Annual Report 2019

Worley
energy | chemicals | resources

EcoNomics™

We help our customers meet the **world's changing** energy, chemicals and resources needs

We are a professional services business, a partner in delivering sustained economic, social and environmental 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.

Annual General Meeting

WorleyParsons Limited 2019 Annual General Meeting will be held on Monday 21 October 2019 commencing at 2.00pm (AEDT) at The Westin Sydney, 1 Martin Place, Sydney.

Contents

Our values

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

Relationships

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

Agility

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

Leadership

- Energy and excitement
- Integrity in all aspects of business
- Minimum bureaucracy
- Committed, empowered and innovative people
- Delivering profitable sustainability
- Innovation delivering value for our customers

We have created our 2019 shareholder results microsite, which offers our 2019 results documents and detailed information on our business operations.

Visit us online

annualreport2019.worley.com

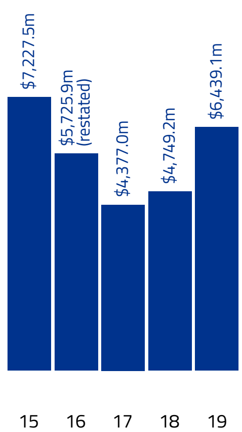
Front Cover Worley's Vadodara office in India

Group Financial Highlights

Five year performance at a glance

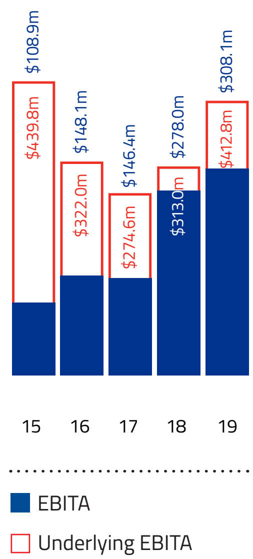
Aggregated revenue

$6,439.1m



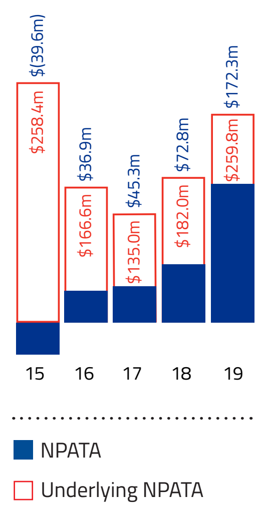
EBITA

$308.1m



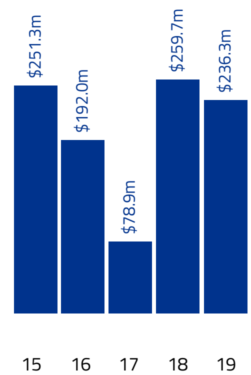
NPATA

$172.3m



Cash flow from operations

$236.3m



$m	2015	2016	2017	2018	2019	% change
Aggregated revenue[1]	7,227.5	5,725.9	4,377.0	4,749.2	**6,439.1**	35.6
EBITA	108.9	148.1	146.4	278.0	**308.1**	10.8
EBITA margin	1.5%	2.6%	3.3%	5.9%	**4.8%**	(1.1pp)
NPATA	(39.6)	36.9	45.3	72.8	**172.3**	136.7
Net profit margin	(0.5%)	0.6%	1.0%	1.5%	**2.7%**	1.2pp
Cash flow from operations	251.3	192.0	78.9	259.7	**236.3**	(9.0)
Return on equity	9.2%	6.9%	5.5%	6.8%	**5.1%**	(1.7pp)
Basic EPS normalized (cents)[2]	(14.7)	16.3	20.1	27.1	**41.3**	52.4
Basic EPS (cents)	(22.2)	9.5	13.4	22.6	**36.4**	61.1
Dividends (cents per share)	56.0	–	–	25	**27.5**	10.0

[1] Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin, and interest income. The directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.
[2] Before amortization of intangibles including tax effect of amortization expense.

Chairman's Report

John Grill AO
Chairman and Non-Executive Director

Welcome to the WorleyParsons Limited ("Worley") Annual Report for financial year 2019

In FY2019 Worley underwent one of the most transformative and dynamic changes in its history with the completion of the acquisition of the Energy, Chemicals and Resources division of Jacobs Engineering Group Inc. or "ECR", and in the process of doing so positioned the company as a pre-eminent global player in the energy, chemicals and resources sectors.

The integration of the ECR business is progressing well with cost and revenue synergies being identified beyond those identified pre-acquisition. The business has made it a priority to ensure the strong culture of both organizations is reflected in the new Worley.

Our operating and financial metrics continue to be strong. Our customers have been supportive of the improved capabilities, expertise and global reach of Worley.

The New Worley

With the ECR acquisition being finalized in April this year, we have become the pre-eminent global provider of professional projects and asset services in energy, chemicals and resources. This combining of expertise establishes us as the global sector leader across hydrocarbons, chemicals and mining, minerals and metals. We have a solid platform to better service our customers across the entire asset life-cycle, while also delivering our shareholders enhanced earnings diversification and resilience. We have reorganized, breaking out our Services line of business into two separate components: Energy & Chemicals Services, and Mining, Minerals & Metals Services. This structure will allow us to best service the needs of the changing energy, chemicals and resources industries.

The acquisition of ECR continued our strategy of diversifying earnings by growing in the Chemicals and Mining, Minerals & Metals sectors. Clear direction provided by the strategy architecture we rolled out in 2017 has provided the basis for bold action this year. Andrew Wood will provide further details of the progress we have made in the past 12 months on page 6.

Market dynamics

The energy, chemicals and resources markets continue to experience significant change. Across our markets, we are seeing opportunities arising from the rapidly changing energy mix and the flow on effects in our other sectors. Driven by continued improvement in market conditions, our energy, chemicals and resources customers have increased their early phases activity over the past 12 months.

The current medium-term picture continues to indicate the global energy transition will open opportunities across all markets that we serve. These opportunities combined with our deep domain knowledge and expertise in the power and new energy space, means that Worley is well positioned to support our customers in leading and navigating this new world. The global energy transition will require innovative thinking and adoption of new technology, and your Company is well positioned to make a significant contribution to that transition.

ECR Acquisition

In October 2018, Worley entered into a binding agreement to acquire ECR from Jacobs. The acquisition was completed in April 2019 with the new merged business employing 57,831 people across 51 countries. The acquisition was completed for a total consideration of US$3.2 billion (A$4.56 billion), funded by a A$2.9 billion entitlement offer, and A$842.1 million stock issued to Jacobs and additional debt.

In combining the two complementary organizations, the transaction is expected to:

1. generate material EPS accretion and returns for shareholders;
2. create a pre-eminent global provider of professional project and asset services in resources and energy;
3. provide global sector leadership across hydrocarbons, chemicals and mining, minerals & metals;
4. deliver enhanced earnings diversification and resilience; and
5. bring significant value upside through cost and revenue synergies.

Cost synergies have increased from A$130 million estimated at the time of announcement to A$150 million including Global Integrated Delivery synergies. These benefits are anticipated to be delivered within two years. Further benefits are expected to be achieved from share services and revenue synergies.

Financial performance

The Group reported an underlying net profit after tax excluding the post tax impact of amortization on intangible assets acquired through business combinations of $259.8 million (which excludes $87.5 million of one off costs post tax), up 43% on the 2018 underlying result. The Group delivered a positive operating cash flow of $236.3 million. Our gearing is at 20.9%, and leverage has remained flat at 1.9 times. The funding structure of the ECR acquisition has allowed the leverage to remain flat through the transaction.

The Board declared a final dividend payment of 15.0 cents per fully paid ordinary share, unfranked. This is in addition to the interim dividend of 12.5 cents per share for a total dividend of 27.5 cents per share for the full year. As a result 52.2% of our full year underlying profit after tax excluding the post tax impact of amortization on intangible assets acquired through business combinations for FY2019 will be distributed to shareholders as a dividend.

Health, safety and environment (HSE)

A key value shared across all of Worley is our commitment to safety, and a strong safety culture exists across our Company. Our teams maintain an industry-leading performance in safety. This year our Total Recordable Case Frequency Rate (TRCFR) was 0.14 across the Group for employees and contractors.

> "The **energy transition** is opening up **opportunities** across all sectors we serve"

Brand

Following the completion of the ECR acquisition, the Company adopted 'Worley' as its new brand. The new brand leverages the brand equity in our name Worley, acknowledges ECR in the brand colour and typographic style and highlights 'energy, chemicals and resources' in our tagline.

The Company name will be changed to Worley Limited, subject to the approval of members at the Annual General Meeting in October 2019.

People

With the acquisition of the ECR business, I am delighted to see our people numbers increased from 26,050 12 months ago to 57,831 as at end of June. Our people have demonstrated enormous resilience and character during the transition period. This is a credit to them as well as to our Transition Management Office (TMO) who have worked tirelessly to ensure as smooth an experience as possible for all our people. The Board is acutely aware of the fact that the Company's success is underpinned by its people and the Board expresses its deep appreciation for their contribution during the year.

CHAIRMAN'S REPORT

Board Changes

Over the past 12 months the Company Board has undergone several changes with Erich Fraunschiel departing, and Andrew Liveris, Juan Suárez Coppel, Roger Higgins and Sharon Warburton joining. Catherine Livingstone has also confirmed that she will not seek re-election at the Company's 2019 Annual General Meeting having served 12 years on the Board.

Erich was a member of the Board since 2003, serving as the Lead Independent Director and as Chairman of the Audit and Risk Committee and a member of the Nominations Committee. We thank Erich for his enormous contribution to the growth and development of Worley during his tenure.

Catherine has served on the Company's Board from 1 July 2007 and has been lead independent director, a Chairman of the Audit and Risk Committee as well as a member of the Nominations Committee. I would like to take this opportunity to thank Catherine for her contributions to the Board.

Andrew Liveris was appointed to the Board effective 5 September 2018. He is a member of the Nominations Committee and the Remuneration Committee and Chairman of the recently formed Transformation Committee. His appointment follows a 40-year career in executive positions at The Dow Chemical Company. He is also a director of IBM, Saudi Aramco and Novonix Limited.

Roger Higgins was appointed to the Board effective 20 February 2019. He is a member of the Nominations Committee and the Health, Safety and Environment Committee. He has extensive experience in mining and operations and has previously held senior executive positions with Teck Resources Limited, BHP Billiton and Ok Tedi Mining Limited.

Sharon Warburton was appointed to the Board effective 20 February 2019. She is a member of the Nominations Committee and the Audit and Risk Committee. Throughout her 30-year career she had predominantly worked in the construction, mining and infrastructure sectors and has previously held senior executive positions at Rio Tinto, Brookfield Multiplex, ALDAR Properties PJSC, Multiplex and Citi Group.

Juan Suárez Coppel was appointed to the Board effective 27 May 2019 and is a member of the Nominations Committee and the Audit and Risk Committee. Juan has extensive experience in energy and resources in the Americas and was previously Chief Financial Officer and then Chief Executive Officer of Petróleos Mexicanos (PEMEX), a senior executive with Grupo Modelo and an independent non-executive director of Jacobs Engineering Group Inc.

Andrew, Roger, Sharon and Juan were appointed following a rigorous search and selection process that involved interviews and background checks to ensure they were the right fit for the Company. In addition to possessing the desired competencies, skills, experience and independence identified in the Company's ongoing succession planning, all four demonstrated commitment to the high ethical standards that the Company's reputation is built upon. Their appointments are the result of tenure, selection and renewal processes that are carefully designed to be aligned with the Company's strategy and governance approach to enable the Board to discharge its duties effectively and to add value.

Ethics and corporate responsibility

Maintaining, enhancing and protecting Worley's reputation for integrity, honesty and ethical business practices is of high importance to the Board. As we transition and transform our business it will continue to be a critical factor in the Company's future success. We are committed to complying with all applicable laws and conducting our business to the highest standard, as set out in our Code of Conduct which describes the standard to which we hold not only ourselves, but also our partners and agents. Training continues to be refreshed annually to our people, contractors and business partners, to make clear and reinforce Worley's expectations.

This year has been the first full year of implementation of our responsible business assessment standard which is embedded in our risk assessment processes to ensure our customers take a responsible approach to business as seriously as we do. This process has informed our decision making around bidding work, by prompting consideration of risk issues such as ethical business practices, carbon emissions intensity and social license.

The climate change working group continues to develop a strategic climate change program for Worley, including design of an implementation program for relevant disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In FY2019, we completed a risk and opportunity assessment to identify the transitional exposure of the business and the physical risks posed to our people and assets.

Worley is committed to providing a workplace that is diverse and inclusive of people from a wide range of backgrounds. Key focus areas relate to increasing female representation within the Group and women in senior executive positions and women Non-Executive Directors.

Corporate governance

The Board strives to ensure that the Group meet high standards of safety, performance and governance. The Group recognizes that it has responsibilities to its shareholders, customers, employees and suppliers as well as to the communities in which it operates.

The Board has ultimate authority over, and oversight of, the Group and regards corporate governance as a critical element in achieving the Group's objectives. Accordingly, the Board has adopted appropriate charters, codes and policies and established a number of committees (committees or Board committees) to discharge its duties.

Conclusion

I would like to thank the directors, the leadership team, and most importantly our people for their contribution in a year where we have begun to see the rewards of a lot of hard work put in over the past few years. I would also like to thank our banks and advisors for their support during the year and specifically for the ECR transaction. Significant progress has been made by the Company and I would like to take this opportunity to thank our shareholders for their continued support and I look forward to realizing our future together.

John Grill AO
Chairman and Non-Executive Director

Board of Directors

John Grill AO

Chairman and 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 Enivronment Committee.

Catherine Livingstone AO

Non-Executive Director

Catherine is the Lead Independent Director of the Board and is a member of the Audit and Risk Committee and a member of the Nominations Committee.

Juan Suárez Coppel

Non-Executive Director

Juan is a member of the Nominations Committee and the Audit and Risk Committee.

Roger Higgins

Non-Executive Director

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

Sharon Warburton

Non-Executive Director

Sharon is a member of the Nominations Committee and the Audit and Risk Committee.

Thomas Gorman

Non-Executive Director

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

Christopher Haynes OBE

Non-Executive Director

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

Andrew Liveris AO

Non-Executive Director

Andrew is a member of the Nominations Committee and Remuneration Committee.

Anne Templeman-Jones

Non-Executive Director

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

Wang Xiao Bin

Non-Executive Director

Xiao Bin is a member of the Audit and Risk Committee and a member of the Nominations Committtee.

Andrew Wood

Chief Executive Officer

Nuala O'Leary

Group Company Secretary

For detailed information on Directors and the Group Company Secretary see pages 40 to 42.

Chief Executive Officer's Review

Andrew Wood
Chief Executive Officer

This financial year we have made great progress on delivering on our commitment to become the **leading service provider to the energy, chemicals and resources sectors**. Our dedicated team have continued to deliver good project outcomes for our customers and strong financial results for our shareholders.

The acquisition of ECR has transformed our position in the energy, chemicals and resources sectors. It has created a step change in exposure for the business to the stable and expanding chemicals market, coupled with increasing our position to the Downstream refining markets. This has balanced out our exposure to the Upstream hydrocarbons sector, while also maintaining our industry leading position in this space.

Last year we noted that we were seeing increased activity across the energy, chemicals and resources markets. This year we can look back and say that this increased activity has transitioned into sustainable growth, and increased opportunities in new and emerging markets.

The global energy transition is also gaining pace including a shift towards low carbon intensity electrification of the world energy supply. The resultant direction of the future energy mix is clear, however the pace of change is not, nor is how each country will react. Oil and gas are expected to increase annual sanctioned investment through to 2025 and there are significant opportunities for Worley to strongly support the energy transition across our core sectors. Specifically, the shift towards gas and lighter fuels, coupled with the rapid growth in petrochemicals are both areas where Worley is well placed to support our customers as they move into the future.

As fossil-based power generation globally continues to decline, we are also seeing increased activity in renewables particularly offshore wind, distributed energy solutions, new energy applications of hydrogen, and an increased focus on energy efficiency programs across existing facilities. Worley is well positioned to support its customers in leading and navigating this change.

Acquisition Transition Progress

In October 2018 we established the Transition Management Office (TMO) as a dedicated team to manage the integration of ECR with WorleyParsons to create Worley. The TMO team have been working tirelessly since the acquisition was completed in April this year. The program is on schedule, with system integration, synergy realization, culture and people, customer engagement and organizational transformation progressing to plan. Cost synergy projections have increased from $130 to $150 million, while further margin synergies have been developed through increased Global Integrated Delivery (GID) uptake and shared services. Revenue synergies continue to be developed across the breadth of markets we serve.

The TMO team has been focused on ensuring the strong culture of both organizations are reflected in Worley. The team has made it a priority to ensure the Worley culture continues to evolve and grow as the Group moves from transition to transformation.

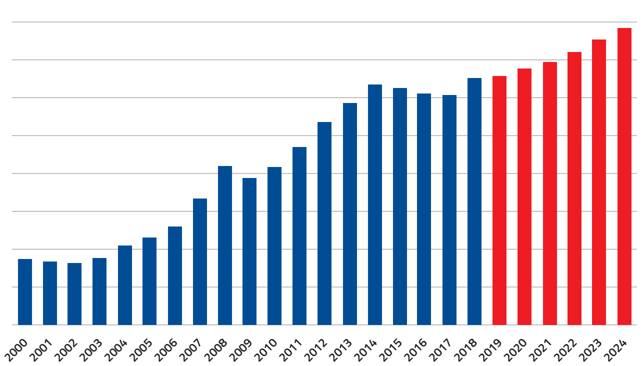
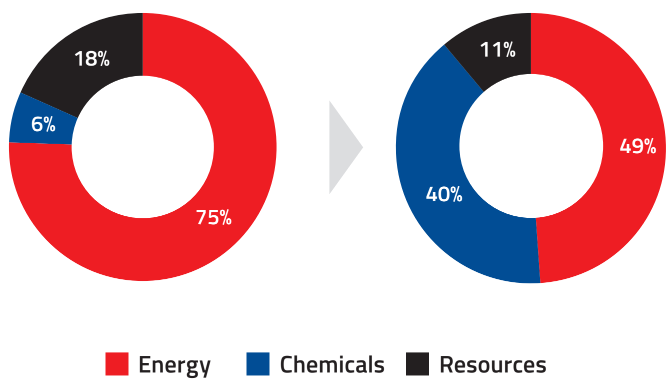


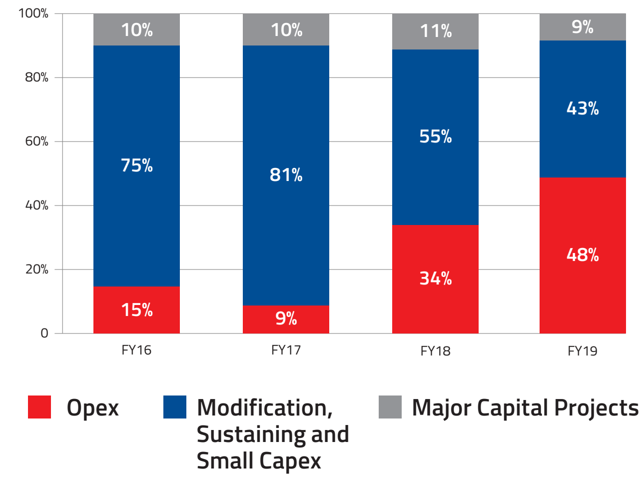
Figure 1: *Chemicals Capital Expenditure - Trend and Outlook*
Source: IHS Markit (2019)

Aggregated Revenue WorleyParsons pre-acquisition

Aggregated Revenue FY19 pro forma



Business Mix



Operational performance

In FY2019, our aggregated revenue grew to $6,439.1 million (up 35.6% on prior corresponding period) and underlying NPATA was up 42.7% to $259.8 million. NPATA margins have improved, Backlog is up 10% during the year and our staff utilization remains on target. We delivered cash flow of $236.3 million, compared to $259.7 million in FY2018. Our Backlog has increased across all sectors with a strong increase in the Americas, largely on the back of the ECR acquisition. Worley's operational and financial metrics are all sound.

Safety performance

Our focus on safety is unwavering. Both of our organizations have strong safety cultures. This will underpin our shared vision for safety as Worley moves forward. This continues to deliver industry leading results. As outlined in the Chairman's Report, we have maintained a stable safety performance across our Group recording a TRCFR of 0.14 which remains one of the best performing ratings across the industry. In our pursuit of improvement our focus areas for FY2020 include the launch and embedment of a new Assurance system, continued focus on our Field HSE, and evolving the heritage OneWay™ and Jacobs ECR BeyondZERO® programs.

Corporate Responsibility

We continue to support our customers and suppliers to deliver sustained economic, social and environmental progress via their projects, and our people to deliver community-based initiatives that make a real difference. Our corporate responsibility champions network and the Worley Foundation continue to drive positive impact via corporate responsibility projects in communities. Our Company is a staunch advocate of Science, Technology, Engineering and Mathematics (STEM) education and we have held events to encourage the next generation to embrace STEM education across our global operations.

As a leading provider of technical services to the energy, chemicals and resources sectors we have a key role to support our customers to navigate the global energy transition and continue to invest in our New Energy business. Worley has considerable experience in this regard, gained from working on more than 1,350 New Energy projects globally.

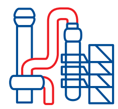
Strategy

Our immediate focus is completing the integration of the ECR acquisition and realizing the cost and revenue synergies. During this period, we will develop a transformation strategy for the new Worley that will enhance our leadership position in energy, chemicals and resources, capture the opportunities presented by the global energy transition, and change the way we work by leveraging automation and the use of digital products.

Our customer sectors

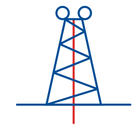
Upstream &
Midstream
Power & New Energy

Energy



Downstream
& Chemicals

Chemicals



Mining, Minerals,
& Metals
Infrastructure

Resources

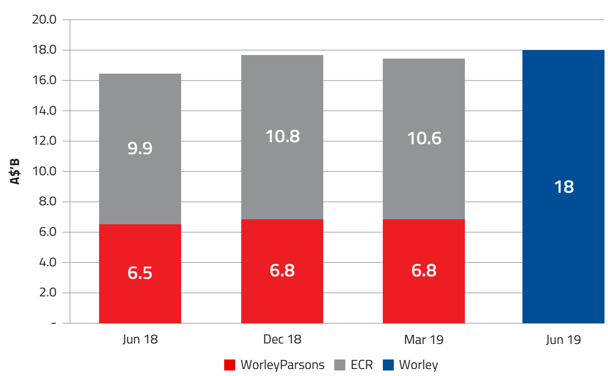
Viable and competitive business

Our strategy provides our business a solid platform from which we can grow, while maintaining cost out.

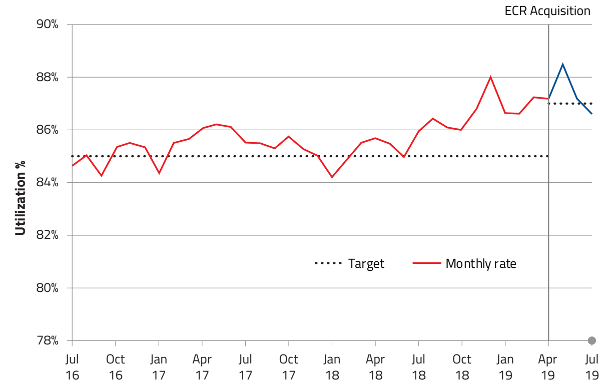
Some of the key successes within the past 12 months include an improved backlog figure from $16.4 billion to $18.0 billion, an improvement in operating margin percentage and other key operational metrics such as overhead ratios, gearing and leverage.

Our staff headcount has grown to 57,831 people and operating with a staff utilisation ratio on target of 87%.

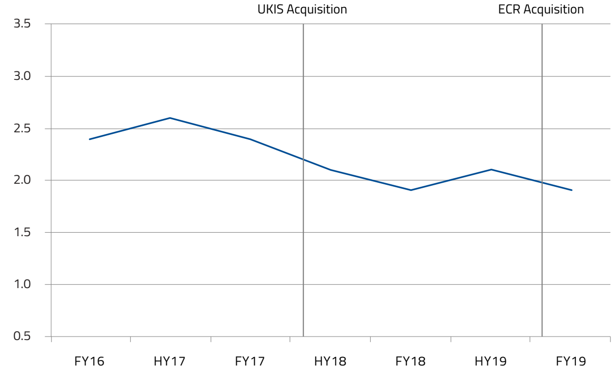
Backlog information ($b)



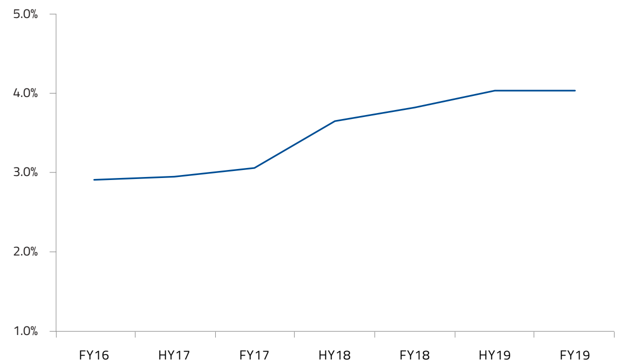
Staff Utilization



Leverage Ratio*



NPATA Margin %



Our future

Our customers' confidence and spending has been growing. The consumption, and therefore demand, of energy, chemicals and resources continues to increase. Across all our markets, we see opportunity arising from the rapidly changing energy mix and climate adaption challenge and the flow on effects in our other sectors. However, as we move into FY2020 the level of macroeconomic uncertainty is rising including the trade wars between China and the US, the uncertainty of Brexit and Iran. We continue to monitor the potential impact that this may have on the sectors we serve.

CORE MARKET TRENDS

Energy

Upstream and Midstream Hydrocarbons

Global macro trends such as population increase and growth in underdeveloped nations continue to drive world energy demand. While long term energy forecasts differ slightly between our major customers, energy agencies and industry bodies, all outlooks forecast growth in the Upstream oil and gas markets to 2040.

Gas production volumes continue to grow as countries seek a midterm clean fuel source to fill an expected resource gap caused by the reduced acceptance of coal. Whilst selected intercountry pipelines have been sanctioned, it is the LNG industry that is the primary enabler for the global gas economy. Predicted supply side shortages in the early 2020s have driven investment back into the LNG industry for both greenfield developments and major expansions within the heritage LNG centres. We elevated the LNG subsector to our strategic focus areas in FY2019 and expect it to remain a key area of investment in the coming years.

