

SERCO News

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SERCO ANNOUNCES SALE OF SHARES IN FBS LIMITED

Serco has today sold all except two of its shares in FBS Limited (FBS) to its two joint venture partners for a cash consideration of £3.4 million. Serco's share of the net liabilities of FBS at the date of sale was approximately £1.2 million and the credit to the profit and loss account net of disposal expenses will be approximately £4.5 million.

FBS was established in 1996 as an equal joint venture between Serco Limited, FR Aviation Limited and the Bristow Helicopter Group on selection as preferred tenderer for a 15-year programme to provide aircraft and personnel to support the newly formed joint service Defence Helicopter Flying School, as part of the Government's Private Finance Initiative (PFI).

Serco and FR Aviation, through their long-standing joint venture company, FRA Serco Limited, will continue to operate the contract for the provision of aircrew instructors and support personnel at RAF Shawbury for the remaining thirteen years of the contract. Serco will additionally continue to provide air traffic controllers at SAAvn Middle Wallop.

This sale reflects the Group's long term strategy to realise a profit on the sale of PFI investments once each project has reached an appropriate stage of completion and to facilitate further such investments.

- Ends -

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