



**United Group Limited**  
**ANNUAL RESULTS BRIEFING**  
**YEAR ENDED 30 JUNE 2005**

**RICHARD LEUPEN, Managing Director & CEO**  
**DAVID IRVINE, Chief Financial Officer**

# Agenda

- **Highlights**
- **Financial Performance**
- **Divisional Review**
  - **United Goninan**
  - **United KFPW**
  - **United KG**
  - **United Gooder**
- **Order Book**
- **Strategic Direction & Outlook**

# A Year of Strong Performance – Profit at \$43m up 48%

- **Strong growth in revenues and earnings**
  - Revenue up by 17%
  - NPAT up by 48%
  - Earnings per share up by 41%
- **Increased EBITA and NPAT margins**
  - EBITA margins over 5%
  - NPAT margins over 3%
- **Improved ROE, up to 22.3%**
- **Final dividends of 20 cents per share fully franked**
  - Total dividends of 30 cents per share
- **Strong operating cash flows**
- **Order book at \$2.7 billion**
  - \$1.1 billion second half sales
  - High success rate in contract renewals
  - \$4.3 billion including ALSTOM
- **Acquisition of PREMAS and ALSTOM Transportation ANZ**
- **Growing footprint in Asia**
- **Strengthened management team**
- **Continued strong focus on safety**

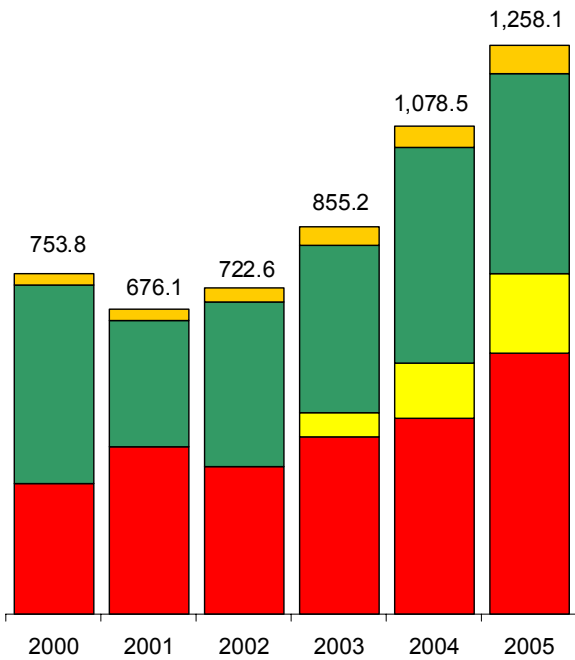
**A leading infrastructure services company in Australia**

# Financial Highlights – Profit of \$43m up 48%

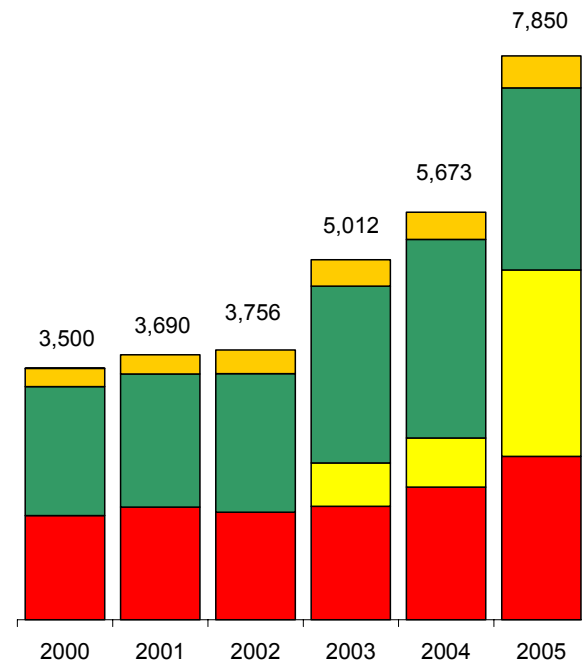
|                       | <b>FY2004/05</b>   | <b>Change</b>  |
|-----------------------|--------------------|----------------|
| ■ Revenue             | \$ 1.3 billion     | up 17%         |
| ■ EBITA               | \$ 64.1 million    | up 36%         |
| ■ NPAT                | \$ 43.0 million    | up 48%         |
| ■ EPS                 | 41.1 cps           | up 41%         |
| ■ Operating cash flow | \$ 48.7 million    | up 116%        |
| ■ ROE                 | 22.3%              | 16.2% (Jun 04) |
| ■ Net Debt to Equity  | -13% (Jun 05)      | 23% (Jun 04)   |
| ■ Total Dividends     | 30 cents per share | up 7%          |
| ■ Order Book          | \$ 2.7 billion     | up 17%         |

# Fourth Year of Growth

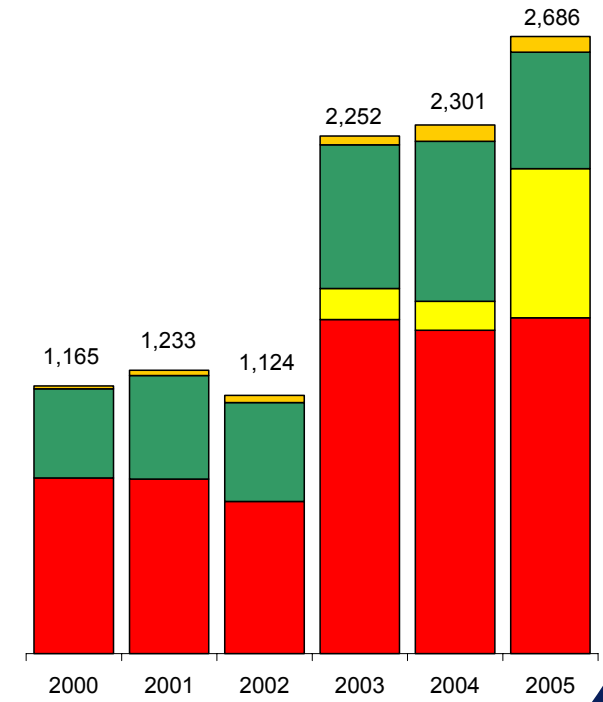
## Divisional Revenue



## Employees



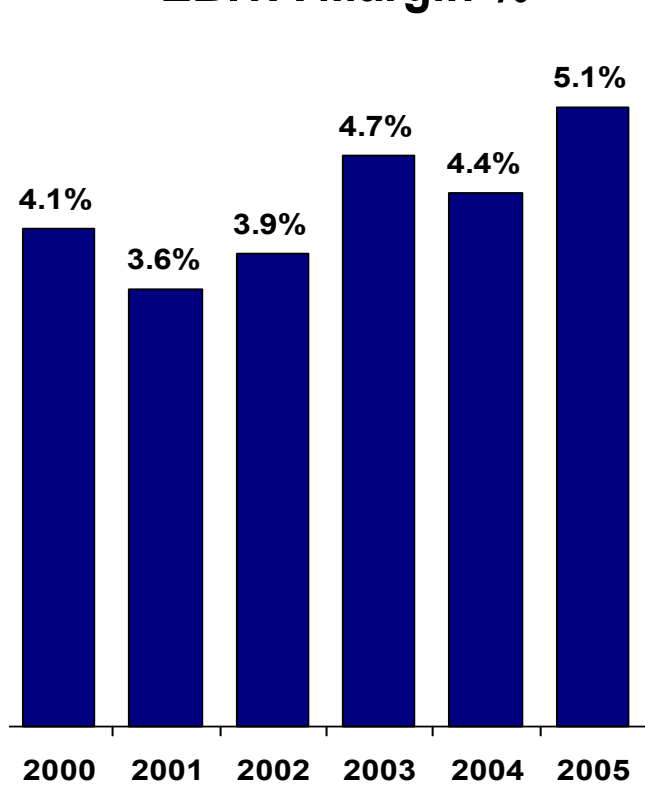
## Order Book



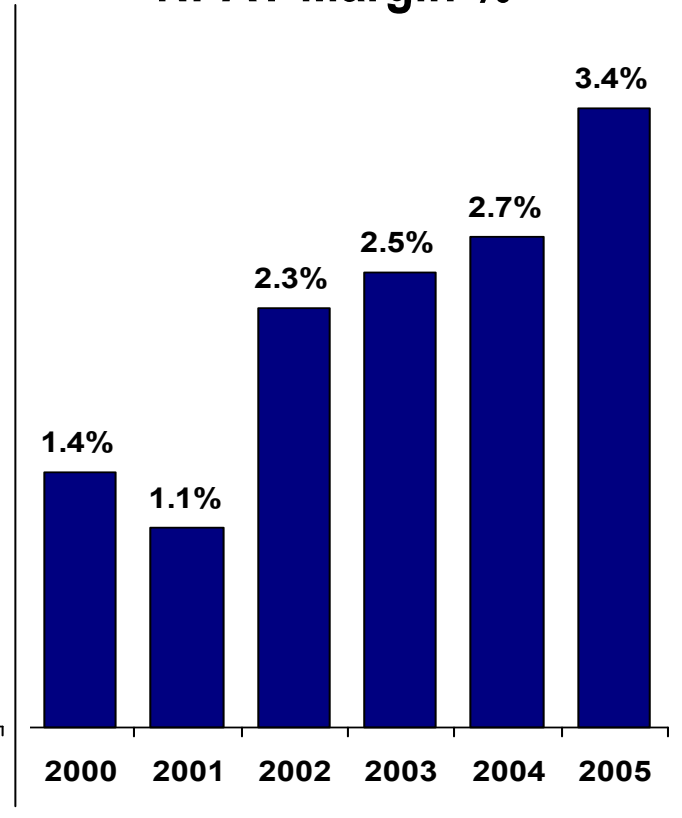
■ Goninan   
 ■ KFPW   
 ■ KG   
 ■ Gooder

