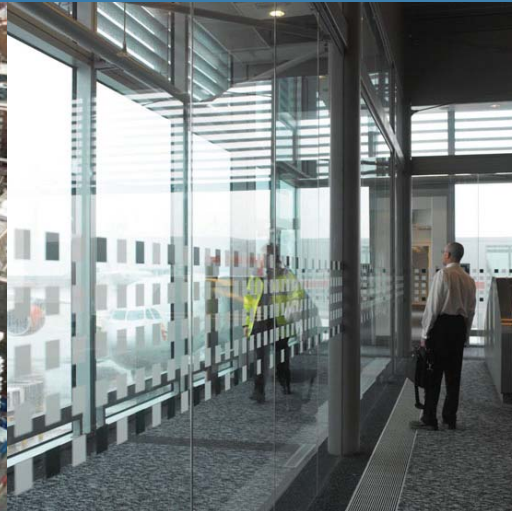


Balfour Beatty



Analysts Visit to US

29-31 October 2007



Balfour Beatty

Ian Tyler

Presentation to UK Analysts
October 30, 2007

Balfour Beatty growth 2006 and beyond

- **2-3 years**
 - Already in order book / current mix
- **Medium-term**
 - New infrastructure investment markets
 - Knowledge-based businesses
 - UK regional business expansion
- **Longer-term**
 - Expansion of non-UK domestic businesses

Balfour Beatty Group

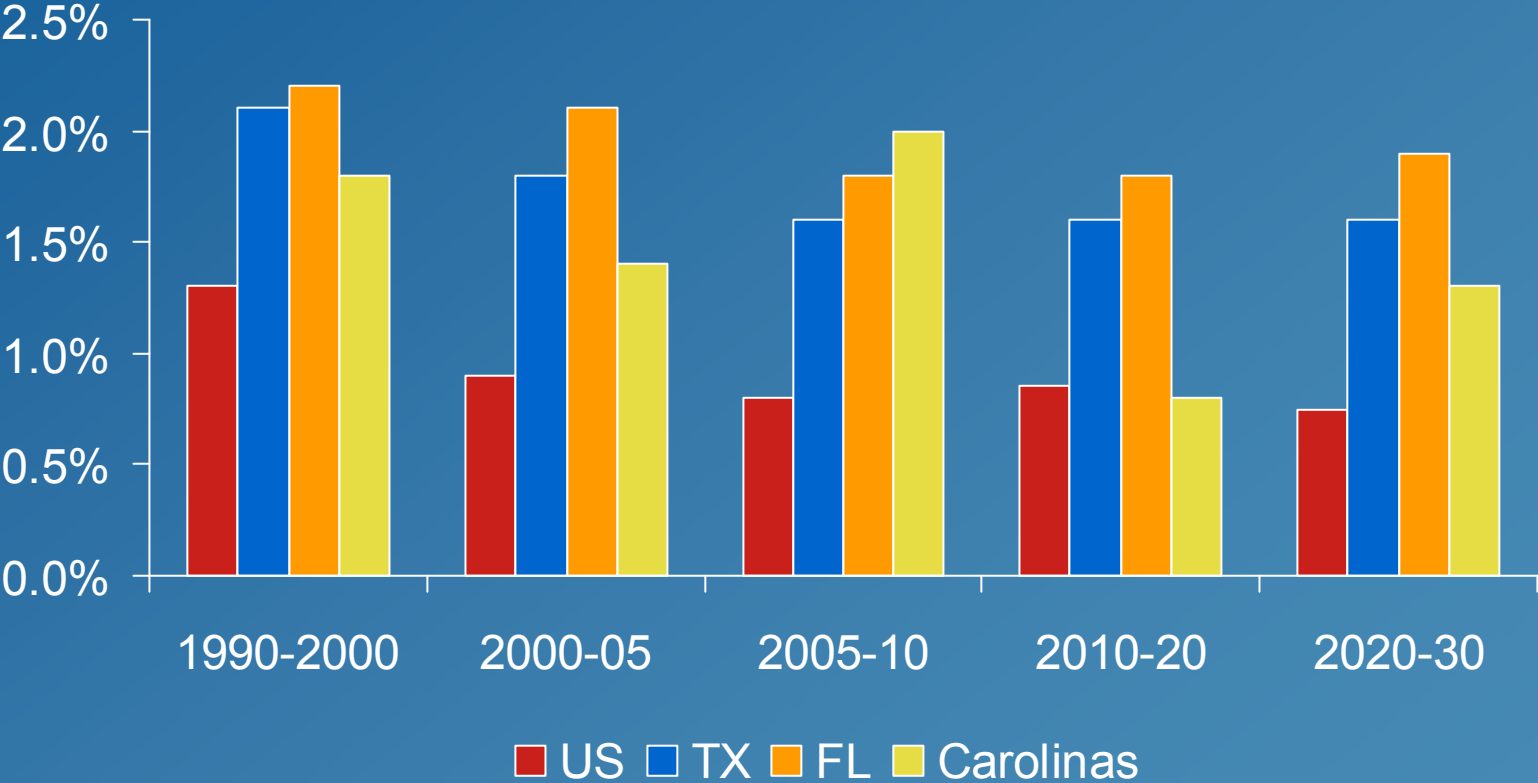
- UK model
- Increasing integration of our key capabilities in support of long-term customer alliances
 - Design
 - Planning
 - Financing
 - Project and programme management
 - Construction
 - Services and systems
 - Whole-life management

US strategy

- US business presence to be developed in line with the UK model with strong capabilities in programme management, project delivery and capital investment, focusing on specific markets and states
- Balfour Beatty's sustainable long-term growth ambitions require a major domestic US contracting and investment presence
- US business and its component parts must satisfy a range of key criteria

Population growth – select states vs US

Annual growth



Key criteria for US business presence

- High-quality, long-term, sustainable earnings
- Market presence in businesses at core of Balfour Beatty's existing competence range
- Market leadership
- Complementary, mutually-supportive component businesses
- Experienced, successful, proven management team with a good track record
- Clear focus on delivery, professional risk management and customer service as a key differentiator

Balfour Beatty Construction



Balfour Beatty

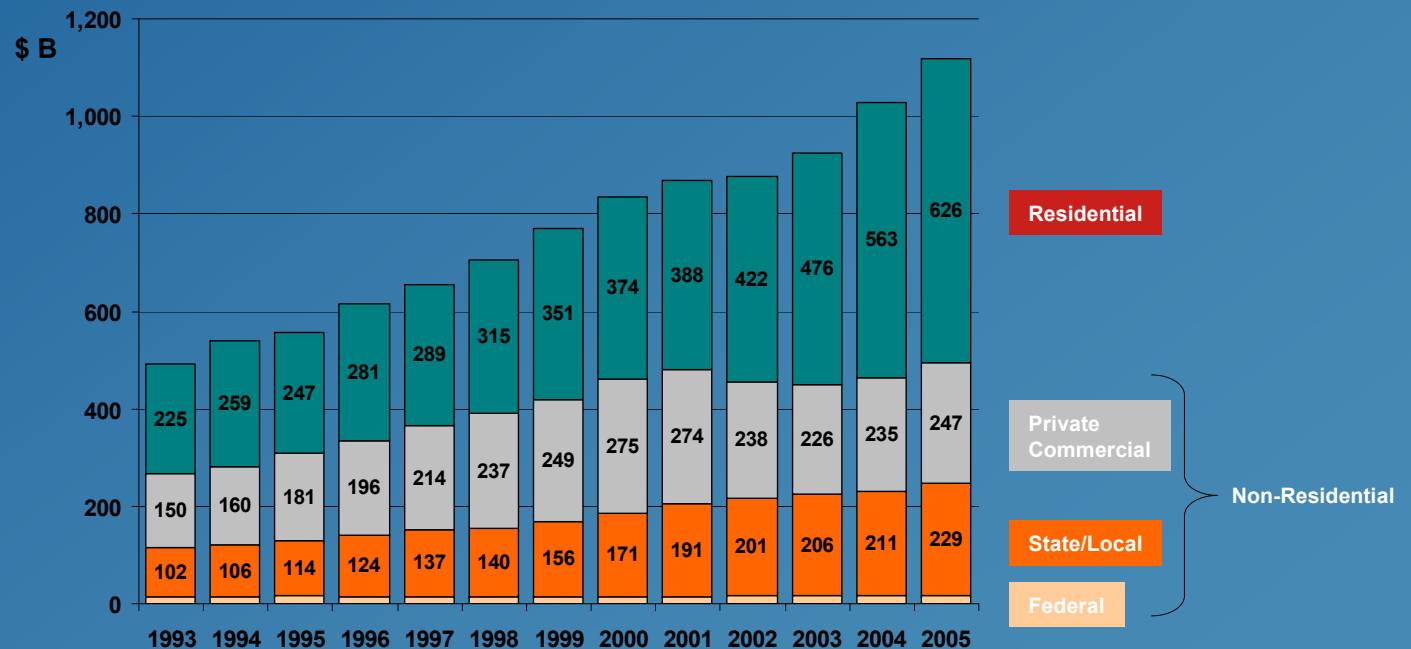
Balfour Beatty

North American Operations

Andy Rose

U.S. Construction Spend Surged in Recent Years, Driven by the Residential Sector; Public Spending Picked up in 2005/6

- Total annual construction spending is in excess of \$ 1.25 Trillion (about 8% of GDP)
- Non-residential construction value is about \$500 Billion per year
- Public funding accounts for half of the non-residential sector, growing at approximately 4-6% annually
- Private commercial markets have contracted from their 2000 peak, but most are expected to grow at 5-10% (2005-2010)



