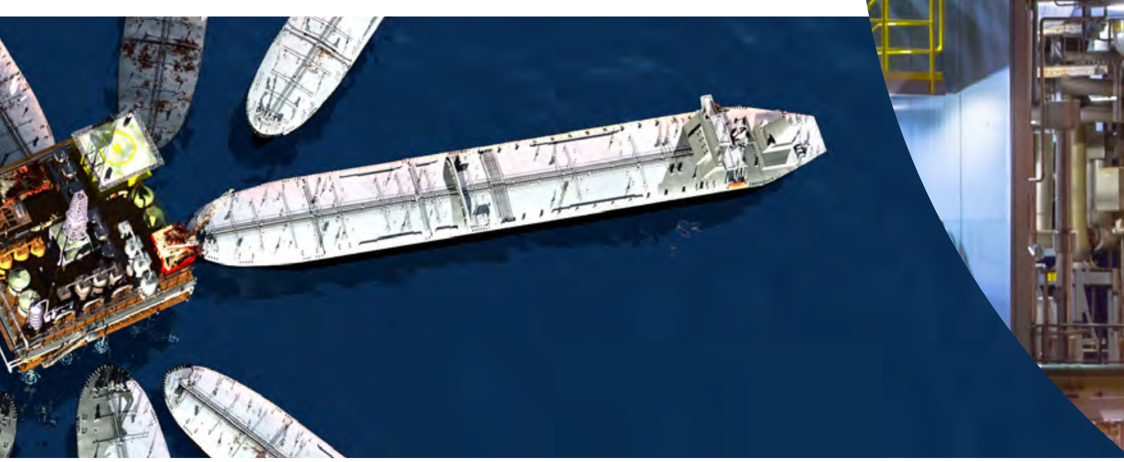
WorleyParsons

resources & energy

Annual Report 2015



EcoNomics™ Delivering profitable sustainability

We are a professional services business, a partner in delivering sustained economic and social progress, creating opportunities for individuals, companies and communities to find and realize their own futures.

We can only do this with the support of our shareholders, earned by delivering earnings growth and a satisfactory return on their investment.

OUR VALUES

Leadership

- Energy and excitement
- Integrity in all aspects of business
- Minimum bureaucracy
- Committed, empowered and technically capable people
- Delivering profitable sustainability

Relationships

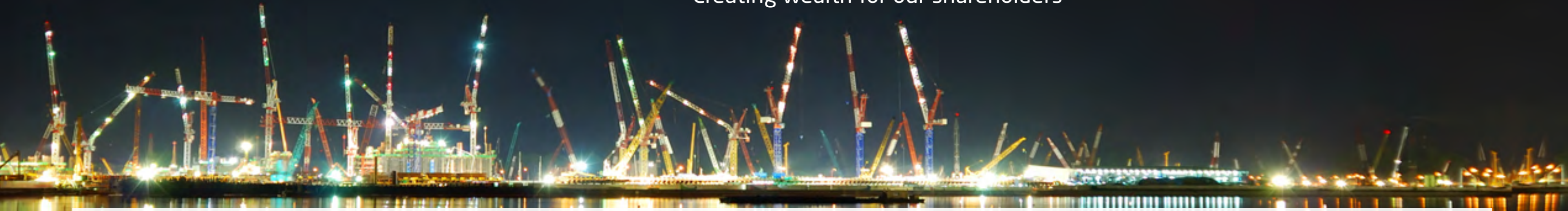
- Open and respectful
- A trusted supplier, partner and customer
- Collaborative approach to business
- Willing to challenge and innovate
- Enduring customer relationships

Agility

- Smallest assignment to world-scale developments
- Comprehensive geographic presence
- Global expertise delivered locally
- Responsive to customer preferences
- Optimum customized solutions

Performance

- Industry leadership in health, safety and environmental performance
- Consistent results for our customers, delivering on our promises
- People accountable and rewarded for performance
- Innovation delivering value for our customers
- Creating wealth for our shareholders



WorleyParsons delivers projects, provides expertise in engineering, procurement and construction and offers a wide range of consulting and advisory services. We cover the full lifecycle, from creating new assets to sustaining and enhancing operating assets, in the hydrocarbons, mineral, metals, chemicals and infrastructure sectors. Our resources and energy are focused on responding to and meeting the needs of our customers over the long term and thereby creating value for our shareholders.

Annual General Meeting

WorleyParsons' 2015 Annual General Meeting will be held on Tuesday 27 October 2015 commencing at 2.00pm (AEDT) at The Westin Sydney, 1 Martin Place, Sydney.

We have created our 2015 Shareholder results microsite, which offers our 2015 results documents and detailed information on our business operations.

Visit us online

annualreport2015.worleyparsons.com

Contents

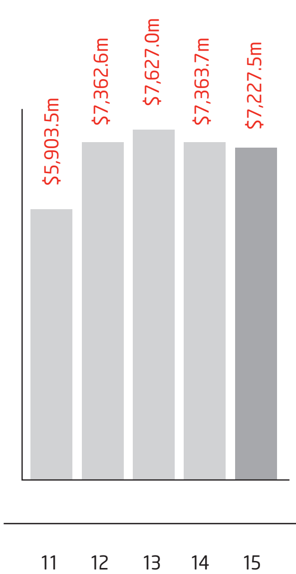
Group Financial Highlights

FIVE YEAR PERFORMANCE AT A GLANCE

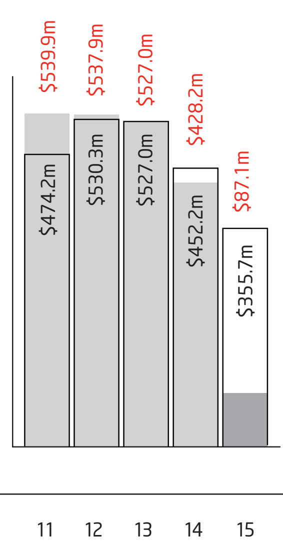
$M	2011	2012	2013	2014	2015	% change
Aggregated revenue[1]	5,903.5	7,362.6	7,627.0	7,363.7	7,227.5	(1.8)
EBIT	539.9	537.9	527.0	428.2	87.1	(79.7)
EBIT margin	9.1%	7.3%	6.9%	5.8%	1.2%	
Net profit after tax	364.2	353.2	322.1	249.1	(54.9)	(122.0)
Net profit margin	6.2%	4.8%	4.2%	3.4%	(0.8%)	
Cash flow from operations	293.8	437.5	443.5	550.1	251.3	(54.3)
Return on equity[2]	19.8%	18.0%	16.2%	12.5%	9.2%	
Basic EPS normalized (cents)[3]	159.4	152.7	137.8	108.5	(14.7)	(113.5)
Basic EPS (cents)	148.3	143.7	130.8	101.0	(22.2)	(122.0)
Dividends (cents per share)	86.0	91.0	92.5	85.0	56.0	(34.1)

[1] Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates less procurement 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] Based on underlying net profit after tax and underlying equity.
[3] Before amortization of intangibles including tax effect of amortization expense.

Aggregated revenue	EBIT	Net profit after tax	Cash flow from operations
$7,227.5 m	$87.1m	($54.9m)	$251.3m

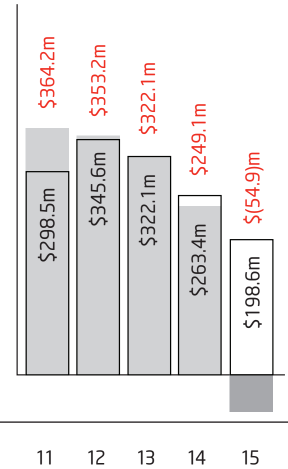


The result was earned on aggregated revenue of $7,227.5m, a decrease of 1.8% on the $7,363.7m reported in 2014.



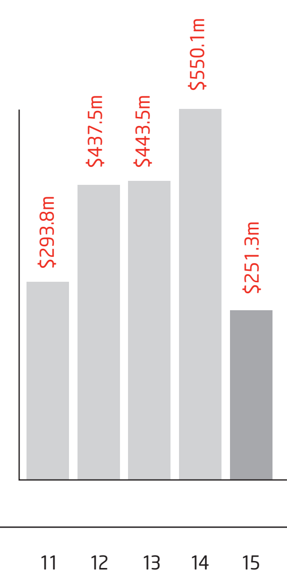
EBIT for the year was $87.1m, a decrease of 79.7% on the $428.2m reported in 2014.

Underlying EBIT, excluding impairment and Arkutun-Dagi settlement, for the year was $355.7m, a decrease of 21.3% on the $452.2m reported in 2014.



The full year result for 2015 was a net loss of $54.9m, a decrease of 122% on the $249.1m net profit reported in 2014.

Underlying NPAT, excluding impairment, Arkutun-Dagi settlement and tax associated with the China business restructure, for 2015 was $198.6m, a decrease of 24.6% on the $263.4m reported in 2014.



Cash flow from operations was $251.3m, representing cash conversion of 127% of underlying NPAT.

Chairman and CEOs' Review

Positioning for the future.

John Grill AO and Andrew Wood

Welcome to the WorleyParsons Annual Report for 2015.

The past 12 months have been a challenging time for our customers who have been impacted by sustained low commodity prices and the fall in oil prices. This has led to reduced activity levels across the resources and energy sectors. WorleyParsons has not been immune from the impact of this reduction in our customers' capital and operating expenditure, although our geographic diversification and broad range of services have been important factors in maintaining a resilient business.

We have developed a strategy for the medium to longer term that responds to the unstoppable trends and market shifts we have been observing. Our strategy to return the business to growth is built around our five strategic themes leading to one differentiated strategy to 'Realize our future'.

Realize our future
While the Company has taken the necessary short term actions to reshape the business to align it with market activity, we have deployed our recently announced strategy for growth.

Our strategy is founded on five strategic themes, executed through five projects, delivering one differentiated strategy. This strategy leverages our core differentiators of deep and broad technical capability and our diverse geographic presence. It strengthens the focus on front end capability, multiple project delivery offerings through the execution phase of projects, and on *Improve* to provide integrated offerings covering full asset management services and reimbursable EPC for sustaining capital projects. The organizational change into four business lines; Services, Major Projects, *Improve* and Advisian, supported by our Global Delivery Center, provides the platform for the delivery of this strategy.

Our strategy is explained on page 15

The five strategic themes are:
- to build a world class advisory and consulting business
- to be the global project management consultant of choice
- to build a leading *Improve* business
- to be the smartest most agile local service provider
- to be the company that leapfrogs the competition in the use of our global delivery center and applies digital technology to revolutionize the delivery of our services.

Our strategy to return the business to growth is built around our five strategic themes leading to one differentiated strategy to 'Realize our future'.

We have moved quickly on our strategy. 1 July 2015 saw Advisian operating as a standalone business line with approximately 3,000 consultants operating in 19 countries. During the year, we completed the acquisition of MTG, a management consulting firm focused in the oil and gas, petrochemicals and chemicals sectors.

We also acquired Atlantic Nuclear, a Canadian based consulting business that specializes in nuclear technology including the CANDU technology. This acquisition demonstrates our commitment to deepen our technical capabilities in support of our customers in the broader energy sector.

The development of our Global Delivery Center has progressed with the continuing transfer of project execution activities to India and China as we work with customers to lower the cost of the delivery of their projects.

Over the last 18 months, we have reorganized, simplified the way we work and removed costs to provide a solid foundation for a sustainable business in the short term and a platform from which to launch the next phase of our growth.

Financial performance

The Group reported an underlying net profit after tax of $198.6 million (excluding $198.6 million impairment of goodwill, $49 million post-tax for settlement of the Arkutun-Dagi dispute and a $5.9 million tax adjustment associated with the China business restructure), down 25% on our 2014 underlying result.

Last year, we anticipated improving margins in market conditions where revenue was likely to fall. While we achieved some success in the first half, the second half margins came under pressure due to the combined impact of project cancellations, the charges incurred due to our cost reduction initiatives, competitive pressures and concessions negotiated with customers.

The expected lower market activity necessitated a comprehensive review of asset carrying values, resulting in the Company recognizing a non-cash impairment of goodwill of $198.6 million. This represents approximately 10% of the value of total goodwill.

WorleyParsonsCord, Blackfalds Module Yard, Canada

The Group delivered a positive cash flow of $251.3 million (cash conversion at 127% of NPAT) and our gearing remains within our target range.

The Board has resolved to pay a final dividend of 22.0 cents per share unfranked, taking the total dividends for the year to 56.0 cents per share, down from 85.0 cents per share last year.

As the 2015 financial result was below the Group NPAT threshold, no Combined Incentive was awarded to Executives.

Health, Safety and Environment (HSE)

WorleyParsons is committed to our vision of Zero Harm to people and assets and zero environmental incidents. We thank our Board and management for their continued strong leadership in support of the goal of Zero Harm. Our Total Recordable Case Frequency Rate has increased to 0.12 per 200,000 hours worked compared to 0.10 in the 2014 financial year. We also enhanced our Energy Efficiency Program to further reduce our carbon footprint focusing on our highest energy consuming operations.

People

As a professional services business, our employees are our most important asset. It has been a difficult year for our people, as we adapted to the changing needs of our customers and the dynamics of our markets. We have made, and will continue to make, tough decisions that balance the need to maintain a local presence to support our customers with the longer term interests of our shareholders.

Both the Board and Group Leadership Team would like to express their appreciation of the commitment and contribution of our people to WorleyParsons over this past year.

INTECSEA Subsea Structure

Board and management changes

As part of our plan for Board renewal we completed our search for a new director with the appointment of Jagjeet (Jeet) Bindra as a director of the Company with effect from 1 July 2015. Jeet brings to the Board over 35 years' experience in the global resources and energy industry including 32 years in senior leadership roles with the Chevron Group of Companies. We welcome Jeet to the Board.

We also welcomed two new Executives, Dennis Finn and Filippo Abba. Dennis commenced as Group Managing Director/Chief Executive Officer – Advisian on 1 September 2014. Filippo commenced as Group Managing Director – *Improve* on 1 April 2015, succeeding Randy Karren who retired on 31 March 2015 after 27 years' service with WorleyParsons and its legacy companies. On behalf of the Board and the senior management team, we would like to thank Randy for his substantial contribution to the growth and development of Cord, Colt and WorleyParsons.

See page 13 for more details on the members of the Group Leadership Team.

Ethics and Corporate responsibility

We recognize 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 ongoing success. All of WorleyParsons' people continue to strive to maintain the standard of ethical behavior expected by our customers, suppliers and shareholders. 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.

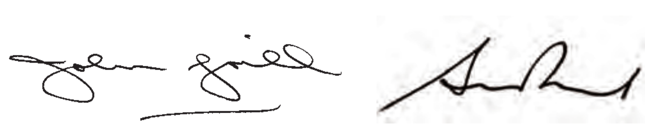
Corporate governance

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. 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 assurance annually to the Audit and Risk Committee of the adequacy and effectiveness of the Group's internal controls.

The Corporate Governance Statement 2015 can be found on the Company's website.

Conclusion

We would like to thank the Directors, the Group Leadership Team, and our people for their contribution in what has been a significant period of change in our markets and organization. We would like to thank our shareholders for their continuing support and look forward to realizing the future of WorleyParsons together.



John Grill AO
Chairman and Non-Executive Director

Andrew Wood
Chief Executive Officer

Board of Directors

Andrew Wood	John Grill AO	Catherine Livingstone AO	John M Green	Wang Xiao Bin
Chief Executive Officer	Chairman and Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director
	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.	Catherine is a member of the Audit and Risk Committee and the Nominations Committee.	John is Chairman of the Remuneration Committee and a member of the Nominations Committee.	Xiao Bin is a member of the Audit and Risk Committee and the Nominations Committee.

Note: Jageet (Jeet) Bindra joined the Board of Directors on 1 July 2015 and is not pictured here.

Ron McNeilly
Deputy Chairman and Lead Independent Director

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.

Erich Fraunschiel
Non-Executive Director

Erich is Chairman of the Audit and Risk Committee and a member of the Nominations Committee.

Christopher Haynes OBE
Non-Executive Director

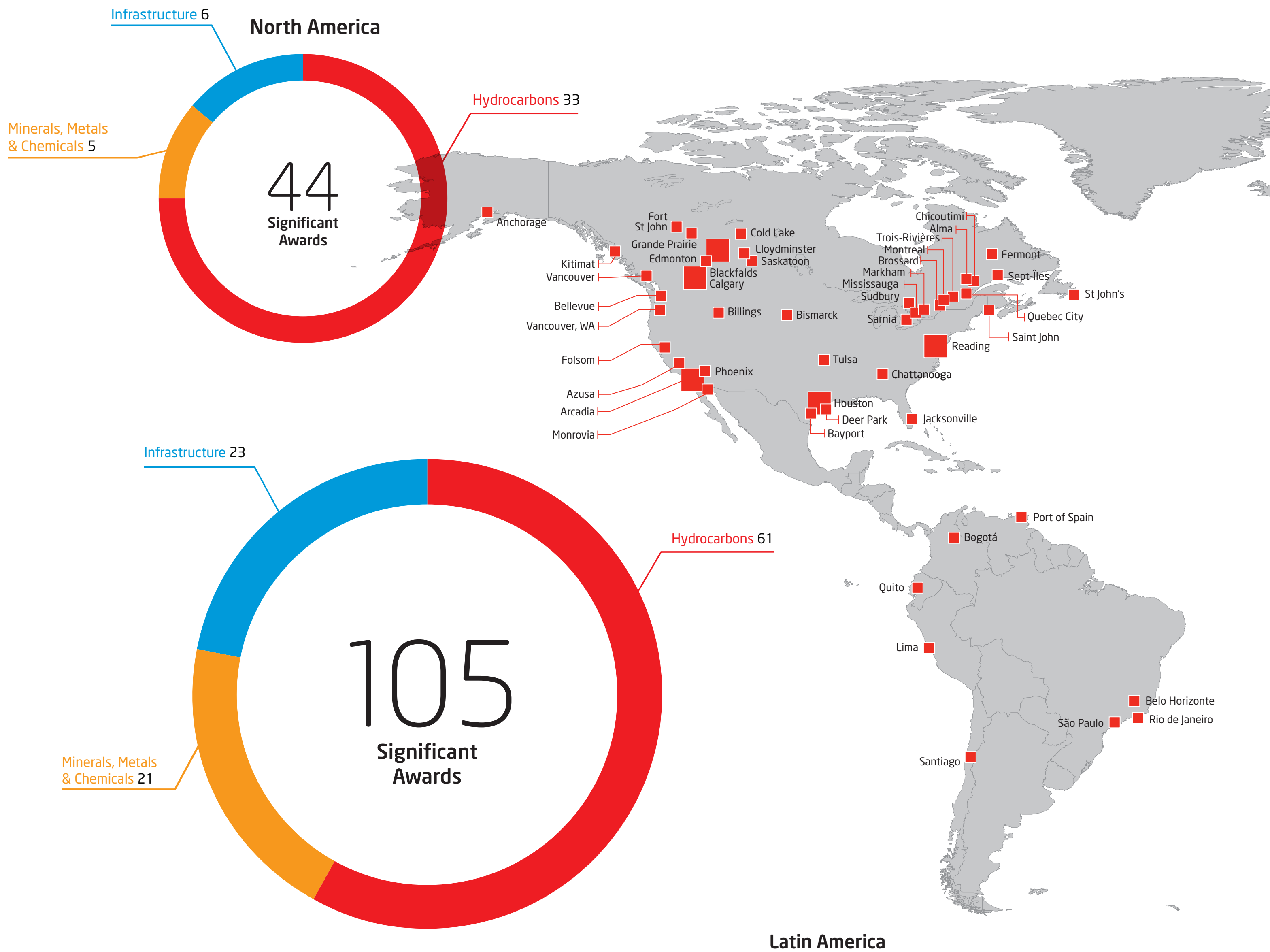
Chris is Chairman of the Health, Safety and Environment Committee and a member of the Nominations Committee.

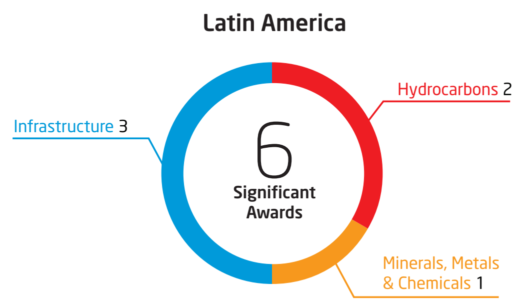
Larry Benke
Non-Executive Director

Larry is a member of the Audit and Risk Committee, the Nominations Committee, and the Health, Safety and Environment Committee.

Peter Janu
Company Secretary and General Counsel Corporate

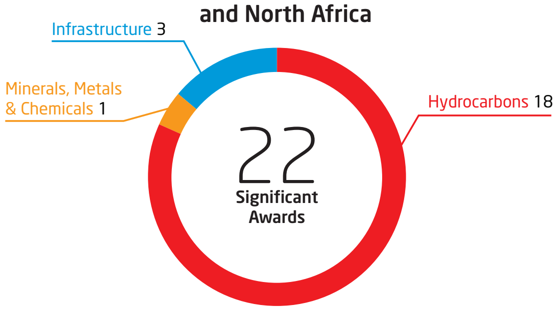
Global Operations and Significant Contract Awards



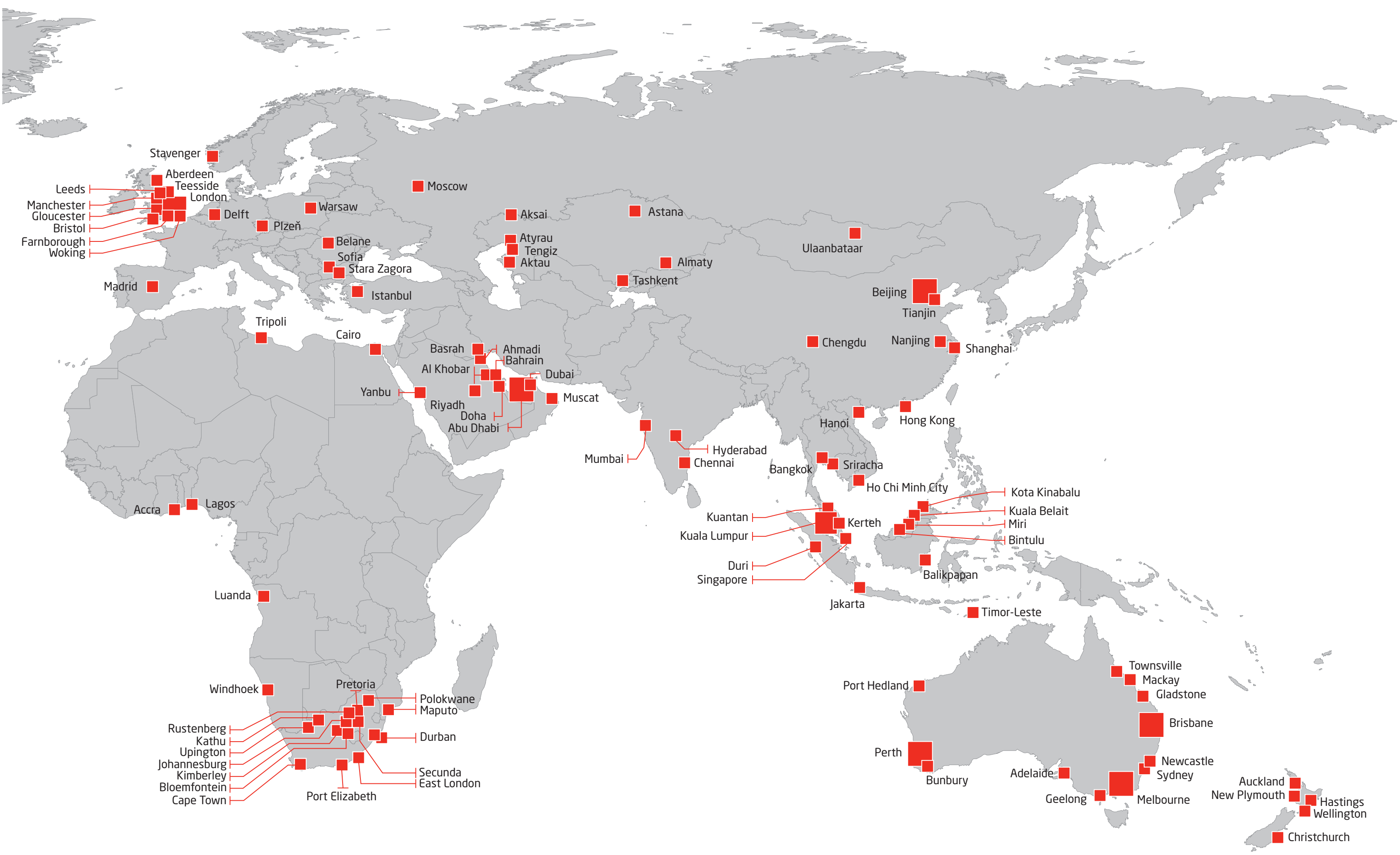


46 Countries
148 Offices
31,400 Employees

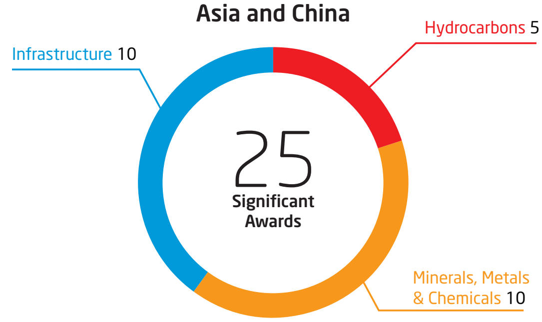
Europe, Middle East and North Africa



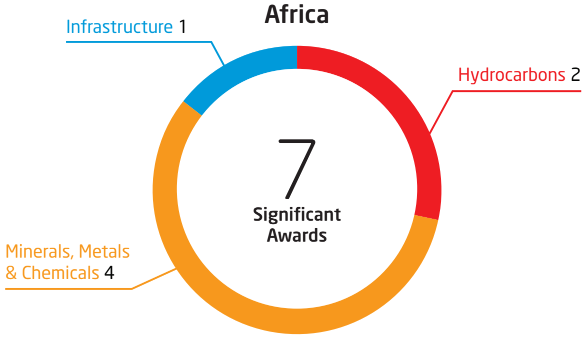
Global



Australia Pacific, Asia and China



Sub-Saharan Africa



Significant Contract Awards

HYDROCARBONS			
	SERVICES		
1	AGL	Professional Services Agreement panel for works in Australia	APAC
2	Viva Energy	Engineering PM Services	APAC
3	Woodside Petroleum	Woodside Brownfield EPCM Services Program (CY2015 - 19)	APAC
4	BP	West Nile Delta FEED	EURMENA
5	Chevron	Samal Wind Farm	EURMENA
6	ConocoPhilips	Ekofisk Capacity Increase	EURMENA
7	Maersk Oil	Culzean FEED	EURMENA
8	Ophir Energy	Block R Engineering support	EURMENA
9	Saudi Aramco	MPP Offshore PMC	EURMENA
10	Ocensa	EPCM Services Contract	LAM
11	Confidential Client Oil Sands	Significant Oil Sands Mining Project Module	North America
12	Husky	DAII Pipelines and Well Pads	North America
13	Husky	Sunrise SAGD SRU Unit Installation	North America
14	Keyera	Rimbey Gas Plant Construction	North America
15	Maersk Oil	Chissonga Follow-on Engineering	North America
16	North West Redwater Partnership	Unit 70 and Unit 90 modules	North America
17	Sempra LNG	LNG Facilities Consulting and Owner's Engineering Services	North America
18	Shell Canada LNG	RTA Port Development	North America
19	Steelhead LNG	Steelhead Environmental Services, Sarita Bay	North America
20	TransCanada	Northern Courier Pipeline Project modules	North America
21	BP	Relief Systems Project	Global
22	Ophir Holdings	MSA for engineering support to worldwide assets	Global
	MAJOR PROJECTS		
23	Alaska LNG	Alaska LNG Pipeline	North America
24	Chevron	Buckskin Moccasin SURF Early FEED	North America
	IMPROVE		
25	BP	BP Regional Framework Agreements for Downstream Business Units	North America
26	BP	Trinidad Region Onshore Compression Category B Project DEFINE/EXECUTE Phase	North America
27	BP	Trinidad Accommodations Project DEFINE Phase	North America
28	Confidential Client	Engineering and Procurement Services Agreement	North America
29	Confidential Client	Engineering and Procurement Services Agreement	North America
30	ConocoPhilips Alaska	Design, Drafting and Documentation Services for CPAI North Slope Facilities	North America
31	Suncor	Engineering and Procurement MUA Extension	North America

Note: Contracts mentioned here represent a sample of the total awarded throughout FY2015.

Case Study

QEZ3 Port, Doha – PMC, a workshare success story

The QEZ3 port is located on an inland site north of the Hamad Port and accommodates smaller vessels, particularly from Qatar and neighboring Gulf states. The project included a greenfield development of a naval base on a new reclaimed offshore island to provide berthing facilities for the Qatar Emiri Naval Forces. QEZ3 will be an important gateway into Qatar, providing an economic hub around the port for manufacturing, logistics and trade. WorleyParsons was appointed as the PMC to provide the master planning, design and construction support for construction of port and naval buildings, infrastructure and utility buildings, reclamation, marine works mobile equipment and port cranes and security packages.

WorleyParsons, in association with Royal Haskoning DHV (RHDHV) as a subcontractor executed the project primarily in the WorleyParsons Doha office with work shared with the Dubai office for shallow quay marine works; and the Mumbai office for the structural design of the utility buildings.

The master planning for the new port is closely aligned with the Qatar National Vision 2030 pillars of environmental, economic, human and social development which focus on harmony between economic growth, social development and environmental protection.

MINERALS, METALS & CHEMICALS

SERVICES			
1	BASF	BPC Polyisobutene Production Plant	APAC
2	BASF	New Chemical Catalysts Manufacturing Plant	APAC
3	Evonik	Evonik Signal Project, EPCM	APAC
4	RTA Yarwun	Engineering Project Management Drafting	APAC
5	SWICorp	Azin Glass Factory	EURMENA
6	Brazil Potash Corporation	Autazes Bankable Feasibility Study	LAM
7	Dakota Gasification	Urea Plant CM Scope	North America
8	Exxaro	Matla No.1 Shaft Relocation Detail Design	SSA
9	Vale	S11D - CM Support Contract	North America
MAJOR PROJECTS			
10	Vale	Vale Kronau FEF3	North America

INFRASTRUCTURE

SERVICES			
1	China Harbour Engineering Company	Oil terminal in Walvis Bay	APAC
2	MPA	EMMP Specialist Consultancy Services for Tuas terminal Phase 1	APAC
3	NSW Treasury	NSW Poles and Wires	APAC
4	One Pure International Group	Gluse/PET Waterbottling Plant - EPC	APAC
5	Public Utilities Board	Rehabilitation of sanitary drain lines - Jurong Lake Catchment	APAC
6	Queensland Department of State Development	Abbot Point Approvals Project	APAC
7	RAOS Project Oy	Fennovoima Hanhikivi-1 Nuclear Power Plant	EURMENA
8	SEZAD	Sezad Duqm Liquid Berth	EURMENA
9	Concessionaria do Monotriho da Linha 18	Metro Linha 18	LAM
10	S.P.E.C	Cartagena LNG Floating Storage Regasification Unit Import Terminal PMC/OE	LAM
11	Buckeye Partners LP	MSA Consulting and Engineering Services	North America
12	Iberdrola	Salem Harbour Combined Cycle Gas Turbine	North America
13	Port of Corpus Christi	Consulting and Engineering Services MSA	North America
14	Siemens/Channelview	O&M Services	North America
15	Lake Turkana wind power project	Lake Turkana Wind Power Project	SSA
IMPROVE			
16	Genesis Energy	Genesis Energy Integrated Services	APAC
17	UCLA	Cogen Plant O&M	North America

From left to right, Filippo Abba, David Steele, Dennis Finn, Andy Cole, Marian McLean, Andrew Wood, Simon Holt, Peter Janu

Realize our future

We have the right team to deliver our strategy.

The Group Leadership Team comprises the leaders of our four business lines; Services, Major Projects, *Improve* and Advisian, and the leaders of Strategy, Finance, Assurance & Development and the Company Secretary. The Group Leadership Team advises the Chief Executive Officer on effective and efficient functioning of the global business of WorleyParsons and is responsible for the delivery of our strategy to realize our future.

The existing Group Leadership Team members were joined this year by two new executives. Filippo Abba, Group Managing Director - Major Projects and Group Managing Director - *Improve*, brings more than 20 years experience in the industry. Dennis Finn, Group Managing Director & CEO - Advisian, brings more than 10 years experience in global advisory businesses.

Filippo Abba, Group Managing Director – Major Projects, Group Managing Director – *Improve*

Filippo is accountable for the growth and performance of both the nominated global Major Projects' portfolio and *Improve* relationships within WorleyParsons. Prior to joining WorleyParsons, Filippo held a number of senior roles during his 24 years working with Foster Wheeler, most recently CEO of Foster Wheeler Europe, Middle East and Africa. Throughout his career, Filippo has built broad global experience and has led sizeable EPC projects. Filippo holds a Bachelor's Degree and a Doctorate in Mechanical Engineering from Politecnico di Milan.

