



October 30, 2007

Balfour Beatty

Construction

UK Analyst Meeting

Began Division in April 2001 with 12 people / no work

- Grown **4 business units** including Military Housing, Raleigh, Charlotte and Atlanta Commercial
- Awarded over **\$4.3 billion** of new work
- Will put **\$903 million** in place in 2008
- **\$2.2 billion** total backlog + ABNC
- Over **360** employees
- High Quality Clients: Bank of America, Ritz Carlton, Cisco Systems, North Carolina University System, GMH, Cousins, Ginn Resorts, Wake County Schools

Work Awarded/Completed Past Year

- Bank of America Tower (C)
- Ritz-Carlton Hotel (C)
- North Carolina State - Western Manor (C)
- Navy SE (MH)
- ABC Stores (C)
- The Prado Redevelopment (C)
- Ft. Jackson (MH)
- Founders Hall (C)
- West Point (MH)
- UNC – Charlotte Student Union (C)
- UNC – Chapel Hill Science Complex Phase I (C)
- Central Prison (C)
- Wachovia (C)
- Cisco Systems (C)
- Bank of America (C)
- Ginn Resorts (C)
- Duke Center for Integrative Medicine (C)
- Bear Lake Resort (C)
- Center City Partners (C)
- Duke Law School (C)
- Las Vegas Premium Outlets (C)
- Duke University Medical Center (C)
- Blakeney Park (C)
- Air Force (AMC West) (MH)

Why Military Housing?

Balfour Beatty Construction and GMH teamed up to pursue military housing programs in 2002 in response to the Federal Government's initiative to privatize military housing.

Privatization Initiative

In 1996, President Clinton signed into law the Defense Authorization Bill also known as the Military Housing Privatization Initiative (MHPI)

MHPI addresses two main concerns:

- The poor condition of Department of Defense-owned housing
- The shortage of quality affordable housing

MHPI designed and developed to:

- Attract private sector involvement
- Provide necessary housing faster and more efficiently than traditional military construction



Resulting in privatization of over 82,000 family housing units

Who is GMH



GMH Communities Trust is a Maryland real estate investment trust (REIT).

It is a self-advised specialty housing company focused on providing housing to college and university students residing off-campus and to members of the U.S. military and their families residing at installations throughout the country

GMH is one of the largest owners and operators of privatized student housing in the U.S.

Quality Management Team



Jim Taylor
Executive Vice President

- 30 Years Construction Experience
- 21 Years of Multi-family Experience
- **11 Years of Military Housing Experience**
- 18,000 Units Built
- **25 Year Working Relationship with other Team Members**



Carl Frinzi
BUL

- 25 Years Construction Experience
- 22 Years of Multi-family Experience
- **16 Years of Military Housing Experience**
- 14,664 Units Built
- **25 Year Working Relationship with other Team Members**



Bob Jackson
BUL

- 24 Years Construction Experience
- 17 Years of Multi-family Experience
- **10 Years of Military Housing Experience**
- More than 8000 Units Built
- **16 Year Working Relationship with other Team Members**



Frank Santoro
BUL

- 26 Years Construction Experience
- No prior Multi-family Experience
- **2 Years of Military Housing Experience**
- 1,648 Units Built or Currently in Development
- **10 Year Working Relationship with other Team Members**



Peter Wojtowicz
Preconstruction

- 33 Years Construction Experience
- 20 Years of Multi-family Experience
- **9 Years of Military Housing Experience**
- Been involved with 15,000 Units
- **21 Year Working Relationship with other Team Members**



Vicki James
Purchasing

- 25 Years Construction Experience
- 6 Years of Multi-family Experience
- **6 Years of Military Housing Experience**
- **20 Year Working Relationship with other Team Members**

Military Housing

- Shared culture, values and focus around Service, Talent and Choices
- Balfour Beatty Community Involvement at every location
- Balfour Beatty Spirit!
- Signature Client Experience

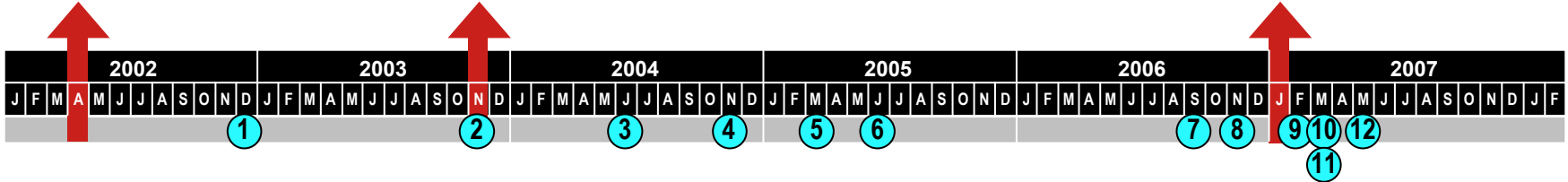


GMH – Balfour Beatty Timeline

BBC/Centex gets introduced to GMH by Atkins Benham to pursue Military Housing Privatization (April 2002)

GMH purchase JA Jones Community Development (Rights to the Fort Eustis/Fort Story Contract)

