WORLEYPARSONS LIMITED

ACN 096 090 158

PRELIMINARY FINAL REPORT

APPENDIX 4E

FINANCIAL YEAR ENDED 30 JUNE 2005

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FINANCIAL YEAR ENDED 30 JUNE 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET

			CONSOLIDATED	
		%	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
Revenue from ordinary activities			1,252,020	375,484
Less: procurement services revenue			(113,839)	-
Revenue from ordinary activities excluding procurement services revenue			1,138,181	375,484
Add: share of revenue from associates			708,095	152,248
Less: procurement services revenue			(466,745)	(12,930)
Net revenue from associates			241,350	139,318
Aggregated revenue [1]	**UP**	**168.0**	**1,379,531**	**514,802**
Earnings before interest and tax (EBIT)	**UP**	**120.7**	**89,237**	**40,425**
Profit before tax	**UP**	**109.8**	**85,476**	**40,736**
Net profit after tax	**UP**	**95.5**	**59,912**	**30,645**
Net profit attributable to members of WorleyParsons Limited	**UP**	**87.7**	**57,659**	**30,722**
Basic earnings per share before amortisation of trade name and goodwill [2] **(cents per share)**	**UP**	**64.2**	**37.6**	**22.9**
Basic earnings per share (cents per share)	**UP**	**51.5**	**31.2**	**20.6**
Diluted earnings per share (cents per share)	**UP**	**51.5**	**31.2**	**20.6**
Net tangible assets per share ($ per share)	**DOWN**	**49.0**	**0.27**	**0.53**

[1] Aggregated revenue is defined as statutory revenue plus share of revenue from associates. Similarly, pass through procurement services revenue is excluded from aggregated revenue. The directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of WorleyParsons.

[2] Includes tax effect of amortisation expense.

DIVIDEND	AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY
Final dividend (cents per share)	12.5	100%
Record date for determining entitlement to dividend	21 September 2005	
Date dividend is to be paid	30 September 2005	

REVIEW OF OPERATIONS

The commentary on the results for the financial year is contained in the press release dated 25 August 2005 accompanying this statement.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 7 October 2004, Apollo Corporation, a wholly owned subsidiary of WorleyParsons Limited agreed to acquire a 100% interest in Parsons E&C Corporation, a global engineering design and project services company for a cash consideration of US$245 million. The acquisition was finalised on 12 November 2004. The acquisition was funded by debt and through the issue of 55,593,887 new shares.

Effective 1 July 2004, WorleyParsons Engineering Pty Limited acquired a 50% interest in the Maison Worley Chemical Engineering Technology Co Limited .The Company provides a range of comprehensive project design and management services to a wide range of international and Chinese clients. A total cash consideration of $5.6 million was paid to acquire this interest resulting in goodwill on acquisition of $4.6 million.

Effective 1 March 2005 WorleyParsons Singapore Holding Pte Limited, a wholly owned subsidiary of WorleyParsons Limited, acquired a 100% interest in Development Resources Pte Limited ("DRPL") for a cash consideration of $6.8 million Singapore dollars (A$5.3 million). DRPL provides a range of multi-disciplinary services to clients in the Singapore and regional power and utilities industries.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Effective 1 August 2005, WorleyParsons Engineering Pty Limited, a wholly owned subsidiary of WorleyParsons Limited acquired the remaining 50% interest in WorleyParsons MEG Limited for a total consideration of $13.4 million.

No other matter or circumstance has arisen since 30 June 2005 that has significantly affected, or may significantly affect:

a) The consolidated entity's operations in future financial years, or

b) The results of those operations in future financial years, or

c) The consolidated entity's state of affairs in future financial years.

