

ASX RELEASE

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United Group Acquires UNICCO for A\$477 million

- *United Group Limited ("United Group") acquires US-based integrated facilities management (FM) services company, UNICCO Service Company ("UNICCO") for A\$477 million (US\$408 million)¹*
- *Attractive acquisition price – 9.8x FY08E UNICCO EBITDA*
- *UNICCO is an integrated provider of FM, operations and maintenance, janitorial, engineering, administration, and landscaping and grounds maintenance services*
- *Key acquisition in developing United Group's strategy to establish a leading global provider of property services, including corporate real estate (CRE) and FM services*
- *Strengthens United Group's presence in the US and Canada and provides a strategic platform for continued growth*
- *Acquisition to be funded through*
 - *A\$231 million institutional equity placement² in conjunction with a share purchase plan*
 - *Conditional institutional equity placement of an additional A\$50 million subject to shareholder approval*
 - *Issue of ~A\$70m to vendor*
 - *New and existing debt facilities*
- *Mr. Steve Kletjian, UNICCO's majority equity holder will become a major shareholder of United Group and will provide advisory services to United Group's Managing Director and CEO and to the United Group Board*
- *Additional payment of A\$33 million to receive potential US tax benefits valued at approximately A\$85 million to be realised over 15 years through ongoing tax benefits*
- *Acquisition is expected to be around 5% EPS accretive in the first year of the acquisition, before the impact of synergies*

United Group has entered an agreement to acquire US integrated facilities services company UNICCO for A\$477 million, with A\$407 million payable in cash and the remainder payable in United Group shares to be issued to the vendors.

UNICCO is an excellent fit with United Group and is a key step in United Group's strategy to create a leading global provider of CRE and FM services. Completion is expected in September 2007, subject to satisfaction of customary consents, approvals and conditions.

Founded in 1949, and headquartered in Newton (Boston), Massachusetts, UNICCO is a leading provider of integrated FM services in the US, servicing more than 1,000 customers at more than 5,000 sites. UNICCO has approximately 18,000 employees who provide FM, operations and maintenance, janitorial, engineering, administration, and landscaping and grounds maintenance services. UNICCO has a 95% customer retention rate and its top fifteen customers by revenue have utilised its services for an average of twelve years.

¹ AUD / USD exchange rate of 0.855 assumed throughout this announcement

² Based on underwritten floor price of A\$16.30 per share

UNICCO is expected to deliver FY08 revenue of US\$770 million (A\$900 million) and EBITDA of US\$41.5 million (A\$48.5 million).

UNICCO's Chairman and majority equity holder, Mr. Steve Kletjian, will retire from full time employment upon completion of the acquisition. The existing senior management led by Mr. Louis Lanzillo and Mr. George Keches remain committed to the business and will continue to drive its future growth. Mr. Kletjian will continue to provide advisory services to United Group's Managing Director and CEO and to the United Group Board.

United Group's Managing Director and CEO Mr. Richard Leupen said: "This is a major step in United Group's growth and a unique opportunity for the Group to secure a leading presence in the growing US FM market. The acquisition fits with our strategy of growing our global property services model and partnering with leading blue chip customers and government departments.

"United Group has provided FM services to blue chip customers and government departments for more than ten years and it is a market we understand very well. UNICCO is an excellent fit with United Group's existing property services and FM operations. Customers are demanding CRE and FM services and we can now provide this in the United States with UGL Equis and UNICCO as well as in other international markets.

"UNICCO has a highly regarded brand name and impressive long standing customer base. The US property services market is continuing to expand and United Group will now be a larger, integral part of this growth.

"UNICCO positions United Group's Services business as a leading property services business with more than 21,000 staff across 13 countries and annual revenue of around A\$1.3 billion.

"This is our fourth acquisition in property services. United Group has a track record of integrating acquisitions and maximising shareholder value. I am delighted that UNICCO's management team has committed to stay with the business and work with United Group to achieve our growth objectives. We are now another step closer to becoming one of the world's leading CRE and FM services companies."

Financing

Equity funding will be raised through a fully underwritten institutional placement of A\$281 million. Of the institutional placement, A\$50 million will be conditional upon shareholder approval at an EGM of United Group, expected to take place in August 2007. Terms of the acquisition include the issue of ~A\$70m of United Group shares to the vendors of UNICCO. Mr. Richard Leupen, Managing Director and CEO of United Group, intends to take an allocation of A\$3 million under the placement, conditional upon shareholder approval at the forthcoming EGM.

In addition, a share purchase plan will be offered, under which eligible United Group shareholders are each entitled to subscribe to shares up to the value of A\$5,000. Further details of the Share Purchase Plan will be mailed to shareholders shortly.

The balance of the funding is expected to be provided by senior debt facilities.

Outlook

United Group expects another strong result in FY07, in which NPAT is expected to exceed A\$90 million, subject to the final audit review. Historical strong growth will continue in FY08, with revenues expected to be around A\$4 billion.

- End -

Goldman Sachs JBWere acted as financial adviser to United Group for the acquisition and as Underwriter and Sole Lead Manager and Bookrunner of the placement.

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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 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

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This announcement includes forward-looking statements regarding future events and the future financial performance of United Group, including statements that the transaction is expected to be accretive. Any forward-looking statements involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, United Group and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned that this announcement should not be relied upon as a recommendation or forecast by United Group. United Group undertakes no obligation to revise the forward-looking statements included in this presentation to reflect any future events or circumstances. In addition, United Group's results are reported under Australian International Financial Reporting Standards, or A-IFRS. This announcement includes references to EBITDA. These references to EBITDA should not be viewed in isolation or considered as an indication of, or alternative to, measures reported in accordance with A-IFRS or as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.