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Recommended Acquisition

by

Babcock International Group PLC

of

VT Group plc

8 July 2010

Completion of Acquisition

Babcock International Group PLC ("**Babcock**") and VT Group plc ("**VT**") are pleased to announce that the Scheme has now become Effective and the entire issued share capital of VT is owned by Babcock

Admission to trading of VT Shares on the London Stock Exchange's market for listed securities and listing of VT Shares on the Official List of the UK Listing Authority will be cancelled at 8.00 a.m. tomorrow, 9 July 2010.

Result of elections under the Mix and Match Facility

Share Elections in respect of a total number of 10,115,838 Scheme Shares and Cash Elections in respect of 31,433,584 Scheme Shares were made by the Scheme Shareholders. Accordingly, valid elections received during this period: (i) for additional cash will be scaled down on a pro rata basis; and (ii) for additional New Babcock Shares will be satisfied in full, with the result that Scheme Shareholders who have made an election to receive additional cash under the Mix and Match Facility will receive 0.5067 New Babcock Shares and £4.7797 in cash per VT Share, in each case, in respect of which a valid election has been made.

Settlement

Despatch of cheques or settlement through CREST (as appropriate) in respect of cash consideration and crediting of statements of entitlement or despatch of share certificates in respect of the New Babcock Shares (as appropriate) will take place no later than 22 July 2010.

Application has been made for the admission of 128,707,575 New Babcock Shares to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities, admission will occur with effect from 8.00 a.m. tomorrow, 9 July 2010.

Defined terms used in this announcement have the same meanings as set out in the Scheme Circular published by VT on 26 April 2010.

Commenting on the completion, Peter Rogers, (CEO of Babcock) said:

"I am pleased to announce today the completion of the acquisition of VT. We welcome all at VT and we look forward to working together to integrate the two companies. The acquisition brings together two highly complementary groups with similar operating models, customers and core competencies, in line with our strategy to be the leading engineering support services company in the UK.

The acquisition of VT marks the next stage of Babcock's development and will mean the company is better placed to deliver a broader range of solutions to existing customers through a greater range of capabilities and expertise. The combined group will be better positioned to deliver increased services and efficiencies to all our customers."

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This announcement is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. Shareholders of Babcock and VT are advised to read carefully the formal scheme documentation in relation to the Acquisition. The proposals of the Acquisition will be made solely through the scheme documentation, which will contain the full terms and conditions of Acquisition, including details of how to vote with respect to the Acquisition. Any response to the proposals should be made only on the basis of the information in the scheme documentation.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been prepared for the purposes of complying with English law and the City Code on Takeover and Mergers (the "Code") and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

You may request a hard copy of this announcement by contacting the Shareholder Helpline of Capita Registrars on 0871 664 0321 (or +44 20 8639 3399 if you are calling from outside the UK). You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Publication on Website

A copy of this announcement will be made available, free of charge, at Babcock's website (www.babcock.co.uk) and VT's website (www.vtplc.com), in each case, as soon as practicable on 9 July 2010