residential market

Expansion of product offering reduces reliance on ground improvement products

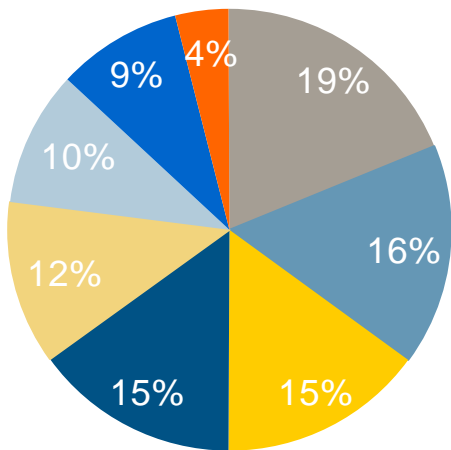
- product split varies country by country



¹CEMEA = Continental Europe, Middle East & Asia

CEMEA Highlights

2007 Revenue by Country
Total revenue £296.8m



Excellent performance from CEMEA
- record operating margin of 10.2%

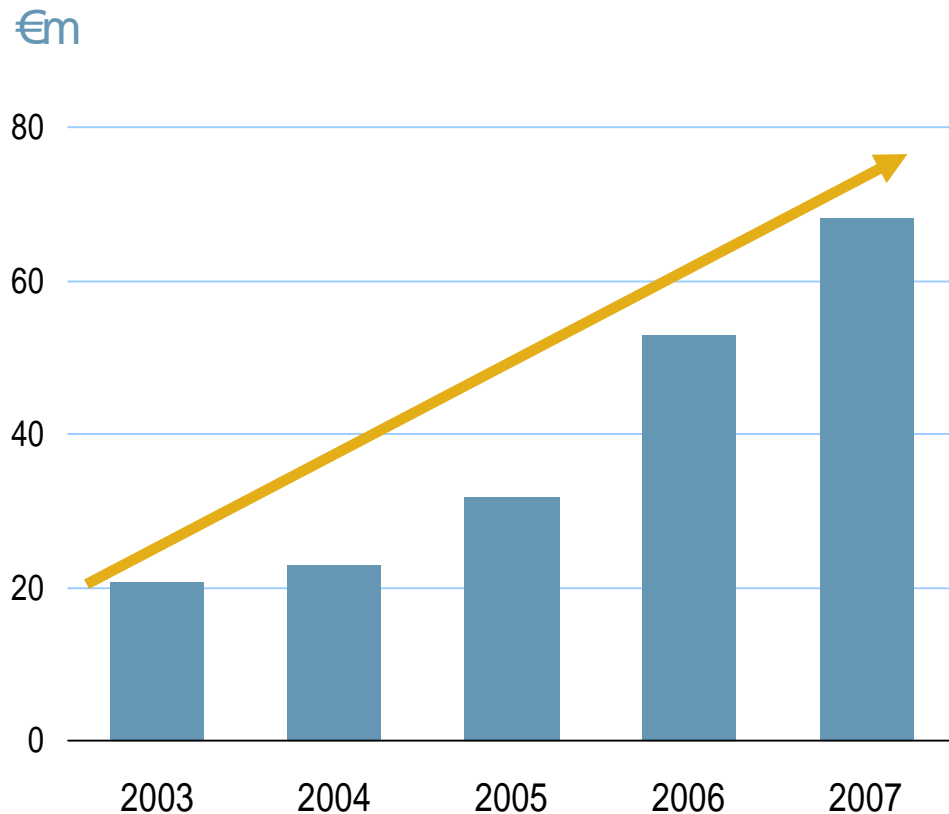
Fast-growing areas now around one third
of revenue
- Eastern Europe, Middle East & Asia