Balfour Beatty Announcement if the Centex Acquisition



Project Awards/Closings

- ① GMH/AB/Centex wins Fort Stewart/Hunter – Dec. 2002
- ② Fort Stewart/Hunter Project Closing – Nov. 2003
- ③ Fort Detrick/Walter Reed Project Closing – June 2004
- ④ Navy Northeast Project Closing – Nov. 2004
- ⑤ Fort Eustis/Fort Story Project Closing – Mar. 2005
- ⑥ Fort Bliss/White Sands Closing – June 2005
- ⑦ Fort Gordon Closing – Sept. 2006
- ⑧ Fort Carson Closing – Nov. 2006
- ⑨ Navy Southeast Awarded to GMH/Balfour Beatty – Feb. 2007
- ⑩ West Point Awarded to GMH/Balfour Beatty – Mar. 2007
- ⑪ Carlisle/Picatinny Closing – Mar. 2007
- ⑫ Fort Jackson Awarded to GMH/Balfour Beatty – May 2007



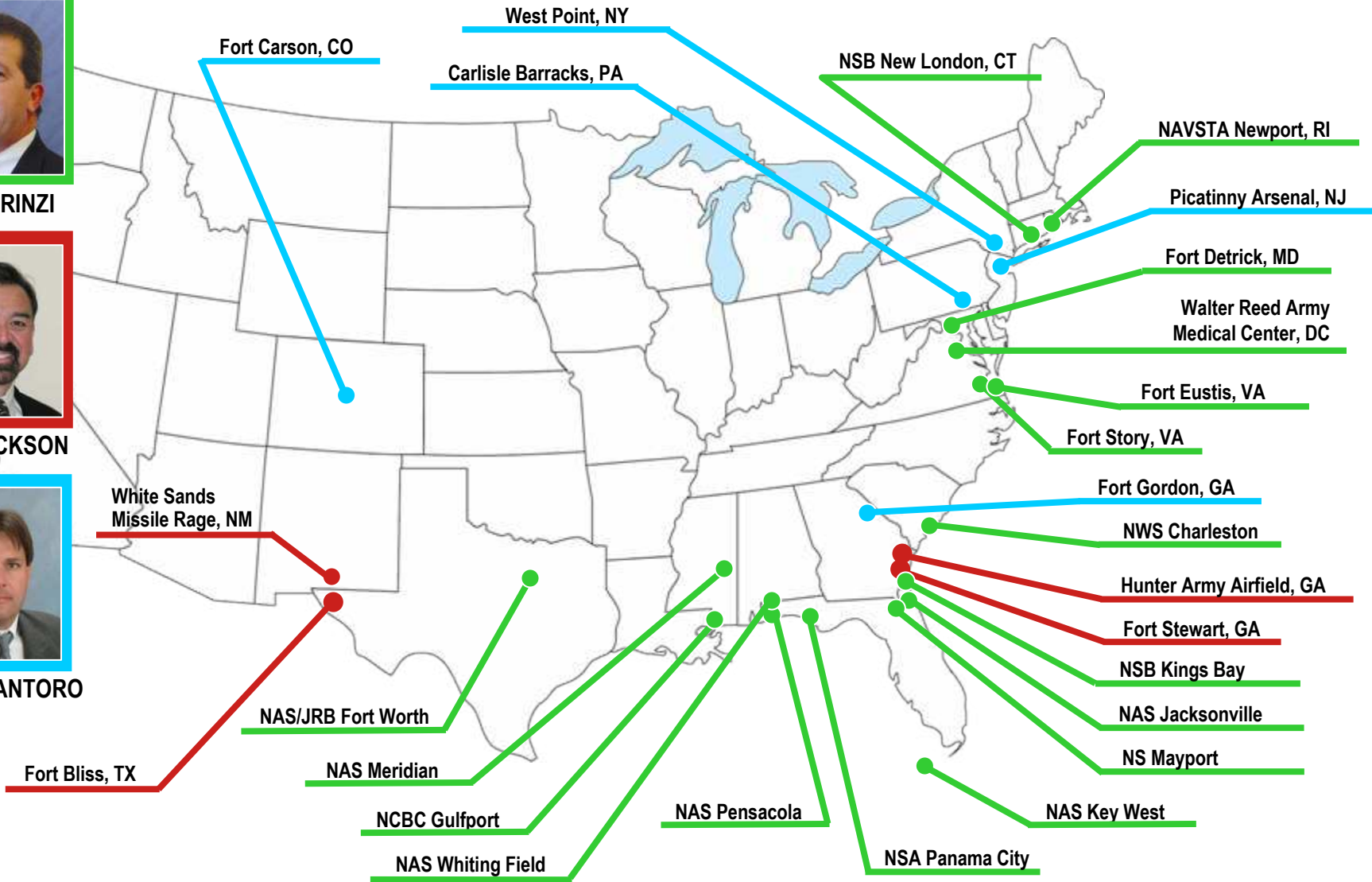
CARL FRINZI



BOB JACKSON



FRANK SANTORO





Ft. Stewart / Hunter AFB
Hinesville & Savannah, GA

Contract Value.... \$301,606,360



Ft. Detrick / WRAMC
Frederick & Silver Spring, MD

Contract Value.... \$72,689,317



Navy Northeast
ME, RI, CT, NY, NJ

Contract Value.... \$385,742,259



Ft. Eustis / Ft. Story
Ft. Eustis & Ft. Story, VA

Contract Value.... \$117,239,969



Ft. Carson, Phase 2
Ft. Carson, CO

Contract Value.... \$102,545,011



Ft. Bliss / WSMR
El Paso, TX & White Sands, NM

Contract Value.... \$351,683,131



Ft. Gordon
Augusta, GA

Contract Value.... \$69,445,242



Carlisle / Picatinny
Carlisle, PA & Rockaway, NJ

Contract Value.... \$48,547,129



Navy Southeast
FL, SC, TX, MS, Key West

Contract Value.... \$463,000,000



West Point
West Point, NY

Contract Value.... \$70,000,000



Ft. Jackson
Columbia, SC

Contract Value.... \$110,000,000

- UPH Ft. Bliss \$29M 358 units
- UPH Ft. Stewart \$29M 334 units

Awarded but not contracted

Total contract value of all projects..... **\$2,150,498,508**

Total Units for all projects..... **11,324**

\$600 Million in Total Backlog

(does not reflect project awards of UPH – Fort Stewart / UPH – Fort Bliss / West Point / Navy Southeast / Ft. Jackson)

Executorial Excellence – Safety First!