# Fourth Year of Earnings Growth

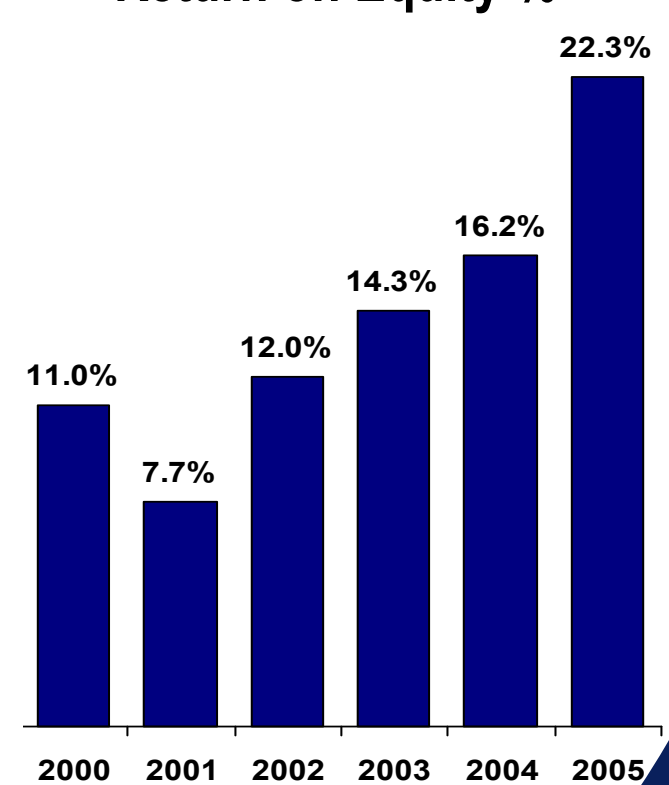
## EBITA Margin %



## NPAT Margin %

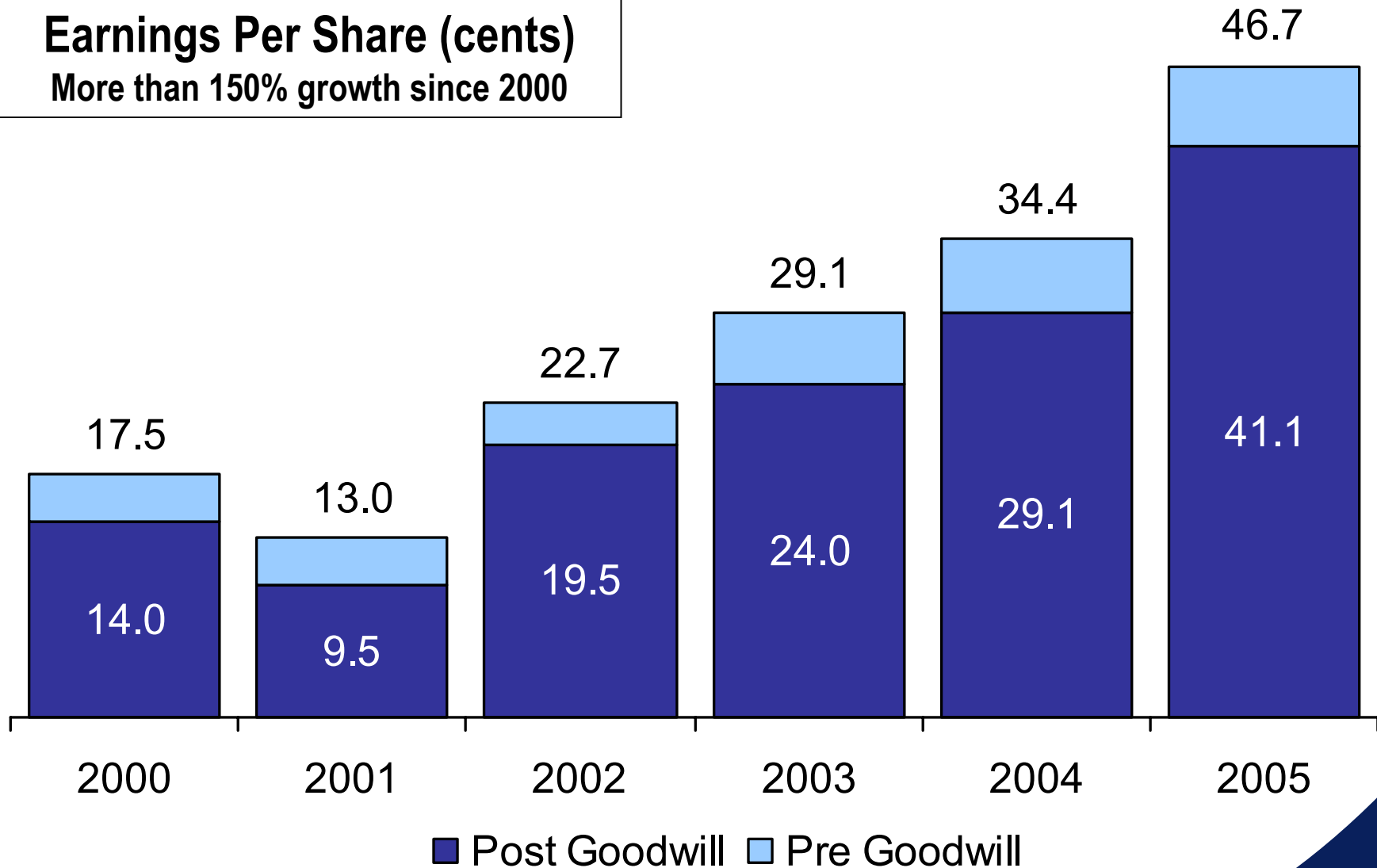


## Return on Equity %



# Fourth Year of Earnings Growth

**Earnings Per Share (cents)**  
More than 150% growth since 2000



# Investment in United Group

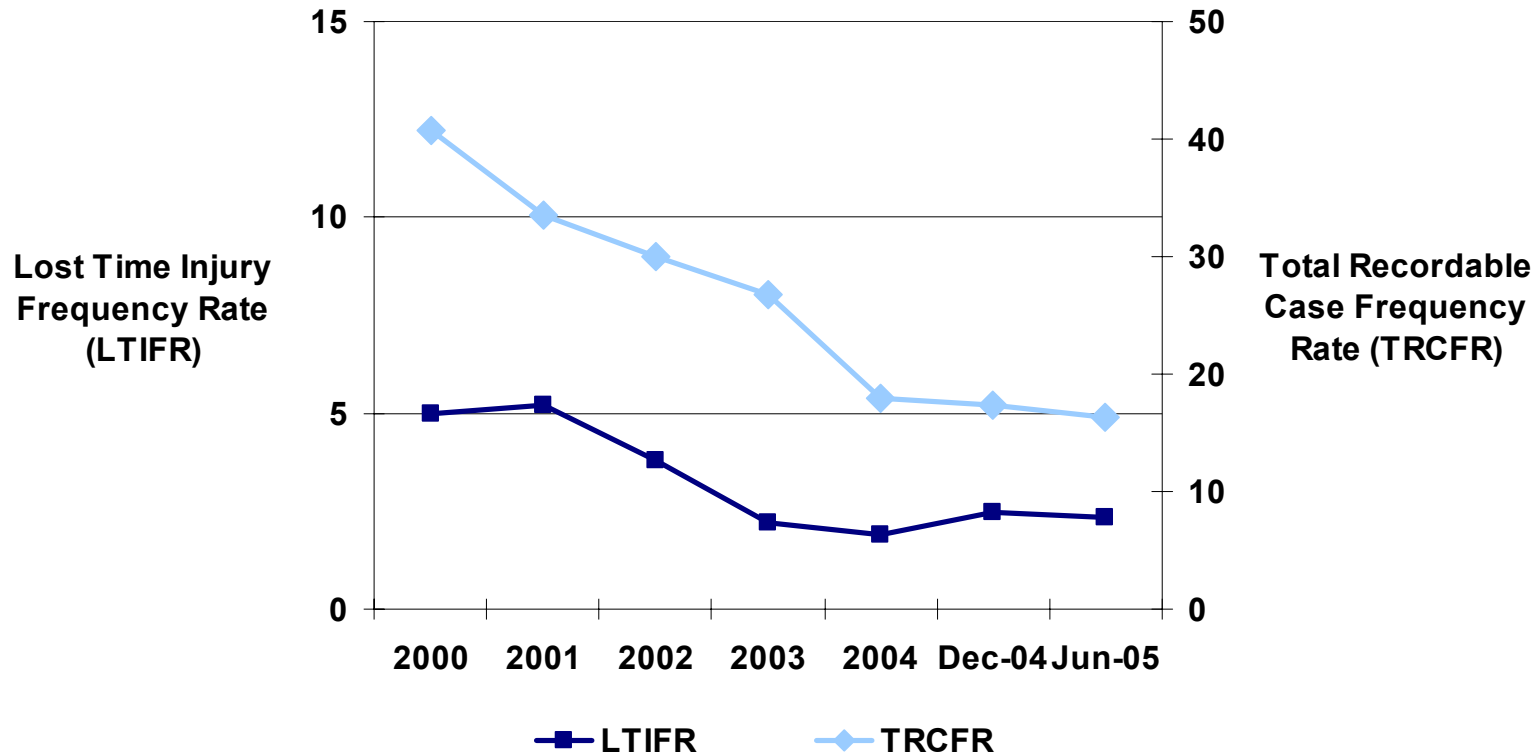
Share Price Growth  
United Group Limited vs All Ordinaries





