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TO: ASX Company Announcements

FROM: Dennis Mentzines

DATE: 27 October 2011

PAGES : 18 (inclusive)

SUBJECT: **Chairman's and Managing Director's addresses and presentation to 2011 AGM including FY2012 Guidance Update**

Please find attached the addresses from the Chairman and Managing Director for the UGL Limited AGM which will be held today at 2pm.

Yours faithfully

A handwritten signature in black ink, appearing to read "Dennis Mentzines", with a long horizontal flourish extending to the right.

Dennis Mentzines
Company Secretary



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UGL 2011 ANNUAL GENERAL MEETING

Chairman's Address
Trevor Rowe AO

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2011 Annual General Meeting
Thursday, 27 October 2011
Intercontinental Hotel, Sydney



maintaining today creating tomorrow

Chairman's Address
Trevor Rowe AO



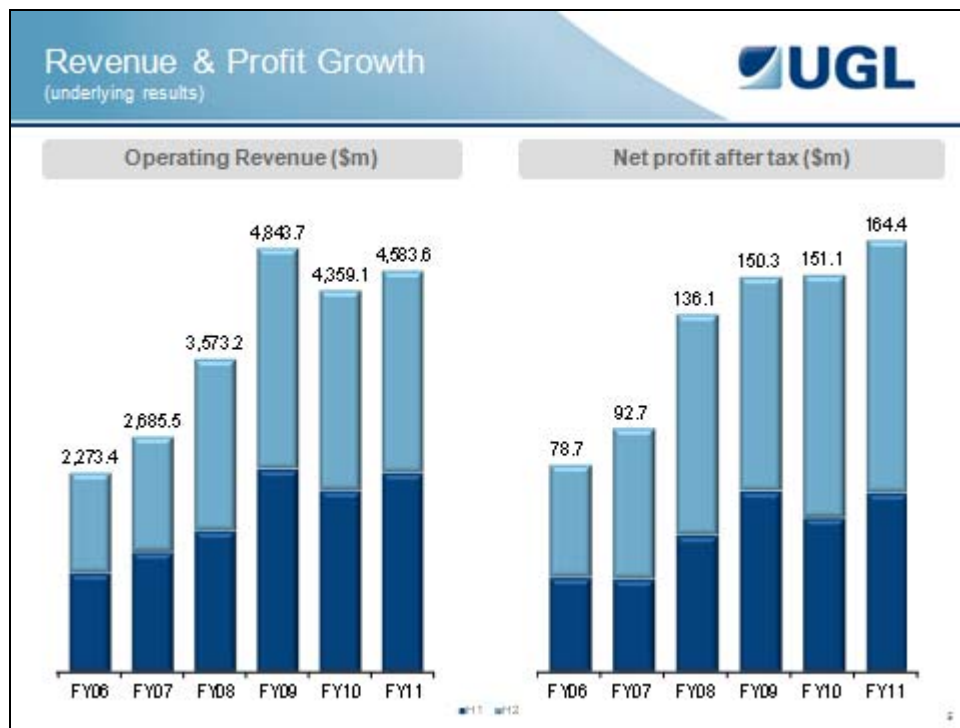
maintaining today creating tomorrow

I am very pleased to advise you that UGL has once again delivered an increase in profit performance during the financial year ended 30 June 2011. This year's result represents the tenth consecutive increase in net profit, and makes UGL stand out not only in its sector but across the broader market.

We have seen unprecedented volatility in world financial markets resulting in uncertainty and a crisis of confidence--this environment, I suspect, will be with us for some time accompanied by anaemic global economic growth. Consequently, this environment places considerable challenges on your Board and, in particular our senior management led by our Managing Director and CEO.

While the global macroeconomic environment remains very challenging, UGL is a stable and diverse business with the majority of our revenue recurring, generated from providing essential, non-discretionary services.

UGL's business model remains robust and with a strong focus on managing risk, has once again allowed us to deliver sustainable growth for shareholders.



