

This document is important and requires your immediate attention, so please read it straight away.

If you are not sure what you should do, please consult an appropriate independent adviser. If you have sold or transferred your shares in Balfour Beatty plc, please send this circular and the proxy form to the person who sold or transferred the shares for you so they can be passed on to the person who now owns the shares.



Helping communities thrive

Balfour Beatty

Shareholders' update and Notice of 2012 Annual General Meeting
and Class Meeting of Preference Shareholders

A strong performance



Steve Marshall
Chairman

“Balfour Beatty continued to perform strongly during 2011. This was despite difficult trading conditions in our two largest markets.”

A relentless focus on operational delivery for our customers and on enhancing the Group's reputation enabled us to successfully deliver numerous high-profile project commitments – such as the Aquatics Centre for the 2012 London Olympics – and also to maintain a strong forward order book into 2012 and beyond. Efforts to accelerate the realisation of the Group's long-term strategy, based on deploying and sharing our combined expertise worldwide, have also been a major focus. The Chief Executive's review summarises these.

This combination of strategic focus and development of new opportunities enabled Balfour Beatty to withstand the impact of tough economic conditions in our two largest markets – the UK and US. As a result, the business at year-end was again able to report an order book of more than £15bn for the second successive year, a significant achievement given prevailing economic conditions, which included major cuts in public spending on both sides of the Atlantic. In addition, underlying profit from continuing operations has been resilient, as we reported year-on-year growth of £5m or 2%.

Dividend

In line with its existing progressive dividend policy, the Board is proposing a final dividend of 8.5p per ordinary share. This will give a total dividend for 2011 of 13.8p, an increase of 9% on 2010.

Looking ahead

We have every reason to be confident of playing a larger international leadership role across our chosen infrastructure sectors in the years ahead. Near-term market pressures are however likely to continue, requiring continuing focus on operational delivery and on increasing the contribution from Group-wide efficiencies.

Highlights of the year

- Strong performance demonstrates the diversity, flexibility and resilience of our business
- Order book was stable at £15.2bn
- Revenue was up 5%; up 6% on a constant currency basis and 4% on an organic basis
- Underlying profit from operations improved in all divisions except for Construction Services
- Existing cost efficiency programme is delivering, with £15m of savings in 2011; a further £50m pa of savings is targeted through a broader programme over the next three years
- We achieved £20m gain from infrastructure investment disposals while Directors' valuation of the PPP portfolio increased to £743m
- Earnings per share were up 9%; dividend increased by 9% to 13.8p
- Net cash position¹ was strong at £340m

Pre-tax profit²

11	£334m	+9%
10	£306m	
09	£244m	
08	£227m	
07	£186m	

Underlying earnings per share²

11	35.5p	+9%
10	32.7p	
09	30.7p	
08	30.6p	
07	27.0p	

Dividends per share

11	13.8p	+9%
10	12.7p	
09	12.0p	
08	11.15p	
07	10.0p	

2010 financial statements have been re-presented for the classification of Barking Power as a discontinued operation.

¹ Excluding non-recourse net debt of PPP subsidiaries.

² Before non-underlying items.

A clear strategy



Ian Tyler
Chief Executive

“As a business growing into new geographies and markets, delivering ever greater value and efficiency to customers, we look forward with confidence.”

Performance

We delivered a strong performance in 2011, made further progress towards the delivery of our strategy and demonstrated the diversity, flexibility and resilience of our business. We are excited by the opportunities in growth sectors such as rail and power and growth markets like Australia, Canada and India.

Strategy

Our differentiation comes from collaborative thinking by drawing on the whole breadth of our knowledge. We start with strategic planning, develop through design and financing, and deliver construction and operation.

It is the many differences that come from daily ingenuity; our people working with our clients to solve the toughest problems; combining decades of experience with new ideas and techniques – all to ensure that our clients achieve ever better outcomes for themselves and for society.

The strategy we have been pursuing has enabled us to build a world-class infrastructure business with global reach. We continue to develop the strategy in response to changing economic conditions and our own constantly expanding capabilities.

In a more uncertain world we aim to maximise opportunities for continued growth by making best use of the unique mix of capabilities we now possess.

By addressing the four strategic objectives on the right, and adhering to our values of integrity, excellence, respect and teamwork, we can differentiate ourselves in ways that matter to customers.

Our strategic objectives

1. Grow in new markets and vertical sectors

We are already one of the largest global players in infrastructure by revenue. To achieve further growth we are working to develop our position in new geographies and resource-rich economies such as Brazil, India, Australia and Canada and we are intensifying our focus on high-growth sectors such as power, rail, mining and transportation.

2. Deliver greater value to the customer

Many of our customers own complex and critical assets that enable societies to function by providing transport, energy, water, natural resources, schools, hospitals and local services.

For them, providing an asset is not an end in itself. They are concerned to provide education rather than schools, healthcare rather than hospitals, mobility rather than roads or railways. We help them achieve their true goals by working in partnership with them – bringing together teams that have the know-how and talent to understand the underlying issues and solve the toughest infrastructure challenges.

3. Improve operational performance and cost-effectiveness

Our unique breadth of capabilities and our wide geographical reach are the results of a sustained period of expansion. Much of this expansion has come through acquisitions, and we will continue to acquire businesses that enhance our capabilities or expand our territorial coverage – as described in objective 1 above. But it is not enough to build the platform; we must also operate it as efficiently and profitably as possible.

4. Continue to show leadership in values and behaviour

To be recognised as the leading provider of infrastructure services – and to secure a sustainable, long-term future for the Group – we must also be a leader in areas such as ethics, safety and the environment.

Group at a glance

Focused on growth markets

The global infrastructure market is estimated at £8trn over the next four years, with higher growth rates in Australia and Asia, South America, Africa and Middle East.

Organic growth and recent acquisitions have added to our global scale; we are now one of the largest players in infrastructure by revenue. Our international reach and ability to access growth markets have been greatly enhanced in recent years, particularly with the addition of professional services capability. We are already in Asia and the Middle East, and we are intensifying our focus on geographies and sectors such as the ones below where we see opportunities for growth.

Growth markets

- Brazil
- India

Resource economies

- Australia
- Canada

High-growth sectors

- Power
- Rail
- Mining
- Transportation

£8trn **9%**

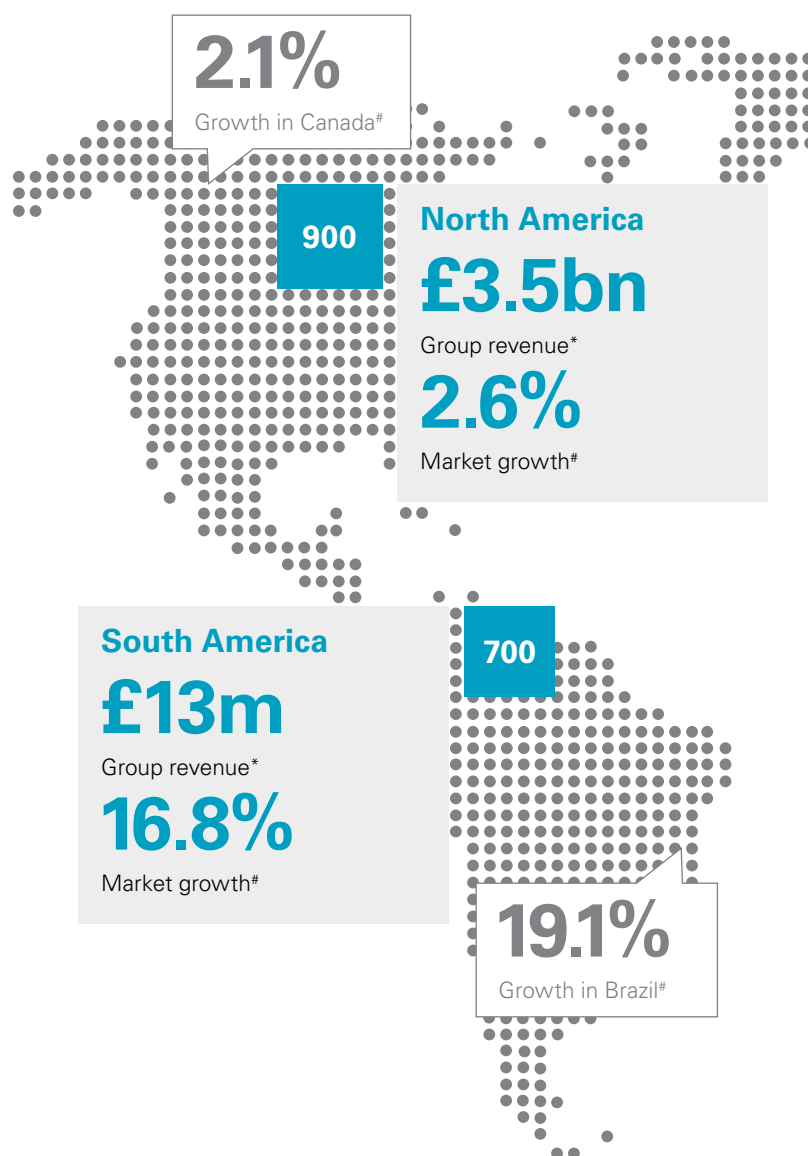
Estimated global infrastructure spend in 2012–2015

