



WorleyParsons

resources & energy

EcoNomics

**APPENDIX 4D
AND
INTERIM FINANCIAL REPORT
HALF YEAR ENDED 31 DECEMBER 2011**

WorleyParsons Limited
ABN 17 096 090 158

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

**WORLEYPARSONS
APPENDIX 4D AND INTERIM FINANCIAL REPORT
HALF YEAR ENDED 31 DECEMBER 2011**

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1. RESULTS FOR ANNOUNCEMENT TO THE MARKET¹

	Change %	31 December 2011 \$'M	31 December 2010 \$'M
Revenue and other income	18.0%	3,300.4	2,797.6
Earnings before interest and income tax expense (EBIT)	22.6%	248.3	202.5
Profit before income tax expense	23.4%	225.4	182.7
Profit attributable to members of WorleyParsons Limited	18.1%	151.9	128.6
Basic earnings per share (cents)	17.9%	61.8	52.4
Diluted earnings per share (cents)	17.6%	61.4	52.2
Aggregated revenue			
Revenue and other income		3,300.4	2,797.6
Less: procurement services revenue at nil margin		226.6	273.0
Revenue excluding procurement services revenue at nil margin		3,073.8	2,524.6
Add: share of revenue from associates		328.5	393.0
Less: net gain on revaluation of investments previously accounted for as equity accounted associates		-	9.4
Less: interest income		3.3	3.1
Aggregated revenue²	17.0%	3,399.0	2,905.1

² Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates less procurement services revenue at nil margin, interest income and net gain on revaluation of investments previously accounted for as equity accounted associates. The directors of WorleyParsons Limited believe the disclosure of aggregated revenue provides the users with a view of the operating revenue recognised by WorleyParsons Limited, its controlled entities and associates ("the Group").

During the half year ended 31 December 2010, the Group acquired additional interests in a number of entities which had previously been accounted for as equity accounted associates. These acquisitions resulted in a change in the nature of the investments from equity accounted associates to subsidiaries of the Company. As part of the accounting for the acquisitions, the original investments held in these entities were remeasured to fair value and a net fair value gain of \$9.4 million was recognized in the statement of financial performance. There were no such acquisitions during the period to 31 December 2011. The results excluding the fair value gains in FY2011 are:

	Change %	31 December 2011 \$'M	31 December 2010 \$'M
Results excluding net acquisition gain			
EBIT	28.6%	248.3	193.1
Profit attributable to members of WorleyParsons Limited	27.4%	151.9	119.2
Basic earnings per share (cents)	27.4%	61.8	48.5

¹ The IFRS financial information contained within this announcement has been derived from the 31 December 2011 Interim Financial Report, which has been reviewed by Ernst & Young. This announcement however has not been reviewed.

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Dividends	Amount per share	Franked amount per share
Interim ordinary dividend (cents) proposed for six months to 31 December 2011	40.0	31.7
Interim ordinary dividend (cents) paid for six months to 31 December 2010	36.0	36.0

REVIEW OF OPERATIONS

Commentary on the results for the half year is contained in the press release dated 29 February 2012, accompanying this Appendix 4D and the interim financial report.

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2. DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of WorleyParsons Limited ("Company" or "Parent Entity") and the entities it controlled ("consolidated entity" or "Group") at the end of, or during, the half year ended 31 December 2011.

DIRECTORS

The following persons were directors of the Company from 1 July 2011, up to the date of this report, unless noted:

Ron McNeilly (Chairman)

Larry Benke

Erich Fraunschiel

John M Green

John Grill (Chief Executive Officer)

Eric Gwee – retired as a director on 25 October 2011

William Hall (alternate director) – retired as an alternate director on 25 October 2011

Catherine Livingstone, AO

JB McNeil

Wang Xiao Bin – appointed as a director on 1 December 2011

Christopher Haynes, OBE – appointed as a director on 1 January 2012.

PRINCIPAL ACTIVITIES

During the half year, the principal activities of the Group consisted of providing professional services to the energy, resource and complex process industries. The Group's expertise spans a range of sectors including: Hydrocarbons, Power, Minerals & Metals and Infrastructure & Environment.

