



CREATING FOUNDATIONS FOR THE **FUTURE**



WE ARE THE WORLD'S LARGEST INDEPENDENT GROUND ENGINEERING CONTRACTOR, RENOWNED FOR PROVIDING TECHNICALLY ADVANCED AND COST-EFFECTIVE FOUNDATION SOLUTIONS. OUR REPUTATION IS BUILT ON ENGINEERING EXCELLENCE AND A COMMITMENT TO CONTINUAL INNOVATION.

WE HAVE UNRIVALLED COVERAGE IN EUROPE, NORTH AMERICA AND AUSTRALIA AND A GROWING PRESENCE IN THE MIDDLE EAST AND ASIA.

OUR SERVICES ARE USED ACROSS THE CONSTRUCTION SPECTRUM IN INFRASTRUCTURE, INDUSTRIAL, COMMERCIAL, RESIDENTIAL AND ENVIRONMENTAL PROJECTS.



CHAIRMAN'S STATEMENT

DR MICHAEL WEST



Financial overview

I am pleased to report our results for the six months ended 30 June 2009 which, against the backdrop of global economic turbulence, reflect a resilient performance, in line with our expectations at the start of the year.

The scarcity of credit has caused many privately-financed construction projects around the world to be delayed or cancelled and this has led to a significant reduction in volumes. However, the Group has benefited from some good opportunities, particularly in the energy and public infrastructure sectors.

Group revenue from continuing operations was down 3% at £552.6m (2008: £568.7m) and the first-half operating profit was 24% lower at £42.8m (2008: £56.1m). On a constant currency basis, revenue reduced by 19% and operating profit by 36%. The operating margin was 7.7%, still good by historical standards, but below last year's 9.9%.

Profit before tax from continuing operations was £41.0m (2008: £54.2m) and earnings per share from continuing operations were 42.1p (2008: 51.6p).

Cash generated from operations was £40.1m, only slightly down on last year's £43.6m. This reflects our continuing sharp focus on cash collection and on minimising our working capital in the current economic environment.

Net debt at 30 June 2009 was £95.3m, which compares to £74.4m at the end of June 2008. This year-on-year increase includes £10.2m of adverse currency movements and is stated after total expenditure on acquisitions in the period of £19.2m. Capital expenditure in the first half totalled £23.2m, a like-for-like reduction of over 30% on the first half of last year. We expect capital expenditure in the full year to be below £40m.

Net debt at 30 June 2009 represented 0.7 times annualised EBITDA and EBITDA interest cover was over 30 times. The Group continues to have sufficient available financing to meet its strategic and operational goals and operates comfortably within all its covenant limits.

Dividend

The Board has reviewed its dividend policy in light of the expected impact of the global recession on the Group's earnings. I am pleased to report that, given the Group's financial strength and the Board's confidence in its long term growth prospects, we have decided to continue the Company's unbroken record of increasing the dividend every year since its flotation in 1994.

Accordingly, the Board has declared an interim dividend of 7.25p per share (2008: 6.9p), an increase of 5%. The dividend will be paid on 2 November 2009 to shareholders on the register at the close of business on 9 October 2009.

Operational overview

US

Overall, the value of US non-residential construction spending was broadly flat year-on-year, underpinned by strong public expenditure and continued growth in the power and industrial sectors¹. A fall of 20% in the commercial sector² and continued depression in the residential sector came as no surprise.

Our US operations benefited from their successful strategy in recent years of pooling resources and expertise to undertake more large and complex projects. Overall, they reported revenue of £268.0m (2008: £245.5m) and an operating profit of £18.6m (2008: £22.1m). On a constant currency basis, total US revenue was 18% down on last year whilst operating profit was reduced by 37%. This reflects a further deterioration in the Suncoast result in the first half and, in the foundation contracting businesses, an easing back of margins towards historic levels, as we anticipated at the start of the year.

US Foundation Contracting

After a slow start, trading at Hayward Baker picked up in the second quarter to produce a satisfactory first-half result. One of the great strengths of this business is its ability to offer problem-solving and cost-effective alternative solutions, such as that delivered recently at the Bolinger Shipyards in Louisiana, where a new slip to accommodate larger vessels is under construction. Hayward Baker's value-engineered design, which employed wet soil mixing around the slip perimeter, eliminated the need for soldier piles and reduced the amount of sheet piling, thereby delivering cost savings to the client as well as benefits to the environment.

