

Issued:

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Contact: see below

PREMIER PRISON SERVICES LTD (PPS) AWARDED PREFERRED BIDDER STATUS FOR THE DESIGN, CONSTRUCTION, MANAGEMENT AND FINANCE OF HER MAJESTY'S PRISON, MARCHINGTON.

PPS has been chosen as Preferred Bidder for the design, construction, management and financing of an 800 place Category B prison for adult males at Marchington, East Staffordshire. 200 of these places will be set aside for a therapeutic community, where volunteer prisoners address their offending behaviour through group therapy over the course of 1-2 years of their sentence.

The capital value of the 25-year contract is approximately £65 million and approximately £240 million at March 1999 prices for the management of the facility. The prison is due to open in October 2000.

PPS is a joint venture company owned 50% by Serco Limited, a wholly owned subsidiary of Serco Group plc, and 50% by Wackenhut Corrections (UK) Limited, a wholly owned subsidiary of Wackenhut Corrections Corporation. Serco will be investing approximately £4 million into the financing of the project over the next two years, representing its 50% share of the total investment.

The new prison will be built under the terms of the Private Finance Initiative.

- Ends -

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