Continuing investment into piling
diversifies product offering

Very good margin recovery in Spain after
disappointing 2006

Larger number of big infrastructure and
industrial contracts being performed

Sales Growth Eastern Europe



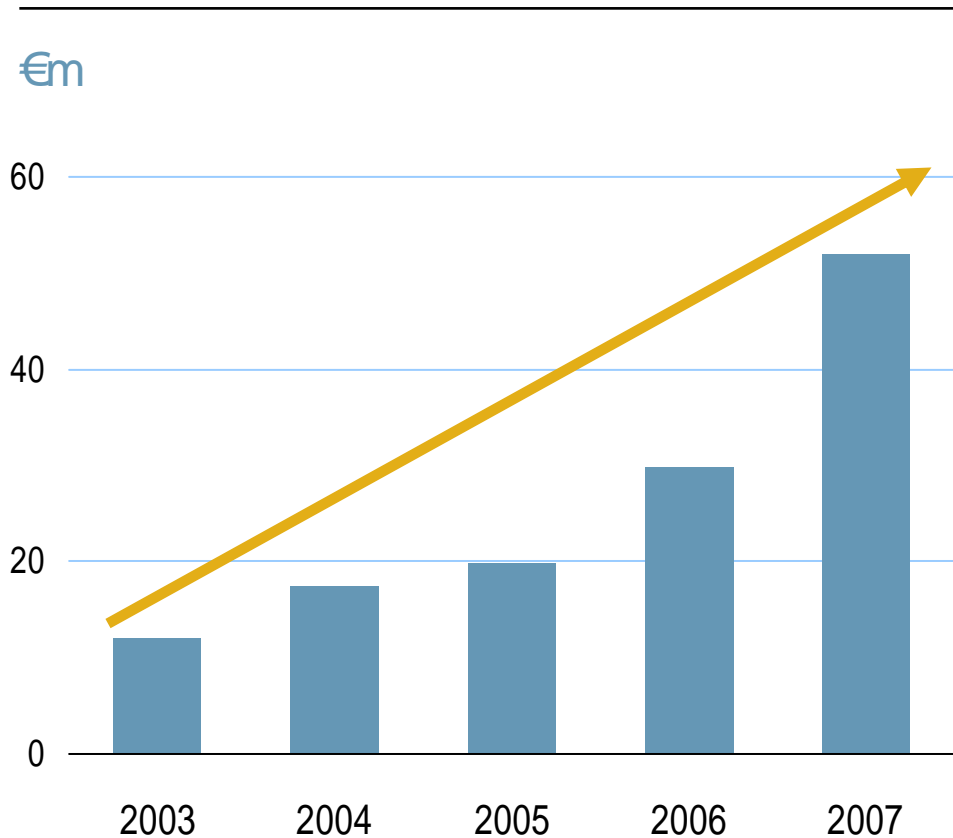
Record year for Eastern Europe with revenue of circa €70m - trebled in three years

Poland represents more than half of this revenue

Now have a presence in eight countries in total

Continued strong growth expected from Eastern Europe

Sales Growth Middle East



Record revenue of circa €50m for the region
- trebled in three years

Order book in the region at a record high with multi-million € contracts in
Dubai Saudi Arabia
Abu Dhabi Bahrain

Continued strong growth expected from the Middle East

Continued strategic focus and capital investment

CEMEA Case Studies



Sentosa Island, Singapore
New resort complex
Wet soil mixing



A2 Motorway, Austria
Slope protection
Anchors

Australia Highlights



Gateway upgrade project, Brisbane, Queensland
Several different products on site
All four Australian companies contributing

Construction market growth in 2007 of 9%

Record results

- revenue almost trebled in two years

Gateway upgrade project now expected to provide circa A\$100m of revenue (A\$40m completed in 2007)

Other large infrastructure projects in the pipeline

Continued shortage of skilled people

UK Highlights



New supermarket, Maesteg, Wales
Retaining permacrib wall
Phi

Continued good progress from Phi
(acquired April 2006)

Systems Geotechnique acquired in April
2007 for an initial consideration of £9.1m

