The Alfred McAlpine Pension Plan

Annual Report

For the year ended 31 December 2010

Plan Registration Number: 10132644
## The Alfred McAlpine Pension Plan

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Trustee and Advisors to the Plan

Trustee
Alfred McAlpine Pension Trustees Limited (to 31 March 2011)
Carillion (DB) Pension Trustee Limited (from 1 April 2011)

Secretary to the Trustee
Peter Clarke

Consultants and Actuaries
Mercer Limited
Clarence House
Clarence Street
Manchester M2 4DW

Plan Actuary
E Topper FIA
Mercer Limited
Clarence House
Clarence Street
Manchester M2 4DW

Administrators
JLT Benefit Solutions Limited
St James’s House
7 Charlotte Street
Manchester M1 4DZ

Legal Advisors
Sacker and Partners LLP
29 Ludgate Hill
London EC4M 7JQ

Auditors
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

Bankers
The Royal Bank of Scotland plc
Drummonds Branch
49 Charing Cross
London SW1A 2DX

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The Alfred McAlpine Pension Plan

Trustee and Advisors to the Plan (cont.)

Investment Managers

Legal & General Assurance (Pensions Management) Limited
One Coleman Street
London EC2R 5AA

BlackRock Investment Managers Limited
33 King William Street
London EC4R 9AS

FundQuest (until July 2010)
77 Queen Victoria Street
London EC4V 4AY

SEI Investments (Europe) Limited (until June 2010)
4th Floor, The Economist Building
25 St James Street
London SW1A 1HA

Aviva Investors
PO Box 87
22 Grenville Street
St Helier
Jersey JE4 8PX
Channel Islands

Insight Investment Management (Global) Limited
33 Old Broad Street
London EC2N 1HZ

Origin Asset Management LLP (from May 2010)
One Carey Lane
London EC2V 8AE

AllianceBernstein Institutional Investments (from May 2010)
Devonshire House
1 Mayfair Place
London W1J 8AJ

Odey Asset Management LLP (from May 2010)
12 Upper Grosvenor Street
London W1K 2ND

Taube Hodson Stonex Partners LLP (from December 2010)
1st Floor Cassini House
57-59 St James's Street
London SW1A 1LD
The Alfred McAlpine Pension Plan

Trustee and Advisors to the Plan (cont.)

Investment Custodians

HSBC Global Investor Services
Mariner House
Pepys Street
London EC3N 4DA

Citibank NA
Lewisham House
25 Molesworth Street
London SE13 7EX

Bank of New York Europe Limited
One Canada Street
London E14 5AL

Dexia Banque Internationale à Luxembourg
George’s Quay House
Townsend Street, 43
Dublin 2
Ireland

Brown Brothers Harriman & Co
80 Harcourt Street
Dublin 2
Ireland

Northern Trust
50 Bank Street
Canary Wharf
London E14 5NT

AVC Providers

Prudential Assurance Company
PO Box No. 25
Craigforth
Stirling FK9 4UE

The Equitable Life Assurance Society
Walton Street
Aylesbury
Buckinghamshire HP21 7QW

Legal & General Assurance (Pensions Management) Limited
One Coleman Street
London EC2R 5AA
The Alfred McAlpine Pension Plan

Trustee’s Report

The Trustee is pleased to present its Annual Report of The Alfred McAlpine Pension Plan (the Plan) for the year ended 31 December 2010. The financial statements have been prepared and audited in accordance with sections 41 (1) and (6) of the Pensions Act 1995 and in compliance with regulations issued under the Pensions Act 1995.

1. Constitution of the Plan

The Plan was established on 21 October 1946 to provide benefits on a defined benefit basis for the permanent employees of Alfred McAlpine plc and any other associated employers admitted to the Plan. Alfred McAlpine plc subsequently changed its name to Carillion AM Limited. The Plan is operated in accordance with the Definitive Trust Deed and Rules dated 29 January 2001 and subsequently amended by two deeds dated 30 November 2002, and by deeds dated 23 April 2003, 30 July 2003, 6 July 2004, 14 October 2005 and 30 November 2006. A further deed of amendment dated 6 April 2006 adopted interim amendments for the purposes of the Finance Act 2004 and Civil Partnership Act 2004. These provisions have yet to be incorporated definitively into the Trust Deed and Rules.

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

With effect from 31 July 2003, the Plan closed to new members and most active members ceased accruing service but retained salary linkage under the Plan at that date until 31 December 2009 (or on leaving the Company, if earlier). Prior to 31 March 2008 certain individuals were allowed entrance on a discretionary basis.

2. Changes to the Plan

There have been no changes to the benefit structure of the Plan during the year ended 31 December 2010.

3. Principal Employer and Appointment and Removal of Trustee/Directors

The Principal Employer is Carillion AM Limited.

Until 31 March 2011 the Plan was managed by the Trustee, Alfred McAlpine Pension Trustees Limited, a company whose function was to act as Trustee of the Plan. The Trust Deed and Rules provided for the appointment and removal of Directors of the Trustee. The board of the Trustee was made up of six Directors, three of whom were appointed by the Principal Employer and three were member representatives. These Member Nominated Directors served for a period of four years and were eligible for re-election.

The Directors of Alfred McAlpine Pension Trustees Limited during the year were:

Appointed by the employer:
R Ellison (Chairman and Independent)
R Hertzberg (appointed 25 October 2010)
D Smith

Appointed by the members:
P Kitto
S Rowland
J Wilson
From 1 April 2011 Alfred McAlpine Pension Trustees Limited was replaced by Carillion (DB) Pension Trustee Limited. This company's function is to act as Trustee to the Plan and to five other Carillion Group schemes. The Articles of this company provide for the appointment and removal of Directors of the Trustee. The board of the Trustee is made up of sixteen Directors, six of whom are appointed by the Principal Employer, one of whom is the independent chairman, while the other ten are member representatives. The current Member Nominated Directors have been co-opted from the previous trustee companies of five of the six schemes for which Carillion (DB) Pension Trustee Limited acts as Trustee. Elections for Member Nominated Directors will take place by 31 March 2012.