Andy Cole, Group Managing Director – Strategy

Andy is responsible for the development of the Corporate and Sector level growth strategy within WorleyParsons which covers all operating business lines and addresses the Hydrocarbons, Minerals & Metals, Chemicals and Infrastructure sectors. Joining WorleyParsons in 1985 in Perth as a graduate structural engineer, Andy was involved in the design of various onshore and offshore oil and gas facilities in Australia, the UK, South East Asia and the Middle East. He managed the Thailand operation from 2001 to 2003, returning to Australia to complete a Master of Business Administration (MBA) and to establish and run the global front end consulting division, known as *Select*. Andy holds a Degree in Civil Engineering and an MBA from The University of Western Australia.

Dennis Finn, Group Managing Director & CEO – Advisian

Dennis is responsible for Advisian, WorleyParsons' global advisory and consulting business. Dennis joined WorleyParsons from PricewaterhouseCoopers (PwC) in 2014 and has a strong background in transformational change, global strategy and high impact customer focused interventions. Dennis has advised clients across the globe, successfully helped to build global advisory businesses, and understands the importance of talent and culture. His leadership combines significant global experience with strong commercial acumen. Dennis joined PwC Australia in 2004 as the lead Partner and Head of Consulting and went on to hold a number of senior roles in the firm. In 2012 he was appointed Vice Chairman and Global Human Capital Leader of PwC International based in New York. His background and experience include Operations, Manufacturing, HR, Marketing and General Management across multiple locations (the UK, the US, Australia, New Zealand and Asia). Dennis started his career as a radiographer after studying Chemical Plant Operations and Nuclear Processes in the UK.

Simon Holt, Chief Financial Officer

Simon is the Chief Financial Officer and has overall responsibility for finance including Treasury, Property Leasing, Tax, Shared Services, Information Management, Corporate Procurement, Travel, Corporate Finance and Reporting. Simon also has oversight of the operational finance functions, ensuring the consistent application of standardized processes, systems and corporate and financial reporting. He has previously held the roles of Deputy CFO and Group Financial Controller. Prior to joining WorleyParsons in 2007, Simon held a number of senior positions in the retail sector. Simon is a Chartered Accountant and holds a degree in Business (Accounting and Marketing) from the University of Technology, Sydney.

Marian McLean, Group Managing Director – Assurance & Development

Marian is responsible for both the Assurance and Development activities at WorleyParsons. In this role, Marian provides leadership of Innovation, the Group Project Management Office and New Ventures. She is also responsible for the assurance on the effectiveness and efficiency of the WorleyParsons internal controls, reliability of reporting and compliance with laws and regulations. Marian joined WorleyParsons in June 2008. She has over 20 years' experience in the manufacturing, water, construction, service and oil and gas industries. Her qualifications include: Master of Applied Science (Ergonomics) University of NSW, Graduate Diploma in Safety Science University of NSW and Bachelor of Physiotherapy, University of QLD. Marian is a professional member of the American Society of Safety Engineers, the Society of Petroleum Engineers and the Human Factors and Ergonomics Society of Australia.

David Steele, Group Managing Director – Services

David has over 30 years' experience in engineering, project and business management across a wide range of customer and industry sectors. David is responsible for the Services business line, which delivers services to our customers from the 148 offices WorleyParsons has in 46 countries around the globe. David has previously held many roles within WorleyParsons including other operational, global functional and customer sector roles. Prior to joining the company in 1999, David held positions with ABB and Rolls-Royce Industrial Power (Pacific). David holds a Bachelor's Degree in Electrical Engineering and an MBA and is a Chartered Professional Engineer.

For Andrew Wood, Chief Executive Officer and Peter Janu, Company Secretary and General Counsel Corporate, details can be found on page 50.

Our plan for growth.

The key driver of investment in the global oil market for the last decade has been the concept of peak oil and the implied diminishment of supply. This in turn drove higher and higher levels of expenditure in the frontier regions to gain the harder to extract reserves. That trend changed in the last few years with the shale revolution in North America. Supply now, can be incrementally increased without the traditional big, long term investments. This, together with slowing growth rates in China, has created a challenging market place for both customers and service providers to the oil and gas sector. The same can be said for many of the resources related subsectors in which we operate. Given there has been such a fundamental shift in our key markets it was clear we had to make a fundamental shift in our business.

Responding to the unstoppable trends and recent market shifts

When developing our future growth strategy we firstly considered the underlying external context. There are a number of unstoppable trends that are driving the long term market dynamics. Climate change, urbanization, food security, water scarcity and the increasing challenge for our customers to gain the social license to operate, are examples of true, unstoppable trends that we believe create opportunities and hence need to be considered within the long term strategy development for WorleyParsons.

There have also been recent market shifts such as the oil price shock, low gas prices, the fall in iron ore, copper and coal prices which are affecting our customers' investment decisions. We are also seeing an increase in lump sum turnkey (LSTK) contracts, the impact of increasing development costs and changes to the geopolitical landscape creating more complexity for our customers. While these recent market shifts present some challenges, we again see a number of opportunities for WorleyParsons in the near term.

A period of transition

We are in a period of transition to return the Company to growth. This is a journey we commenced in November 2013 as we sought to address the challenges we saw ahead. In April 2014, before the fall in oil prices, we restructured the business, refreshed the leadership team, reduced our overhead costs and initiated programs to enable our staff to deliver better customer satisfaction. We created the business lines of Services, Major Projects and *Improve* transferring direct accountability for performance to the leaders of those business lines. More recently we introduced the fourth business line, Advisian, to complete this restructure. Through the actions we have taken through financial year 2015 we built a foundation for growth over the next five years as we deliver on our strategy and "Realize our future".

Corporate Strategy

Our strategy is focused on enhancing and leveraging what we believe is the real essence of WorleyParsons and our core differentiators. That is our deep and broad technical capability and our diverse geographic presence. These two things differentiate us from our major global competitors and form the foundation for the strategy to deal with the unstoppable trends and the recent market shifts.

Enhance and **leverage** our broad and deep **technical capabilities** and our **diverse** geographic presence.

Focus on front end

Our strategy aims to strengthen our front end capability, which in turn positions us at the beginning of the asset lifecycle, providing the opportunity to add value to the customer across a range of services.

Selective delivery options

Given the slow down in the pace of investment in the resources sector the associated major projects space is becoming a challenging area with competitors taking on substantial LSTK risk. Customers are also willing to take advantage of this shift in the market. We believe there are opportunities to be realized in helping our customers via a tailored project management consultancy (PMC) offering or via a collaborative integrated project management team (IPMT) model to help manage the currently favored LSTK delivery model.

These project delivery options provide multiple pathways to support our customers over the project lifecycle and position us well to continue that support through the operating life of the facility.

Focus on *Improve*

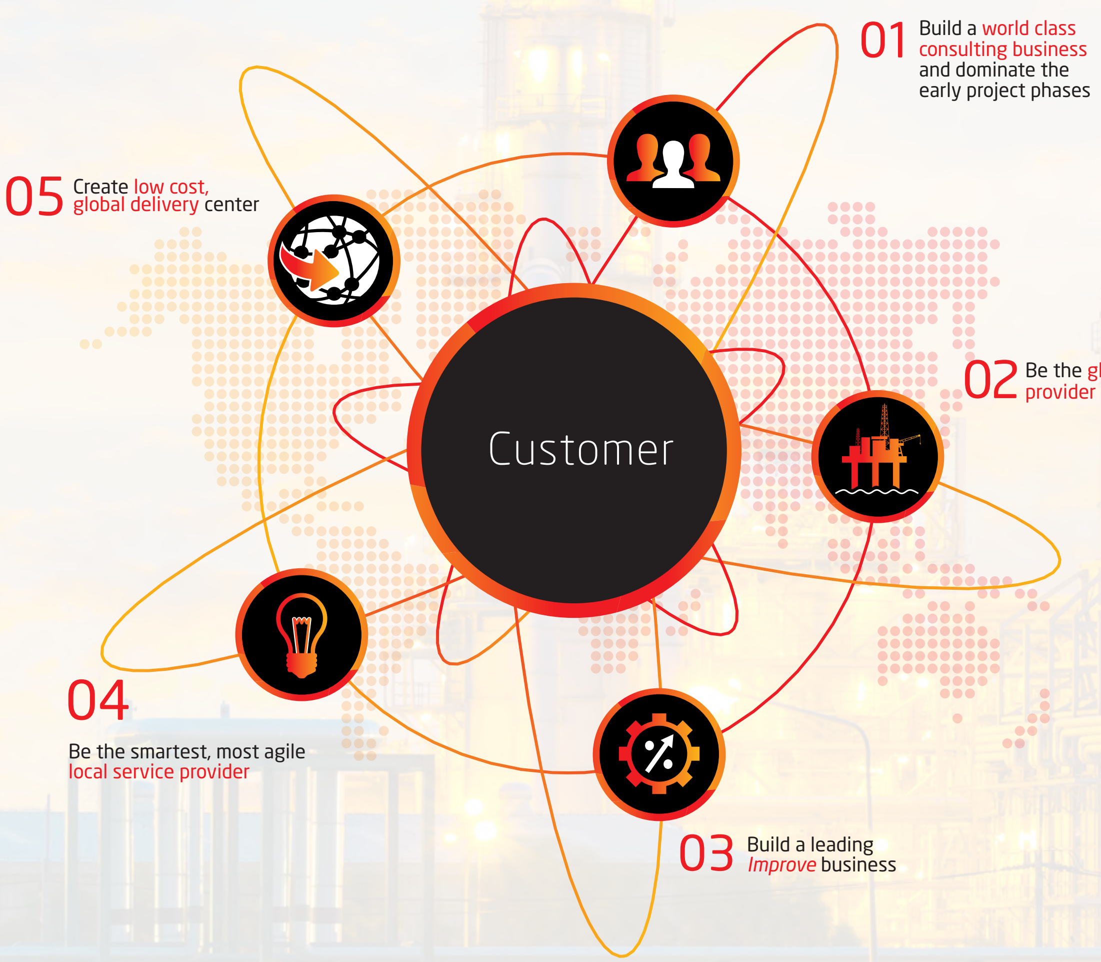
Based on feedback from customers, our strategy for growing *Improve* involves moving into integrated offerings covering full asset management services and reimbursable EPC services.

5 strategic themes: *one differentiated strategy*

We have five strategic themes, executed through five projects, delivering one differentiated strategy, each a substantial undertaking in its own right. This strategy is built from our broad and deep technical capability and our diverse geographic presence, supported by the organizational structure of the four business lines of Services, Major Projects, *Improve* and Advisian with our Global Delivery Center providing support to all.

The five strategic themes are:

- to build a world class consulting business and dominate the early project phases
- to be the global PMC provider of choice
- to build a leading *Improve* business
- to be the smartest, most agile local service provider
- to be the Company that leap frogs the competition in the use of our global delivery center (GDC) and applies digital technology to revolutionize the delivery of our services



LONG TERM STRATEGY
based on unstoppable trends

Unstoppable Trend	Opportunities for WorleyParsons
CLIMATE CHANGE	Growth in renewable power Power plant retrofits and decommissioning Carbon capture and storage
URBANIZATION	Continued investment in emerging countries
FOOD SECURITY	Key customers investing in mined fertilizers – potash and phosphate Water sourcing and conservation
COMMODITIZATION OF ENGINEERING	Value recognized in specialist services (productivity enhancement, advisory and technical capability) Enhanced GDC delivery
SOCIAL LICENSE TO OPERATE	Community & stakeholder engagement Government and industrial relations
ENERGY SECURITY AND RESOURCE SCARCITY	Advisory & execution support for customers investing in foreign markets
WATER SCARCITY	Water sourcing, treatment and disposal Water advisory services
DISRUPTIVE TECHNOLOGY	Develop an integrated digital environment and workflow Leverage technology partnerships
RESOURCE DEPLETION	Life of mine extension and new underground developments Asset optimization and management Brownfield expansions and upgrades
EMERGING GLOBAL TALENT POOL	Assist customers to access global talent and drive new ways of working together

NEAR TERM STRATEGY
business positioning for recent market shifts

Recent Market Shifts	Opportunities for WorleyParsons
OIL PRICE SHOCK	Asset productivity enhancement Enhanced oil recovery Refining industry upturn Increase in chemicals activity in South East Asia and Middle East.
LOW GAS PRICE	Chemicals and petrochemicals Upturn in high energy intensity processes, including aluminium
FALL IN IRON ORE, COPPER AND COAL PRICE	Productivity advisory and enhancement Supply chain optimization Capital intensity upgrades and expansions
INCREASE IN LUMP SUM TURNKEY CONTRACTS	Partnering with EPC contractors Owner's Engineer (OE), IPMT and PMC roles
INCREASED DEVELOPMENT COST	Asset portfolio optimization Brownfield asset management Sourcing and modularization Alternate project delivery models
GEOPOLITICAL	Investment by NOCs overseas Customers seeking advisory and execution support in foreign markets Overseas China investment

Dennis Finn
Group Managing Director
& CEO – Advisian

PROJECT 1

Build a world class advisory and consulting business and dominate the front end of projects.

Advisian combines the technical capabilities of WorleyParsons Consulting, *Select* and INTECSEA with our existing management consulting expertise. Formed under our Development Group through financial year 2015, today, Advisian is our independent advisory and consulting business that sits alongside our other business lines of Services, Major Projects and *Improve*.

Traditional advisory or consulting businesses generally operate at only one of a number of levels; either strategic consulting, management consulting, niche/specialist consulting or technical consulting. The initial focus of the Advisian business has been on management consulting. Today however, through the combination of existing management consulting and the technical consulting businesses within WorleyParsons, Advisian has over 3,000 consultants in 19 countries delivering integrated solutions for our clients across all our industry sectors.

We believe that a combination of management consulting with a deep technical capability is without peer as a global offering at scale, a genuine white space within the consulting industry. Clients of Advisian can now access our unrivalled technical know-how and deep domain knowledge and apply that to their complex asset intensive industries. We now have a truly global end-to-end service where we can advise and deliver value to our clients.

approximately
3,000
consultants

19
countries

Case Study: Project 1

Advisian's combination of management consulting with deep technical expertise resulted in financial improvements for the client including a 30% increase in net income.

A leading North American energy infrastructure company, focused in Canada, with assets in gas, power and utilities, sought to optimize the operation of a 70 year old gas plant. The facility has changed hands five times in six decades resulting in a mix of both older and leading edge equipment. After an initial review of the plant, it was felt that Advisian's operational improvement capability would deliver a significant profitability boost for the plant and create a model for other plants across the client organization.

The analysis approach reflected the organization's desire to review each aspect of plant operations and office-to-plant interfaces. The analysis confirmed that a number of structural processes were either inadequate or not present at all. Based on the analysis findings, a robust implementation project was undertaken. The team linked the communications, planning and running of the plant and the central office, which allowed cross-functional alignment and a focus on achieving the daily operations plan. Having access to specialized technical skills within the broader Advisian team gave the project team a unique lens through which they were better able to understand and adjust the plant processes to ensure maximum efficiency. This led to changes which realized greater benefits than would have been possible without the added technical expertise.

The end result was a 60% increase in plant throughput via asset reliability, debottlenecking of processes and an effective management system. The client saw a 100% increase in contribution margin from improved commercial activities linked to plant utilization improvements. The project also resulted in a high level of employee engagement which has led to sustained financial improvements. To date, a 30% improvement in net income has been realized, despite challenging market conditions. The ability to combine management consulting with deep technical capabilities provided the client a real step change in the value they were able to attain.

Filippo Abba
Group Managing Director – Major Projects and Group Managing Director – *Improve*

PROJECT 2

Be the global Project Management Consultant (PMC) of choice.

Project 2 aims to build this alternative project delivery pathway, namely WorleyParsons acting as the Project Management Consultant (PMC), to the same global strength we have achieved within the Engineering, Procurement and Construction Management (EPCM) project delivery market.

WorleyParsons has enjoyed a long history of supporting Middle Eastern customers using the PMC project delivery form, typically within the downstream hydrocarbons sector. This project aims to further develop the traditional PMC offering and make it available to a broader range of customers in new geographies and across other industry sectors. Furthermore by bringing our Digital Enterprise services into our PMC offering we seek to create a new data-centric PMC platform that sets the benchmark for the next generation of this contracting form.

The customer’s heightened need for this offering is due to the unstoppable trend of the ever increasing scale and complexity of today’s mega projects requiring multiple global EPC contractors to combine to attain a successful project outcome. This longer term trend, combined with the recent shifts of customers favoring a LSTK contracting style and significant de-manning by many customers of their in-house project management teams, means that the time has come for this strategic theme.

Ultimately the role of the PMC is to support the customer in delivering a successful outcome. We believe that the collaborative style of WorleyParsons sets us apart from our traditional EPC competitors and that via this alternative project delivery pathway we can build a relationship with the customer that endures far beyond the initial project.

PROJECT 3

Build an integrated offering with a focus on key basins.

Project 3 aims to create the next generation of our *Improve* business line in order to meet the changing needs of our customers. In particular, our customers are seeking a more integrated service where we bring the combination of white and blue collar resources to support their operating assets.

Our strategy focuses on key resource regions or basins where we can establish relationships with the local supply chain to deliver a wide range of services from maintenance through to construction. This basin by basin approach has served us well in the past as we have grown from the North-West shelf in Australian and Taranaki basin in New Zealand to the Athabasca oil sands in Alberta and the North Slope in Alaska. This project aims to both diversify the range of services we offer in our home basins as well as following our global customers into new regions.

We have enjoyed long term success when we invest in developing deep domain knowledge in specific markets. Two such examples in Australia are in Power generation and LNG production. From our Transfield Worley Power Services Joint Venture we operate and maintain a significant proportion of Australia's Power generation. Similarly we are present in Australia's three LNG producing basins with a two decade long heritage in this industry. We seek to duplicate this domain knowledge led strategy into other growth subsectors across the globe. The Australian chapter of this strategy is focused on the iron ore, unconventional oil and gas and water subsectors.

David Steele
Group Managing
Director – Services

PROJECT 4

Local knowledge and local relationships are key to our success.

Through Project 4 we continue the drive to be the most knowledgeable, agile and connected local service provider. Comprising of more than 40 globally diverse locations, our Services business is the primary steward of our key long-term relationships with local customers.

Our Services business is the wellspring from which we have created the other three business lines of Major Projects, *Improve* and now Advisian. For this reason it has the additional role in stewarding the interaction between the various business lines for the benefit of local customers. These local businesses have been WorleyParsons' engine room in our past periods of growth and they now provide the resilience of earnings during the current challenging global market conditions.

The focus of this strategic effort is to turbo charge those specific locations where significant headroom for growth exists empowering the location leadership to pursue the opportunities available. A good current example of this type of location are our offices across the Middle East, where we hold strong local positions in countries where government mandated localization initiatives support those willing to invest in building the local businesses of the future.

Our locations strive to be within the top three providers within their local market. This core principle has guided the Company across the last three decades and remains as valid now as it was in the beginning of the WorleyParsons geographical growth story. Through this strategy we continue to seek out new territories, often in support of our key global customers.

Case Study: Project 4

Global reach, local delivery

In 2013, a Canadian energy company sought a single organization to deliver engineering, procurement and construction services on one of the largest projects in its history. Located in the heart of Alberta's oil sands, the project is expected to recover 1.7 billion barrels of bitumen over its projected 50-plus year lifespan.

By the end of 2015, WorleyParsonsCord will have successfully completed the field construction component of this project ahead of schedule. The scope has included eight steam-assisted gravity drainage well pads and approximately 15 kilometers of gathering system pipelines that will ultimately help the site produce 35,000 barrels of heavy crude oil per day.

This project exemplifies global project delivery. The engineering and design leveraged collaboration between WorleyParsons offices in Beijing and Calgary, and the prefabricated steel and piping components were shipped to WorleyParsonsCord's Edmonton Module Yard from a facility in Qingdao, China. At the yard, these pieces were used to construct modules that, upon completion, underwent quality and turnover finalization before being transported to the project site several hours away. Once on site, WorleyParsonsCord crews completed the construction.

By providing an integrated team, and by utilizing our global reach, we have demonstrated our ability to successfully deliver EPC services on large-scale projects. This proven EPC track record will be particularly vital in the coming years as our industry looks to shift further towards this delivery model when developing new projects.

Ian Wilkinson
Managing Director –
Global Delivery Center

PROJECT 5

Our global delivery center (GDC) enhances our competitiveness.

Project 5 seeks to create a company that leapfrogs the competition in the use of our global delivery center and applies digital technology to revolutionize the way we undertake and deliver our services.

The beneficial effects of this project are realized across all four business lines via the creation of a more competitive position with increased margins. This project comprises of three strategic horizons; firstly, to accelerate the transfer of work and activities to the India and China GDC locations, secondly to drive a greater level of standardization in the way we operate by simplifying our commercial processes, driving greater use of standard systems and configurations, and thirdly to develop an integrated and data-centric platform for delivering projects in the future.

The first horizon meets the urgent need of customers seeking a step change in the cost of delivery of their projects. It also reflects the changing attitudes of our customers and their new found willingness to undertake significant proportions of their engineering and design work in remote sites.

The second horizon further enhances our ability to utilize the capability of the GDC by building a standard set of tools, systems and work processes that provide the enabling common language required to connect the global operations of WorleyParsons. In this horizon we are creating a digital data centric platform that drives greater productivity and helps fully utilize the potential of our extensive capabilities and knowledge, thus maximizing the global strength of our business.

The third horizon requires a fundamental redesign of the means by which we have traditionally developed and delivered projects within the resources and energy sectors. Engineering and project management firms like WorleyParsons readily adopted computer aided design techniques through the 1980's and 1990's facilitating mega project delivery through the booming years of the last decade. We are now at the start of the next step change in project delivery. How we maximize value from data and knowledge for our customers and how quickly we can respond to new data technologies and innovations lies at the heart of the challenge that Project 5 has been created to meet.

Case Study: Project 5

Integrated project delivery for one of Canada's largest oil sands producers

An integrated project delivery method that maximized the use of the GDC delivered commercial savings for our Canadian oil sands customer. By considering all project services including design, engineering, procurement, project controls, document control, Engineering Data Systems, expediting and inspection, nearly 80% of the work on the well pads was undertaken by our China GDC location.

A key element in winning the bid for the project was our strategy at the pursuit stage to maximize delivery from our GDC. It was clear that the necessary savings could not be achieved with traditional workshare approaches we have used in the past. We needed an integrated approach that considered technical and non-technical delivery.

The project kicked off with a 'one team' focus and continued to deliver that way. There was no home office and support office, just one virtual team connected by technology.

Key elements contributing to the success of this project are:

- early customer engagement and support for the delivery approach
- early engagement and collaboration with the GDC to review and align on execution approach
- leveraging of China capability in inspection, expediting, logistics and procurement to take a "global view" for supply sourcing
- ability to offer local construction for future phases of work.

Marian McLean,
Group Managing Director - Assurance and Development

DEVELOPMENT

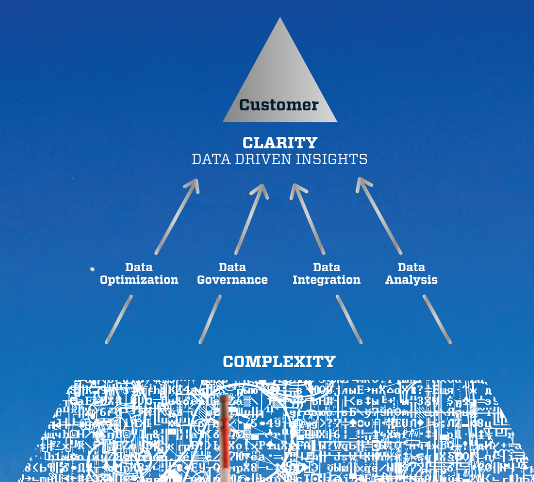
Delivering sustained economic and social progress, creating opportunities for individuals, companies and communities to find and realize their own futures.

Digital Enterprise

WorleyParsons has a long history of applying advanced data structuring and analytic techniques to solve customer problems. We believe that digital transformation will improve the capital efficiency and reduce operating costs of our customers' assets. WorleyParsons Digital Enterprise was established in 2014 to combine our data-centric skills with the best software options from our partners to deliver unique data solutions to our customers.

We have been working with some of the world's largest resources and energy customers to improve their data integrity, and from there, evolve into the development of intelligent and predictive digital assets that can be used to make informed business decisions, resulting from the clarity we can create from the amount of data that is being gathered.

Our extensive domain knowledge of customer assets helps us to cut through the complexity, address the core issues and deal with the technical uncertainty which cannot always be achieved by a general data and system integration approach.



Innovation

One of WorleyParsons' hallmarks has been its ability to develop innovative solutions to solve complex problems. To broaden the application of innovative thinking, the company launched a global innovation program late last year. The program is designed to further inspire and empower our people to think differently and deliver innovative solutions to our customers, our business and our industry and begin to address the impacts of unstoppable global trends.

The program harvests ideas from anywhere across the globe via an online idea incubator that captures and then facilitates idea development through collaboration and socialization. Seed funding can be sought for rapid prototype development and the idea owner receives sponsorship and mentoring within a totally transparent process. Ideas can be anything from an internal process improvement to creating value through optimization, new services, new products or new business models. Since the program was launched, we have funded over 25 ideas.

Our global reach and diversity are key to our programs' success. We have created an innovation ecosystem that can tap into the talent of our people while collaborating with customers, partners, universities and research organizations from around the globe.

Mind Outburst Program

Innovative approach to monitoring environmental impacts

Our Marine Environmental Group used an innovative approach to gain a new market entry into Asia while at the same time dislodging a long term incumbent competitor. The group secured an eight year multi-million dollar contract to monitor the environmental impact of a major ports dredging program. Our approach was new, bringing together our experience in unmanned underwater monitoring, unmanned aerial survey vehicles, satellite imagery and automated data analysis and reporting. By challenging the status quo, we were able to deliver a safer and significantly cheaper solution for our new customer.

INTECSEA dropped object simulation software

The accidental dropping of major items of equipment or material from an offshore facility can have catastrophic effects, potentially damaging subsea equipment and rupturing subsea pipelines. To reduce this risk, INTECSEA has developed a highly sophisticated dropped object simulation software which has proven to be highly accurate in predicting the trajectories and seabed impact zones for the most complex of objects. These simulations have led to a better understanding of risk and reduced the impact on customers in terms of reduced costs and fewer operational disruptions during lifts.

STRENGTHEN BY DIVERSIFICATION

Hydrocarbons

The Hydrocarbon Sector strategy seeks to diversify our earning across three axes, namely:

- **balancing the portfolio across the Upstream and Midstream/Downstream industry segments**
- **an even split between Greenfield and Brownfield projects**
- **growing the National Oil Company (NOC), strategic "Tier 2" independents and Asian EPC customer groups.**

Upstream, Midstream and Downstream industry segments

Over the past decade we have had our sails set for an upstream wind and this focus led to the rapid expansion of the company in a number of geographies. We believe that similar headroom for growth exists for us in the Midstream (Pipelines and LNG) and Downstream (Refining and Petrochemicals) industry segments.

Greenfield vs Brownfield

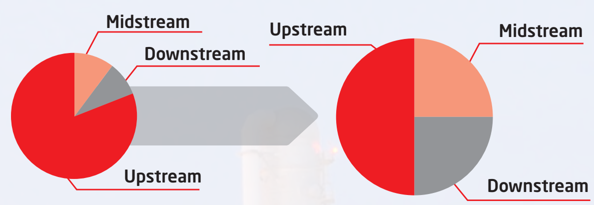
In the current period of lower commodity prices the market generally favors 'sweating' existing assets rather than maintaining the record levels of new greenfield developments seen in the past.

To capitalize on this trend we are actively building our *Improve* business line to gain a greater share of work on the ongoing brownfield upgrades together with the operations and maintenance spend that supports existing production.

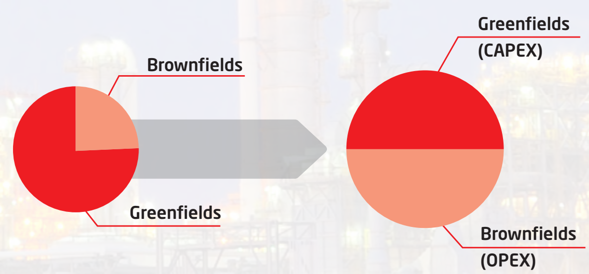
Spreading the customer base

Our customer base continues to evolve. In challenging times new customer groups come to the fore. We seek to emulate the success we have enjoyed in building our major customer base in the other current and emerging customer groups.

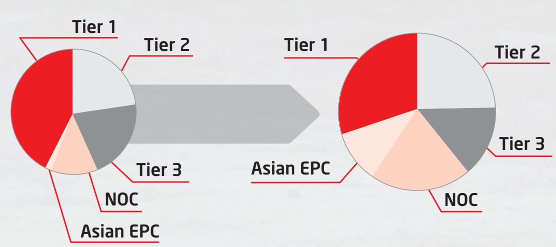
BALANCED FOCUS ON UPSTREAM, MIDSTREAM AND DOWNSTREAM



ACCESS BOTH CAPEX AND OPEX OVER THE ASSET LIFECYCLE



MAINTAIN CURRENT RELATIONSHIPS AND DEVELOP TIER 2, NOC, AND ASIAN EPC CUSTOMER BASE



SERVICING THE VALUE CHAIN

Minerals, Metals & Chemicals

At present the Minerals and Metals market faces headwinds due to the low commodity prices. Our strategy to counter this downturn is to broaden the revenue base via building out our offering to service the full value chain from the initial Advisory consulting assignments to the management of the eventual facility closure. The Chemicals market on the other hand remains buoyant in a time of low feedstock and energy prices. The strategy in this segment is to broaden our geographical coverage by supporting our key global customers.

Minerals & Metals

Within this period of low commodity prices our customers' primary focus is on asset optimization and productivity improvements.

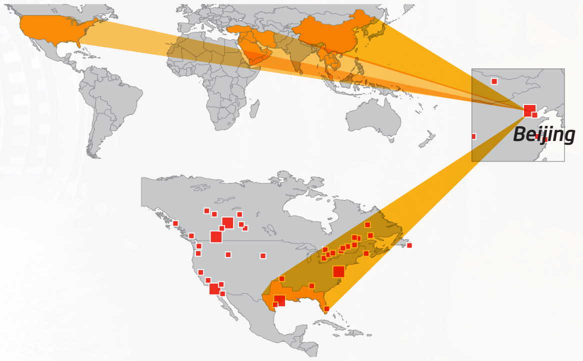
The combination of the Advisian and *Improve* business lines - bringing technical and management consulting capability combined with real world operational improvement experience - has proven successful in the alumina industry and our strategy is to broaden this offering across the commodities including iron ore, base metals and fertilizers.

Chemicals

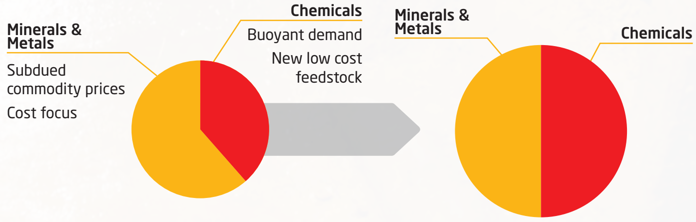
The market fundamentals remain strong driven by world population growth, urbanization and the increased demand for consumer products.

We currently offer solutions within the plastics & polymers, petrochemicals and inorganic chemicals segments and are targeting key markets within North America (in particular the Gulf coast), Middle East and Asia.

THE KEY FOCUS GEOGRAPHIES: US, MIDDLE EAST AND ASIA

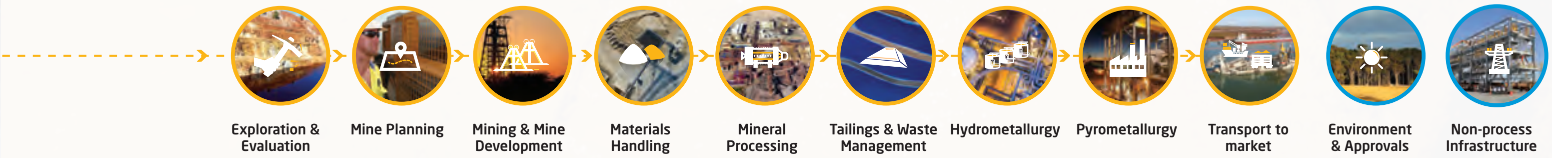


The Chemicals weighting within our sector revenue is expected to continue to rise



Further investment in our China based International Chemicals hub is a key component of our global Chemicals strategy

THE MINING VALUE CHAIN



The Minerals & Metals strategy is to continue to build out the offering across the entire value chain. The acquisition of TWP – and the associated gain in underground mine EPCM capability - is a prime example of this.

ENABLING CAPABILITIES

Infrastructure

The Infrastructure Sector growth strategy has two primary themes, namely:

- **support our growth in the Resource sectors via the provision of enabling capabilities**
- **to position within the Economic Infrastructure sectors of the future**

We do this by focusing on those elements that cross over both the Resource and Economic infrastructure markets, namely; Power, Water, Ports and Rail.

Resource infrastructure

It is the enabling capabilities, such as environmental approvals management, social stakeholder engagement, geosciences, master planning and early-works logistics management that often set the overall timeline of major resource developments.

It is in this early phase that the Infrastructure Sector creates value for our resource customers in managing the technical and non-technical risks that can, if mismanaged, so drastically affect the outcome of their projects.

