



27 February 2008

ASX/Media Release
WORLEYPARSONS LIMITED
(ASX: WOR)

Highlights

- Interim net profit up 61.6 % to \$152.7 million
- Half year EBITDA growth of 86.1% to \$263.1 million
- EBITDA margin expansion to 11.1% (2006: 9.7%)
- Underlying EBITDA growth approximately 31% (normalised for Colt acquisition and foreign exchange)
- EPS¹ up 40.4% to 63.3 cents per share
- Hydrocarbons result supported by strong Canadian performance
- Minerals & Metals and Infrastructure customer sector groups perform well
- Interim dividend increased to 38.0 cents per share (2006: 28.0 cents per share)
- 27,700 staff deployed in WorleyParsons group (June 2007: 23,800)
- Continued positive outlook for second half

Professional services company WorleyParsons Limited today announced an interim net profit after tax for the six months to 31 December 2007 of \$152.7 million, an increase of 61.6% on the \$94.5 million net profit reported for the same period to 31 December 2006 and an increase of 17.2% on the \$130.3 million reported in the second half of the 2007 financial year.

The result was earned on aggregated revenue of \$2,361.9 million, an increase of 61.8% on the \$1,459.9 million reported in the previous corresponding period.

EBITDA for the period was \$263.1 million, an increase of 86.1% on the prior corresponding period and an increase of 24.1% on the \$212.0 million reported in the second half of the 2007 financial year. The EBITDA margin for the group increased to 11.1% from the 9.7% reported in the corresponding period. Included in the 31 December 2007 result is a full six months contribution from the Colt Group which was acquired in February 2007. The six months to 31 December 2007 saw a significant appreciation of the Australian dollar against the US dollar. The company's average exchange rate during the half year was 86.5 cents compared with an average rate of 76.7 cents for the previous corresponding period.

¹ In calculating EPS the weighted average number of shares on issue includes the exchangeable shares issued as part of the Colt acquisition.



On an estimated like for like basis (i.e. normalising for the Colt acquisition and foreign exchange) EBITDA for the period increased by approximately 31%.

The Company's net profit margin on aggregated revenue was 6.5%. The effective corporate tax rate increased to 29.2% (31 December 2006: 24.6%) reflecting a higher proportion of earnings from higher taxed jurisdictions and lower R&D concessions recorded in the period.

Basic earnings per share were 63.3 cents, an increase of 40.4% above the 45.1 cents per share for the previous corresponding period.

Dividend declaration

The Directors have declared an interim dividend of 38.0 cents per share, franked at 30% (11.4 cents per share franked). Last year's interim dividend was 28.0 cents per share, franked at 22.1% (6.2 cents per share).

The dividend will be paid on 11 April 2008 for shareholders on the register as at midnight (Australian Eastern Standard Time) on 13 March 2008.

Results

	%	31 DEC 2007 \$'MILLION	31 DEC 2006 \$'MILLION
Revenue	UP 55.7	2,262.5	1,453.5
Earnings before interest, income tax, depreciation and amortisation expense ("EBITDA")	UP 86.1	263.1	141.4
Earnings before interest and income tax expense ("EBIT")	UP 76.7	231.7	131.1
Profit before income tax expense	UP 71.4	218.4	127.4
Profit attributable to members of WorleyParsons Limited	UP 61.6	152.7	94.5
Basic earnings per share (cents per share)	UP 40.4	63.3	45.1
Diluted earnings per share (cents per share)	UP 41.0	62.6	44.4



Revenue	2,262.5	1,453.5
Procurement services revenue	(97.7)	(181.8)
Revenue excluding procurement services revenue	2,164.8	1,271.7
Share of revenue from associates	397.2	356.8
Procurement services revenue of associates	(182.5)	(160.7)
Net revenue from associates	214.7	196.1
Share of net profits of equity accounted associates	(17.6)	(7.9)
Aggregated revenue ¹	2,361.9	1,459.9

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

Finance

The Company's gearing ratio at 31 December 2007 (calculated on a net debt to net debt + equity basis) was 23.0% compared with 22.3% at 30 June 2007. The EBITDA to total interest expense ratio for the six months to 31 December 2007 was 12.5 times. The Company's cash position at 31 December 2007 was \$126.8 million. The company has committed debt facilities of approximately \$840 million with 16% maturing within one year, 34% between one and four years and 50% between five and nine years (average maturity of 5.4 years). The majority of the Company's debt is denominated in foreign currencies. The interest cost of this debt provides a natural hedge for some of the earnings that are generated overseas.