30% exposure to the housing market,
particularly ground improvement products

First 2012 Olympics-related projects
performed

Outlook

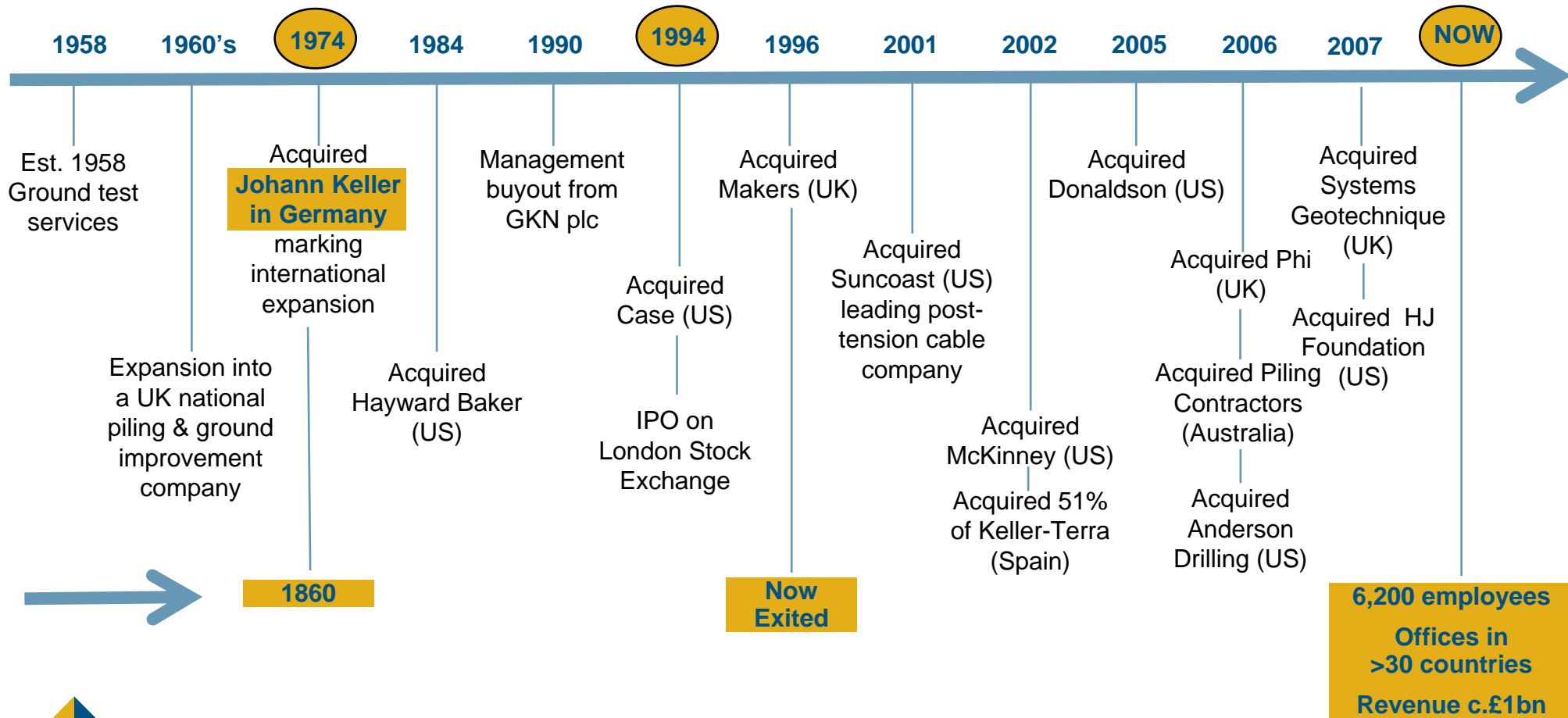
- Increased size and geographic reach gives better balance
- US, excluding Suncoast, well positioned for 2008
- Middle East & Eastern Europe to remain strong in the medium term
- No significant changes in our other main businesses
- Current record order book with all four regions ahead of this time last year
- Orders, tendering and trading in first few weeks of 2008 all encouraging



