

Stock Exchange Announcement

Serco signs AU\$730m (£370m) contract extension to provide support services at Fiona Stanley Hospital

9 March 2020

Serco Group plc

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Serco Group plc ('Serco' or 'the Group'), the international service company, through its Australian subsidiary, today announces that it has signed a six-year contract extension with the Government of Western Australia to continue delivering support services at Fiona Stanley Hospital in Perth, Western Australia. The contract extension has an estimated value to Serco over its six-year term, including indexation, of approximately AU\$730m; at an exchange rate of AU\$1.96, this is equivalent to approximately £370m.

The six-year extension will commence in August 2021, at the completion of the first 10-year term of the contract. The first term incorporated the transition and commissioning of the 783-bed public hospital and the first seven years of operation. The original contract also allows for a further extension of up to four years.

In securing the extension, Serco and the Government of Western Australia have agreed that three service lines currently delivered by Serco – cleaning, catering and internal logistics (primarily portering services) – will be delivered by the State from August 2021, with the financial scale of Serco's contract reducing from that point to reflect this. Preparation for the transition of these services will commence immediately, in readiness for the start of the contract extension period. Serco will continue to deliver 21 service lines, including facilities and asset management, electronic records management and ICT management across the hospital estate.

Rupert Soames, Serco Group Chief Executive, said: "Fiona Stanley Hospital is an outstanding facility delivering a world-class service. I am very proud of the work we have done to initially stand up a greenfield site into the State's leading public health facility and then to support clinical services over the hospital's first seven years. We are pleased the State has recognised the importance of Serco's ongoing support with this contract extension for the next stage of the hospital's development, and we will continue to work incredibly hard to deliver our services and ensure the transition is efficiently delivered."

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About Serco

Serco is a leading provider of public services. Our customers are governments or others operating in the public sector. We gain scale, expertise and diversification by operating internationally across five sectors and four geographies: Defence, Justice & Immigration, Transport, Health and Citizen Services, delivered in UK & Europe, North America, Asia Pacific and the Middle East.

More information can be found at www.serco.com

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Forward-looking statements

This announcement contains statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. Generally, words such as "expect", "anticipate", "may", "could", "should", "will", "aspire", "aim", "plan", "target", "goal", "ambition", "intend" and similar expressions identify forward-looking statements. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Factors which may cause future outcomes to differ from those foreseen or implied in forward-looking statements include, but are not limited to: general economic conditions and business conditions in Serco's markets; contracts awarded to Serco; customers' acceptance of Serco's products and services; operational problems; the actions of competitors, trading partners, creditors, rating agencies and others; the success or otherwise of partnering; changes in laws and governmental regulations; regulatory or legal actions, including the types of enforcement action pursued and the nature of remedies sought or imposed; the receipt of relevant third party and/or regulatory approvals; exchange rate fluctuations; the development and use of new technology; changes in public expectations and other changes to business conditions; wars and acts of terrorism; and cyber-attacks. Many of these factors are beyond Serco's control or influence. These forward-looking statements speak only as of the date of this announcement and have not been audited or otherwise independently verified. Past performance should not be taken as an indication or guarantee of future results and no representation or warranty, express or implied, is made regarding future performance. Except as required by any applicable law or regulation, Serco expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this announcement to reflect any change in Serco's expectations or any change in events, conditions or circumstances on which any such statement is based after the date of this announcement, or to keep current any other information contained in this announcement. Accordingly, undue reliance should not be placed on the forward-looking statements.