AUDIT

This financial report is based on accounts which have been subject to an audit.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held as follows:

Place	Radisson Plaza Hotel 27 O'Connel Street, Sydney NSW 2000
Date	25th of November 2005
Time	2.00 PM
Approximate date the annual report will be available	12th of September 2005

STATEMENTS OF FINANCIAL PERFORMANCE

	NOTES	CONSOLIDATED 12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
Revenue from ordinary activities	2	1,252,020	375,484
Expenses from ordinary activities			
Staff costs		(794,282)	(244,424)
Reimbursable costs		(198,511)	(41,192)
Depreciation and amortisation expenses	3	(26,888)	(8,576)
Borrowing costs expense		(7,172)	(961)
Office and administration costs		(68,800)	(26,466)
Other expenses		(82,244)	(22,874)
Share of net profits of associates accounted for using the equity method*	5	11,353	9,745
Profit from ordinary activities before income tax expense		85,476	40,736
Income tax expense relating to ordinary activities	6	(25,564)	(10,091)
Profit from ordinary activities after income tax expense		59,912	30,645
Net (gain)/loss attributable to outside equity interests		(2,253)	77
Net profit attributable to members of WorleyParsons Limited		57,659	30,722
Net exchange difference on translation of financial reports of foreign controlled entities and associates		(9,462)	(1,487)
Share issue costs		(9,270)	(25)
Total revenues, expenses and valuation adjustments attributable to members and recognised directly in equity		(18,732)	(1,512)
Total changes in equity other than those resulting from transactions with owners as owners		38,927	29,210
Basic earnings per share before amortisation of trade name and goodwill (cents per share)	1	37.6	22.9
Basic earnings per share (cents per share)	1	31.2	20.6
Diluted earnings per share (cents per share)	1	31.2	20.6

* Share of net profits of associates accounted for using the equity method is after tax

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

STATEMENTS OF FINANCIAL POSITION

		CONSOLIDATED	
	NOTES	2005 $'000	2004 $'000
ASSETS			
Current assets			
Cash assets		66,527	24,139
Receivables		229,150	84,448
Inventories		98,062	17,876
Other financial assets		10,654	2,657
Total current assets		404,393	129,120
Non-current assets			
Investments in associates		41,883	27,791
Other financial assets		164	139
Property, plant and equipment		34,226	9,298
Intangible assets		329,519	61,065
Deferred tax assets	6	12,558	8,894
Other		5,259	2,451
Total non-current assets		423,609	109,638
TOTAL ASSETS		828,002	238,758
LIABILITIES			
Current liabilities			
Payables		218,962	44,234
Interest bearing liabilities		2,758	10,808
Tax liabilities	6	9,940	6,148
Provisions		110,996	24,196
Total current liabilities		342,656	85,386
Non-current liabilities			
Interest bearing liabilities		71,519	315
Deferred tax liabilities	6	13,571	9,881
Provisions		16,002	2,718
Total non-current liabilities		101,092	12,914
TOTAL LIABILITIES		443,748	98,300
NET ASSETS		**384,254**	**140,458**
EQUITY			
Contributed equity		327,523	108,858
Reserves	8	(15,540)	(6,078)
Retained profits	8	68,632	36,053
Equity attributable to members of WorleyParsons Limited		380,615	138,833
Outside equity interests		3,639	1,625
TOTAL EQUITY		**384,254**	**140,458**

