

WORLEYPARSONS LIMITED

ACN 096 090 158

PRELIMINARY FINAL REPORT

APPENDIX 4E

FINANCIAL YEAR ENDED 30 JUNE 2008

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		CONSOLIDATED	
	%	2008 \$'M	2007 \$'M
Revenue	UP 33%	4,670.1	3,512.5
Earnings before interest and income tax expense	UP 63%	520.0	319.1
Profit before income tax expense	UP 59%	488.3	306.2
Profit attributable to members of WorleyParsons Limited	UP 53%	343.9	224.8
Basic earnings per share (cents per share)	UP 40%	142.5	101.8
Diluted earnings per share (cents per share)	UP 40%	140.8	100.4
Revenue		4,670.1	3,512.5
Procurement services revenue		(196.1)	(357.8)
Revenue excluding procurement services revenue		4,474.0	3,154.7
Share of revenue from associates		855.9	691.8
Procurement services revenue of associates		(392.7)	(292.2)
Net revenue from associates		463.2	399.6
Share of net profits of associates		(36.5)	(19.7)
Aggregated revenue ¹		4,900.7	3,534.6
EBIT margin on aggregated revenue		10.6%	9.0%

1. Aggregated revenue is defined as statutory revenue plus share of revenue from associates less procurement services revenue at nil margin. The Directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of WorleyParsons Limited and the entities it controlled (Group or WorleyParsons).

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DIVIDEND	AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY
Final dividend (cents per share)	47.5	33.7
Record date for determining entitlement to dividend		12 September 2008
Date dividend is to be paid		10 October 2008

REVIEW OF OPERATIONS

The commentary on the results for the financial year is contained in the press release dated 12 August, 2008 accompanying this statement.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Effective 1 July 2007, the Group acquired 100% of Sydney based Patterson Britton and Partners Pty Ltd and Brisbane based John Wilson and Partners Pty Ltd and John Wilson and Partners (Services) Pty Ltd for consideration of \$32.5 million. Patterson Britton and Partners, and John Wilson and Partners are regarded as two of the leading consultants in the water and environmental services market in Australia with specific capabilities in the coastal and marine, water resources and waste water, environmental, civil and structural and power markets.

Effective 31 August 2007, the Group acquired 100% of Polestar Applied Technology Inc for \$12.7 million. The acquisition of Polestar increases WorleyParsons' capability in the nuclear consulting and analysis segment of the international nuclear power industry. The acquisition is considered to be of strategic significance as it extends the Group's capabilities in the nuclear power industry. Polestar has offices in the UK and USA.

Effective 1 November 2007, the Group acquired 100% of Unifield Engineering Inc for \$17.9 million. The acquisition will expand the Group's power business in Western USA and increase asset services in the Hydrocarbons sector.

Effective 16 April 2008, the Group acquired INTEC Engineering for consideration of \$117.6 million. INTEC Engineering provides engineering and project services to the offshore exploration and production and transportation sectors of the oil and gas industry, with a particular focus on deepwater. Headquartered in Houston, INTEC has over 500 professional staff with offices in London, Delft, Rio de Janeiro, Kuala Lumpur, Perth and Lagos.

Effective 30 June 2008, the Group acquired Westmar Consultants Inc (Westmar) for \$49.5 million. Westmar is a leading Canadian based marine and port facility, resource and mining infrastructure, bulk material handling and transportation specialist with over 275 professional staff. Westmar operates in Canada and on the northwest coast of North America.

In April 2008, unsecured notes payable were issued in the United States private debt market. The issue comprised US\$144.5 million maturing in 2018 with a fixed coupon of 6.5% per annum.

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MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the consolidated entity's state of affairs in future financial years.

AUDIT

This financial report is based on accounts which have been subject to an audit.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held as follows:

Place	The Radisson Plaza Hotel 27 O'Connell Street Sydney NSW 2000
Date	28 October 2008
Time	2.00 pm

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

INCOME STATEMENT

		CONSOLIDATED	
	NOTES	2008 \$'M	2007 \$'M
<i>REVENUE AND OTHER INCOME</i>			
Services		4,604.7	3,467.8
Sale of goods		2.4	10.0
Total revenue		4,607.1	3,477.8
Interest		18.3	9.2
Other		8.2	5.8
Share of net profit of associates accounted for using the equity method		36.5	19.7
Revenue and other income		4,670.1	3,512.5
<i>EXPENSES</i>			
Staff costs		(2,635.6)	(1,877.0)
Contract related reimbursable costs		(959.8)	(911.9)
Depreciation		(23.4)	(17.0)
Amortisation		(43.6)	(17.3)
Borrowing costs		(50.0)	(22.1)
Office and administration costs		(272.3)	(198.0)
Other costs		(197.1)	(163.0)
Profit before income tax expense		488.3	306.2
Income tax expense	4(A)	(141.0)	(79.9)
Profit after income tax expense		347.3	226.3
Profit attributable to minority interests		(3.4)	(1.5)
Profit attributable to members of WorleyParsons Limited		343.9	224.8
Basic earnings per share (cents)	1	142.5	101.8
Diluted earnings per share (cents)	1	140.8	100.4

