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Key messages

- Proposed acquisition of Mouchel
  - Positions Kier as the sector leader in the growing UK highways management and maintenance market
  - Acquisition consistent with Kier’s Vision 2020 strategy

- Cash consideration of £265m for the equity with the Acquisition funded through a fully underwritten rights issue of £340m
  - Kier to assume Mouchel’s net debt of £39.5m and pension deficit of £44.6m as at 30 Sept 2014
  - The proceeds from the Rights Issue will also be used to pay the transaction costs and expenses of approximately £20 million, and integration costs of approximately £17 million
  - Rights Issue will be made on the basis of 5 New Shares at 858p per New Share for every 7 Existing Shares

- Strong financial rationale
  - Anticipated cost synergies of £10m p.a. in Y/E 30 June 2017
  - Expected to be materially earnings enhancing in the first full year of ownership (Y/E 30 June 2016)
  - Targeted to deliver 15% pre-tax ROCE in Y/E 30 June 2017
  - Enlarged order book of £9.3bn¹

¹Kier’s order book of £6.5bn as at 31 March 2015 plus Mouchel’s order book of £2.8bn as at 31 March 2015
Overview and Strategic Rationale
Haydn Mursell – CEO
Overview of Mouchel

**Mouchel Group**

- Core areas: BPO (Business Process Outsourcing) & property management services
- Top 3 provider
- Sectors: Local authority, blue light, education, NHS
- UK only

**Mouchel Business Services (MBS)**

- Core areas: BPO (Business Process Outsourcing) & property management services
- Top 3 provider
- Sectors: Local authority, blue light, education, NHS
- UK only

**Integrated Infrastructure Services (IIS)**

- Core business: Services to the highways and transportation sector
- Operates in UK, Middle East, Australia

**EM Highway Services (EM)**

- Integrated highways management & maintenance services
- No. 1 in UK strategic highways market
- Operates Highways England Areas 1, 3, 9 and 13 and Transport for London road network in the south of London

**Mouchel Infrastructure Services (MIS)**

- Infrastructure engineering & asset management consultancy
- Sectors: Highways, water, maritime, energy
- Predominantly UK; plus Middle East

**DownerMouchel (DM)**

- JV with Downer delivering integrated highways management & maintenance services
- No. 1 in Australian market
- 7 contracts

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1 Including £20.2m share of joint ventures
2 Underlying figures, including £1.0m profit from joint ventures and after £10.6m of corporate costs
3 £8.4m of Group IT support costs are reported against MBS but also materially benefit IIS. Divisional EBIT for MBS, IIS and JVs exclude corporate costs
4 Mouchel Management Accounts: headcount at 31 March 2015
Mouchel: a successful turnaround post-2012 restructuring

- Materially improved margins
  - Increased contribution forecast from higher-margin IIS division
  - Strong control over corporate overheads
  - Exited or renegotiated loss-making contracts and / or took provisions for onerous contracts
  - Bid and contract start-up costs now expensed

- Rationalised business
  - New executive management team with turnaround experience
  - 14 divisions cut to 4; renewed focus on core strengths
  - Total headcount significantly reduced

- Strong operational and financial performance
  - Acquisition of outstanding 50% of EM Highway Services in February 2013
  - Awarded Area 3 (£800m) and Area 9 (£900m) Highways England contracts
  - Successful development of Downer JV in Australia
  - Net debt / EBITDA less than 1x
  - Working capital well controlled
  - Blue chip contract portfolio
  - Strong forward order book visibility and healthy pipeline
Compelling strategic rationale

- Creates a sector leader in the growing UK highways management and maintenance market
  - Combines Mouchel’s leading position in strategic roads with Kier’s strengths in the local authority roads market
  - Provides access to Highways England as a strategic partner to complement Kier’s capital works relationship
  - Accelerates Kier’s infrastructure strategy allowing greater focus on wider transportation opportunities
- Development of an integrated capability in the highways and utilities sectors
  - Provides complementary design and consultancy capabilities
  - Access to leading technology solutions
- Further enhancement of Kier’s service offering in local authority markets
  - Addition of scale to FM and BPO services
- Expanded international presence
  - Australian highways business is the market leader
  - Middle East activity presents opportunities to cross-sell across combined client base
The enlarged group

