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TO:	ASX Company Announcements		
FROM:	Dennis Mentzines	**DATE:**	16 March 2012
PAGES :	3 (inclusive)		
SUBJECT:	**Letter to Shareholders**		

Attached is a copy of a letter which is being sent to shareholders today together with the dividend statement.

Yours faithfully

Dennis Mentzines
Company Secretary

LETTER TO SHAREHOLDERS

UGL has once again delivered a solid first half financial performance for the six months ended 31 December 2011. Underlying net profit after tax increased 6 per cent to $72.2 million*. Reported NPAT for the half year period was $55.4 million, including the transaction costs of the DTZ acquisition and amortisation of acquired intangibles. The growth in underlying earnings supported an increase in the interim dividend to a record 34.0 cents per share fully franked, up 6 per cent on the previous corresponding period.

PROVEN BUSINESS MODEL CONTINUES TO DELIVER

The consistency in earnings growth is testament to our diversified business model and the quality of our revenue streams.

Operating revenue increased 5 per cent to a record $2.4 billion^ and underlying earnings before interest and tax (EBIT) was up 5 per cent to $110.3 million* with margins remaining stable. Reported earnings per share (EPS) was 33.3 cents per share, while underlying EPS increased 5 per cent to 43.4 cents per share*. An interim dividend of 34.0 cents per share has been declared, payable on 16 March 2012 to shareholders on the register at 2 March 2012. Attached to this letter you will find a copy of your dividend statement.

Our gearing remains low at 27 per cent and within our target range. Combined with the low capital intensity of our business model, our financial strength remains robust providing us with the flexibility to continue to invest in and grow our businesses.

During the half year, UGL continued to deliver strong safety outcomes across the business. With a global workforce now in excess of 55,000 people including contractors, maintaining world class safety standards must remain our first priority. We continue to invest in new systems, processes and training to proactively identify and implement safety improvements to ensure the well-being of our staff.

OUR STRATEGIC PLATFORM IS EVOLVING

A significant milestone in the growth of our property services business was the acquisition of the trading operations of global real estate services company, DTZ Holdings plc (DTZ), during the half year period. The acquisition of DTZ has positioned us with the global footprint and capabilities to benefit from the continued trend to outsource property services and the increasing globalisation of clients who are seeking a single solutions provider to manage their portfolios on a global basis.

The DTZ integration process is now well advanced and on track to meet our 100 day initial transition deadline. We expect that the 2012 year will be a transformative year for DTZ as we continue to build momentum as the emerging leader in global property services.

As we continue to grow and diversify our businesses, our strategic platform is evolving. This evolution is necessary to ensure we maintain market leadership positions in all of the industries in which we operate. Our commitment to strong financial discipline and risk management remains unchanged as our strategy continues to focus on delivering sustainable growth into the future.

GROWTH OUTLOOK SUPPORTED BY STRONG FUNDAMENTALS

Following the award of $3.4 billion in new contract wins and extensions during the half year period, UGL's order book stands at a record $9.5 billion. While these awards have been secured broadly across all of our businesses, a key win during the half year was the $1.4 billion RailCorp maintenance and logistics contract which services Sydney's 1,050 passenger car fleet for the next seven years until 2019. Our partnership with RailCorp has been built over the last 17 years and is reflective of UGL's strategy of securing long term opportunities to provide essential services to the community.

We are experiencing near record levels of tendering activities across our businesses, supporting future growth with further upside to the order book anticipated. UGL currently has over $6 billion of weighted and qualified opportunities identified across the infrastructure, rail, resources and property services businesses. With the outlook for growth supported by significant levels of bidding activity across each of our businesses, we are on-track to deliver underlying NPAT growth of around 5 per cent for the 2012 financial year.

On behalf of the UGL Board, we would like to thank you for your ongoing support. We are confident that by remaining focused on our core sectors, maintaining the quality of our order book and continuing to place significant emphasis on financial discipline and risk management, we will be well positioned to continue to deliver sustainable earnings growth.