Power and New Energy

The Power market is continuing to evolve as the world moves toward increased electrification, driving a shift in power related investment opportunities. Renewables such as solar, wind and nuclear power will play a major role in future global energy demands. Grids, including micro-grids and storage will also occupy a significant share in spend as a means to integrate these technologies.

Given this outlook, our Power and New Energy business is deliberately focusing in growth technologies of high complexity, and low risk for commoditization. Specifically, we are looking to enhance our portfolio in offshore wind, expand our offerings around distributed energy solutions, position ourselves as leaders in the emerging hydrogen technology space, and globalize our power operations and maintenance capability platform.

Our strong advisory capabilities will continue to provide a platform from which to build a full value chain offering that includes project delivery and ongoing operations and maintenance.

Chemicals

Refining

Given the increased competition from new energy forms, combined with transportation fuel demand reaching its peak, there is the expectation of a longer-term decline in traditional refining markets. Asia and Middle-East are expected to see growth in demand for refining investments close to mid points of forecast demand growth. These two regions are estimated to contribute 80% of capital spending through to 2050. A refining and petrochemicals integration trend is emerging as customers look to safeguard profitability, tie-up supply chain and optimize Downstream facilities for their Upstream crude production. Areas of investment growth include renewable diesel (Canada and Europe), the integration of refining and petrochemical plants (Asia and the Middle-East), as well as the expectation of increased short-term projects as refiners adapt to the new business reality of the 2020 IMO regulations and continued implementation of clean fuel globally.

Petrochemicals

Historically, petrochemicals capital expenditure growth has tended to exceed GDP growth and that forecast is set to continue with demand growth across all major products expected. This is matched with a growth in the crude oil-chemical market which is being led by large projects across Asia and the Middle-East (particularly Saudi Arabia). Asia and the Middle-East are also expected to lead the way for demand and expenditure growth for plastics, despite challenges associated with single use plastic waste and recycling. Key growth markets include grass root ethylene complexes, and Western investments into China.

Chemicals

Global megatrends such as urbanization, population growth and sustainability continue to drive long-term demand growth within the chemicals market. While the overall trend is positive, a constant balancing equation between feedstock and market dynamics continues. For this reason, Asia, the Middle East and North America are the current hotspots for chemicals capital expenditure in the coming years. With our expanded capabilities in chemicals from ECR, further expansion into the inorganic and speciality chemicals markets is planned.

Regulatory changes on foreign ownership is stimulating investment into China. This, combined with out extensive delivery capabilities in this region, will enable both local market and large scale global project execution.

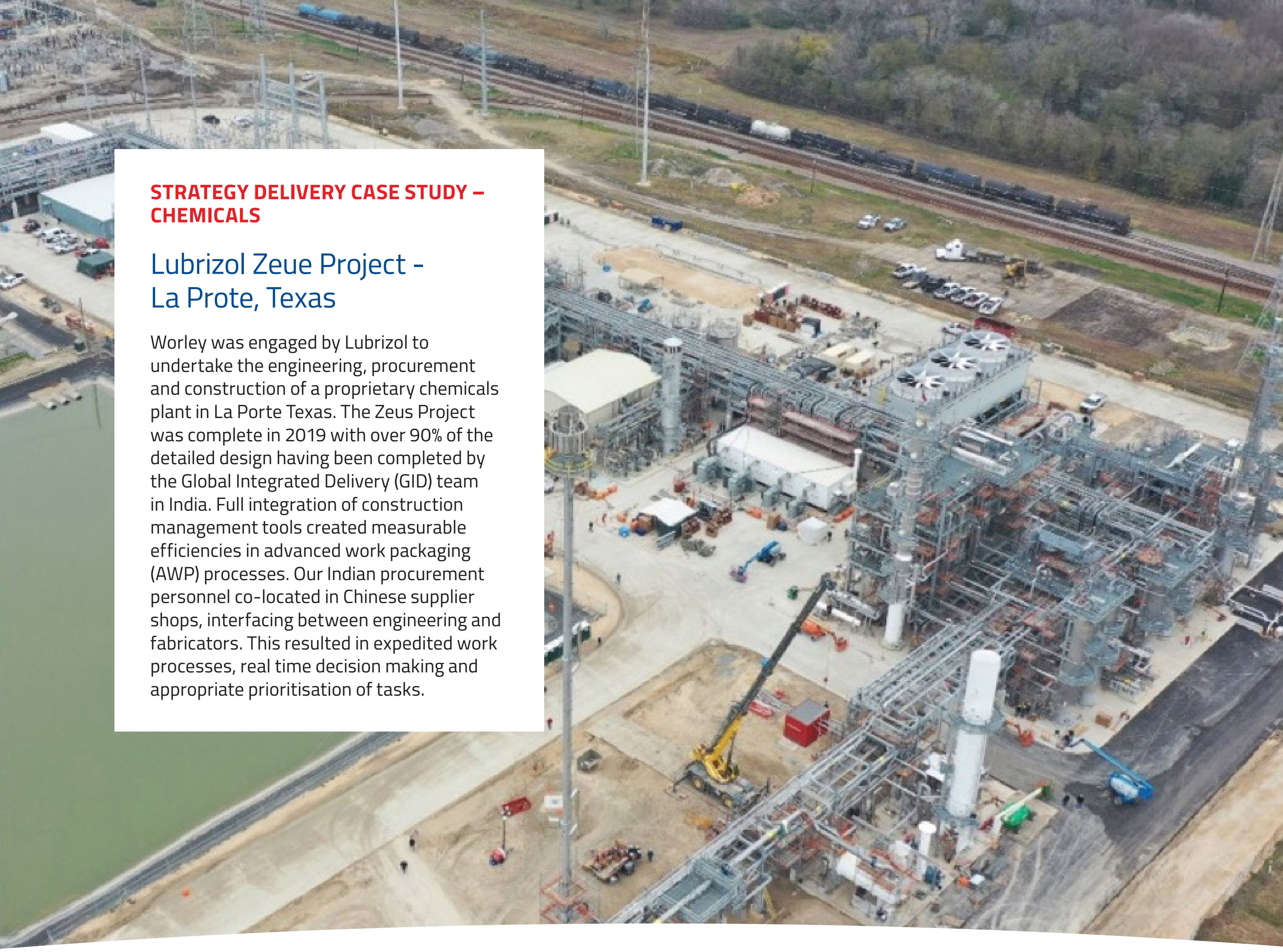
Resources

Mining, Minerals & Metals

Miners' strong balance sheets are resulting in increasing project development pipelines. The trend towards accelerated sustaining capital investment is evident as miners seek to extend the life of mines, improve productivity and maintain market share. This is true for growth commodities including iron ore, copper, gold and fertilizers. As significant, near surface deposits become depleted the need to exploit deeper, more complex orebodies at the lowest cost will increasingly drive the mining industry. Underground mining is where proportionally higher capital will be spent in the future of mining. It is capital intensive and requires close and collaborative relationships to develop successful solutions. Our customers are increasingly pursuing a technology enabled, automated, data driven and efficient operation. We continue to focus on innovation in project delivery with the concept of a digital mine seen as a way to increase both capital and operational efficiency. Our immediate strategic focus is being driven by investment in phosphates in North Africa and Middle East, iron ore in Australia as well as copper and gold across all key mining markets.

Resource Infrastructure

In line with our corporate strategy, our resource infrastructure business continues to be focused on growth opportunities within the energy and resource sectors. We have well established global businesses servicing the front end and delivery phases of projects and these service lines include transport, environmental and water, and advisory services. From a regional perspective, we remain focused on the regions where we see projected growth in our core business sectors pursuing the significant infrastructure needs of these projects.



STRATEGY DELIVERY CASE STUDY – CHEMICALS

Lubrizol Zeue Project - La Prote, Texas

Worley was engaged by Lubrizol to undertake the engineering, procurement and construction of a proprietary chemicals plant in La Porte Texas. The Zeus Project was complete in 2019 with over 90% of the detailed design having been completed by the Global Integrated Delivery (GID) team in India. Full integration of construction management tools created measurable efficiencies in advanced work packaging (AWP) processes. Our Indian procurement personnel co-located in Chinese supplier shops, interfacing between engineering and fabricators. This resulted in expedited work processes, real time decision making and appropriate prioritisation of tasks.

STRATEGY DELIVERY CASE STUDY – MMM

Khouribga, Morocco – Beni Amir phosphate wash plant

JESA, our 50/50 joint venture with OCP Group, is a powerful combination, enabling us to successfully deliver projects in Morocco and internationally. This is key to our North Africa and global phosphates strategy.

The Beni Amir Phosphate Wash Plant is an example of an industry leading project where JESA had the Project Management Consulting (PMC) role. The project was unique in the world for a phosphates project, and included a 190 km long pipeline, the longest of its kind in the world. The project was recognized in 2016 as a sustainable development project under 22nd Conference of the Parties (COP 22), based on its water savings, greenhouse gas emissions, as well as transportation costs and capacity.

STRATEGY DELIVERY CASE STUDY – POWER AND NEW ENERGY

Intermittent Dynamic Electrowinning of Electrolytic Manganese Metal (EMM)– Western Australia

Element 25 (E25) owns and operates the Butcherbird High Purity Manganese Project, developing Australia’s largest-known onshore manganese resource located in Western Australia. The main products to be produced include high-purity Manganese Sulphate (MnSO4) which can be used as an NMC (Nickel-Manganese-Cobalt) cathode in Lithium Ion (Li-Ion) batteries, and Electrolytic Manganese Metal (EMM) for stainless steel and other speciality steel markets.

Producing EMM requires an energy-intensive process called electrowinning, which recovers metal, like manganese, from a solution by passing a current through it. The process traditionally relies on stable current, with energy sourced from cheap baseload options such as coal or hydro. Based on E25’s scoping study, using gas as a potential power source, projected power costs would contribute approximately 40% of total project costs, with 90% being used solely for EMM production. Due to the remote location and lack of access to cheap energy sources, E25 engaged Advisian to provide lower-cost power options to improve the economics of the Butcherbird High Purity Manganese Project.

Advisian identified a solution to reduce power costs through the use of renewable energy. E25, along with Advisian, are currently investigating the use of Intermittent Dynamic Electrowinning (IDE) generated through wind and solar, and what impact that will have on the electrowinning process. If viable this will allow E25 to access a clean and cheap energy source, that will also improve the cost competitiveness of the EMM produced.

STRATEGY DELIVERY CASE STUDY – ONSHORE

Khazzan Gas Project – Oman

Selected as BP’s EPCM partner for the long-term complex USD16 billion program, providing key leadership and technical specialist services for the gathering, well sites, export systems and supporting infrastructure. The project was led from Oman and was supported by the UK and our high value engineering center in India. Phase 1 was delivered ahead of schedule and under budget resulting in beneficial production being achieved two months ahead of schedule, and with over 33 million hours incident free. The project was awarded the 2019 MEED best project in the Middle East award.

STRATEGY DELIVERY CASE STUDY – MMM

Oyu Tolgoi Underground Copper Mine – Mongolia

Worley delivered EPCM services for the expanded underground development and copper processing facility. Our delivery team included personnel from Australia, Chile, South Africa and Mongolia with deep expertize and domain knowledge in mining including underground and surface material handling, shaft sinking, mineral processing and infrastructure.

Our Innovative engineering approach resulted in decreased capital expenditure, improved safety outcomes and ongoing operational benefits resulting in cost savings, including improvement to foundations, heating and conveyors.

STRATEGY DELIVERY CASE STUDY – MMM

CHEMETICS

Chemetics became part of the Worley Group post the ECR acquisition and delivers technology and solutions for sulphuric acid and other specialty chemical facilities globally, from greenfield projects to maintenance and turnarounds. This is achieved through Chemetics' research and development lab and custom-built fabrication facility in Canada, global transportation and logistics management capabilities, specialized project teams and worldwide network of trusted suppliers.

Over the past 50 years, Chemetics' full life cycle solutions and equipment have enabled more than 800 sulfuric acid plants achieve higher capacities and availability, lower operating costs, decreased emissions and exceptional safety performance.

As the original developer and owner of processes for chlorine dioxide and sodium chlorate production, Chemetics continues to support the pulp industry through our bleaching chemical technologies.

STRATEGY DELIVERY CASE STUDY – DIGITAL

CAROL

Advisian Digital has commercialized an internally developed technology and taken to market the first commercial robot for catalyst and adsorbent unloading from LNG, gas plant and refinery vessels. In response to increasingly stringent requirements to reduce human risk in inert confined space entry and turnaround operations, the CAROL (Catalyst Removal Amphirol) robot is an innovative solution to a legacy problem.

To date, successful in plant trials have been conducted at Chevron (Australia), Southern Company (USA) and Imperial Oil (Canada). These trials have demonstrated that CAROL removes the need to have a human inside a compromised and confined space (vessel) during catalyst vacuuming operations. As a result, human safety can be improved by a factor of 10 and the turnaround duration has proven to be reduced by at least 20%.

STRATEGY DELIVERY CASE STUDY – DIGITAL

Keystone XL Data Visualization and Advanced Analytics

Advisian Digital built a data foundation for the Keystone XL construction project that provided access to data from many different project delivery systems provided by Worley, TC Energy and other 3rd parties. The Assure platform was used to provide a data hub. Through Assure, the project is utilizing the visualization environment for advanced / predictive analytics to provide insights to the project leadership in near real time so that timely and well informed decisions can be made. This type of environment, built at this scale, is new to the large bore pipeline project industry and TC Energy is already seeing the benefits, even before full scale construction has started.

In TC Energy, Advisian Digital has found a willing partner to push this technology forward in a sustainable way that is wholly focussed on delivering for this progressive customer.

STRATEGY DELIVERY CASE STUDY – DIGITAL

Gulf of Mexico

We are currently implementing solutions on an active construction site on the Gulf Coast of the United States. This project has savings targets for each solution below and is expecting an estimated 150% return on the investment cost of this deploying this technology solution.

- Workflow Digitization: Traditional pen-and-paper systems were replaced with real time connected tablets / electronic forms and streamlined work processes;
- Time and Cost Management: The integration of separate tools and systems to automate the flow of information in and out of our solutions. Additionally, productivity is available near real time as timesheets and quantity tracking forms are completed and submitted;
- Personnel Location: Individual tracking devices connected through a Wi-Fi mesh of wireless access points and integrated into an analytics dashboard allowed real time monitoring of hundreds of craft laborers for safety and productivity improvements;
- Material Location: RFID-based material tracking system using mobile and vehicle mounted readers improved site material management and craft productivity; and
- Equipment Location and Utilization: Individual tracking devices installed on construction equipment enable the site to monitor location and usage of rental equipment. When use of equipment is not maximized, the construction managers are able to make informed decisions and reduce cost.

STRATEGY DELIVERY CASE STUDY – ONSHORE

MEGlobal - US Gulf Coast – BOOKRAMEG project

Design and construction of a world scale MEG facility. Project mechanical completion within schedule incentive bandwidth established by customer. Project issued 90% of equipment purchase orders in a three-month time period which met target expectation established at project start. Identified USD33.5 million in savings during FEED phase.

STRATEGY DELIVERY CASE STUDY – POWER AND NEW ENERGY

Lake Turkana Wind Power Project - Kenya

Worley completed the Lake Turkana Wind Power Project in Kenya. Installing 365 turbines in 362 days in one of the most remote places on the planet with full support and engagement of the local community.

It will now deliver 310MW of power for a million Kenyan households which truly fulfils our purpose of helping our customers meet the world's changing resources and energy needs.

"The **culture of Worley** will leverage the best of both organizations whilst continuing to **evolve and grow** as the company moves from transition to transformation."

Meeting the challenges ahead

The successful integration of ECR and WorleyParsons remains a priority, including delivering the identified cost, margin and revenue synergies. Foundations have been established to ensure that we build on the best of both organizations, unlocking long-term sustainable value.

We are well positioned to navigate the challenges posed by the global energy transition. We have identified growth potential in our core markets.

Our people are our most important asset and the culture of Worley will leverage the best of both organizations whilst continuing to evolve and grow as the Company moves from transition to transformation.

Conclusion

I closed my statement last year talking about the exciting opportunities I saw in the industry in the year ahead. And it has indeed been an exciting year. In April 2019, WorleyParsons and ECR, two global leaders in engineering, technical and professional services, came together under our new brand, Worley. I am pleased to see our people from both organizations approaching the new organization with curiosity and excitement, discovering new ways of working together.

Worley has a remarkable group of people who have brought us to this position where we see a bright future. We have transformed the business over a number of difficult years and are now poised for a very exciting future. I thank each and every one of our people for their hard work.

To our shareholders, your support is appreciated, and I look forward to working with you to create an exciting future for your Company.

Andrew Wood
Chief Executive Officer

Group Executive

The Group Executive is the senior leadership team for Worley. It comprises the leaders of our lines of business and functions. The Group Executive advises the Chief Executive Officer with regard to the effective and efficient functioning of the global business of Worley.

Andrew Wood

Chief Executive Officer

Tom Honan

Chief Financial Officer

Chris Ashton

Chief Operating Officer

Karen Sobel

Group President – Major Projects & Integrated Solutions

Adrian Smith

President – Advisian

Vinayak Pai

Group President – Energy & Chemicals Services

Andrew Berryman

President – Mining, Minerals & Metals Services

Nuala O'Leary

Group Company Secretary

Global Operations

51
Countries

57,831

People

Environmental, Social and Governance

As a leading provider of professional project and asset services in the energy, chemicals and resources sectors, Worley is committed to high standards of Environmental, Social and Governance (ESG) performance and to supporting our customers to meet their ESG objectives.

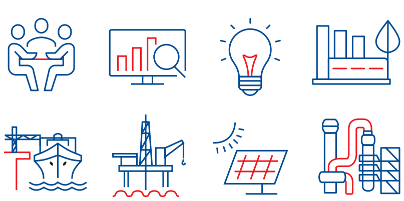
Our business

We have a business framework which embeds **Environmental, Social and Governance** objectives into the way we do business.

We help our customers meet the **world's changing** energy, chemicals and resources needs.

About us

We are a pre-eminent global provider of professional project and asset services in the energy, chemicals and resources sectors. We are a partner in delivering sustained economic, social and environmental 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 sustainable earnings growth and a satisfactory return on their investment in a responsible manner.



Our people represent many nationalities and cultures and speak many languages. Their energy and resources are directed to deliver projects, provide expertise in engineering, procurement and construction and offer 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 energy, chemicals and resources 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.

Our values

Our values are approved by the Board and are communicated through the business.

We exhibit these through:

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

Relationships

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

Agility

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

Leadership

- Energy and excitement
- Integrity in all aspects of business
- Minimum bureaucracy
- Committed, empowered and innovative people
- Delivering profitable sustainability
- Innovation delivering value for our customers

Corporate governance

The Board provides oversight and leadership for our business. The Board regards good corporate governance as critical in achieving our objectives and high standards of safety and performance.

The Board has adopted appropriate charters codes and policies to achieve this.

We recognize that we have responsibilities to our shareholders, customers, employees and suppliers as well as to the environment and the communities in which we operate.

Different elements of ESG governance are overseen by the Board Audit and Risk Committee and the Board Health, Safety and Environment Committee.

Leadership and culture

Our approach to a responsible business

- Our reputation for honesty, integrity and ethical practices is our most important asset.
- We are committed to acting lawfully, ethically and responsibly and conducting our business to the highest standards.
- We expect all our people and partners (including suppliers and agents) to uphold this commitment and live up to our reputation every day.

Embedding our approach

- Our management system establishes a globally consistent approach for how we do business and is currently being refreshed to incorporate the best from ECR, acquired during the period.
- Our Code of Conduct sets the standard for ethical and professional behavior we expect our people and partners to uphold.
- EcoNomics™ describes the philosophy of providing profitable sustainability to our customers.
- The Worley Foundation is one of the ways we deliver sustained economic and social progress.

Environment

Climate change

Worley's greatest contribution to addressing climate change continues to be through the provision of technical advice and project support to our customers. We support them via the application of new technologies and improved design and operations to deliver lower carbon intensity outcomes as they navigate the energy transition. A sample of our activities is presented on page 22.

Our Climate Change Working Group (CCWG) was established in FY2018 to develop a strategic climate change program for Worley, including design of an implementation program for the relevant recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) across the four thematic areas of governance, strategy, risk management and metrics.

The CCWG has representation from the Strategy, Planning and Investor Relations, Assurance, Corporate Affairs and Energy Transition groups. It reports periodically on a number of areas including transition risk and scenario analysis to the Board Audit and Risk Committee. It reports on minimizing the Worley Group's carbon emissions, and on actions to protect our people and assets from the physical impact of climate change, to the Board Health, Safety and Environment Committee. Our climate change activities and strategy are supported by active engagement with our people, customers and investors.

In FY2019, we continued working towards relevant disclosure consistent with the recommendations of the TCFD. We completed a risk and opportunity assessment to identify the transitional exposure of the business and the physical risks posed to our people and assets. We identified the opportunities associated with supporting our customers as they navigate through how to achieve their climate change goals and the implementation of technologies and efficiencies required for carbon reduction and energy transition.

We will refine the risks and opportunities in light of the acquisition of ECR, prior to commencing detailed scenario analysis. This will be used to evaluate the resilience of our lines of business and sectors to the risks and opportunities linked to the energy transition and the physical impacts of climate change. We have developed an implementation roadmap for progressive adoption of relevant TCFD recommendations and we are currently piloting scenario analysis across sectors with a major customer.

Our assessment against the 11 elements of the TCFD framework for the period is presented below. We will disclose our further progress in FY2020.

We will continue to analyze the physical and transitional exposures to our business posed by climate change in order to capture associated opportunities in our key markets of energy, chemicals and resources and to further enhance the resilience and agility of our business.

TCFD Disclosure Index

Recommendations	Assessment	
Governance - Disclose the organization's governance around climate-related risks and opportunities		
a) Describe the board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities	▪ Audit and Risk Committee charter ▪ Climate change position statement ▪ Climate Change Working Group	▪ For policies and charters refer to the Corporate Governance page in the Investor Relations section of the Group's website (www.worley.com) ▪ Annual Report p. 21, 22
Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	▪ Investor Day pack ▪ Material risks	▪ The Investor Day pack is available from the Reports & Presentations page in the Investor Relations section of the Group's website (www.worley.com) ▪ Annual Report p. 21, 35 ▪ Corporate Responsibility Report p. 14 - 18
Risk Management - Disclose how the organization identifies, assesses, and manages climate-related risks		
a) Describe the organization's processes for identifying and assessing climate-related risks b) Describe the organization's processes for managing climate-related risks c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	▪ Climate change risk assessment ▪ Climate change scenario analysis ▪ Responsible Business Assessments ▪ Carbon Disclosure Project (CDP) report	▪ Annual Report p. 35 ▪ Corporate Responsibility Report p. 12, 15 ▪ CDP report FY2018
Metrics and Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	▪ Greenhouse Gas Emissions	▪ Annual Report p. 27 ▪ Corporate Responsibility Report p. 22, 23 ▪ CDP report FY2018

Climate change position statement

We recognize that climate change will have significant implications for the industries we serve. Together with our customers and industry partners, we use the principles of EcoNomics™ and the United Nations (UN) Sustainable Development Goals to help drive solutions for a lower carbon world. We are committed to being part of the solution, to reducing our own emissions intensity and protecting our people and assets from the physical impact of climate change.

Climate change strategic actions

We have committed to the following strategic actions:

- minimizing our own carbon emissions;
- responding to our industry and customers' climate change needs;
- protecting our people and assets from the physical and transitional impact of climate change;
- demonstrating our corporate commitments to climate change as we educate, measure and report progress on our climate related disclosures;
- investing in and growing our New Energy business, particularly in renewables and distributed energy; and
- advising customers on carbon intensity reduction programs.

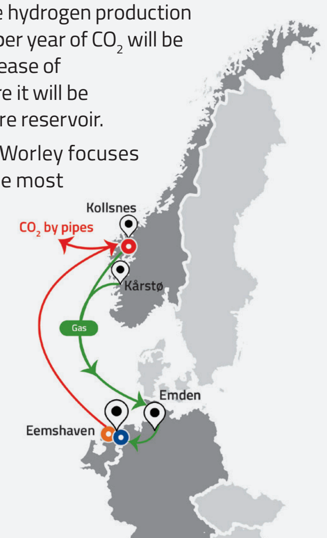
1,350+ New Energy projects globally

Case study: Supporting the energy transition

Equinor hydrogen production plant with carbon capture and storage (CCS)

Worley is completing a feasibility study for Equinor to evaluate the possibilities for building a hydrogen production plant, including CO_2 capture, liquefaction and export facilities, at Eemshaven in the Netherlands. A hydrogen/nitrogen mixture will be supplied as fuel to an existing natural gas-fired power plant that will be converted into a hydrogen-fueled power plant designed to lower the plant's carbon emissions at a large scale and dispatch hydrogen to a future hydrogen market via a hydrogen pipeline and storage facilities. To avoid CO_2 emissions from the hydrogen production process, up to two million tons per year of CO_2 will be captured and then liquefied for ease of transportation to Norway, where it will be injected and stored in an offshore reservoir.

The study being performed by Worley focuses on the objective of selecting the most effective reformer technology for hydrogen production together with a suitable CO_2 capture technology. Worley is also delivering the conceptual design of the plant as a basis for economic evaluation and further project definition.



