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PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT.

KIER GROUP PLC (“Kier”)

28 April 2015

PROPOSED ACQUISITION OF MOUCHEL AND FULLY UNDERWRITTEN £340 MILLION RIGHTS ISSUE

Kier, the FTSE 250 property, residential, construction and services group, announces that it has entered into a conditional agreement to buy the entire issued share capital of MRBL Limited (“Mouchel”), the leading provider of repair and maintenance services to the UK strategic road network and an international infrastructure and business services group.

Highlights

Mouchel is an international infrastructure services and business services group. It provides advisory, design, project delivery and managed services to the highways and transportation, local government, property, emergency services, health, education and utilities markets in the United Kingdom, the Middle East and Australia. It is the leading provider of repair and maintenance services to the UK strategic road network.

- The combination of Kier and Mouchel brings together Mouchel’s leading position in strategic highways services with Kier’s presence in the local authority roads market and creates a sector leader in the growing UK highways maintenance and management market.
- The Acquisition positions Kier to benefit from the new Road Investment Strategy (“RIS”) which sets out a long-term investment plan of £17 billion of total expenditure on the maintenance, renewal and enhancement of the strategic road network from 2015 to 2020, with annual expenditure increasing from £2.9 billion to £4.1 billion over the same period.
- The Board believes that the strategic rationale for the Acquisition is compelling and is aligned to Kier’s Vision 2020, representing an excellent opportunity to accelerate Kier’s strategy for growth in the infrastructure sector.
- Kier has agreed to acquire Mouchel for a total consideration of £265 million in cash from the Mouchel Sellers to be financed by a £340 million fully underwritten rights issue. Under the

Rights Issue, New Shares will be issued at 858p per New Share on the basis of 5 New Shares for every 7 Existing Shares.

- The proceeds from the Rights Issue will also be used to repay Mouchel's net debt at the time of the Acquisition, finance the integration costs of the Acquisition and pay the costs and expenses associated with the Rights Issue and Acquisition.
- Mouchel reported group revenue (including share of JVs) of £616.6 million and underlying operating profit of £27.7 million for the year ended 30 September 2014. Revenues for the three months ended 31 December 2014 increased by 38 per cent. compared to the same period in the previous year.
- The Acquisition is anticipated to deliver pre-tax cost synergies of approximately £10 million in the financial year ending 30 June 2017, with integration costs of the Acquisition expected to be approximately £17 million.
- The Acquisition is expected by the Board to be materially earnings enhancing for Kier for the financial year ending 30 June 2016, the first full financial year following Completion, and to deliver a ROCE of at least 15 per cent. in the financial year ending 30 June 2017.
- The Acquisition creates an Enlarged Group with a pro forma combined order book of £9.3 billion (as at 31 March 2015), comprising Kier's order book of £6.5 billion and Mouchel's order book of £2.8 billion.
- Kier's current trading is in line with the Board's expectations.

The Acquisition constitutes a Class 1 transaction under the Listing Rules as a result of the size of Mouchel relative to Kier. The Acquisition is therefore conditional upon the approval of Shareholders.

A combined Class 1 circular and prospectus (the "Prospectus") containing further details of the Acquisition and the Rights Issue and containing the notice convening the General Meeting (to be held at 10.00 a.m. on 15 May 2015 at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ) will be sent to Kier Shareholders (i.e. other than, subject to certain exceptions, to those with registered addresses in the United States or the Excluded Territories) as soon as practicable.

Haydn Mursell, Chief Executive of Kier, said: "*Over the last three years, Mouchel has been transformed into a strong business with market leading positions. The combination of Kier and Mouchel, particularly in the provision of UK highways maintenance services, creates a leader in a growing marketplace. The Acquisition is consistent with and accelerates the delivery of our Vision 2020 strategy and will provide compelling value to shareholders."*

Grant Rumbles, Chief Executive of Mouchel, said:

"Kier and Mouchel are an excellent fit. The enlarged company will enable us to improve our offer to customers and to enhance the career opportunities of our employees. This deal is testimony to the successful turnaround of Mouchel following its 2012 restructuring. Refocusing the business on its core strengths and targeting profitable growth has brought us to a position where our order book is now more than £2.8bn. For that I thank my excellent management team and all of our staff for their hard work and determination over the last few years."

A presentation for analysts and institutional investors will be held today at J.P. Morgan Asset Management, 60 Victoria Embankment, London, EC4Y 0JP at 9.00 a.m. For further details please call Daniela Fleischmann/Charlotte Whitley (Finsbury) on +44 (0) 20 7251 3801 or the Kier press office on +44 (0) 1767 355 903. The presentation for analysts will be available on Kier's website: www.kier.co.uk

J.P. Morgan Cazenove and Numis Securities are acting as Joint Sponsors, Joint Bookrunners and Joint Brokers in connection with the Rights Issue and the Acquisition and Joint Financial Advisers in connection with the Acquisition

This preceding summary should be read in conjunction with the full text of the following announcement and its appendices, together with the Prospectus which is expected to be published today.

Indicative abridged timetable

Publication of Prospectus	**28 April 2015**
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 13 May 2015
Record Date for entitlements under the Rights Issue	**close of business on 13 May 2015**
General Meeting	10.00 a.m. on 15 May 2015
Dealings in New Shares, nil paid, commence on the London Stock Exchange	**8.00 a.m. on 18 May 2015**
Latest time and date for acceptance in CREST and payment in full and registration of renounced Provisional Allotment Letters	**11.00 a.m. on 2 June 2015**
Expected date of announcement of results of the Rights Issue	3 June 2015
Dealings in the New Shares to commence on the London Stock Exchange fully paid	**8.00 a.m. on 3 June 2015**

For further information please contact:

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KIER GROUP PLC

PROPOSED ACQUISITION OF MOUCHEL AND FULLY UNDERWRITTEN £340 MILLION RIGHTS ISSUE

Introduction

Kier announces that it has reached agreement on the terms of the proposed acquisition of Mouchel for a cash consideration of £265 million (the "Acquisition"). Kier proposes to finance the Acquisition by undertaking the Rights Issue to raise a total of £340 million. Under the Rights Issue, 39,646,692 New Shares at a price of 858p per New Share will be issued.

