

7 May 2009

Market and Operational Update: Norfolk Group Limited

Norfolk Group Ltd (ASX: NFK), an international provider of integrated building and engineering services, expects that earnings before interest and taxation (EBIT) for the 2009 financial year will be within the guidance range (\$27.0 million - \$30.0 million) provided by the company in November 2008, before a one-off impairment charge.

The company will incur a one-off impairment of up to \$14 million, in relation to the Southern Suburbs Rail Project in Western Australia, which was completed in 2007. Notwithstanding this charge to the accounts, Norfolk is continuing to pursue its rights in relation to the SSR Project.

This impairment will impact EBIT for the 2009 financial year, but will not impact Norfolk's 2009 cash flow or the calculation of bank covenants.

The SSR Project was contracted in 2004, prior to Norfolk's formation and subsequent listing on the ASX in 2007. Current company policies and practices would not permit Norfolk to enter into a contract with such onerous conditions.

The Board has also concluded that Norfolk will not be paying a final 2009 dividend and will maintain its focus on reducing debt.

Norfolk is scheduled to announce its full year financial results for the period ended 31 March 2009, on 27 May 2009.

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Further information:

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Norfolk Group Limited

Norfolk is a leading international provider of integrated building and engineering services. In Australia, Norfolk is number one in the electrical and non-residential HVAC (heating, ventilation and air conditioning) maintenance services markets.

Norfolk employs more than 3,600 people, including highly skilled engineers, electricians, plumbers, air conditioning technicians and apprentices, across more than 150 sites throughout Australia, New Zealand and India. Norfolk has customers across a range of sectors including infrastructure, industrial, commercial, resources, retail, government and communications.

For further information on Norfolk, please visit www.norfolkgl.com