Worley

Full Year Results 30 June 2003

John Grill, Chief Executive Officer
David Housego, Chief Financial Officer

3-Sept-03

Background

- Leading professional services provider to the Energy, Resource and Complex Process Industries
- All phases of projects

1	2	3	4	5
IDENTIFY Licences Exploration Strategic Fit	**SELECT** Appraisal Concept Eng'g Uncertainty Mgt	**DEFINE** Asset Dev't Plans Front-end Design Contract Strategy	**EXECUTE** Detailed Design Construction Commissioning	**OPERATE** Maintain Upgrade

- ASX listing; 28 November 2002 – $1.75
- 2003 Financial Year; record result for Group
- Favourable outlook for 2004

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2003 Performance

- **Record result**
  - Net profit up 46.2%
  - Net profit up 38.3% ex Atria
- **Organic result**
- **Increasing diversification**
  - Minerals & Metals
  - Infrastructure
  - International
- **Joint ventures performing well**
  - Transfield Worley / WABB / TIGA (Bayu Undan)

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2003 Performance

- Alliance uptake increasing
  - Long term contracts approximately 40%
  - Minerals & Metals
- Development business established
  - Esperance Energy Project
  - Exmouth negotiations
  - Next steps being developed
- Evaluated a number of opportunities and concluded two
  - MEG Worley
  - Jones & Jones

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2nd Half Wins (since previous ASX announcement)

IDENTIFY 1
Licences
Exploration
Strategic Fit

SELECT 2
Appraisal
Concept Eng'g
Uncertainty Mgt

DEFINE 3
Asset Dev't Plans
Front-end Design
Contract Strategy

EXECUTE 4
Detailed Design
Construction
Commissioning

OPERATE 5
Maintain
Upgrade

MEG Worley

Jones & Jones

Ma'aden Refinery

Murphy Oil
BHPB

Aughinish Study

Chemeq

Sterlite
Petrovietnam
CH4
Apache 'Linda'
Unocal 'Big Oil'

Shell Malaysia Expansion
Kerteh
Salman IOOC

CNOOC
EPMI
Burrup Fertilisers

Esso BHPB Contract Extension
Sydney Water Alliance
BOC Alliance

Hydro Alliance
Tomago Alliance

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2003 Financial Performance

	Full Year Proforma Actual FY02	Actual FY03	Growth 2002	Full Year Prospectus Forecast FY03
Aggregated Revenue	**$437.8**	**$474.4**	**8.3%**	**$495.7**
EBITDA	$33.5	$41.5	24.0%	$38.6
EBIT	$25.9	$32.1	23.9%	$30.9
Margin %	5.9%	6.8%		6.2%
Net Profit	**$17.7**	**$25.9**	**46.3%**	**$22.6**
Margin %		5.5%		4.6%
Dividend (cents per share)		5.0		5.0
Basic earnings per share before amortisation of trade name and goodwill (cents per share)	16.3	20.4	25.2%	18.1
Basic earnings per share (cents per share)	13.6	18.1	33.1%	15.8

Atria profit impact $1.4m
Ex Atria net growth 38.3%

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Oil & Gas

International Business

- South East Asia delivered excellent results
  - Malaysia / Indonesia / Brunei
- Strong result in Saudi Arabia (MPP)
- Other Middle East affected by the Iraqi situation
- TIGA joint venture; successful installation of the Bayu Undan offshore platforms and facilities

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Oil & Gas

- Integrated services contracts with Woodside, Esso BHP Billiton and Shell Todd (NZ) performed in line with expectations
- The Australian oil & gas business provided a number of challenges during the year
- The US business was affected by delays in the mobilisation and commencement of projects previously awarded. Now to start in 2004 Financial Year

> "The percentage of Worley's oil & gas revenue from international operations increased in 2003 and this trend is set to continue."

