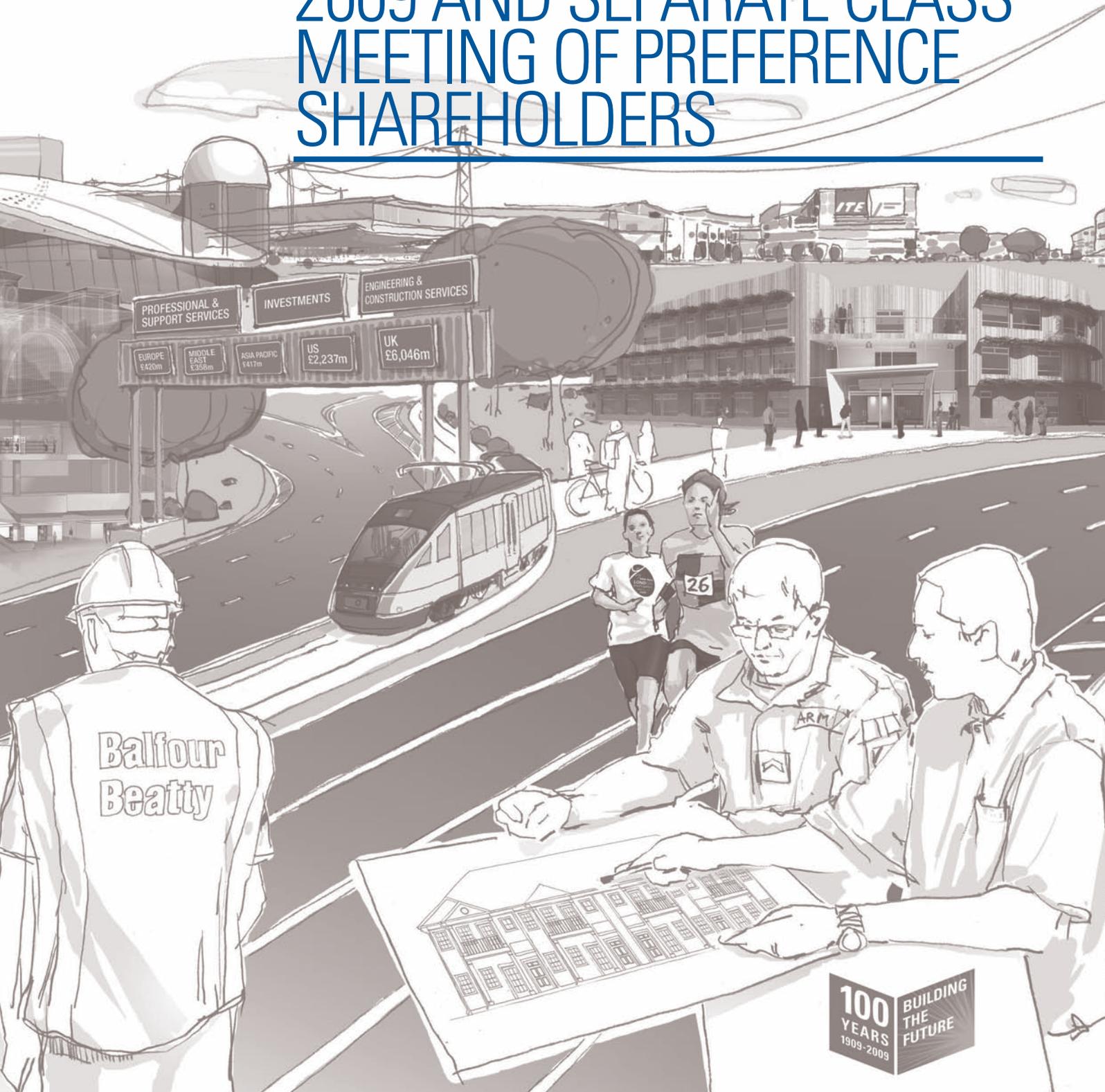


This circular is important. Please read it immediately.

If you are not sure what you should do, please speak to your own stockbroker, bank manager, solicitor, accountant or other independent professional adviser. If you have sold or otherwise transferred your shares in Balfour Beatty plc, please send this circular and the proxy form to the person who sold or transferred the shares for you. That person can then pass them on to the new owner. If you hold options over shares in Balfour Beatty plc but do not hold ordinary or preference shares, this circular is for information only.

Balfour Beatty

ANNUAL GENERAL MEETING 2009 AND SEPARATE CLASS MEETING OF PREFERENCE SHAREHOLDERS



Annual General Meeting 2009 and separate Class Meeting of Preference Shareholders

Balfour Beatty

I am pleased to send you details of the Annual General Meeting ("AGM") of Balfour Beatty plc ("Balfour Beatty" or the "Company"), which we will be holding on Thursday 14 May 2009 at the Victoria Park Plaza, 239 Vauxhall Bridge Road, London SW1V 1EQ. Your Directors regard the AGM as an important occasion on which to communicate with shareholders and to listen and respond to their questions, and each of the chairmen of your Board's Audit, Business Practices, Nomination and Remuneration Committees will be available at the AGM to answer any questions arising from the work of those Committees. The meeting will start at 11.00 a.m. and the formal Notice of the AGM is set out on pages 7 and 8 of this circular.

Immediately following the AGM, we will be holding a separate Class Meeting of the holders of the Company's Cumulative Convertible Redeemable Preference Shares ("Class Meeting"). The formal Notice of the Class Meeting is set out on page 9 of this circular.

The business we will consider at the AGM

We will inform you of the progress of your Company and conduct certain formal business concerning its governance. The AGM will cover standard matters that are now dealt with at every AGM (resolutions 1 to 10). We have explained each of these items in the following pages.

Resolutions 11 to 13 are similar to those which shareholders have passed in previous years. Your Directors believe that these items will mean that the Company can take advantage of business opportunities as they arise. Resolution 14 renews an authority first given to your Directors in 2002, resolution 15 asks shareholders to approve general meetings on 14 days' notice, whilst resolution 16 asks shareholders to increase the limit on the aggregate ordinary remuneration which can be paid to Directors not holding executive office. We have explained each of these resolutions in detail in the following pages.

As is usual at the AGM and Class Meeting, I shall invite questions from shareholders present at the meetings. It would be helpful to have a note of the details of any proposed questions in advance, although this is not obligatory. Questions may be sent by post to the Company Secretary at your Company's Registered Office or by email to info@balfourbeatty.com, with the heading AGM 2009 or Class Meeting 2009, as appropriate.

