Keller Group plc

Interim Results

Half year ended June 2010

Highlights

- Further geographic diversification, with 35% of revenue now from Australia and developing markets
- June acquisitions of Waterway in Australia and Nilex in the US
- Order book increased every month this year; now 1% ahead of this time last year
- £98.1m of cash generated from operations in last 12 months, representing 113% of EBITDA
- Net debt of £121.5m, 1.4x EBITDA; substantial covenant headroom
- Interim dividend of 7.6p, up 5%
- Full year expectations within the current range of market expectations

KELLER

Group Income Statement

£m	H1 2010	H1 2009	% change	FY 2009
Revenue	**496.9**	552.6	-10%	1,037.9
EBITDA	**33.4**	60.1	-44%	113.2
Operating profit	**13.7**	42.8	-68%	77.3
Interest	(2.4)	(1.8)		(2.6)
Profit before tax	**11.3**	41.0	-72%	74.7
Tax	(3.2)	(13.1)		(22.6)
Profit after tax	**8.1**	27.9		52.1

Constant currency basis
- revenue down 11%
- operating profit down 71%

Average exchange rates
- US$1.53 (H1 2009: $1.49)
- €1.15 (H1 2009: €1.12)
- A$1.71 (H1 2009: $2.10)

Loss in Q1 due to adverse weather

Effective tax rate 28%
- H1 2009: 32%
- FY 2009: 30%

KELLER

Group Income Statement (continued)

£m	**H1 2010**	H1 2009	% change	FY 2009
Profit after tax	**8.1**	27.9		52.1
Minority interests	(0.1)	(1.0)		(1.7)
Attributable to shareholders	**8.0**	26.9		50.4
Earnings per share	**12.5p**	42.1p	-70%	78.8p
Diluted earnings per share	12.3p	41.3p		77.4p
Dividends per share	**7.6p**	7.25p	+5%	21.75p

Minority interests mainly Spain and Saudi Arabia

Interim dividend up 5%

KELLER

Operating Profit and Margin

	H1 2010			H1 2009		
£m	Revenue	Op Profit	Margin	Revenue	Op Profit	Margin
UK	28.1	(0.1)	(0.0)%	30.7	(0.4)	(1.3)%
US	198.0	(1.0)	(0.5)%	268.0	18.6	6.9%
CEMEA	190.1	9.3	4.9%	191.1	20.4	10.7%
Australia	80.7	8.0	9.9%	62.8	6.2	9.9%
	496.9	**16.2**	**3.3%**	552.6	44.8	8.1%
Central costs	-	(2.5)		-	(2.0)	
	496.9	**13.7**	**2.8%**	552.6	42.8	7.7%

Constant currency revenue down 11%
- UK: - 8%
- US: - 24%
- CEMEA: + 2%
- Australia: + 5%

All except Australia impacted by severe weather

Suncoast continues to be loss making

KELLER

Group Balance Sheet

£m	**June 2010**		June 2009		Dec 2009	
Goodwill/intangibles		128.0		99.9		119.1
Property/plant/equipment		261.3		237.5		264.4
		389.3		337.4		383.5
Inventories	37.8		41.8		37.4	
Receivables	313.6		328.6		299.9	
Payables	(248.5)		(266.3)		(252.3)	
Working capital		**102.9**		104.1		85.0
Capital employed		**492.2**		441.5		468.5
Retirement benefits		(19.0)		(17.2)		(20.2)
Tax		(9.2)		(16.0)		(14.6)
Other assets/liabilities		(36.5)		(20.9)		(31.6)
Net debt		(121.5)		(95.3)		(78.8)
Net assets		**306.0**		292.1		323.3

Comparisons impacted by exchange rates

Continued focus on cash collection and working capital

Gearing of 40% (June 2009: 33%)

KELLER

Group Cash Flow Statement

£m	**H1 2010**	H1 2009	FY 2009
Cash from operating activities	**15.0**	40.1	123.2
Capex – net	(12.4)	(23.1)	(35.5)
Tax	(7.3)	(14.5)	(30.0)
Interest	(1.0)	(2.2)	(4.5)
Free cash flow	**(5.7)**	0.3	53.2
Dividends	(9.7)	(11.3)	(17.4)
Acquisitions	(22.2)	(7.6)	(34.7)
Other	(0.4)	(3.4)	(2.0)
Net cash flow	**(38.0)**	(22.0)	(0.9)
Opening net debt	(78.8)	(84.6)	(84.6)
Exchange movements	(4.7)	11.3	6.7
Closing net debt	**(121.5)**	(95.3)	(78.8)

Last 12 months' cash from operations 113% of EBITDA (H1 2009: 101%)

Capex virtually halved in H1

Acquisitions mainly Waterway (£17m) and Nilex (£5m)

KELLER

Group Financing Position

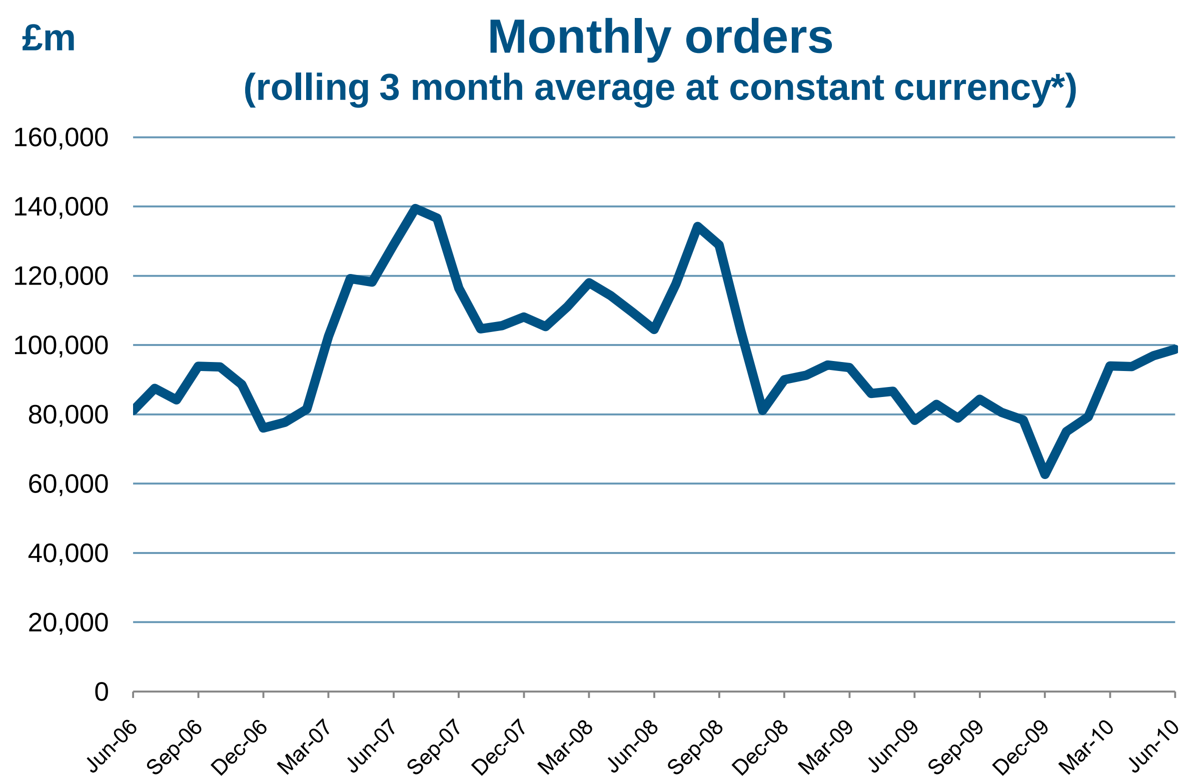
- Over £200m of committed financing facilities, mainly
  - £65m and £80m revolving credit facilities, expiring March and June 2011 respectively
  - US$100m private placement
    - $30m repayable in 2011, $70m in 2014
- Plan to refinance main bank facilities later this year
- Comfortably within key financial covenants
- A further £70m of facilities held locally

