



Issued: Friday 23 May 2003

Release: Friday 23 May 2003

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Serco joint venture signs contract for £3.6 billion Merseyrail Electrics network concession

Serco Group plc ("Serco") and Dutch rail operator, Ned Railways ("NS"), announced today that they have signed the contract for the Merseyrail Electrics concession for which they were made preferred bidder on 23 April 2003. The contract, which is valued at approximately £3.6 billion over a 25-year period, is due to start on 20 July 2003.

The Serco/NS joint venture offers a unique combination of expertise and experience, providing the scope, skills and resources through which innovative and tangible improvements can be made to the existing service. Serco, the UK's National Rail Operator of the Year for both 2001 and 2002, has considerable experience of rail passenger services, track and signalling and change management, while NS have built up a strong reputation of delivering punctual and reliable rail services on high density urban networks.

"This is truly a historic event," said Mark Dowd, Chair of Merseytravel. "Now the legal formalities are complete, I want to see big improvements in stations, security and on trains. Everyone involved in the railways on Merseyside can now look forward to 25 years of investment and improvement and that is good news for passengers and staff alike.

"The deal is signed and sealed and it is now for the partners to get down to work and deliver the service that the people of Merseyside expect and deserve."

The Merseyrail Electrics concession covers the operation of the self-contained railway network on both sides of the Mersey, with 66 Stations, 1000 staff and the maintenance of the fleet of trains at two dedicated depots. The immediate priorities will be to ensure that the recent improvement in punctuality and reliability can be sustained in the long term, as well as enhancing the security of passengers and staff and improving the engineering performance of the trains and the conditions of stations.

- Ends -

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Notes to Editors

- Serco is an international provider of management services to government and industry. The company covers a wide range of activities, from controlling satellites and operating computer networks for the European Space Agency, to managing and operating the Docklands Light Railway where Serco was recently voted National Rail Operator of the Year, for the second year in succession. The company employs over 34,000 staff in 36 countries.
- More information on Serco can be found at www.serco.com
- Serco/NS is an equal share joint venture arrangement between Serco Group plc and Ned Railways
- Serco/NS is also bidding for the Wales and Borders concession and is currently awaiting the outcome of the competition having submitted its bid.