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Serco selected preferred bidder for US\$1.4 billion Joint Technical College, Oman

Serco Group plc ("Serco"), as a 50/50 partner in the Training College Consortium ("TCC"), has been chosen as the preferred bidder for a 30-year Private Finance Initiative ("PFI") contract, with an estimated value of approximately US\$1.4 billion, to design, build and operate the Joint Technical College, Oman ("JTC Oman"); contract signature is expected in three to four month's time. It will take approximately two years, from financial closure, for Phase 1 of the construction work to complete and, when fully ready in about three years time, the College will accommodate up to 2000 residential students, both military and civilian. As with all of Serco's PFI projects, the majority of the construction component of this contract will be funded by non-recourse debt.

Serco, and its Oman partner, the Bahwan Engineering Group, part of Suhail Bahwan Group (Holdings) Co. LLC, have created an international partnership that brings technical experience in design and building world-class facilities together with renowned management and learning expertise to meet the technological challenges of the Sultanate of Oman and the Oman Ministry of Defence.

Christopher Hyman – Serco Group Chief Executive commented:

"Serco brings to this important and prestigious project a proven track record in management, learning capability and organisational design and change, which will be vital to ensure a seamless transition to the new facility. Through the successful delivery and management of the UK MOD Joint Services Command and Staff College, Serco demonstrates its experience in design, build and management of such an establishment as well as extensive PFI experience. We look forward to working with our local partner, the Bahwan Engineering Group, and to delivering this exciting project for our customer in Oman"

- Ends -

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Notes to Editors

- The new Joint Technical College ("JTC") bid has been prepared by the Training College Consortium ("TCC"). TCC comprises Bahwan Engg. Group, part of the reputed Suhail Bahwan Group (Holding) Co. LLC. and Serco to provide:
 - A consortium with complementary capabilities
 - Considerable PFI experience
 - The maintenance of military ethos

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- A prestigious, yet functional building
 - Design giving flexibility of use and ability to expand
 - Internationally accredited education framework
 - A solution that will attract Third Party Revenue in the region and world-wide
- The proposed design and operation of the JTC is based on the Joint Services Command and Staff College (“JSCSC”), a design and build PFI managed by Serco for the UK Ministry of Defence, and the first ever PFI let by the UK Ministry of Defence.
- The idea of establishing a Joint Technical College had come from the directives of His Majesty Sultan Qaboos bin Said to set up a world class educational institution to provide the Sultan’s Armed Forces and other security organs with technical cadres. The College will be a centre of excellence for technical training and degree courses in the region and offers exciting prospects as an international training facility.
- The Suhail Bahwan Group is one of the largest private sector groups in Oman with a turnover exceeding US\$1 billion (approx). Bahwan is involved in trading and diverse engineering construction activities under one umbrella and also undertakes turnkey maintenance contracts in Oman and the UAE. Bahwan also has significant experience of private sector investment projects, including the privatisation of Seeb and Salalah airports in partnership with the British Airport Authority, the Barka power and desalination plant and the Sohar fertiliser project.
- Bahwan contracting Company will be the Consortium’s construction partner for this project and the Bahwan engineering Company (both part of the Bahwan Engineering Group) will be responsible for the installation of Mechanical & Electrical service and the facilities management services for the JTC. Bahwan has 8,000 staff and has been operating in Oman for 35 years.
- More information on the Company can be found at www.suhailbahwanguroup.com & www.bahwanengineering.com
- 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 its business, and has a strong public service ethos. In partnership with customers and staff, Serco aims to enhance service levels and operational efficiency by shortening decision making chains, reducing bureaucracy and achieving continuous improvement
 - More information on the Company can be found at www.serco.com