Total Man Hours

Military Housing } 5,450,068

Loss Time Incident Rate

Military Housing } 1.02 National average } 2.6

Cost Per Man Hour

Military Housing } \$0.27 National average } \$0.90

Fatalities } 0



Navy Southeast Project



- Our largest Military Housing contract to date
- Contract Value \$463 M
- 11 Locations in 5 different states



VIEW OF COMMUNITY CENTER FROM WEBSTER STREET BOULEVARD ENTRANCE

NWS Charleston – Menriv East

EXISTING PLAN



RANK DISTRIBUTION KEY

- E1 - E6
- E7 - E8
- E9

WORK SCOPE KEY

- RENOVATE

MENRIV HOUSING

CONVEYED	1,370
RENOVATED	128
DEMOLISHED	1,242
NEW	624
END STATE	752

NEW HOUSING SCOPE

RANK	3BR	4BR	5BR	TOTAL
E1- E6	275	0	0	275
E1- E6	0	223	0	223
E7- E8	0	114	0	114
E9	0	12	0	12
TOTALS	275	349	0	624

AMENITIES

5,000 SF Office/Community Center
Pool
Maintenance Building
Soccer Field
Basketball Court
Volleyball Court
5 Tot Lots

NWS Charleston – Menriv East

PROPOSED PLAN



RANK DISTRIBUTION KEY



WORK SCOPE KEY



MENRIV HOUSING

CONVEYED	1,370
RENOVATED	128
DEMOLISHED	1,242
NEW	624
END STATE	752

NEW HOUSING SCOPE

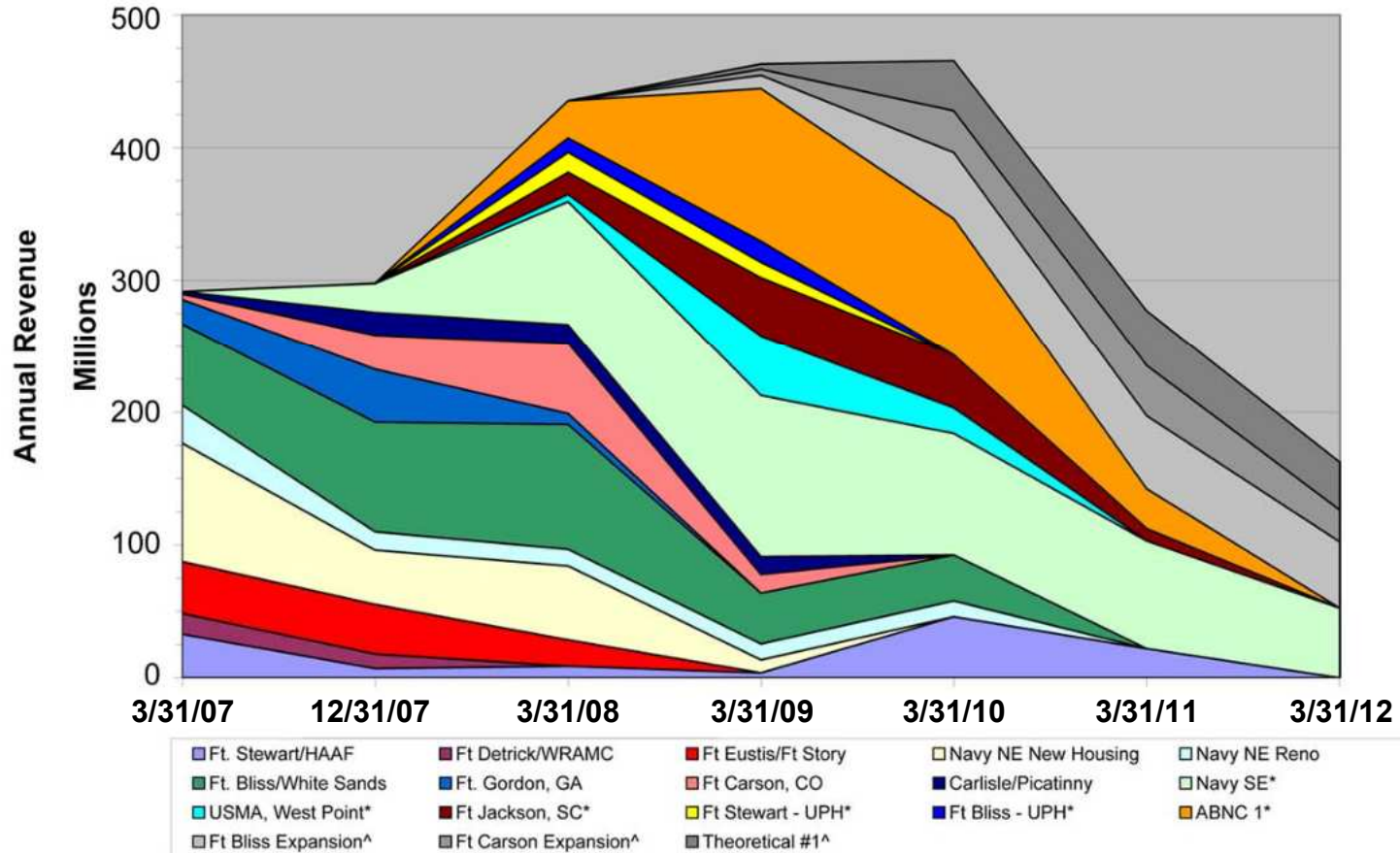
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AMENITIES