# Safety – Continued Focus

- Safety is one of our core differentiators



*“Safety happens when U take responsibility”*

# Agenda

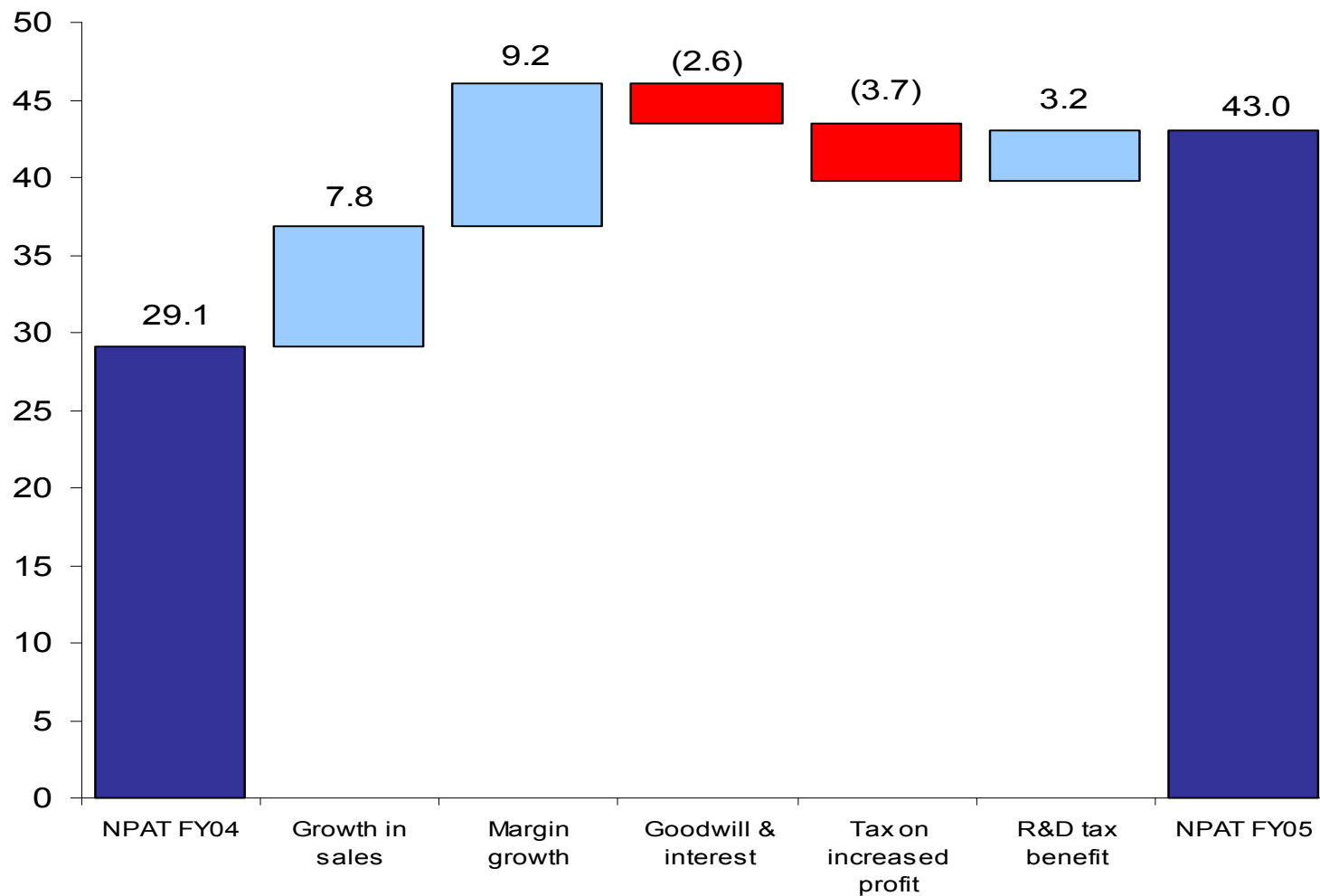
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# Group Result - Profit Up 48%

| \$million                          | Jun 2005       | Jun 2004       | Change     |
|------------------------------------|----------------|----------------|------------|
| <b>Operating revenues</b>          | <b>1,259.5</b> | <b>1,080.5</b> | <b>17%</b> |
| <b>EBITA</b>                       | <b>64.1</b>    | <b>47.1</b>    | <b>36%</b> |
| <i>EBITA margin %</i>              | <i>5.1%</i>    | <i>4.4%</i>    |            |
| Goodwill amortisation              | (5.8)          | (5.3)          |            |
| Interest (net)                     | (5.4)          | (3.3)          |            |
| <b>Operating profit before tax</b> | <b>52.9</b>    | <b>38.5</b>    | <b>37%</b> |
| Tax                                | (9.9)          | (9.4)          |            |
| <b>Net profit after tax</b>        | <b>43.0</b>    | <b>29.1</b>    | <b>48%</b> |
| NPAT margin %                      | 3.4%           | 2.7%           |            |
| EPS (cents)                        | 41.1           | 29.1           | 41%        |
| ROE                                | 22.3%          | 16.2%          |            |
| NPAT (pre-goodwill) \$m            | 48.8           | 34.4           | 42%        |
| EPS (pre-goodwill) cents           | 46.7           | 34.4           | 36%        |

# Solid Earnings Result \$43.0m

## – Margins and Revenue Growth Contribute to Earnings

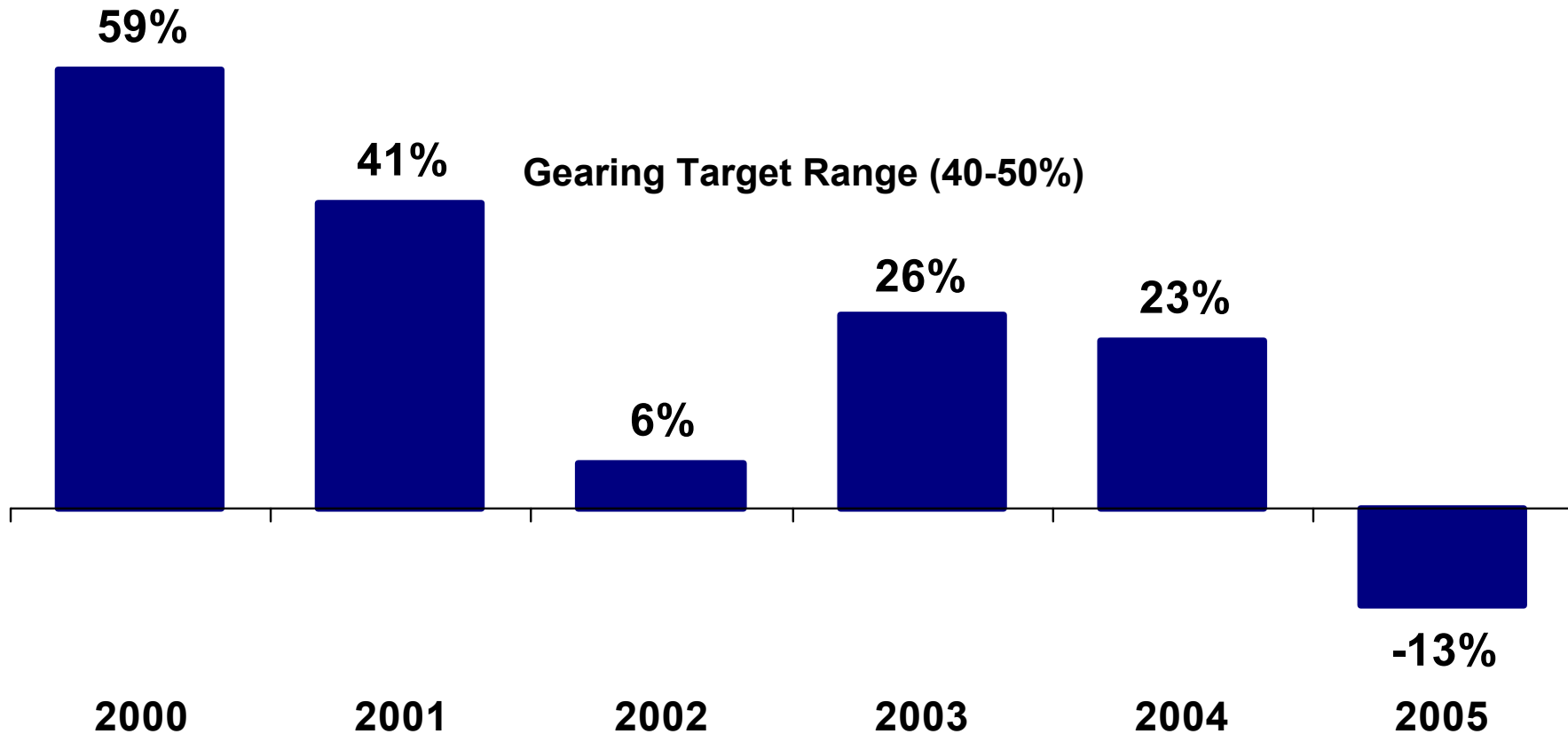


# Strong Growth in Operating Cash Flows

| \$million                   | June 2005   | June 2004    |
|-----------------------------|-------------|--------------|
| <b>Net profit after tax</b> | <b>43.0</b> | <b>29.1</b>  |
| Depreciation & amortisation | 17.3        | 15.7         |
| Working capital movement    | (11.6)      | (22.3)       |
| <b>Operating cash flow</b>  | <b>48.7</b> | <b>22.5</b>  |
| Investment                  | (43.1)      | (1.6)        |
| Capital expenditure (net)   | (18.1)      | (15.7)       |
| Dividends paid              | (27.0)      | (26.1)       |
| Capital raising             | 127.4       | 23.5         |
| Other                       | -           | (3.2)        |
| <b>Total cash flow</b>      | <b>87.9</b> | <b>(0.6)</b> |
| Net debt                    | (42.4)      | 40.6         |
| Net debt to equity %        | (13)%       | 23%          |