The Directors of Carillion (DB) Pension Trustee Limited since 1 April 2011 are:

Appointed by the employer:

R Ellison (Chairman and Independent)
R Herzberg
L Mills
S Morton
A Shepley
B Watkins

Appointed by the members:

D Benson
G Brown
S Brunswick
S Chandler
S Eastwood
P Kitto
S Rawsthorne
S Rowland
N Sutherland
Vacancy

4. Membership at 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred pensioners</td>
<td>2,643</td>
<td>2,792</td>
</tr>
<tr>
<td>Pensioners</td>
<td>1,865</td>
<td>1,755</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,508</td>
<td>4,547</td>
</tr>
</tbody>
</table>
### c) Deferred Pensioners

These are members who have left service but have elected to have their benefits retained with the Plan until they become payable.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at beginning of year</td>
<td>2,792</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,787</strong></td>
</tr>
</tbody>
</table>

**Less:**

- Subsequently transferred: (11)
- Pensions becoming payable: (127)
- Deaths: (6)

**Total**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at end of year</td>
<td>2,643</td>
</tr>
</tbody>
</table>

### d) Pensioners

The Plan also provides for members who have retired on pension and for spouses and dependants who receive pensions following the deaths of members.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at beginning of year</td>
<td>1,755</td>
</tr>
<tr>
<td>Adjustment</td>
<td>7</td>
</tr>
<tr>
<td>Pensions commencing</td>
<td>127</td>
</tr>
<tr>
<td>Spouse’s pensions commencing</td>
<td>35</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at end of year</td>
<td>1,924</td>
</tr>
</tbody>
</table>

**Less:**

- Deaths: (59)

**Total**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at end of year</td>
<td>1,865</td>
</tr>
</tbody>
</table>

Any adjustments to the brought forward figures have arisen due to the timing of notification of membership movements.

### 5. Growth of the Fund

The fund account on page 18 shows that the net withdrawals from dealings with members were £8,471,847 (2009: £7,567,415). The net return on investments for the year was a gain of £34,816,787 (2009: £43,645,707). The total net movement in the Plan’s assets for the year was an increase of £26,344,940 (2009: £36,078,292), giving net assets of the Plan at the end of the year of £297,147,974 (2009: £270,803,034).
The Alfred McAlpine Pension Plan
Trustee’s Report (cont.)

6. **Actuarial Position**

An actuarial valuation of the Plan as at 31 December 2008 was undertaken in accordance with the requirements of Part 3 of the Pensions Act 2004. The valuation was not signed until October 2010, which is outside the statutory requirement. The Pensions Regulator was notified of the late submission, which was due to extended discussions with the Company.

The Schedule of Contributions and the Certification of the Calculation of Technical Provisions are given on pages 27 to 31, along with the Summary Funding Statement on page 32.

7. **Summary of Contributions Payable in the Year**

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer and member contributions payable to the Plan under the Schedules of Contributions certified by the Actuary on 23 June 2007 and 29 October 2010 in respect of the Plan year ended 31 December 2010. The Plan auditor reports on contributions payable under the schedules in the Auditors’ Statement about Contributions.

Contributions received were in accordance with the schedules of contributions in force during the year.

During the year the contributions paid to the Plan were as follows:

<table>
<thead>
<tr>
<th>Employer</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required by the schedule of contributions</td>
<td></td>
</tr>
<tr>
<td>Normal contributions</td>
<td>193</td>
</tr>
<tr>
<td>Deficit funding contributions</td>
<td>9,505,587</td>
</tr>
<tr>
<td>Total contributions as per Fund Account</td>
<td><strong>9,505,780</strong></td>
</tr>
</tbody>
</table>

Deficit funding contributions were being paid to the Plan in accordance with the Recovery Plan agreed on 27 June 2007 and subsequently in accordance with the Recovery Plan agreed on 29 October 2010. A further £9.506 million per annum is due under this latest Recovery Plan until 30 June 2022.

8. **Additional Voluntary Contributions**

Members were able to make additional voluntary contributions into the Plan subject to HM Revenue & Customs limitations. Further detail is given in note 10 to the financial statements.

9. **Benefit Increases**

Pensions in payment as at 1 January 2010 above the Guaranteed Minimum Pension (GMP) were not increased as the change in the Retail Prices Index for the relevant period was negative (1 January 2009: 3%). GMPs earned after April 1988 were increased in line with Government requirements. GMPs earned in respect of service before April 1988, were increased separately by the State. Increases calculated in this manner are guaranteed.

Deferred pensions were increased in line with Statutory Revaluation orders.
10. **Transfer Values**

All transfer values are calculated in accordance with the requirements of The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 using assumptions determined by the Trustee on advice provided by the Plan Actuary.

No discretionary benefits or increases in benefits are included in the calculation of transfer values.

In October 2009, the Trustee reduced the external transfer values available to members to reflect the level of funding within the Plan; this measure was taken to protect the remaining members. It was reviewed in 2010 and will continue to be reviewed annually.

11. **Investment Management**

The day to day management of the Plan's investments has been delegated by the Trustee to the investment managers, Legal & General Assurance (Pensions Management) Limited, BlackRock Investment Managers Limited, FundQuest, SEI Investments (Europe) Limited, Aviva Investors (Aviva) and Insight Investment Management (Global) Limited. Assets were held with SEI Investments (Europe) Limited until June 2010 and FundQuest until July 2010. During the year the Trustee also appointed Origin Asset Management LLP, AllianceBernstein Institutional Investments, Odey Asset Management LLP and Taube Hodson Stonex Partners LLP as investment managers.

The remuneration of the investment managers is related to the value, from time to time, of the portfolio, and for BlackRock Investment Managers Limited remuneration is also linked to performance relative to the benchmark.

A Statement of Investment Principles has been produced as required by Section 35 of the Pensions Act 1995, and is available on request from the Trustee at the address shown on page 9 of this report.

The investments are held in designated nominee accounts.

12. **Statement of Trustee's Responsibilities**

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- show a true and fair view, of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and

- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised May 2007).
The Alfred McAlpine Pension Plan
Trustee's Report (cont.)

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for making available each year, commonly in the form of a Trustee's annual report, information about the Plan prescribed by pensions legislation, which it should ensure is consistent with the financial statements it accompanies.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls.

