Australian Stock Exchange
Company Announcements Platform
24 October 2013

UXC Limited
ABN 65 067 682 928

MARKET ANNOUNCEMENT

Address of the Chairman and Managing Director to the Annual General Meeting

The presentation to be given at the UXC Annual General Meeting by Mr Geoff Cosgriff, Chairman, and Mr Cris Nicolli, Managing Director, is attached. The meeting will be held at 4:00pm at Garden Rooms 2 & 3, Level 1, Crown Towers, Southbank, Melbourne. A webcast of the meeting will be lodged on the Company's website following the meeting.

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 ASX 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.

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2013 Annual General Meeting

Extending Our Track Record

Geoff Cosgriff, Chairman
Cris Nicolli, Managing Director

24 October 2013

Chairman's Address

- **Mr Geoff Cosgriff**

Contents:

- Overview of FY13
- Shareholder Returns
- Changes to the Board

A more competitive, consistent and profitable UXC is emerging

FY13 Highlights – Extending Our Track Record

- **Delivered** the next phase of strategy execution – this is the first full-year reporting period as a pure play IT Company
- **Grew revenue** by 6%, Record result for IT business at $594m
- **Delivered earnings improvement** at all levels compared to previous corresponding period:
  - > NPAT from Continuing Ops up 25% from prior year to $22.7m
  - > EPS from Continuing Ops up 24% from prior year to 7.37 cps
- **Improved shareholder returns:**
  - > 5.75cps total dividend fully franked, up 64%, representing 74% pay-out ratio
  - > Return on Equity 12.5% (11.1% 2012)
  - > Return on Tangible Assets 12% (9% 2012)
- **Retained a strong Balance Sheet** with no net debt and cash of $34m
- **Delivered margin improvement** in Applications and Infrastructure segments as medium term exit rate margin targets were achieved

"UXC is now recognized as a Tier 1 service provider in an IT sector that was previously comprised solely of foreign based competitors"

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Board Refresh

May 2011

> Commenced formal director candidate search designed to refresh the Board and attract new directors able to contribute to the Company's new strategic direction and to support the Managing Director, Cris Nicolli, in achieving that vision.

Nov 2011

> Ms Pemberton is the first non-executive director appointment resulting from that process.

