

UGI CORP /PA/  
Form 11-K  
June 25, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 11-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the fiscal year ended December 31, 2009  
OR**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 1-11071**

**A. Full title of the plan and the address of the plan, if different from that of the issuer named below:**

**UGI UTILITIES, INC. SAVINGS PLAN  
2525 N. 12<sup>th</sup> Street, Suite 360  
Reading, PA 19612**

**B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:**

**UGI CORPORATION  
460 NORTH GULPH ROAD  
KING OF PRUSSIA, PENNSYLVANIA 19406**

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**UGI UTILITIES, INC.**  
**SAVINGS PLAN**  
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE  
for the years ended December 31, 2009 and 2008

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**SAVINGS PLAN**  
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All other schedules to be filed with the Department of Labor in accordance with the Employee Retirement Income Security Act of 1974 are not applicable and have been omitted.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Participants and Plan Administrator of  
UGI Utilities, Inc. Savings Plan

We have audited the accompanying statements of net assets available for benefits of UGI Utilities, Inc. Savings Plan as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of UGI Utilities, Inc. Savings Plan as of December 31, 2009 and 2008, and changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Morison Cogen LLP  
Bala Cynwyd, Pennsylvania  
June 25, 2010

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**UGI UTILITIES, INC.**  
**SAVINGS PLAN**  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2009	2008
<b>ASSETS:</b>		
Investments (Notes 3 and 5)	\$ 120,123,427	\$ 97,160,991
Loans to participants	3,143,774	3,014,303
<b>Receivables:</b>		
Participants contributions receivable	293,437	111,488
Employers contributions receivable	87,210	36,953
Total assets	123,647,848	100,323,735
<b>LIABILITIES:</b>		
Accrued administrative expenses	5,606	
Total liabilities	5,606	
Net assets available for benefits at fair value	123,642,242	100,323,735
Adjustments from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	(272,016)	173,167
Net assets available for benefits	\$ 123,370,226	\$ 100,496,902

See accompanying notes to financial statements.

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**UGI UTILITIES, INC.**  
**SAVINGS PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

	Year Ended December 31,	
	2009	2008
Additions:		
Participants contributions	\$ 8,221,263	\$ 6,962,195
Employers contributions	2,553,238	2,045,028
Participants rollover contributions	624,822	3,914,379
Investment income:		
Dividends and interest	2,320,110	3,423,347
Net appreciation in value of investments	16,458,484	
Net transfers of participants balances	130,754	90,039
Other, primarily interest on loans	196,506	205,131
Deductions:		
Investment loss:		
Net depreciation in value of investments		(36,642,059)
Administrative fees	(44,670)	(14,566)
Distributions to participants	(7,587,183)	(6,281,539)
Net increase (decrease)	22,873,324	(26,298,045)
Net assets available for benefits beginning of year	100,496,902	126,794,947
Net assets available for benefits end of year	\$ 123,370,226	\$ 100,496,902

See accompanying notes to financial statements.

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**UGI UTILITIES, INC.  
SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS**

**1. Description of the Plan**

The following brief description of the UGI Utilities, Inc. Savings Plan (the Plan ) provides general information on the provisions of the Plan in effect on December 31, 2009 and during the periods covered by the financial statements. More complete information is included in the Plan documents.

On October 1, 2008, UGI Utilities acquired all of the issued and outstanding stock of PPL Gas Utilities Corporation (now UGI Central Penn Gas Inc., CPG ), the natural gas distribution utility of PPL Corporation (the CPG Acquisition ), and its subsidiaries. Effective with the CPG Acquisition, the employees of CPG became eligible to participate in the Plan as of October 1, 2008. As permitted, a number of employees of CPG who were participants in the PPL Subsidiary Savings Plan elected to roll over all or a portion of their account balances and outstanding loans to the Plan.

**General.** The Plan is a defined contribution plan covering employees of UGI Utilities, Inc. and its subsidiaries (collectively, UGI Utilities ), its holding company parent UGI Corporation ( UGI ), and certain affiliated companies (collectively, the Employers ). Employees of the Employers are eligible upon hire to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ). The Plan is administered by the UGI Utilities, Inc. Retirement Committee ( Plan Administrator ) whose members are appointed by the Board of Directors of UGI Utilities.

**Contributions.** Generally a participant may elect to contribute to the Plan on a before-tax basis through payroll reduction an amount equal to from 1% to 50%, in whole percentages, of eligible compensation. In addition, effective January 1, 2009, all participants may elect to contribute to the Plan on an after-tax basis through payroll deduction an amount equal to from 1% to 20%, in whole percentages, of eligible compensation, provided that the combination of before-tax and after-tax contributions does not exceed 50% of eligible compensation. Prior to January 1, 2009, only eligible employees of CPG could contribute up to 20% of eligible compensation on an after-tax basis while all other participants could contribute up to 6% on an after-tax basis. Calendar year before-tax and after-tax contribution amounts are subject to limits prescribed by the Internal Revenue Code ( IRC ) and the Plan, respectively. For the 2009 and 2008 Plan Years, the IRC before-tax contribution limits were \$16,500 and \$15,500, respectively. After-tax contributions are subject to limits set by the Plan and Section 402(g) of the IRC. A participant may increase the rate of, or reduce or suspend, his or her before-tax or after-tax contributions at any time by contacting the Plan s recordkeeper, Fidelity Institutional Retirement Services Co. ( FIRSCO ).

The Plan allows for catch-up contributions. The catch-up contribution provision allows certain employees to make before-tax contributions over and above the IRS and Plan limits. In order to be eligible to make catch-up contributions, employees must be at least 50 years of age and must be contributing the IRC or Plan limit. The maximum catch-up contributions for the 2009 and 2008 Plan Years were \$5,500 and \$5,000, respectively. Catch-up contributions are not eligible for the Employers matching contribution (as described below).



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**UGI UTILITIES, INC.  
SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

A participant will at all times be fully (100%) vested in the portion of his or her account attributable to participant contributions.

The Plan also accepts on behalf of any employee (i) the entire amount of cash received as a distribution from another qualified trust forming part of a plan described in section 401(a) of the IRC or from a rollover individual retirement plan described in section 408 of the IRC, but only if the deposit qualifies as a tax-free rollover as defined in section 402 or (ii) a direct transfer from another plan qualified under Section 401(a) of the IRC. The Plan accepts after-tax rollover contributions.

For each pay period during a plan year, the Employers may, at their discretion, make a contribution to the Plan equal to a percentage of participant before-tax and after-tax contributions. Generally, for eligible Plan participants hired prior to January 1, 2009, the Employer matching contribution is equal to 50% of the first 3% of eligible compensation and 25% of the next 3% of eligible compensation that such participants have elected to make on his or her behalf in salary deferrals to the Plan or has elected to contribute to the plan as after-tax contributions. Generally, eligible employees hired on or after January 1, 2009 receive an Employer matching contribution of 100% of up to 5% of eligible compensation that such participants have elected to make on a before-tax or after-tax basis. Certain other Plan participants covered by collective bargaining agreements and certain affiliate companies Plan participants have a different Employer matching contribution rate.

Generally, a participant is fully vested in the portion of his or her account attributable to Employers matching contributions as follows: 25% after two years of service; 50% after three years of service; 75% after four years of service; and 100% after five years of service. Certain Plan participants covered by collective bargaining agreements have a different vesting schedule for employer matching contributions. In addition, a participant is fully vested in the portion of his or her account attributable to Company contributions upon the attainment of normal retirement age (as defined in the Plan document), total disability (as defined by the Plan document) or death while in the employ of the Employers or an affiliated company. For Plan purposes, a participant will attain normal retirement age on the later of his or her 65<sup>th</sup> birthday or the fifth anniversary of his or her date of hire. For vesting purposes, participants in the Plan who were former employees of businesses acquired by UGI Utilities generally receive credit for past eligible service with such acquired business.

