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news release

## Pre-close Trading Update

**2 December 2005**

Ahead of its financial year-end on 31 December 2005 and its pre-close meetings with analysts, Serco Group plc ("Serco") today releases the following update on current trading:

During the second half of the year, Serco has continued to generate strong organic growth and benefited from the contributions and synergies of recent acquisitions. As a consequence, Serco is on track to deliver its expectations for 2005.

Since 1 July, Serco has won or been appointed preferred bidder for contracts valued at approximately £1.2bn. These include large and complex contracts such as the Atomic Weapons Establishment extension, Scottish electronic monitoring and the Docklands Light Railway rebid. Serco has also won strategically significant contracts which open up new markets for growth, such as the Cyclamen programme in homeland defence. Serco continues to win many other contracts, examples of which are included in a separate news update released today, available from [www.serco.com](http://www.serco.com).

Serco Solutions and Serco Inc have delivered pleasing performances in the second half and are trading in line with our expectations. Serco Solutions' revenues have shown good growth compared with the first half of 2005 and the new skills brought to Serco are bringing benefits, including winning the Small Business Service contract and securing membership of a consortium bidding for the e-Borders programme. Serco Inc continues to receive a strong flow of task orders, as well as expanding or extending existing contracts. In addition, our increased scale and capability in North America are allowing us to bid new opportunities which previously could not have been pursued.

Overall, market conditions remain strongly in our favour. We have a significant bid pipeline and a wide range of further opportunities to grow revenues and to increase margins. We are confident of delivering double-digit growth for the foreseeable future.

**Ends**

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### Notes to editors:

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