Refining, Petrochemical & Chemicals (RPC)

- Revenue

2000	2003	
$12.5m	$30.8m	2.5x

- Growth in international markets is strong
  - Malaysia
  - Saudi Arabia
  - Building on reputation
- Australian/New Zealand industry conditions challenging
  - Transfield Worley relationship excellent
  - Strong Alliance/ISC presence

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Minerals & Metals

- Revenue

	2000	2003	
Revenue	$10.00m	$66.9m	6.5x

- Outstanding performance
- Alliance uptake encouraging
  - WMC
  - Worsley
  - Hydro
  - Tomago
- Large project capability enhanced
  - AMC for Leightons
  - Comalco CAR for Bechtel
- Recognised capability in aluminium / alumina
  - Comalco CAR
  - Jones & Jones
  - Worsley
  - Hydro
  - Tomago
  - Sterlite
  - Aughinish
  - Ma'aden
- Continued growth from strong base

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Industrial & Infrastructure

- Revenue

2000	2003	
$18.6m	$59.0m	3.2x

- Expansion continues
- Capability primarily in
  - Industrial – Chemeq
  - Rail – Rolling stock
  - Power generation and distribution
  - Water
- BOC Alliance – South East Asia (2004)
- Integrated delivery with other sectors
  - Construction management capability
  - Complete project services
- Excellent prospects for continued growth

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Developments

- **Esperance Energy Project**
  - Financial close 28 February 2003
  - Project at 50% completion
  - Commercial operation – second half 2004 Financial Year
- **Exmouth**
  - Preferred bidder (Power Station only)
  - Power Purchase Agreement (PPA) negotiations underway
  - Financial close expected in 2004 Financial Year
- **Strategy development ongoing**
  - Waste prospects emerging
  - Equity retention

Acquisitions

A number of options considered through 2003

- **MEG Worley**
  - 50% shareholder in Macdonald Engineering Group, Calgary, Canada
  - Tar sands / heavy oil (domestic and international)
    - Add larger project capability / international network
    - Alliance culture
  - Consideration $3.3m – 1 August 2003
- **Jones & Jones**
  - 51% shareholder in Jones & Jones, Geelong, Victoria
  - Specialist aluminium industry capability
    - Add larger project capability / international network
    - Alliance culture
  - Consideration $1.6m – 1 July 2003
- **Will pursue other acquisition opportunities that**
  - Add technical capability, geographic coverage and additional services

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Financial Ratios

	Pro forma 2002 $'m	Forecast IPO $'m	Actual 2003 $'m	
Summary of cash flows				
Operations	29.7	13.7	29.9	Working Capital Improvement Less Tax Paid
Investing	(6.3)	(13.9)	(6.7)	Esperance Timing
Financing	(4.2)	(4.5)	(5.3)	
Net	19.2	(4.7)	17.9	
Per share		(0.03)	0.12	
Ratios/Statistics				
Effective tax rate %	29%	25%	21%	R&D Positive
Net Franking balance $'m			11.5	
Net debt	0	0	0	Financial Capacity
Available facilities $'m	73.6	73.6	87.8	
ROE normalised		55%	61%	
ROE	26%	21%	23%	
Revenue Profile	**2000 FY**		**2003 FY**	
Oil & Gas/Other segments	80/20		67/33	Increasing Diversification
Australia/International	90/10		58/42	
100%/Joint Ventures	45/55		62/38	JVs Important
Alliance & ISC as % revenue			40%	

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Final Dividend

- Fully franked final dividend – 5 cents per share (as per Prospectus)
- Payable on 13 October 2003
- Franking position $11.5m (prior to Tax Paid Basis - $26.9m)
- Dividend policy being refined
  - Medium-term acquisition strategy

Outlook 2004

- **Expect to deliver further increase in earnings**
- **Long-term contracts approaching 40% revenue**
- **2nd Half weighting**
  - Conversion of FEED (2-3) to Detailed Design (4)
  - Alliance start-ups
  - Commercial operation – Esperance Energy Project
- **Management targets**
  - Earnings growth
  - ROE >20%

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