# Balance Sheet in Transition Pending ALSTOM Acquisition

## Net Debt to Equity



At the completion of the ALSTOM acquisition the gearing to increase to approach 70% before returning to targeted levels

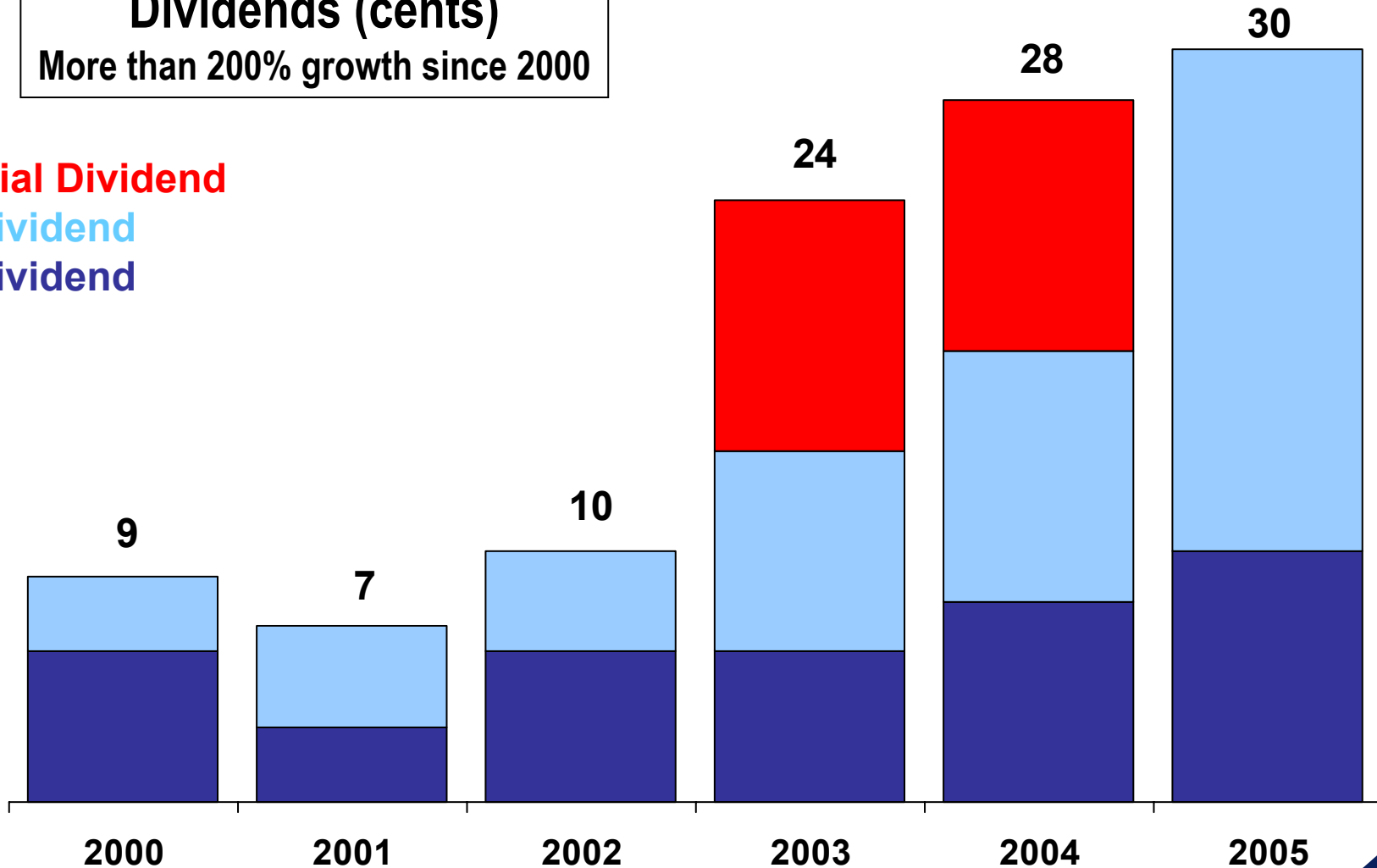
# Strong Dividend Growth

**Dividends (cents)**  
More than 200% growth since 2000

**Special Dividend**

**H2 Dividend**

**H1 Dividend**



# Capital Raising Completed for ALSTOM Acquisition

- \$150m capital raising targeted for ALSTOM acquisition
- Capital raising completed during June to August 2005 period

|                       | Shares on Issue (m) | \$m         |
|-----------------------|---------------------|-------------|
| Previous balance      | 105.1               |             |
| Pre 30 June 2005      |                     |             |
| Placement at \$8.40   | 14.6                | 120.8       |
| Post 30 June 2005     |                     |             |
| Conditional Placement | 2.1                 | 16.9        |
| Share Purchase Plan   | <u>2.7</u>          | <u>22.3</u> |
| Total                 | <u>19.4</u>         | 160.0       |
| Current balance       | 124.5               |             |

- Shares on issue increased by 19%
- Total capital raised \$10m above target
- Additional 19.4m shares will be 19% dilutionary on EPS



# Impact of Adopting AIFRS

- **AIFRS to be adopted from 1 July 2005**
- **Impact of transition to AIFRS**
  - **2004/05 profit earnings restatement**
    - NPAT increase of \$4.5 million
  - **30 June 2005 balance sheet**
    - Increase in retained earnings at 30 June 2005 of \$3.0 million
    - Increase in reserves at 30 June 2005 of \$2.5 million
  - **2005/06 profit earnings impact**
    - No goodwill amortisation
    - Employee share based payments expensed
- **AIFRS should not affect United Group's borrowing or dividend distribution capacity**

|  |              | \$m                 |
|--|--------------|---------------------|
| <b>NPAT</b>                                    |              |                     |
| <b>AGAAP – 2004/05</b>                         |              | <b>43.0</b>         |
| Goodwill amortisation                          | 5.8          |                     |
| Employee share based payments expense          | (1.6)        |                     |
| Other  | <u>0.3</u>   | 4.5                 |
| <b>AIFRS</b>                                   |              | <b><u>47.5</u></b>  |
| <br><b>Shareholders Equity</b>                 |              |                     |
| <b>AGAAP – June 2005</b>                       |              | <b>329.1</b>        |
| Goodwill amortisation/<br>Impairment writeback | 5.8          |                     |
| Other  | <u>(0.5)</u> | 5.3                 |
| <b>AIFRS</b>                                   |              | <b><u>334.4</u></b> |

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# Divisional Review

## UNITED GONINAN

Leading Railway  
Services Business

|               | Jun 05 | Jun 04 | Change |
|---------------|--------|--------|--------|
| Sales - \$m   | 577.2  | 435.1  | 33%    |
| EBITA - \$m   | 36.1   | 26.2   | 38%    |
| EBITA / Sales | 6%     | 6%     | -      |
| ROFE          | 39%    | 27%    | 12 pts |

## UNITED KFPW

BPO Service  
Provider

|               |       |      |       |
|---------------|-------|------|-------|
| Sales - \$m   | 174.6 | 73.2 | 139%  |
| EBITA - \$m   | 17.4  | 10.3 | 69%   |
| EBITA / Sales | 10%   | 14%  | -4pts |
| ROFE          | 22%   | 13%  | 9 pts |

## UNITED KG

Industrial Service  
Provider

|               |       |       |       |
|---------------|-------|-------|-------|
| Sales - \$m   | 443.4 | 523.6 | -15%  |
| EBITA - \$m   | 16.2  | 16.4  | -1%   |
| EBITA / Sales | 4%    | 3%    | 1pts  |
| ROFE          | 28%   | 25%   | 3 pts |

## UNITED GOODER

Industrial Service  
Provider (NZ)

|               |      |      |       |
|---------------|------|------|-------|
| Sales - \$m   | 62.9 | 46.7 | 35%   |
| EBITA - \$m   | 3.9  | 2.5  | 56%   |
| EBITA / Sales | 6%   | 5%   | 1pts  |
| ROFE          | 40%  | 32%  | 8 pts |

# United Goninan – Earnings and Revenue Growth



| <b>\$ million</b> | <b>Jun 2005</b> | <b>Jun 2004</b> | <b>Change</b> |
|-------------------|-----------------|-----------------|---------------|
| Sales             | 577.2           | 435.0           | 33%           |
| EBITA             | 36.1            | 26.2            | 38%           |
| EBITA margin %    | 6.3%            | 6.0%            | 0.3pts        |
| ROFE (annualised) | 39%             | 27%             | 12pts         |
| Order book (\$m)  | 1,461           | 1,407           | 4%            |

