

MEDIA/ASX RELEASE

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United Group delivers record full year profit of A\$92.7 million

- **EBIT before one-off item up almost 40% to A\$166.7 million**
- **Operating revenue of A\$2.5 billion, up 14%**
- **Fully franked final dividend of 28 cents per share**
- **Robust order book of A\$4.4 billion**
- **Announced the A\$477 million acquisition of US-based UNICCO**
- **Favourable market conditions continue in all key sectors**
- **Continued growth expected in 2008**

SYDNEY: Leading infrastructure and services company United Group Limited (ASX:UGL) today reported net profit after tax and minority interest for the year ended 30 June 2007 of A\$92.7 million (2006: A\$78.7 million), an increase of 18% over the previous corresponding period. Operating revenue of A\$2.5 billion (2006: A\$2.2 billion) was up 14%. Reported EBIT of A\$148.6 million, up 24% from the previous corresponding period and earnings per share (EPS) increased by 6% to 67.8 cents per share (2006: 63.7 cents per share).

Before the one-off PPP cost, EBIT increased to 39% to A\$166.7 million and EPS increased 21% to 77 cents per share.

The Directors declared a fully franked final dividend of 28 cents per share, taking total dividends for the year to 48 cents (2006: 44 cents per share fully franked), an increase of 9%, payable on 14 September 2007 to shareholders on the register at 31 August 2007.

Managing Director and Chief Executive Officer Richard Leupen said, "2007 has been another successful year for United Group. Underlying profit increased by almost 40%. This is the sixth consecutive year that United Group has delivered such growth, and it has again been driven both organically and through the performance of the businesses we have acquired.

"During the year we have taken a number of steps to strengthen United Group's foundation so we can deliver for the longer term. We invested heavily in people, have continued to develop programs that will ensure we are strengthening risk management across all of our projects, as well as being vigilant in managing overheads. This ensures we deliver better margins on projects and better outcomes for our customers, which is reflected in these results.

"United Group continues to benefit from growth in spending by governments and the private sector on essential infrastructure such as water, energy and transport, as well as the continued trend to outsource non-core functions such as property services. The underlying strength of these markets ensures United Group can continue to grow over the longer term."

UGL Infrastructure

The business continues to benefit from increased spending on essential infrastructure. This has delivered significant increases in revenue, earnings and order book. During the year, UGL Infrastructure strengthened its position in the water, energy and transport sectors, securing major projects in the Eastern States and Western Australia. The business has also broadened its alliances and partnerships to a wider range of technology partners. Backed by a A\$1.6 billion order book, UGL Infrastructure expects strong growth in the year ahead.

UGL Rail

UGL Rail has been successful in winning new locomotive sales and iron ore and coal wagon manufacturing contracts. The business is also completing a number of passenger rail refurbishment and build projects. Both revenue and underlying EBIT increased. Continuing demand from the resources sector and growth in freight and passenger markets supports the demand outlook. The business has also increased its asset management capability and the prospects are encouraging. Large-scale maintenance project renewals are a major focus in FY2008.

UGL Resources

The business continues to perform well with earnings increasing 36%. UGL Resources has had a disciplined approach to tendering and risk management in a highly volatile market, and this is reflected in an EBIT margin of 11%. The business' focus on securing projects which generate longer-term recurring revenue helps insulate the business from any eventual sector downturn. The pipeline of bidding opportunities is strong, and UGL Resources is well placed to secure a growing share of higher margin work in asset services and project management.

UGL Services

UGL Services' performance has been encouraging, with revenue and earnings increasing. The integration of UGL Equis is near complete. During the year, UGL Services was again successful in securing 95% of re-tenders. The business won its first global contract and secured its first major facilities management project in the Middle East. It also added a number of leading blue chip corporations and government departments to its customer base. With the integration of UNICCO and a stronger domestic and international presence, UGL Services is well placed to outperform in the coming year.

