



WorleyParsons

resources & energy

EcoNomics™

WORLEYPARSONS LIMITED

ACN 096 090 158

PRELIMINARY FINAL REPORT

APPENDIX 4E

FOR THE YEAR ENDED 30 JUNE 2011

WorleyParsons Limited
ABN 17 096 090 158

Level 12
141 Walker Street
North Sydney NSW 2060
Australia
Ph: +61 2 8923 6866
Fax: +61 2 8923 6877
www.worleyparsons.com



WorleyParsons

resources & energy

EcoNomics™

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 2011

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		Consolidated	
	Change %	2011 \$'M	2010 \$'M
Revenue and other income	12.1	5,683.2	5,069.5
Earnings before interest, and income tax expense (EBIT)	26.3	539.9	427.4
Profit before income tax expense	26.7	498.4	393.3
Profit attributable to members of WorleyParsons Limited	25.1	364.2	291.1
Basic earnings per share (cents)	25.1	148.3	118.5
Diluted earnings per share (cents)	25.3	147.2	117.5
Aggregated revenue			
Revenue and other income		5,683.2	5,069.5
Less: procurement services revenue at nil margin		(426.8)	(875.3)
Revenue excluding procurement services revenue at nil margin		5,256.4	4,194.2
Add: share of revenue from associates		718.9	777.8
Less: net gain on revaluation of investments previously accounted for as equity accounted associates		(65.7)	-
Less: interest income		(6.1)	(4.9)
Aggregated revenue¹		5,903.5	4,967.1

1. Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates less procurement services revenue at nil margin, interest income and net gain on revaluation of investments previously accounted for as equity accounted associates. 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.

During the year ended 30 June 2011, the Group acquired additional interests in a number of entities which had previously been accounted for as equity accounted associates. These acquisitions resulted in a change in the nature of the investments from equity accounted associates to controlled entities of the Company. The original investments held in these entities were remeasured to fair value and a net fair value gain of \$65.7 million was recognized in the statement of financial performance. The results excluding the net gain on revaluation of investments previously accounted for as equity accounted associates are as follows:

EBIT	10.9	474.2	427.4
EBIT margin on aggregated revenue	(0.6)	8.0%	8.6%
Profit attributable to members of WorleyParsons Limited	2.5	298.5	291.1
Basic earnings per share (cents)	2.5	121.5	118.5

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

DIVIDEND

	Amount per share	Franked amount per share
Final dividend (cents per share)	50.0	12.9
Record date for determining entitlement to dividend		2 September 2011
Date dividend is to be paid		27 September 2011

REVIEW OF OPERATIONS

The commentary on the results for the financial year is contained in the press release dated 24 August 2011 accompanying this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

ACQUISITIONS

Effective 1 July 2010, Maxview Engineering Limited, a wholly owned subsidiary of the Company, acquired an additional 25% share in Beijing MaisonWorleyParsons Engineering & Technology Co Limited and affiliated businesses. On the same date, WorleyParsons Engineering Pty Limited, a wholly owned subsidiary of WorleyParsons Limited, acquired an additional 12.5% share in Beijing MaisonParsons Engineering & Technology Co Limited. Total cash consideration paid for these acquisitions was USD18.5 million (\$18.9 million).

Effective 21 December 2010, WorleyParsons RSA Group (Pty) Ltd, a subsidiary of WorleyParsons RSA Holdings (Pty) Limited, acquired the total outstanding shares in WorleyParsons SA (Proprietary) Limited for a total consideration of ZAR16.0 million (\$2.4 million).

Effective 18 January 2011, WorleyParsons RSA Group (Pty) Ltd, a subsidiary of WorleyParsons RSA Holdings (Pty) Limited, acquired 70% of Kwezi V3 Engineers (Pty) Limited (KV3) for total consideration of ZAR340 million (\$49.8 million). As part of the transaction, the Group's existing operations in South Africa have merged with KV3. 30% of WorleyParsons RSA Group (Pty) Limited is owned by a BBBEE Employee (Broad-Based Black Economic Empowerment) trust.

KV3 was founded in 1977 and has over 900 staff. KV3 complements the existing capabilities of the Group's current resource and energy business in South Africa.

