For immediate release *Monday, 3 March 2014*

Keller Group plc
Full Year Results for the year ended 31 December 2013

Keller Group plc ("Keller" or "the Group"), the international ground engineering specialist, is pleased to announce its full-year results for the year ended 31 December 2013.

Results summary:			
	2013	2012	**% change**
Revenue	**£1,438.2m**	£1,317.5m	**+9%**
EBITDA*	**£124.2m**	£91.9m	**+35%**
Operating profit*	**£77.8m**	£48.3m	**+61%**
Profit before tax*	**£74.1m**	£43.5m	**+70%**
Earnings per share*	**73.0p**	45.9p	**+59%**
Cash generated from operations	**£132.0m**	£108.4m	**+22%**
Total dividend per share	**24.0p**	22.8p	**+5%**

* 2013 results stated before exceptional items comprising non-trading costs related to acquisitions.

Highlights include:

- Record revenue of £1,438.2m (2012: £1,317.5m), up 9%
- Operating margin* raised to 5.4% (2012: 3.7%), with increases in all four divisions
- Profit before tax* increased to £74.1m (2012: £43.5m)
- Earnings per share* of 73.0p (2012: 45.9p)
- Cash from operations of £132.0m, representing 106% of EBITDA* (2012: 118%)
- Total dividend per share of 24.0p (2012: 22.8p), an increase of 5%
- Three strategic acquisitions completed at a cost of £188.5m and integration progressing well

Justin Atkinson, Keller Chief Executive said:

"All four divisions improved their operating margin. This reflects a sharp focus on continuous improvement in many aspects of the business, as well as an excellent performance on several major projects and improving conditions in certain of our markets.

"The three acquisitions we completed in the year give the Group market-leading positions in target markets offering attractive, long-term growth opportunities."

"Overall, we expect 2014 to be another year of progress. Looking further ahead, we remain optimistic about our long-term prospects and we are confident that the Group is well positioned to take full advantage of future opportunities."

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A presentation for analysts will be held at 9.30am at The Lincoln Centre,
18 Lincoln's Inn Fields, London WC2A 3ED
A live audio webcast will be available from 9.30am and, on demand, from 2.00pm at
http://www.keller.co.uk/keller/investor/result-centre/latest-results/
Print resolution images are available for the media to download from
www.vismedia.co.uk

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 £1.5bn, Keller has approximately 9,000 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.

Cautionary Statements:

This document contains certain 'forward looking statements' with respect to Keller's financial condition, results of operations and business and certain of Keller's plans and objectives with respect to these items.

Forward looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'potential', 'reasonably possible', 'targets', 'goal' or 'estimates'. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Group operates; changes in the regulatory and competition frameworks in which the Group operates; the impact of legal or other proceedings against or which affect the Group; and changes in interest and exchange rates.

All written or verbal forward looking statements, made in this document or made subsequently, which are attributable to Keller or any other member of the Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. Keller does not intend to update these forward looking statements.

Nothing in this document should be regarded as a profits forecast.

This document is not an offer to sell, exchange or transfer any securities of Keller Group plc or any of its subsidiaries and is not soliciting an offer to purchase, exchange or transfer such securities in any jurisdiction. Securities may not be offered, sold or transferred in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act of 1933 (as amended).

Chairman's statement

I am pleased to report a year of further improvement in terms of our financial results and the progress made against our strategic objectives.

Financial results[1]

Group revenue rose by 9% to £1,438.2m (2012: £1,317.5m). Stripping out the effects of acquisitions and foreign exchange movements, the Group's revenue was up by 2%. The operating profit increased to £77.8m, compared with £48.3m in the previous year. Profit before tax increased to £74.1m (2012: £43.5m) and earnings per share were 73.0p (2012: 45.9p).

All four divisions improved their operating margin, resulting in a significant increase in the Group operating margin from 3.7% in 2012 to 5.4%. This marks further progress in raising the margin towards our through-the-cycle target of 6.5%. The margin uplift reflects a sharp focus on continuous improvement in many aspects of the business, as well as an excellent performance on several major projects and improving conditions in certain of our markets.

Cash flow and net debt[2]

Cash generated from operations was £132.0m, representing 106% of EBITDA. Cash generated was significantly up on last year's £108.4m (118% of EBITDA), as a result of the Group's improved profitability and the relentless focus across the business on maximising cash generation.

Year-end net debt was £143.7m (2012: £51.2m), representing 1.2x EBITDA. The increase is due to our investment in the year in acquisitions totaling £200.4m (2012: £nil), partly offset by £57.6m of net proceeds from the placing of 6.6m shares in connection with our acquisition of North American Piling, since re-branded as Keller Canada, which completed in July 2013.

Net capital expenditure of £42.6m (2012: £32.7m) was in line with depreciation.

The financial position of the Group remains very strong. There is comfortable headroom in the Group's main financing facilities and we continue to operate well within all of our financial covenants.

Dividends

In light of these improved results and the Board's confidence in the Group's prospects, the Board has decided to recommended a final dividend of 16.0p per share (2012: 15.2p per share), to be paid on 13 June 2014 to shareholders on the register at 6 June 2014. Together with the interim dividend paid of 8.0p, this brings the total dividend per share for the year to 24.0p (2012: 22.8p), an increase of 5%. Dividend cover for the full year was 3.0x (2012: 2.0x).

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[1] 2013 results stated before exceptional items of £22.1m, before tax. These are non-trading items relating to acquisitions and comprise £6.7m of amortisation of acquired intangible assets; £5.9m of acquisition costs; £6.0m of contingent consideration and payments; £3.1m of goodwill impairments; and £0.4m of exceptional finance costs.

[2] Net debt represents total loans and borrowings less cash and short-term deposits.

Strategy

In 2013 we made good progress against our strategy – to extend further our global leadership in specialist ground engineering through both organic growth and targeted acquisitions – with the completion of three strategic acquisitions in attractive markets.

Our January acquisition of Geo-Foundations, a small geotechnical business based in Toronto, was followed by a second, much larger Canadian acquisition in July. The addition to the Group of Keller Canada, for an initial consideration of £151m, increases the Group's exposure to the North American energy and resources sector, including the Alberta oil sands segment. It also provides the opportunity to develop broader customer relationships and to expand the Group's presence in the relatively under-developed Canadian geotechnical segment. Through this acquisition, we have secured a leading position in this key target market and consolidated our position as the clear market leader in North America.

