



Australian Stock Exchange
Company Announcements Platform
5 June 2013

UXC Limited
ABN 65 067 682 928

MARKET ANNOUNCEMENT

Investor Presentation

UXC Limited hereby releases the attached presentation to be given by the Managing Director, Mr Cris Nicolli, and the Finance Director & Company Secretary, Mr Mark Hubbard, to the Morgan Stanley Emerging Companies Conference on 5 June 2013.

For more information please contact:

Mr Cris Nicolli
Managing Director
UXC Limited
(613) 9224 5777

Mr Mark Hubbard
Finance Director / Company Secretary
UXC Limited
(613) 9224 5757

Toll free shareholder
information line:
1800 092 092
www.uxc.com.au

ABOUT UXC LIMITED

UXC Limited is an S&P/ASX 300 listed Australian business solutions company, and the largest Australian owned ICT consultancy firm. UXC services medium to large entities in the private and public sectors across Australia and New Zealand.

UXC provides ICT Solutions in Consulting, Business Applications and Infrastructure that support our customers to design, implement & enhance, and operate & manage their ICT requirements.

UXC strives to be the leading Australasian IT Services and Solutions Company, delivering value, innovation and responsive business outcomes with excellent people.



Morgan Stanley
Emerging Companies Conference
UXC Limited
Extending Our Track Record

Cris Nicolli, Managing Director
Mark Hubbard, Finance Director / Company Secretary

5 June 2013

Contents – Extending Our Track Record



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A more competitive, consistent and profitable UXC is continuing to evolve



Vision & Competitive Position



Our Vision

- To be the leading Australasian IT Services and Solutions Company, delivering value, innovation and responsive business outcomes with excellent people

Our Competitive Position

- To be recognised as the leading alternative to the multi-nationals through good customer retention and large new account wins with the leading Applications businesses driving growth and earnings

A more competitive, consistent and profitable UXC is continuing to evolve



UXC – the Integrated Model



> Who we are

CONSULTING AND PROFESSIONAL SOLUTIONS

UXC Consulting
UXC Professional Solutions
UXC Engineering Solutions

ENTERPRISE APPLICATIONS

UXC Eclipse (Microsoft Dynamics)
UXC Red Rock (Oracle)
UXC Oxygen (SAP)
UXC Cloud Solutions (NetSuite)

ICT INFRASTRUCTURE

UXC Connect

> What we do

- Advisory Research
- Strategy & Architecture
- Business Transformation
- Project, Program & Portfolio Management
- Business Analysis
- Technical Design
- Communications Consulting
- Training

- ERP, CRM
- Analytics & Business Intelligence
- HCM
- Supply Chain Management
- Corporate Performance
- Enterprise Content Management
- Financials

- Network Infrastructure
- Unified Communications
- Data Centre Optimisation
- Workspace Virtualisation
- Managed Services & Support
- Enterprise Mobility
- Contact Centre
- Entertainment & Content
- IP Video Surveillance
- Outsourcing & Cloud

> How we do it

Design

Implement & Enhance

Operate & Manage

> Customers

Health > Utilities > Government > Financial Services > Manufacturing > Resources > Telco



> Our Differentiators

UNIQUE BREADTH, DEPTH AND SIZE

LEADING ENTERPRISE APPLICATIONS CAPABILITY

1300+ Staff

- > #1 Oracle in Australia and Asia Pacific
- > Global Leader in Microsoft – AX Global Partner FY11
- > Top 2 in SAP
- > Leading Business Intelligence practice
- > Strong Integration, Project and Risk Management



INNOVATIVE ICT INFRASTRUCTURE OFFERINGS

650+ Staff

- > Unified Communications
- > Networking Infrastructure
- > Outsourcing
- > IP Video Surveillance
- > Managed Services
- > Contact Centre
- > Workspace Virtualisation
- > Cloud Solutions
- > Enterprise Mobility
- > Entertainment & Content