I would just like to highlight a few of the key measures of our financial performance this year, which our Managing Director and CEO, Richard Leupen, will discuss in more detail later.

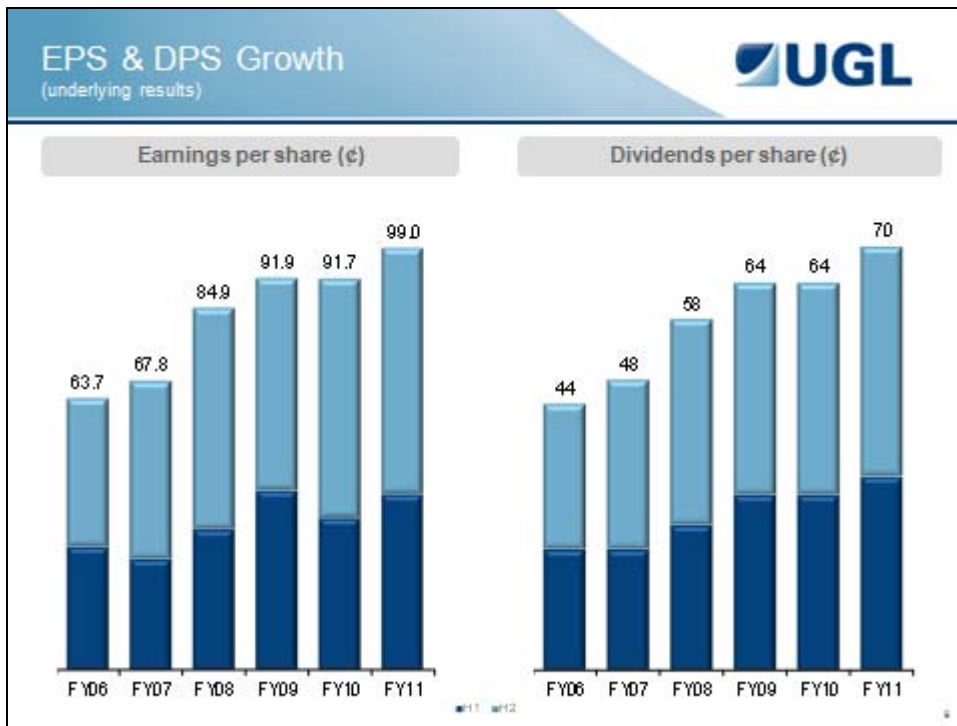
As these charts show, UGL has delivered a steady and consistent performance over an extended period of time and the 2011 financial year was no exception.

During the year, revenue increased 5 per cent to \$4.6 billion reflecting the quality, diversity and resilience of our business model and our stable base of long term recurring revenues.

Profit performance for the year was underpinned by record results in two of UGL's four operating businesses.

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Underlying net profit after tax for the period was a near record \$164.4 million, up 9 per cent on the prior year. UGL continues to place significant emphasis on risk management and this has been a key factor in delivering profitable growth.

