

# Stock Exchange Announcement

## Pre-close statement

**20 December 2012**

Ahead of Serco Group plc entering its close period for the financial year ending 31 December 2012, and following the recent Interim Management Statement released on 16 November 2012, we will be holding our customary pre-close meetings with analysts over the coming days. No new material information will be disclosed. The Group remains on track to meet expectations for 2012: we expect to deliver another year of strong total revenue growth, including further good organic growth, together with an increase in Adjusted operating margin similar to that achieved in 2011. Serco will release its 2012 full year results on Wednesday 6 March 2013.

Further to the announcement on 7 November 2012, Serco confirms that the necessary consents and statutory approvals regarding the purchase of DMS Maritime have been received, with the transaction recently completing at an acquisition cost of £82m (comprising cash consideration paid of £69m and incremental net debt acquired of £13m) as previously described.

Serco has also recently reached agreement on two small disposals of operations, in line with our stated strategy to proactively manage the portfolio by assessing strategic fit together with expected future levels of performance and returns. Our education software and UK data hosting operations had become non-core to the ongoing development of the Group and have both experienced significant changes in market conditions. Aggregate cash consideration received on these transactions is £6m, resulting in a provisional non-cash exceptional accounting loss on disposal of approximately £25m. For the year to 31 December 2011, the financial result of these operations was approximately £14m of revenue and £2m of Adjusted operating profit.

In a separate announcement today, Serco has set out its plans to establish the Serco Foundation as an independent charitable foundation to mark Serco's 25th year as a publicly traded company dedicated to service excellence. Serco is making a one-off endowment of £5m to the foundation and will provide ongoing support for its mission to help charities through the application of Serco's people, skills and capabilities.

Taking into account the above, together with the net profit on disposals reported in the first half, exceptional items are expected to have a broadly neutral impact on the income statement for the 2012 financial year.

Chris Hyman, Chief Executive of Serco Group plc, said: "I am pleased with the operational and financial performance delivered by the Group in 2012, particularly in the light of challenging conditions in some of our markets. Establishing the Serco Foundation will allow us to help charities and other organisations make an even bigger long-lasting difference in addressing some of the world's most critical issues. We have also progressed the proactive management of our portfolio, as well as strengthening Serco's overall positioning with our new BPO division, Serco Global Services, which in turn supports our confidence as we look to 2013 and beyond."

**Ends**

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**About Serco**

Serco is a FTSE 100 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](http://www.serco.com)