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

WORLEYPARSONS LIMITED PRELIMINARY FINAL REPORT

FINANCIAL YEAR ENDED 30 JUNE 2005

STATEMENTS OF CASH FLOWS

		CONSOLIDATED	
	NOTES	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and services tax)		1,224,701	378,213
Payments to suppliers and employees (inclusive of goods and services tax)		(1,105,611)	(359,801)
		119,090	18,412
Dividends received		6,455	1,808
Interest received		3,411	1,271
Borrowing costs paid		(7,139)	(922)
Income taxes paid		(30,691)	(7,344)
Net cash inflow from operating activities	10	91,126	13,225
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of equity and other investments		(9,853)	(10,697)
Payments for acquisition of controlled entities		(348,217)	-
Payments for incidental costs of acquisition		(5,314)	-
Payment of liabilities on acquisition		(34,861)	-
Payments for property, plant and equipment		(17,609)	(3,377)
Proceeds from disposal of property, plant and equipment		1,381	130
Net cash outflow from investing activities		(414,473)	(13,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		227,935	-
Payment of share issue costs		(9,270)	(25)
Repayment of bank loans		(136,485)	(9,418)
Proceeds from bank loans		201,582	12,000
Lease payments		(142)	(375)
Loans made to related parties		(281)	(5,422)
Loans from related parties repaid		2,861	3,439
Dividends paid		(25,080)	(15,683)
Dividends paid to outside equity interests		(1,458)	(249)
Net cash inflow/(outflow) from financing activities		259,662	(15,733)
NET DECREASE IN CASH HELD		(63,685)	(16,452)
Cash at the beginning of the financial year		16,950	32,823
Cash balances in controlled entities acquired net of overdraft		102,830	622
Effects of exchange rate changes on cash		7,881	(43)
CASH AT THE END OF THE FINANCIAL YEAR	10	**63,976**	**16,950**

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Consensus Views and the Corporations Act 2001.

It is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the acquired entities.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by WorleyParsons Limited ("WorleyParsons","parent entity" or "Company") as at 30 June 2005 and the results of all controlled entities for the financial year then ended. WorleyParsons and its controlled entities together are referred to in this financial report as the "consolidated entity" or the "Group". The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance 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 financial year during which control existed.

(B) IMPACT OF ADOPTING CURRENT AUSTRALIAN STANDARDS TO AUSTRALIAN EQUIVALENTS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("AIFRS")

WorleyParsons has commenced the transition of accounting policies and financial reporting from current Australian Standards to AIFRS. WorleyParsons is required to prepare its first fully AIFRS compliant financial report for the year ended 30 June 2006 with restated comparatives required for the 30 June 2005 reporting period. A project team has been set up to manage the process with the engagement of external consultants as and when required. The first phase of the project involved the identification and ranking of key risk areas that may affect WorleyParsons on adoption of AIFRS. The second phase is ongoing and involves detailed analysis of the impact on adoption with the third phase being implementation.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and management's best estimates of the quantitative impact of the changes on net profit for the year ended 30 June 2005. The figures disclosed are management's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to (a) ongoing work being undertaken by AIFRS project teams; (b) potential amendments to AIFRSs and interpretations thereof being issued by the standard-setters and IFRIC; and (c) emerging accepted practice in the interpretation and application of AIFRS and UIG interpretations.

RECONCILIATION OF NET PROFIT UNDER AGAAP TO THAT UNDER AIFRS

		CONSOLIDATED
		12 MONTHS TO
	NOTE	30 JUNE 2005 $'000
Net profit attributable to members of WorleyParsons Limited		57,659
Write-back of goodwill amortisation excluding impairment	(a)	13,682
Tax effect of goodwill amortisation deductible for income tax	(d)	(3,519)
Tax effect of capital raising costs recognised directly in equity	(d)	(1,567)
Tax effect of trade name amortisation	(d)	525
Net profit attributable to members of WorleyParsons Limited under AIFRS		66,780

a) Goodwill

Under AASB 3: "Business Combinations", goodwill will no longer be amortised but instead will be subject to annual impairment testing. This will result in a change in the group's current accounting policy which amortises goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Goodwill amortisation for the 12 months to 30 June 2005 was $13.7 million.

b) Impairment of Assets

Under AASB 136: "Impairment of Assets", the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

c) Intangible Assets

The WorleyParsons trade name satisfies the conditions of AASB 138: "Intangible Assets", with respect to recognition as an intangible asset and will continue to be subject to an impairment test at each reporting period in line with the current accounting policy. The asset has been determined to have a definite life in accordance with AASB 138 and amortisation will continue to be charged, but the asset will be written down to the extent impaired.

d) Income Taxes

Under AASB 112: "Income Taxes", the Company will be required to use a balance sheet liability method which focuses on the tax effects of transactions and other events that affect amounts recognised in either the statement of financial position or a tax based balance sheet. Under the current accounting policy, the tax effect of the WorleyParsons trade name is not recognised. Based on a carrying value of $28.6 million as at 30 June 2005, a deferred tax liability of $8.6 million would be recognised. This will not impact the statement of financial performance on transition date.

