

Press Release

31 August 2006

Six Months of Strong Growth

Serco Group plc – 2006 Interim Results

	2006	2005	
Revenue	£1,236m	£1,075m	up 15.0%
Profit before tax and amortisation	£52.5m	£43.7m	up 20.1%
Earnings per share before amortisation	8.06p	6.78p	up 18.9%
Profit before tax	£44.8m	£37.3m	up 20.1%
Earnings per share	6.69p	5.61p	up 19.3%
Dividend per share	1.05p	0.91p	up 15.4%
Group free cash flow	£25.8m	£19.4m	up 33.0%

Strong Performance

- £1.3bn of contracts signed in the period, including Docklands Light Railway rebid (£400m), London Development Agency (£69m) and Acacia Prison (AUS\$155m)
- Appointed preferred bidder on £1.9bn of contracts, including Future Provision of Marine Services (£1.0bn) and Forth Valley (£450m)
- Maintained rebid win rate at over 90% and continued to win one in two new bids
- Group EBITDA to cash conversion of 80% resulting in increased Group free cash flow

High visibility of future revenues

- Forward order book of £13.5bn at 30 June 2006
- Contracts valued at an additional £3.6bn at preferred bidder stage
- Visibility of 99% of planned revenue for 2006, 85% for 2007 and 75% for 2008

Outlook - continuing strong growth and increasing margins

- Governments' need to improve service quality and reduce costs continues to drive existing markets and open up new opportunities
- £22bn of opportunities identified
- Confident of double-digit growth for the foreseeable future
- Future margin growth driven by selective bidding, portfolio management and efficiency

Commenting on the results, Kevin Beeston, Executive Chairman of Serco said:

"The unrelenting rise in citizens' expectations together with an ever-increasing requirement for value-for-money public services leaves Serco confident of continued double-digit growth. Favourable markets allow us to bid selectively, which together with improvements in operating efficiencies means margins will continue to rise."

Note: Group free cash flow is cash flow from subsidiaries and joint venture dividends (see section 4 of the Finance Review). Group EBITDA is earnings from subsidiaries (excluding joint ventures) before interest, tax, depreciation and intangible amortisation. Cash conversion is the ratio of Group operating cash flow to Group EBITDA. Group operating cash flow is operating cash flow from subsidiaries (excluding joint ventures – see section 4 of the Finance Review).

- Ends -

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Further announcements

In a separate release today (Changes to Board Responsibilities), Serco has announced that Executive Chairman Kevin Beeston will move to Non-Executive Chairman from 1 September 2007.

Presentation

A presentation for investors and analysts will be held at City Presentation Centre, 4 Chiswell Street, Finsbury Square, London EC1Y 4UP at 10.30am

Six Months of Strong Growth

In the first half of 2006 Serco delivered another strong performance. Revenue grew by 15.0% to £1,236m and profit before tax and intangible amortisation (PBTA) by 20.1% to £52.5m, representing an increased margin of 4.2%.

Excluding ITNET (now Serco Solutions) and RCI (now part of Serco Inc), which we acquired in 2005, revenue grew by 10.0% and PBTA (before the associated funding costs) rose by 16.8%.

Earnings per share before intangible amortisation also grew strongly, with an increase of 18.9% to 8.06p. After intangible amortisation, we delivered growth in profit before tax of 20.1% to £44.8m and growth in earnings per share of 19.3% to 6.69p.

The Group delivered another robust cash performance in the first six months. Group EBITDA to cash conversion was 80% (2005: 70%), which contributed to Group free cash flow of £25.8m (2005: £19.4m).

Our policy is to increase the dividend broadly in line with the organic growth in earnings. We will therefore pay an interim dividend of 1.05p, a 15.4% increase on last year's 0.91p.

Building long-term relationships with customers has always been fundamental to Serco's business model. The rebid win rate remained above 90% during the first half. Of particular note, we signed the contract to operate the Docklands Light Railway in London, valued at around £400m over nine years, and were appointed preferred bidder for the UK Ministry of Defence's Future Provision of Marine Services contract, valued at around £1bn over 15 years. Both these renewed contracts incorporate significantly expanded services.

We continued to win more than one in two new bids, reflecting our ability to select the most suitable opportunities, the strength of our reputation and the ability to leverage skills across the Group. Notable wins in the first half included a contract to operate Acacia Prison in Western Australia, valued at around AUS\$155m over five years. We were also appointed preferred bidder to provide support services to the Forth Valley Acute Hospital, which will be valued at around £450m over 30 years. In aggregate, in the first half we signed contracts and extensions valued at around £1.3bn and were appointed preferred bidder for a further £1.9bn of contracts.

We remain pleased by the progress of Serco Solutions and RCI. In the first half, they contributed £202.1m to revenue and £14.6m (£6.5m after funding costs) to PBTA. We have continued to invest in Serco Solutions' capacity and capability, ahead of the expected rapid expansion of the UK local and central government shared services market, as well as implementing a planned restructuring to enhance Serco Solutions' ability to grow. Serco continued to benefit from the skills and capabilities Solutions has brought to

the Group. It played a key role in winning a business support agreement with the London Development Agency, valued at around £69m over four years. This followed last year's award of the £125m Small Business Service contract. RCI's strong relationships and service performance have enabled it to continue to renew and win human resource related contracts. We are now bidding for larger, longer-running, service-based contracts which previously would have been out of reach of both RCI and Serco. RCI has seen a delay to some task orders, although we expect the task order flow to return to normal levels in due course.

The visibility of our future revenues remains excellent. At 30 June 2006, the forward order book stood at £13.5bn, we had contracts valued at around £3.6bn at the preferred bidder stage and a further £2.3bn of bids where we have been shortlisted to the final two or three bidders. We have identified a pipeline of further opportunities estimated at more than £22bn. At the end of June we had visibility of 99% of planned revenue for 2006, 85% for 2007 and 75% for 2008.

Continued focus on the efficiency of our operational cost base is delivering benefits. Initiatives in place or under way include centralising standard procurement, providing a common shared services function for some internal administration functions and streamlining the management structure. The implementation of the Group-wide SAP financial system is proceeding to plan.

