Appendix 4D

Name of entity	**UGL Limited**
ABN	85 009 180 287
Half-year ended ('current period')	31 December 2012

Results for announcement to the market		%		$A'000
Revenues from ordinary activities	Down	14.7%	to	1,887,360
Profit from ordinary activities after tax attributable to members	Down	53.0%	to	26,004
Net profit for the period attributable to members	Down	53.0%	to	26,004

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	34 cents	17 cents
Record date for determining entitlements to the dividend	13 March 2013	

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market: Please refer to attached press release.

The remainder of the information requiring disclosure to comply with listing rule 4.2A is contained in the attached Directors' Report and Interim Financial Report for the half-year ended 31 December 2012, the attached press release, and the additional information below.

Additional information

Net Tangible Assets/(Liabilities) per ordinary share: ($1.40) (June 2012: ($1.31))

Details of interests in significant joint venture entities and associates:

		Interests held %	
Name	Principal activities	December 2012	June 2012
Joint ventures:			
United Group Infrastructure/Balfour Beatty	High voltage transmission line installation	50	50
PREMAS (Thailand) Co. Ltd	Integrated real estate management services	49	49
Texmaco UGL Rail Private Ltd	Manufacture and supply of rolling stock components	50	50
UGL KAEFER	General maintenance services and field managed modifications	50	50
UGL Services LLC	Integrated facilities and property management services	50	50
Zadelhoff Participates	Property advisory	50	50
Associates:			
Metro Trains Melbourne Pty Ltd	Operation and maintenance of Melbourne passenger train network	20	20

Details of the individual share of profits or losses of these entities has not been disclosed as many entities are created to deliver a specific contract and disclosure of this information would be prejudicial to the consolidated entity.

UGL Limited ABN 85 009 180 287
Interim financial report 2013

maintaining today creating tomorrow

Contents

Directors' report

The directors of UGL Limited (UGL) present their report together with the consolidated financial report of UGL and its subsidiaries (the Group) for the half-year ended 31 December 2012 and the review report thereon.

Directors

The names of directors in office during or since the end of the interim period are:

- Mr Trevor C Rowe AO - Chairman
- Mr Richard A Leupen - Managing Director & CEO
- Dr Raymond K F Ch'ien (appointed 4 September 2012)
- Mr Guy M Cowan
- Mr Robert E Denham
- Mr Richard G Humphry AO
- Dr Douglas F McTaggart (appointed 4 September 2012)
- Ms Kathryn D Spargo
- Mr John W Ingram AM (retired 13 November 2012)
- Mr Richard D White (resigned 4 September 2012)

Unless indicated otherwise, all directors held their position as a director throughout the half-year and up to the date of this report.

Principal activities

UGL is a global leader in outsourced engineering, property services and asset management and maintenance.

UGL operates worldwide across 52 countries employing 55,000 people (inclusive of subcontractors). The Group has a client base that includes local and national governments, institutions and blue-chip corporations.

The Group consists of three complementary businesses:

UGL Engineering: provides project delivery across power, water, resources, rail, transport systems and communications with core capabilities in engineering, design, supply, project management and commissioning.

UGL Operations & Maintenance: provides high value-add life cycle asset management and maintenance services to support critical social and economic infrastructure.

DTZ Property: provides occupiers and investors around the world with industry leading, end-to-end property solutions comprised of leasing agency and brokerage, integrated property and facilities management, capital markets, investment and asset management, valuation, building consultancy, project management, and research and consulting services.

Results

The consolidated profit for the Group for the period, after income tax and non-controlling interests was $26,004,000; reconciled to underlying net profit after tax (NPAT) as follows:

	$'000
Profit after income tax and non-controlling interests	26,004
Adjusted for:	
Rebranding costs	31,944
Restructuring costs	22,187
Profit on sale of land and building	(17,360)
Amortisation of acquired intangibles	6,924
Tax on underlying adjustments	(18,685)
Underlying NPAT	51,014

Underlying NPAT has been presented to provide a more accurate reflection of the Group's operating performance excluding the effect of costs arising from acquisitions, rebranding and restructuring, and in this period the non-recurring sale of land and buildings at Kwinana, Western Australia.

