



WorleyParsons

resources & energy

EcoNomics™

WORLEYPARSONS LIMITED

ACN 096 090 158

PRELIMINARY FINAL REPORT

APPENDIX 4E

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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CONTENTS

RESULTS FOR ANNOUNCEMENT TO THE MARKET	1
STATEMENT OF FINANCIAL PERFORMANCE	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF FINANCIAL POSITION.....	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOWS.....	7
NOTES TO THE FINANCIAL STATEMENTS.....	8

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
Revenue and other income	5,069.5	5,807.7
Earnings before interest, income tax expense, depreciation and amortization (EBITDA)	519.3	693.2
Profit before income tax expense	393.3	561.7
Profit attributable to members of WorleyParsons Limited	291.1	390.5
Basic earnings per share (cents)	118.5	161.1
Diluted earnings per share (cents)	117.5	159.4
Aggregated revenue		
Revenue and other income	5,069.5	5,807.7
Procurement services revenue	(875.3)	(288.7)
Revenue excluding procurement services revenue	4,194.2	5,519.0
Share of revenue from associates	777.8	706.1
Interest income	(4.9)	(5.7)
Aggregated revenue¹	4,967.1	6,219.4
EBITDA margin on aggregated revenue	10.5%	11.1%

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

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

DIVIDEND	AMOUNT PER SHARE	FRANKED AMOUNT PER SHARE
Final dividend (cents per share)	40.0	18.8
Record date for determining entitlement to dividend		3 September 2010
Date dividend is to be paid		28 September 2010

REVIEW OF OPERATIONS

The commentary on the results for the financial year is contained in the press release dated 25 August 2010 accompanying this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Group acquired 100% of Evans & Peck Group Limited (Evans & Peck) for \$89.3 million by way of a takeover bid that closed on 22 December 2009. The consideration for the acquisition comprised a combination of cash and shares in the Company. Evans & Peck provides high end business advisory services to the public and private sectors specializing in major infrastructure. Evans & Peck's experience complements the project delivery and consultancy services currently provided to government and resource companies by the Group's Infrastructure & Environment business.

Effective 24 February 2010 the Group acquired 100% of CNEC Engenharia (CNEC), for BRL 170 million (\$104.9 million), comprising BRL 130 million (\$79.8 million) in cash consideration, BRL 15 million (\$9.2 million) deferred consideration payable upon novation of contracts, and BRL 25 million (\$15.9 million) acquiree's intercompany balance assumed from the vendor. CNEC has built a regional and international reputation in thermoelectric and hydroelectric plants, subways, ports, airports, highways, wastewater, industrial plants, refining and distributing of oil and gas, petrochemical and urban development throughout Brazil and in Latin America and Africa. This acquisition complements the existing capabilities of the Group's resource and energy businesses and provides a base for the next phase of the Group's growth across South America.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to 30 June 2010, the Group acquired an additional 25% share in Beijing Maison WorleyParsons Engineering & Technology Co. Ltd and affiliated business, as well as an additional 12.5% share in Beijing MaisonParsons Engineering & Technology Co. Ltd for US\$18.5 million (\$20.2 million) giving the Group approximately 80% ownership of the total business in China. The acquisition is scheduled to complete in the second half of calendar year 2010, subject to certain regulatory approvals.

There has not arisen in the period between 30 June 2010 and the date of this report, any other matter or circumstance that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group, 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	Westin Hotel, No 1 Martin Place, Sydney NSW 2000
Date	26 October 2010
Time	2:00PM (AEST)

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

STATEMENT OF FINANCIAL PERFORMANCE

		CONSOLIDATED	
	NOTES	2010 \$'M	2009 \$'M
REVENUE			
Services revenue		5,059.7	5,794.7
Interest income		4.9	5.7
Other		4.9	7.3
Revenue and other income		5,069.5	5,807.7
EXPENSES			
Staff costs		(2,505.0)	(3,291.0)
Contract related reimbursable costs		(1,507.3)	(1,173.9)
Office and administration costs		(425.1)	(457.6)
Depreciation		(18.7)	(28.4)
Amortization		(73.2)	(59.5)
Borrowing costs		(39.0)	(49.3)
Other		(162.3)	(230.4)
Total expenses		(4,730.6)	(5,290.1)
Share of net profits of associates accounted for using the equity method		54.4	44.1
Profit before income tax expense		393.3	561.7
Income tax expense	4(A)	(90.3)	(160.8)
Profit after income tax expense		303.0	400.9
Profit attributable to non-controlling interests		(11.9)	(10.4)
Profit attributable to members of WorleyParsons Limited		291.1	390.5
Basic earnings per share (cents)	1	118.5	161.1
Diluted earnings per share (cents)	1	117.5	159.4