Balfour Beatty

NORTH AMERICAN OPERATIONS

HEERY INTERNATIONAL, INC

BALFOUR BEATTY RAIL, INC

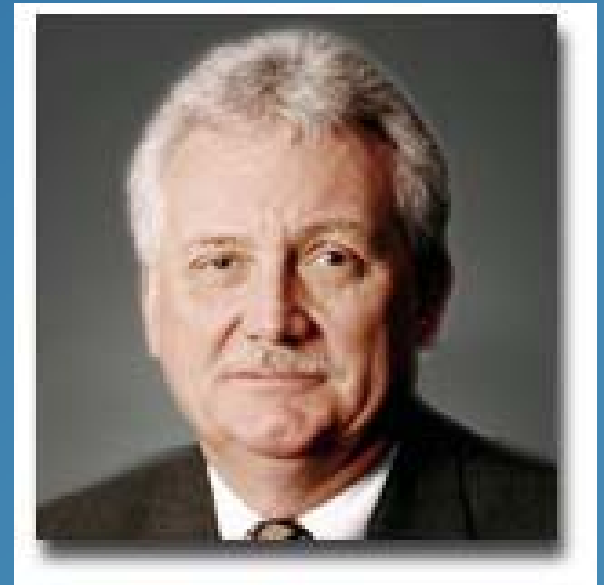
BALFOUR BEATTY INFRASTRUCTURE, INC

BALFOUR BEATTY CAPITAL, INC

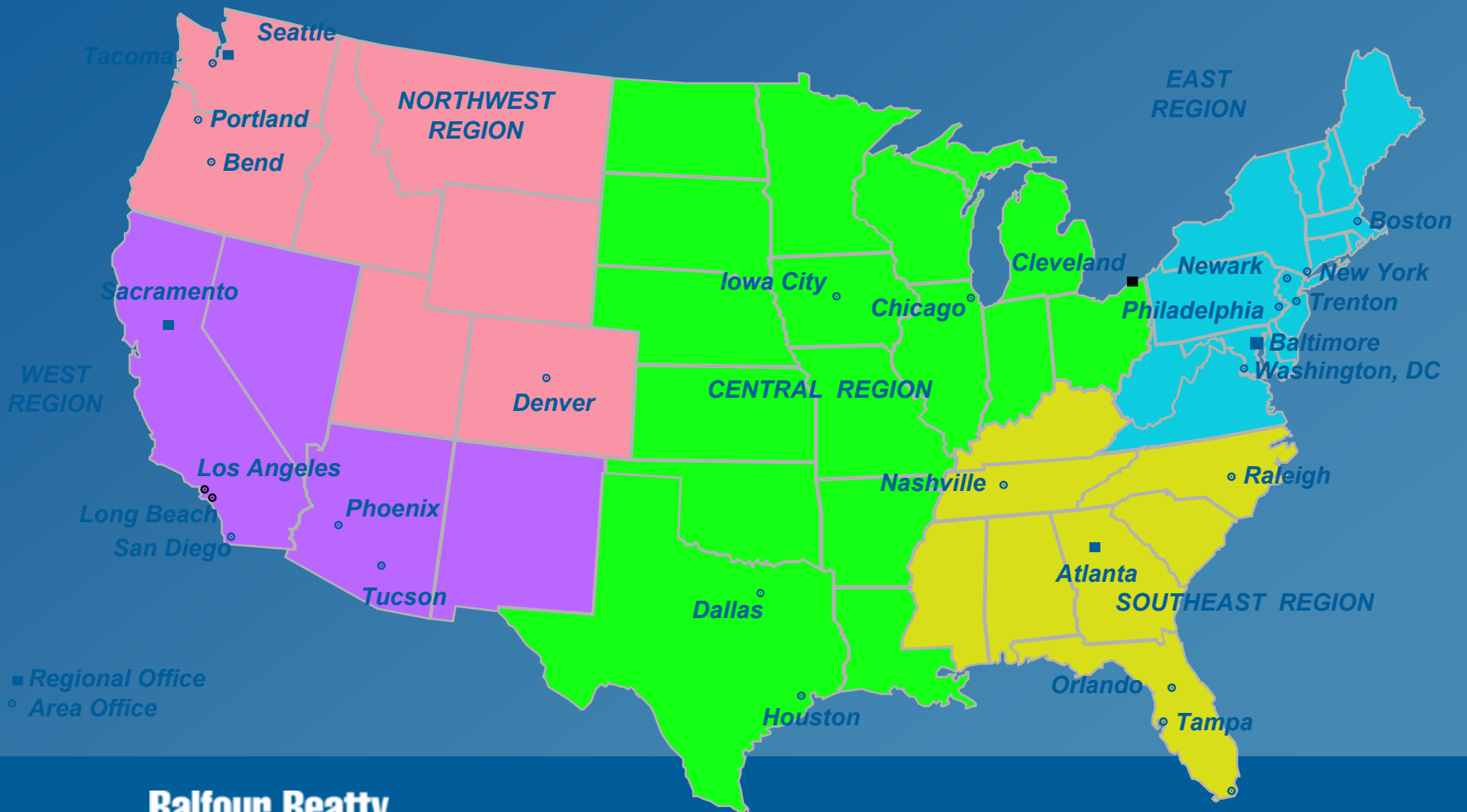
BALFOUR BEATTY CONSTRUCTION GROUP, INC

HEERY

Jim Moynihan, CEO



HEERY INTERNATIONAL REGIONAL AND AREA OFFICES



Heery - Markets and Services

- Markets

- Airports
- Corporate/Industrial
- Education
- Government
- Healthcare
- Justice
- Secure Facilities
- Sports

- Services

- Planning
- Architecture
- Engineering
- Interior Design
- Project Management
- Construction Management (CM)
- CM at risk (CMAR)
- Healthcare - Medical Equipment
- Education - Strategic Thinking
 - Stratus

Heery - Recent Acquisitions

- October 2004 – HLM Design
 - Orland, Philadelphia, Iowa City, Denver
 - Architecture, Engineering and Interior Design
 - Principally Healthcare and Justice
 - 110 employees
- February 2005 – JCM
 - Los Angeles, California
 - Project Management
 - Subsidiary FPM (Facilities Planning & Management)
 - 100 employees
- March 2006 – Charter Builders
 - Dallas, Texas
 - CMAR
 - Principally K-12 schools
 - 115 employees
- May 2007 – Sequeira & Gavarette
 - Miami, Florida
 - Architecture and Project Management
 - 50 employees

Medical Center of the Rockies



Balfour Beatty

Ventura Community College



Balfour Beatty

Oak Ridge National Laboratories



Balfour Beatty

FDA Complex



Balfour Beatty

VA - Pensacola



Georgia Aquarium



Balfour Beatty

FBOP Berlin Federal Prison (\$238m D&B)



Heery Performance

- Safety – Accident Frequency Rate of zero for each of the last 5 years
- Financial – Consistently profitable for last 15 years and accelerating growth since 2004
- Reputation – Highly regarded by its customers and employees
- People – Aims to recruit the best and invests in training and development

Heery – The Future

- 5-10%pa Market Growth to 2010 driven by
- Revenues rising from \$500m (2007) to \$650m (2009) not allowing for further acquisitions.
- Profitability in the 3% to 4% range
- Synergistic working with Balfour Beatty Construction US
- 2 further acquisitions under active consideration
- Jim Moynihan hands over day-to-day leadership to Bill Heitz, a 20yr+ man, at the end of 2007.

Balfour Beatty Rail, Inc.

Paul Copeland, CEO



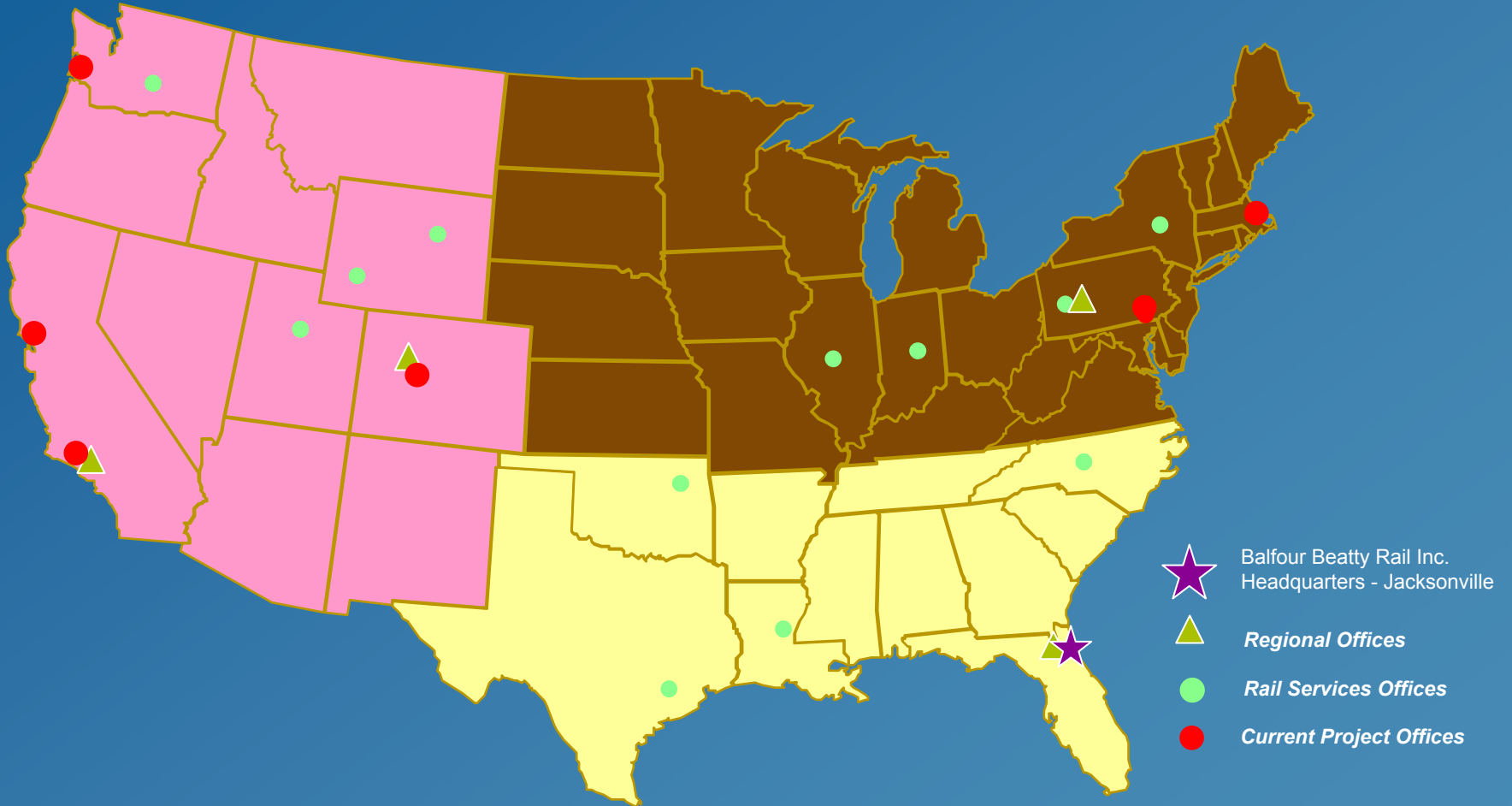
BBRI Markets Served

Balfour Beatty

- Transit Projects
- Regional-line Railroads
- Short-line Railroads
- Class 1 Railroads
- Industrial Facilities
- Ports



Balfour Beatty



BBRI – 2000 to Present

- Formation (2000 – 2002)
- Evolution (2003 – 2005)
- Stabilisation (2006 – 2007)
- Rebirth (2007 – Future)

BBRI – Formed from acquisitions

- April 2000 – Marta Track Constructors
 - Pittsburgh, Pennsylvania
 - Track projects
- April 2000 – Metroplex Corporation
 - Pittsburgh, Pennsylvania
 - Track projects
- February 2001 – ABC NACO (Rail Systems Division)
 - Jacksonville, Florida
 - Signalling, Control and Communications
- March 2002 – Knox Kershaw (Track Maintenance Division)
 - Montgomery, Alabama
 - Class 1 Railroads
 - Ballast Regulators, Ballast Cleaners, Vegetation

BBRI – A Shaky Start (2000 – 2002)

