

29 June 2016

## UGL secures \$594 million agreement for the supply and maintenance of locomotives to Pacific National increasing the order book to \$4.7 billion

- A \$594 million agreement awarded by Pacific National for the supply and maintenance of locomotives
- UGL selected as preferred EPC and O&M contractor for Genex Power's Kidston Solar Project
- 80% of FY17 revenue now sold in order book or within pipeline of preferred opportunities
- Base business on track to deliver revenue growth of at least \$300 million and 4.0% EBIT margins in FY17, excluding Ichthys projects

**Sydney:** UGL Limited (ASX: UGL) today announced that it has been awarded a \$594 million agreement for the supply and maintenance of locomotives to Pacific National. UGL provides maintenance services to Pacific National across a number of their locomotive fleets and has entered into a long term arrangement for the maintenance of these locomotives encompassing:

- Renewal of the agreement for maintenance of the 71 Class Siemens locomotives based in Nebo, Queensland for a period of 10 years to 30 June 2026.
- Extension of the existing maintenance contract for the 92/93 Class locomotives from 1 July 2020 to 30 June 2026.
- Extension of the existing maintenance contract for the NR Class locomotives from 1 February 2020 to 30 June 2026.
- A new contract to maintain the Victorian EMD locomotive fleet until 30 June 2026.

Further to the long term maintenance agreement UGL has entered into a contract with PN for the supply of:

- Three C44ACi locomotives expanding PN's existing 93 class fleet.
- Three PH37 narrow gauge locomotives, designed by UGL for freight haulage in Queensland.

UGL CEO Ross Taylor said "We are very pleased to extend our long term relationship with Pacific National and look forward to working together over the next ten years in the provision of cost effective and efficient locomotive maintenance services."

Following the award of the Pacific National contract, UGL has now secured \$1.3 billion in contract wins and extensions during the second half of FY16, increasing the order book to \$4.7 billion. Other key wins and extension during the period include:

- A \$45 million contract to supply multi-disciplinary asset maintenance services to Alcoa's Pinjarra alumina refinery over a period of three year commencing in June 2016.
- Maintenance services across Mighty River Power's hydro and geothermal stations in New Zealand over an initial three year contract term commencing 1 July 2016, with provision for two, two year extension options.
- Design and construction of a new module assembly building for First Solar in Kulim, Malaysia with a contract value of around \$50 million.
- A three year extension for multi-disciplinary maintenance services at BP Refinery, in Western Australia.
- Engineering, procurement and construction of the 15MW photo-voltaic Mugga Way Solar Park in Canberra, ACT

### **UGL Preferred EPC Contractor on Genex Power's Kidston Solar Project**

UGL has been selected as the preferred contractor for Engineering, Procurement and Design (EPC) and Operation and Maintenance (O&M) for the first phase of the Genex (GNX.ASX) solar project at Kidston in North Queensland. This first stage of the project will have an installed capacity of 50MW with construction expected to commence in the later part of this calendar year.

The Kidston Solar Project is co-located with the future 450MW Kidston hydro pumped storage power generation project. Once a new transmission line has been built to site, stage two of the solar project will expand total capacity of the solar farm to 150MW.

UGL CEO Ross Taylor said "This is an excellent opportunity for UGL and follows our recent successful commissioning of the Darwin Airport solar project. We are developing momentum in the renewable energy market with three solar projects currently under construction; the Mugga Lane Solar Park, Coober Pedy Renewable Hybrid Project and SunEdison's Mt Majura Solar Farm and with a solid pipeline of opportunities for UGL in this market."

### **Order Book**

UGL CEO Ross Taylor said "Having secured an additional \$1.3 billion in work during the second half of FY16, our order book has grown to \$4.7 billion, a strong achievement in current market conditions.

"The quality of the order book growth in the second half is underpinned by the award of significant maintenance services contracts, with recurring revenue currently representing more than 70% of UGL's secured revenue. In particular, the extension of our agreements with Pacific National and the Commonwealth of Australia for maintenance of the ANZAC Class Ships is reflective of UGL's focus on delivering value-for-money solutions to support the long-term performance of our clients' critical assets.

"As we look forward to the commencement of the 2017 financial year, UGL is strongly positioned with 80% of revenue now sold either in our order book or within our pipeline of preferred opportunities. Our base business is well on track to deliver revenue growth of at least \$300 million and 4.0% EBIT margins in FY2017, excluding the Ichthys projects."

**ENDS**

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