The above statement of financial performance should be read in conjunction with the accompanying notes.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

STATEMENT OF COMPREHENSIVE INCOME

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
Profit after income tax expense	303.0	400.9
Net movement in foreign currency translation reserve	52.5	32.5
Net movement in hedge reserve	2.0	0.1
Total comprehensive income, net of tax	357.5	433.5
Total comprehensive income, net of tax, attributable to:		
Members of WorleyParsons Limited	345.2	423.1
Non-controlling interests	12.3	10.4

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

STATEMENT OF FINANCIAL POSITION

		CONSOLIDATED	
	NOTES	2010 \$'M	2009 \$'M
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	9	140.5	173.8
Trade and other receivables		1,266.6	1,210.1
Inventories		0.9	0.3
Prepayments		47.6	61.6
Derivatives		-	2.3
Finance lease receivable		1.3	-
Assets held for sale		-	39.8
Total current assets		1,456.9	1,487.9
<i>Non-current assets</i>			
Equity accounted associates	3(A)	135.6	122.6
Property, plant and equipment		116.0	139.0
Intangible assets		1,781.2	1,663.1
Finance lease receivable		31.3	-
Deferred tax assets		108.9	86.8
Derivatives		5.9	16.8
Other non-current assets		6.6	1.3
Total non-current assets		2,185.5	2,029.6
TOTAL ASSETS		3,642.4	3,517.5
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		581.7	650.4
Interest bearing loans and borrowings		32.0	10.3
Income tax payable		5.9	61.5
Provisions		316.0	266.1
Derivatives		1.4	0.2
Liabilities held for sale		-	26.4
Total current liabilities		937.0	1,014.9
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings		746.3	707.2
Deferred tax liabilities		95.8	99.0
Provisions		24.3	41.3
Total non-current liabilities		866.4	847.5
TOTAL LIABILITIES		1,803.4	1,862.4
NET ASSETS		1,839.0	1,655.1
EQUITY			
Issued capital	5	1,208.3	1,142.6
Reserves	6	(72.3)	(117.5)
Retained profits	7	694.1	623.5
Parent Entity interest		1,830.1	1,648.6
Non-controlling interests		8.9	6.5
TOTAL EQUITY		1,839.0	1,655.1

The above statement of financial position should be read in conjunction with the accompanying notes

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED

	Issued capital \$M	Retained profits \$M	Foreign currency translation reserve \$M	Hedge reserve \$M	Performance rights reserve \$M	Asset revaluation reserve \$M	Members of the parent \$M	Non-controlling interests \$M	Total \$M
As at 1 July 2009	1,142.6	623.5	(145.5)	(3.6)	31.6	-	1,648.6	6.5	1,655.1
Profit	-	291.1	-	-	-	-	291.1	11.9	303.0
Other comprehensive income	-	-	52.1	2.0	-	-	54.1	0.4	54.5
Total comprehensive income	-	291.1	52.1	2.0	-	-	345.2	12.3	357.5
<i>Transactions with owners</i>									
Ordinary shares issued	50.8	-	-	-	-	-	50.8	-	50.8
Performance rights	14.9	-	-	-	(8.9)	-	6.0	-	6.0
Dividends paid	-	(220.5)	-	-	-	-	(220.5)	(9.9)	(230.4)
As at 30 June 2010	1,208.3	694.1	(93.4)	(1.6)	22.7	-	1,830.1	8.9	1,839.0
As at 1 July 2008	1,132.5	438.8	(178.0)	(3.7)	22.7	1.2	1,413.5	3.0	1,416.5
Profit	-	390.5	-	-	-	-	390.5	10.4	400.9
Other comprehensive income	-	-	32.5	0.1	-	-	32.6	-	32.6
Total comprehensive income	-	390.5	32.5	0.1	-	-	423.1	10.4	433.5
<i>Transactions with owners</i>									
Ordinary shares issued	0.3	-	-	-	-	-	0.3	-	0.3
Performance rights	9.8	-	-	-	8.9	-	18.7	-	18.7
Transfer of asset revaluation reserve	-	1.2	-	-	-	(1.2)	-	-	-
Dividends paid	-	(207.0)	-	-	-	-	(207.0)	(6.9)	(213.9)
As at 30 June 2009	1,142.6	623.5	(145.5)	(3.6)	31.6	-	1,648.6	6.5	1,655.1