Appendix

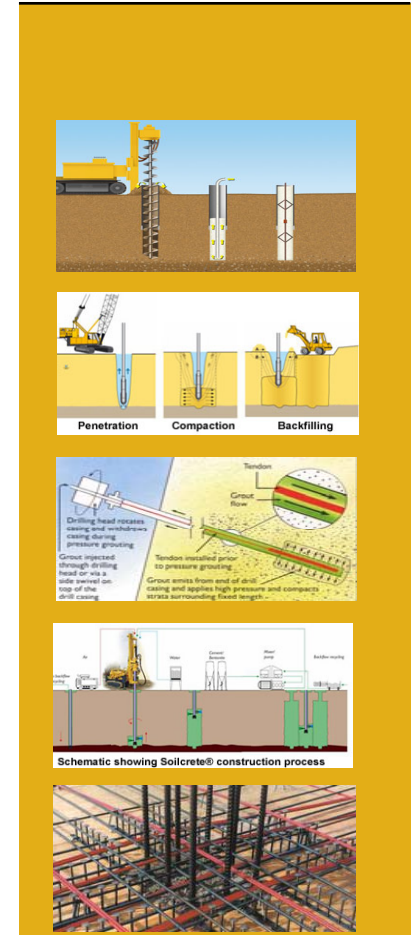


Keller's History

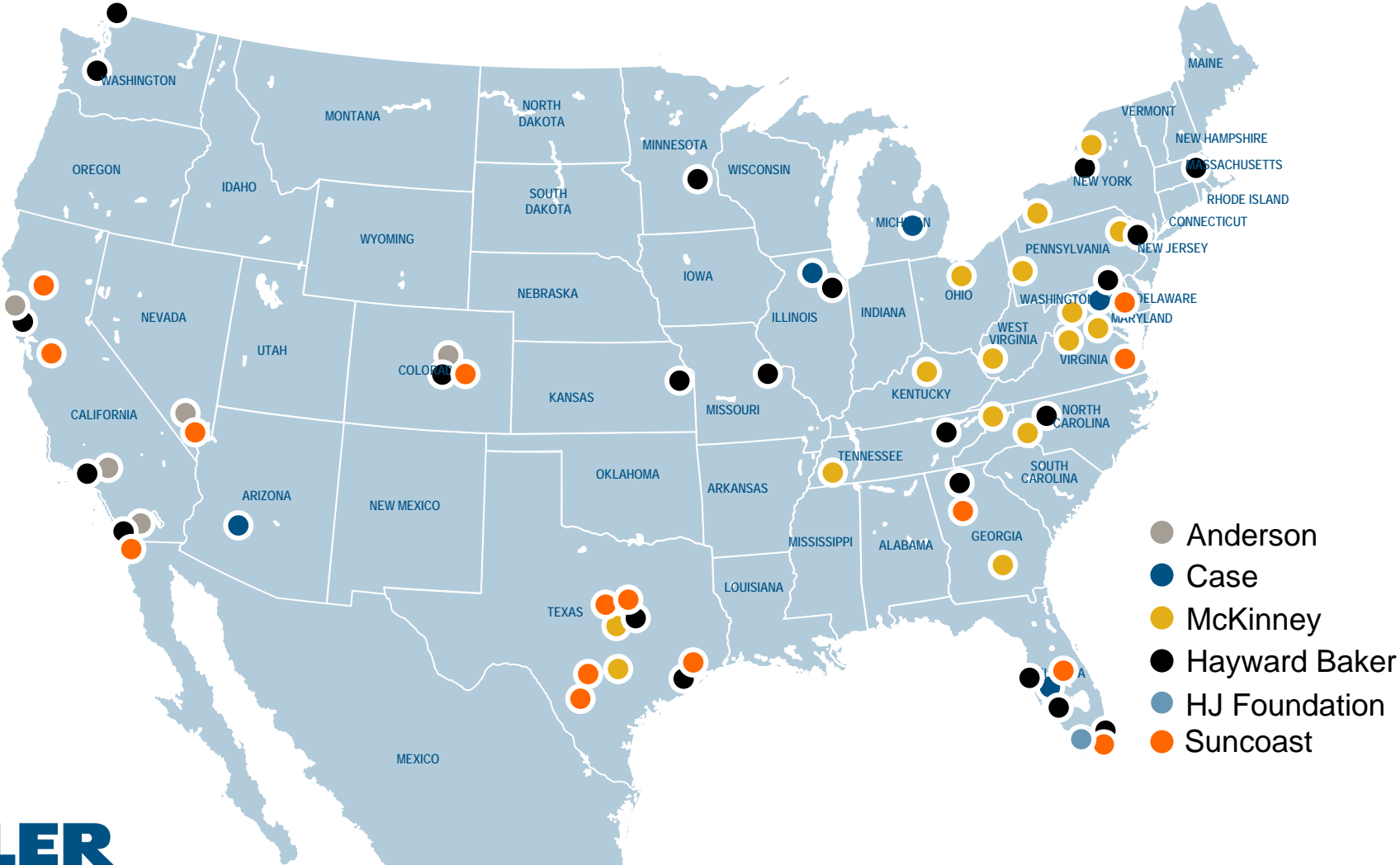


Ground engineering worldwide

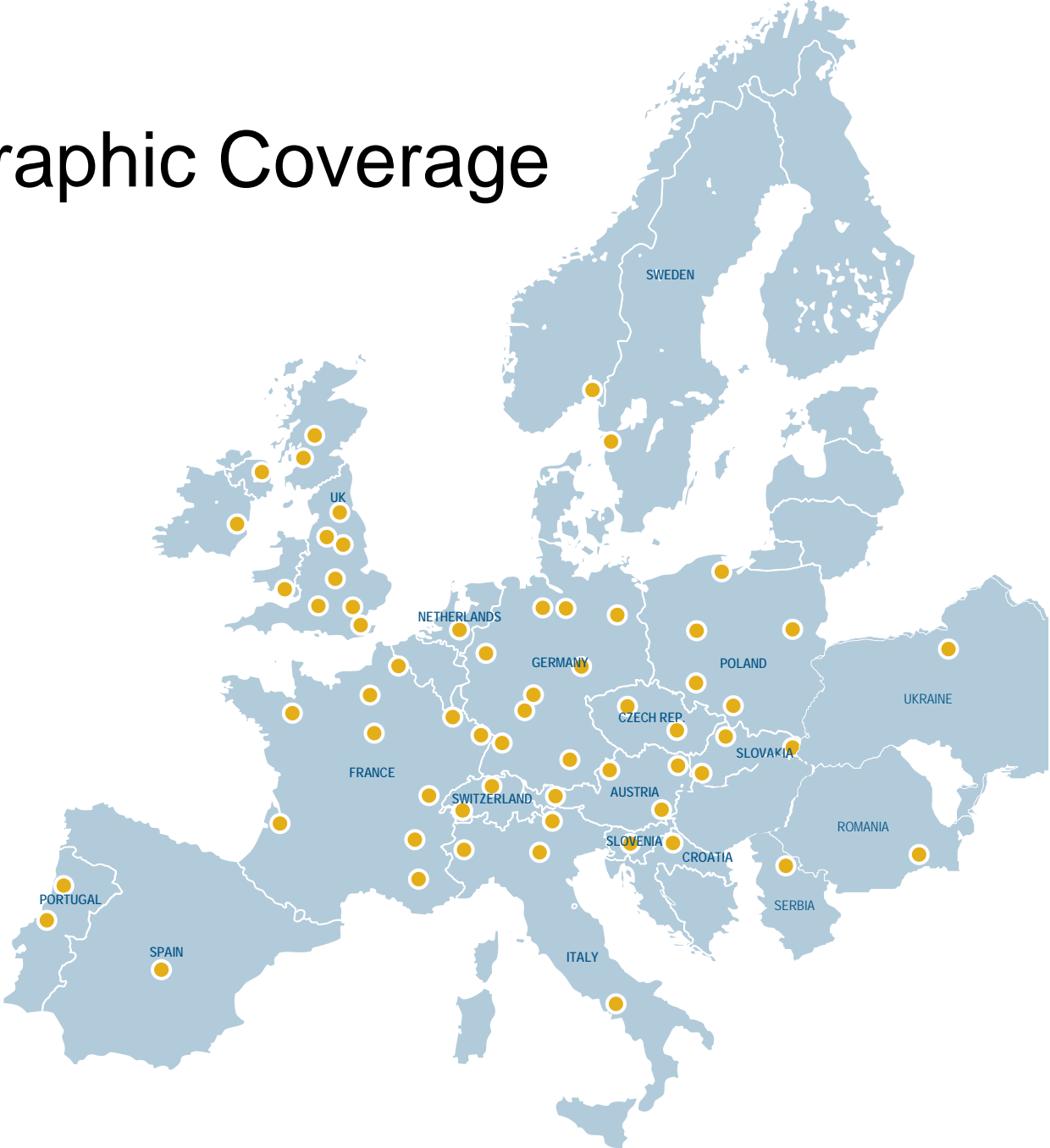
| Activities | % of 2007 revenue | Regions of use | Applications |
|----------------------------------|-------------------|----------------------------------------------------------------|--------------------------------------------------------|
| Piling | 35 % | US/UK Eastern Europe Middle East Australia | Foundation support Earth retention |
| Ground improvement | 22 % | US/UK Continental Europe Middle East & Asia Australia | Foundation support Seismic risk protection |
| Anchors, Nails, Minipiles | 16 % | US/UK Continental Europe | Excavation support Slope protection Underpinning |
| Speciality Grouting | 14 % | US/UK Continental Europe Asia | Control of building settlement Groundwater control |
| Post-tension concrete | 13 % | US | Slab-on-grade foundations High rise structures |



