

# UXC Forecasts Strong Performance for 2008

AGM announcements include three new contract wins and revised revenue forecast to mid \$500 million mark

Melbourne &ndash; 22 November 2007 &ndash; Leading Australian technology services company UXC (ASX:UXC) today narrowed guidance on revenue expectations for FY08 from in excess of \$500 million to the mid \$500 million mark. The announcement at the company&rsquo;s AGM follows the company&rsquo;s record FY07 financial performance and an unbroken run of growth in revenue, earnings and EPS while operating in its current format since 2001.

Executive Chairman Geoff Lord also commented on yesterday&rsquo;s announcement that UXC&rsquo;s Field Solutions Group (FSG) had won three new contracts valued at \$19.5 million.

&ldquo;The new contracts, coupled with continued strong performance across the business means we&rsquo;re carrying a strong earnings momentum into the first half of FY08,&rdquo; said Lord.

UXC has achieved strong organic growth over the past year in its two major groups: Business Solutions Group (BSG) and Field Solutions Group (FSG). BSG provides market leading Information and Communication Technology solutions and services to government and major corporates. FSG provides asset and data management to utilities as well as water conservation, energy saving and other environmental solutions.

At the AGM today, Lord outlined two &lsquo;sweet spots&rsquo; that had contributed to the company&rsquo;s success over the past year and that are expected to continue to drive UXC&rsquo;s organic growth in FY08.

Firstly, the continued trend towards selective sourcing and the strong IT spending environment had fuelled UXC&rsquo;s organic growth, particularly within the BSG. Secondly, UXC&rsquo;s FSG had benefited from state government infrastructure spend programs in electricity, water, roads and transport.

&ldquo;We expect both these trends to continue to provide strong organic growth across the business. UXC has also capitalised on the growth opportunities in the rapidly evolving environmental services sector as demonstrated by the contract gains announced yesterday,&rdquo; said Lord.

The three contracts announced yesterday were in the environmental solutions sector and include:

Queensland Local Government Infrastructure Services &ndash; an extension of the contract for Home WaterWise Service for South East Queensland to provide water conservations services to households.

EnergyAustralia &ndash; a new contract to install energy and water saving devices into Department of Housing homes in Newcastle and the Central Coast of NSW.

EnergyAustralia&rsquo;s Energy Saver program &ndash; will engage UXC to conduct energy efficient reviews in households and provide water and energy saving devices to up to 75,000 homes in NSW.

&ldquo;We are also nearing completion of our accreditation to participate in the Australian Government Department of Environment and Heritage Green House Friendly and Greenhouse Challenge Plus programs,&rdquo; said Lord. &ldquo;This will enable UXC to market greenhouse neutral products and services, deliver greenhouse gas abatement and form working partnerships with the Australian Government under a national program to reduce greenhouse gas emissions,&rdquo; said Lord. &ldquo;This transition from state-based programs to nation-wide will give us a larger addressable market.&rdquo;

Outlook FY08

&ldquo;We are in a strong financial position, with an extended track record of growth and a positive earnings outlook for 2008,&rdquo; he said.

&ldquo;We&rsquo;re significantly ahead of this time last year. We expect the strong IT spending environment to continue across government and industry sectors. We are confident in our continued ability to meet demand in the rapidly evolving environmental solutions market and to maintain our innovation in developing new solutions in this market, which will be an important part in extending our strong start to the year.&rdquo;

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ABOUT UXC LIMITED

UXC Limited is an S&P / ASX 300 listed Australian business solutions company with a market capitalization of some \$450 million. UXC has a successful history of creating shareholder wealth and has established a strong track record in growing revenue, earnings, EPS and dividends over an extended period. Revenue in the mid \$500 millions is targeted for the 2008 financial year, and the group employs some 2,900 employees. UXC aims to be Australasia's leading Solutions House and the investment of choice in the Information Technology sector.

UXC provides its services through three divisions:

Business Solutions Group, which provides market-leading Information, Communication and Technology (ICT) products and services to medium and large corporates and governments across Australia and New Zealand. The Group has three service and solution focus areas: Consulting, Applications, and Infrastructure. The Group has established market-leading capabilities and positions in many of its ICT offerings.

Field Solutions Group, which is engaged in asset and data management for utilities, including asset inspection, management and maintenance services; water conservation, energy saving, and other environmental services; the provision of utility meter installation and reading services; directional drilling and infrastructure construction activities; and related data management and GIS services.

Intellectual Property Ventures Group, which is involved in the identification, development and commercialisation of intellectual property with the objective of generating and crystallizing associated capital gains for the benefit of shareholders.

\*\* UXC Financials FY07

Revenue

\$456m

Up 52 per cent

EBITDA

\$42.4m

Up 43 per cent

NPAT

\$24.5m

Up 48 per cent

EPS

13.73 cents per share

Up 37 per cent

DPS

9 cents per share

Up 38 per cent

Market cap (\$m)

1 year return

450m

162%