Average annual growth rate in global infrastructure spend

£11bn **80+**

Revenue generated this year

Presence in over 80 countries



Structured for competitive advantage

Breadth of capability

With more comprehensive capabilities than our international peers, we can address a broader range of infrastructure markets and customers. For management purposes our businesses are structured into four complementary divisions:

- Professional Services
- Construction Services
- Support Services
- Infrastructure Investments

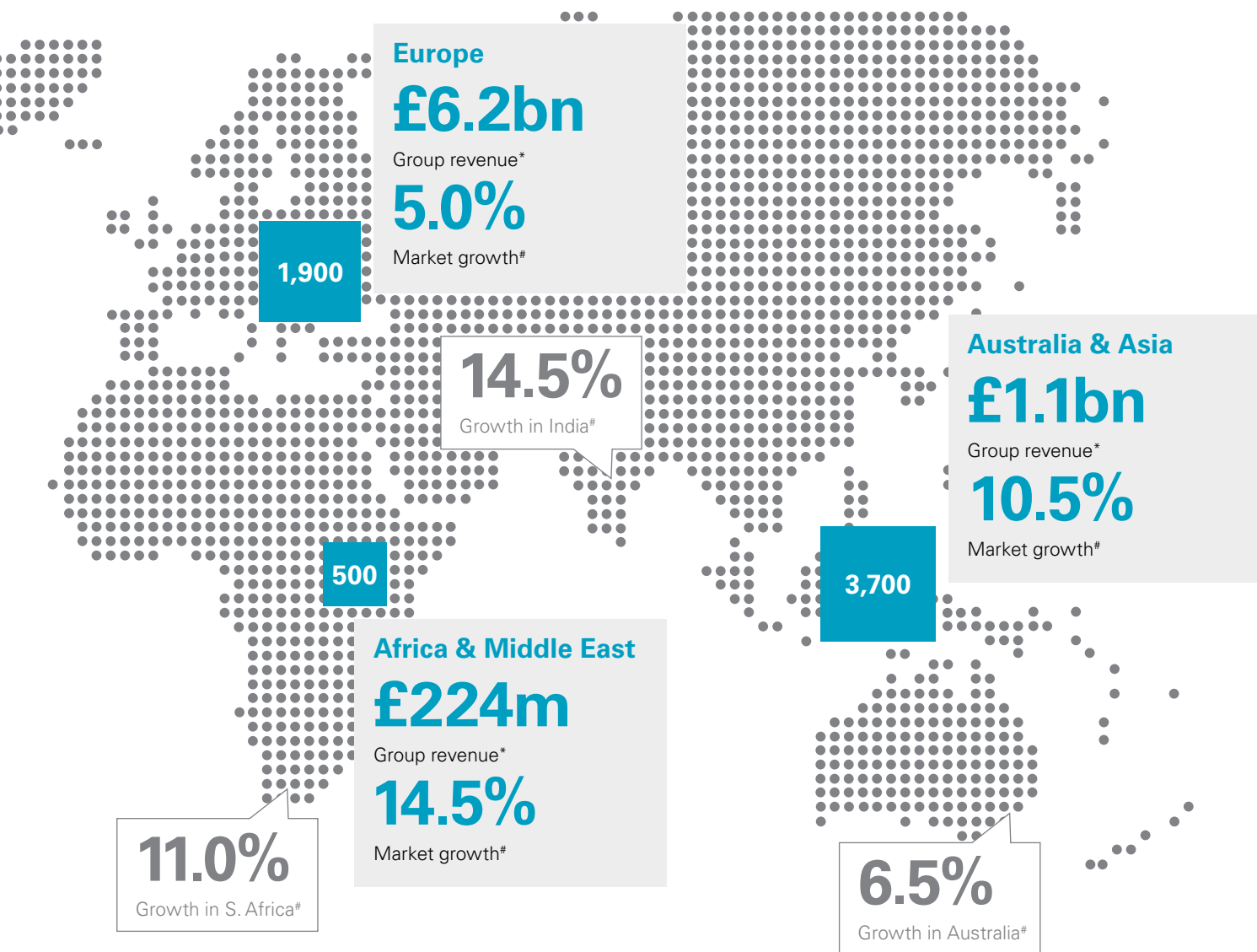
Our ability to build project teams integrating capabilities from across these divisions gives us real competitive edge, providing a strong platform for growth and value creation.

Focus on customers' assets

Our customers are owners of large and complex assets. They view their assets strategically and often want to work with people who can share the big picture with them.

Increasingly our organisation is structured to identify customers' strategic objectives and to deliver our collective services to meet these objectives. This is about focusing on our customers and their assets which goes beyond our work on any single project.

By capturing and sharing our knowledge across the whole asset lifecycle and deploying this knowledge for our customers, we differentiate ourselves from competitors and maximise value both for those customers and for the Group.



* Group revenue is total revenue including joint ventures and associates.

Compounded annual market growth rates for the four-year period 2012–2015 by Global Insight.

■ Non-residential infrastructure market size for the four-year period 2012–2015 by Global Insight (£7,700bn).

Efficiency

Through broadening the scope of our current cost efficiency programme over the next few years, we will capture efficiencies from a larger cost base. Cost efficiency will be targeted at the highest possible organisational and geographical level and will not jeopardise our focus on customers or asset knowledge.

£50m

Estimated annual savings by 2015

Balance sheet strength

Infrastructure projects are long term and large in value. Being able to demonstrate that we have the financial strength to complete them is fundamental. We maintain positive cash and PPP assets to balance against our pension deficit and negative working capital.

£200m

Cash¹

£743m

PPP assets²

¹ Average net cash for the year 2011, excluding PPP subsidiaries.

² Directors' valuation of PPP concessions at 31 December 2011.

Annual General Meeting 2012 and Class Meeting of preference shareholders

Dear Shareholder

I am pleased to send you details of the Annual General Meeting ("AGM") of Balfour Beatty plc ("Balfour Beatty" or the "Company"), which we will be holding on Thursday 10 May 2012 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The AGM is an important event in the Balfour Beatty calendar and provides the opportunity to update you on performance for the financial year, as well as offering you the opportunity to ask questions and vote on the items of business.

Each of the chairmen of your Board's Audit, Business Practices, Nomination and Remuneration Committees will be available at the AGM to answer any questions arising from the work of those Committees.

The AGM will start at 11.00 am and the formal notice of the AGM is set out on pages 12 to 14.