5,000 SF Office/Community Center
Pool
Maintenance Building
Soccer Field
Basketball Court
Volleyball Court
5 Tot Lots

Military Housing Costs and Projections

Military Housing
Annual Revenue Projection - 8/31/07
with potential New Work
* - ABNC Projects, ^-Potential New Work



(Potential \$200-250M project)

Overall Fifty-Year Program

			IDP	Secondary Development Period							
Fort Stewart			1-8	9-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50
Marne Homes	Originally Built	# Homes	▲ 116	■ 55		◆ 116		▲ 60	■ 116		◆ 60
Marne Terrace	1977	509	☼								
Hallwood Homes	1957-64	198	☼								
North Bryan Village	1977	426	■			▲ 200	▲ 226		◆ 85	◆ 340	
South Bryan Village	1977-83	516	■		▲ 360	▲ 156		◆ 103	◆ 412	▲ 516	
Isenhower Terrace	1986	243	■		◆ 243		▲ 243			◆ 122	◆ 121
Isenhower Village	1983	136	■		◆ 136			▲ 136			◆ 136
Marne Woods	1995	232	●	■ 152		◆ 232		▲ 243			◆ 116
Liberty Woods	RCI	677	★		◆ 405	◆ 272		■ 270	■ 405		▲ 530
Coastal Ridge	RCI	30	★		◆ 30			■ 30			▲ 30
New Marne	RCI	267	▲			◆ 201	◆ 66	■ 267			▲ 160
Southern Oaks	RCI	324	★			◆ 324			■ 324		
Hunter Army Airfield											
Gannam Heights/New Gannam	1953	232/348	▲		◆ 261	◆ 87		■ 174	■ 174	▲ 348	
New Savannah	RCI	54	★		◆ 54			■ 54			
New Callaway	RCI	52	★		◆ 52			■ 52			
Callaway Circle	RCI	6	☼								
Wilson Acres	1953	250/221	■ ☼	▲ 221			◆ 165	◆ 56		▲ 221	◆ 110

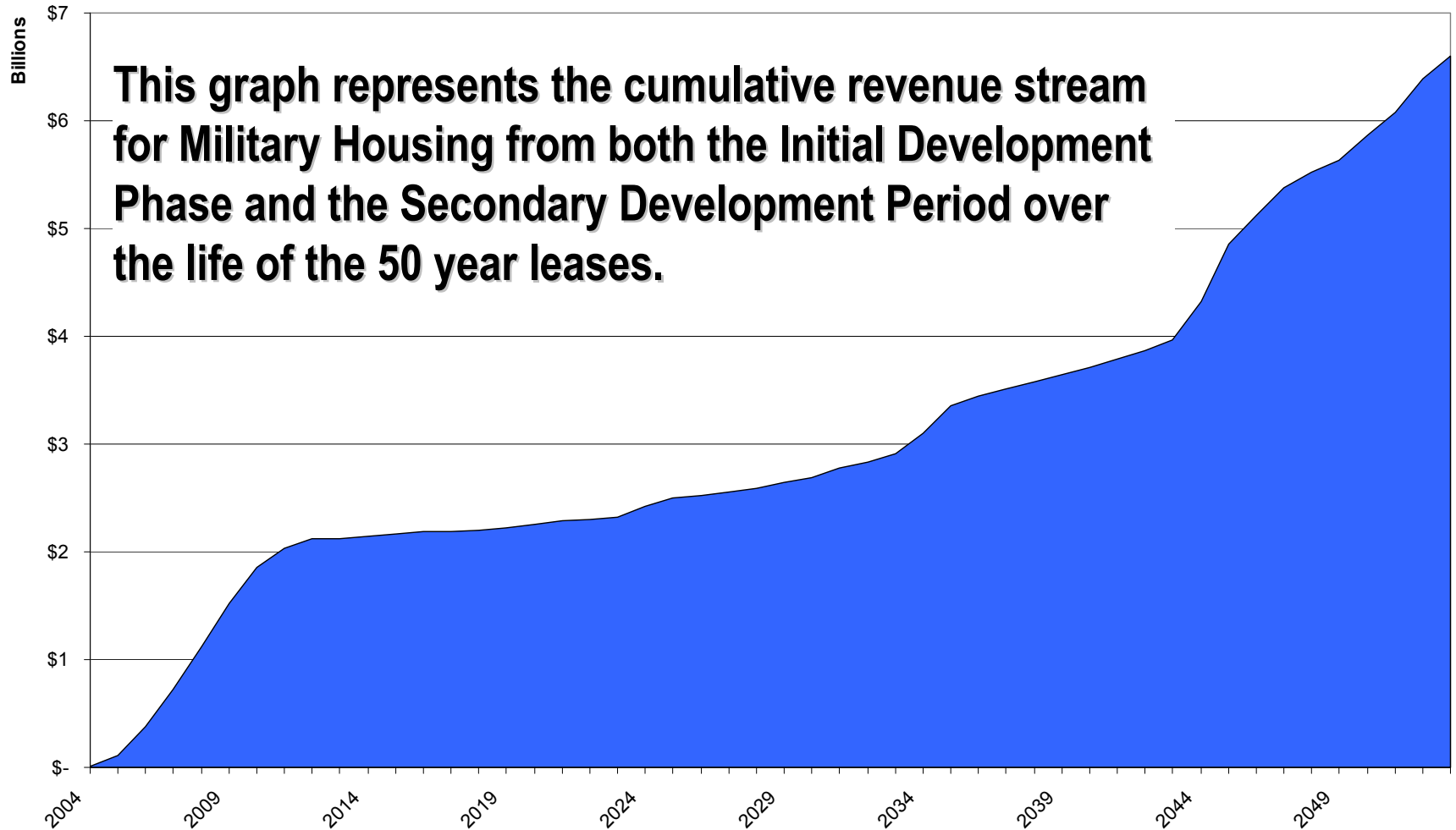
▲ Replacement Construction
★ New Construction