- A number of contracts won by the target businesses pre-acquisition played out badly
- Management did not perform up to expectations
- SEPTA – Resignalling of 8 miles of the Broad Street Subway in Philadelphia – a very difficult contract – now behind us

BBRI – Evolution (2003 – 2005)

- Management work to form a viable, cohesive rail enterprise
- Organic development -
 - Addition of electrification to product line
 - Addition of Rail Services business (small local projects and maintenance service)
- Decline of capabilities in -
 - Track
 - Signalling
 - Engineering

BBRI – Stabilisation (2006 – 2007)

- Insertion of new CEO, Paul Copeland
- 2006/7 Strategy Work
- Physically completed and financially closed out bad jobs – all now behind us!
- Changed other management and repopulated organisation
- Established SOPs for bidding and implementation
- Improved management of equipment fleet
- Improved professionalism and safety culture (Current AFR 0.18 and falling)
- Aim to break-even in 2007

SEPTA



Balfour Beatty

BBRI Greenbush Line Corridor



Los Angeles Goldline



Market Looking Forward

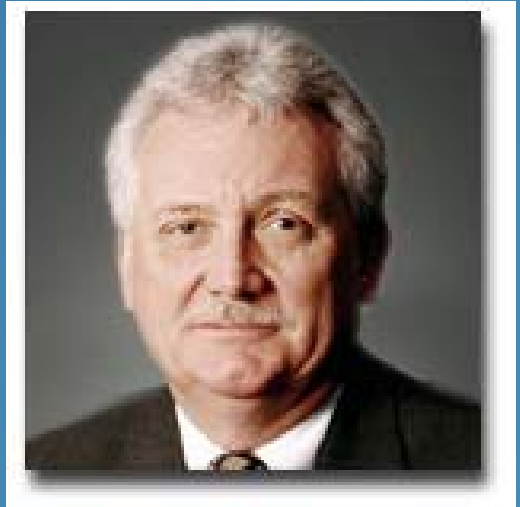
- Demand growth
 - capacity
 - maintenance
 - mass transit and commuter rail
- Customers requiring higher quality service
- Shortage of suppliers

BBRI - Future

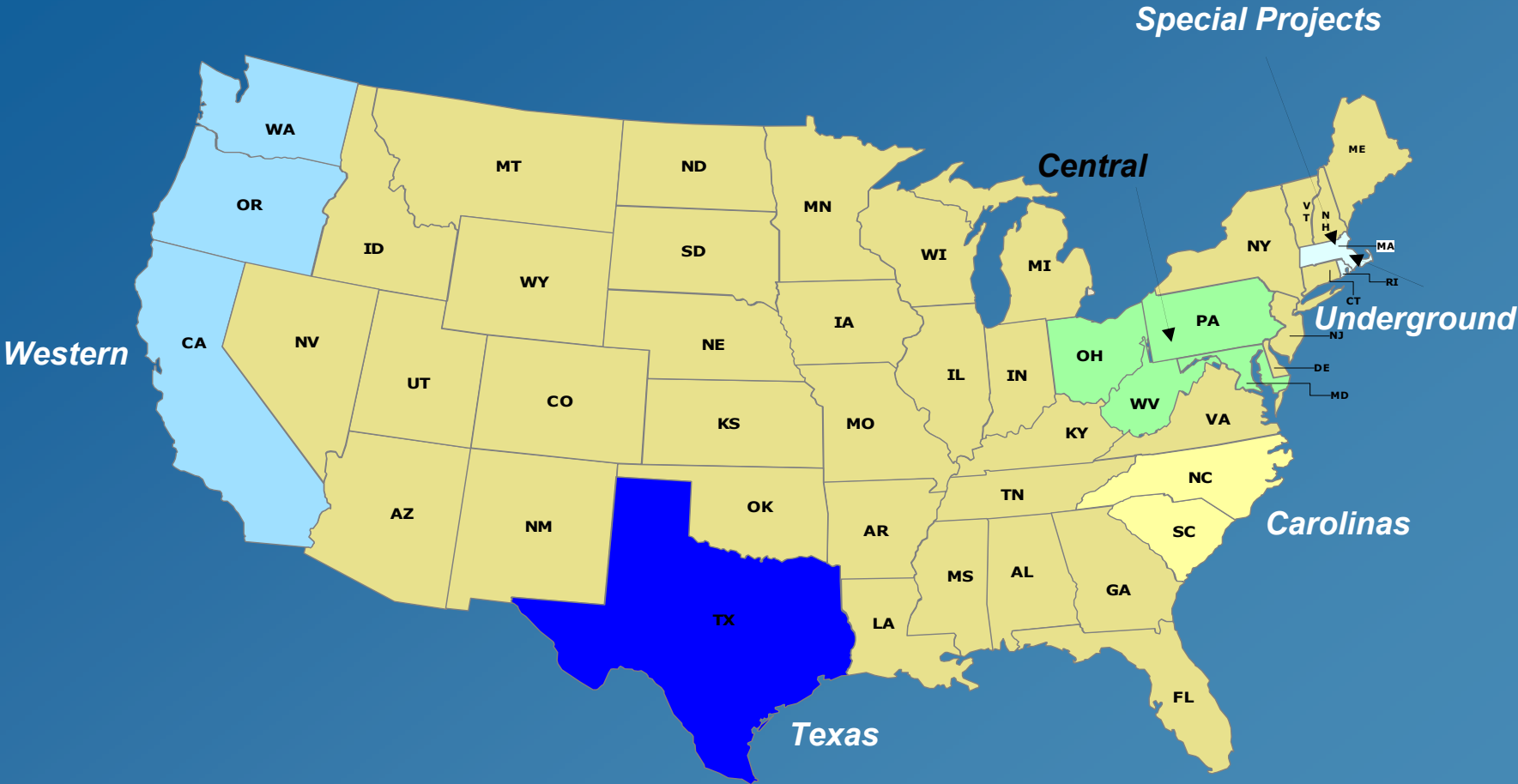
- Careful risk management
- Transit – a number of big schemes in West part of US
- Invest in profitable Regional Services offices and exit the non-profitable
- Class 1 – Better penetration of these markets
- Revenues rising modestly from \$180m (2007) to \$220m (2009)
- Margin target of 4%+

Balfour Beatty Infrastructure, Inc.

Jim Moynihan, CEO



BBII Current Footprint



Recent Past Performance

- The Good

- Western
 - Water
 - Highways
 - Seismic retrofit
- Texas
 - Highways
- Carolinas
 - Water
 - Highways
 - Small Bridges
- Underground
- Special Projects
 - Possibly out of footprint but in JV with local partners

- The not-so-good

- Legacy solo expeditionary projects nearly closed out
 - Bridgeport (Ct)
 - Sikorsky (Ct)
 - SC170 (SC)
 - Fuller Warren (Fl)
 - Croatan Sound (NC)
- Central Division created from
 - Expeditionary projects in Pennsylvania
 - August 2001 - Acquisition of NECC

BBII Legacy Projects



BBII Western Division



BBII Carolinas Division



BBII Texas Highways Division



BBII Underground



Balfour Beatty

BBII Special Projects



BBII Lessons Learned

- Appropriate controls and risk management from BBII centre
- Careful selection of Division management
....empowered to act with considerable autonomy
- There are at least as many markets as there are States and they are all different
- To be successful you have to be local
 - Staff part of the community and role players in community activities
 - Ongoing relationships with local suppliers and subcontractors
 - Ongoing relationships with key customers

BBII The Future

- Markets for infrastructure are buoyant driven by
- Revenues modestly rising from \$500m (2007) to \$600m (2009) in existing footprint.
- Profitability rising to 3%
- Explore possibility of carefully managed market entries in Florida and Georgia
- Special Projects - thorough examination of any out-of-footprint opportunities with good quality local partners

North American Operations

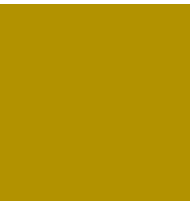
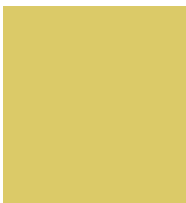
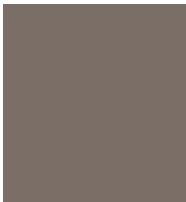
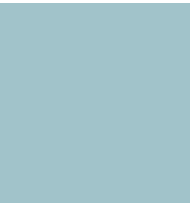
- Next-stage Strategies in
 - Building
 - Infrastructure
 - Highway
 - Rail
 - Water
- Examination of markets for
 - Power transmission and distribution
 - Facilities Management
- Capitalise on synergies between Heery and BB Construction
- Organisation and People