In November, we acquired Esorfranki Geotechnical, the largest ground engineering business in South Africa, for an initial consideration of £31m. The business, since re-branded as Franki Africa, offers design and build services to the mining, civil engineering and construction industries and has a strong track record of executing projects in other Sub-Saharan African countries, which accounted for around half of its revenue in recent years.

These acquisitions, together with our success in winning work by offering value-engineered solutions and a continuation of our business improvement initiatives, now embedded in our day-to-day operations, have all combined to strengthen the Group's global leadership position.

Employees

We could not have accomplished so much in the year without the hard work of our employees across the world. The Board and the Executive Committee truly appreciate the care and skill with which colleagues approach their work and, in particular, their contribution towards our safety improvement efforts. We will continue to strive to create an environment in which our employees can thrive and feel proud to work.

Board

Gerry Brown and Bob Rubright served on the Board until 23 May 2013. David Savage stood down on 3 October 2013, creating a vacancy on the Board for a Non-executive Director. We thank all three for their contributions. We commenced an externally facilitated search in November 2013, which is progressing positively and we will report on the outcome in due course.

Outlook

Looking ahead, we expect to see a continuation of the gradual improvement in certain of our markets, notably in the US. However, most of our European markets are expected to remain subdued and we anticipate that the current uncertain market conditions in Australia will continue for some time.

For the Group as a whole, contract awards remain at a healthy level and accordingly, the value of the like-for-like order book at the end of January 2014, for work to be executed over the following 12 months, was 6% higher than at the previous January.

In 2014, our focus will be on continuing to drive margin improvement in our established businesses, together with delivering value from our recent acquisitions and achieving the synergies between them and other parts of the Group. We have made good progress in integrating the acquisitions and their full-year 2014 contribution is forecast to be in line with our expectations at the time of acquisition.

Overall, we expect 2014 to be another year of progress, despite the adverse impact of foreign exchange movements and the extreme weather conditions in North America in the first two months of the year.

Looking further ahead, we remain optimistic about our long-term prospects and we are confident that the Group is well positioned to take full advantage of future opportunities.

Operating Review

Conditions in our major markets

In the US, which remains by far our biggest market, total construction expenditure last year was 5% ahead of 2012. The main driver of growth was once again the improving residential market, with housing starts up 17% year on year to reach their highest level since 2007. Private non-residential construction was broadly flat, with reduced construction expenditure in the power segment offset by increases in most other segments. As expected, the contraction in publicly-funded construction continued for the third consecutive year, down 3% on 2012.

In Canada, the second half of the year saw a pause in the award of major projects in the resources-related segment of the construction market, although there are early signs of activity levels now picking up. Demand in the commercial, residential and infrastructure segments remained steady.

Continued economic uncertainty in Europe meant that recovery in construction demand was patchy and somewhat fragile, with challenging conditions persisting in most of our markets, particularly in Southern Europe. Within the Middle East, we saw more projects getting underway, although competition remained intense.

Elsewhere, conditions in our Asian markets were mixed: the strength of the oil and gas sector helped to underpin demand in some parts of the region, such as Malaysia, Singapore and Indonesia; whereas in India, the start of key infrastructure projects continued to be hampered by wider economic issues. In Australia, where resources-related construction has lost much of its momentum, the commercial and infrastructure segments remained subdued.

Operations

North America

Results summary*:		
	2013	2012
Revenue	**£699.4m**	£581.9m
Operating profit	**£51.6m**	£32.0m
Operating margin	**7.4%**	5.5%

* 2013 results stated before exceptional items

Our total revenue from North America was up by 20%, with like-for-like revenue growth of 5%. The trading environment remains competitive in many regions and sectors; however, the overall improvement in market conditions, together with measures taken to improve business efficiency, resulted in an operating margin of 7.4% (2012: 5.5%), building on the previous year's margin recovery.

The full-year operating profit of £51.6m (2012: £32.0m) reflects improvements across the board, with all five existing businesses ahead of the previous year.

US

Hayward Baker

The largest of our North American businesses, Hayward Baker, ended the year strongly. Historically, this business has been successful in undertaking a broad portfolio of small to medium sized contracts. Whilst Hayward Baker remains committed to this base business, in recent years it has also targeted more major projects, to good effect. One of its best performing contracts in 2013 was the I-635 managed lanes project in Dallas, where it is installing earth retention systems for new managed high-occupancy vehicle lanes. A good operational performance was reflected in scope changes over a period of time, which increased the value of this contract to $56m (£34m).

As part of its major projects drive, Hayward Baker teamed up with HJ during the year on an ongoing contract to install CFA piles, a piled wall and a bottom-seal slab for a luxury condominium development at Miami's South Beach. This type of project is evidence of the growing strength of the Miami commercial market. A second, larger contract to construct another bottom-seal slab for a commercial development in Florida was awarded towards the end of the year. More recently, as announced on 13 February, Hayward Baker was awarded a specialty jet grouting contract worth $41m (£25m) in connection with the City of Seattle's Elliott Bay seawall project.

Piling Companies

The successful completion of two major transmission-line projects, both of which were started in 2012, made an important contribution to the 2013 results. As we anticipated, the slowdown in the transmission lines market segment, coupled with increased competition in recent years, meant there were fewer opportunities in the second half of the year, although we remain optimistic about our future participation in this market segment.

Our US piling companies worked across a broad range of other market segments, often working together on larger projects or with Hayward Baker to deliver multi-product solutions. One such project was the Hudson Yards redevelopment, where Case and Hayward Baker worked together on the foundations for Tower C, the first of the structures to be built at this project.

Suncoast

Suncoast's revenue increased by 19%, which compares favourably with a year-on-year increase in housing starts of 17%. Profit in the year was well ahead of last year, as the business continued to take full advantage of the recovery in the US residential market and a strengthening of the high-rise market throughout the country. Suncoast has been steadily increasing production to meet this growing demand and re-started fabrication at its Miami facility in the second half of the year.

Canada
In January, we acquired Geo-Foundations in Canada, a key target market for the Group. Geo-Foundations principally serves eastern Canada, where it specialises in geotechnical services which are still relatively new to the market.

Our presence in Canada was significantly scaled up through the complementary acquisition in July of Keller Canada - one of the country's largest foundations businesses, based in western Canada and employing approximately 400 people. The business offers a broad range of piling-related solutions to construction markets across Canada, including the Alberta oil sands region.