■ Major Renovation
◆ Minor Renovation

☼ Demolition
● Adequate

Military Housing Costs and Projections

Military Housing 50 Year Cumulative Revenue Projection



What's Left

ARMY

Army Group '07:

Ft. Huachuca, AZ & Yuma Proving
Ground, AZ

Late November '07 presentation

Total - \$110 M

Army UPH:

Ft. Bliss, TX & Ft. Stewart, GA

Oct '07 closing

\$28 M each

Army Misc:

Ft. Bliss, TX Expansion

2nd qtr '08 ?

Total - \$200 M

Ft. Carson, Expansion

2nd qtr '08

Total - \$100 M

NAVY

Navy Region Southwest

China Lake NAWS - China Lake, CA

El Centro NAF - El Centro, CA

Fallbrook - Fallbrook, CA

Fallon NAS - Fallon, NV

Lemoore NAS - Lemoore, CA

Seal Beach NWS - Seal Beach, CA

Ventura County NB - Point Muga, CA

Possible Total - \$625 M

Navy UPH

Mayport / Jacksonville, FL,

Approximately - \$250 M

AIR FORCE

Eglin, FL, Hurlburt Field, FL,
Edwards, CA

Late '07

Total - \$450 M

Shaw, SC, Keesler, LA
timing & size unknown

Vance, OK
timing & size unknown

- Picerne Military Housing
- Hunt Building Corporation
- Clark Realty Capital
- Forrest City
- Lend Lease Actus
- Lincoln Property

Planned or likely shifts in markets or customers

Military Housing

- **Uniform Qualifications Process** (Air Force appears to be leaning towards using same Qualifications process now being used by Army and Navy to select its PPV partners.)
- **Unaccompanied Personnel Housing – UPH** (Next phase of PPV program following completion of family housing)
- **More focus on “Out Years”** (these are 50 year building programs. How can we best leverage that to meet BBC goals?)

Strategic Challenges, Priorities and initiatives of the business

- Partnering Strategy with GMH
- Positioning BBC to become the sole source provider on current and future awarded installations
- Continued emphasis on operational excellence
- Exporting best ways for Balfour Beatty to support our Military Housing, vision, and strategy



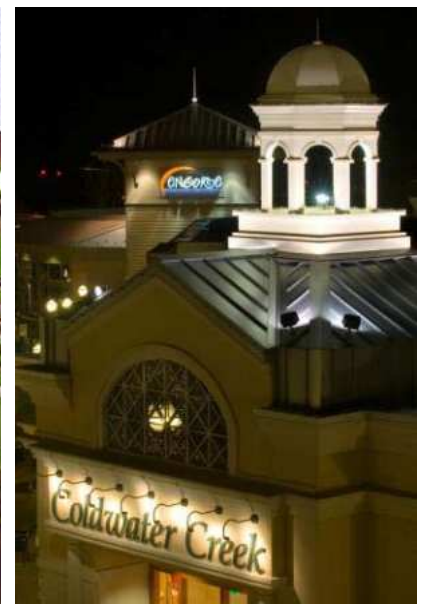
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Balfour Beatty

Construction

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BBC Southeast - Commercial





Bill Blank
Sr. Vice President/COO

- 20 Years Commercial Market Experience
 - Overseeing \$480 M in Revenue
-



John Rankin
Vice President

- 20 Years in Industry
 - 4 Years in the Raleigh Market
 - Overseeing \$140 M in Revenue
-



Pat Dean
Vice President

- 15 Years in Industry
 - 2 Years in the Charlotte Market
 - Overseeing \$200 M in Revenue
-



Jeff George
Vice President

- 20 Years in Industry
 - 21 Years in the Atlanta Market
 - Overseeing \$140 M in Revenue
-

Commercial

- Shared culture, values and focus around Service, Talent and Choices
- Leader in Commercial Construction in the US
- Supports local communities
- Balfour Beatty Spirit!
- Extensive Training and Development programs
- Collaborative environment