Oct 2012

> Retirement of Mr Zammit

> Appointment of Mr Mitchell and Mr Snedden as non-executive directors

> Succession of Chairman responsibilities from Mr Lord to Mr Cosgriff

Oct 2013

> Retirement of Mr Culley

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Managing Director's Address

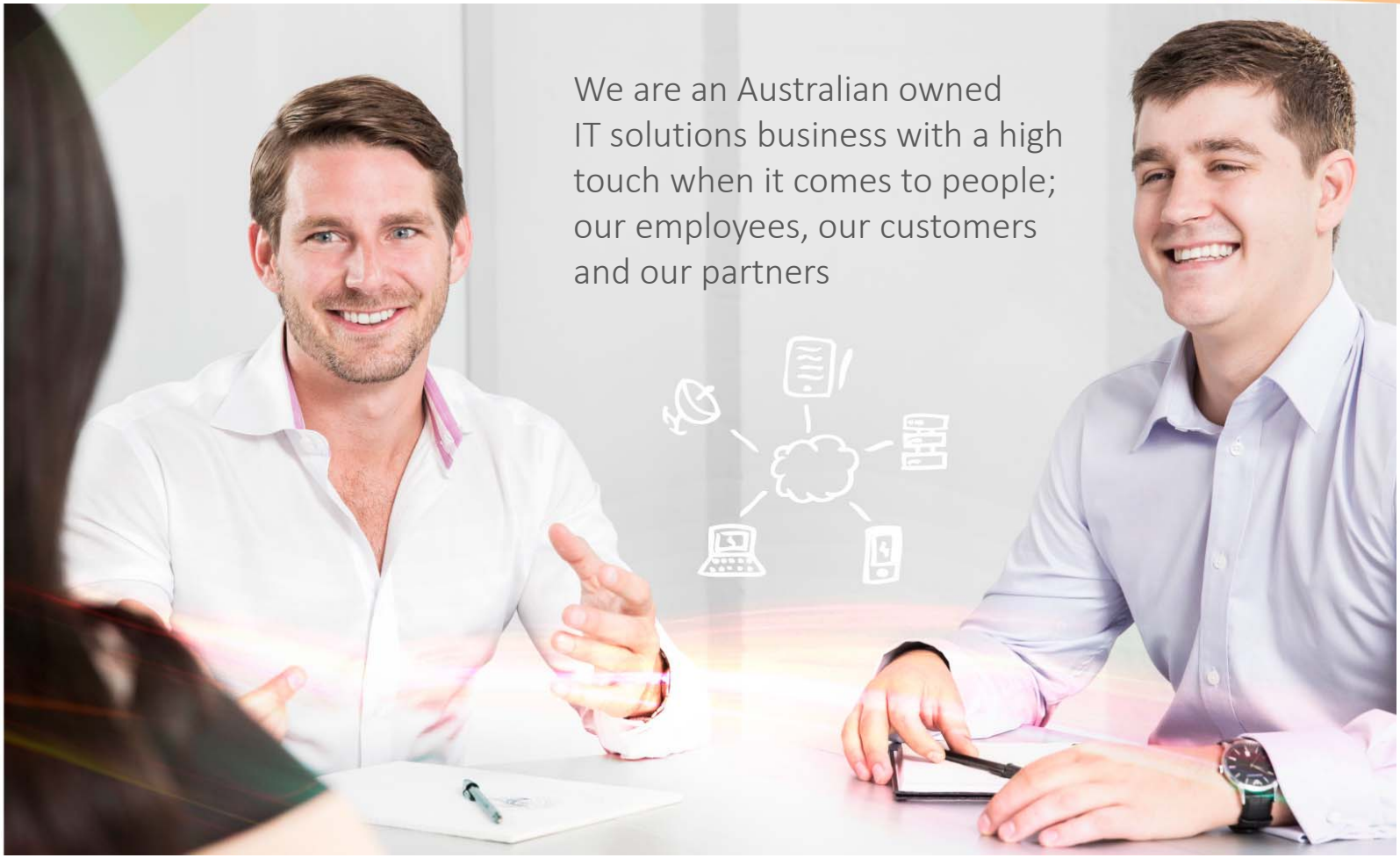
- **Mr Cris Nicolli**

Contents:

- Vision & Focus and who we are at UXC
- Competitive Strengths & Differentiators
- Defining and Achieving our Vision
- Growth Drivers
- Challenges
- Market Conditions
- Trading Update
- Summary