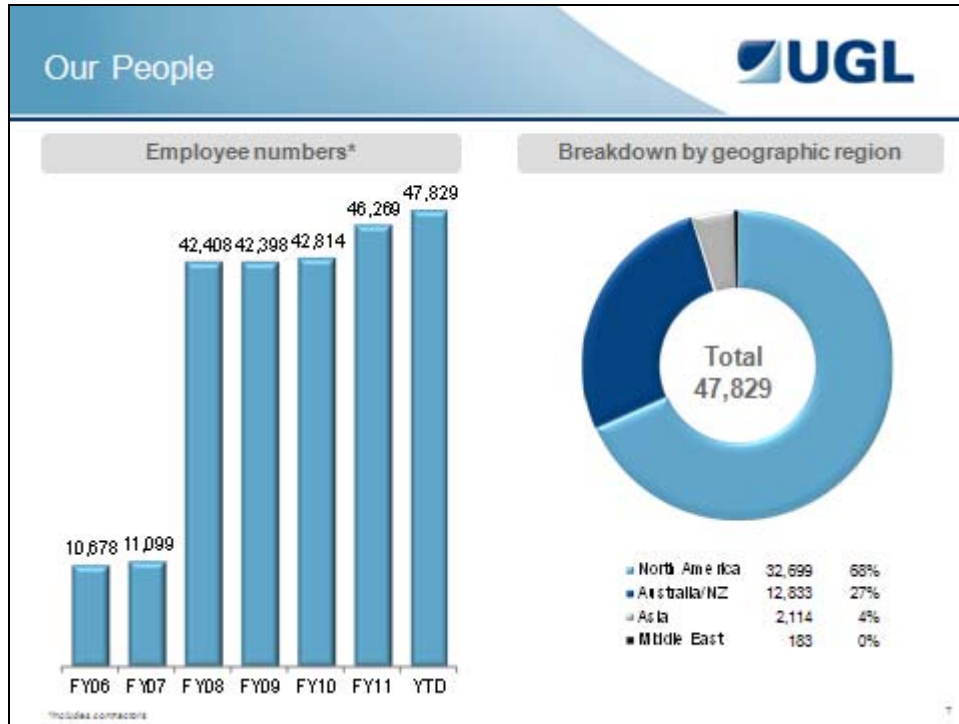


UGL's underlying EPS was up 8 per cent on the prior year to a record 99.0 cents.

This growth in earnings has allowed the Board to reward shareholders with a fully franked final dividend of 38 cents per share, taking total dividends for the 2011 financial year to 70 cents per share, fully franked - a record payout for UGL. The final dividend was paid to shareholders on the 8th of September.

We continue to maintain a strong balance sheet supported by a robust financial discipline and risk management framework across the organisation. This framework insulates UGL well into the future and provides us with the ability to internally fund long term growth for shareholders.

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As at the end of September, the size of the UGL team increased to nearly 48,000 people, up 12 per cent on the 2010 financial year. We now have nearly 33,000 people in North America, more than 12,800 people in Australia and New Zealand, 2,100 people in Asia and 180 people in the Middle East. The growth of our employee numbers across all of the geographic regions in which we operate reflects the ongoing expansion of our global capabilities. It is also the largest number of people ever employed by UGL.

We continue to focus on attracting and retaining the best people as the key differentiator in our businesses and the markets in which we operate is our people. A skills shortage remains one of the key challenges we face and the Board and senior management are working closely to introduce a range of initiatives to develop and promote our internal talent as well as attracting new external candidates to the Group.

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Board Programs & Initiatives



Board Renewal and Succession Planning

Diversity

I would like to now turn briefly to Board matters, including some of the programmes and initiatives we are undertaking. To ensure the Board remains independent with the depth and breadth of skills necessary to lead a growing global services company, we are committed to a continual programme to assess the skills, capabilities and diversity of the Board and this year has been no exception.

For the 2011 financial year, as part of its succession planning programme, the Board undertook an assessment and review of its performance. As a result of this review, the Board will appoint an independent external provider to undertake a review of the composition of the Board to ensure that the Board's three to five year succession plan meets the needs of the company. The framework for this review will be project-based with a number of discrete deliverables already identified. As Chairman, I will oversee this review to ensure that it delivers the requisite Board capabilities to fulfill UGL's future growth strategy and continues to deliver sustainable returns to our shareholders.

During the year, we were delighted to welcome Kate Spargo to the Board. Kate has significant public company and government experience both domestically and internationally, and she has strengthened the Board's collective skills and experience. We have made good progress in our search to find a further new non-executive director and hope to be in a position to update you shortly.

We are joined here today by Richard White who is standing for re-election to the Board. Richard has been a Director of UGL since July 2006 and the Board unanimously supports his re-election. I am also standing for re-election this year and I will talk in more detail once we come to the formal election proceedings.

The Board remains committed to ensuring UGL's employees have every opportunity for career development irrespective of race, gender, ethnicity, age or other factors. A number of initiatives are now in place to improve the level of diversity across the Group.

