

FINAL TERMS

Final Terms dated 3 October 2016

Babcock International Group PLC

Issue of GBP 250,000,000 1.875 per cent. Notes due 2026

under the £1,800,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 19 September 2016 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms have been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.

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|----|-------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (i) | Issuer: | Babcock International Group PLC |
| 2. | (i) | Series Number: | 2 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes become fungible: | Not Applicable |
| 3. | | Specified Currency or Currencies: | Pounds Sterling (" GBP ") |
| 4. | | Aggregate Nominal Amount: | GBP 250,000,000 |
| 5. | | Issue Price: | 99.077 per cent. of the Aggregate Nominal Amount |
| | (i) | Specified Denominations: | GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. No notes in definitive form will be issued with a denomination above GBP 199,000 |
| | (ii) | Calculation Amount: | GBP 1,000 |
| 6. | (i) | Issue Date: | 5 October 2016 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 7. | | Maturity Date: | 5 October 2026 |
| 8. | | Interest Basis: | 1.875 per cent. Fixed Rate |

(further particulars specified below in paragraph 13)

9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10. Change of Interest or Redemption Basis: Not Applicable
11. Put/Call Options: Issuer Call
Change of Control Put Option
(See paragraphs 16 and 18 below)
12. Date Board approval for issuance of Notes obtained: 14 September 2016

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** Applicable
- (i) Rate of Interest: 1.875 per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Dates: 5 October in each year from and including 5 October 2017 up to and including the Maturity Date
- (iii) Fixed Coupon Amount: GBP 18.75 per Calculation Amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Determination Dates: Not Applicable
14. **Floating Rate Note Provisions** Not Applicable
15. **Zero Coupon Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

16. Call Option Applicable
- (i) Optional Redemption Date(s): At any time from (and including) the Issue Date to (and including) the Maturity Date
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): The higher of (x) the principal amount of the Notes and (y) the Make-Whole Amount, plus accrued interest (if any) to (but excluding) the date of redemption.
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: Not Applicable
- (b) Maximum Redemption Amount: Not Applicable
- (iv) Notice period: Not less than 30 nor more than 60 days, as set out

		in Condition 9(c)
(v)	Make-Whole Redemption Margin:	+0.20 per cent.
(vi)	Reference Security:	1.5 per cent. UK Treasury Bond due July 2026
(vii)	Quotation Time	10:00 a.m. London time
17.	Put Option	Not Applicable
18.	Change of Control Put Option	Applicable
19.	Final Redemption Amount of each Note	Par
20.	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	Par

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
22.	New Global Note:	Yes
23.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No

Signed on behalf of the Issuer:

By: 
Duly authorised

Date: 3 October 2016

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: GBP 3,600

2. RATINGS

The Notes are to be issued under the Programme, which is rated:

Standard & Poor's: BBB

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. Fixed Rate Notes only – YIELD

Indication of yield: 1.978 per cent. per annum

OPERATIONAL INFORMATION

5. ISIN Code: XS1499603170
6. Common Code: 149960317
7. Delivery: Delivery against payment
8. Names and addresses of additional Paying Agent(s) (if any): Not Applicable
9. Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

DISTRIBUTION

10. U.S. Selling Restrictions: Reg. S Category 2, TEFRA D