13. The Pensions Advisory Service

The Pensions Advisory Service (TPAS) is an independent and voluntary organisation established for the purpose of giving free help and advice to members of the public on all matters concerning pension schemes (other than State schemes) including personal pensions. The service is available to all those who think they have pension rights including scheme members, pensioners, those with deferred pensions and dependants. TPAS can be contacted at:

11 Belgrave Road
London SW1V 1RB

14. Pensions Ombudsman

The Pensions Ombudsman was established to investigate complaints of injustice due to maladministration and disputes of fact or law between complainants and trustees, managers or employers. The Ombudsman can be contacted at:

11 Belgrave Road
London SW1V 1RB

15. The Pensions Regulator

The Plan has been registered with the Pensions Regulator, which can be contacted at:

Napier House
Trafalgar Place
Brighton BN1 4DW

16. Further Information

Enquiries about the Plan generally or about individual benefit entitlements should be addressed to:

Dennis Kemp
Pensions Manager
Carillion plc
24 Birch Street
Wolverhampton WV1 4HY

[Signature]
On behalf of the Trustee

Date:
The Alfred McAlpine Pension Plan

Investment Report

Investment Report for the 12 Months Ended 31 December 2010

Background

The overall investment policy of the Plan is determined by the Trustee, advised by Mercer.

There is a degree of delegation of responsibility for investment decisions. The investment strategy (the key decision) is agreed by the Trustee after taking appropriate advice. The Trustee is responsible for agreeing an investment manager structure and selecting the investment managers, as advised by Mercer. Day-to-day management of the Plan's assets, which includes full discretion for stock selection, is the responsibility of the investment managers.

Investment Principles

The Trustee has prepared a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004). A copy of the SIP is available on request. The SIP was last redrafted in December 2010 to reflect changes to the investment arrangements that had occurred and following the results of the 2008 Actuarial Valuation.

The Plan's investment policy is to diversify the assets over a range of appropriate investments in order to maximise the return on the assets over the long-term while exposing the Plan to no more than a reasonable level of risk. In deciding upon the strategic asset allocation, the Trustee takes into account the Plan's specific circumstances, including its maturing liability profile, funding position and the strength of the sponsor's commitment and ability to fund the Plan. The Trustee intends to gradually "de-risk" the Plan's investment strategy over time when circumstances and conditions allow, in order to better "match" the liabilities.

Developments over the Year

Throughout the year, the Plan's investments were managed by ten investment managers in total. The overall benchmark asset allocation was split 60% Equity/35% Bonds/5% High Lease to Value Property as at the end of December 2010. The actual split across asset classes and between the managers varies over time.
The Alfred McAlpine Pension Plan

Investment Report (cont.)

The target manager distribution at the end of December 2010 was as follows:

<table>
<thead>
<tr>
<th>Investment Manager</th>
<th>Target % of Total</th>
<th>Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Investment Management (BlackRock)(^1)</td>
<td>20</td>
<td>Segregated and Pooled Active UK Equity</td>
</tr>
<tr>
<td>AllianceBernstein Institutional Investments (AllianceBernstein)</td>
<td>6</td>
<td>Pooled Active Global Equity</td>
</tr>
<tr>
<td>Origin Asset Management (Origin)</td>
<td>6</td>
<td>Pooled Active Global Equity</td>
</tr>
<tr>
<td>Odey Asset Management (Odey)</td>
<td>4</td>
<td>Pooled Active Global Equity</td>
</tr>
<tr>
<td>Taube Hodson Stonex Partners Limited (THS)</td>
<td>4</td>
<td>Pooled Active Global Equity</td>
</tr>
<tr>
<td>Insight Investment (Insight)</td>
<td>20</td>
<td>Pooled Active Bonds</td>
</tr>
<tr>
<td>Aviva Investors (Aviva)(^2)</td>
<td>5</td>
<td>Pooled Active High Lease to Value (HLV) UK Property</td>
</tr>
<tr>
<td>Legal &amp; General Investment Management (L&amp;G)</td>
<td>35</td>
<td>Pooled Passive Multi-Asset</td>
</tr>
</tbody>
</table>

\(^1\) Formerly known as Attica, MM Asset Management and Investment Manager Selections (IMS)
\(^2\) Formerly known as Morley Fund Management

Over the course of 2010, the following significant developments took place:

- A revised global equity manager structure was considered in conjunction with the Group Joint Investment Committee ("GJIC"). The GJIC was established in 2009 with a remit to better co-ordinate investment policy where it is beneficial to do so, across all of the Carillion sponsored defined benefit pension schemes and to benefit from economies of scale. The Plan has two Trustee representatives on the GJIC.

- Following this, the Trustee agreed to terminate the appointment of SEI Investment Europe ("SEI") and appoint AllianceBernstein, Odey, Origin and THS to manage a portfolio of global equities. SEI were terminated and AllianceBernstein, Odey and Origin were appointed in May. At that time the THS appointment was put on hold, following the departure of a key member of the team, but they were subsequently appointed in December when the Trustee established it was comfortable with the team in place.

- Over the period, the benchmark allocation to the Plan's global equity mandate was increased from 17% to 20%, and the benchmark allocation to L&G was increased from 34% to 35%. These increases were offset by the liquidation of the entire FundQuest portfolio, where disinvestments continued to be made from during the first half of the year to meet Plan expenditure. Following this, a revised rebalancing policy was put in place whereby disinvestments were sourced from the most overweight manager(s) in relative terms compared to the benchmark. Disinvestments were sourced from BlackRock for the remaining part of the year.
The Alfred McAlpine Pension Plan

Investment Report (cont.)

The Investment Managers' Mandates

The managers have all been set performance objectives. L&G’s is to track various global equity market, UK government bond and corporate bond indices to within acceptable tolerances. The outperformance targets for the active mandates are set out in the table below.