REVIEW OF OPERATIONS

The profit attributable to members of the Company for the half year ended 31 December 2011 was \$151.9 million, an increase of 18.1% on the net profit after tax of \$128.6 million and 27.4% on the \$119.2 million underlying net profit excluding the net fair value gain on acquisitions reported for the same period to 31 December 2010. The result was earned on aggregated revenue of \$3,399.0 million, an increase of 17.0% on the \$2,905.1 million reported in the previous corresponding period.

The commentary on the results for the half year is contained in the press release dated 29 February 2012, accompanying this interim financial report and the Appendix 4D.

SUBSEQUENT EVENTS

Since the end of the half year, the directors have declared an interim dividend of 40.0 cents (31.7 cents franked) (31 December 2010: 36.0 cents – 36.0 cents franked) per share. The aggregated amount of the proposed interim dividend of \$98.3 million (31 December 2010: \$88.4 million) is not recognized as a liability as at 31 December 2011.

No other material matter or transaction has arisen since 31 December 2011 that has significantly affected the Group's operations or state of affairs.

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2. DIRECTORS REPORT (continued)

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is as follows:



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Auditor's Independence Declaration to the Directors of WorleyParsons Limited

In relation to our review of the financial report of WorleyParsons Limited for the half-year ended 31 December 2011, 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

Bruce Meehan
Partner
Sydney
29 February 2012

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2. DIRECTORS REPORT (continued)

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100 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.

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



Ron McNeilly
Chairman

Sydney, 29 February 2012

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3. STATEMENT OF FINANCIAL PERFORMANCE

	Notes	31 December 2011 \$'M	31 December 2010 \$'M
REVENUE			
Services revenue		3,294.0	2,779.5
Interest income		3.3	3.1
Other	8.2	3.1	15.0
Revenue and other income		3,300.4	2,797.6
EXPENSES			
Staff costs		(1,782.9)	(1,500.6)
Contract-related reimbursable costs		(938.9)	(784.0)
Office and administration costs		(231.2)	(209.4)
Depreciation		(9.2)	(10.8)
Amortization		(40.6)	(35.9)
Borrowing costs		(26.2)	(22.9)
Other		(61.9)	(68.4)
Total expenses		(3,090.9)	(2,632.0)
Share of net profits of associates accounted for using the equity method		15.9	17.1
Profit before income tax expense		225.4	182.7
Income tax expense	8.4	(61.0)	(44.5)
Profit after income tax expense		164.4	138.2
Profit after income tax expense attributable to:			
Members of WorleyParsons Limited		151.9	128.6
Non-controlling interests		12.5	9.6
Basic earnings per share (cents)	8.1	61.8	52.4
Diluted earnings per share (cents)	8.1	61.4	52.2

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

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4. STATEMENT OF COMPREHENSIVE INCOME

	31 December 2011 \$'M	31 December 2010 \$'M
Profit after income tax expense	164.4	138.2
Net movement in foreign currency translation reserve	(21.2)	(157.6)
Net movement in hedge reserve	(3.7)	(0.1)
Total comprehensive income, net of tax	139.5	(19.5)
Total comprehensive income, net of tax, attributable to:		
Members of WorleyParsons Limited	126.4	(29.9)
Non-controlling interests	13.1	10.4

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

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5. STATEMENT OF FINANCIAL POSITION

