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Premier Custodial Group Ltd nominated as Preferred Supplier to deliver the Prison Escort and Custody Services for London and the South East of England

Serco Group plc ("Serco") today received confirmation that its wholly owned subsidiary, Premier Custodial Group Ltd ("Premier"), has been nominated by HM Prison Service as preferred supplier to deliver the Prison Escort and Custody Services contract for London and the South East of England. Subject to the satisfactory completion of negotiations with the Prison Service it will lead to Premier delivering services to the region from 29 August 2004. Over its seven-year term, the new contract is valued at over £300 million.

Premier is currently delivering Escort and Custody services to two of the eight contracted areas across England and Wales and, upon successful completion of Preferred Supplier negotiations, Premier will significantly increase its activity levels in the provision of Escort and Custody services and will be responsible for about 25% of the entire UK market.

Kevin Beeston, Executive Chairman of Serco Group, commented:

"A feature of Serco's success over many years has been our ability to win our re-bids and grow the business organically. We have made great strides with Premier since acquiring full control of the business in July 2003, and the announcement that we are a preferred supplier for Escort and Custody services is a testament to the confidence that the Home Office has in our ability to deliver on their requirement."

- Ends -

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Kevin Johnson Head of Media & Public Relations, Serco Group plc

Notes to Editors

- The current Court Escort & Custody Services ("CECS") contract is the largest of the contracts awarded to Premier Custodial Group Ltd. CECS has over 900 members of staff operating in England and Wales. The Head Office in Banbury, Oxfordshire, is supported by five operational bases at Hook in Hampshire, Hove in Sussex, Strood in Kent and at Bushbury and Brierley Hill in the West Midlands. The contract makes Premier responsible for the secure and safe transportation of approximately 250,000 prisoners each year from prisons and police cells to courts throughout Premier's contract areas.

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- Premier Custodial Group Ltd is at the forefront of custodial service provision within the United Kingdom. Of all the private service providers delivering custodial services to the UK Government, Premier is the only organisation providing services to all five market segments in Prisons, Immigration, Secure Training Centres, Electronic Monitoring and Prison Escorts and Custody Services.
- Premier currently operates 10 contracts within its portfolio, including five prisons (HMP & YOI Doncaster, HMP Lowdham Grange, HMP Kilmarnock, HMP & YOI Ashfield and HMP Dovegate), one Secure Training Centre at Hassockfield, two Immigration Removal Centres; one at Dungavel House in Scotland and the soon to be opened Colnbrook House at Heathrow, as well as Prison Escort and Custody Services and an Electronic Monitoring contract.
- Serco is one of the world's largest public service companies operating on a global basis in a diverse range of sectors, including defence, aerospace and science, public transport and traffic management, health, education, justice and local government.
- Serco is primarily focused on the public sector, which represents around 90% of business, and has a strong public service ethos. In partnership with customers and employees, Serco aims to enhance service levels and operating efficiency by shortening decision making chains, reducing bureaucracy and achieving continuous improvement.
- For more information on Serco Group plc, please visit www.serco.com