Immediately following the AGM, we will be holding a Class Meeting ("Class Meeting") of the holders of the Company's cumulative convertible redeemable preference shares ("preference shares"). The formal notice of the Class Meeting is set out on page 15.

The business we will consider at the AGM

We will update you on the progress of your Company and conduct certain formal business concerning its governance. The AGM will cover standard matters that are now dealt with at every AGM (resolutions 1 to 16). Resolutions 17 to 21 are similar to those which shareholders have passed in previous years.

Each of the 21 resolutions that we are asking you to vote on is written in a formal way to make it legally valid. To make things clearer, we have explained each resolution in the following pages.

As is usual at the AGM and Class Meeting, I shall invite questions from shareholders present at each of those meetings. It would be helpful if you could send us the details of any proposed questions in advance, although this is not obligatory (see "General information" on page 10). Questions may be sent by post to the Chief Corporate Officer and Company Secretary at the Company's Registered Office or by email to info@balfourbeatty.com, with the heading "AGM 2012" or "Class Meeting 2012", as appropriate.

What to do next

If you hold ordinary shares in Balfour Beatty, you are entitled to vote on the resolutions and attend the AGM. It is important to the good governance of your Company that all holders of ordinary shares, regardless of the number of shares that they own, exercise their right to vote even if they cannot attend the meeting.

I recognise that many of our shareholders are unable to attend the meeting in person. As a result, many other large listed companies have decided to vote on resolutions by way of a poll and not by a show of hands and we have also decided to adopt this approach this year. A poll is the fairest way of ensuring the wishes of the shareholders are properly reflected at general meetings as it records the decision of all shareholders who have voted by proxy, or who attend the meeting in person, based on the number of shares they hold. The results will be published on the Company's website shortly after the meeting.

If you cannot attend, you can use the white proxy voting form to nominate someone else to attend the meeting and vote for you, or you can nominate me to vote for you. If you want to appoint a proxy for the AGM, you need to complete and return the white proxy voting form enclosed with this circular, or register your proxy appointment and voting instructions over the internet, by 11.00 am on Tuesday 8 May 2012. I am grateful to the many shareholders who have lodged proxy votes in the past and hope that I can count on your continuing support.

There is more information on what you need to do if you want to appoint a proxy on pages 10 and 11. If you complete and return the white proxy voting form, or register your proxy appointment and voting instructions over the internet, you can still attend the AGM and vote instead of your proxy. Please note that if you hold only preference shares in Balfour Beatty and do not hold any ordinary shares, you are not entitled to vote on any of the resolutions or attend the AGM.

Class Meeting

If you hold preference shares in Balfour Beatty, you are entitled to vote on the resolution and attend the Class Meeting. If you cannot attend, you can use the blue proxy voting form to nominate someone else to attend the meeting and vote for you, or you can nominate me to vote for you. If you want to appoint a proxy for the Class Meeting, you need to complete and return the blue proxy voting form enclosed with this circular, or register your proxy appointment and voting instructions over the internet, by 11.45 am on Tuesday 8 May 2012.

If you complete and return the blue proxy voting form, or register your proxy appointment and voting instructions over the internet, you can still attend the Class Meeting and vote instead of your proxy.

Director retirement

We have recently announced that Anthony Rabin, our Deputy Chief Executive, will be retiring on 30 June 2012 after 17 years with the Group. Subject to his re-election at this AGM, he will continue as a Director until his retirement. Anthony was instrumental in establishing Balfour Beatty Capital some 15 years ago, which has expanded to become the Infrastructure Investments Division, one of the key value generators for our business. On behalf of myself and my colleagues on the Board, I would like to take this opportunity to thank Anthony for the significant contribution he has made to our business over these years. His role as Deputy Chief Executive will not be replaced on the Board. Andrew McNaughton, Chief Operating Officer, will take on responsibility for leading the growth of the Infrastructure Investments Division.

Recommendation

Your Directors believe that all the proposed resolutions to be considered at the AGM and Class Meeting are in the best interests of Balfour Beatty and its shareholders as a whole. Your Directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their own beneficial shareholdings in Balfour Beatty.

There is more information about the AGM and the Class Meeting on the following pages.

Electronic shareholder communications

Many of our shareholders now prefer to have communications from the Company, including this circular and the Company's annual report and accounts, made available to them electronically as part of our eShareholder programme. If you have not yet registered for this facility and now wish to do so, details are provided on page 16 and on your Form(s) of Proxy.

Yours sincerely



Steve Marshall
Chairman
5 April 2012

Balfour Beatty plc
Registered Office: 130 Wilton Road, London SW1V 1LQ
Registered in England with number 395826

We will be holding our AGM on Thursday 10 May 2012 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The meeting will start at 11.00 am and the formal notice of the meeting is set out on pages 12 to 14.

Resolutions 1 to 18

Each of these resolutions (which we have explained below) will be proposed as an ordinary resolution. For these resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.

In these explanatory notes, the references to 21 March 2012 and to 1 July 2013 are to the latest practicable date prior to the publication of this circular and the latest date by which the Company must hold an AGM in 2013, respectively.

1. Directors' report and accounts

The Directors are required to present to the AGM the Company's accounts for the year ended 31 December 2011 and the reports of the Directors and its auditor on those accounts. These are all contained in the Company's annual report and accounts 2011 ("2011 Annual Report").

2. Directors' remuneration report

The Directors are required to put an ordinary resolution to the AGM seeking approval of the remuneration report. This report is contained in the 2011 Annual Report.

Shareholders are reminded that, as the vote is advisory, it does not affect the actual remuneration paid to any individual Director, nor is the entitlement of any individual Director, whether under a service contract or letter of appointment, conditional on the resolution being passed.

3. Dividend

Shareholders must approve the final dividend payable for each ordinary share held. However, the final dividend cannot exceed the amount recommended by the Directors, which is 8.5p (net) for each ordinary share. If approved, the final dividend will be paid on 6 July 2012 to holders of ordinary shares who are on the Company's Register of Members on 27 April 2012. The proposed final dividend will bring the total dividend for 2011 to 13.8p (net) per ordinary share. For 2010, the total dividend was 12.7p (net) per ordinary share.

4. to 15. Re-election of Directors

All of your Directors who are currently in office will seek re-election at the AGM in accordance with the recommendations of the UK Corporate Governance Code.

The Directors believe that the Board continues to include an appropriate balance of skills and retains the ability to provide effective leadership to the Group. The blend of skills exhibited by the Directors through their respective professional backgrounds is highlighted on page 69 of the 2011 Annual Report. Non-executive Directors are chosen on the basis of their background and experience and for the contribution that they can make both generally and in specific areas relevant to the business of your Company.

Following formal performance evaluation, your Board is satisfied that each of the Directors continues to be effective and to demonstrate commitment to the role, including commitment of time for Board and Committee meetings. Accordingly, your Board believes that the re-election of each of the Directors is in the best interest of your Company.

In recommending the re-election of Robert Walvis, your Directors have again taken into account his tenure, given that he was first appointed as a Director in 2001. Having served as one of your Directors for more than nine years, there is a presumption under the UK Corporate Governance Code that he is no longer independent. Your Directors are satisfied that his tenure has not in any way compromised his ability to discharge effectively his obligations as a non-executive Director nor has it impaired his independence of character and judgement. Your Directors believe that he continues to make an outstanding contribution to the work of both your Board and its Committees. For further information on how the Board determined that Mr Walvis should continue to be regarded as independent, please refer to page 68 of the 2011 Annual Report.

For information about each of your Directors seeking re-election, please refer to page 18 of this circular.

16. The auditor

The Company must appoint an auditor at every general meeting at which accounts are presented to shareholders. Deloitte LLP have indicated that they are willing to continue as the Company's auditor for another year and, on the recommendation of the Audit Committee, your Directors propose that Deloitte LLP be re-appointed as auditor to the Company. Your Directors have a longstanding authority given by shareholders to determine the auditor's remuneration.