		31 December 2011 \$'M	30 June 2011 \$'M
	Notes		
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	8.10	165.3	171.2
Trade and other receivables	8.5	1,654.4	1,511.5
Inventories		1.7	1.3
Prepayments		88.9	77.5
Derivatives		0.6	0.6
Finance lease receivable		1.4	1.4
Total current assets		1,912.3	1,763.5
<i>Non-current assets</i>			
Equity accounted associates		94.5	86.3
Property, plant and equipment		117.2	108.1
Intangible assets	8.6	1,686.1	1,696.8
Finance lease receivable		29.3	30.0
Deferred tax assets		128.0	123.9
Derivatives		3.7	-
Other non-current assets		26.3	7.5
Total non-current assets		2,085.1	2,052.6
TOTAL ASSETS		3,997.4	3,816.1
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		757.7	740.6
Interest bearing loans and borrowings	8.7	100.0	43.7
Income tax payable		20.4	11.7
Provisions		371.5	359.3
Derivatives		3.6	0.9
Total current liabilities		1,253.2	1,156.2
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	8.7	705.5	631.8
Deferred tax liabilities		107.8	99.1
Provisions		59.0	57.1
Derivatives		0.0	15.1
Total non-current liabilities		872.3	803.1
TOTAL LIABILITIES		2,125.5	1,959.3
NET ASSETS		1,871.9	1,856.8
EQUITY			
Issued capital	8.8	1,221.3	1,219.6
Reserves		(269.8)	(249.8)
Retained profits		900.8	871.7
Parent Entity interest		1,852.3	1,841.5
Non-controlling interests		19.6	15.3
TOTAL EQUITY		1,871.9	1,856.8

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

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6. STATEMENT OF CHANGES IN EQUITY

	Issued capital	Retained profits	Foreign currency translation reserve	Hedge reserve	Performance rights reserve	Acquisition reserve	Members of the Parent Entity	Non-controlling interests	Total
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
As at 1 July 2011	1,219.6	871.7	(261.0)	(3.1)	23.9	(9.6)	1,841.5	15.3	1,856.8
Profit after income tax expense	-	151.9	-	-	-	-	151.9	12.5	164.4
Other comprehensive income	-	-	(21.8)	(3.7)	-	-	(25.5)	0.6	(24.9)
Total comprehensive income, net of tax	-	151.9	(21.8)	(3.7)	-	-	126.4	13.1	139.5
<i>Transactions with owners</i>									
Performance rights transactions	1.7	-	-	-	5.5	-	7.2	-	7.2
Dividends paid	-	(122.8)	-	-	-	-	(122.8)	(8.8)	(131.6)
As at 31 December 2011	1,221.3	900.8	(282.8)	(6.8)	29.4	(9.6)	1,852.3	19.6	1,871.9
As at 1 July 2010	1,208.3	694.1	(93.4)	(1.6)	22.7	-	1,830.1	8.9	1,839.0
Profit after income tax expense	-	128.6	-	-	-	-	128.6	9.6	138.2
Other comprehensive income	-	-	(158.4)	(0.1)	-	-	(158.5)	0.8	(157.7)
Total comprehensive income, net of tax	-	128.6	(158.4)	(0.1)	-	-	(29.9)	10.4	(19.5)
<i>Transactions with owners</i>									
Performance rights transactions	11.0	-	-	-	(6.6)	-	4.4	-	4.4
Dividends paid	-	(98.0)	-	-	-	-	(98.0)	(9.9)	(107.9)
As at 31 December 2010	1,219.3	724.7	(251.8)	(1.7)	16.1	-	1,706.6	9.4	1,716.0

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

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7. STATEMENT OF CASH FLOWS

	Notes	31 December 2011 \$'M	31 December 2010 \$'M
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		3,102.4	2,822.6
Payments to suppliers and employees (inclusive of goods and services tax)		(2,984.8)	(2,655.8)
		117.6	166.8
Dividends received from associates		10.6	13.9
Interest received		3.3	0.6
Borrowing costs paid		(21.1)	(13.9)
Income taxes paid		(46.6)	(42.7)
Net cash inflow from operating activities	8.10	63.8	124.7
Cash flows from investing activities			
Payments for acquisition of controlled entities		(11.3)	(20.8)
Cash balances in controlled entities acquired, net of bank overdraft		-	12.2
Payments for purchase of property, plant and equipment and computer software		(22.6)	(15.0)
Proceeds from sale of property, plant and equipment		0.2	-
Net cash outflow from investing activities		(33.7)	(23.6)
Cash flows from financing activities			
Repayments of borrowings		(884.9)	(591.3)
Proceeds from borrowings		984.3	653.3
Costs of bank facilities and proceeds from finance leases		(3.2)	(2.5)
Net loans (to)/from related parties		(20.8)	0.2
Dividends paid to the Company's shareholders	8.3	(122.8)	(98.0)
Dividends paid to non-controlling interests		(7.7)	(9.9)
Net cash outflow from financing activities		(55.1)	(48.2)
Net (decrease)/increase in cash		(25.0)	52.9
Cash and cash equivalents at the beginning of the half year		166.1	130.2
Effects of exchange rate changes on cash		2.0	(13.1)
Cash and cash equivalents at the end of the half year	8.10	143.1	170.0