UNC Chapel Hill, *Science Complex*



Bank of America, *Superblock*



Marriot Bay Point, *Grand Residences*



North Carolina Art Museum



UNC Charlotte, *Student Union*



Avenue Murfreesboro Retail Center



Duke Center for Integrative Medicine



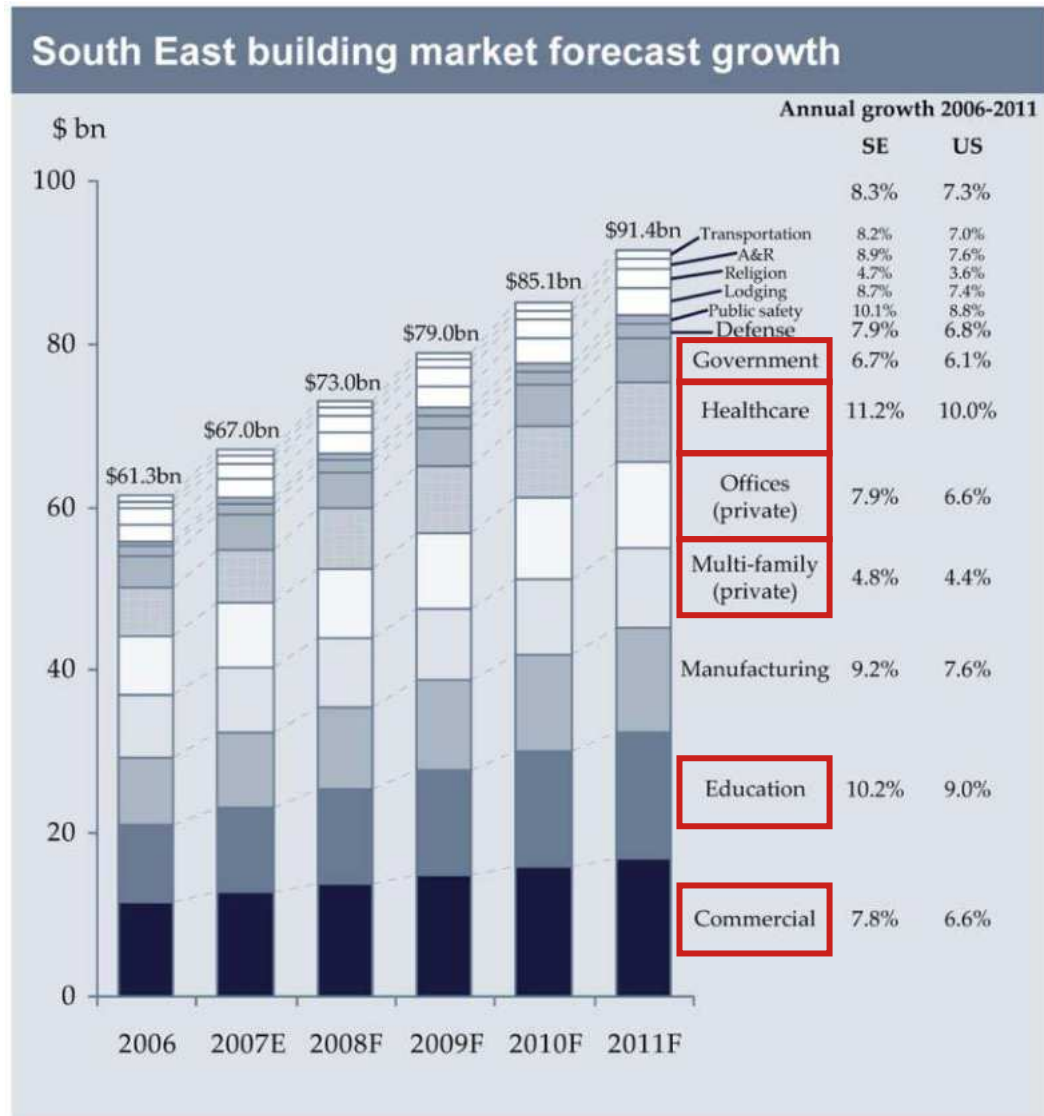
Bear Lake Clubhouse



Chelsea/Simon Premium Outlets

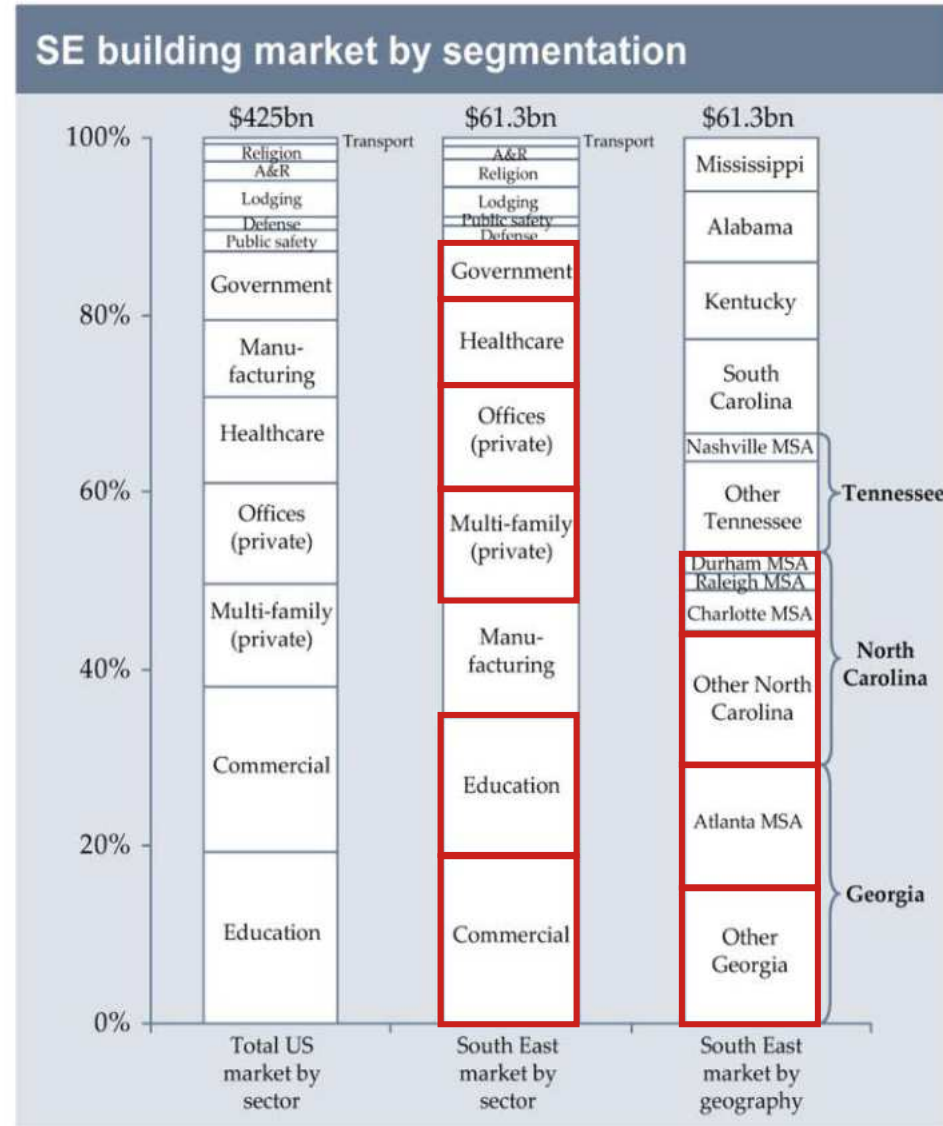
Southeast Building Market Forecast Growth

The **Southeast forecast to grow faster than the US over the next 5 years**, with the top 3 verticals all experiencing strong growth.



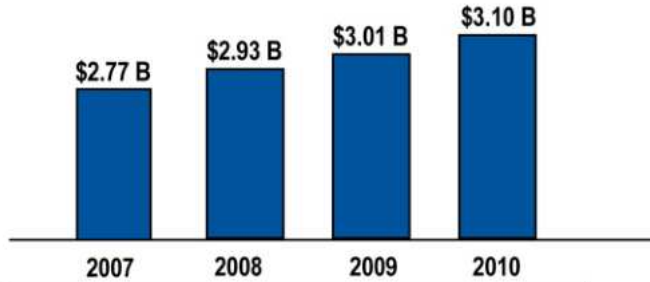
Southeast Building Market Forecast Growth

As in the US as a whole, the major verticals are education and commercial. **The largest states are Georgia and North Carolina, accounting for 53% of the market.**