Effective 14 April 2011, WorleyParsons Engineering Pty Limited, a wholly owned subsidiary of WorleyParsons Limited, acquired an additional 25% share in the following joint venture entities in Saudi Arabia:

- Petrocon Arabia Co Limited;
- WorleyParsons Arabia Limited Company; and
- WorleyParsons Engineering Consultancies Company.

As part of this acquisition the remaining 50% share was acquired in WorleyParsons Bahrain WLL.

Effective 30 May 2011, WorleyParsons SEA Pty Limited, a wholly owned subsidiary of the Company, acquired the remaining 49% share in WorleyParsons PetroVietnam Engineering Joint Stock Company.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In the opinion of the directors, there has not arisen in the period between 30 June 2011 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	Shangri-La Hotel, 176 Cumberland Street , Sydney NSW 2000
Date	25 October 2011
Time	2:00PM (AEDT)

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

STATEMENT OF FINANCIAL PERFORMANCE For the financial year ended 30 June 2011

		Consolidated	
		2011	2010
		\$'M	\$'M
	Notes		
REVENUE			
Services revenue		5,605.1	5,059.7
Interest income		6.1	4.9
Other		72.0	4.9
Revenue and other income		5,683.2	5,069.5
EXPENSES			
Staff costs		(2,799.2)	(2,505.0)
Contract related reimbursable costs		(1,719.8)	(1,507.3)
Office and administration costs		(430.1)	(425.1)
Depreciation		(14.2)	(18.7)
Amortization		(81.5)	(73.2)
Borrowing costs		(47.6)	(39.0)
Other		(123.9)	(162.3)
Total expenses		(5,216.3)	(4,730.6)
Share of net profits of associates accounted for using the equity method		31.5	54.4
Profit before income tax expense		498.4	393.3
Income tax expense	4(A)	(116.0)	(90.3)
Profit after income tax expense		382.4	303.0
Profit after income tax expense attributable to:			
Members of WorleyParsons Limited		364.2	291.1
Non-controlling interests		18.2	11.9
Basic earnings per share (cents)	1	148.3	118.5
Diluted earnings per share (cents)	1	147.2	117.5

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 2011

STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 30 June 2011

	Consolidated	
	2011	2010
	\$'M	\$'M
Profit after income tax expense	382.4	303.0
Net movement in foreign currency translation reserve	(169.3)	52.5
Net movement in hedge reserve	(1.5)	2.0
Total comprehensive income, net of tax	211.6	357.5
Total comprehensive income, net of tax, attributable to:		
Members of WorleyParsons Limited	195.1	345.2
Non-controlling interests	16.5	12.3

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

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

STATEMENT OF FINANCIAL POSITION As at 30 June 2011

		Consolidated	
	Notes	2011 \$'M	2010 \$'M
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	9	171.2	140.5
Trade and other receivables		1,511.5	1,266.6
Inventories		1.3	0.9
Prepayments		77.5	47.6
Derivatives		0.6	-
Finance lease receivable		1.4	1.3
Total current assets		1,763.5	1,456.9
<i>Non-current assets</i>			
Equity accounted associates	3(A)	86.3	135.6
Property, plant and equipment		108.1	116.0
Intangible assets		1,696.8	1,781.2
Finance lease receivable		30.0	31.3
Deferred tax assets		123.9	108.9
Derivatives		-	5.9
Other non-current assets		7.5	6.6
Total non-current assets		2,052.6	2,185.5
TOTAL ASSETS		3,816.1	3,642.4
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		740.6	581.7
Interest bearing loans and borrowings		43.7	32.0
Income tax payable		11.7	5.9
Provisions		359.3	316.0
Derivatives		0.9	1.4
Total current liabilities		1,156.2	937.0
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings		631.8	746.3
Deferred tax liabilities		99.1	95.8
Provisions		57.1	24.3
Derivatives		15.1	-
Total non-current liabilities		803.1	866.4
TOTAL LIABILITIES		1,959.3	1,803.4
NET ASSETS		1,856.8	1,839.0
EQUITY			
Issued capital	5	1,219.6	1,208.3
Reserves	6	(249.8)	(72.3)
Retained profits	7	871.7	694.1
Parent Entity interest		1,841.5	1,830.1
Non-controlling interests		15.3	8.9
TOTAL EQUITY		1,856.8	1,839.0