The above income statement should be read in conjunction with the accompanying notes.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

AS AT 30 JUNE 2008

BALANCE SHEET

		CONSOLIDATED	
	NOTES	2008 \$'M	2007 \$'M
<i>ASSETS</i>			
<i>Current assets</i>			
Cash and cash equivalents	10	82.2	118.6
Trade and other receivables		1,217.2	821.1
Inventories		0.4	0.9
Prepayments		51.7	25.1
Derivatives		5.9	5.0
Assets held for sale		59.0	-
Total current assets		1,416.4	970.7
<i>Non current assets</i>			
Equity accounted associates	3(A)	91.8	86.2
Property, plant and equipment		81.7	63.3
Intangible assets		1,562.4	1,487.9
Finance lease receivable		-	31.5
Deferred tax assets		60.7	43.4
Derivatives		1.3	-
Other non current assets		3.2	1.3
Total non current assets		1,801.1	1,713.6
TOTAL ASSETS		3,217.5	2,684.3
<i>LIABILITIES</i>			
<i>Current liabilities</i>			
Trade and other payables		595.7	400.0
Interest bearing loans and borrowings		38.5	28.4
Income tax payable		53.1	33.4
Provisions		245.8	208.5
Derivatives		0.2	0.5
Liabilities held for sale		27.4	-
Total current liabilities		960.7	670.8
<i>Non current liabilities</i>			
Interest bearing loans and borrowings		672.9	488.4
Deferred tax liabilities		124.9	100.4
Provisions		32.1	37.0
Derivatives		10.4	-
Total non current liabilities		840.3	625.8
TOTAL LIABILITIES		1,801.0	1,296.6
NET ASSETS		1,416.5	1,387.7
<i>EQUITY</i>			
Issued capital	6	1,132.5	1,128.5
Reserves	7(A)	(157.8)	(7.9)
Retained profits	8	438.8	265.0
Parent entity interest		1,413.5	1,385.6
Minority interests		3.0	2.1
TOTAL EQUITY		1,416.5	1,387.7

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

STATEMENT OF CHANGES IN EQUITY

		CONSOLIDATED	
	NOTES	2008 \$'M	2007 \$'M
Total equity at the beginning of the financial year		1,387.7	475.3
Net movement in foreign currency translation reserve	7(B)	(152.3)	(22.9)
Net movement in hedge reserve	7(C)	(8.3)	4.0
Net expense recognised directly in equity		(160.6)	(18.9)
Profit after income tax expense		347.3	226.3
Total recognised income and expense for the financial year		186.7	207.4
Performance rights expense		14.4	8.1
Dividends paid		(170.1)	(103.6)
Contribution to equity		0.3	800.1
Minority interest movement		(2.5)	(1.0)
Asset revaluation of existing investments on acquisition		-	2.0
Purchase of shares to satisfy performance rights, net of tax		-	(0.6)
Total equity at the end of the financial year		1,416.5	1,387.7
Total recognised income and expense for the financial year is attributable to:			
Members of WorleyParsons Limited		185.0	206.8
Minority interests		1.7	0.6
		186.7	207.4

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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CASH FLOW STATEMENT

		CONSOLIDATED	
	NOTES	2008 \$'M	2007 \$'M
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>			
Receipts from customers (inclusive of goods and services tax)		4,407.3	3,512.9
Payments to suppliers and employees (inclusive of goods and services tax)		(4,079.4)	(3,255.1)
		327.9	257.8
Dividends received from associates	3(B)	8.3	4.7
Purchase of shares to satisfy performance rights	6(A)	-	(0.7)
Interest received		17.9	9.1
Borrowing costs paid		(47.6)	(19.9)
Income taxes paid		(107.7)	(55.1)
Net cash inflow from operating activities	10	198.8	195.9
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>			
Payments for purchase of equity accounted associates, net of return of capital		(3.6)	(13.1)
Proceeds from disposal of investments		-	4.6
Payments for acquisition of controlled entities		(252.0)	(860.9)
Cash balances in controlled entities acquired, net of overdraft		9.0	3.5
Payments for purchase of property, plant and equipment and intangible assets computer software		(79.5)	(33.6)
Payments for assets under construction		-	(6.5)
Proceeds from sale of property, plant and equipment		0.5	0.2
Net cash outflow from investing activities		(325.6)	(905.8)
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>			
Equity raising		-	481.3
Costs associated with equity raising		-	(11.1)
Repayment of borrowings		(417.3)	(823.4)
Proceeds from borrowings		699.3	1,217.0
Costs of bank facilities and proceeds from finance leases		(0.3)	(1.6)
Net loans to related parties		(6.4)	(4.0)
Dividends paid to the Company's shareholders	2(B)	(170.1)	(103.6)
Dividends paid to minority interests		(3.8)	(1.6)
Net cash inflow from financing activities		101.4	753.0
Net (decrease)/ increase in cash		(25.4)	43.1
Cash at the beginning of the financial year		108.0	70.3
Effects of exchange rate changes on cash		(6.3)	(5.4)
Cash and cash equivalents at the end of the financial year	10	76.3	108.0