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

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

STATEMENT OF CASH FLOWS

		CONSOLIDATED	
	NOTES	2010 \$'M	2009 \$'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and services tax)		5,074.8	6,106.0
Payments to suppliers and employees (inclusive of goods and services tax)		(4,648.5)	(5,364.3)
		426.3	741.7
Dividends received from associates	3(B)	38.9	20.5
Interest received		4.5	5.3
Borrowing costs paid		(38.6)	(47.5)
Income taxes paid		(151.5)	(173.6)
Net cash inflow from operating activities	9	279.6	546.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments		-	22.5
Payments for acquisition of controlled entities		(118.4)	(9.4)
Cash balances in controlled entities acquired, net of overdraft		28.1	0.2
Payments for purchase of property, plant and equipment and computer software		(55.0)	(147.2)
Proceeds from sale of property, plant and equipment		0.5	0.5
Net cash outflow from investing activities		(144.8)	(133.4)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(509.6)	(1,102.4)
Proceeds from borrowings		572.3	1,002.6
Costs of bank facilities and proceeds from finance leases		(5.1)	(3.6)
Net loans (to)/from related parties		(2.6)	0.6
Dividends paid to the Company's shareholders	2(B)	(220.5)	(207.0)
Dividends paid to non-controlling interests		(9.9)	(6.7)
Net cash outflow from financing activities		(175.4)	(316.5)
Net (decrease)/increase in cash		(40.6)	96.5
Cash and cash equivalents at the beginning of the financial year		178.3	76.3
Effects of exchange rate changes on cash		(7.5)	5.5
Cash and cash equivalents at the end of the financial year	9	130.2	178.3

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

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTES TO THE FINANCIAL STATEMENTS

1. EARNINGS PER SHARE

	CONSOLIDATED	
	2010	2009
<i>ATTRIBUTABLE TO MEMBERS</i>		
Basic earnings per share (cents)	118.5	161.1
Diluted earnings per share (cents)	117.5	159.4
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)	291.1	390.5
Weighted average number of ordinary securities used in calculating basic earnings per share	245,635,911	242,423,531
Element of performance rights which are considered dilutive	2,150,496	2,567,947
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share	247,786,407	244,991,478
The weighted average number of converted, lapsed or cancelled potential ordinary shares used in diluted earnings per share was 350,350 (2009: 396,605).		

	CONSOLIDATED	
	2010 \$'M	2009 \$'M

2. DIVIDENDS

(A) FINAL DIVIDEND PROPOSED

Dividend in respect of the six months to 30 June 2010: 40.0 cents per share (18.8 cents franked)	98.2	-
Dividend in respect of the six months to 30 June 2009: 55.0 cents per share (55.0 cents franked)	-	133.5

The Directors have resolved to pay a final dividend of 40.0 cents per share; partially franked at 47.1% (2009: 55.0 cents per share, fully franked). Combined with the half year (interim) dividend, the Company will make total dividend payments of 75.5 cents per share for the year (2009: 93.0 cents per share). The dividend will be paid on 28 September 2010 for shareholders on the register at record date of 3 September 2010.