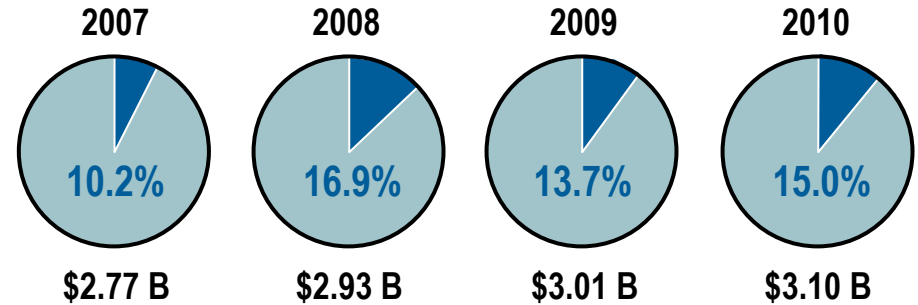
Commercial Market Outlook

Addressable Market



Total Market	2007	2008	2009	2010
	\$6.51 B	\$6.60 B	\$6.86 B	\$7.22 B

Market Share



MARKET INCREASE	NEUTRAL	AVOIDING
<ul style="list-style-type: none"> ▪ Government (CLT) (RAL) ▪ Multi-Family (ATL) ▪ Offices (CLT) (ATL) (RAL) ▪ Education (RAL) ▪ Schools (CLT) ▪ Retail (CLT) (ATL) ▪ Hospitality (ATL) ▪ Healthcare (RAL) 	<ul style="list-style-type: none"> ▪ Apartments (CLT) ▪ Healthcare (CLT) ▪ Amusement (ATL) ▪ Government (ATL) ▪ Apartment/Condo (RAL) ▪ Retail/Hospitality (RAL) ▪ Education (ATL) 	<ul style="list-style-type: none"> ▪ Amusement (RAL) ▪ Healthcare (ATL)



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



THE RITZ-CARLTON®



Current/Completed Work.....\$687 M

Locations (States worked)

