

Rule 2.6(d) announcement

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION

THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, OR, IF MADE, AS TO ITS TERMS

27 March 2013

Possible acquisition of May Gurney Integrated Services PLC by Kier Group plc

Kier Group plc ("Kier") notes the announcement regarding the proposed merger of May Gurney Integrated Services PLC ("May Gurney") with Costain Group PLC.

Kier holds May Gurney in high regard and views it as a good quality support services business with a range of services which complements Kier's existing offering. Kier believes that a combination of Kier and May Gurney would create significant value for shareholders, establishing a market-leading and well-balanced business. The enlarged group would offer an unrivalled range of services to Local Authorities as well as providing Kier with greater access to the regulated sector.

To that end, Kier has made previous attempts to discuss a potential combination with May Gurney and has been monitoring the business' recent performance. In light of the announcement, Kier is considering its options.

A further announcement will be made if and when appropriate. There can be no certainty that an offer will be made.

Enquiries

Kier Paul Sheffield Haydn Mursell	+44 (0)1767 355 800
J.P. Morgan Cazenove (financial adviser and broker to Kier) Andrew Truscott Christopher Dickinson	+44 (0) 20 7588 2828
Numis Securities (financial adviser and broker to Kier) Heraclis Economides Christopher Wilkinson	+44 (0) 20 7260 1000
RLM Finsbury (PR adviser to Kier) Faeth Birch	+44 (0) 207 251 3801

J.P. Morgan Limited, which conducts its UK investment banking businesses as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised and regulated in the United Kingdom by the FSA. J.P. Morgan

Cazenove is acting as Corporate Broker and Financial Adviser to Kier and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Kier for providing the protections afforded to clients of J.P. Morgan Cazenove, nor for providing advice in relation to any matter referred to herein.

Numis Securities Limited, which is authorised and regulated by the Financial Services Authority, is acting for Kier and for no-one else in connection with the contents of this document and will not be responsible to anyone other than Kier for providing the protections afforded to clients of Numis Securities Limited, or for providing advice in relation to the contents of this document or any matters referred to herein.

Rule 2.10 Requirement

In accordance with Rule 2.10 of the City Code, Kier confirms that as at the date of this announcement, it has in issue 39,810,114 ordinary shares of 1p each (excluding ordinary shares held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB0004915632.

Disclosure requirements of the City Code on Takeovers and Mergers (the “Code”)

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Publication on Website

A copy of this announcement will be made available on Kier's website at www.kier.co.uk by no later than 12 noon (London time) on 28th March 2013. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

You may request a hard copy of this announcement by contacting Hugh Raven on +44 (0)1767 355 820 . You may also request that all future documents, announcements and information to be sent to you in relation to the offer should be in hard copy form.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities. This announcement has been prepared in accordance with English law and the Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to May Gurney shareholders who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or May Gurney shareholders who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements.

Unless otherwise determined by Kier or required by the Code and permitted by applicable law and regulation, copies of this announcement are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any jurisdiction where it would be unlawful to do so and persons receiving this announcement must not mail or otherwise forward, distribute or send it in, into or from such jurisdictions. Any person who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or any other related document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.