Mouchel is an international infrastructure services and business services group. It provides advisory, design, project delivery and managed services to the highways and transportation, local government, property, emergency services, health, education and utilities markets in the UK, the Middle East and Australia. It is the leading provider of repair and maintenance services to the UK strategic road network.

Mouchel has two operating divisions, Integrated Infrastructure Services ("IIS") and Mouchel Business Services ("MBS"). IIS comprises Mouchel's core operations, being its highways, water and environmental businesses. MBS is one of the United Kingdom's largest providers of outsourced professional and support services to local councils and other public bodies, such as the police, fire and rescue services, schools and the NHS. In the financial year ended 30 September 2014, IIS and MBS comprised 76 per cent. and 24 per cent. of Mouchel's revenue, respectively.

Mouchel's headquarters are in Woking, UK, with additional offices around the UK and offices in the Middle East and Australia. It employs more than 6,500 employees. In the financial year ended 30 September 2014, the UK, the Middle East and Australia contributed 85 per cent., 3 per cent. and 12 per cent., to Mouchel's consolidated revenues, respectively.

In the three months ended 31 December 2014 and the financial year ended 30 September 2014, Mouchel's revenues were £194.3 million and £596.4 million, respectively, and its underlying operating profit was £6.7 million and £27.7 million, respectively.

The Acquisition constitutes a Class 1 transaction under the Listing Rules as a result of the size of Mouchel relative to Kier. The Acquisition is therefore conditional upon the approval of Shareholders. Accordingly, a General Meeting has been convened for 10.00 a.m. on 15 May 2015 at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ for Shareholders to consider, and if thought fit, pass the necessary resolutions to approve the Acquisition and the Rights Issue.

Background to and Reasons for the Acquisition and the Rights Issue

Kier Strategy

In July 2014, Kier launched Vision 2020, its updated group strategy which targets significant growth in operating profit through to 2020, with Kier aiming to be a top-three participant in its chosen markets. As part of this strategy, Kier aims to operate a safe and sustainable business and to achieve top quartile performance and efficiency, while attracting and retaining highly-motivated and high-performing employees.

Reasons for the Acquisition

The Board believes that the strategic rationale for the Acquisition is compelling and aligns with Vision 2020. In particular, the Acquisition is complementary to the Group's existing service offering and represents an excellent opportunity to accelerate growth in one of its target markets, infrastructure services.

The principal strategic benefits of the Acquisition include:

- the creation of a sector leader in the growing UK highways maintenance and management market, combining Mouchel's leading position in strategic highways services with Kier's presence in the local authority roads market;
- providing Kier with access to long-term and, in many cases, recently won frameworks and contracts operated by Mouchel for the Highways England Areas 1, 3, 9 and 13, so as to complement Kier's capital works relationship with Highways England;
- positioning Kier to benefit from the new Road Investment Strategy ("RIS") which sets out a long-term investment plan of £17 billion of total expenditure on the maintenance, renewal and enhancement of the strategic road network from 2015 to 2020, with annual expenditure increasing from £2.9 billion to £4.1 billion over the same period;
- the acceleration of Kier's strategy for growth in the infrastructure sector, allowing greater focus on transportation opportunities;
- enabling the continued development of Kier's integrated capability in the highways and utilities sectors, in particular through access to Mouchel's design capability and technology solutions; and
- the further enhancement of Kier's service offering in local authority markets and overseas.

The pro forma combined order book of the Enlarged Group was £9.3 billion as at 31 March 2015, comprising Kier's order book of £6.5 billion and Mouchel's order book of £2.8 billion.

Financial Effects of the Acquisition

The Board has carefully reviewed the business and prospects of the Enlarged Group, as well as the expected synergy benefits and the associated costs of achieving them. The Acquisition meets Kier's criteria for acquisitions and, after taking into account the forecast synergy benefits, the Acquisition is expected by the Board to be materially earnings enhancing for Kier for the financial year ending 30 June 2016, the first full financial year following Completion, and to deliver a ROCE of at least 15 per cent. in the financial year ending 30 June 2017.[1]

Summary Information about Mouchel

Mouchel is an international infrastructure services and business services group. It provides advisory, design, project delivery and managed services to the highways and transportation, local government, property, emergency services, health, education and utilities markets in the United Kingdom, the Middle East and Australia.

In its audited financial statements for the year ended 30 September 2014, Mouchel reported total assets of £261.6 million and underlying profit before tax of £19.9 million.

Mouchel comprises two operating divisions, Integrated Infrastructure Services and Mouchel Business Services, with their primary activities as follows:

[1] These statements of expected earnings enhancement and targeted ROCE relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the expected earnings enhancement and ROCE referred to may not be achieved, or those achieved could be materially different from those targeted. These statements in this announcement and the Prospectus should not be construed as a profit forecast or interpreted to mean that the Enlarged Group's earnings in the period following the Acquisition would necessarily match or be greater than or be less than those of Kier and/or Mouchel for the relevant preceding financial period or any other period.

- Integrated Infrastructure Services: this operating division comprises Mouchel's largest business, being the highways, water and environmental businesses, operating predominantly across the United Kingdom but also in the Middle East and in Australia. Within this business, there are three segments:
    - EM Highway Services ("EM"): formerly EnterpriseMouchel, EM is a provider of highways maintenance and management services, specialising in the delivery of road maintenance contracts in England and also providing public sector infrastructure works and professional services;
    - Mouchel Infrastructure Services ("MIS"): an international business providing professional infrastructure engineering, environmental and asset management consultancy services primarily in highways design and management, intelligent transport, transportation, maritime, water and energy; and
    - DownerMouchel ("DM"): DM, Mouchel's joint venture with Downer in Australia, delivers integrated road asset management and maintenance services under the Main Roads Western Australia Integrated Services Arrangements and, in March 2014, commenced three new maintenance contracts in Sydney and South East Queensland.
- Mouchel Business Services: the MBS operating division is one of the UK's largest providers of outsourced professional and support services to local councils and other public bodies, such as the police, fire and rescue services, schools and the NHS.