A more competitive, consistent and profitable UXC is emerging

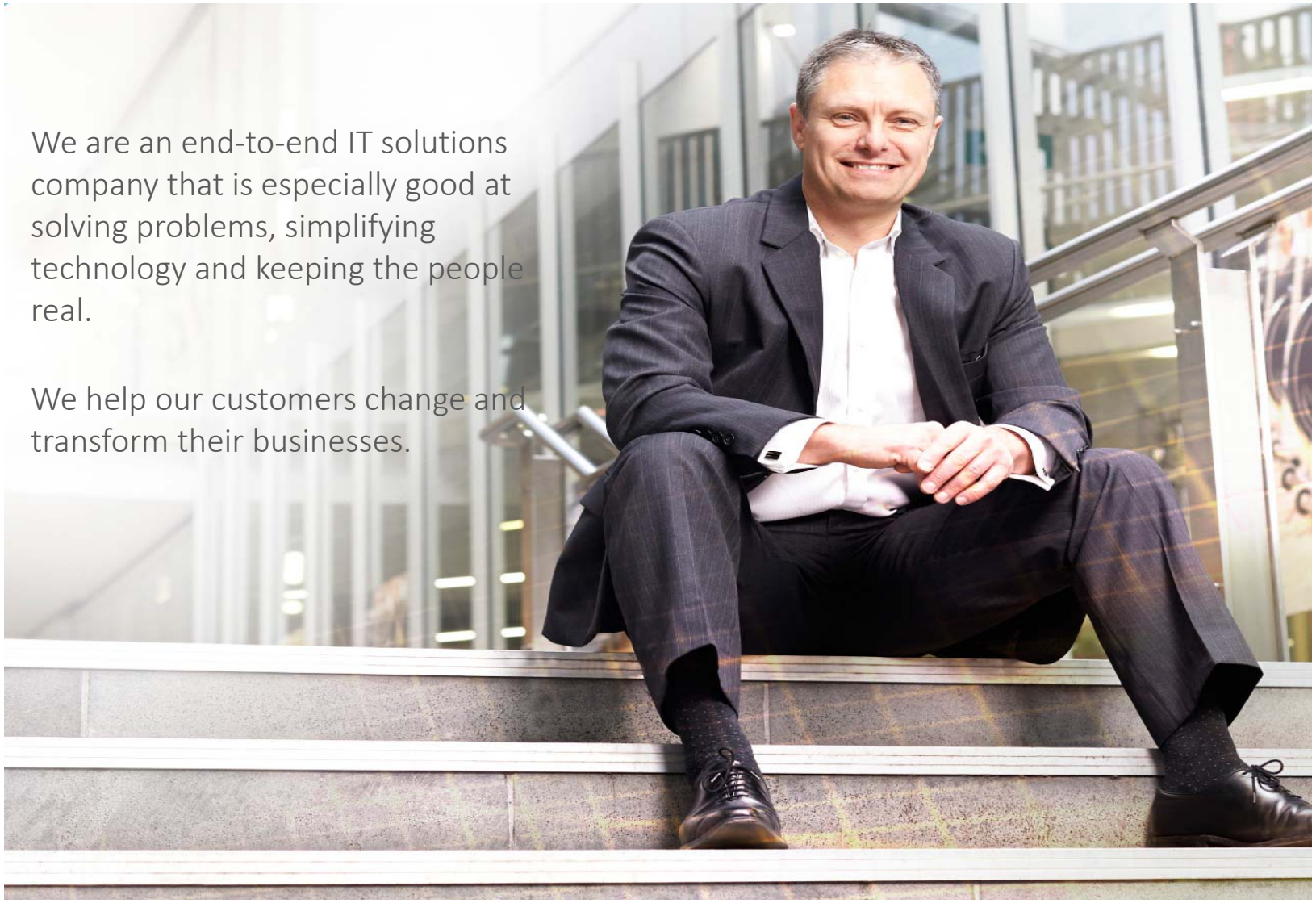
WHO WE ARE


We are an Australian owned IT solutions business with a high touch when it comes to people; our employees, our customers and our partners

What We Do

We are an end-to-end IT solutions company that is especially good at solving problems, simplifying technology and keeping the people real.

We help our customers change and transform their businesses.



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Vision & Competitive Position

Our Vision

- To create simplicity and meaning in a complex world through the power of people and technology, by being the leading Tier 1 Australian IT Services and Solutions Company, delivering value, innovation and responsive business outcomes with excellent people

Our Focus

- We offer a range of unique, formidable and unmatched ICT solutions in Consulting, Applications and Infrastructure that support our customers to Plan & Design, Implement & Enhance, and Operate & Manage their ICT requirements – we offer more than point services, we also provide end to end solutions

Our Competitive Position

- To be recognised as the leading Australian IT service provider and the Number One alternative to the multinationals in the sector through good **customer retention and wins,** with outstanding delivery and **market leading Applications** businesses driving growth and earnings

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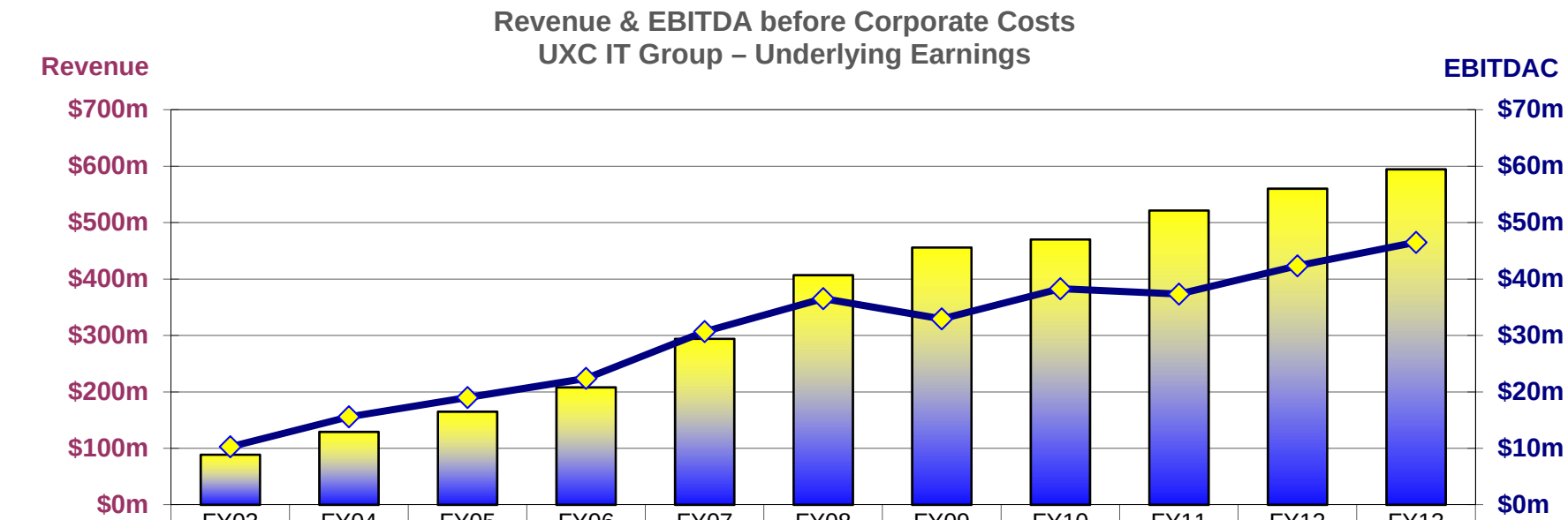
Our record of growth