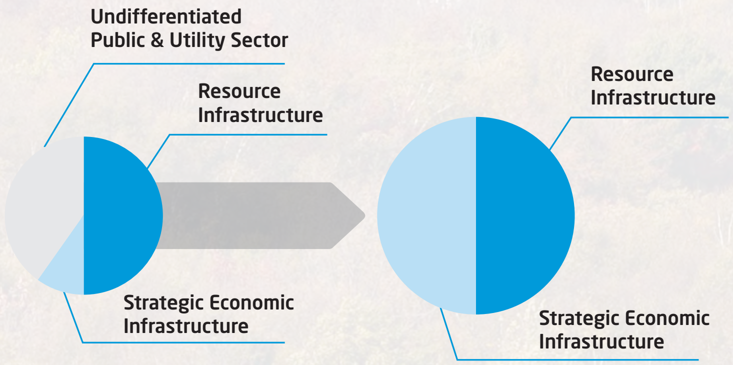
Economic infrastructure of the future

Our focus is on national critical infrastructure components of Power, Water, Ports and Rail. WorleyParsons has the skills required to support the implementation of the economic infrastructure of the future.

By way of example, WorleyParsons is currently working on some of the world's largest renewable power projects, including wind farms (300MW Lake Turkana, Kenya), solar thermal towers (50MW Khi, South Africa, pictured below) and a photovoltaic plant (450MW Blythe Project, California).

MAINTAIN SUPPORT TO RESOURCE CUSTOMERS AND CONTINUE TO SHIFT INTO THE ECONOMIC INFRASTRUCTURE OF THE FUTURE

CUSTOMER TYPE



Solar thermal tower project, South Africa.

Students of Kelicha Pada (India), where WorleyParsons provided school infrastructure, solar power systems and the digging of bore wells.

Corporate Responsibility

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 contributing 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 our personnel to volunteer their time and make donations in support of their local corporate responsibility activities.

For the year ended 30 June 2015 (Reporting Period), the Group engaged in a broad range of projects across its business with a strong focus on community projects that require technically skilled volunteers. Other activities include fundraising for not-for-profit organizations, scholarships, sponsorships, training, programs to reduce the Group's impact on the environment and programs promoting improved diversity and inclusion.

The Group has reported an increased number of activities, across more countries, involving more of our people than in previous years. While there was a solid performance of contributions by our operations and personnel, the overall value of these contributions has reduced. Volunteer hours for internal programs and community skilled volunteering programs has also reduced.

CORPORATE RESPONSIBILITY POLICY

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. Our Corporate Responsibility policy outlines our commitments to: **Governance, Ethics and Transparency, Our People, Human Rights, Community, Fair Operating Practices and Supply Chain, and the Environment.**

WORLEYPARSONS FOUNDATION

The WorleyParsons Foundation objectives are to:

- support the execution of high impact strategic community projects;
- become a vehicle for direct corporate investment, fundraising and volunteering;
- expand opportunities for Group personnel to be directly or indirectly involved in foundation activities; and
- raise awareness of WorleyParsons' corporate responsibility credentials with its stakeholders.

The WorleyParsons Foundation recognizes and acknowledges the volunteering and participation in activities that help promote the key themes of education, skilled volunteering and enterprise development.

Foundation Awards were given to the individuals responsible for 38 outstanding corporate responsibility activities across 18 countries aligned to the key themes.

Four WorleyParsons Foundation projects commenced in this Reporting Period which will continue into the next Reporting Period:

- collaboration with the Red Cross for disaster recovery in the Philippines, with a pilot project commencing for large scale skilled remote volunteering;
- capability development of Robogals preparedness for global expansion, so they can scale their model to introduce careers in science and technology to schoolgirls across the world;
- project delivery of community bore well water, solar power and school buildings for families in Kelicha Pada village, India; and
- project delivery of a shelter house for preschool children for the community of Island of Queullín, Chile.

MILESTONES

During the Reporting Period, the Group reached a number of corporate responsibility milestones, including:

- expanding the WorleyParsons Foundation by supporting more projects and community partners, governed by the WorleyParsons Foundation Council;
- launching a global diversity and inclusion program with a new set of Diversity and Inclusion Expectations across the business focusing on six key areas; diverse and inclusive workplace, recruitment and promotion, closing pay gaps, accountability and engagement, flexibility and community and created a new policy to support this;
- setting gender diversity targets for the Board, executive leadership teams and employees;
- setting an environmental carbon emissions reduction target;
- establishing strategic partnerships and collaborations promoting skilled volunteering opportunities for our people;
- providing for the first time, limited assurance on 2015 non-financial performance commitments covered in this report;
- continued the Group's corporate responsibility reporting process using the internationally recognized Global Reporting Initiative 4.0 Framework;
- fulfilled the Group's third 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; and
- continued to deliver sustainability-enhancing services to the Group's customers through the Group's advisory service offering.

THE GLOBAL COMPACT
WE SUPPORT

ACTIVITY HIGHLIGHTS

The Group undertook various corporate responsibility activities over the Reporting Period, including:

- participating directly in and reporting over 533 corporate responsibility activities across 30 countries, involving over 15,000 Group personnel;
- supporting local communities through the network of corporate responsibility champions across 78 offices as well as ongoing participation in the Group's own programs: DeltaAfrik Foundation in Nigeria, We Care program in Canada and various corporate responsibility and local social committees;
- contributing over $442,000 towards educational programs over 40 offices;
- providing scholarships amounting to $52,829;
- group matching $547,108 of Group personnel fundraising programs in Canada, the United States, Australia, Chile and India;
- donating 328 liters of blood across 16 offices and 700 participants to local health organizations and hospitals;
- reducing the carbon footprint across a number of offices by behavioral change programs, encouraging use of public transport, flexible work options from home, recycling and FollowMe smart printing;
- engaging in bush regeneration, waste and recycling programs and trail clean-up activities across a number of countries; and
- participating in and contributing to various workshops and forums on diversity, anti-corruption, Indigenous issues, ethical supply chain, mega-trends including the United Nations Global Compact, and global road safety partnerships.

DIVERSITY AND INCLUSION HIGHLIGHTS

The Group undertook various diversity and inclusion activities over the Reporting Period, including:

- establishing and progressing six key areas of the Diversity and Inclusion Expectations;
- implementing a framework to set diversity priorities for FY2016;
- developing global standards relating to recruitment and promotion and flexible work to promote equal opportunity and diversity;
- developing training packages to support the Diversity and Inclusion Expectations and new standards;
- launching a global campaign for International Women's Day inviting locations to schedule events, resulting in 22 events across 18 locations;
- implementing internal career 'boot camps' and leadership training aimed at providing women with skills, tools and networks to achieve their potential as leaders;
- collaborating with customers on events focused on gender equality and diversity;
- strengthening the Women of WorleyParsons network to over 770 members across 37 offices, via ongoing engagement and a committed steering committee which meets regularly to discuss local activities and progress; and
- providing ongoing support for Australian Indigenous community internship opportunities.

CORPORATE RESPONSIBILITY INDICATORS

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

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

The Group also measures online training hours.

The Group's corporate responsibility indicators for the Reporting Period and the year ended 30 June 2014 were:

INDICATORS[1]	2015	2014
Contributions by operations[2]	$2.32 million	$3.09 million
Contributions by personnel members[2]	$1.56 million	$1.75 million
Volunteer hours by personnel members (community/internal)[2]	16,302 hours	18,091 hours
TRCFR	0.12	0.10
LWCFR	0.01	0.03
Online training hours	33,774 hours	nm[3]

1 Definitions and clarifications, refer: http://www.worleyparsons.com/InvestorRelations/corporateresponsibility/Documents/CRDefinitions.pdf

2 For corporate responsibility activities

3 Not measured

The Group completed a response for the Carbon Disclosure Project (CDP) for FY2014 which was reported in June 2015. 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 data collection and analysis stimulated energy and carbon reduction measures in the global energy efficiency program in selected offices. The Company also completed a CDP response in respect of its water use for FY2014.

The Company is registered under the Australian National Greenhouse and Energy Reporting (NGER) Act 2007 as the controlling corporation for the Group as prescribed by section 12 of the NGER Act. The Company lodged its NGER Report for FY2014 in October 2014. This report contained information in relation to 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 FY2015 in October 2015.

An energy target has been set for the first time for FY2016, at a 2.5% reduction of total carbon dioxide equivalents (tCO_2-e) against base year FY2014.

Data for greenhouse gas emissions and energy consumption for the year ended 30 June 2014 and the year ended 30 June 2013, were:

	2014		2013	
INDICATORS	PER PERSONNEL MEMBER[1]	TOTAL[2]	PER PERSONNEL MEMBER[1]	TOTAL[2]
Greenhouse gas emissions tCO_2-e	2.85	101,415	2.54	101,085
Energy consumption MWh	7.18	255,738	7.25	288,601

1 Personnel includes employees and contractors.

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

For the Reporting Period, the Group's measurable objective for increasing gender diversity was 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 as at the end of the Reporting Period, is set out in the table below:

MEASURES	2015	2014	2013
Women employees[1]	~24%	~25%	~25%
Women senior executives[2]	~18%	~18%	~15%
Women non-executive directors[3]	~25%	~25%	~22%

1 This includes both the Group's employees and contractors.

2 For the 2015 and 2014 reporting periods, "senior executives" means all members of the Group Leadership Team including the CEO and all executives reporting directly to a member of that team. For the 2013 reporting period, "senior executives" means all members of the Executive Committee (including the CEO) and all executives reporting directly to a member of that committee.

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 as a senior executive.

For future reporting periods, the Board has set the following measurable objectives for achieving gender diversity:

MEASURES	OBJECTIVES
Women employees[1]	Increase the proportion of women employees to 30% by 2020
Women senior executives[2]	Increase the proportion of women senior executives to 25% by 2020
Women non-executive directors	Increase the number of women non-executive directors to three by 2020

1 This includes both the Group's employees and contractors.

2 "Senior executives" comprise all employees at the CEO-1 CEO-2, CEO-3 and CEO-4 levels.

ASSURANCE

Independent assurance supports our commitment to transparency and accountability. To provide confidence to our stakeholders in our reporting: Ernst & Young has provided limited assurance, in accordance with the ISAE3000 standard, over selected corporate responsibility performance data in our 2015 Annual Report. You can access this assurance statement at http://www.worleyparsons.com/InvestorRelations/corporateresponsibility/Documents/FY15AssuranceStatement.pdf.

AWARDS

- In October 2014, WorleyParsons was recognized with a high commendation for 'The Most Ambitious Company in Gender Diversity' category at the Engineers Australia Women in Engineering Gender Diversity Awards.

- In October 2014, WorleyParsons Canada was recognized for the second consecutive year by Mediacorp Canada as one of the 'Top 100 Employers in Canada' for 2015. The advisory board compared WorleyParsons to other organizations which offer progressive and forward-thinking programs. The award is based on best practices in recruitment, engagement and retention.

- In November 2014, WorleyParsons United Kingdom was presented with the prestigious 'Payroll Giving Silver Award 2014' for fostering a culture of philanthropy and committed giving in the workplace by making Payroll Giving available to employees. The National Payroll Giving Excellence Awards showcase the best Payroll Giving schemes in the UK.

- In December 2014, WorleyParsons Chile was recognized by the Australia-Chile Chamber of Commerce as 'Company of the Year'. The Group was recognized for its ongoing participation and support of the chamber.

- In February 2015, WorleyParsons in Western Australia proudly received the Australian Red Cross Blood Service Award for West Australia's 'Highest Total Corporate Blood Donations' in 2014. The donations have saved 426 lives.

- In February 2015, WorleyParsons Calgary in Canada was honored with a prestigious 'Spirits of Gold Award' from the United Way of Calgary and Area. The award was based on fundraising, participation, engagement and education initiatives. WorleyParsons has supported United Way for more than 20 years and in 2014, the office giving campaign raised more than $430,000, with an overall participation rate of 51%.

- In March 2015, WorleyParsons was awarded the status of a 'National Community Partner' with Australian Red Cross. This collaboration is the first of its kind and demonstrates commitment to our communities and support for skilled volunteering. It also showcases our global reach of knowledge, and should position WorleyParsons as an industry leader amongst our peers in large scale 'pro bono' services, focusing on disaster recovery.

- In April 2015, WorleyParsons Europe received the GOLD MEDAL Award for its 'approach to occupational safety and health' from the Royal Society for the Prevention of Accidents (RoSPA). Receiving this award for a sixth consecutive year is testament to WorleyParsons commitment towards Health, Safety & Environment and underpins our journey towards Zero Harm.

- In May 2015, WorleyParsons was rated at the level of 'Leading' for the 2014 financial reporting cycle by the Australian Council of Superannuation Investors. The 'Leading' rating is the highest of the five categories and demonstrates to investors that the Company takes investor issues seriously and gives investors valuable information to better inform their investment decision.

Developing local enterprises, South Africa

South Africa is in its third year of the Enterprise Development Program, which provides mentoring and support for 10 young local businesses throughout the region. WorleyParsons has provided this skills transfer on an ongoing basis through the availability of its technical experts within South Africa.

The success of the initiative has seen a combined turnover growth of the 10 businesses by 204% and the creation of over 100 permanent and temporary jobs in South Africa.

"This program is a leading example amongst our peers and customers in the construction and engineering industries. A great effort showcasing what corporate responsibility is about at WorleyParsons." Beulah Joseph, Broad Based Black Economic Empowerment and Transformation Manager, WorleyParsons South Africa

The third year running for the Enterprise Development Program.

COMMUNITY PARTNERSHIPS/ SPONSORSHIPS

Top contributions amounting to more than $10,000 by Group business operations through company matching, financial support and sponsorships during the Reporting Period were:

- United Way and associated charities, Canada and United States
- Black Swan State Theatre Company, Australia
- Ebola Containment Trust Fund, Nigeria
- Red Deer College Foundation, Canada
- Project Maya, Kelicha Pada village, India
- Robogals, Australia
- The Mustard Seed, Canada
- CareerTrackers Indigenous Internship Program, Australia
- American Heart Association, United States
- Australian Red Cross, Australia
- The Billion Child Foundation, South Africa
- Minerals Education Trust Fund, South Africa
- Great Barrier Reef Foundation, Australia
- MS Society, United States
- Riverlea Primary School, South Africa
- Unity for Autism, Canada
- Engineers Without Borders, Australia, Singapore and Timor-Leste
- Alberta Cancer Foundation, Canada
- Woods Homes, Canada
- Monash University, Australia
- Veterans Association of Atyrau Region, Kazakhstan
- Habitat for Humanity, Canada and United States
- Island of Queullín, Chile
- Devnar Foundation for the Blind, India.

Top contributions by Group personnel members amounting to more than $5,000 through fundraising campaigns, community based and environmental projects during the Reporting Period were:

- United Way and associated charities, Canada and United States
- American Cancer Society, United States
- Alberta Cancer Foundation, Canada
- Movember Charities, Australia
- Red Cross, Global, Saudi Arabia
- Multiple Sclerosis Society of Canada, Canada
- Stollery Children's Hospital Foundation, Canada
- National Breast Cancer Foundation, Australia
- Melbourne City Mission, Australia
- Woods Homes, Canada
- The Calgary Drop-In & Rehab Centre, Canada
- Teleton, Chile
- Give Where You Live, Australia
- Prime Minister's National Relief Fund, India
- Oman Cancer Association, Oman
- Beyond Blue, United Kingdom.

COMMUNITY PRO-BONO AND VOLUNTEERING

Top pro-bono and volunteering hours by our personnel to community projects and activities during the Reporting Period were:

- United Way and associated charities, Canada and United States
- Oman Cancer Association, Oman
- American Cancer Society, United States
- Foodbanks, Australia, Canada, United Kingdom and Spain
- Engineers Without Borders, Australia, Singapore and Timor-Leste
- Red Cross Blood Service, Australia and India
- Hospital bloodbanks, Brunei, China, Oman, Qatar and United States
- Miller-Keystone Blood Center, United States
- Abu Dhabi Blood Bank, United Arab Emirates
- Inn of the Good Shepherd, Canada
- The Calgary Drop-In & Rehab Centre, Canada
- Junior Achievement of Southeast Texas, United States
- Melbourne City Mission, Australia
- Habitat for Humanity, United States
- Project Maya, Kelicha Pada village, India
- Woods Homes, Canada
- MS Society, United States
- Give Where You Live, Australia
- Thusong Youth Centre, South Africa
- Boys & Girls Clubs of Calgary, Canada.

The WorleyParsons Foundation and the Chilean office build a preschool

WorleyParsons Chile personnel have spent over 30 years volunteering in an isolated island community of Queullín, in the south of Chile. Annual visits from the Chile leadership team and WorleyParsons volunteers organize workshops and activities with the local community. Gifts collected from the Chilean office are distributed to the community. This is an event the children look forward to every year.

Recent financial support from the Australian Embassy and the WorleyParsons Foundation has enabled construction of a Preschool that allows the youngest children to learn and to gather in a common space.

"We as an embassy are very proud to be associated with the tremendous work you and your colleagues have undertaken on the island over so many years." Timothy Kane, the Australian Ambassador to Chile, Colombia, Ecuador and Venezuela

Construction of a preschool will allow children to learn and to gather in a common space.

The WorleyParsons Foundation and the Mumbai office provide basic needs in India

WorleyParsons India began Project Maya in December 2014 in the rural village of Kelicha Pada as a way to empower this disadvantaged community and help them transform the small village to a model village for sustainable growth. Following a feasibility study in the village, employees in Mumbai identified severe water shortages, inadequate access to power, and education to be top priorities where WorleyParsons could help.

Collaboration between the WorleyParsons Foundation and WorleyParsons India offices will ensure the success of this project. In addition to the $12,000 of local fundraising by WorleyParsons staff, $22,000 of WorleyParsons Foundation support will allow for construction to commence on school infrastructure, solar power systems and the digging of bore wells for water infrastructure.

"The community is poor and State funds difficult to come by. We are so excited that through the support of WorleyParsons India, the dream of a developed village will now be realized." Sanjay Bhoye, village head man, Kelicha Pada Village

WorleyParsons India and the WorleyParsons Foundation are supporting the development of Kelicha Pada village in Maharashtra, India.

Robogals - boosting the number of girls studying science and engineering

As part of its commitment to increasing the number of women entering the engineering profession, the WorleyParsons Foundation has pledged further financial and mentoring support to Robogals - the student led organization encouraging the study of science and engineering by high school girls.

Robogals, with its origins from the University of Melbourne, has expanded to a global network of 31 chapters across six countries over the past seven years. To date, 34,200 students have been introduced to the potential of careers in engineering and technology through the Robogals programs.

Inspiring future female engineers.

Motivating Omani women in the workplace

WorleyParsons Oman organized the first Women in the Workplace program, inspired by the response from the International Women's Day 2015. The goal of the workshop was to empower and instill confidence in participants to design and charter their own career.

24 women employees took part in the two-day program covering topics such as: examples of successful Omani women, balancing home and work life, understanding communication differences between men and women and short and long term goal setting.

"This course has built my confidence and showed me a way to develop my talent. I became more self-motivated and empowered in order to keep on with building my career and achieve my extreme goals." Participant in the program.

Sabria Al-Balushi and Julia Calleja motivating women in the WorleyParsons Oman office.

WorleyParsons Russia ignites spirits through Paramusic Festival

The Paramusic Festival for Physically Challenged Children is an event described by its organizers as 'the triumph of talent and spirit of young artists, who have been able to cope well with themselves and their situation'.

The festival took place over two full days in December 2014, with support from five WorleyParsons staff from the Moscow office. In the months leading up to the event, staff volunteered their time to assist with the preparation of the remarkable festival. The WorleyParsons Moscow office also contributed financially towards the preparation of the event.

"WorleyParsons employees found it a privilege to create a once in a lifetime experience for these special artists." Ekaterina Nadezhdinskaya, WorleyParsons Russia employee

WorleyParsons Russia organized and funded the Paramusic Festival for Physically Challenged Children.

The right to sight campaign, South Africa

This initiative has been running for many years and has changed the lives of underprivileged children throughout South Africa. Our most recent location was the Riverlea Primary School in Johannesburg where 1,200 students and staff had their eyes tested, 308 of whom needed spectacles.

These were funded by WorleyParsons and donated to the recipients free of charge. This life changing initiative goes a long way towards removing the barriers to learning and reducing the high South African pedestrian fatality rate.

"This is one of the many ways in which WorleyParsons demonstrates its commitment to safety and uplifting communities in which we work." Beulah Joseph, Broad Based Black Economic Empowerment and Transformation Manager, WorleyParsons South Africa

Uplifting communities through sight.

Walking for cancer with WorleyParsons Oman

Every year, the Oman Cancer Association organizes the Cancer Walkathon to boost awareness of their initiatives and to change lives. This year was the 10th annual Walkathon, and the third year that WorleyParsons Oman has actively participated. With the overwhelming support of management, staff walked to the motto of "Together let's exemplify the WorleyParsons values and walk for the cure".

In October 2014, over a hundred WorleyParsons Oman employees and their families, including the Managing Director Michael Dunn, participated in the Walkathon and donated over $5,000 to the Oman Cancer Association. In recognition and appreciation of their support, WorleyParsons Oman was presented with an award by the WorleyParsons Foundation.

"Each step all of us take is a step closer to a cure for all those with cancer." Dr C Radhakhrisnan, Corporate Responsibility Lead, WorleyParsons Oman

Walkathon for the Oman Cancer Association.

Building by women for women, Canada

The women of WorleyParsons were invited to participate in the first Habitat Sarnia Lambton Women Build. A home built by women for women! This particular house will be home to two Down syndrome adult clients of Lambton County Developmental Services.

Women Build is about empowering women to discover for themselves that they have what it takes to build a Habitat home. Over 234 hours, 16 enthusiastic WorleyParsons women, undertook the task of installing siding on the home. The team had to fundraise $3,750 in order to participate in this build.

"The most rewarding moment of volunteering for the Habitat for Humanity Women's Build was realising that I physically helped make a house a home." Lesley Pike, HSE Coordinator, WorleyParsons Canada

Women Build is about empowering women.

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 2015 (FY2015), we reported along three business lines of Services, Major Projects and *Improve* and three customer sectors, each of 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; and
- Infrastructure – projects related to water, the environment, transport, ports and site remediation and decommissioning; and all forms of power generation, transmission and distribution.

We also have a Development Group responsible for managing investment for the Group including nurturing innovation and new business ventures, and better management of internal investments and improvements within the business lines. Advisian, currently reported within the Development Group, will be a standalone business line in FY2016 incorporating transferred consulting personnel and their associated projects and the INTECSEA business from the Services business line.

Our customers include multi-national oil and gas, resources and chemicals companies as well as more regionally and locally focused companies, national oil companies and government owned utilities operating in the customer sectors described above.

The diversity of our business in terms of geography, industry and service offering is a fundamental strength. We operate in 46 countries, with no country representing more than 30% of aggregated revenue.

1.2 Business model

Our business is based on our people providing key services to our customers from within our business lines. We strive to empower our people to support our customers to be successful. We support our people with our business procedures and systems and generate earnings by charging their time spent performing professional services, to our customers.

Aggregated revenue and profit: Our sources of revenue and profit are diversified and 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 or profit. Aggregated revenue excludes revenue that has nil margin (this typically relates to procurement revenue where WorleyParsons undertakes procurement on our customers' behalf with no exposure to financing costs or warranty obligations). We believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group and include this revenue within aggregated revenue.

Costs: Our two largest costs are: staff costs; and administration costs, which includes office lease costs. We also have a significant amount of pass through costs that are reimbursed by our customers.

Assets and liabilities: The significant items on our balance sheet are mainly project related, such as trade receivables, unbilled receivables, provisions and borrowings. We also hold a number of intangible assets generated through previous acquisitions. Our business is not capital intensive. Our contract terms typically require our customers to pay us within 30 days of date of 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 working capital requirements.

1.3 Review of operations

The statutory result for FY2015 was a loss of $54.9 million, including the recognition of a non-cash impairment of goodwill of $198.6 million (approximately 10% of total goodwill). Underlying net profit after tax (NPAT)[1] was $198.6 million for the 12 months to 30 June 2015, down 24.6% on the previous corresponding period.

Aggregated revenue has only modestly declined by 1.8%, against a backdrop of significant declines in market activity. Sustained low commodity prices and the fall in oil prices have resulted in our customers reducing capital and operating expenditure.

We achieved increases in aggregated revenue in a number of our markets that partially offset the declines in our *Improve* business in Canada and our Services business in North America and Australia, demonstrating the benefits of our geographic diversity and the breadth of our service offerings.

We have been taking action since 2013 to reshape the business to align it with market activity. These actions in Financial Year 2015 resulted in redundancy and onerous lease charges being recognized. When combined with increased competition and concessions negotiated with customers, this has led to a reduction in our margin.

The further deterioration in our markets since May has resulted in us taking further action beyond those previously announced, the cost impact of which has been recorded in the Financial Year 2015 earnings. We now employ 31,400 people operating out of 148 offices across 46 countries, compared with 35,600 people across 157 offices at 30 June 2014.

We have secured 105 significant awards this year compared with 90 in Financial Year 2014, including a recent significant long term contract with a confidential customer in the power industry in North America.

Our financial position remains sound with the Company's gearing ratio at 30 June 2015 of 28.0%, near the middle of the target range of 25% to 35%.

The FY2014 segment result and segment margins shown in sections 1.3.1 and 1.3.2 have been restated to reflect the organization of the Group and changed reporting effective 1 July 2014.

The reconciliation of the underlying earnings before interest and tax (EBIT) and NPAT results to the EBIT and NPAT attributable to members of WorleyParsons Limited is shown in the following table.

[1] The Directors consider underlying profit information is important to understand the sustainable peformance of the Company by excluding significant non-recurring items.

	FY2015 ($'M)	FY2014 ($'M)
EBIT	**87.1**	**428.2**
Add: impairment of goodwill	198.6	-
Add: Arkutun-Dagi settlement	70.0	-
Add: restructuring costs	-	35.4
Less: net gain on revaluation of investments previously accounted for as associates	-	(11.4)
Underlying EBIT	**355.7**	**452.2**
NPAT attributable to members of WorleyParsons Limited	**(54.9)**	**249.1**
Add: impairment of goodwill	198.6	-
Add: Arkutun-Dagi settlement, post tax	49.0	
Add: tax arising on reorganization of business in China	5.9	
Add: restructuring costs, post tax	-	25.7
Less: net gain on revaluation of investments previously accounted for as associates	-	(11.4)
Underlying NPAT	**198.6**	**263.4**

THERE ARE THREE MEASURES THAT ARE KEY TO UNDERSTANDING OUR RESULTS:

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

	FY2015 $'M	FY2014 $'M	Comments	Movement
1. Aggregated revenue	7,227.5	7,363.7	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, and interest income.	Our aggregated revenue decreased by 1.8% in FY2015 when compared with that for FY2014, due to the decline in market activity in APAC (Australia, Pacific, Asia, China) and North America regions which was partially offset by foreign exchange benefits and growth in our other markets.
2. EBIT	87.1	428.2	EBIT means earnings before interest and tax.	Our EBIT decreased by 80% in FY2015 when compared with that for FY2014, due primarily to the impact of the impairment charge, redundancy and onerous lease charges recognized in the second half and customer concessions.
3. NPAT	(54.9)	249.1	NPAT means net profit after tax.	Our NPAT decreased by 122% in FY2015 when compared with that for FY2014, due primarily to the impact of the impairment charge, redundancy and onerous lease charges recognized in the second half and customer concessions.

1.3.1 Business line performance

Services

The Services business line delivers projects of all sizes across the full asset life cycle. It leverages our intimate understanding of our local markets and customers' expectations, combined with the best technical capability locally and globally.

The Services business line reported aggregated revenue of $5,501 million and segment result[2] of $439 million (FY2014: aggregated revenue of $5,618 million and segment result of $547 million). The segment margin declined to 8.0% from 9.7%.

Declines in earnings were experienced across all sectors. Declines in activity across our APAC and North American regions exceeded the improved performance in our other regions. WorleyParsonsCord delivered improved performance when compared with FY2014.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2015	5,501.4	(2)	76	438.7	(20)	8.0
FY2014 (restated)	5,618.2		76	547.4		9.7

Major Projects

The Major Project business line was established to better manage the risks associated with major projects and provides our customers with specialization in the delivery of large complex projects.

The Major Projects business line reported aggregated revenue of $923 million and segment result of $46 million (FY2014: aggregated revenue of $863 million and segment result of $68 million). The segment margin declined to 5.0% from 7.8%.

Revenue increased due to the rise in low margin reimbursable expenses as several projects approached completion or transitioned to the field. Segment margin declined due to project cancellations and the effect of revenue mix as the proportion of low margin reimbursable expenses increased relative to higher margin engineering services.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2015	922.7	7	13	46.3	(31)	5.0
FY2014 (restated)	862.9		12	67.5		7.8

Improve

The *Improve* business line was established to manage the risks associated with our major *Improve* contracts and provides our customers with global best practice solutions to optimize the performance of their operating assets.

The *Improve* business line reported aggregated revenue of $649 million and segment result of $37 million (FY2014: aggregated revenue of $786 million and segment result of $48 million). The segment margin declined to 5.7% from 6.1%.

The decline in revenue in *Improve* was primarily due to cuts to sustaining capital expenditure of oil sands customers. Segment margins declined as a result of the lower project activity and the impact of concessions negotiated with customers.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2015	649.0	(17)	9	37.0	(23)	5.7
FY2014 (restated)	785.6		11	48.1		6.1

Development

The Development business line reported aggregated revenue of $154 million and segment result of $14.1 million (FY2014: aggregated revenue of $97 million and segment result of $1.4 million).

The business line result included eight months contribution from the acquisition of MTG Limited. MTG Limited is a US based management consulting firm in the oil and gas, petrochemicals and chemicals industries with operations in North America, the United Kingdom and Australia.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2015	154.4	59	2	14.1	907	9.1
FY2014 (restated)	97.0		1	1.4		1.4

[2] Segment result is segment revenue less segment expenses excluding the items listed in Note 3 (G) to the financial statements on page 78.

1.3.2 Sector performance

Hydrocarbons

The Hydrocarbons sector reported aggregated revenue of $5,332 million, and segment result of $475 million, with a margin of 8.9% (FY2014: aggregated revenue $5,372 million, segment result $517 million, margin 9.6%). Hydrocarbons' contribution to the Group's aggregated revenue was 74%, essentially the same as last year.

This represents a strong outcome against a backdrop of lower market activity, competitive pressures, concessions negotiated with customers and the absorption of $44.6 million in redundancy and onerous lease charges.

The increased contribution from the Major Projects business line and the Development Group (due primarily to the recent acquisition of MTG), partially offset the declines from the Services and *Improve* business lines.

The decline in Hydrocarbons earnings within the Services business line was primarily due to the APAC and North America regions. The APAC impact was due to the decline in LNG project activity in Australia as the various developments entered the latter stages of construction. In North America, the volume of new project opportunities has decreased with the sharp falls in oil price.

The *Improve* business line Hydrocarbon sector performance was impacted by customers in North America cutting back on sustaining capital expenditure.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2015	5,332.1	(1)	74	475.1	(8)	8.9
FY2014 (restated)	5,371.5		73	517.2		9.6

Minerals, Metals & Chemicals

The Minerals, Metals & Chemicals sector reported aggregated revenue of $904 million and segment result of $44 million with a margin of 4.9% (FY2014: aggregated revenue $1,066 million, segment result $108 million, margin 10.1%). Minerals, Metals & Chemicals contributed 12% to the Group's aggregated revenue.

The Minerals & Metals contribution came under pressure within the Services business line, as project activity in this market segment continued to decline in line with the sustained lower commodity prices. This is in contrast to the growing contribution made by our Chemicals division with increased opportunities in North America, Middle East and Asia.

Within the Major Projects business line the decline in the contribution from this sector was primarily due to the completion of the Fairway project and the cancellation of the Kami Iron Ore project.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2015	903.7	(15)	12	44.1	(59)	4.9%
FY2014 (restated)	1,065.9		14	108.0		10.1%

Infrastructure

The Infrastructure sector reported aggregated revenue of $992 million and segment result of $17 million with a margin of 1.7% (FY2014: aggregated revenue $926 million, segment result $39 million, margin 4.2%). Infrastructure's contribution to the Group's aggregated revenue was 14%.

Infrastructure revenue increased in the second half which combined with cost reduction initiatives undertaken improved the second half margin to 3.2% from the first half breakeven result.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2015	991.7	7	14	16.9	(57)	1.7
FY2014 (restated)	926.3		13	39.2		4.2

1.4 Significant changes in operations

On 24 October 2014, the Group acquired 100% of the voting shares of MTG Limited (MTG) and its controlled entities. MTG is a US based management consulting firm in the oil and gas, petrochemicals and chemicals industries with operations in North America, the United Kingdom and Australia. The acquisition was made as a building block in the growth of Advisian, the Group's advisory business. The Financial Report for FY2015 includes the results of MTG for the eight month period from the acquisition date. On 2 December 2014 the Group acquired 100% of the voting rights of Hadron Holdings Inc and its controlled entities comprising the Atlantic Nuclear business (ANI) which provides services to the Canadian nuclear industry and internationally where CANDU nuclear technology is used.