A participant who terminates employment before he or she is vested will forfeit nonvested amounts attributable to the Employers contributions. These forfeited amounts remain in the Plan and are available to reduce future Employer contributions. During the 2009 and 2008 Plan Years, \$16,116 and \$29,747, respectively, were forfeited from participants accounts and were later used to reduce the Employers contributions. As of December 31, 2009 and 2008, there were \$11,504 and \$32,701, respectively, of forfeitures remaining in the Plan.

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**UGI UTILITIES, INC.  
SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**Investment Funds.** A participant may elect to have his or her funds invested in one or more investment options. The Plan currently offers investments in selected mutual funds, the UGI Common Stock Fund, a common collective trust fund and Brokerage Link. Brokerage Link balances consist of the mutual funds offered by the Plan, as well as mutual funds offered by other registered investment companies. Generally, participants may transfer amounts between funds at any time with no limit. Participants may change their investment elections for future contributions at any time. Fidelity Management Trust Company is the Plan's Trustee for all investment assets of the Plan and qualifies as a party in interest. References to Fidelity in the table of trust investments below refer to investment funds managed by Fidelity Management and Research Company ( FMR ). References to Vanguard in the table of trust investments (Footnote 3) refer to investment funds managed by The Vanguard Group.

**Distributions.** The Plan benefit of a participant who terminates employment as a result of retirement, death or total disability, as defined in the Plan document, shall be equal to the proceeds of liquidation of 100% of the balance of his or her account. Participants may elect to receive their interest in the UGI Common Stock Fund in the form of shares of UGI Corporation Common Stock. The Plan benefit of a participant who terminates employment for reasons other than retirement or total disability shall be equal to the proceeds of liquidation of the vested portion of his or her account. Where the amount to be distributed exceeds \$1,000, no distribution shall be made to any Plan participant prior to his or her normal retirement age or, effective January 1, 2009, age 70 1/2, unless the participant elects to receive such distribution. Where the amount to be distributed does not exceed \$1,000, a Plan participant's benefit will be distributed as soon as practicable after the participant becomes entitled to receive a distribution.

A participant who continues to work past age 70 1/2 will receive a distribution upon termination of employment.

**Death.** If a participant dies prior to receiving a distribution of his or her account, the participant's designated beneficiary shall be entitled to receive a lump-sum distribution of the proceeds of liquidation of 100% of the vested portion of his or her account. Generally, the beneficiary may request a distribution of the participant's account balance as soon as practicable following the date of the participant's death. The beneficiary of a participant who is married at the time of the participant's death will be the participant's spouse, unless the participant designated another beneficiary and the spouse consented to such designation in accordance with procedures specified by the Plan document.

**Withdrawals.** Generally, a participant may withdraw up to 50% of the balance of his or her account attributable to after-tax contributions (including after-tax contributions that were matched by the Employer) at any time. However, the withdrawal must be in an amount of at least \$250. If any portion of the amount withdrawn is attributable to contributions that were matched by the Employers, the participant's participation in the Plan will be suspended for the three-month period following the withdrawal. No more than one such withdrawal in any calendar year is permitted from each of the matched and unmatched portions of a participant's after-tax contribution account. Effective January 1, 2009, active employees who reach age 59 1/2 can elect, once a year, a partial in-service withdrawal generally in an amount not less than \$1,000.

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**UGI UTILITIES, INC.  
SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

A participant may withdraw before-tax contributions (and earnings attributable thereto credited as of December 31, 1988) and rollover contributions, only on account of financial hardship resulting from (i) medical expenses as defined in section 213(d) of the IRC; (ii) educational expenses for the next twelve months of post-secondary education of the participant, or his or her spouse, children or dependents; (iii) foreclosure on a primary residence; (iv) costs directly related to the purchase of a primary residence; (v) burial or funeral expenses for the participant's deceased parent, spouse, children or eligible dependents; or (vi) expense relating to the repair of damage to the participant's principal residence that would qualify for the casualty deduction under section 165 of the Internal Revenue Code. A hardship withdrawal will be permitted if the Plan Administrator determines that (i) the withdrawal is on account of an immediate and heavy financial need of the participant and (ii) the withdrawal is necessary to satisfy such financial need. A participant's participation in the Plan is suspended for the six-month period following a hardship withdrawal. While a participant is still employed by any of the Employers, withdrawals of amounts attributable to Employers contributions and post-1988 earnings on participant before-tax contributions are not permitted.

**Loan Provision.** The Plan includes an employee loan provision. Generally, at the time a loan is to be made, the amount of all loans to be outstanding may not exceed the lesser of (i) 50% of a participant's before-tax and rollover account balances, or (ii) \$50,000 less the highest balance of any loan during the prior twelve-month period. Each loan bears interest at a rate determined in accordance with generally prevailing market conditions for similar types of loans. The minimum loan amount is \$1,000. The amount of the loan withdrawn from a participant's account is allocated in proportion to the value of the participant's salary deferral and rollover account balances in each investment fund. Repayments, including interest, are made in equal installments through payroll deductions and are allocated to participant accounts in accordance with current investment elections. No loan may have a final maturity in excess of five years except that, if the loan is used to purchase a principal residence for the participant, the loan may have a final maturity of up to ten years. No participant shall be permitted to have more than two loans outstanding at any one time.

**Administrative Expenses.** Administrative expenses of the Plan are chargeable to the Plan unless paid for by the Employers. Other than the Plan fees described below, the Employers currently pay such expenses. Beginning with the quarter ended December 31, 2008, each active Plan account is assessed a quarterly recordkeeping fee of \$4.25. This fee is automatically deducted in the month following the end of the quarter and remitted to FIRSCO. Due to an administrative oversight, the fee for the quarter ended December 31, 2008 was waived. Loan administration and withdrawal fees are paid by Plan participants. Mutual fund expenses are paid to fund managers from mutual fund assets.

**Plan Termination.** Although it has not expressed any intent to do so, UGI Utilities has the right to terminate the Plan in whole or in part at any time for any reason. In the event of a complete or partial termination of the Plan, the affected participants will become fully vested in their account balances.

**Plan Amendment.** UGI Utilities may amend the Plan at any time for any reason by written action of its Board of Directors. Amendments required to comply with the IRC to maintain compliance with current laws or regulations or to correct errors or omissions in the Plan document, however, may be made by the Retirement Committee without Board approval.

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**UGI UTILITIES, INC.  
SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**Voting Rights of UGI Common Stock Fund Participants.** A participant has the right to instruct the trustee of the Plan how to vote, at each meeting of shareholders, all shares of UGI Corporation Common Stock (including fractional shares) represented by the value of the participant's interest in the UGI Common Stock Fund. A participant also has the right to direct the trustee of the Plan whether or not to tender shares in response to a tender offer.

**2. Accounting Policies**

**Use of Estimates and Basis of Accounting.** The accompanying financial statements are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ( GAAP ) requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from these estimates.

**Investment Valuation and Income Recognition.** The Statements of Net Assets Available for Benefits state the Plan's investments at their fair values with the exception of the Plan's investment in the Vanguard's Retirement Savings Trust III (a common collective trust fund investment), which is stated at its fair value and adjusted to contract value (as further described below). As reported by Fidelity Management Trust Company, the Plan's investments in registered investment company mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan. Participant loans are valued at their outstanding balances, which approximate fair value. Shares of UGI Common Stock, which are traded on a national securities exchange, are included in the UGI Common Stock Fund at fair value based upon quoted market prices. Fidelity Brokerage Link accounts are reflected at their fair value of associated investments, based upon quoted market prices, held by the Plan participants in their individual self-directed brokerage accounts.