Further progress was made in the first half at the Herbert Hoover Dyke in Florida, where Hayward Baker is creating a cut-off wall to improve the stability of sections of the dyke containing Lake Okeechobee. The company is also doing critical drilling and grouting work on the Center Hill Dam in Tennessee and on the Wolf Creek Dam in Kentucky. All of these jobs form part of a high profile dam safety programme being undertaken by the US Army Corps of Engineers.

¹ US Census Bureau of the Department of Commerce, 1 July 2009. Value of construction put in place.

² Office, Commercial, Leisure and Lodging, US Census Bureau of the Department of Commerce, 1 July 2009.

CHAIRMAN'S STATEMENT

CONTINUED

The overall performance of the four US piling businesses – Anderson, Case, HJ and McKinney – was generally good and in line with our expectations. Their targeting of the buoyant energy sector has been an important factor, with good contributions coming from such projects as the Virginia City Power Plant (undertaken by Case), the Edwardsport Power Plant in Indiana (Case and McKinney), the Populus to Ben Lomond Power Line in Utah (Anderson) and the BP Refinery in Indiana (Case and HJ).

Case had a particularly good first half which was largely attributable to its success in growing the business outside its Chicago home, where the commercial market has almost evaporated for the time being. In providing the piling for such infrastructure projects as New York's new 2nd Avenue subway line and a freeway in Arizona, Case has been able to increase the work delivered by some of its regional offices.

Whilst there are some good opportunities in sight for the US foundation contracting businesses, securing sufficient workload for the fourth quarter will be crucial to the delivery of a satisfactory full-year result. Steps have already been taken to streamline these businesses where necessary, particularly at HJ which has suffered the toughest market conditions, and they will continue to adapt as necessary.

Suncoast

Although the US residential market remains very weak, recent data indicates that housing starts may have levelled out. Suncoast had a challenging start to the year, but the further re-sizing of the business in line with its sales volume and continuous improvements in efficiency over recent years will enable it to restore margins over time, as the US housing market eventually recovers.

Continental Europe, Middle East & Asia (CEMEA)

CEMEA reported revenue of £191.1m (2008: £204.4m) and operating profit of £20.4m (2008: £23.8m). On a constant currency basis, revenue was 19% behind, whilst operating profit was 26% lower than last year.

Continental Europe

In Western Europe, where a significant element of our work has traditionally come from public infrastructure projects, our business is well spread across four main markets – Germany, Austria, France and Spain.

Our German and Austrian businesses held up well in the first half, in spite of a shortage of major projects and highly competitive pricing. Their ability to re-design client proposals to bring down project costs has proved to be an advantage in this difficult market, as has their devolved structure. With fewer large contracts coming to the market, the ability to access small and medium-sized jobs through their network of regional offices, together with their strength in managing smaller sites economically, has stood these businesses in good stead.

Our French business encountered a severe weakening of its domestic market, largely offset by good demand in its overseas markets, most notably Algeria, where investment in the energy sector remains strong. Keller France will take full advantage of good second-half prospects in Algeria, supplementing its workforce and equipment, where appropriate, by Group resources from other regions. Our Spanish management have done a good job of managing down their cost base in line with falling volumes, to ensure that they remain profitable through the current cycle.

In Eastern Europe, all countries saw project delays and cancellations in the first half. Poland, which is by far the biggest market in the region and where most of the Group's Eastern European business is concentrated, remained busy with the continuation of several major projects which began in 2008. The Polish market has become intensely competitive as contractors move in from neighbouring markets and this has meant some weakening of Keller Polska's excellent margins. However, with its strong order book, this business expects to remain busy for the rest of the year.

Middle East

For the past nine months, tendering activity across the region has remained high, but contract awards have been scarce. Here, as in other parts of the world, our ability to perform small and medium sized contracts economically is a real strength at a time when many larger contracts remain on the drawing board. Whilst the Dubai market remains very quiet, some opportunities are still to be found elsewhere in the region.

