

Balfour Beatty Investments

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Dear Colin

SALE OF BALFOUR BEATTY WORKPLACE

As you may be aware Balfour Beatty has recently announced its plan to sell WorkPlace to GDF Suez and we expect the sale to be completed before the end of the year.

GDF Suez is the world's number one supplier of energy efficiency and environmental services with a presence in 30 countries and 1,300 offices worldwide. It is a much bigger group of companies than Balfour Beatty. GDF's 'services' division itself (where Balfour Beatty WorkPlace will sit in future) has 78,200 employees and revenues of almost €15 billion. Going forward Balfour Beatty WorkPlace will be put together with GDF's Cofely brand in the UK. Cofely is one of Europe's leading providers of technical FM and energy services for the built environment. It has a smaller presence in the UK (hence the interest in buying BB WorkPlace), but is active in the PPP market where it already provides FM services on a number of smaller projects.

We believe that this is a positive development both from Balfour Beatty's perspective (as we become a major client of Cofely/BB WorkPlace once the transaction is completed) and from your perspective as an important client of Balfour Beatty going forward. The sale to GDF Suez removes the uncertainty that had surrounded BB WorkPlace's future. GDF Suez is a huge organisation with a strong financial position and covenant, a desire to invest and grow the WorkPlace/Cofely business in the UK and an organisation that shares many of Balfour Beatty's values including the importance of health and safety, sustainability, integrity and a commitment to excellence. Initial reaction to the sale amongst key BB WorkPlace staff has been very positive which will do much for ensuring stability in the operation of your FM services during this transition. All BB WorkPlace staff will transfer to the new organisation when the sale is complete.

On the ground I see no reason to expect any significant change in the way we work in the foreseeable future. BB WorkPlace/Cofely will continue to provide the services in accordance with the project requirements. The drivers for both Balfour Beatty and BB WorkPlace/Cofely remain the same: a desire to deliver the contractual requirements, respond to client and user needs, maintain effective client relationships and thereby safeguard the payments we receive from our clients that fund our respective businesses. There are no plans to change the FM management and staff providing services for your project.

Until the completion of the sale in the 4th quarter 2013 WorkPlace will remain part of the Balfour Beatty group and all staff will remain Balfour Beatty employees. As a result of the regulatory process between now and the completion of the sale I cannot be sure whether we will have the opportunity to introduce you to management from the new parent company. However, I will keep you informed of developments as they arise. We will advise you in due course of any notices/consents we are obliged to provide prior to the sale completion.



Balfour Beatty Investments Limited, registered in England & Wales
No. 2423465, registered office: 350 Euston Road, London NW1 3AX,
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If you would like any other information in the meantime please feel free to give me a call.

Yours sincerely,



David Blanchard
Investments Director



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