Schematic overview of Equinor hydrogen production plant and CCS

Solar	Wind	Hydropower	Hydrogen	Geothermal	Biomass & Waste to Energy	Smart & Distributed Energy
166+ Solar photovoltaic (PV) projects	**437+** Onshore wind projects	**200+** Hydropower projects	**20+** Green or blue hydrogen roles undertaken globally, including pilot plants	**31+** Geothermal projects globally	**134+** Biomass or Waste to Energy projects	**75+** Energy storage projects
485 MW Largest PV project	**310 MW** Largest onshore wind farm – 365 turbines in 362 days	**10 GW+** Construction within the last 15 years	**30 GW** Largest green hydrogen electrolyzer studied, combined with offshore wind	**1,520 MW** Ongoing asset services support for over a decade at the largest geothermal field in the world, The Geysers Power Generation Complex	**200 MW** Fuel conversion from Coal to Biomass	**16** Battery (BESS) projects
126+ Solar concentrated solar power (CSP) & hybrid projects	**105+** Offshore wind projects	**20,342 MW** Largest hydropower project	**20+** Hydrogen pathways considered in commercial detail		**20+ years** Designed and operating a co-gen facility fueled partly using landfill gas	**80 kW** Smallest BESS Project
	2,600 MW Largest offshore wind farm	**210 GW+** Total generating capacity			**15 million** Gallons/year of renewable jet fuels, design, fabrication and construction support	**30 MW** Largest BESS Project
						67+ Distributed energy systems projects
						Over 17 years Specialized demand response and energy efficiency global experience

Social

Our people

Diversity and inclusion

The Group undertook various diversity and inclusion activities in FY2019, including:

- maintaining our Diversity and Inclusion plan as agreed by our leadership team, with a focus on increasing gender diversity at all levels and increasing our early career hires;
- continuing our talent sponsorship program for active development of our top female talent; last year, 46% of the identified women participating in our talent sponsorship program progressed to next-step developmental roles;
- conducting pay gap assessments across comparable roles, tiers and regions. Our global pay gap between male and female remuneration reduced approximately 3.7% (varying by office). At the manager and senior manager roles, the salary gap reduced by approximately 6% and 1.6% respectively;
- delivering cultural awareness, inclusive recruitment and promotion training and bias awareness workshops in some locations;
- creating our LGBTIQ+ and allies network group, with executive sponsor and steering committee representation; and
- commenced transitioning our employee network groups from both WorleyParsons and ECR into a Worley network model.

Employee network groups

Worley is committed to unlocking the potential of our people and our culture. It's important we recognize our talented people, celebrate our diverse community and connect our people through networks where we can relate to others, collaborate, learn and continue building a culture of inclusion and positive impact. Our people networks are an integral tool to ensure we connect globally, educate and inspire each other and to provide a safe, inclusive and supportive workplace.

We have commenced integrating our employee network groups from WorleyParsons and ECR; this involves engagement with our people on what vision and programs they want to champion both internally and within the communities in which we operate. Our employee networks represent the rich diversity of the Worley community.

Communications with our people

This year we reached out to over 574,000 followers across our social media platforms to communicate our news with our broader community. Of our 166 posts on LinkedIn this year, 32 were community related, and we made over 10 million impressions across newsfeeds globally.

Internal communication websites, online discussion groups and emails are used to deliver important messages. Our people are encouraged to openly share their opinions and subject matter expertise and voice their concerns.

Open, honest and transparent communications were a hallmark of internal communications before, during and after the acquisition of ECR. Leading up to transaction close, a series of 12 targeted 'playbooks' were produced to help our people understand in detail the changes that would take effect along with the publication of regular questions and answers, webinars, town hall meetings and regular, consistent updates to all parties. For the ECR audience, 16,000 views were recorded for three of the updates.

Following transaction close, over 85 town hall meetings were held across the world in the first week. Our leadership teams across the world were meeting and greeting our people at all sites, giving the opportunity for discussion and feedback.

Actively seeking views, and listening to our people to build our values and inform our future, are an important part of our communications strategy.

Data protection and cyber security

Protecting the personal information of our people and the information of our customers and our business is a priority. We have a dedicated team managing and monitoring a number of enhanced solutions such as intrusion blocking, endpoint security, data and email encryption, enhanced protection for sensitive data stores, and 24/7 system and access monitoring to prevent/stop unauthorized activity. The Worley Cyber Security Program operates in coordination with the newly formed cross divisional Information Security Council and the Worley Data Protection Office.

Safety

Our teams maintain an industry-leading performance in safety. Our management framework has been guiding the way we work at Worley over the past 10 years. It encompasses the tools and processes we follow to ensure the wellbeing of people, assets and the environment. Recently, we have begun incorporating the principles of human performance, in line with our customers and industry. Our management framework will evolve to reflect these changes.

Case study: Safety

Safety week

We celebrated safety week as Worley from 6 to 10 May, which was an opportunity to start building a collective culture.

The theme for the week was "*Stronger Together, Safer Together*" and our people were encouraged to organize activities and events throughout the week.

The following initiatives were kicked off during safety week:

- SharePoint site with suggested activities and resources to support local activities and events;
- a safety week Yammer group was established to encourage discussion and sharing of ideas and activities. There were 2,922 active people in this group and 30,190 read messages, most of these during safety week itself; and
- a 24-hour virtual conversation about safety was run to enable our people to connect with leaders in an informal setting and experience a session of open dialogue on safety. The virtual discussion was a great success with 46 leader hosts, 21 facilitators, and more than 420 participants, from over 35 different locations participating during the 24-hour period.

A project team in Uganda showing their safety week commitment pledges.

3 GOOD HEALTH AND WELL-BEING

Communities

WorleyFoundation

Since 2013, the Worley Foundation has supported the execution of high-impact community projects around the world, changing the lives of thousands of people. An extension of the Corporate Responsibility programs and activities and governed by the Worley Foundation Council, it aims to become a vehicle for direct corporate investment, fundraising and volunteering and highlight our corporate responsibility credentials to our stakeholders.

The social impact delivered from a broad range of Worley Foundation projects continues to grow with these projects supported in FY2019:

- sponsorship of another 16 Worley people to attend the Pollinate Energy Professionals Fellowship, India;
- Kerala Floods matching donation;
- phase 2 of water and sanitation workshops with the Centre of Affordable Waste and Sanitation Technology, Colombia;
- phase 2 of a project to install water facilities and solar power and refurbishing school facilities across a number of villages in India;
- African capability building workshops regarding corruption and bribery run in conjunction with Transparency International;
- supporting Worley employees to join a mentorship program with Lean in Energy;
- assisting vulnerable children with Child and Youth Care Chile;
- engagement in high schools through Power of Engineering across Australia and other selected offices; and
- the Cystic Fibrosis Foundation.

Corporate responsibility champions network

The Worley corporate responsibility champions are the heart and soul of Worley's local corporate responsibility activities. Developing our local communities via skills transfer, education, local employment and enterprise development supports our objective of long-term positive social impact in the communities in which we work and, in turn, supports progress towards the UN Sustainable Development Goals.

In WorleyParsons the following occurred:

- direct participation in over 296 corporate responsibility activities across 21 countries, involving over 6,000 Group personnel; and
- support of local communities through the network of corporate responsibility champions across 40+ offices.

During FY2019 we welcomed 250+ new colleagues from ECR into the corporate responsibility champions employee network. During June 2019, we had an internal communications theme of corporate responsibility as one step in the process to build a collective culture in our new organization. Communications were shared with our people raising their awareness of the key corporate responsibility programs available within Worley, such as the Worley Foundation, and the Pollinate Energy Professionals Fellowship, along with key external initiatives such as the UN Sustainable Development Goals.

Worley also continued to support our customers with their sustainability programs through our project delivery and consulting services.

Review and improvement

As we become the market leader in our sector in FY2020 we will review our corporate responsibility program to ensure it is aligned with issues meaningful to society and of relevance to our Group activities.

Case study: Science, Technology, Engineering and Mathematics (STEM) education

The future of engineering: supporting STEM education

Worley is a strong supporter of STEM education in schools across the world.

POWER OF ENGINEERING, INDIA

Our collaboration with Power of Engineering went global with a STEM education workshop facilitated by some of our Mumbai engineers at Nanhi Kali Girls at VPS Urdu School No. 2 in India. Our volunteers encouraged girls to study engineering or design and our volunteers enjoy seeing the creativity on display.

NAKIBOTS, NEW ZEALAND

For the past two years Worley has proudly supported Nakibots; an afterschool club designed to help intermediate and high school children learn about STEM.

The students create and build robots which are entered into national and international competitions. The first all-female team from New Zealand was crowned winners of their division at the world championship for middle school students and best all-girl team at the VEX IQ Robotics World Championships, the biggest and fastest growing youth robotics competition in the world. The girls went on to place sixth in the world across 400 teams in the wider competition, in front of 20,000 spectators.

ENGINEERING WEEK, CANADA

Our engineers in Sarnia teamed up with a local girl guides group for some fun and challenging engineering activities. All to celebrate Introduce a Girl to Engineering Day, a movement to inspire girls to pursue STEM.

ENGINEERING WEEK, NORWAY

Our colleagues from Rosenberg Worley welcomed 30 students from Godalen High School for an onsite tour arranged by our customer Equinor. During the visit, the students were encouraged to pursue STEM careers and were also given a sneak peek of the newly constructed bridge that is now ready to be transported to the Johan Sverdrup oil field in the North Sea.

LEARNING AT WORK WEEK, UK

During Learning at Work Week Worley people were invited to bring their children or young relatives into the office to learn more about what they do at work, and engage them in STEM learning. During Worley's Parents' and Children's Evening, children had the opportunity to get hands-on with several different STEM-related activity stations. This included exploring a real-life offshore facility using virtual reality, trying on and learning about the importance of PPE, testing their construction skills with LEGO® and creating working electrical circuits.

POWER OF ENGINEERING, AUSTRALIA

Our Worley team proudly sponsored the Year 10 Western Australia (WA) Science and Engineering Challenge, where over 1,200 year 10 students from 40 local schools across WA competed in STEM-related challenges to help encourage and inspire those students to build their future careers within this field.

Our team volunteered their time and supervised one of the challenges, which was to design and build an earthquake-proof apartment block using limited materials, that then underwent seismic testing.

Supporting Indigenous people across the world

Worley is committed to meaningful engagement with Indigenous communities. We recognize that success depends on our demonstrated understanding of and respect for cultural values and the environmental, social and governance issues that affect Indigenous people.

We have adopted the term Indigenous consistent with United Nations nomenclature; however, local preferences are respected and utilized across our business for Aboriginal, traditional owners, First Nations etc.

Australia

During the period Worley commenced development of a Reconciliation Action Plan (RAP) to provide a framework for cultural awareness, engagement and inclusion across the organization in a co-ordinated fashion. Worley will use the RAP to support development of respectful relationships and create meaningful opportunities with Aboriginal and Torres Strait Island peoples. Further to this, during the period one of our Indigenous colleagues established an internal networking and educational social networking group for sharing information and activities relating to Indigenous Australians.

Since 2013, our Australia West operation has partnered with the Governor Stirling Senior High School to facilitate a work experience program for their Indigenous students in years 11 and 12 who participate in the Follow the Dream Program, designed to help Aboriginal students reach their career potential. Our work experience program provides students with an opportunity to gain exposure to working in an office and the different types of roles that exist to support their decisions after graduating from high school.

This year, as an extension to our work experience, we are offering a year-long traineeship program to students who show an interest in Business Administration or workplace HSE.

Canada

Worley Canada has a been a proud member of the Canadian Council for Aboriginal Business (CCAB), a national, member-based organization with the mission to foster sustainable business relations between Aboriginal and non-Aboriginal peoples, businesses and communities, for the past several years.

This year Worley Canada announced it is participating in the Progressive Aboriginal Relations (PAR) Certification program through the CCAB, which will involve development of a framework over three years and external verification to determine progress and commitment.

During FY2019, Advisian announced a new joint venture with the Mikisew Group of Companies, which is owned by the Mikisew Cree First Nation (MCFN).The venture, Mikisew Advisian Environmental, will focus on providing world-class environmental services in the Athabasca region incorporating traditional knowledge and values into program designs and scopes, while providing career opportunities for MCFN members via the establishment of education-to-employment programs and leadership opportunities.

The Mikisew Group of Companies service the Alberta oil sands in various industries including site services, fleet maintenance, transportation services, emergency medical response and fire response, camp and catering services, construction services, structural steel, electrical and instrumentation services, aerodrome handling and facilities maintenance.

Jennifer Moore and Jacqueline Keeshig at Indigenous Career Expo of Nawash and Saugeen First Nation communities in Canada

Red Deer College, Montana First Nation, WorleyCord and the Government of Canada formed a partnership to deliver a Flexibility and Innovation in Apprenticeship Technical Training (FIATT) project in central Alberta. The project combined the use of a redesigned curriculum delivery model and learning technologies to prepare 50 Aboriginal learners for a career in welding. Many of the students have completed their technical training and are on their way to finding jobs in their chosen trades.

Worley participated in an Indigenous Career Expo in Saugeen First Nation and Chippewas of Nawash Unceded First Nation communities, with a goal to ensure that Indigenous individuals were given equal opportunity to engage with suppliers and explore the potential career opportunities coming into the Saugeen Ojibway Nation Traditional Territory.

South Africa

Worley understands that business, by creating employment, serves a critical role in driving inclusivity and improving social equity in communities. In South Africa, Worley's Supplier Development (SD) programme launched in 2013, calls for active participation in addressing socio-economic challenges as well as transformation in the engineering sector by partnering with independent, sustainable, small-scale black-owned businesses to jointly deliver engineering services in the energy, chemicals and resource sectors of South Africa. The Worley SD programme demonstrates the positive socio-economic transformation that business can foster.

United States

NANA WorleyParsons provides project delivery services to remote Arctic and Subarctic communities through a joint venture partnership with NANA,an Alaska Native corporation owned by the more than 14,500 Iñupiat shareholders who live or have roots in northwest Alaska. Now 270-people strong with a satellite office in Gulfport, Mississippi, NANA WorleyParsons largely serves Anchorage, the North Slope and other regions across Alaska through engineering, procurement, project and construction management, commissioning and developing 3D scanning solutions fit for polar and subpolar climates. Enabling local employment opportunities and education programs throughout the state, NANA WorleyParsons has become the leading brownfield and greenfield EPCM services provider in Alaska. With the collective backing of both parent companies, NANA WorleyParsons continues to secure a strong foothold for operations in Alaska and beyond.

* Iñupiat are Inuit people whose ancestral heritage in the region dates back to circa 1000 B.C.

Governance

Governance

As an Australian incorporated company, WorleyParsons Limited complies with the Corporations Act 2001. In addition, as an entity listed on the Australian Securities Exchange (ASX), WorleyParsons Limited complies with the ASX Listing Rules. Those rules require listed entities to publish a corporate governance statement and other key documents on their company websites and to provide periodic and continuous disclosure to the market.

Our Corporate Governance Statement reports on the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and is located in the Investor Relations section of our Company website. An implementation program has commenced to adopt the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and these will be reported on when it takes effect for FY2021.

ESG reporting

We structure our corporate disclosure through an integrated process aligned to leading international reporting standards. This year, our ESG-related reporting aligns with:

- the internationally-recognized Global Reporting Initiative (GRI) Comprehensive standards;
- our requirements as a signatory to the UN Global Compact; and
- our adoption of the UN Sustainable Development Goals.

In addition, we disclose our ESG-related performance via:

- the Carbon Disclosure Project (CDP) sharing how we measure, disclose and manage vital environmental information;
- investor presentations; and
- mandatory diversity reporting requirements, including Australian and UK and relevant entities submitted Workplace Gender Equality Reports for the reporting period.

Culture

Following the acquisition of ECR, Worley recognises the importance of cultural transformation to build a new and common sense of identity that engages our people, helps to influence and drive ethical behaviour, and helps prepare Worley for sustainable growth.

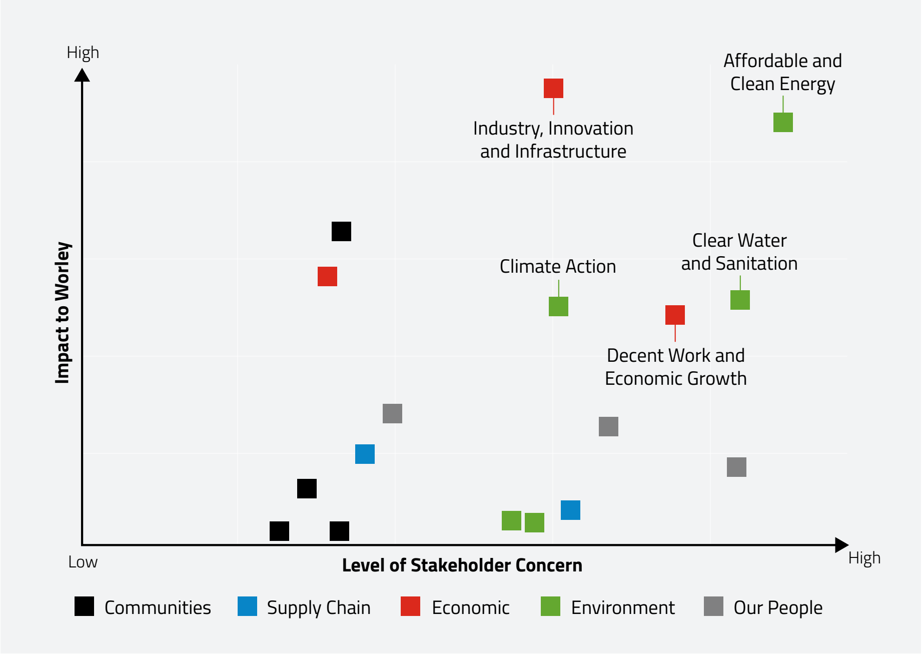
Worley has begun a series of approximately 100 workshops across our global business, designed to gather data and insight from across the organization, at all levels, whilst also engaging and priming a large cross-section of people for the next steps in the transformation journey. This is part of a larger transformation plan that will accelerate and become more visible in 2020 reaching further into the organization and across boundaries to customers, partners and communities.

Corporate responsibility materiality review

A corporate responsibility materiality review was conducted in FY2018 where we asked over 500 of our stakeholders to share the sustainability issues, risks and opportunities which were important to them. The results were ranked and aligned to the UN Sustainable Development Goals. We plan to complete materiality reviews biennially with the next review to be conducted in FY2020.

Corporate responsibility policy

Worley is committed to working responsibly 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.



Issues of most concern across stakeholders with the highest impact on Worley

- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Climate action
- Clear water and sanitation

Economic contribution through taxes paid

With approximately $429 million paid in effective tax contributions in FY2018, there is a significant direct economic contribution made in economies where we operate. As our people spend their wages locally on diverse goods and services, there is a further, indirect economic contribution. We do not measure this indirect economic benefit globally, but it is an important component of our contribution in over 50 countries where we operate.

Corporate responsibility indicators

Our teams continue to consolidate Group level reporting across a number of key indicators that track our progress in corporate responsibility.

We continued our global corporate responsibility champion forums to provide guidance and support for corporate responsibility and diversity and inclusion initiatives and promote engagement with local networks. These champions report progress and track contributions by our people. The Group's contributions are measured in terms of Australian dollar contributions by operations and by our people, and volunteer time contributions by our people.

Worley's approach to the reporting of safety metrics is to include our employees and also contractors and JV partner employees where Worley has operational control. 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). Two separate figures for each of these metrics are reported this year, to capture (1) data from WorleyParsons, and (2) a figure calculated using 12 months of data from WorleyParsons and data from ECR after it became part of Worley on 26 April 2019. Only the TRCFR figure for the WorleyParsons business has been subject to independent assurance.

The Group's corporate responsibility indicators for FY2019 were:

Indicators[1]	2019	2018
Contributions by operations[2]	$0.71 million	$1.10 million
Contributions by personnel members[2]	$0.91 million	$0.76 million
Volunteer hours by personnel members (community/internal)[2]	13,864 hours	25,501 hours
TRCFR[2]	0.14	0.15
LWCFR[2]	0.03	0.02
TRCFR[3]	0.14	0.15
LWCFR[3]	0.03	0.02

1 Definitions and clarifications, refer to https://www.worleyparsons.com/~/media/Files/W/WorleyParsons/documents/cr/2019-cr-definitions.pdf

2 WorleyParsons only

3 Worley (includes combined WorleyParsons and ECR)

As we adopt the relevant recommendations of the TCFD, we have chosen to disclose a climate change position statement and strategic actions as part of our Climate Change Program. We will continue to analyze our physical and transitional exposures to climate change and disclose our progress in FY2020.

The Group completed a response for the CDP in FY2018 which was reported in July 2019. 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.

An energy target for FY2020 was set at 5% reduction of total carbon dioxide equivalents (tCO2-e) against base year FY2016. At the end of FY2018 a reduction of 24% on the FY2016 baseline had been achieved. Due to the acquisition of ECR and associated significant change in office footprint and consolidation of office locations that is underway we have not set a new energy reduction target but we continue to reduce our emissions. Consolidation of office areas has contributed to this reduction, along with building upgrades and locally-designed initiatives to reduce energy consumption.

Data for greenhouse gas emissions and energy consumption for FY2018 and FY2017 were:

	2018		2017	
Indicators	Per personnel member[1]	Total	Per personnel member[1]	Total
Greenhouse gas emissions tCO_2-e	1.82	47,288	2.19	49,853
Energy consumption MWh	3.81	99,143	5.27	120,090

1 Personnel include employees and contractors.

The Board has set measurable objectives for achieving gender diversity. The Group is focused on increasing female representation within the Group, women in senior executive positions and women non-executive directors. The Group's progress over time is included in the FY2019 Corporate Governance Statement and progress towards achieving the objectives in FY2019 is set out in the table below:

Measures	Objectives	2019	2018
Women employees[1]	Increase the proportion of women employees to 30% by 2020	18%	21%
Women senior executives[2]	Increase the proportion of women senior executives to 25% by 2020	26%	26%
Women Non-Executive Directors	Increase the number of women Non-Executive Directors to 3 by 2020	4	3

1 This includes both the Group's employees and contractors. This number was comprised of 9% women in our crafts/hourly businesses and 22% women in the remainder of our businesses. The gender data of ECR people is provisional only at this stage and, due to the timing, has not been able to be verified. There can be difficulties in the quality of gender data due to voluntary self-reporting in some jurisdictions (notably the United States where the Company now has a sizable footprint). The percentage women employees metric is provided on this basis.

2 Senior executives comprise all employees and contractors at the CEO-1, CEO-2, CEO-3 levels, as at 6 August 2019.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Responsible business assessments

We want to know that our customers take a responsible approach to business, as we do. This year marked the first full year of completing responsible business assessments for new projects and contracts across our business. Triggers embedded in our sales and risk assessment processes for new projects and contracts assess the risk profile of customers and projects.

Ethics and whistleblowing

Our Code of Conduct training was delivered to more than 24,500 WorleyParsons contractors, employees and business partners during the period. Approximately 16,000 ECR personnel undertook equivalent Code of Conduct training over the period prior to migrating to Worley. Code of Conduct training for field-based personnel is to be delivered during first half of FY2020, and training of office-based personnel is planned for the second half of FY2020.

An ethics helpline is available to all our people across 51 countries.

Worley has an Ethics Reporting and Whistleblower Standard which provides protection to whistleblowers and encourages reporting of contraventions. The key mechanisms for the protection of whistleblowers are confidentiality, anonymity, protection of employment conditions and appropriate support to prevent retaliation.

Worley complies with all applicable prevention of bribery and corruption legislation, including the prohibition of facilitation payments, and has zero tolerance for bribery, fraud and other types of corruption. We continue to apply our Gifts and Entertainment standard, which includes a strict protocol for registering gifts and entertainment.

Modern Slavery

In accordance with UK legislation, Worley provided its first annual modern slavery statement in 2019. The statement describes the main actions we have taken during the financial year to address modern slavery risks in our business and in our supply chains. In FY2020, further improvements will be made to our supply chain policies and procedures including updates to our pre-qualification process, contract selection and inspection/expediting supplier visits. We will also prepare our first annual Australian modern slavery statement under the Modern Slavery Act 2018.

Assurance

Independent assurance supports our commitment to transparency and accountability. To provide confidence to our stakeholders in our reporting, Ernst & Young provided limited assurance, in accordance with the Australian Standard on Assurance Engagements ASAE 3000, over selected corporate responsibility performance data. The assurance statement identifies the corporate responsibility performance data that EY reviewed, and is linked within the Worley FY2019 Corporate Responsibility Performance Report.

Limited assurance is planned for FY2020 corporate responsibility indicators.

Corporate Responsibility Performance Report

A more comprehensive analysis of our corporate responsibility program and progress made is shared in the Corporate Responsibility Performance Report. The report is published annually and is issued as our 'communication of progress' for the United Nations Global Compact, showing how we have adopted the Global Reporting Initiative standards.

Please refer to our company website for the FY2019 Corporate Responsibility Performance Report.

Case study: Supporting human rights

Supporting human rights: access to employment

Worley is proud to champion access to employment for refugee groups. One of our people arranged for a group of skilled refugee engineers, new to Australia, to come to our Melbourne office in September 2018 for tips on updating their resumé, writing their cover letter and interview techniques. Overwhelmed with volunteers, the workshop was a success with three engineers finding employment with Worley and Advisian. A number of other attendees found employment at other organizations through the contacts made at Worley.

Six months later, a group of engineers with refugee backgrounds including Jamila Alarkan and husband Tony Bitar arranged for a second group of refugee engineers to come into our offices for job seeking advice and mentoring. Following the success of these events, the Melbourne office now utilizes personnel agencies who specialize in the placement of refugee engineers, recognizing the rich experience this diverse group brings to our country and our organization.

Jamila, now a graduate engineer in the Melbourne office summed up her perspective well:

"I know first-hand how daunting it is to find employment in a brand new country where English is not your first language. It can be overwhelming and lonely, when you don't know anyone. Contacts are important and that is what we are trying to do here, help overcome the additional barriers new arrivals have to face when looking for employment. Thankfully we are able to use Worley networks to help overcome some of the barriers for people who are in the same position I was in a year ago."

Andrew Wood, Jamila Alarkan, Tony Bitar and Sue Brown talking to refugees at event in Melbourne office, March 2019

4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Operating and Financial Review

1. OPERATIONS

1.1 OVERVIEW

In April 2019, Worley completed the acquisition of the ECR business. The acquisition positions the new merged organization as a pre-eminent global provider of professional project and asset services in energy, chemicals and resources

We operate in four lines of business of Energy & Chemicals Services, Mining, Minerals & Metals Services, Advisian and Major Projects & Integrated Solutions including construction and fabrication yard activity. This strengthens our capability in integrated Engineering, Procurement and Construction (EPC) with the aim of extending this offering to existing and new customers.

We report the four lines of business. We also service and report three customer sectors, each of which is focused on customers involved in the following activities:

1. Energy - the extraction and processing of oil and gas as well as projects related to all forms of power generation, transmission and distribution;
2. Chemicals - the manufacture, processing and refining of chemicals (for example, petrochemicals, polymers and speciality chemicals); and
3. Resources - the extraction and processing of mineral and metal resources, and resource projects related to water, the environment, transport, ports and site remediation and decommissioning.