Although volumes were down considerably in the first half, particularly following the completion of several major contracts started in 2008, operational performance was good, resulting in continued strong margins. However, with intense competition for a reduced number of new projects, margins are expected to come under pressure in the second half.

Asia

In the first half, our business in Singapore was subdued, whereas several large infrastructure projects in Malaysia which started last year kept our business there fairly busy. These include the Ipoh to Padang Besar railway, the South Klang Valley Expressway and the Johore Coastal Expressway.

In India, we made further progress in extending our product offering with the successful completion of our first anchors contract, which involved installing removable ground anchors as part of a retaining wall system for the construction of a new underground station at New Delhi. In the second half, we expect to add dry vibro replacement techniques and piling services to the product range, which will take us further towards having a full foundation service business in this key growth market.

Australia

In Australia, investment in public infrastructure remains at a high level, whereas market conditions in the commercial sector have continued to deteriorate, resulting in increased competition, particularly in Victoria.

Australian revenue was £62.8m (2008: £74.0m) and operating profit was £6.2m, compared to £10.7m in the first half last year. On a constant currency basis, revenue was down 17%, whilst operating profit was 43% lower than last year.

This first-half result fell short of our high expectations, mainly due to delayed starts, followed by significant mobilisation costs, on a number of major infrastructure contracts which are now up and running and which should make important contributions in the second half. These late starts were compounded by unusually prolonged wet weather conditions in the latter part of the period, particularly in the Queensland area, which hampered progress on many sites.

The most significant of the large infrastructure contracts now underway are a mine bulk infill contract in Queensland being undertaken by Piling Contractors and Keller Ground Engineering and heavy foundations work on the Brisbane Airport Link project, which Piling Contractors is undertaking in joint venture. With a healthy level of work-in-hand underpinning its activity, we are confident that the Australian business will have another good year.

UK

Overall, the UK market showed few signs of improvement in the first six months of this year, with the recession impacting in particular on smaller schemes on which our UK business has been largely dependent in the past. Although the level of enquiries from house builders is picking up, it is still too early to report a sustained rebound in the housing sector, from which historically Keller UK derived around a third of its revenue.

The UK business reported revenue of £30.7m (2008: £44.8m) and an operating loss of £0.4m (2008: profit of £2.2m). However, further actions taken throughout the first six months to reduce overheads and operating costs are starting to be reflected in the results and we will see the full benefit of these measures in the second half.

The business had some notable successes in the period, including good performances on the M74 motorway extension in southern Glasgow, where it undertook grouting operations, and a major soil nailing contract for the M1 widening scheme in Nottinghamshire. It has also been working at the site of the 2012 London Olympics where, following on from its work on the Main Stadium project, it is now installing the foundations for the Media Centre.

Outlook

Whilst there are a few encouraging signs, conditions in most of our markets remain tough. There is currently nothing to indicate any increase in privately-financed construction project starts and in some of our markets, particularly the US, we expect to see further deterioration in the commercial sector. We still anticipate that economic stimulus packages will benefit us to some degree, but we do not expect these to have a major impact this year. Tendering activity across the Group remains high, indicating that there are potentially many fully-designed projects 'ready to go' as lines of credit are gradually restored. However, whilst contract awards remain scarce, there will inevitably be further pressure on margins.

Our order intake in the first half was down 22% on a like-for-like basis compared to the same period last year, resulting in an erosion of the work-in-hand. However, our expectations for the full year remain unchanged and within the current range of market expectations.

Over the longer term, we will emerge from these difficult conditions in good shape, to take full advantage of the upturn in our markets when it comes.

Chairman's succession

As we announced in our AGM statement in May, I am today standing down as Chairman of the Board and handing over the mantle to Roy Franklin, who has served the Company as a non-executive director for the past two years. The skills and experience that we recognised in Roy when he was appointed, as well as the trust he has engendered since joining Keller and the support from his fellow Board members will, I am sure, enable him to oversee a continuation of the Group's long term growth record. To Roy, my other Board colleagues and our shareholders, I extend my best wishes.

Keller has been a very significant part of my life for the past 45 years and I would like to thank all those, particularly Keller employees past and present, who have accompanied me on the journey and contributed to the Group's success.

