WorleyParsons

resources & energy

Annual Report 2013

WorleyParsons is a leading provider of professional services to the resources & energy sectors and complex process industries.

Our services cover the full asset spectrum both in size and lifecycle – from the creation of new assets to services that sustain and enhance operating assets.

OUR VISION

WorleyParsons will be the preferred global provider of technical, project and operational support services to our customers, using the distinctive WorleyParsons' culture to create value for them and prosperity for our people.

OUR VALUES

Performance

- Zero harm
- Results for our customers and employees
- Creating wealth for our shareholders
- World class resources, capability and experience

Relationships

- Rapport with all stakeholders
- Open and respectful
- Collaborative approach to business

Leadership

- Committed, empowered and rewarded people
- EcoNomics™ – Delivering profitable sustainability
- Integrity in all aspects of business
- Energy and excitement
- Minimum bureaucracy

Agility

- Smallest assignment to world scale development
- Local capability with global leverage
- Responsive to customer preferences
- Optimum solutions customized to needs

Annual General Meeting

WorleyParsons' 2013 Annual General Meeting will be held on Wednesday, 9 October 2013 commencing at 2.00pm (AEDT) at The Westin Sydney, 1 Martin Place, Sydney.

We have created our 2013 shareholder results microsite, which offers our 2013 results documents and detailed information on our business operations.

Visit us online

annualreport2013.worleyparsons.com

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GROUP FINANCIAL HIGHLIGHTS

FIVE YEAR PERFORMANCE AT A GLANCE

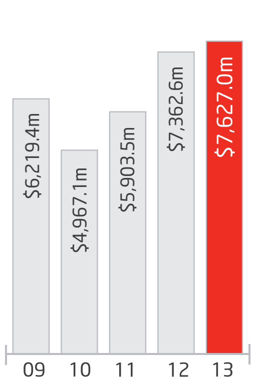
$m	2009	2010	2011	2012	2013	% change
Aggregated revenue[1]	6,219.4	4,967.1	5,903.5	7,362.6	7,627.0	3.6
EBIT	605.3	427.4	539.9	537.9	527.0	(2.0)
EBIT margin	9.7%	8.6%	9.1%	7.3%	6.9%	
Net profit after tax	390.5	291.1	364.2	353.2	322.1	(8.8)
Net profit margin	6.3%	5.9%	6.2%	4.8%	4.2%	
Cash flow from operations	546.4	279.6	293.8	437.5	443.5	1.4
Return on equity	25.4%	16.7%	19.8%	18.0%	16.2%	
Basic EPS normalized (cents)[2]	172.8	127.9	159.4	152.7	137.8	(9.8)
Basic EPS (cents)	161.1	118.5	148.3	143.7	130.8	(9.0)
Dividends (cents)	93.0	75.5	86.0	91.0	92.5	1.6

[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 believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

[2] Before amortization of intangibles including tax effect of amortization expense.

Aggregated revenue

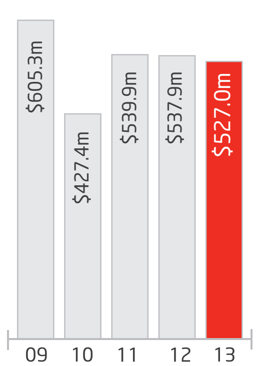
$7,627.0m



The result was earned on aggregated revenue of $7,627.0 million, an increase of 3.6% on the $7,362.6 million reported in 2012.

EBIT

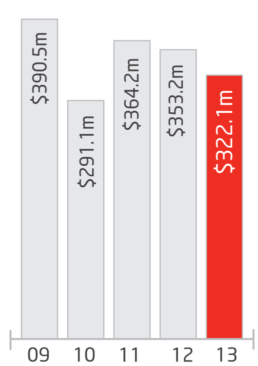
$527.0m



EBIT for the year was $527.0 million, a decrease of 2% on the $537.9 million (including fair value gains of $7.6 million) reported in 2012.

Net profit after tax

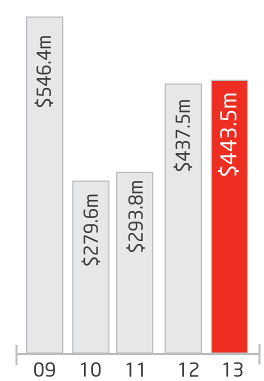
$322.1m



The full year result for 2013 was $322.1 million, a decrease of 8.8% on the $353.2 million (including fair value gains of $7.6 million) net profit reported in 2012.

Cash flow from operations

$443.5m



Cash flow from operations was $443.5 million, an increase of 1.4% on the $437.5 million reported in 2012.

CHAIRMAN'S REVIEW

The Group reported a solid performance, despite a challenging year, with strong cash flow, and is well positioned to take advantage of future opportunities. We are continuing to see good momentum in new contract wins for the Group across a number of geographies and industries.

WorleyParsons continued to expand its global footprint, aided by two substantial acquisitions; being the South African business, TWP, and Rosenberg in Norway. TWP enables WorleyParsons to provide its global customers with access to engineering and project delivery capabilities for underground mining and precious metals, while the acquisition of Rosenberg provides WorleyParsons with an ideal platform to expand its presence in the fast growing Norwegian Continental Shelf market.

With a network of 165 offices, WorleyParsons is one of the most global companies in our international peer group. This global diversification has been an important factor in the ability of WorleyParsons to offset challenging conditions in a number of key markets, particularly South Africa and Western Australia, by capitalizing on opportunities in better performing markets.

We have been pleased by the strong performance by our Chemicals sector, and by the continuing strength of our Hydrocarbons sector, particularly in Australia and the *Improve* market in Canada.

The Group reported net profit after tax of $322 million, down 7% on our 2012 underlying result. Even in the current market conditions, the Company delivered a solid performance. It is pleasing to note that the Group delivered a strong operating cash flow of $444 million. Margin performance remains a concern, particularly in the Power and Infrastructure & Environment sectors.

The Board has resolved to pay a final dividend of 51.0 cents per share unfranked, taking the total dividend for the year to 92.5 cents per share, up 2% from 91 cents last year.

As the 2013 financial result was below the threshold for vesting, no combined incentive will be awarded to Executives. Non-Executive Director fees and Executive fixed pay and remuneration structure have been reviewed on both an Australian and global basis, but will not increase in 2014.

Health, Safety and Environment

There is nothing more important to WorleyParsons than the safety of our people. To this end, the Board and Management continue to strive to achieve the goal of Zero Harm across all countries in which we operate.

During the period, the Health, Safety and Environment Committee of the Board commenced meeting. This Committee, chaired by Dr Haynes, has been responsible for making recommendations to the Board on issues such as the Group's performance with respect to health, safety and the environment and the effectiveness of the resources and processes that the Group uses to manage risks in these areas. To provide visible leadership in this area, there has been an increase in the number of visits made to WorleyParsons' sites by both members of the Board and by senior members of the leadership team.

People

We have always been, and remain, fundamentally a people business, we rely on our people to meet our customers' needs. Our people continue to grow and adapt to respond to the changing needs of our customers and the dynamics of our markets. By retaining a deep focus on our people and our culture we continue to serve our customers and respond to our markets in challenging times.

Central to our People strategy is our empowered and entrepreneurial spirit and our local/global organizational model. It is inspiring to hear stories of our people achieving extraordinary results through their technical expertise, focus on customer relationships and passion for collaboration. This combination of culture and capability augurs well for even greater success for WorleyParsons in the future.

I would like to express the Board's appreciation and admiration for the commitment and contribution to WorleyParsons by our people over this past year.

Ethics and Corporate Responsibility

The Board recognises that WorleyParsons' reputation for honesty, integrity and ethical dealings is one of its key business assets and a critical factor in ensuring the Company's continued success. All of WorleyParsons' people continue to strive to maintain the standard of ethical behaviour expected by our people, customers, suppliers and shareholders.

During the period the Company has issued an updated Code of Conduct that emphasizes the importance of a culture in which ethical issues and concerns can be discussed freely and openly without any fear of retribution. The Company has also acted to ensure that those who we engage with, or partner with in business, share WorleyParsons' ethical values and act in accordance with those values.

The Company continues to refine its corporate responsibility efforts across all the parts of the world in which we do business, in an effort to ensure that our programs are as effective and efficient as possible in delivering value to the communities we support. The Corporate Responsibility section of this Annual Report provides greater detail on these activities.

Corporate Governance

The Board remains confident that the Company has in place a strong corporate governance system, and that this system is well maintained, reviewed and updated. Our governance policies and procedures are benchmarked against other comparable companies to ensure that the appropriate standards are maintained.

The Group maintains a comprehensive, independent, internal audit program that reports directly to the Audit and Risk Committee. This function not only focuses on specific areas of interest, but provides an annual assurance to the Audit and Risk Committee of the adequacy and effectiveness of the Group's internal controls.

Board and management changes

On 23 October 2012 Andrew Wood took up the position of Chief Executive Officer, and became a member of the WorleyParsons Board. I have been very pleased with the leadership that Andrew has provided to the Group in these challenging times and would also like to acknowledge the exceptional support that Andrew continues to receive from his leadership team.

In February this year I was honoured to accept the invitation of the non-executive directors to re-join the WorleyParsons Board as non-executive Chairman. In doing so, I took over as Chairman from Ron McNeilly, who has been a member of the WorleyParsons Board since November 2002 and Chairman since November 2004. Ron continues to serve on the Board as the Deputy Chairman and Lead Independent Director.

I would like to acknowledge the outstanding job that Ron has done as Chairman over the past 9 years. I look forward to continuing to work with Ron and am confident that the Company will continue to benefit from his knowledge and insight.

Conclusion

I would like to thank the WorleyParsons leadership team, and my fellow directors, for their excellent work in what has been a challenging year for WorleyParsons. I believe that the hard work that has been done over this period means that the Group is well positioned to take advantage of the growth opportunities that we continue to see in the market.

John Grill
Chairman and
Non-Executive Director

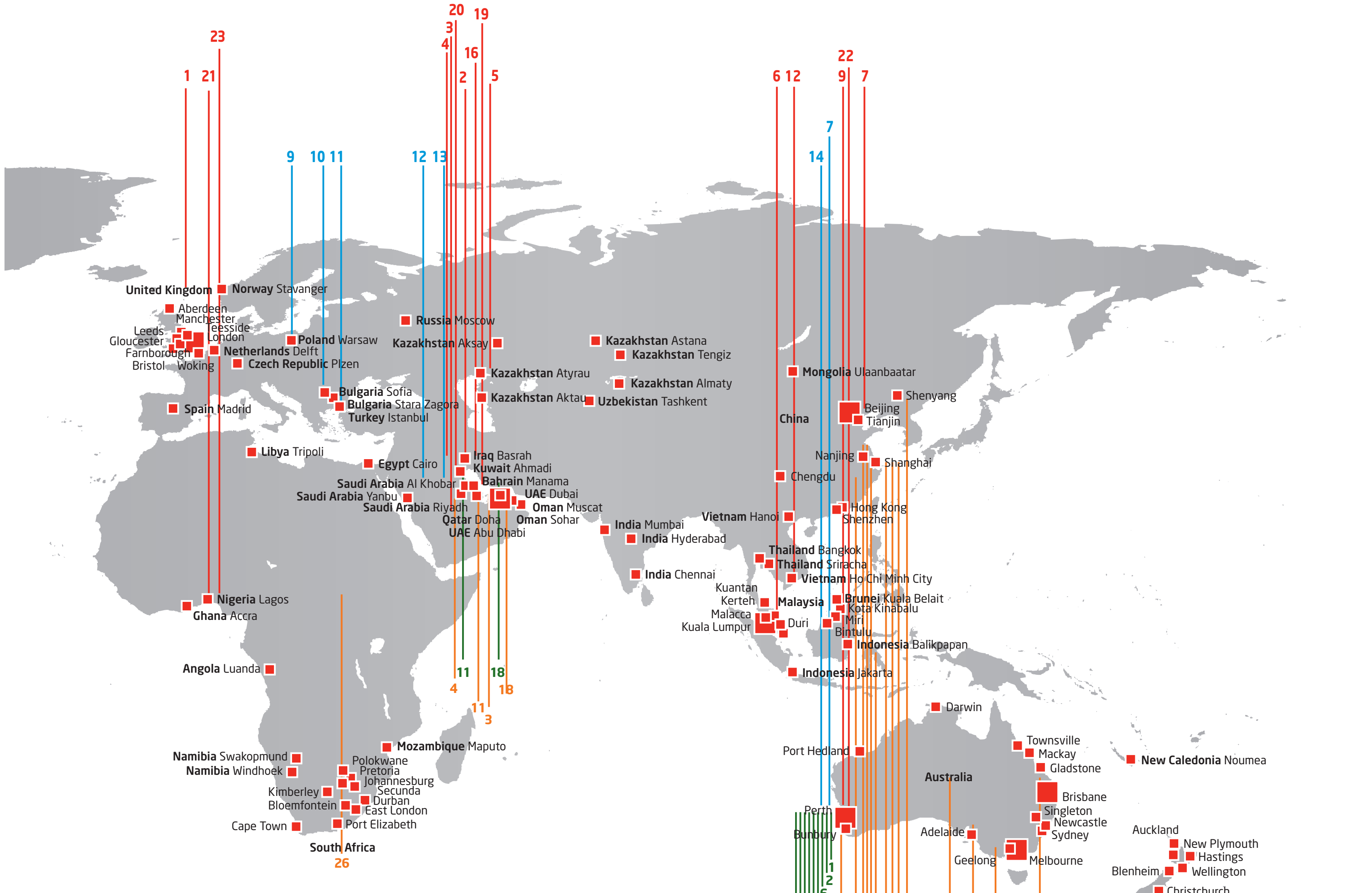
GLOBAL OPERATIONS & SIGNIFICANT AWARDS FOR 2013

HYDROCARBONS

1	Chevron	FEED for the Rosebank field
2	BP Iraq NV, PetroChina and the State Oil Marketing Organisation of the Republic of Iraq	Engineering, procurement and management services for the Rumaila oilfield
3	Saudi Arabian Oil Company	General engineering and project management service contract
4	LukOil Mid-East Limited	Project management, technical and construction supervision services.
5	Maersk	Detailed design of Phase 2 with NIPIneftegas
6	Singapore LNG Corporation Pte Ltd	Expansion of the LNG Terminal send out and storage capacities
7	CNOOC and Shell Petrochemicals Company Limited	Detail design, site engineering services and home office engineering services.
8	Canadian National Resources Limited	Engineering services, bitumen production department
9	Inpex	Integrity and maintenance contract
10	Talisman	EPMS
11	Husky	Engineering and procurement
12	ConocoPhillips	Engineering services
13	Suncor	EP on SSP Firebag Plant 91,92 and 93
14	Suncor	EP on SSP Base Plant
15	Talisman	Engineering and procurement
16	Shell	Project management, technical and construction services
17	Suncor Energy, Total E&P Canada Ltd. and Teck Resources Ltd.	Detailed engineering services for the Fort Hills Oil Sands Project
18	Total	Significant change order for Joslyn North Mine Extraction Project
19	Maersk	General Design Contract for engineering support to the offshore asset
20	Saudi Arabian Oil Company	Engineering and project management services for offshore green and brownfields projects
21	Samsung Heavy Industries	Detailed design and engineering for the topsides process modules of the Total Egina FPSO vessel
22	Chevron	Brownfield engineering services
23	Addax Petroleum	Global alliance agreement

MINERALS, METALS & CHEMICALS

1	BHP Biliton	Project management and engineering services for the Escondida Mine
2	Pacific Aluminium	Pipeline and gas conversion
3	Ma'aden Phosphate	*Improve* services
4	Emirates Aluminium	PMC services
5	Votorantim Metals	Detailed engineering services
6	Nyrstar	Replacement study for sinter plant
7	Ressources d'Arriane	Feasibility services
8	Alderon Iron Ore Corporation	Preliminary engineering services for Alderon Kami Iron Ore Project
9	Dynasol	EPCM
10	Potash Corporation of Saskatchewan	Underground expansion construction management
11	MEC Global	Production of Ingot/Wafers for Solar Cells
12	Invista	Engineering services
13	Momentive	Basic engineering package and preliminary design package
14	Honeywell	EPCM
15	Stepan Chemical	Chemicals plant sustaining capital EPCM
16	Newcrest	EPCM
17	Xstrata	Master services agreement
18	Ma'aden Phosphate	Engineering services
19	Boyne Smelters	EPCM
20	BASF	Front end engineering for EOCG plant
21	BASF	Front end engineering for NPG plant
22	BASF	FEED for the greenfield resin plant
23	BASF	Front end engineering
24	Anglo American	PFS for expansion of Phosphate Fertilizer Plants
25	Companhia Siderúrgica Nacional	Scoping study for the expansion of the Casa de Pedra Mine
26	First Quantum Metals Ltd	Kansanshi Copper Smelter Project
27	Noranda Jamaica Bauxite Partners	St. Ann's Bauxite Production and Export Improvement Program
28	Celanese	EPCM
29	PT Vale Indonesia	Indonesian growth project
30	Vale	Overflow engineering services
31	BHP Billiton	Olympic Dam Definition Phase Study for the Acid Plant Expansion
32	Sasol	Integrated program management team services for the FEED phase
33	Vale	Detailed design of the ore processing facilities
34	Iowa Fertilizer Company	Technical PMC and detailed design



INFRASTRUCTURE & ENVIRONMENT

1	Chevron	Environmental panel contract
2	Woodside	Environmental services panel
3	BP	Lighthouse – global remediation management framework agreement
4	BP	Atlas – global remediation management contract
5	Tullow Oil	Environment, Safety and Health Impact Assessment (ESHIA) Global Framework
6	Water Corporation	Infrastructure panel contract
7	Alderon Mining	Rail and terminal expansion pre-feasibility
8	Consórcio Complexo Tapajós	Environmental impact assessment for Sao Luiz do Tapajos dam
9	Caltex	Kurnell port and berthing project
10	Ecopetrol	Refineria del Pacifico port and marine pre-FEED
11	Wafra Joint Operations	Integrated master plan
12	Rio Tinto	Koodaiderie hydrology studies
13	Enbridge	Remediation program
14	Chevron	Onslow water infrastructure upgrade project
15	Australia Pacific LNG	Receiving environment monitoring program
16	Government of Timor-Leste	Tasi Mane Project
17	Port of Los Angeles	Contaminated soil remediation
18	ASTAD Project Management/ Economic Zone Company	Master planning and engineering consultancy
19	BP	Windmill framework agreement
20	Norte Energia S.A	Coordinate and deploy environmental socio-economic plans for Belo Monte Hydroelectric Power Plant

POWER

1	US Government - Department of Energy (DOE) - National Nuclear Security Administration (NNSA)	Technical and engineering services
2	Los Angeles Department of Water and Power	Owners engineering services for repowering projects
3	Calpine Corporation	Alliance engineering services
4	Arizona Public Service	Alliance engineering services
5	Southern California Edison	Owner's engineering and design services, provision of techical support of electrical transmission and distribution systems
6	Tennessee Valley Authority	Plant outage and support
7	Fortescue Metals Group	Solomon Mine Power Station operations and maintenance
8	Southern Co	Detailed engineering
9	Polska Arupa Energetyczna	Site characterization and licensing/permitting services
10	Kozlody Nuclear Power Plant	Operational safety review
11	Akkuyu NGS Elektrik Üretim Anonim Sirketi	Consultancy services for Akkuyu Nuclear Power Plant
12	Saudi Electric Company	Master services agreement
13	Saudi Electricity Company	Integrated EPCM services contract
14	BHP Billiton	Operations and maintenance

BUSINESS SUMMARY

HYDROCARBONS

We deliver a range of services to the hydrocarbons market. Those services span the upstream, mid-stream and downstream sectors, from early conceptual studies to the execution of mega projects, and include asset management and enhancement programs.

Performance overview

The Hydrocarbons sector reported aggregated revenue of $5,344 million, an increase of 7% from the previous corresponding period. Hydrocarbons' contribution to the Group's aggregated revenue was 70%. Segment EBIT was $634 million with a reported segment margin of 11.9% (FY2012: EBIT $598 million; margin 11.9%). The Hydrocarbons sector grew in both revenue and EBIT. The professional services margin within the sector improved from 12.3% to 13.1%.

Growth in the Hydrocarbons sector was underpinned by an increase in average customer capital expenditure during FY2013 when compared with that for FY2012, with continued demand for oil and gas and robust commodity prices creating favorable market conditions. WorleyParsons' exposure to the downstream petrochemicals market increased with new projects awarded in FY2013, including the Integrated Program Management Team project for Sasol in the United States.

The acquisition of Bergen Group Rosenberg AG with effect from January 2013 complements and extends WorleyParsons' current hydrocarbons services offering and provides access to the Norwegian Continental Shelf offshore oil and gas market.

Future

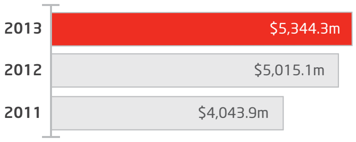
We are encouraged by the growth in the US gas, downstream and petrochemicals market, opportunities in Norway and in the developing world. Potential market slowdown in Australia is expected to be offset by our continued global growth.

The continued global diversification, together with ongoing strengthening of key customer relationships, gives us confidence that the Hydrocarbons sector will continue to grow in the medium and long term.

We expect improved earnings for the Hydrocarbons sector in FY2014.

	Aggregated Revenue		Contribution to Group aggregated revenue	EBIT		EBIT Margin
	$m	Growth%	%	$m	Growth%	%
2013	5,344.3	6.6	70	633.7	5.9	11.9
2012	5,015.1	24.0	68	598.4	8.0	11.9
2011	4,043.9	18.1	68	554.3	10.5	13.7

AGGREGATED REVENUE



MINERALS, METALS & CHEMICALS

We deliver a range of services to the minerals, metals and chemicals markets, encompassing alumina, base metals, precious metals, coal, iron ore and chemicals. The services we offer include preparing conceptual and feasibility studies, front-end engineering design, project-delivery services and *Improve* services.

Performance overview

The Minerals, Metals & Chemicals sector reported aggregated revenue of $938 million, an increase of 5% from the previous corresponding period. Minerals, Metals & Chemicals' contribution to the Group's aggregated revenue was 12%. Segment EBIT was $136 million with a reported segment margin of 14.5% (FY2012: EBIT $134 million; margin 15.0%).

The performance of the Minerals, Metals & Chemicals sector was underpinned by the strength of the global chemicals market, notwithstanding a significant slowdown of investment in major capital projects by our minerals and metals customers over the period, particularly in Western Australia.

The current market dynamics have seen our mining customers looking for improvements in efficiency and cost of production, particularly in mature, high cost regions. This has resulted in a greater emphasis on sustaining capital activities. To assist our customers with these activities, we are continuing the ongoing development of our *Improve* offering.

The acquisition of TWP Holdings Proprietary Ltd in March 2013 has further increased the geographic reach of WorleyParsons' Minerals, Metals & Chemicals sector and enables us to offer our customers project delivery capabilities for underground mining and precious metals.

Future

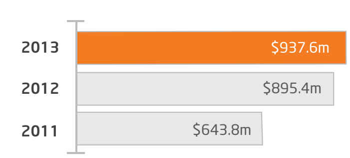
We will continue to globalize our Minerals, Metals & Chemicals offering and develop our long term relationships with major customers. We expect that asset optimization will continue to be a key concern in the year ahead. Project activity will predominantly be in early phase study work.

The global chemicals market continues to support strong investment in new developments and provides a high growth opportunity for WorleyParsons. We will continue to directly address this market particularly in the Middle East and the US, leveraging our strength in China, to benefit our customers across the globe.

We expect improved earnings in the Minerals, Metals & Chemicals sector in FY2014.

	Aggregated Revenue		Contribution to Group aggregated revenue	EBIT		EBIT Margin
	$m	Growth%	%	$m	Growth%	%
2013	937.6	4.7	12	135.5	1.1	14.5
2012	895.4	39.1	12	134.1	30.6	15.0
2011	643.8	14.5	11	102.7	(2.9)	16.0

AGGREGATED REVENUE



INFRASTRUCTURE & ENVIRONMENT

Our Infrastructure & Environment sector offers a range of services in water, environment, transport, ports and marine terminals, restoration, geosciences, master planning and advanced analysis. When providing those services, we manage approvals, stakeholder engagement, project delivery, logistics, cost and schedule for our customers.

Performance overview

The Infrastructure & Environment sector reported aggregated revenue of $784 million, a decrease of 10% from the previous corresponding period. Infrastructure & Environment's contribution to the Group's aggregated revenue was 10%. Segment EBIT was $86 million with a reported segment margin of 11.0% (FY2012: EBIT $118 million; margin 13.6%).

The performance of the Infrastructure & Environment sector was adversely impacted by the downturn in the Australian resources sector and the South African government sector.

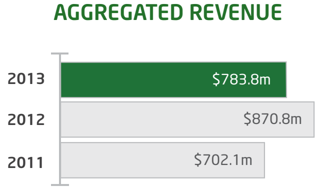
Given the adverse markets in Australia and South Africa, it is pleasing that we secured *Improve* opportunities with government, resource and energy customers. We have delivered environment and water services to unconventional oil and gas customers and expanded our geographic footprint by delivering restoration services under several global services agreements.

Future

The growth of unconventional oil and gas globally offers significant opportunity as customers seek an integrated approach to environment, community and water management. Resource infrastructure has a strong outlook in Sub-Saharan Africa and Latin America, particularly relating to significant gas discoveries in East Africa and mineral developments in Latin America. Our Restoration offering is positioned to service our customers' growing need for support in liability management and remediation, demolition and decommissioning and resilience preparedness across their asset portfolios.

We expect improved earnings in the Infrastructure & Environment sector in FY2014.

	Aggregated Revenue		Contribution to Group aggregated revenue	EBIT		EBIT Margin
	$m	Growth%	%	$m	Growth%	%
2013	783.8	(10.0)	10	85.9	(27.4)	11.0
2012	870.8	24.0	12	118.4	17.2	13.6
2011	702.1	49.4	12	101.0	25.5	14.4



POWER

We offer a range of services across the power generation, transmission and distribution value chain, from conventional technologies such as fossil fuel and nuclear power generation through to renewable energy and advanced coal-fired generation and smart grid transmission and distribution. We work with our customers on all stages of the asset lifecycle, including early planning, project delivery, facility start-up and asset management, operation and maintenance.

Performance overview

The Power sector reported aggregated revenue of $561 million, a decrease of 3% on the previous corresponding period. Segment EBIT was $49 million with a reported segment margin of 8.8% (FY2012: EBIT $61 million; margin 10.6%)

Our Power sector performance was materially impacted by impacted by increased costs on a lump sum procurement project in Brazil and the cancellation of a key project in both Europe and Canada.

Our customers in the developed world have been engaging in asset improvement, while our customers in the developing world have been building new generation and network capacity.

In the United States, Australia and Canada, we provided a range of *Improve* services in assets optimization and operation and maintenance, such as for the Tennessee Valley Authority in the United States.

In the developing world, WorleyParsons was awarded a number of projects in nuclear, conventional power generation and networks.

Future

While there is some uncertainty in the global economy, we expect to continue to grow our support to resource and industry customers leveraging our Hydrocarbons and Minerals, Metals & Chemicals customer sector groups. In the developing world we expect demand for new capacity to continue to provide opportunities in power generation and networks.

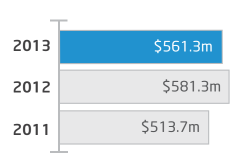
We anticipate further demand for our services in the nuclear sector, given the expected expansion of nuclear programs in developing countries and increases in safety upgrades to existing reactors.

In order to strengthen our service offering to resource customers, we are combining our Power and Infrastructure & Environment sectors into a single customer sector group.

We expect improved earnings in the Power sector and the combined group in FY2014.

	Aggregated Revenue		Contribution to Group aggregated revenue	EBIT		EBIT Margin
	$m	Growth%	%	$m	Growth%	%
2013	561.3	(3.4)	8	49.4	(19.5)	8.8
2012	581.3	13.2	8	61.4	(6.0)	10.6
2011	513.7	0.8	9	65.3	12.2	12.7

AGGREGATED REVENUE



CHIEF EXECUTIVE OFFICER'S REPORT

Iain Ross
Group Managing Director - Development

Iain is responsible for Strategy for the Group, leading the customer sector groups, mergers and acquisitions, investor relations and innovation incubation.

Randy Karren
Group Managing Director - *Improve*

Randy is responsible for the strategy and growth of our *Improve* business across all customer sector groups.

Barry Bloch
Group Managing Director - People

Barry is responsible for leading the delivery of all People-related services and support across the Group.

David Steele
Group Managing Director - New Ventures

From 1 July 2013, David is responsible for the establishment and ongoing operation of a small group set up to successfully launch new business for WorleyParsons, and responsible for information management within the Company.

Stuart Bradie
Group Managing Director - Operations

Stuart is responsible for leading the Group's global operations with a focus on our customers and locations.

Andrew Wood
Chief Executive Officer

Andrew was appointed as Chief Executive Officer effective 23 October 2012. With tenure of 19 years with WorleyParsons, and over 30 years' experience in the resources and energy industry.

The 2013 financial year saw challenging conditions for our industry in a number of our key markets. However, the geographic and sector diversification of WorleyParsons' operations enabled us to largely offset these challenges and allowed us to deliver what we believe is a solid financial result.

Introduction – highlights

The Hydrocarbons sector has continued to grow both revenue and EBIT, with good results coming from Australia, the US gas and downstream market and the *Improve* sector in Canada. The second half did see lower demand and higher costs adversely impacting WorleyParsonsCord, the Group's Canadian construction and fabrication business. Even with the significant downturn in the Western Australia market, the Minerals, Metals & Chemicals sector still delivered overall growth. This growth has occurred largely in the chemicals market in locations such as China, Brazil and the US.

The reduced demand for the Group's resource infrastructure services, particularly in the once buoyant Western Australia market impacted the Group's Infrastructure & Environment sector. This sector was also adversely impacted by a reduction in Government spending in South Africa and the US. The Power sector was impacted by the cancellation of a key project in both Europe and Canada and increased material costs on a substantially complete lump sum procurement project in Brazil.

The Group's decline in earnings has been further impacted by restructuring costs incurred as a result of a reduction in the number of people we employ.

We have approximately 39,800 people operating out of 165 offices across 43 countries, 87% of whom are based outside Australia, which is a testament to the success of our strategic global expansion over many years.

The Group made two acquisitions during the period, being the TWP business in South Africa and the Rosenberg business in Norway. These acquisitions demonstrate the Group's commitment to not only growing organically but also via strategic acquisitions.

We were pleased to be ranked the number one international design firm by Engineering News Record for the year ended 31 December 2012.

For customers in each of our sectors, we provide *Consult, Deliver, Improve* and *Advisory* services.

Our *Consulting Practices* provide technical consulting services to customers across all of our sectors. While we have seen some impact on this business from project delays in places such as Western Australia, we believe that they will increasingly play a key role in enabling the Group to respond to our customer's needs and provide entry points into new markets.

Project Delivery remains at the heart of our business, and demand for these services remains robust in most parts of the world. During the period we continued to see the impacts of the Group's change in product mix. As we continue our move toward a full project delivery organization, we have seen an increase in reimbursable EPC work including a significant increase in procurement at nil margin and an increase in revenue from construction activities.

Improve continues to be an important part of our strategy going forward. We expect an increased demand for our *Improve* services driven by a global trend of aging assets, greater regulatory requirements and new assets coming on line.

There is increasing demand for the project and business solutions provided by our *Advisory* services to customers who develop, operate and maintain physical assets in the infrastructure and resources sectors.

We put the customer at the center of everything that we do and to reflect this we have reorganized our Customer Sector Group ("CSG") structure. We have combined the existing Power and Infrastructure & Environment groups into a single CSG, to be referred to in the future as 'Infrastructure'. These changes will enable us to better meet the continuing needs of our customers both locally and globally.

We are constantly challenging ourselves to develop new opportunities for growth and, to this end, have formed a 'New Ventures' group, led by David Steele, responsible for exploring opportunities that are aligned with but additional to our traditional areas of activity.

Screens from our Road Safety Initiative awareness videos.

In further developing the Local/global model we have sought to ensure that the Group structure is efficient but flexible enough to meet the changing demands of our customers. This has driven a number of initiatives including the combining of regions and the re-alignment of CSGs described above, resulting in a reduction in overheads in the second half. In addition, we have refined our business development efforts to focus not just on winning work, but on winning work that we can execute well and that will provide good outcomes for both the customer and for WorleyParsons. While there is more work to be done in some of these areas, we believe that the Group is in good shape to take advantage of the opportunities that are in front of us.

As we move into FY2014, we are continuing to see some uncertainty in the markets for our services and many customers still have expenditure constraints. Our key resource customers are increasingly looking for a smaller number of suppliers, and for suppliers who can meet their needs both locally and globally. We believe that the geographic diversity of WorleyParsons, as well as our continued emphasis on key global customer relationships, will mean that we remain well placed to continue to service these customers.

Safety performance

Travel remains one of the most hazardous activities for our people. As signatories to the UN Decade of Action for Road Safety, we continued our Group-wide emphasis on road safety this year which included the introduction of new requirements for driver training, vehicle standards and journey management. In addition, we are taking actions to drive a step-change in our on-site safety performance.

WorleyParsons uses the United States Occupational Safety and Health Administration reporting protocol for our global operations, including the calculation of our Total Recordable Case Frequency Rate ("TRCFR") and Lost Workday Case Frequency Rate ("LWCFR").

The TRCFR for our personnel for the FY2013 was 0.13 (0.12 in FY2012) and the LWCFR was 0.03 which was the same as last year. We continue to strive to improve the safe performance of our work, both in field and office environments. While the TRCFR for our own personnel was flat, we are pleased that there has been an almost 20% reduction in the TRCFR for combined WorleyParsons personnel and our contractors for whom we are responsible.

People

Our people are the fundamental reason why we have been able to respond successfully to volatile markets in the past financial year. We have had to make some very difficult people decisions in some of our locations. This has been done with care and respect but was necessary to ensure that these locations remain sustainable and profitable for the long term.

I am pleased that our people's wide range of skills and expertise, spread across so many countries and offices, has enabled us to respond quickly and competently to our customers' changing needs.

I am appreciative of all of our people who continue to provide support and commitment to both their customers and to WorleyParsons. I welcome the many people who have joined our organization, both in our growing locations and through the acquisitions of TWP in Africa and Latin America and Rosenberg in Norway.

Our people and our culture remain two of the fundamental competitive differentiators for WorleyParsons.

Management changes

During the period Randy Karren was appointed to the Executive Committee with responsibility for the Group's *Improve* activities. Randy was formerly the Managing Director of our Canadian operations and his appointment reinforces our commitment to the growth of our *Improve* offering.

On my taking up of the Chief Executive Officer role, Simon Holt took up the position of Chief Financial Officer. Simon had previously been the Deputy Chief Financial Officer and had led many of the significant improvements in the Group's finance function over the past seven years. He will be joining the Executive Committee from September.

Financial performance

After excluding for fair value gains on acquisition of associates in FY2012, aggregated revenue of $7,627 million was up 4% on the prior year. EBIT of $527 million was down 1% against the prior year, while NPAT of $322 million was down 7% and in line with guidance. The EBIT margin of 6.9% was down from 7.2% in the prior period. EBIT margin rose from 6.5% in the first half to 7.3% in the second half.

Operating cash flow for the period was $444 million, compared to $438 million in the previous corresponding period. The Group invested $347 million in the business in FY2013 (FY2012: $106 million) for acquisitions, property, plant and equipment and computer software. Our balance sheet metrics remain strong. The Group's gearing ratio at 30 June 2013 was 25% and cash interest cover remains high at 10.6 times.

The effective tax rate for the half year was 27.3% being higher than the tax rate for the previous corresponding period of 24.1%. The previous year's tax rate was favorably impacted by a refund received in Canada.

Exchange rate movements in the year to 30 June 2013 compared to FY2012 had a favorable impact on net profit of only approximately $3m. The contribution from associates represented 7% of the Group's net profit for the year (FY2012: 8%).

The Chief Executive Officer's Committee (CEOC) acts as an advisory group to the CEO and Executive Committee. The CEOC comprises the leaders of our regions, customer sector groups and key functional areas.

SEGMENT PERFORMANCE

Hydrocarbons

The Hydrocarbons sector reported aggregated revenue of $5,344 million an increase of 7% from the previous corresponding period. Hydrocarbons' contribution to the group's aggregated revenue was 70%. Segment EBIT was $634 million with a reported segment margin of 11.9% (FY2012: EBIT $598 million; margin 11.9%). The Hydrocarbons sector grew in both revenue and EBIT. The professional services margin within the sector improved from 12.3% to 13.1%.

Continued demand growth for oil and gas, together with robust commodity prices led to an increased level of capital expenditure in upstream developments. New greenfield assets coming on line led to increased spend on *Improve* asset management and enhancement programs. The lower cost of natural gas in the US drove development of the downstream market, with a focus on petrochemicals and other gas monetization opportunities.

Unconventional oil and gas development has escalated, with program management and project delivery for developments in the US, Canada, Australia and the Middle East being undertaken during the period. The acquisition of Rosenberg, which provides fully-integrated engineering, fabrication and construction solutions to the Norwegian offshore oil and gas sector, will extend WorleyParsons' current hydrocarbons offering into the Norwegian market.

Outlook for Hydrocarbons

We are encouraged by the growth in the US gas, downstream and petrochemicals market, opportunities in Norway and in the developing world. Potential market slowdown in Australia is expected to be offset by our continued global growth.

The continued global diversification, together with ongoing strengthening of key customer relationships, gives us confidence that the Hydrocarbons sector will continue to grow in the medium and long term.

We expect improved earnings for the Hydrocarbons sector in FY2014.

Minerals, Metals & Chemicals

The Minerals, Metals & Chemicals sector reported aggregated revenue of $938 million, an increase of 5% from the previous corresponding period. Minerals, Metals & Chemicals' contribution to the group's aggregated revenue was 12%. Segment EBIT was $136 million with a reported segment margin of 14.5% (FY2012: EBIT $134 million; margin 15.0%).

The performance of the Minerals, Metals & Chemicals sector was underpinned by the strength of the global chemicals market notwithstanding the significant slowdown of investment in major capital projects by our minerals and metals customers over the period, particularly in Western Australia.

The current market dynamics has seen our mining customers looking for improvements in efficiency and cost of production, particularly in mature, high cost regions. This has resulted in a greater emphasis on sustaining capital activities and we are focused on the ongoing development of our integrated *Improve* offering.