What to do next

If you hold ordinary shares in Balfour Beatty, you are entitled to come to the AGM and vote on the resolutions. It is important to us that all ordinary shareholders, regardless of the number of shares that they own, exercise their right to vote even if they cannot come to the meeting. If you cannot come to the AGM, you can use the white proxy voting form to nominate someone else to come to the meeting and vote for you (this person is called a proxy), or you can nominate me to vote for you. Your proxy for the AGM does not have to be a member of the Company. If you want to appoint a proxy for the AGM, you need to send back the white proxy voting form enclosed with this pack, or register your proxy appointment and voting instructions over the internet, by 11.00 a.m. on 12 May 2009. I am grateful to the many shareholders who have lodged proxy votes in the past and hope that I can count on your continuing support. In 2008, 74% of Balfour Beatty's ordinary shares were voted, compared to 68% in 2007. At the AGM in 2008, all resolutions were passed on a show of hands with proxy votes "For" each resolution in excess of 99%.

There is more information on what you need to do if you want to appoint a proxy on pages 5 and 6 of this circular. If you complete and return the white proxy voting form, or register your proxy appointment and voting instructions over the internet, you can still come to the AGM and vote instead of your proxy. Please note that if you hold only preference shares in Balfour Beatty and not ordinary shares, you are not entitled to come to the AGM or vote on any of the resolutions.

Class Meeting of preference shareholders

If you hold preference shares in Balfour Beatty, you are entitled to come to the Class Meeting and vote on the resolution. Like ordinary shareholders in relation to the AGM, if you cannot come to the Class Meeting, you can use the blue proxy voting form to nominate someone else to come to the meeting and vote for you, or you can nominate me to vote for you. Your proxy does not have to be a member of the Company. If you want to appoint a proxy for the Class Meeting, you need to send back the blue proxy voting form enclosed with this pack, or register your proxy appointment and voting instructions over the internet, by 11.30 a.m. on 12 May 2009.

Again, if you complete and return the blue proxy voting form, or register your proxy appointment and voting instructions over the internet, you can still come to the Class Meeting and vote instead of your proxy.

Recommendation

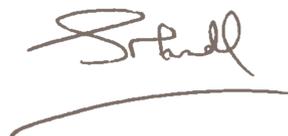
Your Directors believe that all the proposed resolutions to be considered at the AGM and Class Meeting are in the best interests of Balfour Beatty and its shareholders as a whole. Your Directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their own beneficial shareholdings in Balfour Beatty.

There is more information about the AGM and the Class Meeting on the following pages.

Electronic Shareholder Communications

Many of our shareholders now prefer to have communications from the Company, including this circular and the Company's Directors' report and accounts or the Company's Annual review made available to them electronically, rather than receiving paper copies. I would like to encourage as many of our shareholders as possible to do this, as not only does it save the Company printing and postage costs, but it is also a more convenient and timely way of communicating with you, and reduces demand on natural resources. If you have not yet registered for this facility and now wish to do so, details are provided on page 10 of this circular.

Yours sincerely



Steve Marshall
Chairman
8 April 2009



Balfour Beatty plc
Registered Office: 130 Wilton Road, London SW1V 1LQ
Registered in England and Wales Number 395826

We will be holding our Annual General Meeting ("AGM") on Thursday 14 May 2009 at the Victoria Park Plaza, 239 Vauxhall Bridge Road, London SW1V 1EQ. The meeting will start at 11.00 a.m. and the formal Notice of the meeting is set out on pages 7 and 8 of this circular.

The AGM will cover standard matters that are dealt with at every AGM (resolutions 1 to 10). Each of these resolutions (which we have explained below) will be proposed as an ordinary resolution. For these resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.

1. Directors' report and accounts

The Directors are required to present to the AGM the Company's accounts for the year ended 31 December 2008 and the reports of the Directors and auditors on those accounts. These are all contained in the Company's Directors' report and accounts 2008 and the Company's Annual review 2008.

2. Remuneration report

The Directors' Remuneration Report Regulations 2002 require companies quoted on the London Stock Exchange to put an ordinary resolution to shareholders at the AGM seeking approval of the remuneration report. This report is contained in the Directors' report and accounts 2008.

Shareholders are reminded that as the vote is advisory, it does not affect the actual remuneration paid to any individual Director, nor is the entitlement of any individual Director under a service contract or letter of appointment conditional on the resolution being passed.

3. Dividend

Shareholders must approve the final dividend payable for each ordinary share held. However, the final dividend cannot exceed the amount recommended by the Directors, which is 7.7p for each ordinary share. If approved, the final dividend will be paid on 6 July 2009 to holders of ordinary shares who are on the Company's Register of Members on 24 April 2009. The proposed final dividend will bring the total amount for 2008 to 12.8p per ordinary share. For 2007, the total dividend was 11.5p per ordinary share.

4. – 9. Re-election and election of Directors

In accordance with the Combined Code on Corporate Governance, under the Company's Articles of Association ("Articles"), each of your Directors is required to retire at the AGM held in the third calendar year following the year in which he or she was elected or last re-elected by shareholders. In addition, under the Company's Articles, any Director that your Board has appointed since the last AGM must also stand for election so that shareholders may confirm the appointment. Steve Marshall, Ian Tyler and Peter Zinkin were each last re-elected by shareholders at the AGM in 2006 and seek re-election. Hubertus Krossa was appointed to the Board as a non-executive Director on 9 September 2008, Andrew McNaughton was appointed to the Board as Chief Operating Officer on 1 January 2009 and Graham Roberts was appointed as a non-executive Director on the same date, and therefore each of them seeks election by shareholders for the first time.

Your non-executive Directors are chosen on the basis of their individual background and experience and for the contribution that they can make both generally and in specific areas relevant to the business of your Company. Steve Marshall is an accountant with extensive experience of management in large international organisations; Hubertus Krossa brings extensive international operations experience, including valuable experience of the Group's European markets, particularly Germany, combined with knowledge of the UK business environment; Graham Roberts possesses recent and relevant financial experience with a major publicly-listed company. Formal evaluation of Steve Marshall, the only non-executive Director who seeks re-election, commenced in January 2009, and the Board is satisfied that he continues to be effective and to demonstrate commitment to the role.

Information about each of your Directors seeking re-election or election is set out below.

Steve Marshall Non-executive Chairman (Age 52)

A Fellow of the Chartered Institute of Management Accountants. Appointed a Director in 2005 and Chairman in May 2008. He is currently also chairman of Delta plc and a non-executive director of Southern Water. He is also a former chairman at both Queens' Moat Houses plc and Torex Retail plc. He was chief executive of Thorn plc and of Railtrack Group plc, having also served as group finance director at each company. His earlier career included a wide range of corporate and operational roles at Grand Metropolitan plc, Black & Decker and BOC.

Ian Tyler Chief Executive (Age 48)

A Director since 1999, he became Chief Executive in January 2005, having been Chief Operating Officer since 2002 and prior to that, Finance Director. He read Commerce at Birmingham University, and on graduation in 1982, he joined Arthur Andersen, where he qualified as a chartered accountant in 1988. He joined Balfour Beatty in 1996 as finance director of the Group's principal trading subsidiary, Balfour Beatty Group Limited. Previously, he had been financial comptroller of Hanson and finance director of ARC Ltd, one of its principal subsidiaries, and has also held senior management positions at Storehouse Plc. He is currently president of Construction Industry Relief, Assistance and Support for the Homeless Ltd, the construction and property industry charity for the homeless, and was appointed as a non-executive director of VT Group plc in May 2008.