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. We offer a range of services from small studies to the delivery of major projects.

A core strength of Worley is the diversity of our business in terms of geography, industry and service offerings. We operate in 51 countries, with no country individually representing more than 18% of aggregated revenue. Our 10 largest customers account for 42% of aggregated revenue.

1.2 BUSINESS MODEL

Our business is based on our people providing key services to our customers from within our lines of business. 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 Worley 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 position of the Group and include this revenue within aggregated revenue.

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

Assets and liabilities: The significant items on our balance sheet are mainly project related, such as trade receivables, unbilled contract revenue, provisions and borrowings. We also hold a number of intangible assets generated through previous acquisitions. Our business is not capital intensive. Our customers pay us at longer intervals than our payments of expenses (e.g. staff salaries). This time differential, along with the time from incurring the costs, to invoicing the customer, makes up the majority of our working capital requirements.

1.3 REVIEW OF OPERATIONS

The result for FY2019 was a net profit after tax excluding the post-tax impact of amortization on intangible assets acquired through business combinations (NPATA) of $172.3 million, compared with $72.8 million in FY2018. Underlying NPATA was $259.8 million for FY2019, up $77.8 million on the previous corresponding period.

Aggregated revenue increased by 36% driven by the contribution of the ECR business acquired in April 2019. Revenue grew 51% from the first half to second half.

Worley completed the acquisition of ECR in April 2019. The transformation includes reorganizing our sectors into energy, chemicals and resources. The purchase also has resulted in several acquisition and transition charges related to consultant fees and onerous lease fees relating to the transformation program which are included in the statutory result.

We now employ 57,831 people and maintain a presence in 51 countries, compared with 26,050 people across 42 countries at 30 June 2018.

Backlog at 30 June 2019 was $18 billion, compared to $16.4 billion[1] at 30 June 2018.

Our financial position remains sound with the Company's gearing ratio of 20.9% at 30 June 2019. The reconciliation of the underlying earnings before interest, tax and amortization on intangible assets acquired through business combinations (EBITA) and underlying NPATA results to the EBITA and NPATA attributable to members of WorleyParsons Limited is shown in the following table:

[1] This includes Backlog attributable to the ECR business as at 30 June 2018.

	FY2019 $'M	FY2018 $'M
EBITA	**308.1**	**278.0**
Acquisition costs	50.6	5.9
Transition costs	35.0	-
Onerous lease contracts	8.9	
Bridging facility fee	4.2	-
Foreign exchange gain on term deposits	(3.4)	-
Impact of the arbitration award	8.7	-
Onerous lease (not related to acquisition activity)		12.2
Restructuring costs	0.7	14.2
Impairment of associate intangible assets	-	2.7
Underlying EBITA	**412.8**	**313.0**
NPAT attributable to members of WorleyParsons Limited	**151.9**	**62.2**
Impact of acquisition and transition activities, comprised of:		
Acquisition costs	*50.6*	*5.9*
Transition and restructuring costs	*35.0*	-
Onerous lease contracts	*8.9*	-
Bridging facility fee	*4.2*	-
Interest income on term deposits, net borrowing cost write off	*(27.4)*	-
Foreign exchange gain on term deposits	*(3.4)*	-
US Foreign Tax Credits (FTC) write off due to acquisition of ECR	*14.3*	-
Other restructuring costs	0.7	14.2
Onerous lease contracts (non-acquisition related)	-	12.2
Impairment of associate intangible assets	-	2.7
Impact of arbitration award	8.7	-
Net tax expense on the items excluded from underlying earnings	(7.5)	(7.5)
Tax from changes in tax legislation	3.4	81.7
Underlying NPAT attributable to members of WorleyParsons Limited	**239.4**	**171.4**
Amortization of intangible assets acquired through business combinations	27.5	14.2
Tax effect on amortization of intangible assets acquired through business combinations	(7.1)	(3.6)
Underlying NPATA attributable to members of WorleyParsons Limited	**259.8**	**182.0**

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

1. AGGREGATED REVENUE;

2. EBITA (EARNINGS BEFORE INTEREST, TAX AND AMORTIZATION); AND

3. NPATA (NET PROFIT AFTER TAX AND AMORTIZATION) ATTRIBUTABLE TO MEMBERS OF WORLEYPARSONS LIMITED.

	FY2019 $'M	FY2018 $'M	Comments	Movement
1. Aggregated revenue	**$6,439.1**	4,749.2	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 revenue at nil margin, pass-through revenue at nil margin and interest income.	Our aggregated revenue increased by 35.6% in FY2019 when compared with that for FY2018, driven by the acquisition of the ECR business.

			FY2019 $'M	FY2018 $'M	Comments	Movement
2.	**EBITA**	(statutory)	**308.1**	278.0	EBITA means earnings before interest, tax and amortization on intangible assets acquired through business combinations.	Our statutory EBITA has increased by 10.8% in FY2019 when compared with that for FY2018, due primarily to the acquisition of ECR.
		(underlying)	**412.8**	313.0		Our underlying EBITA has increased by 31.9% in FY2019 when compared with that for FY2018. Underlying EBITA margins have declined due to the inclusion of the ECR construction business which has lower margins.
3.	**NPATA**	(statutory)	**172.3**	72.8	NPATA means net profit after tax excluding the post tax impact of amortization on intangible assets acquired through business combinations.	Statutory NPATA increased by 136.7% to $172.3 million in FY2019 compared with $72.8 million in FY2018.
		(underlying)	**259.8**	182.0		Underlying NPATA increased by 42.7% in FY2019 with this improvement largely attributed to the performance of the MPIS line of business.

1.3.1 LINE OF BUSINESS PERFORMANCE

ENERGY & CHEMICALS SERVICES

The Energy & Chemicals Services includes (greenfield and brownfield) engineering, procurement, project management, program management and operations. In cooperation with Worley's Advisian and Major Projects & Integrated Solutions (MPIS) lines of business we support customers across the full asset life cycle of their facilities, whether onshore, offshore or deep water. The Energy & Chemicals Services line of business reported aggregated revenue of $2,854.2 million and segment result of $278.8 million (FY2018: aggregated revenue of $2,218.7 million and segment result of $227.0 million). The segment margin decreased to 9.8% from 10.2%. Aggregated revenue increased through the acquisition of ECR and growth in North America and the Middle East.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2019	2,854.2	29	44	278.8	23	9.8
FY2018	2,218.7		47	227.0		10.2

MINING, MINERALS & METALS SERVICES

The Mining, Minerals & Metals Services line of business combines extensive local experience and innovative, integrated solutions with technically-led centers of excellence to explore process improvements, develop fit-for-purpose engineering and project execution, and accelerate the translation of customer objectives into actions that drive production and project certainty. The Mining, Minerals & Metals Services line of business reported aggregated revenue of $286.2 million and segment result of $31 million (FY2018: aggregated revenue of $151.7 million and segment result of $9.2 million). The segment margin improved to 10.8% from 6.1%. Significant projects within Australia and Mongolia have driven aggregated revenue growth in FY2019.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2019	286.2	89	4	31.0	237	10.8
FY2018	151.7		3	9.2		6.1

MAJOR PROJECTS & INTEGRATED SOLUTIONS

Major Projects focuses on successfully delivering those projects that pose a higher level of commercial and reputational risk for Worley by the nature of their size, complexity and the scope of services we will be providing. Integrated Solutions delivers maintenance, modification, operations, engineering, fabrication, construction, hook-up and commissioning services to existing assets around the globe. The Major Projects & Integrated Solutions lines of business reported aggregated revenue of $2,745 million and segment result of $231.7 million (FY2018: aggregated revenue of $1,866.6 million and segment result of $172.4 million). The segment margin declined to 8.4% from 9.2%. Aggregated revenue increased with the acquisition of ECR, increased procurement revenue in the UK Integrated Solutions business in the North Sea and an upturn in the Norway business.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2019	2,745.0	47	43	231.7	34	8.4
FY2018	1,866.6		39	172.4		9.2

ADVISIAN

Advisian is a global consulting firm that provides a true end-to-end offering for clients, with approximately 2,800 consultants across 19 countries integrating strategy, management and technical consulting expertise to clients in the hydrocarbons, resources and infrastructure sectors. Advisian reported aggregated revenue of $553.7 million and segment result of $35 million (FY2018: aggregated revenue of $512.2 million and segment result of $17.5 million). The segment margin improved to 6.3% from 3.4%. The increase in aggregated revenue was driven by increased project with undertaken by INTECSEA, specifically with project work in India.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2019	553.7	8	9	35.0	100	6.3
FY2018	512.2		11	17.5		3.4

1.3.2 SECTOR PERFORMANCE

ENERGY

The Energy sector reported aggregated revenue of $4,480.1 million and segment result of $437.1 million with a margin of 9.8% (FY2018: aggregated revenue of $3,720.1 million, segment result of $347.7 million and segment margin of 9.3%). Energy's contribution to the Group's aggregated revenue was 70%, decreasing from last year as the increased exposure from Chemicals and Resources flows through from ECR. The increase in aggregated revenue is a result of the ECR acquisition, increased project revenue from a key international oil company customer and increased project work in in Saudi Arabia. Strong growth in Canada, Oman and Qatar have supported the increase to aggregated revenue in FY2019.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2019	4,480.1	20	70	437.1	26	9.8
FY2018	3,720.1		78	347.7		9.3

CHEMICALS

The Chemicals sector reported aggregated revenue of $1,326.6 million and segment result of $94.3 million with a margin of 7.1% (FY2018: aggregated revenue of $599.0 million, segment result of $43.0 million and segment margin of 7.2%). Chemicals contributed 21% to the Group's aggregated revenue increasing from last year. The Chemicals contribution to the group aggregated revenue increased with the acquisition of ECR. The sector saw continued growth in the North American and Europe markets.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2019	1,326.6	121	21	94.3	119	7.1
FY2018	599.0		13	43.0		7.2

RESOURCES

The Resources sector reported aggregated revenue of $632.4 million and segment result of $45.1 million with a margin of 7.1% (FY2018: aggregated revenue of $430.1 million, segment result of $35.4 million and segment margin of 8.2%). Resources contribution to the Group's aggregated revenue increased by 9.8%. The increase in aggregated revenue was a combination of the acquisition of ECR combined with revenue generated by a major project in Australia.

	Aggregated revenue		Contribution to Group aggregated revenue	Segment result		Segment margin
	$'M	Variance %	%	$'M	Variance %	%
FY2019	632.4	47	10	45.1	27	7.1
FY2018	430.1		9	35.4		8.2

1.4 SIGNIFICANT CHANGES IN OPERATIONS

In October 2018, Worley entered into a binding agreement to acquire ECR from Jacobs. The acquisition was completed in April 2019 with the new merged business employing 57,831 people across 51 countries. The acquisition was completed for a total consideration of US$3.2 billion (A$4.6 billion). The acquisition was funded by a A$2.9 billion entitlement offer, and A$842.1 million stock issued to Jacobs and additional debt of A$895 million.

In combining the two complementary organizations, the transaction is expected to:

1. Generate material EPS accretion and returns for shareholders;
2. Create a pre-eminent global provider of professional project and asset services in resources and energy;
3. Provide global sector leadership across hydrocarbons, chemicals, mining, minerals and metals;
4. Deliver enhanced earnings diversification and resilience; and
5. Bring significant value upside through cost and revenue synergies.

Cost and Global Integrated Delivery (GID) synergies have increased from original expectation of $130 million to $150 million and are anticipated to be delivered within two years, with further benefits expected to be achieved from optimization and revenue synergies.

Following the acquisition, the company has adopted 'Worley' as its new brand. The company name will be changed to Worley Limited, subject to the approval of members at the Annual General Meeting in October 2019.

2. FINANCIAL POSITION AND CASH FLOW

2.1 MATTERS RELEVANT TO UNDERSTANDING WORLEYS' FINANCIAL POSITION

OUR FINANCIAL CAPACITY REMAINS STRONG BASED ON CASH, GEARING AND DEBT POSITIONS.

		FY2019 $'M	FY2018 $'M	Comments	Movement
1.	**Operating cash flow**	236.3	259.7	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.	The operating cash flow decrease is mainly due to the impact of items relating to the acquisition of the ECR and related transition activities.
2.	**Gearing ratio**	20.9%	23.0%	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 the gearing ratio.	Our gearing ratio decreased by 2.1 percentage points in FY2019 when compared with that for FY2018. This ratio is slightly below our gearing target of 25% to 35%.
3.	**Debt facility utilization**	73%	60%	Our debt facility utilization is the percentage of our debt facilities that we were using at the end of the financial year.	Our debt utilization increase is due to increased working capital requirements as well as due to the impact of items relating to the acquisition of ECR.
4.	**Loan, overdraft and lease facilities**	2,962	1,677	Our loan, overdraft and lease facilities are the amount of our debt facilities at the end of the financial year.	The amount of our loan, overdraft and lease facilities increased during FY2019, primarily due to the acquisition of ECR.

2.2 DIVIDENDS

Our directors resolved to pay a final dividend of15 cents per fully paid ordinary share, including exchangeable shares, unfranked. This is in addition to the interim dividend of 12.5 cents per share. As a result, 52.2% of our full year underlying net profit after tax excluding the post-tax impact of amortization on intangible assets acquired through business combinations for FY2019 will be distributed to shareholders as a dividend.

2.3 SIGNIFICANT CHANGES IN WORLEYS' FINANCIAL POSITION

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

During FY2019, we acquired the ECR business for a consideration of $4.6 billion. This purchase was funded by the proceeds from a capital raising from shareholders, a stock issue to Jacobs Engineering Group Inc., and additional debt.

During FY2019, a new syndicated debt facility was established that replaced the previous facility as well as a debt bridge put in place for the ECR acquisition. This USD1.3 billion provides improved liquidity and extends the average debt tenor to almost four years.

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; and
- operating expenditure commitments.

These future commitments represent approximately 8.5% of our expenses.

In general, we lease the space in 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

Worley has a strategy architecture that focuses on operational excellence and growing the business. The architecture is a framework that integrates all the strategic processes at Worley, describing how they interact over the course of the financial year and how they systematically allow us to improve our collective performance, accelerate our revenue growth and address the dramatic changes in our industry.

The architecture is built around the following three pillars:

1. operational excellence ensuring we always maintain a viable and competitive business;
2. grow the business in the near term by offering all of our value to all of our customers; and
3. position the business to grow as a key player in the new world.

The three pillars combine to provide a holistic view of strategy and all three are needed for our strategy to stand.

3.2 OUTLOOK

The energy, chemicals and resources market indicators and growth in backlog provide evidence of continued improvement in market conditions. However, our markets are being tempered by macroeconomic global uncertainty.

As a result of the ECR acquisition, we have enhanced the diversity and resilience of our earnings. Worley has the global technical and financial strength to support its Energy, Chemicals and Resource customers as they navigate a changing world.

In FY2020 we expect to deliver the benefits of the acquisition of ECR including the realization of cost, margin and revenue synergies.

3.3 RISKS

Achievement of our medium and long-term objectives could be impacted by a number of risks. Those risks could, individually or together, have an adverse effect on achievement of those objectives.

Set out below is an overview of a number of key risks that we face in seeking to achieve those objectives. 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 objectives. 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 risk management measures 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, SAFETY AND ENVIRONMENT 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.

The nature of our work may give rise to environmental risk. We identify environmental aspects of our work and their potential impact and put in place controls and monitoring to address them. We continue to implement emissions reduction strategies and to support our customers in their efforts.

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

3.3.2 OPERATING RISKS

Contract management risk: Effective contract management seeks to ensure, among other things, appropriate project and customer selection and the effective management of contractual requirements and 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 pursuit and 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 operating 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 Worley Academy to further enhance the capability of our people in project management and project delivery.

Cybersecurity risk: Our work relies on the effective processing and storing of information using information technology. With the use of IT systems, there is a risk of unauthorized access, disruption, loss of critical or sensitive data and other security incidents as a result of cyberattacks. We are mitigating this risk through strengthened security measures, continual threat monitoring, user education and by implementing information security policies in line with international standards.

3.3.3 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 selection or 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, application of the Responsible Business Assessment on pursuits and 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, safety and environment risk, project delivery risk and internal reporting risk, are relevant to seek to preserve our reputation.

3.3.4 FINANCIAL RISKS

Liquidity risk: Our ability to maintain an appropriate level of liquidity, 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 effective working capital management 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 objectives 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.

Taxation risk: Worley operates in a large number of countries. We have seen examples of Governments in all parts of the world change their approach to the regulation and collection of tax. Consequently, there is a risk that the level of taxation imposed on our business could change materially as a result of a change in legislation or approach in the countries in which we operate. We have a process in place to monitor such changes and ensure that we continue to pay the appropriate amount of tax in all jurisdictions.

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 is 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, macro trends and business knowledge. The strategy involves three strategic pillars with a number of priority areas reviewed on a regular schedule and described in section 3.1 of this review.

Integration risk: The acquisition of ECR provides our business with substantial benefits and strategic gain. There is a risk that we do not realize and grow the value from the acquisition if we do not successfully integrate and deliver synergies. We seek to mitigate this risk though the establishment of a dedicated Transition Management Office, lead by people with deep acquisition and integration experience, to drive delivery of defined integration objectives and synergies.

Climate risk: Climate change will have both physical and transitional risk implications for the industries we serve. Regulatory and other changes may lead to increased cost, delays or cancellation associated with some projects. Conversely, the pace of other projects such as those associated with new energy may increase. We are committed to being part of the solution, to reducing our own emissions intensity and responding to our industry's and customers' climate change needs. To seek to mitigate this risk, we have embedded climate change considerations within core risk and strategy processes and are assessing climate-related risks and opportunities. In addition, we have established a climate change working group to review and design an implementation program for the Taskforce on Climate-related Financial Disclosure (TCFD).

3.4 UNREASONABLE PREJUDICE

We have omitted from the review, 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 review 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 publication, they are, by their nature, not certain and are susceptible to change. Worley 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 ASX Listing Rules, disclaims any obligation or undertaking to publicly update such forward looking statements.

Financial Report

For the financial year ended 30 June 2019

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:

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 2019.

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:

- Energy - the extraction and processing of oil and gas as well as projects related to all forms of power generation, transmission and distribution;
- Chemicals - the manufacture, processing and refining of chemicals (for example, petrochemicals, polymers and speciality chemicals); and
- Resources - the extraction and processing of mining, mineral and metal resources, and resource projects related to water, the environment, transport, ports and site remediation and decommissioning.

DIRECTORS

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

- John Grill (Chairman)
- Erich Fraunschiel (Lead Independent Director until retirement on 23 October 2018)
- Catherine Livingstone (Lead Independent Director from 24 October 2018)
- Thomas Gorman
- Christopher Haynes
- Roger Higgins (from 20 February 2019)
- Andrew Liveris (from 5 September 2018)
- Juan Suárez Coppel (from 27 May 2019)
- Anne Templeman-Jones
- Wang Xiao Bin
- Sharon Warburton (from 20 February 2019)
- Andrew Wood (Chief Executive Officer).

DIRECTORS' 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	34,336,128	-
Catherine Livingstone	24,033	-
Thomas Gorman	22,684	-
Christopher Haynes	18,922	-
Roger Higgins	14,000	-
Andrew Liveris	6,870	-
Juan Suárez Coppel	-	-
Anne Templeman-Jones	5,281	-
Wang Xiao Bin	11,000	-
Sharon Warburton	10,000	-
Andrew Wood	1,403,950	499,576

Further details in relation to the rights issued by the Company are set out in the Remuneration Report and notes 15 and 16 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 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	12	12			7	7	6	6	6	6
Erich Fraunschiel[1]	7	7	2	2	2	2				
Catherine Livingstone	12	11	6	5	7	6				
Thomas Gorman	12	12			7	7	6	6	6	6
Christopher Haynes	12	12			7	7	6	6	6	6
Roger Higgins[2]	2	2			3	3			2	2
Andrew Liveris[3]	8	8			6	5	2	2		
Juan Suárez Coppel[4]	1	1	1	1	1	1				
Anne Templeman-Jones	12	12	6	6	7	7				
Wang Xiao Bin	12	11	6	5	7	6				
Sharon Warburton[5]	2	2	2	2	3	3				
Andrew Wood	12	12								

[1] Erich Fraunschiel retired on 23 October 2018.
[2] Roger Higgins was appointed from 20 February 2019.
[3] Andrew Liveris was appointed from 5 September 2018.
[4] Juan Suárez Coppel was appointed from 27 May 2019.
[5] Sharon Warburton was appointed from 20 February 2019.

In addition to those meetings, special purpose Board Committee meetings and briefings were held during the financial year. The Board also attended regular Board briefings during the financial year.

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 the current financial year and previous financial year are as follows:

	2019 $'M	2018 $'M
Final dividend for the full year 2019 of 15 cents per ordinary share to be paid on 25 September 2019 (unfranked)	78.0	-
Interim ordinary dividend for half year 2019 of 12.5 cents per ordinary share paid on 27 March 2019 (unfranked)	57.7	-
Final dividend for the full year 2018 of 15.0 cents per ordinary share paid on 24 September 2018 (unfranked)	-	41.1
Interim ordinary dividend for half year 2018 of 10.0 cents per ordinary share paid on 26 March 2018 (unfranked)	-	27.3
Total dividends paid/to be paid	135.7	68.4

Since the end of the financial year, the directors have resolved to pay a final dividend of 15.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2018: 15.0 cents per share). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $78 million is not recognized as a liability as at 30 June 2019.

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	
	2019 $'M	2018 $'M
Revenue and other income	6,924.3	4,835.8
Depreciation	(23.1)	(18.1)
Amortization	(70.1)	(49.9)
Earnings before interest and amortization and tax (EBITA)	308.1	278.0
Net interest expense	(35.2)	(58.4)
Amortization of acquired intangibles	(27.5)	(14.2)
Profit before income tax expense	245.4	205.4
Income tax expense	(81.4)	(129.7)
Statutory profit after income tax expense	164.0	75.7
Non-controlling interests	12.1	13.5
Statutory profit after income tax expense attributable to members of WorleyParsons Limited	151.9	62.2
Impact of acquisition and transition activities, comprise of:		
Acquisition costs	50.6	5.9
Transition and restructuring cost	35.0	-
Onerous lease contracts	8.9	-
Bridging facility fee	4.2	-
Interest income on term deposits, net of borrowing cost write off	(27.4)	-
Foreign exchange gain on term deposits	(3.4)	-
US FTC write off due to acquisition of ECR	14.3	-
Impact of arbitration award[1]	8.7	-
Other restructuring costs	0.7	14.2
Onerous lease contracts (non-acquisition related)	-	12.2
Impairment of associate intangible assets	-	2.7
Net tax expense on the items excluded from underlying earnings	(7.5)	(7.5)
Tax from changes in tax legislation	3.4	81.7
Underlying profit after income tax expense attributable to members of WorleyParsons Limited	239.4	171.4
Amortization of intangible assets acquired through business combinations	27.5	14.2
Tax effect on amortization of intangible assets acquired through business combinations	(7.1)	(3.6)
Underlying profit after income tax expense and before amortization of acquired intangible assets attributable to members of WorleyParsons Limited[2]	259.8	182.0

	CONSOLIDATED	
	2019 $'M	2018 $'M
Revenue and other income	6,924.3	4,835.8
Add: Impact of arbitration award[2]	8.7	-
Less: Procurement revenue at nil margin (including share of revenue from associates)	(608.0)	(94.4)
Less: Pass-through revenue at nil margin	(32.4)	(157.3)
Add: Share of revenue from associates	183.0	170.6
Less: Interest income	(36.5)	(5.5)
Aggregated revenue[3]	**6,439.1**	**4,749.2**

	AGGREGATED REVENUE		EBITA		EBITA MARGIN	
	2019 $'M	2018 $'M	2019 $'M	2018 $'M	2019 %	2018 %
Energy & Chemicals Resources Services	2,854.2	2,218.7	278.8	227.0	9.8	10.2
Mining, Minerals and Metals Services	286.2	151.7	31.0	9.2	10.8	6.1
Major Projects & Integrated Solutions	2,745.0	1,866.6	231.7	172.4	8.4	9.2
Advisian	553.7	512.2	35.0	17.5	6.3	3.4
	6,439.1	4,749.2	576.5	426.1	9.0	9.0
Global support costs[4]			(157.6)	(110.7)		
Interest and tax for associates			(6.1)	(2.4)		
Underlying EBITA			**412.8**	**313.0**	**6.4**	**6.6**

Aggregated revenue was $6,439.1 million, an increase of 36% on the prior financial year. Underlying EBITA of $412.8 million was up 32% from the prior financial year result of $313.0 million.

The underlying EBITA margin on aggregated revenue for the Group, decreased to 6.4% compared with 6.6% in 2018. After tax, the members of WorleyParsons Limited earned an underlying profit[2], on aggregated revenue of 4.0%, compared to the 2018 profit of 3.8%.

The underlying effective tax rate of 22.1% compared with 23.1% in 2018.

[1] Reduction in revenue following lower than expected arbitration award in relation to a dispute with a state owned enterprise.

[2] The directors consider that underlying profit information, which excludes significant non-recurring items and amortization of intangibles assets recognized on business combinations, is important in order to understand the sustainable performance of the Company.

[3] Aggregated revenue is defined as statutory revenue and other income less impact of arbitration award plus share of revenue from associates less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. 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.

[4] Excluding global support related restructuring costs (refer to note 3 (E) to the financial statements).

The Group retains a strong cash position of $491.8 million (2018: $277.9 million) with gearing (net debt/net debt plus total equity) at financial year end of 20.9% (2017: 23.0%).

Operating cash inflow for the period was $236.3 million, compared to $259.7 million in 2018. Cash outflow from investing activities was $3,828.0 million (2018: $399.1 million).

EARNINGS PER SHARE

	2019 CENTS	2018 CENTS (restated)[1]
Basic earnings per share	36.4	22.6
Diluted earnings per share	36.2	22.5

Underlying basic earnings per share was 62.2 cents, a decrease of 6.0% from the previous financial year result of 66.2 cents[1].

