

28 September 05

## **Babcock International Group plc**

### **Pre-close trading update**

Prior to entering the close period, Babcock International Group PLC ('Babcock' or 'the Group') gives the following update on its trading performance over the first six months of the 2005/06 financial year.

Trading remains in line with our expectations at the time of the AGM statement in July. The Group has had a series of excellent contract successes during the first half across all of its Divisions, increasing the order book from £1.2 billion at last year-end to approximately £2 billion today. These include a five year extension to the HM Naval Base, Clyde contract which now runs through to 2012, the securing of preferred bidder status for the seven year Regional Prime Contract East and several substantial Rail contracts. Rail successes include a number of significant contracts for signalling works, which is now demonstrating the expected resurgence in activity levels.

The integration of the former Peterhouse business is now complete and is performing in line with our expectations. The disposal of the non-core Health, Safety and Environmental businesses is well underway with Pivotal Services sold in July and the remainder expected before the end of the financial year.

All of our markets continue to offer substantial growth opportunities over the medium term and we remain confident of Babcock's prospects within them. The Group's interim results will be announced on 15 November 2005.

#### **Babcock International Group PLC**

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#### *Notes to editors:*

#### *About Babcock International Group PLC*

Babcock International Group PLC is an asset management business. We manage fixed infrastructure and mobile assets. Babcock integrates labour, technical capabilities, systems and supply chain partners to meet the outsourcing needs of customers for 'mission-critical' capabilities.

In the year to 31 March 2005 sales from continuing business were £760 million. In June 2004 Babcock acquired the Peterhouse Group which brought; Rail, Networks and Health , Safety and Environmental to the Group

The Group operates across five core business segments:

Defence Services, supplying facilities management, equipment support and training services to the armed forces.

Technical Services, providing engineering and logistical support to both the defence and civil sectors in the UK.

Engineering and Plant Services supplying design, installation and maintenance support to the energy sector in Africa and the US. It also holds the Volvo franchise for construction equipment in Southern Africa.

Rail, providing design, renewal and installation services for the UK rail infrastructure.

Networks, supporting the design, maintenance and renewal of power transmission and cellular telecommunications networks in the UK.

Babcock's head office is in London and the Company's shares are quoted on the London Stock Exchange in the support services sector (EPIC:BAB). For further information, please visit Babcock's website at [www.babcock.co.uk](http://www.babcock.co.uk).