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 2011

STATEMENT OF CHANGES IN EQUITY For the financial year ended 30 June 2011

	Consolidated								
	Issued capital	Retained profits	Foreign currency translation reserve	Hedge reserve	Performance rights reserve	Acquisition reserve	Members of the Parent Entity	Non-controlling interests	Total
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
As at 1 July 2010	1,208.3	694.1	(93.4)	(1.6)	22.7	-	1,830.1	8.9	1,839.0
Profit	-	364.2	-	-	-	-	364.2	18.2	382.4
Other comprehensive income	-	-	(167.6)	(1.5)	-	-	(169.1)	(1.7)	(170.8)
Total comprehensive income, net of tax	-	364.2	(167.6)	(1.5)	-	-	195.1	16.5	211.6
<i>Transactions with owners</i>									
Transfer of performance rights on purchase and issuance of shares	11.3	-	-	-	1.2	-	12.5	-	12.5
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	8.0	8.0
Non-controlling interests	-	-	-	-	-	(9.6)	(9.6)	0.6	(9.0)
Dividends paid	-	(186.6)	-	-	-	-	(186.6)	(18.7)	(205.3)
As at 30 June 2011	1,219.6	871.7	(261.0)	(3.1)	23.9	(9.6)	1,841.5	15.3	1,856.8
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, net of tax	-	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
Transfer of performance rights on purchase and issuance of shares	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

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 2011

STATEMENT OF CASH FLOWS For the financial year ended 30 June 2011

		Consolidated	
	Notes	2011 \$'M	2010 \$'M
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>			
Receipts from customers (inclusive of goods and services tax)		5,388.2	5,074.8
Payments to suppliers and employees (inclusive of goods and services tax)		(4,999.1)	(4,648.5)
		389.1	426.3
Dividends received from associates		29.4	38.9
Interest received		6.1	4.5
Borrowing costs paid		(31.7)	(38.6)
Income taxes paid		(99.1)	(151.5)
Net cash inflow from operating activities	9	293.8	279.6
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>			
Payments for acquisition of controlled entities		(92.3)	(118.4)
Cash balances in controlled entities acquired, net of bank overdraft		28.9	28.1
Payments for purchase of property, plant and equipment and computer software		(42.5)	(55.0)
Proceeds from sale of property, plant and equipment		0.1	0.5
Net cash outflow from investing activities		(105.8)	(144.8)
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>			
Repayment of borrowings		(1,573.8)	(509.6)
Proceeds from borrowings		1,642.1	572.3
Costs of bank facilities and proceeds from finance leases		(7.1)	(5.1)
Net loans to/(from) related parties		8.2	(2.6)
Dividends paid to the Company's shareholders	2(B)	(186.6)	(220.5)
Dividends paid to non-controlling interests		(18.7)	(9.9)
Net cash outflow from financing activities		(135.9)	(175.4)
Net increase/(decrease) in cash		52.1	(40.6)
Cash and cash equivalents at the beginning of the financial year		130.2	178.3
Effects of exchange rate changes on cash		(16.2)	(7.5)
Cash and cash equivalents at the end of the financial year	9	166.1	130.2

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 2011

NOTES TO THE FINANCIAL STATEMENTS

1. EARNINGS PER SHARE

	Consolidated	
	2011	2010
<i>ATTRIBUTABLE TO MEMBERS</i>		
Basic earnings per share (cents)	148.3	118.5
Basic earnings per share (cents) excluding net acquisition gains	121.5	118.5
Diluted earnings per share (cents)	147.2	117.5
Diluted earnings per share (cents) excluding net acquisition gains	120.6	117.5

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

(A) RECONCILIATION OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	Consolidated	
	2011 \$'M	2010 \$'M
Earnings used in calculating basic and diluted earnings per share	364.2	291.1
Less: net gain on revaluation of investments previously accounted for as equity accounted associates	(65.7)	-
Earnings used in calculating basic and diluted earnings per share excluding net acquisition gains	298.5	291.1

(B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	Consolidated	
	2011	2010
Weighted average number of ordinary securities used in calculating basic earnings per share	245,622,982	245,635,911
Element of performance rights which are considered dilutive	1,848,051	2,150,496
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share	247,471,033	247,786,407

The weighted average number of converted, lapsed or cancelled potential ordinary shares used in diluted earnings per share was 202,871 (2010: 350,350).

