

Cautionary Statement Regarding Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for certain forward-looking statements. We have made statements contained herein that may constitute “forward-looking statements”. The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or other similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions. These forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions. They are subject to change based upon various factors, including but not limited to the risks and uncertainties summarized below:

- risks related to our Investment in Westinghouse;
- cyclical changes in demand for our products and services;
- cyclical nature of the individual markets in which our customers operate;
- project management risks, including additional costs, reductions in revenues and the payment of liquidated damages;
- the effect of our percentage-of-completion accounting policies;
- changes in the estimates and assumptions we use to prepare our financial statements;
- our ability to obtain surety bonds, letters of credit or other means of credit support for projects;
- our ability to obtain waivers or amendments with our lenders or sureties, or to collateralize letters of credit or surety bonds upon non-compliance with covenants in our Credit Facility or surety indemnity agreements;
- covenants in our Credit Facility agreements that restrict our ability to pursue our business strategies;
- our indebtedness, which could adversely affect our financial condition and impair our ability to fulfill our obligations under our Credit Facility;
- outcomes of pending and future litigation and regulatory actions;
- the possibility of a downgrade of our debt securities by rating agencies;
- the nature of our contracts, particularly fixed-price contracts and the impact of possible cost escalations associated with our contracts;
- ability of the government to unilaterally terminate our contracts;
- our ability to collect funds on work performed for emergency response activities from governmental agencies and private sector clients that are facing budgeting challenges;
- the failure to meet schedule or performance requirements of our contracts;
- our dependence on one or a few significant customers, subcontractors and equipment manufacturers;
- our ability to obtain new contracts for large-scale domestic and international projects and the timing of the performance of these contracts;
- potential contractual and operational costs related to our environmental and infrastructure operations;
- risks associated with our integrated environmental solutions businesses;
- the limitation or the modification of the Price-Anderson Act’s indemnification authority;
- reputation and financial exposure due to the failure of our partners to perform their contractual obligations;
- delays and/or defaults in customer payments;
- potential professional liability, product liability, warranty and other potential claims, which may not be covered by insurance;
- the presence of competitors with greater financial resources and the impact of competitive technology, products, services and pricing;
- changes in the political and economic conditions of the countries in which we operate;
- work stoppages and other labor problems;
- our liquidity position, including our ability to increase our letters of credit and surety bonding capacity;
- foreign currency fluctuations;
- liabilities associated with various acquisitions, including the Stone & Webster and IT Group acquisitions;
- a determination to write-off a significant amount of intangible assets or long-lived assets;

- our ability to successfully identify, integrate and complete acquisitions;
- our failure to attract and retain qualified personnel; including key members of our management;
- risks related to our investments in military housing privatization entities and our indemnity agreements related thereto;
- closing of any U.S. military bases related to our privatization interests;
- provisions in our articles of incorporation and by-laws and rights agreement could make it more difficult to acquire us and may reduce the market price of our common stock;
- changes in the U.S. economy and global markets as a result of war and/or terrorists' actions;
- significant changes in market prices of our equity securities that could change further;
- recent changes in accounting for equity-related compensation that could impact our financial statements and our ability to attract and retain key employees;
- unavoidable delays due to weather conditions;
- our dependency on technology in our operations and the possible impact of system and information technology interruptions;
- environmental factors and changes in laws and regulations that could increase our costs and liabilities and affect the demand for our services;
- maintaining access to sufficient bonding capacity; and
- protection and validity of patents and other intellectual property rights.

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise. For a more detailed discussion of some of the foregoing risks and uncertainties, see "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Factors" in our 2007 Form 10-K as well as the other reports and registration statements filed by us with the SEC and under "Forward Looking Statements" on our website. These documents are available free of charge from the SEC or from our Investor Relations department. All of our annual, quarterly, and current reports and amendments thereto, filed with the SEC are available on our website under "Investor Relations." For more information about us and the announcements we make from time to time, visit our website at www.shawgrp.com.