We continue to review the funding and investment profile of our main Group defined benefit pension scheme. It is our intention to inject around £70m into the scheme over the course of the next 12 months. We also intend to review employer and employee contributions to the scheme, with a plan to pay off the remaining deficit over ten years.

As noted in our announcement of 7 August 2006, we are in discussions with potential investors regarding the formation of a strategic partnership and the disposal of a number of our PFI investments. This would provide Serco with a large and lower-cost pool of capital and allow us to bid for future PFIs without using our own equity. For the disposed PFIs, Serco would retain the associated long-term operating contracts and would also provide management services to the investment partner. There are several steps that need to be completed before any transaction can be finalised and we will make further announcements as appropriate.

Broad portfolio delivers strong organic growth

The first six months of 2006 have seen strong organic performance across Serco. The key developments in each of our markets are discussed below.

Civil Government

Civil Government is our largest business segment and encompasses home affairs, health, regional and local government, education and consulting. Segmental revenue increased by 15% to £458m, representing 37% of first half revenue. Growth in the half benefited from the inclusion of Serco Solutions for a full six months. It was first consolidated from 3 February 2005.

In home affairs – which encompasses offender management, law enforcement, civil resilience and immigration control – we secured our first Australian contract, to manage and operate Acacia prison in Western Australia, valued at around AUS\$155m over five years. Acacia accommodates 800 inmates and is the only privately run prison in Western Australia. During the first half we also began work on our contract to electronically monitor offenders in Scotland, which we were awarded in October 2005.

Our UK health business was appointed preferred bidder to provide support services for the new NHS Forth Valley Acute Hospital. The contract is valued at around £450m over 30 years, with services beginning in summer 2009. We have drawn on our healthcare experience to influence the design of the new hospital, thereby improving patient privacy and comfort as well as enhancing management of infection control.

Serco's portfolio of UK primary healthcare contracts continues to expand. With the award of a three-year contract in Cornwall, valued at around £23m, we now provide out-of-hours medical services to more than one million people. We have also signed a medical services contract with West Yorkshire police, valued at around £15m over five years, as well as three-year contracts to supply medical services at HMP Cardiff and HMP Bullingdon.

In local government, we signed a new streetscene services partnership with Welwyn Hatfield Council. Our services include refuse collection, recycling, street cleaning, vehicle maintenance and landscaping. The contract is valued at around £50m over ten years. In April we commenced a streetscene partnership with Restormel Borough Council, valued at £45m over ten years. Serco's innovative 'One Pass' refuse and recycling solution was key in freeing up savings for reinvestment in a full range of improvements in the local streetscene. We are well placed to address similar opportunities with adjacent local authorities.

Serco's strengthened IT and IT-enabled services capability has opened up further opportunities. Serco Solutions, in conjunction with our Science business, secured a grant agreement with the London Development Agency to provide advice and support services to London's 600,000 small and medium-sized enterprises. We are now in the transitional phase and will take on full operation of the London Business Link in April 2007. The programme is valued at £69m over four years, with an option to renew for two additional years. It follows the award to us in November 2005 of a contract valued at up to £125m to provide web-based information services to the UK's small businesses.

Serco Solutions has also won new work and extensions for the provision of IT and other services to customers including the Foreign & Commonwealth Office, Bedfordshire County Council, the London Borough of Enfield and Cambridge City Council, contracting more than £35m of business over the period. Two new areas of focus have yielded benefits. First, our customer access proposition has enabled Serco Solutions to deliver contact centre infrastructure to both the London Borough of Ealing and Coventry City Council. Second, our social wellbeing offering has enabled the safeguarding of vulnerable citizens, supporting Hertfordshire County Council in building the strategy for the next 20 years of adult care and

enabling the London Borough of Enfield to share appropriate information with key professionals regarding the safety and support of children and young people.

Serco's consulting business is growing strongly and by providing high-value advisory services it raises awareness of Serco and enhances our reputation with potential and existing customers. New awards during the first half included work with the BBC, the Home Office, HM Revenue & Customs and the Department for Environment, Food and Rural Affairs.

Defence

Revenue in Defence increased by 22% to £307m, representing 25% of first half revenue. Growth in the period benefited from the inclusion of the former RCI business for the full six months. It was first consolidated from 21 March 2005.

The principal development in the UK defence market was the publication by the Ministry of Defence (MoD) of the Defence Industrial Strategy (DIS). The DIS emphasises a shift from new platform design and development to the upgrade and maintenance of equipment, to enhance capability and availability 'through-life', and the subsequent need for new partnering arrangements between Government and industry.

Serco is committed to the successful implementation of the DIS, and a number of our recent new business wins support its objectives. We signed a 25-year manpower services contract valued at £125m with Agusta Westland, under the Integrated Merlin Operational Support (IMOS) programme. Serco will undertake aircraft maintenance and operational support for the MoD's EH101 Merlin Helicopter Fleet, playing a vital role in helping to sustain the Merlin's defence mission success at home and aboard. IMOS will transform logistics support for the EH101 aircraft platform while improving availability and reducing 'through-life' support costs for the platform. This represents a significant development of Serco's integrated operational support strategy, which will now be developed across the defence industrial base.

Our selection as preferred bidder for the MoD's Future Provision of Marine Services contract will enhance the operational capability of the Royal Navy at Portsmouth, Devonport and the Clyde. The contract is valued at around £1bn over 15 years, a substantial increase from the previous contract, and will be delivered by Serco Denholm, a 90:10 joint venture between Serco and J&J Denholm.

In addition, in July we signed a strategic partnership with the UK Defence Science and Technology Laboratories (Dstl), for which we were appointed preferred bidder in 2005. The contract, valued at around £400m over 15 years, will see us manage the design and build of new facilities and provide IT and support services across the Dstl estate.

In North America, our defence business continues to extend and expand existing contracts and win new work. We were chosen by the US Army HR Command to be a worldwide issuer of secure digital

identification cards, used to access automated systems and networks. The one-year contract, with options for two additional years, is valued at around \$25m in total.

We successfully rebid an expanded contract to provide engineering, technical, logistical and management services to the US Navy's Space & Naval Warfare Systems Command Centre. This contract, first awarded in 2000, has a base year and four one-year options. The total value is around \$20m over the full five years. Serco has also been awarded a new contract to provide family assistance services to the Commander of Navy Installations Fleet and Family Support Program. The contract is valued at around \$10m over a period of up to two years.