Key Financial Covenants

Test	*Status*
Net debt < 3x EBITDA	1.4x
EBITDA interest cover > 4x	27x
Net assets > £78m	£306m

KELLER

Group Order Intake



Last six months' orders up 12% on H1 2009

Order book increased every month this year

Order book 1% up on last June at constant currency

*at current exchange rates

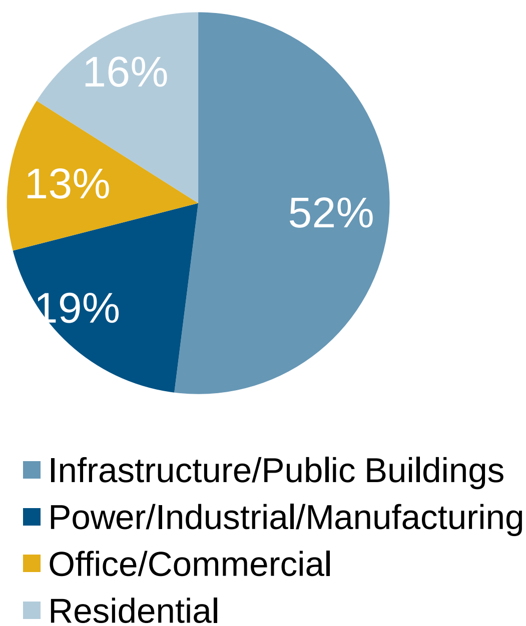
2010 Guidance

- Mature markets remain very difficult
- Early signs of revenue growth returning at a Group level
  - margin recovery will lag revenue increases
  - not expected until some time in 2011
- Q1 weather impact means 2010 profit more second half weighted than normal
- Expected full year tax rate of 28%
- Full year capex below £30m
- Refinancing will lead to higher interest charge in 2011

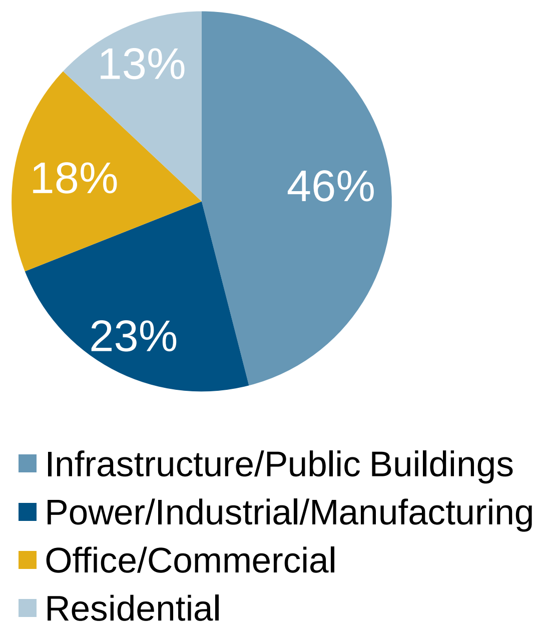
KELLER

Group Revenue by End Market

H1 2010
Total revenue £497m



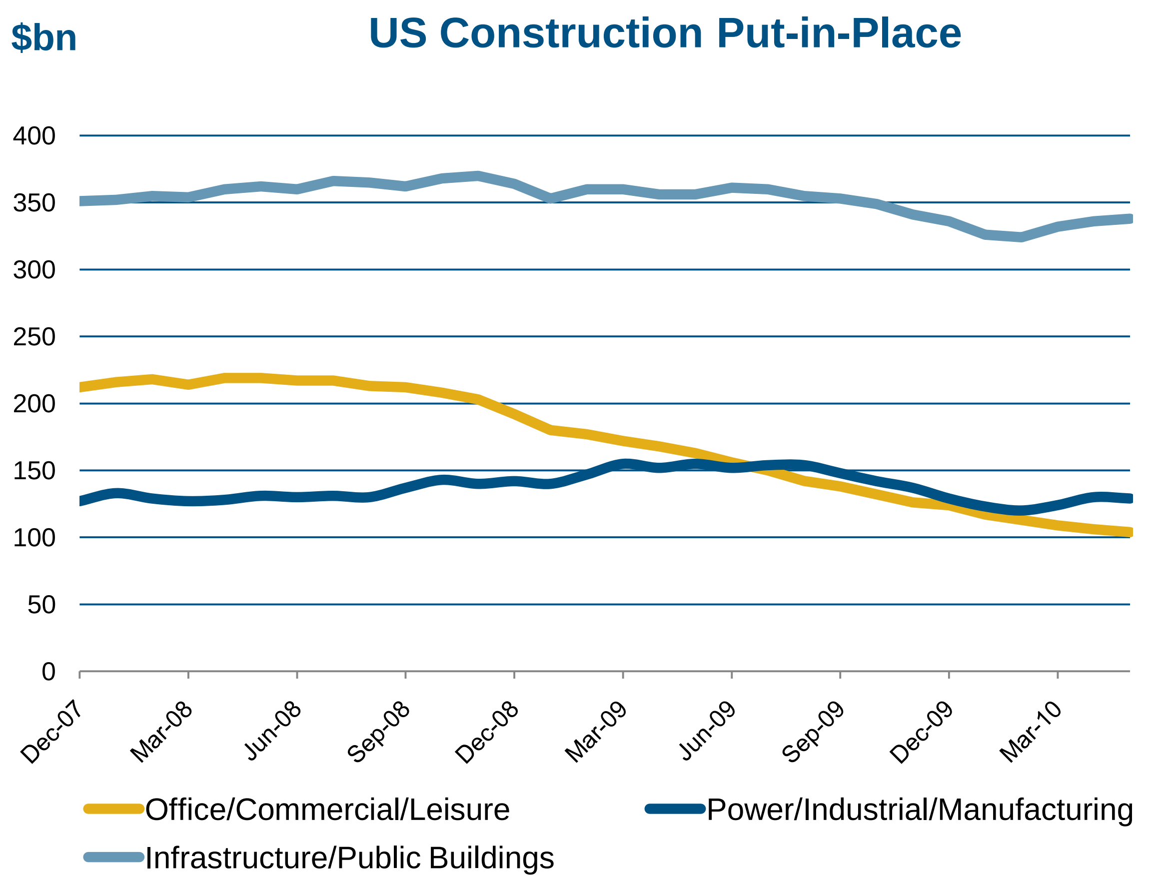
H1 2009
Total revenue £553m



Keller operates across the whole construction spectrum

Changes in absolute revenue
- Infrastructure/Public Buildings flat
- Industrial/Manufacturing down a lot, Power less so
- Office/Commercial down 36%
- Residential up 13%

