

ASX/MEDIA RELEASE

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Outcome of NSW RailCorp PPP

United Group Limited (ASX: UGL) notes the announcement today by the New South Wales government regarding the Public Private Partnership consortia to build and maintain passenger cars to service Sydney's metropolitan rail network.

United Group formed part of the Star Transit bid together with Mitsubishi Electric.

United Group's Managing Director and CEO Richard Leupen said, "Obviously we are somewhat disappointed but we remain committed to building our rail business both in Australia and South East Asia.

"We will continue to partner with RailCorp on major passenger train projects in New South Wales such as the OSCar project and the Hunter DMU project, and the ongoing maintenance work at Maintrain.

"The PPP was based on proven and reliable technology of the OSCar Train and we were comfortable with the risk-reward basis of the bid. United Group's risk management processes have served it well to date, and reached the right conclusion for us on this bid.

"As we have previously stated, the success of United Group is based on many contracts and multiple sectors, and that will remain the case in the future.

"The pipeline of bidding activity in the property, water, power, transport (road and rail) and resources sectors remains robust, and we continue to experience a high success rate in winning new work. Coupled with our expanding geographical footprint, we are confident that United Group's growth will continue as well as the strengthening of the quality of our earnings base.

As previously advised, the company will now expense our share of the costs associated with the PPP bid in the current year resulting in approximately \$18 million EBIT adjustment for the first half.

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United Group (ASX - UGL) is a diversified services company specialising in maintenance, facilities management, manufacturing, fabrication, engineering, construction and business process outsourcing. The group consists of four businesses each with specific complementary services:

United Group Infrastructure is a multi-service business offering construction, engineering, operational and maintenance services to the water, power, communications, road & rail transport and defence industries

United Group Rail is Australia's foremost rail and rolling stock company offering services such as; engineering and manufacturing, refurbishment and remanufacture, maintenance services and spare parts

United Group Resources is a long term solution provider of multi-discipline services to clients in the resources industry

United Group Global Services is a premier global provider of outsourcing services. Services include corporate real estate, facilities management, project management, finance and accounting, procurement, human resource management and learning