



Babcock International Group PLC

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Investor code:

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Adoption of Financial Reporting Standard (FRS) 101 – Reduced Disclosure Framework

Dear Shareholder

A new UK Generally Accepted Accounting Practice (GAAP) accounting framework introduced by the Financial Reporting Council (FRC) becomes effective for the financial statements of UK companies with accounting periods commencing on or after 1 January 2015. Under this new framework, Babcock International Group PLC (the Company) is required to elect to prepare its parent company financial statements on one of the bases permitted by the FRC.

The Company proposes to adopt FRS 101 “Reduced Disclosure Framework” for the preparation of the Company financial statements for the year ended 31 March 2016 and on an ongoing basis until such time as the Company notifies shareholders of any change.

The consolidated Group financial statements of the Company will continue to be prepared in accordance with International Financial Reporting Standards as adopted by the European Union and are unaffected by this new accounting framework.

The Company’s election to adopt FRS 101 for its Company financial statements does not require shareholder approval. However, as stipulated in FRS 101, the Company is required to notify all shareholders of this election. Any shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in the Company may serve an objection to the use of the disclosure exemptions. Objections must be served in writing and delivered to the Group Company Secretary at Babcock International Group PLC, 33 Wigmore Street, London, W1U 1QX, United Kingdom not later than 11 March 2016.

Yours faithfully

Franco Martinelli
Group Finance Director

E-Communications

There is an alternative way for you to receive your shareholder information which is kinder to the environment. We would like to invite you to receive your shareholder communications by email and from the internet rather than on paper.

To receive your shareholder communications electronically, simply register via the share portal at www.babcock-shares.com using the **Investor Code** above and following the on-screen instructions.

Benefits of e-communications

- Speedier delivery of documents
- Cost savings for the Company on the delivery of documents
- Ability to access reports and results on the Internet when you need them, wherever you are
- Opportunity to proactively manage your shareholding, including changes to personal details
- Ability to view an indicative value of your holdings on-line
- Saving resources