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

8. NOTES TO THE FINANCIAL STATEMENTS

BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

The interim financial report of the consolidated entity for the half year ended 31 December 2011 does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing and financing activities of the Group as the full financial report.

The interim financial report should be read in conjunction with the Annual Report of the Company as at 30 June 2011, which was prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards ("AAS") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). It is also recommended that the interim financial report be considered together with any public announcements made by the Company and its controlled entities during the half year ended 31 December 2011 in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The interim financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 30 June 2011, including:

(a) Basis of accounting

(i) Basis of preparation

The interim financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*.

The Group is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Amounts have been rounded off to the nearest hundred thousand dollars in accordance with that Class Order. Amounts shown as 0.0 represent amounts less than \$50,000 which have been rounded down.

For the purposes of preparing the interim financial report, the half year has been treated as a discrete reporting period.

(ii) Historical cost convention

The interim financial report has been prepared on a historical cost basis, except for derivative financial instruments 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.

(iii) Critical accounting estimates

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

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

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

- revenue recognition;
- goodwill and intangible assets with identifiable useful lives;
- warranty and other provisions;
- share based payments; and
- recovery of deferred taxes.

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

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(b) Adoption of new and amended accounting standards

The Group has adopted the following new and amended accounting standards as of 1 July 2011:

- Revised AASB 124 Related Party Disclosures;
 - AASB 1054 Australian Additional Disclosures;
 - AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions.
 - AASB 2009-12 and AASB2010-5 Amendments to Australian Accounting Standards;
 - AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project; and
 - AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project.
- Adoption of these standards did not have any effect on the financial performance and position of the Group.

The Group has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

	31 December 2011	31 December 2010
8.1 EARNINGS PER SHARE		
Attributable to members of WorleyParsons Limited		
Basic earnings per share (cents)	61.8	52.4
Basic earnings per share excluding net acquisition gain (cents)	61.8	48.5
Diluted earnings per share (cents)	61.4	52.2
Diluted earnings per share excluding net acquisition gain (cents)	61.4	48.3

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

	\$'M	\$'M
Earnings used in calculating basic and diluted earnings per share	151.9	128.6
Less: net gain on revaluation of investments previously accounted for as equity accounted associates	-	(9.4)
Earnings used in calculating basic and diluted earnings per share excluding net acquisition gain	151.9	119.2
Weighted average number of ordinary securities used in calculating basic earnings per share	245,716,103	245,555,160
Element of performance rights which are considered dilutive	1,899,828	1,041,259
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share ¹	247,615,931	246,596,419

¹ The weighted average number of converted, lapsed or cancelled potential ordinary shares used in diluted earnings per share was 60,157 (31 December 2010: 284,239).

