

**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 authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent 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 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**

# DELIVERING LONG-TERM GROWTH

Shareholders' update and Notice of 2010 Annual General Meeting  
and separate Class Meeting of Preference Shareholders

"We have created a business for long-term success, which has the balance and resilience to counter the economic uncertainties that remain in some of our markets. The Group is well-positioned to take advantage of growth as it occurs."



Steve Marshall  
Chairman



**See inside** for key points from our 2009 annual report

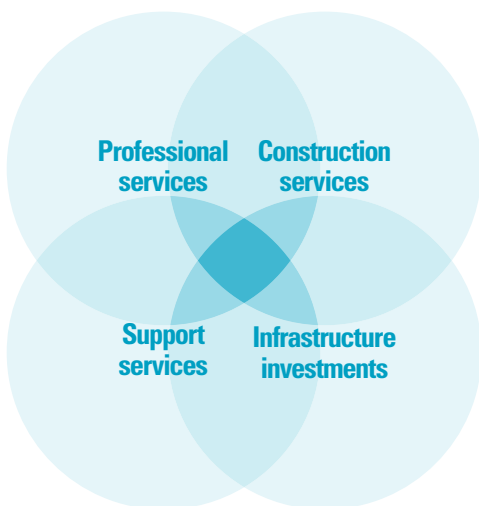
# Operating across the infrastructure LIFECYCLE

Infrastructure is a long-term business offering outstanding opportunities.

We have created a high-quality Group operating throughout the infrastructure lifecycle, with strong positions in major markets.

Our four market-leading businesses – in Professional services, Construction services, Support services and Infrastructure investments – are mutually reinforcing.

And we are diversified across markets and geographies. This gives us resilience and provides access to more opportunities.

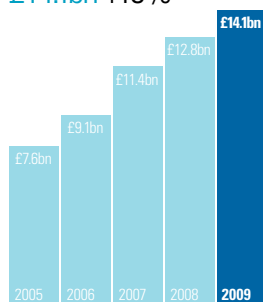


**Our model** Together our four businesses provide a full range of infrastructure services. Where they meet, we are at our most competitive and capable.

# How we have PERFORMED

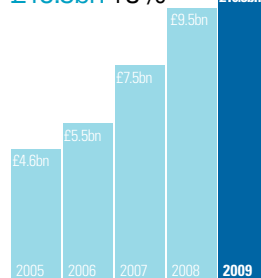
## Order book

£14.1bn +10%



## Revenue including joint ventures and associates

£10.3bn +9%



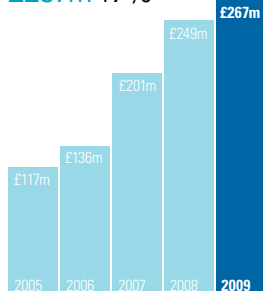
In tough economic conditions we continued to increase our revenue, order book and pre-tax profit<sup>1</sup>.

**Revenue:** Including joint ventures and associates, revenue was up 9% at £10,339m (2008: £9,486m) or up 3% at constant currency\*. Excluding acquisitions there was an underlying decline of about 4%.

**Profit and EPS:** Profit from operations<sup>1</sup> increased by 23% to £282m (2008: £230m) or by 14% at constant currency\*. Excluding the impact of acquisitions and at constant currency\*, profit from operations<sup>1</sup> increased by 10%. Pre-tax profit<sup>1</sup> was up 7% at £267m (2008: £249m). Adjusted earnings per ordinary share<sup>1,2</sup> were unchanged at 34.7p (2008: 34.7p), due principally to the impact of the rights issue in October 2009. Basic earnings per ordinary share were 37.4p (2008: 37.4p).

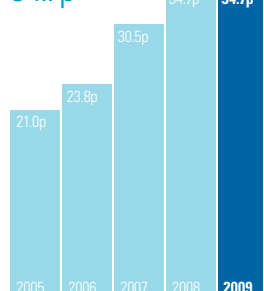
## Pre-tax profit<sup>1</sup>

£267m +7%



## Adjusted eps<sup>1,2</sup>

34.7p

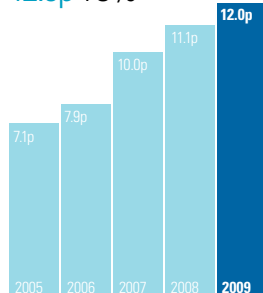


**Dividend:** The Board has recommended a final dividend of 7.2p, giving a full-year dividend<sup>2</sup> of 12.0p per share, up 8% on 2008 (11.1p).

**Cash:** Cash flow performance in the year was again strong, with cash generated from operations of £294m (2008: £297m). The acquisition of Parsons Brinckerhoff (PB) was substantially funded through a rights issue, which raised a net £352m. Average net cash in the year was strong at £283m (2008: £239m). Year-end net cash stood at £572m (2008: £440m), before taking account of the consolidation of £248m of non-recourse net debt held in PPP subsidiaries (2008: £143m).

## Dividend growth<sup>2</sup>

12.0p +8%



**Orders:** The year-end order book stood at £14.1bn, an increase of 10% on December 2008 (£12.8bn), or up 15% at constant currency\*. This included £1.4bn from acquisitions, so the underlying increase was 3%.

**Outlook:** We finished the year with a strong order book and are uniquely placed in major markets to benefit from the long-term growth in investment in infrastructure. The breadth of our portfolio, enhanced by the acquisition of PB, means our business is resilient. In spite of economic uncertainty, we remain confident about the prospects for the Group.