Dr Michael West

Chairman
31 July 2009

CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2009

	Note	Half year to 30 June 2009 £m	Half year to 30 June 2008 £m	Year to 31 December 2008 £m
Continuing operations				
Revenue	3	552.6	568.7	1,196.6
Operating costs		(509.8)	(512.6)	(1,077.2)
Operating profit	3	42.8	56.1	119.4
Finance income		0.8	1.0	2.0
Finance costs		(2.6)	(2.9)	(8.2)
Profit before taxation		41.0	54.2	113.2
Taxation	4	(13.1)	(17.9)	(35.9)
Profit for the period from continuing operations		27.9	36.3	77.3
Discontinued operation				
Loss from discontinued operation net of taxation		–	(1.2)	(1.7)
Profit for the period		27.9	35.1	75.6
Attributable to:				
Equity holders of the parent		26.9	32.9	70.8
Minority interests		1.0	2.2	4.8
		27.9	35.1	75.6
Earnings per share from continuing operations				
Basic earnings per share		42.1p	51.6p	111.1p
Diluted earnings per share		41.3p	51.3p	109.2p
Earnings per share				
Basic earnings per share		42.1p	49.9p	108.6p
Diluted earnings per share		41.3p	49.6p	106.7p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2009

	Half year to 30 June 2009 £m	Half year to 30 June 2008 £m	Year to 31 December 2008 £m
Profit for the period	27.9	35.1	75.6
Other comprehensive income			
Exchange differences on translation of foreign operations	(31.0)	9.8	66.1
Net investment hedge gains/(losses)	8.9	(1.2)	(19.0)
Cash flow hedge gains/(losses) taken to equity	15.5	–	(35.1)
Cash flow hedge transfers to income statement	(15.5)	–	35.1
Actuarial (losses)/gains on defined benefit pension schemes	(5.1)	0.3	1.6
Tax on actuarial losses/(gains) on defined benefit pension schemes	1.4	(0.1)	(0.5)
Other comprehensive income for the period, net of tax	(25.8)	8.8	48.2
Total comprehensive income for the period	2.1	43.9	123.8
Attributable to:			
Equity holders of the parent	2.4	40.6	115.9
Minority interests	(0.3)	3.3	7.9
	2.1	43.9	123.8

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

	Note	As at 30 June 2009 £m	As at 30 June 2008 £m	As at 31 December 2008 £m
Assets				
Non-current assets				
Intangible assets		99.9	83.3	111.8
Property, plant and equipment		237.5	181.3	254.7
Deferred tax assets		8.0	8.1	7.7
Other assets		12.0	14.7	12.5
		357.4	287.4	386.7
Current assets				
Inventories		41.8	41.9	50.9
Trade and other receivables		328.6	320.2	364.4
Current tax assets		1.7	–	2.3
Cash and cash equivalents	7	27.4	21.9	48.6
		399.5	384.0	466.2
Total assets		756.9	671.4	852.9
Liabilities				
Current liabilities				
Loans and borrowings		(9.7)	(3.3)	(4.8)
Current tax liabilities		(11.3)	(18.0)	(15.1)
Trade and other payables		(266.3)	(281.9)	(323.1)
Provisions		(6.7)	(7.2)	(8.4)
		(294.0)	(310.4)	(351.4)
Non-current liabilities				
Loans and borrowings		(113.0)	(93.0)	(128.4)
Retirement benefit liabilities		(17.2)	(13.9)	(13.6)
Deferred tax liabilities		(14.4)	(5.3)	(16.5)
Provisions		(4.4)	(3.3)	(4.4)
Other liabilities		(21.8)	(10.0)	(36.0)
		(170.8)	(125.5)	(198.9)
Total liabilities		(464.8)	(435.9)	(550.3)
Net assets		292.1	235.5	302.6
Equity				
Share capital		6.6	6.6	6.6
Share premium account		37.8	37.6	37.6
Capital redemption reserve		7.6	7.6	7.6
Translation reserve		23.1	7.4	43.9
Retained earnings		206.8	167.1	194.0
Equity attributable to equity holders of the parent		281.9	226.3	289.7
Minority interests		10.2	9.2	12.9
Total equity		292.1	235.5	302.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2009

