



13 June 2006

## **BABCOCK ACQUIRES SOUTH AFRICAN HIGH VOLTAGE TRANSMISSION BUSINESS**

In line with its strategy of developing businesses in South Africa, Babcock International Group announces the acquisition, on a debt free basis, of the high voltage power lines and mobile telecoms business of ABB South Africa (Pty) (Powerlines), for a consideration of £4.5 million, funded from existing banking facilities.

The Powerlines division reported turnover of £13.5 million in the year ended December 2005 and profit before interest and tax was £1.0 million. The business has a total order book in excess of £5.0 million and gross assets are £7.0 million.

Powerlines operates in two markets. These are high voltage transmission lines and mobile telecoms infrastructure. The business includes a tower and fittings manufacturing facility. These businesses will complement Babcock's power transmission and telecoms business in the UK and a combination of the skills and track record of EVE with those in South Africa will create major opportunities in rapidly growing infrastructure markets in Southern Africa.

### **Peter Rogers, Chief Executive of Babcock, commented:**

"We are delighted with this acquisition which extends our business with ESKOM in South Africa and mirrors the skills and abilities of EVE in the UK."

"The recent announcements in South Africa of substantial electricity generation infrastructure build offer excellent opportunities for growth in the powerlines sector."

- Ends -

### **Enquiries:**

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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 for a range of blue chip customers. 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 2006 sales from continuing business were £837 million.

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).