	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Revenue	$89m	$129m	$165m	$208m	$294m	$407m	$456m	$470m	$521m	$560m	$594m
EBITDAC	$10.3m	$15.6m	$19.0m	$22.4m	$30.7m	$36.5m	$32.9m	$38.3m	$37.3m	$42.3m	$46.5m

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> Our Current Competitive Position

	CONSULTING AND PROFESSIONAL SOLUTIONS	ENTERPRISE APPLICATIONS	ICT INFRASTRUCTURE
> Who we are	UXC Consulting UXC Professional Solutions	UXC Eclipse (MS Dynamics) UXC Red Rock (Oracle) UXC Oxygen (SAP) UXC Cloud (ServiceNow)	UXC Connect
> What we do	- Strategy & Architecture - Business Transformation - IT Service Management - Project & Program Management - Business Analysis - Change Management - Unified Communications - Professional Services - Research - Training	- Financial Management - Customer Relationship Mgt - Human Capital Management - Analytics & Business Intelligence - Supply Chain Management - Product Lifecycle management - Enterprise Content Management - Applications Management - SaaS Solutions - Mobile Solutions	- Network Infrastructure - Unified Communications - Collaboration - Data Centre Technologies - Cloud - Enterprise Mobility & Wireless - Entertainment & Content - Surveillance & Security - Managed Services & Support - Outsourcing