Underlying basic earnings per share is determined by dividing the underlying profit attributable to members of WorleyParsons Limited (as set out on page 38) by the weighted average number of ordinary shares outstanding during the financial year (as set out in note 17 to the financial statements).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 22 October 2018, the Group entered into a Stock and Asset Purchase Agreement to acquire ECR from Jacobs Engineering Group Inc,. (Jacobs). On 26 April 2019, the Group completed the transaction for a total consideration, net of cash acquired, of $4.6 billion (US$3.2 billion).

During the period, the Group raised $2.9 billion through a 1 for 1.47 pro rata fully underwritten non-renounceable rights offer for fully paid ordinary shares in WorleyParsons Limited and incurred of $57.0 million of equity raising costs. A further 58.2 million of fully paid shares in WorleyParsons Limited totalling $842.1 million was issued to Jacobs on 26 April 2019.

In February 2019, the Group refinanced its core syndicated debt facility as a result of the acquisition of ECR. The new multi-currency facility led by Wells Fargo Bank, HSBC Bank and Standard Chartered Bank consists of a US$500 million revolving credit facility and a $800 million term loan. The facility matures in February 2024.

The Group's merged business is a pre-eminent global provider of professional project and asset services in energy, chemicals and resources employing 57,831 people across 51 countries. From completion, the Group operates four lines of business, Energy & Chemical Services, Mining, Minerals & Metals Services, Major Projects & Integrated Solutions and Advisian.

From 26 April 2019, the Group transitioned to the domain name Worley.com.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the directors have resolved to pay a final dividend of 15.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2018: 15.0 cents per share). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $78 million is not recognized as a liability as at 30 June 2019.

No other matter or circumstance has arisen since 30 June 2019 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.

[1] In accordance with accounting standards, earnings per share were adjusted to reflect the equity raising during the period as disclosed in note 17 to the financial statements.

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 of the Operating and Financial Review on page 34.

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 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 $614,178.

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:

Building a better working world

Ernst & Young
200 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

As lead auditor for the audit of the financial report of WorleyParsons Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WorleyParsons Limited and the entities it controlled during the financial year.

Ernst & Young

Scott Jarrett
Partner
21 August 2019

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by ASIC, 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 Instrument and amounts less than $50,000 that have been rounded down are represented in this report by 0.0.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2019 may be accessed from the Company's website at the Corporate Governance page in the Investor Relations section.

INFORMATION ON DIRECTORS AND GROUP 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 owned by WorleyParsons Limited. This specialized consulting practice acquired the business of Worley Engineering Pty Limited in Australia in 1987. It listed on the Australian Securities Exchange (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 Chairman of the Growth Centres Advisory Committee for the Australian Government for Department of Industry, Innovation and Science and Chairman of the Mindgardens Alliance, a partnership between the Black Dog Institute, Neuroscience Research Australia (NeuRA), South Eastern Sydney Local Health District (SESLHD) and the University of New South Wales.

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

LEAD INDEPENDENT DIRECTOR AND NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JULY 2007

COUNTRY OF RESIDENCE – AUSTRALIA

Catherine joined the Board on 1 July 2007. She is the Lead Independent Director of the Board and is a member of the Audit and Risk Committee and Nominations Committee. Catherine is Chairman of Commonwealth Bank of Australia and a director of Saluda Medical Pty Limited and the Australian Ballet and is the Chancellor of University of Technology, Sydney. Catherine was the President of the Business Council of Australia from 2014 to 2016 and the Chairman of Telstra Corporation Limited from May 2009 to April 2016 and of CSIRO from 2001 to 2006. She 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. 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
Commonwealth Bank of Australia	Non-executive director	1 March 2016	n/a
	Chairman	1 January 2017	n/a
Telstra Corporation Limited	Non-executive director	30 November 2000	27 April 2016
	Chairman	8 May 2009	27 April 2016

THOMAS GORMAN BA (ECONOMICS AND INTERNATIONAL RELATIONS), MBA (DISTINCTION) (HARVARD)

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2017

COUNTRY OF RESIDENCE – UNITED STATES OF AMERICA

Thomas was appointed to the Board effective 18 December 2017. He is Chairman of the Remuneration Committee and a member of the Health, Safety and Environment Committee and Nominations Committee. His appointment follows a 30-year career in executive positions at Ford Motor Company and Brambles Limited. He retired as Chief Executive Officer of Brambles in February 2017. He has worked in multiple functions including finance, operations, logistics, marketing, and business development and has lived and worked in the United States, England, France and Australia. He is a director of High Resolves, an Australian-based not-for-profit focused on middle school education and a director of Orora Limited, effective from 2 September 2019. Thomas graduated, cum laude, from Tufts University with degrees in Economics and International Relations and obtained an MBA, with distinction, from the Harvard Business School. Thomas has been appointed as a Non-Executive Director of Orora Limited, which is effective from 2 September 2019.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Orora Limited	Non-executive director	2 September 2019	n/a

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

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE JANUARY 2012

COUNTRY OF RESIDENCE – UNITED KINGDOM

Christopher was appointed to the Board effective 1 January 2012. He is Chairman of the Health, Safety and Environment Committee and a member of the Remuneration Committee and Nominations Committee. He is a non-executive director of Woodside Petroleum Limited and Honorary President of the Energy Industries Council, United Kingdom. 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. Christopher 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, Christopher assumed responsibility for the delivery of Shell's major upstream projects worldwide. He retired from Shell in August 2011. Christopher graduated from The University of Manchester with a Bachelor of Science with Honors in Mechanical Engineering and obtained a Doctor of Philosophy 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.

Christopher 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

ROGER HIGGINS BENG (HONS), MSC (HYDRAULICS), PHD (WATER RESOURCES), FAUSIMM, FIEAUST

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE FEBRUARY 2019
COUNTRY OF RESIDENCE – AUSTRALIA

Roger was appointed to the Board effective 20 February 2019. He is a member of the Nominations Committee and Health, Safety and Environment Committee. He has extensive experience in mining and operations and has previously held senior executive positions with Teck Resources Limited, BHP Billiton and Ok Tedi Mining Limited. Roger is a non-executive director of Newcrest Mining Limited and Ok Tedi Mining Limited, the Chairman of Minotaur Exploration Limited and holds the position of adjunct professor with the Sustainable Minerals Institute, The University of Queensland. Roger holds a Bachelor of Civil Engineering (Hons), MSc (Hydraulics) and a PhD (Water Resources). He is a Fellow of the Institution of Engineers, Australia (FIEAust) and the Australasian Institute of Mining and Metallurgy (FAusIMM).

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Newcrest Mining Limited	Non-executive director	1 October 2015	n/a
Metminco Limited	Non-executive director	8 October 2013	16 August 2019
Minotaur Exploration Limited	Non-executive director	1 July 2016	n/a
	Chairman	31 January 2017	n/a

ANDREW LIVERIS AO BENG (FIRST CLASS HONS), PHD (SCIENCE)

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE SEPTEMBER 2018
COUNTRY OF RESIDENCE – AUSTRALIA AND UNITED STATES OF AMERICA

Andrew was appointed to the Board effective 5 September 2018. He is a member of the Nominations Committee and Remuneration Committee. Andrew is the former Chairman and Chief Executive Officer of The Dow Chemical Company and the former Executive Chairman of DowDuPont. Andrew has over 40-years' global leadership experience with The Dow Chemical Company and his career spanned roles in manufacturing, engineering, sales, marketing, and business and general management around the world. Andrew is a director of IBM, Saudi Aramco and Novonix Limited and on the advisory board of Sumitomo Mitsui Banking Corporation and NEOM, an initiative driven by Saudi Vision 2030. He serves as a special advisor to the Public Investment Fund (PIF) and the Crown Prince of Saudi Arabia. He is the past Vice Chair of the Business Roundtable, an Executive Committee Member and past Chairman of the United States Business Council and a member of the Concordia Leadership Council and the Australian Government's Industry Growth Centres Advisory Committee. He serves as a trustee for the King Abdullah University of Science and Technology (KAUST), the California Institute of Technology and the United States Council for International Business. In 2012, Andrew co-founded The Hellenic Initiative (THI) to support economic renewal in Greece through entrepreneurship, business development and investment, and serves as Chairman of the Board. Andrew is a Chartered Engineer and a Fellow of the Institution of Chemical Engineers, as well as a Fellow of the Australian Academy of Technological Sciences and Engineering. He earned a Bachelor's degree (first class honors) in Chemical Engineering from The University of Queensland and was awarded the University Medal for that year. In 2005, he was awarded an Honorary Doctorate in science by his alma mater as well as being named Alumnus of the Year. He was appointed Officer of the Order of Australia for his services to international business in 2014 and was awarded an Honorary Doctorate in engineering from Michigan State University in 2015.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Novonix Limited	Non-executive director	1 July 2018	n/a

JUAN SUÁREZ COPPEL BE (ECONOMICS), PHD (ECONOMICS)

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE MAY 2019
COUNTRY OF RESIDENCE – MEXICO

Juan was appointed to the Board effective 27 May 2019 and is a member of the Nominations Committee and the Audit and Risk Committee. Juan has extensive experience in energy and resources in the Americas and was previously Chief Financial Officer and then Chief Executive Officer of Petróleos Mexicanos (PEMEX), a senior executive with Grupo Modelo and an independent non-executive director of Jacobs Engineering Group Inc. During the 1990s, Juan was the Chief of Staff to the Minister of Finance Mexico, a senior executive with Banamex (now Citi) and Head of Corporate Finance and then Treasurer of Grupo Televisa, Mexico. Juan has a PhD in Economics from The University of Chicago. During the 1980s, he held various academic roles including as a full-time professor in the ITAM Department of Economics, visiting professor at the Universidad Autónoma de Barcelona Department of Economics and associate professor at Brown University in Rhode Island.

ANNE TEMPLEMAN-JONES BCOM, MRM, EMBA, CA, FAICD

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE NOVEMBER 2017
COUNTRY OF RESIDENCE – AUSTRALIA

Anne was appointed to the Board on 1 November 2017 and is Chairman of the Audit and Risk Committee and a member of the Nominations Committee. Anne is a non-executive director of Commonwealth Bank of Australia, GUD Holdings Limited and The Citadel Group Limited. She previously served as a non-executive director of HT&E Limited, Cuscal Limited, HBF Health Limited, Pioneer Credit Limited, TAL Superannuation Fund, Notre Dame University and the McCusker Foundation for Alzheimer's Research. Anne has executive experience in institutional and commercial banking, wealth management and insurance, strategy and risk, having previously held a number of senior executive roles in Switzerland and Australia with PricewaterhouseCoopers, the Bank of Singapore (OCBC Bank), ANZ and Westpac. Anne has a Masters in Risk Management from The University of New South Wales, an Executive MBA from the AGSM, The University of New South Wales and a Bachelor of Commerce from The University of Western Australia. Anne is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Commonwealth Bank of Australia	Non-executive director	5 March 2018	n/a
GUD Holdings Limited	Non-executive director	1 August 2015	n/a
HT&E Limited (formerly APN News & Media Limited)	Non-executive director	20 May 2013	14 April 2018
The Citadel Group Limited	Non-executive director	8 September 2017	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 PricewaterhouseCoopers 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.

SHARON WARBURTON B BUS (ACCOUNTING AND BUSINESS LAW), FCA, GAICD, FAIB

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE FEBRUARY 2019
COUNTRY OF RESIDENCE – AUSTRALIA

Sharon was appointed to the Board effective 20 February 2019. She is a member of the Nominations Committee and Audit and Risk Committee. Sharon has predominantly worked in the construction, mining and infrastructure sectors throughout her 30-year career. She is a Chartered Accountant with experience in strategy and accounting and has previously held senior executive positions at Rio Tinto, Brookfield Multiplex, ALDAR Properties PJSC, Multiplex and Citigroup. Sharon is Co-Deputy Chairman of Fortescue Metals Group Limited, a non-executive director of NEXTDC Limited, Gold Road Resources Limited and Wesfarmers Limited, and a part-time member of the Takeovers Panel. She is on the board of not-for-profit organization Perth Children's Hospital Foundation and formerly the Chairman of the Northern Australia Infrastructure Facility. Sharon holds a Bachelor of Business (Accounting and Business Law) from Curtin University and is a Fellow of the Institute of Chartered Accountants Australia and New Zealand and of Australian Institute of Building. She is a Graduate of the Australian Institute of Company Directors and a member of Chief Executive Women. Sharon was awarded Western Australian Telstra Business Woman of the Year in 2014 and was a finalist in 2015 for The Financial Review's Westpac 100 Women of Influence.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Fortescue Metals Group Limited	Non-executive director	13 November 2013	n/a
	Co-Deputy Chairman	8 November 2017	n/a
Gold Road Resources Limited	Non-executive director	9 May 2016	n/a
NEXTDC Limited	Non-executive director	1 April 2017	n/a
Wellard Limited	Non-executive director	19 November 2015	26 August 2016
Wesfarmers Limited	Non-executive director	1 August 2019	n/a

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 25 years with the Group, and over 35 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.

NUALA O'LEARY LLB, BA

GROUP COMPANY SECRETARY – APPOINTED AUGUST 2016
COUNTRY OF RESIDENCE – AUSTRALIA

Nuala joined the Group in 2002. She is responsible for corporate governance for the Board and the Group Executive and governance matters relevant to the listed entity, its capital structure, and its regulatory obligations. Nuala's specific Group accountabilities include continuous disclosure. Nuala has a background in corporate litigation, legal, governance and company secretary roles. She has previously worked in private legal practice. Nuala holds degrees in Law and Arts from The University of Sydney and a graduate diploma of Applied Corporate Governance. Nuala is a Solicitor of the Supreme Court of NSW.

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.

Remuneration Report

'This has been an exciting year for Worley…the ECR acquisition ushers in a new era for the organization'

KEY MESSAGES FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholders

This has been an exciting year for Worley, a year defined by management's significant achievement in completing the ECR transaction. This acquisition supports the Company's strategic plan and ushers in a new era for the organization.

Worley -A New Era
The transformative ECR acquisition now places Worley as a pre-eminent global provider of professional project and asset services in energy, chemicals and resources. With a footprint now spanning 51 countries and over 57,831 people, the majority of the leadership team, drawn from the WorleyParsons and ECR businesses, is located outside of Australia. With half of the Company's revenue now generated in North American-based business units, the Company's major competitors, in business and for talent, are head quartered in non-Australian based countries across Europe and the Americas. This substantial change places Worley as a company with true global presence and continuing strong Australian heritage. The transformation of our business, with a stronger United States context, has led to a revision of our executive remuneration framework, which I will highlight below.

FY2019 Company Performance
In addition to the ECR acquisition, this year's performance also reflects revenue growth in a number of locations with managements continued focus on delivering cost performance.

FY2019 Remuneration Outcomes
For FY2019, an adjustment was applied to our executives' fixed pay following an external market pay review. The Board also approved an increase to the CEO's fixed remuneration in recognition of the current CEO's experience and leadership capability relative to the market rate for a CEO of a business as complex and large as the new Worley. On variable pay, for the cash based component, given our performance and the outcomes of the executives' FY2019 key performance indicators, the Board has approved a cash payment as part of their variable pay. The share price performance rights (SPPRs) granted to executives in 2016 vested during the period based on share price growth, continued employment and satisfactory performance during the two year vesting period. The FY2016 long term equity performance hurdles of relative total shareholder return (TSR) has been achieved while earnings per share (EPS) growth has not been achieved, resulting in a partial vesting for that grant. The UK Integrated Solutions acquisition was a significant area of focus for our management team during FY2018 and the second tranche of the FY2018 grant was awarded based on the successful integration of the business and realization of synergy goals. Remuneration outcomes associated with the ECR acquisition include the provision of a grant of performance rights with hurdles linked to the ongoing success of the acquisition to two executives that were key to the transaction during FY2019. Cash payments were also awarded to two executives and other key personnel for their critical role in the successfully completed acquisition of the ECR business.

ECR Arrangements
For former ECR executives joining as KMP of the Worley organization, their legacy remuneration arrangements have been maintained and carried forward, as agreed in the acquisition purchase agreement. This includes maintaining current fixed pay and benefits as well as replacing any unvested equity with Worley shares. Further details of the replacement awards are provided within the report (see page 58).

Changes for FY2020
For FY2020, the Board has approved the design of a new executive remuneration framework to support and drive group performance and maximize the cost and revenue synergy benefits to be delivered via the merging of the WorleyParsons and ECR entities. The framework has also been developed to support the global attraction, motivation, retention and mobility of executive talent across the Worley business. A key change is the replacement of share price performance rights with deferred equity rights, which is internationally competitive, particularly in the United States, and focuses our executives on the long term. Further details of the new executive remuneration framework are provided within the report (see page 46 and 48).

Your Board appreciates the ongoing support and feedback from shareholders. We will ensure our executives focus on, and are rewarded by, continuing to deliver the benefits of the ECR acquisition and profitable business growth.

Kind regards

Thomas J Gorman
Chairman, Remuneration Committee

The Company's directors present the Remuneration Report for the Company and for the consolidated entity for FY2019. It forms part of the Directors' Report and has been prepared in accordance with section 300A of the Corporations Act 2001 (Act). The information in the report has been audited as required by section 308(3C) of that Act.

THE REMUNERATION REPORT IS PRESENTED IN FIVE SECTIONS:

1. REMUNERATION IN BRIEF

This section outlines the director and executive remuneration arrangements in place for the Company.

The list below of executives and non-executive directors (NEDs) comprised the Key Management Personnel (KMP) of the Company for FY2019, as defined under the accounting standards. The use of the term "Executives" throughout this report refers to the KMP whose remuneration details are outlined in this report.

All KMP were employed / held office for the whole of FY2019, except where otherwise stated.

KMP COVERED IN THIS REPORT

NAME	POSITION	COUNTRY OF RESIDENCE
NON-EXECUTIVE DIRECTORS		
John Grill	Chairman	Australia
Juan Suárez Coppel[1]	Non-Executive Director	Mexico
Thomas Gorman	Non-Executive Director	United States of America
Christopher Haynes	Non-Executive Director	United Kingdom
Roger Higgins[2]	Non-Executive Director	Australia
Andrew Liveris[3]	Non-Executive Director	Australia and United States of America
Catherine Livingstone	Lead Independent Director	Australia
Anne Templeman-Jones	Non-Executive Director	Australia
Sharon Warburton[2]	Non-Executive Director	Australia
Wang Xiao Bin	Non-Executive Director	China
FORMER NON-EXECUTIVE DIRECTORS		
Erich Fraunschiel[4]	Lead Independent Director	Australia
EXECUTIVES		
Andrew Wood	Chief Executive Officer	Australia
Chris Ashton	Chief Operating Officer	United States of America
Andrew Berryman[5]	President, Mining, Minerals and Metal Services	Canada
Tom Honan	Chief Financial Officer	Australia
Vinayak Pai[5]	Group President, Energy and Chemical Services	United States of America
Adrian Smith	President, Advisian (Consulting)	United Kingdom
Karen Sobel[6]	Group President, Major Projects and Integrated Solutions	United State of America

[1] Mr Suárez commenced on 27 May 2019
[2] Mr Higgins and Ms Warburton commenced on 20 February 2019
[3] Mr Liveris commenced on 5 September 2018
[4] Mr Fraunschiel retired on 23 October 2018
[5] Mr Berryman and Mr Pai commenced on 27 April 2019
[6] Ms Sobel commenced as KMP on 27 April 2019

KEY SHAREHOLDER QUESTIONS

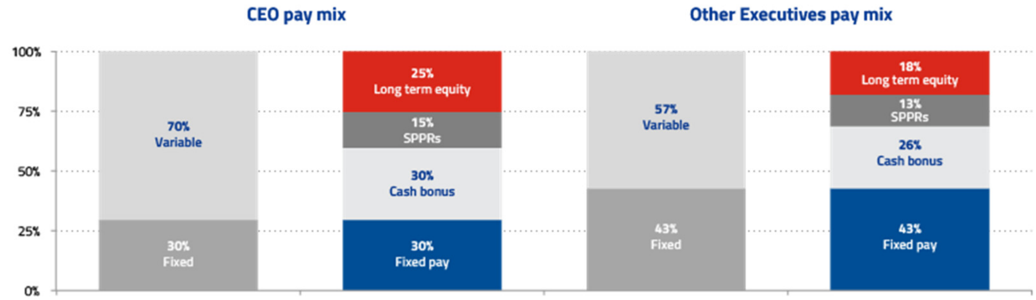
QUESTION	ANSWER	REFER PAGE
How is the Company's performance reflected in the Executive remuneration in FY2019?	The Board decided that the Company's FY2019 financial outcomes merited a payment of the cash component of the Executives' variable pay based on achievement of key performance indicators (KPIs). Each Executive received between 41% and 57% of their target through the variable pay plan. FY2016 long term equity award outcomes - the relative TSR minimum performance hurdles required for this award to vest was achieved and EPS growth was not achieved. This results in a partial vesting on 30 September 2019. As no retest applies to either measure, the EPS growth component of the grant will lapse on 30 September 2019. SPPRs granted in FY2017 vested during FY2019, based on the share price performance during the period, continued employment and performance. The alignment based on share price growth during this period resulted in a multiple of 2.00.	See pages 48, 49
Have any changes been made to the remuneration of NEDs?	For the eighth consecutive year, there have been no increases to NED annual fees for FY2019. Mr Grill's Chairman fee was reinstated for FY2019.	See page 53
What changes have been made to remuneration components during FY2019?	No changes have been made to any of the remuneration components for FY2019.	See pages 50, 51
Are there minimum shareholding requirements in place for the KMP?	Yes, the following mandatory minimum shareholding requirements apply: • Executives must retain equity until they hold shares equivalent in value to two times their fixed pay (or for the CEO, four times fixed pay) and they must subsequently maintain that multiple; • NEDs are required to build a minimum shareholding equivalent in value to their annual fee and are expected to comply with this requirement within their first full term of three years as a director; and • The minimum shareholding requirements are assessed each year. Where Executives do not currently meet the minimum requirement, they build this through our remuneration arrangements.	See pages 53, 57
Has Executives' fixed pay been reviewed in FY2019?	We review the Executive remuneration framework each year and in doing so, the Board considers the pay practices of the industry and the markets in which the Company operates. This ensures the Company provides competitive remuneration (including fixed pay) that will attract and retain suitably qualified executives. It is particularly important that we do not consider the Australian market in isolation due to the global nature of our business and location of our talent. Chris Ashton, Tom Honan and Adrian Smith all received an adjustment based on maintaining a competitive pay position in the market. During FY2019, the 10% reduction the CEO initiated to his fixed pay was removed. This reduction had been in place since 1 July 2015. Following completion of the ECR acquisition, the Board reviewed the CEO's fixed pay and approved an increase. This increase is based on maintaining a competitive pay position relative to the international market benchmarks for a CEO of a business as complex and large as Worley.	See page 53

How is variable pay delivered to Executives?

An Executive's variable pay (or pay at risk) is delivered through a mix of cash and equity (medium and long term performance rights if specific performance hurdles are met). Variable pay:

- forms a significant proportion of an Executive's total remuneration package as shown below in the pay mix graphic;
- depends on various aspects of the Company's performance; and
- is subject to a clawback and malus provisions.

The targeted mix of remuneration components assumes all performance conditions are satisfied. Allowances and benefits are for specific purposes and are excluded from determining the pay mix.



See page 47

Why are there two equity based plans within the variable pay arrangements?

The Executive pay mix contains two equity components, each with different performance hurdles. Those hurdles aim to drive value for shareholders in both the medium and the long term.

The two plans are the SPPRs and the long term equity plan. They are aligned with our remuneration principles which include building share ownership and aligning employee, customer and shareholder interests.

See pages 49 to 51

What are the performance hurdles and measurement period for the SPPRs?

The SPPRs are an annual grant of performance rights with a share price multiplier and performance hurdle. They ensure our Executives continue to be aligned with shareholders, strive towards strengthening the core business and positioning the Company for the future. The performance period is two years, with the quantum of vesting linked to share price movement during that period (within a minimum floor and maximum cap), a service condition and satisfactory performance.

SPPRs provide strong alignment to shareholders' interests and they also motivate our Executives to take action that results in enhanced shareholder return.

See page 50

What are the performance hurdles and measurement period for the long term equity grant?

For FY2019, the long term equity grant includes both relative Total Shareholder Return (TSR) and Earnings Per Share (EPS) growth performance hurdles with a 50/50 weighting applied to each hurdle. The TSR and EPS hurdles are measured three years after grant date. If all the relevant vesting conditions have been met, the TSR and EPS performance rights convert into restricted shares. The restricted shares will be subject to further vesting conditions and a trading restriction for an additional 12 months, retaining the four year measurement period.

Full details of prior year grants are set out in the Remuneration Report for the relevant year.

See pages 50, 51

What remuneration arrangements apply to the incoming ECR Executives?

Worley is committed to continuing the contractual entitlements of all ECR personnel including replacing unvested ECR equity awards with similar Worley awards.

For Andrew Berryman and Vinayak Pai, their FY2019 remuneration includes a pro-rated cash incentive payment from completion to 30 June 2019 based on their FY2019 ECR cash incentive plan arrangements. They have received an equity grant replacing their unvested ECR equity awards.

For FY2020, incoming ECR Executives will commence on the new Worley Executive remuneration arrangements.

See page 48, 51 and 58

For FY2020 what changes have been planned to the Executive remuneration framework?

The Worley Board has approved the design of a new Executive remuneration structure that aligns with Worley's new strategy, aims to drive the right behaviours and retain top talent across multiple jurisdictions. The key changes being introduced are:

- For the cash or at risk plan, an increase to the maximum payout potential from 150% of target to 200% of target variable. Incentive payments up to 200% will be subject to Board discretion and exceptional Company performance
- The SPPR plan will be discontinued and replaced with a new deferred equity plan. The plan will provide a grant of restricted equity progressively released in equal tranches over three years with no performance multiplier
- The target remuneration pay mix has been designed to provide a greater weighting on 'at risk' remuneration, with less on fixed and more on the LTI.

See page 48

2. EXECUTIVE REMUNERATION IN DETAIL

GUIDING REMUNERATION PRINCIPLES

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

Sustain A viable and competitive business

Deliver All our value to all our customers

Be Key player in the new world

Our mission is to help our customers meet the world's changing resources and energy needs.

Our strategy is how we'll bring our mission to life in this new world with new rules.

