

Stock Exchange Announcement

Pre-close statement

19 December 2013

Ahead of Serco Group plc (Serco) entering its close period for the financial year ending 31 December 2013, and following the recent Interim Management Statement (IMS), we will be holding our customary pre-close meetings with analysts over the coming days. No new material information will be disclosed in these meetings.

The IMS released on 14 November 2013 updated on progress including contract awards and the positioning of Serco's portfolio. It also set out revenue and profit expectations for the 2013 outturn, describing operational pressures experienced in the months leading up to that statement. The outturn is not anticipated to be materially different from market consensus as updated following the IMS.

Free cash flow for 2013 is anticipated to be lower than 2012 reflecting incremental working capital investment in BPO activities and lower dividends from joint ventures as has been previously described, and there may also be an impact related to the operational pressures of recent months.

An estimate was previously provided for the one-off costs that will be treated as exceptional items in 2013 regarding the UK Central Government audits and reviews, together with Serco's corporate renewal programme. External adviser and other directly-related incremental costs are now estimated to amount to approximately £17m (previously £12m). Within the contracts where there has been a related impact from the audits and reviews, other one-off costs and accounting charges are now estimated at up to £19m (previously £15m). These exclude any settlement to be reached in respect of issues arising on the Electronic Monitoring (EM) contract. Serco also now anticipates that an exceptional income of approximately £9m will be recognised in 2013 reflecting the release of deferred consideration on the Intelenet acquisition.

Serco confirms that discussions are at an advanced stage regarding a settlement on the EM contract and anticipates being able to provide an update shortly. This will also cover the conclusion of the audit and reviews of Serco's UK Central Government contracts as well as progress on our corporate renewal programme.

Serco will release its 2013 full year results on Tuesday 4 March 2014.

Ends

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About Serco

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

Around the world, we improve essential services by managing people, processes, technology and assets more effectively. We advise policy makers, design innovative solutions, integrate systems and - most of all - deliver to the public.

Serco supports governments, agencies and companies who seek a trusted partner with a solid track record of providing assured service excellence. Our people offer operational, management and consulting expertise in the aviation, BPO, defence, education, environmental services, facilities management, health, home affairs, information and communications technology, knowledge services, local government, science and nuclear, transport, welfare to work and the commercial sectors.

More information can be found at www.serco.com