

UGL Announces Sale of DTZ

16 June 2014



Transaction Overview

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- Sale of DTZ to a private equity consortium for an enterprise value of \$1.215 billion
 - Consortium comprising TPG Capital, PAG Asia Capital and Ontario Teachers' Pension Plan (**TPG and PAG Consortium**)
- Net proceeds of around \$1.0-1.05 billion expected, depending on final capital gains tax assessments, transaction costs and other sale adjustments
- Board has carefully evaluated various options to determine the optimal corporate structure for UGL, and continues to believe a structural separation of DTZ and Engineering is in the best interests of shareholders, clients and employees
- To effect the separation, the Board considered a number of alternatives including a demerger and a sale of DTZ
- Board has concluded that the TPG and PAG Consortium's offer represents fair value for DTZ, is in the best interests of UGL and will deliver significant value to shareholders
- Completion expected around the end of September 2014
 - Sale is conditional on certain approvals from regulatory bodies, no material adverse change and other business-related conditions
- Transition services agreement in place until August 2015 to facilitate business continuity and the orderly transfer of DTZ to the TPG and PAG Consortium

Rationale for the sale of DTZ

The Board believes that the sale of DTZ delivers significant value for shareholders and ensures the long term interests of clients and employees are maximised



Realises fair value for DTZ and delivers significant value for shareholders



TPG and PAG Consortium is best placed to fund and support the strong future growth potential of DTZ as it becomes one of the dominant global property services players



On completion, UGL will be a dedicated engineering, construction and maintenance services provider in Australia, NZ and South East Asia



Dedicated UGL Board and management team to solely focus on Engineering to drive organic growth in a recovering engineering market, with the flexibility to consider potential strategic growth opportunities



Allows UGL to adopt a capital structure and dividend policy appropriate for its operational and financial requirements



Enhances long-term shareholder value by providing an investment opportunity in a company with a clear strategy and an unambiguous industry focus

Use of Proceeds

- Net proceeds will depend on final capital gains tax assessments, transaction costs (including sale and demerger related costs) and other sale adjustments including certain known liabilities which will be transferred with DTZ
- Expect net proceeds of around \$1.0-1.05 billion after these items
- UGL is evaluating a range of options for the efficient use of sale proceeds
- An announcement will be made to the market on the capital management strategy following completion of the sale

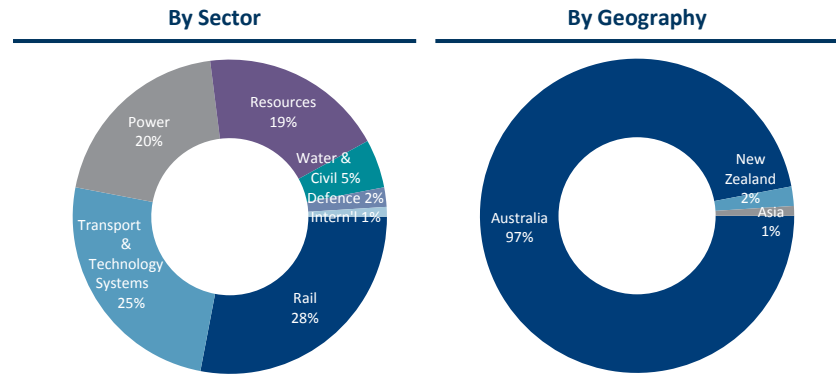
UGL Post Transaction

UGL Overview

UGL is a leading provider of engineering, construction and maintenance services with a diversified end-market exposure balanced by a strong operations and maintenance capability

	FY13 Revenue	\$2.3B
	Order book*	\$4.9B
	People (Including contractors)	~6,650
	Countries	7