The above cash flow statement should be read in conjunction with the accompanying notes.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	CONSOLIDATED	
	2008	2007
1 EARNINGS PER SHARE		
<i>ATTRIBUTABLE TO MEMBERS</i>		
Basic earnings per share (cents)	142.5	101.8
Diluted earnings per share (cents)	140.8	100.4

The following reflects the income and security data used in the calculation of basic and diluted earnings per share:

Earnings used in calculating basic and diluted earnings per share (\$'M)	343.9	224.8
Weighted average number of ordinary securities used in calculating basic earnings per share	241,410,336	220,812,863
Bonus element of performance rights which are considered dilutive	2,833,922	3,054,035
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share	244,244,258	223,866,898

The weighted average number of converted, lapsed or cancelled potential ordinary shares used in diluted earnings per share was 1,233,716 (2007: 521,467).

	CONSOLIDATED	
	2008	2007
	\$'M	\$'M

2 DIVIDENDS

(A) FINAL DIVIDEND PROPOSED

Dividend in respect of the six months to 30 June 2008: Parent entity 47.5 cents per share (33.7 cents franked)	114.8	-
Dividend in respect of the six months to 30 June 2007: Parent entity 32.5 cents per share (9.5 cents franked)	-	78.2

Dividends will be paid on 10 October 2008. Dividends paid by the parent entity are franked at the corporate tax rate of 30%. The record date for the 2008 final dividend will be 12 September 2008.

(B) DIVIDENDS PAID DURING THE YEAR

Dividend in respect of the six months to 31 December 2007: 38.0 cents per share (11.4 cents franked)	91.9	-
Dividend in respect of the six months to 30 June 2007: 32.5 cents per share (9.5 cents franked)	78.2	-
Dividend in respect of the six months to 31 December 2006: 28.0 cents per share (5.4 cents franked)	-	57.5
Dividend in respect of the six months to 30 June 2006: 22.5 cents per share (7.7 cents franked)	-	46.1
	170.1	103.6

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3 INVESTMENTS IN ASSOCIATES

(A) DETAILS OF INVESTMENTS IN ASSOCIATES ARE AS FOLLOWS:

ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED		CARRYING VALUE CONSOLIDATED	
		2008 %	2007 %	2008 \$'M	2007 \$'M
Ambar SA	Infrastructure & Environment	35	35	-	-
Aquara SA	Infrastructure & Environment	45.5	45.5	-	-
ARA Administracion Limitada	Infrastructure & Environment	50	50	-	-
ARA Limitada	Infrastructure & Environment	50	50	-	-
ARA WorleyParsons SA	Infrastructure & Environment	50	50	11.4	12.6
Bay Atlantic Limited ⁷	Hydrocarbons	49	-	-	-
Beijing MaisonWorleyParsons Engineering & Technology Co Limited ¹	Hydrocarbons	50	50	16.1	13.0
Biovision 2020 Holdings Pty Limited ⁶	Infrastructure & Environment	-	33.3	-	-
Biovision 2020 Pty Limited ⁶	Infrastructure & Environment	-	33.3	-	-
CIARA Limitada	Minerals & Metals	50	50	-	-
Clyde-WorleyParsons Pte Limited	Minerals & Metals	50	50	-	-
DeltaAfrik Engineering Limited	Hydrocarbons	49	49	5.3	1.4
Esperance Pipeline Company Pty Limited	Power	50	50	11.5	10.7
Esperance Power Station Pty Limited	Power	50	50	7.8	7.3
Gazneft Engineering LLC ¹	Hydrocarbons	50	50	0.6	0.7
I&E Systems Pty Limited	Hydrocarbons	50	50	1.6	1.3
KDPC Limited	Hydrocarbons	50	50	-	-
Motor Rent SA	Minerals & Metals	50	50	-	-
NANA/Colt Engineering LLC ³	Hydrocarbons	50	50	11.6	6.7
NWKC LLC	Hydrocarbons	50	50	0.4	0.5
Pacific Waterworks LLC	Infrastructure & Environment	50	50	-	-
Pangaea WorleyParsons (Pty) Limited ⁷	Power & Hydrocarbons	50	-	3.0	-
Perunding Ranhill Worley Sdn Bhd	Hydrocarbons	50	50	0.8	0.7
Petrocon Arabia Co Limited ¹	Hydrocarbons	50	50	6.3	8.3
PFD International LLC	Hydrocarbons	50	50	8.1	5.0
PFD (UK) Limited	Hydrocarbons	50	50	-	-
Protek Engineers Sdn Bhd	Hydrocarbons	49	49	0.3	0.3
Ranhill Worley Engineering Sdn Bhd ⁴	Hydrocarbons	40	40	0.1	0.1
Ranhill WorleyParsons Sdn Bhd	Hydrocarbons	49	49	10.8	9.3
Sakhneftegaz Engineering ¹	Hydrocarbons	49	49	0.2	0.2
Transfield Worley Limited ²	Hydrocarbons	50	50	5.2	4.6