The integration of these two strategic acquisitions is progressing well; they are performing in line with our expectations at the time of acquisition; and we remain confident about the synergies that will come from further co-operation between them and our other North American businesses.

Europe, Middle East & Africa (EMEA)

Results summary*:		
	2013	2012
Revenue	**£399.2m**	£358.6m
Operating profit	**£6.8m**	£2.2m
Operating margin	**1.7%**	0.6%

* 2013 results stated before exceptional items

Despite the challenging market conditions, like-for-like revenue from EMEA increased by 7%. Operating profit trebled, reflecting improvements in performance across most of the businesses in this division.

Europe
In general, conditions in our more mature European markets were stable but still very challenging and our response was to continue with our self-help measures. This ongoing programme of cost controls and business improvements has been an important driver behind the division's profit recovery.

Once again, our German subsidiary produced a strong result, with good contributions too from the UK and several of our smaller European companies. Careful selection and execution of work in French-speaking territories overseas offset ongoing weakness in our French business's home market.

The improved result was also helped by good contributions from our large projects, several of which have recently completed or neared completion. These include the Gdansk Tunnel contract in Poland; and our largest contract to date in Russia, in connection with a new residential complex in central Moscow.

In London, we recently reached a major milestone at the Victoria Station upgrade project, with the completion of 2,000 jet grout columns. Our work on the project is expected to complete by the end of the year. At Crossrail, our second major London project, pre-treatment grouting, prior to tunnelling operations, was successfully completed during 2013, whilst ongoing grout injections concurrent with the tunnelling operations are expected to continue until mid-2014.

Middle East and Africa
Although trading in the Middle East remained relatively subdued, there were signs of revival in some of our Middle Eastern markets, with an increasing number of large projects on the horizon, albeit that the competition remains intense.

In November, we acquired Franki Africa, the largest ground engineering business in South Africa, offering design and build services to the mining, civil engineering and construction industries and with a strong track record of executing projects in other parts of the continent. We believe that this acquisition will accelerate our entry into selected Sub-Saharan construction markets, where around half of Franki Africa's revenue has been earned in recent years and where significant growth is expected over the medium to long term, fuelled by major infrastructure and resources-related projects.

The integration process, whilst still at an early stage, is progressing as planned.

Latin America
Brazil reported an improved result and the development of this business continues, with further investment in new equipment and a broadening of its product range. However, we are approaching expansion prudently and carefully managing the country-specific risks.

During the year we established small sales offices in Mexico, Chile and Panama where, in recent years, we have been deploying resources from our Spanish business to undertake selected contracts.

EMEA Organisation
With an increasing share of revenue coming from outside Europe, two recent organisational changes have been introduced: firstly, Jim De Waele, who previously ran our North West Europe business, has been made responsible for our entire European business. Jim reports to Eddie Falk, who heads up the EMEA division and who is now able to devote himself more fully to our newer, high-growth markets. In addition, dedicated resource has been focused on getting maximum collaboration on large and complex projects which require design expertise and multi-product solutions. We believe these changes will sharpen our focus on the opportunities in Africa, the Middle East and Latin America.

Asia

Results summary:		
	2013	2012
Revenue	**£96.2m**	£118.6m
Operating profit	**£9.0m**	£9.5m
Operating margin	**9.4%**	8.0%

As we expected, revenue from Asia lagged behind the previous year, mainly reflecting the absence of a major project in Malaysia to replace the contract for Vale. However, operating profit for the full year was not far behind the 2012 result, helped by a strong finish on a number of projects.

ASEAN Region
The results reflect another strong contribution from Malaysia. Following a broadening of the product range to include piling services in 2012, we undertook several significant piling contracts during the year, including piled foundations for a major new shopping complex; and piling, load testing and specialty grouting works for a 70-acre mixed-use development, both in Kuala Lumpur.

Singapore reported a strong result, helped by a good performance at the Jurong Shipyard development, where we are undertaking ground improvement works for the construction of a large hull workshop. Good progress was made on our major contract at Sengkang, where we are building the foundations for a new hospital project and, with 10 piling rigs currently in operation, our work there looks likely to finish ahead of the scheduled Q3 2014 completion date.

Work continued at the site of our largest job to date in Indonesia, where we are reinforcing the soils for a new oil tanks storage terminal on Karimun Island. By the year end, the job was almost complete, with 27 of the required 30 tank foundations constructed.

India

At the half year, we reported on the challenges associated with this market. Since then, there has been no discernible improvement in the trading environment and the risk of non-payment remains an issue. Our local management team has dealt with the risk prudently, by very careful contract selection and close monitoring of stage payments; however, the growth of our business in India may be impeded in the short-term, until the wider economic issues are resolved.

Australia

Results summary*:		
	2013	2012
Revenue	**£243.4m**	£258.4m
Operating profit	**£15.6m**	£8.7m
Operating margin	**6.4%**	3.4%

* 2013 results stated before exceptional items

As we reported at the half-year stage, the resources sector of Australia's construction market has been less buoyant than in recent years and the commercial and infrastructure segments remain subdued.

Overall, however, Keller Australia fared better than the market conditions might suggest, with a significant increase in operating profit on broadly flat revenue in local currency terms. This improved performance reflects a continued strengthening of its risk management processes, better contract selection and a particularly strong performance on some of its larger contracts.

Most significant of these is the A$220m (£118m) piling contract for an on-shore LNG processing plant at Wheatstone in Western Australia, which is progressing well with around 9,500 piles installed at the year end, making the contract around 40% complete. Wheatstone is undoubtedly a key contract for Keller and represents an important reference project for other companies in the Group who are targeting major LNG projects elsewhere in the world.

The A$159m (£85m) Australia Pacific LNG project, which was undertaken in a 50:50 joint venture with a local civil construction company and which completed in May, provided a significant underpin to the first-half result. In the second half, good contributions came from a number of large, ongoing contracts, such as our work at the Ichthys LNG Project in Darwin, which started in May and is expected to continue through to summer 2014; and the Perth Stadium project, where we are installing wick drains and carrying out dynamic compaction.

Financial Review

Results

Trading results

The Group's total revenue in 2013 was £1,438.2m, an increase of 9% on 2012. Stripping out the effects of foreign exchange movements and acquisitions made during the year, 2013 revenue was 2% up on 2012, with increases in North America and EMEA partly offset by a decrease in Asia.

