

News Release

6 July 2010

BALFOUR BEATTY PLC

HALF-YEAR TRADING UPDATE

Balfour Beatty plc, the international infrastructure Group, is providing this trading update in advance of its results for the half year ended 26 June 2010 which will be announced on 11 August 2010.

Trading

Further to our Interim Management Statement of 12 May 2010, trading performance continues to be consistent with our expectations for the year.

At the half-year, our high-quality order book is expected to be ahead of the £14.1 billion reported for 31 December 2009.

Balfour Beatty operates across the lifecycle of infrastructure assets with significant and complementary capabilities in professional services, construction services, support services and infrastructure investments. We are diversified across market sectors and geographies, with around half of the Group's revenue now from outside the UK, and are strongly positioned to address the significant long-term infrastructure demands in economies around the world.

The recent announcement of preferred bidder status on the multi-billion dollar Denver Eagle P3 commuter rail project, in which Balfour Beatty will be responsible for a 50% share of the engineering, procurement and construction contract and a 33% share of the operations and maintenance contract, demonstrates the scale and breadth of projects that we are now capable of delivering as a result of having Parsons Brinckerhoff within the Group.

Business performance

In **Professional Services**, there will be a first full-year contribution in 2010 from Parsons Brinckerhoff, which is performing well and in line with our expectations. Integration, including with Heery in the US and Balfour Beatty Management in the UK, has proceeded faster than anticipated and the business is now involved in a number of significant opportunities in conjunction with other parts of the Group.

Construction Services continues to perform well overall, as good operational performance and continuing tight control of costs have offset the anticipated decline in total divisional volumes. Good volumes in UK civil infrastructure and Hong Kong have been outweighed by reduced volumes in most other markets, particularly in the US. The order book has strengthened since the year-end and we see further substantial opportunities across the business.

In **Support Services** we have had a number of key contract wins, including with QinetiQ and North East Lincolnshire Council. We expect performance for the year to be weighted towards the second half, following the first-half investment in a national operations centre for facilities management customers and a slow start-up of AMP5 contracts in the water/utilities sector.

In **Infrastructure Investments**, we have an active pipeline of bids. We have achieved preferred bidder positions on five projects so far this year. Barking Power continues to perform well; however, as previously reported, its existing contracts for primary off-take and gas input contracts come to an end in September 2010 and, as a consequence, we are re-assessing the carrying value of the investment.

Cash

Our cash position remains robust, with average net cash in excess of £400 million for the first half of 2010 (excluding net debt in PPP subsidiaries), compared with £224 million in the first half of 2009.

Outlook

Balfour Beatty operates across the infrastructure lifecycle and is uniquely placed in major markets to benefit from long-term growth in investment in infrastructure. Each of our business areas operates in a diversity of markets and geographies, which, allied to our capability to provide an integrated service to customers, gives our business strength and resilience.

There remain uncertainties in some parts of our markets, particularly with regard to government funding of infrastructure investment. However, in other markets prospects remain robust.

Overall, we remain confident about the outlook for the Group.

ENDS

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Notes to Editors:

Balfour Beatty (www.balfourbeatty.com) is a world-class infrastructure group operating in construction services, professional services, support services and infrastructure investments.

We work in partnership with our customers principally in the UK, the US, South-East Asia and the Middle East, who value the highest levels of quality, safety and technical expertise.

Our key infrastructure markets include transportation (roads, rail and airports); social infrastructure (education, specialist healthcare, and various types of accommodation); utilities (water, gas and power transmission and generation) and commercial (offices, leisure and retail).

We deliver services essential to the development, creation and care of these infrastructure assets including investment, project design, financing and management, engineering and construction, and facilities management services.

Balfour Beatty employs more than 50,000 people around the world.