

2018

Balfour Beatty is a leading international infrastructure group providing 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 and social and commercial buildings. Our main geographies are the UK & Ireland, US and the Far East.

£12.6bn order book ^(HY18)

£8.2bn underlying revenue ^(FY17)

£1.2bn investments portfolio ^(HY18)

28,000 employees



Hinkley Point C – the UK's first nuclear power station in a generation

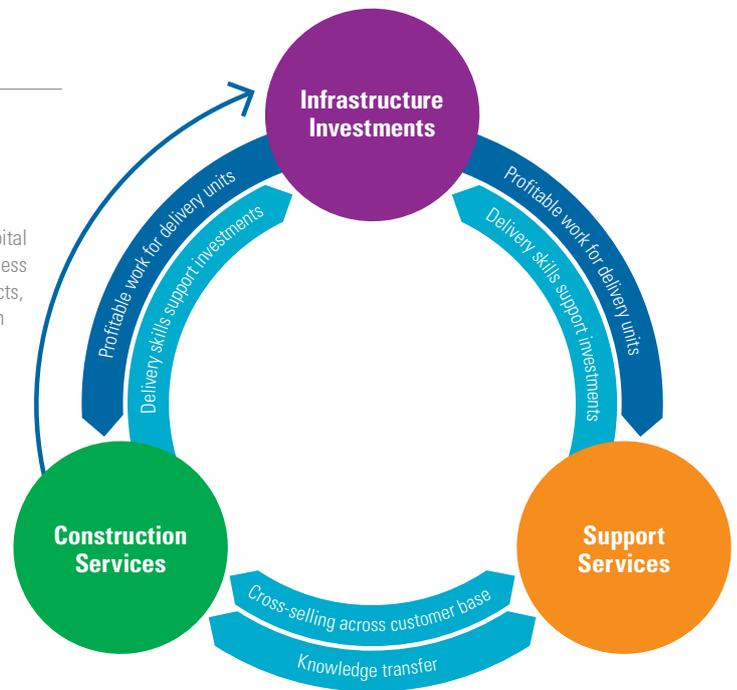
How our Group works together

Our businesses drive operational and financial benefits from each other and enhanced returns when Investments, Construction and Services deliver as one.

Our Investments business optimises value through the disposal of operational assets whilst also continuing to invest in new opportunities.

- Operational benefits
- Financial benefits

Favourable working capital from construction business funds investment projects, which generate a return in their own right



Construction Services

The Construction Services businesses in the UK & Ireland, the US, and in joint venture in the Far East, are top tier and all operate across the infrastructure and building sectors.

What we do:

- Civil engineering
- Building
- Ground engineering
- Mechanical and electrical installation
- Refurbishment and fit-out
- Rail engineering

Support Services

Support Services upgrades, manages and maintains critical national infrastructure, and its capabilities complement both Construction Services and Infrastructure Investments.

What we do:

- Install, upgrade and maintain water, gas and electricity networks
- Highways network management, operation and maintenance
- Rail renewals
- Rail technology

Infrastructure Investments

The Infrastructure Investments business is a recognised leader in public private partnerships (PPP) and other developments in the UK & Ireland, and the US. Its activities generate additional construction and service work for other parts of the Group.

What we do:

- Develop and finance both public and private infrastructure projects
- Operate a portfolio of long-term infrastructure projects
- Develop and maintain a large network of military housing facilities across the US

Positive infrastructure markets

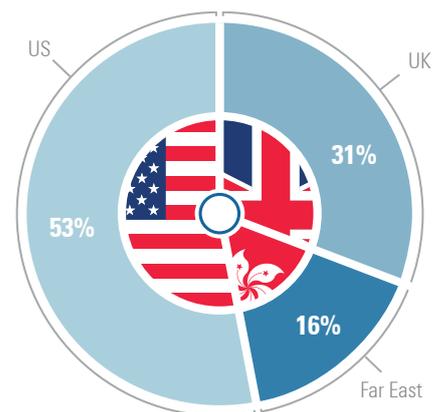
In the UK & Ireland, US and the Far East, governments are taking action to renew and improve essential infrastructure – work which Balfour Beatty is well placed to deliver.