EBITDA was £124.2m, compared to £91.9m in 2012 and operating profit was £77.8m, a significant increase on the £48.3m in 2012. The Group operating margin increased from 3.7% to 5.4%, with all divisions increasing their operating margins. This is due to a combination of strong margins earned on a number of large projects, the continuing benefits of our business improvement initiatives and improving market conditions in some countries.

In North America, which represented 49% of Group revenue, operating profit increased from £32.0m in 2012 to £51.6m in 2013. This was largely attributable to the much improved profitability of the Group's North American foundation contracting businesses, which are benefitting from the gradual improvement in the US private non-residential construction sector. In addition, Suncoast continues to show the benefits of many years of operational improvements as the US residential market continues to recover from all-time low levels of activity. The results were also helped by two acquisitions in Canada during the year; Geo-Foundations in January and the much larger Keller Canada in July. Taken together, these contributed revenue of £78.6m and an operating profit of £9.5m, in line with the Group's expectations at the time of acquisition.

In EMEA, conditions in our key markets remain mixed and in those regions where there have been signs of improvement, recovery continues to be somewhat fragile. Despite this, both revenue and operating profit for EMEA were higher than in 2012, with the margin improvement largely attributable to the continuing benefit of cost reductions and business improvement initiatives.

As expected, revenue and operating profit in Asia decreased compared to 2012 primarily as a result of not having a major contract in Malaysia to replace the contract for Vale that completed early in 2013. The operating margin, however, increased from 8.0% in 2012 to 9.4%.

In Australia, Australian dollar revenue was flat but revenue was down 6% on 2012 expressed in sterling, due to the weakening of the Australian dollar. However, operating profit increased from £8.7m in 2012 to £15.6m in 2013, mainly due to a strong performance on some of its larger contracts in the resources sector.

The Group's trading results are discussed more fully in the Chairman's statement and the operating review.

Net finance costs

Net finance costs before exceptional items decreased from £4.8m in 2012 to £3.7m in 2013. This decrease mainly reflects higher non-cash income from financial assets. Net interest on debt and cash was consistent with 2012.

Tax
The Group's effective tax rate before exceptional items was 32%, slightly up from 31% in 2012, reflecting the different geographic mix of profits.

Earnings and dividends
Earnings per share (EPS) before exceptional items increased to 73.0p (2012: 45.9p). The Board has recommended a final dividend of 16.0p per share, which brings the total dividend to be paid out of 2013 profits to 24.0p, a 5% increase on 2012. The 2013 dividend is covered 3.0 times by earnings. Earnings per share after exceptional items were 43.2p.

Exceptional items
The 2013 result includes a number of non-trading exceptional items relating to acquisitions, which are required to be expensed under IFRS. There were no such items in 2012.

The exceptional items totalled £22.1m, comprising £6.7m of amortisation of intangible assets recognised on the 2013 acquisitions, £5.9m of acquisition costs, additional contingent consideration and payments of £6.0m, £3.1m of goodwill impairments and £0.4m of exceptional finance costs. The vast majority of additional contingent consideration and payments relates to the 2010 acquisition of Waterway Constructions in Australia and is payable because its trading results exceeded expectations.

Cash flow and financing
The Group has always placed a high priority on cash generation and the active management of working capital. In 2013, cash generated from operations was £132.0m, representing 106% of EBITDA before exceptional items (2012: 118%). Year-end working capital was £124.1m, which is slightly lower than 2012 after adjusting for the impact of acquisitions. Net capital expenditure totalled £42.6m, which compares to depreciation of £45.0m.

The Group made three strategic acquisitions during the year at a total cash cost of £188.5m. These were financed through a combination of drawing down on existing bank facilities, a placing of ordinary shares, representing 10% of the then existing share capital and which raised net proceeds of £57.6m, and a new US$150m four year revolving credit facility. Including acquisition costs, the contingent consideration paid on Waterway Constructions and the acquisition of the minority shareholding in Keller-Terra in Spain, the total expenditure on acquisitions in the year was £200.4m.

At 31 December 2013, net debt amounted to £143.7m (2012: £51.2m). Based on net assets of £372.6m, year-end gearing was 39% compared to 15% at the beginning of the year.

The Group's term debt and committed facilities mainly comprise US$110m of US private placements, US$70m of which is repayable in October 2014 and US$40m of which is repayable in August 2018, a £170m multi-currency syndicated revolving credit facility expiring in April 2015 and a US$150m multi-currency syndicated revolving credit facility expiring in July 2017. At the year end, the Group had undrawn committed and uncommitted borrowing facilities totalling £165.3m.

The most significant covenants in respect of our main borrowing facilities relate to the ratio of net debt to EBITDA, EBITDA interest cover and the Group's net worth. The Group is operating well within its covenant limits.

With US$70m of US private placement borrowings being repayable in October 2014 and the £170m multi-currency syndicated revolving credit facility expiring in April 2015, the Group anticipates refinancing some of its debt facilities during the course of the year.

Capital structure
The Group's capital structure is kept under constant review, taking account of the need for, availability and cost of various sources of finance.

Pensions
The Group has defined benefit pension arrangements in the UK, Germany and Austria. The Group closed its UK defined benefit scheme for future benefit accrual with effect from 31 March 2006 and existing active members transferred to a new defined contribution arrangement. The last actuarial valuation of the UK scheme was as at 5 April 2011, when the market value of the scheme's assets was £31.8m and the scheme was 82% funded on an ongoing basis. Following the valuation, the level of contributions remained at £1.5m a year, a level which will be reviewed following the finalisation of the triennial actuarial valuation as at 5 April 2014.

The 2013 year-end IAS 19 valuation of the UK scheme showed assets of £35.0m, liabilities of £44.7m and a pre-tax deficit of £9.7m.

In Germany and Austria, the defined benefit arrangements only apply to certain employees who joined the Group prior to 1991. There are no segregated funds to cover these defined benefit obligations and the respective liabilities are included on the Group balance sheet. These totalled £13.4m at 31 December 2013.

All other pension arrangements in the Group are of a defined contribution nature.

Management of financial risks

Currency risk
The Group faces currency risk principally on its net assets, most of which are in currencies other than sterling. The Group aims to reduce the impact that retranslation of these assets might have on the balance sheet by matching the currency of its borrowings, where possible, with the currency of its assets. The majority of the Group's borrowings are held in US dollars, Canadian dollars, euros and Australian dollars, in order to provide a hedge against these currency net assets.

