

23 March 2005

Babcock International Group PLC

Pre-Close Trading Statement

Babcock International Group PLC (Babcock), the support services company, is pleased to report that trading remains in line with its expectations at the time of the interim announcement in November 2004. Integration of the Peterhouse Group PLC businesses, acquired in June 2004, has been successfully completed and we are on track to deliver in full the synergies outlined at that time. Preliminary results for the year ending on 31 March 2005 will be announced on 26 May 2005.

New contracts and contract extensions secured since the interim results in November 2004 total approximately £290 million. These contracts are across all divisions and include the recently awarded refits of HMS Ark Royal and HMS Atherstone, together worth approximately £22 million, as well as the maintenance of overhead high voltage power lines in South Wales for an approximate value of £25 million. New framework contracts with both Orange and Network Rail further underpin growth in the telecommunications support business, Eve and in the Rail business, First Engineering. With the nomination of the Babcock-led consortium, Holdfast, as preferred bidder on the Royal School of Military Engineering (RSME) a further £1 billion will be added to the order book on reaching financial close in the first half of 2006.

Notwithstanding the expected downturn in the naval refit programme for 2005/06 - of which nearly 70% has been secured by Babcock - new contract wins, the achievement of preferred bidder status for RSME and a strong pipeline of bids in all our other target markets all leave Babcock well positioned for continued growth.

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Notes to editors: About Babcock International Group PLC

Babcock International Group PLC is a support services business providing technical services, training and facilities management to the defence and civil sectors. In the year to 31 March 2004 sales from continuing business were £438 million.

The Group operates in two principal sectors: **Technical Services** (engineering and support services in defence, rail, marine and secure facilities sectors) and **Training & Support** (support services, training and facilities management for the defence and civil sectors).

Babcock's head office is in London and the Company's shares are quoted on the London Stock Exchange. For further information, please visit Babcock's website at www.babcock.co.uk.