<sup>1</sup> Before exceptional items and amortisation of intangible assets.

<sup>2</sup> Per share data has been restated for the bonus element of the 2009 rights issue.

\* Movements at constant currency are derived by restating the 2008 figures at the exchange rates applied for the comparable 2009 figures.

# Realising our POTENTIAL

Our goal is to become a **world-leading provider of services to infrastructure owners.**

Around half our revenue now comes from outside the UK, and we are well diversified across geographies and market sectors.

We have four strong and mutually-reinforcing businesses. Each is a match for any competitor in its field. Together they can offer infrastructure owners a uniquely integrated service.

The question now is: how do we grow this model to achieve our strategic goal?



Ian Tyler  
Chief Executive



### **Our strategy**

We have demonstrated our resilience throughout the financial crisis. We can face the future with even greater capability, a strong balance sheet based on robust cash generation, and excellent long-term prospects. But the post-recession world will be a tough one. To succeed in it, we will have to:

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## **1 Grow our four businesses individually**

In uncertain times, diversity is a strength. To address a broad range of markets effectively, we have grouped our operating companies into four business segments with growth strategies tailored to their specific markets.

In the year ahead, we aim to complete the integration of Parsons Brinckerhoff and capitalise on its strong market positions; focus construction services on growing sectors in the infrastructure market; broaden the range of services provided in support services and pursue growth opportunities in the outsourcing market; and pursue investment opportunities in UK and US PPP, extending our proven expertise into new sectors.

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## **2 Capitalise on our unique integrated capability**

Together, our four businesses form a unique, full-service infrastructure Group which we are marketing and managing in an increasingly integrated way. More and more, infrastructure owners want to work with a trusted partner and reduce the number of suppliers they have to manage, to reduce both risk and cost. Our ability to integrate a full spectrum of skills is particularly relevant and attractive to the more sophisticated infrastructure owners with the largest, most complex and highest value projects.

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## **3 Share knowledge and integrate our capabilities even better**

If collaboration is our future, we need to be world-class in sharing knowledge and integrating capabilities across the Group – not only because our customers want us to deliver more integrated services but also because this is the key to working more efficiently in the market conditions we now face.

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## **4 Leverage our scale and maximise efficiency**

The mantra of every infrastructure owner – government, regulated business or private sector – is going to be “more for less”. Pricing will be even more competitive. We must compete as effectively as possible by leveraging the scale of our business. As well as tactical action to reduce costs, we are considering smarter back-office processes, ways to share services, and a more strategic approach to procurement.

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## **5 Show leadership in our values and behaviour**

To be a leader, we will need to act like a leader – setting the industry standard for ethics, safety, sustainability, and relationships with customers, the supply chain and our people. We need to reinforce a clear culture and values that enable everyone to manage complexity and make decisions that consistently protect both our finances and our reputation. Given rising global concern over corruption, we also recognise that companies which are seen to have the highest ethical standards have a clear competitive advantage.

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## **6 Focus our strategic development where the money is going to be spent**

Over half our work is for governments around the world. But if government spending is scaled back, the breadth and diversity of our businesses gives us ample opportunity to target markets where more money is going to be spent. In uncertain times we cannot be certain where the best opportunities will arise, so we must be adaptable. We will aim to develop our US business further; leverage our presence in new markets such as Australia, Asia, the Middle East and South Africa; develop our capabilities in utility markets such as water and power; and take advantage of expected recovery in industrial and commercial building.

### **Putting the strategy into action**

In the past year we have taken important steps forward in implementing this strategy. In particular:

- We transformed our capabilities in professional services by acquiring Parsons Brinckerhoff (PB) for US\$626m. One of the world's leading professional services firms, with some 12,500 employees in over 100 offices, PB gives us real weight in professional services and an enhanced US presence.
- We redefined our business in four new segments that correspond to the principal components of the infrastructure lifecycle.
- We reinforced our shared culture and values. This is enhancing our ability to integrate capabilities for customers, to share knowledge, to leverage our scale and maximise efficiencies, and to show leadership in our values and behaviour.

### **Making our success sustainable**

Many businesses are successful for a time. But making success sustainable over time is harder. It is not enough to meet financial and operational criteria: we also need to meet the expectations of many different stakeholders across a range of issues from safety and environmental management to ethical conduct. To ensure our success for years to come, in 2009, we defined a sustainability vision and agreed a plan to achieve it, redefined our core values and published a new Code of Conduct.

We believe that investment in the right kinds of sustainability initiatives can add value for our business and our stakeholders. It gives us an opportunity to demonstrate leadership and to create real competitive advantage.

Balfour Beatty has the scale and breadth of activities to make a very positive social, environmental and economic impact. We have always aimed to meet stakeholder expectations in this area, and long-term growth requires us to engage increasingly with the challenges in this area. We also aim to play a significant role in helping customers to make sustainable choices.

Our focus on creating a more unified Balfour Beatty culture makes this the right time to embed sustainability considerations more deeply at every level of the Group. This will help us to manage non-financial risk and improve the Group's reputation as a leader in infrastructure development and management.

### **Looking forward with confidence**

We have created a unique capability to deliver across the infrastructure lifecycle. Our four strong, market-leading businesses are mutually reinforcing and our ability to capitalise on a broad range of market and geographic opportunities gives us real resilience. I am therefore very confident that we have the capability to become a global leader in infrastructure services.