US Non-residential Construction Market



Total US non-residential construction market down 17% year to date

Infrastructure/Public Buildings down 7%

Office/Commercial/Leisure down 36%
- more than halved since peak

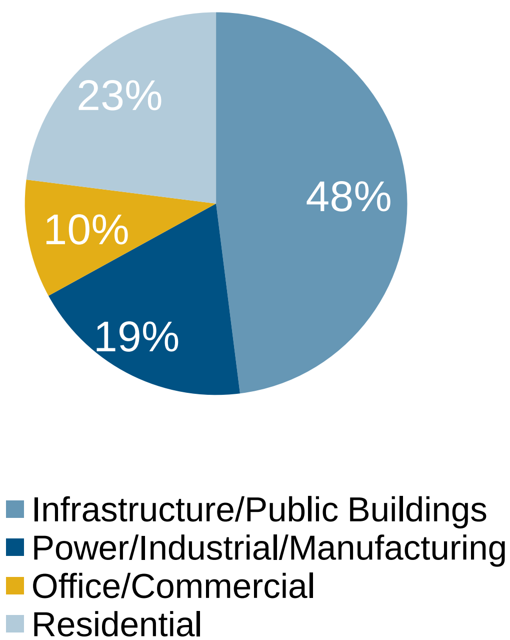
Power/Industrial/Manufacturing down 17%
- Power only 7%

KELLER

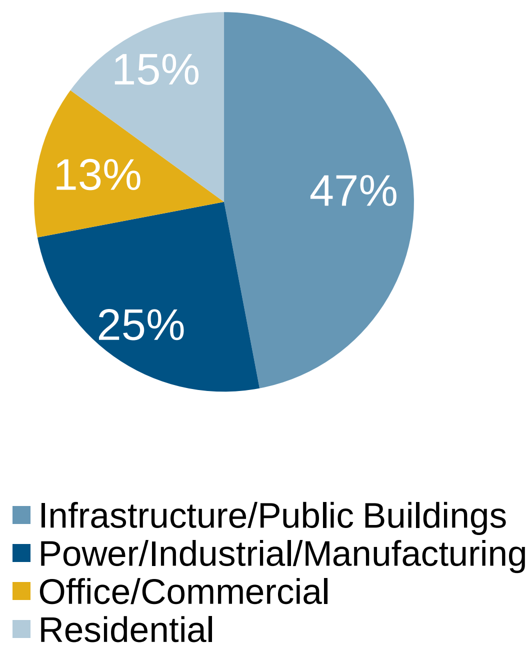
Source: US Census Bureau, July 2010

US Revenue by End Market

H1 2010
Total revenue $303m



H1 2009
Total revenue $399m



Infrastructure/Public Buildings by far the most important sector

Residential revenue up on H1 2009

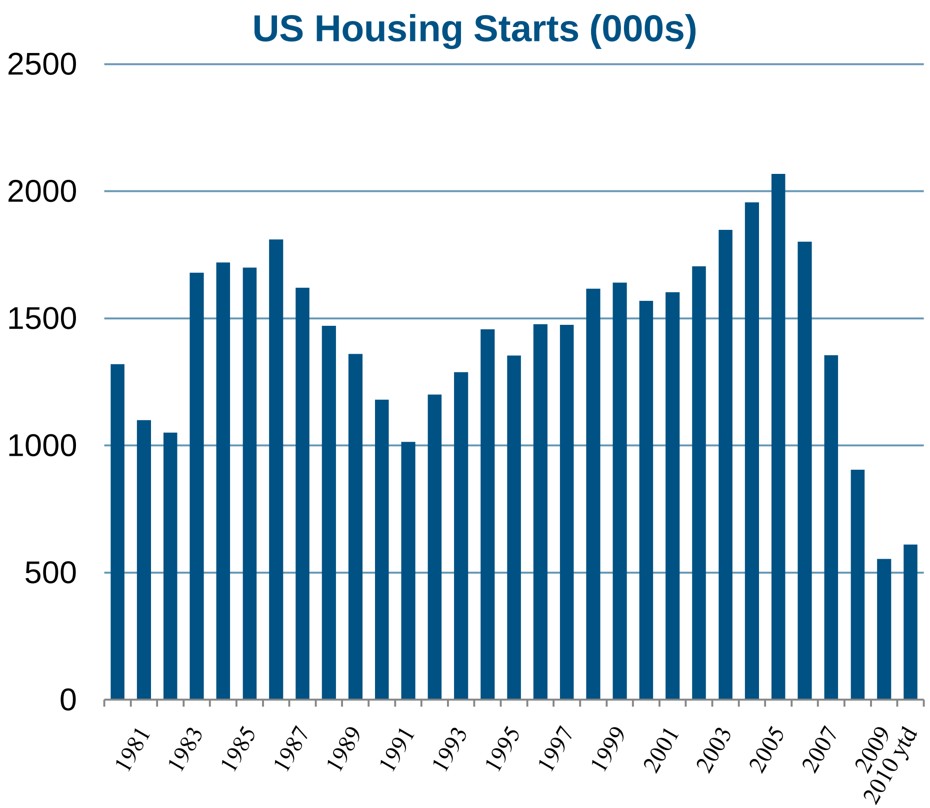
KELLER

US Foundations

- Margins remain under pressure
- Bidding environment continues to be challenging
  - excess capacity in the market place
  - projects continue to be re-bid
- Headcount reduction broadly in line with reduction in volume
  - employees down 25% from peak two years ago
- New York area providing good opportunities
- Work in hand up 13% on last June
  - one project of $35m provides work to 2012
- Acquisition of Nilex

KELLER

US Suncoast



Suncoast recorded an H1 loss

- no sustained housing recovery
- high rise market deteriorating
- increases in cost of steel strand

Headcount reduced by a further 20% to 300

Further office closures

Source: US Census Bureau, Housing Starts

Nilex Acquisition

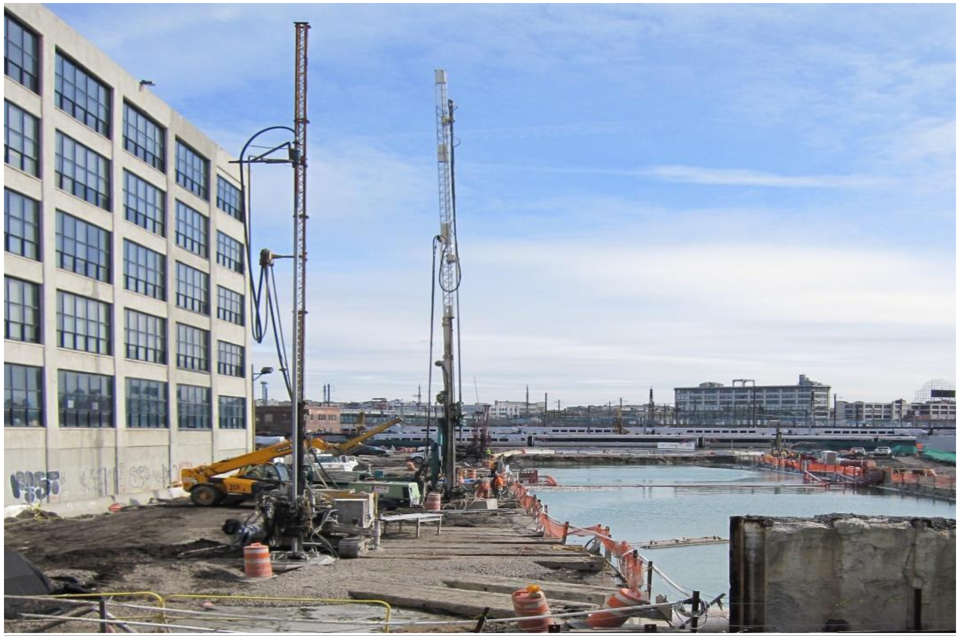
Nilex installing wick & strip drains

Nilex acquired in June for $7.2m

- leading wick drain contractor in the US & Canada
- wick drains are a ground improvement technique
- gives scale to Hayward Baker's existing wick drain division
- complements other ground improvement techniques
- annualised revenue of circa $15m
- asset backed acquisition