(B) DIVIDENDS PAID DURING THE YEAR

Dividend in respect of the six months to 31 December 2009: 35.5 cents per share (35.5 cents franked)	87.0	-
Dividend in respect of the six months to 30 June 2009: 55.0 cents per share (55.0 cents franked)	133.5	-
Dividend in respect of the six months to 31 December 2008: 38.0 cents per share (28.9 cents franked)	-	92.2
Dividend in respect of the six months to 30 June 2008: 47.5 cents per share (33.7 cents franked)	-	114.8
	220.5	207.0

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

3. INVESTMENTS IN ASSOCIATES

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

ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED		CARRYING VALUE CONSOLIDATED	
		2010 %	2009 %	2010 \$'M	2009 \$'M
Aluminium Smelter Developments Pty Limited	Minerals & Metals	50	50	-	-
ARA WorleyParsons SA	Infrastructure & Environment	50	50	15.0	13.7
Beijing Maison WorleyParsons Project Management Co Ltd ^a	Infrastructure & Environment	50	50	1.3	0.3
Beijing Maison WorleyParsons Engineering & Technology Co Limited ¹	Minerals & Metals	50	50	12.2	14.6
Clyde-WorleyParsons Pte Limited	Minerals & Metals	50	50	0.1	-
DeltaAfrik Engineering Limited	Hydrocarbons	49	49	13.4	11.0
Demand Response Limited	Hydrocarbons	50	25	-	-
Gazneft Engineering LLC ¹	Hydrocarbons	50	50	0.6	0.7
I&E Systems Pty Limited	Hydrocarbons	50	50	1.9	1.4
KDPC Limited	Hydrocarbons	50	50	-	-
K-WAC Limited	Hydrocarbons	45	45	5.9	-
NANA WorleyParsons, LLC ²	Hydrocarbons	50	50	8.3	11.2
NWKC LLC	Hydrocarbons	50	50	3.7	0.1
Pacific Waterworks LLC	Infrastructure & Environment	50	50	-	-
Perunding Ranhill Worley Sdn Bhd	Hydrocarbons	50	50	0.9	0.8
Petrocon Arabia Co Limited ¹	Hydrocarbons	50	50	7.0	8.1
PFD (UK) Limited	Hydrocarbons	50	50	-	-
PFD International LLC	Hydrocarbons	50	50	6.7	9.9
Protek Engineers Sdn Bhd	Hydrocarbons	49	49	0.5	0.4
Ranhill WorleyParsons Sdn Bhd	Hydrocarbons	49	49	19.5	19.1
Sakhneftegaz Engineering ¹	Hydrocarbons	49	49	1.9	0.4
Transfield Services-WorleyParsons JV (M) Sdn Bhd ^{3,4}	Hydrocarbons	33	-	0.3	-
Transfield Worley Limited	Hydrocarbons	50	50	6.6	5.7
Transfield Worley Power Services Pty Limited	Power	50	50	1.7	0.9
Transfield WorleyParsons Nouvelle Caledonie SAS	Minerals & Metals	50	50	4.5	1.5
WorleyParsons Academy (Pty) Limited	Power & Hydrocarbons	50	50	-	-
WorleyParsons Arabia Limited Company	Hydrocarbons	50	50	20.6	19.7
WorleyParsons Bahrain WLL	Hydrocarbons	50	50	(0.2)	0.1

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED		CARRYING VALUE CONSOLIDATED	
		2010 %	2009 %	2010 \$'M	2009 \$'M
WorleyParsons Engineering Consultancies Company	Hydrocarbons	50	50	0.1	-
WorleyParsons Momin Sdn Bhd	Dormant	50	50	-	-
WorleyParsons SA (Proprietary) Limited	Power & Hydrocarbons	50	50	3.1	3.0
Equity accounted associates				135.6	122.6

- 1 Balance date is 31 December, which was the balance date when the entity was acquired.
- 2 Balance date is 30 September, which was the balance date when the entity was acquired.
- 3 Incorporated during the financial year.
- 4 16.5% held by WorleyParsons SEA Pty Limited and 33.5% by Ranhill WorleyParsons Sdn Bhd.
- a Previously named Beijing Maihuasheng E&T Co Ltd.