DYNAMIC CONSULTING & PROFESSIONAL SOLUTIONS

540+ Staff

- > Communications
- > IT Service Management
- > Project & Program Management
- > Integration and Testing
- > Application Development
- > Business Analysis
- > Business Transformation
- > Engineering Solutions
- > Data Migration
- > Business Intelligence



Competitive Landscape – UXC is #2

Business & IT Consulting*	
Company	Market Share CY2011 %
1 IBM	9.8%
2 UXC	6.7%
3 Accenture	6.6%
4 KPMG	5.1%
5 Ernst & Young	4.5%
6 PricewaterhouseCoopers	4.2%
7 CSC	4.0%
8 Deloitte	3.9%
9 SMS	3.3%
10 Salmat	2.0%
11 Booz Allen Hamilton	1.7%
12 HP	1.2%
13 SAP	1.1%
14 Oakton	1.0%
15 Capgemini	0.9%
16 McKinsey & Co.	0.9%
17 Infosys	0.8%
18 CPT Global	0.8%
19 Oracle	0.8%
Other Providers	39.7%

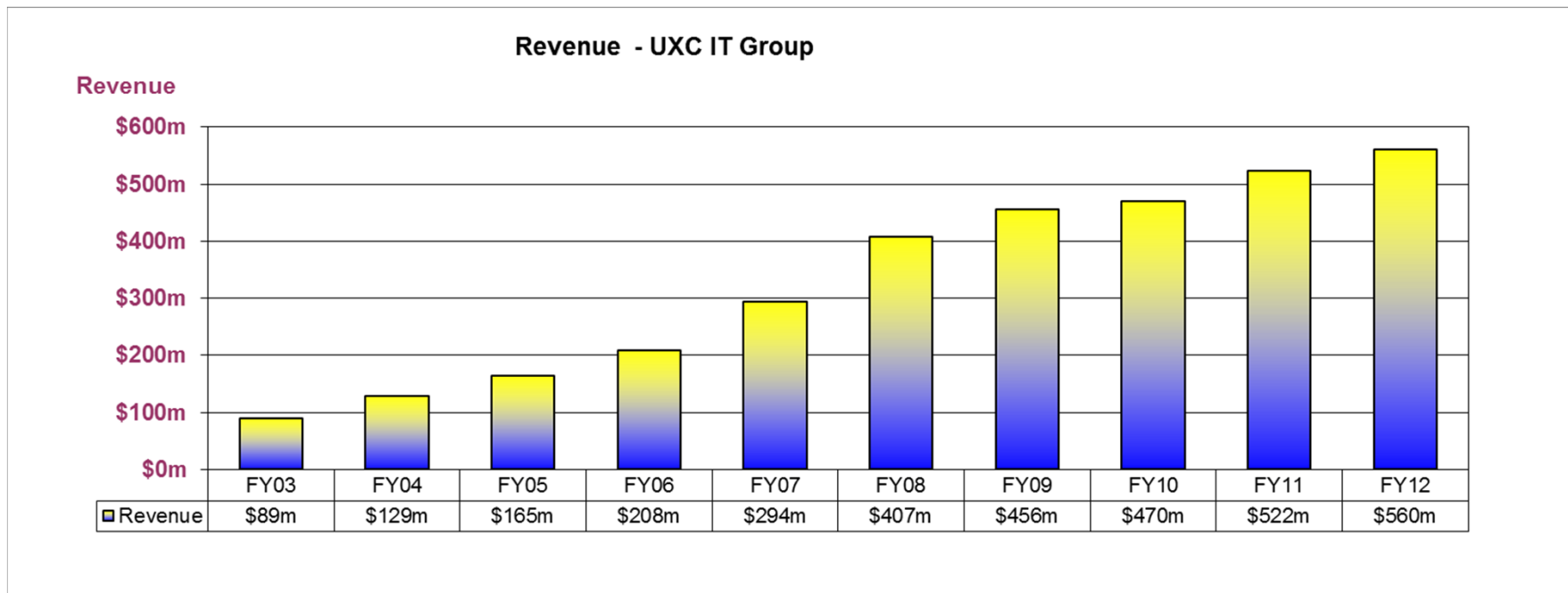
Software Support	
Name	Market Share CY2011 %
1 HP	13.0%
2 Oracle	4.4%
3 Salmat	3.6%
4 IBM	3.2%
5 Accenture	2.6%
6 Microsoft	2.3%
7 SAP	2.2%
8 Symantec	2.2%
9 UXC	2.1%
10 CSC (Comp.Sci.Corp.)	1.8%
11 Sage	1.8%
12 Cisco	1.7%
13 Datacom	1.3%
14 CA Technologies	1.2%
15 Mahindra Satyam	1.1%
16 Dimension Data	0.9%
17 Software AG	0.9%
18 Fujitsu	0.9%
19 Parametric Technology	0.9%
Other Providers	51.9%