The trade name amortisation for the financial year ended 30 June 2005 booked to expense was $1.8 million. As the WorleyParsons trade name amortisation is not tax deductible, under current accounting standards the amortisation is not tax effected. Under AIFRS, amortisation of the trade name will be tax effected increasing net profit after tax by $0.5 million per annum at an effective tax rate of 30%.

Under current accounting standards the tax benefit arising from goodwill amortisation that is tax deductible in the US is booked to income tax expense. Under AIFRS, the income tax benefit arising from tax deductible goodwill amortisation will be accrued to a deferred income tax liability account that will reverse and be booked to income tax expense to the extent that an impairment charge is booked.

In addition, WorleyParsons is receiving a tax benefit from capital raising costs which will be accounted for directly in equity under AIFRS.

e) Share Based Payments

Under AASB 2 "Share Based Payments", WorleyParsons is required to determine the fair value of rights issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. It applies to all share based payments issued after 7 November 2002 which have not vested as at 1 January 2005. WorleyParsons already applies the provisions of this Standard and it is not expected that there will be any further material impact on formal adoption.

f) Hedge Accounting

Under AASB 139 "Financial Instruments: Recognition and Measurement" in order to achieve a qualifying hedge, the entity is required to meet the following criteria:

- identify the type of hedge – fair value or cash flow
- identify the hedged item or transaction
- identify the nature of the risk being hedged
- identify the hedging instrument
- demonstrate that the hedge has and will continue to be highly effective
- document the hedging relationship, including the risk management objectives and strategy for undertaking the hedge and how effectiveness will be tested.

WorleyParsons currently hedges specific identifiable cash flow transactions with a specific hedge contract. Each transaction is individually documented, reviewed, and measured for effectiveness. It is not expected that there will be a material financial impact as a result of adoption of this standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	CONSOLIDATED	
	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
1 EARNINGS PER SHARE		
Basic earnings per share before amortisation of trade name and goodwill (cents per share)	37.6	22.9
Net profit used as the numerator in calculating basic earnings per share before amortisation of trade name and goodwill	69,572	34,166
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	184,884,058	149,356,711
Basic earnings per share (cents per share)	31.2	20.6
Net profit used as the numerator in calculating basic earnings per share	57,659	30,722
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	184,884,058	149,356,711
Diluted earnings per share (cents per share)	31.2	20.6
Net profit used as the numerator in calculating diluted earnings per share	57,659	30,722
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	184,884,058	149,356,711

2 REVENUE

REVENUES FROM OPERATING ACTIVITIES		
Services	1,247,715	373,319
	1,247,715	373,319
REVENUES FROM OUTSIDE THE OPERATING ACTIVITIES		
Interest revenue	3,411	1,271
Other	894	894
	4,305	2,165
Revenue from ordinary activities	1,252,020	375,484

	CONSOLIDATED	
	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
3 PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense includes the following specific expenses:		
Depreciation of property, plant and equipment	7,849	4,082
Amortisation		
Leasehold improvements	3,237	576
Plant and equipment under finance leases	266	304
Goodwill	13,682	1,694
Trade name	1,750	1,750
Deferred expenditure	104	170
Total amortisation	19,039	4,494
Total depreciation and amortisation	26,888	8,576

	PARENT ENTITY	
	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
4 DIVIDENDS		
(A) ORDINARY SHARES		
Final ordinary dividend for the financial year ended 30 June 2003 of 5.0 cents per ordinary share paid on 13 October 2003	-	7,469
Interim ordinary dividend for the financial year ended 30 June 2004 of 5.5 cents per ordinary share paid on 6 April 2004	-	8,214
Final ordinary dividend for the financial year ended 30 June 2004 of 6.5 cents per ordinary share paid on 30 September 2004	9,708	-
Interim ordinary dividend for the financial year ended 30 June 2005 of 7.5 cents per ordinary share paid on 6 April 2005	15,372	-
Total dividends paid and declared for payment	25,080	15,683