2. Financial Position and Cash Flow

2.1 Matters relevant to understanding WorleyParsons' financial position

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

	FY2015 $'M	FY2014 $'M	Comments	Movement
1. Operating cash flow	251.3	550.1	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 for FY2015 represents a high cash conversion rate of 127% of underlying NPAT.
2. Gearing ratio	28.0%	18.7%	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. Refer to Note 12 to the Financial Statements for the calculation of gearing ratio.	Our gearing ratio increased by 9 percentage points in FY2015 when compared to FY2014, due to the impact of the impairment charge on equity, foreign exchange impacts and the additional funding required for acquisitions and working capital requirements. This ratio is at the middle of our gearing target of 25% to 35%.
3. Debt facility utilization	59%	50%	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 by 9 percentage points in FY2015 when compared to FY2014, due to additional funding requirements for acquisitions and working capital.
4. Loan and overdraft facilities	2,087	1,783	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 FY2015, due to foreign exchange impacts.

2.2 Dividends

Our directors have resolved to pay a final dividend of 22.0 cents per fully paid ordinary share unfranked. As a result, 69.7% of our full year underlying NPAT for FY2015 will be distributed to shareholders as a dividend.

2.3 Significant changes in WorleyParsons' financial position

An assessment of asset carrying values was conducted as part of the normal process of finalizing the accounts.

As a result of this assessment, an impairment of goodwill of $198.6 million was recognized in the FY2015 accounts.

Significant changes in WorleyParsons' financial position during FY2015 also includes the sale of Exmouth Power Station that had previously been recorded as assets and liabilities held for sale. A net gain on sale was recognized and is included in other income.

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:

- operating leases
- operating expenditure commitments.

These future commitments represent approximately 9.1% of our expenses.

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 and also lease various items of computer hardware 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.

3. Business Strategy, Outlook and Risks

3.1 Business strategy

We develop our business strategy using an iterative process at each of the key levels of our business such that we have:

- a Group strategy
- sector strategies
- business plans to guide the implementation of our sector strategies at a business line level.

Our Group strategy describes markets in which we intend to invest to create sustainable competitive advantage (leading to greater market share and/or higher margins) and deliver on our corporate vision. Our sector level strategies are a detailed view of these markets and are typically broken down by Hydrocarbons, Minerals, Metals & Chemicals and Infrastructure sectors and their corresponding major sub sectors (e.g. LNG, iron ore). At the business line level, we translate our sector strategies into business plans to deliver on the intent of the sector strategies as applicable to each business line. Our business plans map specific near and medium term opportunities or portfolios of opportunities to the strategic themes, to provide clear and tangible targets for the individual business leaders to pursue, win and execute. Overall, our key markets continue to present challenges, including increasing competition and customers delaying committing to new developments. We believe we have taken appropriate steps during FY2015 to realign and position the Group to address these challenging market conditions.

Strategically, our immediate focus is on five strategic themes which are:

- to build a world class consulting business and dominate the early project phases
- to be the global project management consultant or "PMC" provider of choice
- to build a leading major *Improve* business
- to be the smartest most agile local service provider
- to be the company that leapfrogs the competition in the use of our global delivery center and applies digital technology to revolutionize the delivery of our services.

Further details on the five strategic themes can be found on pages 16 to 25 of this Annual Report.

3.2 Outlook

The recent fall in oil price has caused Hydrocarbons customers to maintain a cautious position with regard to investment plans in the near term. The Company anticipates the benefits of the restructuring actions already taken, and its continuing program of overhead reductions, will temper the effect of this on earnings.

Conditions in the Minerals and Metals sector remain depressed, with customers constraining capital expenditure on new developments, whilst focusing on operational improvements within existing mines and processing facilities. However, given the long term market remains underpinned by growth in the emerging economies and the associated trend of urbanisation, we remain confident in the medium to long term prospects for this sector.

The short to medium term investment plans of customers in the Chemicals sector remain sound. Outside the US, volatility in oil and gas prices will continue to defer investment decisions within the petrochemicals segment as feedstock supply and price implications are evaluated by our customers.

Trading conditions are expected to remain difficult in the resource Infrastructure market as both the Hydrocarbons and Minerals & Metals sectors re-evaluate new project viability in an era of low commodity prices. This decline in market activity will be partially offset as opportunities are secured in the non-resource or economic Infrastructure sector within the chosen markets of power generation, ports, passenger rail and water.

Aggregated revenue has proven to be resilient through the Company's strategy of sector and geographic diversification and its broad range of services. The Company remains focused on continuing to improve the delivery of services to its customers, taking costs out of the business and improving returns to shareholders as it adjusts the business for the subdued market activity expected in Financial Year 2016.

The Company will continue to balance the long term sustainability of the business with the need to align the business to market conditions in the short term as it deploys the recently announced strategy. WorleyParsons is well positioned to deliver its strategy through Financial Year 2016 and beyond so it can realize its future.

3.3 Risks

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

The mitigating steps set out below are a sample of the steps we take to seek to mitigate the various risks. However, the risk exists that we may fail to implement or fully implement those steps or that they may be entirely or partly ineffective.

3.3.1 Health and safety risk

Our business sometimes requires our people and those people we manage 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 and those people we manage.

To seek to mitigate this risk, we have a OneWay™ framework which includes the expectations that every one of our people and those people we manage must meet with respect to health and safety. OneWay™ expectations are supported by our business processes and we use them in assessing our performance.

3.3.2 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.

There is a risk that our reputation could be damaged including through unethical business practices, poor project outcomes, health and safety incidents and not meeting the market's expectations of our financial performance.

We use a range of strategies and actions to seek to mitigate this risk including requiring all of our people to undertake various training including on the Code of Conduct. In addition, other mitigating steps, particularly those referred to in health and safety risk, project delivery risk, and internal reporting risk, are relevant to seeking to preserve our reputation.

3.3.3 Operating risks

Contract management risk: Effective contract management seeks to ensure, among other things, appropriate project and customer selection and the effective management of customer expectations.

There is a risk that we will fail to manage our contracts appropriately and, as a result, find ourselves in disputes with our customers regarding matters including payment of our fees and liability for costs and delays. Those disputes may be costly, result in liability and absorb significant amounts of management time.

We seek to mitigate this risk by implementing project delivery processes and procedures, providing training and development to our project staff and appropriate involvement of our legal staff in the contract process.

Demand risk: The markets for our services are exposed to volatile and cyclical commodity prices. Those prices impact demand for our customers' goods and services and, in particular, our customers' preparedness to fund capital and operational expenditure. This may markedly impact demand for our services such that, over relatively short periods, we experience rapid and/or sustained changes in that demand.

Responding to such changes may lead to reduced revenue and increased costs. Our overheads may also need to change such that they are efficient relative to our revenue and business size.

We have a number of strategies and processes in place to seek to mitigate this risk including maintaining our diversified business portfolio, retaining a proportion of our people on short notice contracts, seeking contractual protection for project demobilization, sharing work across locations and undertaking ongoing overhead efficiency reviews and rationalizing overhead where necessary.

Project delivery risk: Our ability to achieve superior shareholder returns is substantially influenced by our ability to deliver significant and/or strategically important projects to our customers' satisfaction.

Project delivery risk is the risk that we fail to do so. The consequences may include fewer awards of significant projects.

To seek to mitigate this risk, we use regularly reviewed project delivery systems and processes and project peer reviews. We have established the WorleyParsons Academy to further enhance the capability of our people in project management and project delivery.

3.3.4 Financial risks

Working capital and cash risk: Our ability to maintain an appropriate level of working capital, particularly through timely conversion of unbilled contract revenue to cash, impacts returns to shareholders.

There is a risk that given current market conditions, our customers delay paying us or are unwilling or unable to do so.

We seek to mitigate this risk by focusing on more efficient billing cycles, and closely monitoring both cash collection targets and measures of debtor conversion.

Internal reporting risk: We operate a complex business which provides a wide range of services in a dynamic environment, while straddling multiple jurisdictions and regulatory frameworks.

There is a risk that our internal reporting systems may not accurately reflect our business performance or prospects and may therefore result in us not meeting forecasts provided to the market, thereby adversely affecting investor confidence and the Company's share price.

We seek to mitigate this risk by reviewing and enhancing those systems and seeking to adapt them to our dynamic business environment.

3.3.5 Strategic risks

Strategy risk: We operate in a highly competitive and dynamic environment. As a result, our ability to develop and implement effective strategies will be a significant ongoing contributor to our success.

Strategy risk is the risk of failing to develop and implement effective strategies. Such failure may, over time, lead to a loss of market share, and negatively impact our financial performance.

To seek to mitigate this risk, we have an annual strategy development process utilizing both internally and externally supplied market data and business knowledge.

The strategy involves five strategic themes executed as projects and described in section 3.1 of this Operating and Financial Review.

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.

3.5 Forward looking statements

This report contains forward looking statements, including statements of current intention, opinion and expectation regarding the Company's present and future operations, possible future events and future financial prospects. While these statements reflect expectations at the date of this report, they are, by their nature, not certain and are susceptible to change. WorleyParsons makes no representation, assurance or guarantee as to the accuracy of or likelihood of fulfilling any such forward looking statements (whether express or implied), and except as required by applicable law or the Australian Securities Exchange Listing Rules, disclaims any obligation or undertaking to publicly update such forward looking statements.

FINANCIAL REPORT

For the financial year ended 30 June 2015

NOTES TO THE FINANCIAL STATEMENTS

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- *the amount in question is significant because of its size or nature; or*
- *it is important for understanding the results of the Group.*

The notes are organized into the following sections:

Key Numbers

Provide a breakdown of individual line items in the financial statements that the directors consider the most relevant and summarizes the accounting policies relevant to understanding these line items.

Capital

Provide information about the capital management practices of the Group and shareholder returns for the year.

Risk

Disclose the Group's exposure to various financial risks, the potential impact on the Group's financial position and performance and the Group's management of these risks.

Structure

Define the different aspects of the Group structure.

Unrecognized Items

Provide information about items that are not recognized in the financial statements but could potentially have a significant impact on the Group's financial position and performance.

Other

Notes required by Australian Accounting Standards and/or other regulatory pronouncements.

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 2015.

PRINCIPAL ACTIVITIES

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

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

DIRECTORS

The following persons were directors of the Company during the financial year or were appointed as a director since the end of the financial year. All were directors for the full financial year, except for Mr Jagjeet Bindra who was appointed as a director of the Company with effect from 1 July 2015. All remain directors at the date of this report.

John Grill (Chairman)

Ron McNeilly (Deputy Chairman and Lead Independent Director)

Larry Benke

Jagjeet Bindra

Erich Fraunschiel

John M Green

Christopher Haynes

Catherine Livingstone

Wang Xiao Bin

Andrew Wood (Chief Executive Officer)

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	17,811
Ron McNeilly	418,984	–
Larry Benke	1,133,383	–
Jagjeet Bindra	19,000	–
Erich Fraunschiel	198,755	–
John M Green	891,869	–
Christopher Haynes	11,945	–
Catherine Livingstone	13,000	–
Wang Xiao Bin	11,000	–
Andrew Wood	849,065	211,226

Further details in relation to the rights issued by the Company are set out in the Remuneration Report and notes 14(C) and 32 to the financial statements.

DIRECTORS' MEETINGS

The number of Board and standing Board Committee meetings held during the financial year and the number of meetings attended by each of the Company's directors is set out below:

	BOARD		AUDIT AND RISK COMMITTEE		NOMINATIONS COMMITTEE		REMUNERATION COMMITTEE		HEALTH, SAFETY AND ENVIRONMENT COMMITTEE	
DIRECTORS	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	9	9			6	6	6	6	6	6
Ron McNeilly	9	9	6	6	6	6	6	6	6	6
Larry Benke	9	9	6	6	6	6			6	6
Erich Fraunschiel	9	9	6	6	6	6				
John M Green	9	9			6	6	6	6		
Christopher Haynes	9	9			6	6			6	6
Catherine Livingstone	9	9	6	6	6	6				
Wang Xiao Bin	9	8	6	5	6	5				
Andrew Wood	9	9								

In addition to those meetings, three special purpose Board Committee meetings were held during the financial year. The Board also met informally during the financial year by way of a Board briefing on nine 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.

The independent non-executive directors met separately on six occasions, during the financial year.

DIVIDENDS – WORLEYPARSONS LIMITED

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

	2015 $'M	2014 $'M
Interim ordinary dividend for 2015 of 34.0 cents per ordinary share paid on 2 April 2015 (2.7 cents franked)	84.1	–
Final ordinary dividend for 2014 of 51.0 cents per ordinary share paid on 30 September 2014 (10.5 cents franked)	125.7	–
Interim ordinary dividend for 2014 of 34.0 cents per ordinary share paid on 31 March 2014 (8.5 cents franked)	–	83.9
Final ordinary dividend for 2013 of 51.0 cents per ordinary share paid on 20 September 2013 (51.0 cents unfranked)	–	125.7
Total dividends paid	209.8	209.6

Since the end of the financial year, the directors have resolved to pay a dividend of 22.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2014: 51.0 cents per share, partially franked at 20.5%). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $54.4 million is not recognized as a liability as at 30 June 2015.

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	
	2015 $'M	2014 $'M
Revenue and other income	**8,757.5**	**9,582.5**
Depreciation	(24.6)	(27.1)
Amortization	(85.4)	(82.4)
Impairment of goodwill	(198.6)	–
Earnings before interest and tax (EBIT)	87.1	428.2
Net interest expense	(55.4)	(59.6)
Profit before income tax expense	31.7	368.6
Income tax expense	(70.7)	(100.0)
Statutory (loss)/profit after income tax expense	(39.0)	268.6
Non-controlling interests	15.9	19.5
Statutory (loss)/profit after income tax expense attributable to:		
Members of WorleyParsons Limited	**(54.9)**	**249.1**
Add: impairment of goodwill	198.6	–
Add: Arkutun-Dagi project settlement costs	70.0	–
Less: tax on Arkutun-Dagi project settlement costs	(21.0)	–
Add: tax arising on reorganization of business in China	5.9	–
Add: restructuring costs	–	35.4
Less: tax on restructuring costs	–	(9.7)
Less: net gain on revaluation of investments previously accounted for as equity accounted associates	–	(11.4)
Underlying profit after income tax expense attributable to members of WorleyParsons Limited[1]	**198.6**	**263.4**

1 The directors consider underlying profit information is important to understand the sustainable performance of the Company by excluding significant non-recurring items.

	CONSOLIDATED	
	2015 $'M	2014 $'M
Revenue and other income	8,757.5	9,582.5
Less: procurement revenue at nil margin (including share of revenue from associates)	(2,038.0)	(2,726.1)
Add: share of revenue from associates	514.6	524.0
Less: net gain on revaluation of investments previously accounted for as equity accounted associates	–	(11.4)
Less: interest income	(6.6)	(5.3)
Aggregated revenue[2]	**7,227.5**	**7,363.7**

2 Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates less procurement 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	
	2015 $'M	2014 $'M	2015 $'M	2014 $'M	2015 %	2014 %
Services	5,501.4	5,618.2	438.7	547.4	8.0	9.7
Major Projects	922.7	862.9	46.3	67.5	5.0	7.8
Improve	649.0	785.6	37.0	48.1	5.7	6.1
Development	154.4	97.0	14.1	1.4	9.1	1.4
	7,227.5	7,363.7	536.1	664.4	7.4	9.0
Global support costs[3]			(151.9)	(181.3)		
Interest and tax for associates			(6.7)	(9.2)		
Amortization of acquired intangible assets			(21.8)	(21.7)		
Underlying EBIT[1]			355.7	452.2	4.9	6.1

3 Excluding global support-related restructuring costs (refer note 3 to the financial statements).

Aggregated revenue was $7,227.5 million, a decrease of 1.8% on the prior financial year. Underlying EBIT of $355.7 million, was down 21.3% from the prior financial year result of $452.2 million.

The underlying EBIT margin on aggregated revenue for the Group, decreased to 4.9% compared with 6.1% in 2014. After tax, the members of WorleyParsons Limited earned an underlying net margin, on aggregated revenue of 2.7%, compared to the 2014 net margin of 3.6%.

The underlying effective tax rate 28.6% compared with 28.0% in 2014.

The Group retains a strong cash position $381.9 million (2014: $365.8 million) with gearing (net debt/net debt plus total equity) at financial year end of 28.0% (2014: 18.7%). Earnings before interest, tax, depreciation and amortization (EBITDA) interest cover for 2015 was 6.4 times (2014: 8.3 times). EBITDA interest cover, excluding net gain on revaluation of investments previously accounted for as equity accounted associates, for 2015 was 6.4 times (2014: 8.1 times).

Operating cash inflow for the period was $251.3 million, compared to $550.1 million in 2014. Cash outflow from investing activities was $188.9 million (2014: $104.3 million).

(LOSS)/EARNINGS PER SHARE

	2015 CENTS	2014 CENTS
Basic (loss)/earnings per share	(22.2)	101.0
Basic earnings per share excluding impairment of goodwill, Arkutun-Dagi project settlement costs, net of taxation, tax arising on reorganization of business in China, net acquisition gain on revaluation of investments previously accounted for as equity accounted associates and restructuring costs	80.4	106.8
Diluted (loss)/earnings per share	(22.2)	100.3
Diluted earnings per share excluding impairment of goodwill, Arkutun-Dagi project settlement costs, net of taxation, tax arising on reorganization of business in China, net acquisition gain on revaluation of investments previously accounted for as equity accounted associates and restructuring costs	79.9	106.1

Basic earnings per share, excluding impairment of goodwill, Arkutun-Dagi project settlement costs, net of taxation, tax arising on reorganization of business in China, net gain on revaluation of investments previously accounted for as equity accounted associates and restructuring costs, were 80.4 cents per share, a decrease of 24.7% from the previous financial year result of 106.8 cents per share.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As announced in April 2014 and effective 1 July 2014, the business operations are managed and reported by business lines: Services, Major Projects, *Improve* and Development. This represents a change to the operating segments reported in the previous corresponding period. The historical segment results for the financial year ended 30 June 2014 have been restated to be comparable with the revised segmentation approach as required by AASB 8 *Operating Segments*.

On 24 October 2014, the Group acquired 100% of the voting shares of MTG Limited (MTG) and its controlled entities. MTG is a US based management consulting firm in the oil and gas, petrochemicals and chemicals industries with operations in North America, the United Kingdom and Australia. The acquisition was made as a building block in the growth of Advisian, the advisory business of the Group. The Financial Report includes the results of MTG for the eight month period from the acquisition date. On 2 December 2014, the Group also acquired 100% of the voting rights of Hadron Holdings Inc and its controlled entities (comprising the Atlantic Nuclear business (ANI)).

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 22.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2014: 51.0 cents per share, partially franked at 20.5%). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $54.4 million is not recognized as a liability as at 30 June 2015.

No other matter or circumstance has arisen since 30 June 2015 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

The likely developments in the Group's operations in future financial years and the expected results of those operations are set out in section 3.2 of the Operating and Financial Review on page 43.

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 and to the work it carries out. 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.

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 fees for non-audit services provided by the auditor amounted to $1,377,362.

The Board has adopted a policy governing the provision of non-audit services by the 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 financial year ended 30 June 2015, 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

SJ Ferguson
Partner
26 August 2015

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2015 may be accessed from the Company's website at http://www.worleyparsons.com/InvestorRelations/Pages/CorporateGovernance.aspx.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

JOHN GRILL AO 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 ASX in 2002 as Worley Group Limited following a restructuring of that company. In 2004, Worley Group Limited acquired Parsons E&C Corporation, a United States-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 the Group's 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 was appointed an Officer of the Order of Australia in 2014 for distinguished service to engineering and to business, to the minerals, energy and power supply industries and as a supporter of advanced education and training. John is on the board of Neuroscience Research Australia and of 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 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 a former Deputy Chairman of BlueScope Steel Limited previously BHP Steel. He 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	7 April 2015

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 Audit and Risk Committee, Nominations Committee and Health, Safety and Environment Committee. 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 until his retirement in 2010. He successfully led Colt through a period of substantial growth and expansion which continued with the integration of the company into the Group's Canada business. Larry is Chairman of Next Hydrogen, a manufacturer of advanced electrolyzers for hydrogen production. He 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 Airport. He is also a director of Cervus Equipment Corporation, a Toronto Stock Exchange listed company in the business of acquiring and operating agricultural, transportation and construction equipment dealerships.

Larry graduated from the University of Alberta in 1973 with a Bachelor of Science in Electrical Engineering (Honors).

JAGJEET BINDRA BTECH (CHEME), MS (CHEME), MBA (HONS)

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2015
COUNTRY OF RESIDENCE – UNITED STATES

Jagjeet (Jeet) was appointed to the Board on 1 July 2015 and is a member of the Nominations Committee. Jeet has over 35 years' experience in the global resources and energy industry including 32 years in senior leadership roles within the Chevron Group of Companies, retiring from Chevron as President of Chevron Global Manufacturing in 2009. The breadth of his executive experience extends into oil and gas, chemicals, refinery engineering and operations, design and construction, project management, engineering technology and strategic and business planning. He also has extensive public company board experience and is currently a member of the board of Edison International/Southern California Edison Company and LyondellBasell Industries N.V., both publicly listed companies on the New York Stock Exchange. He was formerly Managing Director and Chief Executive Officer of Caltex Australia Limited and a director of Transfield Services Limited, both publicly listed companies on the ASX. Jeet is a Chemical Engineering graduate of the Indian Institute of Technology in Kanpur, India and holds a Master of Science degree in Chemical Engineering from the University of Washington and an MBA degree from Saint Mary's College of California.

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 also a director of BWP Management Limited, the responsible entity of the BWP Trust, an Australian real estate investment trust listed on ASX. 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. Since 2002, he has served as a non-executive director on the boards of several listed and unlisted companies.

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
BWP Trust	Non-executive director	1 February 2015	n/a

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 Deputy Chairman of QBE Insurance Group Limited 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	Deputy Chairman and non-executive director	1 March 2010	n/a

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

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 also a Fellow of the Institution of Engineers, Australia. Chris 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), HON BBUD (UTS), 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 Nominations Committee. She is Chairman of Telstra Corporation Limited and a director of Saluda Medical Pty Limited and the George Institute for Global Health. Catherine is also the President of the Business Council of Australia and the President of the Australian Museum Trust. She was Chairman of CSIRO from 2001 to 2006 and has also served on the boards of Macquarie Bank Limited, Macquarie Group Limited, 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 2003, Catherine was awarded the Centenary Medal for service to Australian Society in Business Leadership and in 2008 she 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

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

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2011
COUNTRY OF RESIDENCE – HONG KONG, CHINA

Xiao Bin was appointed to the Board on 1 December 2011 and is a member of the Audit and Risk Committee and Nominations Committee. She is based in Hong Kong and 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 the 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 a tenure of over 21 years with the Group, and over 34 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 the Group's early expansion into Thailand and 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 a Fellow of the Institution of Engineers, Australia.

PETER JANU BEC, LLB, CA, FGIA

COMPANY SECRETARY AND GENERAL COUNSEL CORPORATE – APPOINTED OCTOBER 2008

Peter joined WorleyParsons in 2008 in his current role. He is responsible for corporate governance for the Board, and the senior executive team. He is also responsible for legal and governance matters relevant to the listed entity, its capital structure, and its regulatory obligations. Peter's specific group accountabilities include continuous disclosure, trade sanctions and compliance with anti-bribery laws. Peter has a background in corporate taxation, project finance, legal, governance and company secretary roles. He has previously worked in the professional services, investment banking, and construction and mining services sectors. Peter holds degrees in Law and Economics from The University of Sydney and is a Chartered Accountant and a Fellow of the Governance Institute of Australia.

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 2015 (FY2015). 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:

GLOSSARY

Clawback (Malus) – provides the Board with discretion on the treatment of equity awards where an employee has acted fraudulently or dishonestly, is in breach of that employee's obligations to the Company, or has received awards based on financial accounts which are later restated.

Combined Incentive Plan – a variable component of total remuneration. Delivers an incentive based on Company achievement against budget Group Net Profit After Tax (NPAT) and Executive achievement against agreed Key Performance Indicators (KPIs). Two thirds of the incentive value is paid as cash and one third is deferred as an equity award subject to a three year service and performance requirement.

Earnings Per Share (EPS) – determined by dividing the Group NPAT by the weighted average number of the Company's ordinary shares on issue during the financial year.

Executive – as detailed on page 55, Executives include both Executive Directors and Group Executives and have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Group Net Profit After Tax (NPAT) – is the net profit earned by the Group after deducting all expenses including interest, depreciation and tax. From time to time, in determining outcomes under the incentive plans, the Board may use its discretion to apply the underlying NPAT which in the Board's opinion reflects the Company's operating results.

Key Management Personnel (KMP) – those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. KMP comprise Executives and Non-Executive Directors and are detailed on pages 55 and 65.

Key Performance Indicators (KPIs) – performance targets agreed at the start of each financial year under the Combined Incentive Plan. KPIs include both financial and non-financial metrics, examples of which are detailed on page 56.

Long Term Incentive (LTI) Plan – a variable component of total remuneration. Performance rights are granted to Executives under the LTI Plan and will vest and become available for exercise after four years, subject to Company achievement against prescribed long term performance requirements.

Non-Executive Director (NED) – as detailed on page 65, directors of the entity have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Total Shareholder Return (TSR) – provides a measure of the change in the value of the Company's share price over a period, including reinvested dividends, expressed as a percentage of the opening value of the shares.

1. LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholders,

CHANGES TO KEY MANAGEMENT PERSONNEL

This year we welcomed two new Executives, Dennis Finn and Filippo Abba. Dennis commenced as Group Managing Director/Chief Executive Officer (CEO) of our Advisory business (Advisian) on 1 September 2014 and has become Key Management Personnel (KMP) effective 1 July 2015 with the launch of Advisian as a separate business line. Filippo commenced as Group Managing Director, *Improve* on 1 April 2015, succeeding Randy Karren who retired on 31 March 2015.

PAY FOR PERFORMANCE IN FY2015

This year's financial results fell below the Group NPAT gate opener threshold to trigger a payment, resulting in Executives receiving no short term incentive payments.

Also, the benchmarks for shareholder return and earnings per share in our long term incentive scheme have not been met, resulting in equity grants not vesting for the third year in a row.

CHANGES TO REMUNERATION FOR FY2016 AND BEYOND

These outcomes are consistent with our philosophy that our Executives' incentives should reflect shareholder outcomes. However, the Remuneration Committee has been considering the impact our remuneration outcomes are having on the motivation and retention of our key people, especially during periods of great volatility in the markets for our services.

We concluded that while Company performance must remain the driving force in determining short term incentives, it is also important to appropriately reward our people for significant achievements in delivering on our strategy.

With this in mind, the Board is revising the Executives' remuneration structure for FY2016.

FIXED PAY AND PAY MIX

We have noted that many of our competitors give more weight to the incentive components in their remunerations structures. In this context, the Company's future remuneration reviews will have a bias to increasing the incentive components.

We have thus made no adjustments to our Executives' Fixed Pay for FY2016, except to reflect the CEO's request that his own Fixed Pay be reduced by 10% from 1 July 2015.

We have also made no changes to Non-Executive Directors' fees for FY2016.

LONG TERM INCENTIVES

No adjustments will be made to the Long Term Incentive (LTI) Plan for FY2016.

COMBINED INCENTIVE PLAN

A key aspect of aligning our Executives' interests with shareholders, to ensure they have sufficient "skin in the game", is our minimum shareholding requirement of two times Fixed Pay (four times for the CEO). The FY2016 Combined Incentive Plan (CI Plan) will be amended to provide more certainty of growth in Executive shareholdings, while retaining the overall target pay mix of short term cash and medium term deferred equity.

CASH PORTION OF THE CI PLAN

The cash component of the CI Plan retains a focus on both financial and non-financial Key Performance Indicators (KPIs). For FY2016 and beyond, the overall Group NPAT gate opener will be replaced by individual thresholds for each KPI to improve an Executive's line of sight over achieving their targets. The Board retains rigorous oversight of the KPIs set, and will continue to ensure they retain sufficient stretch, and appropriate thresholds. Group NPAT remains one of the key financial KPIs, along with business line EBIT targets relevant to each business line leader, as well as cash collection targets. The non-financial KPIs are focused on our strategic imperatives.

From FY2016 a more leveraged model will apply to financial KPIs. We have extended the scale from 90% back to 80% in recognition that we are at a very volatile point of our economic cycle and that notwithstanding the efforts of our Executives, the variability of outcomes has increased. At or below 80% of target (e.g. Group NPAT budget) no payment will be made.

A sliding scale will then apply with 5% of the target incentive awarded for each 1% achieved above 80% of budget up to a cap of 200% of target incentive if 120% or more of budget is achieved. Non-financial KPIs will have a 100% maximum score. As the minimum weighting for financials is 50%, the combined effect restricts the overall incentive to 150% of target.

The current scale provides, for example, 91% vesting at 91% performance. The new sliding scale provides for significantly reduced payouts for performance above the threshold, but below the target. The Board considers this approach should give Executives greater incentive to overachieve.

EQUITY PORTION OF THE CI PLAN

The CI Plan will retain the deferred equity component, including a forfeiture provision if results are subsequently restated or any impropriety occurs. The equity portion will continue to be granted annually as performance rights. The vesting period for this equity will be reduced from three to two years. (The LTI remains a four year plan with no ability for re-testing.)

The rights under the CI Plan will convert into a number of shares that depends on changes in the share price over a two year performance period. If the share price doubles (or more than doubles) over that performance period, the rights convert into twice the number of shares. If the share price halves (or more than halves), the rights do not convert into any shares and they lapse. In between double and half the share price, the rights vest on a proportionate basis. However, given the variation in the share price, the value of the shares into which the rights convert will rise or fall more than proportionately.

In the US these kinds of performance rights are sometimes known as Market Stock Units (MSUs) but for greater clarity we call them Share Price Performance Rights (SPPRs).

We provide the following four examples to help your understanding of how the SPPRs will work. Two examples are where the share price rises, and two where it falls. The four examples are based on a notional grant of 1,000 SPPRs with a notional WorleyParsons share price of $8.00 at the time the SPPRs are issued, i.e. a notional value to the executive of $8,000. In two years' time:

Scenario 1: The opening share price rises to $20.00 (i.e. more than doubles). The 1,000 SPPRs convert to 2,000 shares and their total value = $40,000. The executive's incentive has delivered a $40,000 reward (in shares), i.e. $32,000 above the notional $8,000 value at the time of issue.

Scenario 2: The opening share price rises to $12.00. The 1,000 SPPRs convert to 1,000 x ($12/$8) = 1,500 shares and their total value = $18,000. The executive's incentive has delivered an $18,000 reward (in shares), i.e. $10,000 above the notional $8,000 value at the time of issue.

Scenario 3: The opening share price falls to $6.00. The 1,000 SPPRs convert to 1,000 x ($6/$8) = 750 shares and their total value = $4,500. The executive's incentive has delivered a $4,500 reward (in shares), i.e. $3,500 below the notional $8,000 value at the time of issue.

Scenario 4: The opening share price halves or more, then the SPPRs lapse and no shares are issued.

The Board has introduced SPPRs because they bring the Company closer to the remuneration practices of our global peers with higher weightings to performance-related pay. They:

- provide our Executives with a clear goal – the increase in the Company's share price – more closely aligning their interests with those of shareholders;
- have the potential to be a stronger executive incentive than the deferred equity component of prior years;
- replace the previous Group NPAT threshold (or "gate-opener") with a threshold relating to share price, giving Executives stronger shareholder alignment, while at the same time protecting shareholders on the downside by the reward cutting out if the share price halves. This cut out is not typically a feature of this type of award in other companies, but we believe it strikes a better balance between rewarding effort and requiring minimum short term outcomes which is more appropriate to current circumstances. Such a balance is important given the changes that the Company is currently making to seek to better position itself for future growth and the need to ensure executive motivation and retention during this time; and
- have the potential to increase executive shareholding "skin in the game" and shareholder alignment because, as SPPRs convert into shares in the Company, executives will be required to hold the shares to comply with the Company's minimum shareholding requirement.

I wish to reaffirm to shareholders that the Board is resolute in its focus on appropriate remuneration for our people and ensuring we strike the right balances between short term performance and attracting and retaining the caliber of people we need to execute our strategy to "Realize our future".

Kind regards

JOHN M GREEN
Chairman, Remuneration Committee

2. REMUNERATION GOVERNANCE FRAMEWORK

GUIDING REMUNERATION PRINCIPLES

The guiding principles that underpin the Company's remuneration arrangements for Executives are driven from the Company beliefs. These beliefs guide our actions, making it clear what we are accountable for and how we achieve success:

DELIVER WHAT WE PROMISE	ZERO HARM	PRUDENTLY CONTAIN COST AND ELIMINATE WASTE	BUILD ENDURING CUSTOMER RELATIONSHIPS	DEVELOP AND REWARD TEAMS WHO DELIVER ON CUSTOMER EXPECTATIONS

The Executive remuneration principles drive the behaviors and results to help us achieve our strategy and vision:

- provide a fair level of reward in order to retain and attract high caliber employees;
- build a culture of achievement by providing a transparent link between reward and performance;
- build long term employee commitment through continued WorleyParsons share ownership;
- promote mutually beneficial outcomes by aligning employee, customer and shareholder interests; and
- support the expectations of the Diversity and Inclusion Policy.

Putting the remuneration principles into practice, we:

- benchmark our roles 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;
- ensure the Board sets KPIs for Executives;
- reward subject to Company performance and individual performance;
- provide the opportunity to earn equity through the LTI Plan and the Combined Incentive Plan;
- have a minimum shareholding requirement; and
- ensure 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, Chief Executive Officer (CEO) and other Executive remuneration quantum.

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, and NEDs.

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 is sourced from published reports and independent surveys. Where required, external consultants are 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 are not a substitute for the Board and Committee decision-making process. There were no remuneration recommendations made by consultants in relation to KMP in FY2015.