Peter Zinkin Planning and Development Director (Age 55)

Joined the Group in 1981 and became Planning and Development Director in 1991 after a series of senior positions in the finance function. He was educated at Magdalene College, Cambridge and London Business School. He is responsible for the Group's merger, acquisition and divestment activities as well as the development of Group strategy. Previously, he worked at the London Business School and UMIST. He is a member of the leadership governance and management committee of the Higher Education Funding Council and a former governor of the University of North London.

Hubertus Krossa Non-executive Director (Age 61)

Appointed a Director in September 2008. Until 2008, he was chief executive officer of KION Group GmbH, a leading international material handling equipment manufacturer. Prior to that, he spent seven years on the main Board of Linde AG, the worldwide producer and supplier of industrial and medical gases. He was previously a member of the European management board of Whirlpool Europe and was also chairman of its German operating company, and has previously held non-executive directorships in the UK for Wassall plc and Thorn Lighting Group. He is currently chairman of the supervisory boards of Eckelmann AG and Bauknecht Hausgeraete GmbH and is a senior adviser to KION Group GmbH.

Andrew McNaughton Chief Operating Officer (Age 45)

A chartered civil engineer and Fellow of the Institution of Civil Engineers. Appointed as a Director and Chief Operating Officer on 1 January 2009. He read Engineering at Nottingham University and, on graduation in 1985, joined the Kier Group where he spent 12 years before joining Balfour Beatty in 1997. He obtained a Masters Degree in Project Management in Construction from Reading University in 1998, and held the position of managing director of Balfour Beatty Civil Engineering from 2004 to April 2007, when he became Group managing director, with responsibility for civil engineering in the UK and the Group's interests in the Middle East. He is a board member of the Major Projects Association and he became a Freeman of the City of London and a Liveryman in the Worshipful Company of Engineers in 2006. He was the Institution of Civil Engineers' Civil Engineering Manager of the Year in 2002 and is a former member of the management board of Constructing Excellence.

Annual General Meeting 2009 and separate Class Meeting of Preference Shareholders

Graham Roberts Non-executive Director (Age 50)

Appointed a Director on 1 January 2009. A Fellow of the Institute of Chartered Accountants. He graduated with a degree in French and German from Southampton University before joining Binder Hamlyn where he qualified as a chartered accountant in 1984. He was appointed a partner in 1990. Binder Hamlyn merged with Andersen in 1994, where he spent eight years, latterly as a partner specialising in the real estate and government services sectors, before joining The British Land Company PLC, one of the UK's largest quoted property companies, where he is currently finance director.

10. The auditors

The Company must appoint auditors at every general meeting at which accounts are presented to shareholders. On the recommendation of the Audit Committee, your Directors propose that Deloitte LLP (previously Deloitte & Touche LLP, the firm having changed its name on 1 December 2008) be re-appointed as auditors to the Company.

The following resolution will also be proposed as an ordinary resolution. For this resolution to be passed, more than 50% of the votes cast must be in favour of the resolution.

11. Authority to allot ordinary shares

Under the Companies Act 1985, your Directors may only allot unissued ordinary shares if they have been authorised by the shareholders to do so. The Company's Articles give your Directors a general authority to allot unissued shares, but that authority is subject to renewal by shareholders and it is standard practice for most public companies to renew the authority at each AGM, both to reaffirm shareholders' approval and to reflect changes in issued share capital, since the last such resolution. Last year's resolution allowed your Directors to issue shares to fulfil obligations under the Executive Share Option Scheme and the Savings-Related Share Option Scheme, in which nearly 7,000 employees participate, and to issue a total of 43,320,411 shares that were placed with institutions, raising £182m after issue costs. Passing this resolution will therefore continue the authority previously given to your Directors, by giving them authority to allot ordinary shares with a maximum aggregate nominal amount of £79,673,710, representing approximately one-third of the Company's issued ordinary share capital, exclusive of treasury shares, as at 27 March 2009 (being the latest practicable date prior to the publication of this circular). The authority will also allow the Directors to allot new shares and other relevant securities only in connection with a rights issue up to a further nominal value of £79,673,710, which is equivalent to approximately one-third of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 27 March 2009 (being the latest practicable date prior to the publication of this circular). This is in line with corporate governance guidelines. As at the date of this circular, no shares were held by the Company as treasury shares.

Your Directors have no current plans to exercise this authority other than in relation to the exercise of options under the Company's employee share schemes or to satisfy any conversion rights exercised by the holders of the Company's preference shares. Your Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and this will enable them to act in the best interests of shareholders, when opportunities arise, by issuing ordinary shares at short notice, without the need to convene a general meeting. This authority renews that given at last year's AGM and will last until the conclusion of the Company's AGM in 2010 or, on 1 July 2010, whichever is the earlier, although the Directors intend to continue the practice of seeking renewal of this power at each AGM.

The following resolutions 12 and 13 will be proposed as special resolutions. For these resolutions to be passed, at least 75% of the votes cast must be in favour of the resolution.

12. Authority to allot ordinary shares for cash

If the Company's ordinary shares are to be allotted for cash, the Companies Act 1985 requires that those shares are offered first to existing shareholders in proportion to the number of ordinary shares that they hold at the time of the allotment. However, it may sometimes be in the interests of the Company for your Directors to allot shares other than to existing shareholders in proportion to existing holdings.

The Company's Articles give your Directors a general authority so that this pre-emption requirement does not apply to allotments of ordinary shares for cash up to a specific amount, but that authority is subject to renewal by shareholders.

This resolution would allow your Directors to disapply the statutory pre-emption rights only:

(i) up to a nominal amount of £11,951,056 (the Section 89 amount), which is approximately 5% of the Company's issued ordinary share capital, exclusive of treasury shares, as at 27 March 2009 (being the latest practicable date prior to the publication of this circular) or,

(ii) in a rights issue as defined in the Company's Articles.

Paragraph (ii) of this resolution authorises your Directors to allot new shares pursuant to the authority given in resolution 11, or sell treasury shares, for cash only in connection with a rights issue without the shares first being offered to existing shareholders in proportion to their existing holdings. This is in line with corporate governance guidelines.

This authority renews that given at last year's AGM and will last until the conclusion of the Company's AGM in 2010 or, on 1 July 2010, whichever is the earlier. There are no current plans to allot any ordinary shares, except in connection with the Company's employee share schemes, or to satisfy any conversion rights exercised by the holders of the Company's preference shares. The Board considers the authority to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions. This new power remains in line with the guidelines of the Pre-emption Group, which is supported by the Association of British Insurers and the National Association of Pension Funds.

