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news release

**21 October 2005**

**Serco signs £30m contract to monitor offenders in Scotland and is appointed to manage £29m prison development**

Serco Group plc (“Serco” or “the Group”) today announces that it has been awarded a five-year contract by the Scottish Executive to deliver electronic monitoring of offenders throughout the country.

The five-year contract is valued at around £30m and is due to start in April 2006. At the end of the five-year period the contract may be extended for a further two years.

Serco will enhance value for money for the Scottish Executive by investing in employees’ skills and integrating innovative new technology, sourced through its subsidiary Premier Geografix.

The group already monitors offenders in two regions of England and Wales and supplies monitoring equipment to governments in Australia, South Africa, Italy, British Columbia and Newfoundland.

Serco has also been appointed to manage the construction and operation of a 120-bed houseblock at Lowdham Grange prison in Nottinghamshire. Serco already runs Lowdham Grange under a contract with the Home Office, which has 18 years remaining. The new contract, which is subject to planning permission, is valued at £29m over 18 years.

The home affairs market is of growing significance to Serco and these new opportunities follow the UK government selecting the Group for a £100m contract to provide solutions to help detect the illicit importation of radiological substances at UK ports of entry.

Chris Hyman, Chief Executive of Serco Group plc said: “We are very pleased that the Scottish Executive has chosen us to deliver this important service for the people of Scotland. Serco will deliver an efficient, effective electronic monitoring service that contributes to reducing offending and improving public safety.

“We are enhancing our reputation for building partnerships that deliver reliable, innovative and value for money services and this is reflected in the recent decisions by the Scottish Executive to engage us and by the Home Office to extend our work on their behalf.”

Ends

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**Notes to editors:**

Serco is a leading international service company, operating in a range of sectors, including home affairs, defence and aerospace, IT services, education, local government, transport, science and health. More information can be found at [www.serco.com](http://www.serco.com).

Serco delivers a broad range of specialist services across the home affairs arena including custody, community monitoring of offenders, prisoner escorting, ICT and infrastructure support and homeland defence solutions.

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