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serco

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Serco agrees deal with CapMan Group for Swedish contracts

As a result of the business review described in the Interim Report (September 2003), Serco Group plc ("Serco") today announces the disposal of a number of its Swedish contracts.

Serco's Swedish business operates contracts in facilities management, leisure and IT, mainly in the private sector, and the Swedish market does not currently offer the public sector growth opportunities that Serco seeks. As a result, Serco has signed an agreement with CapMan Group ("CapMan"), a Finnish private equity investor, which will take over the contracts held by Serco Sverige AB (and its subsidiaries) on 31 October 2003. The annual turnover of the contracts is MSEK370 (£27.8m). CapMan will pay MSEK74.2 (£5.8m) for the business, generating a profit on disposal of MSEK3.8 (£0.3m).

Serco retains a number of contracts in Scandinavia that are core to its business, in particular a traffic management contract in Stockholm and the operation of the Copenhagen Metro.

- Ends -

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Notes to Editors

- 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 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 Serco can be found at www.serco.com

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