Operational results by segment:	UGL Engineering	UGL Operations & Maintenance	DTZ Property	Total $'000
Segment EBIT	47,101	12,549	45,837	105,487
Corporate costs				(19,759)
Net interest				(16,215)
Income tax				(16,558)
				52,955
Non-controlling interests				(1,941)
Underlying NPAT				51,014

Underlying NPAT is non-IFRS financial information. EBIT and reconciling items have been extracted from note 2 - Operating segments.

Dividends paid or to be paid

The following dividends on issued ordinary shares of UGL have been paid or declared since the end of the previous financial year:

	$'000
Final ordinary dividend of 36 cents per share, fully franked, paid on 7 September 2012	59,873
Interim ordinary dividend of 34 cents per share, franked to 50%, to be paid on 27 March 2013	56,547

As the interim dividend was declared subsequent to period end, it will be accounted for in the second half of the 2013 financial year.

Review of operations

6 months to 31 December 2012

As highlighted above, a number of large one-off items have impacted the results for the period to 31 December 2012. The market driven rebranding project required significant write-down in now unused brand names and a group-wide cost reduction program incurred large unrepeated cost. These costs have been partially offset by the profit received on the sale of the Kwinana property.

Operationally, macroeconomic conditions have impacted the engineering and operations & maintenance markets – with delays, cancellations and deferrals of new contracts, all impacting the half.

UGL's diversified business model has compensated for these conditions with continued growth in facilities management and expansion of the corporate real estate business, aided by the contribution of the acquired DTZ operations to build on UGL's global offering.

There is a continuing focus on risk management both at the tendering stage, and the job execution stage, maintaining UGL's enduring and stable business model. Capitalising on growth opportunities, investing in industry leading technology solutions, and continued partnering with clients will be key to future growth.

DTZ Property

Revenue increased 36% to $920.0 million and generated EBIT of $45.8 million for the half year ending 31 December 2012. The increase is due to both organic growth of existing business and the contribution for a full six months of the acquired DTZ business. The revenue and EBIT growth were aided by strong performance in China with global cost reduction programs delivering results.

Global mandates continue to be won, particularly in corporate real estate offerings, providing further improvement in the second half of 2013, with order book of $3.5 billion.

UGL Engineering

Revenue decreased 34% to $907.5 million, in part due to the timing and completion of large projects such as Airport Link, Aurora and Pluto and timing of locomotive sales. EBIT was down 45% to $47.1m due to lower sales. A cost reduction program was implemented to align costs with falling sales.

Order book remains stable at $5.1 billion and tendering opportunities continue to be pursued that fit within UGL's risk appetite and business capabilities.

UGL Operations & Maintenance

Revenue has decreased 20% to $261.6 million during the period to 31 December 2012, largely due to scope reductions and cancellations of existing work as a result of the macroeconomic conditions. EBIT has also reduced to $12.5 million and a cost reduction program has been implemented to mitigate these contract contractions.

Order book remains stable at $0.8 billion, despite scope reductions and cancellations.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the half-year ended 31 December 2012.

Rounding of amounts

The parent entity is a company of the kind specified in Australian Securities and Investments Commission class order 98/100 dated 10 July 1998. In accordance with that class order, amounts in the consolidated interim financial report and the directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the directors.

Trevor C Rowe AO	Richard A Leupen
Chairman	Managing Director & CEO

Dated at Sydney this 26th day of February 2013.

Lead auditor's independence declaration

under section 307C of the Corporations Act 2001

To: the directors of UGL Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Mark Epper
Partner
Sydney
26th February 2013

Consolidated income statement

for the half-year ended 31 December 2012

	Note	31 December 2012 $'000	31 December 2011 $'000
Revenue		1,887,360	2,212,270
Other income	4	20,206	916
Raw materials and consumables		(299,463)	(597,430)
Employment costs		(1,083,498)	(1,075,293)
Depreciation and amortisation		(34,645)	(28,157)
Subcontractor expenses		(191,378)	(221,602)
Finance costs (net)	3	(21,056)	(16,057)
Rental and occupancy expenses		(43,150)	(31,098)
Communication expenses		(7,632)	(6,928)
Insurance		(16,882)	(14,812)
Plant and equipment expenses		(17,925)	(18,369)
Motor vehicle expenses		(24,723)	(20,333)
Travel		(27,505)	(28,570)
Other expenses		(116,323)	(73,748)
Share of profit/(losses) of equity accounted investees (net of income tax)		1,093	(1,791)
Profit before income tax expense		**24,479**	**78,998**
Income tax benefit/(expense)	6	3,466	(23,526)
Profit for the period		**27,945**	**55,472**
Profit attributable to:			
Owners of the Company		26,004	55,350
Non-controlling interests		1,941	122
Profit for the period		**27,945**	**55,472**
		Cents	Cents
Basic and diluted earnings per share (cents per share)		15.6	33.3