Serco Sodexho Defence Services (SSDS) – our joint venture with Sodexho Alliance – was announced as the successful tenderer for the Australian Defence Forces National Clothing Stores contract. The contract will give us a presence on every operational and training base in Australia, presenting considerable opportunities for organic growth. The contract is valued at up to AUS\$60m to SSDS over six years.

SSDS has also been announced as the preferred tenderer for two other major garrison support services contracts on the east coast of Australia with a potential 'through-life' value of over AUS\$400m over nine years. These contracts will require employment of over 750 personnel and are greenfield locations for SSDS.

Transport

Transport revenues grew by 2% to £267m, representing 22% of first half revenue.

In the UK, key developments in the first half included signing the new franchise agreement to continue to operate, maintain and support the Docklands Light Railway in London. The seven year contract may be extended for a further two years and is valued at around £400m over this extended period. The new franchise will generate further improvements for passengers including more frequent trains, enhanced security and higher targets for punctuality, customer satisfaction and availability of services such as ticket machines, escalators and information displays.

Our two joint ventures with NedRailways – Northern Rail and Merseyrail – continue to deliver strong service performance and are growing passenger numbers on the back of rising levels of customer satisfaction. At Northern Rail, train punctuality and reliability have been consistently above target. Merseyrail continues to deliver the levels of service which have made it one of the UK's best performing franchises.

In Australia, we have launched a new timetable for The Ghan, with both weekly services now crossing the continent between Adelaide and Darwin, a one-way journey of almost 2,000 miles. To position for further revenue growth, we have committed to a fleet expansion programme, currently in the design phase, which will provide additional capacity from late 2007.

Serco operates the National Traffic Control Centre (NTCC) on behalf of the Highways Agency. While full implementation has taken longer than expected, we were delighted that Transport Secretary Alistair Darling officially opened NTCC on 30 March 2006. We continue to work closely with the Highways Agency to achieve full implementation. NTCC is a world-first facility, giving a real-time picture of what is happening across England's motorway and trunk road network and helping drivers to plan their journeys better.

In Hong Kong, we retained our contract to manage, operate and maintain the Kai Tak and Lion Rock tunnels, important links in Hong Kong's road network. Our services include traffic control, emergency response, vehicle recovery, environment systems, tunnel equipment maintenance and tolls collection. The contract value is around AUS\$75m over six years.

In the United Arab Emirates, we successfully renewed our contract to provide air traffic control and engineering services at the Emirates Area Control Centre, based in Abu Dhabi. The new contract is valued at £11.5m over three years, a substantial increase from the previous contract. We also won contracts for advanced integrated security solutions with the Abu Dhabi Amiri Flight and the Ruler's Court of Dubai.

In the US, we extended our successful utility fleet maintenance relationships with two leading electric utilities – E.ON US's Louisville Gas & Electric and Dayton Power & Light – with contracts totalling around \$22m over the life of the agreements and involving more than 2,600 vehicles.

Science

Science revenues grew by 26% to £204m, representing 16% of first half revenue.

Growth in the first half was driven by the continued expansion of our joint venture with BNFL and Lockheed Martin, to operate the UK's Atomic Weapons Establishment. Since it commenced in 2002 the contract has seen substantial growth, which was boosted further by a three-year uplift from July 2005, valued at £350m to Serco.

Our knowledge transfer business goes from strength to strength. In addition to the London Development Agency Business Link grant agreement, we successfully rebid our Envirowise contract. Envirowise advises and supports UK businesses in minimising waste and reducing environmental impact. This new and significantly expanded contract is valued at £12m over two years, with a possible three-year extension, and follows last year's new contract to develop and manage the UK Government's Businesslink.gov web portal.

The Serco-run National Physical Laboratory is consolidating its position as a world centre of excellence in micro and nano technologies. By combining this technical excellence with our leadership in knowledge transfer, we have secured the position of preferred bidder to run a microsystems technology centre for the Northwest Development Agency, under a contract that could exceed £20m in value over five years.

We are a leading service provider to the European Space Agency and have been awarded a new contract to deliver highly-specialised engineering and scientific support to the Directorate for Human Spaceflight, Microgravity and Exploration.

Market development

Governments throughout the developed world face the twin demands of increased public expectation and tightening of spending. It is this pressure which creates and expands the market for Serco. By bringing in the private sector, as the last 20 years of experience in the UK demonstrate, public bodies can deliver improved services more efficiently.

Now the UK example is being followed by more countries around the world, and is being studied carefully by many others. The UK is in effect the leading exporter of public service contracting know-how.

Serco has built a portfolio of contracts and opportunities, broad in terms of geography and sector spread. This breadth allows us to select our opportunities, focus resources where they promise the best long-term returns and mitigates risks in individual sectors.

This time last year, the bombings in London had served to further heighten awareness of security issues. The events which have dominated the news since the beginning of August this year have done nothing to reduce that awareness, and not just in the UK. Home affairs issues are at the top of the political agenda. Serco has proven experience in homeland security, migration control, offender management and law enforcement, the only company equipped to compete in each of this market's sub-sectors. We expect more market growth in the UK (already approaching £3bn per annum) and overseas, particularly in the US.

The UK market for private provision of publicly funded health services is expanding. Political need to secure better health outcomes from finite resources drives a search for alternative means of provision. UK spending on health has risen to over £90bn, of which £10bn is addressable by Serco, thanks to our rapidly expanding presence in primary care and occupational health and established offering in hospital support services. The second highest expansion in Government spending after health is education, where our schools' ICT and children's services capabilities give us an addressable market of £4bn in the UK alone.

Serco has two distinct offerings for the UK local government market. Local environmental services present an addressable market of £3bn. IT-related outsourcing by local and central government was around £4.3bn in 2005 and independent commentators predict substantial growth in this area. The first opportunities for shared services provision are now reaching the market, in local and central government, helping to meet Government efficiency targets, including those set by the Gershon review.

