



**Kier Group plc**  
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8 April 2016

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** When considering what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in Kier Group plc, please send this document together with any relevant accompanying documents, to the person to whom you sold or transferred your ordinary shares or to the bank, stockbroker or other agent who arranged the sale or transfer for you.

Dear Shareholder

## **Kier Group plc Scrip Dividend Programme**

On 17 March 2016, the directors announced the interim results of Kier Group plc (the "Company") for the six months ended 31 December 2015. The interim results are available to view and download on the Company's website at [www.kier.co.uk/investor-relations/reports-and-presentations/2016](http://www.kier.co.uk/investor-relations/reports-and-presentations/2016).

The directors have again decided to offer holders of ordinary shares of 1p each in the capital of the Company ("Shares") the opportunity to receive further Shares instead of cash in respect of the proposed interim dividend of 21.5p (net) per Share for the six months ended 31 December 2015. The scrip dividend programme (the "Programme") enables holders of Shares ("Shareholders") to increase their holding in the Company without incurring dealing costs or stamp duty.

Shareholders who elect to participate in the Programme will receive one new Share ("New Share") for every 60 Shares registered in their name at the close of business on 29 March 2016. This entitlement has been determined on the basis of the interim dividend of 21.5p (net) per Share and a price of 1,290.0p per each New Share, being the average of the closing middle market share price from the London Stock Exchange Daily Official List from 24 March 2016 to 1 April 2016 (inclusive), being the first five dealing days on which the Shares were quoted ex-dividend.

Fractional entitlements to New Shares will be rounded down and any residual cash balance will be paid to Shareholders. If you make an election on only part of your shareholding, you will receive the cash dividend in respect of any balance of Shares for which no election is made.

If no Shareholder elects for the scrip dividend alternative and the entire dividend is paid in cash, it would result in a total of £20,640,847 (net) being paid out by the Company. If the scrip dividend alternative were to be taken up in full, it would result in the allotment of a maximum of 1,600,065 New Shares (ignoring fractions), representing approximately 1.7% of the Company's issued share capital as at the date of this circular.

Continued overleaf

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Registered in England No. 2708030  
Registered Office: Tempsford Hall, Sandy,  
Bedfordshire, SG19 2BD United Kingdom

### **Terms and conditions**

In common with a number of companies, the terms and conditions of the Programme (the “Terms and Conditions”) will be published on the Company’s website at [www.kier.co.uk/scrip](http://www.kier.co.uk/scrip). Please refer to the Terms and Conditions for further information about the Programme and instructions on how to participate. In all material respects the Terms and Conditions are the same as those previously provided to Shareholders in relation to previous scrip dividends and reflect changes to tax legislation contained in the Finance Bill 2016, as published on 24 March 2016, which took effect from 6 April 2016.

### **Scrip dividend mandate scheme**

Shareholders who wish to elect for New Shares rather than the cash dividend on all occasions that a scrip dividend is offered may like to consider the Scrip Dividend Mandate Scheme, details of which are set out in the Terms and Conditions.

### **Interim dividend timetable**

A timetable in respect of the interim dividend for the six months ended 31 December 2015 is as follows:

Thursday, 24 March 2016	Shares quoted ex-dividend
Tuesday, 29 March 2016	Record date for the interim dividend
Friday, 8 April 2016	Mailing of scrip dividend documentation
Friday, 29 April 2016 - 5.00 p.m.	Election date - the time and day for the Registrars to have received completed forms and CREST elections
Thursday, 19 May 2016	Mailing of dividend cheques and share certificates
Friday, 20 May 2016	Dividend payment date and dealings commence
Friday, 20 May 2016	CREST accounts credited with New Shares

### **Action to be taken**

If you have previously given instructions under the Scrip Dividend Mandate Scheme and have not revoked them, an Entitlement Advice showing your entitlement to new Shares is enclosed with this circular. The Entitlement Advice describes the action you should take if you do not wish to be issued with New Shares instead of cash in respect of the interim dividend for the six months ended 31 December 2015.

If you have not previously given instructions under the Scrip Dividend Mandate Scheme, a Form of Election showing your scrip dividend entitlement and enabling you to elect for the Scrip Dividend Mandate Scheme for any future dividends is enclosed with this circular.

The options available to you (all of which assume that you have not previously elected to participate in the Scrip Dividend Mandate Scheme) are:

**1. To receive this dividend entirely in cash:**

- Take no action in respect of the Form of Election; and
- You will receive your dividend in cash in the normal way.

**2. To receive your maximum entitlement to New Shares for this dividend only:**

- Read carefully the Terms and Conditions; and
- Complete, sign and date the Form of Election and return it to Capita in the envelope provided.

**3. To receive your full entitlement to New Shares for this and any future scrip dividend offer:**

- Read carefully the Terms and Conditions, which detail the Scrip Dividend Mandate Scheme;
- Mark Box 6 on the Form of Election with an 'X'; and
- Complete, sign and date the Form of Election and return it to Capita in the envelope provided.

**4. To receive this dividend in a combination of New Shares and cash:**

- Read carefully the Terms and Conditions;
- Insert in Box 5 on the Form of Election the number of Shares in respect of which you wish to receive New Shares instead of the cash dividend, the number inserted must be a multiple of 60; and
- Complete, sign and date the Form of Election and return it to Capita in the envelope provided.

**To participate in the Programme, all Forms of Election must be received by Capita by no later than 5.00 p.m. on Friday, 29 April 2016.**

No acknowledgement of receipt of your Form of Election will be given. If your Form of Election is not received by Capita by 5.00 p.m. on Friday, 29 April 2016, you will receive the interim dividend in cash.

Shareholders holding Shares via CREST should refer to the Terms and Conditions for instructions on action to be taken. If CREST Shareholders wish to receive the interim dividend entirely in cash, no action is required.

If you have any questions, please contact Capita Asset Services on 0371 664 0321 (calls are charged at the standard geographic rate and will vary by provider). Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours sincerely

**H E E Raven**  
**Company Secretary**