Frederic W. Cook, an independent remuneration consulting firm, were engaged to provide analytical support on the collation of industry peer group data and the increasing use of Market Stock Units (MSUs) in the US. No advice was provided. The cost of the support was not material for either party.

Orient Capital calculated the TSR for the purposes of vesting LTI. The amount paid to Orient Capital for TSR reporting is not material for either party.

3. EXECUTIVE REMUNERATION IN DETAIL

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 FY2015 in the positions noted below. The use of the term "Executives" throughout this report refers to the Executives listed. These Executives, in addition to the NEDs listed on page 65 of the Annual Report, comprised the KMP of the Company for FY2015, as defined under the accounting standards.

NAME	POSITION	COUNTRY OF RESIDENCE	KMP DURATION
Andrew Wood	Chief Executive Officer	Australia	
Filippo Abba	Group Managing Director – *Improve*	United Kingdom	1 April 2015 (commenced)
Simon Holt	Chief Financial Officer	Australia	
Christopher Parker	Group Managing Director – Major Projects	United States	30 June 2015 (ceased)
David Steele	Group Managing Director – Services	Australia	
Randy Karren[1]	Group Managing Director – *Improve*	Canada	31 March 2015 (ceased)
Ian Wilkinson	Group Managing Director – Services	Australia	6 February 2015 (ceased)

1 Mr Karren retired effective 31 March 2015 and ceased to be an Executive on that date.

With the creation of Advisian Mr Finn becomes a KMP from 1 July 2015. Mr Parker ceased to be an Executive effective 30 June 2015. Mr Abba is Group Managing Director – Major Projects and *Improve* from 1 July 2015.

REMUNERATION STRUCTURE – PUTTING POLICY INTO PRACTICE

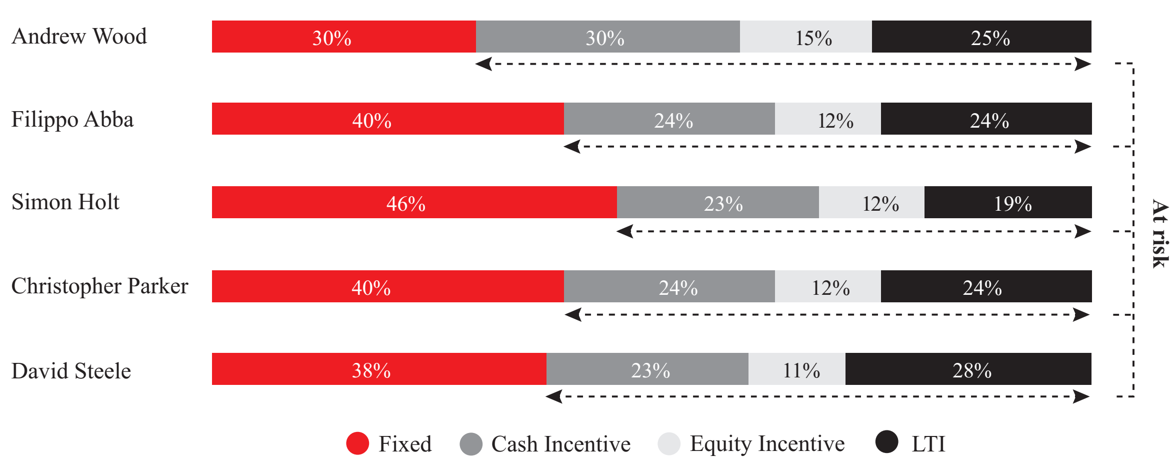
Remuneration mix for Executives

Executive remuneration is structured to recognize an individual's responsibilities, qualifications and experience, as well as to drive performance over the short and long term. The proportion of variable pay 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 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, if payable, are comprised of cash and equity.

The targeted mix of remuneration components shown in the graph refers to the incentive that would be payable if all performance conditions are satisfied and assumes vesting of the Combined Incentive Plan, comprised of a cash and equity incentive and LTI awards at 100%. The elements of remuneration that are at risk are the cash and 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 FY2015 and prior years), are set out on page 59 under the Combined Incentive Plan and LTI Plan sections.



Combined Incentive Plan

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

The Combined Incentive Plan for Executives is made up of two thirds cash (Cash Incentive) and one third equity (Equity Incentive). The minimum potential value of the Combined Incentive Plan is zero where applicable hurdles have not been met.

The value of the awards achieved can be viewed in the remuneration outcomes table on pages 60 and 61. This reflects both the Company achievement against Group NPAT and individual performance against an Executive's KPIs.

Outlined below is a summary of the Combined Incentive Plan utilized for the Executives:

INCENTIVE ELEMENT	CASH INCENTIVE (TWO THIRDS OF THE AWARD)	EQUITY INCENTIVE (ONE THIRD OF THE AWARD)
Gate opener	Requires Group NPAT to be greater than 90% of Board approved budget for financial KPIs, and greater than 75% for non-financial KPIs.	
Maximum payout	Maximum payout is 110% of target. The maximum award is only achievable where the Company has achieved 110% or greater of budgeted Group NPAT approved by the Board.	
Incentive delivery and payment timing	Payment of the award will be made as a gross cash amount at the end of the performance period.	Delivered through equity deferred for three years in the form of performance rights granted under the WorleyParsons Performance Rights Plan. The number of rights is determined by dividing the dollar value of the award achieved by the face value of shares.
Performance and forfeiture conditions (including Malus)	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 in the deferral period. There are no further hurdles during the deferral period. However, should the accounts be restated during the deferral period or where an employee has acted fraudulently or dishonestly or is 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	Not applicable to the Combined Incentive Plan.	
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 FY2015, is outlined below:

Financial KPIs
CEO – 60% weighting
CFO – 40% weighting
Other Executives – 50% weighting

KPIs	METHOD OF ASSESSMENT
Group NPAT	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.
Business line financial targets	Financial goals specific to the business line e.g. Earnings Before Interest and Tax (EBIT).
Cash collection	Cash collection is measured via days sales outstanding.

Non-Financial KPIs
CEO – 40% weighting
CFO – 60% weighting
Other Executives – 50% weighting

KPIs	METHOD OF ASSESSMENT
Health, safety and environment performance	Reduction in the number of reportable incidents and the demonstration of personal and visible leadership in support of the Company's goal of Zero Harm.
Cultural change	Demonstrable contribution to cultural change program objectives.
Successful implementation of the business plan and/or strategic priorities for the business line	Targeted business growth, customer retention, customer satisfaction and acquisition[1].

1 The specific goals for Executives relating to strategic imperatives are considered commercially sensitive.

Long Term Incentive (LTI) Plan

The provision of LTI is assessed through two independent performance targets that align an Executive's interests with shareholder returns while driving long term Company performance.

The Board has determined that the number of securities issued to Executives and all other participants under the Company's equity 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 equity plans represents 1.71% of the Company's issued share capital (FY2014: 1.97%).

LTI grants for FY2015

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 (unless an Executive elects otherwise) after a four year period, subject to defined performance hurdles being satisfied.

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, while catering for the local restrictions on the issue of securities. All current Executives are able to receive rights.

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 the LTI component of their remuneration in FY2015 are outlined on pages 62 and 63.

The target measures are as follows:

- TSR relative to peer group (which applies to 50% of potential LTI for FY2015); and
- EPS growth (which applies to 50% of potential LTI for FY2015).

Relative Total Shareholder Return (TSR) performance hurdle

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

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 and reflects an investor's choice to invest in this company or direct competitors.

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 over a four year period. Executives are no longer provided an opportunity to retest under the TSR measure.

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

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 25% and 50%
At 75th percentile or greater	50% (i.e. maximum available under the plan)

The peer comparison group comprises companies with similar business profiles, with which the Company competes for capital and executive talent.

For LTI grants made since FY2013, the peer comparison group comprises the companies shown as follows:

AUSTRALIA AND ASIA	UNITED STATES AND CANADA	EUROPE AND UNITED KINGDOM
Cardno	AECOM[2]	Aker Solutions
CIMIC[1]	Chicago Bridge & Iron Company	AMEC Foster Wheeler[3]
Downer EDI	Fluor Corporation	Arcadis
JGC Corporation	Jacobs Engineering Group	Atkins
Monadelphous Group	KBR	Balfour Beatty
UGL	McDermott International	Fugro
	SNC-Lavalin	Saipem
	Stantec	Serco Group
	Tetra Tech	Technip
		Tecnicas Reunidas
		Wood Group

1 Formerly known as Leighton Holdings.

2 Due to the merger of AECOM and URS Corporation on 17 October 2014, URS Corporation is no longer listed in the above table.

3 Due to the merger of AMEC and Foster Wheeler on 13 November 2014, Foster Wheeler is no longer listed separately in the above table.

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

Earnings Per Share (EPS) performance hurdle

Basic EPS is determined by dividing the Group 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 NPAT may be adjusted by the Board, where appropriate, to better reflect operating performance.

Executives will only derive value from the EPS component of the grants made in FY2015 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 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 25% and 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. Participants will have unencumbered ownership of the shares, subject to compliance with the Company's Securities Dealing Policy and minimum shareholding requirement.

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.

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 2015:

	WEIGHTED NUMBER OF SHARES HELD AT 30 JUNE 2015[1]	VALUE OF SHARES HELD AT 30 JUNE 2015[2] $	ANNUAL FIXED PAY AT 30 JUNE 2015[3] $	PERCENTAGE OF MINIMUM SHAREHOLDING REQUIREMENT ACHIEVED
EXECUTIVE DIRECTOR				
Andrew Wood	962,178	11,147,948	1,600,000	>100%
GROUP EXECUTIVES				
Filippo Abba[4]	45,628	533,766	661,335	40%
Simon Holt	21,362	361,736	550,000	33%
Christopher Parker	17,793	304,316	607,471	25%
David Steele	181,362	2,494,240	900,000	>100%

1 Includes shares held in the Company plus a 50% weighting of unvested performance rights provided on page 62.
2 Calculated as the weighted number of shares held at 30 June 2015 multiplied by the volume weighted average price of the Company's shares for the five trading days up to and including 30 June 2015 ($10.414) or the price at which performance rights were allocated.
3 The Australian dollar equivalent of annual fixed pay as at 30 June 2015.
4 Mr Abba commenced in the role as an Executive effective 1 April 2015.

In addition, under the Company's Securities Dealing Policy, directors and Executives are not permitted to hedge unvested performance rights or 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.

Clawback (Malus) provision

The Company maintains a Clawback provision within the Combined Incentive Plan and the LTI Plan.

If in the Board's opinion, an employee:

- acts fraudulently or dishonestly;
- is in breach of their obligations to the Company or another Group company; or
- received awards based on financial accounts which are later restated,

the Board may determine that unvested performance rights lapse; this is also known as a Malus provision. The Board may also deem any vested but unexercised performance rights to have lapsed. Additionally, the Board may seek to recover shares received from exercised rights.

Cessation of employment and change of control

Where an Executive leaves the Group, the Board may exercise its discretion and allow a portion of any unvested rights to remain in the plan. Rights will subsequently vest and be exercised in the ordinary course, having regard to such factors as the Board determines relevant. Such factors would include performance against applicable performance hurdles, as well as the performance and contribution that the relevant Executive has made. Generally, the Board only exercise discretion in special circumstances, such as retirement.

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, LTI and Combined Incentive outcomes have moved in line with the Company's performance against relevant key metrics:

	FINANCIAL YEAR ENDED 30 JUNE	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	ANNUALIZED GROWTH OVER FIVE YEARS
	Closing share price ($)	22.21	28.24	25.10	19.49	17.41	10.41	(14.1%)
	Dividends paid[1] (cents per share)	75.5	86.0	91.0	92.5	85.0	56.0	(5.8%)
TSR portion of LTI	1 year TSR for the Company (%)	(1.6)	37.4	(6.8)	(19.6)	(6.8)	(36.4)	
	1 year TSR for median of peer group (%)	(9.9)	40.8	(21.9)	21.6	1.4	(23.6)	
	Vesting outcome of LTI (%)	**82**	**nil**	**70**	**nil**	**nil**	**nil**	
EPS portion of LTI	Underlying EPS (cents per share)[2]	118.5	121.5	140.6	130.8	106.8	80.4	(7.5%)
	Vesting outcome of LTI (%)	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	
Combined Incentive[3]	Underlying NPAT ($'m)[4]	291.1	298.5	345.6	322.1	263.4	198.6	(7.4%)
	Average % of maximum Combined Incentive awarded to Executives (%)	**nil**	**27.1**	**47.0**	**nil**	**nil**	**nil**	

1 The FY2015 final dividend has been announced and is scheduled to be paid on 30 September 2015.
2 Underlying EPS, which in the Board's opinion reflects the Company's operating results, has been used to calculate the outcomes.
3 The Combined Incentive Plan was introduced in FY2013; previously, this was the Short Term Incentive (STI) Plan.
4 Underlying NPAT, which in the Board's opinion reflects the Company's operating results, has been used for calculating the outcomes for FY2011, FY2012 and FY2014. Underlying NPAT excludes net gain on revaluation of investments previously accounted for as equity accounted investments, restructuring costs (net of taxation) and other adjustments at the Board's discretion, being the difference between reported Group NPAT and underlying NPAT.

REMUNERATION OUTCOMES IN FY2015

Combined Incentive outcomes

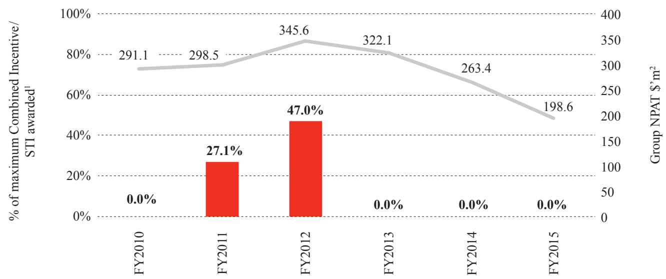
As outlined in the description of the Combined Incentive Plan on page 56, reward outcomes for Executives are linked to performance against annual financial and non-financial KPIs.

In the five year table above and the following graph, the Company performance is compared to variable pay outcomes for each 12 month period.

Based on the Company's financial performance and performance against individual KPIs, the resulting Combined Incentive Plan payments are detailed in the table on pages 60 and 61.

The graph below illustrates the average Combined Incentive as a percentage of maximum awarded to Executives over each of the past five years compared to Group NPAT. It demonstrates Executives have not been rewarded during this difficult period:

Average % of maximum Combined Incentive awarded to Executives compared to underlying NPAT



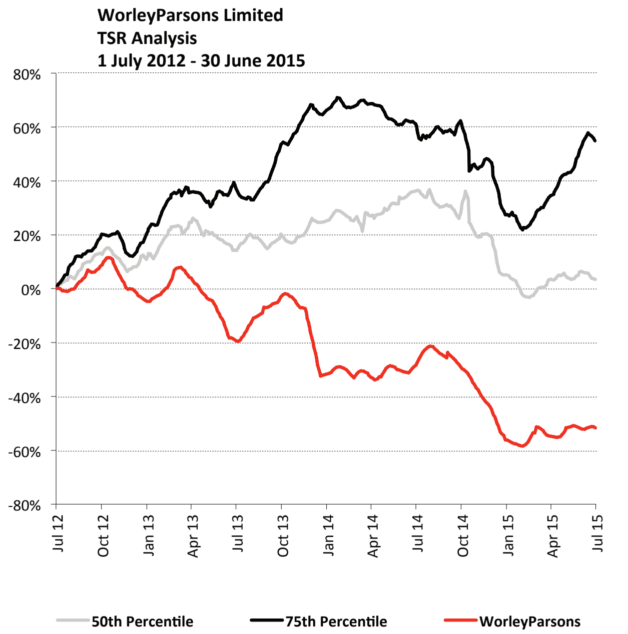
1 The average Combined Incentive as a percentage of maximum for any financial year relates to amounts paid in the September following that financial year end.

2 Underlying NPAT figures are used for this graph. In 2010 and 2013, these are the same as reported Group NPAT figures.

LTI outcomes

The graph below tracks the Company's TSR over the last three years against the median TSR of the peer comparison 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 has resulted in a nil vesting for Executives for TSR related LTI granted in FY2012 (retest) and FY2013. As vesting was not achieved, the TSR performance rights will lapse on 30 September 2015.

Over the same three year period, the Company's EPS growth was below the minimum required to trigger vesting against the EPS performance hurdle for LTI granted in FY2013. EPS performance rights will lapse on 30 September 2015. No retest applies to either measure.

Summary of vested rights

The table below shows the recent history of vesting of Executives' equity grants:

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] $
FY2010	01 Jul 09 – 30 Jun 12	60th	10th	(4.4%)	42%	30 Sep 12	25.65
FY2011	01 Jul 10 – 30 Jun 13	lowest	lowest	3.3%	0%	30 Sep 13	n/a
FY2012[5]	01 Jul 11 – 30 Jun 14	lowest	lowest	(4.2%)	0%	30 Sep 14	n/a
FY2013	01 Jul 12 – 30 Jun 15	8th	n/a	(17.0%)	0%	30 Sep 15	n/a

1 Represents the Company's relative TSR ranking over the initial three year performance period compared to the relevant comparator group.

2 Represents the Company's retested relative TSR ranking over a four year performance period compared to the relevant comparator group. Retesting is no longer allowed.

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 FY2012 under the EPS measure had a nil vesting on 30 September 2014. Equity granted under the retest of the TSR measure is expected to have a nil vesting on 30 September 2015.

Total remuneration outcomes

Executive remuneration is detailed in the following table in accordance with accounting standards. Additional columns have been provided under Actual Remuneration Outcomes. This shows a comparison between remuneration in accordance with 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). The value of equity based payments awarded during the year is determined as a percentage of fixed pay that the Company aims to deliver. This can be found in the Equity Incentive and LTI columns under the remuneration awarded section of Actual Remuneration Outcomes. The full value that was received during the year is determined as the number of performance rights vested times the share price at the end of the period of performance. This can be 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 $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY INCENTIVE/ STI EQUITY SETTLED[4] $	LTI EQUITY SETTLED[4] $	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	*FY2015*	1,581,217	–	–	15,978	**1,597,195**	18,783	26,523	–	237,085	**1,879,586**	12.6%	12.6%	100.0%
	FY2014	1,582,225	–	–	13,670	**1,595,895**	17,775	26,523	35,168	376,666	**2,052,027**	20.1%	20.1%	100.0%
GROUP EXECUTIVES														
Simon Holt	*FY2015*	531,217	–	–	14,804	**546,021**	18,783	9,117	–	76,038	**649,959**	11.7%	11.7%	100.0%
	FY2014	445,225	–	–	15,544	**460,769**	17,775	7,675	17,125	71,573	**574,917**	15.4%	15.4%	100.0%
Filippo Abba[10]	*FY2015*	153,147	–	–	164,415	**317,562**	6,126	–	–	135,695	**459,383**	29.5%	29.5%	N/A
Christopher Parker	*FY2015*	563,704	–	–	13,067	**576,771**	17,231	–	–	65,756	**659,758**	10.0%	10.0%	100.0%
	FY2014	79,333	–	–	1,989	**81,322**	2,854	–	–	8,431	**92,607**	9.1%	9.1%	100.0%
David Steele	*FY2015*	881,217	–	–	97,616	**978,833**	18,783	14,919	–	63,367	**1,075,902**	5.9%	5.9%	100.0%
	FY2014	877,005	18,690	–	61,751	**957,446**	32,070	14,919	31,206	208,696	**1,244,337**	19.3%	19.3%	100.0%
FORMER GROUP EXECUTIVES														
Randy Karren[11]	*FY2015*	459,525	–	–	7,903	**467,428**	11,716	–	–	50,983	**530,127**	9.6%	9.6%	100.0%
	FY2014	609,209	–	–	12,619	**621,828**	15,533	–	27,288	122,828	**787,477**	19.1%	19.1%	100.0%
Ian Wilkinson[12]	*FY2015*	365,282	–	–	8,595	**373,877**	12,895	5,984	–	69,109	**461,865**	15.0%	15.0%	100.0%
	FY2014	99,336	–	–	2,314	**101,650**	–	1,639	5,588	12,538	**121,415**	14.9%	14.9%	100.0%
Barry Bloch[13]	*FY2014*	585,386	–	–	11,520	**596,906**	25,721	9,816	17,490	69,717	**719,650**	12.1%	12.1%	100.0%
Stuart Bradie[14]	*FY2014*	1,191,472	–	–	607,251	**1,798,723**	119,147	–	(44,657)	(516,969)	**1,356,244**	(41.4%)	(41.4%)	100.0%
Iain Ross[13]	*FY2014*	943,156	–	–	382,672	**1,325,828**	94,315	–	16,954	216,853	**1,653,950**	14.1%	14.1%	100.0%
Total	***FY2015***	**4,535,309**	**–**	**–**	**322,378**	**4,857,687**	**104,317**	**56,543**	**–**	**698,033**	**5,716,580**			
remuneration	***FY2014***	**6,412,347**	**18,690**	**–**	**1,109,330**	**7,540,367**	**325,190**	**60,572**	**106,162**	**570,333**	**8,602,624**			

These footnotes apply to the table on pages 60 and 61.

1 This includes assignment uplifts and market adjustments.
2 The amount relates to the Cash Incentive portion of the Combined Incentive Plan.
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 and life insurance. In some cases, these are at the election of the Executives i.e. they are salary sacrificed.
4 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.
5 This is the total of superannuation received and long service leave benefits accrued during reporting period.
6 Remuneration awarded during reporting period but deferred for future periods includes equity awards granted under the Combined Incentive Plan 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 55) 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.
7 The Employee Share Purchase Plan allows all permanent employees in select 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.
8 The amount relates to the Equity Incentive portion of the Combined Incentive Plan.
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 Equity Incentive/Deferred STI and LTI value reflects the actual value realized by the Executive.
10 Remuneration is disclosed to the extent that it relates to Mr Abba's employment in the capacity of an Executive, which commenced on 1 April 2015.
11 Mr Karren retired from the Company effective 31 March 2015 and ceased to be an Executive on that date. In addition to the amounts disclosed above, payment of annual leave on cessation amounted to CAD118,778. No termination payments were made to Mr Karren. The Board exercised their discretion to allow him to retain a pro-rata portion of unvested equity subject to the original time and performance hurdles.
12 Remuneration is disclosed to the extent that it relates to Mr Wilkinson's employment in the capacity of an Executive, which began 1 May 2014 and ceased on 6 February 2015. Share based payments are disclosed to the extent they relate to his employment in the capacity of an Executive.
13 Remuneration is disclosed to the extent that it relates to Mr Bloch's and Mr Ross' employment in the capacity of an Executive, which ceased on 1 May 2014.
14 Remuneration is disclosed to the extent that it relates to Mr Bradie's employment in the capacity of an Executive, which ceased on 8 April 2014.

ACTUAL REMUNERATION OUTCOMES

		AWARDED AND RECEIVED DURING REPORTING PERIOD		AWARDED DURING REPORTING PERIOD DEFERRED FOR FUTURE PERIODS[6]				RECEIVED DURING REPORTING PERIOD DEFERRED FROM PREVIOUS PERIODS[9]		
		SHORT TERM CASH AND BENEFITS $	OTHER BENEFITS[5] $	EMPLOYEE SHARE PURCHASE PLAN[7] $	EQUITY INCENTIVE/ DEFERRED STI[8] $	LTI $	TOTAL REMUNERATION AWARDED DURING REPORTING PERIOD $	EQUITY INCENTIVE/ DEFERRED STI $	LTI $	TOTAL REMUNERATION RECEIVED DURING REPORTING PERIOD $
EXECUTIVE DIRECTORS										
Andrew Wood	*FY2015*	1,597,195	45,306	–	–	1,360,011	**3,002,512**	–	–	**1,642,501**
	FY2014	1,595,895	44,298	–	–	1,360,018	**3,000,211**	59,264	–	**1,699,457**
GROUP EXECUTIVES										
Simon Holt	*FY2015*	546,021	27,900	–	–	220,002	**793,923**	–	29,585	**603,506**
	FY2014	460,769	25,450	–	–	185,196	**671,415**	28,858	–	**515,077**
Filippo Abba[10]	*FY2015*	317,562	6,126	–	–	1,067,531	**1,391,219**	–	–	**323,688**
Christopher Parker	*FY2015*	576,771	17,231	–	–	369,039	**963,041**	–	33,968	**627,970**
	FY2014	81,322	2,854	–	–	–	**84,176**	–	–	**84,176**
David Steele	*FY2015*	978,833	33,702	–	–	675,005	**1,687,540**	–	–	**1,012,535**
	FY2014	957,446	46,989	–	–	674,989	**1,679,424**	52,588	–	**1,057,023**
FORMER GROUP EXECUTIVES										
Randy Karren[11]	*FY2015*	467,428	11,716	–	–	238,858	**718,002**	–	63,282	**542,426**
	FY2014	621,828	15,533	149	–	248,945	**886,455**	45,446	–	**682,807**
Ian Wilkinson[12]	*FY2015*	373,877	18,879	–	–	443,925	**836,681**	–	56,932	**449,688**
	FY2014	101,650	1,639	–	–	–	**103,289**	32,346	–	**135,635**
Barry Bloch[13]	*FY2014*	596,906	35,537	–	–	283,621	**916,064**	37,203	–	**669,646**
Stuart Bradie[14]	*FY2014*	1,798,723	119,147	–	–	903,616	**2,821,486**	2,544	–	**1,920,414**
Iain Ross[13]	*FY2014*	1,325,828	94,315	–	–	786,815	**2,206,958**	1,942	–	**1,422,085**
Total	***FY2015***	**4,857,687**	**160,860**	**–**	**–**	**4,374,371**	**9,392,918**	**–**	**183,767**	**5,202,314**
remuneration	***FY2014***	**7,540,367**	**385,762**	**149**	**–**	**4,443,200**	**12,369,478**	**260,191**	**–**	**8,186,320**

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	EXPIRY DATE	NUMBER OF RIGHTS VESTED	VALUE OF RIGHTS VESTED[4] $	NUMBER OF RIGHTS EXERCISED	VALUE OF RIGHTS EXERCISED[4] $	NUMBER OF RIGHTS LAPSED[5]	VALUE OF RIGHTS LAPSED[6] $	% OF RIGHTS LAPSED
EXECUTIVE DIRECTOR														
Andrew Wood	LTI	30 Oct 14	83,232	8.62	717,460	30 Sep 18	30 Oct 21	–	–	–	–	–	–	0.0%
		24 Oct 13	60,688	13.59	824,750	30 Sep 17	24 Oct 20	–	–	–	–	–	–	0.0%
		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	–	–	–	–	9,480	154,902	40.0%
		15 Oct 10	25,387	16.93	429,802	30 Sep 14	15 Oct 17	–	–	–	–	25,387	476,479	100.0%
	Deferred Equity STI	01 Oct 12	2,947	27.70	81,632	30 Jun 13	30 Jun 19	2,947	57,741	2,947	57,741	–	–	0.0%
		01 Oct 12	2,947	27.70	81,632	30 Jun 14	30 Jun 19	2,947	50,606	2,947	50,606	–	–	0.0%
GROUP EXECUTIVES														
Filippo Abba	LTI	01 Apr 15	11,333	5.37	60,858	30 Sep 18	01 Apr 22	–	–	–	–	–	–	0.0%
		01 Apr 15	26,641	7.82	208,333	30 Sep 17	01 Apr 22	–	–	–	–	–	–	0.0%
		01 Apr 15	26,641	8.40	223,784	30 Sep 16	01 Apr 22	–	–	–	–	–	–	0.0%
		01 Apr 15	26,641	9.02	240,302	30 Sep 15	01 Apr 22	–	–	–	–	–	–	0.0%
Simon Holt	LTI	30 Oct 14	13,464	8.62	116,060	30 Sep 18	30 Oct 21	–	–	–	–	–	–	0.0%
		24 Oct 13	8,264	13.59	112,308	30 Sep 17	24 Oct 20	–	–	–	–	–	–	0.0%
		08 Feb 13	4,337	17.25	74,813	30 Sep 15	18 Oct 19	–	–	–	–	–	–	0.0%
		17 Oct 11	2,842	19.14	54,396	30 Sep 14	17 Oct 18	2,842	46,438	2,842	46,438	–	–	0.0%
		15 Oct 10	3,268	16.93	55,327	30 Sep 14	15 Oct 17	–	–	–	–	3,268	61,335	100.0%
	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	1,435	24,642	1,435	24,642	–	–	0.0%
Christopher Parker[7]	LTI	30 Oct 14[7]	18,522	8.62	159,660	30 Sep 18	30 Oct 21	–	–	–	–	–	–	0.0%
		30 Oct 14[7]	4,063	11.42	46,399	30 Sep 17	30 Oct 21	–	–	–	–	–	–	0.0%
		08 Feb 13	4,310	17.25	74,348	30 Sep 15	18 Oct 19	–	–	–	–	–	–	0.0%
		17 Oct 11	3,263	19.14	62,454	30 Sep 14	17 Oct 18	3,263	53,317	3,263	53,317	–	–	0.0%
		15 Oct 10	1,821	16.93	30,830	30 Sep 14	15 Oct 17	–	–	–	–	1,821	29,755	100.0%
David Steele	LTI	30 Oct 14	41,310	8.62	356,092	30 Sep 18	30 Oct 21	–	–	–	–	–	–	0.0%
		24 Oct 13	30,120	13.59	409,331	30 Sep 17	24 Oct 20	–	–	–	–	–	–	0.0%
		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	–	–	–	–	8,526	139,314	40.0%
		15 Oct 10	16,049	16.93	271,710	30 Sep 14	15 Oct 17	–	–	–	–	16,049	301,217	100.0%
	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	2,615	44,905	2,615	44,905	–	–	0.0%
FORMER GROUP EXECUTIVES														
Randy Karren[9]	LTI	30 Oct 14	14,618	8.62	126,007	30 Sep 18	30 Oct 21	–	–	–	–	11,876	115,135	81.2%
		24 Oct 13	11,102	13.59	150,876	30 Sep 17	24 Oct 20	–	–	–	–	6,246	60,554	56.3%
		08 Feb 13	4,566	15.39	70,271	30 Sep 16	18 Oct 19	–	–	–	–	1,428	13,844	31.3%
		08 Feb 13	4,565	15.13	69,068	30 Sep 15	18 Oct 19	–	–	–	–	380	3,684	8.3%
		17 Oct 11	6,079	19.14	116,352	30 Sep 14	17 Oct 18	6,079	99,331	6,079	99,331	–	–	0.0%
		15 Oct 10	8,717	16.93	147,579	30 Sep 14	15 Oct 17	–	–	–	–	8,717	163,603	100.0%
	Deferred Equity STI	01 Oct 12	2,261	27.70	62,630	30 Jun 13	30 Jun 19	2,261	44,300	2,261	44,300	–	–	0.0%
		01 Oct 12	2,261	27.70	62,630	30 Jun 14	30 Jun 19	2,261	38,826	2,261	38,826	–	–	0.0%
	Employee Share	15 May 14	9	16.57	149	15 May 17	15 May 17	–	–	–	–	9	87	100.0%
	Purchase Plan[8]	15 May 13	40	24.05	962	15 May 16	15 May 16	–	–	–	–	40	388	100.0%
Ian Wilkinson[7]	LTI	30 Oct 14[7]	22,032	8.62	189,916	30 Sep 18	30 Oct 21	–	–	–	–	–	–	0.0%
		30 Oct 14[7]	5,136	11.42	58,653	30 Sep 17	30 Oct 21	–	–	–	–	–	–	0.0%
		08 Feb 13	5,746	17.25	99,119	30 Sep 15	18 Oct 19	–	–	–	–	–	–	0.0%
		17 Oct 11	5,469	19.14	104,677	30 Sep 14	17 Oct 18	5,469	89,363	5,469	89,363	–	–	0.0%
		15 Oct 10	2,802	16.93	47,438	30 Sep 14	15 Oct 17	–	–	–	–	2,802	45,784	100.0%
	Deferred Equity STI	01 Oct 12	1,686	27.70	46,702	30 Jun 14	30 Jun 19	1,686	28,952	1,686	28,952	–	–	0.0%

	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	EXPIRY DATE	NUMBER OF RIGHTS VESTED	VALUE OF RIGHTS VESTED[4] $	NUMBER OF RIGHTS EXERCISED	VALUE OF RIGHTS EXERCISED[4] $	NUMBER OF RIGHTS LAPSED[5]	VALUE OF RIGHTS LAPSED[6] $	% OF RIGHTS LAPSED
FORMER GROUP EXECUTIVES (continued)														
Barry Bloch[10]	LTI	24 Oct 13	12,656	13.59	171,995	30 Sep 17	24 Oct 20	–	–	–	–	–	–	0.0%
		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%
		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	2,029	34,842	2,029	34,842	–	–	0.0%
Stuart Bradie[11]	LTI	24 Oct 13	40,322	13.59	547,976	30 Sep 17	24 Oct 20	–	–	–	–	40,322	613,334	100.0%
		08 Feb 13	16,536	15.39	254,489	30 Sep 16	18 Oct 19	–	–	–	–	16,536	251,527	100.0%
		08 Feb 13	16,536	15.13	250,190	30 Sep 15	18 Oct 19	–	–	–	–	16,536	251,527	100.0%
		17 Oct 11	21,495	17.69	380,247	30 Sep 14	17 Oct 18	–	–	–	–	21,495	326,958	100.0%
		15 Oct 10	28,374	16.93	480,372	30 Sep 14	15 Oct 17	–	–	–	–	28,374	254,357	100.0%
		09 Oct 09	19,361	19.27	373,086	30 Sep 14	15 Oct 17	8,131	208,560	8,131	208,560	11,230	288,041	58.0%
	Deferred Equity STI	01 Oct 12	2,557	27.70	70,829	30 Jun 13	30 Jun 19	2,557	50,100	2,557	50,100	–	–	0.0%
		01 Oct 12	2,556	27.70	70,801	30 Jun 14	30 Jun 19	–	–	–	–	2,556	38,879	100.0%
Iain Ross[10]	LTI	24 Oct 13	35,110	13.59	477,145	30 Sep 17	24 Oct 20	–	–	–	–	–	–	0.0%
		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 14	15 Oct 17	–	–	–	–	10,529	235,979	40.0%
		09 Oct 09	19,316	19.27	372,219	30 Sep 14	15 Oct 17	8,113	208,098	8,113	208,098	11,203	287,348	58.0%
	Deferred Equity STI	01 Oct 12	1,952	27.70	54,070	30 Jun 13	30 Jun 19	1,952	38,246	1,952	38,246	–	–	0.0%
		01 Oct 12	1,951	27.70	54,043	30 Jun 14	30 Jun 19	1,951	33,503	–	–	–	–	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	–	–	–	–	49,828	1,208,536	73.7%
		15 Oct 10	69,450	16.93	1,175,789	30 Sep 14	15 Oct 17	–	–	–	–	69,450	1,429,617	100.0%
	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	12,178	209,121	12,178	209,121	–	–	0.0%
Total vested			**88,975**		**2,176,561**			**88,975**	**1,718,642**	**87,024**	**1,685,139**	**–**	**–**	
Total lapsed			**374,088**		**6,169,164**			**–**	**–**	**–**	**–**	**374,088**	**6,752,184**	
Total outstanding			**665,234**		**8,263,300**			**–**	**–**	**–**	**–**	**–**	**–**	
Total			**1,128,297**		**16,609,025**			**88,975**	**1,718,642**	**87,024**	**1,685,139**	**374,088**	**6,752,184**	

1 The service and performance criteria for the rights are discussed in the LTI Plan section on page 57. 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). Where rights were granted prior to commencement as Executives, the service and performance criteria are aligned with those discussed in the Combined Incentive Plan section on page 56.