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated statement of comprehensive income

for the half-year ended 31 December 2012

	31 December 2012 $'000	31 December 2011 $'000
Profit for the period	**27,945**	**55,472**
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Defined benefits plans actuarial gains	357	-
Total items that will not be reclassified to profit or loss	**357**	**-**
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences - foreign operations	(197)	7,392
Foreign currency translation differences – equity accounted investees	-	(866)
Cash flow hedges	425	(443)
Cash flow hedges – equity accounted investees	(78)	-
Tax on items that may be reclassified subsequently to profit or loss	-	-
Total items that may be reclassified subsequently to profit or loss	**150**	**6,083**
Other comprehensive income for the period (net of tax)	**507**	**6,083**
Total comprehensive income for the period	**28,452**	**61,555**
Total comprehensive income attributable to:		
Owners of the Company	26,382	61,423
Non-controlling interests	2,070	132
Total comprehensive income for the period	**28,452**	**61,555**

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated statement of financial position

as at 31 December 2012

	Note	31 December 2012 $'000	30 June 2012 $'000
Current assets			
Cash and cash equivalents		170,668	177,375
Trade and other receivables		602,475	589,659
Inventories		355,039	359,747
Income tax receivable		32,873	23,025
Other financial assets		781	190
Total current assets		**1,161,836**	**1,149,996**
Non-current assets			
Trade and other receivables		3,162	3,166
Other financial assets		25,618	24,380
Investments accounted for using the equity method		38,008	43,056
Property, plant and equipment		173,818	176,559
Intangible assets		1,349,391	1,371,621
Deferred tax assets		36,883	39,421
Total non-current assets		**1,626,880**	**1,658,203**
Total assets		**2,788,716**	**2,808,199**
Current liabilities			
Trade and other payables		467,927	513,132
Loans and borrowings	11	10,395	9,731
Employee benefits		177,090	215,529
Other financial liabilities		3,380	3,865
Income tax payable		14,484	12,831
Provisions		48,001	57,383
Total current liabilities		**721,277**	**812,471**
Non-current liabilities			
Loans and borrowings	11	715,129	603,005
Employee benefits		37,084	36,620
Other financial liabilities		28,326	30,342
Deferred tax liabilities		6,830	18,518
Provisions		132,411	131,861
Total non-current liabilities		**919,780**	**820,346**
Total liabilities		**1,641,057**	**1,632,817**
Net assets		**1,147,659**	**1,175,382**
Equity			
Share capital	7	908,775	908,775
Reserves		(47,081)	(48,700)
Retained earnings		276,093	309,605
Total equity attributable to owners of the Company		1,137,787	1,169,680
Non-controlling interests		9,872	5,702
Total equity		**1,147,659**	**1,175,382**

The accompanying notes form an integral part of these consolidated interim financial statements.

The financial position as at 30 June 2012 is restated to include the finalisation of acquisition accounting for the DTZ acquisition - see Note 9.

Consolidated statement of changes in equity

for the half-year ended 31 December 2012

	Attributable to owners of the Company									
Half-year ended 31 December 2012 $'000	**Translation reserve**	**Hedging reserve**	**Employee equity benefit reserve**	**Reserve for treasury shares**	**Total reserves**	**Share capital**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 July 2012	(39,618)	(397)	23,908	(32,593)	(48,700)	908,775	309,605	1,169,680	5,702	1,175,382
Profit for the period	-	-	-	-	-	-	26,004	26,004	1,941	27,945
Foreign currency translation differences - foreign operations	(326)	-	-	-	(326)	-	-	(326)	129	(197)
Gains/(losses) on cash flow hedges taken to equity	-	232	-	-	232	-	-	232	-	232
Net change in fair value of cash flow hedges transferred to the initial carrying amount of the hedged item	-	193	-	-	193	-	-	193	-	193
Gains/(losses) on cash flow hedges taken to equity – equity accounted investees	-	(78)	-	-	(78)	-	-	(78)	-	(78)
Defined benefit plans actuarial gains	-	-	-	-	-	-	357	357	-	357
Total comprehensive income for the period	(326)	347	-	-	21	-	26,361	26,382	2,070	28,452
Transactions with owners in their capacity as owners:										
Share-based payments	-	-	1,961	-	1,961	-	-	1,961	-	1,961
Treasury shares purchased	-	-	-	(363)	(363)	-	-	(363)	-	(363)
Transfer of vested shares	-	-	(1,272)	1,272	-	-	-	-	-	-
Dividends to owners	-	-	-	-	-	-	(59,873)	(59,873)	-	(59,873)
Non-controlling interests investment in subsidiary	-	-	-	-	-	-	-	-	2,100	2,100
Total transactions with owners	-	-	689	909	1,598	-	(59,873)	(58,275)	2,100	(56,175)
Balance at 31 December 2012	(39,944)	(50)	24,597	(31,684)	(47,081)	908,775	276,093	1,137,787	9,872	1,147,659

