

## Overview

Serco is a FTSE 100 international service company, which combines commercial know-how with a deep public service ethos.

We improve services by managing people, processes, technology and assets more effectively. We advise policy makers, design innovative solutions, integrate systems and - most of all - deliver to the public.

Serco supports governments, agencies and companies who seek a trusted partner with a solid track record of providing assured service excellence. Our people offer operational, management and consulting expertise in the aviation, BPO, defence, education, health, home affairs, local government, science, technology, transport and the commercial sectors.

## Financial record

	2009 H1	2008	2007
Revenue	£1,950m	£3,124m	£2,811m
Adjusted operating profit	£110.0m	£165.2m	£142.0m
Adjusted earnings per share	14.02p	22.20p	18.57p
Dividend per share	1.85p	5.00p	4.25p
Group free cash flow	£50.7m	£94.2m	£97.6m

## Executive directors

Christopher Hyman	Chief executive
Andrew Jenner	Finance director

## Non-executive directors

Kevin Beeston	Non-executive chairman
Leonard Broese van Groenou	Chairman - remuneration committee
Margaret, Baroness Ford of Cunninghame	Senior independent director
David Richardson	Chairman - audit committee
Thomas A. Corcoran	

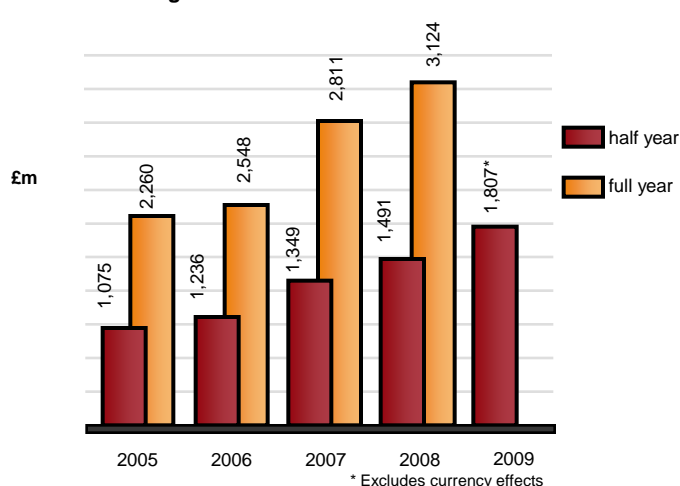
## Highlights – Half year ended 30 June 2009

- Record level of contract awards: £3.5bn in half year
- Excellent progress with SI acquisition
- Win rates of one in two for new bids and 90% for rebids
- Strong financial performance; revenue growth of 10.8% excluding SI and currency; Adjusted operating margin increase of 38bps excluding currency; Group free cash flow increase of 53.6%
- Order book of £16.7bn at 30 June 2009, and high revenue visibility
- Considerable opportunity pipeline of £27bn
- On track to deliver 2009 guidance; guidance unchanged for revenue of approximately £5bn and Adjusted operating profit margin of 6.3% by the end of 2012 (excluding material acquisitions, disposals and currency effects)

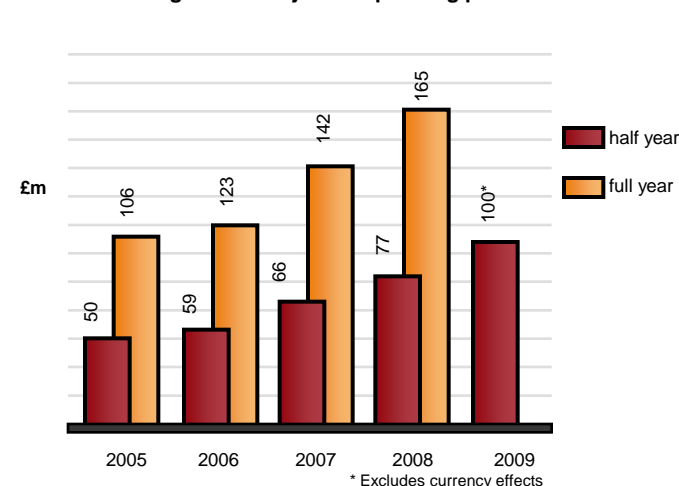
## Stock data as at 23 September 2009

Index	FTSE 100
Sector	Support Services
Market Cap	£2,470m
Share price	505p
Share price change YTD	+12%