# Annual General Meeting 2010 and separate Class Meeting of Preference Shareholders

Dear Shareholder

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 Wednesday 12 May 2010 at Plaisterers' Hall, One London Wall, London EC2Y 5JU. The AGM is an important event on the Balfour Beatty calendar. It not only provides the opportunity to update shareholders on performance for the financial year, but also offers you the opportunity to ask questions and vote on the items of business.

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 am and the formal Notice of the AGM is set out on pages 13 to 15.

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 16.



### **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 9). We have explained each of these items in the following pages.

Resolutions 10 and 11 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 12 renews an authority first given to your Directors in 2002, resolution 13 asks shareholders to approve general meetings on 14 days' notice, and resolution 14 proposes amendments to your Company's Articles of Association, primarily to take account of the coming into force of the Companies (Shareholders' Rights) Regulations 2009 and the implementation of the final sections of the Companies Act 2006. We believe that these changes are standard market practice and have been adopted by other companies at their AGMs. 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](mailto:info@balfourbeatty.com), with the heading AGM 2010 or Class Meeting 2010, as appropriate.

### **What to do next**

If you hold ordinary shares in Balfour Beatty, you are entitled to attend 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 attend the meeting. If you cannot attend the AGM, you can use the white proxy voting form to nominate someone else to attend 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 circular, or register your proxy appointment and voting instructions over the internet, by 11.00 am on 10 May 2010. 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.

There is more information on what you need to do if you want to appoint a proxy on pages 11 and 12. If you complete and return the white proxy voting form, or register your proxy appointment and voting instructions over the internet, you can still attend 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 attend the AGM or vote on any of the resolutions.

### **Class Meeting**

If you hold preference shares in Balfour Beatty, you are entitled to attend the Class Meeting and vote on the resolution. Like ordinary shareholders in relation to the AGM, if you cannot attend the Class Meeting, you can use the blue proxy voting form to nominate someone else to attend 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 circular, or register your proxy appointment and voting instructions over the internet, by 11.30 am on 10 May 2010.

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 attend 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 Annual report and accounts made available to them electronically, rather than receiving paper copies. If you have not yet registered for this facility and now wish to do so, details are provided on page 19.

Yours sincerely



**Steve Marshall**  
Chairman  
8 April 2010

### **Balfour Beatty plc**

Registered Office: 130 Wilton Road, London SW1V 1LQ  
Registered in England Number 395826

# Annual General Meeting 2010 and separate Class Meeting of Preference Shareholders

**We will be holding our Annual General Meeting ("AGM") on Wednesday 12 May 2010 at Plaisterers' Hall, One London Wall, London EC2Y 5JU. The meeting will start at 11.00 am and the formal Notice of the meeting is set out on pages 13 to 15.**

## Resolutions 1 to 9

The AGM will cover standard matters that are dealt with at every AGM. 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 2009 and the reports of the Directors and auditors on those accounts. These are all contained in the Annual report and accounts 2009.

### 2. Remuneration report

Sections 439 and 440 of the Companies Act 2006 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 Annual report and accounts 2009.

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 7.2p (net) for each ordinary share. If approved, the final dividend will be paid on 5 July 2010 to holders of ordinary shares who are on the Company's Register of Members on 23 April 2010. The proposed final dividend will bring the total amount for 2009 to 12.0p (net) per ordinary share. For 2008, the total dividend, adjusted for the bonus element of the October 2009 rights issue, was 11.1p (net) per ordinary share.

### 4. – 7. 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. Mike Donovan, Gordon Sage and Robert Walvis were each last re-elected by shareholders at the AGM in 2007 and seek re-election this year. Iain Ferguson was appointed to the Board as a non-executive Director on 1 January 2010 and therefore seeks election at this meeting 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.

Mike Donovan possesses both an engineering background and considerable experience of leadership of international industrial businesses; Gordon Sage, with his background in Rio Tinto, has valuable experience of leading large and complex capital projects in an international business; Robert Walvis brings the benefit of wide experience drawn from a career in senior positions at Royal Dutch Shell; and Iain Ferguson has extensive international operational experience and strategic insight gained over many years, most recently in his capacity as the chief executive of a global business.

Following formal performance evaluation, your Board is satisfied that each of Mike Donovan, Gordon Sage and Robert Walvis continue to be effective and to demonstrate commitment to the role, including commitment of time for Board and Committee meetings. In relation to Robert Walvis, notwithstanding that he was first appointed as a Director in 2001, your Directors consider that he remains

independent given his significant contribution to Board and Board Committee discussions, the judgement he exercises and the challenge he provides.

Accordingly, your Directors believe that the re-election or election of each of these non-executive Directors is in the best interests of your Company. Information about each of your Directors seeking re-election or election is set out below.

#### Mike Donovan Non-executive Director (Age 56)

Appointed a Director in 2006. He holds a First Class Honours Degree in Mechanical Engineering from the University of Aston. He joined Rover Group in 1976, and held a number of senior management positions, before joining Vickers plc in 1991 as director of strategic planning and new programmes and then becoming commercial managing director of Rolls-Royce Motor Cars. Between 1994 and 1998, he held senior positions at British Aerospace, culminating in his appointment as group managing director – defence systems. He became chief executive of GEC's Industrial Electronics Group in 1998, and was most recently chief operating officer of Marconi plc from 2001 to 2005, where he was responsible for the worldwide operations of Marconi's core business, having previously been chief executive officer of Marconi Systems. He is Chairman of the Board's Business Practices Committee and is a member of the Board's Audit and Nomination Committees.