### Revenue FY14
- **Mouchel**: £617m
- **Kier**: £2,954m

### Underlying Operating Profit FY14
- **Mouchel**: £27.7m
- **Kier**: £88.0m

### Total Revenue FY14
- **Mouchel**: £1,590m
- **Kier**: £1,721m
- **Combined**: £3,571m

### Total Operating Profit FY14
- **Mouchel**: £8.4m
- **Kier**: £21m
- **Combined**: £115.7m

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Source: Kier Full Year Results for the Y/E 30 June 2014 and Mouchel Full Year Results for the Y/E 30 September 2014

1 Including £20.2m share of joint ventures
2 Includes corporate overheads of £20m
3 Underlying figures, including £1m profit from joint ventures and after £10.6m of corporate costs
4 £8.4m of Group IT support costs are reported against MBS but also materially benefit IIS. Divisional EBIT for MBS, IIS and JVs exclude corporate costs
Enlarged order book £9.3bn, contracted beyond 2020

- **Kier (£6.5bn)**
  - Construction: £2.7bn (42%)
  - Services: £3.8bn (58%)

- **Mouchel (£2.8bn)**
  - MBS: £0.3bn (9%)

- **Combined (£9.3bn)**
  - Construction: £2.7bn (29%)
  - Services: £9.6bn (71%)

Combined order book ¹

¹ Normalised to Kier financial years using June YE
Mouchel in detail
Haydn Mursell – CEO
Creating a leadership position in UK Highways

- Total annual spend on UK highways is c.£13bn\(^1\), of which c.£7bn is maintenance
  - The Strategic road network accounts for c.2% of total network but accounts for c.23% of roads expenditure
- With Mouchel, Kier becomes No. 1 player in the combined strategic and local UK highways market
- Mouchel’s strong reputation and track record with the Highways Agency, now Highways England
- Unparalleled opportunity to work as the client’s strategic partner with Mouchel’s complementary design capability and intelligent transport systems

**Share of total UK Highways maintenance expenditure**

Annual maintenance expenditure £6.9bn p.a.

- Other competitors: 35%
- Mouchel: 4%
- Kier: 4%
- Not-outsourced: 57%

**Share of Highways England maintenance expenditure**

2014 £623m p.a., excluding Area 5, M25 DBFO

- Mouchel: 50%
- Skanska: 11%
- A-one+: 18%
- Balfour Beatty / Mott MacDonald: 12%
- Amey: 9%
- Other: 35%

\(^1\) Comprises the total annual expenditure by local authorities, Highways England, Transport for London and Transport Scotland on the management, maintenance and improvement of their respective road networks

Source: Credo
A market which is growing, especially in strategic roads

- With Mouchel, Kier enters the strategic highways maintenance market and unlocks significant access to capex investment, thanks to Mouchel’s relationships and existing design capabilities
- A new Roads Investment Strategy (RIS) provides 5 year funding visibility
- The RIS will be delivered through Highways England, which is independent of Government
- The Act which established Highways England and the RIS was passed in February 2015 with cross party support
- Funding:
  - RIS sets out planned spend on strategic roads from 2015/16 to 2020/21 at c.£21bn, of which £17bn has been set in the First Regulatory Road Period (“RP1”) which runs from 2015/16 to 2019/20 (as below)
  - By 2019/20 total expenditure on strategic roads in RP1 will be £4.1bn p.a., which is more than double the 2012/13 level

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex (Delivery Plan funding)</th>
<th>Opex (Delivery Plan &amp; CSR funding)</th>
<th>Minor Capex works</th>
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<tr>
<td>2015/16</td>
<td>2,854</td>
<td>1,072</td>
<td>1,782</td>
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<tr>
<td>2016/17</td>
<td>2,903</td>
<td>1,076</td>
<td>1,827</td>
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<tr>
<td>2017/18</td>
<td>3,321</td>
<td>1,080</td>
<td>2,241</td>
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<tr>
<td>2018/19</td>
<td>3,640</td>
<td>1,113</td>
<td>2,527</td>
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<td>2019/20</td>
<td>4,075</td>
<td>1,101</td>
<td>2,974</td>
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</table>

Source: Highways England Delivery Plan

Note: Highways England Delivery Plan confirms capex and opex funding. Additional CSR funding from 2017 will be confirmed in the next Spending Review
The enlarged UK highways business would have a national footprint