<table>
<thead>
<tr>
<th>Manager</th>
<th>Mandate</th>
<th>Benchmark</th>
<th>Target Outperformance (% p.a.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock</td>
<td>UK Equities - Specialist</td>
<td>FTSE All Share Index</td>
<td>+2.0</td>
</tr>
<tr>
<td></td>
<td>UK Equities – Nexus (Long/Short)</td>
<td>FTSE All Share Index</td>
<td>+4.0</td>
</tr>
<tr>
<td>AllianceBernstein</td>
<td>Global Equities</td>
<td>MSCI World Index</td>
<td>+3.0</td>
</tr>
<tr>
<td>Odey</td>
<td>Global Equities</td>
<td>MSCI World Index</td>
<td>+4.0</td>
</tr>
<tr>
<td>Origin</td>
<td>Global Equities</td>
<td>MSCI World Index</td>
<td>+2.5</td>
</tr>
<tr>
<td>THS</td>
<td>Global Equities</td>
<td>MSCI World Index</td>
<td>+3.0</td>
</tr>
<tr>
<td>Insight</td>
<td>UK Bonds</td>
<td>Composite Bond Benchmark</td>
<td>+1.0</td>
</tr>
<tr>
<td>Aviva</td>
<td>UK HLV Property</td>
<td>Composite Fixed Interest Gilt Benchmark</td>
<td>+1.5</td>
</tr>
</tbody>
</table>

All active mandate outperformance targets are stated before investment management fees and assessed over rolling three year periods, with the exception of the Aviva mandate, which is quoted net of fees and assessed over the medium to long term.

All of the managers have discretion in choosing investments to achieve these objectives. The managers’ remuneration is based on the size of Plan assets under their management. For BlackRock, remuneration is also linked to their performance relative to the benchmark.
The Alfred McAlpine Pension Plan
Investment Report (cont.)

The Plan’s Investments

At the end of December 2010, the total value of the Plan’s investments amounted to £295.9 million (this excludes cash held on “float” to meet the Plan’s near term expenditure). The distribution of these assets across the whole portfolio is highlighted in the table below.

<table>
<thead>
<tr>
<th>Sector</th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>%</td>
</tr>
<tr>
<td>Equities</td>
<td>177.4</td>
<td>60.0</td>
</tr>
<tr>
<td>UK Equities</td>
<td>65.9</td>
<td>22.3</td>
</tr>
<tr>
<td>Overseas Equities</td>
<td>111.5</td>
<td>37.7</td>
</tr>
<tr>
<td>Bonds</td>
<td>101.0</td>
<td>34.1</td>
</tr>
<tr>
<td>Fixed Interest Gilts</td>
<td>24.9</td>
<td>8.4</td>
</tr>
<tr>
<td>Corporate Bonds (Investment Grade)</td>
<td>49.0</td>
<td>16.6</td>
</tr>
<tr>
<td>Index Linked Gilts</td>
<td>27.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Overseas Fixed Interest</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>HLV Property</td>
<td>13.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Cash/Other</td>
<td>3.9</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>295.9</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Investment Managers. Totals may be affected by rounding.

Investment Market Background over the Year

Those who started the year with expectations that the shoots of economic recovery seen at the end of 2009 would take root and be sustained throughout 2010, would not have been disappointed. The definite stars over the period were the emerging markets, especially within Asia as China and India recorded annualised GDP growth figures of 10.6% and 8.9% by the third quarter of the year. Developed economies like the US and the UK on the other hand, grappled with devising the optimal combination of monetary and fiscal measures that would maintain their fledgling growth. Despite the overall global recovery over the year, several countries remained susceptible to varying degrees of macroeconomic upheaval. Nonetheless, as global trade strengthened on the back of vibrant growth in China and a steady US recovery, the year closed with continuing expectations that the world’s emergence from recession would remain intact.

Equity markets on the whole continued to produce strong positive returns over the last year for both the hedged and unhedged Sterling investor following the significant rebounds seen in 2009. The exception to this was Japanese equities for the hedged sterling investor, which saw a modest return of 0.5% over the year. Bond markets also produced strong positive returns.

Sterling depreciated against the US Dollar and Japanese Yen over the year, resulting in sterling investors in these markets with currency hedging in place experiencing lower returns than unhedged investors. Sterling appreciated against the Euro over the year.
UK Equity Market

The UK stock market, as measured by the FTSE All-Share Index, rose by 14.5% over the year. Mid cap and small cap stocks outperformed the wider index by 12.9% and 5.0%, with absolute returns of 27.4% and 19.5% respectively. Large cap stocks underperformed the FTSE All-Share Index by 1.9%, with an absolute return of 12.6%.

Overseas Equity Markets

The major overseas equity markets achieved the following returns:

- The FTSE W USA Index returned 18.8% in sterling terms, and 15.1% in local currency terms.
- The FTSE W Europe (ex UK) Index returned 5.8% to the sterling investor and 5.5% in local currency terms.
- The FTSE W Japan Index returned 19.0% and 0.5% to sterling and local investors respectively.
- The Asia Pacific (ex Japan) region, as measured by the FTSE W Asia Pacific (ex Japan) Index, returned 24.4% to sterling investors and 12.0% in local currency terms over the year.
- Emerging Markets, as represented by the FTSE AW Emerging Markets Index, returned 23.6% and 14.4% to sterling and local investors respectively.

Bonds

Bond markets also produced positive returns over the period, with long-dated corporate bonds, 10-15 year fixed interest gilts and 5-15 year index linked gilts delivering particularly strong positive performance.

Annual Plan Performance

During the year, approximately 35% of the Plan’s investments have been managed on an index-tracking basis with the remaining 65% actively managed. Over the 12 month period to 31 December 2010 the Plan returned 13.5%, which was 1.5% above the market benchmark return of 12.0%. This was mainly due to the outperformance achieved in aggregate by the Plan’s active investment managers. The following table summarises the combined returns of the investment managers over the one, three and five years to 31 December 2010, compared with the Plan’s combined benchmark.

<table>
<thead>
<tr>
<th>Periods to 31 December 2010</th>
<th>1 Year %</th>
<th>3 Years %p.a.</th>
<th>5 Years %p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>13.5</td>
<td>2.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Benchmark</td>
<td>12.0</td>
<td>3.0</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Source: BNY Mellon (gross of investment management fees)
The Alfred McAlpine Pension Plan
Investment Report (cont.)

Custodial Arrangements

Bank of New York (Europe) Ltd ("BoNY") are the custodian for the portion of the Plan's assets invested with BlackRock. However, the Trustee does not directly employ BoNY, rather they are employed as a part of a tri-partite agreement through BlackRock.

