

## News Update

### Issue 3

4 December 2006

**This release is to update analysts and investors on some of Serco's contract wins in recent months. The contracts listed here represent just some of the new business referred to in the trading statement issued today. We aim to issue further updates from time to time.**

#### **East of England Regional Offender Management Pathfinder Project**

In the first award of its kind, Serco and third-sector bodies Turning Point and Rainer have been appointed to provide employment and rehabilitation support to offenders returning to the community, under the name Path2work. The contract is worth £1.4m to Serco over 2.5 years.

#### **Department for Education and Skills (DFES) – children's centres**

In another example private and voluntary sector co-operation Serco Solutions, working with a consortium of commercial and voluntary sector organisations, has been awarded a DFES contract to support the development of Children's Centres in 150 local authorities across England. The contract is worth £10m to Serco over two years.

#### **US Department of Defense – engineering, IT and C4I**

Serco has been appointed to two multiple award contracts by the Research Development and Engineering Command. These enable us to compete for \$370m of work over 2¼ years.

Serco has also been awarded a \$33m, three year, US Department of Defense contract to provide the Submarine Communication Information and Command, Control Communications, Computers and Intelligence (C4I) Systems Division with technical support for submarine and satellite communication, information technology and other C4I work.

#### **HMP Leicester – prison healthcare**

Serco has been selected to provide healthcare services at Leicester Prison. This is the fourth Home Office-run custodial establishment to which we provide healthcare. The three-year contract is valued at £3m, with scope for two additional years.

#### **Dubai Department of Health and Medical Services – integrated services**

The Rashid Hospital, Dubai has appointed Serco to provide civil, architectural and electromechanical works, helping the hospital's management to improve the patient environment. The one-year contract is valued at around £2.3m.

#### **Cambridge City Council – ICT services**

Cambridge CC has renewed its contract with Serco for ICT support, including desktop, network, servers and telephony. The new contract is valued at £1m per annum over five years.

## News update (continued)

### **European Parliament – telephone and video-conferencing**

The European Parliament has awarded Serco a new contract for telephony and videoconferencing support across their sites in Brussels, Strasbourg and Luxembourg. The contract has a value of €15m over a six-year period, to support over 14,000 phone sets.

### **Hong Kong Government – ecopark management**

Serco, in partnership with Savills Guardian, will manage a new 'ecopark', a key part of the Hong Kong Government's drive for practical and sustainable development. Serco will undertake marketing and community relations, environmental and facilities management, with a team of around 60 employees.

### **Birmingham International Airport – emergency services**

Birmingham International Airport, the UK's fifth largest, has appointed Serco preferred bidder for a contract to manage and deliver emergency services. The estimated total contract value is £40m over ten years.

### **US Pension Benefit Guarantee Corporation (PBGC) - data analysis and administration**

Serco has won a contract to provide data analysis and administrative support to the PBGC. The contract is for one year with four additional option years, and is worth up to \$11.6m.

### **Seminole County – equipment maintenance**

Seminole County in Florida has renewed Serco's for fleet maintenance of over 2,000 pieces of equipment ranging from landfill tools to fire trucks. The contract is for a two-year base period with two, two-year option periods and is valued at approximately \$4m per annum.

### **China/Hong Kong – intelligent traffic systems (ITS)**

In Serco's first ITS win on the Chinese mainland, Serco has been selected as ITS contractor on the Chinese side of a new six-lane road link between Shenzhen and Hong Kong, having completed the Hong Kong side of the contract earlier this year. The contract is worth £1.2m over 16 months.

### **Hong Kong – parking meters**

Serco has successfully renewed its contract to manage and maintain Hong Kong's 11,000 parking meters, in a contract valued at £6m over four years.

### **UK Royal Air Force – Air Surveillance and Control System**

Serco has been awarded a £5.5m, two-year extension to its Air Surveillance and Control System contract to take the service through to 2009. Work includes engineering, armoury, logistical and supply support for the RAF.

### **UK Royal Air Force – Chinook engineers**

Serco has signed a new £1.3m one year contract to provide engineers to support the Chinook helicopter force based at RAF Odiham in Hampshire. The Ministry of Defence aims to improve and sustain the Chinook fleet as they support heightened Armed Forces activity.

### **North Denes Heliport – extension to operations**

Serco's North Denes Heliport contract has increased monthly revenue by 30% by changing from five days to seven days a week operation. Under the three year contract, Serco provides helicopter support, air traffic control and meteorological services to the North Sea oil and gas industry.

## News update (continued)

### **Lockheed Martin – defence aircraft testing**

Serco has been awarded a contract by Lockheed Martin valued at £4m over five years, to support the testing of the Royal Navy's EH101 and SeaKing AEW aircraft.

### **US Navy – consultancy**

The Chief of Naval Installations awarded Serco a five-year consultancy contract, valued at US\$8m, to assist with program management and budgetary analysis. This follows another win with the US Navy's Avionics Support Team in Virginia Beach, to advise on logistics and cost analysis. This program is valued at US\$6.5m over five years.

### **US Army and Air National Guard – recruiting services**

Serco has won a contract with the US Army to provide qualified contract recruiters. The contract has one base year and two option years and is worth up to US\$15.2m. Under Serco's first contract of this type with the US Air National Guard, we will provide administrative support to the Air National Guard Wing Recruiting and Retention offices. The contract will be for one base year and one option year, totalling US\$6.5m.

### **European Space Agency – analytical support**

ESA's Earth Observation Science, Application and Future Technologies Department has awarded Serco a 16 month contract extension. Serco's work includes analysing performance and validating results, installing and testing algorithmic and application software packages and producing promotional and training packages.

### **Red Bee Media – IT enabled change project**

Serco has been selected by creative agency Red Bee Media to support their separation from their parent business and provide a managed desktop service. This contract is worth £7.1m over five years.

### **Volkswagen UK – back office support**

Volkswagen UK has awarded £1.5m of additional work to Serco over three years, to support administration and human resources at the company's five sites in Milton Keynes. This expansion has come less than a year into our facilities management contract with VW.