Notably, in the UK we were selected to deliver two main civils packages for HS2 and won orders to construct the marine tunnels at the Hinkley Point C nuclear power station. The business continues to work constructively with industry bodies and the UK Government to identify and manage any challenges caused by the UK's exit from the European Union. Whilst we have not seen an impact on our markets, any restrictions on

the movement of workers would be likely to exacerbate the current shortages of skilled labour in our sector. In the US, we secured work to reconstruct and improve the Southern Gateway – an 11-mile stretch of road in Dallas, Texas – and the 4.7-mile Green Line rail extension in Boston, Massachusetts.

We continue to see opportunities for our Investments business to finance and deliver projects, particularly in the US. In early 2018 we entered our first major public-private partnership (P3) in the US civil infrastructure market for the Los Angeles World Airports Automated People Mover.

Construction Services revenue by geography



Build to Last

When we deliver buildings and infrastructure, we expect them to survive the test of time. For Balfour Beatty to remain at the forefront of our industry we need to continuously improve efficiency, lead innovation and always operate safely. These are the drivers of value for our customers.

Improved efficiency means smarter working, elimination of waste and creating a lean supply chain to deliver better value for our customers. This allows us to invest in developing our expertise. Having the finest experts allows us to extend what we are capable of building and drives improvements in everything we do; this means our customers can trust us to deliver on all that we promise, including safety. Safety is never compromised. We Build to Last.



Strong results demonstrate delivery of Build to Last transformation

Highlights ^(HY18)

- Underlying profit from operations (PFO) increased by 69% to £66 million (2017: £39m)
- Average net cash £161 million (2017: £45m); half-year net cash £366 million (2017: £161m)
- Underlying UK Construction PFO £5 million (2017: £2m), after £15 million charge on Aberdeen Western Peripheral Route
- Higher quality order book increased 11% to £12.6 billion (2017: £11.4bn), whilst maintaining Build to Last disciplines
- Directors' valuation of Investments portfolio stable at £1.2 billion, post £108 million of sale proceeds
- Interim dividend payment up 33% to 1.6 pence per share (2017: 1.2p)

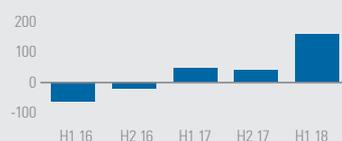
Balfour Beatty today

- Expert capabilities
- Strong balance sheet
- Attractive Investments portfolio
- Growing infrastructure markets
- Industry leading brand

Market leader positioned to deliver market leading performance

Lean

Group six month average net cash (£m)



Deliver value to our customers by improving operational efficiency and eliminating waste right through the supply chain.

We want to make sure that our customers get the best value for their money; we need to be relentless in driving out unnecessary costs and work with our customers to ensure their money is spent in the best way possible. Providing customers with better value for their money drives our competitiveness and provides Balfour Beatty with the capital to invest back into developing our expertise.

Expert

Employee engagement rate

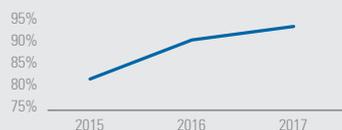


Ensure we have the best engineering, design and project management capabilities.

We deliver world-class buildings and infrastructure for our customers by constantly driving innovation. Our strongest differentiator is our engineering and project management capabilities. Having the best talent supported by the strongest supply chain creates a virtuous circle that ensures we win the best and most exciting projects to deliver.

Trusted

Customer satisfaction – doing what we say we will do



Be the construction partner of choice for our customers and supply chain by delivering on our promises.