Balfour Beatty

Balfour Beatty Capital

Anthony Rabin

Balfour Beatty



BBC.US - Business Overview

UK Analysts Visit – Orlando, Florida

October 30, 2007

Balfour Beatty
Construction



Presentation Overview

1

Key Features of the Business

2

Differentiation Strategy

3

Financials

4

Future Outlook



Presentation Overview

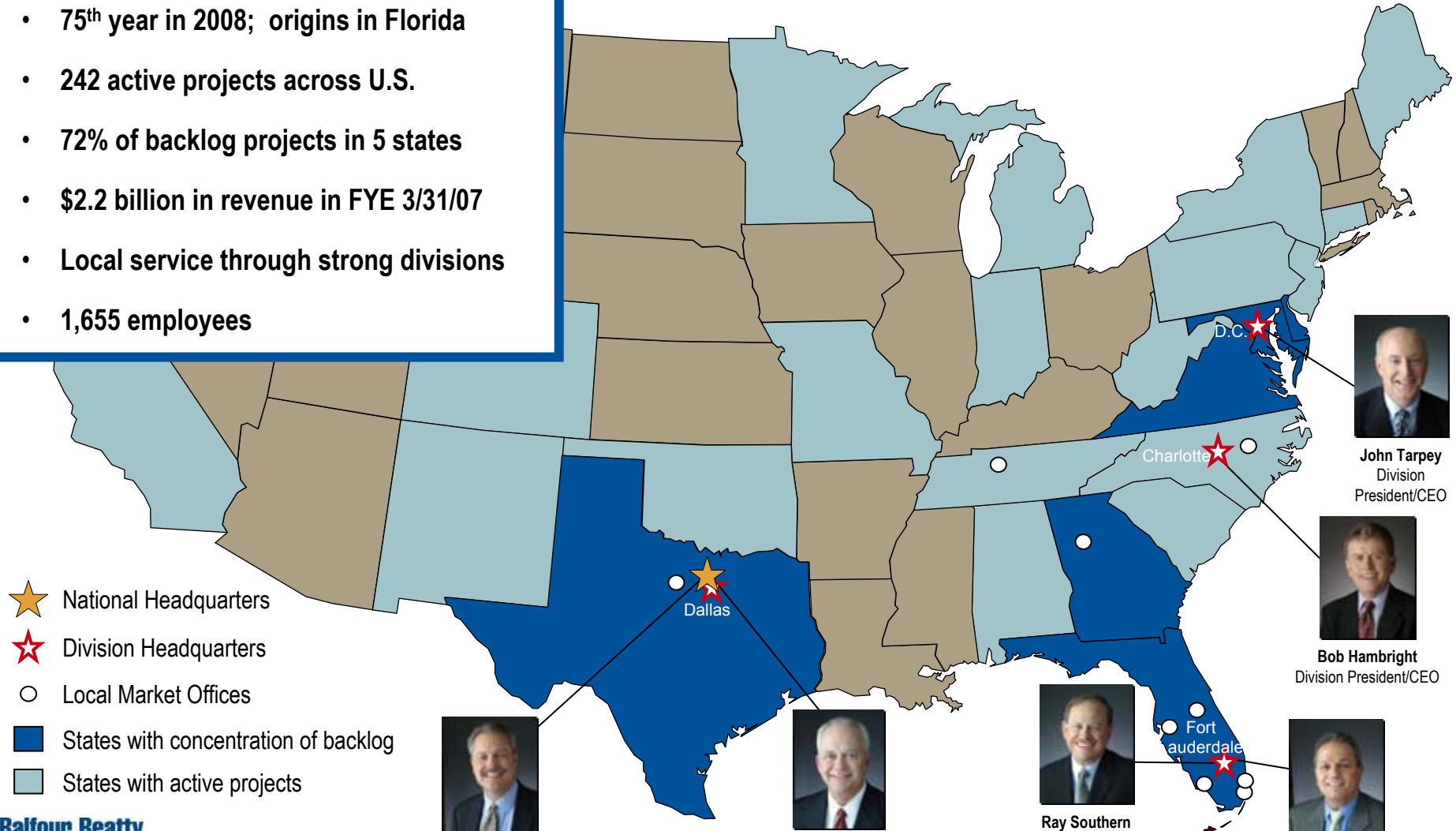
Key Features of the Business

1

- Business Model
- Regional Overview
- Value from the Corporate Center
- Market Sectors

National Presence, Local Footprint

- 75th year in 2008; origins in Florida
- 242 active projects across U.S.
- 72% of backlog projects in 5 states
- \$2.2 billion in revenue in FYE 3/31/07
- Local service through strong divisions
- 1,655 employees



- ★ National Headquarters
- ★ Division Headquarters
- Local Market Offices
- States with concentration of backlog
- States with active projects



John Tarpey
Division President/CEO



Bob Hambricht
Division President/CEO



Ray Southern
Division CEO



Al Petrangeli
Division President



Robert Van Cleave



Doug Jones
Division President/CEO

Our Creed

OUR CREED

“ To differentiate ourselves so significantly that we change the industry.”
— Our Vision

We orchestrate the construction of custom projects in a way that fully engages our clients and employees in order to maximize their success and our potential. — Our Purpose

Durs is a service business in which each project is unique. Therefore, our local entrepreneurial spirit is as important to us as our national strengths. We combine the expertise and trust our clients expect of a local partner with the resources and sophistication of a premier national builder. We forge strong, lasting relationships with clients, suppliers and partners through consistent and positive behaviors of our people and project teams. Differentiation will be achieved through our commitment to Service, Talent and Choices.

SERVICE

We are passionate about providing clients with the best construction experience they have ever had — every time.

Therefore, we:

- Maintain a relentless focus on the client's expectations.
- Develop teams who blend their talents to delight clients.
- Build honest and productive relationships.
- Build client loyalty by delivering on our promises.
- Take ownership of all problems.

TALENT

We understand that top talent drives our success.

Therefore, we:

- Attract, select and keep the right people.
- Drive people through challenging experiences, opportunities and coaching.
- Reward performance excellence.
- Develop leadership at all levels.
- Foster diversity, learning and teamwork.
- Celebrate success.

CHOICES

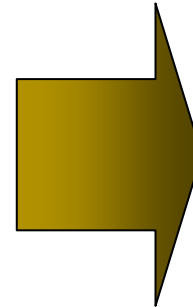
We make the best choices and have the discipline to follow our strategy.

Therefore, we:

- Place safety as our highest priority.
- Identify, assess and manage all relevant risk factors.
- Select markets, clients, projects and people that align with our culture.
- Benchmark and measure the results of our choices.
- Support the communities where we live and work through acts of citizenship.
- Behave beyond reproach.

It's time to expect more.

Balfour Beatty
Construction



Key Philosophies

- **Aligned principles / decentralized decisions**
- **Collective strengths (brand, transactions, systems ...)**
- **Custom projects / consistent processes**
- **Consistent and selective market, customer, and project choices**



Business Proposition

- *Over 80% of projects with repeat clients*
- *Focus on negotiated, qualifications-driven selection*
- *Value-added through preconstruction, value analysis, budgeting, and program management services*
- *Average project duration is 29 months; successful teams and relationships are critical to business and strategy*
- *Primary focus on projects over \$10 million within geographic footprint*





Two-step Procurement Process

Preconstruction Services		Construction Services	
Design Phase	Bid Management	Construction	Post-Construction
<ul style="list-style-type: none"> • Budget/Estimate/GMP Development • Schedule/Phasing Plans • Value Engineering • Mechanical/Electrical Analysis/Reviews • Constructability Analysis of Design • Redi-check of Reviews 	<ul style="list-style-type: none"> • Bid Package Development • Subcontractor Solicitation • Pre-Bid Conferences • Bid Evaluation • Post-Bid Interview • Contract Award • Safety Review • Minority/HUB Program 	<ul style="list-style-type: none"> • Construction Management • Reporting Process • Schedule Control • Quality Control • Site Management • Renovation/Phasing • Safety • Building Systems Commissioning 	<ul style="list-style-type: none"> • Move-in Scheduling • Project Closeout/Warranty* (*construction specification) • As-Builts • In-Service Training Videos • “Pre-warranty expiration” walkthrough

“Built on Paper”

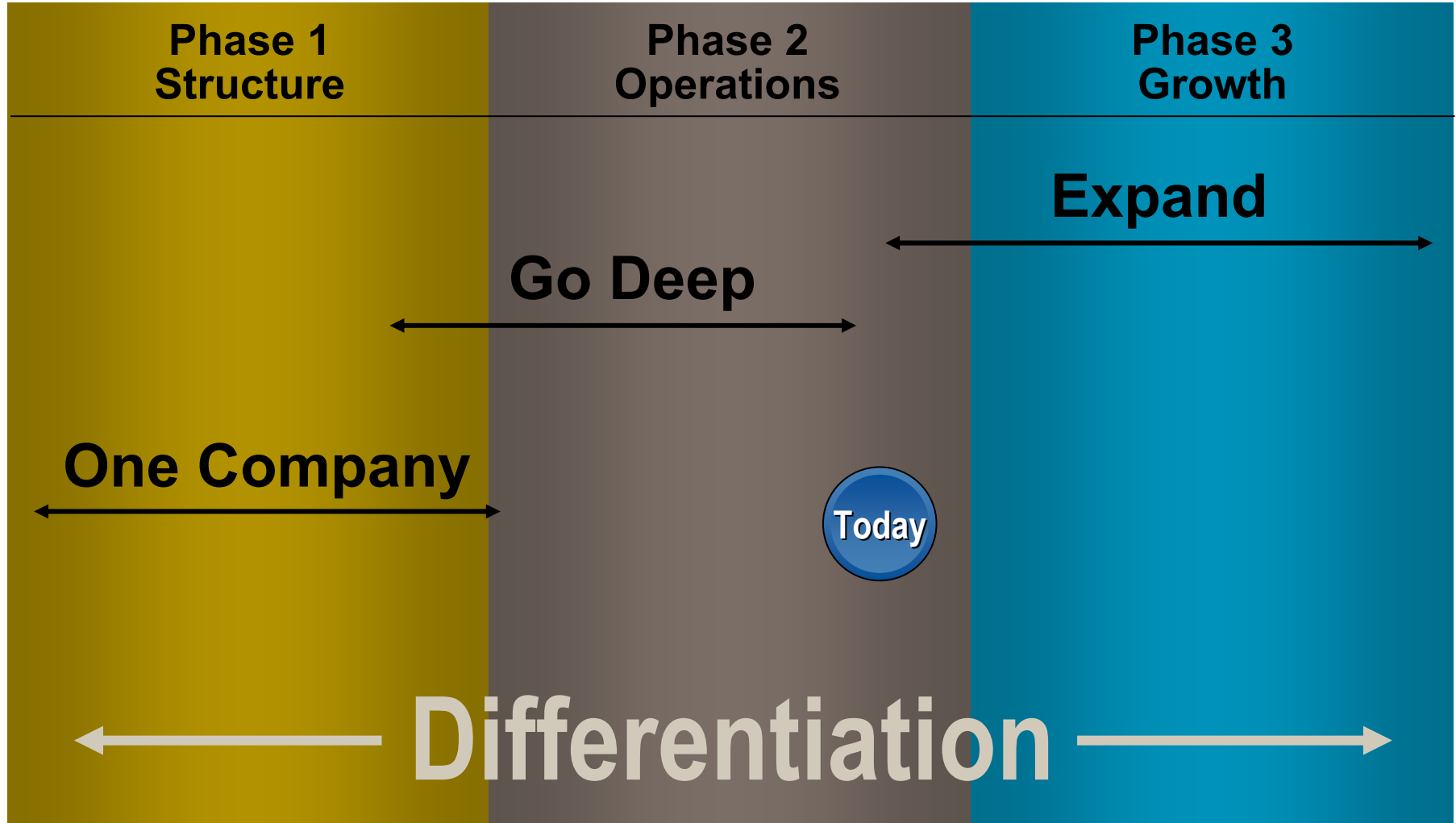
“Built in Field”

Relationships begin; expertise offered; and expectations established and aligned before construction begins.

Relationships continue; MAP process affirms expectations; and project teams “live the brand” in their everyday actions.



Our Roadmap



Operating Philosophy

We act as a local business while capitalizing on our collective strengths and common philosophies.

Key Philosophies

- *Local business/local decisions*
- *Aligned on core business beliefs*
- *Differentiate through service and talent*
- *Disciplined choices through common tools*
- *Leverage our scale*



Decision Authority ✓

Decision Area	Corporate	Division
Brand Management	✓	
Geographic Expansion	✓	
Risk Programs	✓	
Technology Choices	✓	
Employee Policies	✓	
Employment Decisions		✓
Market Selection		✓
Project Pursuit		✓
Contracting		✓
Project Execution		✓

Regional Overview

FLORIDA DIVISION



Ray Southern
Div. CEO

- Joined in 1973
- 34 years in industry



Al Petrangeli
Div. President

- Joined in 1983
- 24 years in industry

Origin: Began as Rooney in 1933
Acquired by Centex in 1978

Model: Main location, plus 5 satellites
100% value-based procurement

Revenue: 5 year avg: \$473 million

of Active Projects: 58

Average Contract Value: \$31.3 million

Current Portfolio: Primary focus on Education, Hospitality,
Government, and Correctional

Regional Overview

SOUTHEAST DIVISION



Bob Hambright
Div. President and CEO

- Joined in 2001
- 36 years in industry

Origin: Began as new Centex office in 2001

Model: Main location, plus 2 satellites
50% military housing + 50% commercial

Revenue: 5 year avg: \$347 million

of Active Projects: 77

Average Contract Value: \$25.3 million

Current Portfolio: Primary focus on Education, Office, Retail, Hospitality, and Military Housing

Regional Overview

WASHINGTON DIVISION



John Tarpey
Div. President and CEO

- Joined in 1978
- 29 years in industry

Origin: Began as Simpson in 1935
Acquired by Centex in 1982

Model: Single location with primarily qualifications driven, some price-based procurement. Balance between Public (Federal) and Private sectors.