US Geographic Coverage

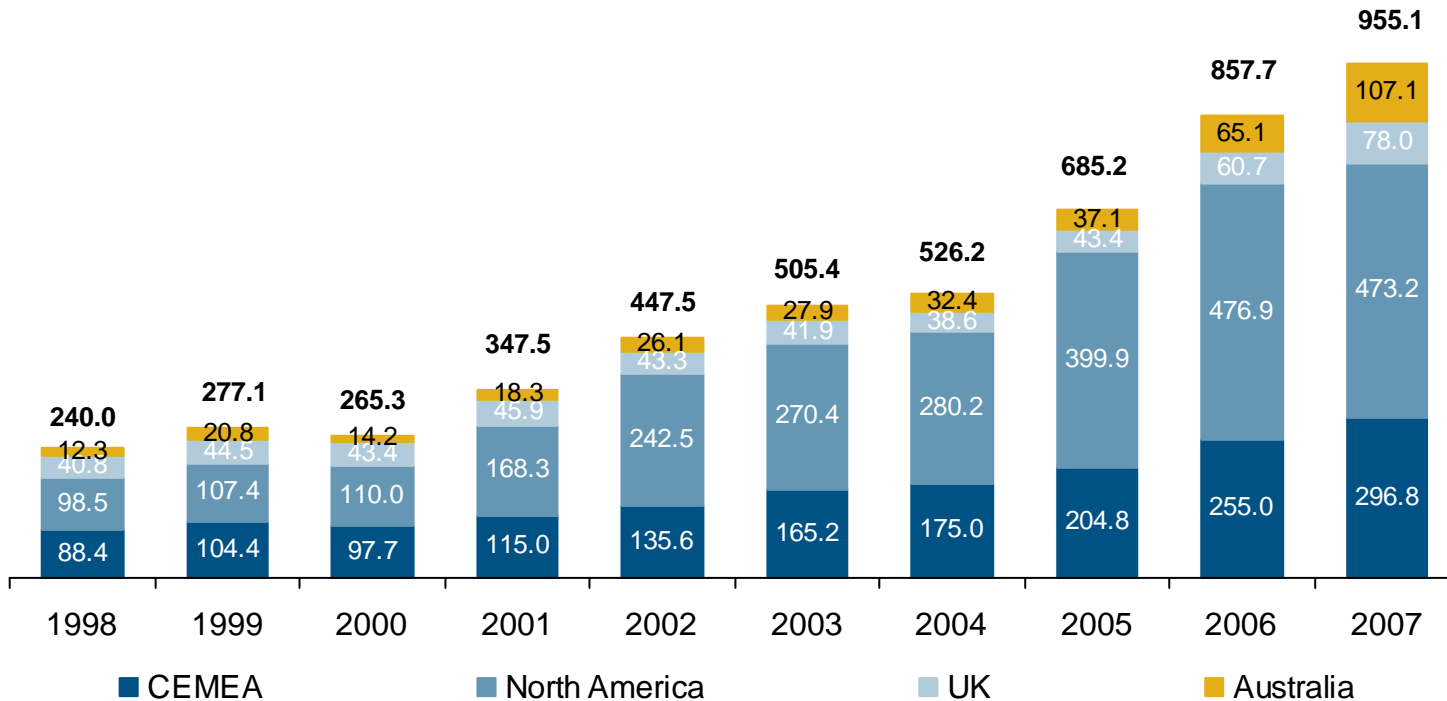


Europe Geographic Coverage



Ten Year Track Record

Revenue 1998 – 2007 (£m)
(Continuing Operations)