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	31 December 2011 \$'M	31 December 2010 \$'M
8.2 OTHER INCOME		
Net gain on revaluation of investments previously accounted for as equity accounted associate	-	9.4
Other	3.1	5.6
	3.1	15.0
8.3 DIVIDENDS		
<i>Dividends paid during the half year</i>		
Dividend in respect of the six months to 30 June 2011: 50.0 cents per share (12.9 cents franked)	122.8	-
Dividend in respect of the six months to 30 June 2010: 40.0 cents per share (18.8 cents franked)	-	98.0
	122.8	98.0
8.4 INCOME TAX		
<i>(a) Income tax expense</i>		
Current tax	52.8	70.3
Deferred tax	9.3	(25.8)
Over provision in previous financial periods	(1.1)	(0.0)
Income tax expense	61.0	44.5
Deferred income tax expense/(revenue) included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	3.0	(14.4)
Increase/(decrease) in deferred tax liabilities	6.3	(11.4)
Deferred tax	9.3	(25.8)
<i>(b) Reconciliation of income tax expense to prima facie tax expense</i>		
Profit before income tax expense	225.4	182.7
Prima facie tax expense at the Group's statutory income tax rate of 30% (31 December 2010: 30%)	67.6	54.8
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible performance rights	2.1	1.3
Share of net profits of associates accounted for using the equity method	(4.7)	(5.1)
Difference in overseas tax rates ¹	(8.2)	(10.0)
Other	4.2	3.5
Income tax expense	61.0	44.5

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

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	31 December 2011 \$'M	31 December 2010 \$'M
8.4 INCOME TAX (continued)		
<i>(c) Amounts recognized directly in equity</i>		
Aggregate amount of tax arising in the half year and not recognized in profit after income tax expense but directly credited to equity:		
Deferred tax – credited directly to equity	6.8	2.4
	6.8	2.4
<i>(d) Tax losses</i>		
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	26.8	22.9
Potential tax benefit at 30%	8.0	6.9

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.

	31 December 2011 \$'M	30 June 2011 \$'M
8.5 TRADE AND OTHER RECEIVABLES		
Trade receivables	853.9	798.5
Unbilled contract revenue	657.7	573.2
Retentions	27.5	15.7
Allowance for doubtful debts	(26.1)	(25.7)
	1,513.0	1,361.7
Other receivables	91.7	118.4
Amount owing by associates accounted for using the equity method and related parties	49.7	31.4
	1,654.4	1,511.5
Allowance for doubtful debts:		
Balance at the beginning of the reporting period	(25.7)	(42.2)
Net (increase)/decrease in allowance excluding translation differences	(4.6)	11.8
Allowances in entities acquired	-	(3.1)
Amounts written off against the opening balance	2.7	2.8
Difference arising on translation of foreign operations	1.5	5.0
Balance at the end of the reporting period	(26.1)	(25.7)

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	31 December 2011 \$'M	30 June 2011 \$'M
8.6 INTANGIBLE ASSETS		
<i>Goodwill</i>		
At cost	1,538.1	1,530.8
Accumulated impairment	(1.6)	(1.6)
	1,536.5	1,529.2
<i>Customer contracts and relationships</i>		
At cost	126.2	129.0
Accumulated amortization	(78.1)	(67.1)
	48.1	61.9
<i>Trade names</i>		
At cost	70.1	70.1
Accumulated amortization	(49.3)	(45.1)
	20.8	25.0
<i>Computer software</i>		
At cost	175.8	159.5
Accumulated amortization	(96.5)	(81.3)
	79.3	78.2
<i>Favorable property leases</i>		
At cost	9.1	9.1
Accumulated amortization	(8.7)	(7.8)
	0.4	1.3
<i>Other</i>		
At cost	3.3	3.3
Accumulated amortization	(2.3)	(2.1)
	1.0	1.2
Total intangible assets	1,686.1	1,696.8

	Goodwill \$'M	Customer contracts and relationships \$'M	Trade names \$'M	Computer software \$'M	Favorable property leases \$'M	Other \$'M	Total \$'M
Balance at 1 July 2011	1,529.2	61.9	25.0	78.2	1.3	1.2	1,696.8
Additions	2.5	-	-	15.8	-	-	18.3
Amortization	-	(11.6)	(4.3)	(14.6)	(0.9)	(0.2)	(31.6)
Differences arising on translation of foreign operations	4.8	(2.2)	0.1	(0.1)	0.0	(0.0)	2.6
Balance at 31 December 2011	1,536.5	48.1	20.8	79.3	0.4	1.0	1,686.1
Balance at 1 July 2010	1,586.7	69.7	35.6	84.0	3.5	1.7	1,781.2
Additions due to the acquisition of entities	140.2	17.1	-	-	-	-	157.3
Additions	-	-	-	24.7	-	-	24.7
Amortization	-	(20.0)	(9.3)	(30.5)	(1.9)	(0.5)	(62.2)
Differences arising on translation of foreign operations	(197.7)	(4.9)	(1.3)	-	(0.3)	(0.0)	(204.2)
Balance at 30 June 2011	1,529.2	61.9	25.0	78.2	1.3	1.2	1,696.8