	CONSOLIDATED	
	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
(B) FRANKING CREDIT BALANCE		
Franking credits available for subsequent financial years based on a tax rate of 30%	8,292	12,619

The above amounts include franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

5 INVESTMENTS IN ASSOCIATES

DETAILS OF MATERIAL INTERESTS IN ASSOCIATE ENTITIES ARE AS FOLLOWS	OWNERSHIP INTEREST 2005 %	OWNERSHIP INTEREST 2004 %	CONTRIBUTION TO NET PROFIT 12 MONTHS TO 30 JUNE 2005 $'000	CONTRIBUTION TO NET PROFIT 12 MONTHS TO 30 JUNE 2004 $'000
Ranhill WorleyParsons Sdn Bhd	49	49	1,901	2,215
Petrocon Arabia Co Limited	50	50	1,140	1,488
Transfield Worley Limited	50	50	1,230	768
PFD International LLC	50	-	2,576	-
WorleyParsons Energy Services LLC (1)	-	50	203	1,551
WorleyParsons MEG Limited	50	50	1,129	453
Other interests in associated entities (2)			3,174	3,270
			11,353	9,745

(1) Acquired control during the financial year

(2) Incorporates results of associated entities not material on an individual basis

	CONSOLIDATED	
	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
6 INCOME TAX		
The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Profit from ordinary activities before income tax expense	85,476	40,736
Income tax calculated at 30%	25,643	12,221
Tax effect of permanent differences		
Share of associates' net profits	(3,406)	(2,924)
Amortisation of goodwill and trade name	1,506	1,033
Legal and professional expenses not deductible	246	65
Provision for support of related entity	-	(15)
Additional allowable tax depreciation	(1,350)	(1,300)
Restructuring costs relating to acquisitions	1,841	-
Other	1,602	(149)
Income tax adjusted for permanent differences	26,082	8,931
Research and development concession relating to prior years	(900)	(351)
Over/(under) provision in previous financial year	105	(294)
International tax rate differential *	277	1,805
Income tax expense	25,564	10,091
TAX ASSETS AND LIABILITIES		
Current income tax payable	9,940	6,148
Provision for deferred income tax – non-current	13,571	9,881
Future income tax benefit – non-current	12,558	8,894

* represents tax expense for foreign tax rate differential, international withholding taxes and foreign tax losses unable to be utilised within the Group.

TAX CONSOLIDATION

Effective 1 July 2003, for the purposes of income taxation, WorleyParsons Limited and its eligible 100% owned Australian resident subsidiaries formed a tax consolidated group. The head entity of the tax consolidated group is WorleyParsons Limited. As a result, WorleyParsons Limited recognises deferred tax balances and tax liabilities for all entities in the group in addition to its own. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the members on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. There has been no material impact to the Group on entering tax consolidation.

7 CONTROLLED ENTITIES

On 7 October 2004, Apollo Corporation, a wholly owned subsidiary of WorleyParsons Limited, agreed to acquire 100% interest in Parsons E&C Corporation ('PEC'), a global engineering design and project services company of a cash consideration of US$245 million. Effective control was deemed on this date and the acquisition was finalised on 12 November 2004.

Effective 1 March 2005 WorleyParsons Singapore Holding Pte Limited, a wholly owned subsidiary of WorleyParsons Limited, acquired a 100% interest in Development Resources Pte Limited ("DRPL") for a cash consideration of $6.8 million Singapore dollars (A$5.3 million). DRPL provides a range of multi-disciplinary services to clients in the Singapore and regional power and utilities industries.