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated statement of changes in equity

for the half-year ended 31 December 2012

	Attributable to owners of the Company									
Half-year ended 31 December 2011 $'000	**Translation reserve**	**Hedging reserve**	**Employee equity benefit reserve**	**Reserve for treasury shares**	**Total reserves**	**Share capital**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 July 2011	(44,015)	105	20,889	(18,803)	(41,824)	905,875	301,877	1,165,928	5,494	1,171,422
Profit for the period	-	-	-	-	-	-	55,350	55,350	122	55,472
Foreign currency translation differences - foreign operations	7,382	-	-	-	7,382	-	-	7,382	10	7,392
Foreign currency translation differences – equity-accounted investees	(866)	-	-	-	(866)	-	-	(866)	-	(866)
Gains/(losses) on cash flow hedges taken to equity	-	(432)	-	-	(432)	-	-	(432)	-	(432)
Net change in fair value of cash flow hedges transferred to the initial carrying amount of the hedged item	-	(11)	-	-	(11)	-	-	(11)	-	(11)
Total comprehensive income for the period	6,516	(443)	-	-	6,073	-	55,350	61,423	132	61,555
Transactions with owners in their capacity as owners:										
Shares issued	-	-	-	-	-	2,900	-	2,900	-	2,900
Share-based payments	-	-	4,242	-	4,242	-	-	4,242	-	4,242
Treasury shares purchased	-	-	-	(18,147)	(18,147)	-	-	(18,147)	-	(18,147)
Transfer of vested shares	-	-	(3,307)	3,307	-	-	-	-	-	-
Dividends to owners	-	-	-	-	-	-	(63,098)	(63,098)	(4,617)	(67,715)
Acquired on purchase of subsidiaries	-	-	-	-	-	-	-	-	3,537	3,537
Income tax related to transactions with owners	-	-	-	170	170	-	-	170	-	170
Total transactions with owners	-	-	935	(14,670)	(13,735)	2,900	(63,098)	(73,933)	(1,080)	(75,013)
Balance at 31 December 2011	(37,499)	(338)	21,824	(33,473)	(49,486)	908,775	294,129	1,153,418	4,546	1,157,964

The accompanying notes form an integral part of these consolidated interim financial statements.

Consolidated statement of cash flows

for the half-year ended 31 December 2012

	Note	31 December 2012 $'000	31 December 2011 $'000
Cash flows from operating activities			
Cash receipts from customers		2,003,612	2,403,617
Cash payments to suppliers and employees		(2,020,580)	(2,370,548)
Interest received		1,871	2,089
Interest and other costs of finance paid		(17,860)	(13,453)
Distributions from equity accounted investments		6,369	4,884
Income taxes paid		(13,732)	(32,518)
Net cash used in operating activities		**(40,320)**	**(5,929)**
Cash flows from investing activities			
Payments for plant and equipment		(22,289)	(13,490)
Proceeds from sale of plant and equipment		22,941	666
Proceeds from sale of unlisted investment		2,014	-
Payments for software		(10,694)	(7,395)
Project establishment costs		(4,037)	(3,341)
Payment for other intangibles		(14,658)	(9,836)
Non-controlling interests investment in subsidiary		2,100	-
Acquisition of subsidiaries, net of cash acquired	9	-	(103,390)
Investment in associates and joint ventures		-	(4,847)
Net cash used in investing activities		**(24,623)**	**(141,633)**
Cash flows from financing activities			
Net proceeds from issue of shares and conversion of options		-	2,900
Proceeds from borrowings		169,634	308,421
Repayment of borrowings		(50,628)	(140,196)
Payment for treasury shares		(363)	(18,147)
Payment of finance lease liabilities		(975)	(417)
Dividends paid to owners	8	(59,873)	(63,098)
Dividends paid to non-controlling interests		-	(4,617)
Net cash from financing activities		**57,795**	**84,846**
Net decrease in cash and cash equivalents		**(7,148)**	**(62,716)**
Cash and cash equivalents at the beginning of the financial period (net of overdrafts)		174,281	236,688
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		453	2,060
Cash and cash equivalents, net of overdrafts, at 31 December		**167,586**	**176,032**