17. Authority to incur political expenditure

Part 14 of the Companies Act 2006 requires companies to obtain shareholders' authority for political donations in the European Union ("EU") to registered political parties, other political organisations or an independent election candidate, totalling more than £5,000 in any 12-month period, and for any political expenditure, subject to limited exceptions. The definition of political donation in this context is very wide and extends to bodies such as those concerned with policy review, law reform and the representation of the business community. It could include special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or influence support for a particular political party or political organisation.

It remains the policy of the Company and its subsidiaries not to make political donations or incur political expenditure in the EU as those expressions are normally understood. However, your Directors consider that it is in the best interests of shareholders for the Company to participate in public debate and opinion-forming matters which affect its business. In order to avoid the inadvertent infringement of the Companies Act 2006, your Directors are seeking shareholders' authority for the Company and its UK subsidiaries to make political donations and to incur political expenditure up to a maximum aggregate amount of £25,000 in the EU. The authority sought by this resolution will expire at the conclusion of the Company's AGM in 2013 or on 1 July 2013, whichever is the earlier. In line with best practice guidelines published by the ABI, this resolution is put to shareholders annually, rather than every four years as required by the Companies Act 2006.

18. Authority to allot ordinary shares

The purpose of this resolution is to renew your Directors' authority to allot shares. The authority in paragraph (a) would give your Directors authority to allot new shares, or to grant rights to subscribe for or convert any security into shares, up to a nominal value of £114,560,254, representing approximately one-third of the Company's total issued ordinary share capital, exclusive of treasury shares, as at 21 March 2012.

The authority in paragraph (b) would give your Directors authority to allot new shares, or to grant rights to subscribe for or convert any security into shares, only in connection with a fully pre-emptive rights issue up to a further nominal value of £114,560,254, representing approximately one-third of the Company's total issued ordinary share capital, exclusive of treasury shares, as at 21 March 2012. This is in line with the guidelines of the Association of British Insurers. It is envisaged that, if the additional authority under paragraph (b) of this resolution is utilised, all the Directors would continue to put themselves forward for re-election at the 2013 AGM.

As at 21 March 2012, no shares were held by the Company as treasury shares.

Your Directors have no current plans to exercise this authority other than in relation to the exercise of options under the Company's employee share schemes, or to satisfy any conversion rights exercised by the holders of the Company's preference shares. Your Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and this will enable them to act in the best interests of shareholders when opportunities arise, by issuing ordinary shares at short notice, without the need to convene a general meeting.

This authority renews that given at last year's AGM and will expire at the conclusion of the Company's AGM in 2013 or, on 1 July 2013, whichever is the earlier, although your Directors intend to continue the practice of seeking renewal of this power at each AGM.

Resolutions 19, 20 and 21

These resolutions will be proposed as special resolutions. For these resolutions to be passed, at least 75% of the votes cast must be in favour of the resolution.

19. Authority to allot ordinary shares for cash

If your Directors allot new shares (or sell treasury shares) for cash (other than in connection with an employee share scheme), they must first offer them to existing shareholders in proportion to their existing holdings (known as pre-emption rights). There may be occasions, however, when your Directors need the flexibility to finance business opportunities by the issue of shares for cash without a pre-emptive offer to existing shareholders. This resolution seeks shareholders' approval to do this.

In accordance with the Pre-Emption Group's Statement of Principles, the resolution seeks approval for the allotment of new ordinary shares of up to a nominal amount of £17,184,038 for cash (which includes the sale on a non-pre-emptive basis of any shares held in treasury), representing 5% of the Company's issued ordinary share capital as at 21 March 2012.

Your Directors intend to adhere to the provisions of the Pre-Emption Group's Statement of Principles not to allot shares on a non-pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the Company's issued ordinary capital in any rolling three-year period, without prior consultation with shareholders.

This authority renews that given at last year's AGM and will expire at the conclusion of the Company's AGM in 2013, or on 1 July 2013. A renewal of this authority will be proposed at each subsequent AGM.

20. Authority for the Company to purchase its own ordinary and preference shares

Your Directors are committed to managing the Company's share capital effectively and it is proposed that, in common with many other listed companies, the Company continues to have the authority to make market purchases of its own shares. The number of shares the Company can buy is limited to a maximum of 10% of the Company's issued ordinary share capital and just under 15% of the Company's issued preference share capital, calculated by reference to the number of ordinary and preference shares respectively in issue at 21 March 2012. The resolution sets out the lowest and the highest prices the Company can pay for its shares. The authorities expire at the conclusion of the Class Meeting which will follow the Company's AGM in 2013 or, on 1 July 2013, whichever is the earlier.

The Company's articles of association require that, to be effective, the holders of the Company's preference shares must also approve the authority. Accordingly, a meeting of holders of preference shares will be held in order to seek their approval for the authority.

This resolution follows investor protection guidelines which are more restrictive than the Companies Act 2006. Your Board will continue to monitor the capital requirements of the Company carefully and, although there are no plans to purchase ordinary or preference shares at the moment, the Directors consider it prudent to be able to act at short notice if the circumstances warrant it. Your Board will only make use of these authorities if it is satisfied that it would promote the success of the Company to do so; could be expected to result in an increase in earnings per share; and accordingly that the purchase is in the interests of shareholders.

During 2011, no ordinary shares or preference shares were purchased for cancellation or to be held as treasury shares under the equivalent authorities granted at the 2011 AGM and Class Meeting of preference shareholders.

As at 21 March 2012, options over a total of 6,730,659 ordinary shares were outstanding and remained unexercised. This represents 0.98% of the Company's issued ordinary share capital at that date. It would represent 1.09% of the Company's issued ordinary share capital if the proposed level of authority to purchase the Company's own shares had been used in full at that date.

If the Company purchases its own shares they will be cancelled or held as treasury shares. The Companies Act 2006 permits the Company to hold shares purchased as treasury shares rather than treat them as cancelled. Any shares held in treasury may subsequently be cancelled, resold for cash or used to satisfy share options and share awards under an employees' share scheme. Once shares are held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings and receive dividends, in respect of those shares. Your Board will only hold shares in treasury where it believes this course of action would promote the success of the Company.

21. Notice of general meetings

Changes made to the Companies Act 2006 by The Companies (Shareholders' Rights) Regulations 2009 (the "Regulations") increase the notice period required for general meetings to 21 days, unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. Such approval will not affect AGMs, which will continue to be held on at least 21 clear days' notice.

Before the Regulations came into force, the Company was able to call general meetings (other than AGMs) on 14 clear days' notice. In order to preserve this ability, this resolution seeks renewal of the shareholder approval given at the 2011 AGM. If renewed, this approval will be effective until the AGM in 2013, when your Directors intend to seek further renewal.

Shareholders should note that the changes to the Companies Act 2006 pursuant to the Regulations mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company has provided an electronic voting facility for some years and intends to continue to do so.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility offered by the shorter notice period would be in the best interests of shareholders generally, taking into account the circumstances and business of the meeting, including whether the business is time sensitive.

Class Meeting

We will be holding a Class Meeting of holders of preference shares on Thursday 10 May 2012 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The Class Meeting will start at 11.45 am or, if later, immediately after the completion of the AGM and formal notice of the meeting is set out on page 15.

The only item to be considered will be proposed as a special resolution, which will require at least 75% of the votes cast to be in favour of the resolution.

The resolution is explained on this page under Resolution 20 "Authority for the Company to purchase its own ordinary and preference shares".

Important information for shareholders

You (or any appointed proxy) have the right to attend, speak and vote at the AGM and/or the Class Meeting (as the case may be) if you are a holder of ordinary and/or preference shares as shown on the Company's share register at 6.00 pm on Tuesday 8 May 2012 (or, in the event of an adjournment, at 6.00 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the AGM.

If you cannot attend the AGM and/or the Class Meeting (as the case may be), you may appoint someone else as your proxy. The number of shares that you hold as at the relevant deadline will determine how many votes you or your proxy (or proxies) will have.

