

Press Release

Serco acquires InfoVision Group, India's largest independent domestic BPO business

11 December 2009

Serco Group plc (Serco) today announces that it is entering the fast-growing domestic Indian business process outsourcing (BPO) market through the acquisition of a majority shareholding in InfoVision Group (InfoVision).

The acquisition will establish Serco in this market, enable further development of InfoVision's BPO business, and broaden Serco's existing customer offering. Through InfoVision, Serco will also launch its brand in India, both in BPO, and, as the market develops, as a provider of services to the public.

InfoVision is the third-largest BPO company serving the Indian domestic market, and the largest independent domestic BPO business. The company provides customer services, database management and back office services. It has more than 10,000 employees based at seven offices and ten client sites across India. Its major customers include GE, Talk Talk, HSBC, American Express and ABN Amro.

Serco has acquired a 60% shareholding in InfoVision from its founders, Aditya and Malina Gupta, for INR977m (£13.3m) in cash, valuing the company, including its outstanding net debt of around INR371m (£5.1m), at approximately INR2.0bn (£27.2m). In the year to 31 March 2008, InfoVision's revenues were INR1,722m (£23.5m). Serco has also agreed to acquire the remaining 40% of InfoVision in two tranches over the next two years, at a value determined by InfoVision's financial performance in that period.

Serco has identified strong growth opportunities in the Indian market where GDP has increased by at least 7% per annum since 2002, with rising incomes creating an increasing demand from consumers for services and consequently a growing use of third parties to deliver them. The outsourced domestic BPO services market is expected to grow in value to around US\$1.8bn over the next five years. In addition to this growth in the BPO market, there is also early evidence that there will be demand for process outsourcing within the Indian public services market.

Christopher Hyman, Chief Executive of Serco, said: "India is a substantial, fast-growing economy and our market entry promises excellent opportunities. InfoVision is a leading company in the Indian BPO market and we share a similar, strong culture based on assured delivery, building long-term customer relationships and organic growth. The Indian domestic markets are growing very fast and over the longer term this acquisition positions us very well to provide broader services to the public."

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InfoVision President and CEO, Aditya Gupta, said: "Becoming part of Serco will allow us to sustain strong annual growth in India's domestic BPO market and the group's breadth of capability and service offerings will enable us to enter new markets and address new service opportunities. In Serco we have found a partner that has the same values and thirst for growth as we have. We are very excited and proud to become a part of the Serco family."

Ends

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www.serco.com

About Serco

Serco is an 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, defence, education, health, home affairs, local government, science, technology, transport and the commercial sectors.

More information can be found at www.serco.com.

About InfoVision Group

InfoVision Group is the largest independent domestic BPO business in India. With over 16 years of experience, its more than 10,000 employees are focused on delivering solutions in running call centres, loyalty and fulfilment programs, database management and back office support services for domestic and international customers. The company has a pan Indian presence in 17 cities and also has substantial international operations catering to clients in the US, UK, Singapore, New Zealand and Australia. InfoVision enables customers to concentrate on their core business by outsourcing their marketing and customer centric support services and back office operations.

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