

UNITED GROUP signs OSC contract exceeding \$150 million, with contract options to \$450 million

Leading diversified services company United Group Limited has confirmed that it has signed a contract with the NSW State Rail Authority for the design and construction of passenger railcars to service the Sydney outer suburban rail network. The government announced in December 2002 that United Goninan had been chosen as selected tenderer.

Stage one of the contract is for 41 new railcars with a value in excess of \$150 million. The Company has also confirmed that, as part of the contract, State Rail may exercise options to increase the order to a total of 162 cars, valued in excess of \$450 million. This win, coupled with United Goninan's recent success with the Hunter Diesel Railcars, brings a significant increase of work to United Goninan's plants at Newcastle and Taree.

United Group Managing Director and CEO Richard Leupen said: "This is a great vote of confidence in United Goninan by the State Rail Authority (SRA) given the importance of the OSC project and the expected investment in Sydney's train system over the next 5 to 10 years. This contract is a further strengthening of the Group's long-standing partnership with SRA. Successful outcomes on major New South Wales passenger rail projects such as MainTrain and Tangara demonstrates our ability to deliver to our customers."

"This long term contract underpins a high level of activity at United Goninan over the next 5 years when combined with other projects recently announced and others still under evaluation."

The delivery of the new cars by United Goninan, United Group's 104 year old railway engineering and maintenance business, will commence in late 2005 and will assist the SRA in meeting increased passenger demand in the Sydney outskirts.

Commuters in Gosford, Wollongong, Campbelltown and the Blue Mountains will benefit from the improved comfort and facilities in the new trains. The new trains are double deck electric units constructed from stainless steel and include the latest technology for the security and comfort of passengers. The cars are configured in 4 car sets, have toilet facilities, reversible seats and are air-conditioned.

Further information:

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ABOUT UNITED GROUP

United Group (ASX - UGL) is a diversified services company specialising in industrial maintenance, facilities management, commercial property management services, manufacturing, fabrication and construction. The group consists of four businesses:

United Goninan, a leader in railway manufacturing, maintenance and engineering;

United KG, an integrated facilities management, industrial maintenance and engineering construction business;

United KFPW, a market leader in business process outsourcing services;

United Gooder, a multi-disciplinary engineering and construction and services business in New Zealand.

United Group has 4,500 employees, facilities in 25 locations and 60 site operations throughout Australia, New Zealand, UK and Southeast Asia. It partners with customers to deliver solutions in the following sectors: power supply and distribution; water and waste management processes; mining and mineral processing; oil, gas and LNG; telecommunications; commercial buildings; property management; heavy haulage railway and commuter transport equipment. Go to:

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