

Serco

Serco Completes Acquisition of SI International

December 28, 2008

RESTON, VIRGINIA – December 29, 2008 – Serco Group plc (Serco), the FTSE 100 international service company, announces today that it has completed the acquisition of SI International, Inc. (NASDAQ:SINT), a provider of information services, technology, and network solutions to the U.S. government, following the receipt of all regulatory approvals and satisfaction of customary closing conditions.

SI International will be combined with Serco's existing North American business and will enhance Serco's ability to deliver integrated solutions to the \$290 billion U.S. federal government services market, with:

- Scale and increased resources to bid on larger U.S. government contracts. Serco North America and SI International will have combined annual revenue of \$1.3 billion and approximately 11,500 employees.

- Depth of capabilities to enhance Serco North America's offerings, encompassing information technology, professional services, human capital management, engineering and logistics, national security, and intelligence.

- Access to higher growth areas, such as improved information sharing, cyber security, systems engineering,

program management, business process reengineering and homeland security.

New customer relationships. With Serco North America and SI International having highly complementary customer bases, the combined company now serves every branch of the military, numerous federal civilian agencies, and the intelligence community. Major customers include: U.S. Army, U.S. Air Force, U.S. Navy, Department of Homeland Security, Department of State, U.S. Federal Aviation Administration, Federal Retirement Thrift Investment Board, U.S. Postal Service, and the intelligence community.

Under the terms of the definitive merger agreement, Serco acquired SI International for \$32 per share in cash, valuing its fully diluted share capital at approximately US\$422 million. Including the assumption of SI International's net debt, the consideration values SI International at US\$524 million. The acquisition, which was financed from multi-currency bank facilities, is expected to be accretive to Serco's Adjusted earnings in its first full year of ownership, and its returns are expected to meet Serco's cost of capital in the third full year of ownership. Serco will announce its preliminary results for the full year ending December 31, 2008 on February 26, 2009.

Serco Group Chief Executive Christopher Hyman said: "We are delighted to welcome the employees of SI International to Serco. In the U.S., Serco is a leading supplier to the substantial U.S. federal services market. We now have a stronger platform from which we will be able to offer our customers more integrated solutions and deliver robust growth for our shareholders."

"SI International has built a solid reputation of delivering creative solutions and substantial value to the U.S. federal

government,” said Ed Casey, Chairman and Chief Executive Officer of Serco North America. “By combining the talents, skills, and dedication of Serco and SI International employees, we will be able to deliver expanded services to our existing customers and offer compelling solutions to new customers. We have great admiration for the high-quality work and excellent customer service that the SI International team provides to their clients. We welcome this highly-talented team into the Serco organization.”

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