Revenue: 5 year avg: \$305 million

of Active Projects: 24

Average Contract Value: \$66 million

Current Portfolio: Balance of private and public work; heavy focus on Government (BRAC), Office, and public-private partnerships

Regional Overview

DFW DIVISION



Doug Jones
Div. President and CEO

- Joined in 1981
- 30 years in industry

Origin: Began as Bateson in 1936
Acquired by Centex in 1966
Merged Dallas & Nashville in 2005

Model: Main location, plus 2 satellites
Some value only, some fee-based procurement
Two Healthcare related consulting businesses

Revenue: 5 year avg: \$581 million

of Active Projects: 54

Average Contract Value: \$26.3 million

Current Portfolio: Primarily Hospitality, Office, Mixed Use, Condominiums, Indian Gaming, and Healthcare



Division Overview – DFW





Highlights



State of the Business

- *Merger of two divisions behind us*
- *Marketplace continues to be ambitious and active*
- *Won \$250 million in new work in the past 30 days*
- *Tarrant County, Fort Worth presence is growing*
- *Healthcare master-planning and program management offer significant opportunities*

Shared Services

Function	Capabilities	Leader
<p>Strategic Planning</p>	<ul style="list-style-type: none"> • Company level strategy development and Division level market penetration planning support • Architecture and support of client satisfaction processes 	 <p>John Parolisi – SVP Strategy</p> <ul style="list-style-type: none"> • Joined in 2005 • 15 years of strategy experience
<p>Risk Management</p>	<ul style="list-style-type: none"> • Design and development of risk transfer programs • Strategic development of risk valuation systems • Daily support planning for project specific risk transfer programs 	 <p>Ed Littleton – VP Risk</p> <ul style="list-style-type: none"> • Joined in 2006 • 21 years of industry experience
<p>Technology</p>	<ul style="list-style-type: none"> • Strategic planning and design for Technology needs • Technology service group which provides front-line support company-wide 	 <p>Kasey Bevans – CIO</p> <ul style="list-style-type: none"> • Joined in 2001 • 15 years of technology experience
<p>Finance</p>	<ul style="list-style-type: none"> • Centralized processing functions delivered with high consistency in a cost effective manner • Value added financial analysis and reporting 	 <p>Mark Crouser – VP Finance</p> <ul style="list-style-type: none"> • Joined in 1993 • 18 years of industry experience



Corporate Center

Other Corporate Leaders



Glenn Burns – SVP, General Counsel

- Joined in 1999
- 33 years of legal experience



David Preston – VP, Human Resources

- Joined in 1977
- 30 years of industry experience



Todd Moffatt – VP, Financial Services

- Joined in 1998
- 24 years of financial services experience



Mark Layman – SVP, Chief Financial Officer

- Joined in 1989
- 18 years of industry experience



Connie Oliver – VP, Corp. Communications

- Joined in 1996
- 18 years of industry experience



Robert Van Cleave – Chairman and CEO

- Joined in 1996
- 26 years of industry experience



Multi-Unit Residential

Healthcare



2 Midtown and 4 Midtown

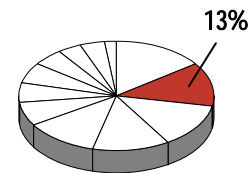
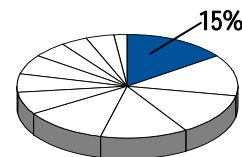
Miami, Florida

\$206 million

UTSW, Ambulatory Surgery Center

Dallas, Texas

\$50 million





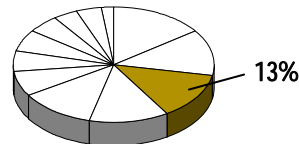
Military Housing



Fort Eustis/Fort Story Military Housing

Eustis, Virginia

Average contract value = \$161 million



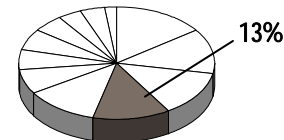
Education



UTD, Natural Sciences Engineering and Research Building

Richardson, Texas

\$62 million





Corporate Office

Centex



Royal Palm Office Buildings

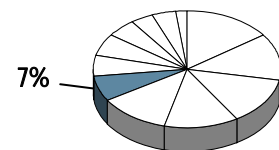
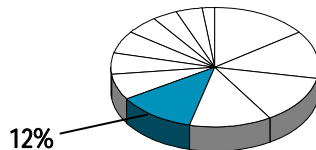
Plantation, Florida

\$61 million

Pointe West Villas

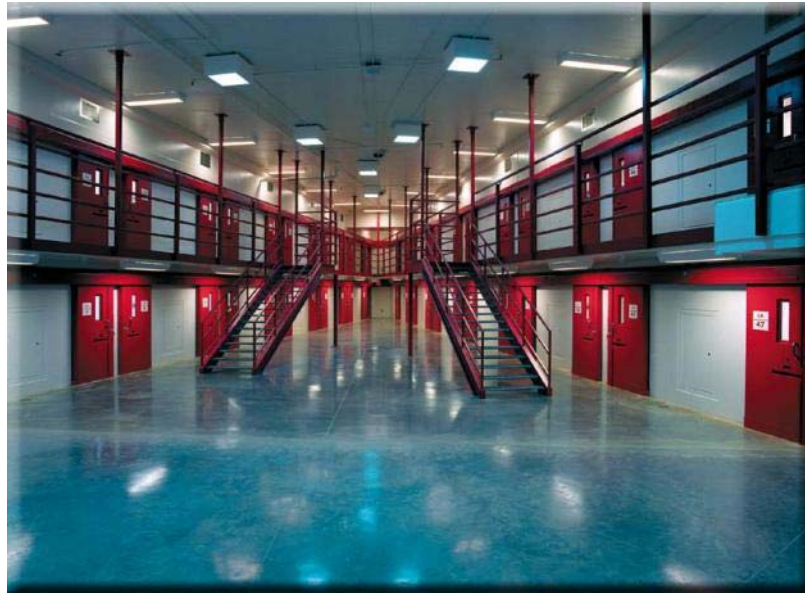
Galveston, Texas

\$60 million





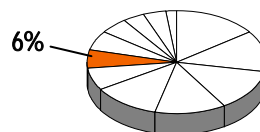
Corrections



NC Correctional Institution #6

Tabor City, North Carolina

Projects to date = \$460 million



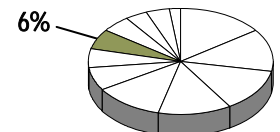
Retail



Blakeney Park

Charlotte, North Carolina

\$13 million





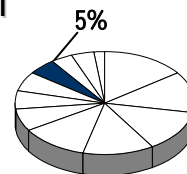
Transportation



Dulles International Airport Expansion and Renovations

Chantilly, Virginia

Projects to date = \$288 million



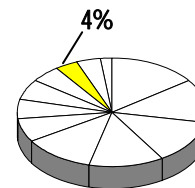
Special Projects



Air Force Memorial

Arlington, Virginia

\$28 million

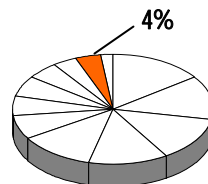




Government



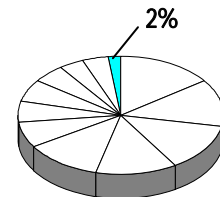
FDA Central Complex
Silver Spring, Maryland
Projects to date = \$220 million



Hospitality



Disney's Animal Kingdom
Orlando, Florida
\$160 million in new work





Presentation Overview

Differentiation Strategy

2

- Brand Management
- Experience Research
- MAP
- Employee Engagement
- Industry Recognition
- Community Involvement



Differentiation – *What it means to us?*

- ***Among Top Tier Builders***

- Cannot differentiate by superior technical performance
- Sub-excellent performance will, however, damage you
- Top performance keeps you “even”

- ***Opportunity to Differentiate***

- The client’s experience / not just price, schedule, or quality
- Moved from contractor to service provider mindset
- Benchmark customer satisfaction and employee engagement against “best of class” service businesses; not just contractors

OUR CHALLENGE

Duration / \$\$ / Customization

Short/Low

Ex: *Restaurant*

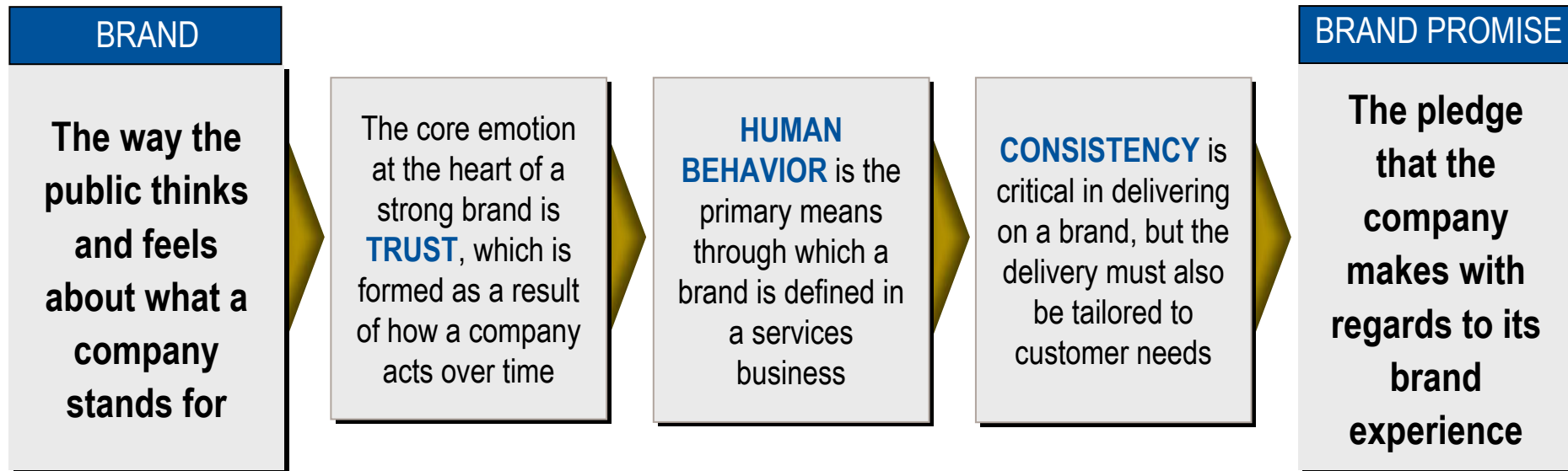
Long/High

Ex: *Commercial
Construction*



Brand – What Is It and How Do We Get One?