Shareholders should note that, following the introduction of the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, the "allotment of equity securities" includes the sale of any relevant shares in the Company which, immediately before such sale, were held by the Company as treasury shares.

13. Authority for the Company to purchase its own ordinary and preference shares

Your Directors believe that it is advantageous for the Company to continue to have the flexibility to purchase its own shares and this resolution seeks authority from shareholders to do so. Purchases of shares by the Company will only be made after careful consideration by your Directors, having taken into account market conditions prevailing at the time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The authorities sought will only be exercised by your Directors if they consider it to be in the best interests of shareholders generally.

The resolution would renew the authorities given to your Directors by ordinary and preference shareholders at separate meetings of each class of shareholder in May 2008. The maximum numbers of ordinary and preference shares authorised to be purchased (which represents 10% of the issued ordinary shares and just under 15% of the issued preference shares as at 27 March 2009, being the latest practicable date prior to the publication of this circular), and the maximum and minimum prices to be paid for them are stated in the resolution.

Pursuant to the Companies Act 1985 (as amended), the Company can hold the shares which have been purchased as treasury shares and either re-sell them for cash, cancel them either immediately or at a point in the future, or use them for the purposes of its employee share schemes. Your Directors believe that it is desirable for the Company to have this choice. Holding the shares purchased as treasury shares will give the Company the ability to re-sell or transfer them quickly and cost-effectively and will provide the Company with additional flexibility in the management of its capital base. No dividends will be payable on, and no voting rights will be exercisable in respect of, treasury shares. The decision whether to cancel any shares purchased by the Company or hold such shares as treasury shares will be made by your Directors at the time of purchase, on the basis of the Company's and shareholders' best interests.

This resolution explicitly authorises the Company to use any shares purchased and held in treasury for the purposes of its employee share schemes. If any such shares are used by the Company, the Company will, so long as required under the guidelines of the Association of British Insurers' Investment Committee, count them towards the limits in the schemes on the number of new shares that may be issued under them.

Any purchase of shares by the Company under these authorities would be by means of market purchases through the London Stock Exchange. Approval of the resolution does not mean that the Company has the power to acquire shares compulsorily from individual shareholders, nor should it be confused with any share dealing facilities which may be offered to shareholders by the Company from time to time. The authorities sought by this resolution will expire on 1 July 2010 (at the latest), although your Directors intend to seek renewal of this power at the Company's AGM in 2010. The Company's Articles require that to be effective, both ordinary and preference shareholders must approve the authority. Accordingly, a separate Class Meeting of preference shareholders will be held in order to seek their approval for the authority.

During 2008, 300,017 preference shares were purchased for cancellation by the Company for a total consideration of £407,337 at an average price of 135.8p. No ordinary shares were purchased for cancellation. The total number of outstanding options to subscribe for ordinary shares at 27 March 2009 (being the latest practicable date prior to the publication of this circular) was 9,334,455. This represents 1.95% of the Company's issued ordinary share capital at that date. If the Company purchased the maximum number of ordinary shares permitted under the authorities given by this resolution, then the total number of outstanding options over ordinary shares at 27 March 2009 (being the latest practicable date prior to the publication of this circular) would represent 2.17% of the Company's issued ordinary share capital.

The following resolution will be proposed as an ordinary resolution, which will require more than 50% of the votes cast to be in favour of the resolution in order to be passed.

14. Authority to incur political expenditure

It remains the policy of the Company not to make political donations or incur political expenditure as those expressions are normally understood. However, your Directors consider that it is in the best interests of the shareholders for the Company to participate in public debate and opinion forming matters which affect its business. The authority sought by this resolution is not designed to change the Company's policy. It will, however, ensure that the Company avoids the inadvertent infringement of the Companies Act 2006. Therefore, consistent with prior years, your Directors are seeking shareholders' authority for the Company and its UK subsidiaries to make political donations and to incur political expenditure up to a maximum aggregate amount of £25,000. The authority sought by this resolution will expire on 1 July 2010 (at the latest), although your Directors intend to seek renewal of this power at the Company's AGM in 2010.

The following resolution 15 will be proposed as a special resolution, which will require more than 75% of the votes cast to be in favour of the resolution in order to be passed.

15. Notice of general meetings

The Shareholder Rights Directive is intended to be implemented in the United Kingdom in August this year. One of the requirements of the Directive is that all general meetings must be held on 21 days' notice unless shareholders agree to a shorter notice period. The Company is currently able to call general meetings on 14 clear days' notice and would like to preserve this ability. In order to be able to do so after August 2009, shareholders must have approved the calling of general meetings on 14 days' notice. The proposed resolution seeks such approval except for an AGM.

The following resolution 16 will be proposed as an ordinary resolution, which will require more than 50% of the votes cast to be in favour of the resolution in order to be passed.

16. Directors' remuneration

The Company's Articles provide that, unless otherwise provided by ordinary resolution, the aggregate total amount of ordinary remuneration which the Company may pay to Directors who do not hold executive office shall be limited to £200,000. The responsibilities and time commitments of the non-executive Directors have increased significantly since the limit specified in the Articles was set in 1991 and fees paid to non-executive Directors are increasing in recognition of their greater role and responsibility. The purpose of this resolution is to increase the limit on aggregate ordinary remuneration to non-executive Directors from £200,000 to £400,000. It is anticipated that this will provide sufficient flexibility over the next few years to enable the level of fees paid to the Directors, who do not hold executive office, to be increased in line with market norms and commensurate with their commitments to your Board. It will also provide the flexibility to make additional appointments that may, in the future, be deemed necessary to further strengthen your Board. This upper limit is neither the total amount paid to non-executive Directors now nor the proposed amount going forwards. Your Directors' actual remuneration is set out in the remuneration report which is submitted to the AGM each year for shareholders' approval.

We will be holding a Class Meeting of holders of preference shares on Thursday 14 May 2009 at the Victoria Park Plaza, 239 Vauxhall Bridge Road, London SW1V 1EQ. The meeting will start at 11.30 a.m., or, if later, immediately after the completion of the AGM, and the formal Notice of the meeting is on page 9 of this circular.

The only item to be considered will be proposed as a special resolution, which means that, in order to be passed, at least 75% of the votes cast must be in favour of the resolution.

The resolution is explained above under Item 13, "Authority for the Company to purchase its own ordinary and preference shares".

Important information for shareholders

You (or any appointed proxy) have the right to attend, speak and vote at the AGM if you are an ordinary shareholder on the Balfour Beatty plc ("Balfour Beatty" or the "Company") share register at 6.00 p.m. on 12 May 2009.

You (or any appointed proxy) have the right to attend, speak and vote at the Class Meeting of preference shareholders ("Class Meeting") if you are a preference shareholder on the Balfour Beatty share register at 6.00 p.m. on 12 May 2009.

If you cannot attend the meetings, you may appoint someone else as your proxy. The number of shares that you hold as at the above register deadlines will determine how many votes you or your proxy will have.