FY13 Business Mix by Revenue



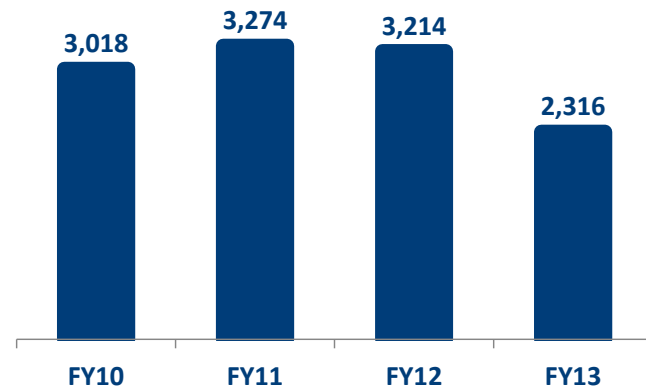
Clients

- Blue-chip companies
- Government
- Private enterprise
- Public institutions

Services

- Engineering
- Construction
- Fabrication
- Manufacturing
- Commissioning
- Operations
- Maintenance
- Supply chain & technical services
- Refurbishment & upgrades
- Decommissioning
- Project delivery & implementation
- Asset management
- Product solutions

Engineering Revenue (\$m)



* As at 30 April 2014

UGL Investment Proposition

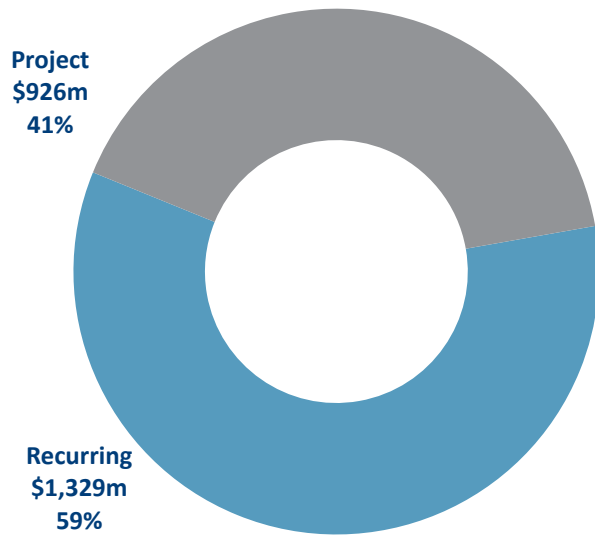
Highlights

- 1 Leading provider of engineering, construction and maintenance services in Australia, New Zealand and South East Asia
 - 2 Diversified end-market exposure across rail, transport systems, water, power, resources and defence sectors
 - 3 Strong recurring earnings base delivered through long-term maintenance services contracts
 - 4 Partner to leading blue chip companies, governments, public institutions and private enterprise
 - 5 Low contract risk with balanced trading terms which is industry leading
 - 6 Integrator of world class technology through alliances with leading technology providers
 - 7 Expected to continue to qualify for inclusion in S&P ASX 200 Index
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UGL Revenue Breakdown

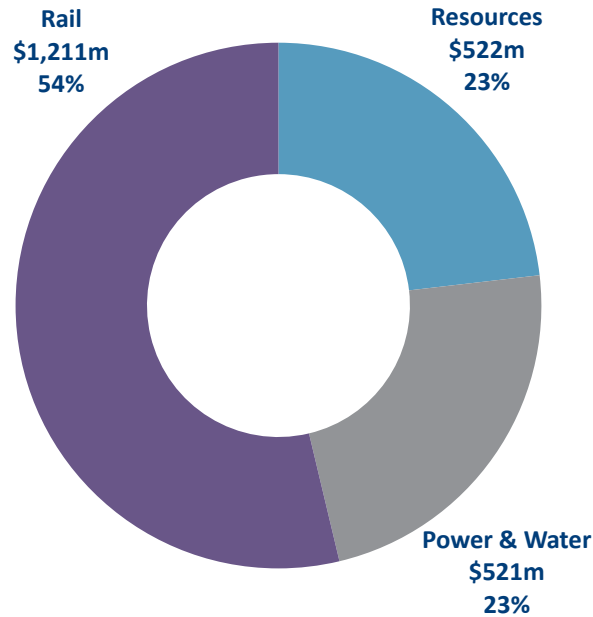
(A\$ in millions)

FY14 Forecast¹ (By Type)