 **Strong growth in revenue and EBITA**

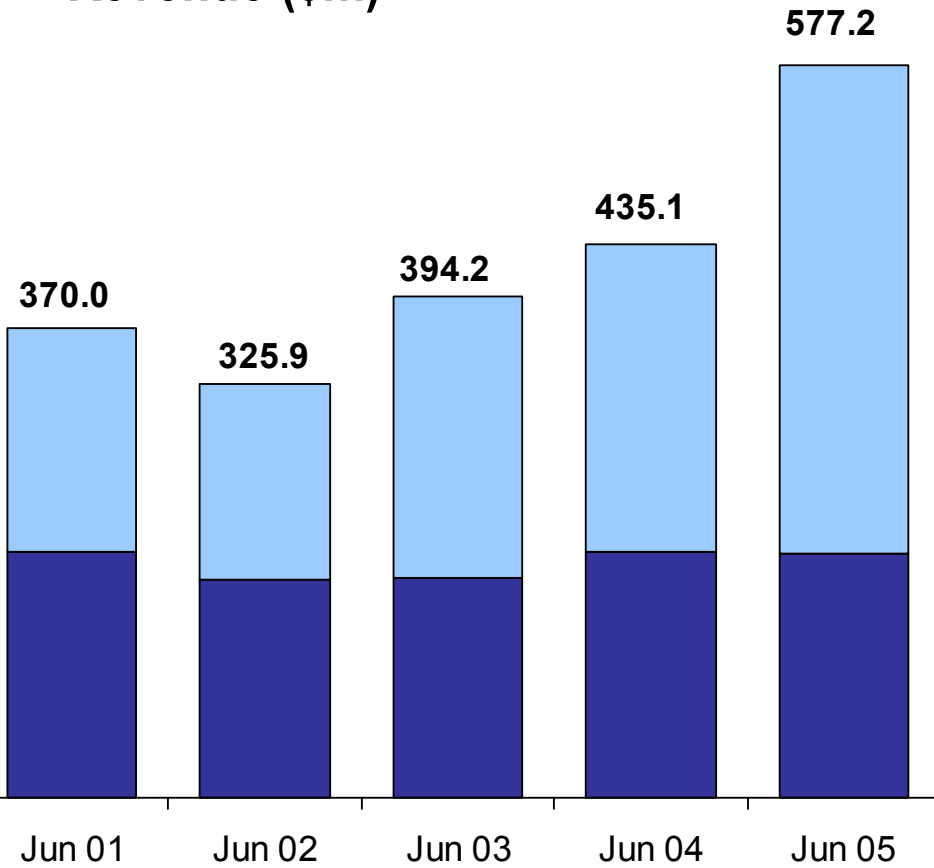
 **New contracts in FY 2004-05**

- **Locomotives and Wagons - \$154m**
- **OSCAR extension - \$230m**
- **Bogies for China with GE - \$30m**

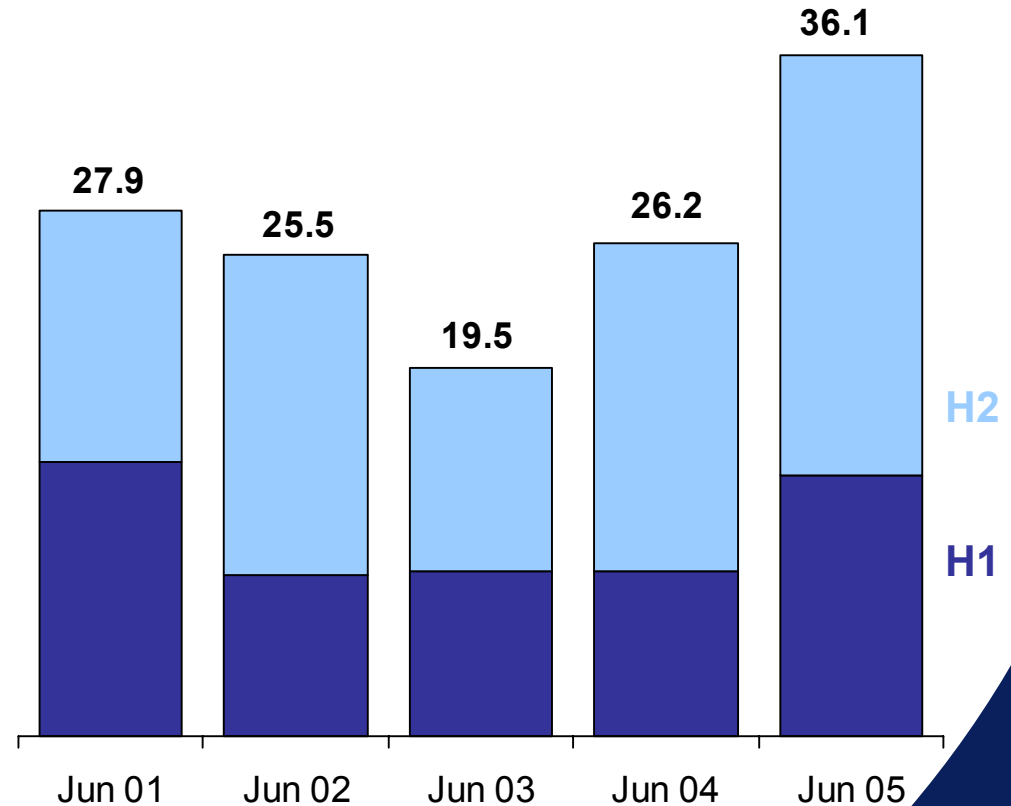
# United Goninan – Driving Growth



## Revenue (\$m)



## EBITA (\$m)



# Rail Sector - Strong Prospects

## Business drivers

- Government and private sector transport and rail infrastructure spending
- Long term trend in Australia to shift freight transport from road to rail
- Continued growth in Australian coal and iron ore exports
- Ongoing trend to outsource non-core maintenance of rail infrastructure by Governments and private sector
- Demand for improved public transport

**UNITED CONINAN**



The QR National 5000 class locomotive, delivered in June 2005 into the Hunter

# Rail Sector - Strong Prospects

## Business growth opportunities

- RailCorp PPP – Sydney fleet replacement and maintenance
- Foreign operations particularly through Hong Kong and China
- Technology partnerships with GE, Mitsubishi and ALSTOM
- Locomotives and wagons to support growth in exports and domestic freight
- Passenger fleet enhancements in Melbourne and New Zealand
- Trams in Melbourne

**UNITED CONINAN**



**Tim Gardner (tradesman) oversees Adrian Rowland's (apprentice) work on a Hunter Valley Rail car**

# United KFPW - Strong Growth Continues



| \$ million        | Jun 2005 | Jun 2004 | Change  |
|-------------------|----------|----------|---------|
| Sales             | 174.6    | 73.2     | 139%    |
| EBITA             | 17.4     | 10.3     | 69%     |
| EBITA margin %    | 10.0%    | 14.1%    | -4.1pts |
| ROFE (annualised) | 22%      | 13%      | 9pts    |
| Order book (\$m)  | 649      | 126      | 415%    |

## Strong growth in revenues and EBITA

- Includes transfer in of FM (revenues of \$78.5m and EBITA of \$4.4m)
- Includes acquisition PREMAS in May 2005 (revenues of \$15m)
- Underlying growth in revenues and EBITA

## Order book growth

- Transfer in of FM (\$289m)
- PREMAS (\$95m)
- Major wins in PPPs

## New contracts in FY 2004-05

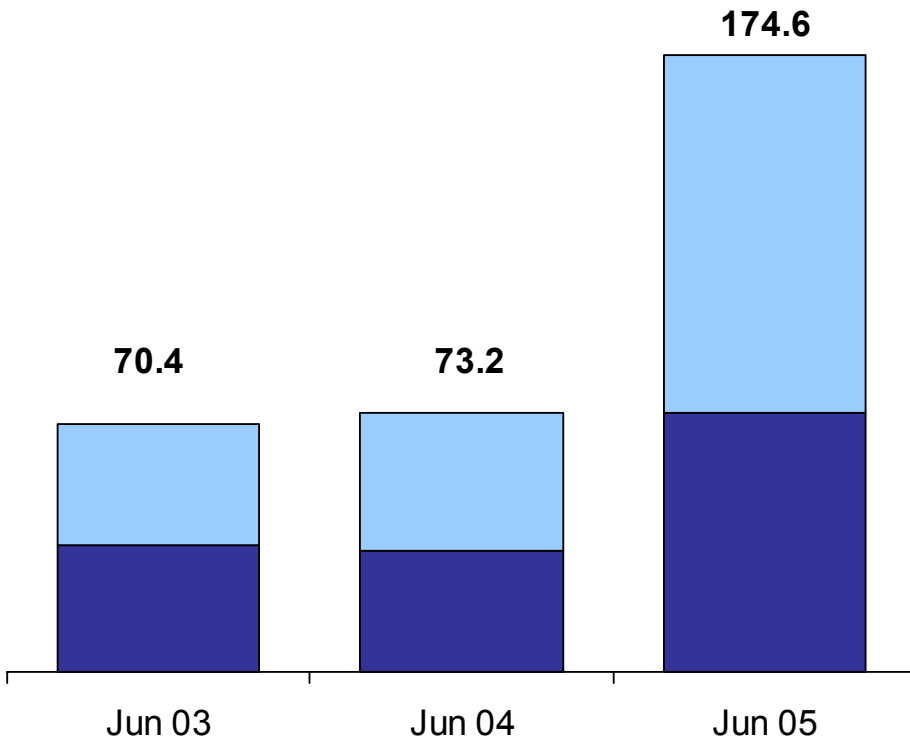
- Corporate Real Estate and Facilities Management - \$320m
- PREMAS (since acquisition) - \$15m