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
(B) CARRYING AMOUNT OF INVESTMENTS IN ASSOCIATES		
Carrying amount at the beginning of the financial year	122.6	91.8
Net profits of associates	54.4	44.1
Dividends received from associates	(38.9)	(20.5)
Movement in hedge reserve of associates	3.3	(3.0)
Movement in foreign currency translation reserve of associates	(5.8)	10.2
Carrying amount at the end of the financial year	135.6	122.6

(C) NET PROFITS ATTRIBUTABLE TO ASSOCIATES

Profits before income tax expense	66.8	55.4
Income tax expense	(12.4)	(11.3)
Net profits of associates	54.4	44.1

(D) RESERVES ATTRIBUTABLE TO ASSOCIATES

FOREIGN CURRENCY TRANSLATION RESERVE

Balance at the beginning of the financial year	(2.8)	(13.0)
Effect of (increase)/decrease in reserve	(5.8)	10.2
Balance at the end of the financial year	(8.6)	(2.8)

(E) RETAINED PROFITS ATTRIBUTABLE TO ASSOCIATES

Balance at the beginning of the financial year	90.8	67.2
Share of profits of associates accounted for using the equity method	54.4	44.1
Dividends paid	(38.9)	(20.5)
Balance at the end of the financial year	106.3	90.8

(F) SHARE OF ASSOCIATES' CONTINGENT LIABILITIES

Performance related guarantees issued	27.6	19.2
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WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	CONSOLIDATED	
	2010 \$'M	2009 \$'M

(G) SHARE OF ASSOCIATES' EXPENDITURE COMMITMENTS

Operating lease commitments	27.6	16.7
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(H) SUMMARY OF THE FINANCIAL POSITION OF ASSOCIATES

The consolidated entity's share of aggregate assets and liabilities of associates is:

Current assets	254.7	217.5
Non-current assets	18.6	21.6
Current liabilities	(147.9)	(132.9)
Non-current liabilities	(6.1)	(1.4)
Net assets	119.3	104.8
Identifiable intangible assets, net of amortization	-	0.4
Goodwill	16.3	17.4
Carrying amount at the end of the financial year	135.6	122.6

4. INCOME TAX

(A) INCOME TAX EXPENSE

Current tax	121.5	204.0
Deferred tax	(32.0)	(35.4)
Under/(over)provision in previous financial periods	0.8	(7.8)
Income tax expense	90.3	160.8

Deferred income tax (revenue)/expense included in income tax expense comprises:

Increase in deferred tax assets	(26.4)	(24.2)
Decrease in deferred tax liabilities	(5.6)	(11.2)
Deferred tax	(32.0)	(35.4)

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
(B) RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Profit before income tax expense	393.3	561.7
At the Group's statutory income tax rate of 30% (2009: 30%)	118.0	168.5
Tax effect of amounts which are (non-taxable)/non-deductible in calculating taxable income:		
Non-deductible performance rights	1.8	2.0
Share of net profits of associates accounted for using the equity method	(16.3)	(13.2)
Research and development concession	-	(1.6)
Plant and machinery rebate	-	(2.0)
Tax losses not previously recognized	(0.7)	(0.2)
Under/(over) provision in previous financial periods	0.8	(7.8)
Difference in overseas tax rates*	(19.7)	(5.0)
Other	6.4	20.1
Income tax expense	90.3	160.8

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

(C) AMOUNTS RECOGNIZED DIRECTLY IN EQUITY

Aggregate amount of tax arising in the reporting period and not recognized in profit after income tax expense but directly (debited)/credited to equity:

Current tax - debited directly to equity	-	(9.0)
Deferred tax – credited directly to equity	0.6	16.6

(D) TAX LOSSES

The Group has tax losses for which no deferred tax asset is recognized on the statement of financial position:

Unused tax losses for which no deferred tax asset has been recognized	25.5	14.3
Potential tax benefit at 30%	7.7	4.3

The benefit for tax losses will only be recognized 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 realized; 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 realizing the benefit from the deductions for the losses.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

5. ISSUED CAPITAL

	2010		2009	
	NUMBER OF SHARES	\$'M	NUMBER OF SHARES	\$'M
Ordinary shares, fully paid ^{1,2}	245,425,979	1,208.3	242,743,025	1,142.6
Special voting share	1	-	1	-
	245,425,980	1,208.3	242,743,026	1,142.6

¹ Included in ordinary shares are 6,161,369 (2009: 8,900,755) 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 267,173 (2009: 267,173) shares in the Company which has been consolidated and eliminated in accordance with the accounting standards.

