

Serco expands business process outsourcing capability

Serco announced today that it has completed the acquisition of Excelior Pty Ltd, an Australian Business Process Outsourcing (BPO) company, from the Skilled Group.

The sale price is made up of \$8.2 million AUD to be paid on completion of the transaction, with a further earn-out payment of \$5.0 million AUD payable over the next two years, subject to achieving set revenue targets.

Chief Executive Officer of Serco Asia Pacific, David Campbell, said the company would be managed and run as part of the Serco Australia business. It will also leverage Serco's global capability by forming part of the wider Serco Global BPO capability.

The acquisition will build on Serco's BPO capabilities in Australia which include the successful operation of transport information and integrated transport management systems in Queensland, New South Wales, Western Australia and operating the traffic safety programme detection and processing systems in Victoria. It will also complement the global BPO-related services that Serco can offer its customers, such as its recent acquisitions in The Listening Company in the UK and Intelenet.

Excelior has over a decade of experience helping organisations realise their business goals through the delivery of innovative, accessible customer interactions. This year alone Excelior has handled 24 million successful interactions for customers and provides multi-channel services for clients such as government departments, agencies and authorities, utilities, manufacturing, travel and tourism, retail services, and telecommunications. The Excelior business currently has 900 staff nationally across four contact centres, including Box Hill in Melbourne, Bendigo in regional Victoria, Burnie in Tasmania, and Robina in Queensland. All staff will be joining Serco on their existing terms and conditions.

Media Release (continued)

Mr Campbell said Excelior was part of a key growth strategy for the company. “We are a company committed to providing service excellence and this has been shown in the way we have successfully developed, managed and delivered the current BPO operations around Australia,” Mr Campbell said.

“We are committed to growing our onshore BPO capability in Australia. We recognise that BPO services is a healthy market in Australia with growth estimates of up to \$7.9 Bn by 2013. This acquisition is a key component of our national growth strategy and will enable us to extend our local expertise and strong business relationships in Australia.”

Mr Campbell said it was an exciting opportunity to work with Excelior management and employees. “Serco has a strong history of working with governments and private providers similar to Excelior’s existing client base, and we can bring to them Serco’s global knowledge and proven management capability.”

Together with Serco’s existing BPO-related operations it will have about 40,000 employees around the world providing transactional, process and voice support, finance and accounting services, and business transformation consulting, making Serco strongly placed to provide its customers with a broad range of end-to-end business services.

For further information, please contact Serco:

Marcus De Ville, Head of Media Relations, Serco Group plc. Tel: + 44 (0) 20 8334 4388

Paul Shaw, Head of Media, Serco Asia Pacific. Tel: +61 (0) 417 495 667

Media Release (continued)

About Serco

Serco is a FTSE 100 international service company, which combines commercial know-how with a deep public service ethos. We improve services by managing people, processes, technology and assets more effectively. Our strategic advice comes from hands-on experience. We advise policy makers, design innovative solutions, integrate systems and – most of all – deliver front-line services that make a positive difference to customers and communities.

Serco has been delivering mission critical public services for more than 40 years. We support governments, agencies and companies in 30 countries who seek a trusted partner with a solid track record of providing assured service excellence. Globally our 100,000 employees deliver operational, management and consulting expertise in defence, science, technology, justice, immigration, transport, health, education, aviation and business process outsourcing.

Our 7,000 people in the Asia Pacific business operate in Australia, Hong Kong and New Zealand. Our customers have the dual benefits of global scale and local autonomy. One of our strengths is that we live locally, think locally, act locally, and are supported globally.

In Asia Pacific, Serco supports the Australian Defence Force through the provision of garrison and port services, rehabilitates offenders in our prisons, cares for people in immigration detention, helps to make the roads safer in Victoria through our traffic camera services, provides travellers in Perth, Brisbane and New South Wales with timely and helpful public transport advice, keeps Melbourne's parks and gardens green, operates tunnels in Hong Kong helping 76.8 million commuters each year and provides an unparalleled, award winning rail tourism experience on the Ghan, Indian Pacific and Overland.

More information can be found at www.serco-ap.com.au