Operating cash flow for the six months to 31 December 2007 was \$111.6 million, compared to \$73.7 million in the previous corresponding period and the \$195.9 million reported for the full year in 2007. Working capital utilized in the group increased during the period due to business growth and funding and support of a number of new operations across the Group.

During the period the Company invested a total of \$72.7 million in acquisitions, including; 100% of Sydney based Patterson Britton and Partners Pty Limited and Brisbane based John Wilson & Partners Pty Limited (for \$32.5 million); 100% of US power group Polestar Applied Technology Inc (for \$12.7 million); 100% of US asset services group Unifield Engineering, Inc (for \$17.9 million); and 100% of MB Technology (Malaysia) Sdn Bhd (for \$1.8 million). \$7.8 million of deferred settlements were also paid out relating to the successful achievement of 'earn out' clauses of several previously acquired entities. Subsequent to 31 December 2007 the company has invested \$3 million in acquiring a 50% interest in Pangaea, a South African based project services company in the process industries. The company will be renamed PangaeaWorleyParsons (Pty) Limited.

The effective tax rate of the Company during the six months was 29.2% (30 June 2007 full year rate 26.1% and 31 December 2006 half year rate 24.6%). The Company continues to benefit from concessions for expenditure for R&D activities in a number of jurisdictions but the benefit realized was less than in previous periods. Also affecting the overall group tax rate was a change in the earnings mix of the Company, with a larger proportion of the Company's earnings being generated in Canada where the effective tax rate is 37.5% and increased earnings in the United Kingdom which had previously utilized carried forward tax losses.



Chief Executive's Comments

Commenting on the performance for the half year to 31 December 2007 the Chief Executive Officer of WorleyParsons, Mr John Grill, said:

"It is pleasing to deliver yet another strong result reflecting the continued positive trading conditions the group has enjoyed over the last few years. Demand for our services remains high and it is particularly pleasing to have been able to continue to grow the number of personnel deployed across the WorleyParsons group to 27,700. The use of work share continues to increase, reflecting the demand for competent engineering resources around the world. Hardly a new project starts that doesn't involve the work being performed in a number of our offices.

"Our global Hydrocarbons business is now a highly credible, world-class business and we continue to see positive conditions remaining in this sector. Most new projects in the industry are being assessed using oil prices at approximately US \$50 - \$60 per barrel however we remain cognizant of the significant pressures participants in the industry continue to experience due to resource and capacity constraints.

"We are delighted by the strong contribution from our Canadian operations which has exceeded our expectations during the period. It is now twelve months since the acquisition of Colt and we are particularly pleased by the integration of Colt into our operations.

"The breadth and depth of our business is reflected in the strong growth of our Minerals & Metals and Infrastructure businesses, underpinned by our performance on a number of world scale resource projects as well as early contributions from acquisitions and continued development of our strategy in all sectors.

"In the period we continued our strategy of extending our capability and geographic coverage with the acquisition of two water and environmental firms in Australia and a nuclear engineering consulting firm and a regional asset services business in the US. In addition to the acquisition of Colt and Parsons E&C this strategy has seen us invest approximately \$250 million over the last 3 years in small to mid size acquisitions that have added significant capability to the company. We continue to see and evaluate similar opportunities.



EcoNomics™

In August 2007 the company announced a major initiative in our range of services and technologies that profitably embed environmental, social and financial sustainability into project delivery, across the asset lifecycle.

Commenting on the progress of EcoNomics™ Mr John Grill, said:

“It is pleasing to see that this initiative has been well supported by our clients in the USA, Europe, Canada and Australia. As a result, the depth and breadth of projects won has exceeded our initial objectives.

“Progress is being made in the renewable energy sector particularly in the emerging market of solar energy and through the acquisition of Polestar Applied Technologies our nuclear services continue to expand in both range and geographic spread. In addition, we were recently awarded the Zero Gen integrated combined cycle carbon sequestration demonstration project in Australia which will utilize our global power and hydrocarbons capability.

“We continue to increase our capabilities in water and wastewater through the acquisition of Patterson Britton and Partners and John Wilson & Partners.

“We are pleased with the progress we have made in the short time since the initiative was launched”.

Safety Performance

WorleyParsons uses the US OSHA (Occupational Safety and Health Administration) reporting standards for Total Recordable Case Frequency Rate (TRCFR) and Lost Workday Case Frequency Rate (LWCFR).

Under these definitions WorleyParsons' safety performance for our employees for the first half of the 2008 financial year was a TRCFR of 0.11, a similar performance to the full financial year 2007. Our LWCFR rate was 0.01 over the first half of 2008, an improvement over financial year 2007.