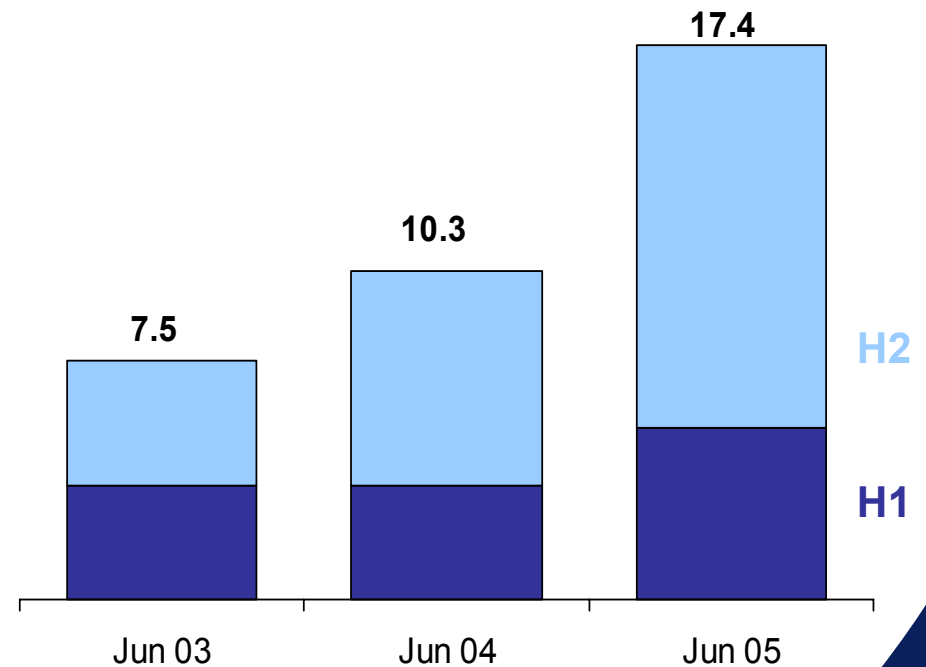
# Strong Growth including FM



## Revenue (\$m)



## EBITA (\$m)



Note: June 2003 includes pre acquisition revenue

# Property Sector - Organic Growth Supported by Acquisition

## Business drivers

- Government and private sector continuing to outsource
- PPPs increasingly a preferred model
- Greater focus on security by Government departments
- Increased capital spending on health and correctional services

**UNITED KFPW**



**Sensis head office Melbourne**

# Property Sector - Organic Growth Supported by Acquisition

## Business growth opportunities

- Corporate Real Estate – model expansion by corporate sector for end to end services
- High retention rate of contracts
- Success on PPPs bringing new partners/opportunities
- Increase in spread of FM services from defence to health and correctional services
- Expansion in Asia through PREMAS



**Bronwyn Edwards, Commonwealth Law Courts, Melbourne**

# United KG – Improved Margins



| <b>\$ million</b> | <b>Jun 2005</b> | <b>Jun 2004</b> | <b>Change</b> |
|-------------------|-----------------|-----------------|---------------|
| Sales             | 443.4           | 523.6           | -15%          |
| EBITA             | 16.2            | 16.4            | -1%           |
| EBITA margin %    | 3.7%            | 3.1%            | 0.6pts        |
| ROFE (annualised) | 28%             | 25%             | 3pts          |
| Order book (\$m)  | 507             | 697             | -27%          |

## ■ Revenue and order book lower due to

- FM transfer (2004 revenue of \$48m and EBITA of \$4m)
- Change in recognition of joint ventures (\$55.8)
- Underlying growth in revenue of 5% and EBITA of 31%

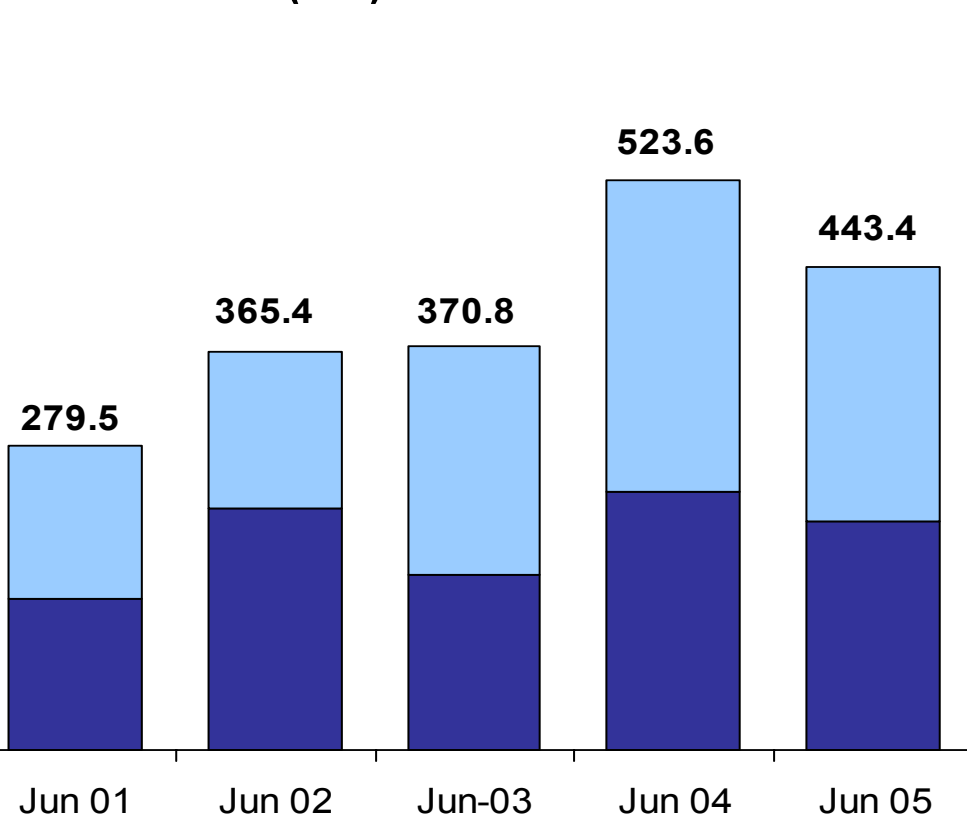
## ■ EBITA margin improvement

## ■ New contracts in FY 2004-05

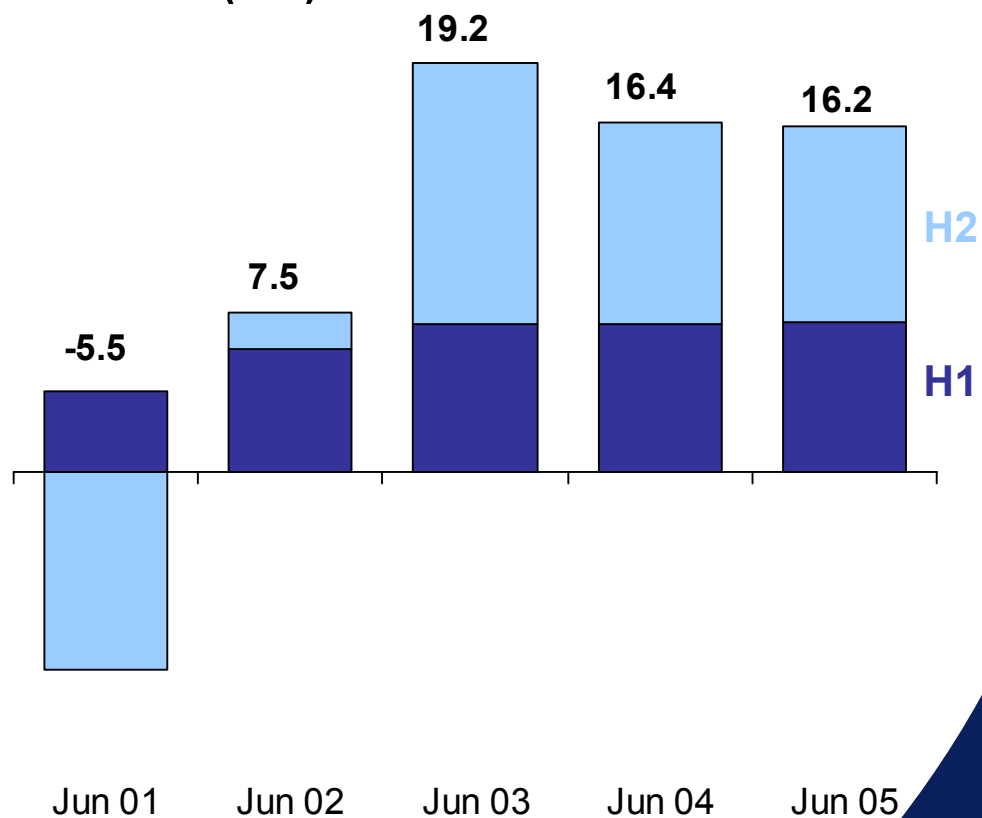
- Water/Power - \$170m
- Resources - \$230m

# Improved Underlying Performance

## Revenue (\$m)



## EBITA (\$m)



# Infrastructure Sector - Growth Opportunities

## Business drivers

- Significant demand for power and water infrastructure across Australia, New Zealand and Asia
- Growth in capital spending by Governments and private sector
- Customer demand for whole of life solutions
- Expansion of activities into Asian markets



**Construction of the new Sewage Treatment Plant, Wallacia**

# Infrastructure Sector - Growth Opportunities

## Business growth opportunities

- **Increasing water demand in Australia**
  - Sydney has called for EOI for a desalination plant
  - Other cities evaluating options
- **Increase reuse opportunities**
- **Demographic changes and improved discharge requirements**
  - creating sewerage treatment and potable water opportunities
- **Increasing opportunities in South East Asia**
- **Long term relationships with water utilities / users**
- **Major substation contractor in Australia**
  - Alliance with Powerlink in Queensland
  - Contract wins with ElectraNet, Transgrid and SPI Powernet
- **Leading technology partners such as GE, Balfour Beatty and ALSTOM**



**Sewage Treatment Plant, Penrith**

# Resource Sector: Strong Demand

## Business drivers

- Continued rises in commodity prices
- Growth in capital spending by resource companies
- Trend for resource companies to outsource non-core functions
- Customer demand for whole of life solutions (reliability engineering)

## Business growth opportunities

- Iron Ore, Alumina, Oil and Gas
- Alliance contract with Alcoa
- Joint venture through O&G
- Staying with long term clients
- Project management and design management capability