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011 \$'M	2010 \$'M
2. DIVIDENDS		
<i>(A) FINAL DIVIDEND PROPOSED</i>		
Dividend in respect of the six months to 30 June 2011: 50.0 cents per share (12.9 cents franked)	122.8	-
Dividend in respect of the six months to 30 June 2010: 40.0 cents per share (18.8 cents franked)	-	98.2
<p>The directors have resolved to pay a final dividend of 50.0 cents per share; partially franked at 25.7% (2010: 40.0 cents per share, partially franked at 47.1%). Combined with the half year (interim) dividend, the Company will make total dividend payments of 86.0 cents per share for the financial year (2010: 75.5 cents per share). The final dividend will be paid on 27 September 2011 for shareholders on the register at the record date of 2 September 2011.</p> <p>In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the aggregate amount of the proposed final dividend of \$122.8 million is not recognized as a liability as at 30 June 2011.</p> <p>The Group has sufficient credits in its foreign income account to ensure that there should be no Australian dividend withholding tax withheld on dividends paid to non-resident shareholders.</p>		
<i>(B) DIVIDENDS PAID DURING THE YEAR</i>		
Dividend in respect of the six months to 31 December 2010: 36.0 cents per share (36.0 cents franked)	88.6	-
Dividend in respect of the six months to 30 June 2010: 40.0 cents per share (18.8 cents franked)	98.0	-
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
	186.6	220.5

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

3. INVESTMENTS IN ASSOCIATES

In accordance with the accounting standards, the Group discloses only material entities:

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

Entity	Principal activity	Ownership interest consolidated		Carrying value consolidated	
		2011 %	2010 %	2011 \$'M	2010 \$'M
<i>Significant associates</i>					
ARA WorleyParsons SA	Infrastructure & Environment	50	50	15.1	15.0
DeltaAfrik Engineering Limited	Hydrocarbons	49	49	16.0	13.4
NWKC LLC	Hydrocarbons	50	50	1.7	3.7
Petrocon Arabia Co Limited ^{1,2}	Hydrocarbons	-	50	-	7.0
Ranhill WorleyParsons Sdn Bhd	Hydrocarbons	49	49	24.6	19.5
Sakhneftegaz Engineering ¹	Hydrocarbons	49	49	2.8	1.9
Transfield Worley Limited	Hydrocarbons	50	50	7.7	6.6
WorleyParsons Arabia Limited Company ²	Hydrocarbons	-	50	-	20.6
WorleyParsons Bahrain WLL ²	Hydrocarbons	-	50	-	(0.2)
WorleyParsons Engineering Consultancies Company ²	Hydrocarbons	-	50	-	0.1
<i>Associates acquired during the year</i>					
Fortune Asian Development Limited ³	Minerals & Metals	50	-	-	-
InterRAO-WorleyParsons LLC ⁴	Power	49	-	(0.5)	-
Kazakh Projects Joint Venture Limited ⁴	Hydrocarbons	50	-	-	-
KPJV Limited ⁴	Hydrocarbons	38	-	-	-
WorleyParsons Uzbekistan Engineering MCHJ ⁴	Hydrocarbons	50	-	-	-
WorleyParsonsAtlantic Limited ⁴	Hydrocarbons	50	-	0.0	-
<i>Other associates</i>				18.9	48.0
				86.3	135.6

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

2 Acquired control during the financial year.

3 Acquired interest during the financial year.

4 Incorporated during the financial year.

	Consolidated	
	2011 \$'M	2010 \$'M
<i>(B) CARRYING AMOUNT OF INVESTMENTS IN ASSOCIATES</i>		
Carrying amount at the beginning of the financial year	135.6	122.6
Net profits of associates	31.5	54.4
Dividends received from associates	(31.5)	(38.9)
Change in nature of investment	(33.0)	-
Movement in hedge reserve of associates	-	3.3
Movement in foreign currency translation reserve of associates	(16.3)	(5.8)
Carrying amount at the end of the financial year	86.3	135.6