The Statement of Net Assets Available for Benefits reflects the Plan's interest in the Vanguard Retirement Saving Trust III at fair value, determined by discounting the related cash flows based upon current yields of similar instruments with comparable duration. Such amounts are then adjusted to contract value because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The interest in the Vanguard Retirement Savings Trust III is included in the Statements of Changes in Net Assets Available for Benefits on a contract basis.

Dividend income is recorded on the record date. Interest earned on investments is recorded on the accrual basis. Purchases and sales of securities are recorded on a trade date basis.

The Plan presents in the Statements of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in fair value of investments which consists of realized gains or losses and unrealized appreciation (depreciation) in the fair value of those investments.

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**UGI UTILITIES, INC.  
SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

Distributions are made to Plan participants based upon the fair value of each participant's investment account (except for investments of the Vanguard Retirement Savings Trust III for which distributions are based upon contract value and except for distributions from the UGI Common Stock Fund, to the extent not all shares are sold on the same date) as of the dates of the distribution. Distributions to participants are recorded when paid.

Transfers of participant balances represent amounts transferred to or from the AmeriGas Propane, Inc. Savings Plan, which is an affiliated plan.

**Fair Value Measurements.** The Plan performs fair value measurements in accordance with Financial Accounting Standards Board's (FASB's) Accounting Standards Codification (ASC) 820 (ASC 820), *Fair Value Measurements Disclosures*. Refer to Note 5 for the fair value measurement disclosures associated with the Plan's investments.

**Risks and Uncertainties.** The investments of the separate investment funds are exposed to various risks such as interest rate, market and credit risk. The degree and concentration of these risks vary by fund. The Plan's exposure to credit losses in the event of nonperformance of investments is limited to the carrying value of such investments. Due to the level of risk associated with the separate investment funds, it is reasonably possible that changes in risk in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

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**UGI UTILITIES, INC.**  
**SAVINGS PLAN**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. Trust Investments**

The components of trust investments by fund at December 31, 2009 and 2008 are as follows:

	December 31,	
	2009	2008
Mutual Funds:		
Fidelity U.S. Bond Index Fund (shares 638,082 and 523,241, respectively)	\$ 7,057,182*	\$ 5,645,771*
Fidelity Equity Income Fund (shares 238,593 and 245,745, respectively)	9,338,527*	7,586,150*
Fidelity Magellan Fund (shares 201,489 and 205,380, respectively)	12,959,751*	9,418,722*
Fidelity Growth Company Fund (shares 87,025 and 81,890, respectively)	6,002,990	4,009,345
Vanguard Institutional Index Fund (shares 91,936 and 83,528, respectively)	9,375,594*	6,894,409*
Vanguard Prime Money Market Fund (shares 8,921,971 and 9,330,569, respectively)	8,921,971*	9,330,569*
Vanguard Target Retirement Income Fund (shares 41,208 and 26,038, respectively)	436,398	247,879
Vanguard Target Retirement 2005 Fund (shares 36,769 and 37,647, respectively)	403,726	364,799
Vanguard Target Retirement 2010 Fund (shares 27,920 and 20,351, respectively)	572,915	358,385
Vanguard Target Retirement 2015 Fund (shares 689,264 and 634,857, respectively)	7,795,578*	6,062,884*
Vanguard Target Retirement 2020 Fund (shares 130,305 and 82,558, respectively)	2,600,888	1,367,995
Vanguard Target Retirement 2025 Fund (shares 624,256 and 534,971, respectively)	7,066,573*	4,959,181
Vanguard Target Retirement 2030 Fund (shares 33,546 and 20,898, respectively)	647,773	324,760
Vanguard Target Retirement 2035 Fund (shares 181,448 and 125,758, respectively)	2,108,422	1,163,259
Vanguard Target Retirement 2040 Fund (shares 13,477 and 3,359, respectively)	256,728	50,821

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Vanguard Target Retirement 2045 Fund (shares 74,244 and 54,862, respectively)	892,408	525,036
Vanguard Target Retirement 2050 Fund (shares 3,421 and 379, respectively)	65,385	5,749
Vanguard Extended Market Index Fund (shares 181,168 and 177,201, respectively)	5,920,573	4,256,376
Fidelity Spartan International Index Fund (shares 143,992 and 126,142, respectively)	4,816,525	3,373,056
Assets in Fidelity Brokerage Link Account various investments include registered investment companies funds, money market funds and cash	4,735,080	3,657,556
Common Collective Trusts:		
Vanguard Retirement Savings Trust III (shares 11,751,644 and 10,976,540, respectively)	12,023,660*	10,803,373*
UGI Common Stock Fund:		
UGI Corporation Unitized Stock Fund (units 523,273 and 539,519, respectively)	15,996,442*	16,627,994*
Dividends receivable	128,338	126,922
	16,124,780	16,754,916
Total trust investments fair value	\$ 120,123,427	\$ 97,160,991
Total trust investments cost	\$ 122,843,379	\$ 119,267,972

\* Investment represents five percent or more of net assets available for benefits.

The net appreciation (depreciation) in fair value of investments during the years ended December 31, 2009 and 2008 by major investment category follows:

	Year Ended December 31,	
	2009	2008
Registered investment company funds	\$ 15,298,637	\$ (33,113,135)
UGI Common Stock Fund	(33,351)	(1,608,766)
Other	1,193,198	(1,920,158)
Total net appreciation (depreciation) in fair value	\$ 16,458,484	\$ (36,642,059)





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**UGI UTILITIES, INC.  
SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

The UGI Corporation Stock Fund invests principally in shares of UGI Corporation Common Stock. Participants in the fund do not individually own specific shares of UGI Corporation Common Stock but rather own units in the fund that invests in such shares and short-term investments. The value of a unit in the UGI Common Stock Fund was initially set at \$10.00 and is recalculated daily by dividing the fair value of the fund's assets (comprising shares of UGI Corporation Common Stock and temporary cash investments) by the total number of units outstanding. Generally, participant requests to redeem units from the UGI Common Stock Fund are processed on the day received if such requests are received by Fidelity before the close of the New York Stock Exchange and provided that there are sufficient short-term investments in the fund for liquidity. In such case, the participant will receive the net asset value, or closing price for the units, calculated using the closing price for UGI Corporation Common Stock on the New York Stock Exchange for that day. However, on days of unusually heavy requests for sale, the UGI Common Stock Fund may not have sufficient short-term investments for liquidity. In such case, requests to sell units received before the close of the New York Stock Exchange may not be processed on that day at that date's closing price but may be suspended until sufficient liquidity is restored. Units will be redeemed generally on a first-in, first-out basis at the closing price for the processing date. Loans, withdrawals and distributions from the UGI Common Stock Fund will be given priority over exchanges with other funds.

During the 2009 and 2008 Plan Years, the Plan purchased, at market prices, 51,993 and 42,107 shares of UGI Corporation Common Stock directly from UGI Corporation for \$1,272,111 and \$1,081,241, respectively.

**4. Newly Adopted Accounting Standards and Accounting Standards Not Yet Adopted**

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, *Improving Disclosures about Fair Value Measurements (Topic 820) – Fair Value Measurements and Disclosures* (ASU 2010-06) to require additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity in Level 3 fair value measurements, and transfers among Levels 1, 2 and 3. Levels 1, 2 and 3 of fair value measurements are defined in Note 5 below. The Plan will adopt ASU 2010-06 in the year ending December 31, 2010 except for certain provisions that will be effective in the year ending December 31, 2011. The Plan is currently evaluating the impact of ASU 2010-06 on the Plan's financial statements.

