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UPDATE ON CONTINUING BUSINESS REVIEWS AND TRANSFORMATION PROGRAMME

Balfour Beatty plc, the international infrastructure group, today provides an update ahead of its results for the half-year ended 26 June 2015 which will be announced on 12 August 2015.

- The on-going, in-depth review of Group businesses has continued to identify legacy issues in the UK, US and Middle East which will result in an additional shortfall to 2015 pre-tax profit of £120 million to £150 million. The UK accounts for approximately two-thirds of this amount.
- The Build to Last transformation programme is already gaining traction. New project disciplines and financial controls are being embedded, the new senior leadership team is substantially in place and good progress is being made against the £100 million permanent cost reduction programme.
- As a result of the actions taken under the Build to Last programme, net cash is expected to exceed £200 million at the half year end – substantially better than H1 2014, demonstrating the Group’s ability to maintain balance sheet strength through self-help.

Group Chief Executive, Leo Quinn said:

“The issues we are working through are as I set out in March and legacy challenges remain. However, we are making encouraging progress on the Group’s transformation. The positive response of our people to change, the continuing confidence of our customers in Balfour Beatty’s expertise and the first signs of improving cash performance reinforce my conviction in the Group’s long-term success.”

ENDS

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Notes to editors:

Balfour Beatty is a leading international infrastructure group. With 36,000 employees, we provide innovative and efficient infrastructure that underpins our daily lives, supports communities and enables economic growth.

We finance, develop, build and maintain complex infrastructure such as transportation, power and utility systems, social and commercial buildings. Our main geographies are the UK, US, Middle East and South East Asia. Over the last 100 years we have created iconic buildings and infrastructure all over the world including the London Olympics' Aquatic Centre, Hong Kong's first Zero Carbon building, the world's biggest shopping mall in Dubai, the National Museum of the Marine Corps in the US and the Channel Tunnel Rail Link.