As highlighted at last year's annual meeting, we are committed to enhancing gender diversity throughout UGL with the objective of improving the participation of women in our

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workforce. To this end, the Board has this year established a number of measurable objectives to strengthen gender diversity across the organisation.

To mention just a few of these initiatives, the Group is undertaking an audit of pay levels to identify any gaps in remuneration levels; implementing formal training programmes including a Mentoring Programme for career development and support womens' progress into senior management positions; implementing a programme to engage women engineering graduates at the university level; as well as providing diversity performance indicators to align diversity initiatives with senior executive KPIs.

In addition to the Group's commitment to gender diversity, Kate Spargo and I are both highly active in the Australian Institute of Company Directors Mentoring Programme. This programme is designed to introduce women who may be suitable for director roles to the chairmen and other experienced directors of ASX 200 listed companies.

In closing, the Board firmly believes UGL is in a strong position to continue to deliver long term, sustainable returns to shareholders as we capitalise on the growth opportunities available to us. Although finding ourselves in an environment of global economic uncertainty, UGL is well placed to withstand these challenges given the Group's financial strength, risk management framework and quality of its management team.

Today UGL has nearly 48,000 people located throughout the world and we are grateful for their hard work and commitment under the leadership of our Managing Director and CEO, Richard Leupen. On behalf of the Board, I would like to thank them all for their contributions which have been instrumental in delivering this very strong result.

I would also like to take this opportunity to thank our shareholders, customers and partners for their continued support.

I will now hand over to Richard to provide an overview of the 2011 financial year and provide further information on market conditions as well as the outlook for UGL.

Managing Director and CEO's Address
Richard Leupen



Thank you, Trevor and good afternoon ladies and gentlemen.

I'd like to join the Chairman in extending a warm welcome to UGL's Annual General Meeting for 2011.



Group Highlights

Business Discipline Delivering

- Strong focus on risk management
- Securing and executing projects on acceptable trading terms
- Building greater recurring revenue streams

Our Business model driving results

- Diversified revenue streams driving profit
- Strong financial discipline
- Partnering with blue-chip customers and government

Growth Continuing

- Stable order book at \$8.2 billion underpins future operations
- Assessing numerous growth opportunities
- Solid bidding pipeline and preferred tenders

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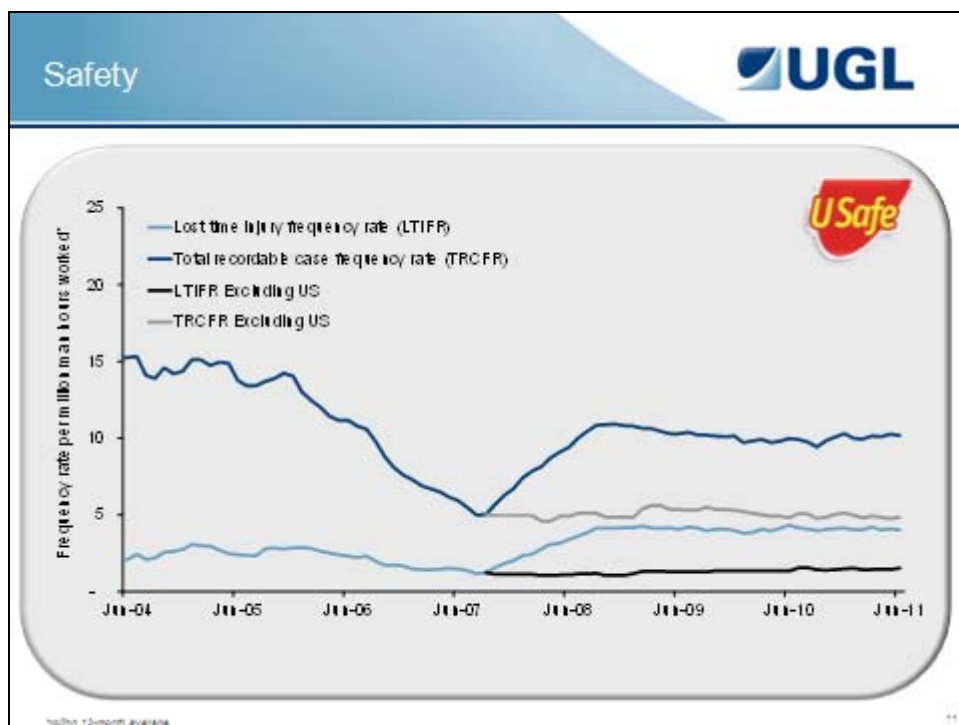
As the Chairman highlighted, UGL's strong operating and financial performance in the 2011 financial year reflects the reliability, diversity and resilience of our essential services business model. Executing on our business model and our continued strong focus on risk management have underpinned UGL's performance in the 2011 financial year, allowing us to deliver our tenth consecutive year of profit growth.

