

Press Release

Serco chosen as proposed supplier by UK MOD for Defence Business Services

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Serco Group plc (Serco), the international service company, announces that it has been chosen by the UK Ministry of Defence (MOD) as the proposed supplier to take over the leadership of Defence Business Services (DBS) which provides corporate services for the MOD such as civilian human resources, finance, information and security vetting. This decision was announced today by the Secretary of State for Defence and is subject to a 10 day stand-still period.

Under this new contract Serco, supported by its strategic partner Accenture, will provide an executive leadership team who will work with DBS staff to transform the organisation into a lean and effective shared services centre, building on private sector best practice. DBS will continue to be part of the MOD and DBS personnel will continue to be employed by MOD, with the same terms and conditions.

The contract, expected to be signed in mid March, will be valued at around £36m over its four year duration, with an option for a further one year extension. Serco will be paid by results, designed to ensure that the MOD receives both service continuity and improvements in DBS effectiveness and efficiency.

Andrew White, Chief Executive of Serco's UK defence, science and nuclear business, said:

"We are delighted to be selected by the MOD for this important contract which builds on our capabilities and experience in improving the management and efficiency of organisations such as the Atomic Weapons Establishment, the National Nuclear Laboratory and the National Physical Laboratory. Our combined Serco and Accenture team is a highly effective strategic partnership with a unique combination of global skills, capabilities and experience, bringing together the best transformation leadership and knowledge of the Defence sector. Working with DBS staff, customers and suppliers we will deliver significant improvements for the MOD by streamlining their back office services, so they can focus their resources on the critical frontline for Defence."

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For further information please contact Serco:

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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