	2010		2009	
	NUMBER OF SHARES	\$'M	NUMBER OF SHARES	\$'M
MOVEMENTS IN SHARES				
Balance at the beginning of the financial year	242,743,026	1,142.6	241,779,456	1,132.5
Ordinary shares issued	1,850,070	50.8	16,791	0.3
Ordinary shares on redemption of exchangeable shares	2,739,386	73.4	1,213,567	32.5
Exchangeable shares exchanged for ordinary shares	(2,739,386)	(73.4)	(1,213,567)	(32.5)
Transfer from performance rights reserve on purchase and issuance of shares	832,884	14.9	946,779	9.8
	245,425,980	1,208.3	242,743,026	1,142.6

(A) 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.

The exchangeable shares, through a voting trust which holds a special voting share in the Company, entitle their holders to vote at the Company's general meetings as though they hold ordinary shares. During the financial year ended 30 June 2010, 2,739,386 (2009: 1,213,567) exchangeable shares were exchanged.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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 the Company's 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 or redeemed.

(B) SHARE OPTIONS

Options over ordinary shares

There are no unissued ordinary shares of WorleyParsons Limited under option as at the date of this report (2009: nil). No options have been granted during or since the end of the financial year.

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
6. RESERVES		
Foreign currency translation reserve	(93.4)	(145.5)
Hedge reserve	(1.6)	(3.6)
Performance rights reserve	22.7	31.6
	(72.3)	(117.5)

(A) 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	(145.5)	(178.0)
Foreign exchange movement on translation of foreign controlled entities and associates	51.1	116.2
Net investments hedged, net of tax	1.0	(83.7)
Balance at the end of the financial year	(93.4)	(145.5)

(B) HEDGE RESERVE

The hedge reserve is used to record gains or losses on hedging instruments used in the cash flow hedges that are recognized directly in equity. Amounts are recognized in profit and loss when the associated hedged transaction affects profit and loss. There were no forecast transactions which were hedged but did not occur.

Balance at the beginning of the financial year	(3.6)	(3.7)
Net (loss)/gain on foreign exchange hedges, net of tax	(1.7)	1.1
Fair value gain on mark to market of cross currency hedge, net of tax	3.8	2.7
Net loss on interest rate hedges, net of tax	(0.1)	(1.8)
Share of interest rate hedges recognized in associates	-	(1.9)
Balance at the end of the financial year	(1.6)	(3.6)

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

CONSOLIDATED

	2010 \$'M	2009 \$'M
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(C) PERFORMANCE RIGHTS RESERVE

The performance rights reserve is used to recognize the fair value of performance rights issued but not vested.

Balance at the beginning of the financial year	31.6	22.7
Performance rights expense	16.7	18.7
Reversal of performance rights expense associated with rights which did not vest based on EPS hurdles	(10.7)	-
Transfer to issued capital on purchase and issuance of shares to satisfy performance rights	(14.9)	(9.8)
Balance at the end of the financial year	22.7	31.6

7. RETAINED PROFITS

Balance at the beginning of the financial year	623.5	438.8
Profit attributable to members of WorleyParsons Limited	291.1	390.5
Dividends paid	(220.5)	(207.0)
Transfer from asset revaluation reserve	-	1.2
Balance at the end of the financial year	694.1	623.5

8. NET ASSETS PER SHARE

Net assets per share	7.49	6.82
Net tangible assets per share	0.24	(0.03)

A large proportion of the Group'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, favorable property leases and computer software. These assets are excluded from the calculation of net tangible assets per share.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

9. NOTE TO THE STATEMENT OF CASH FLOWS

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
Cash and cash equivalents	130.2	173.8
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Cash at bank and on hand	140.5	173.8
Cash and cash equivalents	140.5	173.8
Assets held for sale	-	4.5
less: Bank overdraft	10.3	-
Balance per statement of cash flows	130.2	178.3
Reconciliation of profit after income tax expense to net cash inflow from operating activities:		
Profit after income tax expense	303.0	400.9
<i>NON-CASH ITEMS</i>		
Depreciation	18.7	28.4
Amortization	73.2	59.5
Performance rights expense	6.0	19.1
Doubtful debts expense	14.0	11.4
Share of associates' net profits in excess of dividends received	(15.5)	(23.6)
Net loss/(gain) on foreign exchange	0.4	(9.0)
Other	3.7	1.2
Cash flow adjusted for non-cash items	403.5	487.9
<i>CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES</i>		
(Increase)/decrease in trade and other receivables	(104.7)	73.3
(Increase)/decrease in inventories	(0.5)	0.4
Decrease/(increase) in prepayments	21.8	(8.9)
(Increase)/decrease in deferred tax assets	(30.1)	9.4
(Decrease)/increase in trade and other payables	(36.8)	9.9
Increase in billings in advance	6.3	17.2
Decrease in hire purchase liabilities	(0.2)	(0.6)
(Decrease)/increase in income tax payable	(34.5)	2.8
Increase/(decrease) in deferred tax liabilities	3.5	(27.1)
Increase/(decrease) in other provisions	51.3	(17.9)
Net cash inflow from operating activities	279.6	546.4