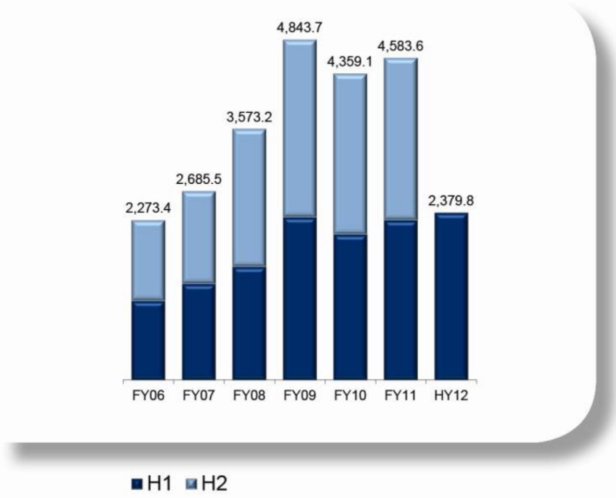
Trevor C Rowe AO
Chairman

Richard A Leupen
Managing Director & CEO

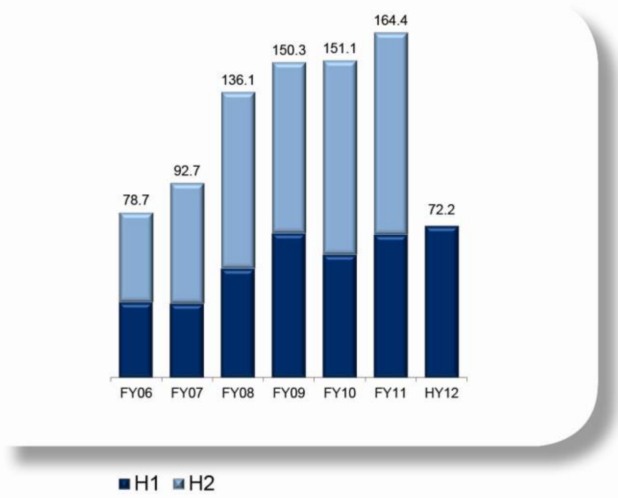
* Adjusted for acquisition related costs and amortisation of acquired intangibles
^ Includes UGL's share of joint venture revenue

FINANCIAL HIGHLIGHTS

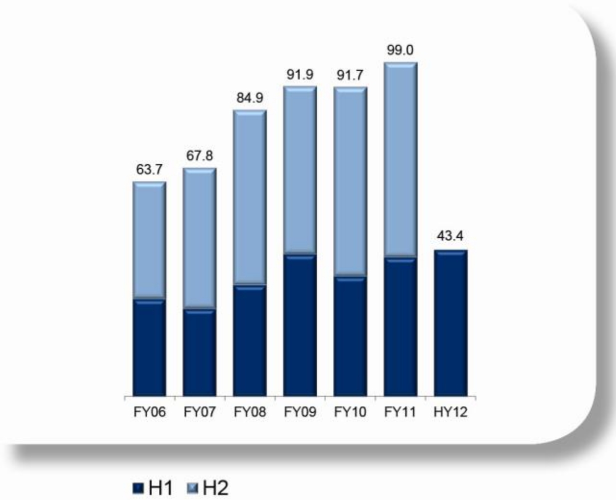
OPERATING REVENUE ($M) ^



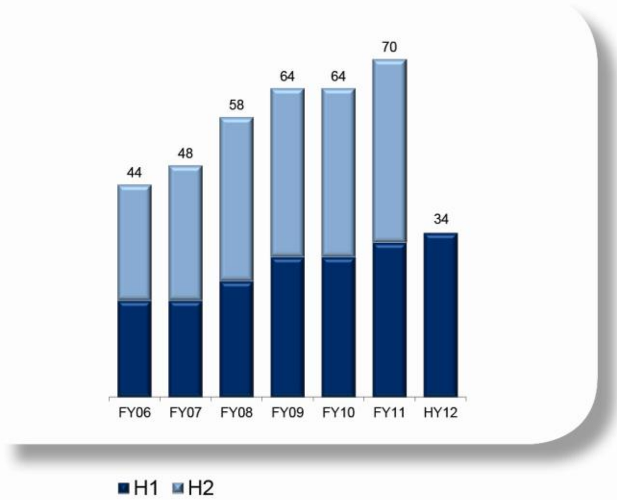
UNDERLYING NPAT ($M)*



UNDERLYING EPS (CENTS)*



DPS (CENTS)



* Adjusted for acquisition related costs and amortisation of acquired intangibles

^ Includes UGL's share of joint venture revenue