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ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED		CARRYING VALUE CONSOLIDATED	
		2008 %	2007 %	2008 \$'M	2007 \$'M
Transfield Worley Power Services Pty Limited	Power	50	50	0.7	0.8
Transfield WorleyParsons Nouvelle Calédonia SAS ⁵	Minerals & Metals	50	-	-	-
Worley Maunsell Pty Limited ⁸	Minerals & Metals	-	50	-	-
WorleyParsons Arabia Limited Company	Hydrocarbons	50	50	8.9	2.3
WorleyParsons Bahrain WLL ⁷	Hydrocarbons	50	-	-	-
WorleyParsons Kirpalaney Engineering Pvt Limited	Hydrocarbons	50	50	0.4	0.4
WorleyParsons Momin Sdn Bhd	Dormant	50	50	-	-
				111.1	86.2
Equity accounted investments transferred to assets held for sale				(19.3)	-
Equity accounted associates				91.8	86.2

1 Balance date is 31 December, which was the balance date when the entity was acquired.

2 Balance date is 31 March, which was the balance date when the entity was acquired.

3 Balance date is 30 September, which was the balance date when the entity was acquired.

4 In liquidation.

5 Incorporated joint venture during the financial year.

6 Interest divested during the financial year.

7 Acquired interest during financial year.

8 Acquired control during financial year.

	CONSOLIDATED	
	2008 \$'M	2007 \$'M
(B) CARRYING AMOUNT OF INVESTMENTS IN ASSOCIATES		
Carrying amount at the beginning of the financial year	86.2	46.3
Addition of new investments	3.6	32.3
Capital repayment	-	(0.6)
Change in accounting to controlled entities	-	(3.4)
	89.8	74.6
Net profits of associates	36.5	19.0
Dividends received	(8.3)	(4.7)
Movement in hedge reserves of associates	0.5	0.7
Movement in foreign currency translation reserve of associates	(7.4)	(3.4)
	111.1	86.2
Equity accounted investments transferred to assets held for sale	(19.3)	-
Carrying amount at the end of the financial year	91.8	86.2

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	CONSOLIDATED	
	2008 \$'M	2007 \$'M
<i>(C) NET PROFITS ATTRIBUTABLE TO ASSOCIATES</i>		
Profits before income tax expense	50.0	24.2
Income tax expense	(13.5)	(4.5)
Share of net profits of associates accounted for using the equity method	36.5	19.7
Capitalised losses relating to operations with a subsidiary	-	(0.7)
Net profits of associates	36.5	19.0
Includes associates disclosed as held for sale.		
<i>(D) RESERVES ATTRIBUTABLE TO ASSOCIATES</i>		
<i>FOREIGN CURRENCY TRANSLATION RESERVE</i>		
Balance at the beginning of the financial year	(5.6)	(2.2)
Effect of decrease in reserve	(7.4)	(3.4)
Balance at the end of the financial year	(13.0)	(5.6)
Includes associates disclosed as held for sale.		
<i>(E) RETAINED PROFITS ATTRIBUTABLE TO ASSOCIATES</i>		
Balance at the beginning of the financial year	39.0	24.7
Share of profits of associates accounted for using the equity method	36.5	19.0
Dividends paid	(8.3)	(4.7)
Balance at the end of the financial year	67.2	39.0
Includes associates disclosed as held for sale.		
<i>(F) SHARE OF ASSOCIATES' CONTINGENT LIABILITIES</i>		
Performance related guarantees issued	10.3	3.8
<i>(G) SHARE OF ASSOCIATES' EXPENDITURE COMMITMENTS</i>		
Operating lease commitments	7.5	7.1
Finance lease commitments	9.3	9.6
Capital expenditure commitments	0.5	0.4
	17.3	17.1
<i>(H) SUMMARY OF THE FINANCIAL POSITION OF ASSOCIATES</i>		
The consolidated entity's share of aggregate assets and liabilities of associates is:		
Current assets	209.2	194.7
Non current assets	16.8	55.2
Current liabilities	(150.9)	(146.3)
Non current liabilities	(0.5)	(36.1)
Net assets	74.6	67.5
Fair value adjustment to tangible assets on stepped acquisitions	-	3.4
Identifiable intangible assets, net of amortisation	0.9	1.6
Goodwill at the end of the financial year	16.3	13.7
Carrying amount at the end of the financial year	91.8	86.2

**WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	CONSOLIDATED	
	2008	2007
	\$'M	\$'M
4 INCOME TAX		
<i>(A) INCOME TAX EXPENSE</i>		
Current tax	157.3	75.7
Deferred tax	(12.5)	7.8
Over provision in previous financial periods	(3.8)	(3.6)
Income tax expense	141.0	79.9
Deferred income tax expense/(revenue) included in income tax expense comprises:		
Increase in deferred tax assets	(21.3)	(10.8)
Increase in deferred tax liabilities	8.8	18.6
Deferred tax	(12.5)	7.8
<i>(B) NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE</i>		
Profit before income tax expense	488.3	306.2
At the Group's statutory income tax rate of 30% (2007: 30%)	146.5	91.9
Tax effect of amounts which are not (taxable)/deductible in calculating taxable income:		
Non deductible performance rights	2.4	6.8
Share of net profits of associates accounted for using the equity method	(10.0)	(5.9)
Research and development concession	(2.1)	(4.0)
Plant and machinery rebate	(0.8)	(0.6)
Benefit from tax losses not previously recognised	(0.1)	(11.2)
Over provision in previous financial periods	(3.8)	(3.6)
Difference in overseas tax rates*	9.5	6.1
Other	(0.6)	0.4
Income tax expense	141.0	79.9

* Represents income tax expense for foreign tax rate differential and international withholding taxes.

