ASX Release

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UGL announces review to consider optimal corporate structure

Sydney: UGL Limited (ASX: UGL) today announced that following the significant growth in UGL's Property business, which now represents close to 50 per cent of the Company's earnings, the Board of Directors has resolved to undertake a review of the optimal corporate structure under which UGL's Engineering, Operations & Maintenance (together the "Engineering businesses") and Property businesses should operate (the "Review").

The decision to undertake the Review follows the significant growth and progress UGL has made in building a leading global property services business, including the:

- acquisition of the trading operations of DTZ Holdings plc in December 2011, transforming the Property business into an integrated end-to-end property services provider across all key geographic regions
- unification of UGL's Property businesses under a single, global brand, DTZ
- continued integration of the DTZ Holdings plc assets, which have outperformed initial expectations
- establishment of a global headquarters for DTZ in Los Angeles
- recent award of a number of new key global contracts with various iconic multinational corporations.

"The Review will assess the optimal corporate structure under which UGL should operate to deliver the best outcomes for all stakeholders. Various alternatives from maintaining the current corporate structure, reviewing a potential structural separation or demerger of the Company, as well as UGL's M&A strategy will be considered. Tax, debt and management issues that would be associated with a separation will also be examined as part of the Review process," said UGL Chairman, Trevor Rowe.

UGL Managing Director & CEO, Richard Leupen said: "Over the last decade, UGL's Engineering businesses have become market leaders in engineering construction and maintenance services across key sectors in Australia, employing 8,000 people and generating annual revenue in excess of $2.5 billion.

"Our Property business has grown significantly from the initial acquisition of KFPW in 2002 through to the acquisition of the trading operations of DTZ Holdings plc in 2011, to become a global leader in property services operating in 52 countries, employing 47,000 people worldwide and generating annual revenue of $2.0 billion. Organic growth has also been a key driver of the growth in our Property business.

"Given the substantial scale both businesses have now reached, it is the right time to review UGL's corporate structure to fully capitalise on the strong growth opportunities across the engineering and property services sectors," Mr Leupen said.

"We expect to provide an update on the Review by the announcement of our full year results on 12 August 2013, if not earlier. While we will aim to complete the Review as quickly as possible, our priority is to ensure that all relevant matters are carefully and rigorously examined," Mr Leupen continued.

Trevor Rowe added: "The Board has agreed that Richard Leupen will deliver the Review and execute its recommendations and outcomes. At the conclusion of the Review, if the Board determines that a change to the current corporate structure is required, it is intended that Richard will continue in his role for a short time beyond the current end date of his contract on 31 March 2014 to complete the work. Following the conclusion of the Review, we will provide an update on the programme the Board is undertaking to ensure the orderly transition of management, including the criteria for assessing both internal and external candidates for CEO succession."

UGL cautions that there are a number of significant issues to be considered and as such, there is no assurance that the Review will result in a change to the current corporate structure of UGL. The Company will continue to operate as usual during the Review, maintaining a strong focus on executing the relevant strategies for both the Engineering and Property businesses.

UGL has appointed Goldman Sachs to advise the Company on the Review.

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