Time and place of meetings

Balfour Beatty's AGM will be held first and will start promptly at 11.00 a.m. on Thursday 14 May 2009 at the Victoria Park Plaza, 239 Vauxhall Bridge Road, London SW1V 1EQ. The Class Meeting will be held at 11.30 a.m. or, if later, immediately after the completion of the AGM, and will be held at the same location as the AGM.

Registration for both meetings will start at 10.00 a.m.

What you need to bring

Please keep and bring with you the attendance card attached to your Form of Proxy. It will authenticate your right to attend, speak and vote and will speed up your admission. You may also find it helpful to bring this circular, the Directors' report and accounts 2008, and/or the Annual review 2008 with you so that you can refer to them at the meetings, although copies will be made available.

Joint shareholders

All joint shareholders may attend and speak at the meetings. However, only the first shareholder listed on the Register of Members is entitled to vote.

Shareholders with disabilities

The venue for the meetings has full access for the disabled. As usual, there will be sound amplification to assist those present to follow the proceedings.

If you are not coming to the meetings

You may appoint a proxy – someone who will attend the meetings on your behalf and exercise all or any of your rights to speak and vote – by completing and returning the relevant Forms of Proxy, white for ordinary shareholders and blue for preference shareholders, in accordance with the instructions set out below. Before completing the Forms of Proxy, please read the following explanatory notes:

How to complete the Forms of Proxy

1. Appointing the Chairman as your proxy

For convenience, the appointment of the Chairman has already been included. If you wish to make this appointment, you need only complete, sign and date the relevant form.

The forms enable you to instruct the Chairman how to vote on the resolutions to be proposed at the AGM or the Class Meeting. These resolutions are set out in the Notices of the meeting on pages 7 to 9 and are explained on pages 2 to 4. He will vote (or withhold his vote) as he thinks fit on any other business which may properly come before the meetings.

Please place an "X" in the appropriate box alongside each resolution to indicate whether, and if so, how you wish your vote to be cast in relation to that resolution. In the absence of any specific direction, and on any other resolution or motion put to the meeting, your proxy will vote or withhold your vote as the proxy thinks fit. The "vote withheld" option is provided, in accordance with current best practice, so as to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution.

2. Appointing someone other than the Chairman as your proxy

If you wish to appoint someone of your choice as your proxy, you should insert the name of your proxy in the space provided. If necessary, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank, they will act on your full voting entitlement.

3. Appointing more than one person as your proxy

To appoint more than one person as your proxy, you may photocopy the Form of Proxy in relation to each proxy you wish to appoint. Each form should clearly indicate the name of the proxy, and the number of shares in relation to which they are authorised to act as your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write "the Chairman of the Meeting".

All forms must be signed and should be returned together in the same envelope.

4. Signing the Forms of Proxy

Before posting the relevant Form of Proxy, please check that it has been signed and dated. In the case of joint holders, any one of you may sign.

If someone signs the form on your behalf, you or that person must send it to the Company's Registrars, Capita Registrars (see Notes 6 to 8 below) with the authority under which it is signed, or a copy of the authority which has been certified by a solicitor or notary.

5. Corporate appointment of proxy

Where the person appointing the proxy is a company, the Form of Proxy must be either under seal or under the hand of a duly authorised officer or attorney and the appropriate power of attorney or other authority must be lodged with the Form of Proxy.

6. Posting details

To be valid, a Form of Proxy, together with any authority (see Notes 4 and 5 above), must be received by Capita Registrars not later than 11.00 a.m. on 12 May 2009 for ordinary shareholders, or 11.30 a.m. on 12 May 2009 for preference shareholders, or if the relevant meeting is adjourned, 48 hours before the time for holding the relevant adjourned meeting. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the relevant meeting.

7. United Kingdom (UK) shareholders

UK shareholders should reply by posting their Form of Proxy to Capita Registrars. If you prefer, you may return your Form of Proxy in an envelope to: FREEPOST RLYX-GZTU-KRRG, Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 9ZA. No stamp is required. Alternatively, you may vote electronically via the internet at www.balfourbeatty-shares.com (see Note 10 below).

8. Shareholders outside the UK

Shareholders with addresses outside the UK should reply by returning their Form of Proxy in an envelope to Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom. Alternatively, you may vote electronically via the internet at www.balfourbeatty-shares.com (see Note 10 below).

9. Duplicate Forms of Proxy

If the Company's Registrars, Capita Registrars, receive two or more proxies from the same shareholder relating to the same shareholding, they will act upon the one that is delivered last (regardless of its date). If they cannot confirm which one was delivered last (regardless of its date), they will not act on any of the forms. If your Form of Proxy arrives after the voting deadline, it will not be valid and will not replace any earlier forms that they have received.

10. Electronic proxy submission

If you would like to submit your Form of Proxy electronically via the internet, you may do so via www.balfourbeatty-shares.com. You will need to register to use the service if you have not already done so. Once registration is complete you may vote online by following the instructions provided.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meetings and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in the Notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider, to procure that this CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Documents

The formal Notice of the AGM on pages 7 and 8 of this circular sets out details of the documents available for inspection prior to and during the AGM.

General information

The AGM and Class Meeting are both business meetings. There are no crèche facilities at the Victoria Park Plaza and we therefore suggest that it is not appropriate to bring young children to the venue.

Smoking will not be permitted at the venue. Refreshments will be available before and after the meetings.

For the safety of everybody at our AGM and Class Meeting, you may be asked to provide proof of your identity and to allow our security staff to search any bags or packages that you want to bring into the relevant meeting. We recommend that you arrive in good time to allow for these procedures. For security reasons and, in order to speed up admission, it would be helpful if you did not bring suitcases or large bags, cameras, laptop computers, or tape recorders to the venue. You will not be allowed to bring into the meetings recording equipment, cameras, mobile telephones, or any other inappropriate item which may interfere with the good order of the meetings. Storage and cloakroom facilities will be provided.

If, having registered, you wish to leave the building, you should first report to the registration desk. If you fail to do this, you may have difficulty re-entering the building. We may refuse entry to persons whose demeanour or behaviour we believe may interfere with the good order of the meetings.

We hope you will understand that these arrangements are for the protection of all shareholders.

If you have any comments or questions concerning either the AGM, or the Class Meeting, you can contact the Company Secretary by email to info@balfourbeatty.com, with the heading AGM 2009 or Class Meeting 2009, as appropriate. Notices of termination of proxy appointment, or requests for additional Forms of Proxy, should not be sent to this email address. If you wish to give notice of the termination of a proxy appointment, please contact the Company's Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras. Please note that, as indicated on page 10 of this circular, any administrative enquiry relating to your shareholding should, in the first instance, be directed to the Company's Registrars clearly stating your registered name and address and, if available, full shareholder reference number.