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 amount is based on the volume weighted average price of the Company's shares for the five or 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) or following the end of the relevant financial year, as applicable.

5 The number of rights lapsed represents rights lapsed due to performance hurdles not being met (including those with a testing date of 30 June 2015) and/or rights lapsed on cessation of employment.

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

7 The value of the rights issues to Mr Parker and Mr Wilkinson are disclosed on page 60 to the extent that they were granted during their term as an Executive. Mr Parker and Mr Wilkinson were granted Rights in the Combined Incentive Plan prior to them becoming KMP.

8 The fair value at grant for matching bonus entitlements under the Employee Share Purchase Plan is calculated as the weighted average market price over the plan year.

9 Mr Grill and Mr Karren received rights as part of their employment with the Company prior to their retirement effective 23 October 2012 and 31 March 2015 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 58. Rights lapsed on Mr Grill's and Mr Karren'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.

10 Mr Bloch's and Mr Ross' employment in the capacity of an Executive ceased on 1 May 2014.

11 Mr Bradie ceased employment with the Company on 30 May 2014, at which time all unvested equity awards lapsed.

All vested rights are exercisable. There are no vested and unexercisable rights.

EXECUTIVE INTERESTS IN SHARES AND PERFORMANCE RIGHTS

Executives' beneficial interests in shares and performance rights granted as at 30 June 2015 are detailed in the below table. The service and performance criteria for the rights are discussed in the Combined Incentive Plan and LTI Plan sections on pages 56 and 57.

NUMBER OF SHARES AND PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED

	TYPE	BALANCE AT 1 JULY 2014	GRANTED PERFORMANCE RIGHTS 2014/15	ON EXERCISE OF PERFORMANCE RIGHTS	CHANGE IN STATUS 2014/15	OTHER TRANSACTIONS 2014/15	BALANCE AT 30 JUNE 2015
EXECUTIVE DIRECTOR							
Andrew Wood	Shares	838,618	n/a	2,947		15,000	856,565
	Rights	155,654	83,232	(2,947)	–	(24,713)	211,226
GROUP EXECUTIVES							
Filippo Abba[1]	Shares	–	n/a	–	–	–	–
	Rights	–	91,256	–	–	–	91,256
Simon Holt	Shares	5,487	n/a	2,842	–	–	8,329
	Rights	17,404	13,464	(2,842)	–	(1,961)	26,065
Christopher Parker	Shares	1,977	n/a	3,263	–	(895)	4,345
	Rights	9,394	22,585	(3,263)		(1,821)	26,895
David Steele	Shares	121,879	n/a	–	–	4,200	126,079
	Rights	87,412	41,310	–	–	(18,156)	110,566
FORMER GROUP EXECUTIVES							
Randy Karren[2]	Shares	77,620	n/a	8,340	(85,960)	–	–
	Rights	33,853	14,618	(8,340)	(40,131)	–	–
Ian Wilkinson[3]	Shares	69,538	n/a	7,155	(76,693)	–	–
	Rights	14,017	27,168	(7,155)	(34,030)	–	–
Grand Total	**Shares**	**1,115,119**	**n/a**	**24,547**	**(162,653)**	**18,305**	**995,318**
	Rights	**317,734**	**293,633**	**(24,547)**	**(74,161)**	**(46,651)**	**466,008**

1 Mr Abba commenced in the role as an Executive effective 1 April 2015.
2 Mr Karren received exchangeable shares as part of the Colt Group consideration. He retired from the Company effective 31 March 2015.
3 Mr Wilkinson ceased to be an Executive effective 6 February 2015.

EMPLOYMENT ARRANGEMENTS

The key aspects of Executive contracts are outlined below:

	CONTRACT DURATION	NON-COMPETE CLAUSES	NOTICE PERIODS[1]
EXECUTIVE DIRECTOR			
Andrew Wood	Unlimited	12 months	12 months
GROUP EXECUTIVES			
Filippo Abba	Unlimited	12 months	6 months
Simon Holt	Unlimited	12 months	6 months
Christopher Parker	Unlimited	12 months	6 months
David Steele	Unlimited	12 months	6 months

1 Notice period required to be given by the KMP to the Group is the same as the notice period required to be given by the Group to the KMP upon termination of employment.

The contracts include the components of remuneration which are to be paid to Executives, and provide for an 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. 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).

In accordance with the plan rules, the Board retains discretion on the treatment of both vested and unvested equity in all instances of separation as outlined in the Combined Incentive Plan and the LTI Plan details on pages 56 and 57. In exercising such discretion, this is typically on a pro-rata basis and subject to the original performance requirements and timing.

At the October 2013 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.

Mr Karren ceased to be KMP of WorleyParsons following his retirement from 31 March 2015. No benefit was payable to Mr Karren in connection with his retirement as an employee of the Company. However, in accordance with the LTI plan rules a pro-ration of his unvested Performance Rights was approved by the Board in December 2014, and the pro-rated unvested equity will remain in place subject to the original performance and timing hurdles. Details are provided on page 62.

Mr Abba received hurdled performance rights as detailed on page 62 upon his commencement, recognizing benefits he was giving up with his prior employer. The equity award was structured with specific targets related to his personal performance and the ongoing performance of the *Improve* business line.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

NON-EXECUTIVE DIRECTORS

This section outlines the remuneration arrangements in place for the Company's Non-Executive Directors (NEDs). All directors held office for the whole of FY2015, except where otherwise stated. The NEDs for FY2015 are listed below:

NAME	POSITION	COUNTRY OF RESIDENCE
John Grill	Chairman	Australia
Ron McNeilly	Deputy Chairman and Lead Independent Director	Australia
Larry Benke	Director	Canada
Erich Fraunschiel	Director	Australia
John M Green	Director	Australia
Christopher Haynes	Director	United Kingdom
Catherine Livingstone	Director	Australia
Wang Xiao Bin	Director	Hong Kong

GUIDING PRINCIPLES

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, while ensuring they reflect the caliber of directors required to address the significant strategic and operational challenges faced by the Company, domestically and abroad.

For the fourth consecutive year, there will be no increase in annual fees for NEDs in FY2016.

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, 69% ($2.23 million) was utilized during FY2015 (76% ($2.47 million) for FY2014). NEDs do not receive performance related payments.

REMUNERATION STRUCTURE

Board and Committee fees

Board and Committee fees for FY2015 and FY2016 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	FY2015 AND FY2016 ANNUAL FEES
Chairman[1,2]	$520,000
Deputy Chairman and Lead Independent Director[1]	$312,000
Other NED	$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.

2 Mr Grill agreed to a temporary decrease in the Chairman fee from $520,000 to $460,000 per annum for FY2014 and FY2015.

Other benefits

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

The Company does not pay retirement benefits to NEDs, except where required by legislation.

From time to time, the Board may determine special fees for additional duties undertaken by directors. No such fees were paid in FY2015.

REMUNERATION OUTCOMES

Remuneration of the NEDs for FY2015 and FY2014 is set out below:

	SHORT TERM EMPLOYEE		POST-EMPLOYMENT BENEFITS	SHARE BASED PAYMENT	
	FEES $	TRAVEL ALLOWANCES $	SUPER-ANNUATION[1] $	EQUITY INCENTIVE STI/CASH SETTLED $	TOTAL $
John Grill					
FY2015	441,217	5,000	18,783	–	465,000
FY2014	442,216	5,000	17,775	32,881[2]	497,872
Ron McNeilly					
FY2015	293,217	–	18,783	–	312,000
FY2014	294,260	5,000	17,734	–	316,994
Larry Benke					
FY2015	232,000	30,000	–	–	262,000
FY2014	212,102	25,000	–	–	237,102
Erich Fraunschiel					
FY2015	222,342	5,000	18,658	–	246,000
FY2014	224,264	5,000	16,732	–	245,996
John M Green					
FY2015	212,282	–	18,718	–	231,000
FY2014	214,405	5,000	16,591	–	235,996
Christopher Haynes					
FY2015	224,000	30,000	–	–	254,000
FY2014	223,996	30,000	–	–	253,996
Catherine Livingstone					
FY2015	201,726	–	18,274	–	220,000
FY2014	203,560	5,000	16,436	–	224,996
JB McNeil[3]					
FY2015	–	–	–	–	–
FY2014	182,600	20,000	–	–	202,600
Wang Xiao Bin					
FY2015	201,726	20,000	18,274	–	240,000
FY2014	203,560	35,000	16,436		254,996
Total remuneration					
FY2015	**2,028,510**	**90,000**	**111,490**	**–**	**2,230,000**
FY2014	**2,200,963**	**135,000**	**101,704**	**32,881**	**2,470,548**

1 Superannuation contributions are made on behalf of the NEDs in accordance with the Company's statutory superannuation obligations. In some cases, the amounts in this table are lower than the annualized superannuation guarantee cap (Cap). In FY2014, NEDs were paid every second month and the legislation requires the Cap to apply quarterly. The lower amount results from those quarters in which only one payment was made and it is lower than the quarterly cap.

2 Mr Grill received Deferred Equity STI rights in 2012 half vested after 12 months and half after 24 months. The plan provided dividend equivalent payments disclosed in FY2014.

3 Mr McNeil retired as a director on 3 April 2014.

NED INTERESTS IN SHARES AND PERFORMANCE RIGHTS

NED beneficial interests in shares and performance rights of the Company as at 30 June 2015 are detailed in the below table. The service and performance criteria for the rights are discussed in the LTI Plan section on page 57.

NUMBER OF SHARES AND PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED

	TYPE	BALANCE AT 1 JULY 2014	ON EXERCISE OF PERFORMANCE RIGHTS	PURCHASE/ (SALE)	(LAPSES)	BALANCE AT 30 JUNE 2015
John Grill[1]	Shares	25,372,173	–	–	–	25,372,173
	Rights	61,850	–	–	(44,039)	17,811
Ron McNeilly	Shares	401,064	–	41,500	–	442,564
Larry Benke[2]	Shares	1,133,383	–	–	–	1,133,383
Erich Fraunschiel	Shares	168,755	–	30,000	–	198,755
John M Green	Shares	891,869	–	–	–	891,869
Christopher Haynes	Shares	11,945	–	–	–	11,945
Catherine Livingstone	Shares	13,000	–	–	–	13,000
Wang Xiao Bin	Shares	11,000	–	–	–	11,000

1 Mr Grill received rights as part of his employment with the Company prior to his retirement effective 23 October 2012. In 2011, shareholders approved that Mr Grill's performance rights should be cash settled.

2 Mr Benke received exchangeable shares as part of the Colt Group consideration upon acquisition in 2007.

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 in value to that director's annual fee. For the purpose of this test, the value of shares is calculated using the number of shares held at 30 June 2015 multiplied by the volume weighted average price of the Company's shares up to and including 30 June 2015 ($10.414) or purchase price if higher. NEDs are expected to comply with this requirement within their first full term of three years as a director. All NEDs currently comply with the minimum shareholding requirement.

This Directors' Report (including Remuneration Report) is made in accordance with a resolution of the directors.

JOHN GRILL AO
Chairman

Sydney, 26 August 2015

STATEMENT OF FINANCIAL PERFORMANCE

For the financial year ended 30 June 2015

	NOTES	CONSOLIDATED 2015 $'M	2014 $'M
REVENUE AND OTHER INCOME			
Professional services revenue		5,517.9	5,715.6
Procurement revenue		2,370.9	2,956.2
Construction and fabrication revenue		857.9	888.7
Interest income		6.6	5.3
Other		4.2	16.7
Total revenue and other income	4	**8,757.5**	**9,582.5**
EXPENSES			
Professional services costs		(5,118.8)	(5,180.9)
Procurement costs		(2,360.0)	(2,949.2)
Construction and fabrication costs		(775.3)	(837.9)
Global support costs		(151.9)	(199.0)
Other	5	(268.6)	–
Borrowing costs		(62.0)	(64.9)
Total expenses		**(8,736.6)**	**(9,231.9)**
Share of net profits of associates accounted for using the equity method	21(C)	10.8	18.0
Profit before income tax expense		**31.7**	**368.6**
Income tax expense	6(A)	(70.7)	(100.0)
(Loss)/profit after income tax expense		**(39.0)**	**268.6**
(Loss)/profit after income tax expense attributable to:			
Members of WorleyParsons Limited		**(54.9)**	**249.1**
Non-controlling interests		**15.9**	**19.5**
Basic (loss)/earnings per share (cents)	16	(22.2)	101.0
Diluted (loss)/earnings per share (cents)	16	(22.2)	100.3

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 2015

	CONSOLIDATED	
	2015 $'M	2014 $'M
(Loss)/profit after income tax expense	**(39.0)**	**268.6**
Items that may be reclassified in future periods to the Statement of Financial Performance		
Net movement in foreign currency translation reserve	95.9	(26.5)
Net movement in hedge reserve	(0.3)	(5.9)
Total comprehensive income, net of tax	**56.6**	**236.2**
Total comprehensive income, net of tax, attributable to:		
Members of WorleyParsons Limited	**32.3**	**214.7**
Non-controlling interests	**24.3**	**21.5**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	NOTES	CONSOLIDATED 2015 $'M	2014 $'M
ASSETS			
Current assets			
Cash and cash equivalents	7	381.9	365.8
Trade receivables	8	1,918.1	1,883.7
Other receivables	8	224.8	193.1
Income tax receivable		60.8	1.4
Prepayments		113.3	86.3
Derivatives	18	0.9	1.6
Assets held for sale	23	–	30.9
Total current assets		**2,699.8**	**2,562.8**
Non-current assets			
Intangible assets	10	2,090.3	2,029.2
Derivatives	18	73.6	26.8
Equity accounted associates	21(B)	116.2	115.5
Property, plant and equipment	28	107.2	115.7
Deferred tax assets	29(A)	212.3	195.6
Other non-current assets		1.7	3.9
Total non-current assets		**2,601.3**	**2,486.7**
TOTAL ASSETS		**5,301.1**	**5,049.5**
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,350.1	1,331.7
Provisions	11	487.9	426.5
Interest bearing loans and borrowings	13	25.5	4.2
Income tax payable		13.4	47.8
Derivatives	18	2.9	5.6
Liabilities held for sale	23	–	19.4
Total current liabilities		**1,879.8**	**1,835.2**
Non-current liabilities			
Interest bearing loans and borrowings	13	1,210.4	871.8
Deferred tax liabilities	29(B)	115.7	122.3
Provisions	11	48.1	35.3
Trade and other payables	9	29.5	–
Total non-current liabilities		**1,403.7**	**1,029.4**
TOTAL LIABILITIES		**3,283.5**	**2,864.6**
NET ASSETS		**2,017.6**	**2,184.9**
EQUITY			
Issued capital	14	1,255.0	1,239.7
Reserves	15	(111.0)	(195.8)
Retained profits		873.0	1,137.7
Parent entity interest		2,017.0	2,181.6
Non-controlling interests		0.6	3.3
TOTAL EQUITY		**2,017.6**	**2,184.9**

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 2015

	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 2014	**1,239.7**	**1,137.7**	**(246.5)**	**11.0**	**49.3**	**(9.6)**	**2,181.6**	**3.3**	**2,184.9**
(Loss)/profit after income tax expense	–	(54.9)	–	–	–	–	(54.9)	15.9	(39.0)
Foreign exchange movement on translation of foreign controlled entities and associates	–	–	94.0	–	–	–	94.0	8.4	102.4
Net investments hedged	–	–	(9.3)	–	–	–	(9.3)	–	(9.3)
Income tax on net investments hedged	–	–	2.8	–	–	–	2.8	–	2.8
Net gain on foreign exchange hedges	–	–	–	0.7	–	–	0.7	–	0.7
Income tax on net gain on foreign exchange hedges	–	–	–	(0.1)	–	–	(0.1)	–	(0.1)
Fair value loss on mark to market of cross currency hedge	–	–	–	(2.8)	–	–	(2.8)	–	(2.8)
Income tax on fair value loss on mark to market of cross currency hedge	–	–	–	0.8	–	–	0.8	–	0.8
Disposal of interest rate hedges	–	–	–	1.1	–	–	1.1	–	1.1
Total comprehensive (loss)/income, net of tax	**–**	**(54.9)**	**87.5**	**(0.3)**	**–**	**–**	**32.3**	**24.3**	**56.6**
Transactions with owners									
Share based payments expense	–	–	–	–	13.6	–	13.6	–	13.6
Reversal of performance rights expense associated with rights which do not vest based on earnings per share (EPS) hurdles	–	–	–	–	(0.7)	–	(0.7)	–	(0.7)
Transfer to issued capital on purchase and issuance of shares to satisfy performance rights	15.3	–	–	–	(15.3)	–	–	–	–
Acquisition of interest from non-controlling interests	–	–	–	–	–	–	–	–	–
Dividends paid	–	(209.8)	–	–	–	–	(209.8)	(27.0)	(236.8)
As at 30 June 2015	**1,255.0**	**873.0**	**(159.0)**	**10.7**	**46.9**	**(9.6)**	**2,017.0**	**0.6**	**2,017.6**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2015

	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 2013	**1,238.5**	**1,098.2**	**(218.0)**	**16.9**	**32.9**	**(9.6)**	**2,158.9**	**34.0**	**2,192.9**
Profit after income tax expense	–	249.1	–	–	–	–	249.1	19.5	268.6
Foreign exchange movement on translation of foreign controlled entities and associates	–	–	5.6	–	–	–	5.6	2.0	7.6
Net investments hedged	–	–	(48.7)	–	–	–	(48.7)	–	(48.7)
Income tax on net investments hedged	–	–	14.6	–	–	–	14.6	–	14.6
Net gain on foreign exchange hedges	–	–	–	0.8	–	–	0.8	–	0.8
Income tax on net gain on foreign exchange hedges	–	–	–	(0.3)	–	–	(0.3)	–	(0.3)
Fair value loss on mark to market of cross currency hedge	–	–	–	(9.1)	–	–	(9.1)	–	(9.1)
Income tax on fair value loss on mark to market of cross currency hedge	–	–	–	2.6	–	–	2.6	–	2.6
Net gain on interest rate hedges	–	–	–	0.1	–	–	0.1	–	0.1
Total comprehensive income, net of tax	**–**	**249.1**	**(28.5)**	**(5.9)**	**–**	**–**	**214.7**	**21.5**	**236.2**
Transactions with owners									
Share based payments expense	–	–	–	–	18.1	–	18.1	–	18.1
Reversal of performance rights expense associated with rights which do not vest based on EPS hurdles	–	–	–	–	(0.5)	–	(0.5)	–	(0.5)
Transfer to issued capital on purchase and issuance of shares to satisfy performance rights	1.2	–	–	–	(1.2)	–	–	–	–
Acquisition of interest from non-controlling interests	–	–	–	–	–	–	–	(35.5)	(35.5)
Dividends paid	–	(209.6)	–	–	–	–	(209.6)	(16.7)	(226.3)
As at 30 June 2014	**1,239.7**	**1,137.7**	**(246.5)**	**11.0**	**49.3**	**(9.6)**	**2,181.6**	**3.3**	**2,184.9**

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 2015

	NOTES	CONSOLIDATED 2015 $'M	2014 $'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		9,010.3	9,633.2
Payments to suppliers and employees		(8,566.7)	(8,966.4)
		443.6	666.8
Dividends received from associates		15.8	23.5
Interest received		4.1	5.3
Borrowing costs paid		(56.2)	(55.7)
Income taxes paid		(156.0)	(89.8)
Net cash inflow from operating activities	7	**251.3**	**550.1**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of controlled entities	20(B)	(106.1)	(62.2)
Cash balances in controlled entities acquired, net of bank overdraft	20(B)	4.2	11.1
Payments for purchase of property, plant and equipment and computer software		(88.6)	(54.4)
Proceeds from sale of property, plant and equipment		1.6	1.2
Net cash outflow from investing activities		**(188.9)**	**(104.3)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(3,212.7)	(1,981.0)
Proceeds from borrowings		3,347.6	1,826.9
Costs of bank facilities and proceeds from finance leases		(3.3)	(4.3)
Net loans to related parties		(1.5)	(6.8)
Cash received on close out of cross currency swap		19.0	–
Dividends paid to members of WorleyParsons Limited	17(B)	(209.8)	(209.6)
Dividends paid to non-controlling interests		(27.0)	(16.7)
Net cash outflow from financing activities		**(87.7)**	**(391.5)**
Net (decrease)/increase in cash		**(25.3)**	**54.3**
Cash and cash equivalents at the beginning of the financial year		368.3	320.0
Effects of foreign exchange rate changes on cash		37.8	(6.0)
Cash and cash equivalents at the end of the financial year	7	**380.8**	**368.3**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

1. CORPORATE INFORMATION

The financial report of WorleyParsons Limited (Company or parent entity) for the financial year ended 30 June 2015 was authorized for issue in accordance with a resolution of the directors on 26 August 2015.

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 purposes of preparing the financial statements.

The nature of the operations and principal activities of the Company is described in note 3.

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.

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 AUD 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 (IASB).

(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. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

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 4;
- goodwill and intangible assets with identifiable useful lives, refer note 10;
- project, warranty and other provisions, refer note 11;
- share based payments, refer note 5; and
- recovery of deferred taxes, refer note 29.

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 amendments and interpretation from 1 July 2014:

- AASB 2013-4 Novation of Derivatives and Continuation of Hedge Accounting [AASB 139];
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132];
- AASB 2014-1 Amendments to Australian Accounting Standards – Part A Annual Improvements 2010-2012 and 2011-2013 Cycles;
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]; and
- IFRIC 21 Levies.

Adoption of these amendments and interpretation did not have any material effect on the Statement of Financial Performance, Statement of Comprehensive Income and Statement of Financial Position of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(vi) New accounting standards not yet applicable

The following new 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 2015:

Effective 1 July 2016:

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]

AASB 2014-3 provides guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business to apply, to the extent of its share, all the principles in AASB 3 *Business Combinations* and other AAS except for those principles that conflict with the guidance in AASB 11. Furthermore, entities are required to disclose the information required by AASB 3 and other AAS for business combinations. The impacts of this amendment are not expected to be material for the Group's financial statements.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]

AASB 116 *Property Plant and Equipment* and AASB 138 *Intangible Assets* both establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendment is not expected to impact the Group's financial statements.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements

AASB 2014-9 amends AASB 127 *Separate Financial Statements*, and consequentially amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 128 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. The amendment is not expected to impact the Group's financial statements.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

AASB 2014-10 amends AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* to address an inconsistency between the requirements in AASB 10 and those in AASB 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in AASB 3 *Business Combinations*, between an investor and its associate or joint venture, is recognized in full. However, any gain or loss resulting from the sale or contribution of assets that do not constitute a business is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The impacts of this amendment are not expected to be material to the Group's financial statements.

Effective 1 July 2017:

AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

AASB 15 addresses how revenue is recognized and will require the Group to identify contracts and performance obligations, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue when each performance obligation is satisfied. AASB 2014-5 incorporates the consequential amendments to a number of Australian Accounting Standards (including interpretations) arising from the issuance of AASB 15. The Group has not finalized its assessment of how changes to the rules for revenue recognition will impact the Group's financial statements.

Effective 1 July 2018:

AASB 9 Financial Instruments

AASB 9 is the AASB's replacement for AASB 139 *Financial Instruments: Recognition and Measurement*. The standard includes requirements for classification, recognition and measurement, impairment, derecognition and general hedge accounting. The Group has not yet finalized its assessment of how changes to the rules for financial instruments will impact the Group's financial statements.

(vii) Basis of presentation and classification

During the financial year ended 30 June 2015, the Group voluntarily changed the presentation of its notes to the financial statements. Relevant accounting policies have been presented together with the associated numerical information. The Group has determined that presentation of its financial information in this manner will enhance the readability of the financial statements for its users.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by WorleyParsons Limited as at 30 June 2015 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 are equity accounted and are not part of the consolidated entity (refer note 21).

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.

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) FOREIGN CURRENCY TRANSLATION

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.

Translation of foreign currency transactions

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

(D) OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarize the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

3. SEGMENT INFORMATION

(A) OPERATING SEGMENTS

	SERVICES		MAJOR PROJECTS		*IMPROVE*		DEVELOPMENT		TOTAL	
	2015 $'M	2014 $'M	2015 $'M	2014 $'M	2015 $'M	2014 $'M	2015 $'M	2014 $'M	2015 $'M	2014 $'M
Revenue										
Professional services revenue	4,322.2	4,471.5	881.5	827.1	645.7	777.0	142.9	91.2	5,992.3	6,166.8
Construction and fabrication revenue	857.9	888.7	–	–	–	–	–	–	857.9	888.7
Procurement revenue at margin	317.1	252.7	41.2	35.8	3.3	8.6	11.5	5.8	373.1	302.9
Other income	4.2	5.3	–	–	–	–	–	–	4.2	5.3
Total segment revenue[1]	**5,501.4**	**5,618.2**	**922.7**	**862.9**	**649.0**	**785.6**	**154.4**	**97.0**	**7,227.5**	**7,363.7**
Segment result[2]	438.7	547.4	46.3	67.5	37.0	48.1	14.1	1.4	536.1	664.4
Segment margin	8.0%	9.7%	5.0%	7.8%	5.7%	6.1%	9.1%	1.4%	7.4%	9.0%
Other segment information										
Depreciation and amortization expense	75.5	75.6	4.0	4.3	4.9	6.2	3.8	1.7	88.2	87.8
Impairment of goodwill	59.4	–	56.2	–	60.4	–	22.6	–	198.6	–
Share of net profits of associates accounted for using the equity method	(2.9)	8.1	2.6	0.3	11.1	9.6	–	–	10.8	18.0
Equity accounted associates	70.6	76.9	3.2	2.1	42.0	36.3	0.4	0.2	116.2	115.5
Purchase of non-current assets	53.8	59.7	3.4	7.7	4.5	6.4	2.4	4.6	64.1	78.4

(B) CUSTOMER SECTOR GROUPS

	HYDROCARBONS		MINERALS, METAL & CHEMICALS		INFRASTRUCTURE		TOTAL	
	2015 $'M	2014 $'M	2015 $'M	2014 $'M	2015 $'M	2014 $'M	2015 $'M	2014 $'M
Revenue								
Professional services revenue	4,196.2	4,255.1	894.3	1,042.4	901.8	869.3	5,992.3	6,166.8
Construction and fabrication revenue	857.9	888.7	–	–	–	–	857.9	888.7
Procurement revenue at margin	277.8	227.4	9.3	23.1	86.0	52.4	373.1	302.9
Other income	0.2	0.3	0.1	0.4	3.9	4.6	4.2	5.3
Total segment revenue[1]	**5,332.1**	**5,371.5**	**903.7**	**1,065.9**	**991.7**	**926.3**	**7,227.5**	**7,363.7**
Segment result[2]	475.1	517.2	44.1	108.0	16.9	39.2	536.1	664.4
Segment margin	8.9%	9.6%	4.9%	10.1%	1.7%	4.2%	7.4%	9.0%

1 Segment revenue represents aggregated revenue, which is defined as statutory revenue and other income plus share of revenue from associates less procurement 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 is segment revenue less segment expenses excluding the items listed in note 3(G) and is the key financial measure that is presented to the chief operating decision makers.

3. SEGMENT INFORMATION (continued)

(C) RECONCILIATION OF SEGMENT REVENUE TO TOTAL REVENUE AND OTHER INCOME PER THE STATEMENT OF FINANCIAL PERFORMANCE

	TOTAL	
	2015 $'M	2014 $'M
Segment revenue	7,227.5	7,363.7
Procurement revenue at nil margin (including share of revenue from associates)	2,038.0	2,726.1
Share of revenue from associates	(514.6)	(524.0)
Net gain on revaluation of investments previously accounted for as equity accounted associates	–	11.4
Interest income	6.6	5.3
Total revenue and other income per the Statement of Financial Performance	**8,757.5**	**9,582.5**

(D) RECONCILIATION OF SEGMENT RESULT TO PROFIT AFTER INCOME TAX EXPENSE PER THE STATEMENT OF FINANCIAL PERFORMANCE

	2015 $'M	2014 $'M
Segment result	536.1	664.4
Global support costs[1]	(151.9)	(181.3)
Interest and tax for associates	(6.7)	(9.2)
Amortization of acquired intangible assets	(21.8)	(21.7)
Total underlying EBIT	355.7	452.2
Underlying EBIT margin on aggregated revenue for the Group	4.9%	6.1%
Impairment of goodwill	(198.6)	–
Arkutun-Dagi project settlement costs	(70.0)	–
Net gain on revaluation of investments previously accounted for as equity accounted associates	–	11.4
Restructuring costs	–	(35.4)
Tax on restructuring costs	–	9.7
Net borrowing costs	(55.4)	(59.6)
Income tax expense	(70.7)	(109.7)
(Loss)/profit after income tax expense per the Statement of Financial Performance	**(39.0)**	**268.6**

1 Reconciliation of global support costs to the Statement of Financial Performance:

Global support costs per segment information	151.9	181.3
Total restructuring costs	–	35.4
Restructuring costs attributable to professional services costs	–	(17.7)
Global support costs per the Statement of Financial Performance	151.9	199.0

(E) GEOGRAPHIC SEGMENTS[1]

Revenue from external customers[2]

2015	AGGREGATED REVENUE $'M	ADD: PROCUREMENT REVENUE AT NIL MARGIN $'M	LESS: SHARE OF REVENUE FROM ASSOCIATES $'M	LESS: OTHER INCOME $'M	TOTAL REVENUE FROM EXTERNAL CUSTOMERS $'M
Australia, Pacific, Asia and China	1,599.0	15.2	(176.6)	(3.2)	1,434.4
Europe, Middle East and North Africa	1,965.9	251.8	(153.5)	(1.0)	2,063.2
Sub-Saharan Africa	389.3	–	(93.8)	1.0	296.5
Americas	3,273.3	1,771.0	(90.7)	(1.0)	4,952.6
Total	7,227.5	2,038.0	(514.6)	(4.2)	8,746.7
Other income					4.2
Interest income					6.6
Total revenue and other income per the Statement of Financial Performance					**8,757.5**

2014	AGGREGATED REVENUE $'M	ADD: PROCUREMENT REVENUE AT NIL MARGIN $'M	LESS: SHARE OF REVENUE FROM ASSOCIATES $'M	LESS: OTHER INCOME $'M	TOTAL REVENUE FROM EXTERNAL CUSTOMERS $'M
Australia, Pacific, Asia and China	1,750.1	48.9	(232.4)	(3.3)	1,563.3
Europe, Middle East and North Africa	1,714.1	943.2	(80.7)	(0.4)	2,576.2
Sub-Saharan Africa	391.3	–	(120.1)	(1.5)	269.7
Americas	3,508.2	1,734.0	(90.8)	(0.1)	5,151.3
Total	7,363.7	2,726.1	(524.0)	(5.3)	9,560.5
Other income					5.3
Net gain on revaluation of investments previously accounted for as equity accounted associates					11.4
Interest income					5.3
Total revenue and other income per the Statement of Financial Performance					**9,582.5**

	2015 $'M	2014 $'M
Non-current assets by geographical location:[3]		
Australia, Pacific, Asia and China	126.0	112.6
Europe, Middle East and North Africa	81.5	85.0
Sub-Saharan Africa	54.6	68.4
Americas	146.5	138.0
Non-current assets by geographical location	**408.6**	**404.0**

1 Geographic locations have been aligned to internal reports presented to the chief operating decision makers.
2 Revenue is attributed to the geographic location based on the entity providing the services.
3 Excludes goodwill, derivative financial instruments and deferred tax assets.