Time and place of meetings

Balfour Beatty's AGM will be held first and will start promptly at 11.00 am on Thursday 10 May 2012 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The Class Meeting will be held at 11.45 am or, if later, immediately after the completion of the AGM and will be held at the same location as the AGM.

Registration for both meetings will start at 10.00 am.

What you need to bring

Please keep and bring with you the attendance card attached to your Form of Proxy. It will authenticate your right to attend, speak and vote and will speed up your admission. You may also find it helpful to bring this circular and the 2011 Annual Report with you, so that you can refer to them at the meetings, although copies of both will be available.

Joint shareholders

All joint shareholders may attend and speak at the meetings. However, only the first shareholder listed on the Register of Members is entitled to vote.

Shareholders with disabilities

The venue for the meetings has full access for the disabled. As usual, there will be sound amplification to assist those present to follow the proceedings.

If you are not coming to the meetings

You may appoint a proxy – someone who will attend the AGM and/or the Class Meeting (as the case may be) on your behalf and exercise all or any of your rights to speak and vote – by completing and returning the relevant Form(s) of Proxy, white for the holders of ordinary shares and blue for the holders of preference shares, in accordance with the following instructions.

A proxy need not be a member of the Company.

Before completing the relevant Form(s) of Proxy, please read the following explanatory notes.

How to complete the Forms of Proxy

1. Appointing the Chairman as your proxy

For convenience, the appointment of the Chairman of the Meeting has already been included. If you wish to make this appointment, you need only complete, sign and date the relevant Form.

The Forms enable you to instruct the Chairman how to vote on the resolutions to be proposed at the AGM or the Class Meeting. These resolutions are set out in the meeting notices from pages 12 to 15 and are explained on pages 7 to 9. He will vote (or withhold his vote) as he thinks fit on any other business which may properly come before the meetings.

Please place an "X" in the appropriate box alongside each resolution to indicate whether, and if so, how you wish your vote to be cast in relation to that resolution. In the absence of any specific instruction on how to vote on a particular resolution, your proxy may vote as the proxy thinks fit on any motion to amend a resolution or to adjourn the meeting, or on any other resolution proposed at the AGM and/or Class Meeting (as the case may be). The "vote withheld" option is provided, in accordance with best practice, so as to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution.

2. Appointing someone other than the Chairman as your proxy

If you wish to appoint someone else as your proxy, you should insert the name of your proxy in the space provided. If necessary, please enter in the box next to the proxy's name the number of shares over which they are authorised to act as your proxy. If left blank, the proxy will have your full voting entitlement.

3. Appointing more than one person as your proxy

To appoint more than one person as your proxy, you may photocopy the relevant Form(s) of Proxy in relation to each proxy you wish to appoint. Each Form should clearly indicate the name of the proxy and the number of shares in relation to which they are authorised to act as your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write "the Chairman of the Meeting" on the Form(s) in the space provided.

All Forms must be signed and should be returned together in the same envelope.

4. Signing the Forms of Proxy

Before posting the relevant Form(s) of Proxy, please check that it has been signed and dated. In the case of joint holders, any one of you may sign.

If someone signs the Form(s) on your behalf, you or that person must send it to the Company's Registrars, Capita Registrars (see Notes 6 to 8 below) with the authority under which it is signed, or a copy of the authority which has been certified by a solicitor or notary.

5. Corporate appointment of proxy

Where the person appointing the proxy is a company, the relevant Form(s) of Proxy must be either under seal or under the hand of a duly authorised officer or attorney and the appropriate power of attorney or other authority must be lodged with the Form(s).

6. Posting details

To be valid, a Form of Proxy, together with any authority (see Notes 4 and 5 above), must be received by Capita Registrars not later than 11.00 am on Tuesday 8 May 2012 for the holders of ordinary shares, or 11.45 am on Tuesday 8 May 2012 for the holders of preference shares, or if the relevant meeting is adjourned, 48 hours before the time for holding the relevant adjourned meeting. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the relevant meeting.

7. UK shareholders

Each UK shareholder should reply by posting a Form of Proxy to Capita Registrars in the envelope provided. No stamp is required. Alternatively, you may vote electronically via the internet at www.balfourbeatty-shares.com (see Note 10 below).

8. Shareholders outside the UK

Shareholders with addresses outside the UK should reply by returning their Form of Proxy in an envelope to Capita Registrars, PXS, 34 Beckenham Road, Kent BR3 4TU, United Kingdom. Alternatively, you may vote electronically via the internet at www.balfourbeatty-shares.com (see Note 10 below).

9. Duplicate Forms of Proxy

If the Company's Registrars, Capita Registrars, receive two or more Forms of Proxy from the same shareholder relating to the same shareholding, they will act upon the one that is delivered last (regardless of its date). If they cannot confirm which one was delivered last (regardless of its date), they will not act on any of the Forms. If your Form arrives after the voting deadline, it will not be valid and will not replace any earlier Forms that they have received.

10. Electronic proxy submission

If you would like to submit your Form of Proxy electronically via the internet, you may do so via www.balfourbeatty-shares.com. You will need to register to use the service if you have not already done so. Once registration is complete, you may vote online by following the instructions provided.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meetings and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the relevant notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider, to procure that this CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection,

CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001, as amended.

Documents

The formal notice of the AGM on pages 12 to 14 sets out details of the documents available for inspection prior to and during the AGM.

General information

The AGM and Class Meeting are both business meetings. There are no crèche facilities at the Park Plaza Victoria and we advise against bringing young children to the venue.

Refreshments will be available before and after the meetings.

For the safety of everybody at our AGM and Class Meeting, you may be asked to provide proof of your identity and to allow our security staff to search any bags or packages. Please allow time for these procedures. It would be helpful if you did not bring suitcases or large bags, cameras or laptop computers to the venue. You may not be allowed to enter the meetings with recording equipment, cameras, mobile telephones, or any other inappropriate item which may interfere with the good order of the meetings. Storage and cloakroom facilities will be provided.

If, having registered, you wish to leave the building, you should first report to the registration desk. If you fail to do this, you may have difficulty gaining re-admission. We may refuse entry to persons whose demeanour or behaviour we believe may interfere with the good order of the meetings.

We hope you will understand that these arrangements are for the protection of all shareholders.

If you have any comments or questions concerning either the AGM, or the Class Meeting, you can write to the Chief Corporate Officer and Company Secretary either by post to the Company's registered office or by email to info@balfourbeatty.com, with the heading "AGM 2012" or "Class Meeting 2012", as appropriate. Notices of termination of proxy appointment, or requests for additional Forms of Proxy, should not be sent to this email address. If you wish to give notice of the termination of a proxy appointment, please send a letter to the Company's Registrars giving the full details. This should arrive before the voting deadline. Please note that, as indicated on page 16, any administrative enquiry relating to your shareholding should, in the first instance, be directed to the Company's Registrars clearly stating your registered name and address and, if available, shareholder reference number.

You can obtain the results of the AGM and Class Meeting by telephoning the Company's Registrars after the meetings have ended. The results will also be announced to the UK Listing Authority via a Regulatory Information Service and will appear on the Balfour Beatty website at www.balfourbeatty.com as soon as practicable following the meetings.

Duplicate mailings

You may have received separate sets of documents as it was not possible to combine your records – for example, because different dividend payment instructions apply. Any shareholders who now wish to stop the additional mailings by combining their records should contact Capita Registrars (see page 16).