The acquisition of TWP in March 2013 has further increased our geographic diversification bringing approximately 1,100 additional people to our operations in Africa and Latin America. We are now one of the largest specialized EPCM companies in Africa. TWP also enables WorleyParsons to provide its global customers with access to engineering and project delivery capabilities for underground mining and precious metals.

Outlook for Minerals, Metals & Chemicals

We will continue to globalize our Minerals, Metals & Chemicals offering and develop our long term relationships with major customers. We expect that asset optimization will continue to be a key concern in the year ahead. Project activity will predominately be in early phase study work.

The global chemicals market continues to support strong investment in new developments and provides a high growth opportunity for WorleyParsons. We will continue to directly address this market particularly in the Middle East and the US, leveraging our strength in China, to benefit our customers across the globe.

We expect improved earnings in the Minerals, Metals & Chemicals sector in 2014.

Infrastructure & Environment

The Infrastructure & Environment sector reported aggregated revenue of $784 million, a decrease of 10% from the previous corresponding period. Infrastructure & Environment's contribution to the group's aggregated revenue was 10%. Segment EBIT was $86 million with a reported segment margin of 11.0% (FY2012: EBIT $118 million; margin 13.6%).

The performance of the Infrastructure & Environment sector was impacted by major project deferrals and customer cost management initiatives in Western Australia. Reduction in South African government spend has further impacted the business.

Given the adverse markets in Australia and South Africa, it is pleasing that our enhanced *Improve* capability platform has enabled us to secure opportunities with Government, resource and energy customers. We have delivered integrated environment and total water solutions to unconventional oil and gas customers and expanded our geographic presence in Restoration services.

Outlook for Infrastructure & Environment

The growth of unconventional oil and gas globally offers significant opportunity as customers seek an integrated approach to environment, community and water management. Resource infrastructure has a strong outlook in Sub-Saharan Africa and Latin America, particularly relating to significant gas discoveries in East Africa and mineral developments in Latin America. Our Restoration offering is positioned to service our customers' growing need for support in liability management and remediation, demolition and decommissioning and resilience preparedness across their asset portfolios.

We expect improved earnings in the Infrastructure & Environment sector in FY2014.

Power

The Power sector reported aggregated revenue of $561 million, a decrease of 3% on the previous corresponding period. Segment EBIT was $49 million with a reported segment margin of 8.8% (FY2012: EBIT $61 million; margin 10.6%)

The fall in earnings is largely driven by increased material costs on a substantially complete lump sum procurement project in Brazil and the cancellation of a key project in both Europe and Canada.

In the developed world, customers have been looking for support services in asset optimization, operation and maintenance, energy efficiency and environmental compliance. This has led to demand for our *Improve* asset management services in these geographies.

In the developing world, increased capacity demand led to the Group being awarded a number of key projects in nuclear, conventional power generation and networks.

We continue to support resource and industrial customers in securing and managing critical power needs for their operations in both developed and developing markets.

Outlook for Power

Whilst there is some uncertainty in the global economy, we expect to continue to grow our support to resource and industry customers leveraging our Hydrocarbons and Minerals, Metals & Chemicals customer sector groups. In the developing world we expect demand for new capacity to continue to provide opportunities in power generation and networks.

We anticipate further demand for our services to the nuclear sector, given the expected expansion of nuclear programs in developing countries and increases in safety upgrades to existing reactors.

In order to strengthen our service offering to resource customers, we are combining our Power and Infrastructure & Environments sectors into a single customer sector group.

We expect improved in earnings in the Power sector and the combined group in FY2014.

Outlook for the group

While recognizing the uncertainties in world markets, we expect our geographic and sector diversification to provide a solid foundation to deliver increased earnings in FY2014.

We have a clear growth strategy in place which includes developing our skill set and geographic footprint across our customer sectors. This will be achieved through organic growth as well as by taking advantage of acquisition opportunities that provide value for shareholders.

We are confident that our medium and long term prospects remain positive based on our competitive position, our diversified operations and strong financial capacity.

BOARD OF DIRECTORS

John Grill
Chairman and Non-Executive Director

Andrew Wood
Chief Executive Officer

John M Green
Non-Executive Director

Catherine Livingstone, AO
Non-Executive Director

Wang Xiao Bin
Non-Executive Director

Erich Fraunschiel
Non-Executive Director

Christopher Haynes, OBE
Non-Executive Director

JB McNeil
Non-Executive Director

Ron McNeilly
Deputy Chairman and Lead Independent Director

Larry Benke
Non-Executive Director

Peter Janu
Company Secretary & General Counsel Corporate

OPERATING AND FINANCIAL REVIEW

1 Operations

1.1 Overview

WorleyParsons is a professional services provider to the resources, energy and industrial sectors.

During the year ended 30 June 2013 (FY2013), our business was reported in four customer sector groups which focused on customers involved in the following activities:

- Hydrocarbons – the extraction and processing of oil and gas;
- Minerals, Metals & Chemicals – the extraction and processing of mineral resources and the manufacture of chemicals;
- Infrastructure & Environment – projects related to water, the environment, transport, ports and site remediation and decommissioning; and
- Power – all forms of power generation, transmission and distribution.

From 1 July 2013, we combined our Power and Infrastructure & Environment sectors into one sector referred to as Infrastructure.

For customers in each of these sectors, we provide *Consult*, *Deliver*, *Improve* and *Advisory* services:

- *Consult* – assisting with project viability, assessment and selection. *Consult* services can include undertaking feasibility studies, providing conceptual designs, being involved in cost estimating and contract planning and providing technical advice;
- *Deliver* – converting projects from concept into fully defined and executed projects. Defining a project can include undertaking cost estimates and preparing preliminary engineering designs. Executing a project can include preparing detailed engineering designs, procuring specialist materials and components required for the project and managing and executing the project's construction;
- *Improve* – maintaining and improving existing assets such as a gas processing plant or power station. This can involve us in reducing the costs involved in operating an asset or increasing the revenue earned from an asset; and
- *Advisory* – providing project and business solutions to customers who develop, operate and maintain physical assets in the infrastructure and resources sectors. This can involve us in bringing our commercial and technical insights and experience to the complex problems they face and working alongside them to solve those problems.

These services range from small studies bringing in thousands of dollars in revenue to the delivery of major projects bringing in hundreds of millions of dollars in revenue.

Our customers range from multi-national oil and gas, resources and chemicals companies to more locally focused companies, national oil companies and government utilities operating in the sectors described above.

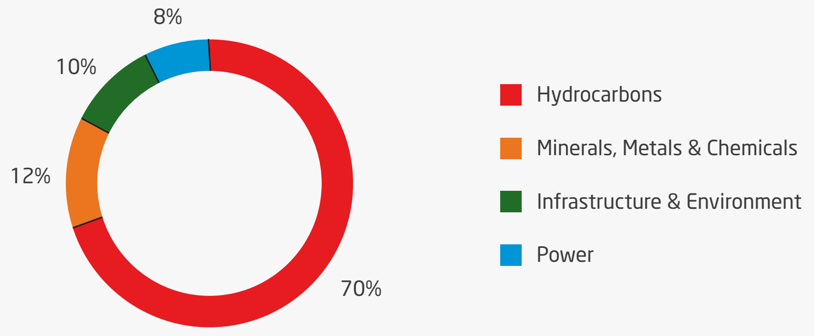
In order to provide local delivery to our customers, with global support, we employ around 39,800 people, in 165 offices located in 43 countries.

Our competitive position was most recently assessed when, in July 2013, the Engineering News-Record's Top 225 International Design Firms ranked WorleyParsons as the number one International Design Firm, number one for Petroleum Design and number two for Power Design.

1.2 Business model

We are a people business. We empower our people to deliver services to our customers at a local level, but with the benefit of globalized support. We support our people with our systems and other infrastructure and charge their time spent performing professional services to our customers.

FY2013 AGGREGATED REVENUE BY CUSTOMER SECTOR GROUP



FY2013 AGGREGATED REVENUE BY GEOGRAPHIC REGION

Aggregated revenue and profit: Our sources of revenue and profit are diversified and our revenue and profit are generated from a large number of customers. As a result, we are not dependent on any one of our customers for a significant portion of our revenue and profit. We believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group and include this within Aggregated revenue.

Costs: Other than costs reimbursed by our customers, our two largest costs are: staff costs; and administration costs, which includes office lease costs.

Assets and liabilities: The significant items on our balance sheet are mainly project related, such as trade receivables (e.g. payments due from our customers), and provisions (e.g. amounts we have set aside for potential future liabilities, particularly those related to our employees), and borrowings (eg. bank debt). We also hold a number of intangible assets generated through previous acquisitions.

Our business is not capital intensive. However, our contract terms typically require our customers to pay us within 30 days of receiving our invoice, while, in a number of our locations, we must pay expenses (e.g. staff salaries) at shorter intervals. This time differential makes up the majority of our capital requirements.

1.3 Review of operations

A review of WorleyParsons' operations for FY2013 can be found in the section headed "Business Summary" on pages 6 to 9 of the Annual Report. That section is incorporated into, and forms part of this Operating and Financial Review.

There are three measures that are key to understanding our results:

1. Aggregated revenue;
2. EBIT (earnings before interest and tax); and
3. NPAT (net profit after tax), attributable to shareholders

	FY2013 $'M	FY2012* $'M	Comments	Movement
1. Aggregated revenue	7,627.0	7,362.6	We define aggregated revenue as: • our revenue and income calculated in accordance with relevant accounting standards; • plus our share of revenue earned by our associates; and • less procurement at nil margin, interest income, and net gain on revaluation of investments previously accounted for as equity accounted associates.	Our aggregated revenue increased by 4% in FY2013 when compared with that for FY2012 due to increased construction activities and contribution from acquired entities.
2. EBIT	527.0	530.3	EBIT means earnings before interest and tax.	Our EBIT is in line with that for FY2012.
3. NPAT, attributable to shareholders	322.1	345.6	NPAT means net profit after tax.	Our NPAT decreased by 7% in FY2013 when compared with that for FY2012 due to a higher effective tax rate (27.3% v 24.1%) and additional interest costs from the US debt raised to fund acquisitions and working capital.

*We have calculated the numbers set out above so that they do not take into account the effect of the net gain of $7.6 million on revaluation of investments already held, as required under the accounting standards, that occurred during FY2012, but for which there were no corresponding gains during FY2013.

1.4 Significant changes in operations during FY2013

With effect from the conclusion of our 2012 Annual General Meeting on 23 October 2012, John Grill retired as our Chief Executive Officer and Andrew Wood was appointed to that role.

2 Financial Position and Cashflow

2.1 Matters relevant to understanding WorleyParsons' financial position

There are four items that are key to understanding our financial position:

1. Operating cash flow;
2. Gearing ratio;
3. Debt facility utilization; and
4. Loan and overdraft facilities

	FY2013 $'M	FY2012 $'M	Comments	Movement
1. Operating cash flow	443.5	437.5	Our operating cash flow comprises the payments we receive from our customers less the amount we pay our suppliers plus related interest and tax paid. In our financial statements, operating cash flow is called "net cash inflow from operating activities".	Our operating cash flow increased by 1% in FY2013.
2. Gearing ratio	25.3%	19.9%	Our gearing ratio is our net debt divided by the sum of our net debt and our total equity, at the end of the financial year.	Our gearing ratio increased by 5.4 percentage points in FY2013 when compared with that for FY2012 because we funded acquisitions. This ratio is at the lower end of our gearing target of 25% to 35%.
3. Debt facility utilization	55.5%	51.2%	Our debt facility utilization is the percentage of our debt facilities that we were using at the end of the financial year.	Our debt facility utilization increased 4.3 percentage points in FY2013 when compared with that for FY2012 because of funding required for acquisitions.
4. Loan and overdraft facilities	1,912.4	1,444.6	Our loan and overdraft facilities are the amount of our debt facilities at the end of the financial year.	The amount of our loan and overdraft facilities increased during FY2013 given the US debt raising referred to above and the change in foreign exchange rates from the beginning of the year to the end of the year.

Our financial capacity remains strong given our cash, gearing and debt positions.

2.2 Dividends

Our practise has been that in the order of 60% to 70% of WorleyParsons' full year net profit after tax will be available for distribution as dividends, with the balance being retained for funding ongoing growth. Dividends are franked to the extent franking credits are available.

In line with this practise, our directors have resolved to pay a final dividend of 51.0 cents per fully paid ordinary share unfranked. As a result, 70.8% of our full year net profit after tax for FY2013 will be distributed to shareholders as a dividend. This compares with distributing 64.7% of our full year net profit after tax for FY2012.

2.3 Significant changes in WorleyParsons' Statement of Financial Position during FY2013

There were no significant changes in WorleyParsons' Statement of Financial Position during FY2013.

2.4 Future commitments

There are two types of future commitments which do not appear on our balance sheet and are relevant to understanding our financial position:

1. operating leases; and
2. operating expenditure commitments.

In general, we lease the various office buildings from which we operate, rather than owning those buildings. "Operating leases" refers to those leases.

In addition, we are generally licensed to use software (e.g. engineering software) and also lease various items of computer hardware (e.g. laptops, monitors and keyboards) that we use in operating our business, rather than owning the software or computer hardware ourselves. We refer to our commitments to pay software license and equipment lease fees as "operating expenditure commitments".

These future commitments represent approximately 10% of our expenses.

3 Business Strategy, Outlook and Risks

3.1 Business Strategy

We develop strategy at an overall group level, within our sectors and for our locations and functions. Our process is intended to be one that is iterative and that remains alive and is updated and adjusted to suit the changing competitive and economic landscape.

Our strategy includes building our project delivery capability and as a result, doing more reimbursable EPC and full scope EPCM for greenfield projects and expanding the scope of support we offer for existing assets as a part of our *Improve* offering.

We see growth potential in *Improve*, which includes services in engineering, procurement and construction across a portfolio of minor capital projects and maintenance, asset integrity and operations support.

Equally, we see benefit in continuing to develop our EPCM, PMC and largely reimbursable EPC capabilities in the major project arena. Core to this is our *Consult* capability, along with front-end engineering design and detailed engineering.

Our EcoNomics™ offering is a differentiated way of helping customers build sustainability into their operations and make increasingly difficult economic decisions around social license to operate and other traditionally intangible areas.

We continue to move into new locations, particularly in the developing world and to refine and leverage our customer relationships both globally and locally.

Strategy cycle: We have a mature, structured approach to strategy which includes development of:

1. a five year aspirational vision for our organization;
2. a three year global strategy, which is refreshed on an annual basis;
3. three year sector strategies, which are refreshed on an annual basis; and
4. functional and location annual business plans that reflect the sector and global strategies.

Our annual strategy workshops are followed by a series of communications across our business.

Strategy focus: The annual strategy process includes consideration of the following three factors and how they can best be combined to deliver value to our customers and returns to our shareholders:

1. market conditions;
2. customer needs; and
3. our capability.

Strategy review: While a detailed strategy provides us with direction, it is also designed to be sufficiently flexible to adapt to changing market and customer demands. We monitor progress against our strategy throughout the year and we make adjustments where appropriate.

3.2 Outlook

While recognizing the uncertainties in world markets, we expect our geographic and sector diversification to provide a solid foundation to deliver increased earnings in FY2014.

We have a clear growth strategy in place which includes developing our skill set and geographic footprint across our customer sectors. This will be achieved through organic growth as well as by taking advantage of acquisition opportunities that provide value for shareholders.

We are confident our medium and long term prospects remain positive based on our competitive position, our diversified operations and strong financial capacity.

3.3 Risks

Achievement of our medium and long term prospects could be impacted by a number of risks, some of which are beyond our control. Those risks could, individually or together, have an adverse effect on achievement of those prospects.

Set out below is an overview of a number of key risks that we face in seeking to achieve our medium and long term prospects. The risks are not set out in any particular order and do not comprise every risk we face in conducting our business or every risk that may affect the achievement of those prospects. Rather, they are the most significant of the risks that we believe we should be monitoring and seeking to mitigate or otherwise manage at this point in time.

Health and safety risk: Our business sometimes requires our people to be in high risk geographies, travel long distances by road, be in close proximity to complex operating equipment and be engaged in construction and operating activities. There is the risk of injury to, or the loss of life of, our people. To seek to mitigate this risk, we have a OneWay™ framework which includes the expectations that every one of our people must meet with respect to health and safety. OneWay™ expectations are supported by our business processes and we use them in assessing our performance; however, the risk exists that the failure to comply with such processes, customer health and safety requirements and applicable regulations could expose us to losses and liability.

Reputation risk: We rely on the strength of our reputation to help win and retain work, attract and retain employees, secure lines of credit and gain access to capital. Reputation can be damaged in a number of ways including through unethical business practises, poor project outcomes, negative media and not meeting the market's expectation of our financial performance. We use a range of strategies and actions to seek to mitigate this risk including training on our Code of Conduct for our people globally, an ethics helpline and our enterprise management systems.

Strategy risk: Strategy risk is the risk of failing to develop and implement an effective business strategy. Failure to do so may over time lead to a loss of market share, damage to our reputation and negatively impact our financial performance. To mitigate this risk, we have an annual strategy development process which is discussed under the heading "Business strategy" on page 22 of this Operating and Financial Review. We develop and implement strategic initiatives and review our strategy during each year, making adjustments to it where appropriate.

People risk: Our ability to attract and retain top talent and industry leaders is a risk that, if not effectively managed, could have a negative impact on our reputation, technical performance and longer term financial performance. We seek to mitigate this risk by seeking to offer market competitive remuneration, training and career development opportunities and by seeking to be an attractive and engaging employer.

Project delivery risk: Our execution of projects and assignments involves professional judgment regarding the planning, design, development, construction and operation of often complex operating facilities. While our customers generally retain liability for consequential damages and while we have adopted a range of insurance, risk management and mitigation programs designed to seek to reduce potential liabilities, a catastrophic event resulting from the services we have provided could result in significant professional or product liability, warranty or other claims against us, as well as reputational damage.

Contract pricing risk: We have a relatively low level of exposure to fixed price contracts with the majority of our revenue derived on a reimbursable basis. However, if we materially underestimate the cost of providing equipment, plant and/or services, there is a risk of a material negative impact on financial performance. Where we do enter into fixed price contracts, we mitigate the pricing risk by using our estimating systems, knowledge and experience to seek to price them appropriately.

Competition risk: Our markets are highly competitive and this competition can place downward pressure on prices and margins. If we are unable to compete effectively in our markets, we run the risk of losing market share. We mitigate this risk by seeking to target the projects in relation to which we have a competitive advantage, manage our costs and margins and use low cost delivery centers to execute certain aspects of our work.

Demand risk: The volatile and cyclical nature of commodity prices and demand for our customers' goods and services means that the demand for our services can likewise be cyclical and may sometimes vary markedly over relatively short periods. We have a number of strategies and processes in place to mitigate this risk including retaining a proportion of personnel on short notice contracts, seeking contractual protection for project demobilization, particularly for projects that require a significant in-country mobilization of our people, and sharing work across locations.

Legal and contractual risk: We are, from time to time, engaged in disputes with third parties, some of which involve litigation and disputes over contractual terms. The outcomes of these disputes can be difficult to predict and may cause a material negative impact on any one year's financial performance. We manage this risk through our contract review and risk screening processes and active dispute management.

Finance market risk: Finance market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect our income or the value of our balance sheet items. We use risk management techniques to seek to contain finance market risk exposures within acceptable parameters. We enter into derivatives, and also incur financial liabilities, in order to mitigate that risk and reduce volatility in earnings. In the ordinary course of business, we structure our contracts to be paid in the currency of the country in which the costs are incurred.

Liquidity risk: Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. Our approach to managing liquidity is to seek to ensure that we will always have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. In addition, we seek to ensure that we have efficient cash management processes and carry sufficient cash and credit lines to meet expected operational expenses, including obligations to our lenders.

Business interruption risk: As a global company, we are heavily reliant on computer, information and communications technology and related systems to operate efficiently and securely. We also operate at times in locations subject to natural disasters, civil unrest and military conflict. We seek to manage this risk through business continuity and disaster recovery systems and planning using a Ready, Response and Recovery (R3) methodology.

Partner risk: We operate through a number of joint ventures and partnering arrangements. The success of these businesses depends on the satisfactory performance by our partners of their obligations. The failure of our partners to meet these obligations could impose on us additional financial and performance obligations that could cause significant impact on our reputation and financial results. We mitigate this risk by conducting due diligence in relation to potential partners and by undertaking compliance reviews and regularly monitoring the performance of our joint ventures.

3.4 Unreasonable prejudice

We have omitted information regarding: (1) our internal budgets and internal forecasts; and (2) details of our business strategy, on the basis that if we had included that information, doing so would have been likely to result in unreasonable prejudice to us.

CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors of WorleyParsons Limited (Board) strives to ensure that WorleyParsons Limited (Company) and the entities it controls (Group) meet high standards of safety, performance and governance. The Group recognizes that it has responsibilities to its shareholders, customers, personnel and suppliers as well as to the communities in which it operates.

The Board has ultimate authority over, and oversight of, the Group and regards corporate governance as a critical element in the drive to improve the Group's performance and achieve the Group's vision of being the preferred global provider of technical, project and operational support services. Accordingly, the Board has adopted appropriate charters, codes and policies and established a number of Committees to discharge its duties.

The Corporate Governance page in the Investor Relations section of the Group's website (www.worleyparsons.com) contains most of the charters, codes and policies which are referred to in this statement (or a summary of them). These documents are periodically reviewed and enhanced where necessary to take account of changes in the law and governance practices.

The Group's governance systems meet the requirements of the *Corporations Act 2001* (Act) and the Listing Rules of the Australian Securities Exchange (ASX Listing Rules and ASX respectively).

As required by the ASX Listing Rules, this statement discloses the extent to which the Company has followed the *Corporate Governance Principles and Recommendations with 2010 Amendments* (2nd Edition) released in June 2010 by the ASX Corporate Governance Council (ASX Recommendations) during the reporting period comprising the year ended 30 June 2013 (Reporting Period). Except where otherwise explained, the Company followed all of the ASX Recommendations during the Reporting Period.

The following table indicates where specific ASX Recommendations are dealt with in this statement:

PRINCIPLES AND RECOMMENDATIONS		SECTION
***Principle 1*: Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	2.1
1.2	Companies should disclose the process for evaluating the performance of senior executives.	1.7
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	1.7, 2.1
***Principle 2*: Structure the board to add value**		
2.1	A majority of the board should be independent directors.	1.1, 1.2, 1.4
2.2	The chair should be an independent director.	1.1, 1.2, 1.4
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	1.1, 1.2
2.4	The board should establish a nomination committee (according to the commentary set out in the ASX Principles, it should consist of a minimum of three members, the majority being independent directors and have an independent chair).	1.3, 1.4, 2.3
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	1.7
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	1.2, 1.3, 1.4, 1.6, 1.7, 2.3
***Principle 3*: Promote ethical and responsible decision making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	1.5, 2.4, 3.1
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	3.8
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	3.8
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organization, women in senior executive positions and women on the board.	3.8
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	3.1, 3.2

***Principle 4*: Safeguard integrity in financial reporting**		
4.1	The board should establish an audit committee.	2.3
4.2	The audit committee should be structured so that it: • consists of only non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair who is not chair of the board; and • has at least three members.	2.3
4.3	The audit committee should have a formal charter.	2.3
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	2.3
***Principle 5:* Make timely and balanced disclosure**		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	2.4, 3.5
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	3.5
***Principle 6:* Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of the policy.	3.6
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	3.6
***Principle 7*: Recognize and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	2.3, 3.3, 3.4
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	3.3
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	3.3
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	3.3
***Principle 8*: Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee.	2.3
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; and • has at least three members.	2.3
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	3.7
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	2.3, 3.2

The Group recognizes that responsible, sustainable corporate performance is essential to the long term success of its business and desirable to all of its stakeholders. The Group's Corporate Responsibility statement can be found on page 35 of the Annual Report.

PART 1 – COMPOSITION AND GOVERNANCE POLICIES OF THE BOARD

Relevant policies and charters (see www.worleyparsons.com)

- Board Charter

1.1 COMPOSITION PRINCIPLES

The Board's composition is determined in accordance with the following principles, the Company's Constitution and relevant governance requirements:

- the Board should comprise at least three members and maintain a majority of independent directors;
- the positions of Chairman and Chief Executive Officer (CEO) must be held by separate persons;
- the Chairman must always be a non-executive director;
- the Board should comprise directors with an appropriate range and mix of skills, experience, expertise and diversity;
- the performance of the Board, its Committees and its members should be reviewed annually and objectively; and
- all directors (except the CEO) must submit themselves for re-election at regular intervals, and at least every three years.

1.2 MEMBERSHIP

The membership of the Board complies with the composition principles outlined above. The directors of the Company during the Reporting Period were:

NAME	POSITION
John Grill	Chief Executive Officer and Executive Director (until 23 October 2012)
	Chairman and Non-Executive Director (from 1 March 2013)
Ron McNeilly	Chairman and Non-Executive Director (until 1 March 2013)
	Deputy Chairman and Lead Independent Director (from 1 March 2013)
Larry Benke	Non-Executive Director
Erich Fraunschiel	Non-Executive Director
John M Green	Non-Executive Director
Christopher Haynes, OBE	Non-Executive Director
Catherine Livingstone, AO	Non-Executive Director
JB McNeil	Non-Executive Director
Wang Xiao Bin	Non-Executive Director
Andrew Wood	Chief Executive Officer and Executive Director (from 23 October 2012)

Details of each director's qualifications, special responsibilities, skills, expertise and experience (including the period of office held by each director) are contained in the profiles included on pages 43–45 in the Directors' Report.

During the Reporting Period:

- John Grill retired as Chief Executive Officer and Executive Director on 23 October 2012. On 1 March 2013, he rejoined the Board as Chairman and Non-Executive Director;
- Ron McNeilly retired as Chairman and Non-Executive Director on 1 March 2013 and was appointed Deputy Chairman and Lead Independent Director on 1 March 2013;
- Andrew Wood was appointed as Chief Executive Officer and Executive Director on 23 October 2012; and
- all other directors served as directors for the entire Reporting Period.

1.3 APPOINTMENT, INDUCTION AND TRAINING

The Board's Nominations Committee sets and reviews the criteria for new director appointments having regard to the overall composition of the Board.

In considering the nominations and appointments of directors, the Board seeks to ensure that its membership is such that each director:

- is a person of integrity who will observe the Group's Code of Conduct;
- has sufficient abilities and time available to perform their role effectively;
- brings an independent and questioning mind to their role;
- enhances the breadth and depth of skills and knowledge of the Board as a whole; and
- enhances the experience and diversity of the Board as a whole.

While recognizing that each director will not necessarily have experience in each of the following areas, the Board seeks to ensure that its membership includes an appropriate mix of directors with experience in engineering, relevant customer sector groups, general management and finance.

Each non-executive director receives a letter formalizing their appointment and that letter outlines the key terms and conditions of their appointment. Executive directors each have a written position description and a service contract.

Director induction processes are incorporated into the Board program. Directors are encouraged, and are given the opportunity, to broaden their knowledge of the Group's business by visiting offices in different locations and to remain abreast of developments impacting the business.

During the Reporting Period, the Board visited offices in the USA and South Africa. In addition, each non-executive director conducted safety-awareness visits to at least two of the Company's project sites during the Reporting Period and in total 32 such non-executive director visits took place in the Reporting Period. Non-executive directors visited project sites in Australia, the USA, Canada, South Africa and Saudi Arabia. In addition, the current CEO visited eight project sites in six countries in the period since his appointment to the role in October 2012 until the end of the Reporting Period.

1.4 DIRECTOR INDEPENDENCE

The Board recognizes that, while various principles and factors are relevant in determining independence, true independence is a matter of judgment having regard to the particular circumstances. Accordingly, when the Board exercises its judgment in determining independence, it has regard to relationships between a director and the Group or between a director and third parties that may compromise the director's independence.

The Nominations Committee monitors and undertakes an annual assessment of each non-executive director's independence. This assessment applies the ASX Recommendations, the Act and current corporate governance practice and adopts the definition of independence set out in the ASX Recommendations. Further, the Nominations Committee has regard to the materiality and type of interest (e.g. as shareholder, advisor, supplier or customer).

In addition, at each Board meeting, the Board reviews each non-executive director's independence. This maintains the integrity of the Board's ongoing assessment as to the independence of each non-executive director.

The Board recognizes that the accounting standards provide a useful guide as to what is or is not material in a quantitative sense. The accounting standards define materiality as an interest of more than 10% of the relevant base (whether revenue, equity or expenses). Any interests between 5% and 10% of the base are treated as potentially material, depending on the circumstances. Any interests below 5% are treated as being immaterial. However, the Board also applies a qualitative assessment to seek to ensure that a solely quantitative approach does not result in inappropriate decisions. The Board considers whether there are any circumstances which may affect the director's interest and could, or could reasonably be perceived to, materially interfere with the director's ability to act in the Company's best interests.

The Board has considered the positions and relationships of each of the nine non-executive directors and has formed the view that eight of the nine non-executive directors in office at the conclusion of the Reporting Period are independent. The Board is of the opinion that therefore a majority of the Board is independent of the Group's management and is free of any interest that may affect its free and unfettered judgment.

Mr Grill was appointed Chairman of the Board on 1 March 2013. Mr Grill was Chief Executive Officer of the entity that ultimately became WorleyParsons Limited from 1971 and held the position of Chief Executive Officer until 23 October 2012. Mr Grill is also a substantial shareholder of the Company. Accordingly, Mr Grill is not regarded as independent.

While the ASX Recommendations provide that the Chairman should be independent, the Board carefully assessed Mr Grill's appointment as Chairman and considered that there were a number of unique circumstances that made Mr Grill's appointment appropriate. Almost every one of the Group's global industry peers is chaired by a former Chief Executive Officer demonstrating the ongoing importance of strong industry and customer relationships in the Group's industry. The Board wished to retain the benefit of Mr Grill's close relationships with major global customers and his extensive industry experience. The Board also considered the fact that Mr Grill is one of the Company's founders and a substantial shareholder, which aligns him with the interests of all shareholders.

Consistent with the ASX Recommendations, with Mr Grill's appointment as Chairman, the Board created the role of Lead Independent Director. Ron McNeilly, the former Chairman, was appointed Deputy Chairman and Lead Independent Director from 1 March 2013.

Appointing a Lead Independent Director seeks to ensure that the views of independent directors are effectively raised and considered by the Board in accordance with the spirit of the ASX Recommendations.

The Lead Independent Director provides leadership and support to the other independent directors in relation to matters that uniquely concern them as independent directors. The Lead Independent Director also, together with the Chairman, ensures that conflicts of interest on the Board (whether actual or potential) are identified and managed appropriately. The Lead Independent Director will call and chair at least four meetings of independent directors each calendar year (at which neither the Chairman nor members of senior management are present) for the purposes of discussing matters relevant to the Board's business and responsibilities and two such meetings have been held during the Reporting Period since Mr Grill was appointed Chairman.

Dr Haynes, the Chairman of the Company's Health, Safety and Environment Committee, is a non-executive director of Woodside Petroleum Limited (Woodside), which is a customer of the Group. Mr Fraunschiel, the Chairman of the Company's Audit and Risk Committee, was also a non-executive director of Woodside, until 28 February 2013. The Board considers each of Dr Haynes and Mr Fraunschiel to be independent after applying the principles stated above, given the percentage of total revenue and total gross margin the Group earned from Woodside was less than the 5% threshold stated above, during the Reporting Period.

In the Board's opinion, the judgment of each of Dr Haynes and Mr Fraunschiel is not impaired or conflicted even though Dr Haynes is, and Mr Fraunschiel was, a non-executive director of Woodside. The Board also notes that as a practical matter, both of those directors exercise independent judgment in the best interests of the Company without direction from Woodside and neither of them receives or received any remuneration other than directors' fees from either the Company or Woodside.

Mr Benke was appointed a non-executive director on the day after resigning as an executive of the Group on 30 June 2010. The Board has determined that from 1 July 2013 Mr Benke should be regarded as independent on the basis of the time that has elapsed since he ceased employment with the Group, his relatively short period of employment with the Group prior to his appointment to the Board and the Board's assessment of the extent to which Mr Benke's previous employment with the Group has impacted on, or could be perceived to impact on, his independence.

1.5 NOTIFICATION OF INTERESTS AND TREATMENT OF CONFLICTS

Directors are required to notify the Chairman of any contracts, offices (including other directorships) held, and interests in other companies or transactions which might involve a real or potential conflict and at each Board meeting directors declare any conflicts or changes to their independence. In the event of such a conflict, the Board acts appropriately and takes minutes of its actions. The Board Charter sets out the process that the Company applies if a conflict arises for one or more of its directors. In particular, a director who has a conflict with respect to a matter will not, without the Chairman's approval, receive relevant Board papers, or be present during any discussion or vote on that matter. In the event that the Chairman has a conflict, the Lead Independent Director's approval is required.

Neither Dr Haynes nor Mr Fraunschiel has received any relevant Board papers, been present during any discussion nor voted on any matter concerning Woodside.

1.6 INDEPENDENT ADVICE

Each director is entitled to take independent professional advice at the Company's expense, with the prior approval of the Chairman. In the case of the Chairman, the approval of the Lead Independent Director is required.

1.7 PERFORMANCE REVIEW

The Group encourages excellence from all its personnel and the directors recognize that the performance of all personnel, including directors, is enhanced by a structured performance review process.

Review of Board performance

There is a review of Board and Committee performance, policies and practice every 12 months.

The review includes:

- comparing performance against agreed relevant criteria; and
- examining the Board's effectiveness and composition.

The relevant criteria against which the performance of the Board and its Committees is assessed include the following:

- monitoring of business performance;
- regulatory compliance;
- strategy formulation; and
- succession planning.

In addition, informal reviews are conducted as necessary and any director may suggest that the Board conduct an additional formal review earlier than the regular annual review.

From time to time, the Board engages external consultants to undertake an independent review of the Board and individual directors' performance and effectiveness.

A Board and Committee evaluation took place during the Reporting Period in accordance with this process with each director conducting an individual evaluation of the performance of the Board and Committees as well as the structure and administration of the Board and Committees. The outcomes of the evaluations were discussed by the Board as well as measures to be taken to improve the effectiveness and efficiency of the Board and Committees, including improvements to certain reporting and analysis received by the Board and changes to the programs of the Board and Committees to adjust their focus on particular areas.

In addition, the Nominations Committee evaluates the performance of individual directors as those directors become eligible for election and re-election.

Review of the performance of senior management

The Board establishes performance criteria for the CEO and conducts a performance review of the CEO at least annually. The Board is advised on these matters by the Nominations Committee.

In turn, the CEO conducts annual performance reviews of senior executives, which inform senior executives' remuneration packages, and reports on their performance to the Remuneration Committee.

Each senior executive, including the CEO, has a written position description and a service contract.

The relevant criteria against which the performance of the CEO and the senior executives is assessed include:

- financial criteria relevant to the individual's responsibilities and influence; and
- personal performance indicators referable to achieving the objectives of their role.

The performance and remuneration of the CEO and the senior executives were reviewed in this manner during the Reporting Period.

PART 2 – OPERATION AND RESPONSIBILITIES OF THE BOARD AND BOARD COMMITTEES

Relevant policies and charters (see www.worleyparsons.com)

- Board Charter
- Audit and Risk Committee Charter
- Nominations Committee Charter
- Remuneration Committee Charter
- Health, Safety and Environment Committee Charter
- Continuous Disclosure Policy

2.1 BOARD RESPONSIBILITIES AND DELEGATION TO SENIOR MANAGEMENT

The Board's key responsibilities are set out in the Board Charter.

The Board is responsible for approving the Group's strategic direction and objectives. It monitors all aspects of the Group's performance. The Board works with senior executives to formulate strategic direction, to set goals, budgets, plans and policies and to identify and mitigate risk.

Directors' deliberations in Board meetings and the application of the Group's policies seek to facilitate the Board's critical and objective review of management's performance and enable the Board to align senior executives' activities with shareholder expectations.

The Board has given the CEO a written delegation to manage the Group's operations and it states that he must exercise his delegation always wholly for the benefit of the Company and in accordance with the Group's Code of Conduct and other Group policies. The CEO has given a written delegation to his direct reports and similarly, his direct reports must exercise their delegation always wholly for the benefit of the Company and in accordance with the Group's Code of Conduct and other Group policies. This gives the CEO and his management team a framework within which to drive the Group's strategic direction and meet the goals determined by the Board.

2.2 BOARD MEETINGS

The Board meets in person at least six times a year, with additional meetings and briefings held as required, usually by telephone. Senior executives are invited to attend certain Board meetings, even if they are not Board members. This provides a direct line of communication between the directors and management. Non-executive directors also meet at least six times a year without management. Details of the Board and Committee meetings held during the Reporting Period and attendances at those meetings are set out below.

In addition to those meetings, eight special purpose Board Committee meetings were held during the Reporting Period. The Board also met informally during the Reporting Period by way of a Board briefing on seven occasions.

All non-executive directors who are not members of the standing Board Committees are invited to, and generally attend, the standing Board Committee meetings.

	BOARD		AUDIT AND RISK COMMITTEE		NOMINATIONS COMMITTEE		REMUNERATION COMMITTEE		HEALTH, SAFETY AND ENVIRONMENT COMMITTEE	
DIRECTOR	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED
John Grill	8	8			2	2	1	1	1	1
Ron McNeilly	11	11	1	1	5	5	6	6	6	6
Larry Benke	11	11			5	5			6	6
Erich Fraunschiel	11	11	6	6	5	5				
John M Green	11	11			5	5	6	6		
Christopher Haynes, OBE	11	11			5	5			6	6
Catherine Livingstone, AO	11	11	6	6	5	5				
JB McNeil	11	11	6	6	5	5	6	6		
Wang Xiao Bin	11	11	6	6	5	5				
Andrew Wood	7	7								

2.3 BOARD COMMITTEES

The Board has established four standing Committees to ensure that it is well equipped to discharge its responsibilities and to assist the Board in carrying out its responsibilities: the Audit and Risk Committee; the Nominations Committee; the Remuneration Committee; and the Health, Safety and Environment Committee. Each of the Committees has a formal charter in place.

Each Committee is comprised of:

- a non-executive director as Chairman;
- only non-executive directors, the majority of whom are independent; and
- at least three members.

Senior executives may attend Committee meetings upon invitation from the relevant Chairman.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in overseeing the integrity of the Group's financial reporting, risk management framework and internal controls. The Committee has an important role in supervising and monitoring the progress of both the Internal Audit and Risk Management functions. In addition, it manages the Group's relationship with the external auditor, including the auditor's appointment, and removal and evaluation and approval of the auditor's engagement terms, fees and audit plan.

The Audit and Risk Committee also reviews and makes recommendations on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management processes. This includes considering the effectiveness of risk management processes, and compliance and internal control systems.