In transport markets, previous Government focus on new infrastructure has shifted to more efficient deployment of existing rail and roads. In the UK, the Government has passed much responsibility for

transport planning to regional bodies, encouraging joined-up thinking across modes – light and heavy rail, buses and roads, including road charging.

Traffic management, at national and city level, is a growth market in the UK and overseas, particularly in the US and Asia. Overall, we estimate the addressable market at £4bn.

Defence budgets in the US and the UK are being stretched by international commitments. Private sector provision of back office support frees uniformed troops for frontline service, and can deliver significant cost efficiencies and innovation.

UK MoD service sector procurement stands at over £5bn per annum and is expected to increase by up to £1bn per year until 2010. In July 2006, the McKane report recommended the merger of the Defence Logistics Agency and Defence Procurement Agency, which will mean that one agency will procure hardware and its maintenance. This will provide more opportunities for Serco, working with manufacturers, for whole life maintenance contracts.

The US is the world's biggest market for contracted public services. Federal defence spending is \$400bn, of which the services market is worth \$50bn. Whilst pressures on defence spending have led to short-term delays in the contracting of some support services, there remain significant opportunities in this vast market.

In Australia, more defence support services are being opened up to the market, as are prison management and a range of transport opportunities. Serco's UK-developed experience in defence and civil resilience opens Middle East markets to us, particularly in the UAE and Oman.

In Germany, the Government is encouraging greater penetration of the private sector into public service provision. Over €4bn worth of public private partnership infrastructure projects are in planning or construction. A recent OECD study considered the German market to be open and fair, but over-burdened by bureaucracy. Further private sector involvement in prison management is anticipated.

In the UK, a significant new market involves the decommissioning and rehabilitation of nuclear sites. The Nuclear Decommissioning Authority has estimated the cost of its programme at around £70bn in total, equating to an addressable market of more than £2bn per annum. Our nuclear and change management expertise means we are strongly positioned to compete in this market and we are in the final stages of forming a consortium bringing together partners with proven track records of service delivery, nuclear site management and clean-up capability.

Thanks to increased UK Government and business investment in the sciences, knowledge transfer is a significant growth market whereby businesses and individuals are helped to identify and exploit scientific developments, technical innovation and sources of advice. Serco has considerable experience in this area.

People

The skills, enthusiasm and dedication of our people are essential for delivering the service quality our customers demand and bringing service to life. We strive to maintain a culture in which employees can excel, harnessing the power of individuals and providing support when they need it.

Developing Serco's leadership is vital to ensuring ongoing success. In January, we introduced a business managers' programme, with nearly 360 people participating to enhance their management skills. Serco's groundbreaking programme with the Institute of Directors (IoD) continues to underpin the strategic role of contract and divisional board membership. To date, more than 100 employees have achieved the IoD Serco certificate, with nearly 70 awarded diplomas or chartered director status.

One of our people-development programmes is Skills for You, which is geared to the UK Government's Skills for Life strategy for boosting adults' basic skills. Nearly 2,000 of our employees have been assessed, with more than 350 in training. We are delighted that for the second year running, Skills for You has received a Business in the Community Big Tick award for business excellence.

Board

In a separate release today, the Board has announced that Executive Chairman Kevin Beeston will move to Non-Executive Chairman from 1 September 2007.

With Serco performing strongly and well-positioned for future growth, and having built a highly-capable management team at all levels, Kevin has decided to diversify his business interests.

Kevin joined Serco in 1985, was appointed Finance Director in 1996, Chief Executive in 1999 and Executive Chairman in 2002.

As Non-Executive Chairman he will continue to chair the Board and oversee the Company's development on behalf of shareholders. The Board is delighted that his long association with the Company will continue.

Leonard V. Broese van Groenou joined the Board as a Non-Executive Director in April. Leonard is a member of the Remuneration, Audit, Nominations and Training and Development committees. He succeeded Ralph Hodge, who retired from the Board after six years with Serco. We would like to thank Ralph for his immense contribution during his time with the Group.

Outlook

The trends which have driven strong growth in our markets in recent years continue. Governments around the world need to deliver improved services at lower cost, and are increasing the range of services for which they are turning to the private sector for support. At the same time, we continue to add to our capabilities and develop ways of harnessing the breadth of skills we have within the Group. This allows us to address new markets and provide solutions to the increasingly complex challenges our customers face.

Around the world, we have identified a pipeline of opportunities in excess of £22bn. Coupled with the high visibility of our revenues in the next few years, we remain confident of delivering double-digit growth for the foreseeable future. At the same time, our continued focus on efficiency, selective bidding and management of our contract portfolio, will allow us to generate improved margins in 2006 and beyond.

Finance Review

1. Financial performance

Serco grew strongly in the first half of 2006. Growth was principally organic and we also benefited from full six-month contributions from ITNET (now Serco Solutions) and RCI (now part of Serco Inc), which were acquired in February 2005 and March 2005 respectively.

Figure 1 shows the income statement. This includes the results of joint ventures, which are proportionately consolidated.

Figure 1: Income statement

Six months to 30 June	2006 £m	2005 £m	Increase
Revenue	1,236.2	1,074.9	15.0%
Gross profit	178.4	153.5	16.2%
Administrative expenses before amortisation	(116.6)	(101.6)	14.8%
Investment revenue and finance costs	(9.3)	(8.2)	
Profit before tax and intangible amortisation	52.5	43.7	20.1%
Intangible amortisation	(7.7)	(6.4)	
Profit before tax	44.8	37.3	20.1%
Tax	(13.0)	(11.4)	
Profit for the period	31.8	25.9	22.8%
Minority interest	(0.5)	(0.5)	
Retained earnings	31.3	25.4	23.2%
Effective tax rate	29.0%	30.5%	
Earnings per share before intangible amortisation	8.06p	6.78p	18.9%
Earnings per share after intangible amortisation	6.69p	5.61p	19.3%
Dividend per share	1.05p	0.91p	15.4%

2.1 Revenue

Revenue grew by 15.0% to £1,236.2m. Excluding revenue from Serco Solutions and RCI, revenue growth was 10.0%.

Joint venture revenue increased by 21.0% to £308.0m, primarily reflecting continued growth in our contract to operate the Atomic Weapons Establishment.