Despite the still challenging macroeconomic conditions globally, UGL has delivered a number of noteworthy highlights. Throughout the year, all of UGL's businesses strengthened their operational performance, with two of UGL's four businesses contributing record financial performances, together with the Group.

We secured over \$4 billion in new project wins and extensions, allowing us to build on our strong recurring revenue base across a number of growth sectors globally. We remain focused on our core strategy of partnering with blue chip companies and government agencies, successfully executing contracts on commercial and balanced trading terms.

UGL maintains a healthy balance sheet with the financial flexibility to pursue growth opportunities as they arise within a disciplined framework. This includes investment in our growing businesses in India, China and the Middle East, as well as our more established businesses. We continue to place significant emphasis on risk management and financial discipline, as these are key factors in continuing to deliver profitable growth.

The 2011 financial and operational results demonstrate that across our core sectors of resources, infrastructure, rail and property services, UGL remains a trusted and reliable partner - a platform which successfully positions us to continue to generate sustainable future profit growth.



The safety of UGL's people remains our most important priority and this year, we have raised the bar in terms of safety management. The Group has invested heavily in new systems, processes and training under our U Safe programme to ensure the wellbeing of our people.

We are further developing the UTrac safety database to proactively measure lead indicators to identify and implement safety improvements.

We continue to retain the services of a world renowned safety expert who is engaging with our teams to develop sustainable improvement strategies throughout the world.

In the 2011 financial year, in excess of 90 per cent of UGL's workplaces were lost time injury free. The lost time injury frequency rate for UGL's domestic operations was steady at 1.4 and globally, the lost time injury frequency rate was 3.9. Our North American business, which employs nearly 33,000 people, showed steady improvement.

With a sizable global workforce which continues to grow, it is essential that we provide them with the security that their safety is our first priority through our ongoing commitment to safe work processes, procedures and workplaces.



We remain mindful of the uncertainty created by the ongoing challenges in the macroeconomic environment globally. The European debt crisis, slow US economic recovery, global commodity prices and the proposed introduction of various taxes domestically have all impacted the confidence of the markets in which we operate.

Despite these broader market challenges, our long term strategy of being a leading provider of essential services across a number of key growth sectors and geographical regions has deliberately positioned UGL to respond well to current market conditions. Our focus is on enhancing annuities and client operations – an ongoing need which will sustain our future demand.

Domestically, we anticipate strong growth opportunities across the infrastructure, rail and resources businesses. These opportunities are primarily a result of very high levels of private investment in the iron ore and coal sectors which continue to be supported by public infrastructure investment.

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The global trend to outsource essential, non-core services by both blue chip multinational corporations and government agencies continues to provide a significant opportunity for growth for our property services business. Independent research estimates that the global market for corporate real estate services and integrated facilities management is approximately \$120 billion. As UGL continues to build its global footprint in property services, we are well positioned to benefit from this growth opportunity.

UGL has the balance sheet to support growth organically, through acquisitions or joint ventures and other partnerships as they arise. Acquisitions, if undertaken, would only be performed on terms that provide acceptable returns for our shareholders.