- Includes consulting work performed by UXC enterprise applications businesses

Source: Gartner IT Services Market Share Survey 2011 (Australia), Published May 2012

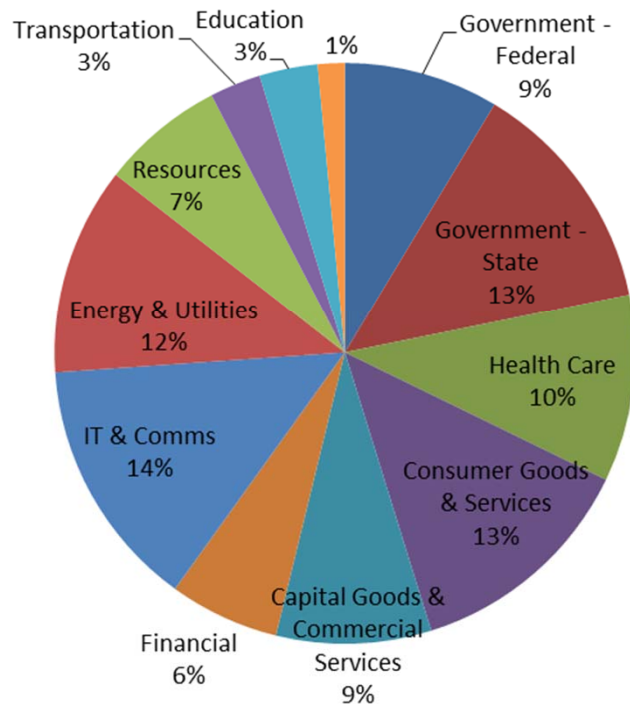


Our record of growth



Customer Sectors & Acquisition

UXC Customer Revenue by Sector



Customer Acquisition & Spend

Revenue pa	New Customers	Total No. Customers
>\$20M	1	4
>\$5M	6	16
>\$1M	9	82
Total	16	102

- We acquired further million dollar-plus customer in 1HFY13

Select Movements from the PCP:

- Energy & Utilities up to 12% from 7%
- Consumer Goods up to 13% from 11%
- Health Care up to 10% from 9%
- Government steady at 32% including Health