Combined and Consolidated Financial information on Mouchel

Audited financials (£m)	**Financial year ended 30 September 2014**		**Financial year ended 30 September 2013**		**14 months ended 30 September 2012**	
Integrated Infrastructure Services	470.9		387.9		372.6	
Mouchel Business Services	145.7		167.4		248.0	
Less share of Joint Ventures	(20.2)		(60.6)		(161.6)	
Group Revenue	**596.4**		**494.7**		**459.0**	
Growth	*20.6%*		*7.8%*			
Integrated Infrastructure Services	35.8	*7.6%*	28.0	*7.2%*	1.6	*0.4%*
Mouchel Business Services[1]	2.5	*1.7%*	5.4	*3.2%*	(8.1)	*(3.3%)*
Corporate costs	(10.6)		(9.5)		(6.6)	
Underlying operating profit[2]	**27.7**	*4.5%*	**23.9**	*4.3%*	**(13.1)**	*(2.1%)*
Less share of Joint Ventures	(1.0)		(4.5)		(6.6)	
Underlying profit/(loss) (exc. JVs)	**26.7**	*4.5%*	**19.4**	*3.9%*	**(19.7)**	*(4.3%)*
Profit/(loss) before tax	**16.1**		**12.8**		**(157.4)**	
Gross assets	261.6		234.0		201.7	
Net debt	39.5		46.0		49.7	
Net pension liability	(44.6)		(42.0)		(49.9)	

[1]£8.4m of internal support costs reported against MBS in 2014
[2]Including share of Joint Ventures
[3]Reconciliation from underlying operating profit to Mouchel group operating profit:

Audited financials (£m)	**Financial year ended 30 September 2014**	**Financial year ended 30 September 2013**	**14 months ended 30 September 2012**
Underlying operating profit	27.7	23.9	(13.1)
Non underlying exceptional items	(3.8)	(4.2)	(185.7)
Group operating profit[3]	**23.9**	**19.7**	**(198.8)**

Synergies and Integration of Mouchel

The Board believes that the Acquisition presents opportunities for significant cost synergies. The Board believes that the Enlarged Group can be expected to achieve aggregate annual pre-tax cost synergies of approximately £10 million in the financial year ending 30 June 2017. These synergies are contingent on the completion of the Acquisition and could not be achieved by Kier and Mouchel operating independently.

The Board has identified the following potential recurring cost synergies:

- the reduction of corporate overheads (including Mouchel's board of directors) is expected to save an estimated £4.4 million per annum;
- combining corporate support functions (including shared services and IT) is estimated to drive savings of £3.1 million per annum;
- the increased size of the Enlarged Group is expected to create opportunities for procurement savings estimated to be £1.4 million per annum; and
- estimated savings from removing operational duplication (including property) are expected to be £1.1 million per annum.

The Board expects to realise pre-tax cost synergies on a phased basis, as follows:

- approximately £4 million of pre-tax cost synergies are expected to be realised in the financial year ending 30 June 2016; and
- approximately £10 million of pre-tax cost synergies are expected to be realised in the financial year ending 30 June 2017.

The Board also expects that the integration process and the realisation of these cost synergies will result in one-off exceptional costs of approximately £2 million in the financial year ending 30 June 2015, approximately £13 million in the financial year ending 30 June 2016 and approximately £2 million in the financial year ending 30 June 2017.

The Group acquired May Gurney in July 2013. Since the transaction, May Gurney has been integrated into the Group and £5 million of cost savings were achieved in the financial year ended 30 June 2014, as anticipated. As at the date hereof, the Board believes that the Group is on track to deliver the expected £15 million of cost savings in the financial year ending 30 June 2015.

The Board is confident that the integration of Mouchel can be achieved without significant disruption to the Enlarged Group.

As part of the Company's integration process, the Board will carry out a review of fair value following Completion. Any fair value adjustments are likely to relate to balance sheet recoverability assumptions and it is not anticipated that any such adjustments will be material. During the Company's due diligence exercise in respect of Mouchel no onerous contracts for which provisions for losses would need to be made have been identified.

Principal Terms of the Acquisition

In order to implement the Acquisition, Kier has entered into the agreements set out below. More detailed summaries of the key terms of these agreements are set out in Part XII of the Prospectus.

Under the terms of the Share Purchase Agreement, and subject to the conditions thereunder being satisfied, Kier Limited has agreed to acquire Mouchel for a cash consideration of £265 million (subject to certain adjustments).

Completion of the Acquisition is conditional on (i) the passing of the Transaction Resolutions, (ii) the receipt by Kier of the proceeds of the Rights Issue and (iii) a notification from the Guernsey Financial Services Commission that it has no objection to the Acquisition.

If any of the conditions referred to above has not been fulfilled or waived by the Long Stop Date (or, if extended, the Extended Long Stop Date), Kier Limited will be required to pay a "break fee" of £4.5 million to the Mouchel Sellers.

The expected date of Completion is on or around 15 June 2015.

Certain members of the Mouchel senior management team have given warranties to Kier in relation to the business and affairs of Mouchel and certain information related to Mouchel.