	Share capital	Share premium account	Capital redemption reserve	Translation reserve	Retained earnings	Minority interest	Total equity
	£m	£m	£m	£m	£m	£m	£m
At 30 June 2008	6.6	37.6	7.6	7.4	167.1	9.2	235.5
At 31 December 2008	6.6	37.6	7.6	43.9	194.0	12.9	302.6
Total comprehensive income	–	–	–	(20.8)	23.2	(0.3)	2.1
Dividends	–	–	–	–	(8.8)	(2.4)	(11.2)
Share capital issued	–	0.2	–	–	–	–	0.2
Shares repurchased	–	–	–	–	(1.6)	–	(1.6)
At 30 June 2009	6.6	37.8	7.6	23.1	206.8	10.2	292.1

CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2009

Note	Half year to 30 June 2009 £m	Half year to 30 June 2008 £m	Year to 31 December 2008 £m
Cash flows from operating activities			
	42.8	56.1	119.4
	–	(1.4)	(2.7)
	42.8	54.7	116.7
	16.8	10.9	24.2
	0.5	0.2	0.7
	–	(0.1)	0.3
	–	0.6	1.3
	(1.8)	(1.1)	(1.2)
	58.3	65.2	142.0
	4.4	(14.1)	(12.4)
	(0.8)	(32.3)	0.1
	(24.5)	30.4	11.0
	2.7	(5.6)	(2.3)
	40.1	43.6	138.4
	(2.4)	(2.2)	(4.7)
	(14.5)	(11.9)	(27.9)
	23.2	29.5	105.8
Cash flows from investing activities			
	0.2	0.3	0.6
	0.6	0.5	3.0
	(7.6)	(2.5)	(14.1)
	(23.2)	(30.0)	(68.2)
	(0.5)	–	(1.4)
	(2.0)	(1.4)	(1.7)
	(32.5)	(33.1)	(81.8)
Cash flows from financing activities			
	0.2	–	–
	(1.6)	(7.1)	(17.5)
	11.5	20.0	25.3
	(10.5)	(5.3)	(6.6)
	(0.7)	(0.8)	(2.0)
	(11.3)	(10.2)	(15.9)
	(12.4)	(3.4)	(16.7)
	(21.7)	(7.0)	7.3
	46.5	26.1	26.1
	(4.0)	1.9	13.1
	20.8	21.0	46.5

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

HALF YEAR ENDED 30 JUNE 2009

1 Basis of preparation

The condensed financial statements included in this interim financial report have been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2008. The same accounting policies and presentation are followed in the financial statements that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2008 apart from the following:

The Company has adopted the following standards and interpretation: IAS 1 Presentation of Financial Statements (as revised in 2007), IFRS 8 Operating Segments and IFRIC 16 Hedges of a Net Investment in a Foreign Operation. The adoption of these standards and interpretation did not have a material impact on the condensed consolidated financial statements.

The figures for the year ended 31 December 2008 are not statutory accounts but have been extracted from the Group's statutory accounts for that financial year. The auditor's report on those accounts was not qualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies.

The financial information in this interim financial report for the half years ended 30 June 2009 and 30 June 2008 has neither been reviewed, nor audited.

The key risks and uncertainties facing the Group, as explained in the Group's Annual Report for the year ended 31 December 2008, continue to be: market cycles, acquisitions, technical risk and people.

2 Foreign currencies

The exchange rates used in respect of principal currencies are:

	Average for period			Period end		
	Half year to 30 June 2009	Half year to 30 June 2008	Year to 31 December 2008	Half year to 30 June 2009	Half year to 30 June 2008	Year to 31 December 2008
US dollar:	1.49	1.98	1.86	1.65	2.00	1.45
Euro:	1.12	1.29	1.26	1.18	1.26	1.03
Australian dollar:	2.10	2.14	2.19	2.05	2.08	2.10

3 Segmental analysis

The Group has four reportable segments which represent the four geographical regions by which the Board monitors the business.

