

News Release

18 November 2014

BALFOUR BEATTY Q3 TRADING UPDATE

Balfour Beatty, the international infrastructure group, announces its 2014 Q3 trading update, covering the period to 17 November 2014.

OVERALL TRADING

There has been no material change in trading since the last trading update on 29 September 2014.

The UK construction business continues to prioritise actions to address the issues highlighted in the September trading update. These include further overhead reductions and additional supply chain savings. The regional business continues to reduce both its exposure to smaller contracts and its number of delivery units. The independent review by KPMG of the contract portfolio within Construction Services UK is well under way, with the report expected by the end of 2014.

The remainder of the Construction Services division and the Group's other operating divisions, Support Services and Infrastructure Investments, continued to trade as expected.

In October we announced the appointment of Leo Quinn as our new Chief Executive Officer. He will take up his new position and join the Board on 1 January 2015. The processes to appoint a new non-executive Chairman and Chief Financial Officer are being actively progressed.

ORDER BOOK

At the end of the third quarter, the order book stood at £11.7 billion, flat on the half-year. The order book at the half year has been restated from the reported £13.0 billion to £11.7 billion from continuing operations, to take account of the Parsons Brinckerhoff disposal.

The Construction Services order book increased to £7.9 billion, driven largely by an increase in the US, predominantly due to foreign exchange movements, and by contracts in the UK announced in the period. This growth was offset by an expected reduction in the Support Services order book to £3.7 billion, as we continued to complete on long term contracts in both the Power and Water sectors.

DISPOSAL OF PARSONS BRINCKERHOFF

The disposal of Parsons Brinckerhoff was approved by shareholders on 28 October, with 93% of votes in favour. The disposal was completed on 31 October. The net cash consideration of US\$1,242 million (£753 million) represented a multiple of 11 times underlying EBITDA for the year ended 31 December 2013 and was received on 31 October.

FINANCIAL POSITION

Average net debt for the nine months to the end of September was £477 million. We expect average net debt for the full year to be approximately £400 million after taking into account the benefit of the proceeds from the sale of Parsons Brinckerhoff.

ENDS

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Notes to editors:

Balfour Beatty (www.balfourbeatty.com) is an international infrastructure group that delivers world class services essential to the development, creation and care of infrastructure assets; from finance and development, through design and project management to construction and maintenance. Our businesses draw on more than 100 years of experience to deliver the highest levels of quality, safety and technical expertise to our clients principally in the UK and the USA, with developing businesses in Australia, Canada, the Middle East and South East Asia. With proven expertise in delivering infrastructure critical to support communities and society today and in the future, our key market sectors focus on infrastructure - transportation (roads, rail and aviation), power and energy, water, and complex buildings (both commercial and social).

Balfour Beatty employs 40,000 people around the world.