KELLER

US Case Studies



Jet grouting for new rail tunnels

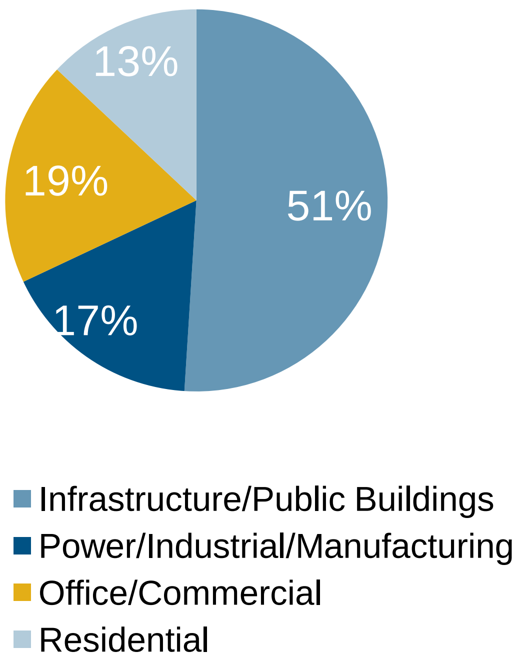
Borough of Queens, New York

Piling at oil refinery

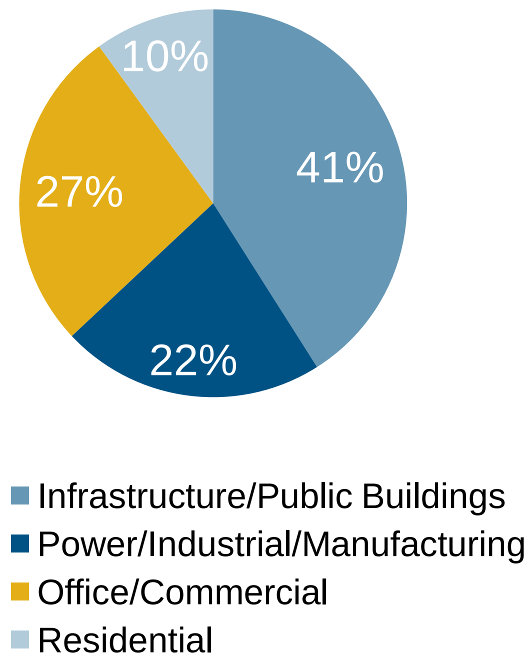
Whiting, Indiana

CEMEA¹ Revenue by End Market

H1 2010
Total revenue €219m



H1 2009
Total revenue €214m



Infrastructure/Public Buildings markets robust
- absolute revenue up 14%

Residential revenue up due to Resource Piling acquisition

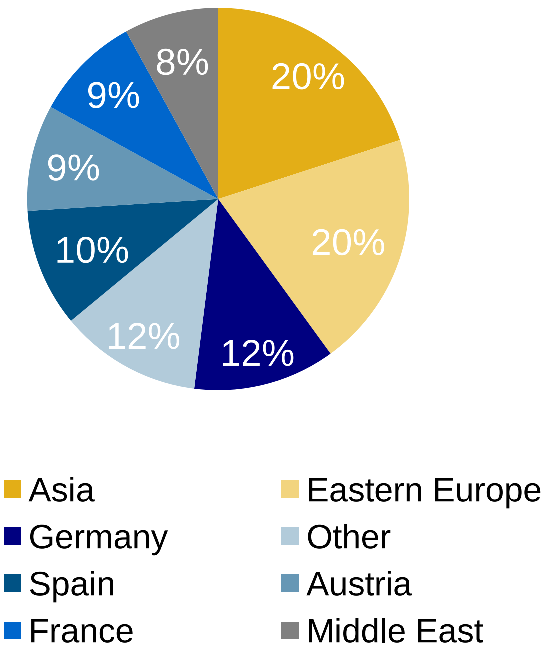
Significant decreases in other end markets in Europe

[1]CEMEA = Continental Europe, Middle East & Asia

CEMEA Revenue by Geography

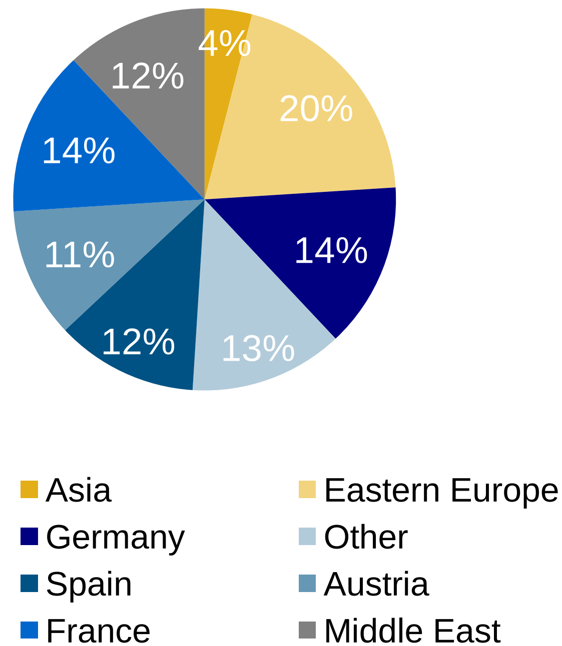
H1 2010

Total revenue €219m



H1 2009

Total revenue €214m



Asia the largest contributor
- acquisition of Resource Piling
- significant growth in other businesses

Poland two thirds of Eastern Europe

Significant decreases in major Western European countries, most notably France

CEMEA Highlights

5,700 Ton Load Test

Marina Bay, Singapore

- Most European businesses severely impacted by adverse Q1 weather
- Results in Germany holding up reasonably well
- Further reorganisation and headcount reductions in France and Spain
- Busy, but competitive, market in Poland
- No improvement in the Middle East
- Key markets in Asia remain buoyant
- Resource Piling integrating well

