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Contact: See below



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## Serco Group plc

### Joint venture with Wackenhut Corrections Corporation ("WCC")

Serco Group plc ("Serco") notes the announcement by WCC, its joint venture partner in Premier Custodial Group ("PCG"), that its parent company The Wackenhut Corporation has completed its merger with a wholly owned subsidiary of Group 4 Falck A/S (Milestone Acquisition Corporation). Serco also notes the decision by the Secretary of State for Trade and Industry on 9 May 2002 to refer the merger of Group 4 Falck A/S and The Wackenhut Corporation to the Competition Commission on the grounds of the competition concerns in the UK markets for the provision of transportation and custodial services.

Serco is currently considering its rights under the joint venture agreement with WCC with respect to the change of control of The Wackenhut Corporation. These rights include an option to acquire WCC's 50% interest in PCG, a right which Serco is currently discussing with WCC. Serco and WCC are continuing to work together as normal to maximise the operational performance of the joint venture. Serco will only exercise its option if it is beneficial to the Group and will update shareholders on this opportunity in due course, as appropriate.

- Ends -

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**Notes to Editors:**

Premier Custodial Group is a joint venture company between Serco and Wackenhut Corrections Corporation of Florida USA, with the objective of delivering the requirements of the criminal justice services throughout the United Kingdom.

Since PCG opened Doncaster Prison in June 1994 the Company has built up its reputation for first-class prison management, recognised and endorsed by the Chief Inspector of Prisons.

PCG now employs over 3,000 people and operates 4 prisons, 1 combined prison and Youth Offenders Institution, a secure youth training centre and an immigration centre in the UK. In addition, PCG provides a range of other custodial services including electronic monitoring of offenders and court escort services.

PCG has grown substantially since 1992 and now has an annual turnover in excess of £120 million.