In June 2009, the FASB issued ASU 2009-01, *The FASB Accounting Standards Codification (FASB ASC)*, which establishes the Codification as the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. This standard is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of ASU 2009-01 changes the referencing of financial standards.

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**UGI UTILITIES, INC.  
SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

In September 2009, the FASB issued ASU No. 2009-06, *Income Taxes (Topic 740), Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities* (formerly FASB Interpretation No. 48 and Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* ). This standard prescribes guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions. Tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon adoption of this standard which has been adopted as required by the Plan as of January 1, 2009. Although this standard applies to employee benefit plans, its adoption did not require any adjustments to the Plan's financial statements because of the Plan's tax exempt status and the absence of unrelated business taxable income.

FASB ASC 820-10 (formerly, FSP FAS 157-4) provides additional guidance for Fair Value Measurements when the volume and level of activity for the asset or liability has significantly decreased. This standard is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this standard did not have a material effect on the Plan's financial statements.

FASB ASC 320-10 (formerly, FSP FAS 115-2 and FSP FAS 124-2) amends the other-than-temporary impairment guidance for debt and equity securities. This standard is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this standard did not have a material effect on the Plan's financial statements.

**5. Fair Value Measurement**

The Plan performs fair value measurements in accordance with ASC 820. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. ASC 820 clarifies that the fair value should be based upon assumptions that market participants would use when pricing an asset or liability, including assumption about risk and risks inherent in valuation techniques and inputs to valuations. When determining fair value measurements, the Plan considers the principal or most advantageous market for the asset or liability and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of non-performance. ASC 820 also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access;

Level 2 inputs other than quoted prices included in Level 1 that are either directly or indirectly observable, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data by correlation or by other means;

Level 3 unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**Table of Contents****UGI UTILITIES, INC.  
SAVINGS PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)**

The following table presents the Plan's investments that are measured at fair value on a recurring basis, for each hierarchy level, as of December 31, 2009 and 2008:

	December 31, 2009			Total
	Fair Value Measurement Using Input Types			
	Level 1	Level 2	Level 3	
Mutual funds	\$ 83,053,016	\$	\$	\$ 83,053,016
Money market fund	8,921,971			8,921,971
UGI Common Stock fund	16,124,780			16,124,780
Common collective trust		12,023,660		12,023,660
Participant loans			3,143,774	3,143,774
Total investments measured at fair value	\$ 108,099,767	\$ 12,023,660	\$ 3,143,774	\$ 123,267,201

	December 31, 2008			Total
	Fair Value Measurement Using Input Types			
	Level 1	Level 2	Level 3	
Mutual funds	\$ 60,272,133	\$	\$	\$ 60,272,133
Money market fund	9,330,569			9,330,569
UGI Common Stock fund	16,754,916			16,754,916
Common collective trust		10,803,373		10,803,373
Participant loans			3,014,303	3,014,303
Total investments measured at fair value	\$ 86,357,618	\$ 10,803,373	\$ 3,014,303	\$ 100,175,294

The Plan's valuation methodology used to measure the fair values of mutual funds (including mutual funds in the Brokerage Link accounts), money market fund and the UGI Common Stock fund were derived from quoted market prices as substantially all of these instruments have active markets. The valuation technique used to measure fair value of participant loans above, all of which are secured by vested account balances of borrowing participants, were derived using a discounted cash flow model with inputs derived from unobservable market data. Participant loans are included at their amortized cost in the Statements of Net Assets Available for Benefits which approximates their fair value at December 31, 2009 and 2008. The valuation techniques used to measure fair value of common collective trust fund are included in Note 2.

The following table sets forth a summary of changes in fair value of the Plan's Level 3 assets for the years ended December 31, 2009 and 2008:

	Participant Loans	
	2009	2008
Balance as of January 1,	\$ 3,014,303	\$ 2,593,618
Issuances, repayments and settlements, net	129,471	420,685
Balance as of December 31,	\$ 3,143,774	\$ 3,014,303



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**UGI UTILITIES, INC.  
SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. Federal Income Tax Status**

On December 6, 2002, the Internal Revenue Service issued a favorable determination letter concerning the qualified status of the Plan in effect as of November 27, 2002 under Section 401(a) of the IRC. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. No U.S. income taxes are required to be paid by the trust created under the Plan (the Trust ) and participants are not taxed on Employers contributions to the Trust or income earned by the Trust. When a participant, or his or her beneficiary or estate, receives a distribution under the Plan, the taxability of the value of such distribution depends on the form and time of payment.

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UGI UTILITIES, INC.  
SAVINGS PLAN  
EIN 23-1174060, Plan #008  
Schedule H, Line 4(i) SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Name of Issuer and Title of Issue	December 31, 2009		
	Number of Shares or Principal Amount	Cost	Current Value
<b>Mutual Funds:</b>			
FIDELITY U.S. BOND INDEX FUND (1) (2)	638,082 shrs	\$ 6,958,404	\$ 7,057,182
FIDELITY EQUITY INCOME FUND (1) (2)	238,593 shrs	11,024,453	9,338,527
FIDELITY MAGELLAN FUND (1) (2)	201,489 shrs	17,300,617	12,959,751
FIDELITY GROWTH COMPANY FUND (2)	87,025 shrs	5,410,870	6,002,990
VANGUARD INSTITUTIONAL INDEX FUND (1)	91,936 shrs	9,875,662	9,375,594
VANGUARD PRIME MONEY MARKET FUND (1)	8,921,971 shrs	8,921,971	8,921,971
VANGUARD TARGET RETIREMENT INCOME FUND	41,208 shrs	417,938	436,398
VANGUARD TARGET RETIREMENT 2005 FUND	36,769 shrs	396,060	403,726
VANGUARD TARGET RETIREMENT 2010 FUND	27,920 shrs	549,426	572,915
VANGUARD TARGET RETIREMENT 2015 FUND (1)	689,264 shrs	7,729,721	7,795,578
VANGUARD TARGET RETIREMENT 2020 FUND	130,305 shrs	2,399,616	2,600,888
VANGUARD TARGET RETIREMENT 2025 FUND (1)	624,256 shrs	7,299,411	7,066,573
VANGUARD TARGET RETIREMENT 2030 FUND	33,546 shrs	582,485	647,773
VANGUARD TARGET RETIREMENT 2035 FUND	181,448 shrs	2,124,442	2,108,422
VANGUARD TARGET RETIREMENT 2040 FUND	13,477 shrs	218,214	256,728
VANGUARD TARGET RETIREMENT 2045 FUND	74,244 shrs	904,697	892,408
VANGUARD TARGET RETIREMENT 2050 FUND	3,421 shrs	56,036	65,385
VANGUARD EXTENDED MARKET INDEX FUND	181,168 shrs	5,795,759	5,920,573
FIDELITY SPARTAN INTERNATIONAL INDEX FUND (2)	143,992 shrs	5,088,705	4,816,525

&ure. For  
awards  
granted in  
June 2011 a  
new  
measure of  
revenue  
growth  
(excluding  
transit) was  
added.  
2011  
awards are  
therefore

based 40%  
on relative  
TSR, 40%  
cumulative  
adjusted  
free cash  
flow, and  
20%  
revenue  
growth.

#### **Directors' service contracts and letters of appointment**

It is policy for the Chairman and executive directors to have service agreements and the non-executive directors to have letters of appointment with the Company.

The notice of termination for the Chairman's and executive directors' contracts is 12 months by the Company and six months by the director. Non-executive directors are appointed initially for three years terminable on three months' notice. All Board appointments are subject to automatic termination in the event of a director not being re-elected by the shareholders at the AGM.