The accompanying notes form an integral part of the consolidated interim financial statements.

Notes to the consolidated interim financial statements

Note 1: Significant accounting policies

UGL Limited (the Company or UGL) is a company domiciled in Australia. The consolidated interim financial statements of the Company for the half-year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates and jointly controlled entities.

The consolidated annual financial report of the Group for the year ended 30 June 2012 is available at www.ugllimited.com.

a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

These consolidated interim financial statements do not include all information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 30 June 2012. The consolidated interim financial statements were authorised for issue by the directors on 26 February 2013.

b) Basis of preparation

These consolidated financial statements are presented in Australian dollars. The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The Group is a for-profit entity for the purpose of preparing the consolidated financial statements.

These financial statements have been prepared in accordance with the historical cost convention and except for derivative financial instruments, which are stated at fair value, do not take into account changing money values or fair values of assets.

Except as described below, the accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2012.

c) Change in accounting policy

Presentation of transactions recognised in other comprehensive income
From 1 July 2012 the Group applied amendments to AASB 134 Interim Financial Reporting outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss.

d) Accounting Standards and Interpretations not previously applied

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to the Group's operations and effective for the current reporting period.

The adoption of these new and revised Standards and Interpretations has not had any material impact on the Group's assets, profits or earnings per share in the half-year ended 31 December 2012.

e) Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 June 2012.

f) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2012.

Note 2: Operating segments

For management purposes, from 1 July 2012 the Group has been organised into three business units based on their products and services:

UGL Engineering: provides project delivery across power, water, resources, rail, transport systems and communications with core capabilities in engineering, design, supply, project management and commissioning.

UGL Operations & Maintenance: provides high value-add life cycle asset management and maintenance services to support critical social and economic infrastructure.

DTZ Property: provides occupiers and investors around the world with industry leading, end-to-end property solutions comprised of leasing agency and brokerage, integrated property and facilities management, capital markets, investment and asset management, valuation, building consultancy, project management, and research and consulting services. This segment consolidates the existing property services business with the acquired DTZ business.

Prior to 1 July 2012, the Group was organised into four business units; Infrastructure, Rail, Resources and Property Services. Comparative information for the half-year ended 31 December 2011 has been restated to reflect the three business units operative from 1 July 2012.

$'000	UGL Engineering	UGL Operations & Maintenance	DTZ Property	Reportable segments	Corporate/ unallocated	Eliminations	Total
Half-year ended 31 December 2012							
External revenues	906,776	255,392	919,347	2,081,515	-	-	2,081,515
Inter-segment revenue	679	6,184	696	7,559	-	(7,559)	-
Total reportable segment revenue	**907,455**	**261,576**	**920,043**	**2,089,074**	**-**	**(7,559)**	**2,081,515**
Reconciliation:							
Revenue - joint ventures and associates						(194,155)	(194,155)
Consolidated revenue							1,887,360
Reportable segment profit (loss) (Segment EBIT)	**47,101**	**12,549**	**45,837**	**105,487**	**(19,759)**	**-**	**85,728**
Reconciliation:							
Amortisation of intangible associated with acquisitions					(6,924)		(6,924)
Rebranding and brand impairment costs					(31,944)		(31,944)
Restructuring costs					(22,187)		(22,187)
Profit on sale of land and buildings					17,360		17,360
Interest income	796	-	879	1,675	172		1,847
Interest expense					(18,062)		(18,062)
Tax on equity accounted income						(1,339)	(1,339)
Consolidated profit before income tax							24,479
Half-year ended 31 December 2011							
External revenues	1,382,366	320,429	677,030	2,379,825	-	-	2,379,825
Inter-segment revenue	1,828	8,053	779	10,660	-	(10,660)	-
Total reportable segment revenue	**1,384,194**	**328,482**	**677,809**	**2,390,485**	**-**	**(10,660)**	**2,379,825**
Reconciliation:							
Revenue - joint ventures and associates						(167,555)	(167,555)
Consolidated revenue							2,212,270
Reportable segment profit (loss)	**85,196**	**19,025**	**34,433**	**138,654**	**(28,325)**	**-**	**110,329**
Reconciliation:							
Amortisation of intangible associated with acquisitions					(4,692)		(4,692)
Acquisition related costs					(13,987)		(13,987)
Interest income	860	50	727	1,637	450		2,087
Interest expense					(13,623)		(13,623)
Tax on equity accounted income						(1,116)	(1,116)
Consolidated profit before income tax							78,998