From: *Brand Customer Service: The New Competitive Edge*



BOTTOM LINE:

Brand behavior and reinforcement is especially critical at the front line.

The Question – *How to Go From Intent to Reality?*

Goal

Provide clients with the best construction experience they have ever had – every time

Challenge

How to do this in such a way that we don't stifle front line flexibility and ownership

Approach of Best in Class Service Providers

Understand the ideal customer experience – from the customer perspective

Define your Brand Promise with the ideal customer experience in mind

Support front-line employees in knowing the Brand Promise and their role in delivering on it

Focus the efforts of the company against supporting the Brand Promise

Brand Promise Integration

SERVICE How to walk the talk... **OUR PROMISE**

...to our CLIENTS

Deliver accuracy, predictability and certainty through phases of preconstruction and construction

Tailor our project approach around your key business objectives

Provide an environment of transparency and open, and timely communications

Promote a fully collaborative approach among all key stakeholders, throughout the life of the project

Demonstrate initiative and leadership by taking ownership of the whole project team's interests and concerns, not just our own

Forecast potential problems and be ready with recommended solutions to keep the project moving in a proactive and positive manner

Hold ourselves accountable for consequences within our control or influence

...TO OUR PROJECT TEAMS

Commit to a disciplined approach to project selection, preconstruction, and contract negotiations

Empower and trust individuals, project teams

Communicate honestly and openly at all times

Give project teams a voice in decisions that affect them

Provide an environment conducive to building and fostering high performing teams

Offer frequent and sincere recognition and reward for individual and team achievements

Promote a sense of connection with the rest of the company

Create opportunities for employee growth and development

Provide support readily when requested or needed

...to our DESIGN TEAMS

Provide accurate data and reliable, relevant information

Foster proactive and open communications at all times

Offer solutions that support design intent as well as what's on the drawings

Advocate a fully collaborative approach among all key stakeholders, throughout the life of the project

Partner with you to anticipate and resolve all design issues and challenges, before they get in front of the client

Look always for solutions, not for blame

"I want to be confident I can depend on you technically as well as ethically"

...to our CONTRACTORS'

Commit to all times to fostering an environment of safety, cleanliness, and well-being for everyone onsite.

Treat contracting partners as professional equals and technical experts

Develop and maintain trust-based relationships which encourage open communications, transparent processes, and fair decisions at all times

Provide strong and effective onsite leadership

Work in a way that advances and protects your business interests, as well as our own

Provide accurate data and reliable, relevant information

Bring issues to your attention in a timely manner

Solicit your input in decisions that affect you

"I want you to treat me as a partner"

It's time to expect more.

Balfour Beatty Construction

We are *passionate* about providing clients with the best construction experience they have ever had — *every time.*

Predictability
Certainty

Affinity
Achievement
Autonomy

Technical Support
Collaboration

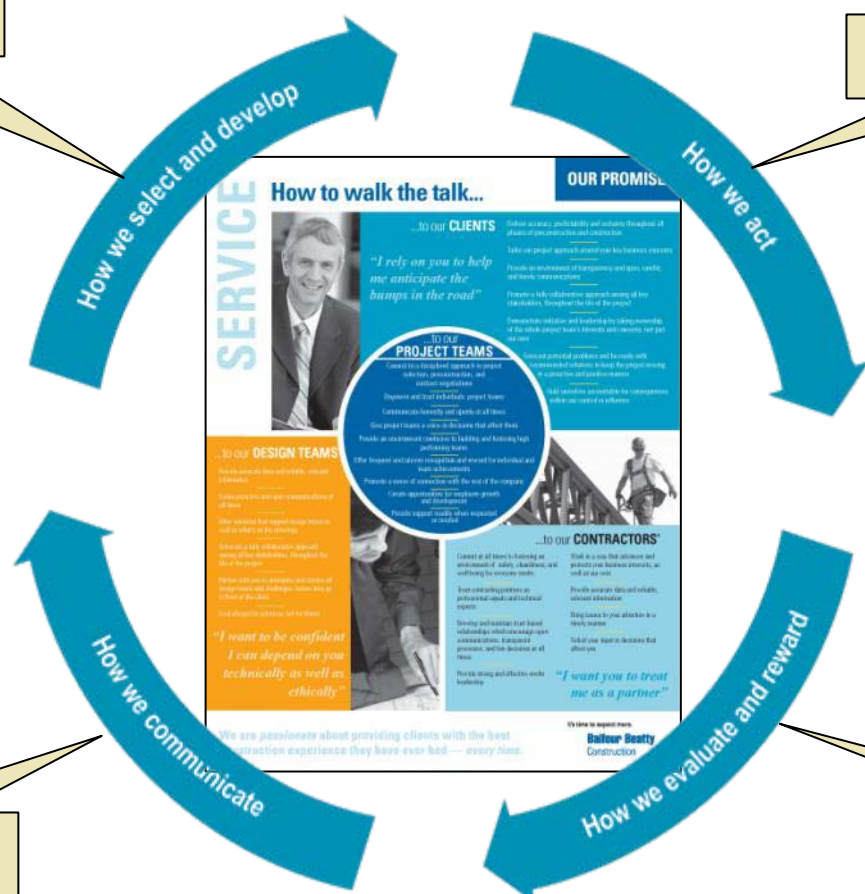
Respect



Enabling the Brand Promise – “How we select and develop”

Example: Profile for Success

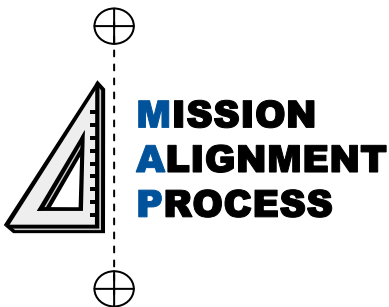
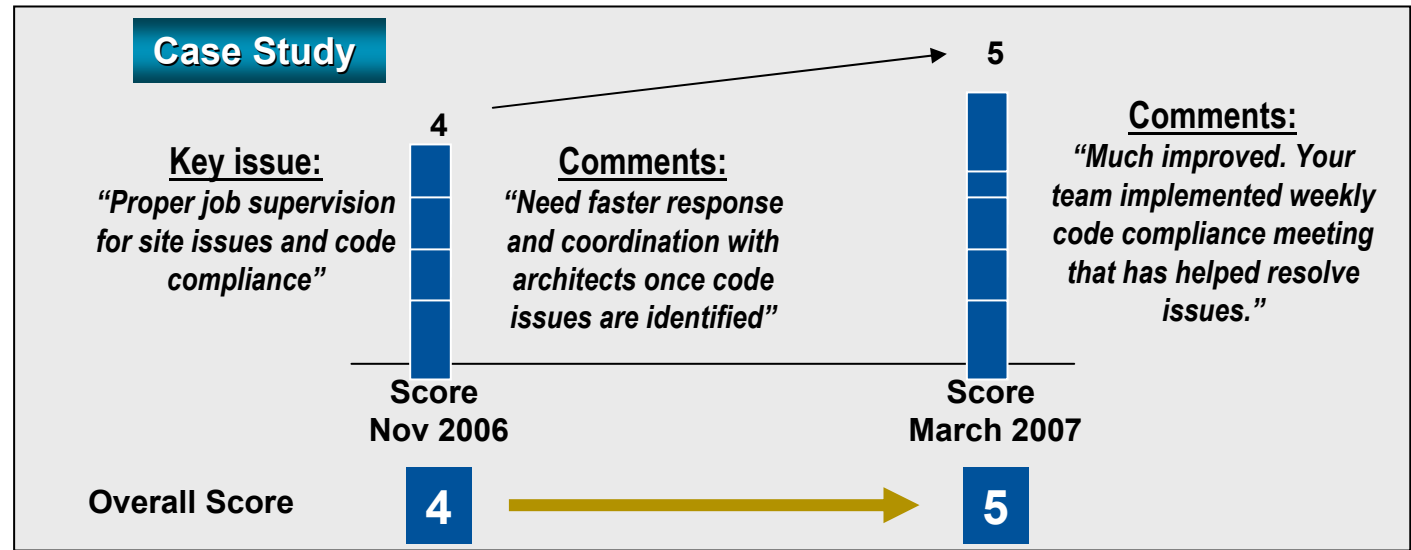
Example: SOP



Example: Blueprints

Example: MAP

What our clients say about us?

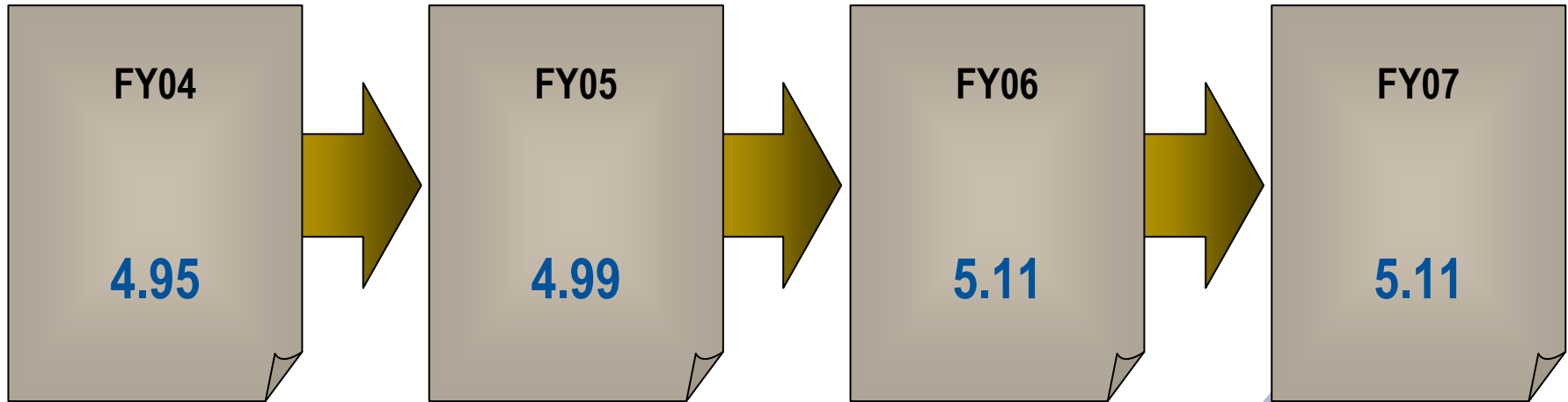


*“I serve as the collection point for feedback for the MAP and these (high) scores reflect the groups’ opinions. We are all very pleased with the effort. **We are working with you now to get a GMP for some additional work here. It’s a reflection of how we feel about our relationship.** We think (BBC) does a great job and shows willingness to work under tough circumstances.”*



What our employees say about us?