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BT Group plc Summary financial statement &amp; notice of meeting 2012

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**Directors remuneration**

The total remuneration paid to the Board in the year was £6,646,000 (2011: £6,882,000). The emoluments of the Chairman and executive directors for 2012 were, in summary, as follows:

	Total salary and benefits	Pension allowance net of pension contribution <sup>a</sup>	Annual cash bonus	Total 2012	Total 2011
	£000	£000	£000	£000	£000
Sir Michael Rake	672			<b>672</b>	638
I Livingston	941	220	1,344	<b>2,505</b>	2,359
T Chanmugam	565	159	605	<b>1,329</b>	1,290
G Patterson	603	119	613	<b>1,335</b>	1,300
	2,781	498	2,562	<b>5,841</b>	5,587

<sup>a</sup> Pension allowance paid in cash – see Pensions below.

There were no gains on the exercise of share options by directors in 2012 (2011: nil). The value of shares awarded to directors which vested under BT's executive share plans in 2012 was £790,000 (2011: £518,000). The share price on vesting was 202.67p and the number of shares that vested were as follows: I Livingston: 237,410; T Chanmugam: 55,816; G Patterson: 96,880.

**Performance related element of remuneration for executive directors**

The table below shows the shares that will vest under the Incentive Share Plan in May 2012 and an estimate of the award of deferred shares to be granted in June 2012.

	Incentive Share Plan <sup>a</sup>	Deferred Bonus Plan <sup>b</sup>
I Livingston	2,222,929	626,715
T Chanmugam	1,035,186	211,475
G Patterson	1,089,668	214,348

<sup>a</sup> Awards granted on 7 August 2009 inclusive of dividends re-invested. This award will vest in full in May 2012.

<sup>b</sup> The executive directors will be granted deferred annual bonuses payable in shares in three years' time, subject to continued employment. An estimate of the number of shares to be granted has been calculated using the closing market share price of 214.5p on 8 May 2012.

**Non-executive directors**

The total payment to non-executive directors during the year was £805,000 (2011: £683,000). At 1 April 2012, there were seven non-executive directors. The basic fee for non-executive directors is £62,000 per year (2011: £62,000). There are additional fees for membership and chairing a Board Committee, details of which are given in the table below:

Committee	Member's fee	Additional Chairman's fee
Audit & Risk	£15,000	£15,000
Remuneration	£10,000	£10,000
Nominating & Governance	£7,500	£5,000
Other Board Committees	£5,000	£5,000



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Patricia Hewitt, as Senior Independent Director, chair of the Remuneration Committee, chair of the BT Pensions Committee and a member of the Audit & Risk Committee, receives total fees of £159,500 per year. Phil Hodgkinson receives an additional annual fee of £72,500 as chairman of the Equality of Access Board (a Board Committee).

### **Pensions payments made during the year**

Sir Michael Rake and Ian Livingston are not members of any of the Company pension schemes. For Ian Livingston the Company paid £50,000 into a personal pension plan plus a cash payment of £219,999 as the balance of his pension allowance. Tony Chanmugam is a member of the BT Pension Scheme but has opted out of future pensionable service accrual. Tony Chanmugam received a cash payment of £158,625. Gavin Patterson received a cash payment of £118,752 and £50,000 was paid into the BT Retirement Saving Scheme.

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# **Board of Directors**

## **Chairman**

Appointed to the Board as Chairman on 26 September 2007. Age 64

### **Skills and experience**

Sir Michael has financial, risk, and international business and professional services expertise gained during his time as chairman of KPMG International from 2002 to 2007. He previously held other roles in KPMG from 1974. A Chartered Accountant, he was knighted in 2007 for his services to the accountancy profession.

### **Other appointments include**

Chairman of easyJet, senior independent director of Barclays and a non-executive director of McGraw-Hill. Sir Michael is also vice-president of the RNIB, a member of the board of the Transatlantic Business Dialogue, the Prime Minister's Business Advisory Group and the WEF International Business Council.

## **Chief Executive**

Appointed as Chief Executive on 1 June 2008, and on the Board since 2002. Age 47

### **Skills and experience**

Ian has financial, risk, operational, sales and marketing and international business experience. He joined Dixons Group in 1991 after working for 3i and Bank of America International. His positions at Dixons spanned operational and financial roles in the UK and overseas. He is a Chartered Accountant.

### **Other appointments include**

Non-executive director and chairman of the audit committee of Celtic.

## **Group Finance Director**

Appointed to the Board as Group Finance Director on 1 December 2008. Age 58

### **Skills and experience**

Tony has experience in finance, risk and the management and delivery of large contracts. He was formerly CFO, BT Retail and Managing Director, BT Enterprises and, from 1997 to 2004, he was CFO and then Chief Operating Officer of BT Global Solutions. He is a Chartered

Accountant.

**Other appointments**

None outside BT.

**CEO, BT Retail**

Appointed to the Board as CEO, BT Retail on 1 June 2008. Age 44

**Skills and experience**

Gavin has experience in sales, marketing and operations. He was formerly Managing Director, Consumer Division, BT Retail and before joining BT was managing director of the consumer division of Telewest.

**Other appointments include**

Non-executive director of British Airways.

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**Non-executive director**

Appointed to the Board on 16 July 2009. Age 56

**Skills and experience**

Tony brings international business expertise in addition to finance, operational, sales and marketing experience. From 1999 to 2003, Tony was chief executive of BSkyB. He has also held a number of senior executive positions in broadcasting and telecoms businesses in the UK, US and Continental Europe.

**Other appointments include**

Chairman of the supervisory board of Kabel Deutschland, and on the boards of the Olympic Delivery Authority London 2012 and the Spanish cable company ONO.

**Non-executive director**

Appointed to the Board on 1 April 2008. Age 60

**Skills and experience**

Eric has global business experience, particularly in financial and consumer matters. He was group chief executive of Lloyds Banking Group until March 2011. Formerly, he was chairman and chief executive of Zona Financiera.

**Other appointments include**

Director of Russell Reynolds Associates and a trustee of the UK Career Academy Foundation.

**Non-executive director**

Appointed to the Board on 24 March 2008 and became Senior Independent Director in July 2009. Age 63

**Skills and experience**

Patricia brings experience of running large complex organisations, government affairs, public policy and international business. Patricia stepped down as an MP at the 2010 election. She was Secretary of State for Health from 2005 to 2007 and Trade and Industry and Cabinet Minister for Women from 2001 to 2005.

**Other appointments include**

Independent non-executive director of Groupe Eurotunnel SA and chair of the UK India Business Council and Katha Children's Trust.

**Non-executive director**

Appointed to the Board on 1 February 2006. Age 54

**Skills and experience**

Phil has experience in the financial sector as well as risk, control, governance and sustainable business. Prior to his retirement in 2007, Phil's roles included group finance director of HBOS, chairman of Insight Investment and Clerical Medical and chief executive of Zurich Life and Eagle Star Life.

**Other appointments include**

Non-executive director of HM Revenue & Customs, Business in the Community, Travelex and Resolution. Also a trustee of Action Medical Research and BBC Children in Need.

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**Board of Directors continued**

	<b>Non-executive director</b>	<b>Non-executive director</b>
<b>Non-executive director</b>	Appointed to the Board on 1 January 2011. Age 54	Appointed to the Board on 19 January 2011. Age 48
Appointed to the Board on 1 November 2011. Age 49		
	<b>Skills and experience</b>	<b>Skills and experience</b>
<b>Skills and experience</b>	Nick brings experience in finance, risk, control, governance and international business expertise and has a record of innovation and delivery. He was chief financial officer of Diageo prior to his retirement in December 2010, having joined the board in 1999.	Jasmine has experience in UK and global businesses and corporate social responsibility and sustainable business. She was appointed chief executive of Save the Children International in 2010, having joined Save the Children in 2005.
With a 25 year career in the technology and software industry, Karen brings experience in technology to the Board. Karen was previously a board member of i2Group and from 1998 to 2005 Karen worked for the NASDAQ-listed software company Epiphany Inc, latterly as chief executive officer.		
	<b>Other appointments include</b>	<b>Other appointments include</b>
<b>Other appointments include</b>	Chairman of Williams Grand Prix Holdings, on the board of BAE Systems and chairman of Edwards Group.	Governor of Dragon School Trust.
Director of magi-com (formerly Hi5 Networks Inc), a social networking website, and VirtuOz, a software company.		

