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**Serco Group plc has entered into a conditional agreement
with AEA Technology plc to acquire
AEA Technology plc's Consulting Division**

Following the announcement made by Serco Group plc ("Serco") on 29 June 2001, Serco is now pleased to announce that it entered into a conditional agreement with AEA Technology plc ("AEAT") to acquire AEAT's Consulting Division ("AEAT Consulting") on Friday 17 August 2001.

The consideration to be paid to AEAT, in cash from within Serco's existing banking facilities, is £69.8 million. In addition, AEAT will retain the benefit of the trade debtors on completion. The contribution of the business is expected to be earnings enhancing after phase-in and financing costs.

AEAT Consulting, which provides critical science and safety based services under long term contracts to customers including the Ministry of Defence, BNFL, British Energy and the UK Atomic Energy Authority, reported a profit, after the deduction of group management charges and before tax, of £7.6 million in the year to 31st March 2001 on turnover of £41.9 million. The net book value of assets and liabilities to be acquired was £(0.2) million at 31st March 2001. No debt is being assumed as part of the transaction.

Completion is expected to be in early September, once AEAT's shareholders have approved the transaction.

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