Commenting, Mr John Grill said:

“While our safety performance compares very favourably with international safety best practices and within our industry sectors, we are taking our commitment to safety to a new level by seeking to replicate our safety performance in the contractors we manage”.



Segment Performance

Hydrocarbons

The **Hydrocarbons** business reported aggregated revenue of \$1,764 million for the six months to 31 December 2007 representing an increase of 71.4% from the previous corresponding period. Included in this result is a full six months contribution from the Colt Group which was acquired in February 2007. On a like for like basis (i.e. normalising for the Colt Group) aggregated revenue growth was approximately 23.3%. Hydrocarbons contribution to the Group's total aggregated revenue was 74.7%. Segment EBIT was \$180.9 million with a reported segment margin of 10.3% (2006: EBIT \$102.1 million, margin 9.9%).

WorleyParsons announced a number of material contracts during the period that highlight the continued successful implementation of the sector strategy.

Following the successful completion of the FEED for Woodside's Pluto LNG development, WorleyParsons and its joint venture partners were awarded several key contracts with expected revenue to WorleyParsons of \$320 million. These include the EPCM services contract (in joint venture with Foster Wheeler) for the onshore LNG plant; the EPCM services contract (in joint venture with KBR) for the offshore platform; and the detailed design of the Pluto supply base.

In Singapore, again following on from a successful study phase, WorleyParsons (in joint venture with Foster Wheeler) has been awarded an EPCM services contract for ExxonMobil's new world scale petrochemical complex with expected revenue of approximately \$280 million to WorleyParsons.

In Brazil, WorleyParsons was awarded the basic engineering and FEED for the US\$8.4 billion Petrobras' "COMPERJ" Rio de Janeiro petrochemical complex. In Saudi Arabia, Saudi Aramco awarded WorleyParsons the FEED and project management services contract for a grass roots refinery to be built on the east coast at Ras Tanura with expected revenue to WorleyParsons of around US\$80 million.

In the US, Chevron awarded WorleyParsons the FEED and procurement services contract for a reformer project on a US refinery with expected revenue of US\$50 million.

To further the company's objective of having a substantial amount of our business in long term asset services the company's Malaysian joint venture Ranhill WorleyParsons was awarded a US\$60 million contract by Sarawak Shell in Malaysia for the provision of maintenance engineering services on existing facilities.

In Canada, Colt subsidiary Cord Projects was awarded a CAD\$90 million facilities services contract by Enbridge Pipelines Inc for fabrication work on new and existing facilities. In Kuwait, WorleyParsons was awarded a US\$300 million, 5 year program management contract by Kuwait Petroleum Company (KOC) to support KOC in achieving its 2020 objective to reach optimal capacity from its oilfields.

Outlook for Hydrocarbons

The outlook for Hydrocarbons remains positive for 2008. Strong demand is being experienced in all sectors. The combination of our capability in our target markets of upstream oil and gas, LNG, downstream refining and petrochemicals and pipelines together with our geographic coverage positions WorleyParsons well for continued opportunities servicing existing facilities and developing new facilities for both our nationally and internationally based clients.



Power

The **Power** business reported aggregated revenue of \$220.3 million, an increase of 17.1% on the previous corresponding period. Segment EBIT was \$30.0 million with a reported segment margin of 13.6% (2006: EBIT \$19.6 million, margin 10.4 %).

The continued growth in global demand for electricity and the desire for emission reduction continue to drive the Power market. This has placed significant focus on nuclear, renewable energy and the use of natural gas as primary fuels. Performance in the Power segment in the period was affected by the deferral of projects associated for US coal projects.

Significant new contracts awarded during the period included gas turbine combined cycle plants in Singapore, Russia and the US. Air quality control projects in the US continue to be an important market as do nuclear power projects with the award of owner's engineer contracts for two new nuclear units and a major feasibility study for new nuclear capacity for Rusal in Russia. In transmission networks, new contracts included a trans-bay cable crossing, several substations and power systems analysis projects.

WorleyParsons continued to increase its capability in renewable energy particularly in the emerging markets for solar and wind projects as well as front end engineering for bio-mass energy. WorleyParsons was also awarded the Zero Gen integrated combined cycle carbon sequestration demonstration project in Australia which will utilize our global power and hydrocarbons capability.

The acquisition of US based Polestar Technologies and South African based Pangaea have added capability in nuclear, coal and asset services and provide coverage of the South African power market. Power capability was also added to our offices in Richland and Vancouver, Washington; Billings, Montana; Cairo, Moscow, Abu Dhabi and Beijing.

