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RECOMMENDED OFFER TO ACQUIRE ITNET PLC ("ITNET")

MADE BY LAZARD & CO., LIMITED

ON BEHALF OF SERCO GROUP PLC ("SERCO")

LEVEL OF ACCEPTANCES AND EXTENSION OF OFFER CLOSING DATE

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.

ACCEPTANCE LEVEL AND EXTENSION OF CLOSING DATE

Serco today announces that as at 3.00 p.m. (London time) on 7 January 2005, the first closing date of the Offer, valid acceptances of the Offer had been received in respect of 26,578,352 ITNET Shares, representing approximately 36.2 per cent. of the existing issued ordinary share capital of ITNET.

As previously advised, Serco received irrevocable undertakings to accept the Offer from the Directors of ITNET in respect of 3,447,708 ITNET Shares, representing approximately 4.5 per cent. of ITNET's existing issued and to be issued ordinary share capital. Valid acceptances in respect of 2,067,000 of these shares were received by Serco prior to the first closing date and are included in the acceptances referred to above. The remaining 1,380,708 ITNET Shares that are subject to the irrevocable undertakings comprise 73,460 ITNET Shares in respect of which an invalid acceptance has been received and 1,307,248 ITNET Shares which are to be allocated or issued pursuant to the exercise of options granted, or the vesting of awards, under the ITNET Share Option Schemes or ITNET Share Schemes.

Prior to the commencement of the Offer Period (as defined in the Code), neither Serco nor any person acting in concert with Serco owned any ITNET Shares.

On 16 December 2004, Serco acquired 4,254,542 ITNET Shares (representing approximately 5.8 per cent. of ITNET's existing issued ordinary share capital) on-market. Apart from this acquisition, neither Serco, nor any of the Serco Directors, nor, so far as Serco is aware, any person acting in concert with Serco has acquired or agreed to acquire any ITNET Shares since the commencement of the Offer Period (as defined in the Code).

As a result, Serco has acquired or received valid acceptances for 30,832,894 ITNET Shares, representing approximately 42.0 per cent. of ITNET's existing issued ordinary share capital.

The Offer, including the Share Alternative and the Mix and Match Facility, has been extended and will remain open until 3.00 p.m. (London time) on 21 January 2005 (unless further extended).

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, and, in any event, by no later than 3.00 p.m. (London time) on 21 January 2005.

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).

#### TAX CLEARANCE

The Board of Inland Revenue has confirmed to Serco that it is satisfied that the provisions of s137(1) of the Taxation of Chargeable Gains Act 1992 should not have effect in respect of the Offer and that s135 of the Taxation of Chargeable Gains Act 1992 would not be prevented from applying. This means that s135 of the Taxation of Chargeable Gains Act 1992 (under which an exchange of ITNET Shares for New Serco Shares under the Share Alternative will not be treated as a disposal of ITNET Shares for the purposes of tax on capital gains) will apply to an ITNET Shareholder who (together with persons connected with him) holds more than 5 per cent. of the ITNET Shares.

#### SERCO FINAL 2004 DIVIDEND – RECORD DATE UPDATE

Serco has previously advised that any New Serco Shares issued in connection with the Offer will be entitled to all dividends and other distributions declared, made or paid after the date of the Offer. This would include any final Serco dividend for the year ended 31 December 2004, if the accepting ITNET Shareholder concerned has been allotted New Serco Shares before the record date for any such final dividend. Serco now expects the record date for any such final dividend to be on or about 11 March 2005. The announcement of Serco's preliminary results for the year ended 31 December 2004 is expected to take place on or about 1 March 2005.

#### ENQUIRIES

Serco Group plc +44 (0)1256 745 900  
Andrew Jenner, Finance Director  
Dominic Cheetham, Director of Corporate Communications  
Richard Hollins, Head of Investor Relations

Lazard & Co., Limited (Financial Adviser to Serco) +44 (0)20 7187 2000  
Paul Jameson  
Samuel Bertrand

Merrill Lynch International (Corporate Broker to  
Serco)  
Simon Fraser  
Andrew Osborne

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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.

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