- Kier and Mouchel’s highways businesses are geographically complementary
- Working for:
  - Highways England (strategic roads)
  - Transport for London & London Boroughs (London roads and street lights)
  - County and unitary authorities (Local Authority roads)
- Together covering approximately 44,000km of roads and 28% of the strategic road network
- Rated as the top “Key Supplier” out of 21 companies for alignment with Highways England strategy\(^1\) (see below)
- Mouchel’s Area 3 contract is the highest performing Area contract\(^2\)

\(^1\)Strategic Alignment Review Tool (StART) – December 2014 assessment
Mouchel Infrastructure Services (MIS): providing a complete set of highways capabilities from the combined business

- Integrated capability: design, build, maintain and operate
- Strong technology led solutions
  - Operates the Highways England National Traffic Information Services in a JV with Thales
  - Implementation and maintenance of Highways England technical database
  - Active traffic management systems
  - Parking enforcement systems
- The highways design and management business complements Kier’s infrastructure construction activities, providing combined capability across larger infrastructure projects

<table>
<thead>
<tr>
<th>Complementary capabilities</th>
<th>Common water utility clients, but stronger combined capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mouchel Kier</td>
<td>Design Planning &amp; Consultancy, Contract Mgmt, Highways Mgmt, Operations / Construction</td>
</tr>
<tr>
<td>Strategic Highways</td>
<td>● ● ● ● ● ● ● ●</td>
</tr>
<tr>
<td>Local Highways</td>
<td>● ● ● ● ● ●</td>
</tr>
</tbody>
</table>

![Diagram showing complementary capabilities and common water utility clients with stronger combined capabilities]
Complementary activities in the Middle East

- A £19m (FY14) revenue business employing 300 people
- Provides:
  - Infrastructure Solutions (planning, design and construction supervision services)
  - Transport Solutions (asset management and maintenance supervision services)
- Kier’s Middle East business plan has a focus on infrastructure, complemented by Mouchel’s capabilities
- Complementary geographies:
  - Kier operates in the UAE and Saudi Arabia
  - Mouchel operates in Saudi Arabia, Kuwait and UAE

<table>
<thead>
<tr>
<th>Country</th>
<th>Infrastructure spend</th>
<th>Period of spend</th>
<th>Comment</th>
</tr>
</thead>
</table>

1 Source: Financial Times, Kuwait Times, Samba United Arab Emirates Outlook 2014-15, and others
A market leader in Australian highways

- Australia has an improving roads maintenance market; DM business is growing and profitable
- A JV established in 2008 with Downer, an Australian infrastructure business
- Focused on integrated highway management and maintenance
- DM has seven contracts and is the market leader, operating primarily in the strategic state highways market
- Mouchel's highways model is exportable

Road maintenance spend is c.A$6.5bn p.a., of which A$3.0bn is outsourced
- Overall spend is expected to grow at 2.5% p.a. from 2016; with outsourcing spend growing at 5.7% p.a.
Mouchel Business Services (MBS) will enhance Kier’s service offering to the local authority market

- MBS offers a range of Business Process Outsourcing (BPO) and property management services to the local authority market, as well as the police, health and education sectors.

- The local authority BPO market (excl. property services) is valued at c. £1.9bn p.a.¹

- Long term relationships with local authority clients
  - Adding scale to FM and BPO services
  - Providing a broader client base for cross-sell opportunities

¹ Source: Credo
Financials and transaction structure

Bev Dew – CFO
EM Highway Services has driven revenue growth and margin enhancement in 2014