#### Gordon Sage Non-executive Director (Age 62)

Appointed a Director in 2003. A chartered engineer and a Fellow of the Institution of Chemical Engineers, he holds a First Class Honours Degree in Chemical Engineering from Imperial College of Science and Technology, London, and an MBA from London Business School and is a non-executive director of BlackRock World Mining Trust plc. Between 1970 and 2001 he held a series of increasingly senior positions in Rio Tinto plc, latterly as executive director responsible for its industrial minerals and diamonds businesses. He is a former member of the London Business School's UK Regional Advisory Board, a former member of the Council of the CBI and a former deputy chairman of ERM Holdings Ltd, the environmental services consultancy. He is a member of the Board's Audit, Nomination and Remuneration Committees.

#### Robert Walvis Non-executive Director (Age 63)

Appointed a Director in 2001. He holds a Masters Degree in Chemical Engineering from Delft University, Holland, and is also a graduate of Harvard Business School's Advanced Management Programme. He was previously with the Royal Dutch Shell Group from which he retired in 2001 following a distinguished 30-year career, during which he held a variety of senior management positions, having originally joined as a graduate trainee. Ultimately, he became chairman of the Global Corporate Centre of the Royal Dutch Shell Group, with responsibility for worldwide planning, external and environmental affairs. He is non-executive chairman of Inspicio Limited, a non-executive director of Johnson Matthey plc and Associated British Ports Holdings Limited, chairman of the supervisory board of Allianz Nederland Groep NV, and a former member of the Council of the Royal Institute of International Affairs. He is the Board's senior independent Director and Chairman of the Board's Remuneration Committee and is a member of both the Audit and Nomination Committees.

#### Iain Ferguson CBE Non-executive Director (Age 54)

Appointed a director on 1 January 2010. He studied Chemistry and Psychology at St Andrews University. On graduation in 1977, he joined Unilever PLC as a graduate trainee, where he spent 26 years in a succession of roles in operations, sales, industrial marketing and general management, including executive chairman of Birds Eye Wall's, culminating in his appointment as senior vice president, corporate development, of Unilever in 2001. He joined Tate & Lyle PLC, a world-leading renewable food and industrial ingredients company, as chief executive in 2003. He is currently a non-executive director of Greggs plc, the leading bakery retailer in the UK, The Davis Service Group Plc, a focused European textile maintenance business with leading positions in most of the countries in which it operates, and is also chairman of Wilton Park, an independent and non-profit making Executive Agency of the British Foreign and Commonwealth Office. He is also a member of the UK Government's Council of Food Policy Advisers. He was also formerly a non-executive director of Sygen International plc, a world leader in applying genomics and biotechnology to animal breeding. He was awarded a CBE for services to the food industry in the June 2003 Queen's Birthday Honours List. He is a member of the Board's Business Practices and Remuneration Committees.

**8. The auditors**

The Company must appoint auditors at every general meeting at which accounts are presented to shareholders. Deloitte LLP have indicated that they are willing to continue as the Company's auditors for another year and, on the recommendation of the Audit Committee, your Directors propose that Deloitte LLP be re-appointed as auditors to the Company.

**9. Authority to allot ordinary shares**

Under the Companies Act 2006, 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 8,000 employees participate. 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 £114,237,405, representing approximately one-third of the Company's issued ordinary share capital, exclusive of treasury shares, as at 26 March 2010. The authority will also allow the Directors to allot new shares and other equity securities (as defined in Section 560(1) of the Companies Act 2006) only in connection with a rights issue up to a further nominal value of £114,237,405, which is equivalent to approximately one-third of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 26 March 2010. This is in line with the guidelines of the Association of British Insurers ("ABI") which state that ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing two-thirds of the Company's issued share capital. The guidelines provide that the extra routine authority (that is the authority to allot shares representing the additional one-third of the Company's issued share capital) can only be used to allot shares pursuant to a fully pre-emptive rights issue. 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 the General Meeting held in October 2009 and will expire at the conclusion of the Company's AGM in 2011 or, on 1 July 2011, whichever is the earlier, although the Directors intend to continue the practice of seeking renewal of this power at each AGM. It is equivalent to the authority previously approved by shareholders under the Companies Act 1985, but now requires to be proposed under the equivalent sections in the Companies Act 2006.

**Resolutions 10 and 11**

These resolutions 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.

**10. Authority to allot ordinary shares for cash**

If the Company's ordinary shares are to be allotted for cash (other than in connection with an employee share scheme), the Companies Act 2006 requires that those shares are offered first to existing shareholders in proportion to their 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. This authority is though 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 £17,135,610 (the total Section 570 amount), which is equivalent to approximately 5% of the Company's issued ordinary share capital, (exclusive of treasury shares), as at 26 March 2010; or

(ii) in connection with a rights issue (as defined in the Company's Articles);

in each case without the shares first being offered to existing shareholders in proportion to their existing holdings. This is in line with ABI guidelines.

Paragraph (ii) of this resolution authorises your Directors to allot new shares pursuant to the authority given in resolution 9, or sell treasury shares, for cash only in connection with a rights issue (as defined in the Company's Articles). This is in line with corporate governance guidelines.