You can obtain the results of the AGM and Class Meeting by telephoning the Company's Registrars, Capita Registrars, on or after 15 May 2009. The results will also be announced to the UK Listing Authority via a Regulatory Information Service and will appear on the Balfour Beatty website at www.balfourbeatty.com as soon as practicable following the meetings.

Information for participants in the Balfour Beatty Share Option Schemes

Please note that participation in the Balfour Beatty Share Option Schemes does not entitle you to attend either the AGM or the Class Meeting.

Balfour Beatty Share Option Scheme participants who are also shareholders

Where it has been possible to combine records, participants who also hold ordinary or preference shares (or both) have been sent the relevant Form of Proxy/Admission Card and only one copy of the Company's Annual review 2008, and this circular.

You may have received separate sets of documents as it was not possible to combine your records – for example, because different dividend payment instructions apply. Any participants who now wish to stop the additional mailings by combining their records should contact Capita Registrars (see page 10).

Notice of Annual General Meeting

Notice is hereby given that the sixty-fourth Annual General Meeting of Balfour Beatty plc will be held at the Victoria Park Plaza, 239 Vauxhall Bridge Road, London SW1V 1EQ, on Thursday 14 May 2009 at 11.00 a.m. for the following purposes:

Ordinary Business

1. To receive and, if thought fit, adopt the Directors' report and accounts for the year ended 31 December 2008.
2. To approve the Directors' remuneration report for the year ended 31 December 2008.
3. To declare a final dividend on the ordinary shares of the Company.
4. To re-elect Mr S Marshall as a Director.
5. To re-elect Mr I P Tyler as a Director.
6. To re-elect Mr P J L Zinkin as a Director.
7. To elect Mr G E H Krossa as a Director.
8. To elect Mr A J McNaughton as a Director.
9. To elect Mr G C Roberts as a Director.
10. To re-appoint Deloitte LLP as auditors.

Special Business

11. To consider and, if thought fit, pass as an ordinary resolution: THAT:

(i) the Directors be authorised in the terms of paragraph (B)(i) of Article 11 of the Company's Articles to allot relevant securities for the period beginning on 14 May 2009 and ending at the conclusion of the Company's Annual General Meeting to be held in 2010, or on 1 July 2010, whichever shall be the earlier and for such period the Section 80 Amount (as defined in paragraph (B)(iii) of that Article) shall be £79,673,710; and

(ii) the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 (the "1985 Act") to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the 1985 Act) comprising equity securities (as defined in Section 94(2) of the 1985 Act) up to a further nominal amount of £79,673,710 in connection with an offer by way of a rights issue, such authority to expire at the end of the next Annual General Meeting or on 1 July 2010, whichever shall be the earlier but so that the Company may make offers and enter into agreements during the relevant period which would, or might, require relevant securities to be allotted after the authority ends, such authority to replace the authority to allot relevant securities granted by resolution 7 passed at the Annual General Meeting of the Company held on 15 May 2008.

For the purposes of the authority in paragraph (ii) above "rights issue" means an offer to:

- (a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (b) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities, to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject (in both cases) to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

12. To consider and, if thought fit, pass as a special resolution:

THAT, subject to and conditional upon the passing of resolution 11 set out in this Notice of Annual General Meeting dated 8 April 2009, the Directors be empowered:

(i) in the terms of paragraph (B)(ii) of Article 11 of the Company's Articles to allot equity securities pursuant to the authority granted by that resolution wholly for cash for the period beginning on 14 May 2009 and ending at the conclusion of the Company's Annual General Meeting to be held in 2010 or, on 1 July 2010, whichever shall be the earlier, and for such period the Section 89 Amount (as defined in paragraph (B)(iii) of that Article) shall be £11,951,056; and

(ii) the Directors be empowered to allot equity securities (as defined in Section 94(2) of the 1985 Act) wholly for cash pursuant to the authority given by paragraph (ii) of resolution 11 above in connection with a rights issue as if Section 89(1) of the 1985 Act did not apply to such allotment, such power to expire at the end of the Company's next Annual General Meeting or on 1 July 2010, whichever shall be the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended.

For the purposes of this resolution, an allotment of equity securities pursuant to the authority granted by resolution 11 shall be deemed to include the sale of relevant shares in the Company which, immediately before such sale, were held by the Company as treasury shares and "rights issue" has the same meaning as that set out in resolution 11.

13. To consider and, if thought fit, pass as a special resolution:

THAT, pursuant to Article 7 of the Company's Articles and subject to and conditional upon the passing of the special resolution set out in the Notice dated 8 April 2009 convening a separate Class Meeting of the holders of the Cumulative Convertible Redeemable Preference Shares of 1p each in the Company (the "Preference Shares"), the Company be and is hereby generally and unconditionally authorised for the purpose of Section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of Section 163(3) of that Act) of ordinary shares of 50p each in the Company (the "Ordinary Shares") and/or Preference Shares in the Company and, where such shares are held in treasury, the Company may, among other things, use them for the purpose of its employee share schemes, provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased is 47,804,226 and the maximum number of Preference Shares hereby authorised to be purchased is 16,775,968;

(b) the maximum price (exclusive of expenses) which may be paid for a share shall be not more than the higher of:

- (i) 5% above the average of the market value of a share of the same class for the five business days immediately preceding the date on which such share is contracted to be purchased; or
- (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for "buy-back" programmes and stabilisation of financial instruments (No. 2273/2003);

(c) the minimum price (exclusive of expenses) which may be paid for a share is its nominal value;

(d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the separate Class Meeting which will follow the Annual General Meeting of the Company to be held in 2010, or on 1 July 2010, whichever shall be the earlier; and

(e) the Company may make a contract or contracts to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may purchase shares in pursuance of any such contract or contracts.

14. To consider and, if thought fit, pass as an ordinary resolution:

THAT:

(a) the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect be authorised for the purposes of Part 14 of the Companies Act 2006 during the period from the date of the passing of this resolution to conclusion of the Company's Annual General Meeting in 2010, or 1 July 2010 whichever shall be the earlier:

- (i) to make political donations to political parties, and/or independent election candidates;
- (ii) to make political donations to political organisations other than political parties; and
- (iii) to incur political expenditure, provided that the aggregate amount of any such donations and expenditure shall not exceed £25,000;

(b) all existing authorisations and approvals relating to political donations or expenditure are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and

(c) words and expressions defined for the purpose of the Companies Act 2006 shall have the same meaning in this resolution.

15. To consider and, if thought fit, pass as a special resolution:

THAT a general meeting other than an AGM may be called on not less than 14 clear days' notice.

16. To consider and, if thought fit, pass as an ordinary resolution:

THAT in accordance with Article 89 and as described in the AGM circular dated 8 April 2009 which forms part of this Notice, the aggregate ordinary remuneration of Directors not holding executive office be increased from £200,000 to £400,000.