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	CONSOLIDATED	
	2008	2007
	\$'M	\$'M

(C) AMOUNTS RECOGNISED DIRECTLY IN EQUITY

Aggregate amount of tax arising in the reporting period and not recognised in net profit or loss but directly (charged)/credited to equity:

Current tax (charged)/credited directly to equity	-	0.2
Deferred tax (credited)/charged directly to equity	(16.8)	(1.2)

(D) TAX LOSSES

The Group has tax losses for which no deferred tax asset is recognised on the balance sheet:

Unused tax losses for which no deferred tax asset has been recognised	12.4	11.5
Potential tax benefit at 30%	3.7	3.4

The benefit for tax losses will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; or
- (ii) the losses are transferred to an eligible entity in the consolidated entity; and
- (iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

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5 CONTROLLED ENTITIES

The following acquisitions contribution to the Group's profit after income tax expense was \$7.0 million, and the contribution to revenue was \$86.2 million. Had these acquisitions taken place at 1 July 2007, the additional profit after income tax expense for the Group would have been \$13.9 million and additional revenue would have been \$182.6 million.

The fair value of the identifiable net assets acquired is as follows:

	INTEC ACQUISITION \$'M	OTHER ACQUISITIONS \$'M	TOTAL \$'M
<i>ASSETS</i>			
Cash and cash equivalents	1.9	7.9	9.8
Trade and other receivables	34.0	29.4	63.4
Prepayments	1.7	1.3	3.0
Property, plant and equipment	4.4	4.5	8.9
Other assets	0.8	0.2	1.0
Total assets	42.8	43.3	86.1
<i>LIABILITIES</i>			
Trade and other payables	20.3	14.1	34.4
Income tax payable	-	2.5	2.5
Interest bearing loans and borrowings	-	0.8	0.8
Provisions	-	6.1	6.1
Total liabilities	20.3	23.5	43.8
Net assets	22.5	19.8	42.3
Intangible assets	10.7	12.0	22.7
Deferred tax liability on intangible assets	(3.7)	(2.9)	(6.6)
Goodwill arising on acquisition	88.1	85.0	173.1
Total consideration paid	117.6	113.9	231.5
Consideration:			
Total cash consideration	117.6	113.9	231.5
Net cash effect:			
Cash consideration (including costs) paid	117.6	113.9	231.5
Cash and overdrafts included in net assets acquired	(1.9)	(7.1)	(9.0)
Net cash outflow	115.7	106.8	222.5

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6 ISSUED CAPITAL

	2008		2007	
	NUMBER OF SHARES	\$'M	NUMBER OF SHARES	\$'M
Ordinary shares, fully paid ^{1,2}	241,779,455	1,132.5	240,572,286	1,128.5
Special voting share	1	-	1	-
	241,779,456	1,132.5	240,572,287	1,128.5

¹ Included in ordinary shares are 10,114,322 (2007: 12,306,499) exchangeable shares. The issuance of the exchangeable shares and the attached special voting share replicate the economic effect of issuing ordinary shares in the Company. Accordingly, for accounting purposes, exchangeable shares are treated in the same single class of issued capital as ordinary shares. In addition, the Australian Securities Exchange (ASX) treats these exchangeable shares to have been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules.

² The WorleyParsons Limited Plans Trust holds 283,964 (2007: 293,212) shares in the Company which has been consolidated and eliminated in accordance with the accounting standards.

(A) MOVEMENTS IN SHARES

Balance at the beginning of the financial year	240,572,287	1,128.5	204,558,651	327.1
Ordinary shares issued	9,248	0.3	22,985,426	481.4
Ordinary shares issues on redemption of exchangeable shares	2,192,177	58.3	-	-
Exchangeable shares redeemed	(2,192,177)	(58.3)	-	-
Exchangeable shares issued	-	-	12,306,499	329.8
Transaction costs, net of tax	-	-	-	(11.1)
Purchase of shares to satisfy performance rights	-	-	-	(0.7)
Tax effect of purchase of shares to satisfy performance rights	-	-	-	0.1
Issuance of special voting share	-	-	1	-
Transfer from performance rights reserve on purchase and issuance of shares	1,197,921	3.7	721,710	1.9
Balance at the end of the financial year	241,779,456	1,132.5	240,572,287	1,128.5

(B) TERMS AND CONDITIONS OF ISSUED CAPITAL

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Exchangeable shares

The exchangeable shares were issued by WorleyParsons Canada SPV Limited, as part of the consideration for the acquisition of the Colt Group. Exchangeable shares may be exchanged into ordinary shares of the Company on a one for one basis (subject to adjustments) at any time by the exchangeable shareholders subject to escrow arrangements.