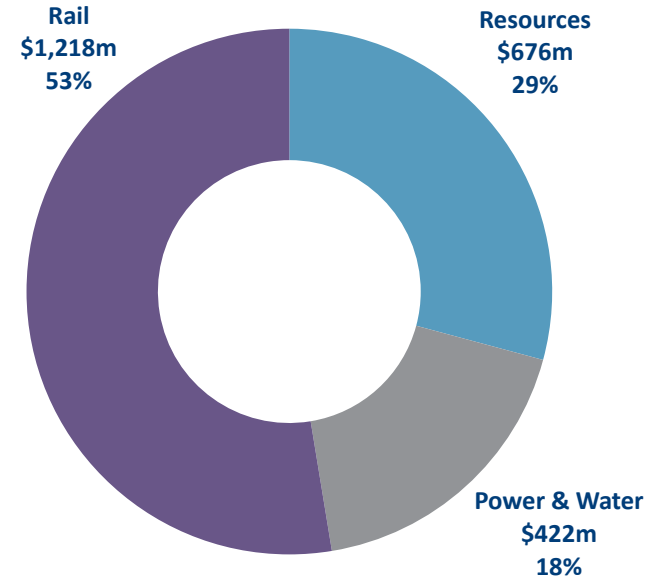
Total FY14F Revenue = \$2.3b

FY14 Forecast¹ (By End-Market)



Total FY14F Revenue = \$2.3b

FY13 Actual



Total FY13 Revenue = \$2.3b

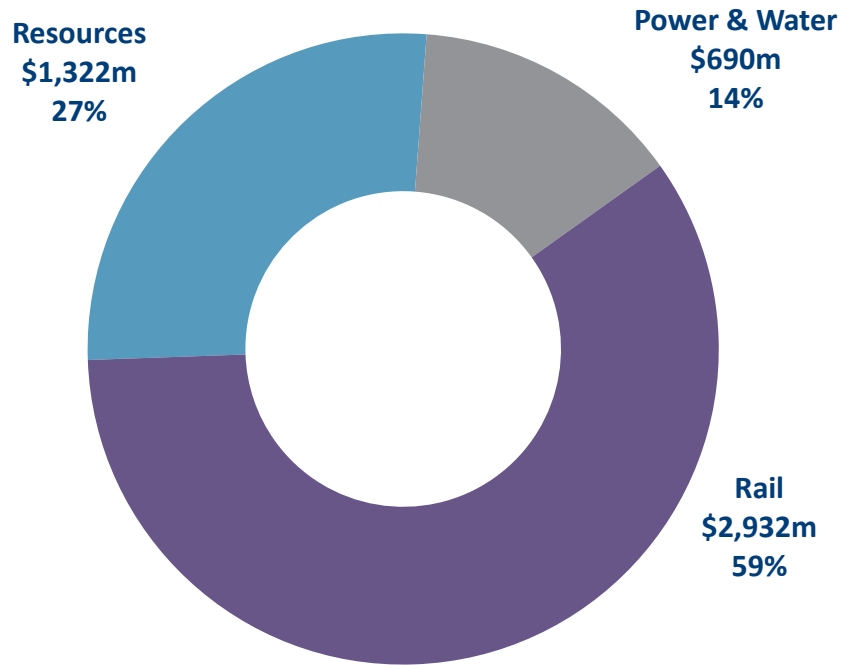
¹ FY14 forecast revenue is based on current management forecasts

Note: Rail includes UGL's rail and transport & technology systems businesses and Resources includes UGL's resources and defence businesses

UGL Order Book and Pipeline by End-Market

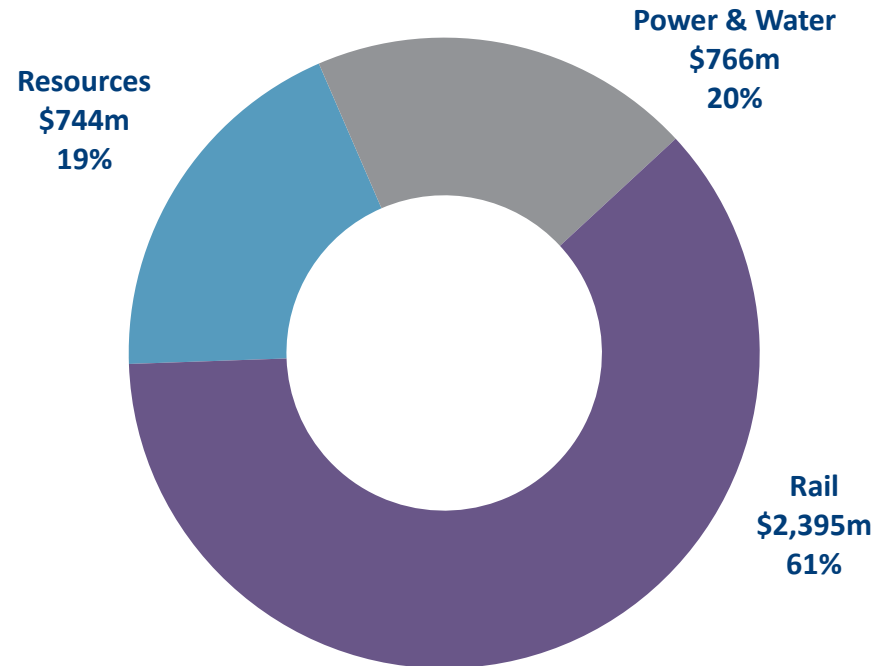
(A\$ in millions)