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011 \$'M	2010 \$'M
<i>(C) NET PROFITS ATTRIBUTABLE TO ASSOCIATES</i>		
Profits before income tax expense	43.8	66.8
Income tax expense	(12.3)	(12.4)
Net profits of associates	31.5	54.4
<i>(D) REVENUE ATTRIBUTABLE TO ASSOCIATES</i>		
Share of revenue from associates	718.9	777.8
<i>(E) RESERVES ATTRIBUTABLE TO ASSOCIATES</i>		
<i>FOREIGN CURRENCY TRANSLATION RESERVE</i>		
Balance at the beginning of the financial year	(8.6)	(2.8)
Effect of decrease in reserve	(16.3)	(5.8)
Balance at the end of the financial year	(24.9)	(8.6)
<i>(F) RETAINED PROFITS ATTRIBUTABLE TO ASSOCIATES</i>		
Balance at the beginning of the financial year	106.3	90.8
Share of net profits of associates accounted for using the equity method	31.5	54.4
Dividends paid and declared	(31.5)	(38.9)
Balance at the end of the financial year	106.3	106.3
<i>(G) SHARE OF ASSOCIATES' CONTINGENT LIABILITIES</i>		
Performance related guarantees issued	18.4	27.6
<i>(H) SHARE OF ASSOCIATES' EXPENDITURE COMMITMENTS</i>		
Capital expenditure commitments	7.3	-
Operating lease commitments	12.4	27.6
<i>(I) SUMMARY OF THE FINANCIAL POSITION OF ASSOCIATES</i>		
The consolidated entity's share of aggregate assets and liabilities of associates is:		
Current assets	152.8	254.7
Non-current assets	22.4	18.6
Current liabilities	(82.7)	(147.9)
Non-current liabilities	(12.3)	(6.1)
Net assets	80.2	119.3
Goodwill	6.1	16.3
Carrying amount at the end of the financial year	86.3	135.6

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011 \$'M	2010 \$'M
4. INCOME TAX		
<i>(A) INCOME TAX EXPENSE</i>		
Current tax	136.3	121.5
Deferred tax	(16.5)	(32.0)
(Over)/under provision in previous financial periods	(3.8)	0.8
Income tax expense	116.0	90.3
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Increase in deferred tax assets	(26.5)	(26.4)
Increase/(decrease) in deferred tax liabilities	10.0	(5.6)
Deferred tax	(16.5)	(32.0)
<i>(B) RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE</i>		
Profit before income tax expense	498.4	393.3
At the Group's statutory income tax rate of 30% (2010: 30%)	149.5	118.0
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible performance rights	3.9	1.8
Non-taxable gain on revaluation of investments previously accounted for as equity accounted associates	(19.7)	-
Share of net profits of associates accounted for using the equity method	(9.5)	(16.3)
Tax losses not previously recognized	(1.2)	(0.7)
(Over)/under provision in previous financial periods	(3.8)	0.8
Difference in overseas tax rate*	(8.5)	(19.7)
Other	5.3	6.4
Income tax expense	116.0	90.3

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

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011 \$'M	2010 \$'M
(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 credited to equity:		
Deferred tax – credited directly to equity	2.5	0.6

(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	33.6	25.5
Potential tax benefit at 30%	10.1	7.7

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 conditions for deductibility imposed by tax legislation; and
- (iv) no changes in legislation adversely affect the consolidated entity in realizing the benefit from the deductions for the losses.

5. ISSUED CAPITAL

	2011		2010	
	Number of shares	\$'M	Number of shares	\$'M
Ordinary shares, fully paid ^{1, 2}	245,699,306	1,219.6	245,425,979	1,208.3
Special voting share	1	-	1	-
	245,699,307	1,219.6	245,425,980	1,208.3

¹ Included in ordinary shares are 4,295,003 (2010: 6,161,369) 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 (2010: 267,173) shares in the Company, which has been consolidated and eliminated in accordance with the accounting standards.

	2011		2010	
	Number of shares	\$'M	Number of shares	\$'M
MOVEMENTS IN SHARES				
Balance at the beginning of the financial year	245,425,980	1,208.3	242,743,026	1,142.6
Ordinary shares issued	-	-	1,850,070	50.8
Ordinary shares issued on redemption of exchangeable shares	1,866,366	50.0	2,739,386	73.4
Exchangeable shares exchanged for ordinary shares	(1,866,366)	(50.0)	(2,739,386)	(73.4)
Transfer from performance rights reserve on purchase and issuance of shares	273,327	11.3	832,884	14.9
	245,699,307	1,219.6	245,425,980	1,208.3

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

(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.