Our strong order book, conservative financial position, excellent talent pool, growing international footprint and enviable blue-chip customer base positions UGL to continue to deliver profitable growth.

Divisional Overview		UGL
UGL Infrastructure	<ul style="list-style-type: none"> • Power generation and transmission growing • Strengthened presence in power sector – two major wins in Queensland and NZ • Improved margin performance • Bidding activity stable in key sectors 	
UGL Rail	<ul style="list-style-type: none"> • Margin growth • Oscar3 performing well • Ongoing improvement in MTM Melbourne train franchise • Strengthened presence in minerals 	
UGL Resources	<ul style="list-style-type: none"> • Building pipeline of maintenance projects • Strengthened presence in oil and gas sector • Turnaround in performance of major construction projects • Expanded presence in minerals sector 	
UGL Services	<ul style="list-style-type: none"> • Stable revenue and earnings contribution • Turnaround of US Corporate Real Estate Services business continues • Ongoing improvement in Australia & NZ business • International expansion continues – Middle East and China 	

Throughout the year, all of UGL's businesses strengthened their operations, with over \$4 billion worth of new project wins, continued international expansion and largely successful project execution.

UGL Infrastructure performed strongly with revenue of \$1.1 billion while EBIT grew 6 per cent to \$83.3 million. The performance was driven by strong results across all key business segments including transport, communications, power and water. UGL has around \$2 billion of infrastructure tenders in progress supporting future growth of the business.

Healthy levels of activity in the freight and passenger segments of UGL Rail delivered revenue of \$1.2 billion while EBIT grew 53 per cent to \$84.8 million, a strong turnaround in performance in the 2011 financial year. Ongoing improvement in the Melbourne MTM franchise, the success of the OSCar 3 program with deliveries on time and ahead of budget, and excellent project delivery in both manufacturing and maintenance contracts has supported the growth in our rail business.

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Looking forward, we expect to actively participate in the large and lengthy pipeline of freight and passenger rail supply and maintenance opportunities arising over the longer term, delivering sustainable growth in our rail business.

UGL Resources delivered an improving performance in 2011 with EBIT of \$44.0 million on revenue of \$959.0 million. The business recovered strongly in the second half of the year off the back of more stable project performance and continued growth in asset services markets.

A record \$11 billion pipeline of tendering opportunities has been identified by the Resources business, particularly in the iron ore and coal sectors, which will support long term growth within the business.

UGL Services generated stable revenue of \$1.3 billion for the year while EBIT increased 7 per cent to \$76.5 million, including the negative impact of the strong Australian dollar against the US dollar. The improved business performance was driven by a continued recovery in the US corporate real estate services business, strong contributions from Asia and a ramp up of activities in the Middle East and China. The business is well placed to continue its long term business expansion supported by strong customer relationships and a robust tendering environment.

I'd now like to show you a few examples of projects won or carried out over the past 12 months across each of our businesses. These projects provide insight into UGL's business model, customer relationships, growth options and success in the marketplace.



In August 2010, UGL, in collaboration with TransGrid, successfully completed the Western 500 kV Project, a \$200 million electricity network upgrade that allows the cities of Wollongong, Sydney and Newcastle to more efficiently connect with the major electricity generation regions of the Central Coast, the Western coalfields and the Hunter Valley. The Project was New South Wales' biggest 500kV development and the National Electricity Market's largest ever demand management project.

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Through careful project staging and collaborative project management, UGL and TransGrid delivered the four new 500/330 kV substations three months ahead of schedule and under budget - a great achievement.

As a result of our work on the Western 500 kV Project, UGL and TransGrid recently won the 2011 Engineering Excellence Award for Infrastructure Projects. The Project also received Highly Commended recognition in the Project Management category. We are extremely proud of both awards.

The project is a great example of the strength of UGL's partnerships and the way UGL and its alliance partners work collaboratively to create the critical infrastructure that services major population centres.