The Plan's assets with Legal & General, and within the GJIC Carillion Global Equity Portfolio are invested in pooled (unit linked) funds rather than direct investment in stocks and shares. Therefore, it is the managers' own responsibility to organise the custody and security of the underlying stocks and shares. The custodian employed for Odey's portfolio is RBC Dexia Investor Services Bank S.A. The custodian employed for Origin's portfolio is HSBC Bank plc. The custodian employed for AllianceBernstein's portfolio is Brown Brothers Harriman (Luxembourg) S.C.A. The custodian employed for THS' portfolio is Northern Trust Global Services Limited. The sub custodians to whom work is contracted by Legal & General are HSBC Global Investor Services for UK investments and Citibank for overseas equities.

Whilst the Plan's assets with Insight are also invested in pooled (unit linked) funds (for which Insight have appointed The Bank of New York Mellon as custodian) Insight require the Trustee to retain its own external custodian to enable Insight to exercise discretion in asset allocation and re-weighting of the benchmark. Northern Trust are employed directly by the Trustee for this purpose.

Due to the nature of the mandate with Aviva, there is no requirement to employ a custodian, although the pooled Lime Property Fund is administered by State Street (Jersey) Limited.

The custodians are responsible for record keeping in relation to all assets held and for the safekeeping of any share certificates and other documents relating to the ownership of listed investments. Investments are held in the name of each custodian's nominee company, in line with common practice for pension plan investments. The named custodian's may, under certain circumstances, also delegate custodial functions at their discretion to "sub" custodians.

The Trustee will review the custodial arrangements where necessary and where this is in the control of the Trustee and the Plan Auditor is authorised to make whatever investigations it deems necessary as part of the annual audit procedure.

Employer Related Investments

During the year, the Plan may well have had a small indirect holding in Carillion plc through investment in Legal & General's UK equity index-tracking pooled fund. This holding will be well below the limit on employer-related investments which is 5% of the Plan's total assets as stated in the Pensions Act 1995 (as amended by the Pensions Act 2004). The employer-related investments are held in compliance with the Pensions Act.

The table below shows the Plan's exposure to securities issued by Carillion as at 31 December 2010, as well as the maximum potential exposure dictated by the limits set by the investment managers.

<table>
<thead>
<tr>
<th>Asset size</th>
<th>Current Exposure</th>
<th>Maximum Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>284,749,729</td>
<td>5,421</td>
<td>5,871,265</td>
</tr>
</tbody>
</table>

Source: Investment managers and Mercer
The Alfred McAlpine Pension Plan

Independent Auditors’ Report to the Trustee of
The Alfred McAlpine Pension Plan

We have audited the financial statements of The Alfred McAlpine Pension Plan for the year ended 31 December 2010 set out on pages 18 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Standards).

This report is made solely to the Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan Trustee those matters we are required to state to it in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan Trustee, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustee and auditors

As explained more fully in the Statement of Trustee’s Responsibilities set out on pages 8 and 9, the Plan Trustee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express our opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board (APB’s) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB’s website at www.frc.org/apb/scope/private.cfm.

Opinion

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 December 2010 and of the amount and disposition at that date of its assets and liabilities other than liabilities to pay pensions and benefits after the end of the Plan year;

- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and

- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

N Dabbagh-Hobrow, for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

[Signature]

4 January 2011
The Alfred McAlpine Pension Plan

Independent Auditors' Statement about Contributions to the
Trustee of The Alfred McAlpine Pension Plan

We have examined the Summary of Contributions payable under the schedule of contributions to the Alfred McAlpine Pension Plan in respect of the Plan year ended 31 December 2010 which is set out on page 7.

This statement is made solely to the Plan's Trustee, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of the Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 7, the Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the plan by the employer in accordance with the schedule of contributions.

It is our responsibility to provide a statement about contributions paid under the schedule of contributions to the Plan and to report our opinion to you.

Basis of statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the schedule of contributions. This includes examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the schedule of contributions.

Statement about contributions payable under the schedules of contributions

In our opinion contributions for the Plan year ended 31 December 2010 as reported in the Summary of Contributions and payable under the schedules of contributions have in all material respects been paid at least in accordance with the schedules of contributions certified by the Actuary on 23 June 2007 and 29 October 2010.

N Dabbagh-Hobrow, for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

4 July 2011
The Alfred McAlpine Pension Plan

Fund Account for the Year Ended 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010 £</th>
<th>2009 £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contributions and other income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>3</td>
<td>9,505,780</td>
</tr>
<tr>
<td>Other income</td>
<td>4</td>
<td>343,683</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>9,849,463</strong></td>
</tr>
<tr>
<td><strong>Benefits and other payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits payable</td>
<td>5</td>
<td>17,369,818</td>
</tr>
<tr>
<td>Payments to and on account of leavers</td>
<td>6</td>
<td>771,001</td>
</tr>
<tr>
<td>Other payments</td>
<td>7</td>
<td>1,764</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>8</td>
<td>178,727</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>18,321,310</strong></td>
</tr>
<tr>
<td><strong>Net withdrawals from dealings with members</strong></td>
<td></td>
<td><strong>(8,471,847)</strong></td>
</tr>
<tr>
<td><strong>Returns on investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>9</td>
<td>5,109,700</td>
</tr>
<tr>
<td>Change in market value of investments</td>
<td>10</td>
<td>30,706,576</td>
</tr>
<tr>
<td>Investment management expenses</td>
<td></td>
<td>(999,489)</td>
</tr>
<tr>
<td><strong>Net returns on investments</strong></td>
<td></td>
<td><strong>34,816,787</strong></td>
</tr>
<tr>
<td><strong>Net increase in the fund during the year</strong></td>
<td></td>
<td>26,344,940</td>
</tr>
<tr>
<td><strong>Net assets of the Plan at start of year</strong></td>
<td></td>
<td>270,803,034</td>
</tr>
<tr>
<td><strong>Net assets of the Plan at end of year</strong></td>
<td></td>
<td>297,147,974</td>
</tr>
</tbody>
</table>
### The Alfred McAlpine Pension Plan

#### Net Assets Statement at 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010 £</th>
<th>2009 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>297,024,439</td>
<td>270,040,616</td>
</tr>
<tr>
<td>11</td>
<td>1,138,886</td>
<td>1,922,315</td>
</tr>
<tr>
<td>12</td>
<td>(1,015,351)</td>
<td>(1,159,897)</td>
</tr>
</tbody>
</table>

#### Net assets of the Plan at 31 December

<table>
<thead>
<tr>
<th></th>
<th>2010 £</th>
<th>2009 £</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>297,147,974</td>
<td>270,803,034</td>
</tr>
</tbody>
</table>

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the statements by the Actuary and the Summary Funding Statement on pages 27 to 32 and these financial statements should be read in conjunction with them.