Our Remuneration Principles

- 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 Worley share ownership
- Promote mutually beneficial outcomes by aligning employee, customer and long term shareholder interests
- Support the expectation for the Diversity and Inclusion Policy

And putting these into practice....

- We benchmark our roles against the market on fixed pay, variable pay and pay mix
- We provide the opportunity to earn equity through our variable pay plans
- Individual remuneration reflects the individual's role, responsibilities, performance, qualifications and experience
- We reward subject to Company and individual performance
- We ensure the Board sets challenging KPIs for Executives
- We have a minimum shareholding requirement which promotes greater alignment between KMP and shareholder interests
- We ensure performance metrics are sufficiently demanding and provide greater alignment between Executive remuneration outcomes and long term shareholder wealth creation

EXECUTIVE REMUNERATION STRUCTURE

We structure our Executive remuneration to recognize an individual's role, responsibilities, qualifications and experience, as well as to help them drive performance over the short and long term. The proportion of variable pay available to an Executive reflects their ability to influence Company performance. The explanation below provides details of the various remuneration components, the pay mix, the timing for their delivery and their link to the remuneration principles. Actual variable pay an Executive receives varies depending on the extent that they and the Company meet or exceed our performance targets.

More information about the Company's variable pay arrangements, the performance conditions imposed and the outcomes of those arrangements (based on the Company's performance over FY2019 and earlier), are set out below and on page 48.

Fixed pay - provides an Executive with competitive fixed pay, set relative to market. Given in the form of cash (or base) salary, superannuation contributions and any salary sacrificed components. Requires the Executive's ongoing employment and performance.

Variable pay (cash) - rewards an Executive's previous year performance against Company's goals and KPIs. Given in the form of cash linked to the Executive's achievement against annual KPIs which the Board sets and measures.

Variable pay (medium term equity) - is future-focused to motivate an Executive to deliver sustainable growth in share price. Given in the form of equity through SPPRs linked to two year performance targets (share price movement). Requires the Executive's continued employment and satisfactory performance. No retesting provisions allowed. No dividends paid on unvested SPPRs.

Variable pay (long term equity) - designed to reward an Executive for delivering on long term performance as measured against external peers and internal targets. Given in the form of long term equity linked to four year vesting period (with three year relative TSR and EPS growth targets). Requires the Executive's continued employment and performance. No retesting provisions allowed. No dividends paid on unvested long term equity.

The targeted mix of remuneration components shown below refers to the amount that an Executive would be paid if all their performance conditions that apply to variable pay are satisfied and assumes they achieve 100% of their cash and equity awards. Allowances and benefits are for specific purposes and are excluded in determining the mix.

FY2020 EXECUTIVE REMUNERATION STRUCTURE

The FY2020 Executive remuneration structure has been designed to align with Worley's new strategy, drive the right behaviours and attract, motivate and retain top talent across multiple jurisdictions.

The key principles underpinning the new Worley remuneration framework include:

- Internationally competitive: The structure has been designed to be globally consistent given Worley is competing for talent in international markets and the Board has looked to harmonize the existing Australian WorleyParsons and US ECR structures;
- Simplicity: The structure has been designed to be simple, to minimise change for Executives and align Executive efforts across the new global operating model;
- Strong shareholder alignment: The structure has been designed to promote strong levels of alignment with shareholders via the delivery of a performance based LTI and deferred equity to focus executives on the long-term; and
- Drive outperformance: The structure has been designed to drive strong overall performance by providing meaningful incentive for exceeding target performance.

A summary of the FY2019 WorleyParsons Executive remuneration structure as compared to the FY2020 Worley Executive remuneration structure, is outlined in the below table:

WorleyParsons	Worley
Cash at risk – annual cash award. Maximum 150% of target	Cash at risk – annual cash award. Maximum 200% of target, subject to Board discretion and exceptional performance
SPPRs – medium term award tested over two years based on share price performance, with a vesting multiple of up to 2.00 x of the grant	SPPRs discontinued Deferred equity program – a grant of restricted rights progressively released in equal tranches over three years with no multiplier
Long Term Incentive – three year performance period with TSR and EPS growth measures plus an additional one year holding period	No change

Further details of the FY2020 Executive remuneration structure will be shared in detail in our next annual Remuneration Report.

REMUNERATION OUTCOMES IN FY2019

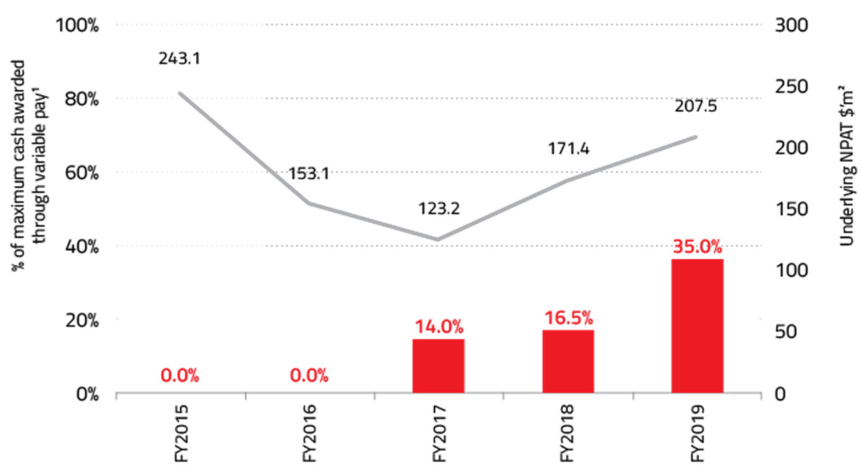
Variable pay outcomes - cash

Based on KPI outcomes for FY2019 and the Company's financial performance for the period, the Board decided to provide cash payments to the Executives through the variable cash plan. The graph to the right shows the strong alignment between Company performance as measured by NPAT and variable pay to Executives for the last five years.

Variable pay outcomes - SPPRs

SPPRs granted during FY2017 were tested against their performance hurdles in FY2019. The SPPRs vested as the closing share price at the end of the two year performance period had more than doubled from the opening share price. In addition, the satisfactory performance and continued employment hurdles were achieved. From

The opening share price was $8.11, and the closing share price was $20.30; this reflects a 150% improvement in the share price between date of grant and date of vesting. This resulted in the SPPRs converting to shares for the Executives during FY2019. The details are provided on page 50.



[1] The average cash amount awarded as a percentage of maximum for any financial year relates to amounts that were paid as part of the cash portion of the variable pay plans (previously the Combined Incentive Plan) in the September following that financial year end. Year on year changes in the % of maximum cash awarded are a result of company financial performance, the composition of the KMP, and individual performance achievement relative to targets

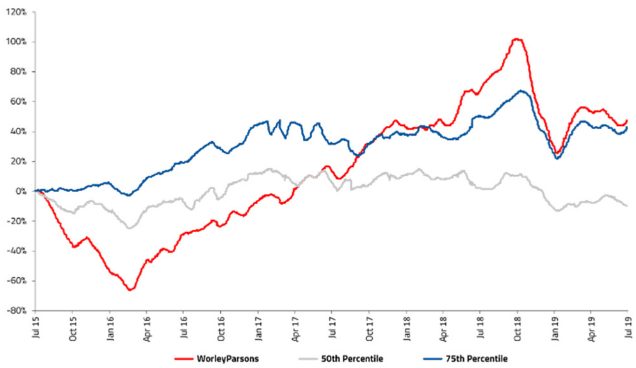
[2] Underlying NPAT has been selected as the company operating measure for the outcomes above. For FY2019 this outcome excludes ECR.

Note: The cash payments apply to WorleyParsons Executives only.

Variable pay outcomes - long term equity

The graph below compares the Company's TSR, over the last four years, against the 50th and 75th percentiles TSR of the peer comparator group that we use as a measure for the long term equity plan:

TSR performance measured over the last four years



FY2016 grant - this graph shows that growth in the Company's TSR was above the 75th percentile, which resulted in a full vesting for Executives for the FY2016 TSR grant.

Over the same four year period, the Company's EPS growth was below the minimum required to trigger vesting against the EPS performance hurdle for long term equity granted in FY2016, resulting in nil vesting for Executives for the EPS grant.

No retest applies to either measure.

'Special Acquisition' grant (only made to two executives) - This was in relation to the acquisition of the UK Integrated Solutions business during FY2018. A strategically significant acquisition that has now helped build a global MMO business, provide entry into the UK North Sea market and provide additional growth potential. Tranche 1 (half of the grant) was measured against progress made on a detailed scorecard across key workstreams during FY2019. Performance outcomes were achieved and 50% of the award vested in full.

Tranche 2 will vest in September 2019 subject to continued employment and satisfactory performance up to the vesting date.

Summary of vested rights

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

GRANT	PERFORMANCE PERIOD	TSR PERCENTILE ACHIEVED[1]	CHANGE IN EPS ACHIEVED[2]	% OF TOTAL LTI GRANT VESTED/EXERCISED	VESTING DATE	VALUE PER RIGHT VESTED/EXERCISED $
FY2013[3]	01 Jul 12 – 30 Jun 16	11th	(18.6%)	0%	30 Sep 16	n/a
FY2014	01 Jul 13 – 30 Jun 17	36th	(21.5%)	0%	30 Sep 17	n/a
FY2015	01 Jul 14 – 30 Jun 18	65th	(11.9%)	40%	30 Sep 18	13.28
FY2016	01 Jul 15 – 30 Jun 19	76th	(12.6%)	100%	30 Sep 19	20.00

[1] Represents the Company's relative TSR ranking over the performance period compared to the peer comparator group.
[2] Change in EPS achieved is calculated as the compound annual growth rate of EPS over the performance period.
[3] In FY2013, Andrew Wood was granted LTI with a four year vesting period, details are provided in the remuneration report for the relevant year.

COMPANY PERFORMANCE OVER A FIVE YEAR PERIOD

The table below shows a snapshot of the Company's financial performance and how that impacts on remuneration outcomes for Executives as part of our variable pay programs. Our Executives' remuneration arrangements ensure that their remuneration is lower when our performance does not justify large awards and is higher when our performance is strong. As demonstrated by the table, variable pay outcomes have moved in line with the Company's performance against relevant key metrics.

The table below shows how the Company's financial performance impacts Executive remuneration:

	FINANCIAL YEAR ENDED 30 JUNE	FY2015	FY2016	FY2017	FY2018	FY2019	ANNUALIZED GROWTH OVER FIVE YEARS
	Closing share price ($)	10.41	7.20	11.22	17.63	14.71	9.0%
	Dividends paid (cents)	56.0	-	-	25.0	27.5	(16.3%)
TSR portion of long term equity	1 year TSR for the Company (%)	(36.4)	(30.2)	56.3	58	(9.8)	
	1 year TSR for 50th percentile of peer group (%)	(23.6)	(4.0)	3.8	8.5	(9.8)	
	Vesting outcome of LTI (%)	nil	nil	nil	40	50	
EPS portion of long term equity	Underlying EPS (cents) [1,2]	98.4	61.8	49.2	62.4	57.3	(12.6%)
	Vesting outcome of LTI (%)	nil	nil	nil	nil	Nil	
Cash portion of variable pay[3]	Underlying NPAT ($'m)[4]	243.1	153.1	123.2	171.4	207.5	(3.9%)
	Average % of maximum cash portion awarded to Executives (%)	nil	nil	14	16.5	35.0	

[1] Underlying EPS, which in the Board's opinion reflects the Company's operating results, has been used to calculate the outcomes.
[2] FY2015-FY2018 underlying EPS was restated due to the capital raises for both AFW and ECR (refer to Note 17 financial statements).
[3] The cash component of the variable pay is linked to the achievement of annual KPIs; previously, this was the Combined Incentive Plan which was a mix of cash and equity.
[4] Underlying NPAT reflects the Company's operating results for FY2015-FY2019. We have applied it to calculate the remuneration outcomes for these financial years (refer to the Director's report for additional information).

VARIABLE PAY IN DETAIL

By linking pay to performance, we focus and motivate Executives to achieve outcomes beyond the standard expected in the normal course of employment.

The elements of an Executive's remuneration that are at risk are in the form of both cash and equity. The following section provides details about each of the components of variable pay.

Cash component - linked to performance against KPIs

The performance targets are set and measured through both financial and strategic KPIs. These KPIs, and their appropriate thresholds, are linked to the business strategy, agreed at the beginning of the financial year and are fundamental to the long term sustainability and development of the business.

The Board retains rigorous oversight of the KPIs to ensure they are challenging and retain sufficient motivation to stretch the Executives.

The minimum potential value is zero where applicable levels of performance have not been met. The maximum opportunity is 150% of the Executive's target. Each KPI has an individual threshold. For financial KPIs, achievement above 80% of the budget / target is required before a sliding scale applies i.e. for each 1% above 80% of the budget, 5% is awarded. This is capped at 200% (which is for 120% achievement against budget). Strategic KPIs, which are a mix of individual financial and non-financial metrics, have a maximum achievement of 100%.

Generally, for an Executive to be eligible for a cash payment, they must have been employed for at least three months of the financial year and remain in employment at the date of payment.

FY2019 KPIs and their link to the Company's strategy:

The FY2019 KPIs selected for the performance year (1 July 2018 to 30 June 2019) were chosen as they reflect and measure achievement against a number of the Company's core operating KPIs.

Financial KPI outcomes (60% weighting for the CEO, 50% weighting for the other Executives)

Group NPAT, Business Line EBIT, Operating Expense Management and Group DSO have been chosen as they reflect and measure achievement against a number of the Company's core financial KPIs. Significant focus has been on all these key metrics during the year and the outcomes for FY2019, are indicated in the financial report. Group NPAT grew at both underlying and statutory levels, Business Line EBIT grew for every Business Line, Operating Expense Management is being maintained and for Group DSO we continue to make good progress across the majority of business units.

Strategic KPI outcomes (40% weighting for the CEO, 50% weighting for the other Executives)

HSE (10% weighting) - chosen in support of the Company's goal of Zero Harm and measured through the reduction in the number of reportable incidents and the demonstration of personal and visible leadership through activities measured throughout the performance year.

The Strategic KPIs chosen (30% weighting for the CEO, 40% weighting for the other Executives), focus on our three strategic pillars with varied weightings and specific targets for each Executive based on their role. The specific KPIs for Executives relating to strategic imperatives are considered commercially sensitive. A broad explanation of each is provided below:

- Viable and competitive business - includes the delivery of key imperatives for their business line linked to targeted business growth objectives and the implementation of operational excellence initiatives;
- All our value to all our customers - includes targets which drive collaboration and capability development within and across lines of business and achieve increased market share and market size outcomes; and
- Key player in the new world - includes metrics which focus efforts on positioning the business for future successes including development of new markets and service line capabilities as well as the development of key talent.

SPPRs - linked to medium term Company performance

Performance rights which are granted annually to Executives as SPPRs, aim to focus Executives on increasing the Company's share price over a two year period. The number of SPPRs granted is determined by dividing the dollar value of the award achieved by the face value of shares. For the SPPRs to convert into shares, the share price at the end of the two year performance period (the closing share price) must be, when measured, in between the maximum cap and the minimum floor of the opening share price. The SPPRs vest on a proportionate basis between the cap and the floor. To receive shares, an Executive must generally remain employed and receive satisfactory performance ratings throughout the two year vesting period. If these conditions are not met, then their SPPRs will lapse. No dividends are payable on unvested SPPRs

Examples - the following scenarios are each based on a notional grant of 1,000 SPPRs with a notional Worley opening share price of $10.00 at the time the SPPRs are issued i.e. a notional value of $10,000. In two years' time:

Scenario 1: The closing share price is $21.00 (i.e. more than doubles). The 1,000 SPPRs convert to 2,000 shares and their total value = $42,000.

Scenario 2: The closing share price is $12.00. The 1,000 SPPRs convert to 1,000 x ($12/$10) = 1,200 shares and their total value = $14,400.

Scenario 3: The closing share price is $8.00. The 1,000 SPPRs convert to 1,000 x ($8/$10) = 800 shares and their total value = $6,400.

Scenario 4: The closing share price is 70%[1] or less than the opening share price; then the SPPRs lapse and no shares are issued.

[1] The higher floor was introduced for the FY2018 grant of SPPRs following feedback from shareholders; for earlier grants, this was half or less than half of the opening share price.

The FY2016 SPPR grant price was: $7.26 - closing price $13.39, a multiple of 1.84 was applied ($13.39/$7.26).

The FY2017 SPPR grant price was: $8.11.

The FY2018 SPPR grant price was: $13.39.

The FY2019 SPPR grant price was: $20.30.

The FY2019 SPPR grant is the last grant under this program. From FY2020 deferred equity rights will replace share price performance rights.

Long term equity - linked to long term Company performance

Long term equity is assessed against two equally weighted, independent performance targets that align an Executive's interests with shareholder returns while driving long term Company performance. Long term equity grants are delivered to Executives as rights that are issued under the WorleyParsons Performance Rights Plan. After an Executive's rights vest, 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 to an Executive is based on the Executive's target long term equity with reference to the underlying share price when the rights are issued.

An Executive's rights vest and are automatically exercised (unless the Executive elects otherwise) after the vesting period, subject to defined performance hurdles being satisfied. If an Executive's rights cannot be readily issued in certain overseas jurisdictions due to differing securities laws and taxation treatments, the long term equity plan rules ensure that the Executive can still be rewarded for their contribution, while catering for the local restrictions on the issue of securities.

Grants made during FY2019 (these will be measured over a three year performance period plus an additional one year restriction period):

Relative TSR performance hurdle - 50% weighting

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. The Board chose relative TSR as a performance hurdle because it believes this provides the most direct measure of shareholder return and reflects an investor's choice to invest in this company or its direct competitors. Executives will derive value from the TSR component of the long term equity plan only, if over a three year period, the Company's TSR performance is at least at the 50th percentile of the companies in the peer comparator group.

There is no retesting opportunity for the long term equity under the relative 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 TSR comparator group for the FY2019 grant includes: AECOM, Arcadis, Fluor Corporation, Fugro, Jacobs Engineering Group, JGC Corporation, KBR, Petrofac, SNC Lavalin, Stantec, Tetra Tech, Wood Group and WSP Global.

The Board has discretion to adjust the peer comparator group to take into account events that happen during the performance period, e.g. takeovers or mergers.

EPS growth performance hurdle - 50% weighting

To measure basic EPS, we divide the Group NPAT by the weighted average number of the Company's ordinary shares on issue during the financial year. We measure growth in EPS by comparing the EPS in the financial year immediately preceding the issue with the EPS in the measurement year. The Board chose EPS growth as a performance hurdle because it provides a clear line of sight between Executive performance and Company performance. Also, it is 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 growth component of the grant made during FY2019 if the Company achieves average compound growth in EPS of at least 4% per annum above the increase in the Consumer Price Index (CPI) over the three year performance period. The vesting schedule of the rights subject to the EPS growth 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)

Special Acquisition Grant

The acquisition of the ECR business during FY2019 fundamentally unpins the achievement of our growth plans across our three strategic horizons and the delivery of significant benefits to Worley's shareholders. It aims to generate material EPS accretion and returns for shareholders, creates a pre-eminent global provider of professional project and asset services in resources and energy; delivers enhanced earnings diversification and resilience, and brings significant value upside through cost and revenue synergies. A grant of performance rights has been awarded to Chris Ashton and Tom Honan and is linked to performance hurdles which are measured through a transition scorecard (KPIs include achievement of cost and revenue synergies; integration of core operating systems; implementation of core governance and control processes; and retention of key personnel). The face value of the grant equated to 60% of their fixed pay. Subject to the performance hurdles being achieved to the satisfaction of the Board, continued employment and satisfactory performance, the grant will vest in two tranches: half after 12 months, the remaining half after 24 months.

Cash bonus payments were awarded to Andrew Wood and Tom Honan and other key personnel for their critical role in completing the successful acquisition of the ECR business. These amounts were paid on completion of the ECR transaction.

Transition of ECR personnel

Worley will honour the contractual entitlements of all personnel and has committed to replacing unvested ECR equity awards with similar Worley awards. This includes Executives Andrew Berryman and Vinayak Pai. Their reported remuneration for FY2019 includes a pro-rated cash incentive payment from completion to 30 June 2019. These payments were based on a formula consistent with the ECR cash incentive plan rules. They have received an equity grant replacing their unvested ECR equity awards. Refer to vested, exercised and outstanding Rights table on page 58 for more details.

For FY2020, incoming ECR Executives will commence on the new Worley Executive remuneration arrangements

Prior year long term equity grants

Full details of prior year grants, including TSR peer groups, are set out in the Remuneration Report for the relevant year. In summary:

- for FY2014 to FY2016, the relative TSR and EPS growth performance hurdles shown above were used (50/50 weighting) and measured over a four year performance period;
- for FY2017, the long term equity grant included the relative TSR hurdle measured over a four year performance period in addition to a strategic performance hurdle (50/50 weighting) measured over a two year performance period (with a further two year restriction period). This was a one-off change for the FY2017 award given the importance of delivery of the Company's Realize our future strategy and the role that Executives play in leading its implementation. The details of the strategic performance hurdle were explained on page 44 of the 2018 Remuneration Report; and
- for FY2018, the relative TSR and EPS growth performance hurdles shown above were used (50/50 weighting) and measured over a three year performance period with an additional 1 year holding lock.

Other provisions

Rights granted to the Executives under the SPPR and long term equity plans carry:

- no voting or dividend entitlements; and
- no entitlement to participate in new share issues made by the Company (other than 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)).

Dilution limit

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 period. Currently, the number of securities issued and held pursuant to the equity plans represents 1.56% of the Company's issued share capital (FY2018: 2.22%).

Eligible recipients

All current Executives are able to receive rights through the long term equity plan. Details of the rights granted to Executives as the long term equity component of their remuneration in FY2019 are outlined on page 58 and 59.

Exercise of rights and allocation of shares

To the extent that the performance hurdles have been satisfied, an Executive's rights are automatically exercised (unless an Executive elects otherwise) and participants acquire shares in the Company at a nil exercise price. Shares allocated to an Executive upon exercise of rights rank equally with all other ordinary shares on issue. Where the shares are subject to further vesting conditions or restriction periods (i.e. they are restricted shares), they cannot be sold prior to the vesting date or end of the restriction period (as applicable) and may still be forfeited in certain circumstances. After vesting, participants have unencumbered ownership of the shares, subject to compliance with the Company's Securities Dealing Policy and minimum shareholding requirement.

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			
Chris Ashton	Unlimited	12 months	6 months
Andrew Berryman	Unlimited	6 months[2]	3 months
Tom Honan	Unlimited	12 months	6 months
Vinayak Pai	Unlimited	6 months	6 months
Adrian Smith	Unlimited	12 months	6 months
Karen Sobel	Unlimited	12 months	6 months

[1] Notice period, whether given by the Executive or the Group is the same.
[2] Effective from 1 July 2019.

The Executives' contracts include the components of remuneration which are to be paid. They 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 variable pay plans upon termination, where an Executive resigns, the cash portion of the variable pay is paid only if the Executive is employed on the date of payment (which is after 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 on page 54. In exercising such discretion, this is typically on a pro-rata basis and subject to the original performance requirements and timing.

At the 2016 Annual General Meeting, the Board sought and received approval from shareholders, in relation to the discretions that the Board may exercise when an Executive ceases employment.

The Company did not provide any sign-on or separation payments to Executives during FY2019.

3. NON-EXECUTIVE DIRECTOR REMUNERATION

This section outlines the remuneration arrangements in place for the Company's NEDs. All NEDs held office for the whole of FY2019, unless otherwise stated on page 44.

GUIDING PRINCIPLES

The principles of fairness and shareholder alignment are reflected through the Company setting NED fees at a level that is market competitive, and that reflects the caliber of directors the Company requires for it to adequately address the significant strategic and operational challenges it faces, domestically and abroad.

For FY2019, directors' fees remained constant. They have now been at the same amount for eight years in a row.

The aggregate amount of fees (which include Board and Committee fees) that the Company may pay to NEDs in any year is capped at the level approved by shareholders. The current maximum aggregate amount is $3.25 million per annum. Shareholders approved that amount at the 2012 Annual General Meeting. Of the aggregate annual fee pool, 82.92% ($2.55 million) was paid during FY2019 (for FY2018, this was 68% or $2.09 million). This increase was due to an increase in the number of directors appointed to the Board and the reinstatement of John Grill's Chairman fees. NEDs are paid fees for services on the Board and its Committees. The NEDs do not receive any performance related incentives such as options or rights to shares, and no retirement benefits are provided to NEDs other than superannuation contributions.

REMUNERATION STRUCTURE BOARD AND COMMITTEE FEES

Board and Committee fees for FY2018 and FY2019 are set out below. These amounts include superannuation contributions made on behalf of NEDs in accordance with the Company's statutory obligations.

		COMMITTEE		
ROLE	BOARD	AUDIT AND RISK	HSE	REMUNERATION
Chairman[1]	$520,000[2]	$47,000	$30,000	$37,000
Member	$194,000	$26,000	$12,000	$21,000
Chairman / Member of Nominations Committee or Lead Independent Director	nil	nil	nil	nil

[1] The Chairman of the Board does not receive additional Board membership fees or fees for Committees of which he may be a member. The Chairman of a Committee does not receive additional membership fees for that Committee.

[2] Mr Grill requested a temporary reduction in his Chairman fee of $520,000 per annum in FY2016 (reduced to $395,053) and elected to receive no fees for his role in both FY2017 and FY2018. Mr Grill's fees were reinstated effective 1 July 2018.

Other benefits

NEDs are eligible for travel allowances of $5,000 a trip for additional time incurred on overseas business related travel including attendance at Board meetings and site visits. These payments are made from the NED fee pool. 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, unless 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 FY2019.

REMUNERATION OUTCOMES

The remuneration outcomes of the NEDs for FY2019 and FY2018 are set out in the Remuneration Tables section of the report, on page 60.

NON-EXECUTIVE DIRECTOR INTERESTS IN SHARES

The NED beneficial interests in shares of the Company as at 30 June 2019 are detailed in the Remuneration Tables section of the report, on page 60.