During the first half, Serco Solutions contributed revenue of £107.0m (2005: £83.9m). RCI contributed revenue of £95.1m (2005: £50.5m).

2.2 Gross margin

Gross margin – the average contract margin across our portfolio – was 14.4% in the first half of 2006, compared with 14.3% in the same period last year.

2.3 Investment revenue and finance costs

Investment revenue and finance costs totalled a net cost of £9.3m (2005: £8.2m). The increase was due to the inclusion for the full six months of the debt used to finance acquisitions in 2005, partially offset by a reduction in our underlying net debt and a lower net finance cost on the assets and liabilities of our defined benefit pension schemes.

2.4 Profit before tax and intangible amortisation (PBTA)

PBTA increased by 20.1% to £52.5m (2005: £43.7m), representing a net margin of 4.2% (2005: 4.1%). Serco Solutions contributed PBTA of £8.5m (2005: £6.1m), representing a PBTA margin of 7.9% (2005: 7.3%), while RCI added £6.1m to PBTA (2005: £3.2m), a PBTA margin of 6.4% (2005: 6.3%).

Excluding the profits generated by Serco Solutions and RCI and their associated funding costs, growth in PBTA was 16.8%.

2.5 Intangible amortisation

The charge for intangible amortisation in the period was £7.7m (2005: £6.4m). The increase resulted primarily from a full six months of the amortisation of intangible assets arising on the acquisition of ITNET and RCI.

2.6 Profit before tax

Profit before tax increased by 20.1% to £44.8m (2005: £37.3m).

2.7 Tax

The tax charge of £13.0m (2005: £11.4m) represents an effective rate of 29.0%, compared with 30.5% in 2005. The reduction in the effective rate primarily resulted from a change in the geographical mix of profits.

2.8 Earnings per share (EPS)

EPS before intangible amortisation grew by 18.9% to 8.06p. After intangible amortisation, EPS increased by 19.3% to 6.69p.

EPS is calculated on an average share base of 467.8m during the period (2005: 452.7m). The increase mainly resulted from a full six months effect of shares issued during the first half of 2005, in part consideration for the acquisition of ITNET, acquired on 3 February 2005.

3. Dividends

Serco's policy is to increase the total dividend per share each year broadly in line with the organic increase in earnings. The interim dividend of 1.05p per share represents a 15.4% increase on 2005. The dividend will be paid on 18 October 2006 to shareholders on the register at the close of business on 8 September 2006.

4. Cash flow

The Group generated a free cash inflow of £25.8m, an increase of 33.0% compared with the first half of 2005.

Figure 2 analyses the cash flow. As in previous periods, we have designed the analysis to show the true cash performance of the Group – the cash flows generated by subsidiaries plus the dividends received from joint ventures. It therefore differs from the consolidated cash flow on page 23, which proportionately consolidates the cash flows of joint ventures. The adjustment line in Figure 2 reconciles the movement in Group cash to the consolidated cash flow.

Figure 2: Cash flow

Six months to 30 June	2006 £m	2005 £m
Operating profit excluding joint ventures	34.2	29.4
Non cash items	22.3	22.9
Group EBITDA	56.5	52.3
Working capital movement	(11.2)	(15.5)
Group operating cash flow	45.3	36.8
Interest	(8.7)	(7.7)
Tax	(2.4)	(3.2)
Expenditure on tangible and intangible assets	(21.9)	(12.1)
Dividends from joint ventures	13.5	7.7
Other items	-	(2.1)
Group free cash flow	25.8	19.4
Acquisitions	-	(282.5)
Other financing	(23.0)	254.4
Dividends paid	(9.6)	(8.3)
Group non recourse debt financed assets	(3.0)	(9.2)
Group net decrease in cash and cash equivalents	(9.8)	(26.2)
Adjustment to include joint venture cash impacts	7.1	29.3
Net (decrease)/increase in cash and cash equivalents	(2.7)	3.1

Note: Group EBITDA is earnings from subsidiaries (excluding joint ventures) before interest, tax, depreciation and intangible amortisation.

4.1 Group operating cash flow

The Group operating cash inflow was £45.3m (2005: £36.8m), an increase of 23.1%. This represents a conversion of Group EBITDA into cash of 80% (2005: 70%). The Group's cash conversion is particularly notable given the level of organic growth, which typically results in a working capital outflow equivalent to one month's incremental revenue.

4.2 Tax

In the first half of the year tax paid was £2.4m (2005: £3.2m) excluding joint ventures. This compares with a tax charge in the income statement, excluding joint ventures, of £7.0m (2005: £7.8m). The difference

between the income statement tax charge and cash tax in the first half of 2006 primarily reflects a continued residual level of accelerated capital allowances and other timing differences.

We expect the cash tax paid to trend towards the charge in the income statement as the level of timing differences reduces over time.

4.3 Expenditure on tangible and intangible assets

Expenditure on tangible and intangible assets in the period was £21.9m (2005: £12.1m). This represents 2.4% of revenue excluding joint ventures (2005: 1.5%). The increase resulted from expenditure on designing and building our new SAP accounting system and shared service centre. The total cost of this programme is estimated at £35m, of which £7m was incurred in the second half of 2005 and £10m in the first half of 2006.

4.4 Dividends from joint ventures

Dividends received from joint ventures totalled £13.5m (2005: £7.7m), equivalent to 93% (2005: 61%) of joint ventures' profit after tax. The high level of conversion reflects dividend payments made by joint ventures from reserves retained in previous years. We expect a conversion rate in the range of 70% to 80% going forward.

4.5 Other financing

The movement in other financing principally reflects the repayment in January 2006 of £20m of the term loan taken out in 2005 to fund acquisitions.

4.6 Group non recourse debt financed assets

The £3.0m outflow (2005: £9.2m outflow) is the net of the movement on non recourse loans and changes in other PFI balances. Over the life of each PFI contract, we expect these movements to offset each other.

5. Net debt

Figure 3 analyses Serco's net debt.