This authority renews that given at last year's AGM and will expire at the conclusion of the Company's AGM in 2011 or, on 1 July 2011, 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. Your Directors consider 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. The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three year period without prior consultation with shareholders. It is equivalent to the authority previously approved by shareholders under the Companies Act 1985, but now requires to be proposed under the equivalent sections in the Companies Act 2006.

**11. 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 and if the purchase could be expected to result in an increase in earnings per share (other than in connection with an employee share scheme).

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 2009. 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 26 March 2010), and the maximum and minimum prices to be paid for them are stated in the resolution.

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.

## Annual General Meeting 2010 and separate Class Meeting of Preference Shareholders

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 2011 (at the latest), although your Directors intend to seek renewal of this power at the Company's AGM in 2011. The Company's Articles require that to be effective, both ordinary and preference shareholders must approve the authority. Accordingly, a separate meeting of holders of the Company's cumulative convertible redeemable preference shares (the "Class Meeting") is being held in order to seek their approval for the authority.

During 2009, no ordinary shares or preference shares were purchased for cancellation. The total number of outstanding options to subscribe for ordinary shares at 26 March 2010 was 10,086,754. This represents 1.47% 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 26 March 2010 would represent 1.64% of the Company's reduced issued ordinary share capital.

### Resolution 12

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.

### 12. Authority to incur political expenditure

Part 14 of the Companies Act 2006 requires companies to obtain shareholders' authority for donations to registered political parties and other political organisations totalling more than £5,000 in any twelve month period, and for any political expenditure, subject to limited exceptions. The definition of donation in this context is very wide and extends to bodies such as those concerned with policy review, law reform and the representation of the business community. It could include special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or influence support for a particular party.

It remains the policy of the Company not to make political donations or incur political expenditure in the European Union ("EU") 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. In order to avoid the inadvertent infringement of the Companies Act 2006, 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 in the EU. The authority sought by this resolution will expire on 1 July 2011 (at the latest), although your Directors intend to seek renewal of this power at the Company's AGM in 2011.

### Resolutions 13 and 14

These resolutions 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.

### 13. Notice of general meetings

Changes made to the Companies Act 2006 by The Companies (Shareholders' Rights) Regulations 2009 (the "Regulations") increase the notice period required for the Company's general meetings to 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Such approval will not affect AGMs, which will continue to be held on at least 21 clear days' notice.

Before the Regulations came into force, the Company was able to call general meetings (other than an AGM) on 14 clear days' notice. In order to preserve this ability, this resolution seeks renewal of the shareholder approval given at the 2009 AGM, which will be effective until the 2011 AGM, when your Directors intend to seek the same approval again.

Shareholders should note that the changes to the Companies Act 2006 pursuant to the Regulations mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company has provided an electronic voting facility for some years and intends to continue to do so.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

### 14. Adoption of New Articles of Association

It is proposed in this resolution to adopt the new articles (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles") primarily to take account of the coming into force of The Companies (Shareholders' Rights) Regulations 2009 (the "Regulations") and the implementation on 1 October 2009 of the last parts of the Companies Act 2006.

Resolution 14 will become effective at the end of the meeting.

The principal changes introduced in the New Articles are summarised in the Appendix to this circular. Other changes, which are of a minor, technical or clarifying nature have not been noted in the Appendix as they merely reflect changes made by the Companies Act 2006 or the Regulations, or conform the language of the amended Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills. A copy of the amended Articles showing all the changes to the Current Articles is available for inspection, as noted in Note (ix) on page 15 of this circular.

### Class Meeting

**We will be holding a Class Meeting of holders of preference shares on Wednesday 12 May 2010 at Plaisterers' Hall, One London Wall, London EC2Y 5JU. The meeting will start at 11.30 am, or, if later, immediately after the completion of the AGM, and the formal Notice of the meeting is on page 16 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 11, "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 Company's share register at 6.00 pm on 10 May 2010. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting (or, in the event of an adjournment, on the date which is two days before the time of the adjourned meeting).

You (or any appointed proxy) have the right to attend, speak and vote at the meeting of holders of the Company's cumulative redeemable preference shares (the "Class Meeting") if you are a preference shareholder on the Company's share register at 6.00 pm on 10 May 2010. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting (or, in the event of an adjournment, on the date which is two days before the time of the adjourned meeting).

If you cannot attend the meetings, you may appoint someone else as your proxy. The number of shares that you hold as at 6.00 pm on 10 May 2010 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 am on Wednesday 12 May 2010 at Plaisterers' Hall, One London Wall, London EC2Y 5JU. The Class Meeting will be held at 11.30 am 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 am.

### 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 and the Annual report and accounts 2009 with you so that you can refer to them at the meetings, although copies will be available.

### Joint shareholders

All joint shareholders may attend and speak at the meetings. However, only the first shareholder listed on the share register 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 meeting notices from pages 13 to 16 and are explained on pages 8 to 10. 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 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's name the number of shares over 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" on the form in the space provided.

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 am on 10 May 2010 for ordinary shareholders, or 11.30 am on 10 May 2010 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. UK shareholders

UK shareholders should reply by posting their Form of Proxy to Capita Registrars in the envelope provided. No stamp is required. Alternatively, you may vote electronically via the internet at [www.balfourbeatty-shares.com](http://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, PXS, 34 Beckenham Road, Kent BR3 4TU, United Kingdom. Alternatively, you may vote electronically via the internet at [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com) (see Note 10 below).

