

Press Release

Cancellation of Leicester Pathway PFI Plan

20 July 2007

Serco Group plc (Serco) is disappointed to note today's announcement by the University Hospitals of Leicester NHS Trust (UHL) that it is not to proceed with its private finance initiative plan to develop hospital services at its three sites.

Triskelion Healthcare Ltd, a joint venture between John Laing plc, Laing O'Rourke Ltd and Serco, was appointed preferred bidder for this programme in December 2004. Following a strategic review of major health PFI projects in 2006, the budget for the project was reduced. It has not been possible to deliver the required scope of the project within these new parameters.

Further to Serco's trading update on 27 June 2007, it confirms that it continues to trade strongly and is confident of performing in line with expectations for the year.

(End)

Notes to Editors

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

Serco improves services by managing people, processes, technology and assets more effectively in the health, education, home affairs, local government, science, technology, defence, transport and commercial sectors, in 37 countries.

Serco advises policy makers, designs innovative solutions, integrates systems and delivers to the public. More information can be found at www.serco.com.

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