By Order of the Board

C D Vaughan

General Counsel and Company Secretary

Dated 8 April 2009

Registered Office: 130 Wilton Road, London SW1V 1LQ

Notes:

(i) Only holders of ordinary shares entered on the Register of Members of the Company at 6.00 p.m. on the second day prior to the date of the Meeting or any adjournment of it shall (if otherwise entitled to do so) be entitled to attend and vote at the meeting or any such adjournment. This is in accordance with paragraph 41 of the Uncertificated Securities Regulations 2001 and Article 60 of the Company's Articles.

As at 27 March 2009 (being the latest practicable date before the publication of this Notice) the Company's issued ordinary share capital consisted of 478,042,265 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 27 March 2009 were 478,042,265.

(ii) To be valid for the meeting, a Form of Proxy should be completed, signed and lodged (together with any power of attorney or other authority under which it is signed or a duly certified copy of such power or authority) with the Company's Registrars, Capita Registrars, no later than 48 hours before the time for which the meeting is convened.

(iii) A member is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. For holders of ordinary shares, a white Form of Proxy is enclosed. If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras.

(iv) Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights ("a Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

(v) The statement of the rights of shareholders in relation to the appointment of proxies in Note (iii) above does not apply to Nominated Persons. The rights described in this paragraph can only be exercised by shareholders of the Company.

(vi) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:

- (a) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
- (b) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman of the meeting is being appointed as described in (a) above.

(vii) Copies of Directors' service contracts and letters of appointment are available for inspection during usual business hours at the registered office of the Company on any weekday (Saturdays and public holidays excluded) from the date of this Notice until the date of the AGM and also at the place of the AGM for at least 15 minutes prior to, and until the conclusion of, the meeting.

(viii) If approved, the final dividend on ordinary shares will be paid to holders of ordinary shares registered in the books of the Company on 24 April 2009. Warrants will be posted on 3 July 2009 payable on 6 July 2009.

Notice of separate Class Meeting of holders of Cumulative Convertible Redeemable Preference Shares

Notice is hereby given that a separate Class Meeting of the holders of the Cumulative Convertible Redeemable Preference Shares of 1p each in Balfour Beatty plc (the "Preference Shares") will be held at the Victoria Park Plaza, 239 Vauxhall Bridge Road, London SW1V 1EQ on Thursday 14 May 2009 at 11.30 a.m. or as soon thereafter as the Annual General Meeting of the Company, convened for the same day at the same place at 11.00 a.m., shall have been concluded or adjourned, for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

Special resolution

THAT the holders of the Cumulative Convertible Redeemable Preference Shares of 1p each in the Company hereby sanction the passing and implementation of resolution 13 set out in the Company's Notice of Annual General Meeting dated 8 April 2009 and each and every contract to purchase shares entered into within the terms of the authority thereby conferred.

By Order of the Board

C D Vaughan

General Counsel and Company Secretary

Dated 8 April 2009

Registered Office: 130 Wilton Road, London SW1V 1LQ

Notes:

(i) Only holders of Preference Shares entered on the Register of Members of the Company at 6.00 p.m. on the second day prior to the date of the meeting shall (if otherwise entitled to do so) be entitled to attend and vote at the meeting or any adjournment of it. This is in accordance with paragraph 41 of the Uncertificated Securities Regulations 2001 and Article 60 of the Company's Articles.

As at 27 March 2009 (being the latest practicable date before the publication of this Notice) the Company's issued preference share capital consisted of 111,839,795 Preference Shares, carrying one vote each. Therefore, the total preference voting rights in the Company as at 27 March 2009 were 111,839,795.

(ii) To be valid for the meeting, a Form of Proxy should be completed, signed and lodged (together with any power of attorney or other authority under which it is signed or a duly certified copy of such power or authority) with the Company's Registrars, Capita Registrars, no later than 48 hours before the time for which the meeting is convened.

(iii) A holder of Preference Shares is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. For holders of Preference Shares, a blue Form of Proxy is enclosed. If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras.

(iv) Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights ("a Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

(v) The statement of the rights of shareholders in relation to the appointment of proxies in Note (iii) above does not apply to Nominated Persons.

The rights described in this paragraph can only be exercised by shareholders of the Company.

(vi) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:

- (a) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
- (b) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman of the meeting is being appointed as described in (a) above.

(vii) If a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting shall be adjourned to be held at 130 Wilton Road, London SW1V 1LQ on Friday 22 May 2009 at 10.30 a.m.

Shareholder information

Financial calendar

		2009
22 April	Ex-dividend date for final 2008 ordinary dividend	
24 April	Final 2008 ordinary dividend record date	
14 May	Annual General Meeting	
27 May	Ex-dividend date for July 2009 preference dividend	
29 May	July 2009 preference dividend record date	
10 June	Final date for receipt of DRIP mandate forms (see below)	
1 July	Preference dividend payable	
6 July*	Final 2008 ordinary dividend payable	
12 August*	Announcement of 2009 half-year results	
10 December*	Interim 2009 ordinary dividend payable	
		2010
1 January	Preference dividend payable	

*Provisional dates

Registrars

All administrative enquiries relating to shareholdings and requests to receive corporate documents by email should, in the first instance, be directed to the Company's Registrars and clearly state the shareholder's registered address and, if available, the full shareholder reference number. Please write to: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, Telephone: 0871 664 0300 from the UK (calls cost 10p per minute plus network extras) and +44 20 8639 3399 from outside the UK (Monday – Friday 9.00 a.m. – 5.30 p.m., UK time). Alternatively, you can email them at: ssd@capitaregistrars.com

They can help you to:

- check your shareholding;
- register a change of address or name;
- obtain a replacement dividend cheque or tax voucher;
- record the death of a shareholder;
- amalgamate multiple accounts;
- resolve any other question about your shareholding.

Dividend mandates

If you wish dividends to be paid directly into your bank or building society account, you should contact the Registrars for a dividend mandate form. Dividends paid in this way will be paid through the Bankers Automated Clearing System (BACS).

Dividend reinvestment plan

Balfour Beatty has a dividend reinvestment plan (DRIP) which allows ordinary shareholders to reinvest their cash dividends in the Company's shares bought in the market through a specially arranged share dealing service. Full details of the DRIP and its charges, together with mandate forms, can be accessed at www.balfourbeatty-shares.com

Shareholder information on the internet and electronic communications

The Balfour Beatty website at www.balfourbeatty.com offers shareholders and prospective investors a range of information about the Company, its people and businesses and its policies on corporate governance and corporate responsibility. It should be regarded as your first point of reference for information on any of these matters.

In conjunction with Capita Registrars, you can access and manage your shareholdings whenever and wherever you like. By creating a Share Portal account, you are able to access the full range of online services, including the ability to:

- view your holdings and indicative share price and valuation;
- view movements on your holdings and your dividend payment history;
- register a bank mandate to have your dividends paid directly into your bank account (see "Dividend mandates" above);
- change your registered address;
- sign-up to receive e-communications or access online proxy voting;
- download and print shareholder forms.