The fair value of the identifiable net assets acquired is as follows:

	DRPL ACQUISITION $'000	PEC ACQUISITION $'000
ASSETS		
Cash assets	6,328	95,701
Receivables	1,400	131,098
Inventories	-	52,441
Other financial assets	727	7,596
Investments accounted for using the equity method	-	2,546
Property, plant and equipment	42	18,608
Deferred tax assets	-	3,409
Total assets	8,497	311,399
LIABILITIES		
Payables	6,674	114,548
Tax liabilities	253	12,209
Provisions	465	131,102
Total liabilities	7,392	257,859
Net assets	1,105	53,540
Less:		
Outside equity interests	-	(941)
Acquisition costs	-	(5,314)
Goodwill arising on acquisition	4,225	290,673
Cash consideration paid	5,330	337,958
Net cash effect:		
Cash consideration paid	5,330	337,958
Cash included in net assets acquired	(6,328)	(95,701)
	(998)	242,257

During the year, WorleyParsons increased its ownership in Damit WorleyParsons Engineering Sdn Bhd from 50% to 70% and in Worley Astron Pty Limited from 60% to 100%. WorleyParsons purchased the remaining 60% interest in Source Personnel Pty Limited and acquired a 50.1% interest in WorleyParsons GPX Pty Limited.

	CONSOLIDATED 2005 $'000
8 RESERVES AND RETAINED PROFITS	
Foreign currency translation reserve	(15,540)
Retained profits	68,632
	53,092

(A) FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.

MOVEMENTS:	
Balance as at 1 July 2004	(6,078)
Loss on translation of foreign controlled entities and associates	(9,462)
Balance as at 30 June 2005	(15,540)
(B) RETAINED PROFITS	
Balance as at 1 July 2004	36,053
Net profit attributable to members of WorleyParsons Limited	57,659
Dividends provided for or paid	(25,080)
Balance as at 30 June 2005	68,632

9 CONTRIBUTED EQUITY

(A) SHARE CAPITAL	
Ordinary shares fully paid	327,523

	2005		2004	
	NUMBER OF SHARES	$'000	NUMBER OF SHARES	$'000
(B) MOVEMENTS IN ORDINARY SHARES				
Balance at the beginning of the financial year	149,356,711	108,858	149,356,711	108,883
Issued during the financial year	55,593,887	227,935	-	-
Less: Tansaction costs	-	(9,270)	-	(25)
Balance at the end of the financial year	204,950,598	327,523	149,356,711	108,858

	CONSOLIDATED	
	2005 $'000	2004 $'000
10 NOTES TO THE STATEMENTS OF CASH FLOWS		
(A) CASH AT BANK AND ON HAND		
Cash at bank and on hand	66,527	24,139
The above figures are reconciled to cash at the end of the financial year as shown in the statements of cash flows as follows:		
Balances as above	66,527	24,139
Less: Bank overdrafts	(2,551)	(7,189)
Balance per statements of cash flows	63,976	16,950

	CONSOLIDATED	
	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
(B) RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net profit after income tax expense	59,912	30,645
NON-CASH ITEMS		
Depreciation of non-current assets	7,849	4,658
Amortisation of non-current assets	19,039	3,917
Dividends received from associates	6,455	1,808
Share of associates' net profits	(11,353)	(9,745)
Net loss/(gain) on disposal of property, plant and equipment	101	(8)
Finance charges on capitalised leases	33	38
Cash flow adjusted for non-cash items	82,036	31,313
Changes in assets and liabilities adjusted for effects of purchase of controlled entities during the financial year:		
Increase in receivables	(30,741)	(10,384)
Increase in inventories	(9,578)	(7,042)
Increase in prepayments	(3,741)	(1,357)
Increase in other assets	(2,544)	(2,408)
Increase in future income tax benefit	(172)	(510)
Increase/(decrease)in payables	33,326	(116)
(Decrease)/Increase in provision for income tax	(8,644)	1,228
Increase in other provisions	27,091	2,110
Increase in provision for deferred tax	3,690	2,029
Exchange rate movement on opening balances	403	(1,638)
Net cash inflow from operating activities	91,126	13,225

11 SEGMENT INFORMATION

PRIMARY REPORTING – BUSINESS SEGMENTS

WorleyParsons operates in 4 primary business segments: Hydrocarbons, Power, Minerals & Metals and Infrastructure. The Hydrocarbons segment incorporates the Oil and Gas, and Refining, Petrochemicals and Chemicals business units.