Order Book



Total Order Book = \$4.9b*

Pipeline



Total Pipeline = \$3.9b*

* As at 30 April 2014

Note: Rail includes UGL's rail and transport & technology systems businesses and Resources includes UGL's resources and defence businesses

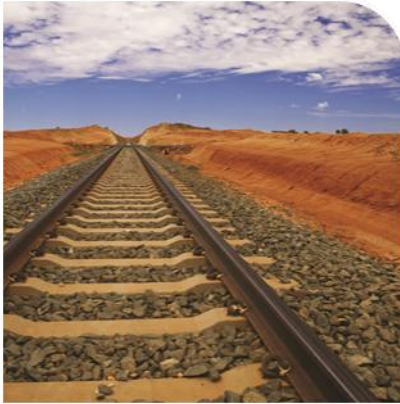
UGL Leadership

- Appointment of Ross Taylor as Managing Director and CEO effective 24 November 2014
- Ross has over 30 years of experience in the construction, engineering and real estate industries in Australia and internationally
- Prior to joining UGL, Ross held the position of Group CEO at Tenix, a privately held engineering and construction company
- Over a period of more than 24 years, Ross also held various senior roles at Lend Lease Corporation, most recently as Group Chief Operating Officer
- Current Managing Director and CEO, Richard Leupen, will work with the Board to ensure an orderly transition in leadership prior to Ross Taylor's commencement date
- Strong operational management team currently in place across Engineering with an average tenure of 7 years at UGL and more than 25 years of experience on average within the engineering and maintenance services industries

Overview by Sector

UGL is a leading provider of engineering, construction and maintenance services with a diversified end-market exposure across the core sectors of rail, transport & technology systems, water, power, resources and defence

Rail



Transport & Technology Systems



Water



Power



Resources



Defence



End-to-End Delivery Model

UGL's products, services and expertise are readily transferable: we work across multiple sectors and industries. The range of products and services offered by UGL is extensive yet all aspects are fully customisable to client requirements



Sectors & Industries

Rail

- Freight
- Passenger

Transport & Technology Systems

- Broadcast
- Rail Systems
- Road Systems & Tunnels
- Telecommunications

Power

- Power Distribution
- Power Generation
- Power Transmission
- Substations

Water

- Industrial Water & Wastewater
- Irrigation & Reticulation
- Municipal Wastewater
- Municipal Water

