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RECOMMENDED OFFER TO ACQUIRE ITNET PLC ("ITNET")

MADE BY LAZARD & CO., LIMITED

ON BEHALF OF SERCO GROUP PLC ("SERCO")

**OFT CLEARANCE AND
OFFER DECLARED UNCONDITIONAL, SAVE AS TO ADMISSION**

On 16 December 2004, Serco announced a cash offer with a partial share alternative to acquire the entire issued and to be issued ordinary share capital of ITNET which is unanimously recommended by the ITNET Board of Directors.

Serco announced on 31 January 2005 that the Offer was declared unconditional as to acceptances.

OFT CLEARANCE

On 1 February 2005, the Office of Fair Trading announced that it had decided, on the information currently available to it, not to refer the Offer to the Competition Commission under the provisions of the Enterprise Act.

STATUS OF OFFER CONDITIONS

All conditions to the Offer have now been satisfied or, where permitted, waived, save for the condition relating to the admission to the Official List, and the admission to trading on the London Stock Exchange of, the New Serco Shares. Application for such admission has been made.

The Offer will remain open for acceptances until further notice.

UPDATE ON MIX AND MATCH FACILITY RESULTS

Serco today announces that as at 3:00 p.m. (London time) on 28 January 2005, the closing time and date for the Mix and Match Facility, the total share consideration available under both the Share Alternative and the Mix and Match Facility was oversubscribed such that those electing to receive more than 33 per cent. of the consideration in the form of New Serco Shares pursuant to the Mix and Match Facility will have their share elections scaled down pro rata as per the terms described in the Offer Document dated 17 December 2004.

As a result, in addition to their basic entitlement of 33 per cent. under the Share Alternative, Accepting ITNET Shareholders who had validly elected by 3.00 p.m. (London Time) on 28 January 2005 under the Mix and Match Facility to exchange more ITNET Shares than their basic entitlement under the Share Alternative will be entitled to do so in respect of only 32.1 per cent. (approximately) of the ITNET Shares for which they so elected in excess of that basic entitlement. Valid elections for New Serco Shares made by ITNET shareholders below their basic entitlements to New Serco Shares under the Share Alternative will be satisfied in full.

ACCEPTANCE PROCEDURE

To accept the Offer, ITNET Shareholders should complete, sign and return the Form of Acceptance, whether or not their ITNET Shares are held in CREST, in accordance with the instructions set out in the Offer Document and in the Form of Acceptance so as to be received as soon as possible.

ITNET Shareholders who have any queries in relation to the procedure for acceptance, or who would like a replacement Form of Acceptance, can contact Computershare Investor Services PLC on 0870 702 0100 (or +44 (0)870 702 0100 for callers outside the UK).

ITNET Shareholders who have not accepted the Offer are urged to do so without delay.

ENQUIRIES

Serco Group plc

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Dominic Cheetham, Director of Corporate Communications
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OTHER INFORMATION

Terms used in this announcement shall have the same meaning as those in the Offer Document, unless the context otherwise requires.

The Offer will not be made, directly or indirectly, in or into, or by use of the mails or any means of instrumentality (including without limitation facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of the United States, nor will it be made in or into Canada, Australia or Japan. Accordingly, copies of this announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from the United States, Canada, Australia or Japan and persons receiving this announcement (including custodians, nominees and trustees) must not distribute or send it in, into or from the United States, Canada, Australia or Japan.

This announcement does not constitute, or form any part of, any offer for, or solicitation of any offer for securities. Any acceptance or other response to the Offer should be made only on the basis of the information contained in the Offer Document and the Form of Acceptance.

Lazard & Co., Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting for Serco and no-one else in connection with the Offer and will not be responsible to anyone other than Serco for providing the protections afforded to customers of Lazard & Co., Limited.

Merrill Lynch International, which is regulated in the United Kingdom by the Financial Services Authority, is acting as sole corporate broker to Serco and no-one else in connection with the Offer and will not be responsible to anyone other than Serco for providing the protections afforded to customers of Merrill Lynch International.