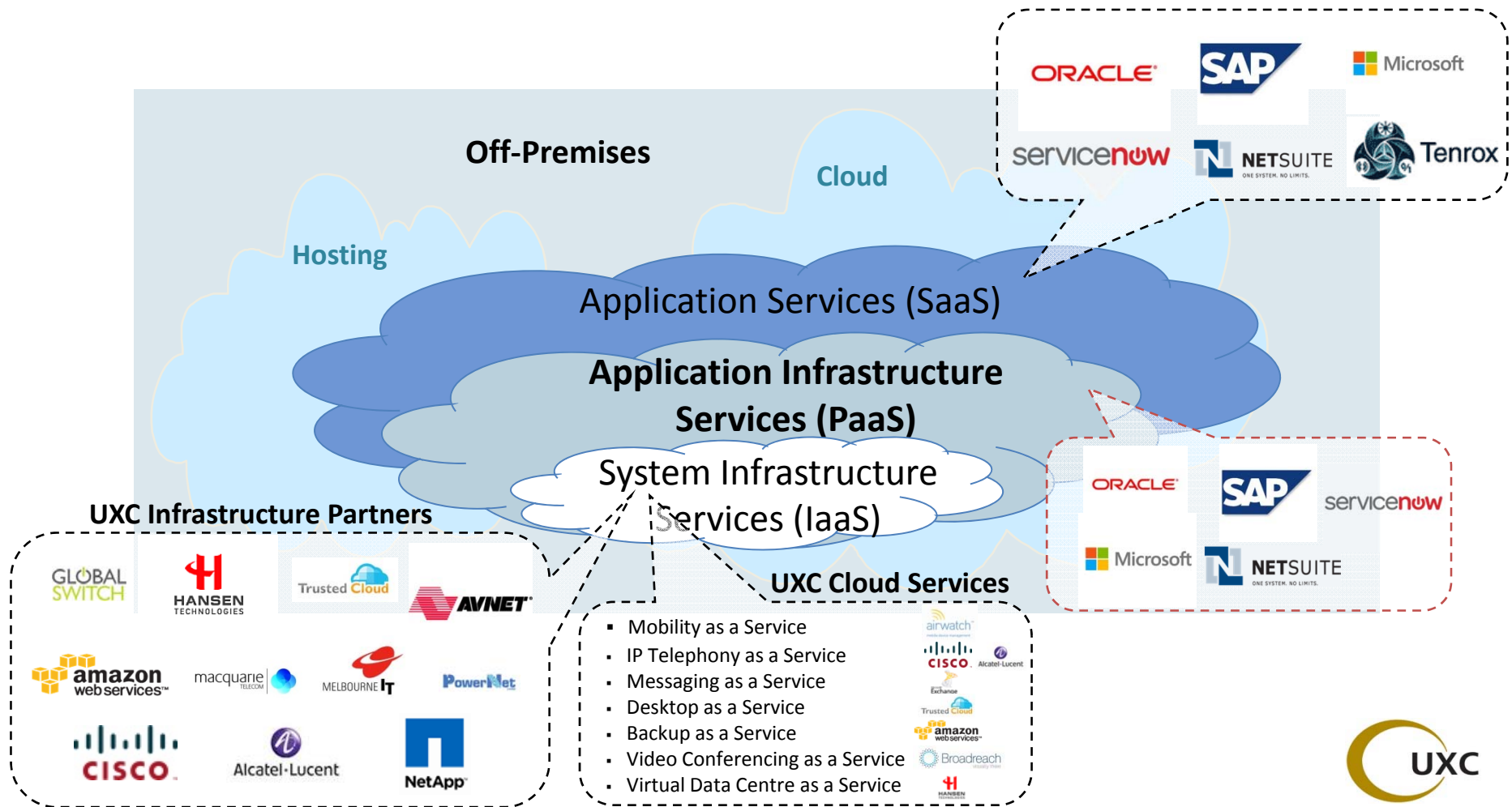


Staff Numbers (Employees and Contractors)



State / Region/Country	31-Dec-12	30-Jun-12	
New South Wales	846	740	Mid market growth
Victoria	894	783	Major Projects driving increase
Queensland	205	190	Ramping for new contracts
Australian Capital Territory	170	168	New Government Projects
Western Australia	88	73	Infrastructure spending increasing
South Australia	51	78	
Tasmania	34	34	
Total AUSTRALIA	2,288	2,066	
New Zealand	149	161	
North America	65	45	CSA Acquisition
Fiji	26	28	Using for off shore resourcing
Asia	7	7	Singapore
TOTAL	2,535	2,307	

UXC Cloud Solutions Portfolio Map



Highlights – Extending Our Track Record

Delivered the next phase of strategy execution - fourth consecutive half

- **Delivered Earnings Improvements:**
 - > NPAT from Continuing Ops up 59% from pcp to \$7.5m
 - > EPS from Continuing Ops up 59% from pcp to 2.46 cps
 - > Underlying PBT up 29% from pcp to \$11.0m
 - > Underlying EBITDA up 17% from pcp to \$14.4m
- **Grew revenue** by 7.3% from pcp to \$275m; all but \$5.8m of growth organic
- **Improved Cash flow** from operations by 45% from pcp
- **Delivered margin improvement** in each operating segment relative to pcp
- **Won large new contracts**, including Gold Coast University Hospital (>\$40m), Hydro Tasmania (~\$25m) and Queensland Health prime systems integration panel contract
- **Board refresh** significantly progressed
- **Improved shareholder returns** by declaring a 1.75cps interim dividend fully franked, up 75% from pcp
- **Finalised four acquisitions** in our most profitable and strategic sectors

