

Balfour Beatty PLC  
16 May 2002

## **BALFOUR BEATTY PLC**

### **AGM STATEMENT**

Reporting to shareholders at the Company's Annual General Meeting, Chairman, Lord Weir, said:

'As I do each year, I would like to use this occasion to say something to shareholders about our progress to date.

'So far this year we have been booking orders for new work at very satisfactory levels. Projects of particular note include best value bidder status on State Highway 130 in Texas, worth almost £1 billion to our joint venture partnership, and the Greenbush commuter rail system outside Boston. Following the recent signing of contracts with LUL in respect of Metronet's two London Underground PPP concessions, we are now working towards financial close.

'I can also announce two further pieces of good news today. In Hong Kong, the Airport Authority has awarded us the contract to construct the new East Hall at Chek Lap Kok. In the UK, we have been appointed by BAA to carry out the trackwork, traction and mechanical and electrical services contract for Heathrow Airport Terminal 5. These two jobs total some £85 million.

'We have been successful in making a number of acquisitions as has already been announced. The recent purchase of Kenton, together with that of Kennedy made last year, substantially increases our utility service business in the gas and water industries. Knox Kershaw widens our base in the US rail market, and the 49% stake in Romec, the Post Office subsidiary, for which we are preferred bidder, would add substantial volume to our activities in building maintenance and services. We continue to explore further opportunities to strengthen our core businesses.

'As far as contract execution is concerned the highlight has certainly been the completion on time of the first phase of the Edinburgh Royal Infirmary and the associated medical school.

'Our financial situation and cash flow remain on track.

'As to the outlook I would not like to change the views expressed in our Annual Report as to our prospects for the year as a whole, except to say that, as has been the tendency in recent years, the weighting of profits will be slanted towards the second half of the year.'

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