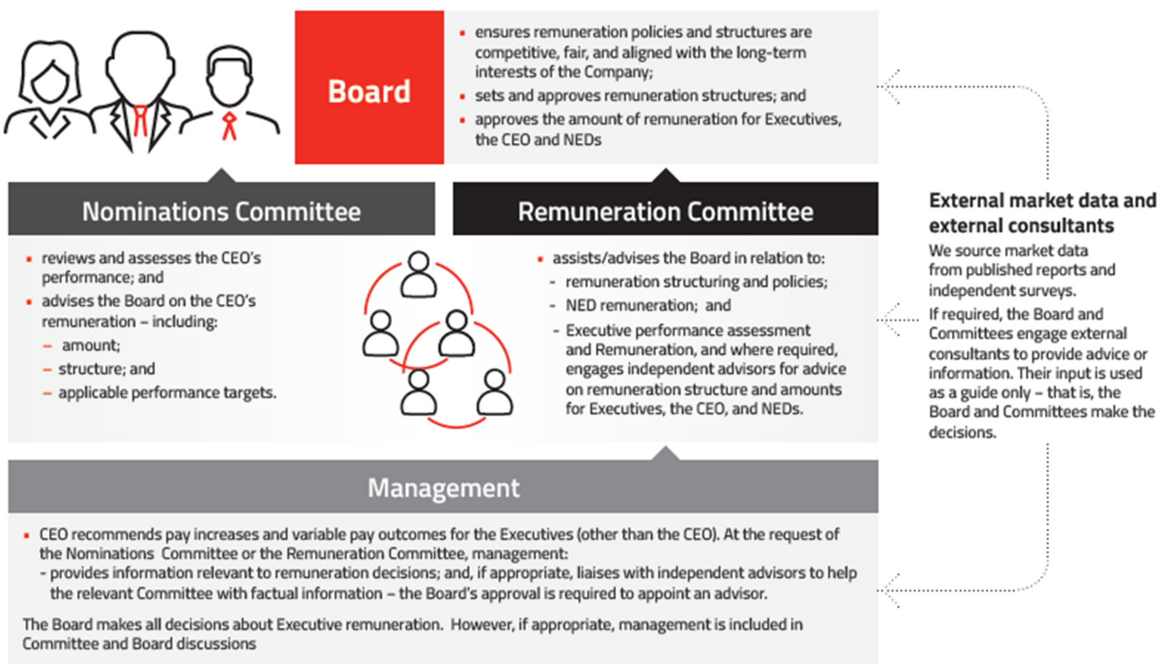
NED minimum shareholding requirement

A minimum shareholding requirement for NEDs exists to align NED and shareholder interests. Each NED must build a holding of the Company's ordinary shares equivalent in value to their annual fee. NEDs are expected to comply with this requirement within their first full term of three years as a director. For the purposes of this test, the value of shares is calculated using the number of shares held at 30 June 2019 multiplied by the five day volume weighted average price of the Company's shares up to and including 30 June 2019 ($14.68) or purchase price if higher.

4. REMUNERATION GOVERNANCE FRAMEWORK

REMUNERATION DECISION MAKING

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



During FY2019, the Board arranged for an independent research and advisory consulting firm, Aon Hewitt, to benchmark the Company's total remuneration and remuneration mix for Executives. The Remuneration Committee used the firm's advice as a guide, not a substitute for thorough consideration of all of the issues. The cost of Aon Hewitt's advice and assistance is not material for either party. Aon Hewitt was engaged by, and reported to, the Chairman of the Remuneration Committee. The Board is satisfied that the information Aon Hewitt provided was free from undue influence by any Executive.

The Board engaged Orient Capital to calculate the TSR for the purposes of vesting long term equity. The amount the Company paid to Orient Capital for TSR reporting is not material for either party.

No remuneration consultants provided any remuneration recommendations to the Board during FY2019.

EXECUTIVE MINIMUM SHAREHOLDING REQUIREMENT

Executives are required to hold a minimum shareholding so as to:

- reinforce the Company's objective of aligning their interests with the interests of shareholders; and
- foster an increased focus on building long term shareholder value.

To satisfy the requirement, Executives must retain equity they receive through incentive plans until they hold shares equivalent in value to two times their fixed pay (or the CEO, four times fixed pay). They must maintain that multiple. Each year on 30 June, the Board assess each Executive's compliance with the requirement. The table on page 57 shows a summary of the position of each Executive against the requirement as at 30 June 2019.

HEDGING

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 AND MALUS PROVISIONS

The Company maintains both a clawback and a malus provision within the variable pay plans. This provision enables the Board to have an employee's unvested performance rights or vested but unexercised performance rights, lapse or be clawed back if the Board is of the opinion, that the employee:

- has acted fraudulently or dishonestly;
- is in breach of their obligations to the Company or another Group company; or
- received awards based on financial accounts which were later restated.

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. 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 exercises discretion in special circumstances, such as retirement. Rights that are retained will subsequently vest or lapse in the ordinary course.

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.

5. REMUNERATION TABLES

STATUTORY REMUNERATION OUTCOMES

Executive remuneration is detailed in the following table in accordance with accounting standards.

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 SPPR and LTI columns under the remuneration awarded section of Actual Remuneration Outcomes on page 56.

		SHORT TERM EMPLOYEE BENEFITS				POST-EMPLOYMENT BENEFITS	OTHER LONG TERM BENEFITS	TERMINATION BENEFITS	SHARE BASED PAYMENTS			
NAME	YEAR	CASH SALARY $000	CASH INCENTIVE[1]/ CASH STI $000	OTHER BENEFITS[2] $000	TOTAL SHORT TERM CASH AND BENEFITS $000	SUPER-ANNUATION BENEFITS $000	LONG SERVICE LEAVE $000	TERMINATION BENEFITS $000	EQUITY INCENTIVE[3]/ STI EQUITY SETTLED $000	LTI EQUITY SETTLED[3] $000	TOTAL REMUNERATION IN ACCORDANCE WITH ACCOUNTING STANDARDS $000	VARIABLE PAY % OF TOTAL REMUNERATION %
EXECUTIVE DIRECTOR												
Andrew Wood	**FY2019**	1,662	1,399	12	**3,073**	21	35	-	744	697	**4,570**	62.1%
	FY2018	1435	407	10	**1,852**	20	24	-	876	535	**3,307**	55.0%
GROUP EXECUTIVES												
Chris Ashton	**FY2019**	687	252	44	**983**	17	-	-	542	153	**1,695**	55.9%
	FY2018	663	96	145	**904**	9	-	-	413	99	**1,425**	42.7%
Andrew Berryman[4]	**FY2019**	77	74	8	**159**	7	-	-	218	-	**384**	76.0%
	FY2018	-	-	-	**-**	-	-	-	-	-	**-**	-
Tom Honan	**FY2019**	949	530	3	**1,482**	21	16	-	796	283	**2,598**	61.9%
	FY2018	930	136	3	**1,069**	20	16	-	608	190	**1,903**	49.1%
Vinayak Pai[4]	**FY2019**	72	94	189	**355**	5		-	225	-	**585**	54.5%
	FY2018	-	-	-	**-**	-		-	-	-	**-**	-
Adrian Smith	**FY2019**	527	110	312	**949**	-	-	-	111	28	**1,088**	22.8%
	FY2018	357	39	162	**558**	-	-	-	57	13	**628**	17.3%
Karen Sobel[5]	**FY2019**	70	21	25	**116**	8	-	-	21	5	**150**	30.9%
	FY2018	-	-	-	**-**	-	-	-	-	-	**-**	-
PREVIOUSLY REPORTED GROUP EXECUTIVE												
None noted	**FY2019**	-	-	-	**-**	-	-	-	-	-	**-**	-
Dennis Finn	FY2018	263	-	1	**264**	7	5	-	45	-	**321**	n/a
Total remuneration	**FY2019**	**4,044**	**2,480**	**593**	**7,117**	**79**	**51**	**-**	**2,657**	**1,166**	**11,070**	
	FY2018[6]	**3,648**	**678**	**321**	**4,647**	**56**	**45**	**-**	**1,999**	**837**	**7,584**	

[1] The amount relates to the cash portion of the FY2019 variable pay plan typically payable in September 2019.

[2] This includes assignment uplifts, market adjustments and non-monetary benefits which include benefits such as expatriate benefits (i.e. housing, home leave etc. applicable to Mr Ashton and Mr Smith), 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.

[3] 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, varies based on the probability of vesting 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.

[4] Remuneration for FY2019 is disclosed to the extent that it relates to Mr Berryman and Mr Pai's employment in the capacity as an Executive which commenced on 27 April 2019.

[5] Remuneration for FY2019 is disclosed to the extent that it relates to Ms Sobel's employment in the capacity as an Executive which commenced on 27 April 2019.

[6] The FY2018 totals have been rounded in line with the current standard. Full details of prior year total remuneration are set out in the Remuneration Report for the relevant year.

Share based payments are disclosed to the extent they relate to their employment in the capacity of an Executive.

ACTUAL REMUNERATION OUTCOMES

The table below shows actual remuneration awarded during the year and actual remuneration received during the year. This is separate to the Executive remuneration details in accordance with the accounting standards per page 55.

		AWARDED AND RECEIVED DURING REPORTING PERIOD		RECEIVED DURING REPORTING PERIOD DEFERRED FROM PREVIOUS PERIODS[2]			AWARDED DURING REPORTING PERIOD DEFERRED FOR FUTURE PERIODS[3]		
NAME	YEAR	SHORT TERM CASH AND BENEFITS $000 (A)	OTHER BENEFITS[1] $000 (B)	EQUITY INCENTIVE $000 (C)	LTI $000 (D)	TOTAL REMUNERATION RECEIVED DURING REPORTING PERIOD $000 (E)[4]	EQUITY INCENTIVE /SPPR $000 (F)	LTI $000 (G)	TOTAL REMUNERATION AWARDED DURING REPORTING PERIOD $000 (H)[5]
EXECUTIVE DIRECTOR									
Andrew Wood	**FY2019**	3,073	56	4,268	1,530	**8,927**	800	1,360	**5,289**
	FY2018	1,852	44	2,495	-	**4,391**	727	1,236	**3,859**
GROUP EXECUTIVES									
Chris Ashton	**FY2019**	983	17	1,524	351	**2,875**	640	354	**1,994**
	FY2018	904	9	53	-	**966**	530	315	**1,758**
Andrew Berryman[6]	**FY2019**	159	7	-	-	**166**	1,058	-	**1,224**
	FY2018	-	-	-	-	-	-	-	-
Tom Honan	**FY2019**	1,482	37	1,838	705	**4,062**	873	582	**2,974**
	FY2018	1,069	36	-	-	**1,105**	855	570	**2,530**
Vinayak Pai[6]	**FY2019**	355	5	-	-	**360**	1,288	-	**1,648**
	FY2018	-	-	-	-	-	-	-	-
Adrian Smith	**FY2019**	949	-	-	-	**949**	129	103	**1,181**
	FY2018	558	-	-	-	**558**	142	89	**789**
Karen Sobel[7]	**FY2019**	116	8	-	-	**124**	113	90	**327**
	FY2018	-	-	-	-	**-**	-	-	**-**
PREVIOUSLY REPORTED GROUP EXECUTIVE									
None noted	**FY2019**	-	-	-	-	**-**	-	-	**-**
Dennis Finn	FY2018	264	12	2,019	-	**2,295**	-	-	**276**
Total remuneration	**FY2019**	**7,117**	**130**	**7,630**	**2,586**	**17,463**	**4,901**	**2,489**	**14,637**
	FY2018[8]	**4,647**	**101**	**4,567**	**-**	**9,315**	**2,254**	**2,210**	**9,212**

[1] This is the total of superannuation received and long service leave benefits accrued during the reporting period.
[2] Remuneration received in reporting period from previous periods includes equity awards granted under the variable pay plans in previous years which vested during reporting period. The Equity Incentive and LTI value reflects the actual value realized by the Executive.
[3] Remuneration awarded during the reporting period but deferred for future periods includes equity awards granted under the variable pay plans (SPPRs and long term equity) which may vest and become available to Executives in future periods. A grant value based on fixed pay (as defined on page 47) multiplied by the variable pay plan target 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.
[4] Total remuneration received during the reporting period, deferred from previous periods disclosed in column E is the sum of (A)+(B)+(C)+(D).
[5] Total remuneration awarded during the reporting period, deferred from previous periods disclosed in column H is the sum of (A)+(B)+(F)+(G).
[6] Remuneration for FY2019 is disclosed to the extent that it relates to Mr Berryman and Mr Pai's employment in the capacity as an Executive which commenced on 27 April 2019.
[7] Remuneration for FY2019 is disclosed to the extent that it relates to Ms Sobel's employment in the capacity as an Executive which commenced on 27 April 2019.
[8] The FY2018 totals have been rounded in line with the current standard. Full details of prior year total remuneration are set out in the Remuneration Report for the relevant year.

Share based payments are disclosed to the extent they relate to their employment in the capacity of an Executive.

EXECUTIVE MINIMUM SHAREHOLDING REQUIREMENT

Compliance with the requirement is assessed as at 30 June each year. The table below provides a summary of the position of each Executive against the requirement as at 30 June 2019:

NAME	WEIGHTED NUMBER OF SHARES HELD AT 30 JUNE 2019[1]	VALUE OF SHARES HELD AT 30 JUNE 2019[2] $000	ANNUAL FIXED PAY AT 30 JUNE 2019[3] $000	PERCENTAGE OF MINIMUM REQUIREMENT ACHIEVED
EXECUTIVE DIRECTOR				
Andrew Wood	1,623,876	24,137	2,100	>100%
GROUP EXECUTIVES				
Chris Ashton	145,193	2,222	845	>100%
Andrew Berryman	34,914	529	555	48%
Tom Honan	227,966	3,484	1,086	>100%
Vinayak Pai	42,507	644	969	33%
Adrian Smith	28,967	457	526	43%
Karen Sobel	16,560	271	627	22%

[1] Includes shares held in the Company plus a 50% weighting of unvested performance rights provided on page 58 and 59.
[2] Calculated as the weighted number of shares held at 30 June 2019 multiplied by the volume weighted average price of the Company's shares for the five trading days up to and including 30 June 2019 ($14.68) or the price at which performance rights were allocated.
[3] The Australian dollar equivalent of annual fixed pay as at 30 June 2019.

EXECUTIVE INTERESTS IN SHARES AND PERFORMANCE RIGHTS

Executives' beneficial interests in shares and performance rights granted as at 30 June 2019 are detailed in the table below. The service and performance criteria for the rights are discussed in the SPPR and long term equity sections on pages 50 to 51 or are available in prior year Remuneration Reports.

NUMBER OF SHARES AND PERFORMANCE RIGHTS HELD IN WORLEYPARSONS LIMITED

NAME	TYPE	BALANCE AT 1 JULY 2018	GRANTED PERFORMANCE RIGHTS	ON EXERCISE OF PERFORMANCE RIGHTS[1]	CHANGE IN STATUS	OTHER TRANSACTIONS[2]	BALANCE AT 30 JUNE 2019
EXECUTIVE DIRECTOR							
Andrew Wood	Shares	1,091,043	n/a	288,870		32,287	1,412,200
	Rights	642,305	106,404	(199,194)	-	(49,939)	499,576
GROUP EXECUTIVES							
Chris Ashton	Shares	14,181	n/a	93,407	-	(15,287)	92,301
	Rights	140,297	55,395	(72,419)	-	-	123,273
Andrew Berryman[4]	Shares	n/a	-	-	-	-	-
	Rights	n/a	-	-	69,827	-	69,827
Tom Honan	Shares	11,000	n/a	126,709	-	7,483	145,192
	Rights	211,848	80,409	(91,568)	-	-	200,689
Vinayak Pai[4]	Shares	n/a	-	-	-	-	-
	Rights	n/a	-	-	85,013	-	85,013
Adrian Smith	Shares	11,591	n/a	-	-	3,000	14,591
	Rights	17,310	11,441	-	-	-	28,751
Karen Sobel[5]	Shares	n/a	-	-	2,530	-	2,530
	Rights	n/a	-	-	28,059	-	28,059
PREVIOUSLY REPORTED GROUP EXECUTIVE							
None noted	Shares	-	-	-	-	-	-
	Rights	-	-	-	-	-	-
TOTAL	**SHARES**	**1,127,815**	**N/A**	**508,986**	**2,530**	**27,483**	**1,666,814**
	RIGHTS	**1,011,760**	**253,649**	**(363,181)**	**182,899**	**(49,939)**	**1,035,188**

[1] May include SPPRs which vested during FY2019 where a multiple was applied in accordance with the outcome of the performance hurdles.
[2] May include rights lapsed or a transaction where the Company incurs overseas withholding tax obligations due to the vesting of the Executives' performance rights; a sufficient number of the shares that the Executive otherwise would have retained following vesting of their performance rights will be relinquished in order to enable the Company to meet its withholding tax obligations.
[3] Shares purchased as part of participation in the Retail Entitlement Offer on 22 October 2018.
[4] Mr Berryman and Mr Pai commenced as KMP on 27 April 2019.
[5] Ms Sobel commenced as KMP on 27 April 2019.

DETAILS OF VESTED, EXERCISED, LAPSED AND OUTSTANDING RIGHTS

Full details of prior year equity grants are set out in the Remuneration Report for the relevant year. Each of the grants shown have an expiry date seven years following the grant date.

							VESTED		EXERCISED		LAPSED		
NAME	TYPE	GRANT DATE	VEST DATE	GRANTED[1]	FAIR VALUE PER RIGHT[2]	FAIR VALUE OF GRANT[3] $000	NUMBER	VALUE[4] $000	NUMBER	VALUE[4] $000	NUMBER[5]	VALUE[6] $000	RIGHTS LAPSED %
EXECUTIVE DIRECTOR													
Andrew Wood	LTI	31 Oct 18	30 Sep 22	33,498	6.62	222	-	-	-	-	-	-	-
		31 Oct 18	30 Sep 22	33,497	13.19	442	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	46,168	9.72	449	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	46,168	13.13	606	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 20	76,225	5.96	454	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 20	76,225	6.41	489	-	-	-	-	-	-	-
		30 Oct 15	30 Sep 19	85,148	2.62	223	-	-	-	-	-	-	-
		30 Oct 15	30 Sep 19	85,149	4.75	404	-	-	-	-	-	-	-
		30 Oct 14	30 Sep 18	41,616	6.50	271	33,293	668	33,293	668	8,323	54	20.0%
		30 Oct 14	30 Sep 18	41,616	10.73	447	-	-	-	-	41,616	447	100.0%
	SPPR	31 Oct 18	30 Sep 20	39,409	9.40	370	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 19	54,315	17.18	933	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 18	89,676	10.96	983	89,676	1,800	89,676	1,800	-	-	-
GROUP EXECUTIVES													
Chris Ashton	LTI	31 Oct 18	30 Sep 22	8,716	6.62	58	-	-	-	-	-	-	-
		31 Oct 18	30 Sep 22	8,716	13.19	115	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	11,763	9.72	114	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	11,763	13.13	154	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 20	17,490	5.96	104	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 20	17,490	6.41	112	-	-	-	-	-	-	-
	Equity	31 Oct 18	30 Sep 20	13,752	13.78	190	-	-	-	-	-	-	-
		31 Oct 18	30 Sep 19	13,752	13.78	190	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 19	12,747	13.54	173	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 18	12,747	13.89	177	12,747	256	12,747	256	-	-	-
	SPPR	31 Oct 18	30 Sep 20	10,459	9.40	98	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 19	14,115	17.18	242	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 18	20,988	10.96	230	20,988	421	20,988	421	-	-	-
	Comb Incentive	30 Oct 15	30 Sep 18	21,194	5.15	109	21,194	425	21,194	425	-	-	-
Andrew Berryman	Equity	29 Apr 19	30 Sep 21	12,546	13.26	166	-	-	-	-	-	-	-
		29 Apr 19	30 Sep 20	27,072	13.84	375	-	-	-	-	-	-	-
		29 Apr 19	30 Sep 19	27,395	14.30	392	-	-	-	-	-	-	-
		29 Apr 19	28 May 20	2,814	13.98	39	-	-	-	-	-	-	-
Tom Honan	LTI	31 Oct 18	30 Sep 22	14,335	6.62	95	-	-	-	-	-	-	-
		31 Oct 18	30 Sep 22	14,335	13.19	189	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	21,285	9.72	207	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	21,284	13.13	279	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 20	35,141	5.96	209	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 20	35,142	6.41	225	-	-	-	-	-	-	-
	Equity	31 Oct 18	30 Sep 20	18,702	13.78	258	-	-	-	-	-	-	-
		31 Oct 18	30 Sep 19	18,702	13.78	258	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 19	21,285	13.54	288	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 18	21,285	13.89	296	21,285	427	21,285	427	-	-	-
	SPPR	31 Oct 18	30 Sep 20	14,335	9.40	135	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 19	21,285	17.18	366	-	-	-	-	-	-	-
		31 Oct 16	30 Sep 18	35,141	10.96	385	35,141	705	35,141	705	-	-	-
Vinayak Pai		29 Apr 19	30 Sep 21	17,250	13.26	229	-	-	-	-	-	-	-
		29 Apr 19	30 Sep 20	42,342	13.84	586	-	-	-	-	-	-	-
		29 Apr 19	30 Sep 19	24,153	14.30	345	-	-	-	-	-	-	-
		29 Apr 19	28 May 20	1,268	13.98	18	-	-	-	-	-	-	-

NAME	TYPE	GRANT DATE	VEST DATE	GRANTED[1]	FAIR VALUE PER RIGHT[2]	FAIR VALUE OF GRANT[3] $000	NUMBER	VALUE[4] $000	NUMBER	VALUE[4] $000	NUMBER[5]	VALUE[6] $000	RIGHTS LAPSED %
Adrian Smith	LTI	31 Oct 18	30 Sep 22	2,543	6.62	17	-	-	-	-	-	-	-
		31 Oct 18	30 Sep 22	2,542	13.19	34	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	3,334	9.72	32	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	3,334	13.13	44	-	-	-	-	-	-	-
	Equity[8]	31 Oct 17	30 Sep 19	2,862	13.54	39	-	-	-	-	-	-	-
	SPPR	31 Oct 18	30 Sep 20	6,356	9.40	60	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 19	7,780	17.18	134	-	-	-	-	-	-	-
Karen Sobel	LTI	31 Oct 18	30 Sep 22	2,218	6.62	15	-	-	-	-	-	-	-
		31 Oct 18	30 Sep 22	2,217	13.19	29	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	2,922	9.72	28	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 21	2,922	13.13	38	-	-	-	-	-	-	-
	Equity	31 Oct 17	30 Sep 19	5,517	13.54	75	-	-	-	-	-	-	-
	SPPR	31 Oct 18	30 Sep 20	5,543	9.40	52	-	-	-	-	-	-	-
		31 Oct 17	30 Sep 19	6,720	17.18	115	-	-	-	-	-	-	-

[1] The service and performance criteria for the rights are discussed in the long term equity section on page 50 and 51. Each right entitles the holder to one fully paid ordinary share in the Company (or a multiple in the case of SPPRs, as discussed on page 50) 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 in the 2015 Remuneration Report.

[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. We have used a Monte Carlo simulation model to value the relative TSR, strategic hurdle rights, and SPPRs and a Black-Scholes model to value the EPS growth rights, acquisition hurdle rights, other cash settled rights and other equity settled rights.

[3] Total fair value of 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 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] The number of rights lapsed represents rights lapsed due to performance hurdles not being met 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 issued to Mr Berryman and Mr Pai are disclosed on page 55 to the extent that they were granted upon their commencement as an Executive.

[8] The value of the rights issued to Ms Sobel are disclosed on page 55 to the extent that they were granted during her term as an Executive in the Company Performance Pay Plan (CPPP).

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

NON-EXECUTIVE DIRECTOR REMUNERATION OUTCOMES

Remuneration of the NEDs for FY2019 and FY2018 is set out below:

		SHORT TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	
NAME	**YEAR**	**FEES $000**	**TRAVEL ALLOWANCES $000**	**SUPERANNUATION[1] $000**	**TOTAL $000**
John Grill	**FY2019**	499	10	21	530
	FY2018	-	-	-	-
Erich Fraunschiel[2]	**FY2019**	63	-	7	70
	FY2018	200	10	20	230
Juan Suárez Coppel[3]	**FY2019**	20	-	-	20
	FY2018	-	-	-	-
Thomas Gorman	**FY2019**	243	25	-	268
	FY2018	131	15	-	146
Christopher Haynes	**FY2019**	245	35	-	280
	FY2018	245	25	-	270
Roger Higgins[4]	**FY2019**	67	10	6	83
	FY2018	-	-	-	-
Andrew Liveris[5]	**FY2019**	156	10	10	176
	FY2018	-	-	-	-
Catherine Livingstone	**FY2019**	199	10	21	230
	FY2018	213	10	20	243
Anne Templeman-Jones	**FY2019**	220	10	21	251
	FY2018	141	10	13	164
Sharon Warburton[4]	**FY2019**	72	10	7	89
	FY2018	-	-	-	-
Wang Xiao Bin	**FY2019**	199	25	21	245
	FY2018	200	30	20	250
Total remuneration	**FY2019**	**1,983**	**145**	**114**	**2,242**
	FY2018[6]	**1,336**	**110**	**81**	**1,527**

[1] Superannuation contributions are made on behalf of the NEDs in accordance with the Company's statutory superannuation obligations.
[2] Mr Fraunschiel retired on 23 October 2018.
[3] Mr Suárez commenced on 27 May 2019.
[4] Mr Higgins and Ms Warburton commenced on 20 February 2019.
[5] Mr Liveris commenced on 5 September 2018.
[6] The FY2018 totals have been rounded in line with the current standard. Full details of prior year total remuneration are set out in the Remuneration Report for the relevant year.

NON-EXECUTIVE DIRECTOR INTERESTS IN SHARES

NED beneficial interests in shares of the Company as at 30 June 2019 are detailed in the below table:

NUMBER OF SHARES HELD IN WORLEYPARSONS LIMITED

NAME	**TYPE**	**BALANCE AT 1 JULY 2018**	**CHANGE IN STATUS**	**OTHER TRANSACTIONS**	**BALANCE AT 30 JUNE 2019**
John Grill	Shares	27,909,392	-	6,426,736	34,336,128
Erich Fraunschiel[1]	Shares	218,631	(218,631)	-	n/a
Juan Suárez Coppel[2]	Shares	-	-	-	-
Thomas Gorman	Shares	13,500	-	9,184	22,684
Christopher Haynes	Shares	13,139	-	5,783	18,922
Roger Higgins[3]	Shares	-	14,000	-	14,000
Andrew Liveris[4]	Shares	-	6,870	-	6,870
Catherine Livingstone	Shares	14,302	-	9,731	24,033
Anne Templeman-Jones	Shares	2,250	-	3,031	5,281
Sharon Warburton[3]	Shares	-	10,000	-	10,000
Wang Xiao Bin	Shares	11,000	-	-	11,000

[1] Mr Fraunschiel retired on 23 October 2018.
[2] Mr Suárez commenced on 27 May 2019.
[3] Mr Higgins and Ms Warburton commenced on 20 February 2019.
[4] Mr Liveris commenced on 5 September 2018.

