



bringing service to life

news release

**Serco Group plc
Acquisition of Shares in Joint Venture**

3 October 2005

Serco Group plc ("Serco") today announces that it has purchased Equion Limited's 50% share of Defence Management Holdings Limited ("DMHL"), for consideration of £5.9m. DMHL was formerly a 50:50 joint venture between Serco and Equion. DMHL owns Defence Management Watchfield Limited, the special purpose company for the Joint Services Command and Staff College ("JSCSC") private finance initiative.

The purchase reflects Serco's commitment to long term operating relationships with its clients, in this case the Ministry of Defence ("MoD"). Serco and the MoD are creating a long term partnership at the MoD's Shrivenham site, through both the JSCSC contract and the recently announced Defence Academy Campus Integrator contract. Serco's contract to operate the JSCSC runs for a further 23 years.

- Ends -

For further information please contact Serco: +44 (0) 1256 745 900

Dominic Cheetham, Corporate Communications Director
Richard Hollins, Head of Investor Relations

Notes to editors

Serco is a leading international service company, operating in a diverse range of sectors, including defence, transport, science, health, home affairs, IT services, education, and local government. More information can be found at www.serco.com.

Serco is the largest defence service contractor in the UK, with over 40 years experience of providing integrated services to complex defence and scientific installations.

On 5 June 1998 the MoD signed a contract with DMWL to design, build, finance and operate the JSCSC at Shrivenham. It was the first private finance initiative ("PFI") of its type in the defence sector combining education, estates (including housing), training support services and mess accommodation support services. The PFI contract is for 30 years and provides a centre for training staff officers of all three armed services.

Equion Limited is a wholly owned subsidiary of John Laing Plc, focusing on accommodation projects. John Laing is one of the UK's leading investors, developers and operators of privately financed, public sector infrastructure projects such as roads, railways, hospitals and schools. It is the only UK listed company whose core business is focused entirely upon the development of PFI/PPP projects and operations.