> 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

1,300+ Staff

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

INNOVATIVE ICT INFRASTRUCTURE OFFERINGS

650+ Staff

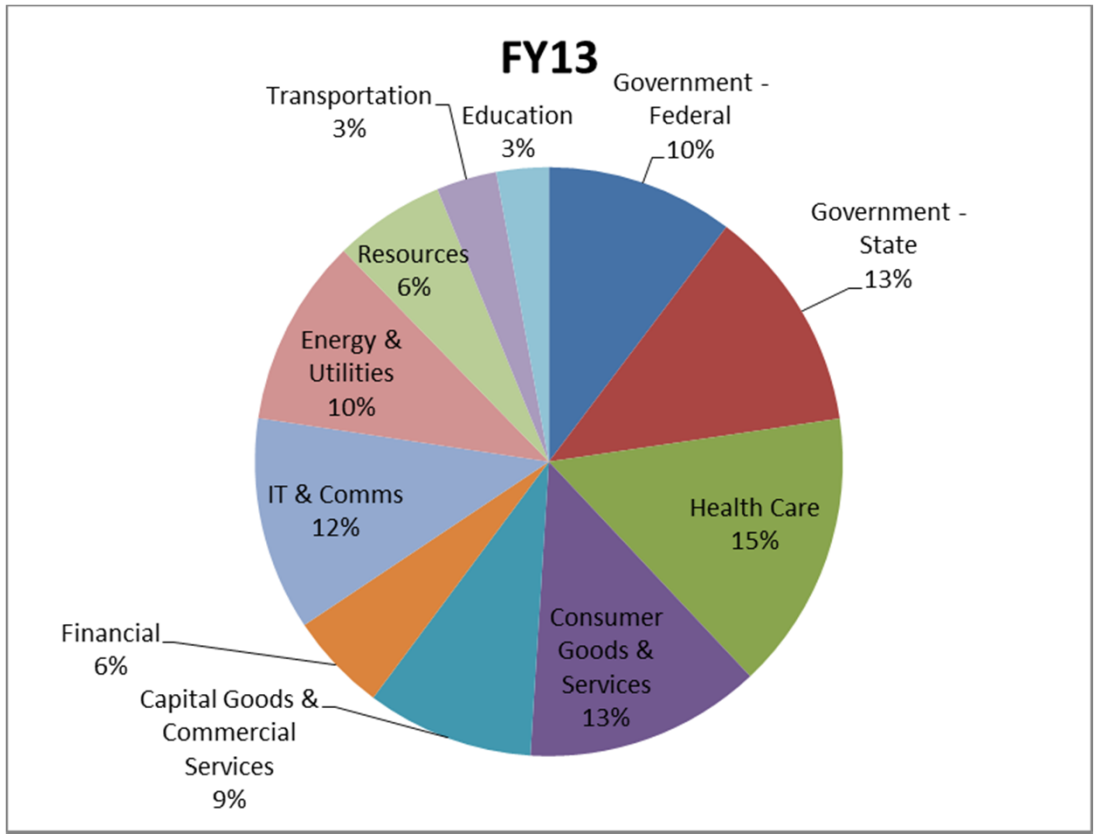
- > Outsourcing
- > Managed Services & Support
- > Networking Infrastructure
- > Unified Communications
- > Collaboration
- > Cloud
- > Enterprise Mobility & Wireless
- > Entertainment & Content
- > Surveillance & Security
- > Data Centre Technologies

DYNAMIC CONSULTING & PROFESSIONAL SOLUTIONS

540+ Staff

- > Strategy & Architecture
- > Business Analysis
- > Business Transformation
- > IT Service Management
- > Change management
- > Project & Program Management
- > Unified Communications
- > Professional Services
- > Education & Training
- > Research
- > Engineering Solutions
- > Integration and Testing

> Our Customer Profile



FY13 Customer Acquisition

Revenue	New FY13 Customers	Total No. Customers
>$15m	2	6
>$5M	1	17
>$1M	22	107

- We acquired 22 new million-dollar customers during the 2013 financial year
- We lost no customers who had spent more than $5 million with us in the previous FY

Select Movements from FY12:

- IT & Comms up to 12% from 6%
- Health Care up to 15% from 9%
- State & Federal Government (ex Health) steady at 23%
- Energy & Utilities steady at 10%

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Defining and Achieving our Vision

OUR STRATEGIC PILLARS

Success for us will come from achieving and exceeding in each of these five areas of our business

Defining and Achieving our Vision

We are building our business and expanding our range and reach of ICT solutions and we are planning and/or currently making investments in:

- **Building on our Applications market leadership:**
  - > By following core vendor solutions and expanding our capabilities organically and through investments;
  - > By developing cloud based solutions and capabilities aligned to key vendors.

- **eCommerce:**
  - > We will accelerate our growth in the digital, eCommerce sector;
  - > We will assist customers to drive revenue generation and order management in digital environments;
  - > We will align this with our strength and partnerships in ERP systems therefore providing integration and building business innovation;
  - > To this end, we have today announced the acquisition of White Labelled, a specialist eCommerce consultancy.

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Defining and Achieving our Vision

- **Cloud Applications**:
  - > Expanded relationships with ServiceNow, a key Cloud based application provider in the ERP and IT management space;
  - > Grow our Cloud practice in support of our own solutions, new vendors as well with our key partnership partners Oracle, SAP and Microsoft.

- **Annuity Business:**
  - > Increase the provision of managed services in infrastructure and applications;
  - > Expand the range of maintenance and support services provided;
  - > Continue to retain and win new managed infrastructure and application services contracts;
  - > Invest in Software as a Service to rapidly grow this segment of our business.

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Defining and Achieving our Vision

- **North America:**
  - > Strong Canadian practice in the Microsoft Dynamics market;
  - > Developing USA practice in the Microsoft Dynamics Market;
  - > Growth prospects in this region exceed those available to us domestically.

- **Leadership Development:**
  - > Investment in tools, training & experiences to prepare our leaders for a bigger, more dynamic and customer centric UXC;
  - > Provide UXC with key retention benefits whilst enhancing our leadership culture;
  - > Confidence in the future of UXC.

