

# THE TAKEOVER PANEL

## VT GROUP PLC (“VT”)

## BABCOCK INTERNATIONAL GROUP PLC (“BABCOCK”)

Following recent representations made by the advisers to VT, the Panel Executive has been considering the application of Rule 2.4(b) of the Code to the announcement made by Babcock, on 15 February 2010, in which it confirmed that it had made an approach to the Board of VT with an indicative proposal and that this proposal had been rejected. The announcement outlined Babcock’s indicative proposal. Following discussions with both parties’ advisers, the Panel Executive has ruled that, unless the Panel Executive consents otherwise, Babcock must, by 5.00 p.m. on 12 April 2010, either announce a firm intention to make an offer for VT under Rule 2.5 of the Code or announce that it does not intend to make an offer for VT. In the event that Babcock announces that it does not intend to make an offer for VT, Babcock and any person(s) acting in concert with it 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.

1 March 2010