<table>
<thead>
<tr>
<th>Period to 30 September (£m)</th>
<th>2014</th>
<th>2013</th>
<th>2012¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Infrastructure Services</td>
<td>470.9</td>
<td>387.9</td>
<td>372.6</td>
</tr>
<tr>
<td>Mouchel Business Services</td>
<td>145.7</td>
<td>167.4</td>
<td>248.0</td>
</tr>
<tr>
<td>less share of Joint ventures</td>
<td>(20.2)</td>
<td>(60.6)</td>
<td>(161.6)</td>
</tr>
<tr>
<td><strong>Group revenue</strong></td>
<td><strong>596.4</strong></td>
<td><strong>494.7</strong></td>
<td><strong>459.0</strong></td>
</tr>
<tr>
<td>Growth (%)</td>
<td>20.6%</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>Integrated Infrastructure Services</td>
<td>35.8</td>
<td>7.6%</td>
<td>28.0</td>
</tr>
<tr>
<td>Mouchel Business Services</td>
<td>2.5</td>
<td>1.7%</td>
<td>5.4</td>
</tr>
<tr>
<td>Corporate costs</td>
<td>(10.6)</td>
<td>(9.5)</td>
<td>(6.6)</td>
</tr>
<tr>
<td><strong>Underlying operating profit (inc. JVs)</strong></td>
<td><strong>27.7</strong></td>
<td><strong>4.5%</strong></td>
<td><strong>23.9</strong></td>
</tr>
<tr>
<td>less share of Joint ventures</td>
<td>(1.0)</td>
<td>(4.5)</td>
<td>(6.6)</td>
</tr>
<tr>
<td><strong>Underlying operating profit (exc. JVs)</strong></td>
<td><strong>26.7</strong></td>
<td><strong>4.5%</strong></td>
<td><strong>19.4</strong></td>
</tr>
</tbody>
</table>

- Acquisition of 50% of EM Highway Services acquired in February 2013 – EM Highway Services Limited reported revenue of £271.7m in FY 2014
- EM Highway Services expected to continue to drive revenue growth and group margin
- EM Highway Services awarded Area 3 and 9 contracts in 2013
  - Area 9 is Mouchel’s largest ever contract, worth c.£0.9bn for the initial five-year contract period commencing in June 2014, with a potential extension for a further three years valued at up to £0.5bn
  - Area 3 is worth c.£0.8bn for the initial five-year contract period commencing in November 2013, with a potential extension for a further three years valued at up to £0.5bn
- £8.4m of internal support costs reported against MBS in 2014
Growth in EM Highway Services has continued in 2015

- Revenues for the three months ended 31 December 2014 have increased by approximately 38% compared to the same period in the previous year. Similar growth has been experienced since the period end and margins have been maintained at historic levels.

- At 31 March 2015 the order book was £2.8bn.

- IIS has reported an increase in revenue of approximately 52% for the three months ended 31 December 2014 compared to the same period in the prior year, and has continued to grow.

- Revenue growth in the EM Highway Services business has been particularly strong in the six months ended 31 March 2015, increasing almost 100% compared to the same period last year, benefitting from the impact of the Area 9 and Area 3 Highways England contracts.

- Collaborative Delivery Framework secured in November 2014 and will, in due course, allow EM Highway Services to participate in larger capital works schemes for Highways England.

- DM has performed well, reporting significant revenue growth as contracts awarded in the second half of the 2014 financial year flow through into the 2015 financial year.

- Following a reduction in revenues from lower margin IT pass-through and property projects, MBS has reported a decline in revenue of approximately 10% for the three months ended 31 December 2014 compared to the same period in the prior year. This change in revenue mix has continued since the period end.
Kier’s current trading and order book

- On course to meet Board’s expectations
- Residential and Services divisions remain on track to deliver a second-half weighted performance in line with management expectations
- Property – good performance, maintaining 15% hurdle rate, capital investment rising in line with management’s expectations to £100m
- Residential – approximately 2,100 units expected to be completed in the year ending 30 June 2015, strong sales performance, expecting a forward order book representing 25% of units forecast for completion in the next financial year
- Construction – significant year-on-year organic growth in UK regional building activity, margins consistent with management expectations across the division, significant recent contract wins
- Services – second half volumes increasing on back of first half contract wins, order book remains stable, margins expected to continue to move towards 5% for full financial year
- Net debt in line with management expectations and anticipated to improve in final quarter of year
- Order book as at 31 March 2015 of £6.5bn with potential further renewals of £2.0bn
- The Board intends to continue with its progressive dividend policy
Synergies and integration plan

- Expect recurring pre-tax cost synergies
  - FY 2016: £4m
  - FY 2017: £10m

- Comprehensive integration plan
  - Building on experience of completed May Gurney integration
  - Clarity of acquisition structure and leadership
  - Integration and related costs of £17m