Resources

- Chemicals
- Minerals & Metals
- Oil & Gas

Defence

- Defence Material
- Defence Estate

UGL Footprint



Australia/NZ

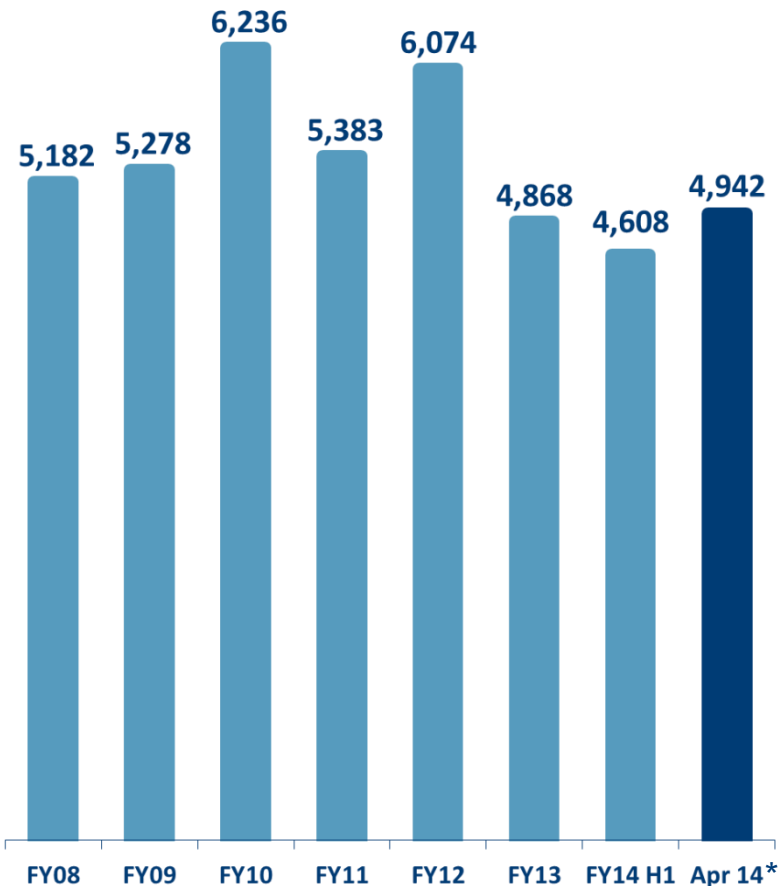
2 countries
6,435 employees

South East Asia

5 countries
213 employees

UGL Order Book

Historic Order Book (A\$m)



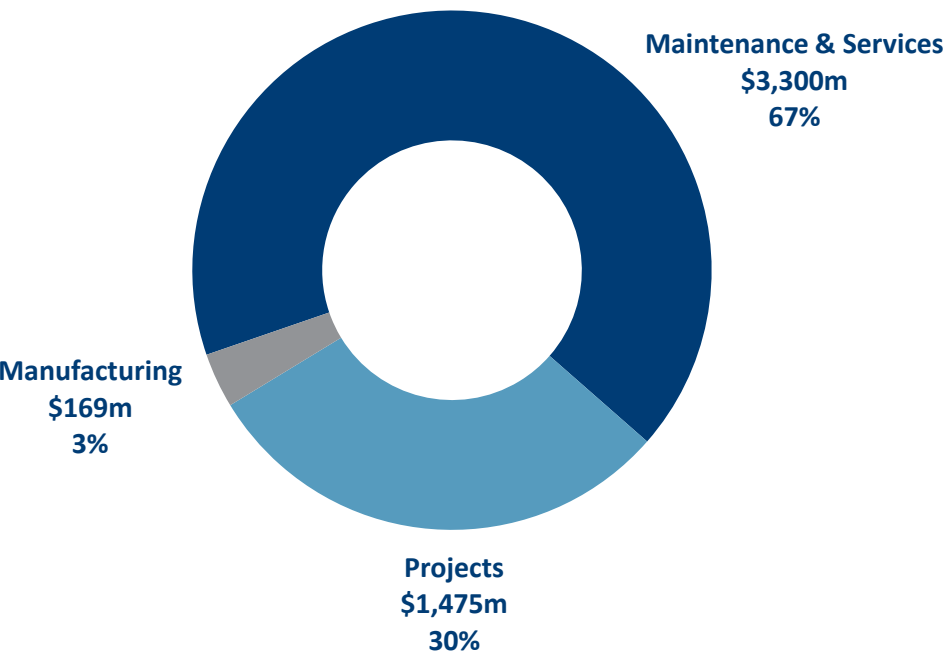
* As at 30 April 2014

Order Book Excludes Significant Value

Recurring maintenance	\$3.6b
<ul style="list-style-type: none"> • Historic renewal rate 90-95% • Value over five years • Excludes fixed term contracts 	
Options in existing contracts	\$2.8b
<ul style="list-style-type: none"> • Rail maintenance • Locomotive orders • Asset services 	
Preferred tenderer status (weighted)	\$0.8b