Moomba Plant, SA



# United Gooder - Strong Earnings Improvement



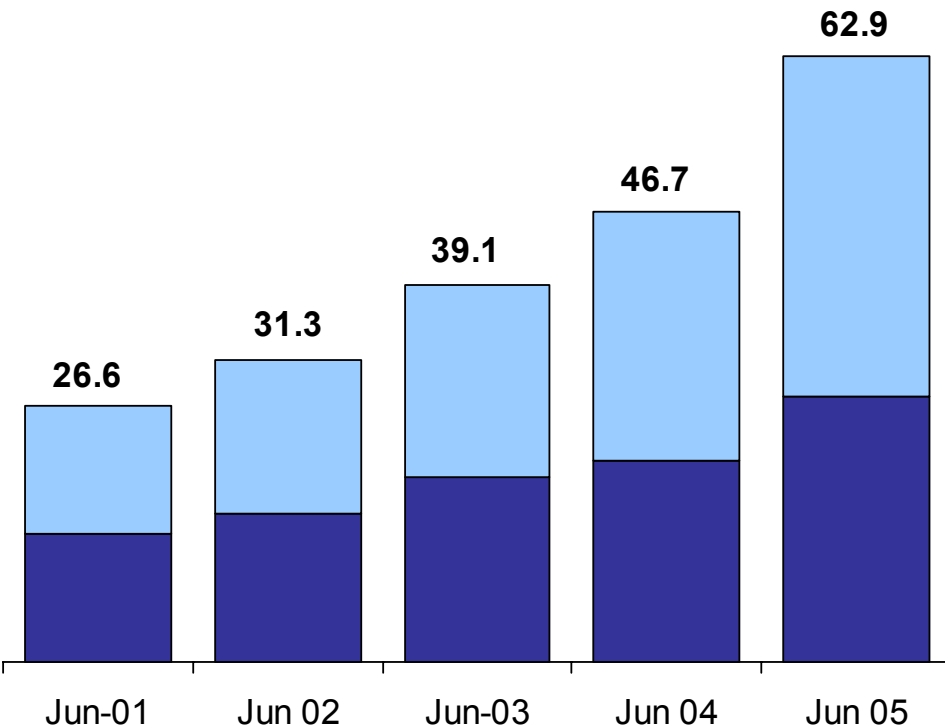
| <b>\$ million</b> | <b>Jun 2005</b> | <b>Jun 2004</b> | <b>Change</b> |
|-------------------|-----------------|-----------------|---------------|
| Sales             | 62.9            | 46.7            | 35%           |
| EBITA             | 3.9             | 2.5             | 56%           |
| EBITA margin %    | 6.2%            | 5.4%            | 0.8pts        |
| ROFE (annualised) | 40%             | 32%             | 8pts          |
| Order book (\$m)  | 69              | 71              | -3%           |

- **Significant improvement in revenues and EBITA**
- **Second year of improved margins**
- **Extended operations to include United KFPW services**
- **High level of bidding activities in power, water and manufacturing sectors**
  - **In partnership with Balfour Beatty and GE**

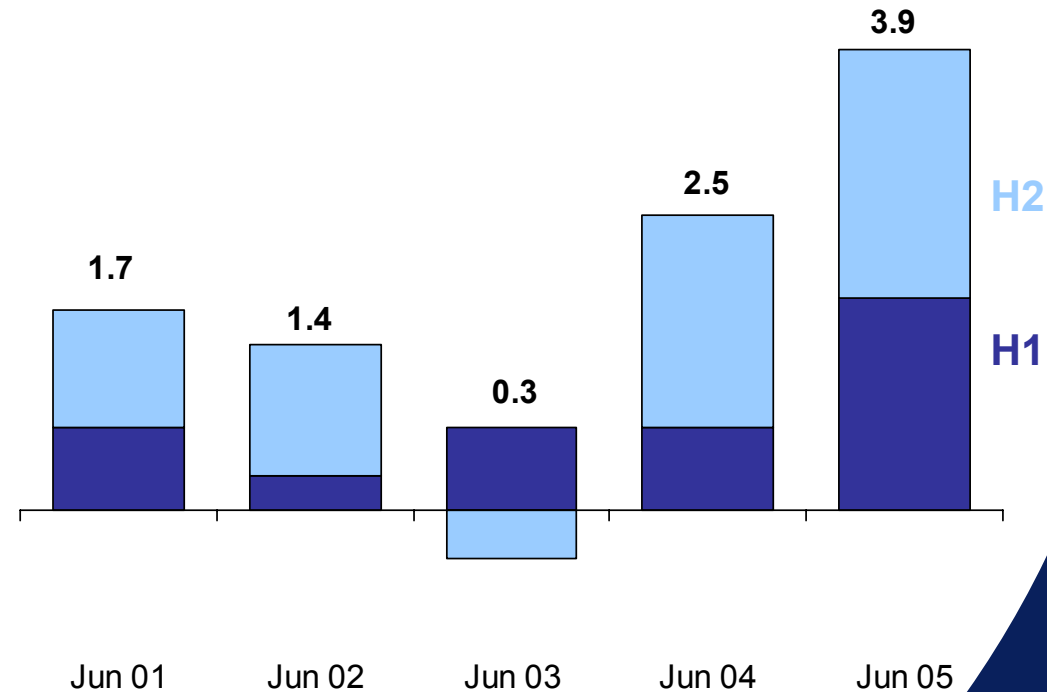
# Turnaround Continues



## Revenue (\$m)



## EBITA (\$m)



# Agenda

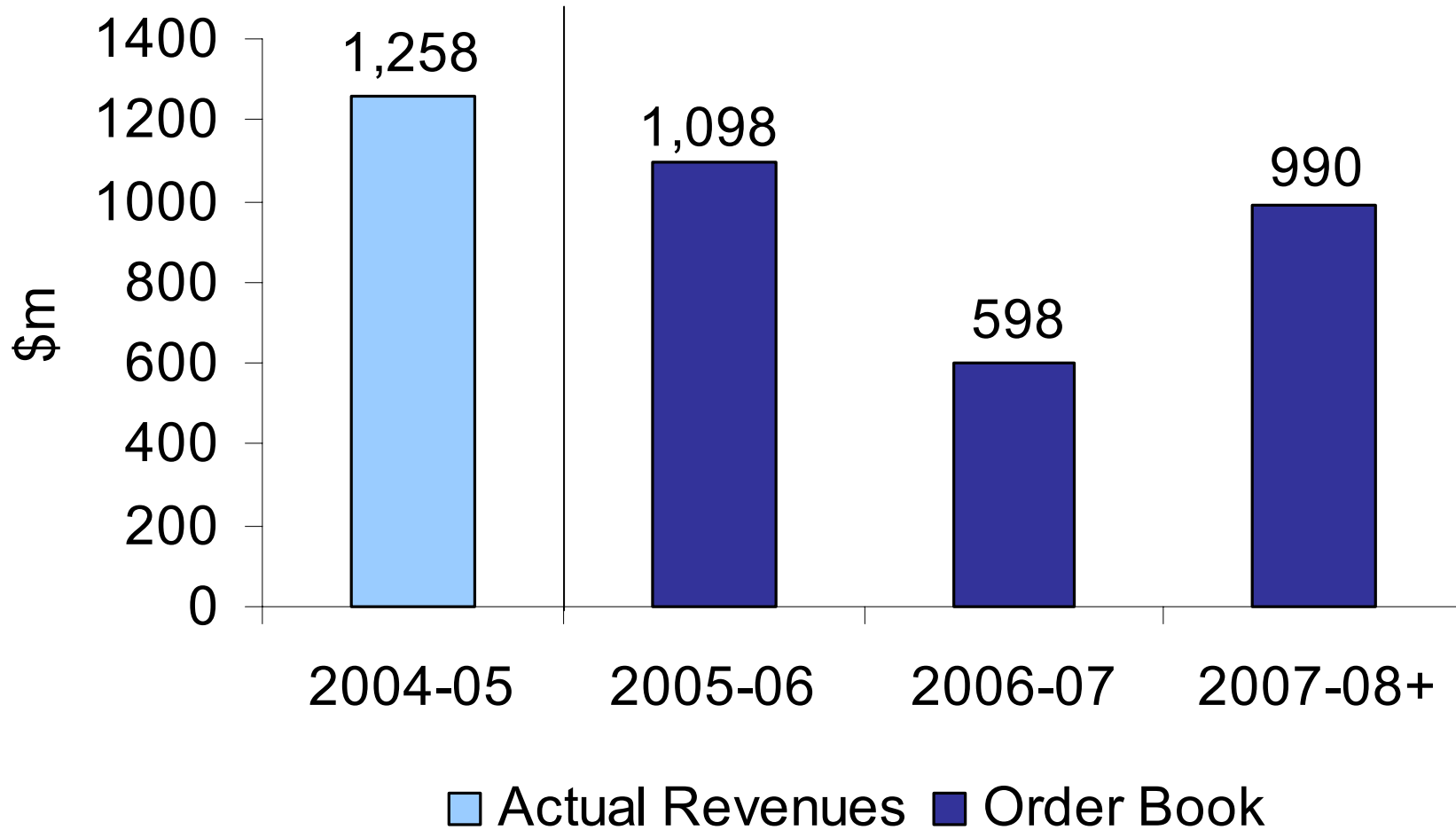
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# Order Book up 17% to \$2.7 billion

- **Strong sales, in particularly second half - \$1.1 billion sales**
- **\$130m recent wins include**
  - **Property services**
    - University of SA for 3 years
    - Meter reading for AGL for 2 years
    - Australian Custom Services properties for 4 years
    - Commonwealth Law Courts
    - Health Insurance Commission
    - Foreign workers' dormitories at Jurong, Singapore
    - Singapore's Urban Redevelopment Authority
    - Port facilities at Jurong and Senoko, Singapore
  - **Resources**
    - Metso Minerals iron ore equipment manufacture
  - **Water**
    - Sydney Catchment Authority in Shoalhaven
    - Kaeng Khoi Power Station, Thailand
    - Ulu Pandan Water Reclamation Plant, Singapore
    - Citiwater, Townsville
    - 86 sewerage pumping stations for Sydney Water
    - Manning River Water Treatment Plant
  - **Power**
    - Bungama substation for ElectraNet, SA
    - Powerlink Sumner substation