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# **Auditors statement**

## **Independent auditors statement to the members of BT Group plc**

We have examined the Summary financial statement which comprises the Summary group income statement, Summary group cash flow statement and Summary group balance sheet as set out on pages 8 to 9 and the directors report, including the Summary report on directors remuneration as set out on pages 10 to 11.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the BT Group plc Summary financial statement & notice of meeting in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary financial statement within the BT Group plc Summary financial statement & notice of meeting with the full annual financial statements, the Report of the directors and the Report on directors remuneration and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder. We also read the other information contained in the BT Group plc Summary financial statement & notice of meeting and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary financial statement. The other information comprises only the Financial summary, the Chairman's message and the other items listed on the contents page. This statement, including the opinion, has been prepared for and only for the company's members as a body in accordance with

section 428 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Basis of opinion**

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our reports on the Company's full annual financial statements describe the basis of our audit opinions on those financial statements, the Report of the directors and the Report on directors remuneration.

### **Opinion**

In our opinion the Summary financial statement is consistent with the full annual financial statements, the Report of the directors and the Report on directors remuneration of BT Group plc for the year ended 31 March 2012 and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.

**PricewaterhouseCoopers LLP**, Chartered Accountants and Statutory Auditors, London, United Kingdom

9 May 2012

**Important note**

This Summary financial statement is only a summary of the information contained in BT's consolidated financial statements, Report of the directors and Report on directors' remuneration as set out in the BT Group plc Annual Report & Form 20-F 2012 (Annual Report). It contains additional information derived from the Report of the directors in the Annual Report, and does not contain the full text of that Report of the directors. It does not contain sufficient information to allow for as full an understanding of the results of the group and state of affairs of the Company or the group and of their policies and arrangements concerning directors' remuneration as would be provided by the Annual Report.

A copy of the Annual Report can be viewed online at [www.bt.com/annualreport](http://www.bt.com/annualreport) Shareholders may obtain a copy of the full Annual Report for 2012 and future years, free of charge, by calling our Shareholder Helpline on Freephone 0808 100 4141 (if overseas on +44 121 415 7178). The auditors' report on the Annual Report for the year ended 31 March 2012 was unqualified and does not contain any statement under section 498(2) (accounting records or returns inadequate or accounts or directors' remuneration report not agreeing with records or returns) or section 498(3) (failure to obtain necessary information and explanations) of the Companies Act 2006 and the auditors' statement in that Annual Report under section 496 (whether directors' report is consistent with accounts) of that Act was unqualified.

**Forward-looking statements – caution advised**

Please see the cautionary statement about forward-looking statements on page 175 in the Annual Report, available as described in the previous note.

**Takeover Directive disclosure**

As a result of the EU Takeover Directive, we have to make additional disclosures in the Annual Report (see page 91). There we set out where this information can be found elsewhere in the Annual Report (eg the structure of BT's share capital, including rights and obligations attaching to the shares) or provide details on the matters not covered elsewhere.

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## **Notice of meeting**

The Notice provides details of the resolutions to be proposed at the Annual General Meeting (AGM) on Wednesday 11 July 2012.

## **Why the AGM is important**

### **Your role**

We want you to know what is happening in your Company. The AGM is your opportunity to hear straight from the Chairman and Chief Executive about how your Company is doing.

You can come in person or view the webcast at [www.bt.com/btagm2012](http://www.bt.com/btagm2012)



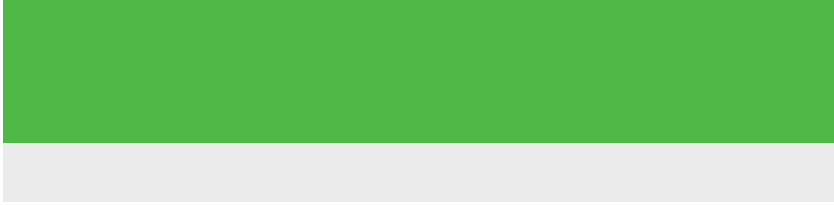
## **Inside this Notice**

### **Resolutions**

Your vote is important to us.



We are proposing 20 resolutions at the AGM. We have provided further details about these resolutions on pages 17 to 20 so you can make an informed decision when voting.



## What to do

### Voting

Your AGM admission card/proxy card contains details of what you need to do in order to vote. If you are not going to be at the AGM, and you want to vote on any of the resolutions, please complete and return the enclosed AGM admission card/proxy card to our Registrars, Equiniti. Alternatively, you can also use this card to appoint another person (a proxy) to attend the meeting on your behalf. Your proxy can speak and vote at the meeting.



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## **Notice of meeting**

The 2012 Annual General Meeting (AGM) of  
BT Group plc will be held at Old Billingsgate,  
1 Old Billingsgate Walk, London EC3R 6DX  
at 11am on Wednesday 11 July 2012  
to consider the following:

### **Ordinary business**

*Resolutions 1 to 15 will be proposed as ordinary resolutions.*

#### **Resolution 1: Report and accounts**

That the accounts and reports of the directors and the auditors for the year ended 31 March 2012 be received.

By law, the directors have to present these accounts and reports contained in the Company's Annual Report to the meeting.

#### **Resolution 2: Remuneration report**

That the directors' remuneration report for the year ended 31 March 2012 be approved.

The directors have to ask shareholders to vote on the Report on directors' remuneration. It is summarised on pages 10 and 11 of this document. You can find it in full, in the Annual Report, at [www.bt.com/annualreport](http://www.bt.com/annualreport)

#### **Resolution 3: Final dividend**

That the final dividend of 5.7 pence per share recommended by the directors be declared to be payable on 3 September 2012 to holders of ordinary shares registered at the close of business on 10 August 2012.

The final dividend declared cannot exceed the amount recommended by the directors.

#### **Resolutions 4 to 13: Directors**

The Company's articles of association require any director appointed by the Board to retire at the AGM following appointment. This applies to Karen Richardson who joined the Board on 1 November 2011. In accordance with the UK Corporate Governance Code all other directors will stand for re-election this year, except Eric Daniels who steps down from the Board on 13 June 2012. The biographies of the directors are set out on pages 12 to 14.

#### **Resolution 4**

That Sir Michael Rake be re-elected as a director.

**Resolution 5**

That Ian Livingston be re-elected as a director.

**Resolution 6**

That Tony Chanmugam be re-elected as a director.

**Resolution 7**

That Gavin Patterson be re-elected as a director.

**Resolution 8**

That Tony Ball be re-elected as a director.

**Resolution 9**

That the Rt Hon Patricia Hewitt be re-elected as a director.

**Resolution 10**

That Phil Hodkinson be re-elected as a director.

**Resolution 11**

That Nick Rose be re-elected as a director.

**Resolution 12**

That Jasmine Whitbread be re-elected as a director.

**Resolution 13**

That Karen Richardson be elected as a director.

**Resolution 14: Auditors re-appointment**

That PricewaterhouseCoopers LLP be re-appointed auditors of the Company, to hold office until the end of the next general meeting at which accounts are laid before the Company.

**Resolution 15: Auditors remuneration**

That the directors be authorised to decide the auditors remuneration.

This resolution follows standard practice.

