

Press Release

Serco selected as preferred bidder for £1bn MoD marine services contract

6 February 2006

A joint venture led by Serco Group plc ("Serco") has been selected as preferred bidder for the Ministry of Defence's ("MoD") Future Provision of Marine Services ("FPMS") contract.

The contract is valued at £1bn over 15 years. Serco Denholm Limited ("Serco Denholm"), a 90:10 joint venture between Serco Limited and J&J Denholm, will deliver marine support at major UK Naval bases in Portsmouth, Devonport and The Clyde. Some work will relocate from Pembroke Dock to Burntisland on the Firth of Forth.

Services provided will include:

- provision of tugs and pilot boats to move ships in and out of port
- passenger transfer to and from ships
- loading of stores and removal of waste from the ships
- protection of the environment in the event of oil or other spillages
- provision and maintenance of buoys and moorings
- support to deep water training services
- marine support to the Kyle of Lochalsh BUTEC ranges

Serco Denholm has provided similar services to the Royal Navy since 1996. Serco Denholm will manage, operate and maintain approximately 110 vessels used in in-port and deep water operations. Approximately 60 new vessels will be introduced into service through the lifetime of the contract.

Briggs Group will provide buoys and mooring support with new jobs and investment created at Burntisland on the Firth of Forth. As work transfers from Pembroke Dock, Serco Denholm has proposed a job creation and regeneration option for the Pembroke Dock site. Supported by the Welsh Development Agency and Milford Haven Port Authority, this is designed to help create new jobs in the area.

(Continues)

For further details contact:

Serco Group plc, Palm Court, 4 Heron Square, Richmond, Surrey TW9 1EW, United Kingdom
T +44 (0)20 8334 4336 F +44 (0)20 8334 4301 www.serco.com

Press Release

The market for support services in defence continues to grow and Serco has a strong track record. Serco provides similar marine services to the Royal Australian Navy through a joint venture with P&O Marine Services. Serco North America is also well placed to compete in this aspect of the US defence market, following its acquisition of RCI earlier in 2005.

Christopher Hyman, Chief Executive of Serco Group plc said: "I am delighted that Serco's long term partnership with the MoD and the Royal Navy can develop further with this new award. The Royal Navy is world renowned for its professionalism and its readiness. Since 1996 Serco has supported the Navy in maintaining these high standards.

"This is quite a flagship for our marine services capability - we help the Royal Navy put to sea. We are committed to working responsively and flexibly to anticipate and meet the needs of our clients."

Ends

For further information please contact Serco:

T +44 (0) 1256 745 900

Richard Hollins, Head of Investor Relations

Graham Capper, Head of Media and Public Relations

Dominic Cheetham, Director of Corporate Communications

Notes to Editors

Serco is a leading international service company, operating in a broad range of sectors, including defence and aerospace, IT services, education, local government, transport, science, health, and justice.

In Britain's Most Admired Companies Awards 2005, sponsored by Management Today, Serco was placed sixth overall and Britain's most admired service company.

More information can be found at www.serco.com

For further details contact:

Serco Group plc, Palm Court, 4 Heron Square, Richmond, Surrey TW9 1EW, United Kingdom
T +44 (0)20 8334 4336 F +44 (0)20 8334 4301 www.serco.com