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BALFOUR BEATTY TRADING UPDATE

Balfour Beatty, the international infrastructure group, provides a trading update covering the period to 12 December 2016.

The first phase of the Build to Last transformation programme is now nearing completion and has delivered fundamental change to the Group. The business has been simplified and the leadership team strengthened; governance and processes are in place to drive greater transparency and control.

By year end, the Group expects to deliver its phase one self-help targets of £200m cash in: £100m cost out and also to have a positive net cash balance.

Management of legacy issues across the portfolio is proceeding to timetable and remains in line with overall expectations.

Looking to the future, Balfour Beatty continues to win landmark contracts across its chosen markets on terms which reflect the Group's improved governance and controls and its order book has remained stable during the second half of 2016.

Leo Quinn, Balfour Beatty Group Chief Executive, said: "The actions that we have taken during the first two years of Build to Last have been necessary to lay a solid foundation for long term profitable growth. Our people have responded to this challenge with passion and commitment. I am confident that the next 24 months of Build to Last will see the Group achieving industry-standard margins".

ENDS

Analyst/investor enquiries:

Angus Barry

Tel. +44 (0)20 7216 6824

Angus.Barry@balfourbeatty.com

Media enquiries to:

Louise McCulloch

Tel. +44 (0) 207 963 2150

Louise.McCulloch@balfourbeatty.com

Notes to editors:

Balfour Beatty (www.balfourbeatty.com) is a leading international infrastructure group. With 34,000 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.