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## **Notice of meeting continued**

### **Special business**

*The following resolution will be proposed as an ordinary resolution.*

#### **Resolution 16: Authority to allot shares**

That:

- (a) the authority and power conferred on the directors in relation to the Section 551 Amount by Article 71 of the Company's articles of association (Articles) be renewed until the end of the next Annual General Meeting (AGM) and for that period the Section 551 Amount will be £128 million; and
- (b) the directors be authorised generally and without conditions under Section 551 of the Companies Act 2006 (2006 Act) to allot shares and to grant rights to subscribe for or to convert any security into shares in the Company up to a further nominal amount of £128 million in connection with a rights issue. This authority expires at the end of the next AGM. The Board can make offers and enter into agreements which would, or might, need shares to be allotted and rights to be granted after that expiry.

These authorities supersede any previous ones under section 551 of the 2006 Act and rights issue is as defined in Article 71 of the Company's Articles.

The Company's Articles and paragraph (a) above give a general authority to the Board to allot new shares up to a nominal value of £128 million, which is equivalent to approximately 33% of the Company's issued share capital (excluding treasury shares) at the date of this Notice.

Paragraph (b) gives an authority to the directors to allot new shares only in connection with a rights issue up to a further face value of £128 million, which is equivalent to approximately 33% of the Company's issued share capital (excluding treasury shares) at the date of this Notice.

These authorities will lapse at the end of the AGM in 2013. See the notes to Resolution 18 for more information on treasury shares.

*The following three resolutions will be proposed as special resolutions.*

#### **Resolution 17: Authority to allot shares for cash**

That subject to the passing of Resolution 16:

- (a) the authority and power conferred on the directors by Article 71 of the Company's Articles be renewed for the period referred to in Resolution 16 and for that period the Section 561 Amount will be £20 million; and
- (b)

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the directors have power to allot equity securities (within the meaning of section 560(1) of the 2006 Act) entirely paid for in cash under the authority given by paragraph (b) of Resolution 16 in connection with a rights issue as if section 561(1) of the 2006 Act did not apply to such allotment. This power expires at the end of the next AGM but the Company can make offers and enter into agreements which would, or might, need equity securities to be allotted after that expiry.

In this resolution words defined in Resolution 16 have the same meaning, and references to an allotment of equity securities include a sale of treasury shares.

This resolution renews the powers given to the Board to allot equity securities without needing to offer these shares to existing shareholders first: for cash up to an amount representing approximately 5% of the issued share capital (including treasury shares) at the date of this Notice, approximately 407 million shares; and in connection with a rights issue.

There are no current plans to undertake a rights issue or to allot shares except in connection with the Company's employee share plans. Resolutions 16 and 17 ensure that the directors retain the flexibility to act in the best interests of shareholders, when opportunities occur, by allotting shares. Over a three year rolling period, except in a rights issue or pre-emptive offer, this disapplication will not exceed 7.5% of issued share capital.

### **Resolution 18: Authority to purchase own shares**

That the Company has general and unconditional authority to make market purchases (as defined in section 693(4) of the Companies Act 2006) of shares of 5p each in the Company, subject to the following conditions:

- (a) the maximum number of shares which may be purchased is 778 million shares;
- (b) the minimum price (excluding expenses) which may be paid for each share is 5p;
- (c) the maximum price (excluding expenses) which the Company may pay for each share cannot be more than the higher of:
  - (i) 105% of the average market value of a share in the Company for the five business days prior to the day the purchase is made; and
  - (ii) the value of a share in the Company calculated on the basis of the higher of the price quoted for: (a) the last independent trade of; or (b) the highest current independent bid for any number of shares in the Company on the trading venues where the purchase is carried out; and

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(d) this authority expires at the end of the next AGM, except in relation to the purchase of shares, the contract for which was concluded before the expiry of this authority and which might be executed wholly or partly after that expiry.

This resolution renews the Company's authority to buy its own shares on similar terms to previous years' authorities. It would be limited to 778 million ordinary shares, representing 10% of the issued share capital (excluding treasury shares) at the date of this Notice. The directors would exercise this authority only after considering the effects on earnings per share and the benefits for shareholders generally. The purchase of shares by the Company under this authority would be a purchase in the market. It should not be confused with any share dealing facilities that may be offered to shareholders by the Company.

Shares purchased by the Company out of distributable profits could be held as treasury shares, which could then be cancelled, sold for cash or used to meet the Company's obligations under its employee share plans.

At 9 May 2012, 277 million treasury shares had been transferred to meet the Company's obligations under its employee share plans and at that date, the Company still held 363 million treasury shares which is equal to approximately 5% of the issued share capital (excluding treasury shares) at that date.

The Company's current intention is to hold any shares purchased as treasury shares but it retains the flexibility to cancel them or sell them for cash if it considers this to be in the best interests of the Company. The authority will lapse at the end of the AGM in 2013.

At 9 May 2012, there were options outstanding over 585 million shares (of which options over 561 million shares were in respect of options granted under the savings related share option plans), representing 7.5% of the Company's issued share capital (excluding treasury shares). If the authority given by this resolution were to be fully used, these would represent 8.3% of the Company's issued share capital (excluding treasury shares). There are no warrants outstanding.

**Resolution 19: Authority to call a general meeting on 14 days' notice**

That the Company may call a general meeting (but not an AGM) on at least 14 clear days' notice.

The Companies Act 2006 requires that general meetings are held on 21 days' notice unless shareholders have approved a shorter notice period. This resolution means we would give you two weeks or more notice of a general meeting. It will be effective until our next AGM, when we may propose a similar one. It is expected that the authority would be used only in exceptional circumstances.

*The following resolution will be proposed as an ordinary resolution.*

**Resolution 20: Authority for political donations**

That British Telecommunications plc, a wholly-owned subsidiary of the Company, be authorised to make political donations to political:

(a) parties and/or independent election candidates not exceeding £75,000 in total; and

(b) organisations other than political parties not exceeding £25,000 in total during the period beginning with the date of the 2012 AGM and ending at the end of the day on which the 2013 AGM is held.

The terms 'political donation', 'political parties', 'independent election candidates', and 'political organisation' have the meanings given by sections 363 to 365 of the Companies Act 2006 (2006 Act).

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The Company's continuing policy is that no company in the group will make contributions in cash or kind (including loans) to any political party. However, the definition of political donations used in the 2006 Act is very much broader than the sense in which these words are ordinarily used. It may cover activities such as making MPs and others in the political world aware of key industry issues and matters affecting the Company which make an important contribution to their understanding of BT. The authority we are requesting in this resolution is not designed to change the above policy, but will ensure that the group continues to act within the provisions of the 2006 Act.

During the 2012 financial year, the Company's wholly-owned subsidiary, British Telecommunications plc, spent £3,550 on activities related to last year's resolution.

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## **Notice of meeting continued**

### **Register of Members and proxies**

Only shareholders on the BT Group Register of Members at 6pm on 9 July 2012 are entitled to attend and vote at the AGM.

If you are unable to attend and vote, you can appoint another person as your proxy to exercise all or any of your rights to attend, speak and vote at the meeting. You may appoint more than one proxy in relation to the meeting, provided you appoint each proxy to exercise the rights attached to a different share or shares held by you. A proxy need not be a shareholder of the Company. On a poll, the number of shares held by you as a shareholder at 6pm on 9 July 2012 will decide the number of votes that you may cast. Changes after that time will not be taken into account.

An AGM admission card/proxy card accompanies this Notice of meeting.

### **Nominated persons**

Unless you are a shareholder you do not have a right to appoint any proxies under the procedures set out above, or referred to under the heading AGM information .

You may nevertheless have a right under an agreement between you and a shareholder of the Company who has nominated you (Relevant Shareholder) to have information rights, to be appointed, or to have someone else appointed, as a proxy for the meeting; or to give instructions to the Relevant Shareholder on the exercise of voting rights.