12 MONTHS TO 30 JUNE 2005	HYDRO-CARBONS $'000	MINERALS & METALS $'000	INFRA-STRUCTURE $'000	POWER $'000	OTHER $'000	ELIMINA-TIONS $'000	CONSOLIDATED $'000
Sales to external customers	779,518	159,819	54,541	139,998	-	-	1,133,876
Procurement revenue	62,417	-	-	51,422	-	-	113,839
Inter-segment sales	-	-	4,644	-	-	(4,644)	-
Total sales revenue	841,935	159,819	59,185	191,420	-	(4,644)	1,247,715
Share of net profit of associates	10,753	-	-	600	-	-	11,353
Other revenue	-	-	-	-	4,305	-	4,305
Total segment revenue	852,688	159,819	59,185	192,020	4,305	(4,644)	1,263,373
Add: share of associates' revenue	675,662	-	-	32,433	-	-	708,095
Less: procurement revenue - controlled	(62,417)	-	-	(51,422)	-	-	(113,839)
Less: procurement revenue - associates	(466,745)	-	-	-	-	-	(466,745)
Less: share of associates' net profit	(10,753)	-	-	(600)	-	-	(11,353)
Aggregated revenue	988,435	159,819	59,185	172,431	4,305	(4,644)	1,379,531
Segment result	102,802	23,961	7,135	26,923	-	-	160,821
Amortisation expense							(15,432)
Unallocated corporate expenses							(59,913)
Profit from ordinary activities before income tax expense							85,476
Income tax expense							(25,564)
Profit from ordinary activities after income tax expense							59,912
Segment assets	284,630	39,949	15,570	76,179	-	-	416,328
Goodwill and trade name							329,519
Unallocated corporate assets							82,155
Consolidated total assets							828,002
Segment liabilities	233,351	44,295	15,117	53,054	-	-	345,817
Unallocated corporate liabilities							97,931
Consolidated total liabilities							443,748
Investments in associates included in segment assets	28,169	-	-	13,714	-	-	41,883
Acquisition of property, plant and equipment, intangible and other non-current assets	14,236	971	543	13,832	-	-	29,582
Depreciation and amortisation expense	8,253	1,185	597	1,317	-	-	11,352
Unallocated depreciation and amortisation expense							15,536
Total depreciation and amortisation							26,888
Non cash expenses other than depreciation and amortisation	134	-	-	-	-	-	134

11 SEGMENT INFORMATION (continued)

PRIMARY REPORTING — BUSINESS SEGMENTS (CONTINUED)

12 MONTHS TO 30 JUNE 2004	HYDRO-CARBONS $'000	MINERALS, METALS AND CHEMICALS $'000	INDUSTRIAL AND INFRA-STRUCTURE $'000	POWER $'000	OTHER $'000	ELIMINA-TIONS $'000	CONSOLIDATED $'000
Sales to external customers	243,242	94,793	33,707	1,577	-	-	373,319
Inter-segment sales	927	571	4,145	-	-	(5,643)	-
Total sales revenue	244,169	95,364	37,852	1,577	-	(5,643)	373,319
Share of net profit of associates	7,223	-	-	2,522	-	-	9,745
Other revenue	-	-	-	-	2,165	-	2,165
Total segment revenue	251,392	95,364	37,852	4,099	2,165	(5,643)	385,229
Add: share of associates' revenue	125,683	-	-	26,565	-	-	152,248
Less: procurement revenue	(12,930)	-	-	-	-	-	(12,930)
Less: share of associates' net profit	(7,223)	-	-	(2,522)	-	-	(9,745)
Aggregated revenue	356,922	95,364	37,852	28,142	2,165	(5,643)	514,802
Segment result	36,044	14,949	2,445	3,082	-	-	56,520
Amortisation expense							(3,423)
Unallocated corporate expenses							(12,361)
Profit from ordinary activities before income tax expense							40,736
Income tax expense							(10,091)
Profit from ordinary activities after income tax expense							30,645
Segment assets	96,565	27,943	9,616	8,620	-	-	142,744
Goodwill and trade name							61,065
Unallocated corporate assets							34,949
Consolidated total assets							238,758
Segment liabilities	56,573	13,746	5,459	-	-	-	75,778
Unallocated corporate liabilities							22,522
Consolidated total liabilities							98,300
Investments in associates included in segment assets	19,171	-	-	8,620	-	-	27,791
Acquisition of property, plant and equipment, intangible and other non current assets	4,062	2,527	495	4,630	-	-	11,714
Depreciation and amortisation expense	3,930	356	177	-	-	-	4,463
Unallocated depreciation and amortisation expense							4,113
Total depreciation and amortisation							8,576
Non cash expenses other than depreciation and amortisation	173	-	-	-	-	-	173