Financing the Acquisition

The Acquisition will be financed by way of a fully underwritten rights issue of New Shares at a price of 858p per New Share on the basis of 5 New Shares for every 7 Existing Shares. 39,646,692 New Shares will be issued, providing gross proceeds of £340 million. In addition to financing the Acquisition, the proceeds from the Rights Issue will also be used to:

- pay the transaction costs and expenses associated with the Acquisition and the Rights Issue, which are approximately £20 million, of which approximately £10 million relates to the Rights Issue;
- finance the integration costs of the Acquisition, which are expected to be approximately £17 million; and
- repay Mouchel's net debt at the time of the Acquisition.

The Rights Issue is conditional upon, amongst other things, the passing of the Transaction Resolutions, Admission having become effective and the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission), and not having been terminated in accordance with its terms, prior to Admission. The Rights Issue is not conditional upon completion of the Acquisition. However, the Underwriting Agreement is conditional on (among other matters) the Share Purchase Agreement not having been terminated, varied, modified or supplemented or having lapsed before Admission.

Current Trading and Prospects

Kier

The Group remains on course to meet the Board's expectations for the current financial year. In particular, the Residential and Services divisions remain on track to deliver a second-half weighted performance in line with management's expectations. The total order book of the Construction and Services divisions remained stable at £6.5 billion as at 31 March 2015, with potential further renewals and extensions valued at up to £2 billion.

- **Property**

The Property division's performance continues to be good as a result of its robust approach to capital allocation, whilst maintaining its minimum hurdle rate of 15 per cent. ROCE. The division has maintained the valuation of its structured finance assets at £38 million, with an implied discount rate of 7.5 per cent. Capital investment within the Property division is in line with management's expectations and is expected to increase towards £100 million by 30 June 2015.

- **Residential**

Completions within the Residential division remain in line with management's expectations, with approximately 2,100 units expected to be completed across the private housing and mixed-tenure businesses in the year ending 30 June 2015. Following a strong sales performance, both in terms of volume of sales and selling price, all units forecast to be completed in the current financial year are now reserved, exchanged or completed. By 30 June 2015, Kier expects to have a forward order book representing approximately 25 per cent. of the units forecast for completion in the next financial year.

- **Construction**

Within the Construction division, UK regional building activity has delivered significant year-on-year organic growth. Turnover in the international and infrastructure businesses remains in line with prior years. Margins in all three areas of the business are consistent with management's expectations. Recent contract awards include all three lots under the Southern Construction Framework, new awards at the Argent development, King's Cross and the Ram Brewery regeneration development in Wandsworth.

- **Services**

Following contract wins in the highways and utilities businesses in the first-half of the year, second-half volumes in the Services division are expected to increase. These include a £200 million four-year extension of the highways services contract with Northamptonshire County Council and £700 million of wins from the AMP6 cycle.

With revenue expected to be in line with management's expectations and bidding activity forecast at normal levels in the second-half of the year, it is expected that the overall order book will remain stable. Margins within the Services division are expected to continue to move towards 5 per cent. for the full financial year, having expensed the costs of successful contract bids in the six months ended 31 December 2014.

Discussions regarding the sale of the fleet and passenger services business are continuing, with indicative offers received from a number of parties.

- **Corporate**

The Kier Group Services defined benefit pension scheme was closed to future accrual in February 2015. This will lead to an exceptional charge of £6.5 million in the current financial year, as previously disclosed, of which the cash impact is approximately £1 million.

- **Net debt**

The Group's net debt is in line with management's expectations. The Group's average borrowings increased in the third quarter, as planned investment in the mixed tenure-housing business increased in line with the HCA's Affordable Homes funding programme. All units associated with that programme are now complete, with the related HCA grants secured or received. It is therefore anticipated that the Group's net debt will improve in the final quarter of the year.

Mouchel

Revenues for the three months ended 31 December 2014 increased by 38 per cent. compared to the same period in the previous year, as Mouchel continued to benefit from its leading position in the UK strategic highways market. Since the end of the period, Mouchel has continued to experience similar growth and has maintained margins at historic levels. Mouchel's management are confident about the prospects of Mouchel for its current financial year.

At 31 March 2015, Mouchel's order book was £2.8 billion.

- **Integrated Infrastructure Services**

IIS reported an increase in revenue of 52 per cent. for the three months ended 31 December 2014, as compared to the same period in the prior year, and has continued to grow since the end of that period. EM's revenue growth was particularly strong in the six months ended 31 March 2015, increasing almost 100 per cent. compared to the same period last year, benefiting from the impact of the Area 9 and Area 3 Highways England contracts. The Area 9 contract is Mouchel's largest-ever contract, worth £0.9 billion over the initial five-year contract period.

In addition to increased work under existing Highways England contracts, the new Collaborative Delivery Framework was secured in November 2014 and will, in due course, allow EM to participate in larger capital works schemes for Highways England.

MIS reported revenue broadly in line with that achieved in the six months ended 31 March 2014. DM has performed well, reporting significant revenue growth as contracts awarded in the second half of the 2014 financial year flowed through into the 2015 financial year.

- **Mouchel Business Services**

Following a reduction in revenues from lower margin IT pass-through services and property projects, MBS has reported a decline in revenue of 10 per cent. for the three months ended 31 December 2014, as compared to the same period in the prior year. This change in revenue mix has continued since the period end.

Principal Terms of the Rights Issue

Pursuant to the Rights Issue, the Company is proposing to offer 39,646,692 New Shares to Qualifying Shareholders. The offer is to be made at 858p per New Share, payable in full on acceptance by no later than 11.00 a.m. on 2 June 2015. If the Rights Issue were to proceed but Completion does not take place, Kier intends to return substantially all of the net proceeds of the Rights Issue to Shareholders as soon as reasonably practicable. Such a return could carry costs for certain Shareholders and will have costs for the Company. The Rights Issue is expected to raise approximately £330 million, net of expenses. The Issue Price represents a 34.3 per cent. discount to the theoretical ex-rights price based on the closing middle-market price of 1,625p per Share on 27 April 2015 (being the last Business Day before the announcement of the terms of the Rights Issue).

