

7 April 2017

**INITIAL NOTIFICATION OF TRANSACTIONS OF PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES ('PDMRs') IN ACCORDANCE WITH ARTICLE 19 OF THE EU MARKET ABUSE REGULATION 596/2014**

Serco Group plc ('Serco' or 'the Company'), the international service company, advises that, on 6 April 2017, the individuals named below, each a PDMR, were granted options to acquire at nominal cost (with the exception of Ed Casey who has been granted a conditional share award) the following number of ordinary shares of 2p each in the Company (ISIN: GB0007973794), through participation in the Serco Group plc Performance Share Plan ('the PSP'):

Name	Grant Date	Position of PDMR	Maximum number of shares over which options granted
Rupert Soames	6 April 2017	Group Chief Executive	1,504,424
Ed Casey	6 April 2017	Group Chief Operating Officer	1,328,107
Angus Cockburn	6 April 2017	Group Chief Financial Officer	774,336
Liz Benison	6 April 2017	CEO, Local & Regional Government	283,185
Kevin Craven	6 April 2017	CEO, Central Government	353,982
David Greer	6 April 2017	CEO Middle East	305,551
Mark Irwin	6 April 2017	CEO AsPac	350,427
Guy Leach	6 April 2017	Risk & Acquisitions Director	255,000
Geoff Lloyd	6 April 2017	Group HR Director	255,221
David Eveleigh	6 April 2017	Group General Counsel & Company Secretary	256,637
Kate Steadman	6 April 2017	Group Strategy & Communications Director	159,292

The grants of options have been made in London and are based on the closing share price on the London Stock Exchange on 5 April 2017 of 113p per share.

The number of shares that will vest under the PSP is conditional upon the satisfaction of three independent, equally weighted, performance measures as follows:

Performance Measure	Weighting of Measure	Performance Target
EPS	1/3 <sup>rd</sup>	Statutory Earnings Per Share (EPS) before exceptional items (adjusted to reflect tax paid on a cash basis) of 13.5p (threshold, 25% vesting) to 16.5p (maximum, 100% vesting), measured as an aggregate over the three-year performance period ending 31 December 2019.
TSR	1/3 <sup>rd</sup>	Total Shareholder Return (TSR) of median (threshold, 25% vesting) to upper quartile (maximum, 100% vesting) when ranked relative to companies in the FTSE250 (excluding investment trusts), measured over the three-year performance period ending 31 December 2019.
ROIC	1/3 <sup>rd</sup>	Pre-tax Return on Invested Capital (ROIC) of 8.4% (threshold, 25% vesting) to 10.2% (maximum, 100% vesting), measured as an average over the three-year performance period ending 31 December 2019.

In exceptional circumstances the Remuneration Committee retains discretion to change performance measures and targets and the weightings attached to performance measures part-way through the performance period if there is a significant event such as a major transaction.

For the Executive Directors, any shares that vest will be subject to a post-vesting holding requirement that takes the total term of the award to a minimum of five years. Post-vesting clawback also applies to the Executive Directors awards. Awards to all participants are subject to pre-vesting malus.