The Chairman of the Committee is an independent director who is not the Chairman of the Board. The following directors were members of the Audit and Risk Committee during the Reporting Period:

NAME	DURATION
Erich Fraunschiel (Chairman)	Whole Reporting Period
Catherine Livingstone, AO	Whole Reporting Period
JB McNeil	Whole Reporting Period
Wang Xiao Bin	Whole Reporting Period
Ron McNeilly	From 10 April 2013

Details of the qualifications of the members of the Audit and Risk Committee are set out in the Directors' Report on pages 43–45. Details of the Audit and Risk Committee meetings held and attendances at those meetings are set out in this statement on page 30.

The Audit and Risk Committee is responsible for establishing procedures for the selection and recommendation to the Board of the external auditor. Those procedures involve obtaining detailed written submissions from the proposed external auditor, including a detailed resumé for the proposed senior audit engagement partner. The Committee then interviews that partner and seeks references from third parties as to their suitability before making any recommendation to the Board in that regard.

The Committee is also responsible for establishing procedures for the rotation of the external audit engagement partner. The Committee monitors that partner during their period of appointment and may recommend to the Board that that partner rotate earlier than is required by law if the Committee is of the view that this is appropriate in all the circumstances.

The Committee, on behalf of the Board, also monitors the integrity of the external audit function by not permitting:

- the partner managing the audit for the external auditor to serve for more than five consecutive years; and/or
- the external auditor to be retained for non-audit work where such retainer may detract, or be perceived to detract, from the auditor's independence or impartiality.

Fees paid to the external auditor for non-audit work are disclosed in the financial statements.

Nominations Committee

The Nominations Committee assists and advises the Board on matters relating to Board composition and performance, including director independence, and the CEO's appointment, performance review and remuneration. The Committee reviews, assesses and advises the Board in relation to the necessary and desirable competencies of directors. It also oversees director selection and appointment.

All non-executive directors are members of the Nominations Committee.

NAME	DURATION
Ron McNeilly (Chairman)	To 8 April 2013
Ron McNeilly	Whole Reporting Period
John Grill (Chairman)	From 8 April 2013
Larry Benke	Whole Reporting Period
Erich Fraunschiel	Whole Reporting Period
John M Green	Whole Reporting Period
Christopher Haynes, OBE	Whole Reporting Period
Catherine Livingstone, AO	Whole Reporting Period
JB McNeil	Whole Reporting Period
Wang Xiao Bin	Whole Reporting Period

Details of the Nominations Committee meetings held and attendances at those meetings are set out in this statement on page 30.

The Nominations Committee and the Board consider the composition of the Board at least twice annually: when assessing the Board's performance and when considering director election and re-election. In addition, it also considers Board composition before appointing any new director.

In considering whether the Board will support the re-election of incumbent directors, the Nominations Committee considers the skills, experience, expertise, diversity and contribution made to the Board by the incumbent director and the contribution that the director is likely to make if re-elected.

Following this assessment, the Nominations Committee will make a recommendation to the Board as to whether or not the Board should support the re-election of the incumbent director.

When considering appointing new directors, the Nominations Committee assesses the range of skills, experience, expertise, diversity and other attributes from which the Board would benefit and the extent to which current directors possess such attributes. This assessment allows the Nominations Committee to provide the Board with a recommendation concerning the attributes for a new director, such that they balance those of existing directors. The Board considers the Nominations Committee's recommendation and determines the attributes for which it is searching.

Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by directors) as appropriate. Following this assessment, the Nominations Committee will make a recommendation to the Board concerning the proposed appointment.

If the Board decides to continue the process, as a final step, all directors will meet with the proposed director. The Board will then make its final decision with regard to the appointment.

Remuneration Committee

The Remuneration Committee assists and advises the Board on matters relating to Board remuneration, and the performance and remuneration of the CEO's direct reports. The Committee is responsible for ensuring that the Group has and observes coherent remuneration policies and practices which enable it to:

- attract and retain executives, directors and other personnel who will create value for shareholders;
- generate sustained business performance; and
- support the Group's objectives, goals and values.

Further details on the operation of the Committee are set out in the Remuneration Report on page 48 of the Annual Report.

The following directors were members of the Remuneration Committee during the Reporting Period:

NAME	DURATION
John M Green (Chairman)	Whole Reporting Period
JB McNeil	Whole Reporting Period
Ron McNeilly	Whole Reporting Period
John Grill	From 10 April 2013

Details of the Remuneration Committee meetings held and attendances at those meetings are set out in this statement on page 30.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee assists the Board to fulfill its responsibility to oversee health, safety and environmental matters arising out of the Group's activities.

It is responsible for making recommendations to the Board regarding:

- the effectiveness of the resources and processes that the Group uses to manage health, safety and environmental risks and to comply with health, safety and environmental laws;
- the Group's and management's respective performance with respect to health, safety and environment; and
- the identity of independent third parties to be appointed to verify the effectiveness of the Group's resources, process and performance with respect to health, safety and environment, along with the scope of their role and how frequently verification will be undertaken.

The following directors were members of the Health, Safety and Environment Committee during the Reporting Period:

NAME	DURATION
Christopher Haynes, OBE (Chairman)	Whole Reporting Period
Ron McNeilly	Whole Reporting Period
Larry Benke	Whole Reporting Period
John Grill	From 10 April 2013

Details of the Health, Safety and Environment Committee meetings held and attendances at those meetings are set out in this statement on page 30.

2.4 DISCLOSURE COMMITTEE

The Continuous Disclosure Policy establishes a Disclosure Committee. The role of the Disclosure Committee is to consider matters which are potentially material and price sensitive and to determine whether those matters are required to be disclosed to the market.

The Disclosure Committee comprises the CEO or the Chief Financial Officer (CFO), the Company Secretary and at least one non-executive director. The Board considers any major disclosure matters such as results, profit guidance and major acquisitions.

PART 3 – GOVERNANCE POLICIES APPLYING TO THE GROUP

Relevant policies and charters (see www.worleyparsons.com)

- Board Charter
- Audit and Risk Committee Charter
- Nominations Committee Charter
- Remuneration Committee Charter
- Health, Safety and Environment Committee Charter
- Code of Conduct
- Securities Dealing Policy
- Continuous Disclosure Policy
- Corporate Risk Management Policy
- Global Diversity and Inclusion Policy
- Corporate Responsibility Statement

3.1 ETHICAL DECISION MAKING – THE CODE OF CONDUCT

The Board has published various policies and codes to promote the Group's approach to ethical and responsible decision making.

The Group's Code of Conduct (Code) guides the Group's personnel, including directors, as to the standards of behavior expected of them. The Code has been translated into Arabic, Bahasa Indonesian, Bahasa Malay, Bulgarian, French, Hindi, Kazakh, Mandarin, Norwegian, Portuguese, Russian, Spanish, Tagalog, Thai and Vietnamese.

The Code was updated during the Reporting Period to reflect changes in legislation and corporate governance standards.

While the Code seeks to prescribe standards of behavior for all Group personnel to observe, it does not, and understandably cannot, identify every ethical issue that an individual might face. The Code's objective is to provide a benchmark for professional and personal behavior throughout the Group, to safeguard the Group's reputation and to make clear the consequences of breaching the Code.

The Code deals with many ethical issues, including:

- the Group's commitment to a safe and harassment-free workplace;
- good corporate citizenship and compliance with laws;
- acting with professional integrity (including avoiding conflicts of interest); and
- protecting the Group's reputation, assets, resources, information and records.

The Group provides the Code and training in relation to it to all Group personnel when they start with the Group and provides all Group personnel with annual refresher training. All Group personnel can access the Code from the Group's intranet or request a copy from their local People group representative.

3.2 SECURITIES DEALING POLICY

The Board has approved a Securities Dealing Policy that applies to all the Group's personnel, including directors. The policy is designed to:

- explain the type of conduct in relation to dealings in securities that is prohibited under the relevant law and by the Group, including insider trading; and
- establish a procedure for buying, selling or otherwise dealing in the Company's securities that prohibits dealing by personnel and their associates during specified closed periods without prior approval from the Chairman of the Audit and Risk Committee, Chairman of the Board, CEO or Company Secretary, as appropriate. Such approval will only be granted in exceptional circumstances.

The Act prohibits members of the Group's key management personnel and their closely related parties from hedging any performance rights that they have been granted under the WorleyParsons Performance Rights Plan. Under the Group's Securities Dealing Policy, all personnel and their associates are prohibited from hedging any performance rights that they hold and they are also prohibited from hedging any shares that they hold that are subject to transfer restrictions or any minimum holding requirements.

Hedging includes entering into any transaction or arrangement in financial products which operates to limit the economic risk of a security holding in the Company, including equity swaps and contracts for difference.

3.3 MANAGEMENT OF MATERIAL BUSINESS RISKS

The Group has a Corporate Risk Management Policy and Risk and Assurance framework. The Board requires management to design and implement risk management and internal control systems to identify, assess and manage the Group's material business risks and report to it on whether those risks are being managed effectively. The Risk and Assurance framework describes the objectives, strategies, resources and responsibilities for managing risk and how assurance is provided to the Board and management in relation to compliance and effectiveness.

The Group's risk management approach is based on the International Standard ISO 31000:2009 *Risk management – Principles and guidelines.* This approach adopts best practice in risk management insofar as it relates to the Group's requirements. The Group's Risk Management systems are mature and embedded throughout the operations via the Group's Enterprise Management System.

The Group has processes to systematically identify, assess, and report on both financial and non-financial material business risks. Part of this process requires the Internal Audit group to report to the Board as to the effectiveness of the Group's management of its material business risks and internal controls. A strategic and operational Corporate Risk Management report is prepared and analyzed by both management and the Board on a biannual basis. The Board received reports from management on the effectiveness of the Group's management of material business risks during the Reporting Period.

This process enables the Board to consider the effectiveness of the Group's management of its material business risks. The Board has also received a written assurance from the CEO and the CFO that the declarations provided by them, in accordance with section 295A of the Act and ASX Recommendation 7.3, are founded on a sound system of risk management and internal control and that the system is functioning effectively in relation to financial reporting and material business risks.

3.4 INTERNAL AUDIT

The Internal Audit function is independent of management and is overseen by the Audit and Risk Committee. It provides assurance that the Group's financial and operational risks are being managed appropriately and that its internal control framework is operating effectively. In addition to his ongoing audit reports, the Director of Internal Audit provides an annual assessment to the Audit and Risk Committee of the adequacy and effectiveness of the Group's control processes and risk management procedures in light of the nature, function and size of the Group's operations.

3.5 CONTINUOUS DISCLOSURE

The Board is committed to ensuring that the Company complies with its continuous disclosure obligations and has approved a Continuous Disclosure Policy that applies to all Group personnel, including directors. The Board seeks to promote investor confidence by ensuring that trading in the Company's shares takes place in an informed market.

The Continuous Disclosure Policy is designed to ensure that all Group personnel are aware of the Company's obligations and to ensure accountability at a senior executive level for timely disclosure of material information. This policy aims to ensure that shareholders and the market in general are kept properly informed of material price sensitive information affecting the Company, on a timely basis. The Company discharges this obligation by releasing material price sensitive information to the ASX in ASX announcements and other documents distributed to shareholders, such as the annual report.

3.6 COMMUNICATING WITH SHAREHOLDERS

The Board aims to ensure that shareholders are informed of all material information relating to the Company by communicating to shareholders through:

- continuous disclosure reporting to the ASX;
- the annual report; and
- media releases and other investor relations publications on the Group's website.

The Board encourages the full participation of shareholders at the annual general meeting to seek to ensure a high level of accountability and discussion of the Group's performance and goals. The Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate.

The CEO, the Group Managing Director – Development and/or the CFO and occasionally other senior executives, meet with analysts and investors from time to time. Any presentations made to these persons are released to the market via the ASX and published in the Investor Relations section of the Group's website. Further, the CEO, Group Managing Director – Development and/or the CFO endeavor to respond to queries from investors and analysts for information in relation to the Group, provided the information requested is already publicly available or is not information which is price sensitive.

The external auditor attends the annual general meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

3.7 REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

The Group seeks to attract and retain directors and senior executives with the appropriate expertise and ability to create value for shareholders.

The remuneration structure for the non-executive directors is not related to performance. Non-executive directors receive fees which reflect their skills, responsibilities and the time commitments required to discharge their duties. The Company does not pay retirement benefits to non-executive directors (other than superannuation contributions in accordance with its statutory superannuation obligations).

The remuneration structure for senior executives reflects the Group's performance culture: there is a direct correlation between the executive's reward and individual and Group performance so as to seek to ensure that the Group's remuneration policy is aligned with its long term business objectives and the interests of shareholders and other stakeholders.

Further details of the remuneration policies and practices of the Group and the remuneration paid to directors and senior executives are set out in the Remuneration Report on pages 46 to 59 of the Annual Report.

3.8 DIVERSITY AND INCLUSION

The touchstone of the Group's success is recognizing all its personnel for their performance, competence, collaboration and sense of professional accountability. The Group welcomes a very diverse population of personnel that reflects the range of countries, cultures and contexts spanned by the Group's operations. The Group considers this diversity to be one of its strengths.

The diversity of the Group's personnel includes factors such as race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, skill levels, family status, religious, political and other beliefs and work styles. The Group knows from experience that differences in ideas, backgrounds, patterns of thinking and approaches to work can generate value for the Group's stakeholders: its customers, shareholders, personnel and the communities in which it operates. It is therefore the Group's policy to appreciate the distinctiveness of all of its personnel and to harness these differences within a productive, inclusive, talent and performance based environment, in which everybody feels valued, their skills are fully utilized, their performance is recognized, professional accountability is expected and organizational goals are met.

3.8.1 THE GROUP'S GLOBAL DIVERSITY AND INCLUSION POLICY

The Group's Global Diversity and Inclusion Policy is available on the Group's website.

The Group's approach to diversity and inclusion is based on the following objectives, being to:

- retain, promote and hire the best people the Group can, focusing on actual and potential contribution in terms of their performance, competence, collaboration and professional accountability;
- foster an inclusive culture and ensure that current and future opportunities for all Group personnel are based on competence and performance irrespective of race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, family status, religious, political and other beliefs and work styles. This includes being intolerant of behaviors that denigrate or otherwise diminish such attributes or that discriminate on the basis of such attributes;
- create ways to improve talent management, cultural diversity and inclusion – including where the under-representation of an available population group is preventing the Group from taking full advantage of the diversity of the talent pool;
- create and manage a strong and diverse talent pipeline which takes a unified and talent based approach to recruitment, training and development, performance management, retention and succession planning;
- provide a fair level of reward in order to attract and retain high caliber people – and build a culture of achievement by providing a transparent link between reward and performance; and
- be compliant with all mandatory diversity reporting requirements. In accordance with the Australian *Workplace Gender Equality Act 2012*, the Group has submitted a Workplace Gender Equality Report for the 2012/2013 reporting period and the submission is available on the Group's website.

3.8.2 THE GROUP'S MEASURABLE OBJECTIVE AND CURRENT GENDER PROFILE

The Group's measurable objective for increasing gender diversity is to increase the representation of women at all levels of its organization over time. The Group's progress towards achieving that objective, along with the proportion of women employees within the Group, women in senior executive positions and women non-executive directors, is set out in the table below:

MEASURES	2013	2012
Women employees[1]	~25%	~26%
Women senior executives[2]	~15%	~11%
Women non-executive directors[3]	~22%	~25%

1 This includes both employees and contractors engaged by the Group.

2 Senior executives includes all members of the Group's Executive Committee and all executives reporting directly to a member of that Committee, including the CEO.

3 The Company has chosen to report the percentage of women non-executive directors rather than the percentage of women Board members, because it has only one executive director, the CEO, who is counted at the senior executive level.

CORPORATE RESPONSIBILITY

INTRODUCTION

The Group recognizes the importance of our communities as stakeholders and influencers in the areas in which we operate. The Group aims to be recognized as an industry leader in Corporate Responsibility and to this end has embarked on a journey of continuous improvement.

The Group is committed to contribute to the development of local communities through local employment and Corporate Responsibility projects. The key drivers for success in these projects have been the Group's overarching support and the willingness of the Group's personnel to volunteer their time and make donations in support of their local Corporate Responsibility activities.

A broad range of projects were delivered across the business such as pro-bono projects, sponsorships, education programs, fundraising for not-for-profit organizations and programs to reduce the Group's impact on the environment.

The Group will be launching a WorleyParsons Foundation in the next financial year in addition to its locally executed Corporate Responsibility program.

1. CORPORATE RESPONSIBILITY STATEMENT

In 2012, the Group revised and updated its Corporate Responsibility Statement to clearly articulate the Group's commitment to, and aspirations of, Corporate Responsibility leadership.

The Group adheres to the following commitments:

WorleyParsons is committed to working with our customers and suppliers to achieve results that grow our company, reward our shareholders and our people and contribute to our communities. We acknowledge our responsibilities to the communities in which we operate.

1.1 Governance, Ethics and Transparency

We maintain the highest standards of corporate governance and ethics, and report our governance performance annually.

We conduct our business in an open, honest and ethical manner as described in our Code of Conduct and our integrity framework, OneWay™.

We integrate corporate responsibility in our business planning and decision making and measure, monitor and report our corporate responsibility performance on a regular basis.

1.2 Our People

Our people are our greatest asset and we support them by providing a work environment that is positive and safe and by committing to their ongoing development.

We promote a diverse and inclusive workplace as outlined in our Diversity and Inclusion Policy.

We are committed to being recognized as a leader in health and safety performance and have a goal of Zero Harm.

We apply fair labor practices and comply with applicable national and local labor laws of the countries and communities we work in.

We do not employ or condone the employment of forced or child labor.

1.3 Human Rights

We will respect the basic rights of the people we deal with and will not be complicit or engage in activities that solicit or encourage human rights abuse.

1.4 Community

We are committed to making a positive impact in the communities and environments in which we operate. Our people will be involved in community based initiatives, creating benefits for both the community and our people.

Our locations will support programs and initiatives specific to their locations, and wherever possible, in conjunction with our customers. We will support local businesses, train and employ local people, and utilize other local resources wherever we can.

1.5 Fair Operating Practices and Supply Chain

We will actively strive to implement socially responsible supply chain practices and anti-corruption practices working closely with our customers and suppliers as partners.

We expect our suppliers to operate with similar values as ours and will encourage them, where necessary, to adopt similar corporate responsibility policies as our own.

1.6 Environment

We recognize the importance of operating sustainably and commit to continually identify opportunities for improving our environmental performance.

We believe that all our people are responsible for performing their work in an environmentally sustainable manner. We will continue to deliver profitable sustainability to our customers through our EcoNomics™ service offering.

2. MILESTONES

During the Reporting Period, the Group reached a number of Corporate Responsibility milestones, including:

- granted approval by the Executive Committee to establish a WorleyParsons Foundation that will provide support for the execution of strategic community projects;
- revised the WorleyParsons Code of Conduct that reaffirms the Group's Corporate Responsibility expectations;
- developed and introduced the Group's Human Rights Policy that is aligned to the United Nations Human Rights Council's *"Protect, Respect and Remedy Framework"* which states the Group's business principles and confirms the Group's commitment to human rights;
- published the Group's first Supply Chain Code of Conduct which sets the minimum and preferred requirements for the Group's suppliers and contractors, and reflects the best practice and continuous improvement in sustainability of the Group's business and projects;
- achieved global Chartered Institute of Purchasing & Supply (CIPS) Certification for the Group procurement policies, strategies, procedures and processes as part of the Group commitment to be the best in class in procurement policies;
- hosted Corporate Responsibility alignment meetings with a number of the Group's Tier 1 customers to identify any real or perceived gaps and to share lessons learnt and best practices; and

- fulfilled the Group's first year obligations as a signatory to the United Nations Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

During the year ending 30 June 2014, the Group intends to:

- establish a WorleyParsons Foundation Council to provide governance and oversight to the new WorleyParsons Foundation;
- undertake ongoing continuous improvement of external reporting commitments using the internationally recognized Global Reporting Initiative framework;
- further assess Corporate Responsibility targets, objectives and collaboration with various Group functions; and
- further integrate awareness and importance of road safety within the Group and the communities in which it operates.

3. AWARDS

- WorleyParsons was a Top 50 finalist in the *2012 Social Investment Pioneer Awards*. The inaugural global award is an initiative of the *Principles for Social Investment Secretariat, United Nations Global Compact Initiative* and recognizes the importance of private sector engagement in sustainable community development.
- WorleyParsons China was recognized as one of the *Top 100 Best Enterprises with an Award for Excellence in Corporate Social Responsibility* in the fourth *China Corporate Social Responsibility Annual Summit* in Beijing.
- WorleyParsons received an Honorable Mention in the *2013 Asia-Pacific Enterprise Leadership Awards* for its educational service and commitment to philanthropy.
- WorleyParsons Europe was recognized for its approach to occupational safety and health in an awards scheme run by the safety charity, the Royal Society for the Prevention of Accidents. 2013 is the fourth consecutive year that WorleyParsons Europe has attained the GOLD Award and once again illustrates our commitment to industry leadership in Health, Safety and Environmental performance.
- WorleyParsons was recognized as the *Most Improved Purchasing Operation – Step Change* at the CIPS Middle East Awards in recognition of its detailed strategy and clear objectives in sustainable project procurement and delivery. It was also recognized as a finalist in the *Best Contribution to the Reputation of the Procurement Profession* category.
- WorleyParsons was awarded the Chairman's Award for outstanding commitment, participation and leadership at an executive level, in supporting CareerTrackers internships for Australian Indigenous university students.

4. CORPORATE RESPONSIBILITY INDICATORS

The Group measures and focuses on those areas that are important to the long term success of its business and are desirable to all of its stakeholders.

Contributions by Group personnel and the Group's business operations are measured in terms of cash and volunteer time contributions.

The Group completed a response for the Carbon Disclosure Project in 2013. The Group's energy consumption and greenhouse gas emissions were recorded to assist the Group to measure and reduce its energy consumption and to reduce its greenhouse gas emissions.

The Group uses the US OSHA (United States Occupational Safety & Health Administration) reporting requirements for Total Recordable Case Frequency Rate (TRCFR) and Lost Workday Case Frequency Rate (LWCFR).

The Group's Corporate Responsibility indicators for the Reporting Period and the year ended 30 June 2012 are:

INDICATORS	2013	2012
Contributions by operations	$2.25 million	$2.67 million
Contributions by personnel members	$1.90 million	$1.95 million
Volunteer hours by personnel members	10,473 hours	23,748 hours
TRCFR	0.13	0.12
LWCFR	0.03	0.03

The Group's Corporate Responsibility program has achieved positive results and maintains the levels of employee fundraising and company contribution.

As data for greenhouse gas emissions and energy consumption is not available until the October after the end of financial year, the table below shows those indicators for the year ended 30 June 2012 and the year ended 30 June 2011:

	2012		2011	
INDICATORS	PER PERSONNEL MEMBER[1]	TOTAL[2]	PER PERSONNEL MEMBER[1]	TOTAL
Greenhouse gas emissions tCO_2-e	2.36	96,168	2.80	97,840
Energy consumption MWh	6.78	276,650	7.54	263,949

1 Personnel includes employees and contractors.

2 Totals include gas emissions from, and energy consumed by, the Exmouth Power Station, Australia.

5. ACTIVITY HIGHLIGHTS

The Group undertook various community engagement and environmental activities over this Reporting Period, including:

- participating directly in over 365 community based and environmental projects across 26 countries via ongoing participation in the Group's own programs: *DeltaAfrik Foundation* in Nigeria, *We Care* program in Canada and other location Corporate Responsibility committees;
- contributing over $200,000 and 450 volunteer hours towards educational programs and sponsorships across 20 location programs in the USA, Australia, Canada, Thailand, Bulgaria and South Africa;
- providing 1,400 pro-bono hours towards project management and engineering services in Australia, Canada and the United Kingdom;
- matching $480,000 of Group personnel fundraising programs;
- training 743 people in leadership development programs, representing 61 nationalities, speaking 21 primary languages and 38 secondary languages;
- expanding the Women of WorleyParsons professional women's global network to 970 members across 30 locations. Over 100 events were hosted to celebrate and promote diversity and inclusion across the Group;
- providing ongoing support to the Australian Indigenous community by hosting Indigenous business forums, internships, art exhibitions and cultural festivals;
- providing sponsorship to organizations who champion women in science and technology;
- engaging in recycling, bush regeneration, tree planting and beach clean-up activities across a number of countries; and
- continuing to deliver sustainability-enhancing services to the Group's customers through the Group's EcoNomics™ service offering.

YOUTH MENTORING, CANADA

A group of 23 volunteers from the Edmonton office donated their time, on a weekly basis, to help and mentor children from the Boys and Girls Club Big Brothers Big Sisters in Calgary (BGCBigs) in navigating the challenges in their lives such as peer pressure, puberty and self-esteem issues.

Every week, mentors and their protégés spent time together in a casual environment with a focus on having fun and self-development.

"My big sister is someone I can look up to. We talk about my future and what is important to me. When I talk to her, it reminds me that no matter how tough life seems right now, everything will turn out OK at the end."

Former mentee of BGCBigs, Calgary.

WorleyParsons Edmonton mentor Lydia Fernandez with her protégé, Taylor (Photo credit: United Way of the Alberta Capital Region, WE Magazine 2013)

HELPING ORPHANS, KAZAKHSTAN

In September 2012, WorleyParsons Kazakhstan (WPK) began fundraising efforts to raise money for orphaned children in the village of Geolog, near Atyrau. There are over 80,000 orphans currently living in state-run homes across Kazakhstan and many of these homes depend on donations to supplement limited government funding.

The event collected a total of KZT621,500 ($4,000) which was used to purchase much needed winter clothing for 49 orphans, festival costumes and musical instruments. The goods were delivered to the orphanage in November 2012.

"We were very glad to see so many smiles yesterday on kids' faces ... it must go on."

Dina Gabdesheva, Human Resources Manager WPK and member of WPK Corporate Responsibility committee.

WorleyParsons personnel with Geolog orphanage children

TRANSPORT SYSTEM DESIGN, AUSTRALIA

WorleyParsons Perth provided pro-bono engineering work to Royal Flying Doctor Service (RFDS) to identify and implement a solution to the difficulties presented to RFDS in transporting larger patients. WorleyParsons was involved in the conceptual study, organization of tender documents, and working with RFDS in interviewing and selecting the preferred suppliers.

The goal from the collaboration was an integrated bariatric transport system, which will be adaptable from the aircraft to ambulance ground support. In May 2013, WorleyParsons Perth and RFDS achieved a significant milestone in the delivery of a new aeromedical stretcher and loading system to cope with larger patients.

"Obviously, the size of our aircraft means that it can be a challenge to transport these (larger) patients so we had to be innovative in how we manage this and the expertise of WorleyParsons engineers has been invaluable in finding a solution."

Dr Stephen Langford, RFDS Medical Director.

Royal Flying Doctor Service aircraft in Western Australia

MUSEUM REFURBISHMENT, UNITED KINGDOM

Graduates, with support and guidance from senior management from the WorleyParsons London office, have undertaken pro-bono work with the Kew Bridge Steam Museum, a nationally significant museum with the world's largest collection of Cornish Beam Engines.

The first phase of the project includes design work to be incorporated into the museum's GBP2.5 million refurbishment program. The Group's graduates have been working on the design for a support structure for a gas engine and re-engineering the water pump to the entrance of the museum. Plans to incorporate this design are scheduled and construction is underway at the museum.

"The services provided to date have been of the highest professional quality throughout and have helped the museum make significant financial savings. We are very grateful to the WorleyParsons teams."

Richard Albanese, Project Coordinator for Project Aquarius, Kew Bridge Steam Museum.

Graduates inspecting control equipment at Kew Bridge Steam Museum, United Kingdom

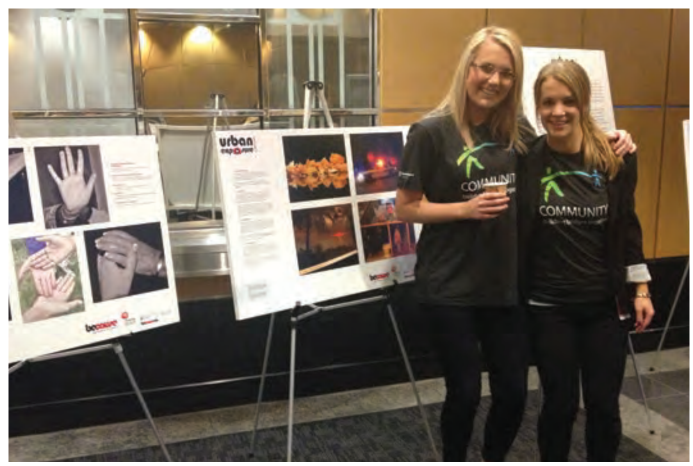
UNITED WAY CAMPAIGN, CANADA/UNITED STATES OF AMERICA

United Way is a community based charity which focuses on working with the local community to find effective solutions to social issues using a combination of employee fundraising and corporate matching.

In FY2013, WorleyParsons Canada as well as the Group's Houston and Tulsa offices had their most successful United Way campaign to date. Two of the largest campaigns were from the Calgary and Edmonton offices with a total contribution of CAD1,175,000 ($1,133,000).

"For more than 30 years, WorleyParsons has been a wonderful partner to the United Way and to the city of Calgary. At WorleyParsons, employees have a good understanding that they have an opportunity to make a difference in the world and they are committed to that as individuals and as an organization."

Dr Lucy Miller, President and Chief Executive Officer of the United Way of Calgary and area.



United Way campaign kick-off in WorleyParsons Calgary

ENTERPRISE DEVELOPMENT PROGRAM, SOUTH AFRICA

An Enterprise Development (ED) Program is funded by WorleyParsons TWP. An ED business center was established in Johannesburg consisting of nine promising small businesses.

WorleyParsons TWP contributes ZAR150,000 ($15,000) per month by supplying these small businesses with office space, computers, telephones and printing facilities at no cost to the businesses. The business owners have access to technical mentorship and technical skills transfer from the local WorleyParsons knowledge base. Further, these businesses have been incorporated into the Group's supply chain.

Additional assistance in marketing, financial advice, tender preparation, human resources and business processes has also been provided to the business owners.

"Our business has grown exponentially since our involvement with WorleyParsons TWP. Gridbow is now a force to be reckoned with in the engineering sector."

Evans Farai Chabata, Managing Director, Gridbow Engineering.

WorleyParsons TWP Enterprise Development Program participants, South Africa

Financial Report
For the financial year ended 30 June 2013

NOTES TO THE FINANCIAL STATEMENTS

WORLEYPARSONS LIMITED
ACN 096 090 158

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of WorleyParsons Limited (Company) and the entities it controlled (Group or consolidated entity) at the end of, or during, the year ended 30 June 2013.

DIRECTORS

The following persons were directors of the Company during the financial year and, unless noted, were directors for the full financial year and until the date of this report:

John Grill (Chief Executive Officer and Executive Director until 23 October 2012, Chairman and Non-Executive Director from 1 March 2013)

Ron McNeilly (Chairman and Non-Executive Director until 1 March 2013, Deputy Chairman and Lead Independent Director from 1 March 2013)

Larry Benke

Erich Fraunschiel

John M Green

Christopher Haynes, OBE

Catherine Livingstone, AO

JB McNeil

Wang Xiao Bin

Andrew Wood (Chief Executive Officer and Executive Director from 23 October 2012).

The number of Board and Committee meetings held during the financial year and the number of meetings attended by each of the Company's directors is set out on page 30 in the Corporate Governance statement.

DIRECTORS' NUMBER OF SHARES AND PERFORMANCE RIGHTS

As at the date of this report, the relevant interests of the directors in the shares and performance rights of the Company were:

DIRECTORS	NUMBER OF SHARES	NUMBER OF PERFORMANCE RIGHTS
John Grill	25,372,173	53,608[1]
Ron McNeilly	387,484	-
Larry Benke	1,133,383	-
Erich Fraunschiel	168,755	-
John M Green	891,869	-
Christopher Haynes, OBE	6,055	-
Catherine Livingstone, AO	13,000	-
JB McNeil	10,800	-
Wang Xiao Bin	11,000	-
Andrew Wood	828,171	108,067

1 Excludes cash settled performance rights.

Further details in relation to the rights issued by the Company are set out in the Remuneration Report, note 18 (c) and note 33.

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Group consisted of providing engineering design and project delivery services, including providing maintenance and reliability support services to the following sectors:

- Hydrocarbons;
- Minerals, Metals & Chemicals;
- Infrastructure & Environment; and
- Power.

DIVIDENDS – WORLEYPARSONS LIMITED

Details of dividends paid in respect of the current financial year and previous financial year are as follows:

	2013 \$'M	2012 \$'M
Interim ordinary dividend for 2013 of 41.5 cents per ordinary share paid on 22 March 2013 (41.5 cents franked)	102.4	–
Final ordinary dividend for 2012 of 51.0 cents per ordinary share paid on 28 September 2012 (31.3 cents franked)	125.3	–
Interim ordinary dividend for 2012 of 40.0 cents per ordinary share paid on 30 March 2012 (31.7 cents franked)	–	98.3
Final ordinary dividend for 2011 of 50.0 cents per ordinary share paid on 27 September 2011 (12.9 cents franked)	–	122.8
Total dividends paid	227.7	221.1

Since the end of the financial year, the directors have resolved to pay a dividend of 51.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2012: 51.0 cents per share, partially franked at 61.3%). In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the aggregate amount of the proposed final dividend of $125.7 million is not recognized as a liability as at 30 June 2013.

REVIEW OF OPERATIONS

A detailed review of the Group's operations for the financial year and the results of those operations is contained in the Operating and Financial Review, which is incorporated into, and forms part of, this directors' report.

A summary of the consolidated revenue and results in respect of the current financial year and previous financial year are as follows:

	CONSOLIDATED 2013 \$'M	2012 \$'M
Revenue and other income	8,831.5	7,408.4
Depreciation	(21.0)	(19.1)
Amortization	(81.3)	(83.9)
Earnings before interest and tax (EBIT)	527.0	537.9
Net interest expense	(53.4)	(44.1)
Profit before income tax expense	473.6	493.8
Income tax expense	(129.4)	(117.3)
Profit after income tax expense	344.2	376.5
Less: net gain on revaluation of investments previously accounted for as equity accounted associates	–	(7.6)
Net profit excluding net gain on revaluation of investments previously accounted for as equity accounted investments	344.2	368.9
Profit after income tax expense attributable to:		
Members of WorleyParsons Limited	322.1	353.2
Net gain on revaluation of investments previously accounted for as equity accounted associates attributable to members of WorleyParsons Limited	–	(7.6)
	322.1	345.6
Non-controlling interests	22.1	23.3
Revenue and other income	8,831.5	7,408.4
Less: procurement services revenue at nil margin	(1,747.7)	(696.2)
Add: share of revenue from associates	549.2	665.0
Less: net gain on revaluation of investments previously accounted for as equity accounted associates	–	(7.6)
Less: interest income	(6.0)	(7.0)
Aggregated revenue[1]	7,627.0	7,362.6

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 the Company believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

	AGGREGATED REVENUE		EBIT		EBIT MARGIN	
	2013 $'M	2012 $'M	2013 $'M	2012 $'M	2013 %	2012 %
Hydrocarbons	5,344.3	5,015.1	633.7	598.4	11.9	11.9
Minerals, Metals & Chemicals	937.6	895.4	135.5	134.1	14.5	15.0
Infrastructure and Environment	783.8	870.8	85.9	118.4	11.0	13.6
Power	561.3	581.3	49.4	61.4	8.8	10.6
	7,627.0	7,362.6	904.5	912.3	11.9	12.4
Global support costs			(342.7)	(336.7)		
Interest and tax for associates			(11.1)	(13.8)		
Amortization of acquired intangible assets			(23.7)	(31.5)		
EBIT excluding the net gain on revaluation of investments previously accounted for as equity accounted associates			527.0	530.3	6.9	7.2

Aggregated revenue was $7,627.0 million, an increase of 3.6% on the prior financial year. EBIT, excluding net gain on revaluation of investments previously accounted for as equity accounted associates, of $527.0 million, was down 0.6% from the prior financial year result of $530.3 million.

The EBIT margin on aggregated revenue for the Group, excluding net gain on revaluation of investments previously accounted for as equity accounted associates, decreased to 6.9% compared with 7.2% in 2012. After tax, the members of WorleyParsons Limited earned a net margin, excluding net gain on revaluation of investments previously accounted for as equity accounted associates, on aggregated revenue of 4.2%, compared to the 2012 net margin of 4.7%.

The effective tax rate was 27.3% compared with 24.1%, excluding net gain on revaluation of investments previously accounted for as equity accounted associates, in 2012.

The Group retains a strong cash position and low level of gearing with (net debt/net debt plus total equity) at financial year end of 25.3% (2012: 19.9%). Cash as at 30 June 2013 was $320.0 million (2012: $247.3 million). Earnings before interest, tax, depreciation and amortization (EBITDA) interest cover for 2013 was 10.6 times (2012: 12.5 times). EBITDA interest cover, excluding net gain on revaluation of investments previously accounted for as equity accounted associates, for 2013 was 10.6 times (2012: 12.4 times).

Operating cash inflow for the period was $443.5 million, compared to $437.5 million in 2012. Cash outflow from investing activities was $346.7 million (2012: $106.3 million).

EARNINGS PER SHARE

	2013 CENTS	2012 CENTS
Basic earnings per share	130.8	143.7
Basic earnings per share excluding net acquisition gains	130.8	140.6
Diluted earnings per share	129.9	142.5
Diluted earnings per share excluding net acquisition gains	129.9	139.5

Basic earnings per share, excluding net gain on revaluation of investments previously accounted for as equity accounted associates, were 130.8 cents per share, a decrease of 7.0% from the previous financial year result of 140.6 cents per share.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

ACQUISITIONS

Effective from 1 January 2013, the Group acquired Bergen Group Rosenberg AS, currently known as Rosenberg WorleyParsons AS (Rosenberg) and its controlled entities in Norway. Rosenberg is a major supplier of engineering solutions to the Norwegian oil and gas industry.

Effective from 1 March 2013, the Group acquired TWP Holdings Proprietary Limited (TWP) and its controlled entities in South Africa and Peru. TWP provides engineering design, procurement, construction management and asset planning services to the mining sector.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the directors have resolved to pay a dividend of 51.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2012: 51.0 cents per share, partially franked at 61.3%). In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the aggregate amount of the proposed final dividend of $125.7 million is not recognized as a liability as at 30 June 2013.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

While recognizing the uncertainties in world markets, we expect our geographic and sector diversification to provide a solid foundation to deliver increased earnings in FY2014. We have a clear growth strategy in place which includes developing our skill set and geographic footprint across our customer sectors. This will be achieved through organic growth as well as by taking advantage of acquisition opportunities that provide value for shareholders. We are confident that our medium and long term prospects remain positive based on our competitive position, our diversified operations and strong financial capacity.