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	31 December 2011 \$'M	30 June 2011 \$'M
8.7 INTEREST BEARING LOANS AND BORROWINGS		
<i>(a) Current</i>		
Bank overdraft	22.2	5.1
Notes payable	39.4	37.3
Secured bank loan	1.4	1.3
Unsecured bank loans	37.0	-
	100.0	43.7
<i>(b) Non-current</i>		
Notes payable	652.2	617.2
Secured bank loan	18.1	18.9
Unsecured bank loans	38.8	-
Capitalized borrowing costs	(3.6)	(4.3)
	705.5	631.8
The maturity profile in respect of the Group's secured loan facility is set out below:		
Due within one year	1.4	1.3
Due between one and four year(s)	4.8	4.7
Due after four years	13.3	14.2
	19.5	20.2
The maturity profile in respect of the Group's utilized unsecured loan, notes and overdraft facilities is set out below:		
Due within one year	98.6	42.4
Due between one and four year(s)	177.3	131.0
Due after four years	513.7	486.2
	789.6	659.6
The maturity profile in respect of the Group's total utilized and unutilized unsecured loan, notes and overdraft facilities is set out below:		
Due within one year	245.9	152.8
Due between one and four year(s)	562.3	394.3
Due after four years	513.7	710.0
	1,321.9	1,257.1

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8.8 ISSUED CAPITAL

	31 December 2011		30 June 2011	
	Number of shares	\$'M	Number of shares	\$'M
Ordinary shares, fully paid ^{1,2}	245,735,111	1,221.3	245,699,306	1,219.6
Special voting share	1	-	1	-
	245,735,112	1,221.3	245,699,307	1,219.6

¹ Included in ordinary shares are 4,270,003 (30 June 2011: 4,295,003) exchangeable shares. The issuance of the exchangeable shares and the attached special voting share replicate the economic effect of issuing ordinary shares in the Company. Accordingly, for accounting purposes, exchangeable shares are treated in the same single class of issued capital as ordinary shares. In addition, the Australian Securities Exchange ("ASX") treats these exchangeable shares to have been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules.

² The WorleyParsons Limited Plans Trust holds 267,173 (30 June 2011: 267,173) shares in the Company, which have been consolidated and eliminated in accordance with the accounting standards.

	31 December 2011	
	Number of shares	\$'M
Movement in shares		
Balance at 1 July 2011	245,699,307	1,219.6
Ordinary shares issued on redemption of exchangeable shares	25,000	0.7
Exchangeable shares exchanged for ordinary shares	(25,000)	(0.7)
Transfer from performance rights reserve on issuance of shares	35,805	1.7
Balance at 31 December 2011	245,735,112	1,221.3

	31 December 2011	30 June 2011
	\$	\$

8.9 NET ASSETS PER SHARE

Net assets per share	7.62	7.56
Net tangible assets per share	0.77	0.65

A large proportion of the Group's assets are intangible in nature consisting of goodwill and identifiable intangible assets relating to businesses acquired. Identifiable intangible assets consist of customer contracts and relationships, trade names, computer software and favorable property leases. These intangible assets are excluded from the calculation of net tangible assets per share.

