



14 July 2006

BABCOCK INTERNATIONAL GROUP PLC

AGM STATEMENT

Gordon Campbell, Chairman of Babcock, the support services company, will make the following statement at today's Annual General Meeting:

"As announced in the preliminary results in May, 2005/6 was a record year for Babcock, and the fourth successive year of double digit profit growth.

"The current financial year has started very satisfactorily and trading remains comfortably in line with our expectations at the time of the preliminary results announcement. Our recent acquisitions (Alstec and Powerlines) are each performing ahead of our planning assumptions and significant opportunities exist for each of them.

"On 10 May, BAE Systems and VT Group announced that they no longer intended to make an offer for Babcock, having announced in March that they were considering a bid. This situation served to highlight the underlying value of Babcock and we are pleased that the shares responded positively and that the share price has stabilised at a higher level.

"Babcock continues its discussions with the Ministry of Defence about various options for both submarine and surface ship support in relation to the restructuring of the UK maritime sector. Babcock will support such a restructuring insofar as it is in the interests of Babcock's shareholders.

"With the visibility provided by a strong order book, of some three times 2005/6 turnover, the Board remains confident in the Group's prospects in both the short and medium term and consequently we are pleased to be able to recommend a significantly increased final dividend of 4.25 p/share giving a total dividend for the year ending March 2006 of 6.0 p/share, an increase of 50% on the previous year."

- Ends -

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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.