Notice of Annual General Meeting

Notice is hereby given that the sixty-seventh Annual General Meeting ("AGM") of Balfour Beatty plc (the "Company") will be held at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ, on Thursday 10 May 2012 at 11.00 am for the following purposes:

Ordinary Business

1. To receive and, if thought fit, adopt the Directors' report and accounts for the year ended 31 December 2011.
2. To approve the Directors' remuneration report for the year ended 31 December 2011.
3. To declare a final dividend on the ordinary shares of the Company.
4. To re-elect Mr S Marshall as a Director.
5. To re-elect Mr R M Amen as a Director.
6. To re-elect Mr M J Donovan as a Director.
7. To re-elect Mr I G T Ferguson CBE as a Director.
8. To re-elect Mr G E H Krossa as a Director.
9. To re-elect Mr D J Magrath as a Director.
10. To re-elect Mr A J McNaughton as a Director.
11. To re-elect Mr A L P Rabin as a Director.
12. To re-elect Mr G C Roberts as a Director.
13. To re-elect Mr I P Tyler as a Director.
14. To re-elect Mr R J W Walvis as a Director.
15. To re-elect Mr P J L Zinkin as a Director.
16. To re-appoint Deloitte LLP as auditor.

Special Business

17. To consider and, if thought fit, pass as an ordinary resolution: THAT:

- (a) the Company and those companies which are UK subsidiaries of the Company be authorised for the purposes of Part 14 of the Companies Act 2006 (the "2006 Act") at any time during the period from the date of the passing of this resolution to the conclusion of the AGM to be held in 2013, or 1 July 2013, whichever is the earlier:
 - (i) to make political donations to political parties, and/or independent election candidates not exceeding £25,000 in total;
 - (ii) to make political donations to political organisations other than political parties not exceeding £25,000 in total; and
 - (iii) to incur political expenditure not exceeding £25,000 in total provided that the aggregate amount of any such donations and expenditure shall not exceed £25,000;
- (b) all existing authorisations and approvals relating to political donations or expenditure are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and
- (c) words and expressions defined for the purpose of Part 14 of the 2006 Act shall have the same meaning in this resolution.

18. To consider and, if thought fit, pass as an ordinary resolution: THAT:

- (a) the authority conferred on the Directors by Article 8.2 of the Company's articles of association be renewed for the period ending at the end of the next AGM or on 1 July 2013, whichever is the earlier, and for such period the Section 551 Amount (as defined in the Company's articles of association) shall be £114,560,254; and
- (b) the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a further nominal amount of £114,560,254 in connection with an offer by way of a rights issue, such authority to expire at the end of the next AGM or on 1 July 2013, whichever is the earlier;

but so that the Company may make offers and enter into agreements during this period referred to in paragraphs (a) and (b) above which would, or might, require shares to be allotted or rights to subscribe for, or convert other securities into, shares to be granted after the authority ends.

For the purposes of this resolution, "rights issue" means an offer to:

- (i) holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to the respective number of ordinary shares held by them; and
- (ii) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

19. To consider and, if thought fit, pass as a special resolution: THAT subject to the passing of Resolution 18:

- (a) the power conferred on the Directors by Article 8.3 of the Company's articles of association be renewed for the period referred to in such Resolution 18 above and for such period the Section 561 Amount shall be £17,184,038; and
- (b) the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Companies Act 2006 (the "2006 Act")) wholly for cash pursuant to the authority given by paragraph (b) of Resolution 18 above and in connection with a rights issue as if Section 561(1) of the 2006 Act did not apply to such allotment, such power to expire at the end of the next AGM or, on 1 July 2013, whichever is the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

For the purposes of this resolution "rights issue" has the same meaning as in Resolution 18 above.

20. To consider and, if thought fit, pass as a special resolution: THAT, subject to and conditional upon the passing of the special resolution set out in the notice dated 5 April 2012 convening a meeting (the "Class Meeting") of the holders of the cumulative convertible redeemable preference shares of 1p each in the Company ("preference shares") the Company be hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the "2006 Act") to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of ordinary shares of 50p each in the capital of the Company ("ordinary shares") and/or preference shares in the Company on such terms as the Directors think fit, and where such shares are held in treasury, the Company may, among other things use them for the purpose of its employee share schemes, provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 68,736,152 and the maximum number of preference shares hereby authorised to be purchased is 16,775,968;

- (b) the maximum price, exclusive of expenses, which may be paid for a share is the higher of:

- (i) an amount equal to 105% of the average of the middle market quotations for a share of the same class (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which such share is contracted to be purchased; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003;

- (c) the minimum price, exclusive of expenses, which may be paid for a share is its nominal value; and

- (d) this authority will expire unless previously revoked or varied, at the conclusion of the Class Meeting which will follow the AGM of the Company to be held in 2013, or on 1 July 2013, whichever is the earlier (except in relation to the purchase of shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry).

21. To consider and, if thought fit, pass as a special resolution: THAT a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

By Order of the Board

C D Vaughan
Chief Corporate Officer and Company Secretary

Dated 5 April 2012

Registered Office: 130 Wilton Road, London SW1V 1LQ
Registered in England with number 395826

Notes:

- (i) As at 21 March 2012 (being the latest practicable date before the publication of this notice) the Company's issued ordinary share capital consisted of 687,361,527 ordinary shares carrying one vote each. Therefore, the total ordinary voting rights in the Company as at 21 March 2012 were 687,361,527.
- (ii) Voting at the AGM will be by poll rather than by show of hands. The Chairman will invite each shareholder and proxy present to complete a poll card indicating how they wish to cast their votes in respect of each resolution. Poll cards will be provided at the meeting and will be collected at the end of the AGM. Once the results have been verified by the Company's Registrars, they will be notified to the UK Listing Authority and published on the Company's website at www.balfourbeatty.com.
- (iii) A shareholder entitled to attend and vote is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.
- (iv) If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras; lines are open Monday to Friday 8.30 am to 5.30 pm, UK time.
- (v) The Company specifies that only those holders of ordinary shares registered in the Register of Members of the Company at 6.00 pm on Tuesday 8 May 2012 shall be entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the relevant register of securities after 6.00 pm on Tuesday 8 May 2012 will be disregarded in determining the rights of any person to attend or vote at the meeting (and any adjournment thereof).
- (vi) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- (vii) The statement of the rights of shareholders in relation to the appointment of proxies in this notice above does not apply to Nominated Persons. The rights described in Note (iii) above can only be exercised by shareholders of the Company.
- (viii) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (ix) Any holder of ordinary shares attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
 - (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on the Company's website (www.balfourbeatty.com) in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (x) Under Section 527 of the 2006 Act shareholders that meet the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
 - (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
 - (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act.The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on a website under Section 527 of the 2006 Act.
- (xi) Copies of Directors' service contracts and letters of appointment and the articles of association of the Company are available for inspection during usual business hours at the registered office of the Company on any weekday (Saturdays and public holidays excluded) from the date of this notice until the date of the AGM and also at the place of the AGM for at least 15 minutes prior to, and until the conclusion of, the AGM.
- (xii) You may not use any electronic address provided in this notice or in any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- (xiii) A copy of this notice and other information required by Section 311A of the 2006 Act can be found at www.balfourbeatty.com.
- (xiv) If approved, the final dividend on ordinary shares will be paid to holders of ordinary shares registered on the share register of the Company on 27 April 2012. Warrants will be posted on 5 July 2012 payable on 6 July 2012.

Notice of Class Meeting of Preference Shareholders

Notice is hereby given that a meeting of the holders of the cumulative convertible redeemable preference shares of 1p each (the "preference shares") in Balfour Beatty plc (the "Company") will be held at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ on Thursday 10 May 2012 at 11.45 am or as soon as practicable thereafter as the Annual General Meeting of the Company, convened for the same day at the same place at 11.00 am, shall have been concluded or adjourned, for the following purpose:

To consider, and if thought fit, pass as a special resolution: THAT the holders of the Cumulative Convertible Redeemable Preference Shares of 1p each in the Company hereby sanction the passing and implementation of Resolution 20 set out in the Company's Notice of Annual General Meeting dated 5 April 2012 and each and every contract to purchase shares entered into within the terms of the authority thereby conferred.

