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28 February 2017

## **Babcock International Group PLC (Babcock or the Group) Trading Update**

Babcock, the UK's leading engineering services company, today issues a trading update for the period 1 October 2016 to date. The Group has traded in line with expectations during the period, and the outlook for the full year remains unchanged.

In addition to continuing to progress existing contracts, new order intake remained strong, maintaining our order book and pipeline at £30.8 billion. New orders received included:

- A new €500 million contract for the provision and maintenance of training platforms and related service for the French Air Force (FOMEDEC)
- The manufacture of 22 missile launch tube assemblies for the joint US-UK Trident nuclear submarine replacement programme. This is the first production batch of a 300 missile launch tube assembly programme
- A new helicopter emergency medical service for France's South West region
- An extension of our pile fuel cladding silo nuclear decommissioning project work at Sellafield
- A project to design an Offshore Patrol Vessel for the US Coast Guard
- A project to design and provide processing equipment for an LNG Fuel Gas Supply Vessel which will operate in the Baltic
- The addition of Army vehicle support at Leconfield to the existing Defence Support Group contract
- Further design and development work on the Trident nuclear submarine replacement programme's weapons handling and discharge systems
- A further six maritime equipment support contracts for the Royal Navy, including pumps, motors and electricals

The longer-term tracking pipeline has increased in size over the period and continues to provide significant opportunities for growth over the medium term.

### **Outlook**

The second half of the year has continued to see trading in line with our expectations as reported at the half year results and the Board continues to expect good opportunities for growth.

### **Group realignment**

As mentioned during the half year results presentation in November 2016, the Group is focused on continuing to develop its current areas of core capability in marine, land, aviation and nuclear engineering (through Cavendish Nuclear), supported by our expertise in technology, training and infrastructure.

Therefore to better reflect Babcock's deep engineering experience and operations in these four areas, and to facilitate the Group's continued future growth in the UK and internationally, from 1 April 2017 we will realign our existing businesses to report in four sectors: Marine, Land, Aviation and Cavendish Nuclear. This will replace the Group's current divisional reporting structure. Babcock will hold an investor presentation on 14 March 2017 to present the details of the realignment.

*Ends*

## Enquiries

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## Conference call

A conference call for analysts and investors will be held at 09:00 GMT this morning, access details below:

Dial in number                      +44 (0)20 3059 8125

Please state you wish to join the Babcock International Group Trading Statement call.

An audio-cast and replay details of the call will be available at [www.babcockinternational.com](http://www.babcockinternational.com)

## March 14 realignment presentation

A presentation for analysts and investors will be held at 09:00 GMT on 14 March at 1 Wimpole Street, London W1G. If you wish to attend, please register your interest by emailing [babcockIR@babcockinternational.com](mailto:babcockIR@babcockinternational.com). An audio-cast and replay details of the presentation will be available at [www.babcockinternational.com](http://www.babcockinternational.com)