ENVIRONMENTAL REGULATION

In the majority of the Group's business operations, it does not have responsibility for obtaining environmental licenses. The Group typically assists its customers, who usually own or operate plant and equipment, with the management of their environmental responsibilities, rather than having those responsibilities itself. However, the Group has environmental responsibilities in terms of compliance with environmental controls and in exercising reasonable care and skill in its design, construction management, operation and supervising activities. The risks associated with environmental issues are managed through the Group's risk management and quality assurance systems.

It is the Group's policy to comply with all environmental regulations applicable to it. The Company confirms, for the purposes of section 299(1)(f) of the Corporations Act 2001 (Act) that it is not aware of any breaches by the Group of any environmental regulations under the laws of the Commonwealth of Australia, or of a State or Territory of Australia.

CARBON AND ENERGY EMISSIONS AND CONSUMPTION PERFORMANCE

The Group recognizes that responsible, sustainable corporate performance is essential to the long term success of its business. The Company again completed a response for the Carbon Disclosure Project (CDP) in 2013, detailing its energy consumption and measures implemented to assist both the Group to reduce its energy consumption and the Group's customers to achieve more sustainable project solutions utilizing methodologies under the Group's EcoNomics™ initiative. The data collection and analysis under the CDP have stimulated energy and carbon reduction measures in many of the Group's offices around the world. The Company also completed a CDP response in respect of its water use for 2013.

The Company is registered under the National Greenhouse and Energy Reporting Act 2007 (NGER Act) as the controlling corporation for the Group as prescribed by section 12 of the NGER Act. The Company lodged its National Greenhouse Energy Report (NGER Report) for the period 2011/2012 in October 2012. This NGER Report contained information in relation to the greenhouse gas emissions, energy production and energy consumption from the operation of facilities under the operational control of the Group. The Company intends to lodge its NGER Report for the Group for the period 2012/2013 in October 2013.

NON-AUDIT SERVICES

During the financial year, Ernst & Young, the Group's auditor, performed certain other services in addition to its statutory audit duties. Total non-audit services provided by the external auditor amounted to $1,481,658.

The Board has adopted a policy outlining the provision of non-audit services by the external auditor. The Board has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Act. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Act for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing and auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the Act is as follows:

EY
Building a better working world

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of WorleyParsons Limited

In relation to our audit of the financial report of WorleyParsons Limited for the year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

B. M.

Bruce Meehan
Partner
Sydney
14 August 2013

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Liability limited by a scheme approved under Professional Standards Legislation

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

JOHN GRILL BSC, BENG (HONS), HON DENG (SYDNEY)

CHAIRMAN AND NON-EXECUTIVE DIRECTOR – CHIEF EXECUTIVE OFFICER AND DIRECTOR FROM LISTING IN NOVEMBER 2002 UNTIL OCTOBER 2012 AND DIRECTOR OF THE COMPANY BEFORE LISTING AND ITS PREDECESSOR ENTITIES FROM 1971

COUNTRY OF RESIDENCE – AUSTRALIA

John is Chairman of the Board and Chairman of the Nominations Committee and a member of the Remuneration Committee and Health, Safety and Environment Committee. He has over 40 years' experience in the resources and energy industry, starting his career with Esso Australia. In 1971, he became Chief Executive of Wholohan Grill and Partners, the entity that ultimately became WorleyParsons Limited. This specialized consulting practice acquired the business of Worley Engineering Pty Limited in Australia in 1987. It listed on the Australian Securities Exchange in 2002 as Worley Group Limited following a restructuring of the company. In 2004, Worley Group Limited acquired Parsons E&C Corporation, a US-based global project services company, and changed its name to WorleyParsons Limited. The Group then acquired the Colt Group in Canada in 2007, substantially increasing its capability in the upstream and downstream components of oil sands. John has personal expertise in every aspect of project delivery in the resources and energy industry. He has strong relationships with WorleyParsons' major customers and was closely involved at board level with the Group's joint ventures. John was awarded an honorary doctorate by The University of Sydney in 2010 in recognition of his contribution to the engineering profession. He is the Chairman of the National Precincts Board and is also on the board of Neuroscience Research Australia and the Australian Chamber Orchestra.

RON MCNEILLY BCOM, MBA, FCPA, FAICD

DEPUTY CHAIRMAN AND LEAD INDEPENDENT DIRECTOR – DIRECTOR SINCE LISTING IN NOVEMBER 2002

COUNTRY OF RESIDENCE – AUSTRALIA

Ron is Deputy Chairman and Lead Independent Director of the Board and was previously Chairman of the Board. He is a member of the Audit and Risk Committee, Nominations Committee, Remuneration Committee and Health, Safety and Environment Committee. Ron is currently the Deputy Chairman of BlueScope Steel Limited (previously BHP Steel) and has over 30 years' experience in the resources industry. He joined BHP Billiton Limited in 1962 and held positions with that company including executive director and President BHP Minerals, Chief Operating Officer, Executive General Manager and Chief Executive Officer BHP Steel, General Manager Transport, General Manager Long Products Division and General Manager Whyalla Works. Ron is a former Chairman of Ausmelt Limited and Melbourne Business School Limited and is a former director of Alumina Limited, BHP and BHP Billiton, QCT Resources and Tubemakers of Australia.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
BlueScope Steel Limited	Deputy Chairman and non-executive director	10 May 2002	n/a

LARRY BENKE BSC ENG (HONS)

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2010

COUNTRY OF RESIDENCE – CANADA

Larry joined the Board as a non-executive director on 1 July 2010 and is a member of the Nominations Committee and the Health, Safety and Environment Committee. He was appointed an alternate director for Bill Hall from March 2007, following the Company's acquisition of the Colt Group, until his retirement as Managing Director Canada on 30 June 2010. Larry has extensive experience in the engineering and construction industries including roles in engineering design, project management and general management including President/CEO of the Colt Group and Managing Director of WorleyParsons Canada. He successfully led Colt through a period of substantial growth and expansion which continued with the integration of the company into the WorleyParsons Canada business. Larry is a director of the board of The Calgary Airport Authority, a not for profit responsible for the operation and development of the Calgary International and Springbank airports. He is a director of CEDA International, an Ontario Municipal Employees Retirement System owned corporation providing specialty maintenance and turnaround services to industry. Larry is also a director of Cervus Equipment Corporation, a Toronto Stock Exchange listed company in the business of acquiring and operating agricultural, industrial and construction equipment dealerships. Larry graduated from the University of Alberta in 1973 with a Bachelor of Science in Electrical Engineering (Honors).

ERICH FRAUNSCHIEL BCOM (HONS), FCPA, FAICD

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE MARCH 2003

COUNTRY OF RESIDENCE – AUSTRALIA

Erich is Chairman of the Audit and Risk Committee and a member of the Nominations Committee. He is Chairman of Wesfarmers General Insurance Limited and Wesfarmers Insurance Pty Limited and was a non-executive director of Woodside Petroleum Limited until February 2013. Erich's early business career was in the petroleum marketing and management consulting industries. In 1981, he joined the Australian Industry Development Corporation where he was involved in project lending, investment banking and venture capital investment. In 1984, he joined Wesfarmers to start the company's projects and business development function. In 1988, he became General Manager of Wesfarmers' Commercial Division and from 1992 until his retirement in July 2002 was an executive director and Chief Financial Officer of Wesfarmers.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Woodside Petroleum Limited	Non-executive director	1 December 2002	28 February 2013

JOHN M GREEN BJURIS/LLB, FAICD, SFFIN

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE LISTING IN NOVEMBER 2002

COUNTRY OF RESIDENCE – AUSTRALIA

John is Chairman of the Remuneration Committee and a member of the Nominations Committee. He is a company director, a business writer and a novelist. John is a non-executive director of QBE Insurance Group Limited, a member of the Australian Government Takeovers Panel and a member of the Council of the National Library of Australia. John is co-founder of book publisher, Pantera Press. He was previously an investment banker at Macquarie Bank, as an executive director. His career before banking was in law, including as a partner at two major law firms.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
QBE Insurance Group Limited	Non-executive director	1 March 2010	n/a

CHRISTOPHER HAYNES OBE BSC (HONS), DPHIL, CENG, FIMECHE

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JANUARY 2012

COUNTRY OF RESIDENCE – UNITED KINGDOM

Chris was appointed to the Board effective 1 January 2012. He is Chairman of the Health, Safety and Environment Committee and a member of the Nominations Committee. He is a non-executive director of Woodside Petroleum Limited. His appointment followed a 39 year career with the Shell Group of Companies and their affiliates. He has lived in a large number of countries, working in the oil and gas exploration and production, LNG and chemicals businesses, primarily in project development and delivery and in operations. Chris was seconded to Woodside from 1999 to 2002, where he was General Manager of the North West Shelf Venture and was subsequently Managing Director of Shell's operations in Syria and of Nigeria LNG Limited. In 2008, Chris assumed responsibility for the delivery of Shell's major upstream projects worldwide. He retired from Shell in August 2011. Chris graduated from The University of Manchester with a Bachelor of Science with Honors in Mechanical Engineering and obtained a Doctor of Philosophy degree in Applied Sciences from the University of Sussex. He is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers in the United Kingdom and was appointed to the Order of the British Empire in June 2009 for his services to the British oil and gas industry in Nigeria.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Woodside Petroleum Limited	Non-executive director	1 June 2011	n/a

CATHERINE LIVINGSTONE AO BA (HONS), HON DBUS (MACQUARIE), HON DSC (MURDOCH), FCA, FAICD, FTSE

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2007

COUNTRY OF RESIDENCE – AUSTRALIA

Catherine joined the Board on 1 July 2007 and is a member of the Audit and Risk Committee and the Nominations Committee. She is Chairman and a director of Telstra Corporation Limited and was formerly a director of Macquarie Bank Limited and Macquarie Group Limited. Catherine is also a director of Saluda Medical Pty Ltd and The George Institute for Global Health and is a member of the Advisory Board of the John Grill Centre for Project Leadership at The University of Sydney. She was Chairman of CSIRO from 2001 to 2006 and has also served on the boards of Goodman Fielder Limited and Rural Press Limited. Catherine was the Managing Director of Cochlear Limited from 1994 to 2000, taking it through to an initial public offer in 1995. In 2000, Catherine received the Chartered Accountant in Business Award for that year and in 2002 was elected a Fellow of the Australian Academy of Technological Sciences and Engineering. She was further awarded in 2003 the Centenary Medal for service to Australian Society in Business Leadership and the 2006 Macquarie University Alumni Award for Distinguished Service (Professional). In 2008, Catherine was appointed an Officer of the Order of Australia for service to the development of Australian science, technology and innovation policies to the business sector. She has a Bachelor of Arts (Honors) in Accounting, is a Chartered Accountant and was the Eisenhower Fellow for Australia in 1999.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Macquarie Bank Limited	Non-executive director	19 November 2003	25 July 2013
Macquarie Group Limited	Non-executive director	30 August 2007	25 July 2013
Telstra Corporation Limited	Non-executive director	30 November 2000	n/a
	Chairman	8 May 2009	n/a

JB MCNEIL BSC (MONT), MSC (CAL), SPE, ASME

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE MAY 2010

COUNTRY OF RESIDENCE – UNITED STATES OF AMERICA

JB was appointed to the Board on 1 May 2010 and is a member of the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee. His appointment followed a 34 year career with ExxonMobil Corporation. He began with Exxon in 1974 and over the next two decades he was involved in a variety of engineering and operations assignments in the Middle East and in the USA. In 1994, JB was appointed Offshore Division Manager responsible for production in the South China Sea. In 1996, he was appointed Director General for the Sakhalin 1 Project in Russia and in 2001, Vice President for Deep Water Development in Angola and Equatorial Guinea. Between 2003 and 2005, JB held project development responsibilities for Russia and the Caspian region and in 2005 was appointed Vice President of Arctic Projects (Russia, Canada and Alaska). JB retired from ExxonMobil in 2008.

WANG XIAO BIN BCOM, CPA, GDIP APPLIED FINANCE AND INVESTMENT

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2011

COUNTRY OF RESIDENCE – HONG KONG

Xiao Bin was appointed to the Board on 1 December 2011 and is a member of the Audit and Risk Committee and the Nominations Committee. She is an executive director and Chief Financial Officer of China Resources Power Holdings Company Limited. Prior to joining China Resources Power in July 2003, she was a Director of Corporate Finance at ING Investment Banking, responsible for execution of capital markets and merger and acquisition transactions in the Asia Pacific region. Xiao Bin worked for Price Waterhouse in Australia in the Audit and Business Advisory Division for five years before joining ING. She is a member of CPA Australia and holds a graduate diploma in Applied Finance and Investment from Securities Institute of Australia (now Finsia) and a Bachelor of Commerce from Murdoch University in Australia.

ANDREW WOOD BENG, GDIP FIN MGMT, GDIP LAB RELATIONS, FIE AUST

CHIEF EXECUTIVE OFFICER – EXECUTIVE DIRECTOR SINCE OCTOBER 2012

COUNTRY OF RESIDENCE – AUSTRALIA

Andrew was appointed as Chief Executive Officer effective 23 October 2012. With tenure of 19 years with the Group, and over 30 years' experience in the resources and energy industry, Andrew has extensive knowledge across the Group. His previous roles include Group Managing Director – Finance/CFO responsible for Group-wide direction and support to the business functions of finance, information management, internal procurement and communications, legal and risk; Managing Director for the Australia/New Zealand region; and Managing Director of Mergers and Acquisitions, overseeing 15 business acquisitions including Parsons E&C Corporation in November 2004 and the Colt Group in March 2007. He was also responsible for WorleyParsons' early expansion into Thailand and into the Middle East, Canada and Chile in his capacity as Managing Director for International Operations. Andrew holds a Bachelor of Engineering and graduate diplomas in Financial Management and Labour Management Relations. He is also a Fellow of the Institution of Engineers, Australia.

PETER JANU BEC, LLB, CA, FCIS

COMPANY SECRETARY AND GENERAL COUNSEL CORPORATE – APPOINTED OCTOBER 2008

Peter has broad experience across a range of disciplines including company secretarial, governance, legal, remuneration, project finance and corporate taxation. Peter has degrees in Law and Economics from The University of Sydney and is a Chartered Accountant and a Chartered Secretary.

INDEMNITIES AND INSURANCE

Under the Company's Constitution, the Company indemnifies each current and former officer of the Group against certain liabilities and costs incurred by them as an officer of the Group. The Company also indemnifies each current and former officer of the Group against certain liabilities and costs incurred when the officer acts as an officer of another body corporate at the Company's request and the liability or cost is incurred in that capacity. Neither indemnity extends to liabilities or costs from which the Company is prohibited from indemnifying current or former officers under the Act.

In addition, the Company has entered into Deeds of Access, Indemnity and Insurance with certain officers of the Group. Under those deeds, the Company agrees (among other things) to:

- indemnify the officer to the extent permitted by law and the Company's Constitution;
- maintain a directors' and officers' insurance policy; and
- provide officers with access to Board papers.

The Company maintains a directors' and officers' insurance policy that, subject to certain exemptions, provides insurance cover to former and current officers of the Group. During the financial year, the Company paid insurance premiums to insure those officers of the Group. The contracts of insurance prohibit the disclosure of the amounts of premiums paid and the nature of the liability covered.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts referred to in this report have been rounded off to the nearest hundred thousand dollars in accordance with that Class Order and amounts less than $50,000 that have been rounded down are represented in this report by 0.0.

REMUNERATION REPORT

The Company's directors present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* (Act) for the Company and the consolidated entity for financial year 2013 (FY2013). The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Act. This Remuneration Report forms part of the Directors' Report.

The Remuneration Report is presented in four sections:

1. REMUNERATION SNAPSHOT

EXECUTIVES

Set out below is a list of the Executives of the Company whose remuneration details are outlined in this Remuneration Report. Except where noted, these Executives were employed for all of FY2013 in the positions noted below. The use of the term "Executives" throughout this report refers to the Executives listed below. These Executives, in addition to the NEDs listed on page 58 of the Annual Report, comprised the key management personnel (KMP) of the Company for FY2013, as defined under the accounting standards.

NAME	POSITION	COUNTRY OF RESIDENCE
EXECUTIVE DIRECTORS		
Andrew Wood[1]	Chief Executive Officer (CEO) from 23 October 2012	Australia
John Grill[2]	Chief Executive Officer (CEO) until 23 October 2012	Australia
GROUP EXECUTIVES		
Barry Bloch	Group Managing Director – People	Australia
Stuart Bradie	Group Managing Director – Operations	United Kingdom
Simon Holt[3]	Chief Financial Officer from 23 October 2012	Australia
Randy Karren[4]	Group Managing Director – *Improve* from 23 October 2012	Canada
Iain Ross	Group Managing Director – Development	United Kingdom
David Steele[5]	Group Managing Director – Delivery	Malaysia

1 Mr Wood was appointed as CEO and an executive director on 23 October 2012. Prior to that, he was the Group Managing Director – Finance/CFO.
2 Mr Grill retired as CEO on 23 October 2012. He became a NED and Chairman on 1 March 2013 and further details are provided in the Non-Executive Director Remuneration section and below.
3 Mr Holt commenced as an Executive on 23 October 2012. Prior to that, he was Deputy Chief Financial Officer.
4 Mr Karren commenced as an Executive on 23 October 2012. Prior to that, he was Regional Managing Director Canada.
5 Mr Steele commenced in the role Group Managing Director – New Ventures from 1 July 2013.

Change in role for Mr John Grill

Mr Grill retired as CEO and an executive director of WorleyParsons on 23 October 2012, when he ceased employment with the Company. Mr Grill's termination arrangements were in line with his executive service agreement. The termination arrangements comprised payment of accrued annual and long service leave. Mr Grill retained his deferred short term incentive (STI) which was granted in relation to performance during FY2012; these are retained under the original terms of the grant including vesting dates. Consistent with the Company's practice in relation to unvested long term incentive (LTI) held by retiring employees, Mr Grill retained a pro-rated portion of his unvested LTI under the original terms of the grant including performance measures and vesting dates. No additional benefits were received by Mr Grill in relation to his retirement.

At the unanimous invitation of the Board's non-executive directors, Mr Grill subsequently re-joined the Board as non-executive Chairman. He commenced in that role on 1 March 2013.

KEY CHANGES

New remuneration arrangements implemented in FY2013

During FY2013, a number of changes to executive remuneration arrangements were implemented as foreshadowed in last year's Remuneration Report, including:

- simplification of incentive programs, including adoption of the new Combined Incentive Plan;
- three year deferral period for equity under the Combined Incentive Plan, increased from the prior plan;
- equal weighting for total shareholder return (TSR) and earnings per share (EPS) hurdles for new LTI awards;
- increased vesting period for new LTI awards from three to four years with no retest. To ensure continuity of equity vesting opportunity, the awards for FY2013 were granted as two equal tranches to vest over a three and four year period;
- expanded peer group for the LTI TSR hurdle for new LTI awards; and
- piloting of an all employee share purchase plan in Canada, Singapore and Indonesia.

These changes were adopted following a comprehensive and in-depth review of our remuneration arrangements undertaken in FY2012.

HOW PERFORMANCE WAS REFLECTED IN THE ACTUAL REMUNERATION OUTCOMES

The actual remuneration outcomes for FY2013 for Executives reflect their individual performance and the business conditions faced by, and performance outcomes achieved by, the Company. Outcome details for individual Executives can be found on pages 54 and 55. In particular:

- in assessing the outcome for the Combined Incentive Plan, the threshold for Executives requires that Group net profit after tax (NPAT) be 90% or more of budget Group NPAT. In FY2013, the Group NPAT of $322.1 million was below this threshold. As a result no Combined Incentive will be awarded;
- for performance rights granted in FY2011, achievement against the LTI Plan performance hurdles for the three year period ended 30 June 2013 will result in a nil vesting. Executives have the choice to retain rights under the TSR measure to be retested for the four year period ending 30 June 2014. No rights subject to the EPS measure will vest and they will lapse on 30 September 2013; and
- for performance rights granted in FY2010, achievement against the LTI Plan performance hurdles for the three year period ended 30 June 2012 resulted in nil vesting under the EPS measure, with rights lapsed on 30 September 2012, and 70% vesting under the TSR measure. All Executives elected to accept the vesting outcome at that time. For employees who elected to retain rights under the TSR measure and be retested for the four year period ended 30 June 2013, the retested outcome will result in a nil vesting of rights under the TSR measure.

In addition, fixed pay and the remuneration structure have been reviewed on both an Australian and global basis, and will not increase in FY2014.

2. REMUNERATION GOVERNANCE FRAMEWORK

GUIDING REMUNERATION PRINCIPLES

The diagram below outlines the guiding principles that underpin the Company's remuneration arrangements for Executives, and illustrates how we seek to put these into practice through our remuneration decisions and actions:

STRATEGIC VISION

WorleyParsons will be the preferred global provider of technical, project and operational support services to our customers, using the distinctive WorleyParsons culture to create value for them and prosperity for our people and stakeholders.

Our values guide our vision and provide the discipline to achieve our strategy.

VALUES

Performance	*Relationships*	*Agility*	*Leadership*

Executive Remuneration Principles

Our Executive Remuneration Principles will drive the behaviors and results to help us achieve our strategy and vision.

Providing a fair level of reward in order to retain and attract high caliber employees.	Building a culture of achievement by providing a transparent link between reward and performance.	Building long term employee commitment through continued WorleyParsons share ownership.	Promoting mutually beneficial outcomes by aligning employee, customer and shareholder interests.

Putting the Remuneration Principles into Practice

Roles are benchmarked against roles in the market. We benchmark fixed pay, variable pay and pay mix. Individual remuneration reflects the individual's role, responsibilities, performance, qualifications and experience.	Key performance indicators are set with Executives and reviewed with the Board. Reward subject to Company performance and individual performance.	Opportunity to earn equity through the LTI Plan and the Combined Incentive Plan. Having a minimum shareholding requirement.	Performance metrics are geared at focusing Executives on strong financial performance, while balancing long term interests of the Company.

REMUNERATION DECISIONS

The diagram below illustrates the process by which remuneration decisions are made within the Company, and explains the roles played by various stakeholders who are involved in setting remuneration:

BOARD

- Ensures remuneration policies and structures are competitive, fair, and aligned with the long term interests of the Company.
- Sets and approves remuneration structures.
- Approves NED, CEO and other Executive remuneration.

NOMINATIONS COMMITTEE

Reviews and assesses the CEO's performance.

Advises the Board on the CEO's remuneration, including:
- amount;
- structure; and
- applicable performance targets.

REMUNERATION COMMITTEE

Assists/advises the Board in relation to:
- remuneration structuring and policies;
- NED remuneration;
- performance assessment and remuneration for Executives; and
- where required, engaging independent advisors for advice on remuneration structure and quantum for Executives including the CEO.

MANAGEMENT

CEO recommends pay increases and incentive outcomes for the Executives, other than the CEO. At the request of the Nominations and/or Remuneration Committee, management:
- provides information relevant to remuneration decisions; and
- where appropriate, liaises with independent advisors to assist the Nominations and/or Remuneration Committee with factual information (subject to prior Board approval of the provider).

All remuneration decisions relating to Executives are made by the Board. However, where appropriate, management is included in Committee and Board discussions.

EXTERNAL MARKET DATA AND EXTERNAL CONSULTANTS

Market data sourced from published reports and independent surveys.

Where required, external consultants engaged by the Board and Committees to provide advice or information.

Any advice or recommendations provided by external consultants are used as a guide. They do not substitute for the Board and Committee decision-making process.

During FY2013, Aon Hewitt provided data in relation to the pay review for Executives and the review of NED fees. Outcomes relating to TSR were provided by Orient Capital. There were no remuneration recommendations made by consultants in relation to Executives.

3. EXECUTIVE REMUNERATION IN DETAIL

REMUNERATION STRUCTURE – PUTTING POLICY INTO PRACTICE

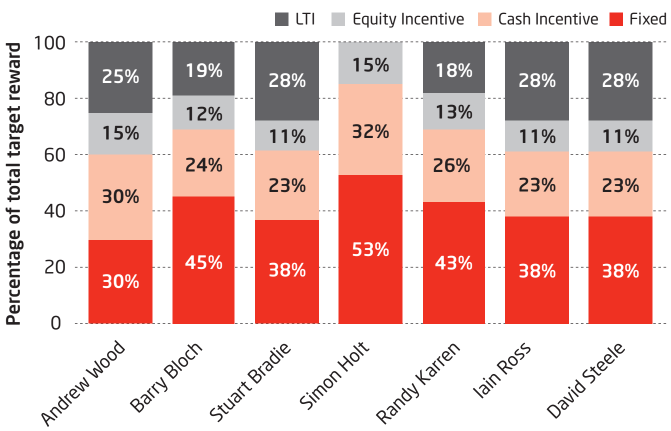
Remuneration mix for Executives

Executive remuneration is structured to recognize both an individual's responsibilities, qualifications and experience, as well as to drive performance over the short and long term. The proportion of variable incentive is reflective of an Executive's ability to influence Company performance through their role. Executive remuneration comprises the following:

- fixed pay, which consists of cash (or base) salary, superannuation/ retirement contributions and any salary sacrificed components. It is set relative to market, with the level of individual fixed pay aligned with the Executive's responsibilities, performance, qualifications and experience; and
- incentives may be comprised of cash or equity and are dependent on the satisfaction of corporate, business unit and individual performance targets. Details of the Combined Incentive Plan and LTI Plan are set out in detail in the sections below.

The FY2013 targeted mix of the remuneration components described above for each of the Executives is outlined below:

FY2013 targeted remuneration mix for Executives



The target at risk remuneration shown in the graph above refers to the incentive that would be payable if all performance conditions are satisfied and assumes the full vesting of Combined Incentive, comprised of a cash and an equity incentive, and LTI awards. The elements of the remuneration shown above that are at risk are Cash Incentive, Equity Incentive and LTI. Allowances and benefits are for specific purposes and are excluded in determining the mix. Actual incentive remuneration paid to the Executives can vary for individuals depending on the extent that they meet or exceed performance requirements.

Further details in relation to the Company's incentive arrangements, including the specific performance conditions imposed and the outcomes of those arrangements (based on the Company's performance over FY2013 and prior years), are set out in the "Combined Incentive Plan" and "LTI Plan" sections below.

Executive minimum shareholding requirement

The Executive minimum shareholding requirement applies to Executives to reinforce the Company's objective of aligning their interests with the interests of shareholders, and to foster an increased focus on building long term shareholder value.

To satisfy the requirement, Executives must retain equity delivered via incentive plans until they hold shares equivalent in value to two times fixed pay (four times fixed pay for the CEO) and must subsequently maintain that multiple.

Executives are also encouraged to acquire shares independently of the equity incentive programs. However, privately acquired shares are not subject to the restrictions of the minimum shareholding requirement.

Compliance with the requirement is assessed as at 30 June each year. The table below provides a summary of the position of each Executive against the requirement as at 30 June 2013:

	WEIGHTED NUMBER OF SHARES HELD AT 30 JUNE 2013[1]	VALUE OF SHARES HELD AT 30 JUNE 2013[2] $	ANNUAL FIXED PAY AT 30 JUNE 2013[3] $	PERCENTAGE OF MINIMUM SHAREHOLDING REQUIREMENT ACHIEVED
EXECUTIVE DIRECTOR				
Andrew Wood	274,302	5,374,427	1,600,000	84%
GROUP EXECUTIVES				
Barry Bloch	13,695	268,328	709,000	19%
Stuart Bradie	74,227	1,454,337	1,208,267	60%
Simon Holt[4]	9,993	195,794	463,000	21%
Randy Karren[5]	81,570	1,598,209	623,603	> 100%
Iain Ross	497,509	9,747,744	1,052,096	> 100%
David Steele	151,315	2,964,730	900,000	> 100%

1 Includes ordinary and exchangeable shares held in the Company as provided in note 33(A) to the financial statements plus a 50% weighting of unvested performance rights provided in note 33(B) to the financial statements. Excludes shares held by each Executive's personal related parties.
2 Calculated as the weighted number of shares held at 30 June 2013 multiplied by the volume weighted average price of the Company's shares for the five trading days up to and including 28 June 2013.
3 The Australian dollar equivalent of annual fixed pay as at 30 June 2013.
4 Mr Holt commenced as Chief Financial Officer on 23 October 2012.
5 Mr Karren commenced as Group Managing Director – *Improve* on 23 October 2012.

In addition, under the Company's Securities Dealing Policy, directors and Executives are not permitted to hedge unvested performance rights or shares acquired on exercise of performance rights that are subject to restrictions, including shares that count towards an Executive's minimum holding requirement. This ensures that Executives cannot "limit the risk" associated with these instruments and are subject to the same impacts from fluctuations in the share price as all other shareholders.

Combined Incentive Plan

By linking pay to performance via incentive plans, the Company increases the focus on total reward and provides motivation to Executives to achieve outcomes beyond the standard expected in the normal course of ongoing employment.

The target value of the Combined Incentive Plan for Executives is shown in the graph on the previous page and is made up of a two thirds Cash portion (Cash Incentive) and a one third Equity portion (Equity Incentive). The Combined Incentive Plan was introduced in FY2013 and replaces the previous Cash STI, Deferred Equity STI and Discretionary STI Plans. The minimum potential value of Combined Incentive is zero where applicable gate-opener hurdles have not been met.

The value of the awards achieved can be viewed in the remuneration outcomes table on pages 54 and 55. This reflects both the Company's achievement against Group NPAT and individual performance against an Executive's key performance indicators (KPIs).

Outlined below is a summary of the Combined Incentive Plan introduced in FY2013:

INCENTIVE ELEMENT	CASH INCENTIVE (TWO THIRDS OF THE AWARD)	EQUITY INCENTIVE (ONE THIRD OF THE AWARD)
Gate-opener	The actual performance is greater than 90% of the budgeted NPAT approved by the Board.	
Maximum payout	Maximum payout is possible at 110% of budget.	
Delivery and payment timing	Payment of the award will be made as a gross cash amount at the end of the performance period.	Payment of the award will be through equity deferred for three years in the form of rights granted under the WorleyParsons Performance Rights Plan.
Performance and forfeiture conditions	See KPI summary table below.	The Equity Incentive is subject to the same performance conditions as the Cash Incentive. In addition, the Executive must maintain a satisfactory performance rating. There are no further hurdles during the deferral period. However, should the accounts be restated during the deferral period or where an individual's behavior is fraudulent, dishonest or in breach of their obligations to the Company, the award may be forfeited. The performance outcomes that resulted in the award will be reviewed to ensure that the award is still appropriate at the time of vesting.
Dividends	n/a	n/a
Tenure	To be eligible for an incentive payment, generally participants must have been employed for at least three months of the financial year and remain in employment at the date of payment.	

Performance targets are agreed at the start of the financial year. A summary of the KPIs, along with the weightings for Executives for FY2013, is outlined below:

FINANCIAL KPIs (50% weighting)[1]

The weighting of actual KPIs varies depending on the specific role of the individual and includes the following:

KPIs	METHOD OF ASSESSMENT
Group NPAT applicable to all Executives.	Group NPAT is based upon audited financial statements, to ensure the performance assessment for financial KPIs is aligned with business performance and the creation of value for shareholders. The results are adjusted at Board discretion, to exclude abnormal items.
Cash collection for participants with operational or financial accountability.	Cash collection is measured via days sales outstanding which is used internally to measure business performance.

NON-FINANCIAL KPIs (50% weighting)[1]

These may vary with Executive responsibility, but usually include KPIs as shown below. To the extent possible, performance is assessed against quantifiable, objective measures.

KPIs	METHOD OF ASSESSMENT
Health, safety and environment performance.	Reduction in the number of reportable injuries and environmental incidents, and the completion of advanced safety audits in support of the Company's goal of Zero Harm.
Development of strategic and tactical responses to changed economic and business landscapes.	Strategic goals are measured by other regularly reported financial and non-financial metrics e.g. growth in targeted business units[2]. These goals help to deliver on our Strategic Vision.
Successful implementation of the business plan and/or strategic priorities for the business unit, location or function.	Targeted business growth and customer retention and acquisition[2].
Leadership, people management and development.	Reduction in turnover which helps to deliver on our corporate values of Leadership and Relationships.

1 The CEO has a 60% weighting of Financial KPIs and 40% weighting of Non-Financial KPIs.
2 The specific goals for Executives relating to strategic imperatives are considered commercially sensitive.

Long Term Incentive Plan

There are two specific performance targets, each assessed independently to earn LTI. These two performance hurdles align an Executive's interests with shareholder returns whilst driving long term Company performance. The measures are as follows:

- TSR relative to peer group (which applies to 50% of potential LTI for FY2013); and
- EPS growth (which applies to 50% of potential LTI for FY2013).

The Board has determined that the number of securities issued to Executives and all other participants under the incentive Plans should be capped at 5% of the issued share capital of the Company over a five year time horizon. Currently, the number of securities issued and held pursuant to the incentive Plans represents 2.46% of the Company's issued share capital, (FY2012: 2.85%).

LTI grants for FY2013

LTI grants are delivered to Executives as rights that are issued under the WorleyParsons Performance Rights Plan. After vesting, each right entitles the holder to one fully paid ordinary share in the Company at a nil exercise price (i.e. a zero exercise price option). The number of rights issued is based on the Executive's target LTI with reference to the underlying share price when the rights are issued. Rights vest and are automatically exercised after a three or four year period, subject to minimum performance hurdles being satisfied.

In FY2013, LTI awarded to Andrew Wood, in his role as CEO, was granted with a four year vesting period. LTI awarded to Group Managing Directors was granted in two equal tranches. The first tranche will vest after a three year period and the remaining tranche after a four year period. Each tranche has an equal weighting between TSR and EPS. LTI awarded to the Chief Financial Officer in FY2013 was granted with a three year vesting period with an individual performance requirement. The Chief Financial Officer's remuneration structure will align to the other KMPs for FY2014, with a four year vesting period and subject to EPS and TSR performance hurdles.

Where rights cannot be readily issued in certain overseas jurisdictions due to differing securities laws and taxation treatments, the LTI Plan rules ensure a participant can still be rewarded for their contribution, whilst catering for the local restrictions on the issue of securities.

Rights granted under the LTI Plan carry no voting or dividend entitlements. In addition, other than in relation to bonus issues and capital reorganizations (when the number of rights may be adjusted by the Board in accordance with the ASX Listing Rules, so as to ensure no advantage or disadvantage to the Executive), the rights carry no entitlement to participate in new share issues made by the Company.

Details of the rights granted to Executives as part of their remuneration in FY2013 are outlined on page 56.

Relative TSR performance hurdle

The TSR measure represents the change in the value of the Company's share price over a period, plus reinvested dividends, expressed as a percentage of the opening value of the share.

Relative TSR has been chosen as a performance hurdle because, in the opinion of the Board, it provides the most direct measure of shareholder return.

Executives will only derive value from the TSR component of the LTI Plan if the Company's TSR performance is at least at the median of the companies in the peer comparison group. This is a group of companies with similar business profiles, with which the Company competes for capital and executive talent. For LTI grants made in FY2013, the peer comparison group comprises the companies shown as follows:

AUSTRALIA AND ASIA	UNITED STATES AND CANADA	EUROPE AND UNITED KINGDOM
Cardno	AECOM	Aker Solutions
Downer EDI	Chicago Bridge & Iron Company[1]	AMEC
JGC Corporation	Fluor Corporation	Arcadis
Leighton Holdings	Foster Wheeler	Atkins
Monadelphous Group	Jacobs Engineering Group	Balfour Beatty
UGL	KBR	Fugro
	McDermott International	Saipem
	SNC-Lavalin	Serco Group
	Stantec	Technip
	Tetra Tech	Tecnicas Reunidas
	URS Corporation	Wood Group

1 Chicago Bridge & Iron Company and the Shaw Group merged with an effective completion date of 13 February 2013.

The Board has discretion to adjust the comparison group to take into account events including, but not limited to, takeovers or mergers that might occur during the performance period.

The vesting schedule of the rights subject to the relative TSR hurdle is outlined below:

RELATIVE TSR PERCENTILE RANKING	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET
Less than 50th percentile	0%
At 50th percentile	25%
Greater than the 50th percentile but less than the 75th percentile	Pro-rated vesting between more than 25% and less than 50%
At 75th percentile or greater	50% (i.e. maximum available under the plan)

No retesting

With an expanded peer group and transition to a four year performance period, it is expected there will be less volatility. As a result, for LTI awards made in FY2013 and new LTI awards going forward, Executives will no longer have an opportunity to retest under the TSR measure.

EPS performance hurdle

Basic EPS is determined by dividing the Group's NPAT by the weighted average number of the Company's ordinary shares on issue during the financial year. Growth in EPS will be measured by comparing the EPS in the financial year immediately preceding the issue and the EPS in the measurement year. EPS has been chosen as a performance hurdle because it provides a clear line of sight between Executive performance and Company performance. It is also a well-recognized and understood measure of performance both within and outside the organization. The Group's NPAT may be adjusted by the Board, where appropriate, to better reflect operating performance as was the case in FY2012 and FY2011.

Executives will only derive value from the EPS component of the grants made in FY2013 if the Company achieves average compound growth in EPS of at least 4% per annum above the increase in the Consumer Price Index (CPI) over the three or four year performance period.

The vesting schedule of the rights subject to the EPS hurdle is as follows:

AVERAGE COMPOUND GROWTH IN EPS OVER THE PERFORMANCE PERIOD	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET
Less than 4% p.a. above the increase in CPI	0%
4% p.a. above the increase in CPI	25%
More than 4% p.a. above the increase in CPI but less than 8% p.a. above the increase in CPI	Pro-rated vesting between more than 25% and less than 50%
8% p.a. or greater above the increase in CPI	50% (i.e. maximum available under the plan)

Exercise of rights and allocation of shares

To the extent that the performance hurdles have been satisfied, rights are automatically exercised (unless an Executive elects otherwise) and participants acquire shares in the Company at a nil exercise price.

Shares allocated to participants upon exercise of rights rank equally with all other ordinary shares on issue. Whilst the shares allocated to participants remain subject to transfer restrictions, participants can apply to have the restrictions lifted. Upon release of the restrictions, participants will have unencumbered ownership of the shares, subject to compliance with the Company's Securities Dealing Policy and minimum shareholding requirement.