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 2011, 1,866,366 (2010: 2,739,386) 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 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) PERFORMANCE RIGHTS

	Number of performance rights	
	2011	2010
Balance at the beginning of the financial year	2,676,556	2,544,195
Rights granted	1,446,979	1,039,106
Rights exercised	(273,327)	(832,884)
Rights lapsed or expired	(551,864)	(73,861)
Balance at the end of the financial year	3,298,344	2,676,556

6. RESERVES

	Consolidated	
	2011 \$'M	2010 \$'M
Foreign currency translation reserve	(261.0)	(93.4)
Hedge reserve	(3.1)	(1.6)
Performance rights reserve	23.9	22.7
Acquisition reserve	(9.6)	-
	(249.8)	(72.3)

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$'M	\$'M
<i>(A) FOREIGN CURRENCY TRANSLATION RESERVE</i>		
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 their entities.		
Balance at the beginning of the financial year	(93.4)	(145.5)
Foreign exchange movement on translation of foreign controlled entities and associates	(159.3)	51.1
Net investments hedged	(11.8)	1.4
Income tax on net investments hedged	3.5	(0.4)
Balance at the end of the financial year	(261.0)	(93.4)

(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 the profit and loss.

Balance at the beginning of the financial year	(1.6)	(3.6)
Net gain/(loss) on foreign exchange hedges	0.5	(2.4)
Income tax on net (loss)/gain on foreign exchange hedges	(0.1)	0.7
Fair value (loss)/gain on mark to market of cross currency hedge	(6.1)	5.3
Income tax on fair value gain/(loss) on mark to market of cross currency hedge	4.0	(1.5)
Net gain/(loss) on interest rate hedges	0.2	(0.1)
Balance at the end of the financial year	(3.1)	(1.6)

The total amount recognized in the statement of financial performance was a loss of \$0.4 million (2010: gain \$0.1 million). This amount is included in other expenses.

(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	22.7	31.6
Performance rights expense	14.5	16.7
Reversal of performance rights expense associated with rights which did not vest based on earnings per share hurdles	(2.0)	(10.7)
Transfer to issued capital on purchase and issuance of shares to satisfy performance rights	(11.3)	(14.9)
Balance at the end of the financial year	23.9	22.7

(D) ACQUISITION RESERVE

The acquisition reserve is used to record differences between the carrying value of non-controlling interests before acquisition and the consideration paid upon acquisition of an additional shareholding, where the transaction does not result in a loss of control. The reserve is attributable to the equity of the Parent Entity.

Balance at the beginning of the financial year	-	-
Consideration paid in excess of carrying value of non-controlling interests	(9.6)	-
Balance at the end of the financial year	(9.6)	-

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011 \$'M	2010 \$'M
7. RETAINED PROFITS		
Balance at the beginning of the financial year	694.1	623.5
Profit attributable to members of WorleyParsons Limited	364.2	291.1
Dividends paid	(186.6)	(220.5)
Balance at the end of the financial year	871.7	694.1

8. NET ASSETS PER SHARE

	\$	\$
Net assets per share	7.56	7.49
Net tangible assets per share	0.65	0.24

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

9. NOTE TO THE STATEMENT OF CASH FLOWS

	\$'M	\$'M
Cash and cash equivalents	171.2	140.5
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	171.2	140.5
Cash and cash equivalents	171.2	140.5
Bank overdraft	(5.1)	(10.3)
Balance per statement of cash flows	166.1	130.2

RESTRICTED CASH AND CASH EQUIVALENTS

Included within cash and cash equivalents is \$10.1 million (2010: \$6.6 million) which has been identified as restricted. Restricted cash is held in relation to procurement activities undertaken by the Group on behalf of its customers and guarantees.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011 \$'M	2010 \$'M
Reconciliation of profit after income tax expense to net cash inflow from operating activities:		
Profit after income tax expense	382.4	303.0
<i>NON-CASH ITEMS</i>		
Depreciation	14.2	18.7
Amortization	81.5	73.2
Performance rights expense	12.5	6.0
Doubtful debts (credit)/expense	(11.8)	14.0
Share of associates' net profits in excess of dividends received	(2.1)	(15.5)
Gain on revaluation of investments previously accounted for as equity accounted associates	(65.7)	-
Net loss on foreign exchange	4.8	0.4
Other	1.2	3.7
Cash flow adjusted for non-cash items	417.0	403.5
 <i>CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES</i>		
Increase in trade and other receivables	(314.0)	(104.7)
Increase in inventories	(0.4)	(0.5)
(Increase)/decrease in prepayments	(24.2)	21.8
Increase in deferred tax assets	(14.9)	(30.1)
Increase/(decrease) in trade and other payables	84.5	(36.8)
Increase in billings in advance	23.1	6.3
Decrease in hire purchase liabilities	-	(0.2)
Increase/(decrease) in income tax payable	28.4	(34.5)
Increase in deferred tax liabilities	3.0	3.5
Increase in other provisions	91.3	51.3
Net cash inflow from operating activities	293.8	279.6