Note 3: Finance costs (net)	31 December 2012 $'000	31 December 2011 $'000
Interest expense	18,062	13,623
Other borrowing costs	4,841	4,521
	22,903	18,144
Interest revenue	(1,847)	(2,087)
	21,056	16,057

Note 4: Other income

Other income includes the following significant items:		
Profit on sale of land and buildings	17,360	-
Profit on sale of unlisted investment	1,653	-

Note 5: Expenses

Profit before income tax includes the following significant expenses:		
Impairment of trademarks and trade names	29,149	-
Rebranding costs	2,795	-
Restructuring and redundancy costs	22,187	-
Acquisition related costs – DTZ acquisition	-	13,987

Note 6: Income tax expense

The Group has reported a tax benefit of $3,466,000 for the half-year ended 31 December 2012, as compared with a tax expense of $23,526,000 (effective tax rate 29.8%) for the comparative period.

The change in effective tax rate resulted from: lower tax rates in overseas jurisdictions; capital gains tax adjustments; and carry forward tax losses in the acquired DTZ businesses.

Note 7: Share capital	31 December 2012 $'000	30 June 2012 $'000
Share capital		
165,565,038 (30 June 2012 – 165,565,038) ordinary shares	908,775	908,775

Total ordinary shares of 166,315,038 are held by the share registry, which includes an additional 750,000 shares, treated for accounting purposes as options.

Treasury shares

Treasury shares are shares in UGL that are held by the UGL Limited Employee Share Plan Trust purchased on market for the purpose of issuing shares under UGL employee share plans. As at 31 December 2012, the Trust held 2,475,671 of the Company's shares (30 June 2012: 2,551,987 shares)

Note 8: Dividends	31 December 2012 $'000	31 December 2011 $'000
Dividends recognised in the current period by the Company are:		
Final dividend for 2012 of 36 cents (2011 – 38 cents) per share, fully franked paid on 7 September 2012 (2011: 8 September 2011)	59,873	63,098
Total dividends paid	59,873	63,098

Dividends not recognised at 31 December 2012		
In addition to the above dividends, since the period end the directors have recommended the payment of an interim dividend of 34 cents per share franked to 50% (2012 – 34 cents, fully franked) based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 27 March 2013 is not recognised as a liability at 31 December 2012.	56,547	56,547

Note 9: Business combination

Half-year ended 31 December 2012

The Group made no acquisitions during the half-year.

Year ended 30 June 2012

On 5 December 2011, UGL Europe Limited (a wholly owned subsidiary of UGL Limited) acquired all of the trading operations of the global real estate services company DTZ Holdings plc (DTZ), for a cash consideration of $148.0 million, comprising $119 million (GBP 77.5 million) and assumed cash of $29 million (GBP 19.0 million). UGL Europe Limited purchased the DTZ subsidiaries from the administrator of DTZ immediately after DTZ entered administration.

DTZ is a leading real estate services group of companies, operating across 43 countries, providing services in occupational and development markets, professional services, valuation, investment agency and consulting and research.

In the period from 5 December 2011 to 30 June 2012, the business contributed revenue of $276,519,000 and net profit after tax of $12,852,000 to the consolidated results for the year. The Group considers it impractical to disclose pro forma results for the full year to 30 June 2012 to include the business acquired due to the difficulties of restating the results of DTZ with the exclusion of the holding company and inter-related group transactions.