Exchangeable shares have the right to receive the same cash dividends or cash distributions as declared on the ordinary shares into which they are convertible. In the event of the winding up of the Company, the exchangeable shares would convert to ordinary shares, which would participate in the proceeds from the sale of all surplus assets pro rata with other ordinary shares.

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The exchangeable shares, through a voting trust which holds a special voting share in WorleyParsons, entitle their holders to vote at WorleyParsons' general meetings as though they hold ordinary shares. During the financial year ended 30 June 2008 2,192,177 (2007: nil) exchangeable shares were exchanged.

Special voting share

The special voting share was issued to Computershare Trust Company of Canada Limited (Trustee) as part of the consideration for the acquisition of the Colt Group. The special voting share does not have the right to receive dividends as declared, and in the event of the winding up of the Company, is unable to participate in the proceeds from the sale of all surplus assets. The special voting share has a right to vote together as one class of share with the holders of ordinary shares in the circumstances in which shareholders have a right to vote, subject to WorleyParsons' constitution and applicable law. The Trustee must vote in the manner instructed by an exchangeable shareholder in respect of the number of votes that would attach to the ordinary shares to be received by that exchangeable shareholder on exchange of its exchangeable shares. The special voting share has an aggregate number of votes equal to the number of votes attached to ordinary shares into which the exchangeable shares are retracted.

(C) SHARE OPTIONS

Options over ordinary shares

There are no unissued ordinary shares of WorleyParsons Limited under option as at the date of this report (2007: nil). No options have been granted during or since the end of the financial year.

	CONSOLIDATED	
	2008	2007
	\$'M	\$'M
7 RESERVES		
<i>(A) RESERVES</i>		
Foreign currency translation reserve	(178.0)	(25.7)
Hedge reserve	(3.7)	4.6
Asset revaluation reserve	1.2	1.2
Performance rights reserve	22.7	12.0
	(157.8)	(7.9)

(B) FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign controlled entities and associates and the net investments hedged in these entities.

Balance at the beginning of the financial year	(25.7)	(2.8)
Foreign exchange movement on translation of foreign controlled entities and associates	(191.8)	(24.5)
Net investments hedged, net of tax	39.5	1.6
Balance at the end of the financial year	(178.0)	(25.7)

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	CONSOLIDATED	
	2008	2007
	\$'M	\$'M

(C) HEDGE RESERVE

The hedge reserve is used to record gains or losses on hedging instruments used in the cash flow hedges that are recognised directly in equity. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

Balance at the beginning of the financial year	4.6	0.6
Transfer of ineffective foreign exchange hedges, net of tax	(3.7)	-
Net gain on foreign exchange hedges, net of tax	1.9	2.7
Fair value loss on mark to market on cross currency hedge, net of tax	(7.5)	-
Net gain on interest rate hedges, net of tax	0.5	0.6
Share of interest rate hedges recognised in associates	0.5	0.7
Balance at the end of the financial year	(3.7)	4.6

(D) ASSET REVALUATION RESERVE

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. The reserve can only be used to pay dividends in limited circumstances.

Balance at the beginning of the financial year	1.2	-
Asset revaluation reserve of existing investment on acquisition	-	2.0
Transfer to retained profits on disposal of investment	-	(0.8)
Balance at the end of the financial year	1.2	1.2

(E) PERFORMANCE RIGHTS RESERVE

The performance rights reserve is used to recognise the fair value of performance rights issued but not satisfied.

Balance at the beginning of the financial year	12.0	5.8
Performance rights expense	14.4	8.1
Transfer to issued capital on purchase and issuance of shares to satisfy performance rights	(3.7)	(1.9)
Balance at the end of the financial year	22.7	12.0

8 RETAINED PROFITS

Balance at the beginning of the financial year	265.0	143.0
Profit attributable to members of WorleyParsons Limited	343.9	224.8
Transfer from asset revaluation reserve	-	0.8
Dividends paid	(170.1)	(103.6)
Balance at the end of the financial year	438.8	265.0

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9 NET ASSETS PER SHARE

	CONSOLIDATED	
	2008	2007
	\$	\$
Net assets per share	5.86	5.76
Net tangible assets per share	(0.60)	(0.42)

A large proportion of the Company's assets are intangible in nature consisting of goodwill and identifiable intangible assets relating to businesses acquired. Identifiable intangible assets consist of customer contracts and relationships, trade names, favourable property leases and computer software. These assets are excluded from the calculation of net tangible assets per share.