FL / GA / NC / TX / VA / DC / MD / SC / DE / TN / OK

Relationship (# of Years)..... 5 Years



North Carolina, University & Government Projects



Current/Completed Work.....\$851.7 M

**Total # of Current/
Completed Projects..... 21**

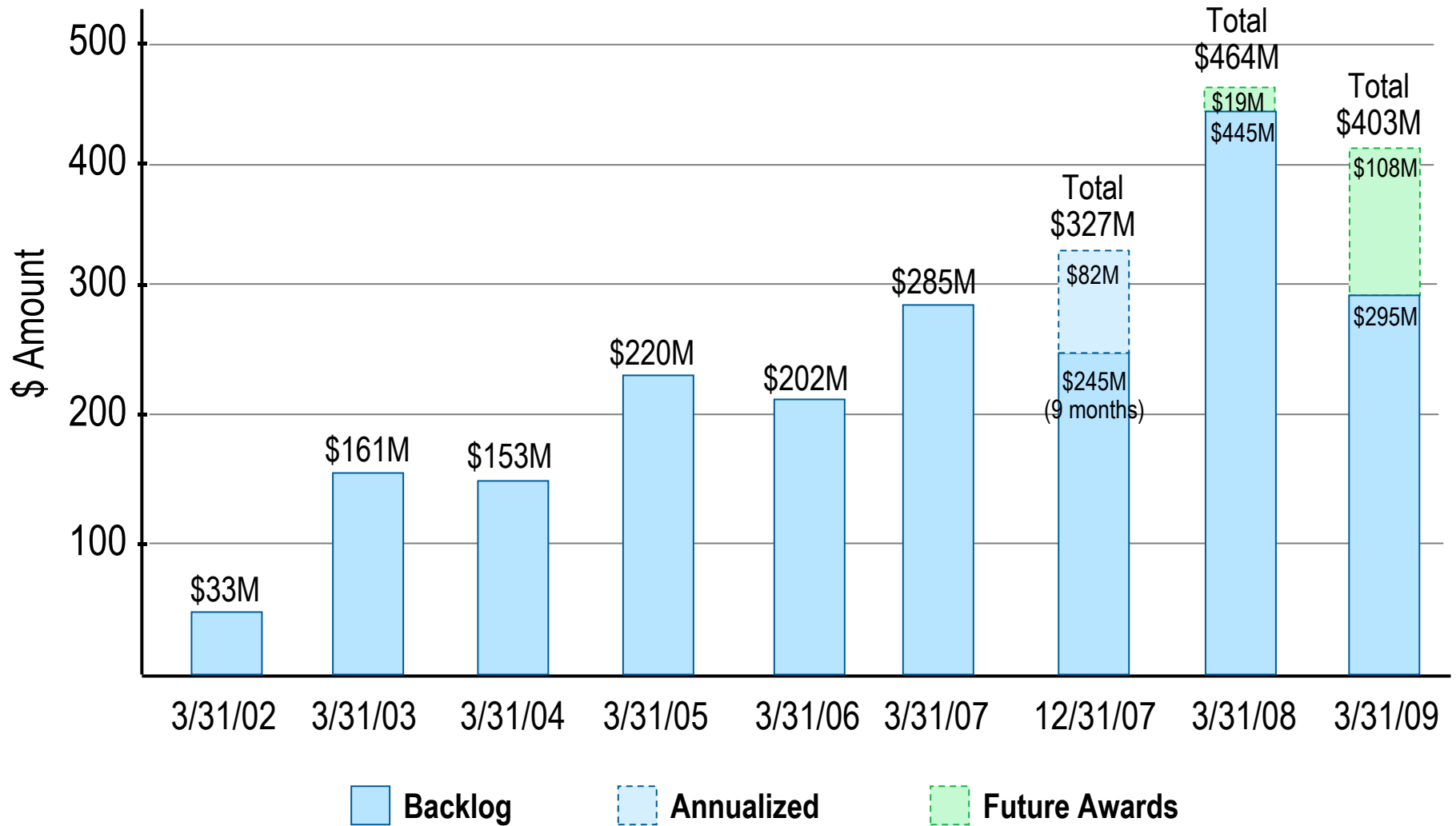
Relationship (# of Years)..... 6 Years



Commercial Backlog & ABNC

PROJECT NAME	VALUE \$	BUSINESS UNIT
Bank of America Tower & Ritz	367,807,000	Charlotte
The Steets of Buckhead	140,000,000	Atlanta
Bank of America Founder's Hall	81,007,000	Charlotte
UNC Science Phase II	79,594,000	Raleigh
NC Art Museum (JV)	53,551,000	Raleigh
UNC Charlotte Student Union	48,804,000	Raleigh
Prado Redevelopment	38,817,000	Atlanta
Avenue Murfreesboro	1,898,000	Atlanta
Chelsea/Simon Premium Outlets	6,213,000	Atlanta
Wake County Schools	16,068,000	Raleigh
Duke Medical	3,732,000	Raleigh
Durham Intermodal + Public Works	24,397,000	Raleigh
TOTAL	\$ 861,888,000	

Revenue Projection Including Future Awards



CHARLOTTE

- Bovis
- BD Rodgers
- RT Dooley
- Turner
- BE&K

RALEIGH

- Bovis
- Skanska
- Barnhill
- Clancy & Theys
- Turner

ATLANTA

- Hardin
- Gilbane
- Brassfield & Gorrie
- Skanska
- Turner
- Bovis

Executorial Excellence – Safety First!

Recordable Incident Rate

Subcontractors } **8.2**

vs. National average } **6.3**

Balfour Beatty Construction } **0.89**

Loss Time Incident Rate

Subcontractors } **0.73**

vs. National average } **2.4**

Balfour Beatty Construction } **0.00**

Cost Per Man Hour

Subcontractors } **\$0.19**

vs. National average } **\$0.90**

Balfour Beatty Construction } **\$0.02**

Fatalities } **0**

Customer