The Group manages its currency flows to minimise currency transaction exchange risk. Forward contracts and other derivative financial instruments are used to hedge significant individual transactions. The majority of such currency flows within the Group relate to repatriation of profits, intra-Group loan repayments and any foreign currency cash flows associated with acquisitions. The Group's foreign exchange cover is executed primarily in the UK.

The Group does not trade in financial instruments, nor does it engage in speculative derivative transactions.

Interest rate risk
Interest rate risk is managed by mixing fixed and floating rate borrowings depending upon the purpose and term of the financing. As at 31 December 2013, 86% of the Group's third-party borrowings bore interest at floating rates.

Credit risk
The Group's principal financial assets are trade and other receivables, bank and cash balances and a limited number of investments and derivatives held to hedge certain of the Group's liabilities. These represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group has stringent procedures to manage counterparty risk and the assessment of customer credit risk is embedded in the contract tendering processes. Customer credit risk is mitigated by the Group's relatively small average contract size, its diversity, both geographically and in terms of end markets, and by taking out credit insurance in many of the countries in which the Group operates. No individual customer represented more than 5% of revenue in 2013.

The counterparty risk on bank and cash balances is managed by limiting the aggregate amount of exposure to any one institution by reference to their credit rating and by regular reviews of these ratings.

Consolidated income statement

For the year ended 31 December 2013

	Note	2013 Before exceptional items £m	2013 Exceptional items (Note 5) £m	2013 £m	2012 £m
Revenue	3	**1,438.2**	**-**	**1,438.2**	1,317.5
Operating costs		**(1,360.4)**	**(21.7)**	**(1,382.1)**	(1,269.2)
Operating profit	3	**77.8**	**(21.7)**	**56.1**	48.3
Finance income		**3.1**	**-**	**3.1**	1.9
Finance costs		**(6.8)**	**(0.4)**	**(7.2)**	(6.7)
Profit before taxation		**74.1**	**(22.1)**	**52.0**	43.5
Taxation		**(23.8)**	**1.9**	**(21.9)**	(13.5)
Profit for the period		**50.3**	**(20.2)**	**30.1**	30.0
Attributable to:					
Equity holders of the parent		**49.5**	**(20.2)**	**29.3**	29.5
Non-controlling interests		**0.8**	**-**	**0.8**	0.5
		50.3	**(20.2)**	**30.1**	30.0
Earnings per share					
Basic earnings per share	7	**73.0p**		**43.2p**	45.9p
Diluted earnings per share	7	**71.9p**		**42.6p**	45.0p

Consolidated statement of comprehensive income

For the year ended 31 December 2013

	2013 £m	2012 £m
Profit for the period	**30.1**	30.0
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(23.9)**	(5.9)
Net investment hedge losses	**(3.0)**	(0.5)
Cash flow hedge gains taken to equity	**1.8**	4.4
Cash flow hedge transfers to income statement	**(1.8)**	(4.4)
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit pension schemes	**(5.7)**	(2.8)
Tax on remeasurements of defined benefit pension schemes	**1.1**	0.7
Other comprehensive income for the period, net of tax	**(31.5)**	(8.5)
Total comprehensive income for the period	**(1.4)**	21.5
Attributable to:		
Equity holders of the parent	**(1.9)**	21.4
Non-controlling interests	**0.5**	0.1
	(1.4)	21.5

Consolidated balance sheet

As at 31 December 2013

	Note	**2013 £m**	2012 £m
ASSETS			
Non-current assets			
Intangible assets		**187.9**	97.2
Property, plant and equipment		**281.9**	248.5
Deferred tax assets		**7.9**	9.3
Other assets		**14.9**	14.9
		492.6	369.9
Current assets			
Inventories		**62.0**	41.3
Trade and other receivables		**414.5**	347.1
Current tax assets		**5.4**	6.9
Cash and cash equivalents		**53.3**	57.0
		535.2	452.3
Total assets	3	**1,027.8**	822.2
LIABILITIES			
Current liabilities			
Loans and borrowings		**(48.7)**	(3.5)
Current tax liabilities		**(8.8)**	(11.2)
Trade and other payables		**(352.4)**	(290.8)
Provisions		**(11.3)**	(8.1)
		(421.2)	(313.6)
Non-current liabilities			
Loans and borrowings		**(148.3)**	(104.7)
Retirement benefit liabilities		**(23.1)**	(18.2)
Deferred tax liabilities		**(21.9)**	(18.5)
Provisions		**(4.8)**	(4.4)
Other liabilities		**(35.9)**	(27.1)
		(234.0)	(172.9)
Total liabilities	3	**(655.2)**	(486.5)
Net assets	3	**372.6**	335.7
EQUITY			
Share capital	8	**7.3**	6.6
Share premium account		**38.1**	38.1
Capital redemption reserve	8	**7.6**	7.6
Translation reserve		**10.0**	36.6
Other reserve	8	**56.9**	-
Retained earnings		**247.9**	236.7
Equity attributable to equity holders of the parent		**367.8**	325.6
Non-controlling interests		**4.8**	10.1
Total equity		**372.6**	335.7