KELLER

CEMEA Case Studies

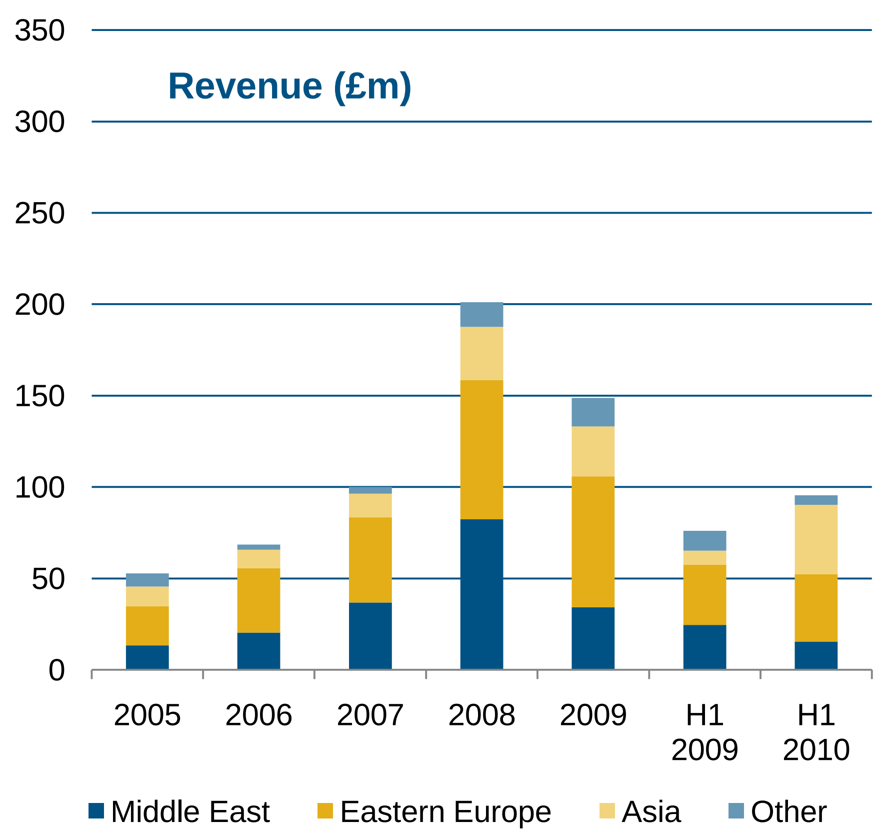
Vibro compaction and jet grouting

2014 Olympic Park, Sochi, Russia

Vibro replacement and bored piling

Power plant, Anpara, Northern India

Developing Markets



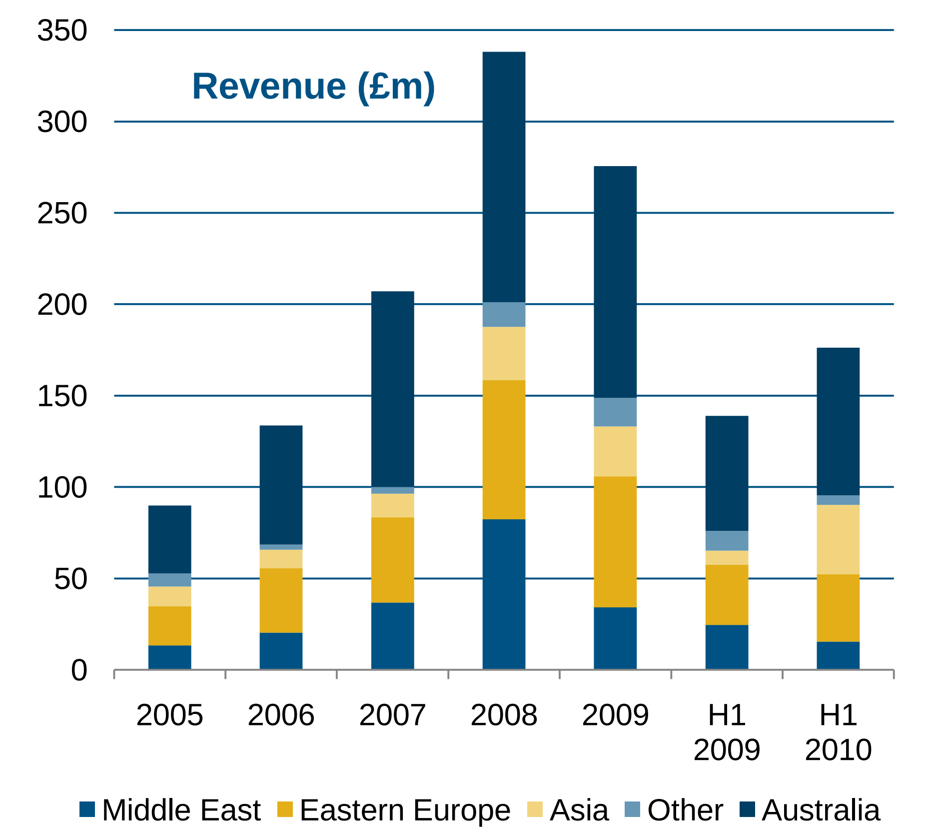
Continued progress in India
- extension of product range gains momentum
- headcount now 270

Second large ground improvement project awarded in Brazil
- JV company with local partner

First contracts in Russia
- 2014 Winter Olympics related

New subsidiary in Vietnam
- first contract secured

Developing Markets and Australia



Together with Australia these markets comprised 35% of Group H1 2010 revenue

Absolute revenue quadrupled in five years

- over two thirds organic

Maintained above average mid cycle Group margins

Australia Highlights

Installation of sheet pile wall

Hunter River, Newcastle, NSW

Market conditions remain very strong
- resources, infrastructure, population growth
- recent compromise on resources tax helped

First half results very strong boosted by
- infrastructure work at Ipswich Minefill
- resources work in Western Australia

Several large projects in the pipeline

Successful acquisition of Waterway

KELLER

Waterway Acquisition

Waterway working in Sydney, NSW

Waterway acquired in June for A$30m debt free

- earn out payable based on profit to June 2013
- annualised revenue of circa A$50m
- leading near shore marine contractor in NSW
- good prospects to expand to Western Australia
- strong potential synergies with existing businesses
- consolidates Keller's market position in Australia

KELLER

UK Highlights

Vibro compaction

Port extension, Felixstowe

Market remains very challenging

Further redundancies made

- workforce down one third since the peak

Current status on Crossrail

- Canary Wharf station grouting completed
- piling to be performed at TCR station
- geotechnical and tunnelling monitoring packages being tendered

Outlook

- No change in key construction markets since May IMS
  - US and Western Europe remain very difficult
  - Australia and developing markets strong
- General economic and financial sentiment more cautious recently
- Full year expectations unchanged and within the current range of market expectations
- Looking further ahead, Group’s geographic diversification and strong balance sheet leaves us well positioned to
  - continue to expand in developing markets
  - take full advantage of recovery in US and Europe

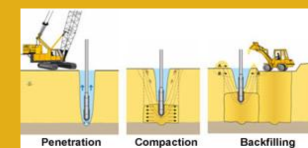
Appendix

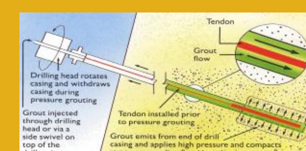
Introduction to Keller

- **The world's largest independent ground engineering contractor**
  - ground engineering is a small, niche sub-sector of construction
  - sector growing faster than construction, reflecting:
    - more pressure to build on brownfield and marginal land
    - more ambitious development and infrastructure projects
- **Unrivalled geographic coverage, working in around 40 countries**
  - clear market leader in US and Australia
  - well established businesses in most West European countries
  - growing in developing markets
- **Generally work as a subcontractor for main contractors**
- **Typical contracts are**
  - short duration and less than £500k
  - across the construction spectrum

Ground Engineering Worldwide

Activities	% of 2009 revenue	Regions of use	Applications
Piling	36%	US/UK Eastern Europe Middle East & Asia Australia	Foundation support Earth retention
Ground improvement	21%	US/UK Continental Europe Middle East & Asia Australia	Foundation support Seismic risk protection
Speciality Grouting	18%	US/UK Continental Europe Asia Australia	Control of building settlement Groundwater control
Anchors, Nails, Minipiles	18%	US/UK Continental Europe Asia	Excavation support Slope protection Underpinning
Post-tension concrete	7%	US	Slab-on-grade foundations High rise structures





