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Contact: See below



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## **Serco Group plc raises £117 million of long-term debt from a US/UK private placement**

Serco Group plc ("Serco") announces that it has completed the private placement of £117million Senior Notes. The notes have been issued in Sterling and US dollars to both existing and new lenders; have a final maturity of 12 years with an average term of 10 years and a fixed average coupon of 5.7%.

The funds raised are being used to repay the credit facilities used to finance the recent acquisition of the remaining 50% of Premier Custodial Group Limited, to repay short term bank facilities and to position the company to best take advantage of the excellent opportunities for continued future growth.

The placement takes advantage of historically low interest rates and extends the maturity profile of Serco's corporate debt. The calculations of the financial covenant ratios exclude all Serco's non-recourse project debt. This is the same approach as that taken by lenders in Serco's existing bank credit facilities.

Kevin Beeston, Executive Chairman, said:

"This placing demonstrates Serco's commitment and ability to take advantage of opportunities in the financial markets to maintain a balance sheet structure that best positions us for future growth. I am particularly pleased that the placement has allowed us to both continue our excellent dialogue with existing lenders and to develop relationships with new long-term lenders.

The long-dated maturity and cost of the new debt reflects Serco's strong credit profile and the excellent growth opportunities in our markets, whilst lowering Serco's overall weighted average cost of capital."

**- Ends -**

**For further information please contact:**

**Serco Group plc**  
**T: +44 (0) 1256 745900**

Stephen Hill  
Ben Woodford

Corporate Finance Director  
Corporate Communications Director

**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