- Potential revenue synergies – not included in forecast assumptions
  - Accelerated access to capital works
  - Integrated highways offer to local authorities
  - Combined strategic and local road maintenance
  - International cross-sell opportunities
Transaction and funding highlights

- Capital structure of enlarged group retains capital discipline
- Kier net debt of £156m (excluding £77m finance leases) and IAS 19 pension deficit of £65m as at 31 December 2014
- Mouchel net debt of £39.5m and pension deficit of £44.6m as at 30 September 2014
- Pro forma net debt (including finance leases) / EBITDA as at 30 June 2015 expected to be 1.3x
- Potential fair value adjustment of c.£15m relates to balance sheet recoverability assumptions, no onerous contracts have been identified
- Post acquisition facilities amended and extended, 95% with maturity dates now 2019 and beyond and 20bps lower interest charge
- Targeted to deliver a 15% pre-tax ROCE in Y/E 30 June 2017

### Sources £m

<table>
<thead>
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<th>Sources</th>
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<td>Bank Facilities</td>
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### Uses £m

<table>
<thead>
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<tbody>
<tr>
<td>Purchase Price</td>
<td>265</td>
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<tr>
<td>Repayment of Mouchel Net Debt¹</td>
<td>40</td>
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<tr>
<td>Integration and Other Costs</td>
<td>17</td>
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<tr>
<td>Transaction Costs</td>
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Total: 342

### Sources

<table>
<thead>
<tr>
<th>Facility</th>
<th>Kier £m</th>
<th>Mouchel £m</th>
<th>Total £m</th>
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<td>Overdraft</td>
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Total credit: 498

### Enlarged Group £m

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<th>Enlarged Group £m</th>
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<tbody>
<tr>
<td>183</td>
</tr>
<tr>
<td>380</td>
</tr>
<tr>
<td>593</td>
</tr>
<tr>
<td>638</td>
</tr>
</tbody>
</table>

*5 year RCF
*£80m with each of HSBC, Barclays, RBS, Santander
*£60m with Lloyds until expiry of FLS when top up to £80m

*£30m Lloyds Funding for Lending facility

¹ As at 30 September 2014
² This is not a profit forecast and shall not be interpreted to mean that the future earnings per share of the group will necessarily match or exceed the historical earnings per share of Kier
Summary
Haydn Mursell – CEO
In summary

- Significantly increases Kier’s presence in the growing UK highways maintenance market creating a sector leader
  - Combines Mouchel’s leading position in strategic roads with Kier’s strengths in the local authority roads market
  - Enlarged Group is better placed to benefit from the £17bn planned spend (from 2015/16 to 2019/20) under the new Roads Investment Strategy
  - Will accelerate Kier’s infrastructure strategy allowing greater focus on transportation activities
- Development of an integrated capability in the highways and utilities sectors
- Scaling up of FM and BPO services enhances Kier’s broad service offering in local authority markets
- Expanded international presence with increased scope for cross-selling opportunities
- Acquisition consistent with Kier’s Vision 2020
- Enlarged order book of £9.3bn¹
- Strong financial rationale
  - Anticipated cost synergies of £10m p.a. in Y/E 30 June 2017
  - Expected to be materially earnings enhancing in the first full year of ownership (Y/E 30 June 2016)
  - Targeted to deliver a 15% pre-tax ROCE in Y/E 30 June 2017

¹Kier’s order book of £6.5bn as at 31 March 2015 plus Mouchel’s order book of £2.8bn as at 31 March 2015
Q&A
Appendix
# Pro forma Balance Sheet

As at 31 December 2014 (£m)

