

Serco signs £160m contract to provide environmental services in London Borough of Bexley

2 November 2009

Serco Group plc (Serco), the international service company, announces that it has signed a contract with the London Borough of Bexley to provide a full range of environmental services, including refuse and recycling collection, commercial waste and street cleaning. The contract, which will commence this month, is for an initial term of ten and a half years, with an option to extend for a further five years, and is valued at over £160m over the full fifteen and a half years.

Under the contract, Serco's innovative approach will result in an enhanced standard of cleanliness in residential areas, improvements to the efficiency of the environmental services, and a reduction of 40% in the service's carbon footprint. This will be achieved through initiatives such as the co-ordination of street cleaning with refuse and recycling collections, the use of street washing and graffiti cleaning teams, and preventative marketing campaigns. Serco will also reduce vehicle movements and environmental impacts through "one pass" recycling services which will combine recycling operations in a single vehicle movement, and by the introduction of electric vehicles and bio-fuels.

With this contract, Serco now provides environmental services to fourteen local authorities in the UK. This contract is Serco's third with a London borough, where we currently provide waste and street cleansing services for the London Borough of Hammersmith and Fulham, and landscaping services for the London Borough of Newham.

Christopher Hyman, Chief Executive of Serco Group, said: "We are delighted to have been chosen by Bexley, and look forward to working with them to deliver further improvements for their residents. This contract represents a further significant development for our environmental services business, where our innovative approach is leading to significant opportunities."

Ends

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About Serco

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

We improve essential 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.

More information can be found at www.serco.com

Serco's Environmental Services contracts

Serco currently provides environmental services to the following local authorities: Winchester City Council and Canterbury City Council (waste, street cleansing and buildings); Cornwall County Council, Mid Sussex District Council, Welwyn Hatfield Borough Council, Milton Keynes Council, Breckland District Council and Charnwood Borough Council (waste and street cleansing); Woking Borough Council (street cleansing and grounds services); London Borough of Newham

(landscaping); Mid-Suffolk and Babergh District Councils (waste); and the London Borough of Hammersmith & Fulham (waste & street cleansing). Serco had previously announced at its half year results in August that it had been appointed preferred bidder for the contract with the London Borough of Bexley.