Figure 3: Net debt

As at	30 June 2006 £m	31 December 2005 £m
Group - cash and cash equivalents	198.9	210.0
Group - recourse debt	(417.9)	(453.1)
Group - obligations under finance leases	(18.0)	(20.9)
Group recourse net debt	(237.0)	(264.0)
Joint venture recourse net cash	26.9	18.0
Total recourse net debt	(210.1)	(246.0)
Group non recourse debt	(311.2)	(326.8)
Joint venture non recourse debt	-	(22.4)
Total non recourse debt	(311.2)	(349.2)
Total net debt	(521.3)	(595.2)

Included within Group recourse net debt is £25.2m (31 December 2005: £22.6m) of encumbered cash, comprising cash of PFI and other project companies securing credit obligations and customer advance payments.

5.1 Group recourse net debt

Group recourse net debt reduced from £264.0m at 31 December 2005 to £237.0m at 30 June 2006. The reduction resulted from the Group's cash flow and the effect of exchange movements on the Group's foreign currency denominated debt (which reduced net debt by £8.5m).

5.2 Group non recourse debt

The Group's debt is non recourse if no Group company other than the relevant borrower – typically a special purpose company for a PFI – has an obligation to repay the debt under a guarantee or other arrangement. The debt is excluded from all of our credit agreements and other covenant calculations, and therefore has no impact on the Group's ability to borrow.

Group non recourse debt reduced by £15.6m to £311.2m during the first half. This was the result of scheduled repayments of debt across our non recourse debt funded projects.

5.3 Joint venture non recourse debt

The joint venture non recourse debt recorded in 2005 resulted from debt taken on in the course of operating a contract where we have a right of full cost reimbursement. A debtor equal to the value of this non recourse debt was therefore included in Serco's accounts to reflect this. During the first half of 2006, we have renegotiated certain terms of this loan. This allows us to offset the debtor and non recourse debt in our accounts, thereby reflecting the economic reality of the contract.

6. Pensions

At 30 June 2006, the net amount included in the balance sheet arising from our defined benefit pension scheme obligations was £116.9m (31 December 2005: £149.9m). Figure 4 provides further analysis.

Figure 4: Defined benefit pension schemes

As at	30 June 2006 £m	31 December 2005 £m
Group schemes – non contract specific	(155.8)	(200.4)
Contract specific schemes		
– reimbursable	(77.1)	(84.9)
– not certain to be reimbursable	(24.0)	(21.3)
Net retirement benefit liabilities	(256.9)	(306.6)
Intangible assets arising from rights to operate franchises and contracts	22.2	19.0
Reimbursable rights debtor	77.1	84.9
Deferred tax assets	40.7	52.8
Net balance sheet position	(116.9)	(149.9)

Serco has three main types of scheme which are accounted for as defined benefit pension schemes. Each type has its own accounting treatment under IFRS. These are:

- Schemes which do not relate to specific contracts or franchises (non contract specific) – principally the Group scheme. For these schemes, we charge the actuarial gain or loss for the period to the consolidated statement of recognised income and expense (the SORIE)
- Schemes relating to specific contracts or franchises, where the deficit will pass back to the customer or to the next contractor at the end of the contract (not certain to be reimbursable). For these schemes, we charge the actuarial gain or loss on our share of the deficit for the period to the SORIE, recognise a recoverable intangible asset on the balance sheet and amortise the intangible asset to the income statement over the contract or franchise life, and
- The AWE contract, where we have a right of full cost reimbursement and therefore include both the pension scheme deficit and offsetting debtor in the balance sheet (reimbursable).

The net balance sheet position of our defined benefit pension schemes at 30 June 2006 was a liability of £116.9m, a reduction of £33.0m from 31 December 2005. This movement is principally due to changes in bond rates. The sensitivity of the liabilities of our pension schemes to movements in bond rates and other actuarial assumptions can be found in our 2005 Annual Review and Accounts.

We continue to review the funding and investment profile of our main Group defined benefit pension scheme, which had a gross deficit of £119.4m at 30 June 2006. It is our intention to inject around £70m into the scheme over the course of the next 12 months. We also intend to review employer and employee contributions to the scheme, with a plan to pay off the remaining deficit over ten years.

7. Provisions

At 30 June 2006, the Group held provisions amounting to £20.9m (31 December 2005: £26.4m). Provisions include amounts relating to long-term service awards, terminal gratuities, property and restructuring. The decrease in provisions includes a reduction as a result of the planned restructuring in Serco Solutions.

8. Treasury

Serco's debt finance is provided by a £400m bank credit facility and two private placements. We had borrowed £249.8m under the bank credit facility at 30 June 2006. Interest is charged at a rate of 50 basis points over LIBOR on borrowings under the facility. The facility is unsecured and matures in 2009. The first private placement, for £43.2m, matures in 2007 and the second, for £117m, amortises from 2011 to 2015.

At 30 June 2006, Serco also had £311.2m of non recourse debt that is used to fund PFI and similar activities. In all cases, no entity other than the relevant borrower has an obligation, as a result of a guarantee or other arrangement, to repay non recourse debt.

Independent review report to Serco Group plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2006 which comprise the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 7. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

Deloitte & Touche LLP

Chartered Accountants

London

31 August 2006

Consolidated income statement
for the six months ended 30 June 2006

		6 months to 30 June 2006	6 months to 30 June 2005	Year to 31 December 2005
		£m	£m	£m
	Notes	(unaudited)	(unaudited)	(audited)
Continuing operations				
Revenue		1,236.2	1,074.9	2,260.3
Cost of sales		(1,057.8)	(921.4)	(1,935.3)
Gross profit		178.4	153.5	325.0
Administrative expenses		(116.6)	(101.6)	(214.3)
Other expenses – amortisation of intangibles		(7.7)	(6.4)	(13.6)
Total administrative expenses		(124.3)	(108.0)	(227.9)
Operating profit		54.1	45.5	97.1
Investment revenue	2	17.4	16.2	33.6
Finance costs	2	(26.7)	(24.4)	(52.8)
Profit before tax		44.8	37.3	77.9
Tax		(13.0)	(11.4)	(23.5)
Profit for the period		31.8	25.9	54.4
Attributable to:				
Equity holders of the parent		31.3	25.4	53.4
Minority interest		0.5	0.5	1.0
Earnings per ordinary share (EPS)				
Basic EPS	3	6.69p	5.61p	11.66p
Diluted EPS	3	6.60p	5.51p	11.46p