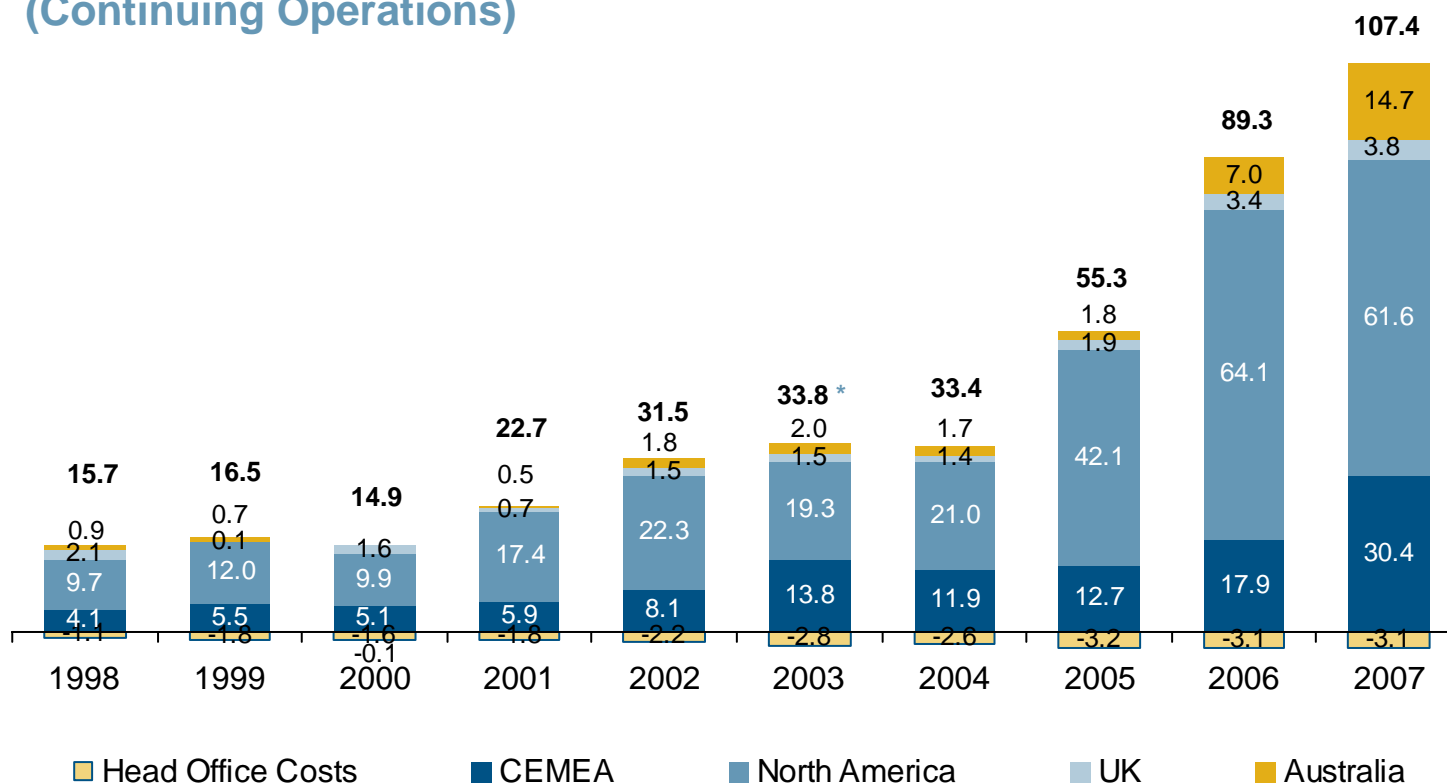


Compound annual growth rate of 17%



Ten Year Track Record

Operating Profit 1998 – 2007 (£m)
(Continuing Operations)