## Important information for shareholders

### 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](http://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 relevant 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 13 to 15 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.

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](mailto:info@balfourbeatty.com), with the heading AGM 2010 or Class Meeting 2010, 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 send a letter to the Company's Registrars giving the full details. This should arrive before the voting deadline. Please note that, as indicated on page 19 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, after the meetings have ended. 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](http://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.

### Duplicate mailings

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 19).

# Notice of Annual General Meeting

Notice is hereby given that the sixty-fifth Annual General Meeting of Balfour Beatty plc will be held at Plaisterers' Hall, One London Wall, London EC2Y 5JU, on Wednesday 12 May 2010 at 11.00 am 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 2009.
2. To approve the Directors' remuneration report for the year ended 31 December 2009.
3. To declare a final dividend on the ordinary shares of the Company.
4. To re-elect Mr M J Donovan as a Director.
5. To re-elect Mr G H Sage as a Director.
6. To re-elect Mr R J W Walvis as a Director.
7. To elect Mr I G T Ferguson CBE as a Director.
8. To re-appoint Deloitte LLP as auditors.

## Special Business

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

THAT the directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares:

- 9.1 up to a nominal amount of £114,237,405;
- 9.2 comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further nominal amount of £114,237,405 in connection with an offer by way of a rights issue,

such authorities to apply in substitution for all previous authorities pursuant to Section 80 of the Companies Act 1985 and notwithstanding any authority given pursuant to the Company's Articles of Association adopted pursuant to Resolution 14, and to expire at the end of the next Annual General Meeting or on 1 July 2011, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

For the purposes of this resolution, "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 for 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.

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

THAT subject to the passing of Resolution 9, the directors be empowered to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash:

- 10.1 pursuant to the authority given by paragraph 9.1 of Resolution 9 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the 2006 Act in each case:
  - (a) in connection with a pre-emptive offer; and
  - (b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £17,135,610; and
- 10.2 pursuant to the authority given by paragraph 9.2 of Resolution 9 above in connection with a rights issue, as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment,

such power to apply notwithstanding any power given pursuant to the Articles of Association as amended pursuant to Resolution 14 and to expire at the end of the next Annual General Meeting or on 1 July 2011, whichever is 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.

For the purposes of this resolution:

- (a) "rights issue" has the same meaning as in resolution 9 above;
- (b) "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the directors to (a) holders (other than the Company) on the register on a record date fixed by the directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, 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;
- (c) references to an allotment of equity securities shall include a sale of treasury shares; and
- (d) the nominal value of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal value of such shares which may be allotted pursuant to such rights.

## Notice of Annual General Meeting

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

THAT, subject to and conditional upon the passing of the special resolution set out in the Notice dated 8 April 2010 convening a separate meeting of the holders of the cumulative convertible redeemable preference shares of 1p each in the Company ("Preference Shares") (the "Class Meeting") the Company be hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 50p each in the capital of the Company ("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 68,542,443 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 is the higher of:
  - (i) an amount equal (exclusive of expenses) to 105% of the average of the middle market quotation for a share of the same class (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which such share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003;
- (c) the minimum price, exclusive of expenses, which may be paid for a share is its nominal value, which amount shall be exclusive of expenses; and
- (d) this authority will expire at the conclusion of the separate Class Meeting which will follow the Annual General Meeting of the Company to be held in 2011, or on 1 July 2011, whichever shall be the earlier, unless such authority is renewed prior to that time (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry).

### 12. 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 the earlier of the conclusion of the Company's Annual General Meeting to be held in 2011, or 1 July 2011:
  - (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.

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

THAT a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

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

THAT with effect from the end of this Annual General Meeting:

- (a) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
- (b) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification (the "New Articles") be and are hereby adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By Order of the Board

**C D Vaughan**

General Counsel and Company Secretary

Dated 8 April 2010

Registered Office: 130 Wilton Road, London SW1V 1LQ



**Notes:**

(i) As at 26 March 2010 (being the latest practicable date before the publication of this Notice) the Company's issued ordinary share capital consisted of 685,424,430 ordinary shares carrying one vote each. Therefore, the total ordinary voting rights in the Company as at 26 March 2010 were 685,424,430.

(ii) 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 AGM, 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.

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; lines are open Monday – Friday 8.30 am – 5.30 pm, UK time.

(iii) 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.

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

(v) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

(vi) Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- (b) the answer has already been given on the Company's website ([www.balfourbeatty.com](http://www.balfourbeatty.com)) in the form of an answer to a question; or
- (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(vii) Under section 527 of the Act members that meet the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

- (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
- (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

(viii) 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.

(ix) Copies of the Company's Articles of Association marked to show the proposed amendments to be adopted at the AGM are available for inspection at the Company's registered office and at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ during normal business hours on any business day until the close of the AGM and will be available at the place of the meeting for at least 15 minutes prior to, and until the conclusion of, the meeting.

(x) You may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated.

(xi) A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at [www.balfourbeatty.com](http://www.balfourbeatty.com).

(xii) If approved, the final dividend on ordinary shares will be paid to holders of ordinary shares registered on the share register of the Company on 23 April 2010. Warrants will be posted on 2 July 2010 payable on 5 July 2010.