Consolidated statement of changes in equity

For the year ended 31 December 2013

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Translation reserve £m	Other reserve £m	Hedging reserve £m	Retained earnings £m	**Attributable to equity holders of the parent £m**	Non-controlling interests £m	**Total equity £m**
At 1 January 2012	6.6	38.1	7.6	42.6	-	-	222.7	**317.6**	9.2	**326.8**
Profit for the period	-	-	-	-	-	-	29.5	**29.5**	0.5	**30.0**
Other comprehensive income										
Exchange differences on translation of foreign operations	-	-	-	(5.5)	-	-	-	**(5.5)**	(0.4)	**(5.9)**
Net investment hedge losses	-	-	-	(0.5)	-	-	-	**(0.5)**	-	**(0.5)**
Cash flow hedge gains taken to equity	-	-	-	-	-	4.4	-	**4.4**	-	**4.4**
Cash flow hedge transfers to income statement	-	-	-	-	-	(4.4)	-	**(4.4)**	-	**(4.4)**
Remeasurements of defined benefit pension schemes	-	-	-	-	-	-	(2.8)	**(2.8)**	-	**(2.8)**
Tax on remeasurements of defined benefit pension schemes	-	-	-	-	-	-	0.7	**0.7**	-	**0.7**
Other comprehensive income for the period, net of tax	-	-	-	(6.0)	-	-	(2.1)	**(8.1)**	(0.4)	**(8.5)**
Total comprehensive income for the period	-	-	-	(6.0)	-	-	27.4	**21.4**	0.1	**21.5**
Dividends	-	-	-	-	-	-	(14.7)	**(14.7)**	(0.7)	**(15.4)**
Share-based payments	-	-	-	-	-	-	1.3	**1.3**	-	**1.3**
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	**-**	1.7	**1.7**
Acquisition of non-controlling interest	-	-	-	-	-	-	-	**-**	(0.2)	**(0.2)**
At 31 December 2012 and 1 January 2013	6.6	38.1	7.6	36.6	-	-	236.7	**325.6**	10.1	**335.7**
Profit for the period	-	-	-	-	-	-	29.3	**29.3**	0.8	**30.1**
Other comprehensive income										
Exchange differences on translation of foreign operations	-	-	-	(23.6)	-	-	-	**(23.6)**	(0.3)	**(23.9)**
Net investment hedge losses	-	-	-	(3.0)	-	-	-	**(3.0)**	-	**(3.0)**
Cash flow hedge gains taken to equity	-	-	-	-	-	1.8	-	**1.8**	-	**1.8**
Cash flow hedge transfers to income statement	-	-	-	-	-	(1.8)	-	**(1.8)**	-	**(1.8)**
Remeasurements of defined benefit pension schemes	-	-	-	-	-	-	(5.7)	**(5.7)**	-	**(5.7)**
Tax on remeasurements of defined benefit pension schemes	-	-	-	-	-	-	1.1	**1.1**	-	**1.1**
Other comprehensive income for the period, net of tax	-	-	-	(26.6)	-	-	(4.6)	**(31.2)**	(0.3)	**(31.5)**
Total comprehensive income for the period	-	-	-	(26.6)	-	-	24.7	**(1.9)**	0.5	**(1.4)**
Dividends	-	-	-	-	-	-	(15.4)	**(15.4)**	(0.2)	**(15.6)**
Share-based payments	-	-	-	-	-	-	1.9	**1.9**	-	**1.9**
Share capital issued	0.7	-	-	-	56.9	-	-	**57.6**	-	**57.6**
Acquisition of non-controlling interest	-	-	-	-	-	-	-	**-**	(5.6)	**(5.6)**
At 31 December 2013	7.3	38.1	7.6	10.0	56.9	-	247.9	**367.8**	4.8	**372.6**

Consolidated cash flow statement

For the year ended 31 December 2013

	2013 £m	2012 £m
Cash flows from operating activities		
Operating profit before exceptional items	**77.8**	48.3
Depreciation of property, plant and equipment	**45.0**	42.1
Amortisation of intangible assets	**1.4**	1.5
(Profit)/loss on sale of property, plant and equipment	**(0.3)**	0.8
Other non-cash movements	**7.1**	2.5
Foreign exchange losses	**-**	(1.0)
Operating cash flows before movements in working capital	**131.0**	94.2
Increase in inventories	**(22.5)**	(5.2)
Increase in trade and other receivables	**(37.4)**	(21.3)
Increase in trade and other payables	**65.5**	44.2
Change in provisions, retirement benefit and other non-current liabilities	**(4.6)**	(3.5)
Cash generated from operations	**132.0**	108.4
Interest paid	**(5.4)**	(4.6)
Income tax paid	**(21.5)**	(10.7)
Net cash inflow from operating activities	**105.1**	93.1
Cash flows from investing activities		
Interest received	**0.4**	0.5
Proceeds from sale of property, plant and equipment	**3.6**	1.9
Acquisition of subsidiaries, net of cash acquired	**(200.4)**	-
Acquisition of property, plant and equipment	**(44.8)**	(33.7)
Acquisition of intangible assets	**(1.4)**	(0.9)
Net cash outflow from investing activities	**(242.6)**	(32.2)
Cash flows from financing activities		
Proceeds from the issue of share capital	**57.6**	-
Capital contribution from non-controlling interest	**-**	1.7
New borrowings	**118.5**	20.5
Repayment of borrowings	**(24.2)**	(60.0)
Payment of finance lease liabilities	**(0.7)**	(0.7)
Dividends paid	**(15.6)**	(15.4)
Net cash inflow/(outflow) from financing activities	**135.6**	(53.9)
Net (decrease)/increase in cash and cash equivalents	**(1.9)**	7.0
Cash and cash equivalents at beginning of period	**54.8**	43.3
Effect of exchange rate fluctuations	**(2.2)**	4.5
Cash and cash equivalents at end of period	**50.7**	54.8

1. Basis of preparation

The Group's 2013 results have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU.

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 2012, except for:

- the adoption of amendments to IAS 19, 'Employee benefits'. There is no material change as a result of adopting the amendments to IAS 19. The financial impact of adopting this standard has been reflected in the current period statement of comprehensive income. The comparative period has therefore not been restated to reflect the financial impact of adopting this standard but the comparative period finance income and finance costs have been reclassified in the income statement to net the expected return on pension scheme assets and pension interest cost into a single net pension interest cost line.
- the adoption of amendments to IAS 1, 'Financial statement presentation' which requires items within Other Comprehensive Income to be classified as whether they may be reclassified subsequently to profit or loss or not.

There were no other new standards, interpretations or amendments to standards issued and effective for the year which materially impacted the Group's financial statements.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2013 or 2012 but is derived from the 2013 accounts. Statutory accounts for 2012 have been delivered to the Registrar of Companies. Those for 2013, prepared under IFRS as adopted by the EU, will be delivered to the Registrar of Companies and made available on the Company's website at www.keller.co.uk in April 2014. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.

2. Foreign currencies

The exchange rates used in respect of principal currencies are:

	Average for period		Period end	
	2013	2012	**2013**	2012
US dollar	**1.56**	1.58	**1.65**	1.62
Canadian dollar	**1.61**	1.58	**1.76**	1.60
Euro	**1.18**	1.23	**1.20**	1.22
Singapore dollar	**1.96**	1.98	**2.09**	1.98
Australian dollar	**1.62**	1.53	**1.86**	1.56

3. Segmental analysis

The Group is managed as four geographical divisions and has only one major product or service: specialist ground engineering services. This is reflected in the Group's management structure and in the segment information reviewed by the Chief Operating Decision Maker.