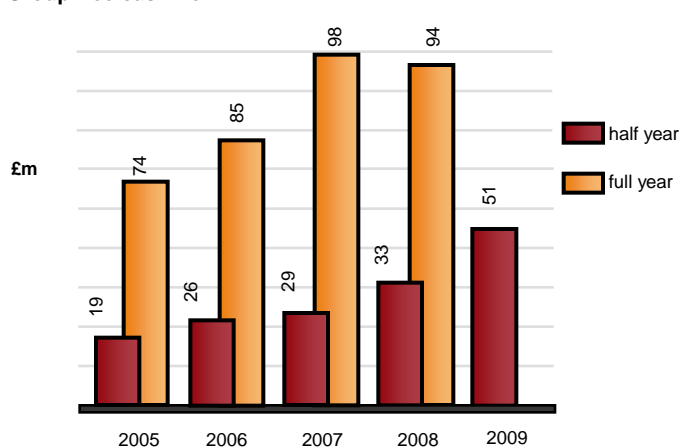
## Track record of growth – revenue



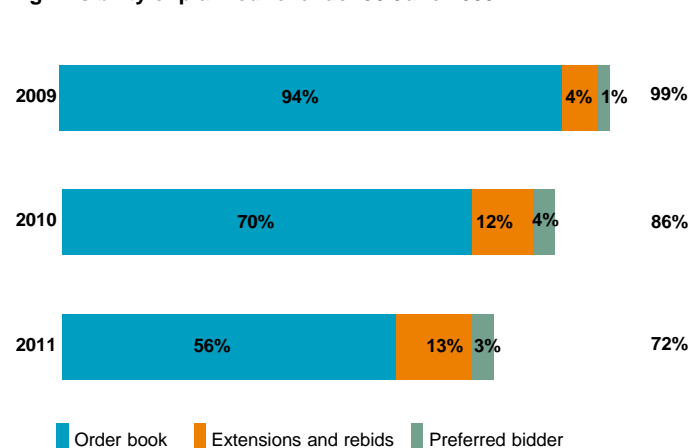
## Track record of growth – Adjusted operating profit

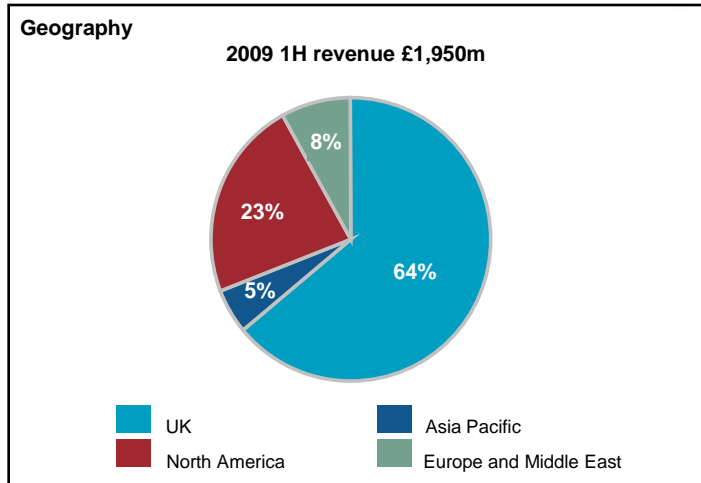
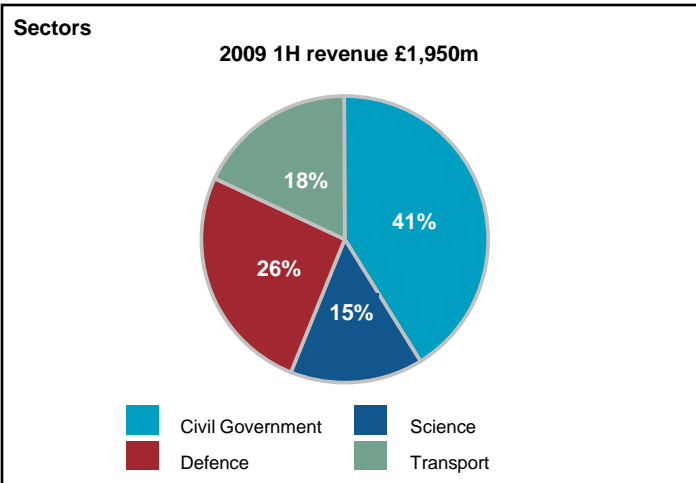


## Group free cash flow



## High visibility of planned revenue: 30 June 2009





**Sectors**

**Civil Government** – In Civil Government, our work encompasses sectors including home affairs, healthcare, local government, education and children’s services and the commercial sector, providing a broad range of integrated facilities management, IT and business process outsourcing (BPO) support and consulting services. In the US, the acquisition of SI has added new records management and IT capabilities which we provide to a number of civil government agencies. With the start of our three contracts under the UK Government’s Flexible New Deal initiative in 2009, we will also play an important role in supporting jobseekers in returning to and remaining in work.

**Defence** – We are a major provider of operational support services to the armed forces of the UK, US, Canada, Germany and Australia. We provide training, engineering and operational support, maintain strategic defence assets, and deliver cost analysis, human resources, systems engineering, safety assurance and risk management services. In North America, we provide information services, technology and network solutions, enterprise management, engineering, logistics, and human resources services primarily to the US Government. The acquisition of SI has significantly expanded our capabilities and broadened our customer base, where we now serve all branches of the US armed forces, key federal civilian agencies such as the Department of Homeland Security and Department of State, and the intelligence community.

**Transport** – We are a major provider of transport services to the UK and markets in Australia, the Middle East and US. We operate heavy and light rail systems, are a leader in the development of integrated traffic management systems, and are one of the world’s largest private sector suppliers of air traffic control services. We are broadening our capabilities into other modes of transport, including marine transportation services through our operation of the Woolwich Ferry, and bicycles with our recently announced contract to operate the London Cycle Hire Scheme.

**Science** – Our science business began in the 1970s with our work for the European Space Agency and we are now a sector leader. We run the UK’s National Physical Laboratory – one of the world’s major scientific establishments – provide safety advice to the Royal Navy’s nuclear submarines and work with CERN in Geneva. With our partners, we operate the UK’s Atomic Weapons Establishment – one of Serco’s largest contracts. We have also built a strong position in the civil nuclear market.