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

Notice is hereby given that a separate meeting of the holders of the cumulative convertible redeemable preference shares of 1p each in Balfour Beatty plc (the "Preference Shares") (the "Class Meeting") will be held at Plaisterers' Hall, One London Wall, London EC2Y 5JU on Wednesday 12 May 2010 at 11.30 am or as soon thereafter as the Annual General Meeting of the Company, convened for the same day at the same place at 11.00 am, 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 11 set out in the Company's Notice of Annual General Meeting dated 8 April 2010 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 2010

Registered Office: 130 Wilton Road, London SW1V 1LQ

### Notes:

(i) As at 26 March 2010 (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 26 March 2010 were 111,839,795.

(ii) 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.

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; lines are open Monday – Friday 8.30 am – 5.30 pm, UK time.

(iii) 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 member 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.

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

(v) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

(vi) Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- (b) the answer has already been given on the Company's website ([www.balfourbeatty.com](http://www.balfourbeatty.com)) in the form of an answer to a question; or
- (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(vii) You may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated.

(viii) A copy of this Notice and other information required by section 311A of the Act can be found at [www.balfourbeatty.com](http://www.balfourbeatty.com).

(ix) 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 21 May 2010 at 9.00 am.

## Appendix to the Notice of Annual General Meeting

Resolution 14 proposes the adoption of new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of changes in English company law brought about by the implementation on 1 October 2009 of the remaining parts of the Companies Act 2006 (the "2006 Act") and the implementation on 3 October 2009 of The Companies (Shareholders' Rights) Regulations 2009 (the "Regulations").

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature have not been noted as they merely reflect changes made by the 2006 Act and conform to the language of the New Articles with that used in the model articles for public companies set out in The Companies (Model Articles) Regulations 2008 ("Model Articles"). Set out below is a summary of the principal changes.

### 1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. It provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act, the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

The 2006 Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason, the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are to be treated as forming part of the Company's articles of association. Resolution 14 (a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

### 2. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the 2006 Act are in the main deleted or amended to bring them into line with the 2006 Act.

### 3. Change of name

Under the Companies Act 1985 (the "1985 Act") a company could only change its name by special resolution. Under the 2006 Act a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name. The Directors have no intention of making any changes to the Company's name.

### 4. Authorised share capital and unissued shares

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Your Directors will still be limited as to the number of shares they can at any time allot save in respect of employee share schemes because allotment authority continues to be required under the 2006 Act.

### 5. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the 1985 Act, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. Under the 2006 Act a company will require shareholder authority to do any of these things, and as such, the relevant enabling provisions have not been included in the New Articles.

### 6. Redeemable shares

Under the 1985 Act, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares, but if it did so, your Directors would need shareholders' authority to issue new shares.

### 7. Fractional entitlements

If, following a consolidation or sub-division, a member is entitled to a fraction of a share, your Directors have power to sell those fractions and distribute the proceeds to the entitled members. A new provision is proposed so that if the entitlement is less than a nominal amount to be decided by your Directors, they may give that amount to charity rather than giving it to the entitled member or retaining it for the Company's benefit. This is in line with the Model Articles and ensures that your Directors are not obliged to distribute nominal sums to members where the cost of doing so might be greater than the amount to be distributed.

### 8. Suspension of registration of share transfers

The Current Articles permit your Directors to suspend the registration of transfers for a maximum period of thirty days in a year. Under the 2006 Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has not been included in the New Articles.

### 9. Notice of general meetings

The Regulations amend the 2006 Act to require the Company to give 21 clear days' notice of general meetings unless the company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. Annual general meetings must be held on 21 clear days' notice. The New Articles do not include provisions dealing with notice periods of general meetings and the content of such notices on the basis that these are dealt with in the 2006 Act.

### 10. Voting record date

Under the 2006 Act as amended by the Regulations, the Company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The Current Articles have been amended to reflect this requirement.

## Appendix to the Notice of Annual General Meeting

### 11. Adjournments for lack of quorum

Under the 2006 Act as amended by the Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

### 12. Adjournment

It is proposed to amend the provisions in the Current Articles to clarify the circumstances in which the Chairman has power to adjourn the meeting without the consent of the meeting. These changes will bring the New Articles in line with the common law and with market practice as well as making them more consistent with the Model Articles. In particular, they will confirm the power of the Chairman to adjourn the meeting, in order to restore order or protect the safety of the attendees.

### 13. Voting by proxies on a show of hands

The Regulations have amended the 2006 Act so that it now provides that each proxy appointed by a member has one vote on a show of hands, unless the proxy is appointed by more than one member, in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles reflect these changes.

### 14. Provision for employees on cessation of business

The 2006 Act provides that the powers of the board of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that your Directors may exercise this power.

### 15. Use of seals

Under the 1985 Act, a company required authority in its articles to have an official seal for use abroad. Under the 2006 Act, such authority will no longer be required. Accordingly, the relevant authorisation has not been included in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

### 16. General

Generally, the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the Model Articles. Any such changes are immaterial.

Copies of the Company's Articles of Association marked to show the proposed amendments to be adopted at the AGM are available for inspection at the Company's registered office and at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ during normal business hours on any business day until the close of the AGM and will be available at the place of the meeting for at least 15 minutes prior to, and until the conclusion of, the meeting.