	2013 Revenue £m	2013 Operating profit £m	2012 Revenue £m	2012 Operating profit £m
North America	**699.4**	**51.6**	581.9	32.0
EMEA[1]	**399.2**	**6.8**	358.6	2.2
Asia	**96.2**	**9.0**	118.6	9.5
Australia	**243.4**	**15.6**	258.4	8.7
	1,438.2	**83.0**	1,317.5	52.4
Central items and eliminations	**-**	**(5.2)**	-	(4.1)
Before exceptional items	**1,438.2**	**77.8**	1,317.5	48.3
Exceptional items (Note 5)	**-**	**(21.7)**	-	-
	1,438.2	**56.1**	1,317.5	48.3

	2013 Segment assets £m	2013 Segment liabilities £m	2013 Capital employed £m	2013 Capital additions £m	2013 Depreciation and amortisation £m	2013 Tangible and intangible assets £m
North America	**487.0**	**(155.4)**	**331.6**	**19.9**	**15.5**	**245.5**
EMEA[1]	**278.6**	**(141.6)**	**137.0**	**12.5**	**16.9**	**131.1**
Asia	**76.7**	**(25.0)**	**51.7**	**4.2**	**4.8**	**36.7**
Australia	**116.5**	**(63.5)**	**53.0**	**9.6**	**9.0**	**56.3**
	958.8	**(385.5)**	**573.3**	**46.2**	**46.2**	**469.6**
Central items and eliminations [2]	**69.0**	**(269.7)**	**(200.7)**	**-**	**0.2**	**0.2**
	1,027.8	**(655.2)**	**372.6**	**46.2**	**46.4**	**469.8**

	2012 Segment assets £m	2012 Segment liabilities £m	2012 Capital employed £m	2012 Capital additions £m	2012 Depreciation and amortisation £m	2012 Tangible and intangible assets £m
North America	307.1	(113.2)	193.9	9.4	13.2	123.5
EMEA[1]	246.3	(119.5)	126.8	14.2	16.4	114.5
Asia	74.2	(22.7)	51.5	3.4	4.5	40.4
Australia	118.6	(54.4)	64.2	7.6	9.2	67.1
	746.2	(309.8)	436.4	34.6	43.3	345.5
Central items and eliminations [2]	76.0	(176.7)	(100.7)	-	0.3	0.2
	822.2	(486.5)	335.7	34.6	43.6	345.7

1 Europe, Middle East and Africa.

2 Central items includes net debt and tax balances.

Revenue and non-current non-financial assets are analysed by country below:

	Revenue		**Non-current non-financial assets[3]**	
	2013 £m	2012 £m	**2013 £m**	2012 £m
United States	**604.0**	556.8	**137.6**	135.6
Australia	**243.4**	258.4	**56.3**	67.1
Canada	**94.9**	25.2	**122.0**	-
United Kingdom (country of domicile)	**70.1**	62.6	**20.4**	21.7
Other	**425.8**	414.5	**148.4**	134.2
	1,438.2	1,317.5	**484.7**	358.6

3 Non-current non-financial assets comprise intangible assets, property, plant and equipment and other non-current non-financial assets.

The impact of acquisitions is detailed in note 4.

4. Acquisitions

	Keller Canada			Franki Africa			Geo-Foundations			**Total**		
	Carrying amount	Fair value adjust-ment	Fair value	Carrying amount	Fair value adjust-ment	Fair value	Carrying amount	Fair value adjust-ment	Fair value	**Carrying amount**	**Fair value adjust-ment**	**Fair value**
	£m	£m	£m	£m	£m	£m	£m	£m	£m	**£m**	**£m**	**£m**
Net assets acquired												
Intangible assets	-	31.5	31.5	2.2	3.2	5.4	-	0.4	0.4	**2.2**	**35.1**	**37.3**
Property, plant and equipment	32.9	1.3	34.2	17.4	-	17.4	1.9	1.3	3.2	**52.2**	**2.6**	**54.8**
Cash and cash equivalents	-	-	-	5.2	-	5.2	0.2	-	0.2	**5.4**	**-**	**5.4**
Receivables	19.7	(0.4)	19.3	16.2	-	16.2	4.0	-	4.0	**39.9**	**(0.4)**	**39.5**
Other assets	9.6	-	9.6	3.4	-	3.4	0.4	-	0.4	**13.4**	**-**	**13.4**
Loans and borrowings	(3.8)	-	(3.8)	(2.4)	-	(2.4)	(0.5)	-	(0.5)	**(6.7)**	**-**	**(6.7)**
Deferred tax	-	(2.0)	(2.0)	(0.7)	(0.8)	(1.5)	(0.4)	(0.4)	(0.8)	**(1.1)**	**(3.2)**	**(4.3)**
Other liabilities	(4.2)	-	(4.2)	(14.2)	-	(14.2)	(0.9)	-	(0.9)	**(19.3)**	**-**	**(19.3)**
	54.2	30.4	84.6	27.1	2.4	29.5	4.7	1.3	6.0	**86.0**	**34.1**	**120.1**
Goodwill			74.8			2.6			-			**77.4**
Total consideration			159.4			32.1			6.0			**197.5**
Satisfied by												
Initial cash consideration			151.2			31.3			6.0			**188.5**
Contingent consideration			8.2			0.8			-			**9.0**
			159.4			32.1			6.0			**197.5**

On 1 January 2013, the Group acquired 100% of the share capital of Geo-Foundations Contractors, Inc. ('Geo-Foundations'), a business based in Toronto, Canada. The fair value of the intangible assets acquired represents the fair value of customer contracts at the date of acquisition. A further amount of up to £4.5m (CDN$8m) is payable based on total earnings before interest, tax, depreciation and amortisation in the five year period following acquisition. As the payment is contingent on continued employment of the vendors until the entitlement date, this arrangement is treated as remuneration for post-acquisition services and amounts expected to be paid are accrued over the five year period.

On 12 July 2013, the Group acquired selected assets and businesses that comprised the piling division of North American Energy Partners, Inc. (collectively 'Keller Canada'), a business based in Edmonton, Canada. The fair value of the intangible assets acquired represents the fair value of customer relationships, customer contracts at the date of acquisition, patents and trade names. Goodwill arising on acquisition is attributable to the knowledge and expertise of the assembled workforce, the expectation of future contracts and customer relationships and the opportunity to expand the use of more advanced Group technologies into a growth market. Contingent consideration of up to £52.6m (CDN$92.5m) is payable based on total earnings before interest, tax, depreciation and amortisation in the three year period following acquisition.