A more competitive, consistent and profitable UXC is continuing to evolve



Financial Performance

<i>From Continuing Operations only</i>	1HFY13	1HFY12	% Change vs pcp	Notes
Revenue	\$274.6m	\$255.9m	7.3%	Strong client support & customer wins
EBITDA underlying ¹	\$14.4m	\$12.3m	17%	More competitive, simplified UXC
EBITDA Margin % underlying ¹	5.2%	4.8%	-	Key driver of future earnings growth; margin improvement is highest priority
PBT underlying ¹	\$11.0m	\$8.5m	29%	Cessation of non-recurring charges
PBT reported	\$11.0m	\$6.5m	69%	
Net Profit After Tax	\$7.5m	\$4.7m	59%	Realising continuing earnings power
Basic EPS cps	2.46	1.55	59%	All earnings growth delivered to EPS
Cash Flow from Ops	(\$9.5m)	(\$17.2m)	45%	Reduction in first half use of cash
Dividends per share	1.75 cps	1.00 cps	75%	Commitment to improve shareholder returns
Net Cash / (Debt)	\$5.5m	(\$1.6m)	-	Strong balance sheet
ROE %	9.0%	6.4%	-	Focus on capital management

¹ underlying is exclusive of \$2m of net non-recurring charges for impairments, sales and transformations costs impacting on 1HFY12

Revenue up 7.3% to \$275m



REVENUE	1HFY13	1HFY12	% Change vs pcp
Consulting	\$48.9m	\$42.0m	16%
Applications	\$139.0m	\$116.4m	19%
Infrastructure	\$92.2m	\$98.1m	(6%)
Eliminations	(\$5.3m)	(\$0.6m)	
Total	\$274.6m	\$255.9m	7.3%

- Record revenue for pure IT company – all but \$5.8m of growth organic
- Strong customer support, large contract wins and market share gains
- Momentum built through previous 12 months notwithstanding weak economic conditions & contract deferrals, such deferrals particularly affecting the Infrastructure segment with a key customer now contracted



Segment Profitability

<u>UNDERLYING PBT</u>	1HFY13	1HFY12	% Change	1HFY13	1HFY12	Med Term
<u>& MARGIN BY SEGMENT</u> ¹	\$	\$	vs pcp	%	%	Target
Consulting	\$3.9m	\$2.7m	44%	8.0%	6.4%	12%
Applications	\$12.6m	\$10.4m	21%	9.1%	9.0%	12%
Infrastructure	\$1.8m	\$1.9m	(4%)	2.0%	1.9%	5.5%
Unallocated	(\$7.4m)	(\$6.5m)	14%			
Total PBT	\$11.0m	\$8.5m	29%	6.7%	5.8%	

- Consulting recovering well in a difficult market
- Applications continuing to show strong growth
- Infrastructure impacted by key client deferrals now contracted
- Unallocated segment includes costs in winning key Queensland Health contracts
- Satisfactory progress towards medium term August 2013 Margin exit targets given seasonality weighted to second half



¹ underlying is exclusive of \$2m net non-recurring charges for impairments, sales and transformations costs impacting on 1HFY12

Major Cash Flow Items Explained

	1HFY13	1HFY12
Opening Cash	\$40.5m	\$29.2m
Payments for:		
Income Tax	(\$2.5m)	(\$1.0m)
Acquired Businesses (net)	(\$11.8m)	(\$0.7m)
Cap Ex and Other Intangibles ¹	(\$6.2m)	(\$1.9m)
Dividends	(\$7.2m)	-
Capital return & share buy back	(\$0.2m)	(\$7.1m)
Debt reduction (net)	-	(\$33.8m)
Other (net cash outflow from ops)	(\$6.9m)	(\$16.1m)
Proceeds from:		
Sale of businesses	\$0.2m	\$48.5m
Borrowings (net)	\$8.1m	-
Other	\$0.1m	-
Closing Cash	\$14.1m	\$17.1m