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

10. SEGMENT INFORMATION

The Group operates in four primary business segments: Hydrocarbons, Power, Minerals & Metals, and Infrastructure & Environment.

	HYDROCARBONS \$'M	POWER \$'M	MINERALS & METALS \$'M	INFRASTRUCTURE & ENVIRONMENT \$'M	TOTAL \$'M
2010					
<i>Revenue</i>					
Sales to external customers	3,165.1	505.6	562.2	458.2	4,691.1
Procurement services revenue at margin	257.3	3.0	-	10.8	271.1
Other income	3.0	0.8	0.3	0.8	4.9
Total aggregated revenue*	3,425.4	509.4	562.5	469.8	4,967.1
<i>Segment result **</i>					
Depreciation and amortization expense	67.2	9.4	7.3	8.0	91.9
Share of net profits from associates	35.4	0.7	17.4	0.9	54.4
Investment in equity accounted associates	79.2	1.9	52.9	1.6	135.6
Purchase of non-current assets	41.5	5.8	4.3	7.4	59.0
2009					
<i>Revenue</i>					
Sales to external customers	4,601.1	542.0	569.6	322.1	6,034.8
Procurement services revenue at margin	133.1	3.8	12.9	27.5	177.3
Other income	5.9	0.5	0.5	0.4	7.3
Total aggregated revenue*	4,740.1	546.3	583.0	350.0	6,219.4
<i>Segment result **</i>					
Depreciation and amortization expense	70.1	6.0	5.5	6.3	87.9
Share of profits of associates	30.5	4.7	7.7	1.2	44.1
Investment in equity accounted associates	77.7	5.2	33.2	6.5	122.6
Purchase of non-current assets	106.9	19.9	17.9	10.2	154.9

* Segment revenue represents aggregated revenue, which is defined as statutory revenue and other income plus share of revenue from associates less procurement services revenue at nil margin and interest.

** Segment result represents earnings before interest and tax expense (EBIT) which is the key financial measure that is presented to the Chief Executive Officer.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
<i>Reconciliation of segment result to net profit after income tax expense per the statement of financial performance</i>		
Segment result	539.6	711.6
Income tax expense	(90.3)	(160.8)
Interest and tax for associates	(10.2)	(15.5)
Amortization of acquired intangible assets	(33.1)	(32.9)
Performance rights	(6.0)	(19.1)
Corporate expenses	(62.9)	(38.8)
Net borrowing costs	(34.1)	(43.6)
Income after tax expense per the statement of financial performance	303.0	400.9
<i>Reconciliation of segment revenue to total revenue per the statement of financial performance</i>		
Segment revenue	4,967.1	6,219.4
Procurement services revenue	875.3	288.7
Share of revenue from associates	(777.8)	(706.1)
Interest	4.9	5.7
Total revenue per the statement of financial performance	5,069.5	5,807.7

11. CONTINGENT LIABILITIES

	CONSOLIDATED	
	2010 \$'M	2009 \$'M
<i>(A) GUARANTEES</i>		
The Company 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.		
Bank guarantees outstanding at balance date in respect of financing facilities	22.0	25.5
Bank guarantees outstanding at balance date in respect of contractual performance	335.0	239.2
Commitments not recognized in financial statements	357.0	264.7

The Company 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.

The Company has entered into a deed of guarantee for an associate, DeltaAfrik Engineering Limited. Under the terms of the guarantee, the Company 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 2010 was \$22.0 million (2009: \$25.5 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, the Group is not aware of any circumstance that is likely to lead to a material residual contingent exposure for the Group in respect of asbestos liabilities.