On 21 November 2013, the Group acquired selected assets and businesses that comprised the geotechnical division of Esorfranki Limited (collectively 'Franki Africa'), a business based in Johannesburg, South Africa. The fair value of the intangible assets acquired represents the fair value of customer contracts at the date of acquisition and trade names. Goodwill arising on acquisition is attributable to the knowledge and expertise of the assembled workforce, operating synergies that arise from the Group's strengthened market position and the opportunity for the Group to accelerate its expansion in Africa using an established business. Contingent consideration of up to £8.7m (R150m) is payable based on total earnings before interest, tax, depreciation and amortisation in the three year period following acquisition.

The fair value of the total receivables in all acquisitions is not materially different from the gross contractual amounts receivable and is expected to be recovered in full. In the period to 31 December 2013 Keller Canada, Franki Africa and Geo-Foundations contributed £78.6m to turnover and £8.3m to the net profit before exceptional items of the Group. Had the acquisitions all taken place on 1 January 2013, total Group revenue would have been £1,548.8m and total net profit before exceptional items would have been £60.8m.

On 3 April 2013, the Group acquired the remaining 49% minority shareholding of Keller Terra S.L. for a cash consideration of £5.6m (€6.7m) which was equal to the net book value of the assets and liabilities at the acquisition date.

The adjustments made in respect of acquisitions in the year to 31 December 2013 are provisional and will be finalised within 12 months of the acquisition date.

5. Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items which are non-trading in nature, including those relating to acquisitions.

In 2013, exceptional items are those non-trading items relating to acquisitions which are required to be expensed under IFRS. Exceptional items comprise the following:

	2013 £m	2012 £m
Amortisation of acquired intangible assets	**6.7**	-
Acquisition costs	**5.9**	-
Contingent consideration and payments	**6.0**	-
Goodwill impairments	**3.1**	-
Exceptional items in operating costs	**21.7**	-
Exceptional finance costs	**0.4**	-
	22.1	-

Amortisation of acquired intangible assets and acquisition costs relate to the acquisitions set out in note 4.

Contingent consideration and payments primarily relates to £4.8m (A$7.8m) of previously unprovided contingent consideration payable in respect of the acquisition of Waterway Constructions Group Pty Ltd due to its better than expected performance during the period.

Goodwill impairments mainly relate to Keller Specialni Zakladani, spol. s.r.o. (Czech Republic).

Exceptional finance costs relate to the unwind of the discounted contingent consideration to present value for the acquisitions set out in note 4.

6. Dividends payable to equity holders of the parent

Ordinary dividends on equity shares:

	2013 £m	2012 £m
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2012 of 15.2p (2011: 15.2p) per share	**9.8**	9.8
Interim dividend for the year ended 31 December 2013 of 8.0p (2012: 7.6p) per share	**5.6**	4.9
	15.4	14.7

The Board have recommended a final dividend for the year ended 31 December 2013 of £11.3m, representing 16.0p (2012: 15.2p) per share. The proposed dividend is subject to approval by shareholders at the AGM on 22 May 2014 and has not been included as a liability in these financial statements.

7. Earnings per share

Basic and diluted earnings per share are calculated as follows:

	2013 Basic before exceptional items £m	2013 Diluted before exceptional items £m	2013 Basic £m	2013 Diluted £m	2012 Basic £m	2012 Diluted £m
Earnings (after tax and non-controlling interests), being net profits attributable to equity holders of the parent	**49.5**	**49.5**	**29.3**	**29.3**	29.5	29.5
	No. of shares Million	**No. of shares Million**	**No. of shares Million**	**No. of shares Million**	No. of shares Million	No. of shares Million
Weighted average of ordinary shares in issue during the year	**67.8**	**67.8**	**67.8**	**67.8**	64.3	64.3
Add: weighted average of shares under option during the year	**-**	**1.1**	**-**	**1.1**	-	1.2
Adjusted weighted average of ordinary shares in issue	**67.8**	**68.9**	**67.8**	**68.9**	64.3	65.5
	Pence	**Pence**	**Pence**	**Pence**	Pence	Pence
Earnings per share	**73.0**	**71.9**	**43.2**	**42.6**	45.9	45.0

8. Share capital and reserves

	2013 £m	2012 £m
Allotted, called up and fully paid		
Equity share capital:		
73,099,735 ordinary shares of 10p each (2012: 66,499,735)	**7.3**	6.6

The Company has one class of ordinary shares, which carries no rights to fixed income. There are no restrictions on the transfer of these shares.

On 14 June 2013 the Group issued 6,600,000 new ordinary shares of 10p each for a total non-cash consideration (shares in a company which received the placing proceeds) of £57.6m net of £1.2m of issue costs. Merger relief has been applied under section 612 of the Companies Act 2006, with the premium on the shares issued allocated initially to a merger reserve and then to an other reserve on redemption of the shares in the company that received the placing proceeds.

All other shares issued in the year related to share options that were exercised.

The capital redemption reserve is a non-distributable reserve created when the Company's shares were redeemed or purchased other than from the proceeds of a fresh issue of shares.

The total number of shares held in Treasury was 2.2m (2012: 2.2m).

9. 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.

On 3 April 2013, the Group acquired the remaining 49% minority shareholding of Keller-Terra S.L. for a cash consideration of £5.6m (€6.7m) from GTCEISU Construcción, S.A., a connected person of Mr López Jiménez, who retired as a Director of the Company during 2012. During the year the Group undertook various contracts with a total value of £nil (2012: £3.9m) for GTCEISU Construcción, S.A. An amount of £nil (2012: £5.6m) is included in trade and other receivables in respect of amounts outstanding as at 31 December 2013. During the year the Group made purchases from GTCEISU Construcción, S.A. with a total value of £nil (2012: £2.0m). An amount of £nil (2012: £1.0m) is included in trade and other payables in respect of amounts outstanding as at 31 December 2013.

Related party transactions were made on an arms-length basis and no guarantees have been given or received.

The remuneration of the Directors, who are the key management personnel and related parties of the Group, is set out below:

Key management personnel compensation comprised:	**2013** **£m**	2012 £m
Short-term employee benefits	**3.4**	3.4
Post-employment benefits	**0.1**	0.3
Share-based payments	**1.0**	0.8
	4.5	4.5

10. Post balance sheet events

There were no material post balance sheet events between the balance sheet date and the date of this report.