History of Keller

1958
Est. 1958 Ground test services

1960's
Expansion into a UK national piling & ground improvement company

1974
Acquired **Johann Keller in Germany** marking international expansion

1860

1984
Acquired Hayward Baker (US)

1990
Management buyout from GKN plc

1994
Acquired Case (US)

IPO on London Stock Exchange

2001
Acquired Suncoast (US)

2002
Acquired McKinney (US)

Acquired 51% of Keller-Terra (Spain)

2006
Acquired Phi (UK)

Acquired Piling Contractors (Australia)

Acquired Anderson Drilling (US)

2007
Acquired Systems Geotechnique (UK)

Acquired HJ Foundation (US)

2008
Acquired Olden (US)

Acquired Boreta (Czech Rep)

2009
Acquired Resource Piling (Singapore)

2010
Acquired Waterway (Australia)

NOW
>6,000 employees

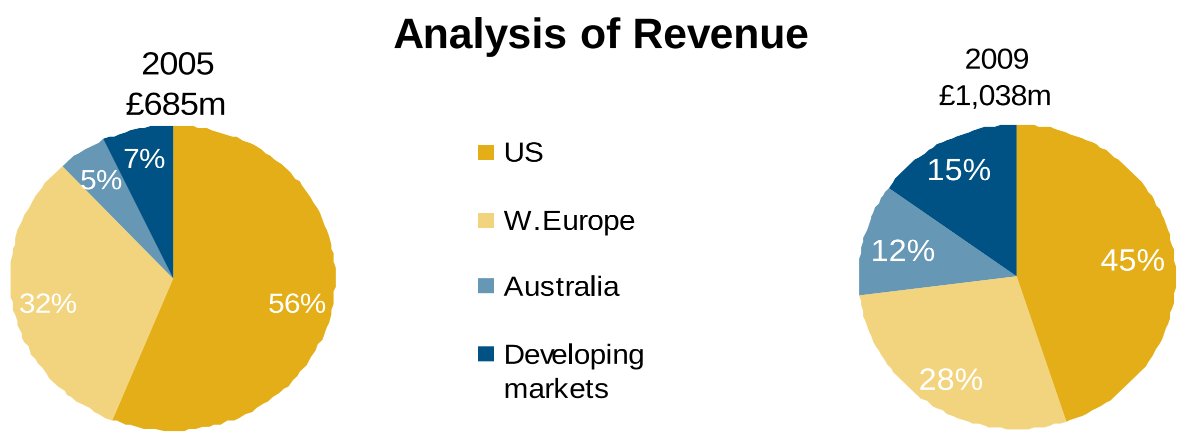
Offices in >30 countries

Revenue c.£1.1bn

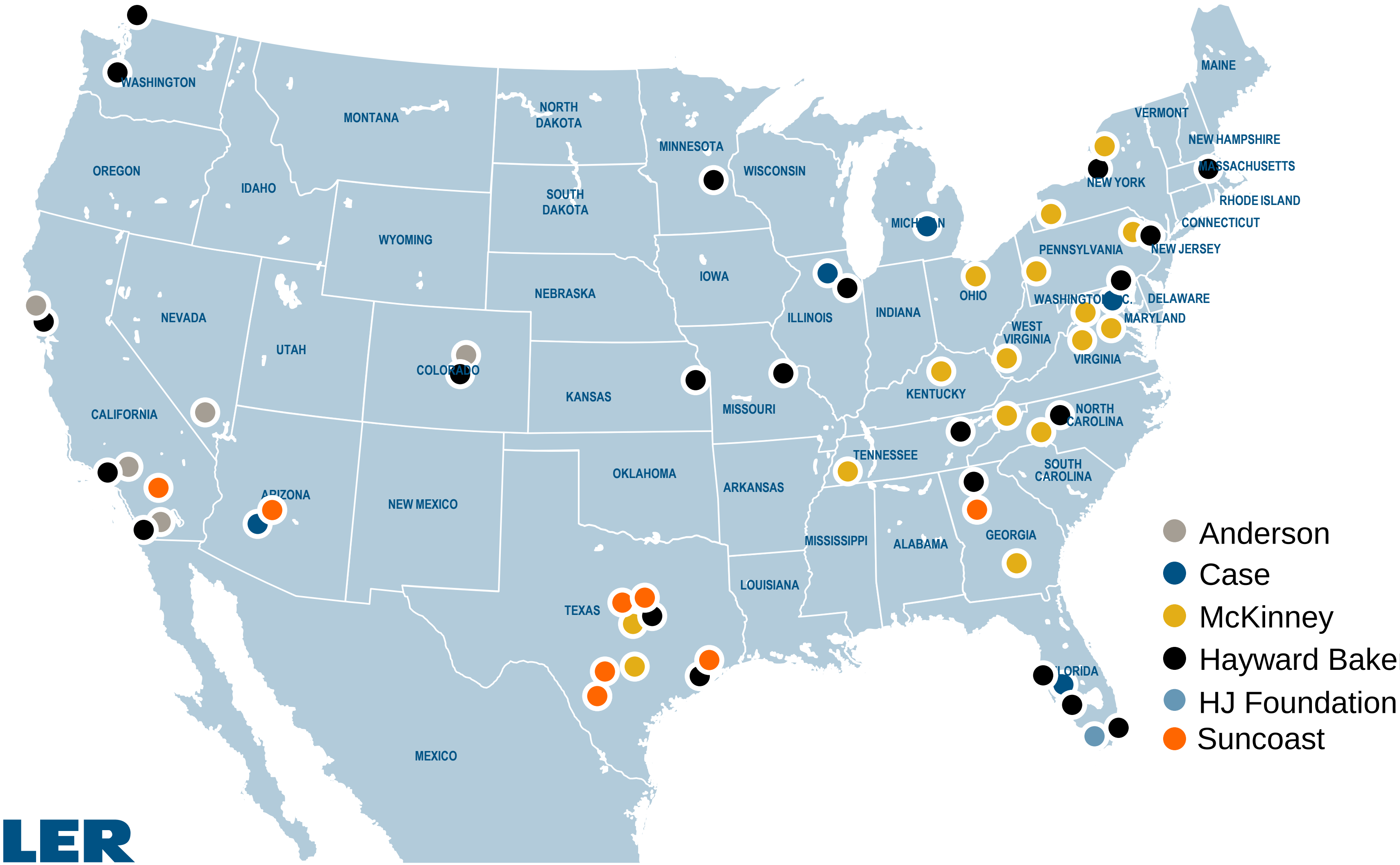
Only larger and most recent acquisitions shown