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	31 December 2011 \$'M	31 December 2010 \$'M
8.10 NOTES TO THE STATEMENT OF CASH FLOWS		
<i>(a) Cash and cash equivalents reconciliation</i>		
Cash and cash equivalents	165.3	170.0
The above figures are reconciled to cash at the end of the half year as shown in the statement of cash flows as follows:		
Cash and cash equivalents	165.3	170.0
Bank overdraft	(22.2)	-
Balance per the statement of cash flows	143.1	170.0
<i>(b) Reconciliation of profit after income tax expense to net cash inflow from operating activities</i>		
Profit after income tax expense	164.4	138.2
<i>Non-cash items</i>		
Depreciation	9.2	10.8
Amortization	40.6	35.9
Performance rights expense	7.2	4.4
Doubtful debts expense	4.6	0.6
Share of associates' net profits in excess of dividends received	(5.3)	(3.2)
Net loss on foreign exchange	4.9	6.4
Net gain on revaluation of investments previously accounted for as equity accounted associates	-	(9.4)
Other	0.0	9.7
Cash flow adjusted for non-cash items	225.6	193.4
<i>Changes in assets and liabilities adjusted for effects of purchase of controlled entities during the half year</i>		
Increase in trade and other receivables	(167.5)	(30.2)
Increase in inventories	(0.5)	(0.2)
(Increase)/decrease in prepayments	(29.5)	1.4
Increase in deferred tax assets	(4.2)	(1.6)
Increase/(decrease) in trade and other payables	1.1	(81.4)
Increase in billings in advance	20.1	14.2
Increase in income tax payable	9.8	23.3
Increase/(decrease) in deferred tax liabilities	8.8	(20.0)
Increase in other provisions	0.1	25.8
Net cash inflow from operating activities	63.8	124.7

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8.11 SEGMENT INFORMATION

(a) Identification of reportable segments

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

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

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

(b) Accounting policies and inter-segment transactions

Segment revenue 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 revenue, 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 the financial statements and in the prior period.

The segment results include 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:

- derivative gains and losses;
- gains and losses on the sale of investments;
- finance costs;
- certain general and administration expenditure; and
- income tax expense.

(c) Major customers

The Group has a number of customers to which it provides services. The most significant customer accounts for 15% (31 December 2010: not applicable) of external revenue within the Hydrocarbons customer sector group. The next most significant customer accounts for less than 10% of external revenue.

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	Hydrocarbons		Power		Minerals & Metals		Infrastructure & Environment		Total	
	Dec 2011	Dec 2010	Dec 2011	Dec 2010	Dec 2011	Dec 2010	Dec 2011	Dec 2010	Dec 2011	Dec 2010
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<i>Revenue</i>										
Sales to external customers	2,192.9	1,857.7	233.4	275.7	398.6	311.5	378.1	333.6	3,204.0	2,778.5
Procurement services revenue at margin	151.4	113.6	24.9	0.7	0.3	-	15.3	6.7	191.9	121.0
Other income	0.6	2.8	1.5	1.8	0.1	-	0.9	1.0	3.1	5.6
Total segment revenue¹	2,344.9	1,974.1	259.8	278.2	400.0	311.5	394.3	341.3	3,399.0	2,905.1
Reconciliation of segment revenue to total revenue and other income per the statement of financial performance:										
<i>Segment revenue</i>										
Procurement services revenue at nil margin									3,399.0	2,905.1
Share of revenue from associates									226.6	273.0
Net gain on revaluation of investments previously accounted for as equity accounted associates									(328.5)	(393.0)
Interest income									-	9.4
									3.3	3.1
Total revenue and other income per the statement of financial performance									3,300.4	2,797.6
<i>Segment result^{2,3}</i>										
Income tax expense	263.0	246.0	27.2	23.6	65.7	34.9	54.1	42.5	410.0	347.0
Segment margin	11.2%	12.5%	10.5%	8.5%	16.4%	11.2%	13.7%	12.5%	12.1%	11.9%
Reconciliation of segment result to profit after income tax per the statement of financial performance:										
<i>Segment result</i>										
Income tax expense									410.0	347.0
Interest and tax for associates									(61.0)	(44.5)
Amortization of acquired intangible assets									(6.2)	(8.3)
Corporate expenses ³									(17.0)	(14.8)
Net gain on revaluation of investments previously accounted for as equity accounted associates									(138.5)	(130.8)
Net borrowing costs									-	9.4
Profit after income tax expense per the statement of financial performance									(22.9)	(19.8)
									164.4	138.2