Outlook for Power

We expect continued strong demand for, natural gas, renewable energy generation and nuclear services. Demand and project starts for new coal generation in some regions are dependent on policy decisions. Demand for air quality projects and opportunities for supplying services to support of existing assets should remain strong.

Minerals & Metals

WorleyParsons' **Minerals & Metals** business experienced strong growth during the period with aggregated revenue increasing by 66.7% to \$215.6 million. Segment EBIT was \$32.8 million with a reported segment margin of 15.2% (2006: EBIT \$19.5 million, margin 15.1%).

Market conditions were strong in the six month period with solid growth across all regions. The Australian business continues to benefit from a significant amount of study and early stage feasibility activity which is expected to provide significant follow on opportunities if projects are sanctioned.

The Ma'aden fertilizer project and the Pilbara iron ore project for FMG remain the major EPCM projects in the execution phase. Pleasing progress has been made in Europe with a now well established London hub office supporting a number of early stage projects in Russia, Ukraine and Kazakhstan.

The Dallas-based gas cleaning group is continuing to see strong demand for gas cleaning and energy optimization services across all regions with this capability now established in Australia, South East Asia and China.



The Canadian operations have benefited from the integration with Colt with a number of synergy projects awarded including projects in Edmonton and Ontario. Engineering capacity for alumina and titanium projects has been established in Canada. ARA WorleyParsons in Chile continues to provide exposure for WorleyParsons to on-going minerals opportunities in the Latin American region.

The Middle East continues to provide opportunity for Program Management (PMC) and EPCM services evidenced by contract awards with Borouge Ruwais melamine 1 project (Abu Dhabi) and the EMAL aluminium smelter.

Business growth is well supported by work share and joint venturing with other service providers where appropriate. Our operations in China continue to perform well and provide FEED and EPCM services to the specialty chemicals segment as well as providing high value engineering and global procurement support.

Long-term asset services contracts continue to show strong growth with a new asset services contract secured with Rio Tinto Aluminium's Yarwun alumina refinery in Australia and our first international engineering technical alliance contract with SMR, a subsidiary of Basic Element in Russia.

Outlook for Minerals & Metals

The outlook for Minerals & Metals remains positive for 2008. Commodity demand remains strong, driven by the industrialisation and urbanisation of China and India. The number of projects in the early stage of development indicates a strong pipeline of future projects across the sector. The company is well positioned to respond to these projects however we would note that financing constraints and access to capital may affect some projects.

Infrastructure

The **Infrastructure** business performed ahead of expectations with aggregated revenue for the six months of \$162.2 million, an increase of 40.1% from the \$115.8 million reported in 2006. Segment EBIT was \$18.1 million with a margin of 11.2% (2006: EBIT \$10.9 million, margin 9.4%).

The Infrastructure result reflects continued organic growth including solid performance on the two world scale resource projects; the Pilbara iron ore project for FMG and the Ma'aden project in Saudi Arabia.

In Canada, Europe and the US the environmental consulting business continues to perform, benefiting from cost synergies and the growth opportunities available through the WorleyParsons network. The integration in Canada has enabled the development of new capability to complement the environmental business.

The water and wastewater, marine and rail markets in Australia, New Zealand, Asia and the Middle East have performed strongly complemented by the recent acquisition of Patterson Britton and Partners and John Wilson & Partners.

World scale resource development and infrastructure projects in Australia, Saudi Arabia, the United Arab Emirates and Singapore have established WorleyParsons as a world-class infrastructure project delivery provider, successfully combining our specialist infrastructure capability with the project delivery skills embedded in our other sectors.



Outlook for Infrastructure

Delivery of major resource development projects through the provision of EPMC and PMC services remains a key market for the company with significant opportunities for growth in the Middle East, Africa some parts of Asia and Eastern Europe.

Environmental services associated with major resource development projects remains a large and growing global market for the company with significant opportunities for growth remaining, including through EcoNomics™. The growth of alternative water sources, including desalination, continues to provide a number of opportunities.

Outlook for WorleyParsons Group

Commenting on the outlook for the WorleyParsons Group, Mr John Grill said:

“We expect the markets for WorleyParsons’ services will remain strong. Our key markets and sectors continue to experience positive conditions and we are well positioned to respond to these opportunities. Subject to conditions remaining favourable we expect to achieve increased earnings in the second half of 2008.”

“The Company continues to evaluate opportunities for new business growth that will add to our existing capabilities and provide value for our shareholders.”

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