Cash flow affected by seasonal factors that affect working capital:

- Peak cash receipts in the June quarter from government procurement and license sales
- Related disbursements made in the September Quarter
- Cash flow is expected to generally be equivalent to EBITDA for FY13, consistent with prior years
- We have a continued focus on the management of working capital metrics and cash flow

¹ Cap Ex includes \$2.2m of leasehold improvements for fit out of two capital city offices now housing all UXC business units pursuant to a strategic consolidation of premises to reduce costs



Focus on Capital Management

- Interim dividend of 1.75 cents per share fully franked – a 75% improvement from the previous corresponding period
- Improved payout ratio of 64% on EPS attributable to members
- Available franking credits to support continued payment
- Buy Back Program Policy:
 1. Accretive prices
 2. Balance sheet remains conservative
 3. Must be attractive relative to other uses
 4. Program expires September 2013
- Disciplined approach to strategic acquisitions (accretive) around the core operating model – Tripoint acquired in July 2012 and MEAC acquired in October 2012 (Oracle based); Stream acquired in September 2012 (SAP based); Cole Systems America acquired in December 2012 (Microsoft based).

	1HFY13	1HFY12
Return on Equity	9.0%	6.4%
Return on Assets	5.0%	3.6%
Gearing Ratio	4.4%	9.9%

Operational Review FY13

Disciplined Execution of Strategy

- Large Accounts Focus – delivered Significant Customer Wins
 - > Prior period wins still in delivery phase
 - City West Water
 - Hydro Tasmania
 - Hills
 - Treasury Wine Estates
 - > Large new wins commenced delivery phase
 - Gold Coast University Hospital
 - Optus
 - Grain Corp
 - > Additional wins not contributing to first half
 - Queensland Health panel contract
 - Fulton Hogan
 - API
 - Seek

Operational Review FY13 (cont'd)

Disciplined Execution of Strategy

- Focus on Delivery Excellence
 - > More professional UXC with stronger internal controls established
 - > Improved risk management on tenders and projects
 - > Focused investment in major accounts teams that win, manage and develop customer relationships that span multiple Business Unit solution offerings
- Improved “go to” market & service to clients
 - > New Branding

UXC *eclipse*

UXC *oxygen*

UXC **RED ROCK**
CONSULTING

 **UXC** cloud solutions



Outlook

- Major wins validate strategy of being seen as the number one alternative to the multi-nationals
- Continuing to move up the value chain and provide our customers with more services across service portfolios
- Back-log (value of contracts yet to be delivered) at end of 1H13 is up over 6% from 30 June 2012
- Front-log (value of the sales pipeline) at end of 1H13 is up over 7.5% from 30 June 2012
- The second half will continue to be much stronger than the first and contribute disproportionately to the result for the year, particularly with respect to delivery of the Gold Coast University Hospital and a full period of contribution from acquisitions
- Expected returns from investment in WA, North America and local acquisitions
- Commitment to further margin improvement

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Summary

Excellent progress on strategy execution - UXC is a more competitive and profitable, pure play IT company with a net debt-free balance sheet, strong cash position, good free cash flow and improving returns to shareholders.

- Delivered on earnings intentions with evolving earnings power driven by leading Applications businesses
- Simplified, streamlined and more professional UXC
- Board refresh progressed
- Commitment to ongoing transparency
- Improving shareholder returns with disciplined capital management
- Ongoing margin improvement highest priority – progress towards medium term targets
- Increase in dividend pay out ratio range to between 60% and 75%
- Strong momentum for further profit growth:
 - > Significant customer wins now being delivered
 - > Full period of contribution by new acquisitions
 - > Robust pipeline of new contracts
 - > Improved competitive cost base

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Questions?

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