By Order of the Board

C D Vaughan

Chief Corporate Officer and Company Secretary

Dated 5 April 2012

Registered Office: 130 Wilton Road, London SW1V 1LQ
Registered in England with number 395826

Notes:

- (i) As at 21 March 2012 (being the latest practicable date before the publication of this notice) the Company's issued preference share capital consisted of 111,839,795 preference shares carrying one vote each. Therefore, the total preference voting rights in the Company as at 21 March 2012 were 111,839,795.
- (ii) Voting at the Class Meeting will be by poll rather than by show of hands. The Chairman will invite each shareholder and proxy present to complete a poll card indicating how they wish to cast their votes in respect of each resolution. Poll cards will be provided at the meeting and will be collected at the end of the Class Meeting. Once the results have been verified by the Company's Registrars, they will be notified to the UK Listing Authority and published on the Company's website at www.balfourbeatty.com.
- (iii) A holder of preference shares is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.
- (iv) If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras; lines are open Monday to Friday 8.30 am to 5.30 pm, UK time.
- (v) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights ("a Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- (vi) The statement of the rights of shareholders in relation to the appointment of proxies in this notice does not apply to Nominated Persons. The rights described in Note (iii) above can only be exercised by shareholders of the Company.
- (vii) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (viii) Any holder of preference shares attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
 - (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on the Company's website (www.balfourbeatty.com) in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (ix) You may not use any electronic address provided in this notice to communicate with the Company for any purposes other than those expressly stated.
- (x) A copy of this notice and other information required by Section 311A of the 2006 Act can be found at www.balfourbeatty.com.
- (xi) If a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting shall be adjourned to be held at 130 Wilton Road, London SW1V 1LQ on Monday 21 May 2012 at 9.00 am.

Shareholder information

Financial calendar

2012	
25 April	Ex-dividend date for final 2011 ordinary dividend
27 April	Final 2011 ordinary dividend record date
10 May	Annual General Meeting
23 May	Ex-dividend date for July 2012 preference dividend
25 May	July 2012 preference dividend record date
6 June	Final date for receipt of DRIP mandate forms (see below)
1 July	Preference dividend payable
6 July*	Final 2011 ordinary dividend payable
15 August*	Announcement of 2012 half-year results
7 December*	Interim 2012 ordinary dividend payable

* Provisional dates

Registrars

All administrative enquiries relating to shareholdings and requests to receive corporate documents by email should, in the first instance, be directed to the Company's Registrars and clearly state the shareholder's registered address and, if available, the shareholder reference number. Please write to: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, Telephone: 0871 664 0300 from the UK (calls cost 10p per minute plus network extras) and +44 20 8639 3399 from outside the UK (Monday to Friday 8.30 am to 5.30 pm, UK time). Alternatively, you can email them at: ssd@capitaregistrars.com.

Dividends and dividend reinvestment plan

Dividends may be paid directly into your bank or building society account, through the Bankers Automated Clearing System. The Registrars can provide a dividend mandate form.

A dividend reinvestment plan (DRIP) is offered which allows holders of ordinary shares to reinvest their cash dividends in the Company's shares through a specially arranged share dealing service. Full details of the DRIP and its charges, together with mandate forms, can be accessed at www.balfourbeatty-shares.com.

International payment service

Shareholders outside the UK may elect to receive dividends paid direct into their overseas bank account, or by currency draft, instead of by sterling cheque. For further information, please contact the Company's Registrars on +44 20 8639 3405 (from outside the UK) or 0871 664 0385 from the UK (calls cost 10p per minute plus network extras). Lines are open Monday to Friday 9.00 am to 5.30 pm, UK time. Alternatively, you can log on to www.balfourbeatty-shares.com and click on the link for International payment service.

Shareholder information on the internet and electronic communications

Our website at www.balfourbeatty.com provides a range of information about the Company, its people and businesses and its policies on corporate governance and corporate responsibility. The share price can also be found there. It should be regarded as your first point of reference for information on any of these matters.

In conjunction with Capita Registrars, you can create a Share Portal account, through which you will be able to access the full range of online shareholder services, including the ability to:

- view your holdings and indicative share price and valuation
- view movements on your holdings and your dividend payment history
- register a dividend mandate to have your dividends paid directly into your bank account (see "Dividends and dividend reinvestment plan" above)
- change your registered address
- sign up to receive e-communications or access the online proxy voting facility
- download and print shareholder forms.

The Share Portal is easy to use. Please visit www.balfourbeatty-shares.com. Alternatively, you can email: shareportal@capita.co.uk.

Unsolicited telephone calls

In the past, some of our shareholders have received unsolicited telephone calls or correspondence concerning investment matters from organisations or persons claiming or implying that they have some connection with the Company. These are typically from overseas based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in UK or overseas investments. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports into the Company. These approaches are operated out of what is more commonly known as a "boiler room". You may also be approached by "brokers" offering to purchase your shares for an upfront payment in the form of a broker fee, tax payment or de-restriction fee. This is a common secondary scam operated by the boiler rooms.

If you receive any unsolicited investment advice:

- always ensure the firm is on the Financial Services Authority ("FSA") Register and is allowed to give financial advice before handing over your money. You can check at www.fsa.gov.uk/register/home.do.
- double-check the caller is from the firm they say they are – ask for their name and telephone number and say you will call them back. Check their identity by calling the firm using the contact number listed on the FSA Register. If there are no contact details on the FSA Register or you are told that they are out of date, or if you have any other doubts, call the FSA Consumer Helpline on 0845 606 1234
- check the FSA's list of known unauthorised overseas firms at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml. However, these firms change names regularly, so even if a firm is not listed, it does not mean they are legitimate. Always check that they are listed on the FSA Register
- if you are approached about a share scam, you should inform the FSA using the share fraud reporting form at www.fsa.gov.uk/scams, where you can also find out about the latest investment scams or alternatively, you can call the FSA Consumer Helpline (see above). If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong

- you should also report any approach to Action Fraud, who are the UK's national fraud reporting centre, a service run by the National Fraud Authority – the government agency that helps to co-ordinate the fight against fraud in the UK. They work with partners in law enforcement – the National Fraud Intelligence Bureau (NFIB), run by the City of London Police – to make sure that your fraud reports reach the right place. Both fraud and information about a potential fraud can be reported either online at www.actionfraud.police.uk, or by calling 0300 123 2040. The Action Fraud website also contains information about various frauds, including boiler room fraud, and advice on preventative measures. All Action Fraud reports are received by the NFIB and help build up intelligence to assist the police in apprehending the people behind these frauds, and make the UK a more fraud-resistant society.

Identity theft

Identity theft has become a growing concern within financial services and poses an increasing threat to investors, including individual shareholders who are at particular risk from this type of fraud. Criminals may steal your personal information, putting your shareholding at risk. You may therefore wish to take the following precautions:

- ensure that all of your share certificates are kept securely in a safe place or hold your shares electronically in CREST via a nominee
- keep all correspondence from the Registrars which shows your shareholder reference number securely in a safe place, or destroy correspondence by shredding. You should only divulge your shareholder reference number if requested to do so by the Registrars or by an appropriate professional adviser (eg your stockbroker or solicitor)
- if you use the Registrars' services via their website, you should ensure that your username and password are kept confidential at all times. Never respond to an email asking you to disclose your online password information
- if you change address, please inform the Registrars. If you receive a letter from the Registrars regarding a change of address and have not recently moved, please contact them immediately as you may be a victim of identity theft
- make sure that you know when the Company pays its dividends and consider having them paid directly into your bank or building society account through BACS, if you have not already done so. This will reduce the risk of your cheque being intercepted or lost in the post. If you change your bank or building society account, please inform the Registrars of the details of your new account. If, for example, a dividend payment or share certificate is late, please telephone the Registrars immediately and check the address to which it has been sent. Please respond to any letters that the Registrars send you about any of these issues
- if you are buying or selling shares, only deal with brokers registered in your country of residence or the UK.