The Rights Issue will be made on the basis of:

5 New Shares at 858p per New Share for every 7 Existing Shares

held by Qualifying Shareholders at the close of business on the Record Date.

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders but will be aggregated and issued into the market for the benefit of the Company. Holdings of Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue is fully underwritten by the Underwriters pursuant to the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in Part XIII of the Prospectus.

The Rights Issue will result in 39,646,692 New Shares being issued (representing approximately 71.4 per cent. of the existing issued share capital and 41.7 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue, assuming that no options under the Sharesave Schemes are exercised between the date of the Prospectus and Admission becoming effective).

The Rights Issue is conditional, *inter alia*, upon:

- the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission;
- Admission becoming effective by not later than 8.00 a.m. on 18 May 2015 (or such later time and date as the Sponsors and the Company may agree); and
- the passing, without material amendment, of the Transaction Resolutions.

Resolutions authorising the allotment of the New Shares and the waiver of pre-emption rights in connection with the Rights Issue are proposed to the Shareholders for approval at the General Meeting. These authorities, if passed, will be relied upon for the purposes of the Rights Issue.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Shares. Application will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Shares (nil paid) will commence at 8.00 a.m. on 18 May 2015.

Dividends and Dividend Policy

On 25 February 2015, the Board announced its intention to pay the Interim Dividend to Shareholders on the register of members on 6 March 2015. On 20 March 2015, the Company issued a circular to Shareholders offering a scrip alternative to the Interim Dividend. As the issue date for the Shares which would be issued under the scrip dividend alternative is after the Record Date, the Board has decided to cancel the scrip dividend alternative (in so far as it relates to the Interim Dividend). The Interim Dividend will be paid in cash on 15 May 2015. The New Shares to be issued pursuant to the Rights Issue will not carry an entitlement to the Interim Dividend.

It is expected that any final dividend of the Enlarged Group for the year ending 30 June 2015 will be proposed at its next annual general meeting and paid in November or December 2015 and that any interim dividend for the year ending 30 June 2016 will be declared in February 2016 and paid in May 2016. Assuming that the Acquisition completes in June 2015, as currently anticipated, the first dividend in relation to the Enlarged Group is expected to be the final dividend for the year ending 30 June 2015.

The Board intends to continue with its progressive dividend policy. The final dividend in respect of the financial year ending 30 June 2015 will be adjusted to take account of the increased number of Shares that will be in issue following completion of the Rights Issue.

Directors' intentions

The Directors are fully supportive of the Rights Issue. Each of the Directors who hold Shares either intends, to the extent that he or she is able, to take up in full his or her rights to subscribe for New Shares under the Rights Issue or to sell a sufficient number of their Nil Paid Rights during the nil paid trading period to meet the costs of taking up the balance of his or her entitlement to New Shares.

Financial Advice

The Board has received financial advice from J.P. Morgan Limited and Numis Securities Limited in relation to the Acquisition. In providing advice to the Board, J.P. Morgan Limited and Numis Securities Limited have relied upon the Board's commercial assessment of the Acquisition.

Recommendation and Voting Intentions

The Board believes the Acquisition and the Resolutions to be in the best interests of Kier and Shareholders as a whole and, accordingly, unanimously recommends that the Shareholders vote in favour of the Resolutions, as the Directors each intend to do in respect of their own legal and beneficial holdings, amounting to 45,089 Existing Shares (representing approximately 0.08 per cent. of the Company's existing issued share capital as at 24 April 2015, being the last practicable date prior to the date of the Prospectus).

Further Information

Further details in relation to the Acquisition and Rights Issue will be set out in the Prospectus which is expected to be published today. Please also refer to the Important Notice at the end of this announcement. Kier Shareholders' attention is drawn, in particular, to the risk factors set out in the Important Notice and which will be described in further detail in the Prospectus.

For further information please contact:

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APPENDIX 1

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and posting of the Prospectus, the Notice of General Meeting and the Form of Proxy	**28 April 2015[2][3]**
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 13 May 2015
Record Date for entitlements under the Rights Issue	**close of business on 13 May 2015**
General Meeting	10.00 a.m. on 15 May 2015
Date of despatch of Provisional Allotment Letters (to Qualifying non-CREST Shareholders only[1])	on or about 15 May 2015
Special Dealing Service open for applications	16 May 2015
Dealings in New Shares, nil paid, commence on the London Stock Exchange	**8.00 a.m. on 18 May 2015**
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	As soon as practicable after 8.00 a.m. on 18 May 2015
Nil Paid Rights and Fully Paid Rights enabled in CREST	As soon as practicable after 8.00 a.m. on 18 May 2015
The Ex-Rights Date	18 May 2015
Latest time and date for receipt of instructions under Share Dealing Service in respect of Cashless Take-up or disposal of Nil Paid Rights	3.00 p.m. on 22 May 2015
Dealings carried out in relation to Cashless Take-up or disposal of Nil Paid Rights under Special Dealing Facility	27 May 2015
Recommended latest time for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form)	4.30 p.m. on 27 May 2015
Settlement of dealings in relation to Cashless Take-up or disposal of Nil-Paid Rights under Special Dealing Facility	28 May 2015
Latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights into a CREST stock account	3.00 p.m. on 28 May 2015
Despatch of cheques in relation to proceeds of disposal of Nil Paid Rights under Special Dealing Facility	29 May 2015
Latest time and date for splitting Provisional Allotment Letters	3.00 p.m. on 29 May 2015
Latest time and date for acceptance in CREST and payment in full and registration of renounced Provisional Allotment Letters	**11.00 a.m. on 2 June 2015**
Expected date of announcement of results of the Rights Issue	3 June 2015
Dealings in the New Shares to commence on the London Stock Exchange fully paid	**8.00 a.m. on 3 June 2015**
New Shares credited to CREST stock accounts (uncertificated holders only[1])	As soon as practicable after 8.00 a.m. on 3 June 2015
Despatch of definitive share certificates for New Shares in certificated form (to Qualifying non-CREST Shareholders only[1])	by no later than 10 June 2015

Notes:

(1) Subject to certain restrictions relating to Overseas Shareholders. See paragraph 2.5 of Part III of the Prospectus.

