

Press Release

Walsall Council and Serco sign £345m education services contract

10 July 2008

Serco Group plc (Serco) today announces that it has signed a new contract to provide education and children's services in Walsall. The award of the new contract, which is valued at around £345m, has been made by Walsall Council, and is for a longer term of 12 years, reflecting the success Serco has achieved under the existing contract.

Under the new contract, Serco will work with the Council to ensure that children and young people achieve the best possible educational outcomes, and also to provide support to the most vulnerable children and their families. Serco will deliver education support services to the Council, Walsall's 119 schools and other stakeholders. Under the new contract, Serco will also introduce a number of new initiatives intended to support and contribute to Walsall's economic and social regeneration, including supporting a Business Incubation centre, a young persons' apprenticeship scheme, and the location of up to 200 other Serco posts within the borough.

Serco has provided education services on behalf of Walsall Council since 2001. The partnership between the Council and Serco has delivered considerable performance improvements in that time. The most recent Annual Performance Assessment judged both the services provided and the capacity to improve to be "good" (the second highest category of performance). Similarly, the recent Joint Area Review assessed services for children and young people in Walsall to have shown sustained improvement, with the services provided by Serco judged to be in a "strong state".

Christopher Hyman, Chief Executive of Serco Group plc said: "We are delighted to continue our partnership with Walsall Council. This 12 year award reflects the substantial improvement in

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performance the Council and Serco have achieved together and also Walsall Council's confidence in our ability to deliver over the long term. There is great potential for us to bring innovation to the services we provide that will further improve education and children's services in the area, and we look forward to working with the Council and schools to continue to enhance educational achievement in Walsall."

(End)

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Charles King, Head of Investor Relations
Dominic Cheetham, Director of Corporate Communications

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

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

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