Strategy

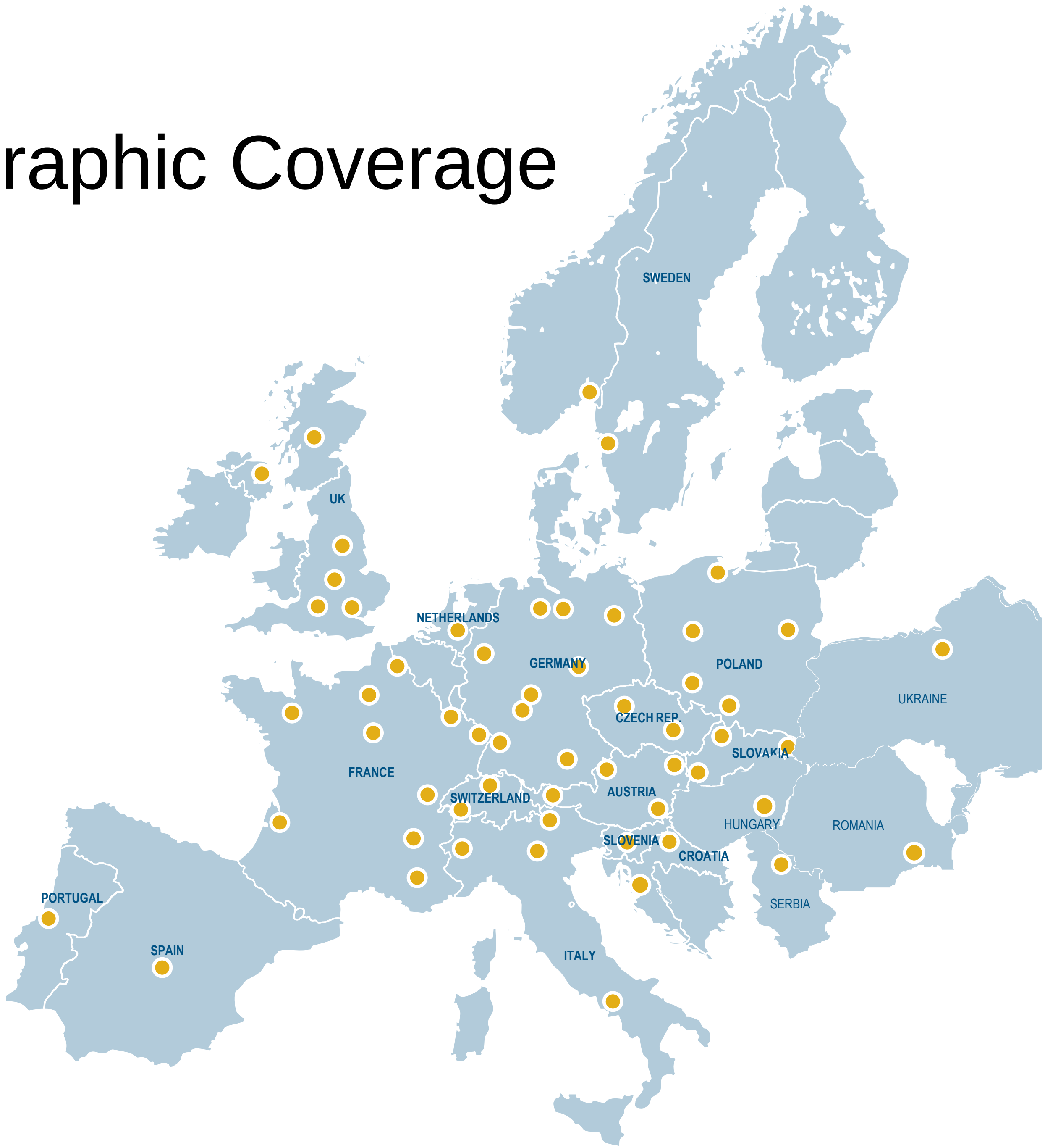
- Our Objective
  - to extend our global leadership in specialist ground engineering through:
    - organic growth, particularly in developing markets
    - targeted acquisitions
- Our Execution
  - transfer of technologies and techniques within our current geographic regions
  - offering design and build capability and alternative solutions
  - expansion into new higher growth geographic regions
  - acquisition and development of new technologies and techniques