<table>
<thead>
<tr>
<th></th>
<th>Kier(^{(1)})</th>
<th>Mouchel Group(^{(2)})</th>
<th>Rights Issue and Refinancing(^{(3)})</th>
<th>Acquisition Accounting(^{(4)})</th>
<th>Unaudited pro forma total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>184.3</td>
<td>10.0</td>
<td>-</td>
<td>-</td>
<td>194.3</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>418.3</td>
<td>106.7</td>
<td>-</td>
<td>308.1</td>
<td>833.1</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>602.6</td>
<td>116.7</td>
<td>-</td>
<td>308.1</td>
<td>1,027.4</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>150.4</td>
<td>44.2</td>
<td>273.0</td>
<td>(273.0)</td>
<td>194.6</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,118.9</td>
<td>124.3</td>
<td>0.4</td>
<td>-</td>
<td>1,243.6</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,269.3</td>
<td>168.5</td>
<td>273.4</td>
<td>(273.0)</td>
<td>1,438.2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,871.9</td>
<td>285.2</td>
<td>273.4</td>
<td>35.1</td>
<td>2,465.6</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>(294.5)</td>
<td>(71.0)</td>
<td>50.0</td>
<td>-</td>
<td>(315.5)</td>
</tr>
<tr>
<td>Retirement benefit obligations</td>
<td>(81.2)</td>
<td>(49.8)</td>
<td>-</td>
<td>-</td>
<td>(131.0)</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>(120.6)</td>
<td>(26.7)</td>
<td>-</td>
<td>-</td>
<td>(147.3)</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>(496.3)</td>
<td>(147.5)</td>
<td>50.0</td>
<td>-</td>
<td>(593.8)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>(1,090.2)</td>
<td>(180.8)</td>
<td>5.0</td>
<td>-</td>
<td>(1,266.0)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>(1,586.5)</td>
<td>(328.3)</td>
<td>55.0</td>
<td>-</td>
<td>(1,859.8)</td>
</tr>
<tr>
<td><strong>Net assets / (liabilities)</strong></td>
<td>285.4</td>
<td>(43.1)</td>
<td>328.4</td>
<td>35.1</td>
<td>605.8</td>
</tr>
</tbody>
</table>

---

1. Unaudited financial information has been extracted without material adjustment from the unaudited consolidated interim financial statements of the Group for the six-month period ended 31 December 2014
2. Unaudited financial information has been extracted without material adjustment from the unaudited condensed interim consolidated financial information of Mouchel for the three-month period ended 31 December 2014
3. Net proceeds of the Rights Issue of £330 million are net of estimated expenses of approximately £10 million. £55 million of the proceeds will be used to repay part of Mouchel’s existing bank facilities, with the remaining amount being repaid using the Group’s new £380 million revolving credit facility. The remaining proceeds will be used to pay new bank loan fees of £2 million
4. Adjustment to current assets of £273 million represents the aggregate of £265 million cash consideration payable for the Acquisition and £8 million of estimated transaction costs. Adjustment to goodwill calculated based on £265.0 million consideration for the Acquisition and £43.1 million of net liabilities acquired
Expected timetable and rights issue

Key expected dates

- 28 April: Announcement of acquisition and Rights Issue
- 15 May: General Meeting, acquisition conditional on shareholder approval
- 18 May: Admission and commencement of dealing in new shares (nil paid)
- 2 June: Last date for acceptances
- 3 June: Commencement of dealing in new shares (fully paid) begins and potential rump placing
- 5 June: Settlement
- Mid-June: Completion of acquisition

Rights issue

- Gross proceeds of £340m
- Rights issue to be fully underwritten by J.P. Morgan Cazenove and Numis Securities Limited
- Rights issue will not be conditional on completion of acquisition
Mouchel has a blue chip contract portfolio

<table>
<thead>
<tr>
<th>Client</th>
<th>Contract</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>highways england</td>
<td>Area 1¹ (MAC)²</td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td>Area 3 (ASC)³</td>
<td>2018/21</td>
</tr>
<tr>
<td></td>
<td>Area 9 (ASC)</td>
<td>2019/22</td>
</tr>
<tr>
<td></td>
<td>Area 13¹ (MAC)</td>
<td>2016</td>
</tr>
<tr>
<td>Transport for London</td>
<td>LoHAC</td>
<td>2021</td>
</tr>
<tr>
<td>Thames Water</td>
<td>Various consultancy contracts</td>
<td></td>
</tr>
<tr>
<td>Oldham Council</td>
<td>Outsourced shared services (JV)</td>
<td>2022</td>
</tr>
<tr>
<td>Bournemouth Borough Council</td>
<td>Outsourced estates &amp; shared services</td>
<td>2020/25</td>
</tr>
<tr>
<td>Lincolnshire County Council</td>
<td>Property &amp; FM JV with Vinci</td>
<td>2020/25</td>
</tr>
</tbody>
</table>

¹ Note: Discussion underway regarding an extension to 2017
² MAC: Managing Agent Contract
³ ASC: Asset Support Contract