(2) The times and dates set out in the expected timetable of principal events above and mentioned throughout this announcement and the Prospectus and in the Provisional Allotment Letter may be adjusted by the Company, by announcement through a Regulatory Information Service, in which event details of the new dates will be notified to the Financial Conduct Authority and to the London Stock Exchange and, where appropriate, to Shareholders.

(3) References to times in this announcement and the Prospectus are to London time unless otherwise stated.

APPENDIX 2

DEFINITIONS

Acquisition	the acquisition of Mouchel by Kier Limited, pursuant to the Share Purchase Agreement
Admission	admission of the New Shares, nil paid, to (a) the Official List and (b) trading on the London Stock Exchange's main market for listed securities
AMP	Asset Management Plan
Articles or **Articles of Association**	the articles of association of the Company which are described in paragraph 4 of Part XIII of the Prospectus
Banks	J.P. Morgan Limited, J.P. Morgan Securities plc and Numis Securities Limited
Board	the board of directors, from time to time, of the Company
Business Day	a day (other than a Saturday or Sunday) on which banks are open for general business in London
Capita Asset Services	a trading name of (i) Capita Registrars Limited acting as Registrar and Receiving Agent to the Company and (ii) Capita IRG Trustees Limited, which is making available the Special Dealing Service
Cashless Take-up	the sale of such number of Nil Paid Rights as will generate sufficient sale proceeds to enable the direct or indirect holder thereof to take up all of their remaining Nil Paid Rights (or entitlements thereto)
certificated or **in certificated form**	a share or other security which is not in uncertificated form (that is, not in CREST)
Chairman	the chairman of the Company
Company or **Kier**	Kier Group plc, a public limited company incorporated under the laws of England and Wales
Completion	the closing of the Acquisition pursuant to the Share Purchase Agreement
Completion Date	the date of Completion, expected to be on or around 15 June 2015
CREST	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in listed securities in the United Kingdom, of which Euroclear is the operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI

	2001/3755)
DM or DownerMouchel	Mouchel's joint venture with Downer in Australia
Directors or **Board**	the Executive Directors and Non-Executive Directors as at the date of the Prospectus
Disclosure and Transparency Rules	the Disclosure Rules and Transparency Rules of the Financial Conduct Authority
EEA	the European Economic Area
EM	EM Highway Services, formerly EnterpriseMouchel
Enlarged Group	the Group following the Acquisition
Euroclear	Euroclear & Ireland Limited
Excluded Territories	the Commonwealth of Australia, its territories and possessions, each province and territory of Canada, Japan and the Republic of South Africa and any other jurisdiction where the extension into or availability of the Rights Issue would breach any applicable law
Executive Directors	the executive directors of the Company as at the date of the Prospectus
Existing Shares	the Shares in issue immediately preceding the issue of the New Shares
Ex-Rights Date	18 May 2015
Extended Long Stop Date	the date to which the Long Stop Date may be extended under the Share Purchase Agreement
Financial Conduct Authority or **FCA**	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
Form of Proxy	the form of proxy enclosed with the Prospectus for use in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended
Fully Paid Rights	rights to acquire New Shares, fully paid
General Meeting	the general meeting of the Company to be held at 10.00 a.m. on 15 May 2015 at the offices of Linklaters LLP at One Silk Street, London, EC2Y 8HQ, notice of which is set out in the Prospectus
Group	the Company and its subsidiary undertakings and, where the context requires, its associated undertakings
HCA	Homes and Communities Agency
Highways England	UK governmental agency that is responsible for managing the core road network of England. Successor agency to the Highways Agency.

IIS	Integrated Infrastructure Services
Interim Dividend	the interim dividend for the six months ended 31 December 2014 to be paid on 15 May 2015
Issue Price	858p
Joint Bookrunners	J.P. Morgan Securities plc and Numis Securities Limited
Joint Sponsors	J.P. Morgan Securities plc and Numis Securities Limited
J.P Morgan Cazenove	J.P. Morgan Securities plc in its capacity as Joint Sponsor, Joint Bookrunner and Joint Broker or J.P. Morgan Limited in its capacity as Joint Financial Adviser, as the context requires
Listing Rules	the listing rules of the Financial Conduct Authority
London Stock Exchange	London Stock Exchange plc
Long Stop Date	the long stop date under the Share Purchase Agreement, being 28 June 2015
May Gurney	May Gurney Integrated Services PLC
MBS	Mouchel Business Services
MIS	Mouchel Infrastructure Services
Mouchel	MRBL or the Mouchel Group, as the context requires
Mouchel Group	MRBL and its subsidiaries
Mouchel Investor Sellers	Barclays Converted Investments Limited, Globe Nominees Limited, Uberior Equity Limited, SIG 1 Holdings Limited
Mouchel Management Sellers	certain members of Mouchel's management who hold Mouchel Shares
Mouchel Sellers	the Mouchel Investor Sellers, the Mouchel Management Sellers and the Mouchel Trustee
Mouchel Shares	ordinary shares of 0.0001p each in the capital of MRBL
Mouchel Trustee	Sanne Fiduciary Services Limited
MRBL	MRBL Limited
New Shares	the 39,646,692 new Shares which the Company will allot and issue pursuant to the Rights Issue
NHS	the National Health Service
Nil Paid Rights	rights to acquire New Shares, nil paid
Non-Executive Directors	the non-executive directors of the Company as at the date of the Prospectus
Notice of General Meeting	the notice of General Meeting set out in the Prospectus
Numis	Numis Securities Limited
Official List	the Official List of the FCA
Overseas Shareholders	Qualifying Shareholders with registered addresses in, or who are citizens, residents or nationals, of jurisdictions