Cessation of employment and change of control

Where an Executive leaves the Group, the Board may exercise its discretion and allow a proportion of any unvested rights to remain in the plan, and subsequently vest and be exercised in the ordinary course, having regard to such factors as it determines relevant. Such factors would include performance against applicable performance hurdles, as well as the performance and contribution that the relevant Executive has made. In instances of fraudulent or dishonest behavior, the Board will generally deem all unvested rights held by the Executive to have lapsed on cessation and may also deem any vested but unexercised rights to be forfeited.

In the event of a change of control of the Company (e.g. where a third party unconditionally acquires more than 50% of the issued share capital of the Company), the Board will exercise its discretion to determine whether any or all unvested rights vest, having regard to pro-rata performance against applicable performance hurdles up to the date of the change of control.

COMPANY PERFORMANCE OVER A FIVE YEAR PERIOD

The table below contains a snapshot of the Company's performance against annual financial KPIs and shows how the Company's performance has impacted on remuneration outcomes for Executives under the Company's incentive programs.

The remuneration arrangements for Executives ensure that remuneration outcomes are lower when the Company's performance does not justify large awards, and higher when Company performance is strong. As demonstrated by the table, incentive outcomes have moved in line with the Company's performance against relevant key metrics:

	FINANCIAL YEAR ENDED 30 JUNE	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	ANNUALIZED GROWTH OVER FIVE YEARS
TSR portion of LTI	Closing share price ($)	37.86	23.81	22.21	28.24	25.10	19.49	(12.4%)
	Dividends paid[1] (cents per share)	85.5	93.0	75.5	86.0	91.0	92.5	1.6%
	1 year TSR for the Company (%)	15.9	(34.8)	(1.6)	37.4	(6.8)	(19.6)	
	1 year TSR for median of peer group (%)	32.0	(34.8)	(9.9)	40.8	(21.9)	21.6	
	3 year vesting outcome of LTI (%)	100	100	82	nil	70	nil	
EPS portion of LTI	Underlying EPS (cents per share)[2]	142.5	161.1	118.5	121.5	140.6	130.8	(1.7%)
	3 year vesting outcome of LTI (%)	100	100	nil	nil	nil	nil	
STI/ Combined Incentive	Underlying NPAT ($'m)[3]	343.9	390.5	291.1	298.5	345.6	322.1	(1.3%)
	Average % of maximum STI awarded to Executives (%)	91.8	53.2	nil	27.1	47.0	nil	

1 The FY2013 final dividend has been announced and is scheduled to be paid on 20 September 2013.
2 Underlying EPS, which in the Board's opinion reflects the Company's operating results, has been used for calculating the outcomes.
3 Underlying NPAT, which in the Board's opinion reflects the Company's operating results, has been used for calculating the outcomes for FY2011 and FY2012. Underlying NPAT excludes fair value gains on acquisitions.

REMUNERATION OUTCOMES

Combined Incentive outcomes

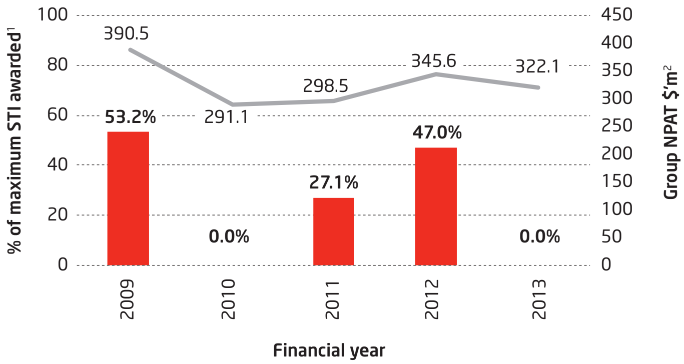
As outlined in the description of the Combined Incentive Plan on page 50, reward outcomes for Executives are linked primarily to performance against annual financial KPIs, although non-financial (including individual) KPIs are also relevant.

In the table, "Company Performance over a Five Year Period" on page 52, the Company performance results for FY2013 are reflected in the decrease to variable pay earned by Executives during FY2013. The Company performance in FY2012 was reflected in incentive awards and LTI vesting outcomes.

Based on the NPAT provided above and performance against individual KPIs, the resulting Combined Incentive payments are detailed in the table on pages 54 and 55.

The graph below illustrates the average percentage of maximum Combined Incentive/STI awarded to Executives over the past five years compared to Group NPAT and demonstrates a strong alignment between Company performance and incentive outcomes for Executives:

Average % of maximum Combined Incentive/STI awarded to Executives compared to Group NPAT



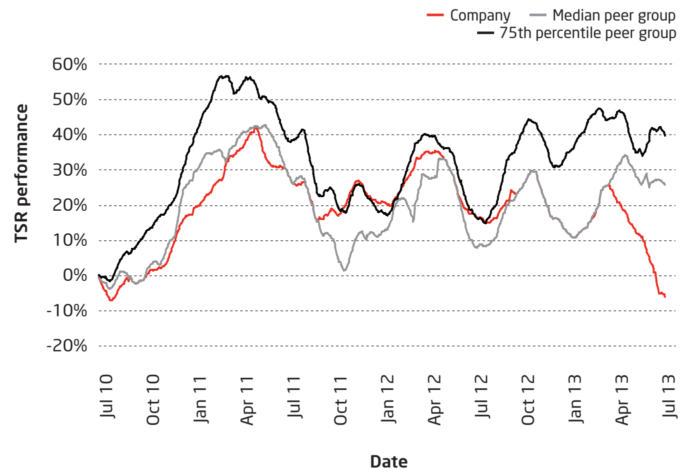
1 The average percentage of maximum STI for any financial year relates to amounts paid in September following that year end, with the exception of a portion of Iain Ross' 2009 STI which was deferred for 12 months.

2 Reported Group NPAT, except for FY2011 and FY2012 where the lower underlying Group NPAT figures were used.

LTI outcomes

The graph below tracks the Company's TSR over the last three years against the median TSR of the peer group used for the LTI Plan:

TSR performance measured over the last three years



This graph illustrates that growth in the Company's TSR was below median, which may result in a nil vesting for Executives for TSR related LTI granted in FY2011. As vesting was not achieved, Executives may elect to retain their TSR performance rights to be retested and measured for the four year period ending 30 June 2014.

Over the same three year period, the Company's EPS was below the minimum required to trigger vesting against the EPS performance hurdle for LTI granted in FY2011. EPS performance rights will lapse on 30 September 2013. No retest applies to this measure.

The table below shows the history of Executives' grants that have vested to date:

Summary of vested rights

GRANT	PERFORMANCE PERIOD	TSR PERCENTILE ACHIEVED[1]	RETESTED TSR PERCENTILE ACHIEVED[2]	CHANGE IN EPS ACHIEVED[3]	% OF TOTAL LTI GRANT VESTED/EXERCISED	VESTING DATE	VALUE PER RIGHT VESTED/EXERCISED[4] $
EQUITY SETTLED							
FY2008	01 Jul 07 – 30 Jun 10	66th	68th	5.8%	49%	30 Sep 10	21.51
FY2009[5]	01 Jul 08 – 30 Jun 11	30th	70th	(5.2%)	54%	30 Sep 12	25.65
FY2010	01 Jul 09 – 30 Jun 12	60th	10th	(4.4%)	42%	30 Sep 12	25.65
FY2011[6]	01 Jul 10 – 30 Jun 13	lowest	n/a	3.3%	0%	30 Sep 13	n/a

1 Represents the Company's relative TSR ranking over the initial three year performance period compared to the comparator group (being the ASX 50 to 150 ranked companies at the start of the performance period for FY2008, and for FY2009 to FY2011 the peer group comprises AECOM, Aker Solutions, AMEC, Fluor Corporation, Foster Wheeler, Jacobs Engineering Group, KBR, SNC-Lavalin, URS Corporation and Wood Group).

2 Represents the Company's retested relative TSR ranking over a four year performance period compared to the comparator group (as described in Note 1 above).

3 Change in EPS achieved is calculated as the compound annual growth rate of EPS over the performance period.

4 This amount is based on the volume weighted average price of the Company's shares for the 10 trading days following the annual results announcement for the year in which the rights vest (as there is no exercise price payable in respect of equity or cash settled rights).

5 Equity granted in FY2009 under the TSR measure vested on 30 September 2012 based on the retested outcome over a four year performance period up to 30 June 2012.

6 Equity granted in FY2011 under the TSR and EPS measure is due to have a nil vesting on 30 September 2013. Executives may elect to have TSR performance rights retested and be measured for the four year performance period up to 30 June 2014.

Total remuneration outcomes

Details of remuneration for Executives are provided in the following table in accordance with accounting standards. Additional columns have been provided under Actual Remuneration Outcomes. This provides a comparison between the accounting standards, actual remuneration awarded during the year and actual remuneration received during the year.

Accounting standards require the value of equity based payments to be amortized over the relevant period of performance (or vesting period). For those interested in the value of equity based payments awarded during the year, the value is determined as a percentage of fixed pay that the Company aims to deliver. This can be found in the Equity Incentive/Deferred STI and LTI columns under the remuneration awarded section of Actual Remuneration Outcomes. For those interested in the full value that was received during the year, the value is determined as the number of performance rights vested times the share price at the end of the period of performance, found under the remuneration received section of Actual Remuneration Outcomes.

STATUTORY REMUNERATION OUTCOMES

		SHORT TERM EMPLOYEE BENEFITS					POST-EMPLOYMENT BENEFITS	OTHER LONG TERM BENEFITS	SHARE BASED PAYMENTS					
		CASH SALARY $	CASH ALLOWANCES[1] $	CASH INCENTIVE/ CASH STI[2] $	NON-MONETARY BENEFITS[3] $	TOTAL SHORT TERM CASH AND BENEFITS[4] $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY INCENTIVE/ STI EQUITY SETTLED[5] $	LTI EQUITY SETTLED[5] $	TOTAL REMUNERATION IN ACCORDANCE WITH ACCOUNTING STANDARDS $	SHARE BASED PAYMENTS % OF TOTAL REMUNERATION	VARIABLE PAY % OF TOTAL REMUNERATION	% OF MAXIMUM STI AWARD FORFEITED
EXECUTIVE DIRECTORS														
Andrew Wood	*FY2013*	1,344,869	15,769	–	22,964	**1,383,602**	16,470	26,523	73,135	288,188	**1,787,918**	20.2%	20.2%	100.0%
	FY2012	821,372	50,192	369,000	23,821	**1,264,385**	15,836	13,825	62,917	311,219	**1,668,182**	22.4%	44.5%	50.5%
John Grill	*FY2013*	2,484,268	–	–	6,829	**2,491,097**	5,384	10,903	276,908	224,480	**3,008,772**	16.7%	16.7%	100.0%
	FY2012	2,092,241	–	1,530,000	13,635	**3,635,876**	15,836	34,812	260,000	874,926	**4,821,450**	23.5%	55.3%	51.2%
William Hall[10]	*FY2012*	229,630	–	116,041	11,660	**357,331**	–	–	–	85,868	**443,199**	19.4%	45.6%	56.9%
GROUP EXECUTIVES														
Barry Bloch	*FY2013*	692,537	–	–	14,269	**706,806**	16,470	11,753	50,368	88,563	**873,960**	15.9%	15.9%	100.0%
	FY2012	661,760	–	242,000	12,489	**916,249**	15,845	11,189	43,333	32,902	**1,019,518**	7.5%	31.2%	53.4%
Stuart Bradie	*FY2013*	1,122,925	–	–	639,585	**1,762,510**	112,293	–	63,447	197,378	**2,135,628**	12.2%	12.2%	100.0%
	FY2012	769,639	284,870	324,000	707,108	**2,085,617**	76,964	–	54,583	324,979	**2,542,143**	14.9%	27.7%	53.1%
Simon Holt[11]	*FY2013*	307,418	–	–	10,854	**318,272**	11,339	5,278	–	11,687	**346,576**	3.4%	3.4%	100.0%
Randy Karren[11]	*FY2013*	401,322	–	–	5,947	**407,269**	10,232	–	–	18,773	**436,274**	4.3%	4.3%	100.0%
Iain Ross	*FY2013*	977,785	–	–	225,145	**1,202,930**	97,779	–	48,432	180,366	**1,529,507**	15.0%	15.0%	100.0%
	FY2012	714,021	178,505	285,000	209,247	**1,386,773**	71,402	–	41,667	307,639	**1,807,481**	19.3%	35.1%	57.2%
David Steele	*FY2013*	887,903	–	–	212,156	**1,100,059**	–	–	64,895	186,063	**1,351,017**	18.6%	18.6%	100.0%
	FY2012	750,000	75,000	327,000	219,595	**1,371,595**	–	–	55,833	212,443	**1,639,871**	16.4%	36.3%	52.7%
Total remuneration	***FY2013***	**8,219,027**	**15,769**	**–**	**1,137,749**	**9,372,545**	**269,967**	**54,457**	**577,185**	**1,195,498**	**11,469,652**			
	FY2012	**6,038,663**	**588,567**	**3,193,041**	**1,197,555**	**11,017,826**	**195,883**	**59,826**	**518,333**	**2,149,976**	**13,941,844**			

These footnotes apply to the table on pages 54 and 55.

1 This includes assignment uplifts and market adjustments.

2 The FY2013 amount relates to the FY2013 award under the Cash Incentive portion of the Combined Incentive Plan, in line with the outcomes, there will be no payment made in September 2013. The FY2012 amount relates to the FY2012 award under the Cash STI Plan and was paid in September 2012.

3 Non-monetary benefits include benefits such as expatriate benefits (i.e. housing, home leave etc.), health insurance, car parking, company cars or car allowances, fringe benefits tax, tax advisory services, life insurance and club memberships. In some cases, these are at the election of the Executives i.e. they are salary sacrificed.

4 This is the total value of short term employee cash and benefits received during reporting period.

5 This remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments is determined based on the fair value at grant date and is expensed progressively over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that individual Executives may ultimately realize should the equity instruments vest.

6 This is the total of superannuation received and long service leave benefits accrued during reporting period.

7 Remuneration awarded during reporting period but deferred for future periods includes equity awards granted under the Combined Incentive and LTI Plans which may vest and become available to Executives in future periods. A grant value based on fixed pay (as defined on page 49) multiplied by the Incentive plan payout percentage approved by the Board has been included; this is not indicative of the benefit (if any) that individual Executives may ultimately realize should the equity instruments vest.

8 In FY2013 WorleyParsons launched the pilot of the Employee Share Plan in Canada, Singapore and Indonesia. This plan allows all permanent employees in these countries the opportunity to purchase up to $5,000 worth of shares per annum. The Company will provide an additional share for every five shares purchased and held for three years. Approximately 2,500 employees participated in the pilot, including Mr Karren.

9 Remuneration received in reporting period from previous periods includes equity awards granted under the incentive plans in previous years which vested during reporting period. The STI and LTI value reflects the actual value realized by the Executive. The FY2013 value has been determined based on the number of performance rights granted in FY2011 that vested for the period ended 30 June 2013 and the closing share price at this date. The FY2012 value has been determined based on the number of performance rights granted in FY2010 and FY2009 that vested for the period ended 30 June 2012 and the closing share price at this date.

10 Mr Hall retired as an alternate director on 25 October 2011. Share based payments are disclosed to the extent they relate to his occupation in the capacity of a director.

11 Remuneration is disclosed to the extent that it relates to Mr Holt's and Mr Karren's occupation in the capacity of an Executive, which commenced on 23 October 2012.

ACTUAL REMUNERATION OUTCOMES

		AWARDED AND RECEIVED DURING REPORTING PERIOD		AWARDED DURING REPORTING PERIOD				RECEIVED DURING REPORTING PERIOD		
				DEFERRED FOR FUTURE PERIODS[7]				DEFERRED FROM PREVIOUS PERIODS[9]		
		SHORT TERM CASH AND BENEFITS $	OTHER BENEFITS[6] $	EMPLOYEE SHARE PLAN[8] $	EQUITY INCENTIVE/ DEFERRED STI $	LTI $	**TOTAL REMUNERATION AWARDED DURING REPORTING PERIOD $**	EQUITY INCENTIVE/ DEFERRED STI $	LTI $	**TOTAL REMUNERATION RECEIVED DURING REPORTING PERIOD $**
EXECUTIVE DIRECTORS										
Andrew Wood	*FY2013*	1,383,602	42,993	–	–	1,360,012	**2,786,607**	57,437	–	**1,484,032**
	FY2012	1,264,385	29,661	-	151,000	625,500	**2,070,546**	–	403,809	**1,697,855**
John Grill	*FY2013*	2,491,097	16,287	–	–	–	**2,507,384**	237,349	–	**2,744,733**
	FY2012	3,635,876	50,648	-	624,000	1,785,000	**6,095,524**	–	1,064,591	**4,751,115**
William Hall	*FY2012*	357,331	–	–	–	–	**357,331**	–	419,421	**776,752**
GROUP EXECUTIVES										
Barry Bloch	*FY2013*	706,806	28,223	–	–	283,588	**1,018,617**	39,565	–	**774,594**
	FY2012	916,249	27,034	-	104,000	270,000	**1,317,283**	–	–	**943,283**
Stuart Bradie	*FY2013*	1,762,510	112,293	–	–	847,305	**2,722,108**	49,836	–	**1,924,639**
	FY2012	2,085,617	76,964	-	131,000	567,256	**2,860,837**	–	416,785	**2,579,366**
Simon Holt	*FY2013*	318,272	16,617	-	-	111,114	**446,003**	27,988	-	**362,877**
Randy Karren	*FY2013*	407,269	10,232	962	-	233,936	**652,399**	44,067	-	**461,568**
Iain Ross	*FY2013*	1,202,930	97,779	-	-	737,779	**2,038,488**	38,044	-	**1,338,753**
	FY2012	1,386,773	71,402	-	100,000	525,749	**2,083,924**	-	418,241	**1,876,416**
David Steele	*FY2013*	1,100,059	-	-	-	675,010	**1,775,069**	50,966	-	**1,151,025**
	FY2012	1,371,595	-	-	134,000	562,500	**2,068,095**	-	232,677	**1,604,272**
Total remuneration	***FY2013***	**9,372,545**	**324,424**	**962**	**-**	**4,248,744**	**13,946,675**	**545,252**	**-**	**10,242,221**
	FY2012	**11,017,826**	**255,709**	**-**	**1,244,000**	**4,336,005**	**16,853,540**	**-**	**2,955,524**	**14,229,059**

Details of vested and outstanding rights over the last five years

	PLAN	DATE OF GRANT	NUMBER OF RIGHTS GRANTED[1]	FAIR VALUE PER RIGHT (AT GRANT DATE)[2] $	FAIR VALUE OF GRANT (AT GRANT DATE)[3] $	VESTING DATE/ FIRST EXERCISE DATE[4]	EXPIRY DATE	NUMBER OF RIGHTS VESTED	VALUE OF RIGHTS VESTED[5] $	NUMBER OF RIGHTS EXERCISED	VALUE OF RIGHTS EXERCISED[5] $	NUMBER OF RIGHTS LAPSED[6]	VALUE OF RIGHTS LAPSED[7] $	% OF RIGHTS LAPSED
EXECUTIVE DIRECTOR														
Andrew Wood	LTI	23 Oct 12	53,084	15.76	836,604	30 Sep 16	18 Oct 19	-	-	-	-	-	-	0.0%
		17 Oct 11	23,702	17.69	419,288	30 Sep 14	17 Oct 18	-	-	-	-	-	-	0.0%
		15 Oct 10	25,387	16.93	429,802	30 Sep 13	15 Oct 17	-	-	-	-	-	-	0.0%
		09 Oct 09	18,650	19.27	359,386	30 Sep 12	30 Sep 16	7,833	200,916	7,833	200,916	10,817	277,448	58.0%
		03 Oct 08	15,288	19.11	292,154	30 Sep 12	30 Sep 15	8,255	211,741	8,255	211,741	7,033	184,921	46.0%
	Deferred Equity STI	01 Oct 12	2,947	27.70	81,632	30 Jun 13	30 Jun 19	2,947	57,741	-	-	-	-	0.0%
		01 Oct 12	2,947	27.70	81,632	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
GROUP EXECUTIVES														
Barry Bloch	LTI	08 Feb 13	5,534	15.39	85,168	30 Sep 16	18 Oct 19	-	-	-	-	-	-	0.0%
		08 Feb 13	5,535	15.13	83,745	30 Sep 15	18 Oct 19	-	-	-	-	-	-	0.0%
		17 Oct 11	10,231	17.69	180,986	30 Sep 14	17 Oct 18	-	-	-	-	-	-	0.0%
	Deferred Equity STI	01 Oct 12	2,030	27.70	56,231	30 Jun 13	30 Jun 19	2,030	39,774	2,030	39,774	-	-	0.0%
		01 Oct 12	2,029	27.70	56,203	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
Stuart Bradie	LTI	08 Feb 13	16,536	15.39	254,489	30 Sep 16	18 Oct 19	-	-	-	-	-	-	0.0%
		08 Feb 13	16,536	15.13	250,190	30 Sep 15	18 Oct 19	-	-	-	-	-	-	0.0%
		17 Oct 11	21,495	17.69	380,247	30 Sep 14	17 Oct 18	-	-	-	-	-	-	0.0%
		15 Oct 10	28,374	16.93	480,372	30 Sep 13	15 Oct 17	-	-	-	-	-	-	0.0%
		09 Oct 09	19,361	19.27	373,086	30 Sep 12	30 Sep 16	8,131	208,560	8,131	208,560	11,230	288,041	58.0%
		03 Oct 08	15,692	19.11	299,874	30 Sep 12	30 Sep 15	8,474	217,358	8,474	217,358	7,218	189,785	46.0%
	Deferred Equity STI	01 Oct 12	2,557	27.70	70,829	30 Jun 13	30 Jun 19	2,557	50,100	-	-	-	-	0.0%
		01 Oct 12	2,556	27.70	70,801	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
Simon Holt[8]	LTI	08 Feb 13	4,337	17.25	74,813	30 Sep 15	18 Oct 19	-	-	-	-	-	-	0.0%
		17 Oct 11	2,842	17.69	50,275	30 Sep 14	17 Oct 18	-	-	-	-	-	-	0.0%
		15 Oct 10	3,268	16.93	55,327	30 Sep 13	15 Oct 17	-	-	-	-	-	-	0.0%
	Deferred Equity STI	01 Oct 12	1,436	27.70	39,777	30 Jun 13	30 Jun 19	1,436	28,136	1,436	28,136	-	-	0.0%
		01 Oct 12	1,435	27.70	39,750	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
Randy Karren[8]	LTI	08 Feb 13	4,566	15.39	70,271	30 Sep 16	18 Oct 19	-	-	-	-	-	-	0.0%
		08 Feb 13	4,565	15.13	69,068	30 Sep 15	18 Oct 19	-	-	-	-	-	-	0.0%
		17 Oct 11	6,079	17.69	107,538	30 Sep 14	17 Oct 18	-	-	-	-	-	-	0.0%
		15 Oct 10	8,717	16.93	147,579	30 Sep 13	15 Oct 17	-	-	-	-	-	-	0.0%
	Deferred Equity STI	01 Oct 12	2,261	27.70	62,630	30 Jun 13	30 Jun 19	2,261	44,300	-	-	-	-	0.0%
		01 Oct 12	2,261	27.70	62,630	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
	Employee Share Plan	15 May 13	40	24.05	962	15 May 16	15 May 16	-	-	-	-	-	-	0.0%
Iain Ross	LTI	08 Feb 13	14,398	15.39	221,585	30 Sep 16	18 Oct 19	-	-	-	-	-	-	0.0%
		08 Feb 13	14,399	15.13	217,857	30 Sep 15	18 Oct 19	-	-	-	-	-	-	0.0%
		17 Oct 11	19,922	17.69	352,420	30 Sep 14	17 Oct 18	-	-	-	-	-	-	0.0%
		15 Oct 10	26,324	16.93	445,665	30 Sep 13	15 Oct 17	-	-	-	-	-	-	0.0%
		09 Oct 09	19,316	19.27	372,219	30 Sep 12	30 Sep 16	8,113	208,098	8,113	208,098	11,203	287,348	58.0%
		03 Oct 08	15,834	19.11	302,588	30 Sep 12	30 Sep 15	8,550	219,308	8,550	219,308	7,284	191,520	46.0%
	Deferred Equity STI	01 Oct 12	1,952	27.70	54,070	30 Jun 13	30 Jun 19	1,952	38,246	-	-	-	-	0.0%
		01 Oct 12	1,951	27.70	54,043	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
David Steele	LTI	08 Feb 13	13,174	15.39	202,748	30 Sep 16	18 Oct 19	-	-	-	-	-	-	0.0%
		08 Feb 13	13,173	15.13	199,307	30 Sep 15	18 Oct 19	-	-	-	-	-	-	0.0%
		17 Oct 11	21,315	17.69	377,062	30 Sep 14	17 Oct 18	-	-	-	-	-	-	0.0%
		15 Oct 10	16,049	16.93	271,710	30 Sep 13	15 Oct 17	-	-	-	-	-	-	0.0%
		09 Oct 09	10,746	19.27	207,075	30 Sep 12	30 Sep 16	4,513	115,758	4,513	115,758	6,233	159,872	58.0%
		03 Oct 08	8,809	19.11	168,340	30 Sep 12	30 Sep 15	4,757	122,017	4,757	122,017	4,052	106,540	46.0%
	Deferred Equity STI	01 Oct 12	2,615	27.70	72,436	30 Jun 13	30 Jun 19	2,615	51,236	2,615	51,236	-	-	0.0%
		01 Oct 12	2,615	27.70	72,436	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
NON-EXECUTIVE DIRECTORS – earned while an Executive														
John Grill[9]	LTI	17 Oct 11	67,639	17.69	1,196,534	30 Sep 14	17 Oct 18	-	-	-	-	37,954	-	56.1%
		15 Oct 10	69,450	16.93	1,175,789	30 Sep 13	15 Oct 17	-	-	-	-	15,842	-	22.8%
		09 Oct 09	45,293	19.27	872,796	30 Sep 12	30 Sep 16	19,023	487,940	19,023	487,940	26,270	673,806	58.0%
		03 Oct 08	43,317	19.11	827,788	30 Sep 12	30 Sep 15	23,391	599,979	23,391	599,979	19,926	523,921	46.0%
	Deferred Equity STI	01 Oct 12	12,178	27.70	337,331	30 Jun 13	30 Jun 19	12,178	238,605	12,178	238,605	-	-	0.0%
		01 Oct 12	12,178	27.70	337,331	30 Jun 14	30 Jun 19	-	-	-	-	-	-	0.0%
Larry Benke[9]	LTI	09 Oct 09	11,214	19.27	216,094	30 Sep 12	30 Sep 16	1,570	40,271	1,570	40,271	9,644	247,361	86.0%
		03 Oct 08	10,183	19.11	194,597	30 Sep 12	30 Sep 15	3,666	94,033	3,666	94,033	6,517	169,167	64.0%
Total vested			**261,679**		**5,260,933**			**134,252**	**3,274,117**	**124,535**	**3,083,730**			
Total outstanding			**544,643**		**9,412,227**			-	-	-	-			
Total			**806,322**		**14,673,160**			**134,252**	**3,274,117**	**124,535**	**3,083,730**	**181,223**	**3,299,730**	

1 The service and performance criteria for the rights are discussed in the "LTI Plan" section on page 51. Each right entitles the holder to one fully paid ordinary share in the Company at a nil exercise price (i.e. a zero exercise price option).

2 Fair value per right at grant date is independently determined using an appropriate option pricing model in accordance with AASB 2 Share-based Payment that takes into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. This amount represents the actual cost to the Company. A Monte Carlo simulation is used for the relative TSR portion and a Black-Scholes model is used for the EPS portion.

3 Total fair value at grant is calculated by multiplying the fair value per right by the number of rights granted. This does not represent the actual value the Executive will derive from the grant, which will depend on the achievement of performance hurdles measured over the vesting period. The maximum value of the rights granted has been estimated based on the fair value per right. The minimum total value of the rights granted, if the applicable performance hurdles are not met, is nil.

4 This is the date at which rights first become exercisable subject to meeting performance hurdles. Once vested, rights are exercisable up until the expiry date. Rights granted on 3 October 2008 were retained for retesting over a four year period (to 30 September 2012).

5 This amount is based on the volume weighted average price of the Company's shares for the 10 trading days following the annual results announcement for the year in which the rights vest (as there is no exercise price payable in respect of equity or cash settled rights).

6 The number of rights lapsed represents rights lapsed due to performance hurdles not being met and/or rights lapsed on cessation of employment.

7 Based on the measurement of the relevant performance hurdles, this total value may be an accumulation of values for rights lapsed over multiple periods.

8 Rights issued to Mr Holt and Mr Karren are disclosed to the extent they were outstanding or granted following the commencement of their occupation in the capacity of an Executive, which commenced on 23 October 2012.

9 Mr Grill and Mr Benke received rights as part of their employment with the Company prior to their retirement on 23 October 2012 and 30 June 2010 respectively. Board approval was received for retention of a pro-rated number of rights under the original terms of the grant including performance measures and vesting dates. This is consistent with the Company's practice in relation to unvested LTI held by retiring employees. Full details are disclosed on page 52. Rights lapsed on Mr Grill's and Mr Benke's retirement have been valued based on the volume weighted average price of the Company's shares for the 10 trading days up to and including their retirement dates.

EMPLOYMENT ARRANGEMENTS

The key aspects of Executive contracts are outlined below:

	CONTRACT DURATION	NON-COMPETE CLAUSES	NOTICE PERIODS
EXECUTIVE DIRECTOR			
Andrew Wood	Unlimited	12 months	12 months
GROUP EXECUTIVES			
Barry Bloch	Unlimited	12 months	6 months
Stuart Bradie	Unlimited	12 months	6 months
Simon Holt	Unlimited	12 months	6 months
Randy Karren	Unlimited	12 months	6 months
Iain Ross	Unlimited	12 months	6 months
David Steele	Unlimited	12 months	6 months

The contracts include the components of remuneration which are to be paid to Executives, and provide for annual review, but do not prescribe how remuneration levels are to be modified from year to year.

In the event of termination, all Executives are generally entitled to receive their statutory leave entitlements and superannuation benefits. In relation to incentive plans upon termination, where an Executive resigns, the Combined Incentive is paid only if the Executive is employed on the date of payment which is subsequent to the performance year. The Board retains discretion to pro-rate deferred equity payments in special circumstances such as retirement.

In accordance with the plan rules, the Board retains discretion on the treatment of both vested and unvested LTI in all instances of separation as outlined in the LTI Plan discussion on page 51. In exercising such discretion in the Combined Incentive and LTI Plans, where the Board allows retention of awards, this is typically on a pro-rata basis and subject to the original performance requirements and timing.

The Company did not pay sign-on payments to any Executives during FY2013.

At the October 2010 Annual General Meeting (AGM), the Board sought and received approval from shareholders, where discretion was applied for the retention of LTI following cessation of employment for the value of LTI to be disregarded when calculating the relevant participant's cap for the purposes of section 200F(2)(b) or section 200G(1)(c) of the Act.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

NON-EXECUTIVE DIRECTORS

This section outlines the remuneration arrangements in place for the Company's NEDs. All directors held office for the whole of FY2013, except where otherwise stated. The NEDs for FY2013 are listed below:

NAME	POSITION	COUNTRY OF RESIDENCE
John Grill[1]	Chairman	Australia
Ron McNeilly[2]	Deputy Chairman and Lead Independent Director	Australia
Larry Benke	Director	Canada
Erich Fraunschiel	Director	Australia
John M Green	Director	Australia
Christopher Haynes, OBE	Director	United Kingdom
Catherine Livingstone, AO	Director	Australia
JB McNeil	Director	United States
Wang Xiao Bin	Director	Hong Kong

1 Mr Grill commenced as a NED and Chairman on 1 March 2013.
2 Mr McNeilly was Chairman until 1 March 2013, when he commenced as Deputy Chairman and Lead Independent Director.

REMUNERATION POLICY

The principles of fairness and shareholder alignment are reflected through the Company's commitment to setting NED fees at a level which remains market competitive, whilst ensuring they reflect the caliber of directors required to address the significant strategic and operational challenges faced by the Company, domestically and abroad.

NED fees have been reviewed on both an Australian and global basis and will not increase in FY2014.

The aggregate amount of fees (which include Board and Committee fees) that may be paid to NEDs in any year is capped at the level approved by shareholders. The current maximum aggregate amount of $3.25 million per annum was approved by shareholders at the 2012 AGM. Of the aggregate annual fee pool, 72% ($2.355 million) was utilized during FY2013 (76% ($1.974 million) for FY2012 for the then $2.6 million limit). NEDs do not receive performance related payments.

REMUNERATION STRUCTURE

Board and Committee fees

Board and Committee fees for FY2013 and FY2014 are set out below. These amounts are inclusive of superannuation contributions made on behalf of NEDs in accordance with the Company's statutory obligations.

ROLE	FY2013 AND FY2014 FEES
Chairman[1]	$520,000
Deputy Chairman and Lead Independent Director[1]	$312,000
Other non-executive director	$194,000
Chairman of Audit and Risk Committee	$47,000
Member of Audit and Risk Committee	$26,000
Chairman of Remuneration Committee	$37,000
Member of Remuneration Committee	$21,000
Chairman of Health, Safety and Environment Committee	$30,000
Member of Health, Safety and Environment Committee	$12,000
Chairman/Member of Nominations Committee	nil

1 The Chairman of the Board and Deputy Chairman and Lead Independent Director do not receive additional fees for Committees of which they may be a member.

Other benefits

NEDs are eligible to receive travel allowances of $5,000 for attendance at overseas meetings. NEDs are also entitled to be reimbursed for all business related expenses, including travel, incurred in the discharge of their obligations.

Superannuation contributions are made on behalf of the NEDs in accordance with the Company's statutory superannuation obligations. The Company does not pay retirement benefits to NEDs in addition to its statutory obligations.

From time to time, the Board may determine special fees for additional duties undertaken by directors.

NED minimum shareholding requirement

A minimum shareholding requirement exists to provide alignment between director and shareholder interests. Each NED must build a holding of the Company's ordinary shares equivalent to that director's annual fee. NEDs are expected to comply with this requirement within their first full term of three years as a director.

All NEDs complied with the minimum shareholding requirement as at 30 June 2013 with the exception of Christopher Haynes, OBE, who commenced during FY2012 and has a further eighteen months to comply.

Particulars of directors' beneficial interests in shares of the Company as at 30 June 2013 are set out in note 33 to the financial statements.

REMUNERATION OUTCOMES

Remuneration of the NEDs for FY2013 and FY2012 is set out below:

	SHORT TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	
	FEES $	ALLOWANCES $	SUPERANNUATION[1] $	TOTAL $
John Grill[2]				
FY2013	167,840	5,000	5,490	178,330
Ron McNeilly				
FY2013	434,188	10,000	16,470	460,658
FY2012	465,252	10,000	29,738	504,990
Larry Benke				
FY2013	204,125	25,000	-	229,125
FY2012	184,996	30,000	-	214,996
Erich Fraunschiel				
FY2013	224,526	10,000	16,470	250,996
FY2012	214,221	10,000	15,775	239,996
John M Green				
FY2013	214,526	10,000	16,470	240,996
FY2012	194,221	10,000	25,775	229,996
Eric Gwee[3]				
FY2012	65,026	5,000	-	70,026
Christopher Haynes, OBE[4]				
FY2013	219,318	30,000	-	249,318
FY2012	92,498	15,000	-	107,498
Catherine Livingstone, AO				
FY2013	203,526	10,000	16,470	229,996
FY2012	194,221	5,000	15,775	214,996
JB McNeil				
FY2013	240,995	25,000	-	265,995
FY2012	223,652	30,000	-	253,652
Wang Xiao Bin[5]				
FY2013	203,526	30,000	16,470	249,996
FY2012	113,296	15,000	9,202	137,498
Total remuneration				
FY2013	**2,112,570**	**155,000**	**87,840**	**2,355,410**
FY2012	**1,747,383**	**130,000**	**96,265**	**1,973,648**

1 Superannuation contributions are made on behalf of the NEDs in accordance with the Company's statutory superannuation obligations. The superannuation figures also include additional (i.e. non-statutory) salary sacrificed contributions to superannuation and pension plans, as nominated by NEDs.
2 Mr Grill commenced as a NED and Chairman on 1 March 2013.
3 Mr Gwee retired as a director on 25 October 2011.
4 Dr Haynes commenced as a director on 1 January 2012.
5 Ms Wang commenced as a director on 1 December 2011.

This Directors' Report is made in accordance with a resolution of the directors.