Customers must have confidence in our ability to deliver and to do what we say we will do. A robust risk framework ensures that challenges are mitigated and projects are delivered in the right way. Satisfied customers provide us with the opportunities and projects for the future.

Safe

Lost Time Injury Rate^a



^aexcluding international joint ventures

We must ensure the health and safety of everyone who comes into contact with our activities.

Health and safety is at the heart of everything we do – we must protect our employees, our supply chain partners, our customers and the public. Construction is an inherently dangerous business and without the highest standards of safety, we don't have a licence to operate. A safe and healthy workplace is also happier, more motivated and more efficient.

Recent contract successes



\$1.95bn (c.£1.4bn) Los Angeles World Airports Automated People Mover



£115m tamper supply, operation and maintenance contract for Network Rail



HK\$4bn (c.£370m) large scale residential development at Tseung Kwan O bay, Hong Kong



Hinkley Point C tunnelling and marine package and National Grid cabling works



Our first ever Construction LIVE event

Things you probably don't know about Balfour Beatty

- » We were founded in London in 1909
- » We are the UK's largest contractor
- » Our Investments business has closed projects worth over £10bn of private capital
- » As members of the The 5% Club, 5.3% of our UK workforce are in 'earn and learn' roles
- » In collaboration with Scape Group, the public sector owned procurement specialist, we hosted the first ever Construction LIVE event. The interactive broadcast gave students the chance to ask graduates and apprentices questions about working in our sector.
- » We have launched a new Rail Innovation Centre at our Raynesway facility in Derby
- » We are committed to '25% by 2025' – a 25% reduction in work carried out on site by 2025 which reinforces our commitment to safety by design



The Thames Tideway Tunnel

Some of the things we are working on

- » The UK's first new nuclear facility in a generation at Hinkley Point C
- » The longest bridge in Colorado, as part of the North Metro Line extension
- » Hong Kong's first year round, all-weather, water park
- » The installation of a 65km long electricity cable between France and the UK
- » HS2 – a new high speed railway between London, The Midlands and the North of England
- » The A14 between Cambridge and Huntingdon, the biggest road upgrade under construction in the UK
- » Construction of the Thames Tideway Tunnel – ensuring London's sewerage system is fit for purpose for the next 100 years
- » The 58-storey 'Jenga' tower which will be the tallest building in Austin, Texas
- » Caltrain, the electrification of the 52-mile rail corridor from San Francisco to San Jose



The 174-room Radisson RED Glasgow

Some of the things we have helped create

- » The world's heaviest anti-gravity roof as part of the London Olympic Stadium transformation
- » Parkland Hospital, Dallas which, when constructed, was the world's largest healthcare project
- » The A3 Hindhead Tunnel, the longest non-estuarial tunnel in the UK
- » The Channel Tunnel, the first ever fixed rail link between the UK and Europe
- » One of the top 10 greenest buildings in the US – the Edith Green-Wendell federal office, Oregon
- » The Space Needle, an iconic feature of the Seattle skyline
- » Over 44,000 homes for US service members
- » The world's longest rail tunnel, the Gotthard rail link, under the Swiss Alps
- » The Beaulieu-Denny overhead transmission line in Scotland – connecting remote wind farms to the national grid
- » Radisson RED Glasgow, the brand's first newly built hotel in Europe



Leo Quinn

Group Chief Executive

Leo joined Balfour Beatty in January 2015 following five years as Group Chief Executive of QinetiQ Group plc and five years as CEO of De La Rue plc. He led both companies through successful transformations which restored each business to strength and created over £1bn of value. Leo founded The 5% Club in 2013.



Philip Harrison

Chief Financial Officer

Prior to joining Balfour Beatty in June 2015, Philip was Group Finance Director at Hogg Robinson Group plc, a position he held for two and a half years. He also held roles as Group Finance Director at VT Group plc and at Hewlett Packard where he was the VP Finance for EMEA and a member of the EMEA board.