Last year, I spoke about the third stage of the Outer Suburban Railcar (OSCar) project with RailCorp in New South Wales. We are now well into the third stage of this project and continue to deliver trains not only on budget, but also early, against a tight timeline.

I am very proud to tell you that UGL, together with RailCorp, was recently awarded a Project Management Achievement Award from the Australian Institute of Project Management for its work on the third stage of the OSCar project. This is an outstanding achievement and reflects our very strong partnership and excellent working relationship with RailCorp as well as the dependability of UGL's manufacturing and technology partners including Mitsubishi.

Due to the success of the OSCar 3 project, UGL recently secured an order for a further 25 cars which is a solid endorsement of our strong, long term partnership with RailCorp. We are also proud of the fact that that OSCar trains are becoming one of RailCorp's largest fleets totalling 221 cars on completion of the latest order.

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CITIC Pacific Mining – Sino Iron project



UGL is currently operating in Western Australia's Pilbara region supporting CITIC Pacific Mining in the delivery of essential pieces of infrastructure at its Sino Iron project.

UGL is engaged in a number of capacities: to complete the construction and commissioning of a 51 gigalitre desalination plant, constructing the sub-station and transmission lines associated with the mine's 450 megawatt Combined Cycle Power Station, whilst also completing the construction of the power station itself and facilitating its commissioning.

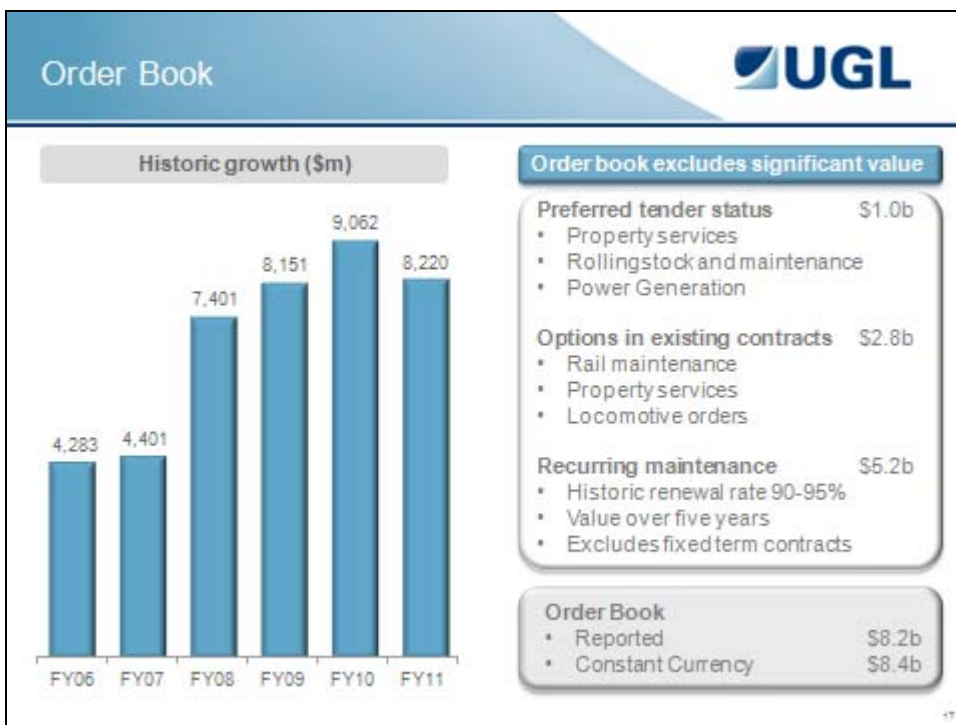
Sino Iron is a significant project for UGL reflecting our depth of experience in the iron ore sector, our in-house engineering resources, expertise across multiple technical disciplines and our niche completions capability which were key to our engagement on this project.

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As an example of the success our property services business has achieved this year, UGL, as part of a consortium, secured a \$500 million, 25-year contract to provide facilities management services and lifecycle management to the Singapore Sports Hub, the largest sports facility infrastructure Public Private Partnership project in the world.