	outside of the United Kingdom
PRA	Prudential Regulation Authority
Prospectus	the prospectus and circular issued by the Company in respect of the Rights Issue, together with any supplements or amendments thereto
Prospectus Rules	the Prospectus Rules of the Financial Conduct Authority
Provisional Allotment Letter	the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders)
QIB	"qualified institutional buyers" within the meaning of Rule 144A under the Securities Act
Qualifying CREST Shareholders	Qualifying Shareholders holding Shares in uncertificated form
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Shares in certificated form
Qualifying Shareholders	Shareholders on the register of members of the Company at the Record Date
Receiving Agent	Capita Asset Services
Record Date	close of business on 13 May 2015
Registrar	Capita Asset Services
Resolutions	the resolutions to be proposed at the General Meeting in connection with the Acquisition and the Rights Issue
Rights Issue	the offer by way of rights to Qualifying Shareholders to subscribe for New Shares, on the terms and conditions set out in the Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter
RIS	the UK government's Road Investment Strategy
ROCE	pre-tax return on capital employed
Securities Act	the U.S. Securities Act of 1933, as amended
Share	an ordinary share of 1p each in the capital of the Company having the rights set out in the articles of association of the Company
Shareholders	holders of Shares
Share Purchase Agreement	the agreement entered into between and among the Company, Kier Limited and the Mouchel Sellers on 28 April 2015
Sharesave Schemes	the Kier Group 2006 Sharesave Scheme, the May Gurney Integrated Services PLC Savings Related Share Option Scheme 2007 and the May Gurney Integrated Services PLC Unapproved Share Option Scheme
Special Dealing Service	the dealing service being made available by Capita Asset Services to Qualifying Non-CREST Shareholders who are individuals with a registered address in the UK or any

other jurisdiction within the EEA who wish to sell all of their Nil Paid Rights or to effect a Cashless Take-up

Special Dealing Service Terms and Conditions	the terms and conditions of the Special Dealing Service
Transaction Resolutions	resolutions 1, 2, 3 and 5 to be proposed at the General Meeting
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland
uncertificated or **in uncertificated form**	recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Underwriters	J.P. Morgan Securities plc and Numis
Underwriting Agreement	the underwriting agreement described in paragraph 15.1 of Part XIII of the Prospectus
United States or **U.S.**	the United States of America, its territories and possessions, any state of the United States and the District of Columbia

IMPORTANT NOTICE

Unless otherwise defined herein, the defined terms set out in Part XV of the Prospectus apply in this announcement. This announcement has been issued by and is the sole responsibility of Kier Group plc.

This announcement is not a prospectus but an advertisement and investors should not acquire any Nil Paid Rights, Fully Paid Rights or New Shares referred to in this announcement except on the basis of the information contained in the Prospectus. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement cannot be relied upon for any investment contract or decision. The information in this announcement is subject to change.

A copy of the Prospectus when published will be available from the registered office of Kier and on Kier's website at www.kier.co.uk provided that the Prospectus will not, subject to certain exceptions, be available (whether through the website or otherwise) to Kier Shareholders in the Excluded Territories or (subject to certain exceptions) the United States.

Neither the content of Kier's website nor any website accessible by hyperlinks on Kier's website is incorporated in, or forms part of, this announcement. The Prospectus will give further details of the Nil Paid Rights, the Fully Paid Rights and the New Shares being offered pursuant to the Rights Issue.

This announcement is for information purposes only and is not intended to and does not constitute or form part of any offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, Nil Paid Rights, Fully Paid Rights or New Shares or to take up any entitlements to Nil Paid Rights in any jurisdiction in which such an offer or solicitation is unlawful. The information contained in this announcement is not for release, publication or distribution to persons in any of the Excluded Territories or the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

This announcement does not constitute, or form part of, an offer to sell or the solicitation of an offer to purchase or subscribe for any Company securities in any of the Excluded Territories or the United States. The Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights and the New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

There will be no public offering of the Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights or the New Shares in any of the Excluded Territories or the United States.

The distribution of this announcement into jurisdictions other than the United Kingdom may be restricted by law, and, therefore, persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction. In particular, subject to certain exceptions, this announcement, the Prospectus and the Provisional Allotment Letter should not be distributed, forwarded to or transmitted in any of the Excluded Territories or the United States.

This announcement does not constitute a recommendation concerning the Rights Issue. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each Shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

J.P. Morgan Securities plc, which is authorised in the United Kingdom by the Prudential Regulatory Authority and regulated by the Prudential Regulatory Authority and the FCA in the United Kingdom, and J.P. Morgan Limited and Numis Securities Limited, which are each authorised and regulated in the United Kingdom by the FCA, are each acting exclusively for the Company and no one else in connection with the Acquisition, the Rights Issue and Admission, will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Acquisition, the Rights Issue or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for providing advice, in relation to the Acquisition, the Rights Issue, Admission or any other transaction or arrangement referred to herein.

None of the Banks accept any responsibility whatsoever for the contents of this announcement or the Prospectus, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letter, the New Shares, the Rights Issue or the Acquisition. The Banks accordingly disclaim all and any liability to the fullest extent permitted by law, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this announcement or the Prospectus or any such statement.

The Underwriters may, in accordance with applicable laws and regulations and the terms of the Underwriting Agreement, engage in transactions in relation to the Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights, the New Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Except as required by applicable laws or regulations, the Underwriters do not propose to make any public disclosure in relation to such transactions.