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10 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

	CONSOLIDATED	
	2008 \$'M	2007 \$'M
Cash and cash equivalents	82.2	118.6
The above figures are reconciled to cash at the end of the financial year as shown in the consolidated cash flow statement as follows:		
Cash at bank and on hand	82.2	118.6
Cash and cash equivalents	82.2	118.6
Assets held for sale	3.8	-
Bank overdraft	(9.7)	(10.6)
Balance per consolidated cash flow statement	76.3	108.0
Reconciliation of profit after income tax expense to net cash inflow from operating activities:		
Profit after income tax expense	347.3	226.3
<i>NON CASH ITEMS</i>		
Depreciation	23.4	17.0
Amortisation	43.6	17.3
Performance rights expense	19.9	12.5
Share of associates profit in excess of dividends received	(28.2)	(15.0)
Other	3.5	(5.6)
Cash flow adjusted for non cash items	409.5	252.5
<i>CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES DURING THE FINANCIAL YEAR</i>		
Increase in trade and other receivables	(448.4)	(98.7)
Decrease/(increase) in inventories	0.2	(0.9)
Increase in prepayments	(27.0)	(1.7)
Increase in deferred tax assets	(19.4)	(6.2)
Increase in trade and other payables	187.7	17.1
Increase in income tax payable	21.9	8.3
Increase in deferred tax liabilities	30.8	22.7
(Decrease)/increase in billings in advance	(5.8)	3.7
Increase in other provisions	49.6	11.1
(Decrease)/increase in hire purchase liabilities	(0.3)	0.2
Exchange rate movement on opening balances	-	(11.5)
Decrease in issued capital	-	(0.7)
Net cash inflow from operating activities	198.8	195.9

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11 SEGMENT INFORMATION

The Group operates in four primary business segments: Hydrocarbons, Power, Minerals & Metals and Infrastructure & Environment. The Hydrocarbons segment incorporates the Oil and Gas, Refining, Petrochemicals and Chemicals business units.

PRIMARY REPORTING – BUSINESS SEGMENTS

2008	HYDRO-CARBONS \$'M	POWER \$'M	MINERALS & METALS \$'M	INFRASTRUCTURE & ENVIRONMENT \$'M	OTHER \$'M	ELIMINATIONS \$'M	CONSOLIDATED \$'M
Sales to external customers	3,166.6	435.7	394.9	302.2	-	-	4,299.4
Procurement services revenue	203.4	49.6	21.8	32.9	-	-	307.7
Inter-segment sales	7.7	3.3	1.8	0.2	-	(13.0)	-
Total revenue	3,377.7	488.6	418.5	335.3	-	(13.0)	4,607.1
Interest	-	-	-	-	18.3	-	18.3
Other	5.6	0.4	1.4	0.8	-	-	8.2
Share of net profits of associates	28.3	2.3	5.3	0.6	-	-	36.5
Revenue and other income	3,411.6	491.3	425.2	336.7	18.3	(13.0)	4,670.1
Segment result	423.9	61.9	81.0	42.6	-	-	609.4
Amortisation expense	(29.1)	(0.6)	-	(0.8)	(7.3)	-	(37.8)
Unallocated corporate expenses							(83.3)
Profit before income tax expense	394.8	61.3	81.0	41.8	(7.3)	-	488.3
Income tax expense							(141.0)
Profit after income tax expense							347.3
Segment assets	927.3	136.3	150.3	107.4	34.9	-	1,356.2
Goodwill	1,188.3	96.4	22.7	87.4	-	-	1,394.8
Identified intangible assets	156.7	3.6	-	7.3	-	-	167.6
Unallocated corporate assets							298.9
Consolidated total assets							3,217.5
Segment liabilities	535.2	91.2	64.2	43.4	76.4	-	810.4
Unallocated corporate liabilities							990.6
Consolidated total liabilities							1,801.0
Investments in associates included in segment assets	63.4	23.2	19.1	5.4	-	-	111.1
Purchase of non current assets	159.5	32.5	3.6	80.7	-	-	276.3
Depreciation and amortisation expense	41.5	4.8	5.3	8.1	7.3	-	67.0
Revenue and other income	3,411.6	491.3	425.2	336.7	18.3	(13.0)	4,670.1
Share of revenue from associates	750.9	28.2	61.8	15.0	-	-	855.9
Procurement services revenue of controlled entities	(131.7)	(48.0)	(8.1)	(8.3)	-	-	(196.1)
Procurement services revenue of associates	(390.0)	-	(2.5)	(0.2)	-	-	(392.7)
Less: share of profits of associates	(28.3)	(2.3)	(5.3)	(0.6)	-	-	(36.5)
Aggregated revenue	3,612.5	469.2	471.1	342.6	18.3	(13.0)	4,900.7

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PRIMARY REPORTING – BUSINESS SEGMENTS