The Share Portal is easy to use. You can take control of your shareholding and keep your details up to date. Please visit www.balfourbeatty-shares.com. Alternatively, you can email: shareportal@capita.co.uk

Balfour Beatty actively supports Climate Care, a not-for-profit organisation that funds global sustainable energy and forest restoration projects that reduce greenhouse gases.

Current projects include:

- financing renewable energy cooking stoves in schools in India;
- making clean, efficient stoves available to some of the poorest communities in Honduras;
- restoring rainforests in Uganda;
- installing energy-efficient lamps in low-income households in South Africa and St Lucia.

As well as cutting greenhouse gasses, Climate Care's projects also help to improve people's standard of living and to protect wildlife habitats.

For more information on Climate Care, visit www.climatecare.org

In support of the Climate Care programme, Balfour Beatty will donate £1 to Climate Care for every shareholder that registers to receive shareholder communications electronically.

Unsolicited telephone calls

In the past, some of our shareholders have received unsolicited telephone calls or correspondence concerning investment matters from organisations or persons claiming or implying that they have some connection with the Company. These are typically from overseas based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in UK or overseas investments. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports into the Company. These approaches are operated out of what is more commonly known as a 'boiler room'. You may also be approached by brokers offering to purchase your shares for an upfront payment in the form of a broker fee, tax payment or de-restriction fee. This is a common secondary scam operated by the boiler rooms.

If you receive any unsolicited investment advice:

- always ensure the firm is on the Financial Services Authority ("FSA") Register and is allowed to give financial advice before handing over your money. You can check at www.fsa.gov.uk/pages/register;
- double-check the caller is from the firm they say they are – ask for their name and telephone number and say you will call them back. Check their identity by calling the firm using the contact number listed on the FSA Register;
- check the FSA's list of known unauthorised overseas firms at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml. However, these firms change their name regularly, so even if a firm is not listed it does not mean they are legitimate. Always check that they are listed on the FSA Register;
- if you have any doubts, call the FSA Consumer Helpline with details, or complete the Unauthorised Firms Reporting Form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/form.shtml. If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. More detailed information on this or similar activity can be found on the FSA website at www.moneydeclared.fsa.gov.uk. You should also report any approach to Operation Archway, an initiative by the City of London Police in conjunction with the FSA, the Serious Fraud Office, the Serious Organised Crime Agency and police forces within the UK, by email: operationarchway@cityoflondon.pnn.police.uk

Shareholder information

Identity theft

Identity theft has become a growing concern within financial services and poses an increasing threat to investors, including individual shareholders who are at particular risk from this type of fraud. Criminals may steal your personal information, putting your shareholding at risk. You may therefore wish to take the following precautions:

- ensure that all of your share certificates are kept securely in a safe place or hold your shares electronically in CREST via a nominee;
- keep all correspondence from the Registrars which shows your shareholder reference number securely in a safe place, or destroy correspondence by shredding. You should only divulge your shareholder reference number if requested to do so by the Registrars or an appropriate professional adviser eg your stockbroker or solicitor;
- if you use the Registrars' services via their website, you should ensure that your username and password are kept confidential at all times. Never respond to an email asking you to disclose your online password information;
- if you change address, please inform the Registrars. If you receive a letter from the Registrars regarding a change of address and have not recently moved, please contact them immediately. You may be a victim of identity theft;
- make sure that you know when the Company pays its dividends and consider having them paid directly into your bank or building society account through BACS, if you have not already done so. This will reduce the risk of your cheque being intercepted or lost in the post. If you change your bank or building society account, please inform the Registrars of the details of your new account. If, for example, a dividend payment or share certificate is late, please telephone the Registrars immediately and check the address to which it has been sent. Please respond to any letters that the Registrars send you about any of these issues;
- if you are buying or selling shares, only deal with brokers registered in your country of residence or the UK.

Gifting shares to your family or to charity

To transfer shares to another member of your family as a gift, please ask the Registrars for a Balfour Beatty gift transfer form. Alternatively, if you only have a small number of shares whose value makes it uneconomic to sell them, you may wish to consider donating them to the share donation charity ShareGift (registered charity no. 1052686), whose work Balfour Beatty supports.

Any shares that you donate to ShareGift will be aggregated, sold when possible, and the proceeds will be donated to a wide range of other UK charities. Since ShareGift was launched, over £13m has been given to more than 1,500 charities. The relevant share transfer form may be accessed at www.balfourbeatty-shares.com. For more information on ShareGift, visit www.ShareGift.org.

Share dealing services

Capita IRG Trustees Limited provide a telephone and online share dealing service for UK and EEA resident shareholders. To use this service, shareholders should contact Capita, Telephone: 0871 664 0454 – lines are open Monday to Friday 8.00 a.m. to 4.30 p.m., UK time (calls cost 10p per minute plus network extras). Alternatively, log on to www.capitadeal.com

The Company has also established an execution-only postal share dealing service through JPMorgan Cazenove Limited for private investors who wish to buy or sell Balfour Beatty plc's shares. Further details can be obtained from The Balfour Beatty Share Dealing Service, JPMorgan Cazenove Limited, 20 Moorgate, London EC2R 6DA, Telephone: 020 7155 5155.

An execution-only share dealing service for the purchase and sale of Balfour Beatty plc's shares is also available from NatWest Stockbrokers. For details, please contact: NatWest Stockbrokers, Waterhouse Square, 138-142 Holborn, London EC1N 2TH, Telephone: 0808 208 4433.

Capita IRG Trustees Limited, JPMorgan Cazenove Limited and NatWest Stockbrokers are each authorised and regulated by the Financial Services Authority.

Annual report and accounts

Shareholders may now elect to receive the Directors' report and accounts in addition to the Annual review. Any shareholder wishing to receive the Directors' report and accounts in future should contact the Registrars. Shareholders contacting the Registrars should quote their full name and address in all correspondence.

Share price

The Balfour Beatty share price can be found at the Balfour Beatty website at www.balfourbeatty.com and in the appropriate sections of national newspapers under the classification "Construction and Building Materials". It is also available on a number of personal finance websites on the Internet and from television text services.

The London Stock Exchange Daily Official List (SEDOL) codes are:
Ordinary Shares: 0096162.
Preference Shares: 0097820.

The London Stock Exchange "ticker" codes are:
Ordinary Shares: BBY.
Preference Shares: BBYB.

Capital gains tax

For capital gains tax purposes the market value on 31 March 1982 of Balfour Beatty plc's ordinary shares of 50p each was 307.3p per share. This has been adjusted for the 1-for-5 rights issue in June 1992 and the 2-for-11 rights issue in September 1996.

Enquiries

Enquiries relating to Balfour Beatty's results, business and financial position should be made in writing to the Corporate Communications Department at the Company's Registered Office address or by email to info@balfourbeatty.com

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Balfour Beatty

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