

# THE TAKEOVER PANEL

## **BABCOCK INTERNATIONAL GROUP PLC ("BABCOCK")**

## **BAE SYSTEMS PLC AND VT GROUP PLC ("BAE SYSTEMS AND VT")**

Following representations made by the advisers to Babcock, the Panel Executive has been considering the application of Rule 2.4(b) of the Code to the potential offer for Babcock referred to in the announcements made by BAE Systems and VT on 23 March 2006. Following discussions with all three parties' advisers, the Panel Executive has ruled that BAE Systems and VT must, by 12.00 noon on 18 May 2006, either announce a firm intention to make an offer for Babcock under Rule 2.5 of the Code or announce that they do not intend to make an offer for Babcock. No extension to this deadline will be granted, except with the consent of the Panel Executive. In the event that BAE Systems and VT announce that they do not intend to make an offer for Babcock, BAE Systems and VT and any person acting in concert with either company will, except with the consent of the Panel Executive, be bound by the restrictions contained in Rule 2.8 of the Code for six months from the date of such announcement.

Each of the parties has accepted this ruling.

20 April 2006