During the one year period from the acquisition date the Group continued to review assets acquired and liabilities assumed, with adjustment to provisional values recognised as new information was obtained. The final adjustments noted below are reflected in the restated consolidated statement of financial position as at 30 June 2012, with no impact on the results for prior periods.

	Acquisition as at 5 December 2011		
	$'000	**$'000**	**$'000**
Identifiable assets acquired and liabilities assumed	**Provisional June 2012**	**Adjustments**	**December 2012**
Property, plant and equipment	26,283	(114)	26,169
Intangible assets	74,640	-	74,640
Equity accounted investments	10,980	(61)	10,919
Other financial assets	455	-	455
Inventories	10,381	-	10,381
Income tax receivable	1,573	-	1,573
Trade and other receivables	122,182	19	122,201
Deferred tax assets	2,508	-	2,508
Cash and cash equivalents	47,556	-	47,556
Loans and borrowings	(8,728)	-	(8,728)
Deferred tax liabilities	(432)	-	(432)
Provisions	(79,853)	(61,276)	(141,129)
Trade and other payables	(100,779)	652	(100,127)
Other financial liabilities	(28,924)	-	(28,924)
Income tax payable	(5,694)	-	(5,694)
Employee benefits	(71,690)	-	(71,690)
Total net identifiable assets / (liabilities)	458	(60,780)	(60,322)

Trade receivables comprise gross contractual amounts due of $94,182,000 of which $11,966,000 was expected to be uncollectible at the acquisition date.

Contingent liabilities and provisions

In the normal course of business, entities within the DTZ business may be involved in threatened or pending legal actions arising from its activities; including property management and valuations. Provision has been made for claims and for legal costs where litigation has been commenced, or it is probable that litigation will commence. Provision is also made for the Group's liability for incurred but not reported (IBNR) claims, based on assessment using prior claims history. The business carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurance as to do so could seriously prejudice the position of the Group. As the ultimate outcome of these claims cannot be reliably determined at the date of this report, contingent liabilities may exist for any amounts that ultimately become payable in excess of current provisioning levels.

Goodwill	$'000 Provisional June 2012	$'000 December 2012
Goodwill was recognised as a result of the acquisition as follows:		
Total consideration transferred	147,984	147,984
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	3,537	3,537
Fair value of identifiable net (assets) / liabilities	(458)	60,322
Goodwill	151,063	211,843

Goodwill is attributable mainly to the skills and specialised knowledge and experience of the DTZ work force, and the synergies expected to be received from integrating the DTZ business into UGL's existing property service business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The carrying amount of the acquired goodwill at 31 December 2012 is $214,909,000. The change in carrying value of $3,066,000 is the result of foreign exchange translation.

Outflow of cash	$'000	$'000
Cash consideration		147,984
Less: cash balances acquired		
Cash	(47,556)	
Bank overdrafts	2,962	(44,594)
Outflow of cash		103,390

Acquisition related costs

The Group incurred acquisition related costs of $13,987,000 consisting of external legal fees and due diligence costs. These costs were included in other expenses in the Group's consolidated income statement for the year ended 30 June 2012. No further costs were recognised in the period to 31 December 2012.

Acquisition accounting restatement

The consolidated statement of financial position as at 30 June 2012 has been restated to include the final acquisition accounting adjustments as follows:

Statement of financial position as at 30 June 2012	$'000	$'000	$'000
	Previously reported	Acquisition adjustment	Restated
Assets			
Trade and other receivables	589,640	19	589,659
Investments – equity method	43,117	(61)	43,056
Property, plant and equipment	176,674	(115)	176,559
Intangibles	1,310,914	60,707	1,371,621
Liabilities			
Trade and other payables	513,783	(651)	513,132
Provisions - current	57,865	(482)	57,383
Provisions – non-current	70,178	61,683	131,861

Note 10: Contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:

(i) Under the provisions of joint venture agreements undertaken by entities controlled by UGL, the controlled entities are jointly and severally liable for all the liabilities incurred by the joint ventures. As at 31 December 2012 the assets of the joint ventures exceed such liabilities.

(ii) In the normal course of business, entities within the Group may incur contractors' and product liability, or be subject to threatened or pending legal actions arising from its activities. Such liabilities include the potential costs to carry out further works and/or costs of litigation by or against those Group entities. The business carries professional indemnity insurance and no separate disclosure is made of the costs of claims covered by insurance as to do so could seriously prejudice the position of the Group.