JOHN GRILL
Chairman

Sydney, 14 August 2013

STATEMENT OF FINANCIAL PERFORMANCE For the financial year ended 30 June 2013

	NOTES	CONSOLIDATED 2013 $'M	2012 $'M
REVENUE AND OTHER INCOME			
Professional services revenue		6,025.2	5,858.3
Procurement revenue		1,938.5	912.5
Construction and fabrication revenue		847.7	618.7
Interest income		6.0	7.0
Other	5	14.1	11.9
Revenue and other income		**8,831.5**	**7,408.4**
EXPENSES			
Staff costs		(4,326.4)	(4,114.2)
Procurement costs		(1,931.0)	(894.6)
Contract-related reimbursable costs		(1,288.6)	(1,137.7)
Office and administration costs		(579.3)	(492.0)
Depreciation	9	(21.0)	(19.1)
Amortization		(81.3)	(83.9)
Borrowing costs		(59.4)	(51.1)
Other		(94.3)	(149.6)
Total expenses		**(8,381.3)**	**(6,942.2)**
Share of net profits of associates accounted for using the equity method	24(C)	23.4	27.6
Profit before income tax expense		**473.6**	**493.8**
Income tax expense	6(A)	(129.4)	(117.3)
Profit after income tax expense		**344.2**	**376.5**
Profit after income tax expense attributable to:			
Members of WorleyParsons Limited		**322.1**	**353.2**
Non-controlling interests		**22.1**	**23.3**
Basic earnings per share (cents)	21	130.8	143.7
Diluted earnings per share (cents)	21	129.9	142.5

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

STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 30 June 2013

	CONSOLIDATED	
	2013 $'M	2012 $'M
Profit after income tax expense	**344.2**	**376.5**
Items that may be reclassified in future periods to the Statement of Financial Performance:		
Net movement in foreign currency translation reserve	82.9	(34.6)
Net movement in hedge reserve	18.8	1.2
Total comprehensive income, net of tax	**445.9**	**343.1**
Total comprehensive income, net of tax, attributable to:		
Members of WorleyParsons Limited	**418.4**	**319.9**
Non-controlling interests	**27.5**	**23.2**

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

STATEMENT OF FINANCIAL POSITION As at 30 June 2013

	NOTES	CONSOLIDATED 2013 $'M	2012 $'M
ASSETS			
Current assets			
Cash and cash equivalents	7	320.0	247.3
Trade receivables	8	1,915.7	1,725.9
Other receivables	8	176.1	184.8
Income tax receivable		2.5	-
Prepayments		105.3	89.5
Derivatives	35	1.1	0.6
Finance lease receivable	27	1.6	1.5
Total current assets		**2,522.3**	**2,249.6**
Non-current assets			
Property, plant and equipment	9	139.6	135.7
Intangible assets	10	2,050.4	1,704.8
Equity accounted associates	24(B)	131.4	104.1
Derivatives	35	30.8	16.0
Finance lease receivable	27	27.1	28.5
Deferred tax assets	11	160.5	132.6
Other non-current assets		22.3	20.0
Total non-current assets		**2,562.1**	**2,141.7**
TOTAL ASSETS		**5,084.4**	**4,391.3**
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,175.6	976.4
Interest bearing loans and borrowings	13	156.0	3.0
Income tax payable		-	15.7
Provisions	14	468.1	499.6
Derivatives	36	4.0	4.0
Total current liabilities		**1,803.7**	**1,498.7**
Non-current liabilities			
Interest bearing loans and borrowings	15	902.7	733.8
Deferred tax liabilities	16	141.6	112.6
Provisions	17	43.2	66.3
Derivatives	36	0.3	0.0
Total non-current liabilities		**1,087.8**	**912.7**
TOTAL LIABILITIES		**2,891.5**	**2,411.4**
NET ASSETS		**2,192.9**	**1,979.9**
EQUITY			
Issued capital	18	1,238.5	1,221.3
Reserves	19	(177.8)	(267.7)
Retained profits	20	1,098.2	1,003.8
Parent Entity interest		2,158.9	1,957.4
Non-controlling interests		34.0	22.5
TOTAL EQUITY		**2,192.9**	**1,979.9**

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

STATEMENT OF CHANGES IN EQUITY For the financial year ended 30 June 2013

	CONSOLIDATED								
	ISSUED CAPITAL $'M	RETAINED PROFITS $'M	FOREIGN CURRENCY TRANSLATION RESERVE $'M	HEDGE RESERVE $'M	PERFORMANCE RIGHTS RESERVE $'M	ACQUISITION RESERVE $'M	PARENT ENTITY INTEREST $'M	NON-CONTROLLING INTERESTS $'M	TOTAL $'M
As at 1 July 2012	**1,221.3**	**1,003.8**	**(295.5)**	**(1.9)**	**39.3**	**(9.6)**	**1,957.4**	**22.5**	**1,979.9**
Profit after income tax expense	–	322.1	–	–	–	–	322.1	22.1	344.2
Other comprehensive income	–	–	77.5	18.8	–	–	96.3	5.4	101.7
Total comprehensive income, net of tax	**–**	**322.1**	**77.5**	**18.8**	**–**	**–**	**418.4**	**27.5**	**445.9**
Transactions with owners									
Performance rights transactions	17.2	–	–	–	(6.4)	–	10.8	–	10.8
Non-controlling interests	–	–	–	–	–	–	–	1.2	1.2
Dividends paid	–	(227.7)	–	–	–	–	(227.7)	(17.2)	(244.9)
As at 30 June 2013	**1,238.5**	**1,098.2**	**(218.0)**	**16.9**	**32.9**	**(9.6)**	**2,158.9**	**34.0**	**2,192.9**
As at 1 July 2011	**1,219.6**	**871.7**	**(261.0)**	**(3.1)**	**23.9**	**(9.6)**	**1,841.5**	**15.3**	**1,856.8**
Profit after income tax expense	–	353.2	–	–	–	–	353.2	23.3	376.5
Other comprehensive (loss)/income	–	–	(34.5)	1.2	–	–	(33.3)	(0.1)	(33.4)
Total comprehensive income, net of tax	**–**	**353.2**	**(34.5)**	**1.2**	**–**	**–**	**319.9**	**23.2**	**343.1**
Transactions with owners									
Transfer of performance rights on purchase and issuance of shares	1.7	–	–	–	15.4	–	17.1	–	17.1
Non-controlling interests on acquisition of subsidiaries	–	–	–	–	–	–	–	3.2	3.2
Dividends paid	–	(221.1)	–	–	–	–	(221.1)	(19.2)	(240.3)
As at 30 June 2012	**1,221.3**	**1,003.8**	**(295.5)**	**(1.9)**	**39.3**	**(9.6)**	**1,957.4**	**22.5**	**1,979.9**

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

STATEMENT OF CASH FLOWS For the financial year ended 30 June 2013

	NOTES	CONSOLIDATED 2013 $'M	2012 $'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and services tax)		8,467.2	6,853.6
Payments to suppliers and employees (inclusive of goods and services tax)		(7,846.0)	(6,286.7)
		621.2	566.9
Dividends received from associates		13.8	23.0
Interest received		6.0	7.0
Borrowing costs paid		(47.6)	(45.3)
Income taxes paid		(149.9)	(114.1)
Net cash inflow from operating activities	26	**443.5**	**437.5**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of equity accounted investment		(8.7)	(21.5)
Payments for acquisition of controlled entities	23(D)	(282.5)	(28.9)
Cash balances in controlled entities acquired, net of bank overdraft	23(D)	22.4	2.7
Payments for purchase of property, plant and equipment and computer software		(78.2)	(59.0)
Proceeds from sale of property, plant and equipment		0.3	0.4
Net cash outflow from investing activities		**(346.7)**	**(106.3)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(1,758.0)	(2,252.9)
Proceeds from borrowings		1,963.0	2,267.9
Costs of bank facilities and net payments for finance leases		(10.7)	(6.4)
Net loans from/(to) related parties		10.9	(20.7)
Dividends paid to the Company's shareholders	22(B)	(227.7)	(221.1)
Dividends paid to non-controlling interests		(16.9)	(18.4)
Net cash outflow from financing activities		**(39.4)**	**(251.6)**
Net increase in cash		**57.4**	**79.6**
Cash and cash equivalents at the beginning of the financial year		247.3	166.1
Effects of exchange rate changes on cash		15.3	1.6
Cash and cash equivalents at the end of the financial year	7	**320.0**	**247.3**

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

1. CORPORATE INFORMATION

The financial report of WorleyParsons Limited (Company or Parent Entity) for the financial year ended 30 June 2013 was authorized for issue in accordance with a resolution of the directors on 14 August 2013.

WorleyParsons Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: WOR). WorleyParsons Limited is a for-profit entity for the purpose of preparing the financial statements.

The nature of the operations and principal activities of the Company is described in note 34.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF ACCOUNTING

(i) Basis of preparation

This general purpose financial report has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The Group is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts have been rounded off to the nearest hundred thousand dollars in accordance with that Class Order. Amounts shown as 0.0 represent amounts less than $50,000 which have been rounded down.

(ii) Statement of compliance

The consolidated financial report complies with International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board.

(iii) Historical cost convention

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(iv) Critical accounting estimates

In the application of AAS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made:

- revenue recognition, refer note 2(G);
- goodwill and intangible assets with identifiable useful lives, refer notes 2(L) and 10;
- warranty and other provisions, refer notes 2(O), 14 and 17;
- share based payments, refer note 2(C); and
- recovery of deferred taxes, refer notes 2(D) and 6(D).

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

(v) Adoption of new and amended accounting standards

The Group has adopted the following new and amended accounting standards from 1 July 2012:

- AASB 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements;
- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets; and
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income.

Adoption of these standards did not have any material effect on the statement of financial performance, statement of comprehensive income and statement of financial position of the Group.

(vi) New and amended standards not yet applicable

The following new and amended accounting standards have been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2013:

Effective 1 July 2013:

AASB 10 Consolidated Financial Statements

AASB 10 establishes a new control model that applies to all entities and is applicable to accounting periods beginning on or after 1 January 2013 and will be effective for the Group from 1 July 2013. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG 112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. The Group has made its assessment of its relationships with other entities to determine if control may exist under the new definitions. No material situations have been identified to date.

AASB 11 Joint Arrangements

AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. AASB 11 uses the principle of control in AASB 10 Consolidated Financial Statements to define joint control, and therefore the determination of whether joint control exists may change. In addition, AASB 11 removes the option to account for jointly controlled entities using proportionate consolidation. This standard is applicable to accounting periods beginning on or after 1 January 2013 and will be effective for the Group from 1 July 2013 and may result in a change in the accounting for the joint arrangements held by the Group. Management has assessed the impact of the change to the accounting standards. No material impact is expected to result in the statement of financial performance and statement of financial position; and no material impact is expected on total earnings or on net assets.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 is applicable to accounting periods beginning on or after 1 January 2013 and includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. There will be no impact on any of the amounts recognized in the Group's financial statements.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. This standard does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. AASB 13 is applicable to accounting periods beginning on or after 1 January 2013; however, adoption of this standard is not expected to have any impact on the Group's financial statements.

AASB 119 Employee Benefits

The amended standard changes the definition of short term employee benefits. The distinction between short term and long term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. This standard is applicable to accounting periods beginning on or after 1 January 2013 and will be effective for the Group from 1 July 2013. It will result in a change in the Group's classification of provision for employee benefits.

AASB 1053 Application of Tiers of Australian Accounting Standards

This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. AASB 1053 is applicable to accounting periods beginning on or after 1 July 2013; however, adoption of this standard is not expected to have any impact on the Group's financial statements.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by WorleyParsons Limited as at 30 June 2013 and the results of all controlled entities for the financial year then ended. WorleyParsons Limited and its controlled entities together are referred to in this financial report as the consolidated entity or the Group. Investments in associates and joint ventures are equity accounted and are not part of the consolidated group (refer note 2(B)(iii) below).

The impact of all transactions between entities in the consolidated entity are eliminated in full. Non-controlling interests in the results and equity of controlled entities are shown separately in the statement of financial performance, statement of comprehensive income and statement of financial position.

(i) Controlled entities

Where control of an entity is obtained during a financial year, its results are included in the statement of financial performance and the statement of comprehensive income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(ii) Jointly controlled operations and assets

The proportionate interests in the assets, liabilities and expenses of jointly controlled operations and jointly controlled assets have been incorporated in the financial statements under the appropriate headings. Details of the jointly controlled operations and assets have been set out in note 25.

(iii) Equity accounted investments

(a) Joint ventures

The interest in joint ventures is carried at the lower of the equity accounted amount and the recoverable amount in the consolidated financial statements. The share of profits or losses of the entities is recognized in the statement of financial performance and the statement of comprehensive income, and the share of movements in reserves is recognized in the statement of financial position.

Profits or losses on transactions establishing joint ventures and transactions with the joint ventures are eliminated to the extent of the consolidated entity's ownership interest until such time as they are realized by the joint ventures on consumption or sale.

Details of the joint ventures have been set out in note 24.

(b) Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under this method, the consolidated entity's share of the post-acquisition profits or losses after tax of associates is recognized in the statement of financial performance and the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognized in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment.

Associates are those entities over which the consolidated entity exercises significant influence, but not control. Details of the associates are set out in note 24.

(iv) Non-controlling interests

Non-controlling interests not held by the Company are allocated their share of net profit after tax in the statement of financial performance and of total comprehensive income net of tax in the statement of comprehensive income, and are presented within equity in the statement of financial position, separately from Parent Entity interest.

(C) EMPLOYEE BENEFITS

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefits or liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by the employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, is used.

Employee benefits expenses arising in respect of wages and salaries, non-monetary benefits, leave entitlements and other types of entitlements are charged against profits on a net basis in their respective categories.

(i) Equity based compensation scheme – performance rights

Performance rights (rights) over the ordinary shares of WorleyParsons Limited are granted to executive directors and other executives of the consolidated entity for nil consideration in accordance with performance guidelines approved by the Board. The fair values of the rights are amortized on a straight line basis over their performance period. For share settled rights, the fair value of the rights is the share price at grant date adjusted for the impact of performance hurdles and other vesting or exercise criteria attached to the right. For cash settled rights, the fair value of the rights is recalculated at the end of each reporting period and amortized on a straight line basis over their vesting period. The accounting estimates and assumptions relating to rights would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Fair value per right at grant date is independently determined using an appropriate option pricing model in accordance with AASB 2 Share-based Payment that takes into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. This amount represents the actual cost to the Company.

A Monte Carlo simulation is applied to fair value the TSR element. In accordance with the rules of the performance rights plan, the model simulates the Company's TSR and compares it against the peer group over the three-year period of each grant. The model takes into account the historic dividends, share price volatilities and co-variances of the Company and each comparator company to produce a predicted distribution of relative share performance. This is applied to the grant to give an expected value of the TSR element. For the EPS and "continuing employment condition" the Black-Scholes model is utilized. Total fair value at grant is calculated by multiplying the fair value per right by the number of rights granted. This does not represent the actual value the executive will derive from the grant, which will depend on the achievement of performance hurdles measured over the vesting period. The maximum value of the rights granted has been estimated based on the fair value per right. The minimum total value of the rights granted, if the applicable performance hurdles are not met, is nil.

(ii) Deferred short term incentive plan

Deferred short term incentives are granted to executive directors and other executives of the consolidated entity in accordance with guidelines approved by the Board. These incentives are delivered in the form of a grant of rights under the Performance Rights Plan, except where the value of the incentive is less than the established threshold.

The rights awarded under the plan are deferred and will vest in two equal tranches. The Group accounts for these deferred awards as equity settled share based payments. Incentives granted which are less than the established threshold are accounted for as an employee benefit in accordance with the Group accounting policies.

(iii) Employee share plan

Employees in eligible countries are invited to participate in an employee share plan. Shares purchased under the employee share plan are subject to dealing restrictions until the restriction end date. The Group will grant one bonus entitlement to a share for every five shares purchased through employee share plan which vests on the restriction end date at which point it will convert to an ordinary share. The Group accounts for the bonus entitlements as equity settled share based payments.

(D) TAXES

(i) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses as well as any adjustments required between prior periods' current tax expense and income tax returns and any relevant withholding taxes.

Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognized in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax amounts relating to items recognized directly in equity are also recognized in equity and not in the statement of financial performance.

(ii) Tax consolidation

WorleyParsons Limited and its wholly owned Australian entities elected to form a tax consolidated group from 1 July 2003. On formation of the tax consolidated group, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, WorleyParsons Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate WorleyParsons Limited for any current tax liability assumed and are compensated by WorleyParsons Limited for any current tax loss, deferred tax assets and tax credits that are transferred to WorleyParsons Limited under the tax consolidation legislation. The tax consolidated current tax liability or current year tax loss and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with UIG 1052 Tax Consolidation Accounting. The Group uses an allocation method for this purpose where the allocated current tax payable, current tax loss, deferred tax assets and other tax credits for each member of the tax consolidated group are determined as if the Group is a stand-alone taxpayer but modified as necessary to recognize membership of a tax consolidated group. The funding amounts are determined by reference to the amounts recognized in the wholly owned entities' financial statements which are determined having regard to membership of the tax consolidated group. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. The funding amounts are recognized as current inter-company receivables or payables.

(iii) Goods and services tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as an operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(E) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is the Group's presentation currency.

(ii) Translation of foreign currency transactions

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables at balance date are translated at exchange rates at balance date. Exchange gains and losses are brought to account in determining the profit and loss for the financial year.

(iii) Specific hedges

Hedging is undertaken to avoid or minimize potential adverse financial effects of movements in foreign currency exchange rates. Gains or losses arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent exchange gains or losses resulting from those transactions, are deferred up to the date of the purchase or sale and included in the measurement of the purchase or sale. Note 3 provides specific details on the calculation of these gains or losses.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized directly in equity in the foreign currency translation reserve.

At each balance date, the Group measures the effectiveness of its cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while the ineffective portion is recognized in the profit and loss.

(F) ACQUISITION OF ASSETS AND BUSINESS COMBINATIONS

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken or assumed at the date of acquisition. Transaction costs directly attributable to the acquisition are expensed as incurred. Where equity instruments are issued in a business combination, the value of the instruments is their market price as determined by market valuation at the acquisition date. Transaction costs arising on the issue of equity instruments are recognized directly in equity.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognized as a gain in the statement of financial performance, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(G) REVENUE RECOGNITION

Amounts disclosed as revenue are net of trade allowances, duties and taxes paid. Revenue is recognized and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized:

(i) Engineering design, construction and fabrication and project services

Contract revenue and expenses are recognized in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where it is probable that a loss will arise from a contract, the excess of total costs over revenue is recognized as an expense immediately.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognized as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognized to the extent of costs incurred. Incentive payments on contracts are recognized as part of total contract revenue where it is probable that specified performance standards are met or exceeded and the amount of the incentive payment can be reliably measured.

Revenue from cost plus contracts is recognized by reference to the recoverable costs incurred during the reporting period plus the percentage of fees earned.

For fixed price contracts, the stage of completion is measured by reference to costs incurred to date as a percentage of estimated total costs for each contract.

(ii) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(iii) Interest

Interest income is recognized as it accrues using the effective interest rate method.

(iv) Dividends

Revenue is recognized when the Group's right to receive the payment is established.

(H) TRADE AND OTHER RECEIVABLES

All trade and other receivables are recognized at the original amounts less an allowance for any uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect debts. The recoverable amount of trade and other receivables is reviewed on an ongoing basis.

Unbilled contract revenue is stated at the aggregate of contract costs incurred to date plus recognized profits less recognized losses and progress billings. Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the consolidated entity's activities in general.

(I) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the consolidated entity. The expected useful lives for plant and equipment range from three to 10 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The cost of improvements to or on leasehold properties is amortized over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

(J) IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortization and are tested at least twice a year for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units (CGUs)).

(K) LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) The Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as an expense in the statement of financial performance.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and rewards of ownership of the leased item, are recognized as an expense on a straight line basis. Lease incentives are recognized in the statement of financial performance as an integral part of the total lease expense.

(ii) The Group as a lessor

Leases where the Group transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee or a third party are classified as finance leases. A receivable at an amount equal to the present value of the lease payments, including any guaranteed residual value, is recognized.

Income on finance leases is recognized on a basis reflecting a constant periodic return based on the lessor's net investment outstanding in respect of the finance lease.

Leases where the Company retains substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Operating lease rental revenue is recognized on a straight line basis.

(L) INTANGIBLE ASSETS

(i) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity or an associate. Goodwill on acquisition of controlled entities is included in intangible assets and goodwill on acquisition of associates is included in investments in associates. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is not amortized; instead, it is tested at least twice a year for any impairment in the carrying amount or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those groups of units. The groups of CGUs to which goodwill is allocated are the operating segments determined in accordance with AASB 8 Operating Segments, as set out in note 34. These segments represent the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the groups of CGUs to which the goodwill relates. When the recoverable amount of the groups of CGUs is less than the carrying amount, an impairment loss is recognized.

Impairment losses recognized for goodwill are not subsequently reversed.

(ii) Identifiable intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized and expenditure is recognized in the profit and loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortization period or method, as appropriate, which is a change in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the statement of financial performance on a straight line basis over the following periods:

• customer contracts and relationships	3-15 years
• trade names	5-10 years
• computer software	5 years
• favorable property leases	3-10 years
• other	3-10 years.

Intangible assets with indefinite useful lives are tested for impairment annually, either individually or at the CGU level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

(M) TRADE AND OTHER PAYABLES

Liabilities for trade and other payables amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

(N) INTEREST BEARING LOANS AND BORROWINGS

Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of financial performance over the period of the loan using the effective interest rate method.

(O) PROVISIONS

Provisions are recognized when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(i) Deferred revenue

The Group at times receives payment for services prior to revenue being recognized in the financial statements. Revenue is classified as deferred due to the criteria required for its recognition not being met as at the reporting date, in line with the accounting policy set out in note 2(G) above.

(ii) Expected losses on contracts

Where the outcome for a services contract is expected to result in an overall loss over the life of the contract, this loss is provided for when it first becomes known that a loss will be incurred.

(iii) Insurance

Provision for insurance liabilities is recognized in line with actuarial calculations of unsettled insurance claims, net of insurance recoveries. The provision is based on the aggregate amount of individual claims incurred but not reported that are lower in value than the insurance deductible of the consolidated entity. It is based on the estimated cost of settling claims and consideration is given to the ultimate claim size, future inflation as well as the levels of compensation awarded through the courts.

(iv) Warranties

Provision is made for the estimated liability on all products and services still under warranty at balance date. This provision is estimated having regard to prior service warranty experience. In calculating the liability at balance date, amounts were not discounted to their present value as the effect of discounting was not material.

In determining the level of provision required for warranties, the Group has made judgments in respect of the expected performance and the costs of fulfilling the warranty. Historical experience and current knowledge have been used in determining this provision.

(v) Deferred consideration

Deferred consideration acquired in a business combination is initially measured at fair value at the date of acquisition. Subsequently, it is measured in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

(vi) Dividends payable

Provision is made for the amount of any dividends declared, determined or publicly recommended by the directors before or at the end of the financial year but not distributed at balance date.

(vii) Restructurings
Provisions for restructurings are recognized when the consolidated entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

(P) REPAIRS AND MAINTENANCE

Repairs, minor renewals and improvements, and the purchase of minor items of tools and equipment are charged to expense as incurred. Major renewals and improvements are capitalized to the respective asset and depreciated.

(Q) BORROWING COSTS

Borrowing costs are recognized as expenses in the period in which they are incurred, except when they are included in the costs of qualifying assets. Borrowing costs include:

(i) interest on bank overdrafts, and short term and long term borrowings;

(ii) amortization of discounts or premiums relating to borrowings; and

(iii) finance lease charges.

(R) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities on the statement of financial position.

Where cash and cash equivalents held by the Group are subject to external restrictions, the nature of the restrictions and value of cash subject to these restrictions are disclosed in note 7.

(S) ISSUED CAPITAL

Issued and paid up capital is recognized at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognized directly in equity as a reduction of the share proceeds received.

(T) EARNINGS PER SHARE

(i) Basic earnings per share
Basic earnings per share is determined by dividing the profit attributable to members of WorleyParsons Limited by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share is calculated as profit attributable to members of WorleyParsons Limited adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(U) SEGMENT REPORTING

(i) Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the Group Managing Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments identified by management are based on the customer sector groups: Hydrocarbons; Minerals, Metals & Chemicals; Infrastructure & Environment and Power.

Discrete pre-tax financial information about each of these customer sector groups is reported to the chief operating decision makers on a monthly basis.

The Group's operations are organized and managed separately according to the nature of the services they provide, with each segment serving different markets. The Group provides engineering design, project services, and maintenance and reliability support services to a number of markets. The consolidated entity's activities also include infrastructure developments within the Power sector.

(ii) Accounting policies and inter-segment transactions
Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of receivables and plant and equipment. Segment revenues, expenses and results include transactions between segments incurred in the ordinary course of business. These transactions are priced on an arm's length basis and are eliminated on consolidation.

The accounting policies used by the Group in reporting segments internally are the same as those contained in these financial statements and are consistent with those used in the prior period.

The segment result includes the allocation of overhead that can be directly attributed to an individual business segment. The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment:

- global support costs;
- interest and tax for associates;
- amortization of acquired intangible assets;
- net gain on revaluation of investments previously accounted for as equity accounted associates;
- net borrowing costs; and
- income tax expense.

(V) ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying value, and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction. They are not depreciated or amortized. For an asset or disposal group to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

The assets and liabilities are presented separately on the face of the statement of financial position.

(W) DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions used in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment
The fair value of property, plant and equipment recognized as the result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction of proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of plant, equipment, fixtures and fittings is based on quoted market prices for similar items.

(ii) Investments in equity and debt securities

The fair value of held-to-maturity investments, financial assets at fair value through profit and loss, and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

(iii) Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated cash flows based on the terms and maturity of each contract and using market interest rates for similar instruments at the measurement date.

(iv) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

3. FINANCIAL RISK MANAGEMENT

(A) OVERVIEW

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, finance leases, cash and short term deposits and derivatives. The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Quantitative disclosures are included throughout this financial report.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Committee assists the Board in overseeing the integrity of the Group's financial reporting risk management framework and internal controls.

Risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

(B) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The profiles of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. Geographically and on a customer basis, there is no concentration of credit risk.

The Group has a credit policy under which each new customer is analyzed for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references.

The Group has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance comprises only those components that are individually significant.

(ii) Guarantees

Details of outstanding guarantees are provided in note 30(A). The Group 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.

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(D) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group enters into derivatives, and also incurs financial liabilities, in order to manage market risk. Generally, the Group seeks to apply hedge accounting in order to reduce volatility in profit and loss.

(i) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

The Group uses forward exchange contracts and foreign currency options to hedge its currency risk, most with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations for the Group resulting in an economic hedge. Interest is primarily AUD, CAD, GBP and USD.

(ii) Interest rate risk

The Group enters into interest rate swaps to manage interest rate risk. The Group adopts a policy of ensuring that the majority of its exposure to interest rates on borrowings is on a fixed rate basis.

(E) CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-controlling interests. The Board also determines the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

3. FINANCIAL RISK MANAGEMENT (continued)

The Board monitors this through the gearing ratio (net debt/net debt plus total equity), the size of available banking facilities and the assessment of the outlook for the Group operations. The target for the Group's gearing ratio is between 25% and 35%. The gearing ratio at 30 June 2013 and 2012 was as follows:

	CONSOLIDATED	
	2013 $'M	2012 $'M
Total interest bearing loans and borrowings[1]	1,062.2	739.8
Less: cash and cash equivalents	320.0	247.3
Net debt	742.2	492.5
Total equity	2,192.9	1,979.9
Gearing	**25.3%**	**19.9%**

1 Excluding capitalized borrowing costs.

There were no changes in the Group's approach to capital management during the financial year.

Neither the Group nor any of its subsidiaries is subject to externally imposed capital requirements.

4. EXPENSES AND LOSSES/(GAINS)

Profit before income tax expense includes the following specific expenses and losses/(gains):

	CONSOLIDATED	
	2013 $'M	2012 $'M
EXPENSES AND LOSSES		
Operating lease rentals – minimum lease payments	203.7	172.2
Retirement benefits	137.8	129.0
Performance rights expense	10.8	17.1
MOVEMENTS IN PROVISIONS		
Employee benefits	239.5	247.8
Warranties	(1.9)	2.8
Insurance	5.0	0.2
Other	(11.5)	36.9

5. OTHER INCOME

	CONSOLIDATED	
	2013 $'M	2012 $'M
Net gain on revaluation of investments previously accounted for as equity accounted associates	–	7.6
Other	14.1	4.3
Other income	**14.1**	**11.9**

6. INCOME TAX

(A) INCOME TAX EXPENSE

	CONSOLIDATED	
	2013 $'M	2012 $'M
Current tax	135.5	117.7
Deferred tax	4.2	12.5
Overprovision in previous financial periods	(10.3)	(12.9)
Income tax expense	**129.4**	**117.3**
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	(1.1)	4.2
Increase in deferred tax liabilities	5.3	8.3
Deferred tax	**4.2**	**12.5**

(B) RECONCILIATION OF PRIMA FACIE TAX EXPENSE TO INCOME TAX EXPENSE

	2013 $'M	2012 $'M
Profit before income tax expense	473.6	493.8
Prima facie tax expense at the Group's statutory income tax rate of 30% (2012: 30%)	142.1	148.1
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible performance rights	3.2	5.3
Non-taxable gain on acquisitions	–	(2.3)
Share of net profits of associates accounted for using the equity method	(7.0)	(8.2)
Tax losses not previously recognized	(1.9)	(0.4)
Over provision in previous financial periods	(10.3)	(12.9)
Difference in overseas tax rate[1]	(7.1)	(14.3)
Other	10.4	2.0
Income tax expense	**129.4**	**117.3**

1 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 credited to equity:

	2013 $'M	2012 $'M
Deferred tax – credited directly to equity	16.8	2.5

(D) TAX LOSSES

The Group has tax losses for which no deferred tax asset is recognized on the Statement of Financial Position:

	2013 $'M	2012 $'M
Unused tax losses for which no deferred tax asset has been recognized	25.6	28.3
Potential tax benefit at 30%	7.7	8.5

The benefit for tax losses will only be recognized if:

- 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
- the losses are transferred to an eligible entity in the consolidated entity; and
- the consolidated entity continues to comply with conditions for deductibility imposed by tax legislation; and
- no changes in legislation adversely affect the consolidated entity in realizing the benefit from the deductions for the losses.

	NOTES	CONSOLIDATED 2013 $'M	2012 $'M

7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash and cash equivalents		320.0	247.3

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		320.0	247.3
Balance per statement of cash flows		**320.0**	**247.3**

PROCUREMENT AND RESTRICTED CASH AND CASH EQUIVALENTS

Included within cash and cash equivalents is $53.2 million (2012: $51.4 million) which has been identified as for procurement services or restricted, but available for use under certain circumstances by the Group.

Procurement cash is held in relation to procurement activities undertaken by the Group on behalf of its customers (refer note 28). Restricted cash is held in relation to guarantees (refer note 30(A)) and financing activities.

	NOTES	CONSOLIDATED 2013 $'M	2012 $'M

8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

TRADE RECEIVABLES

Trade receivables		939.7	941.5
Unbilled contract revenue		984.5	782.2
Retentions		22.0	27.1
Allowance for doubtful debts		(30.5)	(24.9)
		1,915.7	**1,725.9**
Allowance for doubtful debts			
Balance at the beginning of the financial year		24.9	25.7
Net charge to the statement of financial performance		4.8	4.3
Provision from entities acquired		4.9	-
Amounts written off against the opening provision balance		(2.6)	(3.1)
Differences arising on translation of foreign operations		(1.5)	(2.0)
Balance at the end of the financial year		**30.5**	**24.9**

The Group's exposure to credit, currency and interest rate risk for trade receivables and unbilled contract revenue is disclosed respectively in notes 35, 37 and 38.

OTHER RECEIVABLES

Other receivables		130.7	112.9
Amounts owing by equity accounted associates and related parties	32(B)	45.4	71.9
		176.1	**184.8**

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
At cost	1.7	1.6
Accumulated depreciation	(0.3)	(0.1)
	1.4	**1.5**
Leasehold improvements		
At cost	172.9	144.2
Accumulated amortization	(100.5)	(65.3)
	72.4	**78.9**
Plant and equipment		
At cost	175.1	140.8
Accumulated depreciation	(118.7)	(94.0)
	56.4	**46.8**
Computer equipment		
At cost	79.4	63.2
Accumulated depreciation	(70.0)	(54.7)
	9.4	**8.5**
Total property, plant and equipment	**139.6**	**135.7**

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

	CONSOLIDATED				
	LAND AND BUILDINGS $'M	LEASEHOLD IMPROVEMENTS $'M	PLANT AND EQUIPMENT $'M	COMPUTER EQUIPMENT $'M	TOTAL $'M
Balance at 1 July 2012	1.5	78.9	46.8	8.5	135.7
Additions due to the acquisition of entities	0.0	2.0	8.8	1.3	12.1
Additions	0.1	13.7	15.5	4.4	33.7
Disposals	0.0	(0.5)	(0.6)	(0.3)	(1.4)
Depreciation	0.0	–	(15.9)	(5.1)	(21.0)
Amortization	–	(25.1)	–	–	(25.1)
Differences arising on translation of foreign operations	(0.2)	3.4	1.8	0.6	5.6
Balance at 30 June 2013	**1.4**	**72.4**	**56.4**	**9.4**	**139.6**
Balance at 1 July 2011	1.6	61.0	35.5	10.0	108.1
Additions due to the acquisition of entities	–	0.1	2.3	–	2.4
Additions	0.0	37.7	23.8	4.0	65.5
Disposals	(0.1)	(0.2)	(0.6)	(0.4)	(1.3)
Depreciation	0.0	–	(14.1)	(5.0)	(19.1)
Amortization	–	(20.8)	–	–	(20.8)
Differences arising on translation of foreign operations	0.0	1.1	(0.1)	(0.1)	0.9
Balance at 30 June 2012	**1.5**	**78.9**	**46.8**	**8.5**	**135.7**

	CONSOLIDATED	
	2013 $'M	2012 $'M

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

	2013 $'M	2012 $'M
Goodwill		
At cost	1,874.8	1,570.3
Accumulated impairment	(1.6)	(1.6)
	1,873.2	**1,568.7**
Customer contracts and relationships		
At cost	166.7	127.2
Accumulated amortization	(115.8)	(91.3)
	50.9	**35.9**
Trade names		
At cost	85.1	69.9
Accumulated amortization	(58.2)	(51.9)
	26.9	**18.0**
Computer software		
At cost	233.7	191.1
Accumulated amortization	(148.7)	(109.7)
	85.0	**81.4**
Favorable property leases		
At cost	9.7	9.1
Accumulated amortization	(9.7)	(9.1)
	-	**-**
Other		
At cost	17.3	3.2
Accumulated amortization	(2.9)	(2.4)
	14.4	**0.8**
Total intangible assets	**2,050.4**	**1,704.8**

RECONCILIATIONS

Reconciliations of intangible assets at the beginning and end of the current and previous financial years are set out below:

	CONSOLIDATED						
	GOODWILL $'M	CUSTOMER CONTRACTS AND RELATIONSHIPS $'M	TRADE NAMES $'M	COMPUTER SOFTWARE $'M	FAVORABLE PROPERTY LEASES $'M	OTHER $'M	TOTAL $'M
Balance at 1 July 2012	1,568.7	35.9	18.0	81.4	-	0.8	1,704.8
Additions due to the acquisition of entities	207.7	34.1	13.2	0.4	-	-	255.4
Additions	-	-	-	35.3	-	13.8	49.1
Amortization	-	(19.2)	(4.5)	(32.3)	-	(0.2)	(56.2)
Differences arising on translation of foreign operations	96.8	0.1	0.2	0.2	-	0.0	97.3
Balance at 30 June 2013	**1,873.2**	**50.9**	**26.9**	**85.0**	**-**	**14.4**	**2,050.4**
Balance at 1 July 2011	1,529.2	61.9	25.0	78.2	1.3	1.2	1,696.8
Additions due to the acquisition of entities	37.0	-	-	0.0	-	-	37.0
Additions	-	-	-	34.8	-	-	34.8
Amortization	-	(22.8)	(7.1)	(31.6)	(1.3)	(0.3)	(63.1)
Differences arising on translation of foreign operations	2.5	(3.2)	0.1	-	0.0	(0.1)	(0.7)
Balance at 30 June 2012	**1,568.7**	**35.9**	**18.0**	**81.4**	**-**	**0.8**	**1,704.8**

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS (continued)

Impairment testing

Identifiable intangible assets with finite lives are carried at cost less accumulated amortization and adjusted for any accumulated impairment loss. The assets are assessed at each reporting date as to whether there is any indication that the asset may be impaired. Goodwill is an intangible asset with an indefinite life which is tested at least twice a year for impairment. The recoverable amount test is based on the higher of value in use, and fair value less cost to sell. These calculations use cash flow projections based on financial forecasts of how the business is expected to operate based on current performance and the business environment but taking into account expected future changes.

The groups of CGUs to which goodwill is allocated are the operating segments determined in accordance with AASB 8 Operating Segments.

The goodwill allocated to the groups of CGUs and the key assumptions used for the value in use impairment testing are as follows:

2013	GOODWILL $'M	PRE-TAX DISCOUNT % PA
Hydrocarbons	1,397.3	11.4
Minerals, Metals & Chemicals	156.3	13.4
Infrastructure & Environment	158.4	13.9
Power	161.2	11.2
	1,873.2	

2012	GOODWILL $'M	PRE-TAX DISCOUNT % PA
Hydrocarbons	1,186.7	12.8
Minerals, Metals & Chemicals	74.8	14.5
Infrastructure & Environment	157.1	15.4
Power	150.1	13.0
	1,568.7	

The first five years forecast cash flows are based on management's estimates of the short and long term prospects for the industry and previous experience. The growth rate beyond five years is assumed to be 3% per annum.

The calculation of value in use for the CGUs is most sensitive to the following assumptions:

- growth rates used in years 1 to 5;
- change in discount rates; and
- long term growth rate.

Goodwill is not impaired at reporting date and there are no known probable changes in estimates that would lead to an impairment.

11. NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
The balance comprises temporary differences attributable to:		
Amounts recognized in the statement of financial performance:		
Allowance for doubtful debts	5.1	5.9
Employee benefits provisions	49.2	56.1
Warranty provisions	0.4	0.7
Project provisions	6.6	5.0
Other provisions	31.1	18.2
Fixed assets	6.0	9.8
Sundry accruals	16.3	14.3
Recognized tax losses	11.7	2.2
Unused foreign tax credits	1.6	4.4
Unrealized foreign exchange losses	21.2	4.4
Lease incentives	4.8	5.0
Other	6.5	6.6
Deferred tax assets	**160.5**	**132.6**
Balance at the beginning of the financial year	132.6	123.9
Acquisition of controlled entities	1.4	1.2
Credited/(charged) to the Statement of Financial Performance	1.1	(4.2)
Credited to equity	19.7	6.7
Differences arising on translation of foreign operations	5.7	5.0
Balance at the end of the financial year	**160.5**	**132.6**

12. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	NOTES	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Trade payables		389.2	346.7
Accruals		473.6	372.0
Payables to associates and related parties	32(B)	21.7	10.2
Billings in advance		98.7	73.6
Accrued staff costs		192.4	173.9
		1,175.6	**976.4**

The Group's exposure to currency and interest rate risk for trade and other payables is disclosed in notes 37 and 38.

13. CURRENT LIABILITIES – INTEREST BEARING LOANS AND BORROWINGS

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Notes payable	151.4	-
Secured bank loan	1.5	1.4
Unsecured bank loans	1.7	2.3
Finance lease liability	2.3	0.0
Capitalized borrowing costs	(0.9)	(0.7)
	156.0	**3.0**

NOTES PAYABLE IN US$

Unsecured notes payable were issued in the United States private debt capital market in May 2007, April 2008, March 2011 and September 2012 (refer note 15).

SECURED BANK LOAN

Refer note 15 for terms and conditions.

UNSECURED BANK LOANS

Refer note 15 for terms and conditions.

FINANCE LEASE LIABILITY

Refer note 15 for terms and conditions.

	CONSOLIDATED	
	2013 $'M	2012 $'M

14. CURRENT LIABILITIES – PROVISIONS

	2013 $'M	2012 $'M
Employee benefits	290.5	289.5
Deferred revenue and project	94.3	163.7
Insurance	25.0	19.2
Warranties	16.7	13.8
Deferred consideration	12.2	-
Other	29.4	13.4
	468.1	**499.6**

The nature and timing of provisions is set out in note 17.