"We are committed to executing our strategic vision. We are prioritising opportunities, broadening the scope and reach of our business, and positioning UXC for the future. "

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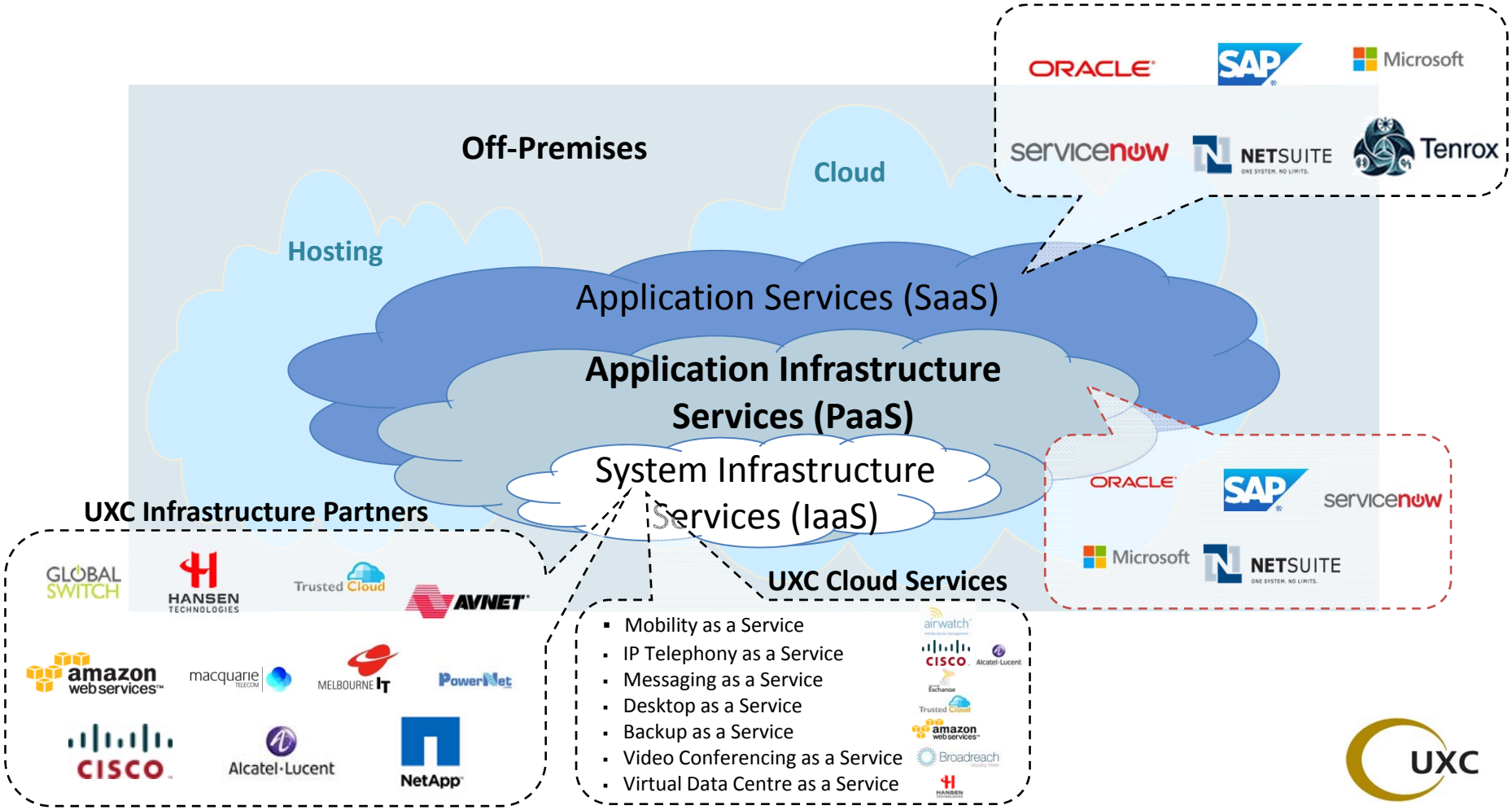
UXC Cloud Solutions Portfolio Map



Acquisition Strategy

- Some of our key vision initiatives will be enhanced and fast tracked via acquisitions. This will augment and then over time accelerate the rate of organic growth available.