## Shareholder information

### Financial calendar

		2010
21 April	Ex-dividend date for final 2009 ordinary dividend	
23 April	Final 2009 ordinary dividend record date	
12 May	Annual General Meeting	
26 May	Ex-dividend date for July 2010 preference dividend	
28 May	July 2010 preference dividend record date	
5 June	Final date for receipt of DRIP mandate forms (see below)	
1 July	Preference dividend payable	
5 July*	Final 2009 ordinary dividend payable	
11 August*	Announcement of 2010 half-year results	
3 December*	Interim 2010 ordinary dividend payable	
		2011
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 8.30 am – 5.30 pm, UK time). Alternatively, you can email them at: [ssd@capitaregistrars.com](mailto: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.

### Dividends and dividend reinvestment plan

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

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](http://www.balfourbeatty-shares.com)

### International payment service

Shareholders outside the UK may now elect to receive dividends paid direct into their overseas bank account, or by currency draft, instead of by way of a cheque drawn in sterling. For further information, please contact the Company's Registrars on + 44 20 8639 3405 (from outside the UK) or 0871 664 0385 from the UK (calls cost 10p per minute plus network extras). Lines are open between 9.00 am and 5.30 pm, UK time. Alternatively, please log on to [www.capitashareportal.com](http://www.capitashareportal.com) and click on the link for International Payment Service.

### Shareholder information on the internet and electronic communications

The Balfour Beatty website at [www.balfourbeatty.com](http://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 create a Share Portal account, through which you will be able to access the full range of online shareholder 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 dividend mandate to have your dividends paid directly into your bank account (see "Dividends and dividend reinvestment plan" above);
- change your registered address;
- sign-up to receive e-communications or access the online proxy voting facility;
- download and print shareholder forms.

The Share Portal is easy to use. Please visit [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com).

Alternatively, you can email: [shareportal@capita.co.uk](mailto:shareportal@capita.co.uk)

### 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](http://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](http://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 on 0845 606 1234 with details, or complete the Unauthorised Firms Reporting Form at [www.fsa.gov.uk/pages/doing/regulated/law/alerts/form.shtml](http://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](http://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 to: [operationarchway@cityoflondon.pnn.police.uk](mailto: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 as 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 1,600 charities. The relevant share transfer form may be accessed at [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com). For more information on ShareGift, visit [www.ShareGift.org](http://www.ShareGift.org)

### Share dealing services

Capita Share Dealing Services (a trading name of 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 0364 from the UK (calls cost 10p per minute plus network extras) and +44 203 367 2686 from outside the UK – lines are open Monday to Friday 8.00 am to 4.30 pm, UK time. Alternatively, log on to [www.capitadeal.com](http://www.capitadeal.com)

For UK shareholders, an execution-only share dealing service for the purchase and sale of Balfour Beatty's shares is also available from NatWest Stockbrokers. For details, please contact: NatWest Stockbrokers Limited, Premier Place, 2½ Devonshire Square, London EC2M 4BA, Telephone: 0808 208 4433, Typetalk 18001 0808 208 4433, Email: [contactces@rbs.co.uk](mailto:contactces@rbs.co.uk). The service is available Monday to Friday, except UK Bank Holidays, 8.00 am to 4.30 pm. NatWest Stockbrokers Limited is a joint venture between The Royal Bank of Scotland Group plc and Toronto-Dominion Bank.

Capita IRG Trustees Limited and NatWest Stockbrokers Limited are each authorised and regulated by the FSA.

### Rights issue

On 17 September 2009, the Company announced a fully underwritten 3 for 7 rights issue at a subscription price of 180p per new ordinary share, representing a discount of approximately 46.8% to the closing middle market price of 344p per ordinary share on 16 September 2009, after adjustment for the 2009 interim dividend, to substantially finance the acquisition of Parsons Brinckerhoff Inc. The rights issue and acquisition were approved by the holders of the Company's ordinary shares at a general meeting on 7 October 2009 and the rights issue closed on 22 October 2009. The Company's ordinary shares were quoted ex-rights by the London Stock Exchange on 8 October 2009 and their closing middle market price that day was 279.6p per share. The closing middle market price of an ordinary share immediately before the ex-rights date was 316p per share. Dealings in nil paid new ordinary shares commenced on 8 October 2009 and the closing middle market price of the nil paid new ordinary shares that day was 98.75p per share. The theoretical ex-rights price was 275.2p per ordinary share.

The Company received valid acceptances in respect of 199,469,067 ordinary shares, representing approximately 97.06% of the total number of new ordinary shares offered to shareholders pursuant to the rights issue. In accordance with the arrangements set out in the rights issue prospectus, JPMorgan Cazenove Limited and RBS Hoare Govett Limited procured acquirers for the remaining 6,033,170 ordinary shares for which valid acceptances were not received, at a price of 287p per new ordinary share. 205,502,237 new ordinary shares were therefore issued, raising £352m after issue costs and expenses of £18m.

### Share price

The Balfour Beatty share price can be found at the Balfour Beatty website at [www.balfourbeatty.com](http://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 267.6p per share. This has been adjusted for the 1 for 5 rights issue in June 1992, the 2 for 11 rights issue in September 1996 and the 3 for 7 rights issue in October 2009, and assumes that all rights have been taken up.

### 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](mailto:info@balfourbeatty.com)

### Balfour Beatty plc

Registered Office: 130 Wilton Road, London SW1V 1LQ  
Registered in England Number 395826  
Telephone: 44 (0) 20 7216 6800  
Facsimile: 44 (0) 20 7216 6950

### [www.balfourbeatty.com](http://www.balfourbeatty.com)

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# Balfour Beatty





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