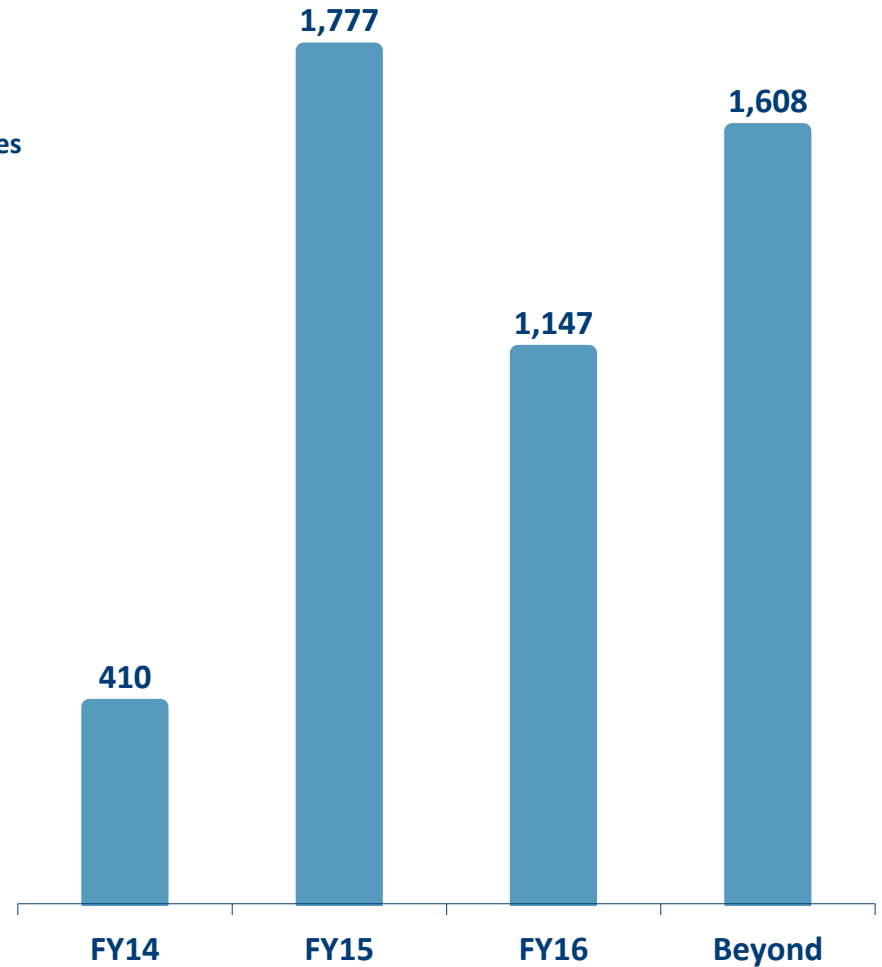
UGL Order Book Breakdown

By Type (A\$m)



Total Order Book = \$4.9b*

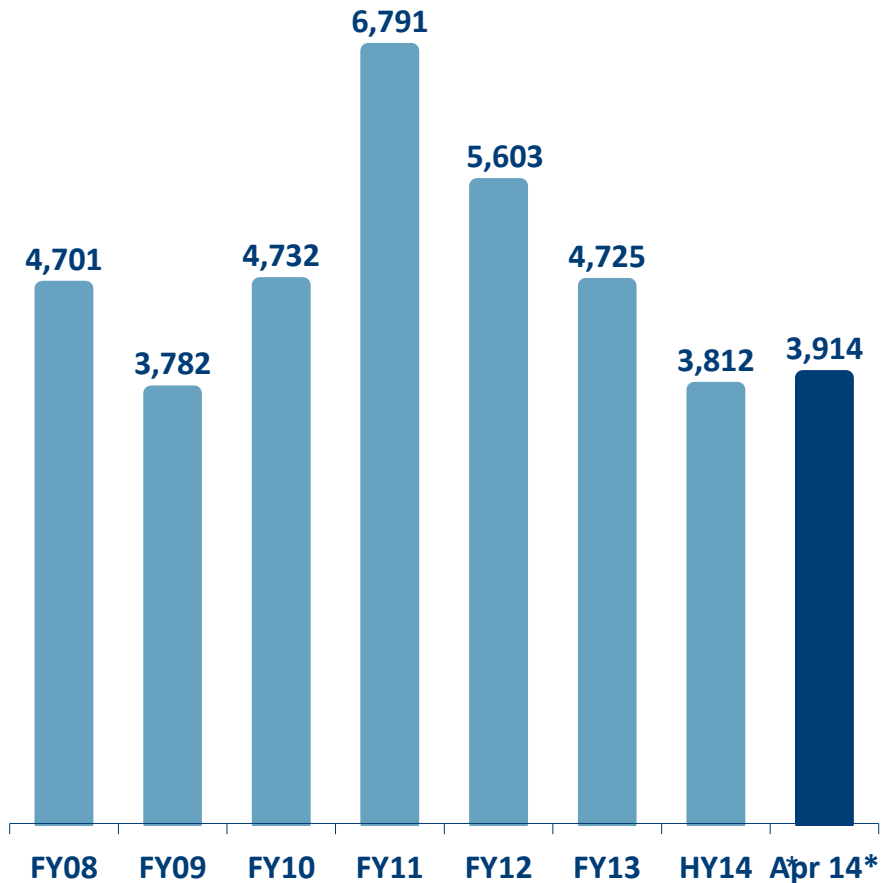
By Year (A\$m)