**Consolidated statement of recognised income and expense
for the six months ended 30 June 2006**

		6 months to 30 June 2006 £m	6 months to 30 June 2005 £m	Year to 31 December 2005 £m
	Notes	(unaudited)	(unaudited)	(audited)
Net actuarial gain/(loss) on defined benefit pension schemes	6	83.3	(33.9)	(58.4)
Actuarial (loss)/gain on reimbursable rights	6	(37.3)	4.0	35.6
Net exchange (loss)/gain on translation of foreign operations	6	(8.2)	2.8	6.9
Fair value gain on cash flow hedges during the period	6	2.6	0.7	6.1
Tax (charge)/credit on items taken directly to equity	6	(12.2)	10.0	2.0
Net income/(expense) recognised directly in equity		28.2	(16.4)	(7.8)
Profit for the period		31.8	25.9	54.4
Total recognised income and expense for the period		60.0	9.5	46.6
Attributable to:				
Equity holders of the parent		59.5	9.0	45.6
Minority interest		0.5	0.5	1.0

Consolidated balance sheet
at 30 June 2006

	Notes	At 30 June 2006 £m (unaudited)	At 30 June 2005 £m (unaudited)	At 31 December 2005 £m (audited)
Non-current assets				
Goodwill		535.3	539.3	544.5
Other intangible assets		122.2	95.2	107.8
Property, plant and equipment		95.2	104.1	103.0
Trade and other receivables		443.8	388.5	459.8
Deferred tax assets		77.5	93.8	91.2
		1,274.0	1,220.9	1,306.3
Current assets				
Inventories		44.8	33.6	36.4
Trade and other receivables		514.2	481.4	528.8
Cash and cash equivalents		235.8	204.1	240.7
		794.8	719.1	805.9
Total assets		2,068.8	1,940.0	2,112.2
Current liabilities				
Trade and other payables		(560.6)	(495.4)	(531.1)
Current tax liabilities		(20.3)	(12.9)	(19.5)
Obligations under finance leases		(8.3)	(8.3)	(8.2)
Loans		(44.8)	(50.1)	(64.8)
Financial instruments		(3.0)	(4.2)	(4.9)
		(637.0)	(570.9)	(628.5)
Non-current liabilities				
Trade and other payables		(7.4)	(1.8)	(5.0)
Obligations under finance leases		(14.6)	(21.1)	(18.2)
Loans		(689.4)	(711.1)	(744.7)
Financial instruments		(31.2)	(32.1)	(30.8)
Retirement benefit obligations		(256.9)	(291.5)	(306.6)
Provisions		(20.9)	(26.4)	(26.3)
Deferred tax liabilities		(91.3)	(64.0)	(92.1)
		(1,111.7)	(1,148.0)	(1,223.7)
Total liabilities		(1,748.7)	(1,718.9)	(1,852.2)
Net assets		320.1	221.1	260.0
Equity				
Share capital	6	9.5	9.3	9.4
Share premium account	6	277.8	266.5	269.5
Capital redemption reserve		0.1	0.1	0.1
Retained earnings	6	154.5	118.7	132.8
Retirement benefit obligations reserve	6	(105.1)	(145.0)	(139.0)
Share-based payment reserve	6	19.7	8.9	16.6
Own shares reserve		(16.4)	(16.4)	(16.4)
Hedging and translation reserve	6	(21.4)	(23.2)	(15.1)
Equity attributable to equity holders of the parent		318.7	218.9	257.9
Minority interest		1.4	2.2	2.1
Total equity		320.1	221.1	260.0

Consolidated cash flow statement
for the six months ended 30 June 2006

		6 months to 30 June 2006	6 months to 30 June 2005 Re-presented*	Year to 31 December 2005 Re-presented*
		£m (unaudited)	£m (unaudited)	£m (audited)
	Notes			
Net cash inflow from operating activities	4	73.2	67.5	140.8
Investing activities				
Interest received		18.2	15.4	32.8
Proceeds from disposal of property, plant and equipment		1.7	0.4	0.4
Purchase of property, plant and equipment		(12.7)	(11.3)	(22.3)
Acquisition of subsidiaries, net of cash acquired		-	(280.9)	(281.7)
Purchase of other intangible assets		(14.5)	(2.4)	(13.1)
Net cash outflow from investing activities		(7.3)	(278.8)	(283.9)
Financing activities				
Interest paid		(27.3)	(23.1)	(47.6)
Dividends paid		(9.6)	(8.3)	(12.5)
Dividends paid to minority interest		(1.0)	-	-
Repayment of borrowings		(22.2)	-	(5.8)
New loan advances		-	260.2	272.0
Capital element of finance lease repayments		(4.5)	(3.4)	(8.4)
Proceeds from issue of share capital		8.4	1.4	4.4
Movement in non recourse loans		(12.4)	(12.4)	(21.5)
Net cash (outflow)/inflow from financing activities		(68.6)	214.4	180.6
Net (decrease)/increase in cash and cash equivalents		(2.7)	3.1	37.5
Cash and cash equivalents at beginning of period		240.7	200.5	200.5
Net exchange (loss)/gain		(2.2)	0.5	2.7
Cash and cash equivalents at end of period		235.8	204.1	240.7

* interest paid is presented within financing activities (previously shown within investing activities)

Notes to the financial statements

1. General information

The Interim Report is unaudited and does not constitute statutory accounts within the meaning of s240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2005 have been delivered to the Registrar of Companies. The auditors' opinion on these accounts was unqualified and did not contain a statement made under s237(2) or s237(3) of the Companies Act 1985.

The accounting policies used in the interim financial statements are consistent with International Financial Reporting Standards (IFRS) and those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2005. The interim financial statements include the results of subsidiaries and joint ventures. Joint ventures have been proportionately consolidated.

Interest paid within the cash flow statement has been re-presented and is shown within financing activities in accordance with latest guidance (interest paid was previously shown within investing activities).