UNICCO acquisition

Mr Leupen said, "In July we announced the A\$477 million acquisition of United States based facilities management business UNICCO. This will add almost A\$1 billion of revenue and A\$50 million of EBITDA to United Group. It also brings a further 18,000 people to the Group, taking our total workforce to near 30,000. Our strategy of building a global property services business that can deliver corporate real estate and facilities management services is well progressed. We remain very encouraged by the prospects in this market as Governments and companies look to outsource their non-core activities.

Outlook

"United Group enters 2008 well positioned to capitalise on the opportunities in global property services and essential infrastructure. We have strengthened our team and our position in key markets and have the foundation in place to capitalise on the opportunities open to us for continued growth.

"We expect 2008 to be another year of strong growth supported by favourable market conditions, the continued trend in outsourcing in all major markets, and increased spending on essential infrastructure. United Group's A\$4.4 billion order book and the base of renewable contracts underpin a bright future.

"A major activity will be the integration of UNICCO into United Group as we continue to build our global property services model. Upon completion of the UNICCO transaction, United Group's revenue from international markets is expected to be over A\$1 billion, with total Group revenue likely to approach A\$4 billion.

"This coming year, we again expect to deliver strong growth in all our market sectors. With organic growth and acquisitions continuing to be United Group's major drivers, 2008 promises to be our most significant year of revenue growth to date," Mr Leupen said.

United Group's Annual General Meeting will be held on 10 October 2007.

- Ends -

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About United Group:

United Group Limited (ASX:UGL) is a broad-based infrastructure and services group. The company's 11,500 employees in Australia, New Zealand, Asia, US, and parts of Europe and the Middle East work in partnership with blue chip clients and government to help shape the cities and communities we live in.

United Group provides industrial maintenance, manufacturing and engineering services, and helps develop and maintain resources and industrial properties. United Group also builds and maintains rolling stock and related infrastructure. In addition, the company offers business outsourcing solutions of corporate real estate, facilities management, procurement and human resources.

www.unitedgroupltd.com

ATTACHMENT: UNITED GROUP LIMITED FY2007 FULL YEAR RESULTS SUMMARY

Table 1: UNITED GROUP LIMITED

A\$million	FY2007	FY2006	Change
Operating Revenues	2,549.5	2,232.4	14%
EBIT before Rail PPP write off	166.7	120.2	39%
<i>EBIT Margin before Rail PPP write off</i>	<i>6.5%</i>	<i>5.4%</i>	
PPP Write off	(18.1)	0.0	
EBIT	148.6	120.2	24%
<i>EBIT Margin</i>	<i>5.8%</i>	<i>5.4%</i>	
Interest (net)	(23.6)	(14.4)	
Operating Profit Before Tax	125.0	105.8	18%
Tax	(33.7)	(27.1)	
Net Profit After Tax	91.3	78.7	
Minority Interest	1.4	0.0	
Net Profit After Tax & Minority Interest	92.7	78.7	18%
<i>NPAT Margin</i>	<i>3.6%</i>	<i>3.5%</i>	
EPS (Cents)	67.8	63.7	6%
ROE	16.3%	19.7%	

Table 2: UNITED GROUP LIMITED – DIVISIONAL REVIEW

	FY2007	FY2006	Change
United Group Infrastructure			
Sales - A\$m	722.1	537.2	34%
EBIT - A\$m	49.8	36.2	38%
EBIT / Sales	<i>6.9%</i>	<i>6.7%</i>	
United Group Rail			
Sales - A\$m	1,060.3	960.4	10%
EBIT - A\$m (before Rail PPP write off)	63.6	49.3	29%
EBIT / Sales	<i>6.0%</i>	<i>5.1%</i>	
United Group Resources			
Sales - A\$m	366.4	479.6	(24%)
EBIT - A\$m	41.5	30.5	36%
EBIT / Sales	<i>11.3%</i>	<i>6.4%</i>	
United Group Services			
Sales - A\$m	416.1	269.8	54%
EBIT - A\$m	35.3	23.5	50%
EBIT / Sales	<i>8.5%</i>	<i>8.7%</i>	