3. SEGMENT INFORMATION (continued)

(F) IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has identified its operating segments based on the monthly internal reports that are reviewed and used by the Chief Executive Officer (CEO), Chief Financial Officer and Group Managing Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. As announced in April 2014 and effective 1 July 2014, the business operations are managed and reported by business lines: Services, Major Projects, *Improve* and Development. This represents a change to the operating segments reported in the previous corresponding period.
The historical segment results for the financial year ended 30 June 2014 have been restated to be comparable with the revised segmentation approach as required by AASB 8 *Operating Segments*. The Group has also included information using the prior segment basis (customer sector groups).

(G) ACCOUNTING POLICIES AND INTER-SEGMENT TRANSACTIONS

Segment revenues and expenses 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 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 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:

- impairment of goodwill;
- global support costs;
- Arkutun-Dagi project settlement costs;
- net gain on revaluation of investments previously accounted for as equity accounted associates;
- restructuring costs incurred in FY2014 relating to the business reorganization;
- interest and tax for associates;
- amortization of acquired intangible assets;
- net borrowing costs; and
- income tax expense.

(H) MAJOR CUSTOMERS

The most significant customer accounts for 6.4% (2014: 9.3%) of aggregated revenue and is within the Services, Major Projects and *Improve* business lines and Hydrocarbons customer sector group.

	CONSOLIDATED	
	2015 $'M	2014 $'M
4. REVENUE AND OTHER INCOME		
Professional services revenue	5,517.9	5,715.6
Procurement revenue	2,370.9	2,956.2
Construction and fabrication revenue	857.9	888.7
Interest income	6.6	5.3
Revenue	**8,753.3**	**9,565.8**
Net gain on sale of Exmouth Power Station	1.3	–
Net gain on revaluation of investments previously accounted for as equity accounted associates	–	11.4
Other	2.9	5.3
Total revenue and other income	**8,757.5**	**9,582.5**

During the financial year ended 30 June 2014, the Group acquired an additional net interest in entities which had previously been accounted for as equity accounted associates. This resulted in $11.4 million net gain on revaluation of investments previously accounted for as equity accounted associates. There was no such transaction during the financial year ended 30 June 2015.

RECOGNITION AND MEASUREMENT

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. Revenues are recognized net of the amount of goods and services tax (GST). The following specific recognition criteria must be met before revenue is recognized:

Professional services and construction and fabrication

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

Contract revenue and costs 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.

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.

Procurement

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.

Interest

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

Dividends

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

KEY ESTIMATES

Percentage of completion

The percentage of completion is estimated by qualified internal professionals. The Group considers the terms the of the contract, internal models and other sources when estimating the projected total cost and the stage of completion.

5. EXPENSES AND LOSSES/(GAINS)

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

	CONSOLIDATED	
	2015 $'M	2014 $'M
EXPENSES AND LOSSES		
Short term employee benefits	4,119.3	4,195.6
Post-employment benefits	138.0	135.7
Share based payments	12.9	17.6
Total staff costs	4,270.2	4,348.9
Impairment of goodwill	198.6	–
Arkutun-Dagi project settlement costs	70.0	–
Total other costs	268.6	–
Operating lease rentals – minimum lease payments	210.6	208.7
Amortization	85.4	82.4
Depreciation	24.6	27.1
MOVEMENTS IN PROVISIONS		
Employee benefits	204.7	194.3
Onerous leases	20.2	0.9
Warranties	9.8	1.3
Insurance	(2.9)	(3.0)
Other	25.3	20.2

RECOGNITION AND MEASUREMENT

Employee benefits

Employee benefits expenses are charged against profit on a net basis in their respective categories.

(i) Share based payments – 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 that takes into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-traded 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.

5. EXPENSES AND LOSSES/(GAINS) (continued)

A Monte Carlo simulation is applied to fair value the total shareholder return (TSR) element. For the EPS, EBIT and "continuous 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) 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 the 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.

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:

- interest on bank overdrafts, and short term and long term loans and borrowings;
- amortization of discounts or premiums relating to loans and borrowings; and
- finance lease charges.

Operating lease rentals – minimum lease payments

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 part of the total lease expense.

Depreciation and amortization

Property, plant and equipment

Depreciation is calculated on a straight line basis to write off the net cost 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.

Identifiable intangible assets

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 for an intangible asset with a finite useful life is 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. 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; and
- other 3-10 years.

Goods and Services Tax (GST)

Expenses are recognized net of the amount of GST except where the GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognized as part of the expense.

	CONSOLIDATED	
	2015 $'M	2014 $'M
6. INCOME TAX		
(A) INCOME TAX EXPENSE		
Current tax	81.0	147.0
Deferred tax	(8.1)	(37.5)
Overprovision in previous financial periods	(2.2)	(9.5)
Income tax expense	**70.7**	**100.0**
Deferred income tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	10.6	(20.0)
Decrease in deferred tax liabilities	(18.7)	(17.5)
Deferred tax	**(8.1)**	**(37.5)**

	CONSOLIDATED 2015 $'M	2014 $'M
(B) RECONCILIATION OF PRIMA FACIE TAX PAYABLE TO INCOME TAX EXPENSE		
Profit before income tax expense	31.7	368.6
Prima facie tax expense at the Group's statutory income tax rate of 30% (2014: 30%)	9.5	110.6
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible impairment of goodwill	59.6	–
Non-deductible performance rights	3.8	5.3
Non-taxable gain on acquisitions	–	(3.4)
Share of net profits of associates accounted for using the equity method	(3.2)	(5.4)
Tax losses not previously recognized	(0.7)	(0.7)
Overprovision in previous financial periods	(2.2)	(9.5)
Difference in overseas tax rate[1]	(6.0)	(4.1)
Other	9.9	7.2
Income tax expense	**70.7**	**100.0**

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

(C) AMOUNTS RECOGNIZED DIRECTLY IN EQUITY

	2015 $'M	2014 $'M
Aggregate amount of tax arising in the reporting period and not recognized in profit after income tax expense but directly credited to equity:		
Deferred tax – credited directly to equity	(3.5)	(16.9)

(D) TAX LOSSES

	2015 $'M	2014 $'M
The Group has tax losses for which no deferred tax asset is recognized on the Statement of Financial Position:		
Unused tax losses for which no deferred tax asset has been recognized	48.6	42.6
Potential tax benefit at 30%	14.6	12.8

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.

RECOGNITION AND MEASUREMENT

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 as well as any adjustments required between prior periods' current tax expense and income tax returns and any relevant withholding taxes.

Current and deferred tax amounts relating to items recognized directly in equity are recognized in equity and not in the Statement of Financial Performance.

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.

		CONSOLIDATED	
	NOTES	2015 $'M	2014 $'M
7. CASH AND CASH EQUIVALENTS			
Balance per Statement of Financial Position		**381.9**	**365.8**
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:			
Cash at bank and on hand		381.9	365.8
Cash and cash equivalents		381.9	365.8
Less: bank overdraft	13	(1.1)	(0.4)
Add: cash and cash equivalents classified as held for sale	23	–	2.9
Balance per Statement of Cash Flows		**380.8**	**368.3**
Reconciliation of profit after income tax expense to net cash inflow from operating activities:			
(Loss)/profit after income tax expense		(39.0)	268.6
NON-CASH ITEMS			
Impairment of goodwill		198.6	–
Amortization		85.4	82.4
Depreciation		24.6	27.1
Share based payments expense		12.9	17.6
Doubtful debts expense		13.9	9.8
Share of associates' net profits in excess of dividends received		5.0	5.5
Net gain on revaluation of investments previously accounted for as equity accounted associates		–	(11.4)
Other		1.3	1.5
Cash flow adjusted for non-cash items		302.7	401.1
CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES			
Increase in trade and other receivables		(14.5)	(17.4)
(Increase)/decrease in prepayments and other assets		(26.9)	19.5
Increase in deferred tax assets		(11.5)	(33.5)
(Increase)/decrease in net derivatives		(67.8)	4.9
(Increase)/decrease in income tax receivable		(41.2)	1.6
Increase in trade and other payables		92.3	87.5
Increase in billings in advance		11.3	62.4
(Decrease)/increase in income tax payable		(22.7)	63.0
Decrease in deferred tax liabilities		(12.6)	(22.0)
Increase/(decrease) in provisions		42.2	(17.0)
Net cash inflow from operating activities		**251.3**	**550.1**

RECOGNITION AND MEASUREMENT

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.

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. 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 is classified as an operating cash flow.

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 below.

PROCUREMENT AND RESTRICTED CASH AND CASH EQUIVALENTS

Included within cash and cash equivalents is $107.5 million (2014: $87.1 million) which has been identified as for procurement ($91.6 million) or restricted, but available for use under certain circumstances by the Group ($15.9 million).

Procurement cash is held in relation to procurement activities undertaken by the Group on behalf of its customers (refer note 27). Restricted cash is held in relation to guarantees (refer note 25(A)) and financing activities.

	NOTES	CONSOLIDATED 2015 $'M	2014 $'M
8. TRADE AND OTHER RECEIVABLES			
TRADE RECEIVABLES			
Trade receivables		949.5	889.2
Unbilled contract revenue		952.4	1,009.4
Retentions		65.7	21.5
Allowance for doubtful debts		(49.5)	(36.4)
		1,918.1	**1,883.7**
Allowance for doubtful debts			
Balance at the beginning of the financial year		36.4	30.5
Net charge to the Statement of Financial Performance		13.9	9.8
Amounts written off against the opening allowance		(3.7)	(3.4)
Differences arising on translation of foreign operations		2.9	(0.5)
Balance at the end of the financial year		**49.5**	**36.4**

The Group's exposure to credit, currency and interest rate risk for trade receivables and unbilled contract revenue is disclosed in note 18.

	NOTES	2015 $'M	2014 $'M
OTHER RECEIVABLES			
Other receivables		164.6	148.5
Amounts owing by associates and related parties	30(B)	60.2	44.6
		224.8	**193.1**

RECOGNITION AND MEASUREMENT

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. Receivables are stated with the amount of GST included.

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.

	NOTES	CONSOLIDATED 2015 $'M	2014 $'M
9. TRADE AND OTHER PAYABLES			
Current			
Trade payables		499.0	481.4
Accruals		449.0	467.2
Payables to associates and related parties	30(B)	11.0	8.1
Billings in advance		177.0	165.7
Accrued staff costs		203.0	209.3
Other payables		11.1	–
		1,350.1	**1,331.7**
Non-current			
Other payables		29.5	–
		29.5	**–**

The Group's exposure to currency and interest rate risk for trade and other payables is disclosed in note 18.

RECOGNITION AND MEASUREMENT

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. Payables are stated with the amount of GST included.

	CONSOLIDATED 2015 $'M	CONSOLIDATED 2014 $'M
10. INTANGIBLE ASSETS		
Goodwill		
At cost	2,107.0	1,861.9
Accumulated impairment	(200.2)	(1.6)
	1,906.8	**1,860.3**
Customer contracts and relationships		
At cost	189.3	171.1
Accumulated amortization	(149.0)	(128.5)
	40.3	**42.6**
Trade names		
At cost	84.8	83.6
Accumulated amortization	(69.5)	(62.8)
	15.3	**20.8**
Computer software		
At cost	244.7	199.1
Accumulated amortization	(131.4)	(112.8)
	113.3	**86.3**
Other		
At cost	24.5	24.2
Accumulated amortization	(9.9)	(5.0)
	14.6	**19.2**
Total intangible assets	**2,090.3**	**2,029.2**

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	OTHER $'M	TOTAL $'M
Balance at 1 July 2014	1,860.3	42.6	20.8	86.3	19.2	2,029.2
Additions due to the acquisition of entities	106.6	13.1	–	–	–	119.7
Additions	–	–	–	58.4	–	58.4
Impairment	(198.6)	–	–	–	–	(198.6)
Amortization	–	(16.8)	(5.0)	(31.8)	(4.8)	(58.4)
Differences arising on translation of foreign operations	138.5	1.4	(0.5)	0.4	0.2	140.0
Balance at 30 June 2015	**1,906.8**	**40.3**	**15.3**	**113.3**	**14.6**	**2,090.3**
Balance at 1 July 2013	1,873.2	50.9	26.9	85.0	14.4	2,050.4
Additions due to the acquisition of entities	39.4	9.4	–	0.3	–	49.1
Additions	–	–	–	36.8	9.5	46.3
Disposals	(8.6)	–	–	–	–	(8.6)
Amortization	–	(16.0)	(5.7)	(35.7)	(2.4)	(59.8)
Differences arising on translation of foreign operations	(43.7)	(1.7)	(0.4)	(0.1)	(2.3)	(48.2)
Balance at 30 June 2014	**1,860.3**	**42.6**	**20.8**	**86.3**	**19.2**	**2,029.2**

RECOGNITION AND MEASUREMENT

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 controlled entities or associates. 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.

Identifiable intangible assets

Intangible assets acquired separately or in a business combination have finite useful lives and 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.

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.

Impairment of assets

Goodwill is not amortized; instead, it is tested annually, unless impairment is indicated. 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 cash generating units (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 CGUs. Goodwill is allocated to seven CGUs. These CGUs represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. Each material CGU is set out below.

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.

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 (CGUs).

Impairment testing calculations use cash flow projections based on financial forecasts of how the business is expected to operate based on current performance consistent with previous experience and external data, excluding any benefit expected to arise from future restructuring or from improved asset performance.

The estimation of future cash flows requires assumptions to be made regarding future uncertain events. Management have risk-adjusted the future cash flows to recognize challenging market conditions. The risk adjusted growth rates for the Services CGUs range from 1% to 5%. The risk adjusted growth rates for the Major Projects CGU and *Improve* CGU are 1% and 5% respectively.

A risk premium is included in determining each CGUs discount rate, reflecting the level of forecasting, size, country and financing risks for that CGU.

KEY ESTIMATES

The goodwill allocated to the material CGUs and the key assumptions used for the value in use impairment testing are as follows:

2015	SERVICES – AMERICAS $'M	SERVICES – AUSTRALIA, PACIFIC, ASIA AND CHINA $'M	SERVICES – EUROPE, MIDDLE EAST, NORTH AFRICA $'M	MAJOR PROJECTS $'M	*Improve* $'M
Opening balance	527.7	505.1	430.2	189.2	168.4
Closing balance	571.8	550.2	420.1	145.9	119.5
Risk-weighted pre-tax discount rate	11.9%	12.1%	11.9%	10.5%	12.1%
Risk-adjusted growth rate beyond five years[1]	3.0%	3.0%	3.0%	3.0%	3.0%

1. The 3.0% risk-adjusted growth rate remains unchanged from FY14.

Prior to the business reorganization on 1 July 2014 the Group's CGUs were its Customer Sector Groups. The goodwill allocated to the groups of CGUs and the key assumptions used for the value in use impairment testing were as follows:

2014	GOODWILL $'M	PRE-TAX DISCOUNT % PA
Hydrocarbons	1,439.5	10.3
Minerals, Metals & Chemicals	190.3	12.1
Infrastructure	230.5	10.9

SENSITIVITY ANALYSIS

The combined fair value in the Services – Americas and Services – Australia, Pacific, Asia and China CGUs exceed the carrying value by over $500 million. Management recognize that the cash flow projections, discount and growth rates used to calculate the value in use may vary from what has been estimated.

Management notes that the value in use estimate is particularly sensitive to the long-term EBIT growth rates and discount rates.

It is estimated that a 2.5% increase in post-tax discount rates or an 8.5% decrease in long-term growth rates would result in an impairment in the combined Services – Americas and Services – Australia, Pacific, Asia and China CGUs.

The Services – Europe, Middle East and North Africa, Major Projects and *Improve* CGUs have been written down to their recoverable amount at 30 June 2015 and any future adverse changes in key assumptions will result in further impairment. The impairment charge of $198.6 million is recognized in other costs in the Statement of Financial Performance and reflects the expected ongoing challenging market conditions.

	CONSOLIDATED	
	2015 $'M	2014 $'M
11. PROVISIONS		
Current		
Employee benefits	266.2	270.5
Deferred revenue and project provisions	109.6	106.0
Insurance	22.6	19.8
Onerous leases	23.3	2.3
Warranties	31.0	19.7
Deferred consideration	23.7	–
Other	11.5	8.2
	487.9	**426.5**
Non-current		
Employee benefits	40.0	32.6
Onerous leases	–	0.9
Warranties	0.3	0.3
Deferred consideration	6.0	–
Other	1.8	1.5
	48.1	**35.3**

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of current and non-current provisions at the beginning and end of the current and previous financial years are set out below:

CURRENT	EMPLOYEE BENEFITS $'M	DEFERRED REVENUE AND PROJECT PROVISIONS $'M	INSURANCE $'M	ONEROUS LEASES $'M	WARRANTIES $'M	DEFERRED CONSIDERATION $'M	OTHER $'M
Carrying amount at 1 July 2014	270.5	106.0	19.8	2.3	19.7	–	8.2
Provision from entities acquired	3.2	1.7	–	–	–	–	–
Additional provisions	231.7	124.3	–	21.0	22.0	23.9	1.5
Release of unused provision	(43.5)	(36.7)	(2.9)	–	(12.2)	–	(0.2)
Amounts utilized	(222.8)	(94.9)	–	–	–	–	–
Differences arising from translation of foreign operations	27.1	9.2	5.7	–	1.5	(0.2)	2.0
Carrying amount at 30 June 2015	**266.2**	**109.6**	**22.6**	**23.3**	**31.0**	**23.7**	**11.5**
Carrying amount at 1 July 2013	290.5	94.3	25.0	6.0	16.7	12.2	23.4
Provision from entities acquired	3.5	–	–	–	0.2	–	0.6
Additional provisions	236.4	60.3	3.0	–	3.5	–	1.3
Release of unused provision	(40.4)	(34.7)	(6.0)	–	(2.5)	–	(1.5)
Amounts utilized	(215.8)	(12.2)	(4.9)	(3.7)	–	(12.2)	(16.1)
Differences arising from translation of foreign operations	(3.7)	(1.7)	2.7	–	1.8	–	0.5
Carrying amount at 30 June 2014	**270.5**	**106.0**	**19.8**	**2.3**	**19.7**	**–**	**8.2**

NON-CURRENT	CONSOLIDATED EMPLOYEE BENEFITS $'M	ONEROUS LEASES $'M	WARRANTIES $'M	DEFERRED CONSIDERATION $'M	OTHER $'M
Carrying amount at 1 July 2014	32.6	0.9	0.3	–	1.5
Additional provisions	16.5	0.1	–	6.0	0.6
Release of unused provision	–	(0.9)	–	–	(0.7)
Amounts utilized	(12.2)	–	–	–	–
Differences arising from translation of foreign operations	3.1	(0.1)	–	–	0.4
Carrying amount at 30 June 2015	**40.0**	**–**	**0.3**	**6.0**	**1.8**
Carrying amount at 1 July 2013	43.0	–	–	–	0.2
Additional provisions	2.4	0.9	0.3	–	1.4
Release of unused provision	(4.1)	–	–	–	(0.2)
Amounts utilized	(8.2)	–	–	–	–
Differences arising from translation of foreign operations	(0.5)	–	–	–	0.1
Carrying amount at 30 June 2014	**32.6**	**0.9**	**0.3**	**–**	**1.5**

RECOGNITION AND MEASUREMENT

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.

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, severance pay 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.

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 4. It is expected this revenue will be earned within two years of balance date.

Project provisions

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

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.

Onerous leases

Provisions for onerous leases are recognized when the unavoidable costs of meeting the lease obligations under the contract exceed the economic benefits expected to be received under it.

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. It is expected that these costs will be incurred within two years of balance date.

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.

11. PROVISIONS (continued)

Deferred consideration

Deferred consideration arising from 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*. 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.

Dividends payable

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

12. 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 equity, which the Group defines as profit after income tax expense divided by the average 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.

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 2015 and 30 June 2014 was as follows:

	CONSOLIDATED	
	2015 $'M	2014 $'M
Total interest bearing loans and borrowings[1]	1,240.1	896.6
Less: derivatives[2]	73.6	26.8
Less: cash and cash equivalents[3]	381.9	368.7
Net debt	784.6	501.1
Total equity	2,017.6	2,184.9
Gearing	**28.0%**	**18.7%**

1 Excluding capitalized borrowing costs and including amounts classified as held for sale.
2 Including mark-to-market of cross currency swaps.
3 Including amounts classified as held for sale.

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.

	CONSOLIDATED 2015 $'M	2014 $'M
13. INTEREST BEARING LOANS AND BORROWINGS		
Current		
Notes payable	12.9	–
Unsecured bank loans	8.6	0.3
Finance lease liability	3.0	3.6
Bank overdraft	1.1	0.4
Capitalized borrowing costs	(0.1)	(0.1)
	25.5	**4.2**
Non-current		
Notes payable	1,048.1	871.2
Unsecured bank loans	163.4	–
Finance lease liability	3.0	5.2
Capitalized borrowing costs	(4.1)	(4.6)
	1,210.4	**871.8**

RECOGNITION AND MEASUREMENT

Interest bearing loans and borrowings

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Loans and borrowings 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.

Finance lease liability

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.

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:

- interest on bank overdrafts, and short term and long term loans and borrowings;
- amortization of discounts or premiums relating to loans and borrowings; and
- finance lease charges.

TERMS AND CONDITIONS

Notes payable

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 USD 205.0 million maturing in September 2022 with a fixed coupon of 4.00% per annum, USD 75.0 million maturing in September 2019 with a fixed coupon of 3.45% per annum and USD 20.0 million maturing in September 2017 with a fixed coupon of 3.09% per annum. The issue in March 2011 comprised USD 175.0 million maturing in March 2021 with a fixed coupon of 5.56% per annum, USD 22.0 million maturing in March 2018 with a fixed coupon of 4.86% per annum and USD 10.0 million maturing in March 2016 with a fixed coupon of 4.16% per annum. The issue in April 2008 comprised USD 144.5 million maturing in April 2018 with a fixed coupon of 6.50% per annum. The issue in May 2007 comprised USD 140.5 million which matured in May 2014 with a fixed coupon of 5.61% per annum and USD 169.5 million maturing in May 2017 with a fixed coupon of 5.76% per annum.

In accordance with the Group's financial risk management policy, cross currency swaps have been entered into, swapping USD 299.3 million (2014: USD 371.5 million) of notes payable into, at balance date exchange rates, CAD 369.1 million (2014: CAD 347.7 million). This represents 57.1% of the notes issued in 2008, 2011 and 2012.

Finance lease liability

The Group leases various plant and equipment under finance leases with terms of three to eight years.

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.

	CONSOLIDATED			
	2015 NUMBER OF SHARES	$'M	2014 NUMBER OF SHARES	$'M
14. ISSUED CAPITAL				
Ordinary shares, fully paid[1,2]	247,263,344	1,255.0	246,531,761	1,239.7
Special voting share	1	–	1	–
	247,263,345	**1,255.0**	**246,531,762**	**1,239.7**

1 Included in ordinary shares are 3,121,064 (2014: 3,318,214) 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 (2014: 267,173) shares in the Company, which have been consolidated and eliminated in accordance with the accounting standards.

(A) MOVEMENTS IN SHARES

	2015 NUMBER OF SHARES	$'M	2014 NUMBER OF SHARES	$'M
Balance at the beginning of the financial year	246,531,762	1,239.7	246,480,560	1,238.5
Ordinary shares issued on redemption of exchangeable shares	197,150	5.3	276,453	7.4
Exchangeable shares exchanged for ordinary shares	(197,150)	(5.3)	(276,453)	(7.4)
Transfer from performance rights reserve on purchase and issuance of shares	731,583	15.3	51,202	1.2
	247,263,345	**1,255.0**	**246,531,762**	**1,239.7**

RECOGNITION AND MEASUREMENT

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.

(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 2015, 197,150 (2014: 276,453) 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 5.

	NUMBER OF PERFORMANCE RIGHTS	
	2015	2014
Balance at the beginning of the financial year	2,891,244	3,134,294
Rights granted	1,042,685	658,301
Rights exercised	(731,583)	(51,202)
Rights lapsed or expired	(975,567)	(850,149)
Balance at the end of the financial year	**2,226,779**	**2,891,244**
Exercisable at the end of the financial year	864	19,427
Weighted average exercise price	$nil	$nil

Performance rights

The outstanding balance as at 30 June 2015 is represented by:

- 11,333 performance rights, vesting on 30 September 2018 and expiring on 1 April 2022;
- 181,302 performance rights, vesting on 30 September 2018 and expiring on 30 October 2021;
- 26,641 performance rights, vesting on 30 September 2017 and expiring on 30 October 2021;
- 724,328 performance rights, vesting on 30 September 2017 and expiring on 30 October 2021;
- 139,038 performance rights, vesting on 30 September 2017 and expiring on 24 October 2020;
- 26,641 performance rights, vesting on 30 September 2016 and expiring on 1 April 2022;
- 373,803 performance rights, vesting on 30 September 2016 and expiring on 24 October 2020;
- 83,794 performance rights, vesting on 30 September 2016 and expiring on 18 October 2019;
- 26,641 performance rights, vesting on 30 September 2015 and expiring on 1 April 2022;
- 593,429 performance rights, vesting on 30 September 2015 and expiring on 18 October 2019;
- 38,965 performance rights, vesting on 30 September 2015 and expiring on 30 September 2016; and
- 864 performance rights, vested on 30 September 2012 and expiring on 30 September 2015.

KEY ESTIMATES

Weighted average remaining contractual life

The weighted average remaining life for the rights outstanding as at 30 June 2015 is 5.4 years (2014: 4.7 years).

Weighted average fair value

The weighted average fair value of rights granted during the financial year was $10.60 (2014: $15.76).

Pricing model

The following table lists the inputs to the models used for the financial years ended 30 June 2015 and 30 June 2014:

	PERFORMANCE RIGHTS PLAN 2015 TSR AND EPS		PERFORMANCE RIGHTS PLAN 2014 TSR AND EPS	
	CEO	OTHERS	CEO	OTHERS
Dividend yield (%)	6.43	6.43-7.34	4.46	4.46
Expected volatility (%)	30	30-35	30	30
Risk-free interest rate (%)	2.85	1.75-2.85	3.48	2.91
Expected life of rights (years)	4	0.5-4	4	3-4
Rights exercise price ($)	nil	nil	nil	nil
Weighted average share price at measurement date ($)	13.70	9.34 & 13.70	21.55	21.55

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.

	CONSOLIDATED 2015 $'M	CONSOLIDATED 2014 $'M
15. RESERVES		
Foreign currency translation reserve	(159.0)	(246.5)
Hedge reserve	10.7	11.0
Performance rights reserve	46.9	49.3
Acquisition reserve	(9.6)	(9.6)
	(111.0)	**(195.8)**

(A) FOREIGN CURRENCY TRANSLATION RESERVE

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

(B) HEDGE RESERVE

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

The total amount recognized in the Statement of Financial Performance was a loss of $0.0 million (2014: $0.6 million). This amount is included in professional services costs.

RECOGNITION AND MEASUREMENT

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 foreign 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.

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.

(C) PERFORMANCE RIGHTS RESERVE

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

(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.

	CONSOLIDATED 2015	CONSOLIDATED 2014
16. (LOSS)/EARNINGS PER SHARE		
ATTRIBUTABLE TO MEMBERS OF WORLEYPARSONS LIMITED		
Basic (loss)/earnings per share (cents)	(22.2)	101.0
Diluted (loss)/earnings per share (cents)	(22.2)	100.3

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

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

	$'M	$'M
(Loss)/earnings used in calculating basic and diluted (loss)/earnings per share	(54.9)	249.1

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

Weighted average number of ordinary securities used in calculating basic (loss)/earnings per share	247,078,995	246,528,865
Performance rights which are considered dilutive[1]	–	1,828,215
Adjusted weighted average number of ordinary securities used in calculating diluted (loss)/earnings per share	247,078,995	248,357,080

1 Performance rights which could be considered dilutive are 1,204,233. In the current reporting period they are considered antidilutive.

The weighted average number of converted, lapsed or canceled potential ordinary shares used in calculating diluted (loss)/earnings per share was nil (2014: 189,104). In the current reporting period 308,430 of such potential ordinary shares were considered antidilutive.

MEASUREMENT

Basic (loss)/earnings per share

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

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated as (loss)/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.

	CONSOLIDATED	
	2015 $'M	2014 $'M
17. DIVIDENDS		
(A) FINAL DIVIDEND PROPOSED		
Dividend in respect of the six months to 30 June 2015:		
22.0 cents per share, unfranked[1]	54.4	–
Dividend in respect of the six months to 30 June 2014:		
51.0 cents per share (10.5 cents franked[1])	–	125.7

1 The Group has sufficient credits in its foreign income account to ensure that there should be no Australian dividend withholding tax withheld on dividends paid to non-resident shareholders. The unfranked portion of the dividend represents conduit foreign income.

The directors have resolved to pay a final dividend of 22.0 cents per share, unfranked (2014: 51.0 cents per share, partially franked at 20.5%). Combined with the half year (interim) dividend, the Company will make total dividend payments of 56.0 cents per share for the financial year (2014: 85.0 cents per share). The dividend will be paid on 30 September 2015 for shareholders on the register at the record date, being 2 September 2015.

In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $54.4 million is not recognized as a liability as at 30 June 2015.

	2015 $'M	2014 $'M
(B) DIVIDENDS PAID DURING THE FINANCIAL YEAR		
Dividend in respect of the six months to 31 December 2014:		
34.0 cents per share (2.7 cents franked)	84.1	–
Dividend in respect of the six months to 30 June 2014:		
51.0 cents per share (10.5 cents franked)	125.7	–
Dividend in respect of the six months to 31 December 2013:		
34.0 cents per share (8.5 cents franked)	–	83.9
Dividend in respect of the six months to 30 June 2013:		
51.0 cents per share (unfranked)	–	125.7
	209.8	**209.6**
(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% (2014: 30%)	5.2	10.2
Imputation (debits)/credits arising from the payments of refunds of income tax provided in this financial report	(5.2)	0.8
Imputation credits available for distribution	–	11.0
Imputation debits that will arise from the payment of the final dividend	–	(11.0)
Imputation credits available for future dividends	**–**	**–**

18. 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.

18. FINANCIAL RISK MANAGEMENT (continued)

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. 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 maximum exposure to credit risk is 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.

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.

Guarantees

Details of outstanding guarantees are provided in note 25(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.

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	
	2015 $'M	2014 $'M
Cash and cash equivalents	381.9	365.8
Trade receivables, unbilled contract revenue and retentions	1,918.1	1,883.7
Other receivables	164.6	148.5
Amounts owing by associates and related parties	60.2	44.6
Derivatives	74.5	28.4
	2,599.3	**2,471.0**

The ageing of the Group's trade receivables, unbilled contract revenue and retentions at the reporting date was:

	GROSS 2015 $'M	IMPAIRMENT 2015 $'M	GROSS 2014 $'M	IMPAIRMENT 2014 $'M
Unbilled contract revenue	952.4	–	1,009.4	–
0-30 days	517.4	(14.3)	701.7	(4.3)
Past due 31-60 days	206.8	(0.1)	67.5	(0.3)
Past due 61-90 days	50.1	(0.9)	21.7	–
Past due 91-120 days	53.3	(0.2)	11.3	–
More than 121 days	187.6	(34.0)	108.5	(31.8)
	1,967.6	**(49.5)**	**1,920.1**	**(36.4)**

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.

(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.

The Group has unrestricted access at balance date to the following lines of credit:

	CONSOLIDATED	
	2015 $'M	2014 $'M
SECURED FACILITIES		
Total facilities available:		
Loan facilities	–	15.9
Finance lease facilities	6.0	8.8
	6.0	**24.7**
Facilities utilized at balance date:		
Loan facilities	–	15.9
Finance lease facilities	6.0	8.8
	6.0	**24.7**
The maturity profile in respect of the Group's secured loan facilities is set out below:		
Due within one year	3.0	5.3
Due between one and four year(s)	3.0	10.9
Due after four years	–	8.5
	6.0	**24.7**
UNSECURED FACILITIES		
Total facilities available:		
Loan facilities	1,950.8	1,635.6
Overdraft facilities	130.0	122.3
Bank guarantees and letters of credit	1,196.1	979.3
	3,276.9	**2,737.2**
Facilities utilized at balance date:		
Loan facilities	1,233.0	871.5
Overdraft facilities	1.1	0.4
Bank guarantees and letters of credit	753.6	692.4
	1,987.7	**1,564.3**
Facilities available at balance date:		
Loan facilities	717.8	764.2
Overdraft facilities	128.9	121.9
Bank guarantees and letters of credit	442.5	286.9
	1,289.2	**1,173.0**
The maturity profile in respect of the Group's total unsecured loan and overdraft facilities is set out below:		
Due within one year	173.6	280.3
Due between one and four year(s)	1,319.1	443.0
Due after four years	588.1	1,034.6
	2,080.8	**1,757.9**

18. FINANCIAL RISK MANAGEMENT (continued)

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 AND OTHER 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 2015						
Due within one year	510.1	11.0	25.6	0.5	2.9	550.1
Due between one and four year(s)	29.5	–	626.4	145.8	–	801.7
Due after four years	–	–	588.1	162.6	–	750.7
	539.6	**11.0**	**1,240.1**	**308.9**	**2.9**	**2,102.5**
As at 30 June 2014						
Due within one year	481.4	8.1	5.9	0.3	5.6	501.3
Due between one and four year(s)	–	–	399.3	76.0	–	475.3
Due after four years	–	–	491.4	158.5	–	649.9
	481.4	**8.1**	**896.6**	**234.8**	**5.6**	**1,626.5**

(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 the 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. 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 costs incurred.