Approved by the Trustee and signed on behalf of the Trustee on.........................2011.

\[\text{Trustee Director}\]

\[\text{Trustee Director}\]

The notes on pages 20 to 26 form an integral part of these financial statements.
The Alfred McAlpine Pension Plan

Notes to the Financial Statements for the Year Ended 31 December 2010

1. Basis of financial statements

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice (SORP), Financial Reports of Pension Schemes (Revised May 2007).

2. Accounting policies

a) Investments

Investments are stated at market value at the year end. The market value of quoted securities is based on the closing price on the relevant Stock Exchange. Investments which are held in units are stated at the unit bid price as advised by the investment manager.

Forward foreign exchange contracts outstanding at the year end are stated at fair value which is determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract. The forward foreign exchange trades settled during the year are reported gross within the purchases and sales.

Overseas investments and forward contracts held in foreign currencies are translated at the rates of exchange ruling at the net assets statement date.

b) Income from investments

Income from investments is accounted for on an accruals basis.

Realised and unrealised gains and losses on investments are dealt with in the fund account for the year in which they arise.

c) Contributions and benefits

Contributions and benefits are accounted for in the year in which they fall due. Members who leave the Plan are assumed to have taken a preserved benefit until the Trustee is otherwise advised.

d) Transfers to and from other schemes

Transfer values are included in the financial statements when the trustees of the receiving scheme accept the liabilities of the transferring members. They do not take account of members who have notified the Plan of their intention to transfer.

e) Administrative expenses

With effect from 1 January 2006, the Principal Employer bore all costs of the administration of the Plan, excluding the investment managers' fees which are paid by the Plan. During the year ended 31 December 2009 it was agreed that the investment consulting fees would be paid from the Plan under a temporary arrangement. Further to this agreement, and under the Schedule of Contributions dated 29 October 2010 until 2013 all expenses will be paid directly from the Plan; save an annual allowance, of currently £0.5 million, to be met by the Principal Employer. From 2013, the Company will pay all expenses.
2. Accounting policies (cont.)

f) **Annuities**

The Trustee holds insurance policies that secure pension payable to specified beneficiaries. These policies remain assets of the Trustee but, as is permitted under current regulations and accounting practice, the Trustee has decided that these policies need not be valued in the Net Assets Statement.

3. Contributions receivable

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer’s - normal</td>
<td>£193</td>
<td>£158,798</td>
</tr>
<tr>
<td></td>
<td>- deficit funding</td>
<td>9,505,587</td>
</tr>
<tr>
<td>Members’ - normal</td>
<td>-</td>
<td>£15,139</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>9,505,780</strong></td>
<td><strong>9,456,737</strong></td>
</tr>
</tbody>
</table>

Deficit funding contributions were being paid to the Plan in accordance with the Recovery Plan agreed on 27 June 2007 and subsequently in accordance with the Recovery Plan agreed on 29 October 2010. A further £9.506 million per annum is due under this latest Recovery Plan until 30 June 2022.

4. Other income

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry income</td>
<td>-</td>
<td>£900</td>
</tr>
<tr>
<td>Claims on term insurance policies</td>
<td>343,683</td>
<td>784,598</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>343,683</strong></td>
</tr>
</tbody>
</table>

5. Benefits payable

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions</td>
<td>13,618,780</td>
<td>13,078,351</td>
</tr>
<tr>
<td>Commutations and lump sum retirement benefits</td>
<td>3,374,855</td>
<td>3,018,153</td>
</tr>
<tr>
<td>Lump sum death benefits</td>
<td>376,183</td>
<td>841,703</td>
</tr>
<tr>
<td></td>
<td><strong>17,369,818</strong></td>
<td><strong>16,938,207</strong></td>
</tr>
</tbody>
</table>

6. Payments to and on account of leavers

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunds to members leaving service</td>
<td>1,554</td>
<td>4,850</td>
</tr>
<tr>
<td>Payments for members joining state scheme</td>
<td>2,128</td>
<td>5,901</td>
</tr>
<tr>
<td>Individual transfers to other schemes</td>
<td>767,319</td>
<td>691,656</td>
</tr>
<tr>
<td></td>
<td><strong>771,001</strong></td>
<td><strong>702,407</strong></td>
</tr>
</tbody>
</table>
7. Other payments

<table>
<thead>
<tr>
<th></th>
<th>2010 £</th>
<th>2009 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex-gratia payments</td>
<td>1,764</td>
<td>-</td>
</tr>
</tbody>
</table>

8. Administrative expenses

<table>
<thead>
<tr>
<th>Administrative expenses</th>
<th>2010 £</th>
<th>2009 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration, actuarial and investment consulting fees</td>
<td>164,113</td>
<td>169,036</td>
</tr>
<tr>
<td>Trustee Director fees</td>
<td>14,564</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>178,727</strong></td>
<td><strong>169,036</strong></td>
</tr>
</tbody>
</table>

Administrative expenses in the prior year relate to investment consulting fees which were paid from the Plan under a temporary arrangement, all other fees were borne by the Principal Employer. Administrative expenses in the current year are those payable over and above the £0.5 million per annum payable by the Principal Employer under the Schedule of Contributions dated 29 October 2010.