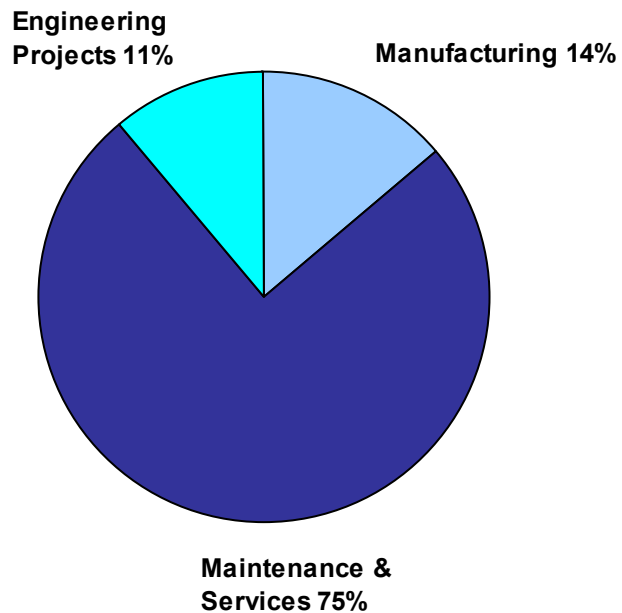
# Sustainable Order Book

**Total Order Book \$2.7 billion  
(excluding options)**

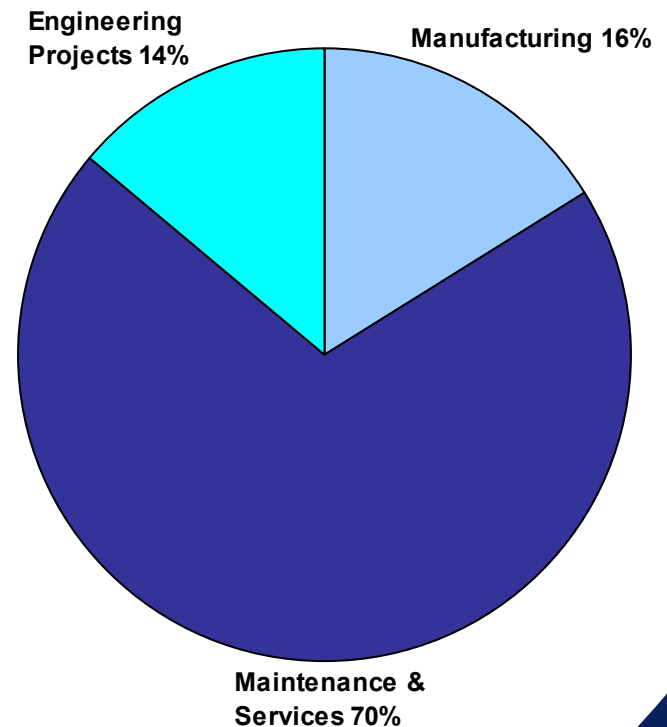


# Order Book: Recurring & Diverse Income Streams

**Total Order Book June 2004**  
**\$2.3 Billion**



**Total Order Book June 2005**  
**\$2.7 Billion**



**Total will be to \$4.3b following ALSTOM completion**

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# Infrastructure sector focus

## RAIL



- Passenger Cars
- Locos / Wagons
- Refurbishment
- Maintenance & Parts

## WATER



- Waste Water Treatment
- Supply & Operations
- Maintenance

## PROPERTY



- Commercial Real Estate
- Facilities Management
- Telecommunication

## POWER



- Transmission
- Generation
- Substations
- Maintenance

## RESOURCES



- Mining
- Oil & Gas
- Engineering Services
- Maintenance

## DEFENCE



- FM Services
- Ship Refurbishment
- Property Management



# ALSTOM Progress

- Expecting financial completion in coming weeks
- Awaiting final sign off on major contracts
- Integration planning progressing well
- Staff transition near complete
- Financial completion date will determine contribution
- Business opportunities encouraging

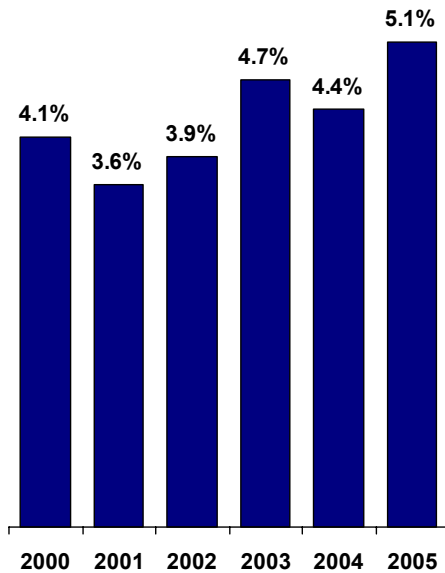


# The Future

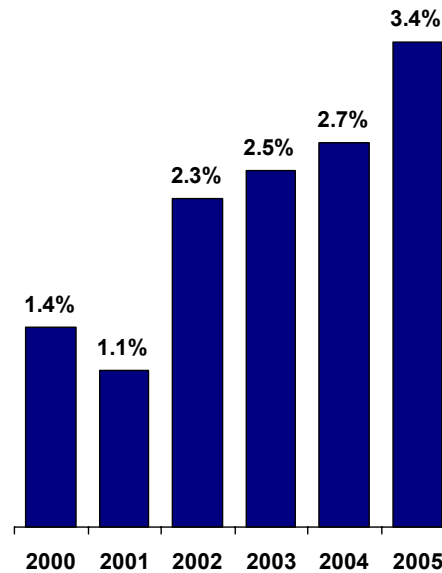
- **Moving to a line of business structure**
  - **Rail, infrastructure, resources, services**
- **Order book of \$2.7 billion (\$4.3 billion including ALSTOM)**
- **Buoyant rail, water, property, power, defence and resources sectors**
- **Increasing presence in Asia**
- **Strong cash flow, balance sheet and return on capital**
- **Earning gains to come from PREMAS and ALSTOM**
- **United Group on track to continue delivering strong growth outcomes**
- **Almost 70% of revenues already locked in for 2006 from long term contracts**

# Fourth Year of Earnings Growth

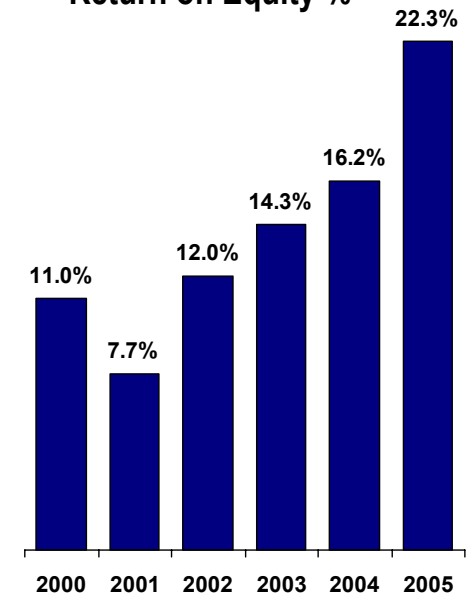
### EBITA Margin %



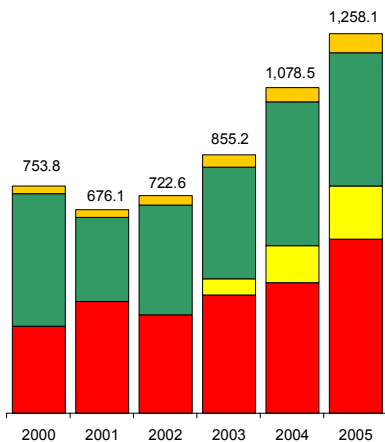
### NPAT Margin %



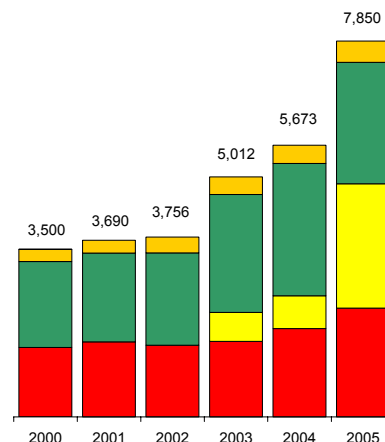
### Return on Equity %



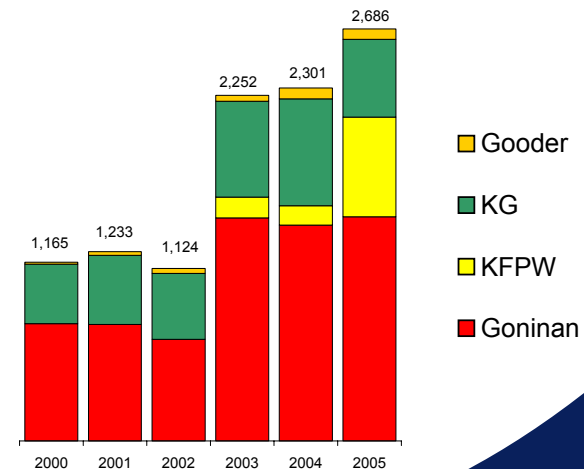
### Divisional Revenue



### Employees



### Order Book



- Gooder
- KG
- KFPW
- Goninan



# United Group Limited Annual Results Briefing Year Ended June 2005

Maintaining today, creating tomorrow