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.

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.

(1) 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)	
	2015	2014	2015 M	2015 M	2014 M	2014 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 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 72.3	CAD (72.3)	USD 144.5	CAD (144.5)
Maturing 13 September 2019	1.01	1.01	USD 75.0	CAD (76.0)	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)

The following gains and losses have been deferred at balance date:

	CONSOLIDATED	
	2015 $'M	2014 $'M
Fair value gain on cross currency hedge	73.6	26.8
Foreign exchange loss on hedge relationship	(74.4)	(24.9)
Net gain pre-tax in hedge relationship	(0.8)	1.9

(2) FORWARD EXCHANGE CONTRACTS

The Group is exposed to foreign exchange rate transaction risk on foreign currency sales, purchases, and loans to and from related entities. The most significant foreign exchange risk is US dollar receipts by Australian and other 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 significant outstanding contracts were:

	WEIGHTED AVERAGE EXCHANGE RATE		AMOUNT RECEIVABLE/(PAYABLE)		AMOUNT RECEIVABLE/(PAYABLE)	
	2015	2014	2015 M	2015 M	2014 M	2014 M
Maturing in the next 6 months to 31 December 2015						
Buy AUD and Sell USD	1.15	1.11	AUD 9.1	USD (7.9)	AUD 4.7	USD (4.2)
Buy AUD and Sell ZAR	–	0.10	–	–	AUD 9.3	ZAR (90.0)
Buy CAD and Sell USD	1.24	–	CAD 40.0	USD (32.3)	–	–
Buy CNY and Sell AUD	–	5.34	–	–	CNY 50.0	AUD (9.4)
Buy CNY and Sell CAD	5.08	5.49	CNY 2.5	CAD (0.5)	CNY 16.0	CAD (2.9)
Buy CNY and Sell USD	–	6.20	–	–	CNY 97.6	USD (15.8)
Buy EUR and Sell AUD	0.69	0.68	EUR 0.3	AUD (0.4)	EUR 2.0	AUD (3.0)
Buy EUR and Sell KRW	2.97	–	EUR 1.4	KRW (0.5)	–	–
Buy EUR and sell PLN	–	0.23	–	–	EUR 1.1	PLN (4.9)
Buy GBP and Sell AUD	0.49	–	GBP 3.5	AUD (7.1)	–	–
Buy GBP and Sell EUR	0.77	–	GBP 1.9	EUR (2.4)	–	–
Buy GBP and Sell RUB	0.01	–	GBP 0.6	RUB (37.8)	GBP 14.3	RUB (857.7)
Buy GBP and Sell USD	–	0.59	–	–	GBP 7.7	USD (12.9)
Buy INR and Sell USD	–	67.64	–	–	INR 15.7	USD (0.2)
Buy MYR and Sell AUD	2.86	–	MYR 10.0	AUD (3.5)	–	–
Buy NOK and Sell AUD	5.92	5.46	NOK 179.0	AUD (30.2)	NOK 256.0	AUD (46.9)
Buy NZD and Sell AUD	1.12	1.10	NZD 5.5	AUD (4.9)	NZD 19.0	AUD (17.3)
Buy SGD and Sell AUD	1.04	1.14	SGD 2.6	AUD (2.5)	SGD 5.3	AUD (4.6)
Buy USD and Sell AUD	0.77	–	USD 10.0	AUD (13.0)	–	–
Buy USD and Sell GBP	1.57	–	USD 5.6	GBP (3.6)	–	–
Buy ZAR and Sell USD	–	10.64	–	–	ZAR 24.5	USD (2.3)
Maturing in the next 7-12 months to 30 June 2016						
Buy AUD and Sell USD	1.31	1.12	AUD 3.0	USD (2.3)	AUD 3.3	USD (2.9)
Buy EUR and Sell KWD	2.95	–	EUR 0.7	KWD (0.2)	–	–
Buy EUR and Sell PLN	–	0.23	–	–	EUR 2.0	PLN (8.9)
Buy GBP and Sell EUR	0.80	–	GBP 0.4	EUR (0.5)	–	–
Buy GBP and Sell RUB	–	0.02	–	–	GBP 1.9	RUB (122.0)
Maturing in the next 13-18 months to 31 December 2016						
Buy EUR and Sell PLN	–	0.23	–	–	EUR 0.6	PLN (2.6)

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.

The gains and losses deferred in the Statement of Financial Position were:

	CONSOLIDATED	
	2015 $'M	2014 $'M
Effective hedge – unrealized gains	0.9	1.6
Effective hedge – unrealized losses	(2.9)	(5.6)
Net unrealized gains/(losses), pre-tax	(2.0)	(4.0)

18. FINANCIAL RISK MANAGEMENT (continued)

(3) 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:

	CONSOLIDATED			
AS AT 30 JUNE 2015	CAD[1] $'M	GBP[1] $'M	USD[1] $'M	OTHER[1] $'M
Cash and cash equivalents	0.5	4.7	87.7	26.8
Trade receivables and unbilled contract revenue	0.8	2.8	83.1	78.4
Trade payables	(0.2)	(0.7)	(60.6)	(86.6)
Gross Statement of Financial Position exposure	1.1	6.8	110.2	18.6
AS AT 30 JUNE 2014				
Cash and cash equivalents	1.3	1.7	60.2	13.6
Trade receivables and unbilled contract revenue	0.3	1.6	71.6	41.8
Derivative assets	–	–	0.3	0.4
Trade payables	(1.0)	(1.9)	(51.6)	(16.6)
Gross Statement of Financial Position exposure	0.6	1.4	80.5	39.2

1 Represents in AUD currency millions as indicated.

(4) CURRENCY SENSITIVITY ANALYSIS

A 10% weakening of the Australian dollar against the following currencies at 30 June 2015 in relation to the preceding foreign currency exposures 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 2014.

	CONSOLIDATED			
	2015		2014	
EFFECTS IN MILLIONS OF AUD	EQUITY	PROFIT	EQUITY	PROFIT
CAD	–	0.1	–	–
GBP	–	1.1	–	0.2
USD	–	11.1	–	6.6
Other	–	1.3	–	2.7

A 10% strengthening of the Australian dollar against the above currencies at 30 June 2015 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	
	2015	2014	2015	2014
CAD	0.9774	0.9830	0.9542	1.0069
GBP	0.5305	0.5655	0.4914	0.5531
USD	0.8370	0.9186	0.7737	0.9424

(ii) 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.

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.

(1) INTEREST RATE RISK EXPOSURES

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:

	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 2015										
Cash and cash equivalents	1.5	381.9	–	–	–	–	–	–	–	381.9
Bank loans	2.0	–	9.7	163.4	–	–	–	–	–	173.1
Notes payable	5.1	–	12.9	219.1	240.9	–	96.9	491.2	–	1,061.0
Finance lease liabilities	2.1	–	3.0	2.8	0.2	–	–	–	–	6.0
AS AT 30 JUNE 2014										
Cash and cash equivalents	1.5	365.8	–	–	–	–	–	–	–	365.8
Bank loans	5.9	0.2	2.3	1.8	1.9	2.0	–	8.4	–	16.6
Notes payable	5.1	–	–	10.6	179.9	197.9	–	482.8	–	871.2
Finance lease liabilities	2.0	–	3.6	2.9	2.1	0.2	–	–	–	8.8
Interest rate swaps	–	(15.5)	1.6	1.7	1.9	2.0	2.2	6.1	–	–

As the largest component of interest bearing liabilities, being notes payable, are at fixed interest rates, the effect of changes in interest rates on equity and profit and loss of the Group is negligible. All other financial assets and financial liabilities are non-interest bearing.

19. FAIR VALUES

DETERMINATION OF FAIR VALUES

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.

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.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

FAIR VALUES COMPARED TO CARRYING AMOUNTS

The fair values of financial assets and liabilities approximate their carrying values with the exception of interest bearing loans and borrowings which have a fair value of $1,385.5 million (2014: $951.0 million) and a carrying value of $1,240.1 million (2014: $896.6 million).

The Group uses the following hierarchy for determining the fair value of a financial asset or liability:

- Level 1 – the fair value is calculated using quoted prices in active markets; and
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Derivative instruments including interest rate swaps and forward exchange contracts are restated to fair values at each reporting date based on market observable inputs such as foreign exchange spot and forward rates, interest rate curves and forward rates curves.

Fair values of the Group's interest bearing loans and borrowings are determined by discounting future cash flows using period-end borrowing rates on loans and borrowings with similar terms and maturity.

There were no transfers between Level 1 and 2, and no financial instruments were measured at Level 3 (where fair value is measured using unobservable inputs for the asset or liability) for the periods presented in this report.

ENTITY	COUNTRY OF INCORPORATION	BENEFICIAL INTEREST HELD BY CONSOLIDATED ENTITY 2015 %	2014 %
20. INVESTMENTS IN CONTROLLED ENTITIES			
(A) SIGNIFICANT ENTITIES			
Worley No 2 Pty Limited[1]	Australia	100	100
WorleyParsons Canada Services Ltd	Canada	100	100
WorleyParsonsCord Limited	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
Rosenberg WorleyParsons AS	Norway	100	100
Beijing MaisonWorleyParsons Engineering & Technology Co Limited	China	80	80
WorleyParsons Kazakhstan LLP	Kazakhstan	100	100
Acquired during the year			
MTG Limited	USA	100	–
Hadron Holdings Inc	USA	100	–

1 Entities subject to Australian Securities and Investments Commission Class Order 98/1418 relief.

In accordance with the accounting standards, the Group discloses only significant entities identified on the basis of materiality.

(B) ACQUISITION OF CONTROLLED ENTITIES

On 24 October 2014, the Group acquired 100% of the voting shares of MTG Limited (MTG) and its controlled entities. MTG is a US based management consulting firm in the oil and gas, petrochemicals and chemicals industries with operations in North America, the United Kingdom and Australia. The acquisition was made as a building block in the growth of Advisian, the advisory business of the Group. The financial report includes the results of MTG for the eight month period from the acquisition date. On 2 December 2014, the Group also acquired 100% of the voting rights of Hadron Holdings Inc and its controlled entities (comprising the Atlantic Nuclear business (ANI)). The financial report includes the results of ANI for the seven month period from the acquisition date.

During the financial year, the Group increased its shareholding in Beijing Maison WorleyParsons Engineering & Technology Co Ltd. The change in ownership percentage did not result in a change in control and has therefore being treated in accordance with AASB 3 *Business Combinations*.

In the prior year, WorleyParsons Engineering Pty Limited, a wholly owned subsidiary of the Company, acquired an additional 50% net interest in Transfield Worley Limited, currently known as WorleyParsons New Zealand Limited, which had previously been accounted for as equity accounted associate, resulting in the change in the classification of the investment from equity accounted associate to subsidiary of the Group.

There were no changes to the acquisition values recognized in the 30 June 2014 financial statements.

RECOGNITION AND MEASUREMENT

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.

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 the profit and 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.

21. EQUITY ACCOUNTED INVESTMENTS

(A) DETAILS OF EQUITY ACCOUNTED INVESTMENTS ARE AS FOLLOWS:

The Group's largest equity accounted investments are listed below. None is considered individually material to the Group.

ENTITY	PRINCIPAL PLACE OF BUSINESS	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED 2015 %	OWNERSHIP INTEREST CONSOLIDATED 2014 %	CARRYING AMOUNT CONSOLIDATED 2015 $'M	CARRYING AMOUNT CONSOLIDATED 2014 $'M
Significant investments						
DeltaAfrik Engineering Limited	Nigeria	Hydrocarbons	49	49	22.9	12.2
Transfield Worley Power Services Pty Limited	Australia	Infrastructure	50	50	22.4	23.0
Ranhill WorleyParsons Sdn Bhd	Malaysia	Hydrocarbons	49	49	20.3	30.2
Cegertec WorleyParsons Inc	Canada	Minerals, Metals & Chemicals	50	50	12.7	21.6
Other investments					37.9	28.5
					116.2	**115.5**

(B) CARRYING AMOUNT OF EQUITY ACCOUNTED INVESTMENTS

	CONSOLIDATED 2015 $'M	CONSOLIDATED 2014 $'M
Carrying amount at the beginning of the financial year	115.5	131.4
Share of net profits of investments accounted for using the equity method	10.8	18.0
Dividends declared by equity accounted investments	(15.8)	(23.5)
Change in nature of investment and investment acquired	–	(8.0)
Movement in foreign currency translation reserve of equity accounted investments	5.7	(2.4)
Carrying amount at the end of the financial year	**116.2**	**115.5**
(C) NET PROFITS ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
Profits before income tax expense	14.8	27.4
Income tax expense	(4.0)	(9.4)
Net profits of equity accounted investments	**10.8**	**18.0**
(D) REVENUE ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
Share of revenue from equity accounted investments	**514.6**	**524.0**
(E) RESERVES ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at the beginning of the financial year	(17.4)	(15.0)
Change in nature of investment	–	(1.3)
Movement in reserve	5.7	(1.1)
Balance at the end of the financial year	**(11.7)**	**(17.4)**

	CONSOLIDATED	
	2015 $'M	2014 $'M
21. EQUITY ACCOUNTED INVESTMENTS (continued)		
(F) RETAINED PROFITS ATTRIBUTABLE TO EQUITY ACCOUNTED INVESTMENTS		
Balance at the beginning of the financial year	111.4	123.6
Share of net profits of investments accounted for using the equity method	10.8	18.0
Change in nature of investment	–	(6.7)
Dividends declared	(15.8)	(23.5)
Balance at the end of the financial year	**106.4**	**111.4**
(G) SHARE OF EQUITY ACCOUNTED INVESTMENTS' CONTINGENT LIABILITIES		
Performance related guarantees issued	7.4	11.4
(H) SHARE OF EQUITY ACCOUNTED INVESTMENTS' EXPENDITURE COMMITMENTS		
Operating lease commitments	0.6	2.8
(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	165.4	220.5
Non-current assets	90.2	68.6
Current liabilities	(131.9)	(157.2)
Non-current liabilities	(15.4)	(23.7)
Net assets	108.3	108.2
Goodwill	7.9	7.3
Carrying amount at the end of the financial year	**116.2**	**115.5**

RECOGNITION AND MEASUREMENT

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.

JOINT OPERATION	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED 2015 %	2014 %

22. INTERESTS IN JOINT OPERATIONS

The Group's largest joint operation is listed below. It is not individually material to the Group.

Kazakh Projects Joint Venture Limited	Hydrocarbons	50	50

The consolidated entity's interests in the assets and liabilities employed in all joint operations are included in the Statement of Financial Position under the following classifications:

	CONSOLIDATED 2015 $'M	2014 $'M
ASSETS		
Current assets		
Cash and cash equivalents	7.7	13.2
Trade and other receivables	41.2	44.1
Other financial assets	4.6	5.1
Total current assets	**53.5**	**62.4**
Non-current assets		
Property, plant and equipment	0.1	2.0
Total non-current assets	0.1	2.0
TOTAL ASSETS	**53.6**	**64.4**
LIABILITIES		
Current liabilities		
Trade and other payables	50.6	62.9
Provisions	–	8.7
Total current liabilities	**50.6**	**71.6**
Non-current liabilities		
Other non-current liabilities	–	1.3
Total non-current liabilities	**–**	**1.3**
TOTAL LIABILITIES	**50.6**	**72.9**
NET ASSETS/(LIABILITIES)	**3.0**	**(8.5)**

RECOGNITION AND MEASUREMENT

The Group recognizes its proportionate interest in the assets, liabilities, revenues and expenses of any joint operations. These balances are incorporated in the financial statements under the appropriate headings.

23. ASSETS AND LIABILITIES HELD FOR SALE

The Exmouth Power Station previously recorded as assets and liabilities held for sale was sold during the financial year and is derecognized as at 30 June 2015. A net gain on sale of $1.3 million was recognized and included in other income (refer note 4). For comparative purposes, the details of the assets and liabilities held for sale as at 30 June 2014, and the associated recognition and measurement criteria have been disclosed below.

	CONSOLIDATED	
	2015 $'M	2014 $'M
Cash and cash equivalents	–	2.9
Trade and other receivables	–	1.5
Finance lease receivable	–	26.0
Deferred tax assets	–	0.5
Assets held for sale	**–**	**30.9**
Trade and other payables	–	1.2
Interest bearing loans and borrowings	–	15.9
Deferred tax liabilities	–	0.7
Derivatives	–	1.6
Liabilities held for sale	**–**	**19.4**

The above assets and liabilities were reported in the Services business line and in the Infrastructure customer sector group.

RECOGNITION AND MEASUREMENT

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.

	CONSOLIDATED	
	2015 $'M	2014 $'M
24. COMMITMENTS FOR EXPENDITURE		
(A) OPERATING LEASES		
Commitments for minimum lease payments in relation to non-cancelable operating leases are payable as follows:		
Within one year	201.0	215.7
Later than one year and not later than five years	403.2	487.0
Later than five years	65.4	96.0
Commitments not recognized in the financial statements	**669.6**	**798.7**
(B) OPERATING EXPENDITURE COMMITMENTS		
Estimated commitments for operating expenditure in relation to software and information technology are payable as follows:		
Within one year	110.6	14.2
Later than one year and not later than five years	14.1	10.8
Commitments not recognized in the financial statements	**124.7**	**25.0**

Commitments are disclosed net of the amount of GST payable to the taxation authority.

25. 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	
	2015 $'M	2014 $'M
Bank guarantees outstanding at balance date in respect of contractual performance	753.6	692.4
Commitments not recognized in the financial statements	753.6	692.4

Contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

(B) 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 11.

(C) 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.

26. SUBSEQUENT EVENTS

Since the end of the financial year, the directors have resolved to pay a final dividend of 22.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2014: 51.0 cents per share, franked at 20.5%).

In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $54.4 million is not recognized as a liability as at 30 June 2015.

Unless disclosed elsewhere in the financial statements, no other material matter or circumstance has arisen since 30 June 2015 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.

27. 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 customer.

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 revenues and costs, and assets and liabilities have been recognized on a gross basis in the Statement of Financial Performance and Statement of Financial Position:

	CONSOLIDATED	
	2015 $'M	2014 $'M
REVENUE AND EXPENSES[1]		
Procurement revenue at margin	336.0	242.9
Procurement costs at margin	(325.1)	(235.9)
Procurement revenue at nil margin	2,034.9	2,713.3
Procurement costs at nil margin	(2,034.9)	(2,713.3)
ASSETS AND LIABILITIES		
Cash and cash equivalents	91.6	70.0
Trade and other receivables	171.2	197.1
Trade and other payables	(123.0)	(192.0)

1 Revenue and expenses exclude procurement revenue and expenses from associates.

	CONSOLIDATED	
	2015 $'M	2014 $'M
28. PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
At cost	9.8	1.7
Accumulated depreciation	(0.5)	(0.5)
	9.3	**1.2**
Leasehold improvements		
At cost	196.2	176.8
Accumulated amortization	(149.8)	(116.3)
	46.4	**60.5**
Plant and equipment		
At cost	190.3	169.4
Accumulated depreciation	(145.0)	(123.1)
	45.3	**46.3**
Computer equipment		
At cost	79.8	77.3
Accumulated depreciation	(73.6)	(69.6)
	6.2	**7.7**
Total property, plant and equipment	**107.2**	**115.7**

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 2014	1.2	60.5	46.3	7.7	115.7
Additions due to the acquisition of entities	–	–	0.2	0.2	0.4
Additions	8.2	9.8	16.2	2.4	36.6
Disposals	–	(0.6)	(1.1)	(0.4)	(2.1)
Depreciation	(0.3)	–	(19.8)	(4.5)	(24.6)
Amortization	–	(27.0)	–	–	(27.0)
Differences arising on translation of foreign operations	0.2	3.7	3.5	0.8	8.2
Balance at 30 June 2015	**9.3**	**46.4**	**45.3**	**6.2**	**107.2**
Balance at 1 July 2013	1.4	72.4	56.4	9.4	139.6
Additions due to the acquisition of entities	–	0.4	0.4	0.4	1.2
Additions	0.1	13.4	14.7	3.9	32.1
Disposals	–	(2.3)	(2.8)	(0.2)	(5.3)
Depreciation	(0.2)	–	(21.4)	(5.5)	(27.1)
Amortization	–	(22.6)	–	–	(22.6)
Differences arising on translation of foreign operations	(0.1)	(0.8)	(1.0)	(0.3)	(2.2)
Balance at 30 June 2014	**1.2**	**60.5**	**46.3**	**7.7**	**115.7**

RECOGNITION AND MEASUREMENT

Property, plant and equipment are stated at cost less accumulated depreciation, amortization and impairment, if any.

	CONSOLIDATED	
	2015 $'M	2014 $'M

29. DEFERRED TAX

(A) DEFERRED TAX ASSETS

	2015 $'M	2014 $'M
The balance comprises temporary differences attributable to:		
Amounts recognized in the Statement of Financial Performance:		
Allowance for doubtful debts	7.2	6.7
Employee benefits provisions	45.1	58.1
Warranty provisions	4.4	1.8
Project provisions	17.2	11.5
Other provisions	41.7	31.0
Fixed assets	14.6	10.9
Sundry accruals	17.0	13.1
Recognized tax losses	16.2	13.5
Unused foreign tax credits	11.7	2.7
Unrealized foreign exchange losses	–	9.8
Lease incentives	2.4	3.4
Other	12.9	6.3
	190.4	168.8
Amounts recognized directly in equity:		
Foreign exchange losses	21.9	26.8
Deferred tax assets	**212.3**	**195.6**
Balance at the beginning of the financial year	195.6	160.5
Acquisition of controlled entities	6.6	1.6
Credited to the Statement of Financial Performance	(10.6)	20.0
(Charged)/credited to equity	(4.9)	15.1
Disposal of subsidiary/transfer to assets held for sale	(0.5)	(0.5)
Differences arising on translation of foreign operations	26.1	(1.1)
Balance at the end of the financial year	**212.3**	**195.6**

	CONSOLIDATED	
	2015 $'M	2014 $'M

29. DEFERRED TAX (continued)

(B) DEFERRED TAX LIABILITIES

	2015 $'M	2014 $'M
The balance comprises temporary differences attributable to:		
Amounts recognized in the Statement of Financial Performance:		
Identifiable intangible assets and goodwill	69.1	53.4
Unbilled contract revenue	20.7	41.7
Fixed assets	0.1	1.5
Unrealized foreign exchange gains	13.7	18.4
Prepayments	1.3	1.1
Other	6.7	0.7
	111.6	116.8
Amounts recognized directly in equity:		
Other	4.1	5.5
Deferred tax liabilities	**115.7**	**122.3**
Balance at the beginning of the financial year	122.3	141.6
Acquisition of controlled entities	4.7	2.6
Credited to the Statement of Financial Performance	(18.7)	(17.5)
Credited charged to equity	(1.4)	(1.8)
Disposal of subsidiary/transfer to liabilities held for sale	(0.4)	(0.7)
Differences arising on translation of foreign operations	9.2	(1.9)
Balance at the end of the financial year	**115.7**	**122.3**

RECOGNITION AND MEASUREMENT

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 and loss.

Deferred tax assets and liabilities 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.

KEY ESTIMATES

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.

30. 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)

Ron McNeilly (Deputy Chairman and Lead Independent Director)

Larry Benke

Erich Fraunschiel

John M Green

Christopher Haynes

Catherine Livingstone

Wang Xiao Bin

Andrew Wood (Chief Executive Officer).

(B) OTHER RELATED PARTIES

	CONSOLIDATED 2015 $'M	2014 $'M
Aggregate amounts brought to account in relation to other transactions with each class of other related parties were as follows:		
Loans advanced to:		
Associates and related parties	0.3	11.0
Loan repayments from:		
Associates and related parties	1.2	4.2
Dividends received from:		
Dividend revenue from associates	16.0	23.5
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	60.2	44.6
Current payables		
Associates and related parties	11.0	8.1

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.

31. REMUNERATION OF AUDITORS

	CONSOLIDATED 2015 $	2014 $
Remuneration for audit or review of the financial reports of the parent entity or any other entity in the Group:		
Auditor of the parent entity – Ernst & Young	3,571,935	3,516,744
Other auditors of controlled entities	149,839	250,955
	3,721,774	**3,767,699**
Amounts received for other services:		
Tax related services	757,757	350,230
Acquisition related assurance services	52,240	30,000
Other non-audit services	567,365	893,174
	1,377,362	**1,273,404**
	5,099,136	**5,041,103**

32. KEY MANAGEMENT PERSONNEL

	CONSOLIDATED 2015 $	2014 $
Short term employee benefits	6,976,197	9,876,330
Post-employment benefits	215,807	426,894
Other long term benefits	56,543	60,572
Share based payments	698,033	709,376
Total compensation	**7,946,580**	**11,073,172**

33. PARENT ENTITY DISCLOSURES

(A) PARENT ENTITY

WorleyParsons Limited parent entity financial statements include investments in the following entities:

ENTITY	COUNTRY OF INCORPORATION	2015 $'M	2014 $'M
Engineering Securities Pty Limited atf The Worley Limited Trust	Australia	94.7	94.7
WorleyParsons Canada Callco Ltd	Canada	121.0	121.0
WorleyParsons Canada Holdings Pty Limited	Australia	197.9	197.9
WorleyParsons Financial Services Pty Limited	Australia	440.1	440.1
		853.7	**853.7**

The parent entity's summary financial information as required by the *Corporations Act 2001* is as follows:

	2015 $'M	2014 $'M
STATEMENT OF FINANCIAL PERFORMANCE		
Profit before income tax expense	159.6	272.5
Income tax expense	(21.2)	–
Profit after income tax expense	138.4	272.5
Profit attributable to members of WorleyParsons Limited	138.4	272.5
Retained profits at the beginning of the financial year	199.3	133.7
Dividends paid[1]	(207.0)	(206.9)
Retained profits at the end of the financial year	130.7	199.3
STATEMENT OF COMPREHENSIVE INCOME		
Profit after income tax expense	138.4	272.5
Total comprehensive income, net of tax	138.4	272.5
STATEMENT OF FINANCIAL POSITION		
Current assets	1,006.4	977.7
Total assets	1,990.0	1,939.0
Current liabilities	527.9	449.7
Total liabilities	557.4	449.7
Net assets	1,432.6	1,489.3
Issued capital	1,255.0	1,239.7
Performance rights reserve	46.9	50.3
Retained profits	130.7	199.3
Total equity	1,432.6	1,489.3

Parent entity has bank guarantees in respect of contractual performance outstanding at 30 June 2015 for the amount of $484.2 million (2014: $395.5 million). These commitments have not been recognized in the financial statements.

The parent entity has no commitments for expenditure.

1 Dividends paid by the parent entity exclude dividends paid to holders of exchangeable shares.

(B) 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	
	2015 $'M	2014 $'M
STATEMENT OF FINANCIAL PERFORMANCE		
Profit before income tax expense	147.2	186.2
Income tax expense	(12.5)	(17.1)
Profit after income tax expense	134.7	169.1
Profit attributable to members of WorleyParsons Limited	134.7	169.1
Retained profits at the beginning of the financial year	184.4	222.2
Dividends paid[1]	(207.0)	(206.9)
Retained profits at the end of the financial year	112.1	184.4

1 Dividends paid by the Closed Group exclude dividends paid to holders of exchangeable shares.

	2015 $'M	2014 $'M
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets		
Cash and cash equivalents	–	9.6
Trade and other receivables	1,776.5	1,604.5
Other current assets	29.1	15.3
Total current assets	1,805.6	1,629.4
Non-current assets		
Property, plant and equipment	0.3	0.3
Intangible assets	64.9	64.9
Deferred tax assets	74.4	56.5
Other non-current assets	1,047.2	1,042.4
Total non-current assets	1,186.8	1,164.1
TOTAL ASSETS	2,992.4	2,793.5
LIABILITIES		
Current liabilities		
Trade and other payables	1,328.2	1,145.9
Provisions	0.3	3.9
Total current liabilities	1,328.5	1,149.8
Non-current liabilities		
Trade and other payables	29.5	–
Interest bearing loans and borrowings	190.9	155.5
Deferred tax liabilities	16.2	10.9
Total non-current liabilities	236.6	166.4
TOTAL LIABILITIES	1,565.1	1,316.2
NET ASSETS	1,427.3	1,477.3
EQUITY		
Issued capital	1,255.0	1,239.7
Reserves	60.2	53.2
Retained profits	112.1	184.4
TOTAL EQUITY	1,427.3	1,477.3

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 2015 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 33 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 2015.

On behalf of the Board

JOHN GRILL AO
Chairman

Sydney, 26 August 2015

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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 2015, 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.

Opinion

In our opinion:

a. the financial report of WorleyParsons Limited is 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 2015 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 51 to 66 of the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

SJ Ferguson
Partner
Sydney
26 August 2015

SHAREHOLDER INFORMATION

TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 19 AUGUST 2015

NAME	SHARES	% OF ISSUED CAPITAL	RANK
HSBC Custody Nominees (Australia) Limited	86,780,652	35.06	1
J P Morgan Nominees Australia Limited	33,385,121	13.49	2
Citicorp Nominees Pty Limited	20,003,800	8.08	3
National Nominees Limited	18,283,675	7.39	4
Wilaci Pty Limited <The Serpentine A/C>	11,778,006	4.76	5
Serpentine Foundation Pty Limited <Serpentine Foundation A/C>	4,844,825	1.96	6
Mr John Michael Grill	2,569,342	1.04	7
BNP Paribas Noms Pty Ltd <DRP>	2,059,836	0.83	8
Haju Pty Limited <Haju A/C>	1,500,000	0.60	9
Juha Pty Limited <Juha A/C>	1,500,000	0.60	10
Taylor Square Designs Pty Ltd	1,423,641	0.58	11
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,358,864	0.55	12
Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	1,280,002	0.52	13
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	1,257,880	0.51	14
UBS Bank Canada TR Chalet Holdings Inc	1,077,475	0.44	15
Argo Investments Limited	972,336	0.39	16
Inmac Engineering Pty Ltd	880,000	0.35	17
Netwealth Investments Limited <Wrap Services A/C>	846,650	0.34	18
Lujeta Pty Ltd <The Margaret Account>	828,500	0.33	19
Dubotu Pty Ltd	800,000	0.32	20
Total	193,430,605	78.14	

Total number of current holders for all named classes is 25,571.

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 19 AUGUST 2015*

NAME	NOTICE DATE	SHARES
John Grill and associated companies	31 May 2010	25,313,786
Veritas Asset Management LLP	31 October 2014	14,393,694
Blackrock Group and subsidiaries	20 March 2015	14,813,070
Franklin Resources, Inc, and affiliates	22 July 2015	13,126,866

* As disclosed in substantial shareholder notices received by the Company.

RANGE OF FULLY PAID ORDINARY SHARES AS AT 19 AUGUST 2015

	HOLDERS	SHARES	% OF ISSUED CAPITAL
1 – 1,000	18,007	7,463,965	3.02
1,001 – 5,000	6,361	14,124,037	5.70
5,001 – 10,000	655	4,879,941	1.97
10,001 – 100,000	471	11,707,050	4.73
100,001 and over	77	209,355,523	84.58
Total	25,571	247,530,516	100.00

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	SHARES
Minimum $500 parcel at $7.92 per unit	64	1,809	60,824

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 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.

GLOSSARY

TERM	DEFINITION
Americas	Services business line region encompassing sub-regions of North America and Latin America.
APAC	Services business line region encompassing Australia, Pacific, Asia and China.
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.
EBIT	Earnings before interest and tax.
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.
EDS	Engineering Design Systems.
EPC	Engineering, Procurement and Construction.
EPC contract	Under an EPC contract, we will generally be responsible for the design of, the procurement of equipment and materials for, 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 subcontractors 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.
EPS	Earnings per share.
EURMENA	Services business line region encompassing Europe, Middle East and North Africa.
Front end engineering design (FEED)	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.
GDC	Global Delivery Center.
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.
HSE	Health, Safety and Environment.
LAM	Services business line region encompassing Latin America.
Midstream	The transport (by pipeline, rail, barge or truck), storage, and wholesale marketing of crude or refined petroleum products.
NOC	National Oil Company.
OE	Owner's engineer.
OneWay™	Our enterprise-wide integrity management framework which establishes our corporate expectations for Zero Harm to our business.
PMC	Project Management Consultant/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.
SSA	Services business line region encompassing countries in Sub-Saharan Africa.
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.

CORPORATE INFORMATION

WorleyParsons Limited
ACN 096 090 158

DIRECTORS

John Grill (Chairman)
Ron McNeilly (Deputy Chairman and Lead Independent Director)
Larry Benke
Jagjeet (Jeet) Bindra
Erich Fraunschiel
John M Green
Christopher Haynes, OBE
Catherine Livingstone, AO
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 Merrill Lynch
BNP Paribas
Commonwealth Bank of Australia
HSBC
JPMorgan Chase
National Australia Bank
Royal Bank of Canada
Standard Chartered Bank
UBS
Wells Fargo
Westpac Banking Corporation

LAWYERS

Herbert Smith Freehills

SHARE REGISTRY

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