2. Investment revenue and finance costs

	6 months to 30 June 2006 £m (unaudited)	6 months to 30 June 2005 £m (unaudited)	Year to 31 December 2005 £m (audited)
Interest receivable by PFI companies	13.9	13.3	26.7
Interest receivable on other loans and deposits	3.5	2.9	6.9
Investment revenue	17.4	16.2	33.6
Interest payable on non recourse loans	(12.0)	(11.2)	(19.9)
Interest payable on other loans	(13.4)	(10.7)	(27.8)
Fair value adjustment on fair value hedges and non IAS 39 designated hedges	(0.1)	-	0.4
Other – finance leases and net interest on retirement benefit obligations	(1.2)	(2.5)	(5.5)
Finance costs	(26.7)	(24.4)	(52.8)

3. Earnings per share

Basic and diluted earnings per ordinary share have been calculated in accordance with IAS 33 'Earnings Per Share'. Earnings per share (EPS) is shown both before and after amortisation of intangible assets to assist in the understanding of the impact of IAS 38 'Intangible Assets' on the Group accounts.

The calculation of the basic and diluted EPS is based on the following data:

Number of shares	6 months to 30 June 2006 millions (unaudited)		6 months to 30 June 2005 millions (unaudited)		Year to 31 December 2005 millions (audited)	
Weighted average number of ordinary shares for the purpose of basic EPS		467.8		452.7		458.1
Effect of dilutive potential ordinary shares: share options		6.4		8.3		8.0
Weighted average number of ordinary shares for the purpose of diluted EPS		474.2		461.0		466.1

Earnings	6 months to 30 June 2006		6 months to 30 June 2005		Year to 31 December 2005	
	Earnings	Per share amount	Earnings	Per share amount	Earnings	Per share amount
	£m (unaudited)	pence (unaudited)	£m (unaudited)	pence (unaudited)	£m (audited)	pence (audited)
Earnings for the purposes of basic EPS being net profit attributable to the equity holders of the parent	31.3	6.69	25.4	5.61	53.4	11.66
Add back :						
Amortisation of intangible assets, net of tax	6.4	1.37	5.3	1.17	11.2	2.43
Basic earnings before amortisation of intangible assets	37.7	8.06	30.7	6.78	64.6	14.09
Earnings for the purposes of diluted EPS	31.3	6.69	25.4	5.61	53.4	11.66
Effect of dilutive potential ordinary shares	-	(0.09)	-	(0.10)	-	(0.20)
Diluted EPS	31.3	6.60	25.4	5.51	53.4	11.46

4. Reconciliation of operating profit to net cash inflow from operating activities

	6 months to 30 June 2006 £m (unaudited)	6 months to 30 June 2005 £m (unaudited)	Year to 31 December 2005 £m (audited)
Operating profit for the period	54.1	45.5	97.1
Adjustments for:			
Share-based payment	2.5	2.7	5.7
Depreciation of property, plant and equipment	15.3	15.2	30.3
Amortisation of intangible assets	7.7	6.4	13.6
(Profit)/loss on disposal of property, plant and equipment	(0.3)	0.4	0.4
Loss on disposal of intangible assets	-	-	0.1
Operating cash inflows before movements in working capital	79.3	70.2	147.2
(Increase)/decrease in inventories	(8.9)	0.2	(1.9)
Increase in receivables	(10.3)	(19.5)	(47.2)
Increase in payables	18.2	20.0	44.6
Decrease in provisions	(5.2)	(0.8)	-
Cash generated by operations before PFI asset expenditure	73.1	70.1	142.7
Movement on PFI debtor	9.4	4.7	15.3
Expenditure on PFI assets in the course of construction	-	(3.0)	(7.8)
Cash generated by operations after PFI asset expenditure	82.5	71.8	150.2
Tax paid	(9.3)	(4.3)	(9.4)
Net cash inflow from operating activities	73.2	67.5	140.8

5. Analysis of net debt

	At 30 June 2006 £m (unaudited)	At 30 June 2005 £m (unaudited)	At 31 December 2005 £m (audited)
Cash and cash equivalents	235.8	204.1	240.7
Other loans	(423.0)	(467.6)	(460.3)
Obligations under finance leases	(22.9)	(29.4)	(26.4)
Recourse net debt	(210.1)	(292.9)	(246.0)
Non recourse loans (related to PFI assets)	(266.5)	(246.1)	(278.2)
Other non recourse loans	(44.7)	(47.5)	(71.0)
Total net debt	(521.3)	(586.5)	(595.2)

6. Reserves

	Share capital £m	Share premium account £m	Retained earnings £m	Retirement benefit obligations reserve £m	Share- based payment reserve £m	Hedging and translation reserve £m
As at 31 December 2005 (audited)	9.4	269.5	132.8	(139.0)	16.6	(15.1)
Shares issued	0.1	-	-	-	-	-
Premium on shares issued	-	8.3	-	-	-	-
Profit for the period attributable to equity holders of the parent	-	-	31.3	-	-	-
Dividends paid	-	-	(9.6)	-	-	-
Net actuarial gain on defined benefit pension schemes	-	-	-	83.3	-	-
Actuarial loss on reimbursable rights	-	-	-	(37.3)	-	-
Expense in relation to share-based payment	-	-	-	-	2.5	-
Fair value gain on cash flow hedges during the period	-	-	-	-	-	2.6
Net exchange loss on translation of foreign operations	-	-	-	-	-	(8.2)
Tax charge on cash flow hedges	-	-	-	-	-	(0.7)
Tax (charge)/credit on items taken directly to equity	-	-	-	(12.1)	0.6	-
As at 30 June 2006 (unaudited)	9.5	277.8	154.5	(105.1)	19.7	(21.4)

7. Joint ventures

The Group's interests in joint ventures are reported in the consolidated financial statements using the proportionate consolidation method.

The effect of the Group's joint ventures on the consolidated income statement is as follows:

	6 months to 30 June 2006 £m (unaudited)	6 months to 30 June 2005 £m (unaudited)	Year to 31 December 2005 £m (audited)
Revenue	308.0	254.5	536.1
Operating profit	19.9	16.1	34.7
Profit before tax	20.5	16.3	36.4
Tax	(6.0)	(3.6)	(10.4)
Profit for the period	14.5	12.7	26.0
Minority interest	(0.3)	(0.4)	(0.5)
Share of post-tax results from joint ventures	14.2	12.3	25.5