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Contact: See below



Serco joint venture appointed preferred bidder for Leicester University Hospitals Pathway PFI

Serco Group plc's ("Serco") joint venture with Equion Ltd, the accommodation division of John Laing plc, has today been named as preferred bidder for a major programme to improve health services in Leicester.

The Pathway project, commissioned by the University Hospitals of Leicester NHS Trust, involves extensively refurbishing, modernising and supporting three hospitals.

Patients will benefit from modern hospitals providing shorter waiting times, increased privacy, new technology to support clinical care and more effective community care. Employees will benefit from better working facilities and closer working relationships between medical teams.

The joint venture will be responsible for designing, constructing, maintaining and supporting the three hospital sites. The joint venture has appointed Laing O'Rourke as design and construction contractor and Serco as the support services provider.

Serco already provides facilities management services to one of the hospitals – Leicester Royal Infirmary – and this contract continues until financial close is reached on the PFI which is expected in 2006, after which the FM contract will expand to cover all three sites.

It is anticipated construction will start in 2006 and Serco will support the new facilities as they come on stream and manage the transition process. When the five-year development phase is finished, Serco will provide support services to the Trust for a further 30 years. In total, the operating contract is valued at around £1.2bn to Serco over the 35 years.

In addition to its work at Leicester Royal Infirmary, Serco provides support to the NHS through its health consulting business and through services provided to Wishaw Hospital in Lanarkshire and Norfolk & Norwich University Hospital.

Serco Chief Executive Christopher Hyman said: "We are delighted that the Trust has selected us as preferred bidder for this very important contract. The award reflects the quality of the services we already provide to Leicester Royal Infirmary and our proven track record in change management. We look forward to working with Equion to deliver this exciting project for the people of Leicester."

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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



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

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

Notes to editors

The project covers three major hospitals within Leicester City: Leicester Royal Infirmary; Leicester General Hospital; and Glenfield Hospital.

The main elements of the plan include developing a new Women's and Perinatal Unit by merging the two maternity units onto the Glenfield Hospital site, refurbishing the majority of the service facilities at the Leicester Royal Infirmary, developing state-of-the-art planned care and rehabilitation facilities at the Leicester General Hospital and developing a new multi-professional education and training centre in partnership with the University of Leicester School of Medicine and the De Montfort School of Nursing & Midwifery.

Serco is one of the world's leading service companies operating on an international basis in a diverse range of sectors, including health, education, science, local government, transport, justice and defence. More information can be found at www.serco.com

Equion, part of John Laing plc, is a specialist provider of facilities in the PFI and PPP markets with a long-term perspective and approach. The company manages and delivers projects from planning and funding through to design, construction and operation. It is actively involved in the management of a wide range of health, education, police, defence and special purpose government facilities. www.equion.ltd.uk

Laing O'Rourke is one of the UK's leading constructors, a global business with a turnover approaching £2bn and over 16,000 employees worldwide.