Company-wide employee engagement scores reflect a strong and positive culture.



6 point survey scale:

- 1 = Completely Disagree
- 2 = Moderately Disagree
- 3 = Slightly Disagree
- 4 = Slightly Agree
- 5 = Moderately Agree
- 6 = Completely Agree

An amazing accomplishment, given the change we have experienced.

What the industry says about us?



South Florida
BUSINESS JOURNAL



- ❑ Named as one of the "**Best Places to Work**" by the *Washington Business Journal* and the *South Florida Business Journal*.
- ❑ Recipient of 14 **National Eagle Awards** for Excellence in Construction since 1998.
- ❑ Named **Corporation of the Year in 2007** by the United Minority Contractors of North Carolina
- ❑ Honored with more than 40 **Excellence in Construction** awards since 2000 from regional chapters of the Associated Builder and Contractors throughout the U.S
- ❑ In 2004, named "**Corporation of the Year**" by the Fort Worth Metropolitan Black Chamber of Commerce
- ❑ Received the **AGC Safety Star Award**, the ABC **Safety Excellence** Award and the **National Platinum S.T.E.P.** Award



Making a difference in our community

Balfour Beatty *Spirit!*

Maintaining our unique culture through community support and employee engagement

- *March of Dimes WalkAmerica*
- *United Way*
- *Children's Medical Center*
- *Hearts & Hammers*
- *Ronald McDonald House*
- *Center for Multicultural Human Services*
- *Give Kids the World*
- *Richardson Regional Cancer Center*



Presentation Overview

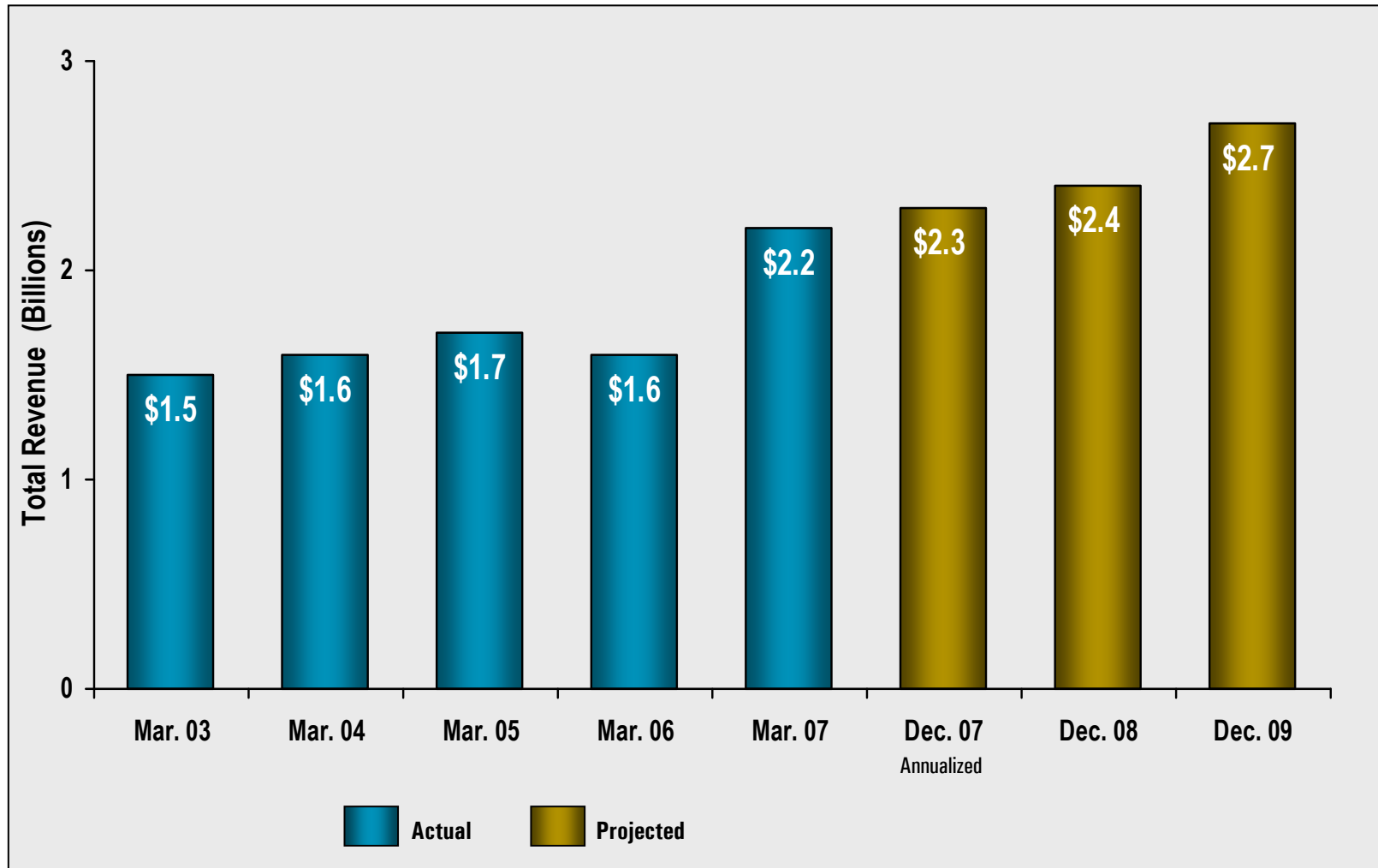
3

Financials

- Revenue Growth
- Margin Performance
- Backlog (Order Book)
- Cash Management



Revenue – Consistent Growth



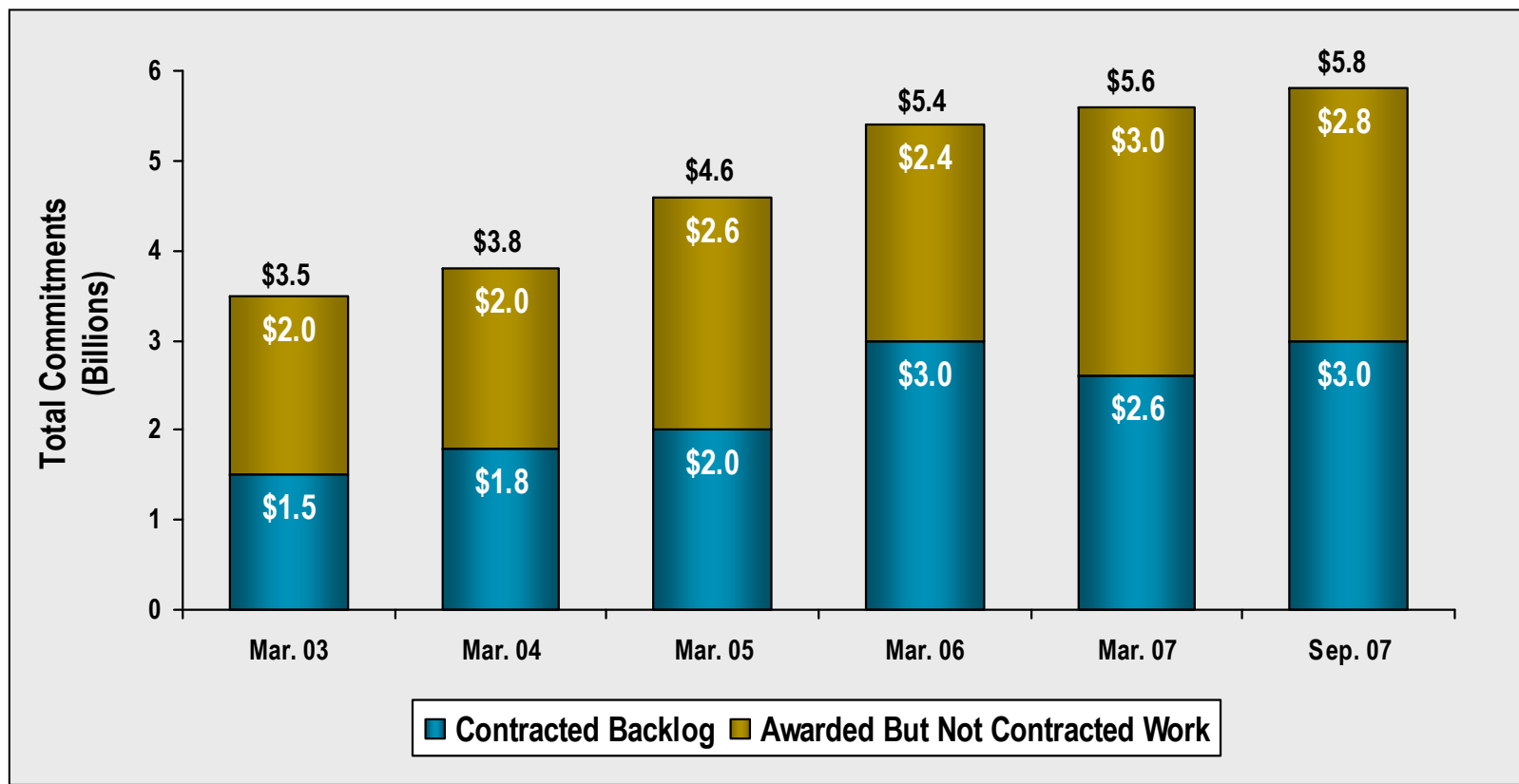


Results – Higher Margins

Key Success Factor	Indicator Metric	Balfour Beatty Construction (formerly Centex Construction) FYE 3/31/07
Scale	• Revenue	\$2.2 B
	• Backlog	\$2.6 B
Profitability	• Operating Income	\$46 M
	• Operating Margin	2.1%