9. Investment income

<table>
<thead>
<tr>
<th>Investment income</th>
<th>2010 £</th>
<th>2009 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from fixed interest securities</td>
<td>-</td>
<td>114,530</td>
</tr>
<tr>
<td>Dividends from equities</td>
<td>1,775,016</td>
<td>1,784,107</td>
</tr>
<tr>
<td>Income from index-linked securities</td>
<td>-</td>
<td>1,288,797</td>
</tr>
<tr>
<td>Income from pooled investment vehicles</td>
<td>3,306,506</td>
<td>2,101,219</td>
</tr>
<tr>
<td>Income from other investments</td>
<td>10,538</td>
<td>23,447</td>
</tr>
<tr>
<td>Annuity income</td>
<td>17,384</td>
<td>18,629</td>
</tr>
<tr>
<td>Interest on cash deposits</td>
<td>256</td>
<td>1,671</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,109,700</strong></td>
<td><strong>5,332,400</strong></td>
</tr>
</tbody>
</table>

Income generated by pooled investment vehicle units held with Legal & General Assurance (Pensions Management) Limited is not distributed, but is retained within the pooled investment vehicle and is reflected in the market value of the units.
10. **Investments**

Investment transactions in the year ended 31 December 2010 are summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th>Value at 1 Jan 2010</th>
<th>Purchases at cost and derivative payments</th>
<th>Sales proceeds and derivative receipts</th>
<th>Change in market value</th>
<th>Value at 31 Dec 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>55,556,338</td>
<td>10,649,625</td>
<td>(21,826,992)</td>
<td>9,863,573</td>
<td>54,242,544</td>
</tr>
<tr>
<td>Pooled investment vehicles</td>
<td>211,419,189</td>
<td>92,994,795</td>
<td>(85,367,105)</td>
<td>20,741,529</td>
<td>239,788,408</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,332,539</td>
<td>8,489,462</td>
<td>(8,537,627)</td>
<td>-</td>
<td>1,284,374</td>
</tr>
<tr>
<td>AVC investments</td>
<td>1,274,040</td>
<td>-</td>
<td>(156,382)</td>
<td>101,474</td>
<td>1,219,132</td>
</tr>
<tr>
<td></td>
<td>269,582,106</td>
<td>112,133,882</td>
<td>(115,888,106)</td>
<td>30,706,576</td>
<td>296,534,458</td>
</tr>
<tr>
<td>Cash deposits</td>
<td>140,142</td>
<td></td>
<td></td>
<td>141,605</td>
<td></td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>318,368</td>
<td></td>
<td></td>
<td>348,376</td>
<td></td>
</tr>
<tr>
<td></td>
<td>270,040,616</td>
<td></td>
<td></td>
<td>297,024,439</td>
<td></td>
</tr>
</tbody>
</table>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Plan.
The Alfred McAlpine Pension Plan

Notes to the Financial Statements (cont.)

10. Investments (cont.)

The investments above can be analysed as follows:

<table>
<thead>
<tr>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Equities - UK quoted

- L&G UK Equity Index: 6,648,635
- L&G N American Equity Index – GBP Hedged: 3,802,742
- L&G Europe (Ex UK) Index – GBP Hedged: 23,032,188
- L&G Japan Equity Index – GBP Hedged: 6,187,319
- L&G Asia Pac exJap Dev Index – GBP Hedged: 8,562,304
- L&G Global Emerging Markets Index: 11,134,829
- L&G World Emerging Markets Equity Index: 733,523
- L&G All Stocks Gilts Index: -
- L&G Investment Grade Bond All Stocks Index: 8,630,008
- L&G Over 5 Year Index-Linked Gilts Index: 18,349,432
- L&G 0 to 5 Year Gilts Index: 17,602,191
- FundQuest Japan Equity Fund: -
- FundQuest East ex-Japan Equity Fund: -
- SEI Global Developing Markets Equity Inst: -
- Aviva – The Lime Property Fund Unit Trust: 14,836,308
- Insight – Corporate Bond Funds: 55,657,788
- BlackRock - UK Equities: 5,731,094
- The Origin Partnership Exempt Fund : Global Specialist Equity Fund: 17,818,080
- Odey Allegra International GBP Fund: 11,704,636
- AllianceBernstein Global Value Fund: 17,369,495
- THS International Growth Fund: 11,987,836

**Total:** 239,788,408

All investment managers operating the pooled investment vehicles are registered in the United Kingdom.

Other investments

- Cash instruments: 1,284,374
10. **Investments (cont.)**

The following investments account for more than 5% of the Plan's net assets as at 31 December 2010:

<table>
<thead>
<tr>
<th>Investment</th>
<th>2010 %</th>
<th>2009 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insight – Corporate Bond Funds</td>
<td>18.9</td>
<td>18.8</td>
</tr>
<tr>
<td>SEI Global Developing Markets Equity Inst</td>
<td>-</td>
<td>17.0</td>
</tr>
<tr>
<td>L&amp;G Europe (ex UK) Hedged Index</td>
<td>7.8</td>
<td>7.7</td>
</tr>
<tr>
<td>L&amp;G All Stocks Gilts Index</td>
<td>-</td>
<td>5.6</td>
</tr>
<tr>
<td>L&amp;G Over 5 Year Index-Linked Gilts Index</td>
<td>6.2</td>
<td>5.7</td>
</tr>
<tr>
<td>L&amp;G 0 to 5 Year Gilts Index</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>The Origin Partnership Exempt Fund : Global Specialist Equity Fund</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>AllianceBernstein Global Value Fund</td>
<td>5.9</td>
<td>-</td>
</tr>
<tr>
<td>Aviva - The Lime Property Fund</td>
<td>5.0</td>
<td>5.1</td>
</tr>
</tbody>
</table>

The Trustee holds insurance policies that secure the pensions payable to specified beneficiaries. These policies remain assets of the Trustee, but as permitted under current regulations and accounting practice, the Trustee has decided that these policies need not be valued in the Net Assets Statement.

**AVC investments**

The Trustee holds assets invested separately from the main fund in the form of individual building society accounts and insurance policies securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement made up to 31 December confirming the amounts held to their account and the movements in the year.

The aggregate amounts of AVC funds are as follows:

<table>
<thead>
<tr>
<th>Investment</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prudential</td>
<td>388,397</td>
<td>385,160</td>
</tr>
<tr>
<td>The Equitable Life Assurance Society</td>
<td>398,599</td>
<td>454,147</td>
</tr>
<tr>
<td>Legal &amp; General Investment Management Ltd</td>
<td>432,136</td>
<td>434,733</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,219,132</strong></td>
<td><strong>1,274,040</strong></td>
</tr>
</tbody>
</table>

25
11. **Current assets**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions due – Employer's normal</td>
<td>-</td>
<td>12,590</td>
</tr>
<tr>
<td>Contributions due – Employer's deficit funding</td>
<td>-</td>
<td>773,567</td>
</tr>
<tr>
<td>Contributions due – Employees' normal</td>
<td>-</td>
<td>1,065</td>
</tr>
<tr>
<td>Bank balances</td>
<td>989,403</td>
<td>985,610</td>
</tr>
<tr>
<td>Amount due from Principal Employer</td>
<td>149,383</td>
<td>149,383</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td><strong>1,138,886</strong></td>
<td><strong>1,922,315</strong></td>
</tr>
</tbody>
</table>