To give you an idea of the scope of services UGL provides, the contract covers planned and preventative maintenance services, lifecycle services, cleaning, security, estate management, helpdesk, utilities, and car parking management.




The strength and resilience of UGL is demonstrated in the quality of our order book.

As at the end of June 2011, UGL's order book remains healthy at \$8.2 billion. The quality and diversity of the order book remains high, with over 73 per cent of the order book made up of long term recurring maintenance style contracts across more than 1,400 projects.

Our order book excludes around \$1.0 billion worth of projects for which UGL is preferred; \$2.8 billion worth of options on existing contracts; and recurring contracts which are expected to add \$5.2 billion in revenue over five years and have an historical renewal success rate in excess of 90 per cent.

As always, our order book is very conservative and includes only signed contracts and firm ongoing activities. Our pipeline of opportunities however, provides us with a stable base of revenue growth for a number of years to come.

Turning now to the outlook for UGL.

Group Outlook


Stability and discipline


- Risk management
- Sticking to our core sectors
- Protecting future earnings by sensible bidding practices
- Building greater stability in order book

Growth drivers remain

- Business model unchanged
- Strong financial position – low debt and low cost base with no major capex
- Governments and blue chips deliver multiple earnings streams
- Exposure to growth sectors

Targeting growth in FY2012

- Order book is stable with further upside
- Pipeline of bidding is robust and visible
- Assessing additional growth opportunities in our key sectors



While global economic conditions remain very challenging, UGL's businesses have performed solidly in the first quarter of the 2012 financial year.

UGL was awarded approximately \$450 million in new contracts and extensions across all UGL businesses globally to both existing and new customers - further evidence of our ability to lock in stable, long term recurring revenue streams on sensibly balanced trading terms.

In Australia generally, we are encouraged by the increasingly active bidding and enquiry pipeline across the infrastructure, rail and resources businesses. Tendering levels continue to grow and are now approaching levels experienced prior to the global financial crisis.

Our corporate real estate services and facilities management businesses are also seeing solid momentum across all regions with discretionary spend and investment decisions largely unaffected by the global economic uncertainty however, we continue to monitor this closely.

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After undertaking a detailed review of our businesses, we have assessed the potential impact of global economic conditions on the outlook for earnings. We are currently forecasting underlying NPAT growth of around 5 percent for the 2012 financial year. This is of course subject to how global economic conditions unfold over the course of the year and its potential impact on project activity.

We are confident that by remaining focused on our deliberate strategy of securing and executing projects on balanced and commercial trading terms, maintaining the quality of our order book and continuing to place significant emphasis on risk management positions us well to ride out the current financial market volatility and deliver profitable growth in the 2012 financial year.

Finally, I would like to take this opportunity to join the Chairman in thanking our team whose contribution has once again been outstanding. I would also like to thank our shareholders, customers and partners for their continued support.

I will now hand back to Trevor to turn to the formal business at hand.



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Reconciliation to Underlying Results



\$m	FY11	FY10	Change
Consolidated revenue	4,290.1	4,191.5	98.6
Add: Revenue from joint ventures & associates	298.5	172.1	126.4
Less: Interest income	(5.0)	(4.5)	(0.5)
Total segment revenue	4,583.6	4,359.1	224.5
EBIT	236.6	216.6	20.0
Add: Amortisation of acquired intangibles	9.8	11.0	(1.2)
Add: Tax on equity accounted income	3.0	1.7	1.3
Underlying EBIT	249.4	229.3	20.1
Tax	(57.1)	(52.3)	(4.8)
Less: Tax on amortisation of acquired intangibles	(3.9)	(4.4)	0.5
Less: Tax on equity accounted income	(3.0)	(1.7)	(1.3)
Underlying tax	(64.0)	(58.4)	(5.6)
NPAT (attributable to owners of the company)	158.5	144.5	14.0
Add: Amortisation of acquired intangibles (after tax)	5.9	6.6	(0.7)
Underlying NPAT	164.4	151.1	13.3

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