US Geographic Coverage



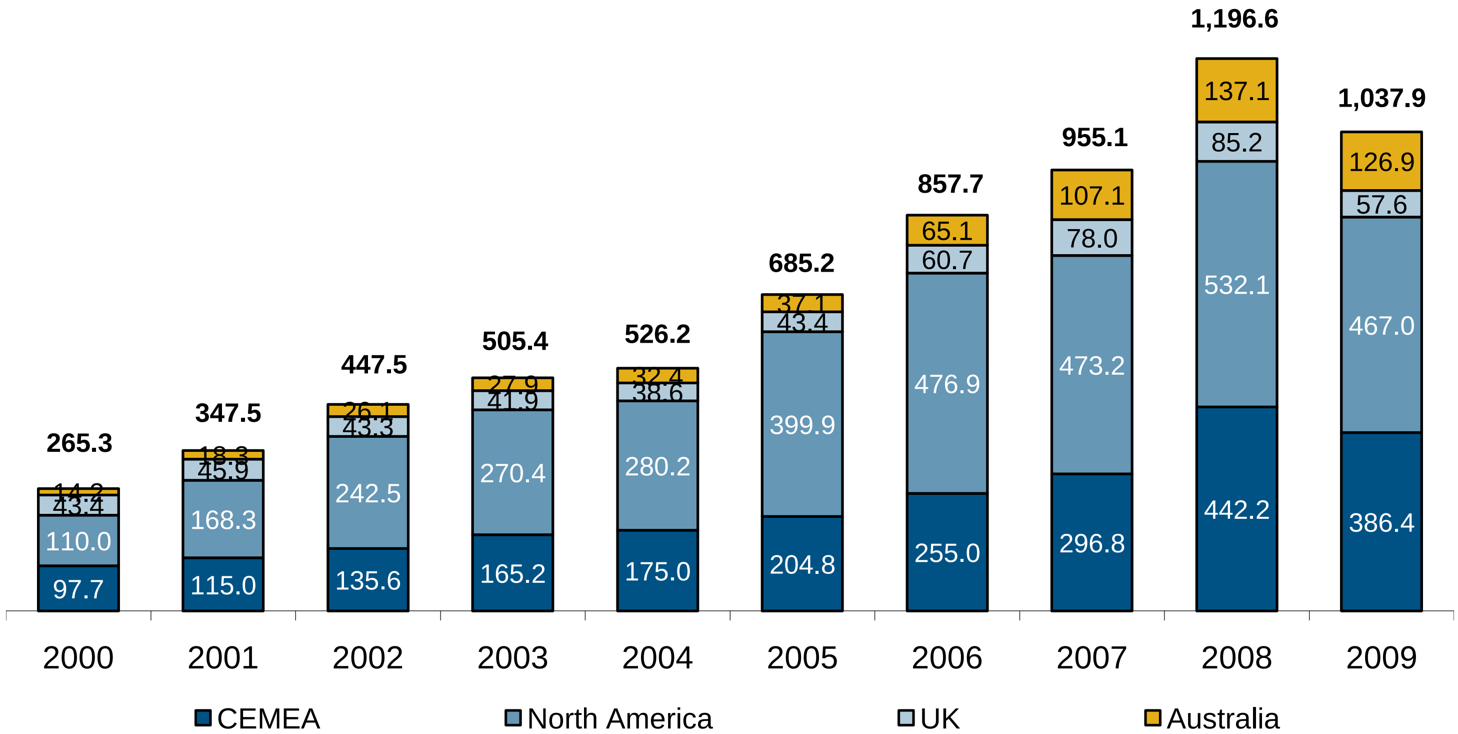
Europe Geographic Coverage



KELLER

Ten Year Track Record

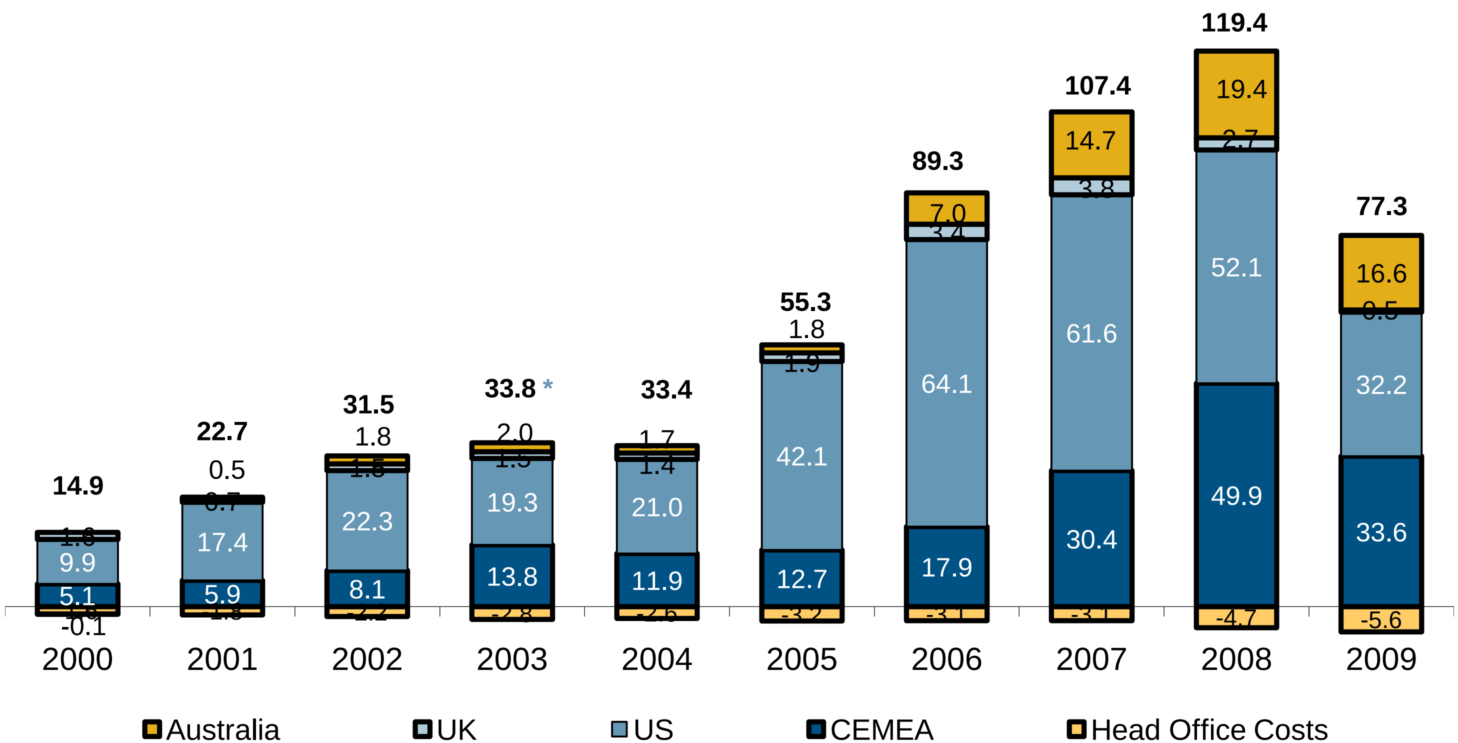
Revenue 2000 – 2009 (£m)
(Continuing Operations)



Compound annual growth rate of 16%

Ten Year Track Record

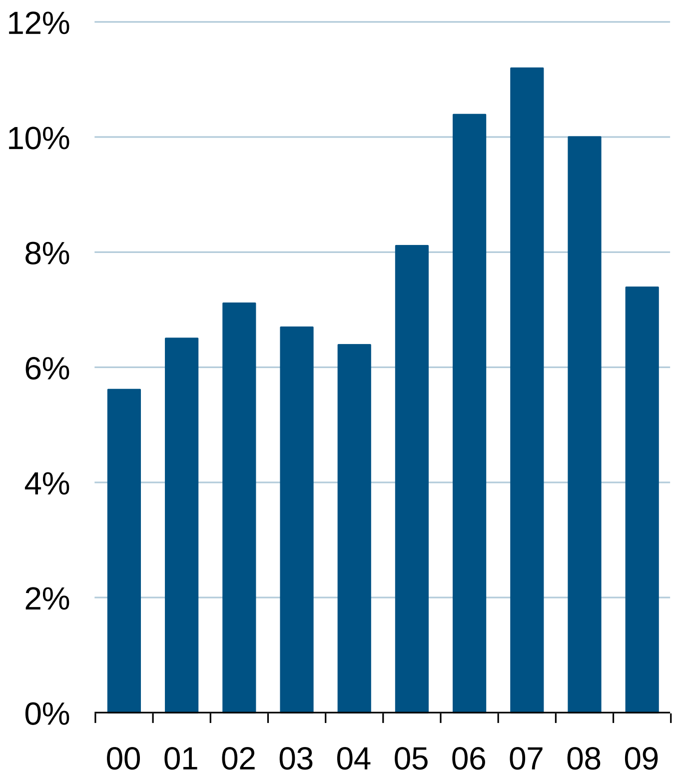
Operating Profit 2000 – 2009 (£m)
(Continuing Operations)



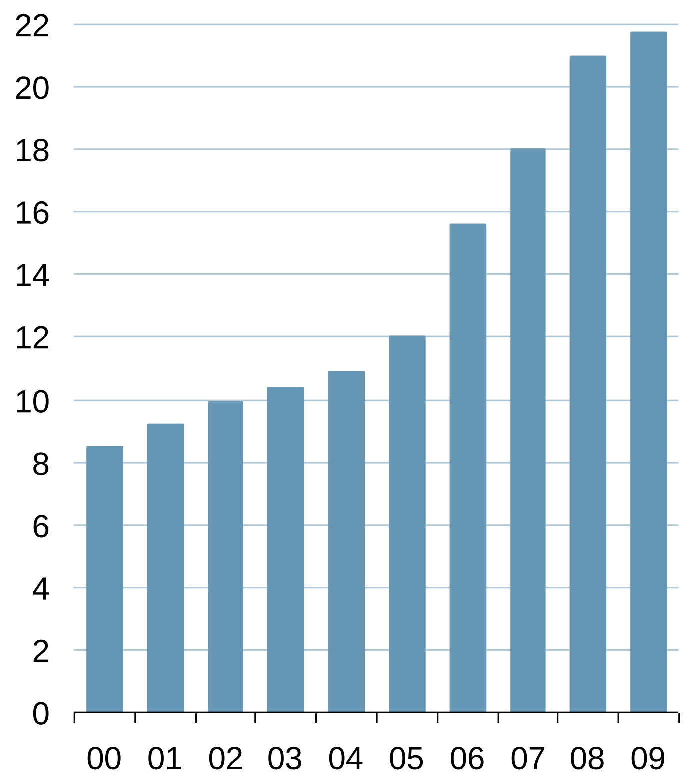
Compound annual growth rate of 20%

Financial Performance

Operating margin*



Dividend per share (pence)



Dividend increased every year since flotation in 1994

*from continuing operations

KELLER