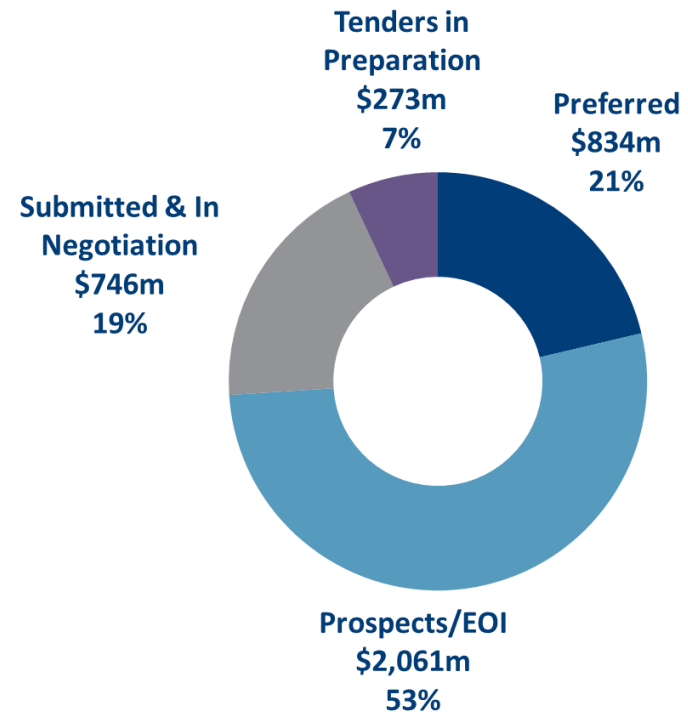
* As at 30 April 2014

Pipeline

Weighted and Qualified (A\$m)



Status* (A\$m)



- Preferred tenders and tenders submitted and in negotiation represent \$2.9 billion in unweighted opportunities

* As at 30 April 2014

Outlook

New contract wins and extensions*

- \$740m structural, mechanical and piping package for Ichthys LNG project (UGL Kentz JV)
- \$280m 4-year Stanwell power maintenance contract
- \$136m construction contract for the Newman to Roy Hill HV power system
- Over \$155m in various power systems projects in NSW, QLD, NT and VIC
- 5-year contract providing maintenance services for the operational phase of Chevron's WA assets
- Over \$100m in new freight locomotive orders across coal and iron ore sectors
- \$20m waste water treatment plant refurbishment
- \$2.0-2.5b upgrade of Pakenham-Cranbourne rail corridor in Victoria. UGL is a member of the consortium which is sole bidder for the project

Outlook

- Actively tendering for significant project opportunities in rail, transport, power and LNG
 - Shortlisted for North West Rail Link, M1-M2 and East West Link projects
- Opportunities in power sector, particularly substations, remain solid
- Broader public sector infrastructure spending is emerging
- Solid maintenance opportunities expected to emerge longer term as new assets come on line; particularly in oil & gas and power
- Strong opportunities in defence maintenance with outsourcing trend continuing
- Management expects FY14 revenue to be at similar revenue levels to FY13
- Further restructuring initiatives expected to provide improved margin performance into FY15
- Recent shift to a more favourable medium term outlook for Engineering with improving momentum in infrastructure opportunities

* As at 30 April 2014

Q&A

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