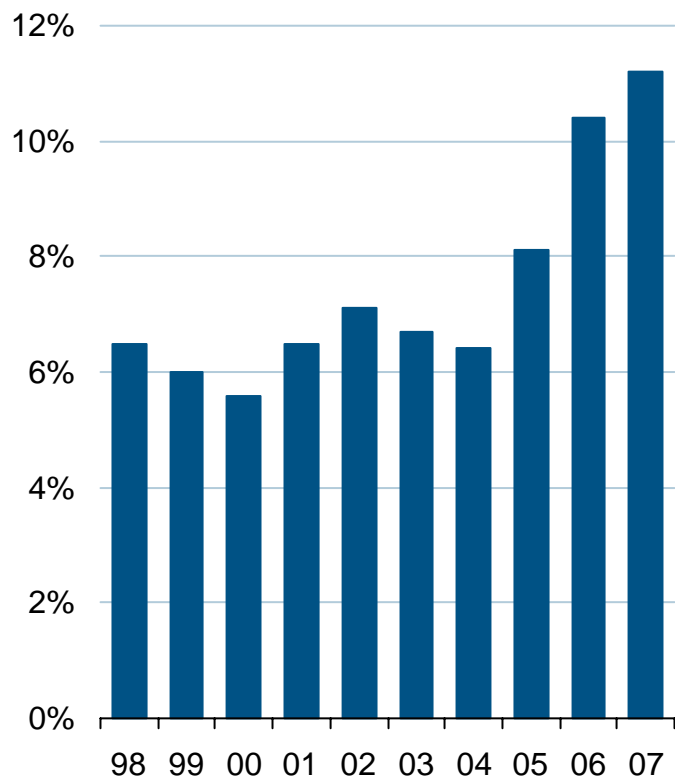


Compound annual growth rate of 24%

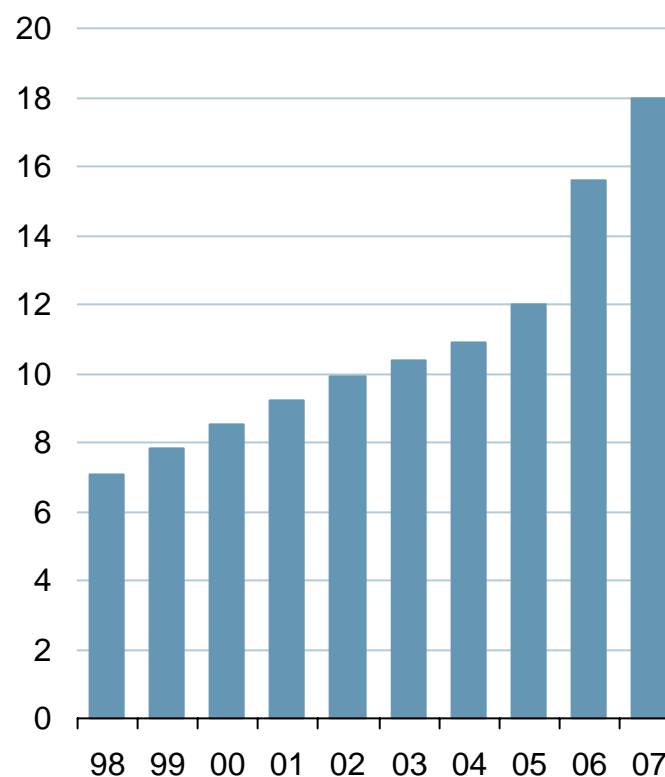


Financial Performance

Operating margin*



Dividend per share



Industry-leading margins

Uninterrupted dividend growth

Dividend policy

- 15% growth subject to 3x cover



*from continuing operations 32

Recent Acquisitions > £5m

| Company | Date acquired | Total investment | Revenue in year of acquisition | Revenue in 2007 | CAGR |
|----------------------|---------------|------------------|--------------------------------|-----------------|------|
| Suncoast | Oct 2001 | \$90m | \$134m | \$241m | 10% |
| Keller-Terra* | Dec 2002 | €14m | €22m | €83m | 30% |
| McKinney | Dec 2002 | \$30m | \$60m | \$110m | 13% |
| Donaldson | Sep 2005 | \$18m | \$40m | \$45m | 6% |
| Phi | Apr 2006 | £7m | £12m | £13m | 8% |
| Piling Contractors | Aug 2006 | A\$28m | A\$55m | A\$93m | 69% |
| Anderson Drilling | Oct 2006 | \$22m | \$59m | \$78m | 32% |
| Systems Geotechnique | Apr 2007 | £11m | £18m | n/a | n/a |
| HJ Foundation | Oct 2007 | \$47m | \$69m | n/a | n/a |

Excellent organic growth achieved post acquisition

*51% owned