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of current provisions at the beginning and end of the current and previous financial years are set out below:

	CONSOLIDATED					
	EMPLOYEE BENEFITS $'M	DEFERRED REVENUE AND PROJECT $'M	INSURANCE $'M	WARRANTIES $'M	DEFERRED CONSIDERATION $'M	OTHER $'M
Carrying amount at 1 July 2012	289.5	163.7	19.2	13.8	-	13.4
Provision from entities acquired	22.6	-	-	4.2	-	-
Additional provisions	241.9	52.5	6.8	4.0	-	17.0
Non-current provision reclassified to current	-	-	-	-	12.2	12.2
Release of unused provision	(14.8)	(31.5)	(1.0)	(5.9)	-	(3.4)
Amounts utilized	(262.7)	(95.1)	(1.6)	(0.2)	-	(10.8)
Differences arising from translation of foreign operations	14.0	4.7	1.6	0.8	-	1.0
Carrying amount at 30 June 2013	**290.5**	**94.3**	**25.0**	**16.7**	**12.2**	**29.4**
Carrying amount at 1 July 2011	215.8	89.3	20.7	15.0	10.7	7.8
Provision from entities acquired	7.7	0.0	0.0	-	0.0	-
Additional provisions	238.8	149.6	3.1	8.2	-	8.6
Release of unused provision	(3.0)	(2.6)	(2.9)	(5.4)	0.0	-
Amounts utilized	(173.3)	(70.1)	(2.8)	(4.4)	(10.7)	(2.7)
Differences arising from translation of foreign operations	3.5	(2.5)	1.1	0.4	-	(0.3)
Carrying amount at 30 June 2012	**289.5**	**163.7**	**19.2**	**13.8**	**-**	**13.4**

	CONSOLIDATED	
	2013 $'M	2012 $'M

15. NON-CURRENT LIABILITIES – INTEREST BEARING LOANS AND BORROWINGS

	2013 $'M	2012 $'M
Notes payable	884.6	658.9
Secured bank loan	15.9	17.4
Unsecured bank loans	-	59.8
Finance lease liability	4.8	-
Capitalized borrowing costs	(2.6)	(2.3)
	902.7	**733.8**

NOTES PAYABLE IN US$

Unsecured notes payable were issued in the United States private debt capital market in May 2007, April 2008, March 2011 and September 2012. The issue in September 2012 comprised US$205.0 million maturing in September 2022 with a fixed coupon of 4.00% per annum, US$75.0 million maturing in September 2019 with a fixed coupon of 3.45% per annum and US$20.0 million maturing in 2017 with a fixed coupon of 3.09% per annum.

The issue in March 2011 comprised US$175.0 million maturing in March 2021 with a fixed coupon of 5.56% per annum, US$22.0 million maturing in March 2018 with a fixed coupon of 4.86% per annum and US$10.0 million maturing in 2016 with a fixed coupon of 4.16% per annum. The issue in April 2008 comprised US$144.5 million maturing in April 2018 with a fixed coupon of 6.50% per annum. The issue in May 2007 comprised US$140.5 million maturing in May 2014 with a fixed coupon of 5.61% per annum and US$169.5 million maturing in May 2017 with a fixed coupon of 5.76% per annum.

15. NON-CURRENT LIABILITIES – INTEREST BEARING LOANS AND BORROWINGS (continued)

In accordance with the Group's financial risk management policy, cross currency swaps have been entered into, swapping US$521.5 million of notes payable into C$522.4 million. This represents 80.0% of the notes issued in 2008, 2011 and 2012.

SECURED BANK LOAN

The secured bank loan of $17.4 million (current: $1.5 million; non-current: $15.9 million) is a floating facility with an interest rate swap. This bank loan is secured by the assets of Exmouth Power Station Pty Limited which have a carrying value of $32.6 million. The terms of the loan facility preclude the assets from being used as a security for other debt within the Group.

The loan facility requires the assets to be insured.

UNSECURED BANK LOANS

Unsecured bank loans are floating interest rate debt facilities. These facilities, denominated in various currencies, are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

FINANCE LEASE LIABILITY

The Group leases various plant and equipment under finance leases with terms of three to eight years.

16. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
The balance comprises temporary differences attributable to:		
Amounts recognized in the statement of financial performance:		
Identifiable intangible assets and goodwill	52.9	42.9
Unbilled contract revenue	58.0	53.3
Fixed assets	2.7	7.2
Unrealized foreign exchange gains	16.5	3.7
Prepayments	1.3	0.6
Other	2.9	0.5
	134.3	108.2
Amounts recognized directly in equity:		
Other	7.3	4.4
Deferred tax liabilities	**141.6**	**112.6**
Balance at the beginning of the financial year	112.6	99.1
Acquisition of controlled entities	15.8	0.0
Charged to the statement of financial performance	5.3	8.3
Charged to equity	2.9	4.4
Differences arising on translation of foreign operations	5.0	0.8
Balance at the end of the financial year	**141.6**	**112.6**

17. NON-CURRENT LIABILITIES – PROVISIONS

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Employee benefits	43.0	37.9
Deferred consideration	–	12.2
Warranties	–	0.7
Other	0.2	15.5
	43.2	**66.3**

NATURE AND TIMING OF PROVISIONS

Employee benefits: Refer note 2(C) for the relevant accounting policy and a discussion of the significant estimation and assumptions applied in the measurement of this provision.

Deferred revenue and project provisions: The Group at times recovers payment for services prior to revenue being recognized in the financial statements. It is expected that this revenue will be earned within two years of the balance date.

Warranties: Provision is made for the estimated liability on all products and services under warranty at balance date. It is expected that these costs will be incurred within two years of the balance date.

Deferred consideration: Where settlement of any part of the consideration for a business combination is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Insurance: The provision is based on the estimated cost of settling insured claims.

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of non-current provisions at the beginning and end of the current and previous financial years are set out below:

	CONSOLIDATED			
	EMPLOYEE BENEFITS $'M	DEFERRED CONSIDERATION $'M	WARRANTIES $'M	OTHER $'M
Carrying amount at 1 July 2012	37.9	12.2	0.7	15.5
Additional provisions	18.7	–	0.4	0.1
Non-current provision reclassified to current	–	(12.2)	–	(12.2)
Release of unused provision	(6.3)	–	(1.2)	(3.3)
Amounts utilized	(8.9)	–	–	–
Differences arising from translation of foreign operations	1.6	–	0.1	0.1
Carrying amount at 30 June 2013	**43.0**	**–**	**–**	**0.2**
Carrying amount at 1 July 2011	28.4	12.2	–	16.5
Provision from entities acquired	–	–	–	–
Additional provisions	15.8	–	0.7	4.6
Release of unused provision	(3.8)	–	–	(5.0)
Amounts utilized	(3.4)	–	–	–
Differences arising from translation of foreign operations	0.9	–	–	(0.6)
Carrying amount at 30 June 2012	**37.9**	**12.2**	**0.7**	**15.5**

	CONSOLIDATED			
	2013		2012	
	NUMBER OF SHARES	$'M	NUMBER OF SHARES	$'M
18. ISSUED CAPITAL				
Ordinary shares, fully paid[1,2]	246,480,559	1,238.5	245,735,305	1,221.3
Special voting share	1	–	1	–
	246,480,560	**1,238.5**	**245,735,306**	**1,221.3**

1 Included in ordinary shares are 3,594,667 (2012: 3,847,859) 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. Ordinary shares have no par value and the Company does not have a limited amount of authorized capital.

2 The WorleyParsons Limited Plans Trust holds 267,173 (2012: 267,173) shares in the Company, which has been consolidated and eliminated in accordance with the accounting standards.

(A) MOVEMENTS IN SHARES

	2013		2012	
	NUMBER OF SHARES	$'M	NUMBER OF SHARES	$'M
Balance at the beginning of the financial year	245,735,306	1,221.3	245,699,307	1,219.6
Ordinary shares issued on redemption of exchangeable shares	253,192	6.8	447,144	12.0
Exchangeable shares exchanged for ordinary shares	(253,192)	(6.8)	(447,144)	(12.0)
Transfer from performance rights reserve on purchase and issuance of shares	745,254	17.2	35,999	1.7
Balance at the end of the financial year	**246,480,560**	**1,238.5**	**245,735,306**	**1,221.3**

(B) TERMS AND CONDITIONS OF ISSUED CAPITAL

Ordinary shares

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

Exchangeable shares

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

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 2013, 253,192 (2012: 447,144) 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.

(C) PERFORMANCE RIGHTS

The policy in respect of performance rights is outlined in note 2(C).

	NUMBER OF PERFORMANCE RIGHTS	
	2013	2012
Balance at the beginning of the financial year	3,621,459	3,298,344
Rights granted	985,829	993,730
Rights exercised	(745,254)	(35,999)
Rights lapsed or expired	(727,740)	(634,616)
Balance at the end of the financial year	**3,134,294**	**3,621,459**
Exercisable at the end of the financial year	54,626	3,106
Weighted average exercise price	$nil	$nil

The outstanding balance as at 30 June 2013 is represented by:

- 107,292 performance rights, vesting on 30 September 2016 and expiring on 18 October 2019;
- 755,389 performance rights, vesting on 30 September 2015 and expiring on 18 October 2019;
- 891,404 performance rights, vesting on 30 September 2014 and expiring on 17 October 2018;
- 51,185 performance rights, vesting on 30 June 2014 and expiring on 30 June 2019;
- 1,236,856 performance rights, vesting on 30 September 2013 and expiring on 15 October 2017;
- 51,202 performance rights, vested on 30 June 2013 and expiring on 30 June 2019;
- 37,542 performance rights, vested on 30 September 2012 and expiring on 30 September 2016;
- 499 performance rights, vested on 30 September 2012 and expiring on 30 September 2016;
- 1,236 performance rights, vested on 30 September 2012 and expiring on 30 September 2015;
- 505 performance rights, vested on 30 September 2011 and expiring on 2 October 2014;
- 333 performance rights, vested on 30 September 2010 and expiring on 2 October 2014; and
- 851 performance rights, vested on 30 September 2009 and expiring on 1 February 2014.

The performance rights are exercisable upon meeting the conditions set out in note 33(B).

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M

19. RESERVES

	2013 $'M	2012 $'M
Foreign currency translation reserve	(218.0)	(295.5)
Hedge reserve	16.9	(1.9)
Performance rights reserve	32.9	39.3
Acquisition reserve	(9.6)	(9.6)
	(177.8)	**(267.7)**

(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 their entities.

	2013 $'M	2012 $'M
Balance at the beginning of the financial year	(295.5)	(261.0)
Foreign exchange movement on translation of foreign controlled entities and associates	123.5	(24.9)
Net investments hedged	(65.7)	(13.7)
Income tax on net investments hedged	19.7	4.1
Balance at the end of the financial year	**(218.0)**	**(295.5)**

(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, as described in note 2(E)(iii). Amounts are recognized in the statement of financial performance when the associated hedged transaction affects the profit and loss.

	2013 $'M	2012 $'M
Balance at the beginning of the financial year	(1.9)	(3.1)
Net loss on foreign exchange hedges	(6.2)	(0.9)
Income tax on net gain on foreign exchange hedges	1.7	0.2
Fair value gain on mark to market of cross currency hedge	32.7	11.6
Income tax on fair value loss on mark to market of cross currency hedge	(9.5)	(8.5)
Net gain/(loss) on interest rate hedges	0.1	(1.2)
Balance at the end of the financial year	**16.9**	**(1.9)**

The total amount recognized in the statement of financial performance was a loss of $0.1 million (2012: $0.6 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.

	2013 $'M	2012 $'M
Balance at the beginning of the financial year	39.3	23.9
Performance rights expense	19.8	17.1
Reversal of performance rights expense associated with rights which did not vest based on the earnings per share hurdles	(9.0)	-
Transfer to issued capital on purchase and issuance of shares to satisfy performance rights	(17.2)	(1.7)
Balance at the end of the financial year	**32.9**	**39.3**

(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.

	2013 $'M	2012 $'M
Balance at the beginning and end of the financial year	(9.6)	(9.6)

20. RETAINED PROFITS

	NOTES	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Balance at the beginning of the financial year		1,003.8	871.7
Profit attributable to members of WorleyParsons Limited		322.1	353.2
Dividends paid	22(B)	(227.7)	(221.1)
Balance at the end of the financial year		**1,098.2**	**1,003.8**

21. EARNINGS PER SHARE

ATTRIBUTABLE TO MEMBERS OF WORLEYPARSONS LIMITED

	CONSOLIDATED 2013	CONSOLIDATED 2012
Basic earnings per share (cents)	130.8	143.7
Basic earnings per share (cents) excluding net acquisition gains	130.8	140.6
Diluted earnings per share (cents)	129.9	142.5
Diluted earnings per share (cents) excluding net acquisition gains	129.9	139.5

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

	$'M	$'M
Earnings used in calculating basic and diluted earnings per share	322.1	353.2
Less: net gain on revaluation of investments previously accounted for as equity accounted associates (refer note 5)	-	(7.6)
Earnings used in calculating basic and diluted earnings per share excluding net acquisition gains	322.1	345.6

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

	2013	2012
Weighted average number of ordinary securities used in calculating basic earnings per share	246,285,840	245,725,630
Element of performance rights which are considered dilutive	1,744,159	2,096,599
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share	248,029,999	247,822,229

The weighted average number of converted, lapsed or cancelled potential ordinary shares used in calculating diluted earnings per share was 324,622 (2012: 180,029).

22. DIVIDENDS

(A) FINAL DIVIDEND PROPOSED

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Dividend in respect of the six months to 30 June 2013:		
51.0 cents per share (unfranked)	125.7	-
Dividend in respect of the six months to 30 June 2012:		
51.0 cents per share (31.3 cents franked)	-	125.3

The directors have resolved to pay a final dividend of 51.0 cents per share, unfranked (2012: 51.0 cents per share, partially franked at 61.3%). Combined with the half year (interim) dividend, the Company will make total dividend payments of 92.5 cents per share for the financial year (2012: 91.0 cents per share). The dividend will be paid on 20 September 2013 for shareholders on the register at the record date of 30 August 2013.

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the aggregate amount of the proposed final dividend of $125.7 million is not recognized as a liability as at 30 June 2013.

	CONSOLIDATED 2013 $'M	2012 $'M
(B) DIVIDENDS PAID DURING THE FINANCIAL YEAR		
Dividend in respect of the six months to 31 December 2012:		
41.5 cents per share (41.5 cents franked)	102.4	-
Dividend in respect of the six months to 30 June 2012:		
51.0 cents per share (31.3 cents franked)	125.3	-
Dividend in respect of the six months to 31 December 2011:		
40.0 cents per share (31.7 cents franked)	-	98.3
Dividend in respect of the six months to 30 June 2011:		
50.0 cents per share (12.9 cents franked)	-	122.8
	227.7	**221.1**
(C) IMPUTATION CREDIT BALANCE OF THE PARENT ENTITY		
The amount of imputation credits available on a tax paid basis for future tax distributions is:		
Imputation credits balance as at the end of the financial year at the corporate tax rate of 30% (2012: 30%)	15.8	34.6
Imputation debits arising from the refund of income tax provided in this financial report	(15.8)	(1.7)
Imputation credits available for distribution	-	32.9
Imputation debits that will arise from the payment of the final dividend	-	(32.9)
Imputation credits available for future dividends	**-**	**-**

23. INVESTMENTS IN CONTROLLED ENTITIES

In accordance with the accounting standards, the Group discloses only significant entities identified on the basis of materiality:

(A) WORLEYPARSONS LIMITED GROUP ACCOUNTS INCLUDE A CONSOLIDATION OF THE FOLLOWING SIGNIFICANT ENTITIES:

ENTITY	COUNTRY OF INCORPORATION	BENEFICIAL INTEREST HELD BY CONSOLIDATED ENTITY 2013 %	2012 %
Worley No 2 Pty Limited[1]	Australia	100	100
WorleyParsons Canada Services Ltd	Canada	100	100
WorleyParsons Engineering Pty Limited[1]	Australia	100	100
WorleyParsons Europe Limited	United Kingdom	100	100
WorleyParsons Financial Services Pty Limited[1]	Australia	100	100
WorleyParsons Group Inc	USA	100	100
WorleyParsons International Inc	USA	100	100
WorleyParsons Oman Engineering LLC	Oman	51	51
WorleyParsons Services Pty Limited[1]	Australia	100	100
Acquired during the year			
Rosenberg WorleyParsons AS[2]	Norway	100	-
TWP Holdings Proprietary Limited	South Africa	100	-

1 Entities subject to Australian Securities and Investments Commission Class Order 98/1418 relief.
2 Previously named Bergen Group Rosenberg AS.

(B) PARENT ENTITY

WorleyParsons Limited Parent Entity financial statements include investments in the following entities:

ENTITY	COUNTRY OF INCORPORATION	2013 $'M	2012 $'M
Engineering Securities Pty Limited atf The Worley Limited Trust	Australia	94.7	94.7
WorleyParsons Canada Callco Ltd.	Canada	220.8	220.8
WorleyParsons Canada Holdings Pty Limited	Australia	197.9	197.9
WorleyParsons Financial Services Pty Limited	Australia	440.1	440.1
		953.5	**953.5**

The Parent Entity's summary financial information as required by the *Corporations Act 2001* is as follows:

	2013 $'M	2012 $'M
STATEMENT OF FINANCIAL PERFORMANCE		
Profit before income tax expense	171.2	208.8
Income tax expense	(1.0)	(2.1)
Profit after income tax expense	170.2	206.7
Profit attributable to members of WorleyParsons Limited	170.2	206.7
Retained profits at the beginning of the financial year	188.2	202.6
Dividends paid	(227.7)	(221.1)
Retained profits at the end of the financial year	130.7	188.2
STATEMENT OF COMPREHENSIVE INCOME		
Profit after income tax expense	170.2	206.7
Total comprehensive income, net of tax	170.2	206.7
STATEMENT OF FINANCIAL POSITION		
Current assets	577.2	510.4
Total assets	1,534.5	1,464.0
Current liabilities	131.7	15.1
Total liabilities	132.4	15.1
Net assets	1,402.1	1,448.9
Issued capital	1,238.5	1,221.3
Performance rights reserve	32.9	39.4
Retained profits	130.7	188.2
Total equity	1,402.1	1,448.9

Details in relation to parent company guarantees are disclosed in note 30(A).

23. INVESTMENTS IN CONTROLLED ENTITIES (continued)

(C) CLOSED GROUP

Pursuant to Australian Securities and Investments Commission Class Order 98/1418, relief has been granted to Worley No 2 Pty Limited, WorleyParsons Engineering Pty Limited, WorleyParsons Financial Services Pty Limited and WorleyParsons Services Pty Limited, from the *Corporations Act 2001* requirements for preparation, audit and lodgment of their financial reports. As a condition of the Class Order, WorleyParsons Limited together with the parties noted entered into a Deed of Cross Guarantee on 26 May 2003. The effect of the deed is that WorleyParsons Limited has guaranteed to pay any deficiency in the event of the winding up of the abovementioned controlled entities. The controlled entities have also given a similar guarantee in the event that WorleyParsons Limited is wound up. The Statement of Financial Performance and Statement of Financial Position of the entities which are parties to the Deed of Cross Guarantee and The Worley Limited Trust (Closed Group) are as follows:

	CLOSED GROUP	
	2013 $'M	2012 $'M
STATEMENT OF FINANCIAL PERFORMANCE		
Profit before income tax expense	190.5	277.8
Income tax expense	(55.5)	(57.9)
Profit after income tax expense	135.0	219.9
Profit attributable to members of WorleyParsons Limited	135.0	219.9
Retained profits at the beginning of the financial year	311.9	309.2
Dividends paid	(224.7)	(217.2)
Retained profits at the end of the financial year	222.2	311.9
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets		
Cash and cash equivalents	43.5	23.8
Trade and other receivables	1,417.0	1,262.2
Other current assets	16.2	10.3
Total current assets	1,476.7	1,296.3
Non-current assets		
Property, plant and equipment	0.3	0.3
Intangible assets	64.9	64.9
Deferred tax assets	48.4	45.5
Other non-current assets	902.8	895.6
Total non-current assets	1,016.4	1,006.3
TOTAL ASSETS	2,493.1	2,302.6
LIABILITIES		
Current liabilities		
Trade and other payables	828.4	595.3
Provisions	4.5	14.2
Total current liabilities	832.9	609.5
Non-current liabilities		
Interest bearing loans and borrowings	159.4	57.8
Deferred tax liabilities	14.2	21.5
Provisions	0.0	24.4
Total non-current liabilities	173.6	103.7
TOTAL LIABILITIES	1,006.5	713.2
NET ASSETS	1,486.6	1,589.4
EQUITY		
Issued capital	1,238.5	1,221.3
Reserves	25.9	56.2
Retained profits	222.2	311.9
TOTAL EQUITY	1,486.6	1,589.4

(D) ACQUISITION OF CONTROLLED ENTITIES

Effective 1 January 2013, WorleyParsons Norway AS, a wholly owned subsidiary of the Company, acquired 100% of shares in Bergen Group Rosenberg AS, currently known as Rosenberg WorleyParsons AS, and its subsidiaries for a cash consideration of $185.6 million (NOK1,079 million).

Effective 1 March 2013, WorleyParsons RSA Group Proprietary Limited, a wholly owned subsidiary of the Company, acquired 100% of the shares in TWP Holdings Proprietary Limited and its subsidiaries for a cash consideration of $96.9 million (ZAR883 million).

The above acquisitions' contribution to the Group's reported after-tax profit attributable to members of the Parent Entity was $7.6 million, and the reported contribution to revenue was $190.0 million. Had these acquisitions taken place at 1 July 2012, the additional contribution to the Group's profit after income tax expense would have been $9.8 million and to revenue would have been $218.5 million.

	BERGEN GROUP ROSENBERG AS ACQUISITION $'M	TWP HOLDINGS PROPRIETARY LIMITED ACQUISITION $'M	TOTAL ACQUISITIONS $'M
ASSETS			
Cash and cash equivalents	25.6	(3.2)	22.4
Trade and other receivables	46.0	37.4	83.4
Prepayments	1.6	1.1	2.7
Property, plant and equipment	9.2	2.9	12.1
Intangible assets	0.2	0.2	0.4
Deferred tax assets	–	1.4	1.4
Other assets	13.4	0.3	13.7
Total assets	96.0	40.1	136.1
LIABILITIES			
Trade and other payables	36.2	20.6	56.8
Interest bearing loans and borrowings	4.6	4.6	9.2
Provisions	21.0	5.8	26.8
Deferred tax liabilities	2.6	–	2.6
Total liabilities	64.4	31.0	95.4
Net assets acquired	31.6	9.1	40.7
Intangible assets	32.0	15.3	47.3
Deferred tax liability on intangible assets	(9.0)	(4.2)	(13.2)
Goodwill arising on acquisition	131.0	76.7	207.7
Total consideration, excluding acquisition costs expensed	185.6	96.9	282.5
Consideration:			
Cash consideration	185.6	96.9	282.5
Total consideration	185.6	96.9	282.5
Net cash effect:			
Cash consideration paid	185.6	96.9	282.5
Cash and overdrafts included in net assets acquired	(25.6)	3.2	(22.4)
Net cash outflow	160.0	100.1	260.1

Acquisition related costs are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

Goodwill represents the value of the assembled workforce and any premium from synergies and future growth opportunities that cannot be recognized separately. Except as indicated, the carrying value equals the fair value of the net assets acquired.

The fair values of the acquisition balances are provisional due to the complexity and timing of the acquisitions. The review of the assets and liabilities will continue for 12 months from acquisition date.

In the prior year, an additional 44% share in ARA WorleyParsons SA and affiliated businesses was acquired for $17.7 million.

There were no changes to the acquisition values recognized in the 30 June 2013 financial statements.

24. EQUITY ACCOUNTED INVESTMENTS

(A) DETAILS OF EQUITY ACCOUNTED INVESTMENTS ARE AS FOLLOWS:

In accordance with the accounting standards, the Group discloses only significant investments identified on the basis of materiality:

ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED 2013 %	OWNERSHIP INTEREST CONSOLIDATED 2012 %	CARRYING AMOUNT CONSOLIDATED 2013 $'M	CARRYING AMOUNT CONSOLIDATED 2012 $'M
Significant investments					
Cegertec WorleyParsons Inc	Minerals, Metals & Chemicals	50	50	13.5	12.4
DeltaAfrik Engineering Limited	Hydrocarbons	49	49	26.1	19.2
Ranhill WorleyParsons Sdn Bhd	Hydrocarbons	49	49	33.5	28.6
Transfield Worley Power Services Pty Limited	Power	50	50	21.9	12.1
Other investments				36.4	31.8
				131.4	**104.1**

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
(B) CARRYING AMOUNT OF EQUITY ACCOUNTED INVESTMENTS		
Carrying amount at the beginning of the financial year	104.1	86.3
Share of net profits of investments accounted for using the equity method	23.4	27.6
Dividends declared by equity accounted investments	(15.2)	(18.5)
Change in nature of investment and investment acquired	10.8	7.1
Movement in foreign currency translation reserve of equity accounted investments	8.3	1.6
Carrying amount at the end of the financial year	**131.4**	**104.1**
(C) NET PROFITS ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
Profits before income tax expense	33.5	40.7
Income tax expense	(10.1)	(13.1)
Net profits of equity accounted investments	**23.4**	**27.6**
(D) REVENUE ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
Share of revenue from equity accounted investments	549.2	665.0
(E) RESERVES ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at the beginning of the financial year	(23.3)	(24.9)
Effect of decrease in reserve	8.3	1.6
Balance at the end of the financial year	**(15.0)**	**(23.3)**

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
(F) RETAINED PROFITS ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
Balance at the beginning of the financial year	115.4	106.3
Share of net profits of investments accounted for using the equity method	23.4	27.6
Dividends declared	(15.2)	(18.5)
Balance at the end of the financial year	**123.6**	**115.4**
(G) SHARE OF EQUITY ACCOUNTED INVESTMENTS' CONTINGENT LIABILITIES		
Performance related guarantees issued	12.7	12.4
(H) SHARE OF EQUITY ACCOUNTED INVESTMENTS' EXPENDITURE COMMITMENTS		
Operating lease commitments	5.1	6.7
(I) SUMMARY OF FINANCIAL POSITION OF EQUITY ACCOUNTED INVESTMENTS		
The consolidated entity's share of aggregate assets and liabilities of equity accounted investments is:		
Current assets	240.7	189.7
Non-current assets	69.6	38.1
Current liabilities	(163.3)	(109.7)
Non-current liabilities	(23.3)	(21.5)
Net assets	123.7	96.6
Goodwill	7.7	7.5
Carrying amount at the end of the financial year	**131.4**	**104.1**

25. INTERESTS IN JOINTLY CONTROLLED OPERATIONS AND ASSETS

In accordance with the accounting standards, the Group discloses only significant jointly controlled operations and assets identified on the basis of materiality:

WORLEYPARSONS LIMITED GROUP ACCOUNTS INCLUDE A PROPORTIONATE CONSOLIDATION OF THE FOLLOWING ENTITIES:

JOINTLY CONTROLLED OPERATIONS AND ASSETS	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED 2013 %	OWNERSHIP INTEREST CONSOLIDATED 2012 %
Significant jointly controlled operation and asset			
Foster Wheeler Energy WorleyParsons (Pluto LNG) Joint Venture	Hydrocarbons	40	40
Transfield Worley Joint Venture	Hydrocarbons	50	50
Jointly controlled operations and assets established during the year			
SKM-WorleyParsons JV	Infrastructure & Environment	50	-

25. INTERESTS IN JOINTLY CONTROLLED OPERATIONS AND ASSETS (continued)

The consolidated entity's interests in the assets and liabilities employed in the jointly controlled operations and assets are included in the statement of financial position under the following classifications:

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
ASSETS		
Current assets		
Cash and cash equivalents	7.5	17.9
Trade and other receivables	47.5	102.3
Other financial assets	5.8	2.5
Total current assets	**60.8**	**122.7**
Non-current assets		
Property, plant and equipment	3.4	0.4
Total non-current assets	**3.4**	**0.4**
TOTAL ASSETS	**64.2**	**123.1**
LIABILITIES		
Current liabilities		
Trade and other payables	57.5	90.4
Provisions	15.6	19.1
Total current liabilities	**73.1**	**109.5**
Non-current liabilities		
Other non-current liabilities	1.1	1.2
Total non-current liabilities	**1.1**	**1.2**
TOTAL LIABILITIES	**74.2**	**110.7**
NET (LIABILITIES)/ASSETS	**(10.0)**	**12.4**

26. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of profit after income tax expense to net cash inflow from operating activities:

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Profit after income tax expense	344.2	376.5
NON-CASH ITEMS		
Depreciation	21.0	19.1
Amortization	81.3	83.9
Performance rights expense	10.8	17.1
Doubtful debts expense	4.8	4.3
Share of associates' net profits in excess of dividends received	(9.6)	(4.7)
Net gain on revaluation of investments previously accounted for as equity accounted associates	-	(7.6)
Other	2.6	5.3
Cash flow adjusted for non-cash items	455.1	493.9
CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES		
Increase in trade and other receivables	(166.3)	(401.5)
Decrease/(increase) in prepayments and other assets	0.5	(42.2)
Increase in deferred tax assets	(26.5)	(2.8)
Increase in trade and other payables	214.1	234.3
Increase in billings in advance	25.1	14.2
Decrease in income tax payable	(18.2)	(1.6)
Increase in deferred tax liabilities	13.2	7.6
(Decrease)/increase in provisions	(53.5)	135.6
Net cash inflow from operating activities	**443.5**	**437.5**

27. FINANCE LEASE RECEIVABLE

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Current finance lease receivable	1.6	1.5
Non-current finance lease receivable	27.1	28.5
Gross investment in lease receivable	**28.7**	**30.0**
Present value of minimum lease payments:		
Within one year	1.6	1.5
Later than one year and not later than five years	7.6	7.1
More than five years	19.5	21.4
Present value of minimum lease payments	28.7	30.0
Gross investment in lease receivable	**28.7**	**30.0**

The finance lease receivable relates to the power supply contract held by the Company's 100% subsidiary, Exmouth Power Station Pty Limited, which is an arrangement that contains a lease.

28. PROCUREMENT

In certain situations, the Group will enter into contracts with its customers which require the Group to procure goods and services on behalf of the customers.

Where the risks and rewards associated with the procurement activities are assumed by the Group, the revenues and expenses, and assets and liabilities are recognized on a gross basis in the Statement of Financial Performance and Statement of Financial Position.

The following procurement services revenues and expenses, and assets and liabilities have been recognized on a gross basis in the Statement of Financial Performance and Statement of Financial Position:

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
REVENUES AND EXPENSES[1]		
Procurement services revenue at margin	190.8	216.3
Procurement expenses at margin	(183.3)	(198.4)
Procurement services revenue at nil margin	1,747.7	696.2
Procurement expenses at nil margin	(1,747.7)	(696.2)
ASSETS AND LIABILITIES		
Cash and cash equivalents	38.8	42.9
Trade and other receivables	123.1	26.2
Trade and other payables	(130.3)	(15.2)

1 Revenue and expenses exclude procurement services revenue and expenses from associates.

29. COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M

(A) OPERATING LEASES

Commitments for minimum lease payments in relation to non-cancelable operating leases are payable as follows:

	2013 $'M	2012 $'M
Within one year	215.4	179.3
Later than one year and not later than five years	514.5	458.2
Later than five years	89.7	62.6
Commitments not recognized in the financial statements	**819.6**	**700.1**

(B) OPERATING EXPENDITURE COMMITMENTS

Estimated commitments for operating expenditure in relation to software are payable as follows:

	2013 $'M	2012 $'M
Within one year	28.9	20.1
Later than one year and not later than five years	58.7	22.3
Commitments not recognized in the financial statements	**87.6**	**42.4**

The Parent Entity has no commitments for expenditure.

30. 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		PARENT ENTITY	
	2013 $'M	2012 $'M	2013 $'M	2012 $'M
Bank guarantees outstanding at balance date in respect of contractual performance	616.1	522.3	359.1	346.2
Commitments not recognized in the financial statements	**616.1**	**522.3**	**359.1**	**346.2**

(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 need 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 accounting policy set out in note 2(O).

31. REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the Parent Entity or any other entity in the Group:

	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $
Auditor of the Parent Entity – Ernst & Young	3,166,110	2,539,297
Other auditors of controlled entities	166,403	189,713
	3,332,513	**2,729,010**
Amounts received for other services:		
Tax related services	335,210	211,967
Acquisition related assurance services	210,731	116,000
Other non-audit services	935,717	298,034
	1,481,658	**626,001**
	4,814,171	**3,355,011**

32. RELATED PARTIES

(A) DIRECTORS

The names of persons who were directors of the Company at any time during the financial year were as follows:

John Grill (Chairman and Chief Executive Officer) – retired as a director and Chief Executive Officer on 23 October 2012, and was appointed as a director and Chairman on 1 March 2013.

Ron McNeilly (Chairman and Non-Executive Director) until 1 March 2013, Deputy Chairman and Lead Independent Director from 1 March 2013.

Larry Benke

Erich Fraunschiel

John M Green

Christopher Haynes, OBE

Catherine Livingstone, AO

JB McNeil

Wang Xiao Bin

Andrew Wood (Chief Executive Officer) – appointed as a director and Chief Executive Officer on 23 October 2012.

(B) OTHER RELATED PARTIES

	CONSOLIDATED 2013 $'M	CONSOLIDATED 2012 $'M
Aggregate amounts included in the determination of profit before income tax expense that resulted from transactions with each class of other related parties were as follows:		
Dividend revenue from associates	15.2	18.5
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:		
Loans advanced to:		
Associates and related parties	6.7	4.4
Loan repayments from:		
Associates and related parties	8.8	3.4
Aggregate amounts, receivable from, and payable to, each class of other related parties at balance date were as follows:		
Current receivables		
Associates and related parties	45.4	71.9
Current payables		
Associates and related parties	21.7	10.2

Related entities provide specific advisory services to controlled entities in the normal course of business. These transactions are made on normal terms and conditions and at market rates.

(C) CONTROLLING ENTITIES

WorleyParsons Limited is the ultimate Australian parent company.

33. KEY MANAGEMENT PERSONNEL DISCLOSURES

(A) PARTICULARS OF KEY MANAGEMENT PERSONNEL (KMP) INTERESTS IN SHARES

Particulars of KMP's beneficial interest in shares of the Company as at 30 June 2013 are as follows:

	NUMBER OF SHARES HELD IN WORLEYPARSONS LIMITED				
	BALANCE AT 1 JULY 2012	ON EXERCISE OF PERFORMANCE RIGHTS	CHANGE IN STATUS	OTHER TRANSACTIONS	BALANCE AT 30 JUNE 2013
NON-EXECUTIVE DIRECTORS					
Ron McNeilly	401,064	-	-	-	401,064
Larry Benke[1]	1,130,195	-	-	-	1,130,195
Erich Fraunschiel	168,755	-	-	-	168,755
John M Green	891,869	-	-	-	891,869
Christopher Haynes, OBE	-	-	-	6,055	6,055
Catherine Livingstone, AO	13,000	-	-	-	13,000
JB McNeil	10,300	-	-	500	10,800
Wang Xiao Bin	4,000	-	-	7,000	11,000
Sub-total	**2,619,183**	**-**	**-**	**13,555**	**2,632,738**
EXECUTIVE DIRECTORS					
John Grill[2]	25,329,759	42,414	-	-	25,372,173
Andrew Wood[3]	804,583	16,088	-	15,000	835,671
Sub-total	**26,134,342**	**58,502**	**-**	**15,000**	**26,207,844**
GROUP EXECUTIVES					
Barry Bloch	-	2,030	-	-	2,030
Stuart Bradie	50,977	16,605	-	(38,661)	28,921
Simon Holt[4]	-	3,275	777	-	4,052
Randy Karren[5]	-	4,461	63,279	(1,745)	65,995
Iain Ross	490,397	16,663	-	(50,000)	457,060
David Steele	107,379	11,885	-	-	119,264
Sub-total	**648,753**	**54,919**	**64,056**	**(90,406)**	**677,322**
Grand total	**29,402,278**	**113,421**	**64,056**	**(61,851)**	**29,517,904**

1 Mr Benke received exchangeable shares as part of the Colt Group consideration.
2 Mr Grill retired as a director and Chief Executive Officer on 23 October 2012, and was appointed as a director and Chairman on 1 March 2013.
3 Mr Wood was appointed as a director and as Chief Executive Officer on 23 October 2012.
4 Mr Holt commenced as an executive on 23 October 2012.
5 Mr Karren commenced as an executive on 23 October 2012 and received exchangeable shares as part of the Colt Group consideration.

(B) PARTICULARS OF KMP PERFORMANCE RIGHTS

Particulars of KMP's equity settled performance rights granted as at 30 June 2013 are as follows:

	NUMBER OF PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED					
	BALANCE AT 1 JULY 2012	GRANTED	EXERCISED	CHANGE IN STATUS	OTHER TRANS-ACTIONS	BALANCE AT 30 JUNE 2013
EXECUTIVE AND NON-EXECUTIVE DIRECTORS						
John Grill[1,2]	208,373	24,356	(54,592)	-	(82,666)	95,471
Larry Benke[3]	7,812	-	(5,236)	-	(2,576)	-
Andrew Wood	76,912	58,978	(16,088)	-	(11,735)	108,067
Sub-total	**293,097**	**83,334**	**(75,916)**	**-**	**(96,977)**	**203,538**
GROUP EXECUTIVES						
Barry Bloch	10,231	15,128	(2,030)	-	-	23,329
Stuart Bradie	78,646	38,185	(16,605)	-	(12,172)	88,054
Simon Holt[4]	-	4,337	-	7,545	-	11,882
Randy Karren[5]	-	9,171	-	19,318	-	28,489
Iain Ross	75,063	32,700	(16,663)	-	(12,154)	78,946
David Steele	53,396	31,577	(11,885)	-	(6,762)	66,326
Sub-total	**217,336**	**131,098**	**(47,183)**	**26,863**	**(31,088)**	**297,026**
Grand total	**510,433**	**214,432**	**(123,099)**	**26,863**	**(128,065)**	**500,564**

1 Mr Grill retired as a director and Chief Executive Officer on 23 October 2012, and was appointed as a director and Chairman on 1 March 2013.
2 Cash settled performance rights were granted to Mr Grill as at 30 June 2012. No equity settled performance rights are granted to Mr Grill as at 30 June 2012.
3 Mr Benke was appointed as a non-executive director effective 1 July 2010. Prior to this appointment, he received allocations of performance rights under the Long Term Incentive Plan. Upon his retirement, the Board exercised discretion to allow a pro-rata proportion of his outstanding performance rights to remain in the Plan.
4 Mr Holt commenced as an executive on 23 October 2012.
5 Mr Karren commenced as an executive on 23 October 2012.