Gifting shares to your family or to charity

To transfer shares to another member of your family as a gift, please ask the Registrars for a Balfour Beatty gift transfer form. Alternatively, if you only have a small number of shares whose value makes it uneconomic to sell them, you may wish to consider donating them to the share donation charity ShareGift (registered charity no. 1052686), whose work Balfour Beatty supports.

Any shares that you donate to ShareGift will be aggregated, sold when possible, and the proceeds will be donated to a wide range of other UK charities. Since ShareGift was launched, over £15m has been given to more than 1,750 charities. The relevant share transfer form may be accessed at www.balfourbeatty-shares.com. For more information on ShareGift, visit www.ShareGift.org.

Share dealing services

Capita Share Dealing Services (a trading name of Capita IRG Trustees Limited) provides a telephone and online share dealing service for UK and EEA resident shareholders. To use this service, telephone: 0871 664 0364 from the UK (calls cost 10p per minute plus network extras) and +44 203 367 2686 from outside the UK (Monday to Friday 8.00 am to 4.30 pm, UK time). Alternatively, you can log on to www.capitadeal.com.

Capita IRG Trustees Limited is authorised and regulated by the FSA.

Share price

The Balfour Beatty share price can be found at the Balfour Beatty website at www.balfourbeatty.com and in the appropriate sections of national newspapers under the classification "Construction and Building Materials". It is also available on a number of personal finance websites on the internet and from television text services.

The London Stock Exchange Daily Official List (SEDOL) codes are:

Ordinary shares: 0096162

Preference shares: 0097820

The London Stock Exchange "ticker" codes are:

Ordinary shares: BBY

Preference shares: BBYB

Capital gains tax (CGT)

For CGT purposes the market value on 31 March 1982 of Balfour Beatty plc's ordinary shares of 50p each was 267.6p per share. This has been adjusted for the 1 for 5 rights issue in June 1992, the 2 for 11 rights issue in September 1996 and the 3 for 7 rights issue in October 2009 and assumes that all rights have been taken up.

Enquiries

Enquiries relating to Balfour Beatty's results, business and financial position should be made in writing to the Corporate Communications Department at the address shown below or by email to info@balfourbeatty.com.

Balfour Beatty plc

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www.balfourbeatty.com

Biographical details of Directors seeking re-election

Steve Marshall (Resolution 4)

Non-executive Chairman

Age 55. Appointed a Director in 2005 and Chairman in May 2008. He is a non-executive director of Halma p.l.c., and was appointed non-executive chairman of Wincanton plc in December 2011. He is a former chairman of Delta, Torex Retail and Queens' Moat Houses. He was chief executive of Thorn and of Railtrack Group, having also served as group finance director at each company. His earlier career included a wide range of corporate and operational roles at Grand Metropolitan, Black & Decker, BOC and Burton Group. He is a Fellow of the Chartered Institute of Management Accountants.

Robert Amen (Resolution 5)

Non-executive Director

Age 62. Appointed a Director in 2010. Until 2009, he was chairman and chief executive officer of International Flavors & Fragrances Inc ("IFF"). Prior to joining IFF in 2006, he spent over 25 years at International Paper Company in a succession of roles culminating in his appointment as president and member of the board. He was also a director of Wyeth, the US pharmaceutical and healthcare company, until its acquisition by Pfizer in October 2009. A US national, he currently serves as an executive-in-residence at Columbia Business School.

Mike Donovan (Resolution 6)

Non-executive Director

Age 58. Appointed a Director in 2006. He was chief operating officer of Marconi from 2001 to 2005. Prior to that, he was chief executive officer of Marconi Systems and was previously responsible for managing major divisions of British Aerospace, Vickers and the Rover Group.

Iain Ferguson CBE (Resolution 7)

Non-executive Director

Age 56. Appointed a Director in 2010. Until 2009, he was chief executive of Tate & Lyle. Prior to joining Tate & Lyle in 2003, he spent 26 years at Unilever in a succession of roles culminating in his appointment as senior vice-president, corporate development. He is a non-executive director of Greggs plc and also Berendsen plc, where he will become non-executive chairman in April 2012, and is chairman of Wilton Park, an independent and non-profit making Executive Agency of the British Foreign and Commonwealth Office. He is also lead independent director at the Department for Environment, Food and Rural Affairs. He was formerly a non-executive director of Sygen International.

Hubertus Krossa (Resolution 8)

Non-executive Director

Age 64. Appointed a Director in 2008. Until 2008, he was chief executive officer of KION Group GmbH, a leading international material handling equipment manufacturer. Prior to that, he spent seven years on the main board of Linde AG, the worldwide producer and supplier of industrial and medical gases. He was previously a member of the European management board of Whirlpool Europe and was also chairman of its German operating company, and has previously held non-executive directorships in the UK for Wassall and Thorn Lighting Group. He is currently chairman of the supervisory boards of Eckelmann AG and Bauknecht Hausgeraete GmbH and deputy chairman of United Power Technology AG.

Duncan Magrath (Resolution 9)

Chief Financial Officer

Age 47. Appointed to the Board in 2008 as Finance Director. He joined Balfour Beatty in 2006 as Deputy Finance Director from Exel. He spent 13 years at Exel in a number of senior finance roles in both the UK and US, latterly as director of investor relations and financial strategy. Prior to this he worked at Price Waterhouse. He is a Fellow of the Institute of Chartered Accountants, and was appointed a non-executive director of Brammer plc in March 2012.

Andrew McNaughton (Resolution 10)

Chief Operating Officer

Age 48. Appointed to the Board as Chief Operating Officer in 2009. He joined Balfour Beatty in 1997, having spent 12 years with the Kier Group, and held the position of managing director of Balfour Beatty Civil Engineering from 2004 to 2007, when he became Group managing director with responsibility for civil engineering in the UK and the Group's interests in the Middle East. He is a Fellow of the Institution of Civil Engineers, a Liveryman in the Worshipful Company of Engineers and a Vice-President of the Institution of Civil Engineers.

Anthony Rabin (Resolution 11)

Deputy Chief Executive

Age 56. A Director since 2002, he became Deputy Chief Executive in 2008, having previously been Finance Director. He is responsible for the Group's worldwide infrastructure investments business, and before 2002 had been managing director of Balfour Beatty Capital. Prior to joining the Group in 1995, he was a partner at Coopers & Lybrand and before that, a senior assistant director at Morgan Grenfell. He was appointed a non-executive director of Colt Group S.A. in July 2011. He is a Fellow of the Institute of Chartered Accountants and a barrister.

Graham Roberts (Resolution 12)

Non-executive Director

Age 53. Appointed a Director in 2009. He was finance director of The British Land Company between 2002 and 2011. Prior to that, he spent eight years at Andersen, latterly as a partner specialising in the real estate and government services sectors. He is a Fellow of the Institute of Chartered Accountants.

Ian Tyler (Resolution 13)

Chief Executive

Age 51. A Director since 1999, he became Chief Executive in January 2005, having been Chief Operating Officer since 2002 and prior to that, Finance Director. He joined Balfour Beatty in 1996 from the Hanson Group where he was finance director of ARC, one of its principal subsidiaries. A former non-executive director of VT Group, he is a non-executive director of Cable & Wireless Communications Plc and president of Construction Industry Relief, Assistance and Support for the Homeless Ltd, the construction and property industry charity for the homeless. He is a chartered accountant.

Robert Walvis (Resolution 14)

Senior Independent Director

Age 65. Appointed a Director in 2001. He was previously with the Royal Dutch Shell Group, latterly as chairman of the Global Corporate Centre. He is a non-executive director of Associated British Ports Holdings Limited, and chairman of the supervisory board of Allianz Nederland Groep NV.

Peter Zinkin (Resolution 15)

Planning and Development Director

Age 58. Joined the Group in 1981 and became Planning and Development Director in 1991 after a series of senior positions in the finance function. He is responsible for the Group's merger, acquisition and divestment activities as well as the development of Group strategy. Previously, he worked at the London Business School and UMIIST. He is a governor of Birkbeck College, University of London.

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