12. **Current liabilities**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount due to Principal Employer</td>
<td>-</td>
<td>349,148</td>
</tr>
<tr>
<td>Unpaid benefits</td>
<td>90,664</td>
<td>112,499</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>902,595</td>
<td>675,688</td>
</tr>
<tr>
<td>Other creditors</td>
<td>22,092</td>
<td>22,562</td>
</tr>
<tr>
<td></td>
<td><strong>1,015,351</strong></td>
<td><strong>1,159,897</strong></td>
</tr>
</tbody>
</table>

13. **Employer-related investments**

The Plan may well have a small indirect holding in Carillion plc through investment in Legal & General's UK equity index-tracking unit-linked fund. This holding together with contributions payable and the amount due from the employer in respect of the reimbursement of administrative expenses, will be well below the limit on employer-related investments which is 5% of the Plan's total assets as stated in the Pensions Act 1995. The employer-related investments are held in compliance with the Pensions Act 1995.

13. **Related party transactions**

There are no disclosable related party transactions.
The Alfred McAlpine Pension Plan

Schedule of Contributions

Schedule of Contributions, incorporating actuarial certificate

Status of this document
This schedule has been prepared by the Trustee of the Alfred McAlpine Pension Plan to satisfy the requirements of section 227 of the Pensions Act 2004, after obtaining the advice of Edwin Topper, the actuary to the Plan appointed by the Trustee.

This document is the first schedule of contributions put in place for the Plan following the 31 December 2008 valuation. It supersedes all earlier versions.

After discussions, a pattern of contributions was agreed by the Trustee and the Employer, Carillion AM Limited, on behalf of all relevant employers, on 29 October 2010.

The Trustee and the Employer have signed this schedule to indicate that it represents an accurate record of the agreed pattern of contributions. The schedule is effective from the date it is certified by the Scheme Actuary.

Contributions to be paid to the Plan from 31 December 2008 to 30 June 2012

Members' contributions
No contributions are payable by members after 31 December 2009.

Employer's contributions in respect of future accrual of benefits
No contributions in respect of future accrual are payable by the Employer after 31 December 2009.
Employer's contributions in respect of the shortfall in funding as per the recovery plan of 29 October 2010

The Employer shall pay shortfall correction additional contributions of at least the following amounts no less frequently than monthly: £9.283m in 2009 and £9.506m per annum from 1 January 2010 to 30 June 2022.

Employer's contributions in respect of benefit augmentations

In addition the Employer shall pay the cost, as determined by the Scheme Actuary, of any benefit augmentations requested by the Employer and approved by the Trustee.

Employer's contributions in respect of administration and other costs

The Employer shall reimburse the Trustee for the cost of meeting levies payable to the Pension Protection Fund. Until 2013 other expenses will be paid directly from the Plan; save an annual allowance, of currently £0.5m, to be paid by the Employer towards the Plan's running expenses. The Employer will also meet in full the general running costs of the Plan from 2013 onwards and will also cover the investment management costs either directly, or by explicit funding reserves from 2013. The precise methodology will be considered at the next valuation.

Other Employer contributions

The Employer may pay additional contributions on a regular or one off basis if it chooses.

Dates of review of this schedule

This schedule of contributions will be reviewed by the Trustee and the Employer no later than 15 months after the effective date of each actuarial valuation, due at least every three years.

This schedule of contributions has been agreed by the Employer, Carillion AM Limited, on behalf of all relevant employers, and the Trustee of the Alfred McAlpine Pension Plan on 29 October 2010.
The Alfred McAlpine Pension Plan

Schedule of Contributions

Signed on behalf of Carillion AM Limited

Name: J.K. Dawson
Position: Head of Labour
Date of signing: 24.10.10

Signed on behalf of the Trustee of the Alfred McAlpine Pension Plan

Name: Robin C. Ellison
Position: Chairman
Date of signing: 29 October 2010
The Alfred McAlpine Pension Plan
Schedule of Contributions

Certification of schedule of contributions

Name of Scheme
Alfred McAlpine Pension Plan

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2008 to be met by the end of the period specified in the recovery plan dated 29 October 2010.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 29 October 2010.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan’s liabilities by the purchase of annuities, if the Plan were to be wound-up.
The Alfred McAlpine Pension Plan
Actuarial Certification of Calculation of Technical Provisions

Certificate of technical provisions

<table>
<thead>
<tr>
<th>Name of Scheme</th>
<th>Alfred McAlpine Pension Plan</th>
</tr>
</thead>
</table>

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Plan's technical provisions as at 31 December 2008 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Plan and set out in the Statement of Funding Principles dated 29 October 2010.

Signature

[Signature]

Name

E S Topper

Date of signing

29 October 2010

Address

Mercer Limited
Clarence House
Clarence Street
Manchester
M2 4DW

Qualification

Fellow of the Institute and Faculty of Actuaries
The Alfred McAlpine Pension Plan

Summary Funding Statement

Summary Funding Statement for Period ending 31.12.2010

The actuarial valuation of the Alfred McAlpine Pension Plan showed that on 31 December 2009 the funding position was as follows –

Assets £233.4m
Amount needed to provide benefits (technical provisions)£356.4m
Shortfall (£123m)

Funding Level 65%

As a result the Company agreed to the following Recovery Plan –

<table>
<thead>
<tr>
<th>Year of Payment</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>£9.3m</td>
</tr>
<tr>
<td>2010 and each year thereafter until 30.06.2022</td>
<td>£9.5m</td>
</tr>
</tbody>
</table>

In 2009 the Company agreed to pay all administration costs other than the investment management and investment consultancy fees. In 2010 all expenses above £500,000 were paid by the Plan. Expenses in 2011 and 2012 will be paid by the Plan, although the Company will provide an expenses allowance (currently £500,000). From 2013 the Company will pay expenses either directly or through funding reserves. The Company pays the PPF Levy.

The Actuary has certified that these contributions should enable the Plan's shortfall to be cleared by 30 June 2022.

The latest report by the actuary showed that on 31 December 2010 the funding of the Plan was progressing as anticipated and the funding level was estimated to be 85% with a shortfall of £52.3m.