If you are uncertain about your rights or about your investment you should contact the person or organisation that administers that investment.

### **Shareholders rights**

Shareholders at the AGM have the right to ask questions relating to its business. The Chairman need not answer if, for example, it would involve disclosing confidential information or is undesirable in BT's interests or the good order of the AGM.

If enough shareholders act together to make requests under sections 527 and 528 of the Companies Act 2006 (all references are to this Act), BT may have to publish on its website a statement setting out any matter relating to the audit of its accounts or any circumstance connected with its auditor ceasing to hold office. BT cannot make shareholders, requesting this, pay its expenses in complying with these sections. It has to forward the statement to its auditor before it publishes the statement. The business which may be dealt with at the AGM includes any such statement.

Shareholders meeting the threshold and time limit set out in sections 338 and 338A can make the Company give its members notice of a resolution and/or include in the business to be dealt with at the AGM any matter which may be properly included in that business.

### **Shares**

The total number of issued and fully paid ordinary shares of 5p each at 9 May 2012, the latest practicable (business) date before the publication of this document, was 8,151,227,029, carrying one vote each. The total number of voting rights in the Company at that date was 7,787,436,128 (excluding treasury shares).

### **Documents**



## Edgar Filing: UGI CORP /PA/ - Form 11-K

Copies of all service contracts and contracts of appointment between the directors and the Company are available for inspection during business hours at the registered office of the Company on any weekday (but not on public holidays) and will also be available for inspection at the AGM venue from 10am on the day of the meeting until the end of the meeting.

Your directors believe that the proposals set out in Resolutions 1 to 20 are in the best interests of shareholders as a whole and unanimously recommend that you vote in favour of all these resolutions. They intend to do so in respect of their own beneficial holdings.

By order of the Board

**Andrew Parker**

Secretary

81 Newgate Street

London EC1A 7AJ

9 May 2012

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## **AGM information**

### **Time and place of meeting**

11am on Wednesday 11 July 2012 at

Old Billingsgate

1 Old Billingsgate Walk

London

EC3R 6DX

### **Programme**

<b>10am</b>	Doors open to shareholders
<b>11am</b>	Meeting commences
<b>1pm approx</b>	Meeting ends

You can find further information about the venue at [www.oldbillingsgate.co.uk](http://www.oldbillingsgate.co.uk)

### **Who may attend**

If you are on the BT Group Register of Members at 6pm on 9 July 2012, you are entitled to attend, speak and vote at the AGM. If you are unable to attend the meeting, you can appoint another person (a proxy) to attend the meeting, speak, and/or vote on your behalf. This can be done online or by post. The number of shares you hold at the above register deadline will decide how many votes you or your proxy(ies) will have on a poll. For more information about appointing a proxy, please read the notes on the enclosed AGM admission card/proxy card.

If you are joint shareholders, all of you can attend and speak at the meeting. If more than one joint holder votes, only the vote of the first shareholder listed on the Register of Members will be counted.

Non-shareholders (who are accompanying shareholders) will be admitted at the discretion of the Company. Anyone accompanying a shareholder who is in a wheelchair, or is otherwise in need of assistance, will be admitted to the meeting.

Votes on all matters except procedural issues will be taken on a poll.

### **Admission**

Please bring your AGM admission card/proxy card or email notification with you, as it will speed your admission, and keep it until the end of the meeting to vote. You may also find it useful to bring this document with you, in order to refer to it at the meeting.

Please note that those attending will not be permitted to hand out leaflets or pamphlets in the venue.

## Security

For security reasons and to speed up admission, please do not bring suitcases, large bags, a camera, laptop computer or tape recorder. If you do, you may be asked to deposit them in a secure property store for collection after the meeting.

## Mobile devices

Please ensure that mobile devices are switched off during the meeting.

## Shareholders with disabilities

The following facilities will be available:

sound amplification

induction loop

sign language interpretation.

The venue is wheelchair accessible. There is accessible parking in the Tower Hill Corporation of London car park nearby. There are designated spaces for wheelchair users in the auditorium.

If you have any questions about access requirements, please email the venue customer service manager at [info@oldbillingsgate.co.uk](mailto:info@oldbillingsgate.co.uk)

## Refreshments

Tea and coffee will be available before, but not during, the meeting. We will hand you a voucher on arrival, which will entitle you to light refreshments served after the meeting.

## Questions

The Chairman will answer questions you may have about any of the resolutions. If you wish to ask a question, please make your way to a Question Registration Point where someone will help you. To be fair to other shareholders who want to ask a question, you are requested not to register more than one question which must be relevant to the business of the meeting otherwise it will not be registered. If you have a question on an individual customer service issue, you will be directed to a Customer Help Desk. The Chairman cannot deal with individual service issues.

At the end of the meeting, you will be asked to vote on the resolutions set out in this booklet. You will be invited to complete your AGM admission card/proxy card by placing a cross in one of the boxes alongside each resolution and place it in a voting box as you leave the auditorium.

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**If you are not coming to the meeting**

**Webcast**

The statements by the Chairman, Sir Michael Rake, and Chief Executive, Ian Livingston, will be broadcast live on

the internet at **[www.bt.com/btagm2012](http://www.bt.com/btagm2012)**

Questions and voting on the business of the meeting will not be broadcast. If you intend to view the webcast, you should visit this site before the meeting to check that you will be able to view it on your computer, and also whether you need any additional software. After the AGM you will be able to view a recording of the statements.

If you have any queries about the meeting,

please call our Shareholder Helpline on

Freefone **0808 100 4141** or on

Textphone **0800 169 6907**.

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## **Contact information**

### **Telephone**

#### **Shareholder helpline**

for general enquiries call:

**Freephone:** 0808 100 4141  
(+44 121 415 7178)\*

**Textphone:** 0800 169 6907  
(+44 121 415 7028)\*

\*calls from outside the UK

### **Email**

Information on how to manage your shareholdings can be found at <https://help.shareview.co.uk> If your question is not answered by the information provided, you can send your enquiry via secure mail from these pages.

### **Post**

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom

(please include a daytime telephone number)

## **Useful links**

The Annual Report for 2012, together with this Summary financial statement & notice of meeting, which contains other information required by section 311A of the Companies Act 2006, is available on our website at [www.bt.com/annualreport](http://www.bt.com/annualreport) You can request a printed copy of the Annual Report for 2012 and future years, free of charge, by getting in touch with us. You may also find the following links useful:

Sign up as an e-shareholder

[www.bt.com/signup](http://www.bt.com/signup)

Shareholder offers

[www.btplc.com/sharesandperformance/  
shareholderoffers](http://www.btplc.com/sharesandperformance/shareholderoffers)

BT's Sustainability report

[www.bt.com/betterfuture](http://www.bt.com/betterfuture)

Information for shareholders

[www.btplc.com/sharesandperformance/shareholders](http://www.btplc.com/sharesandperformance/shareholders)

BT news and media

[www.btplc.com/news](http://www.btplc.com/news)

About BT

[www.btplc.com/thegroup](http://www.btplc.com/thegroup)

**Data Protection Statement**

The Company (references to "Company" include BT Group plc and British Telecommunications plc) collects and processes information provided by you, or on your behalf, which relates to you as an individual shareholder or as a participant in EasyShare or other scheme or plan. This information (which is your personal data) includes your name and contact details, the votes you cast and the Reference Number attributed to you by the Company. The Company may process your personal data for the purposes of compiling and updating the Company records, fulfilling its legal obligations, processing the shareholder rights you exercise, and contacting you with shareholder information and related communications. The Company may engage a third party to do this (for example our Registrars, Equiniti) who may process your personal data on the Company's behalf.

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