RISKS

Risks relating to the business and industry in which Kier and Mouchel operate, and in which the Enlarged Group will operate

- Historically, Kier and Mouchel have derived a substantial proportion of their respective revenues from contracts with the UK government, its agencies and other public sector bodies, particularly, in the case of Mouchel, Highways England, which accounted for approximately 34 per cent. of Mouchel’s revenue for the financial year ended 30 September 2014 (such figure being expected to increase in the financial year ending 30 September 2015) and local authorities, with which Mouchel has business process outsourcing, property management and highways maintenance contracts. The loss, expiration, suspension, cancellation or termination of any one of these contracts for any reason, could have a material adverse effect on Kier’s, Mouchel’s and the Enlarged Group’s business, financial condition and results of operations.
- Kier and Mouchel each derive the majority of their revenues from the United Kingdom and this will continue to be the case for the Enlarged Group following the Acquisition. The Enlarged Group will, therefore, continue to be exposed to the impact of global and local economic conditions affecting the United Kingdom and may be adversely affected if the United Kingdom’s economy deteriorates. Kier has operations in the Middle East, the Caribbean and Hong Kong and Mouchel has operations in the Middle East and Australia. These operations are affected by political and economic developments in these geographic regions.
- Kier and Mouchel operate in highly competitive markets in which contractors, service providers and suppliers compete for new work through a process of competitive tendering or bilateral negotiation. A failure by Kier, Mouchel or the Enlarged Group to compete effectively

could have a material adverse effect on their business, financial condition and results of operations.

- Certain of Kier's, Mouchel's and the Enlarged Group's operations are dependent on national and local government policies with regard to maintaining and improving public infrastructure and buildings and outsourcing services to the private sector. A change in a national or local governing party, such as could occur in the forthcoming general election in the United Kingdom, could also result in changes in national and local government policies or priorities and/ or a reduction, delay or cancellation of investment in funding of public sector projects.
- Kier and Mouchel each carry out several hundred contracts annually, and the work for which they tender is often complex and long-term, with significant associated risks. If Kier, Mouchel or the Enlarged Group do not adequately price risks or are unable accurately to assess or estimate accurately the revenues or costs on a particular contract, then profits may be lower than anticipated, or a loss may be incurred on such contract. If risks are over-priced, Kier, Mouchel or the Enlarged Group may be unsuccessful in securing new contract awards, resulting in an adverse impact on future order books. Cost overruns can result in a lower profit or a loss on a contract.
- Both Kier and Mouchel bid for contracts with joint venture partners and have entered into joint arrangements, including project specific joint ventures. Joint ventures are subject to inherent risks, such as joint venture partners adopting differing approaches to the conduct of business, which may result in delayed decision-making, a failure to agree on material issues or the joint venture not performing in line with expectations. Additionally, some of Mouchel's existing joint venture agreements contain change of control provisions which could be triggered by the Acquisition, thus allowing Mouchel's current joint venture partners to unilaterally exit the joint venture.
- Kier's and Mouchel's businesses are labour intensive and any increase in labour costs, in particular in the United Kingdom, where the majority of the Enlarged Group's employees will be located, could adversely affect the Enlarged Group's business, financial condition and results of operations.
- Kier and Mouchel operate defined benefit pension schemes, which require careful judgement in determining the assumptions for future salary and pension increases for those plans that are not frozen, discount rates, inflation, investment return and participants' life expectancy. A prolonged period of poor asset returns, imbalances between bond and interest rates and/or unexpected increases in plan participants' life expectancy could require increases in the level of additional cash contributions to defined benefit schemes, which may constrain Kier's, Mouchel's or the Enlarged Group's ability to invest in capital expenditures or adversely affect the Enlarged Group's cash flows, thereby adversely affecting future growth and profitability.

Risks relating to the Acquisition

- The Acquisition is subject to a number of conditions which may not be satisfied or waived.
- The Enlarged Group may not realise the expected benefits and synergies from the Acquisition or may encounter difficulties or higher costs in achieving those expected benefits and synergies.
- In the event that there is an adverse event affecting the value of Mouchel or the value of the Mouchel business declines prior to Completion, the value of the Mouchel business purchased by the Group may be less than the consideration agreed to be paid by Kier, and as a result the net assets of the Enlarged Group could be reduced.
- The integration process following the completion of the Acquisition may be complex. Successful integration will require a significant amount of management time and thus may

affect or impair the ability of the management team of the Enlarged Group to run the business effectively during the period of implementation.

Risks relating to the Rights Issue

- The market price of the Nil Paid Rights, the Fully Paid Rights and/ or the Shares could be subject to significant fluctuations.
- A trading market for the New Shares, the Nil Paid Rights or the Fully Paid Rights may not develop upon or following Admission.
- Shareholders who do not take up their Nil Paid Rights or otherwise acquire New Shares may not receive compensation for their Nil Paid Rights and may be subject to a dilution of ownership of their Shares upon the issue of the New Shares.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this announcement that are not historical facts are "forward looking" statements within the meaning of section 27A of the Securities Act. These forward looking statements are subject to a number of risks and uncertainties, many of which are beyond Kier's control and all of which are based on the Directors' current beliefs and expectations about future events. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of Kier concerning, among other things:

(a) Kier's objectives, acquisition and financing strategies, target return, results of operations, financial condition, prospects, capital appreciation of the Ordinary Shares and dividends;

(b) trends in the sectors in which Kier intends to invest; and

(c) anticipated financial and other benefits resulting from the Acquisition, and Kier's plans and objectives following the Acquisition.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. Kier's actual performance, results of operations, internal rate of return, financial condition, distributions to Kier Shareholders and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this announcement. In addition, even if Kier's actual performance, results of operations, internal rate of return, financial condition, distributions to Kier Shareholders and the development of its financing strategies are consistent with the forward looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

The list of risks set out in the section "RISKS" above is not exhaustive and there are other factors that may cause the Group's actual results to differ materially from the forward looking statements contained in this announcement.

Forward looking statements contained in this announcement apply only as at the date of this announcement. To the extent required by the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules and other applicable regulations, Kier will update or revise the information in this announcement. Otherwise, Kier undertakes no obligation publicly to update or revise any forward looking statement, whether as a result of new information, future developments or otherwise.