11 SEGMENT INFORMATION (continued)

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

12 MONTHS TO 30 JUNE 2005	EUROPE $'000	AUSTRALIA AND NEW ZEALAND $'000	ASIA AND MIDDLE EAST $'000	AMERICA $'000	TOTAL $'000
Sales to external customers	240,715	392,447	220,682	393,871	1,247,715
Aggregated revenue	262,350	477,308	226,457	413,416	1,379,531
Segment assets	105,290	309,789	43,595	369,328	828,002

12 MONTHS TO 30 JUNE 2004	EUROPE $'000	AUSTRALIA AND NEW ZEALAND $'000	ASIA AND MIDDLE EAST $'000	AMERICA $'000	TOTAL $'000
Sales to external customers	-	299,877	56,208	17,234	373,319
Aggregated revenue	-	366,330	105,490	42,982	514,802
Segment assets	-	195,811	33,866	9,081	238,758

The consolidated entity provides engineering design, project services, maintenance and reliability support services to a number of markets. The consolidated entity's activities also include infrastructure developments within the Power sector.

The consolidated entity's operations are organised and managed separately according to the nature of the services they provide, with each segment serving different markets.

Geographically, the consolidated entity operates in four predominant segments, Australia and New Zealand; Asia and the Middle East, America and Europe. Outside of Australia, activities are predominantly in the Hydrocarbons and Power segments.

SEGMENT ACCOUNTING POLICIES

Segment accounting policies are the same as the consolidated entity's policies. During the financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of receivables and plant and equipment.

Segment revenues, expenses and results include transactions between segments incurred in the ordinary course of business. These transactions are priced on an arm's length basis and are eliminated on consolidation.

12 CONTINGENT LIABILITIES

	CONSOLIDATED	
	12 MONTHS TO 30 JUNE 2005 $'000	12 MONTHS TO 30 JUNE 2004 $'000
GUARANTEES		
The consolidated entity 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 indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations.		
Bank guarantees outstanding at balance date in respect of financing facilities	5,349	2,466
Bank guarantees outstanding at balance date in respect of contractual performance	71,214	19,782
	76,563	22,248

The consolidated entity is subject to various actual and pending claims arising in the normal course of business. The directors are of the view that the consolidated entity is adequately provided in respect of these claims.

ASBESTOS

Certain members of Parsons E&C Group and other subsidiaries of Parsons Corporation, have been, and continue to be, the subject of litigation relating to the handling of, or exposure to, asbestos.

Based on its due diligence investigations during the acquisition of Parsons E&C Corporation from Parsons Corporation, including an analysis of available insurance coverage, and in light of the continuation and extension of the existing indemnity and asbestos claims administration arrangements between Parsons Corporation and Parsons E&C Corporation, WorleyParsons is not aware of any circumstance that is likely to lead to a material residual contingent exposure for WorleyParsons in respect of asbestos liabilities.