



Issued: Monday 5 April 2004
Release: Monday 5 April 2004
Contact: See below

serco

www.serco.com

Serco agrees sale of Australian and New Zealand facilities management contracts

Following a review of its Asia Pacific business, Serco Group plc ("Serco") today announces the disposal of certain of its contracts in Australia and New Zealand.

Serco has been developing its business in the Asia Pacific region over a number of years and has built a good reputation with government, with a particularly strong focus in the areas of defence and transport. Serco's intention is to concentrate on those areas where it has had greatest success, and where it sees best potential for growth.

There are 52 small to medium-sized contracts being transferred comprising a broad range of facilities, property and asset management activities. The turnover of these contracts in 2003 was £40m. Agreements have been signed with separate local trade purchasers in respect of the Australian contracts and the New Zealand contracts. The agreements are subject to the consent of various customers, but the transactions are expected to complete in the next few months.

The contracts will be disposed of for proceeds (including the transfer of indebtedness) of £7.5m. After costs, the transaction is expected to be earnings neutral in 2004 whilst contributing to increased profitability going forward.

The transfer of these contracts allows Serco to clearly focus on its commitment to the Australian and New Zealand markets in the defence and transport sectors. It further reinforces Serco's intention to devote management resources to building its business in those sectors that offer greatest potential for growth and profitability.

Commenting on the transactions, Serco's Chief Executive, Christopher Hyman said:

"As discussed with our Preliminary Results, we are intent on ensuring that our focus remains on those market areas with the best potential for growth and that we remove ourselves from less profitable areas. We have concluded a review of our Asia Pacific business and, following these contract disposals, now look forward to the further growth and development of our business in the region."

- Ends -

For further information please contact:

Serco Group plc
T: +44 (0) 1256 745900

Kevin Johnson

Head of Media & Public Relations

Serco Group plc
Serco House, 16 Bartley Wood Business Park
Bartley Way, Hook, Hampshire
RG27 9UY, United Kingdom

T +44 (0)1256 745900
F +44 (0)1256 744111

Serco Group Pty Limited
Level 10, 90 Arthur Street
North Sydney, NSW 2060
Australia

T +61 (0)2 9964 9733
F +61 (0)2 9964 9924

Serco Group, Inc.
20 E Clementon Road, Suite 102 South
Gibbsboro, New Jersey 08026
United States

T +1 856 346 8800
F +1 856 346 8463

Notes to Editors

- Serco is one of the world's largest public service companies operating on a global basis in a diverse range of sectors, including defence, aerospace and science, public transport and traffic management, health, education, justice and local government.
- Serco is focused on the public sector, which represents around 90% of its business and has a strong public service ethos. In partnership with customers and staff Serco aims to enhance service levels and operational efficiency by shortening decision making chains, reducing bureaucracy and achieving continuous improvement.
- More information on Serco can be found at www.serco.com