  Acquisition targets are selected within the following criteria:

  > Align with the existing UXC business direction and fit strategically
  > Prioritised to the application focus of our business
  > Profitable and well run
  > Fair price that provides accretive earnings value
  > Increasing the scale and coverage of technology offered as well as developing deeper capabilities in existing areas
  > Extending the functional and geographic coverage and increasing scale in a high growth market.
  > Leverage existing UXC and acquisition target client base

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Large Contracts Update

- Gold Coast University Hospital – in final acceptance, user change requests, and support agreement on track;
- Queensland Children's Hospital – being delivered;
- Queensland Health prime systems integration panel contract – orders now being taken;
- New wins in NSW based regional hospitals;
- Jean Coutu – being delivered;
- Hydro Tasmania – Release 1 finalized, Release 2 contracted and in delivery;
- Queensland Rail – being delivered;
- City West Water – Release 2 planning phase contracted and in delivery;
- Large Victorian based Utility – contracted.

"We have been satisfied with our success in ensuring revenue continuity through FY14 as a result of renewals and replacement of completed works during 1Q14"

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Growth Drivers

- Revenue Continuity – contract renewals and new wins provide a bridge for project and phased completions
- Back-log (value of contracts yet to be delivered) at 30 September is up 11% from the same time last year – the backlog has been "refilled" during 1Q14 with contract renewals and new wins
- Front log improving and there is evidence in support of more confident decision making
- Increased annuity based business wins and retention of base
- New vendor relationships being developed in Applications and Cloud-based areas
- Customer Referrals – excellent reference ability drives new wins and larger contracts
- Industry Verticals – should help to create greater customer penetration
- Strategic acquisitions – progressing on several opportunities
- Cost-base reduction - restructuring already taken during FY14 reducing headcount by 50 at a cost of $1.6 to $1.8m

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Challenges

- Market sensitivity to macro economic events creates ongoing investment uncertainty;
- Complex project delivery continues to be an operational improvement imperative given some challenging experiences;
- Managing the ever changing skill mix and customer expectation as technology waves increase in pace and disruption;
- Competitive pricing in commodity based products and services;
- Backing the right vendors and judging investment timing relative to vendor priorities and growth plans within our region;
- Continuously investing in clients (sales costs) to capture market spend and to add innovation to creating value to maintain core business. As the projects become bigger and more complex, these costs increase.

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Market Conditions

- Business sentiment is improving, though translation into sales and earnings is still expected to lag;
- Encouraging data points are in evidence but are still contradicted too frequently to support a trend;
- Business environment remains mixed, often by region and sector, and alternates between signs of recovery and continuing deferral;
- Some pent up demand evident in some areas of our business (i.e. infrastructure) as evidenced by increasing order activity;
- Pressure on rates in commodity resource augmentation areas;

Trading Update

- Revenue through 1Q14 is close to plan and has shown growth over the previous corresponding period consistent with expectations;
- The result for the first half will depend on 2Q14, but at this time we do not expect earnings growth in 1H14;
- Gaining more confidence in the outlook for 2H14;
- Strategically, the position of the business has never been stronger, and we believe more opportunities await us than challenges.

HOW WE DO IT

- The power of people collaborating together
- A relentless focus on quality, value and seamless outcomes
- Developing leading light IT systems and services
- Our commitment to unleashing the full potential of technology and people
- Our dedication to excellent service.

Summary

Commitment to executing our vision: improving the business, prioritising opportunities, positioning UXC for the future especially for a market upturn.

- A satisfactory FY13 result given the difficult market conditions and performance of the sector;
- Industry headwinds still evident but indications of more confidence and activity;
- Expanding and accelerating our technology footprint to create and cement new vendor alliances, provide industry specialisation, grow annuity revenue and achieve three year goals;
- Driving differentiation through being local, agile, nimble and customer centric;
- The differentiated ***APPLICATIONS*** business focus continues to provide strong market positioning;
- Confident of future – building the leadership capability.

"The key component to our strategy is to be the leading Tier 1 Australian service provider and compete directly as the Number One alternative to the multi-nationals for large, multi-year, sophisticated systems integration and managed services contracts."

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2013 Annual General Meeting

QUESTIONS?

Geoff Cosgriff, Chairman
Cris Nicolli, Managing Director

24 October 2013