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

10. SEGMENT INFORMATION

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

	Hydrocarbons		Power		Minerals & Metals		Infrastructure & Environment		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<i>Revenue</i>										
Sales to external customers	3,760.3	3,165.1	507.1	505.6	606.2	562.2	679.5	458.2	5,553.1	4,691.1
Procurement services revenue at margin	258.3	257.3	27.8	3.0	37.0	-	21.0	10.8	344.1	271.1
Other income	1.5	3.0	2.6	0.8	0.6	0.3	1.6	0.8	6.3	4.9
Total aggregated revenue ¹	4,020.1	3,425.4	537.5	509.4	643.8	562.5	702.1	469.8	5,903.5	4,967.1
Reconciliation of segment revenue to total revenue and other income per the statement of financial performance										
<i>Segment revenue</i>									5,903.5	4,967.1
Procurement services revenue at nil margin									426.8	875.3
Share of revenue from associates									(718.9)	(777.8)
Net gain on revaluation of investments previously accounted for as equity accounted associates									65.7	-
Interest income									6.1	4.9
Total revenue and other income per the statement of financial performance									5,683.2	5,069.5
<i>Segment result</i> ²	414.1	375.6	44.5	39.3	71.0	77.0	64.9	47.7	594.5	539.6
<i>Segment margin</i>	10.3%	11.0%	8.3%	7.7%	11.0%	13.7%	9.2%	10.2%	10.1%	10.9%
Reconciliation of segment result to net profit after income tax per the statement of financial performance										
<i>Segment result</i>									594.5	539.6
Income tax expense									(116.0)	(90.3)
Interest and tax for associates									(17.0)	(10.2)
Amortization of acquired intangible assets									(32.5)	(33.1)
Corporate expenses									(70.8)	(68.9)
Net gain on revaluation of investments previously accounted for as equity accounted associates									65.7	-
Net borrowing costs									(41.5)	(34.1)
Profit after income tax per the statement of financial performance									382.4	303.0
<i>Other segment information</i>										
Depreciation and amortization expense	57.9	67.2	7.9	9.4	16.7	7.3	13.2	8.0	95.7	91.9
Share of net profits of associates	23.3	35.4	(0.2)	0.7	8.0	17.4	0.4	0.9	31.5	54.4
Investment in equity accounted associates	66.4	79.2	(1.1)	1.9	16.2	52.9	4.8	1.6	86.3	135.6
Purchase of non-current assets	36.1	42.2	4.6	5.8	10.7	4.3	8.2	7.4	59.6	59.7

¹ 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, interest income and net gain on revaluation of investments previously accounted for as equity accounted associates.

² Segment result represents earnings before interest and tax expense (EBIT) which is the key financial measure that is presented to the chief operating decision makers.

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

11. CONTINGENT LIABILITIES

(A) GUARANTEES

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 obligation.

	Consolidated	
	2011 \$'M	2010 \$'M
Bank guarantees outstanding at balance date in respect of financing facilities	-	22.0
Bank guarantees and letters of credit outstanding at balance date in respect of contractual performance	413.2	335.0
Commitments not recognized in the financial statements	413.2	357.0

(B) ASBESTOS

Certain subsidiaries acquired as part of the Parsons acquisition (Parsons E&C), have been, and continue to be, the subject of litigation relating to the handling of, or exposure to, asbestos. Due to 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 residual contingent exposure for the Group in respect of asbestos liabilities.

(C) ACTUAL AND PENDING CLAIMS

The Company is subject to various actual and pending claims arising in the normal course of business. The Company has regular claims reviews, including updates from corporate and outside counsel, to assess the needs for accounting recognition or disclosure of these contingencies. The directors are currently of the view that the consolidated entity is adequately provided in respect of these claims in accordance with the Group's accounting policy.