Where such costs are not covered by professional indemnity insurance, provision is made for the potential costs of carrying out further works based on known claims and previous claims history, and for legal costs and claims where litigation has been commenced, or it is probable that litigation will commence. Provision is also made for the Group's liability for incurred but not reported (IBNR) claims, based on assessment using prior claims history.

Based on previous experience, amounts specifically provided, and the circumstances of specific claims outstanding, no additional costs are anticipated. However, as the ultimate outcome of these claims cannot be reliably determined at the date of this report, contingent liabilities may exist for any amounts that ultimately become payable in excess of current provisioning levels.

Note 11: Loans and borrowings	**31 December 2012 $'000**	**30 June 2012 $'000**
Current		
Unsecured:		
- bank overdraft	3,082	3,094
- bank loan	95	-
- other loan	2,023	1,995
Secured:		
- bank loan	2,867	3,349
- finance lease liabilities	2,328	1,293
	10,395	9,731
Non-current		
Unsecured:		
- bank loans	469,746	354,799
- other loan	354	511
- US notes	240,755	245,314
Secured:		
- finance lease liabilities	4,274	2,381
	715,129	603,005

Note 11: Loans and borrowings (continued)

Bank loans and US notes (current and non-current) are drawn under the following term debt facilities:

	Maturity date	Principal facility currency amount thousands	Principal facility amount A$'000	Amount utilised A$'000	Amount unutilised A$'000
31 December 2012					
Bank loans					
Term debt	February 2013	SGD 121	95	95	-
Term debt	July 2014	GBP 175,000	272,246	203,883	68,363
Term debt	August 2014	AUD 50,000	50,000	-	50,000
Term debt	June 2015	AUD 90,878	90,878	80,000	10,878
Term debt	July 2015	USD 95,000	91,487	89,561	1,926
Term debt	July 2015	AUD 60,000	60,000	-	60,000
Term debt	March 2016	HKD 23,077	2,867	2,867	-
Term debt	June 2016	AUD 60,000	60,000	28,891	31,109
Term debt	July 2016	AUD 50,000	50,000	-	50,000
Term debt	July 2017	USD 70,000	67,411	67,411	-
			744,984	472,708	272,276
US Notes					
Tranche 1	September 2016	USD 50,000	48,151	48,151	-
Tranche 2	June 2018	USD 150,000	144,453	144,453	-
Tranche 3	September 2018	USD 50,000	48,151	48,151	-
			240,755	240,755	-
30 June 2012					
Bank loans					
Term debt	July 2013	USD 90,000	88,313	88,313	-
Term debt	July 2014	GBP 175,000	268,035	165,416	102,619
Term debt	August 2014	AUD 50,000	50,000	-	50,000
Term debt	March 2015	HKD 26,400	3,349	3,349	-
Term debt	June 2015	AUD 100,000	100,000	-	100,000
Term debt	July 2015	USD 95,000	93,220	76,538	16,682
Term debt	July 2015	AUD 60,000	60,000	-	60,000
Term debt	June 2016	AUD 110,000	110,000	24,532	85,468
			772,917	358,148	414,769
US Notes					
Tranche 1	September 2016	USD 50,000	49,063	49,063	-
Tranche 2	June 2018	USD 150,000	147,188	147,188	-
Tranche 3	September 2018	USD 50,000	49,063	49,063	-
			245,314	245,314	-

Directors' declaration

In the opinion of the directors of UGL Limited:

1) the consolidated financial statements and notes, set out on pages 4 to 16, are in accordance with the *Corporations Act 2001*, including:

   a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year period ended on that date; and

   b) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Trevor C Rowe AO
Chairman

Richard A Leupen
Managing Director & CEO

Dated at Sydney this 26th day of February 2013.

Independent auditor's review report

to the members of UGL Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of UGL Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2012, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year period ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year period.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of UGL Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of UGL Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year period ended on that date; and
(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Mark Epper
Partner
Sydney
26th February 2013

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Corporate directory

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Raymond K F Ch'ien
Non-executive Director

Guy M Cowan
Non-executive Director

Robert E Denham
Non-executive Director

Richard G Humphry AO
Non-executive Director

Richard A Leupen
Managing Director &
Chief Executive Officer

Douglas F McTaggart
Non-executive Director

Kathryn D Spargo
Non-executive Director

Chief Financial Officer

Robert Bonaccorso

Company Secretaries

Dennis Mentzines
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