2007	HYDRO-CARBONS \$'M	POWER \$'M	MINERALS & METALS \$'M	INFRASTRUCTURE & ENVIRONMENT \$'M	OTHER \$'M	ELIMINATIONS \$'M	CONSOLIDATED \$'M
Sales to external customers	2,054.2	406.9	242.7	195.6	2.6	-	2,902.0
Procurement services revenue	430.9	121.2	15.9	7.8	-	-	575.8
Inter-segment sales	5.9	-	1.3	4.7	-	(11.9)	-
Total revenue	2,491.0	528.1	259.9	208.1	2.6	(11.9)	3,477.8
Interest	-	-	-	-	9.2	-	9.2
Other	0.5	4.6	-	0.7	-	-	5.8
Share of net profits of associates	13.9	(0.5)	5.7	0.6	-	-	19.7
Revenue and other income	2,505.4	532.2	265.6	209.4	11.8	(11.9)	3,512.5
Segment result	251.0	57.8	42.7	20.4	-	-	371.9
Amortisation expense	(11.4)	-	-	-	-	-	(11.4)
Unallocated corporate expenses							(54.3)
Profit before income tax expense	239.6	57.8	42.7	20.4			306.2
Income tax expense							(79.9)
Profit after income tax expense							226.3
Segment assets	683.4	150.6	80.7	79.0	14.6	-	1,008.3
Goodwill	1,193.0	88.5	23.7	26.4	-	-	1,331.6
Identified intangible assets	156.3	-	-	-	-	-	156.3
Unallocated corporate assets							188.1
Consolidated total assets							2,684.3
Segment liabilities	429.8	95.3	38.0	46.5	52.6	-	662.2
Unallocated corporate liabilities							634.4
Consolidated total liabilities							1,296.6
Investments in associates included in segment assets	54.9	18.7	12.6	-	-	-	86.2
Purchase of non current assets	1,116.3	23.9	2.9	3.2	-	-	1,146.3
Depreciation and amortisation expense	24.8	5.5	1.1	1.9	1.1	-	34.4
Revenue and other income	2,505.4	532.2	265.6	209.4	11.8	(11.9)	3,512.5
Share of revenue from associates	602.4	25.9	46.1	17.4	-	-	691.8
Procurement services revenue of controlled entities	(216.7)	(121.2)	(13.3)	(6.6)	-	-	(357.8)
Procurement services revenue of associates	(292.2)	-	-	-	-	-	(292.2)
Less: share of profits of associates	(13.9)	0.5	(5.7)	(0.6)	-	-	(19.7)
Aggregated revenue	2,585.0	437.4	292.7	219.6	11.8	(11.9)	3,534.6

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SECONDARY REPORTING – GEOGRAPHICAL REGIONS

	ASIA AND MIDDLE EAST AND AFRICA \$'M	AUSTRALIA AND NEW ZEALAND \$'M	CANADA \$'M	EUROPE \$'M	UNITED STATES AND LATIN AMERICA \$'M	TOTAL \$'M
30 JUNE 2008						
Total revenue	526.0	1,292.0	1,304.9	500.7	983.5	4,607.1
Aggregated revenue	731.0	1,337.8	1,390.0	557.7	884.2	4,900.7
Total assets	244.6	730.9	1,467.7	255.4	518.9	3,217.5
Purchase of non current assets	9.1	79.5	68.7	43.6	75.4	276.3
30 JUNE 2007						
Total revenue	574.5	912.0	537.0	362.2	1,092.1	3,477.8
Aggregated revenue	795.3	970.8	521.6	415.0	831.9	3,534.6
Total assets	203.6	417.7	1,429.6	162.0	471.4	2,684.3
Purchase of non current assets	5.3	28.3	1,070.4	4.8	37.5	1,146.3

The group provides engineering design, project services, and maintenance and reliability support services to a number of markets.

Geographically, the group operates in five predominant segments, Asia, Middle East and Africa, Australia and New Zealand, Canada, Europe and the United States and Latin America.

12 CONTINGENT LIABILITIES

	CONSOLIDATED	
	2008 \$'M	2007 \$'M
(A) GUARANTEES		
The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations. These guarantees and letters of credit only give rise to a liability where the entity concerned fails to perform its contractual obligations.		
Guarantees outstanding at balance date in respect of financing facilities	19.6	1.6
Bank guarantees outstanding at balance date in respect of contractual performance	174.9	100.7
	194.5	102.3

The Group is subject to various actual and pending claims arising in the normal course of business. The Directors are of the view that the consolidated entity is adequately provided in respect of these claims.

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Included in guarantees outstanding at balance date in respect of financing facilities is a guarantee for an associate DeltaAfrik Engineering Limited. Under the terms of the guarantee, the Group has guaranteed the repayment of bank loans and performance guarantees outstanding in respect of an external borrowing facility taken on by the associate. The amount of borrowing and performance guarantee in the associate at 30 June 2008 was \$16.8 million.

(B) ASBESTOS

Certain members of Parsons E&C Group and other subsidiaries of Parsons Corporation, have been, and continue to be, the subject of litigation relating to the handling of, or exposure to, asbestos.

Based on its due diligence investigations during the acquisition of Parsons E&C Corporation from Parsons Corporation, including an analysis of available insurance coverage, and in light of the continuation and extension of the existing indemnity and asbestos claims administration arrangements between Parsons Corporation and Parsons E&C Corporation, WorleyParsons is not aware of any circumstance that is likely to lead to a material residual contingent exposure for WorleyParsons in respect of asbestos liabilities.