Long term incentive (LTI) grants are delivered to executive directors, other KMP and other executives as performance rights (rights). During the year, an offer was made to KMP who are also Executives and to other executive employees. The rights are issued under the WorleyParsons Performance Rights Plan and are settled in shares when vested.

Each right entitles the holder to one fully paid ordinary share in the Company at a nil exercise price (i.e. a zero exercise price option). The number of rights issued is based on the target LTI with reference to the underlying share price when issued. Rights vest and are automatically exercised after a three or four year period, subject to minimum performance hurdles being satisfied.

For Executives the measurement of performance is based on the following:

- Total shareholder return (TSR) relative to peer group is at least at the median of the companies in the peer comparison group (which applies to 50% of potential long term incentive for FY2013); and
- Earnings per share (EPS) growth (which applies to 50% of potential long term incentive for FY2013).

The peer comparison group for LTI grants made in FY2013, the vesting schedule of the rights subject to the relative TSR hurdle and the vesting schedule of rights subject to the EPS hurdle are set out in the Remuneration Report on pages 51 to 52.

Executives will only derive value from the EPS component of the grants made in FY2013 if the Company achieves average compound growth in EPS of at least 4% per annum above the increase in customer pricing index (CPI) over the three or four year performance period.

Other executive employees were granted the rights vesting upon achievement of continuing employment conditions and achievement of a "meeting expectations performance" rating between 1 July 2012 and 30 June 2015.

Where a participant leaves the Group, the Board may exercise its discretion and allow a proportion of any unvested rights to remain in the plan, and subsequently vest and be exercised in the ordinary course, having regard to such factors as it determines relevant.

Weighted average remaining contractual life
The weighted average remaining contractual life for the rights outstanding as at 30 June 2013 is 1.1 years (2012: 1.3 years).

Weighted average fair value
The weighted average fair value of rights granted during the year was $19.50 (2012: $17.69).

Pricing model
The following table lists the inputs to the models used for the years ended 30 June 2013 and 30 June 2012:

	PERFORMANCE RIGHTS PLAN 2013 - TSR & EPS GROUP EXECUTIVES	PERFORMANCE RIGHTS PLAN 2013 - TSR & EPS CEO	PERFORMANCE RIGHTS PLAN 2012 - TSR & EPS
Dividend yield (%)	3.94	4.08	3.49
Expected volatility (%)	30	30	35
Risk-free interest rate (%)	2.82 - 2.86	2.57	3.23
Expected life of rights (years)	3 - 4	4	3
Rights exercise price ($)	-	-	-
Weighted average share price at measurement date ($)	25.53	25.33	27.46

The expected volatility was determined based on the historical share price volatility of the Company. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

(C) SUMMARY OF KMP REMUNERATION

	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $
Short term employee benefits	9,372,545	11,017,826
Post-employment benefits	269,967	195,883
Other long term benefits	54,457	59,826
Share based payments	1,772,683	2,668,309
Total compensation	**11,469,652**	**13,941,844**

34. SEGMENT INFORMATION

(A) IDENTIFICATION OF REPORTABLE SEGMENTS
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the Group Managing Directors ("the chief operating decision makers") in assessing performance and in determining the allocation of resources. The operating segments identified by management are based on the customer sector groups: Hydrocarbons; Minerals, Metals & Chemicals; Infrastructure & Environment and Power.

Discrete pre-tax financial information about each of these customer sector groups is reported to the chief operating decision makers on a monthly basis.

The Group's operations are organized and managed separately according to the nature of the services they provide, with each segment serving different markets. The Group provides engineering design, project services, and maintenance and reliability support services to a number of markets. The consolidated entity's activities also include infrastructure developments within the Power sector.

(B) ACCOUNTING POLICIES AND INTER-SEGMENT TRANSACTIONS
Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of receivables and plant and equipment. Segment revenues, expenses and results include transactions between segments incurred in the ordinary course of business. These transactions are priced on an arm's length basis and are eliminated on consolidation.

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2.

The segment result includes the allocation of overhead that can be directly attributed to an individual business segment.

The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment:

- global support costs;
- interest and tax for associates;
- amortization of acquired intangible assets;
- net gain on revaluation of investments previously accounted for as equity accounted associates;
- net borrowing costs; and
- income tax expense.

(C) MAJOR CUSTOMERS
The Group has a number of customers to which it provides services. The most significant customer accounts for 12.4% (2012: 11.3%) of aggregated revenue including procurement and is within the Hydrocarbons customer sector group. The next most significant customer accounts for less than 10%.

34. SEGMENT INFORMATION (continued)

(D) OPERATING SEGMENTS

	HYDROCARBONS		MINERALS, METALS & CHEMICALS		INFRASTRUCTURE & ENVIRONMENT		POWER		TOTAL	
	JUNE 2013 $'M	JUNE 2012 $'M	JUNE 2013 $'M	JUNE 2012 $'M	JUNE 2013 $'M	JUNE 2012 $'M	JUNE 2013 $'M	JUNE 2012 $'M	JUNE 2013 $'M	JUNE 2012 $'M
Revenue										
Professional services revenue	4,250.0	4,110.0	926.5	892.5	745.1	840.3	524.5	524.1	6,446.1	6,366.9
Construction and fabrication revenue	847.7	618.7	-	-	-	-	-	-	847.7	618.7
Procurement services revenue at margin	245.4	285.8	10.9	1.2	38.4	30.5	24.4	55.2	319.1	372.7
Other income	1.2	0.6	0.2	1.7	0.3	0.0	12.4	2.0	14.1	4.3
Total segment revenue[1]	**5,344.3**	**5,015.1**	**937.6**	**895.4**	**783.8**	**870.8**	**561.3**	**581.3**	**7,627.0**	**7,362.6**
Reconciliation of segment revenue to total revenue and other income per the Statement of Financial Performance:										
Segment revenue									7,627.0	7,362.6
Procurement services revenue at nil margin									1,747.7	696.2
Share of revenue from associates									(549.2)	(665.0)
Net gain on revaluation of investments previously accounted for as equity accounted associates									-	7.6
Interest income									6.0	7.0
Total revenue and other income per the Statement of Financial Performance									**8,831.5**	**7,408.4**
Segment result[2]	633.7	598.4	135.5	134.1	85.9	118.4	49.4	61.4	904.5	912.3
Segment margin	11.9%	11.9%	14.5%	15.0%	11.0%	13.6%	8.8%	10.6%	11.9%	12.4%
Reconciliation of segment result to profit after income tax per the Statement of Financial Performance:										
Segment result									904.5	912.3
Global support costs[3]									(342.7)	(336.7)
Interest and tax for associates									(11.1)	(13.8)
Amortization of acquired intangible assets									(23.7)	(31.5)
EBIT									527.0	530.3
EBIT margin on aggregated revenue for the Group									6.9%	7.2%
Net gain on revaluation of investments previously accounted for as equity accounted associates									-	7.6
Net borrowing costs									(53.4)	(44.1)
Income tax expense									(129.4)	(117.3)
Profit after income tax per the Statement of Financial Performance									**344.2**	**376.5**
Other segment information										
Depreciation and amortization expense	76.1	59.0	14.6	22.6	6.2	17.5	5.4	3.9	102.3	103.0
Share of net profits of associates accounted for using the equity method	19.9	22.6	2.2	3.0	0.3	1.1	1.0	0.9	23.4	27.6
Equity accounted associates	88.9	75.2	15.1	10.1	0.1	5.2	27.3	13.6	131.4	104.1
Purchase of non-current assets	38.3	49.6	4.3	28.0	35.8	17.9	1.9	4.8	80.3	100.3

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. The directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

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.

3 Due to a change in presentation of Global support costs in the internal reports presented to the chief operating decision makers, the prior year Segment result and Global support costs have been restated to be comparable with the current year's disclosure, as required by AASB 8 Operating Segments. The impact of this change is an increase in Global support costs from $317.5 million to $336.7 million for the year ended 30 June 2012.

	2013 $'M	2012 $'M
(E) GEOGRAPHIC SEGMENTS		
Revenue from external customers:[1]		
Asia and China	460.3	542.2
Australia and New Zealand	1,501.7	1,709.0
Canada	2,581.7	1,832.1
Europe	721.7	635.1
Latin America	408.3	207.8
Middle East, North Africa and India	1,277.4	812.0
Sub-Saharan Africa	194.0	162.9
United States of America and Caribbean	1,666.3	1,488.4
Total revenue from external customers	**8,811.4**	**7,389.5**
Non-current assets by geographical location:[2]		
Asia and China	113.0	96.3
Australia and New Zealand	303.8	272.0
Canada	1,055.3	969.3
Europe	114.8	87.3
Latin America	191.8	197.7
Middle East, North Africa and India	5.7	6.6
Sub-Saharan Africa	265.9	70.3
United States of America and Caribbean	320.5	293.6
Non-current assets by geographical location	**2,370.8**	**1,993.1**

1 Revenue is attributed to the geographic location based on the location of the entity providing the services and includes professional services revenue, procurement revenue and construction and fabrication revenue.

2 Excludes derivative financial instruments and deferred tax assets.

35. CREDIT RISK

The financial assets of the Group comprise cash and cash equivalents, trade and other receivables, and derivative financial instruments and off statement of financial position guarantees and letters of credit. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. Credit exposure of derivatives is considered to be any positive market value.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	CARRYING AMOUNT CONSOLIDATED	
	2013 $'M	2012 $'M
Cash and cash equivalents	320.0	247.3
Trade receivables, unbilled contract revenue and retentions	1,915.7	1,725.9
Amounts owing by associates and related parties	45.4	71.9
Derivatives	31.9	16.6
	2,313.0	**2,061.7**

The ageing of the Group's trade receivables, unbilled contract revenue and retentions at the reporting date was:

	GROSS 2013 $'M	IMPAIRMENT 2013 $'M	GROSS 2012 $'M	IMPAIRMENT 2012 $'M
Unbilled contract revenue	984.5	-	782.2	-
0-30 days	708.2	(1.6)	649.1	(7.3)
Past due 31-60 days	102.5	(0.2)	115.5	(3.3)
Past due 61-90 days	45.1	(1.1)	56.5	(0.4)
Past due 91-120 days	18.9	(0.6)	29.5	(0.8)
More than 121 days	87.0	(27.0)	118.0	(13.1)
	1,946.2	**(30.5)**	**1,750.8**	**(24.9)**

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of receivables not past due or past due by up to 30 days other than for specifically identified accounts. The Group's typical payment terms are 30 days from date of invoice.

The allowance amounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amount is considered irrecoverable and is written off against the financial asset directly.

Counterparties with receivables neither past due nor impaired are assessed as creditworthy.

36. LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has unrestricted access at balance date to the following lines of credit:

	CONSOLIDATED	
	2013 $'M	2012 $'M
SECURED FACILITIES		
Total facilities available:		
Loan facilities	17.4	18.8
Finance lease facilities	7.1	-
	24.5	**18.8**
Facilities utilized at balance date:		
Loan facilities	17.4	18.8
Finance lease facilities	7.1	-
	24.5	**18.8**
Facilities available at balance date:		
Loan facilities	-	-
Finance lease facilities	-	-
	-	**-**
The maturity profile in respect of the Group's secured loan facilities is set out below:		
Due within one year	3.8	1.4
Due between one and four year(s)	10.1	5.0
Due after four years	10.6	12.4
	24.5	**18.8**

	CONSOLIDATED	
	2013 $'M	2012 $'M
UNSECURED FACILITIES		
Total facilities available:		
Loan facilities	1,770.8	1,336.2
Overdraft facilities	117.1	89.6
Bank guarantees and letters of credit	861.8	787.3
	2,749.7	**2,213.1**
Facilities utilized at balance date:		
Loan facilities	1,037.7	721.0
Overdraft facilities	-	-
Bank guarantees and letters of credit	616.1	522.3
	1,653.8	**1,243.3**
Facilities available at balance date:		
Loan facilities	733.1	615.2
Overdraft facilities	117.1	89.6
Bank guarantees and letters of credit	245.7	265.0
	1,095.9	**969.8**
The maturity profile in respect of the Group's available unsecured loan and overdraft facilities is set out below:		
Due within one year	427.0	137.5
Due between one and four year(s)	490.2	731.1
Due after four years	970.7	557.2
	1,887.9	**1,425.8**

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period from balance date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, their balances will not necessarily agree with the amounts disclosed in the statement of financial position.

	CONSOLIDATED					
	TRADE PAYABLES $'M	PAYABLES TO ASSOCIATES AND RELATED PARTIES $'M	INTEREST BEARING LOANS AND BORROWINGS $'M	EXPECTED FUTURE INTEREST PAYMENTS $'M	DERIVATIVES $'M	TOTAL FINANCIAL LIABILITIES $'M
AS AT 30 JUNE 2013						
Due within one year	389.2	21.7	156.9	8.9	4.0	580.7
Due between one and four year(s)	-	-	203.5	44.8	0.3	248.6
Due after four years	-	-	701.8	237.6	-	939.4
	389.2	**21.7**	**1,062.2**	**291.3**	**4.3**	**1,768.7**
AS AT 30 JUNE 2012						
Due within one year	346.7	10.2	3.7	0.6	4.0	365.2
Due between one and four year(s)	-	-	214.6	20.2	0.0	234.8
Due after four years	-	-	521.5	194.9	-	716.4
	346.7	**10.2**	**739.8**	**215.7**	**4.0**	**1,316.4**

37. CURRENCY RISK

The Group operates internationally and is therefore subject to foreign currency risk. In the ordinary course of business, the Group structures its contracts to be in the functional currency of the country where the work is performed and cost is incurred. If Group entities enter into transactions in currencies other than their respective functional currencies, in order to hedge the resulting foreign currency transaction risk, the Group utilizes derivative financial instruments (e.g. forward exchange contracts and foreign currency options).

A number of the Group controlled entities have a functional currency other than AUD. The exchange gains or losses on the net equity investment of foreign operations are reflected in the foreign currency translation reserve within the Parent Entity's equity. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

(A) FORWARD EXCHANGE CONTRACTS

The Group is exposed to exchange rate transaction risk on foreign currency sales, purchases, and loans to and from related entities. The most significant exchange risk is US dollar receipts by Australian and non-US entities. When required, hedging is undertaken through transactions entered into in the foreign exchange markets. Forward exchange contracts have been used for hedging purposes. Forward exchange contracts are generally accounted for as cash flow hedges.

At balance date, the details of outstanding contracts were:

	WEIGHTED AVERAGE EXCHANGE RATE		AMOUNT RECEIVABLE/(PAYABLE)		AMOUNT RECEIVABLE/(PAYABLE)	
	2013	2012	2013 $'M	2013 $'M	2012 $'M	2012 $'M
Maturing in the next six months to 31 December 2013						
Buy AUD and Sell CAD	1.03	-	AUD 9.3	CAD (9.0)	-	-
Buy AUD and Sell QAR	0.27	-	AUD 0.1	QAR (0.3)	-	-
Buy AUD and Sell USD	1.07	0.99	AUD 37.1	USD (34.8)	AUD 44.9	USD (45.4)
Buy AUD and Sell ZAR	0.11	-	AUD 4.5	ZAR (42.4)	-	-
Buy BRL and Sell USD	1.97	1.94	BRL 4.8	USD (2.5)	BRL 1.5	USD (0.8)
Buy CAD and Sell EUR	-	1.39	-	-	CAD 0.9	EUR (0.6)
Buy CAD and Sell KWD	-	3.61	-	-	CAD 19.0	KWD (5.3)
Buy CAD and Sell USD	-	1.02	-	-	CAD 1.6	USD (1.5)
Buy CNY and Sell USD	6.18	6.33	CNY 10.5	USD (1.7)	CNY 46.8	USD (7.4)
Buy EUR and Sell AUD	0.70	-	EUR 2.0	AUD (2.9)	-	-
Buy GBP and Sell AUD	-	0.64	-	-	GBP 10.0	AUD (15.5)
Buy GBP and Sell SGD	-	0.51	-	-	GBP 0.2	SGD (0.4)
Buy GBP and Sell USD	0.64	0.64	GBP 9.6	USD (15.0)	GBP 2.1	USD (3.4)
Buy HKD and Sell SGD	-	6.10	-	-	HKD 20.8	SGD (3.4)
Buy HKD and Sell USD	7.76	-	HKD 3.5	USD (0.5)	-	-
Buy IDR and Sell USD	9,796.44	9,287.23	IDR 42,614	USD (4.4)	IDR 69,600	USD (7.5)
Buy INR and Sell USD	55.61	50.73	INR 45.0	USD (0.8)	INR 149.7	USD (3.0)
Buy JPY and Sell AUD	-	83.88	-	-	JPY 7.7	AUD (0.1)
Buy MYR and Sell AUD	3.11	-	MYR 0.9	AUD (0.3)	-	-
Buy QAR and Sell ZAR	-	0.45	-	-	QAR 1.6	ZAR (3.6)
Buy SGD and Sell AUD	1.26	1.26	SGD 7.1	AUD (5.6)	SGD 14.4	AUD (11.4)
Buy SGD and Sell EUR	1.60	-	SGD 0.2	EUR (0.1)	-	-
Buy SGD and Sell USD	1.23	1.27	SGD 1.5	USD (1.2)	SGD 8.9	USD (7.0)
Buy SGD and Sell ZAR	0.14	-	SGD 2.4	ZAR (17.7)	-	-
Buy USD and Sell CAD	0.97	-	USD 2.9	CAD (3.0)	-	-
Buy USD and Sell EUR	1.30	1.29	USD 0.3	EUR (0.3)	USD 5.8	EUR (4.5)
Buy USD and Sell MYR	0.32	-	USD 0.2	MYR (0.7)	-	-
Buy USD and Sell ZAR	-	0.12	-	-	USD 0.1	ZAR (1.1)
Buy ZAR and Sell GBP	14.57	-	ZAR 7.1	GBP (0.5)	-	-
Buy ZAR and Sell USD	10.20	-	ZAR 23.4	USD (2.3)	-	-
Maturing in the next 6-12 months to 30 June 2014						
Buy AUD and Sell SGD	0.86	-	AUD 0.0	SGD (0.0)	-	-
Buy AUD and Sell USD	1.06	-	AUD 2.6	USD (2.5)	-	-
Buy BRL and Sell USD	2.01	1.96	BRL 2.2	USD (1.1)	BRL 2.4	USD (1.2)
Buy CAD and Sell USD	-	1.03	-	-	CAD 0.5	USD (0.5)
Buy CNY and Sell USD	6.21	6.34	CNY 1.9	USD (0.3)	CNY 16.5	USD (2.6)
Buy GBP and Sell USD	-	0.64	-	-	GBP 1.5	USD (2.4)
Buy HKD and Sell SGD	-	6.11	-	-	HKD 5.6	SGD (0.9)
Buy SGD and Sell USD	-	1.27	-	-	SGD 2.5	USD (2.0)
Buy USD and Sell EUR	-	1.3	-	-	USD 1.3	EUR (1.0)
Buy AUD and Sell SGD	0.86	-	AUD 0.0	SGD 0.0	-	-
Maturing in the next 12-18 months to 31 December 2014						
Buy BRL and Sell USD	2.06	1.98	BRL 1.7	USD (0.8)	BRL 0.2	USD (0.1)
Buy GBP and Sell USD	-	0.64	-	-	GBP 0.7	USD (1.2)
Maturing in the next 18-24 months to 30 June 2015						
Buy BRL and Sell USD	2.09	-	BRL 1.2	USD (0.6)	-	-
Maturing in the next 24-30 months to 31 December 2015						
Buy BRL and Sell USD	2.38	-	BRL 1.4	USD (0.6)	-	-
Maturing in the next 30-36 months to 30 June 2016						
Buy BRL and Sell USD	2.43	-	BRL 0.5	USD (0.2)	-	-

As these contracts are hedging anticipated future receipts and sales to the extent that they satisfy hedge accounting criteria, any unrealized gains and losses on the contracts, together with the cost of the contracts, are deferred and will be recognized in the measurement of the underlying transaction provided the underlying transaction is still expected to occur as originally designated. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related hedged transaction is still expected to occur as designated.

37. CURRENCY RISK (continued)

The gains and losses deferred in the statement of financial position were:

	CONSOLIDATED	
	2013 $'M	2012 $'M
Effective hedge – unrealized gains	1.1	0.6
Effective hedge – unrealized losses	(2.6)	(1.6)
Net unrealized losses, pre-tax	(1.5)	(1.0)

(B) CROSS CURRENCY SWAPS

The Group uses cross currency swaps to hedge its foreign currency interest rate risk, most with a maturity of greater than one year from the reporting date. At balance date, the details of cross currency swaps were:

	WEIGHTED AVERAGE EXCHANGE RATE		AMOUNT RECEIVABLE/(PAYABLE)		AMOUNT RECEIVABLE/(PAYABLE)	
	2013	2012	2013 $'M	2013 $'M	2012 $'M	2012 $'M
Contracts to Buy USD and Sell CAD						
Maturing 24 March 2016	0.99	0.99	USD 10.0	CAD (9.9)	USD 10.0	CAD (9.9)
Maturing 13 September 2017	1.01	–	USD 20.0	CAD (20.3)	–	–
Maturing 24 March 2018	0.99	0.99	USD 22.0	CAD (21.7)	USD 22.0	CAD (21.7)
Maturing 30 April 2018	1.00	1.00	USD 144.5	CAD (144.5)	USD 144.5	CAD (144.5)
Maturing 13 September 2019	1.01	–	USD 75.0	CAD (76.0)	–	–
Maturing 24 March 2021	0.99	0.99	USD 120.0	CAD (118.3)	USD 120.0	CAD (118.3)
Maturing 13 September 2022	1.01	–	USD 130.0	CAD (131.7)	–	–

The following gains and losses have been deferred at balance date:

	CONSOLIDATED	
	2013 $'M	2012 $'M
Fair value gain on cross currency hedge	30.8	16.0
Foreign exchange loss on hedge relationship	(25.0)	(11.6)
Net unrealized gain pre-tax in hedge reserve	5.8	4.4

(C) CONSOLIDATED FOREIGN CURRENCY RISK EXPOSURE

The Group's year-end statement of financial position exposure to foreign currency risk was as follows, based on notional amounts. The following are financial assets and liabilities (unhedged amounts) in currencies other than the functional currencies of the entity in which they are recorded:

AS AT 30 JUNE 2013	CAD[1]	GBP[1]	USD[1]	OTHER[1]
Cash and cash equivalents	0.4	2.5	34.6	14.6
Trade receivables and unbilled contract revenue	0.6	3.1	51.8	39.0
Derivative assets	30.0	0.0	0.0	0.0
Trade payables	(0.5)	(1.5)	(50.5)	(6.4)
Gross statement of financial position exposure	30.5	4.1	35.9	47.2

AS AT 30 JUNE 2012	CAD[1]	GBP[1]	USD[1]	OTHER[1]
Cash and cash equivalents	0.2	1.0	15.3	5.0
Trade receivables and unbilled contract revenue	0.3	1.9	52.7	51.5
Derivative assets	16.6	0.1	0.0	0.0
Trade payables	(0.6)	(0.5)	(21.4)	(14.6)
Gross statement of financial position exposure	16.5	2.5	46.6	41.9

1 Represents in currency millions as indicated.

(D) CURRENCY SENSITIVITY ANALYSIS

A 10% weakening of the Australian dollar against the following currencies at 30 June 2013 would have increased/(decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed and shown on the same basis for 2012.

	CONSOLIDATED			
	2013		2012	
EFFECTS IN MILLIONS OF AUD	EQUITY	PROFIT	EQUITY	PROFIT
CAD	–	0.0	–	0.0
GBP	–	0.5	–	0.3
USD	–	3.0	–	3.6
Other	–	3.3	–	2.9

A 10% strengthening of the Australian dollar against the above currencies at 30 June 2013 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The following significant exchange rates against the AUD applied during the financial year:

	AVERAGE EXCHANGE RATE		REPORTING DATE SPOT EXCHANGE RATE	
	2013	2012	2013	2012
CAD	1.0311	1.0349	0.9726	1.0374
GBP	0.6545	0.6513	0.6083	0.6469
USD	1.0274	1.0324	0.9281	1.0039

38. INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of its holdings of financial instruments.

(A) INTEREST RATE RISK EXPOSURE

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods are set out in the following table:

			FIXED INTEREST MATURING IN:							
	WEIGHTED AVERAGE INTEREST RATE % PA	FLOATING INTEREST RATE $'M	1 YEAR OR LESS $'M	1 TO 2 YEAR(S) $'M	2 TO 3 YEARS $'M	3 TO 4 YEARS $'M	4 TO 5 YEARS $'M	MORE THAN 5 YEARS $'M	NON-INTEREST BEARING $'M	TOTAL $'M
AS AT 30 JUNE 2013										
FINANCIAL ASSETS										
Cash and cash equivalents	2.3	320.0	–	–	–	–	–	–	–	320.0
Trade receivables, unbilled contract revenue and retentions	–	–	–	–	–	–	–	–	1,926.6	1,926.6
Amounts owing by associates and related parties	–	–	–	–	–	–	–	–	45.4	45.4
Derivatives	–	–	–	–	–	–	–	–	31.9	31.9
Total financial assets		320.0	–	–	–	–	–	–	2,003.9	2,323.9
FINANCIAL LIABILITIES										
Bank loans	6.0	1.7	1.5	1.7	1.8	1.9	2.0	8.5	–	19.1
Notes payable	5.5	–	151.4	–	10.8	182.6	200.9	490.3	–	1,036.0
Finance lease liabilities	4.0	–	2.3	2.0	1.6	1.0	0.2	0.0	–	7.1
Trade payables	–	–	–	–	–	–	–	–	389.2	389.2
Payables to associates and related parties	–	–	–	–	–	–	–	–	21.7	21.7
Derivatives	–	–	–	–	–	–	–	–	4.3	4.3
Interest rate swaps	–	(17.0)	1.5	1.6	1.7	1.9	2.0	8.3	–	–
Total financial liabilities		(15.3)	156.7	5.3	15.9	187.4	205.1	507.1	415.2	1,477.4
Net financial assets										846.5
AS AT 30 JUNE 2012										
FINANCIAL ASSETS										
Cash and cash equivalents	2.9	247.3	–	–	–	–	–	–	–	247.3
Trade receivables, unbilled contract revenue and retentions	–	–	–	–	–	–	–	–	1,725.9	1,725.9
Amounts owing by associates and related parties	–	–	–	–	–	–	–	–	71.9	71.9
Derivatives	–	–	–	–	–	–	–	–	16.6	16.6
Total financial assets		247.3	–	–	–	–	–	–	1,814.4	2,061.7
FINANCIAL LIABILITIES										
Bank loans	3.0	62.1	1.4	1.5	1.7	1.8	1.9	10.5	–	80.9
Notes payable	6.0	–	–	139.9	–	9.9	168.9	340.2	–	658.9
Trade payables	–	–	–	–	–	–	–	–	346.7	346.7
Payables to associates and related parties	–	–	–	–	–	–	–	–	10.2	10.2
Derivatives	–	–	–	–	–	–	–	–	4.0	4.0
Interest rate swaps	–	(18.4)	1.4	1.5	1.6	1.7	1.9	10.3	–	–
Total financial liabilities		43.7	2.8	142.9	3.3	13.4	172.7	361.0	360.9	1,100.7
Net financial assets										961.0

38. INTEREST RATE RISK (continued)

(B) INTEREST RATE SWAP CONTRACTS

Exmouth Power Station Pty Limited, 100% owned by a wholly owned subsidiary of WorleyParsons Limited, built and operates the Exmouth Power Station and has drawn down on a loan facility which currently has a floating interest rate. It is policy to protect part of the loan from exposure to increasing interest rates. Accordingly, the entity has entered into an interest rate swap contract under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contract is settled on a net basis and the net amount receivable or payable at the reporting date is included in other receivables or payables.

The contract requires settlement of net interest receivable or payable six monthly. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Swaps currently in place cover approximately 97.5% (2012: 97.5%) of the loan principal outstanding and are timed to expire as each loan repayment falls due. The fixed interest rate is 5.89% per annum (2012: 5.89%).

At 30 June 2013, the notional principal amounts and periods of expiry of the interest rate swap contracts were as follows:

	CONSOLIDATED	
	2013 $'M	2012 $'M
Less than one year	1.5	1.4
Later than one year but not later than five years	7.2	6.7
Later than five years	8.3	10.3
	17.0	18.4

As these contracts are hedging anticipated future receipts and sales, any unrealized gains and losses on the contract, together with the cost of the contract, are deferred and will be recognized in the measurement of the underlying transactions provided the underlying transactions are still expected to occur as originally designated. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related hedging transaction is still expected to occur as designated. This contract has been accounted for as a cash flow hedge.

(C) CASH FLOW SENSITIVITY ANALYSIS FOR VARIABLE INTEREST BEARING FINANCIAL ASSETS AND LIABILITIES

A change of 100 basis points (BP) per annum in interest rates at the reporting date would have increased/(decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

	EQUITY		PROFIT	
EFFECT IN MILLIONS OF AUD	100BP INCREASE	100BP DECREASE	100BP INCREASE	100BP DECREASE
2013				
Variable rate instruments	-	-	0.0	(0.0)
Interest rate swaps	0.1	(0.1)	-	-
Cash and overdraft	-	-	2.1	(2.1)
Cash flow sensitivity (net)	0.1	(0.1)	2.1	(2.1)
2012				
Variable rate instruments	-	-	0.4	(0.4)
Interest rate swaps	0.1	(0.1)	-	-
Cash and overdraft	-	-	1.6	(1.6)
Cash flow sensitivity (net)	0.1	(0.1)	2.0	(2.0)

39. FAIR VALUES

FAIR VALUES COMPARED TO CARRYING AMOUNTS

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2013		2012	
	CARRYING AMOUNT $'M	FAIR VALUE $'M	CARRYING AMOUNT $'M	FAIR VALUE $'M
ASSETS				
Cash and cash equivalents	320.0	320.0	247.3	247.3
Trade receivables, unbilled contract revenue and retentions	1,915.7	1,915.7	1,725.9	1,725.9
Amounts owing by associates and related parties	45.4	45.4	71.9	71.9
Derivatives	31.9	31.9	16.6	16.6
LIABILITIES				
Interest bearing loans and borrowings	1,062.2	1,232.8	739.8	825.1
Trade payables	389.2	389.2	346.7	346.7
Payables to associates and related parties	21.7	21.7	10.2	10.2
Derivatives	4.3	4.3	4.0	4.0
	835.6	665.0	961.0	875.7

The Group classifies fair value measurement using the hierarchy that reflects the significance of the inputs used in making the measurements. Derivatives held by the Group are fair valued using Level 2 measurements within the hierarchy. The fair value of the derivatives held by the Group are estimated using inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), such as forward interest and foreign currency rates. The Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable inputs exist and other relevant models used by market participants.

The basis for determining fair values is disclosed in note 2(W).

40. SUBSEQUENT EVENTS

Since the end of the financial year, the directors have resolved to pay a final dividend of 51.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (30 June 2012: 51.0 cents per share, partially franked at 61.3%).

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the aggregate amount of the proposed final dividend of $125.7 million is not recognized as a liability as at 30 June 2013.

No other material matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of WorleyParsons Limited, I state that:

1. In the opinion of the directors:
    (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
        (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
        (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
    (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(A);
    (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
    (d) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 23 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.
2. This declaration has been made after receiving the declarations required to be made to the Directors from the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2013.

On behalf of the Board

JOHN GRILL
Chairman
Sydney, 14 August 2013

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Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Independent auditor's report to the members of WorleyParsons Limited

Report on the financial report

We have audited the accompanying financial report of WorleyParsons Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of financial performance, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of WorleyParsons Limited is in accor*dance with the Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 46 to 59 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of WorleyParsons Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Bruce Meehan
Partner
Sydney
14 August 2013

SHAREHOLDER INFORMATION

TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 1 AUGUST 2013

NAME	SHARES	% OF ISSUED CAPITAL	RANK
HSBC Custody Nominees (Australia) Limited	62,402,007	25.29	1
J P Morgan Nominees Australia Limited	36,628,297	14.84	2
National Nominees Limited	33,141,792	13.43	3
Wilaci Pty Limited <The Serpentine A/C>	12,200,039	4.94	4
Citicorp Nominees Pty Limited	8,246,081	3.34	5
Lujeta Pty Ltd <The Margaret Account>	5,198,000	2.11	6
BNP Paribas Noms Pty Ltd <DRP>	4,597,166	1.86	7
JP Morgan Nominees Australia Limited <Cash Income A/C>	4,126,794	1.67	8
Mr John Michael Grill	3,932,055	1.59	9
Behana Pty Ltd <The Clark A/C>	2,300,000	0.93	10
Lujeta Pty Ltd <Margaret A/C>	2,200,000	0.89	11
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	2,082,066	0.84	12
Haju Pty Limited <Haju A/C>	1,500,000	0.61	13
Juha Pty Limited <Juha A/C>	1,500,000	0.61	14
Taylor Square Designs Pty Ltd	1,457,997	0.59	15
UBS Wealth Management Australia Nominees Pty Ltd	1,437,180	0.58	16
Inmac Engineering Pty Ltd	1,208,000	0.49	17
UBS Bank Canada Tr Chalet Holdings Inc	1,077,475	0.44	18
Johalius Pty Ltd <Serpentine Foundation A/C>	1,053,136	0.43	19
Citicorp Nominees Pty Limited <BHP Billiton ADR Holders A/C>	1,026,247	0.42	20
Total	187,314,332	75.90	

Total number of current holders for all named classes is 27,960.

The table above includes exchangeable shares. The ASX treats these shares as having been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules.

SUBSTANTIAL HOLDERS OF 5% OR MORE OF FULLY PAID ORDINARY SHARES AS AT 1 AUGUST 2013*

NAME	NOTICE DATE	SHARES
John Grill and associated companies	31 May 2010	25,313,786

* As disclosed in substantial shareholder notices received by the Company.

RANGE OF FULLY PAID ORDINARY SHARES AS AT 1 AUGUST 2013

	HOLDERS	SHARES	% OF ISSUED CAPITAL
1 - 1,000	20,680	8,297,494	3.36
1,001 - 5,000	6,159	13,039,088	5.28
5,001 - 10,000	551	3,936,678	1.60
10,001 - 100,000	472	10,498,023	4.25
100,001 and over	98	211,008,343	85.51
Total	27,960	246,779,626	100.00

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	SHARES
Minimum $500.00 parcel at $22.06 per unit	23	914	9,139

The table above includes exchangeable shares. The 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. In addition to the shares set out in the table there is one special voting share issued to Computershare Trust Company of Canada Limited (Trustee) as part of the consideration for the acquisition of the Colt Group.

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. In the case of the exchangeable shares, voting rights are provided through the special voting share which carries an aggregate number of votes equal to the number of votes attached to the ordinary shares into which the exchangeable shares are exchangeable.

CORPORATE INFORMATION

WorleyParsons Limited
ACN 096 090 158

DIRECTORS

John Grill (Chairman)

Ron McNeilly (Deputy Chairman and Lead Independent Director)

Larry Benke

Erich Fraunschiel

John M Green

Christopher Haynes, OBE

Catherine Livingstone, AO

JB McNeil

Wang Xiao Bin

Andrew Wood (Chief Executive Officer)

COMPANY SECRETARY

Peter Janu

REGISTERED OFFICE

Level 12
141 Walker Street
North Sydney NSW 2060

AUDITORS

Ernst & Young

BANKERS

Bank of America
Commonwealth Bank of Australia
HSBC
JPMorgan Chase
Royal Bank of Canada
Royal Bank of Scotland
Standard Chartered Bank
UBS
Wells Fargo
Westpac Banking Corporation

LAWYERS

Herbert Smith Freehills

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000
Australia
Ph: 1300 850 505

GLOSSARY

Term	Definition
Brownfield project	A project which is constrained by prior work. Such projects very often involve rebuilding or re-engineering a facility from an existing facility. Such a project may be contrasted with a "greenfield project" which is a project that lacks constraints imposed by prior work – for example, a project that, apart from a small number of interfaces with existing facilities, is a standalone project.
Downstream	The refining of petroleum crude oil and the processing and purifying of raw natural gas, as well as the marketing and distribution of products derived from crude oil and natural gas.
EcoNomics™	Our framework for integrating sustainability into our customers' projects and operations. That framework assists them in making decisions where trade-offs exist between technical, social, environmental and financial performance.
EP	Engineering and Procurement.
EPC	Engineering, Procurement and Construction.
EPC contract	Under an EPC contract, we will generally be responsible for the design, the procurement of equipment and materials, and the construction and commissioning of an asset, such as a power station. This will generally require us to ensure that the completed asset meets certain specified performance targets. To do so, we will generally procure the necessary equipment and materials and engage various sub-contractors ourselves.
EPCM	Engineering, Procurement and Construction Management.
EPCM contract	Under an EPCM contract, we will generally be responsible for providing our professional services, but, unlike an EPC contract, will not be responsible for delivering a completed asset to our customer. Instead, we will provide engineering and design services to our customer, procure equipment but only as agent for our customer and manage our customer's other suppliers as the customer's representative. We will generally be paid an hourly rate for the services we provide.
EPMS	Engineering and Project Management Services.
Front-end engineering design	Basic engineering design providing owners and their financiers with information enabling them to determine whether or not, and if so how, to commit resources to a proposed project to maximize its projected returns.
Greenfield project	A project that lacks constraints imposed by prior work - for example, a project that, apart from a small number of interfaces with existing facilities, is a standalone project. A greenfield project can be contrasted with a "brownfield project" which is a project constrained by prior work. Such projects very often involve rebuilding or re-engineering a facility from an existing facility.
Midstream	The transport (by pipeline, rail, barge or truck), storage, and wholesale marketing of crude or refined petroleum products.
OneWay™	Our enterprise-wide integrity management framework which establishes our corporate expectations for zero harm to our business.
PMC	Project Management Consultancy.
Reimbursable EPC	Arrangements under which we are reimbursed for the costs we incur plus a margin in meeting our obligations under an EPC contract.
Unconventional oil and gas	Types of oil and gas that were traditionally thought of as being difficult and/or expensive to locate and extract. They include shale gas, shale oil, basin-centred gas, gas hydrates and coal seam gas.
Upstream	The searching for potential underground or underwater crude oil and natural gas fields, drilling of exploratory wells, and the subsequent drilling and operation of the wells that recover and bring the crude oil and/or raw natural gas to the surface.













Canada-NL Benefits