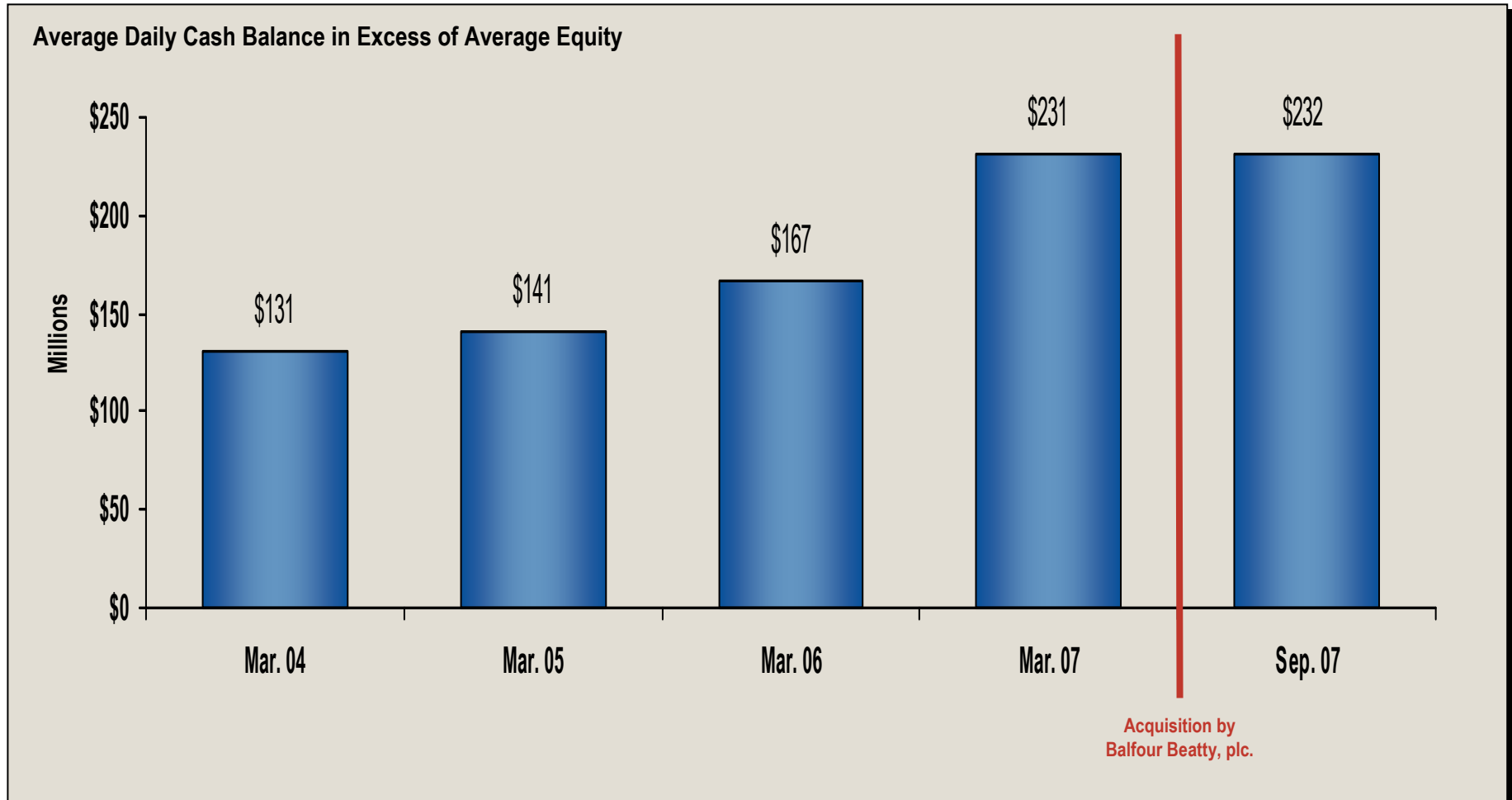


Backlog – Record Levels





Cash Management





Presentation Overview

4

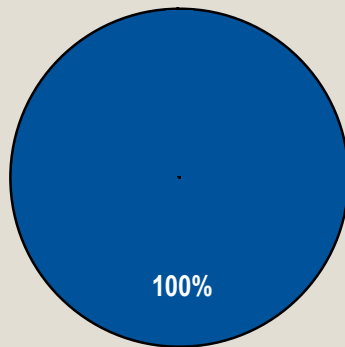
Future Outlook

- Earnings Stability
- Sustainability of Profit
- Geographic Expansion
- Key Drivers Moving Forward

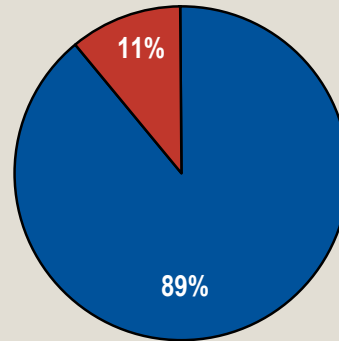


Earnings Stability

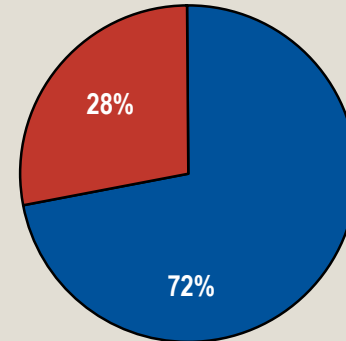
Earnings Projections (as a percent of total projected earnings)




Dec. 07








Dec. 08



Dec. 09

 Earnings from future contract sources and/or growth

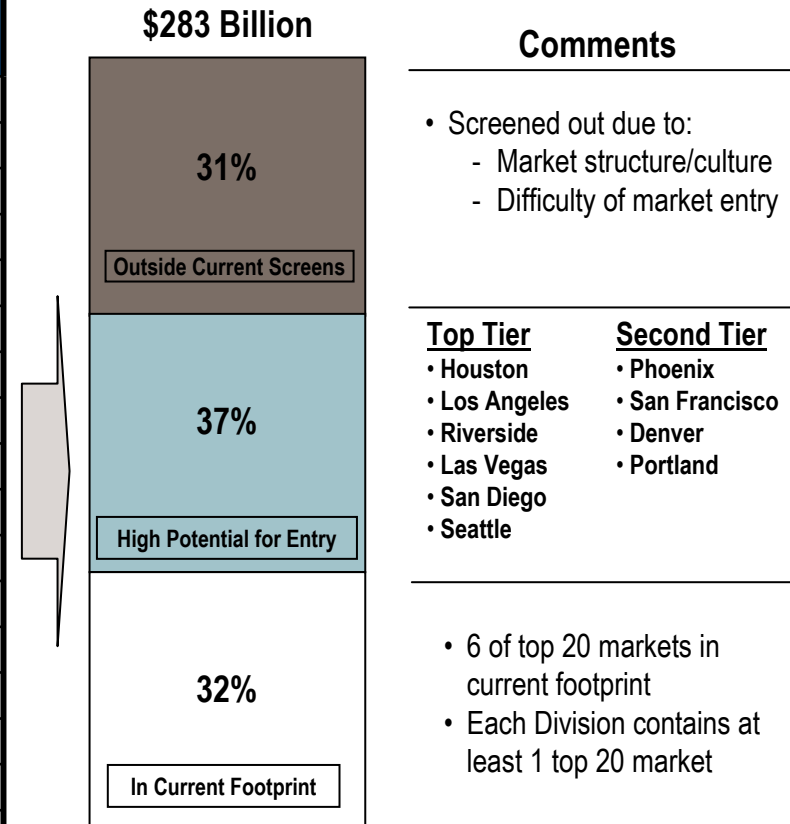
Sustainability of Profit

Core Markets	Volume Sustainability		Market Sustainability		
	Commitments		Margin Outlook	Market Size*	
	5 Yr. Avg.	Current (9/30/07)		FY07	Projected FY07-FY09 Average
Florida 	\$1,327M	\$1,341M	Stable, with slight pressure	\$6.2B	\$6.8B
Washington DC Metro 	\$504M	\$1,388M	Stable, with slight improvement	\$6.7B	\$7.4B
Dallas/Fort Worth 	\$1,273M	\$909M	Stable, with slight pressure	\$2.1B	\$2.2B
Southeast 	\$426M	\$896M	Stable, with slight improvement	\$2.8B	\$3.0B
Military Housing 	\$998M	\$1,293M	Margin pressure on future projects		

* Includes only target building types

Geographic Expansion

Top 20 Markets*	Commercial Construction Volume (2005-2010) \$ thousands in addressable Markets**	Population Growth (2004-2010) Number of People
1. <i>New York-Northern New Jersey-Long Island</i>	\$39,447,554	359,043
2. <i>Los Angeles-Long Beach-Santa Ana</i>	\$20,213,328	779,801
3. <i>Miami-Fort Lauderdale-Miami Beach</i>	\$24,314,112	570,398
4. <i>Chicago-Naperville-Joliet</i>	\$24,691,635	411,473
5. <i>Washington-Arlington-Alexandria</i>	\$24,619,510	377,883
6. <i>Dallas-Fort Worth-Arlington</i>	\$13,046,182	747,459
7. <i>Atlanta-Sandy Springs-Marietta</i>	\$14,711,258	667,563
8. <i>Houston-Baytown-Sugar Land</i>	\$11,130,761	624,273
9. <i>Las Vegas-Paradise</i>	\$14,926,662	382,214
10. <i>Phoenix-Mesa-Scottsdale</i>	\$9,245,259	602,753
11. <i>Riverside-San Bernardino-Ontario, CA</i>	\$5,283,652	753,310
12. <i>Boston-Cambridge-Quincy</i>	\$15,620,754	99,768
13. <i>San Francisco-Oakland-Fremont</i>	\$13,672,687	182,890
14. <i>San Diego-Carlsbad-San Marcos</i>	\$9,560,904	304,319
15. <i>Orlando</i>	\$7,607,596	324,446
16. <i>Seattle-Tacoma-Bellevue</i>	\$8,043,484	298,595
17. <i>Philadelphia-Camden-Wilmington</i>	\$9,336,486	140,842
18. <i>Tampa-St. Petersburg-Clearwater</i>	\$5,892,612	240,407
19. <i>Denver-Aurora</i>	\$6,517,869	182,814
20. <i>Portland-Vancouver-Beaverton</i>	\$6,112,849	196,524



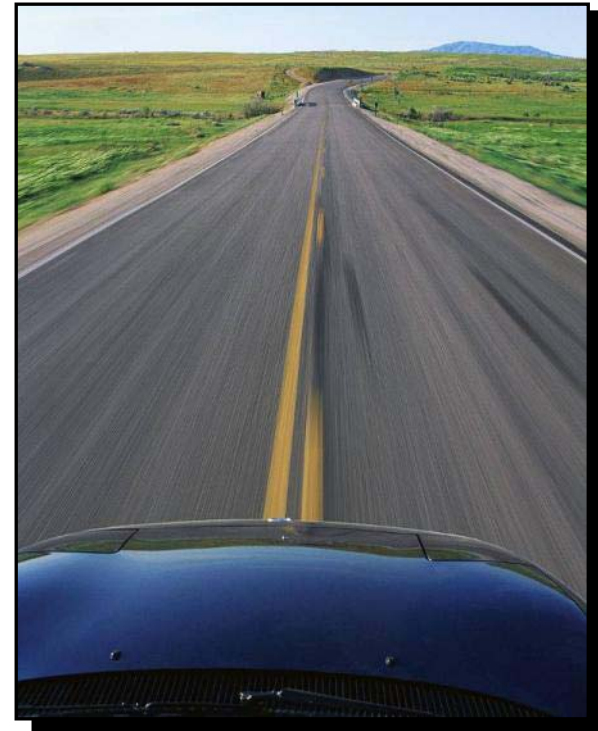
Breakdown Of Top 20 Markets
Percent of Commercial Construction Volume (2005-2010)



Key Priorities for the Business – *Moving Forward*

- ***Growth Priorities***

- Geographic expansion (6 of the 20 top cities)
- PPP / PFI / PPEA
- BRAC program (Non-Military Housing)
- Leveraging Balfour Beatty resume
- Synergies with Balfour Beatty companies





It's time to expect more.

Balfour Beatty Construction