The Group considers that it offers only one service, specialist construction activities. There have been no material changes to the assets of these segments since the year end. Revenue and operating profit of the four reportable segments is given below:

	Revenue			Operating profit		
	Half year to 30 June 2009 £	Half year to 30 June 2008 £	Year to 31 December 2008 £	Half year to 30 June 2009 £	Half year to 30 June 2008 £	Year to 31 December 2008 £
UK	30.7	44.8	85.2	(0.4)	2.2	2.7
US	268.0	245.5	532.1	18.6	22.1	52.1
CEMEA ¹	191.1	204.4	442.2	20.4	23.8	49.9
Australia	62.8	74.0	137.1	6.2	10.7	19.4
	552.6	568.7	1,196.6	44.8	58.8	124.1
Central items and eliminations	–	–	–	(2.0)	(2.7)	(4.7)
Continuing operations	552.6	568.7	1,196.6	42.8	56.1	119.4

¹ Continental Europe, Middle East and Asia.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

CONTINUED

4 Taxation

Taxation from continuing operations, representing management's best estimate of the average annual effective income tax rate expected for the full year, based on the profit before tax is: 32.0% (half year ended 30 June 2008: 33.0%; year ended 31 December 2008: 31.7%).

5 Dividends paid to equity holders of the parent

Ordinary dividends on equity shares:

	Half year to 30 June 2009 £m	Half year to 30 June 2008 £m	Year to 31 December 2008 £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2008 of 13.8p (2007: 12.0p) per share	8.8	7.9	7.9
Interim dividend for the year ended 31 December 2008 of 6.9p per share	–	–	4.4
	8.8	7.9	12.3

In addition to the above, an interim ordinary dividend of 7.25p per share (2008: 6.9p) will be paid on 2 November 2009 to shareholders on the register at 9 October 2009. This proposed dividend has not been included as a liability in these financial statements and will be accounted for in the period in which it is paid.

6 Earnings per share

Earnings for the purposes of calculating the basic and diluted earnings per share from continuing operations were £26.9m (half year ended 30 June 2008: £34.1m; year ended 31 December 2008: £72.5m).

The weighted average number of shares for the purposes of calculating the basic and diluted earnings per share from continuing operations was 63.9m (half year ended 30 June 2008: 66.0m; year ended 31 December 2008: 65.2m) and 65.1m (half year ended 30 June 2008: 66.4m; year ended 31 December 2008: 66.4m) respectively.

During the period, the Company purchased 330,000 shares specifically to satisfy Performance Share Plan awards. The average cost of purchased shares was £4.81. All shares issued related to share options exercised. The total number of shares held in Treasury was 2.3m (30 June 2008: 1.2m, 31 December 2008: 2.2m).

7 Analysis of closing net debt

	As at 30 June 2009 £	As at 30 June 2008 £	As at 31 December 2008 £
Bank balances	25.7	21.5	47.5
Short-term deposits	1.7	0.4	1.1
Cash and cash equivalents in the balance sheet	27.4	21.9	48.6
Bank overdrafts	(6.6)	(0.9)	(2.1)
Cash and cash equivalents in the cash flow statement	20.8	21.0	46.5
Bank and other loans	(113.1)	(91.4)	(127.1)
Finance leases	(3.0)	(4.0)	(4.0)
Closing net debt	(95.3)	(74.4)	(84.6)

8 Related party transactions

Transactions between the parent, its subsidiaries and jointly controlled operations, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the period the Group undertook various contracts with a total value of £3.8m (half year to 30 June 2008: £4.8m, year ended 31 December 2008: £9.7m) for GTCEISU Construcción, S.A., a connected person of Mr López Jiménez, a Director of the Company. An amount of £5.7m (30 June 2008: £5.9m, 31 December 2008: £8.0m) is included in trade and other receivables in respect of amounts outstanding as at 30 June 2009. During the period the Group made purchases from GTCEISU Construcción, S.A. with a total value of £2.7m (half year to 30 June 2008: £2.4m, year ended 31 December 2008: £5.6m). An amount of £5.1m (30 June 2008: £4.1m, 31 December 2008: £4.1m) is included in trade and other payables in respect of amounts outstanding as at 30 June 2009.

All amounts outstanding from related parties are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with IAS 34 – Interim Financial Reporting;
- b) the interim management report includes a fair review of the information required by DTR 4.2.7R – indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year; and
- c) the interim management report includes a fair review of the information required by DTR 4.2.8R – disclosure of related party transactions and changes therein.

By order of the Board

J R Atkinson Chief Executive

J W G Hind Finance Director

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