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

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

³ Due to a change in presentation of corporate expenses in the internal reports presented to the chief operating decision makers, the prior year Segment result and Corporate expenses have been restated to be comparable with the current year's disclosure, as required by AASB 8 *Operating Segments*. The impact of this change is an increase in Corporate expenses from \$30.2 million to \$130.8 million for half year ended 31 December 2010.

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8.12 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 revenue 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-related revenue and expenses, and assets and liabilities have been recognized on a gross basis in the statement of financial performance and statement of financial position:

	31 December 2011 \$'M	31 December 2010 \$'M
<i>Revenue and expenses¹</i>		
Procurement services revenue at margin	121.0	108.2
Procurement cost at margin	(106.5)	(105.5)
Procurement services revenue at nil margin	226.6	273.0
Procurement cost at nil margin	(226.6)	(273.0)

	31 December 2011 \$'M	30 June 2011 \$'M
<i>Assets and liabilities</i>		
Cash and cash equivalents	21.6	7.6
Trade and other receivables	30.0	4.0
Trade and other payables	(27.2)	(6.8)

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

8.13 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 letter of credit only give rise to a liability where the entity concerned fails to perform its contractual obligations.

	31 December 2011 \$'M	30 June 2011 \$'M
Bank guarantees outstanding at balance date in respect of contractual performance	495.8	413.2

(b) Asbestos

Certain subsidiaries acquired as part of the Parsons acquisition (Parsons E&C), have been, and continue to be, the subject of litigation relating to the handling of, or exposure to, asbestos. Due to the continuation and extension of the existing indemnity and asbestos claims administration arrangements between Parsons Corporation and Parsons E&C Corporation, the Group is not aware of any circumstance that is likely to lead to a residual contingent exposure for the Group in respect of asbestos liabilities.

(c) Actual and pending claims

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

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8.14 SUBSEQUENT EVENTS

Since the end of the half year, the directors have declared an interim dividend of 40.0 cents (31.7 cents franked) (31 December 2010: 36.0 cents – 36.0 cents franked) per share. The aggregated amount of the proposed interim dividend of \$98.3 million (31 December 2010: \$88.4 million) is not recognized as a liability as at 31 December 2011.

No other material matter or transaction has arisen since 31 December 2011 that has significantly affected the Group's operations or state of affairs.

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9. DIRECTORS' DECLARATION

In accordance with a resolution of the directors of WorleyParsons Limited, I state that:

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 31 December 2011 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Ron McNeilly

Chairman

Sydney, 29 February 2012

10. INDEPENDENT REVIEW REPORT



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Independent review report to members of WorleyParsons Limited

Report on the Financial Report

We have reviewed the accompanying half-year financial report of WorleyParsons Limited, which comprises the statement of financial position as at 31 December 2011, the statement of financial performance, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of WorleyParsons Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WorleyParsons Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

Ernst & Young

Bruce Meehan
Partner
Sydney
29 February 2012

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11. CORPORATE INFORMATION

DIRECTORS

Ron McNeilly (Chairman)
Larry Benke
Erich Fraunschiel
John M Green
John Grill (Chief Executive Officer)
Catherine Livingstone, AO
JB McNeil
Wang Xiao Bin
Christopher Haynes, OBE

COMPANY SECRETARY

Peter Janu

REGISTERED OFFICE

Level 12
141 Walker Street
North Sydney NSW 2060
Australia

AUDITORS

Ernst & Young

BANKERS

HSBC
The Royal Bank of Scotland
Westpac Banking Corporation
JPMorgan Chase
Commonwealth Bank of Australia
Royal Bank of Canada
Bank of America
UBS
Standard Chartered Bank

LAWYERS

Freehills

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000
Australia
Ph: 1300 855 080