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

JOHN GRILL AO
Chairman
Sydney, 21 August 2019

Statement of financial performance and other comprehensive income

For the financial year ended 30 June 2019

	NOTES	CONSOLIDATED 2019 $'M	2018 $'M
REVENUE AND OTHER INCOME			
Professional services revenue		4,531.1	3,837.3
Procurement revenue		1,020.4	432.3
Construction and fabrication revenue		1,328.6	552.5
Interest income		36.5	5.5
Other income		7.7	8.2
Total revenue and other income	4	**6,924.3**	**4,835.8**
EXPENSES			
Professional services costs		(4,156.5)	(3,530.7)
Procurement costs		(992.0)	(417.3)
Construction and fabrication costs		(1,215.6)	(497.4)
Global support costs	3(E)	(154.2)	(110.7)
Acquisition costs	21(B)	(50.6)	(5.9)
Transition and other costs	5	(48.8)	(14.2)
Borrowing costs		(71.7)	(63.9)
Total expenses		**(6,689.4)**	**(4,640.1)**
Share of net profit of associates accounted for using the equity method	22(C)	10.5	9.7
Profit before income tax expense		**245.4**	**205.4**
Income tax expense	6(A)	(81.4)	(129.7)
Profit after income tax expense		**164.0**	**75.7**
Profit after income tax expense attributable to:			
Members of WorleyParsons Limited		**151.9**	**62.2**
Non-controlling interests		**12.1**	**13.5**
Other comprehensive income			
Items that may be reclassified in future periods to the Statement of Financial Performance			
Net movement in foreign currency translation reserve		(0.5)	35.8
Net movement in hedge reserve		1.8	(6.9)
Items that will not be reclassified in future periods to the Statement of Financial Performance			
Net movement in defined benefit reserve		(4.7)	-
Total comprehensive income, net of tax		**160.6**	**104.6**
Total comprehensive income, net of tax, attributable to:			
Members of WorleyParsons Limited		**150.9**	**93.4**
Non-controlling interests		**9.7**	**11.2**
Basic earnings per share (cents)[1]	17	36.4	22.6
Diluted earnings per share (cents)[1]	17	36.2	22.5

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

[1] Basic and diluted earnings per share were adjusted for the equity raise as disclosed in note 17.

Statement of financial position

As at 30 June 2019

		CONSOLIDATED	
	NOTES	2019 $'M	2018 $'M
ASSETS			
Current assets			
Cash and cash equivalents	7	457.3	261.6
Trade receivables	8	2,672.2	1,171.1
Other assets	8	219.2	147.9
Prepayments		161.4	101.9
Procurement assets	27	107.1	66.5
Income tax receivable		35.7	4.0
Derivatives	19	27.6	2.2
Total current assets		**3,680.5**	**1,755.2**
Non-current assets			
Trade receivables	8	191.6	28.9
Intangible assets	10	6,117.9	2,282.0
Property, plant and equipment	28	551.4	54.3
Deferred tax assets	29(A)	240.6	201.6
Equity accounted associates	22(B)	173.1	81.3
Derivatives	19	41.8	63.2
Other non-current assets		49.4	9.3
Total non-current assets		**7,365.8**	**2,720.6**
TOTAL ASSETS		**11,046.3**	**4,475.8**
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,884.2	789.2
Procurement payables	27	71.6	39.8
Provisions	11	599.2	318.5
Interest bearing loans and borrowings	13	165.3	36.0
Income tax payable		9.8	5.6
Derivatives	19	2.2	3.4
Total current liabilities		**2,732.3**	**1,192.5**
Non-current liabilities			
Trade and other payables	9	47.3	29.8
Interest bearing loans and borrowings	13	1,973.0	963.1
Defined benefit obligations	30	41.5	-
Deferred tax liabilities	29(B)	110.0	10.9
Provisions	11	123.7	66.7
Total non-current liabilities		**2,295.5**	**1,070.5**
TOTAL LIABILITIES		**5,027.8**	**2,263.0**
NET ASSETS		**6,018.5**	**2,212.8**
EQUITY			
Issued capital	15	5,282.9	1,589.9
Reserves	16	(267.6)	(276.4)
Retained profits		959.2	910.5
Members of WorleyParsons Limited		5,974.5	2,224.0
Non-controlling interests		44.0	(11.2)
TOTAL EQUITY		**6,018.5**	**2,212.8**

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 2019

	CONSOLIDATED									
	ISSUED CAPITAL $'M	RETAINED PROFITS $'M	FOREIGN CURRENCY TRANSLATION RESERVE $'M	HEDGE RESERVE $'M	PERFORMANCE RIGHTS RESERVE $'M	DEFINED BENEFITS RESERVE $'M	ACQUISITION RESERVE $'M	MEMBERS OF THE GROUP $'M	NON-CONTROLLING INTERESTS $'M	TOTAL $'M
As at 30 June 2018	**1,589.9**	**910.5**	**(263.0)**	**4.6**	**44.6**	**-**	**(62.6)**	**2,224.0**	**(11.2)**	**2,212.8**
Adoption of AASB 9 on 1 July 2018, net of tax	-	(4.4)	-	-	-	-	-	(4.4)	-	(4.4)
As at 1 July 2018	**1,589.9**	**906.1**	**(263.0)**	**4.6**	**44.6**	**-**	**(62.6)**	**2,219.6**	**(11.2)**	**2,208.4**
Profit after income tax expense	-	151.9	-	-	-	-	-	151.9	12.1	164.0
Foreign exchange movement on translation of foreign controlled entities and associates	-	-	19.3	-	-	-	-	19.3	(2.4)	16.9
Net investments hedged, net of tax	-	-	(17.4)	-	-	-	-	(17.4)	-	(17.4)
Net gain on foreign exchange hedges, net of tax	-	-	-	0.9	-	-	-	0.9	-	0.9
Fair value gain on mark to market of cross currency hedge, net of tax	-	-	-	0.9	-	-	-	0.9	-	0.9
Remeasurement gain/loss on defined benefit plans, net of tax	-	-	-	-	-	(4.7)	-	(4.7)	-	(4.7)
Total comprehensive income, net of tax	**-**	**151.9**	**1.9**	**1.8**	**-**	**(4.7)**	**-**	**150.9**	**9.7**	**160.6**
Transactions with owners										
Issue of share capital, net of transaction costs	3,687.9	-	-	-	-	-	-	3,687.9	-	3,687.9
Share based payments expense	-	-	-	-	18.0	-	-	18.0	-	18.0
Share based payments issued as business combination purchase consideration	-	-	-	-	2.2	-	-	2.2	-	2.2
Non-controlling interest acquired on acquisition	-	-	-	-	-	-	-	-	55.8	55.8
Transfer to issued capital on issuance of shares to satisfy performance rights	5.1	-	-	-	(9.5)	-	-	(4.4)	-	(4.4)
Decrease in ownership of controlled entity	-	-	-	-	-	-	(0.9)	(0.9)	0.2	(0.7)
Dividends paid	-	(98.8)	-	-	-	-	-	(98.8)	(10.5)	(109.3)
As at 30 June 2019	**5,282.9**	**959.2**	**(261.1)**	**6.4**	**55.3**	**(4.7)**	**(63.5)**	**5,974.5**	**44.0**	**6,018.5**
As at 1 July 2017	**1,268.5**	**875.6**	**(301.1)**	**11.5**	**42.1**	**-**	**(22.9)**	**1,873.7**	**(5.4)**	**1,868.3**
Profit after income tax expense	-	62.2	-	-	-	-	-	62.2	13.5	75.7
Foreign exchange movement on translation of foreign controlled entities and associates	-	-	108.2	-	-	-	-	108.2	(2.3)	105.9
Net investments hedged, net of tax	-	-	(70.1)	-	-	-	-	(70.1)	-	(70.1)
Net loss on foreign exchange hedges, net of tax	-	-	-	(2.8)	-	-	-	(2.8)	-	(2.8)
Fair value loss on mark to market of cross currency hedge, net of tax	-	-	-	(4.1)	-	-	-	(4.1)	-	(4.1)
Total comprehensive income, net of tax	**-**	**62.2**	**38.1**	**(6.9)**	**-**	**-**	**-**	**93.4**	**11.2**	**104.6**
Transactions with owners										
Issue of share capital, net of transaction costs	315.7	-	-	-	-	-	-	315.7	-	315.7
Share based payments expense	-	-	-	-	8.2	-	-	8.2	-	8.2
Transfer to issued capital on issuance of shares to satisfy performance rights	5.7	-	-	`	(5.7)	-	-	-	-	-
Increase in ownership of controlled entity	-	-	-	-	-	-	(39.7)	(39.7)	(2.8)	(42.5)
Dividends paid	-	(27.3)	-	-	-	-	-	(27.3)	(14.2)	(41.5)
As at 30 June 2018	**1,589.9**	**910.5**	**(263.0)**	**4.6**	**44.6**	**-**	**(62.6)**	**2,224.0**	**(11.2)**	**2,212.8**

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 2019

	NOTES	CONSOLIDATED 2019 $'M	CONSOLIDATED 2018 $'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,707.9	5,186.6
Payments to suppliers and employees		(6,437.4)	(4,849.7)
		270.5	336.9
Dividends received from associates		7.8	4.3
Interest received		34.4	3.4
Borrowing costs paid		(40.8)	(53.8)
Income taxes paid		(35.6)	(31.1)
Net cash inflow from operating activities	7	**236.3**	**259.7**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of controlled entities, net of cash acquired and other investments		(3,791.6)	(360.1)
Payments for purchase of property, plant and equipment, computer software and other intangible assets		(37.2)	(41.7)
Proceeds from disposal of investments		0.5	2.3
Proceeds from sale of property, plant and equipment		0.3	0.4
Net cash outflow from investing activities		**(3,828.0)**	**(399.1)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of loans and borrowings		(3,096.3)	(1,993.6)
Proceeds from loans and borrowings		4,177.0	1,888.8
Costs of bank facilities		(19.1)	(10.3)
Net loans from related parties		2.8	1.4
Proceeds from equity raising, net of equity raising costs		2,845.8	315.7
Dividends paid to members of WorleyParsons Limited	18(B)	(98.8)	(27.3)
Dividends paid to non-controlling interests		(10.5)	(8.6)
Net cash inflow from financing activities		**3,800.9**	**166.1**
Net increase in cash		**209.2**	**26.7**
Cash and cash equivalents at the beginning of the financial year		277.9	244.3
Effects of foreign exchange rate changes on cash		4.7	6.9
Cash and cash equivalents at the end of the financial year	7	**491.8**	**277.9**

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 2019

1. CORPORATE INFORMATION

The financial report of WorleyParsons Limited (Company or parent entity) for the financial year ended 30 June 2019 was authorized for issue in accordance with a resolution of the directors on 21 August 2019.

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 are 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 (AASB).

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial /Directors' Reports) 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 Instrument. 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 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.

The Group has not early adopted any standards or interpretations not yet effective. These standards and interpretations and potential impacts are consistent with those disclosed in the 30 June 2018 annual report except as disclosed in note 2(v).

(iv) Critical accounting estimates

In the application of AAS, management is required to make judgments, estimates and assumptions. 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;
- credit loss allowance, refer note 8;
- goodwill and intangible assets with identifiable useful lives, refer note 10;
- project, warranty and other provisions, refer 11;
- recovery and valuation of deferred taxes, refer note 29; and
- defined benefit obligations, refer note 30.

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

Effective 1 July 2018, the Group adopted AASB 9 *Financial Instruments* (AASB 9) and AASB 15 *Revenue from Contracts with Customers* (AASB 15). The impact of the adoption of these standards is disclosed below.

The other new and revised standards, amendments or AASB interpretations did not have any impact on the Group.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

Impact of adoption

(i) AASB 9 Financial instruments

AASB 9 *Financial Instruments* (AASB 9) replaces AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139), and the Group has adopted AASB 9 and the consequential amendments to AASB 7 *Financial Instruments: Disclosures* on 1 July 2018. The Group has applied AASB 9 retrospectively in accordance with the transition provisions set out in AASB 9. The new standard does not have a significant impact on the financial position and/or financial performance of the Group, with the details discussed below:

1. Classification and measurement

   The Group assessed the financial assets and financial liabilities as at 30 June 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has the following minor impact on the Group's financial assets and liabilities with regards to their classification and measurement:

   - Financial assets classified as loans and receivables under AASB 139 that are measured at amortised cost as at 30 June 2018 continue to be classified and measured at amortised cost under AASB 9 as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amounts outstanding;
   - Financial assets that are measured at fair value through profit or loss under AASB 139 as at 30 June 2018 continue to be classified and measured as such under AASB 9; and
   - Financial liabilities that are measured at amortised cost under AASB 139 as at 30 June 2018 continue to be classified and measured at amortised cost under AASB 9.

2. Hedge accounting

   The forward exchange contracts and cross currency swaps in place as at 30 June 2018 qualified as cash flow hedges under AASB 9 and the net investment hedge in place as at 30 June 2018 qualified as a net investment hedge under AASB 9. The group's risk management strategies and hedge documentation have been updated to align with the requirements of AASB 9 and these relationships are therefore treated as continuing hedges. There were no reclassifications or remeasurements arising from the application of AASB 9 hedge accounting.

3. Impairment

   The Group has the following financial assets that are subject to AASB 9's expected credit loss model:

   - Trade receivables;
   - Unbilled contract revenue (contract assets); and
   - Other receivables (specifically, related party receivables).

   The Group assessed these financial assets as at 1 July 2018 for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of AASB 9 to determine the credit risk of the respective customers. The Group uses judgement in making the assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates.

   In accordance with the transitional provisions in AASB 9, the adjustments arising from the new impairment rules are recognized in the opening retained earnings in the statement of financial position on 1 July 2018. The impact on the group's retained earnings as at 1 July 2018 is as follows:

	$M
Closing retained earnings under AASB 139 as at 30 June 2018	910.5
Additional recognition of expected credit loss allowance under AASB 9	(5.7)
Tax impact of additional recognition of expected credit loss allowance recognized	1.3
Opening retained earnings under AASB 9 as at 1 July 2018	906.1

The Group applied the simplified approach to measure expected credit losses for trade receivables and unbilled contract revenue which applies a lifetime expected loss model.

The reconciliation of the impairment allowance as at 30 June 2018 as calculated under AASB 139 to the opening impairment allowance as calculated under AASB 9 is as follows:

	IMPAIRMENT ALLOWANCE IN RELATION TO TRADE RECEIVABLES AND CONTRACT ASSETS $'M	IMPAIRMENT ALLOWANCE IN RELATION TO OTHER RECEIVABLES $'M
As at 30 June 2018, as calculated under AASB 139	86.0	-
Adjusted through opening retained earnings	5.4	0.3
As at 1 July 2018, as calculated under AASB 9	**91.4**	**0.3**

The adjustment reflects the replacement of the incurred loss model under AASB 139 with its expected credit loss model under AASB 9.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* replaced AASB 11 *Construction Contracts*, AASB 18 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. The new standard establishes a five-step approach to revenue recognition. Revenue is recognized to the extent of the consideration the Group expects to receive for transferring goods or services to a customer. AASB 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The application of AASB 15 did not have any impact on the financial position and/or financial performance of the Group and the cumulative effect of adjustments recognized in equity under the modified retrospective approach is nil.

The disaggregation of revenue into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors is presented in Note 3 Operating Segments. The Group has retained existing terminology and continues to utilize unbilled contract revenue to describe contract assets and billings in advance and deferred revenue to describe contract liabilities.

(iii) Changes in accounting policies on adoption of the new accounting standards

Accounting policies changed on adoption of AASB15 and AASB 9 and are disclosed in the following relevant notes:

- Revenue recognition and contract costs – refer to note 4;
- Trade and other receivables – refer to note 8;
- Trade and other payables refer to note 9; and
- Derivatives- refer to note 19.

(iv) New accounting standards not yet applicable

Effective 1 July 2019:

AASB 16 Leases

AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. AASB 16 superseded the current lease guidance including AASB 117 *Leases* and the related interpretations when it became effective on 1 July 2019.

Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and replaced by a model where a right-of-use asset ('RoU') and a corresponding liability have to be recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The RoU is initially measured as equal to the corresponding lease liability, less any adjustments in respect of lease incentives, initial direct costs and other required items. It is subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the future lease payments. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. Recognition of RoU and respective lease liabilities leads to an increase in depreciation and finance charges. These charges will replace the operating lease expense that is currently reported in the Group's financial report. Furthermore, the classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, AASB 16 substantially carries forward the lessor accounting requirements in AASB 117, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by AASB 16.

Subsequent to the financial year end, on 1 July 2019, the standard has been adopted by the Group. The modified retrospective approach has been applied on adoption. The new standard has a material impact on the Group's Financial Statements, with a lease liability of $450 million - $550 million recognized on adoption. A corresponding RoU of a similar range will be recognized, net of impairment. The Group is finalizing the assessment of leases acquired with Jacobs Energy, Chemicals and Resources ("ECR") and the recognized value may change following the finalization of the assessment. Low value or short term leases are not recognized on the balance sheet as allowed under the practical expedients of AASB 16.

The key assumptions used to determine the RoU and the corresponding lease liability are:

- The lease terms;
- Options to extend the original lease terms;
- Discount rate used; and
- Termination options.

AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*

This Standard amends AASB 128 *Investments in Associates and Joint Ventures* to clarify that an entity is required to account for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 *Financial Instruments* before applying the loss allocation and impairment requirements in AASB 128.

This amendment is not expected to have a material impact on the Group's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB Interpretation 23 *Uncertainty over Income Tax Treatments, and relevant amending standards*

The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

This amendment is not expected to have a material impact on the Group's financial statements.

AASB 2018-1 *Annual Improvements to IFRS Standards 2015-2017 Cycle*

The amendments clarify certain requirements in:

- AASB 3 *Business Combinations* and AASB 11 *Joint Arrangements* - previously held interest in a joint operation;
- AASB 112 *Income Taxes* - income tax consequences of payments on financial instruments classified as equity; and
- AASB 123 *Borrowing Costs* - borrowing costs eligible for capitalization.

This amendment is not expected to have a material impact on the Group's financial statements.

AASB 2018-2 *Amendments to Australian Accounting Standards-Plan Amendment, Curtailment or settlement*

This amendment amends AASB 119 Employee Benefits to specify how an entity accounts for defined benefit plans when a plan amendment, curtailment or settlement occurs during a reporting period.

This amendment is not expected to have a material impact on the Group's financial statements.

Effective 1 July 2020:

Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities. The framework clarifies some important concepts, including objectives of financial reporting, qualitative characteristics of financial information, measurement, presentation and disclosures.

The Group is yet to assess the impact of this Framework.

AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material*

The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The Group is yet to assess the impact of this amendment.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by WorleyParsons Limited as at 30 June 2019 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 22).

The impact of all transactions between entities in the consolidated entity is eliminated. Non-controlling interests in the results and equity of controlled entities are shown separately in the Statement of Financial Performance and Other 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 the equity of members of WorleyParsons Limited.

(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 denominated 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. Where required, the prior year balances were restated for comparative purposes.

3. SEGMENT INFORMATION

On 26 April 2019 the acquisition of Jacobs Energy, Chemicals and Resources division ("ECR") from Jacobs Engineering Group Inc was completed. Due to the significance of the acquisition, a new operating model was introduced resulting in a change in segments, as further described in note 3(G). Prior period information was restated for comparative purposes.

(A) OPERATING SEGMENTS

	ENERGY AND CHEMICAL SERVICES		MINING, MINERALS AND METAL SERVICES		MAJOR PROJECTS AND INTEGRATED SOLUTIONS		ADVISIAN		TOTAL	
	2019 $'M	2018 $'M	2019 $'M	2018 $'M	2019 $'M	2018 $'M	2019 $'M	2018 $'M	2019 $'M	2018 $'M
Professional services revenue	2,579.8	2,027.2	273.1	148.8	1,312.5	1,224.1	520.5	450.5	4,685.9	3,850.6
Construction and fabrication revenue	52.6	-	8.8	-	1,267.2	552.5	-	-	1,328.6	552.5
Procurement revenue at margin	214.5	183.3	3.9	2.9	165.3	90.0	33.2	61.7	416.9	337.9
Other income	7.3	8.2	0.4	-	-	-	-	-	7.7	8.2
Total segment revenue [1]	**2,854.2**	**2,218.7**	**286.2**	**151.7**	**2,745.0**	**1,866.6**	**553.7**	**512.2**	**6,439.1**	**4,749.2**
Segment result[2]	278.8	227.0	31.0	9.2	231.7	172.4	35.0	17.5	576.5	426.1
Segment margin	9.8%	10.2%	10.8%	6.1%	8.4%	9.2%	6.3%	3.4%	9.0%	9.0%
Other segment information										
Depreciation and amortization expense	32.7	31.7	3.5	2.6	24.4	10.4	5.2	9.1	65.7	53.8
Share of net profits of associates accounted for using the equity method	9.4	7.0	0.6	0.6	0.5	1.4	0.0	0.7	10.5	9.7
Carrying value of equity accounted associates	67.8	64.0	87.9	5.3	14.6	7.3	2.8	4.7	173.1	81.3
Purchase of non-current assets	16.4	19.5	1.7	1.3	15.9	16.4	3.2	4.5	37.2	41.7

(B) CUSTOMER SECTOR GROUPS

	ENERGY		CHEMICALS		RESOURCES		TOTAL	
	2019 $'M	2018 $'M	2019 $'M	2018 $'M	2019 $'M	2018 $'M	2019 $'M	2018 $'M
Professional services revenue	3,102.2	2,888.2	1,064.7	552.4	519.0	410.0	4,685.9	3,850.6
Construction and fabrication revenue	1,061.5	552.5	171.6	-	95.5	-	1,328.6	552.5
Procurement revenue at margin	308.7	273.1	90.3	46.6	17.9	18.2	416.9	337.9
Other income	7.7	6.3	-	-	-	1.9	7.7	8.2
Total segment revenue	**4,480.1**	**3,720.1**	**1,326.6**	**599.0**	**632.4**	**430.1**	**6,439.1**	**4,749.2**
Segment result	437.1	347.7	94.3	43.0	45.1	35.4	576.5	426.1
Segment margin	9.8%	9.3%	7.1%	7.2%	7.1%	8.2%	9.0%	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, pass-through revenue at nil margin and interest income. 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 and excludes the items listed in note 3(H). It 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	
	2019 $'M	2018 $'M
Segment revenue	6,439.1	4,749.2
Impact of the arbitration award[1]	(8.7)	-
Procurement revenue at nil margin (including share of revenue from associates)[2]	608.0	94.4
Pass-through revenue at nil margin[3]	32.4	157.3
Share of revenue from associates	(183.0)	(170.6)
Interest income	36.5	5.5
Total revenue and other income per the Statement of Financial Performance	**6,924.3**	**4,835.8**

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

	TOTAL	
	2019 $'M	2018 $'M
Segment result	576.5	426.1
Global support costs	(157.6)	(110.7)
Interest and tax for associates	(6.1)	(2.4)
Total underlying earnings before interest, tax and amortisation of intangibles acquired through business combinations (underlying EBITA)	**412.8**	**313.0**
Total underlying EBITA margin on aggregated revenue for the Group	6.4%	6.6%
Impact of acquisitions, comprised of:		
Acquisition costs	(50.6)	(5.9)
Transition costs	(35.0)	-
Onerous lease contracts[4]	(8.9)	(12.2)
Bridging facility fee	(4.2)	-
Foreign exchange gain on term deposits	3.4	-
Impact of the arbitration award[1]	(8.7)	-
Restructuring costs	(0.7)	(14.2)
Impairment of associate intangible assets	-	(2.7)
Total EBITA	**308.1**	**278.0**
EBITA margin on aggregated revenue for the Group	4.8%	5.9%
Amortization of acquired intangible assets	(27.5)	(14.2)
Net underlying borrowing costs[5]	(62.6)	(58.4)
Interest on term deposits, net of capitalized costs write off	27.4	-
Income tax expense	(81.4)	(129.7)
Profit after income tax expense per the Statement of Financial Performance	**164.0**	**75.7**

(E) RECONCILIATION OF GLOBAL SUPPORT COSTS TO THE STATEMENT OF FINANCIAL PERFORMANCE

	TOTAL	
	2019 $'M	2018 $'M
Global support costs per segment information[6]	157.6	110.7
Foreign exchange gain on term deposits	(3.4)	-
Global support costs per the Statement of Financial Performance	**154.2**	**110.7**

[1] Reduction in revenue following lower than expected arbitration award in relation to a dispute with a state owned enterprise.

[2] The ECR procurement revenue is classified as procurement revenue at nil margin.

[3] Pass-through revenue at nil margin refers to sub-contract packages for services or materials where the Group does not receive a margin.

[4] Includes onerous lease costs incurred in equity accounted investments.

[5] Net underlying borrowing costs exclude interest income on term deposits, net of capitalized costs write off due to one-off nature of such items.

[6] Excludes all restructuring costs.

3. SEGMENT INFORMATION (CONTINUED)

(F) GEOGRAPHIC SEGMENTS[1]

Revenue from external customers[2]

2019	AGGREGATED REVENUE $'M	ADD: PROCUREMENT REVENUE AT NIL MARGIN $'M	ADD: PASS-THROUGH 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	1,347.0	18.3	-	(123.5)	(0.4)	1,241.4
Europe, Middle East and Africa	2,656.6	164.3	23.7	(23.5)	(3.2)	2,817.9
United States of America	1,093.7	278.1	-	(36.0)	(4.1)	1,331.7
Other Americas	1,341.8	147.3	-	-	-	1,489.1
Total	**6,439.1**	**608.0**	**23.7**	**(183.0)**	**(7.7)**	**6,880.1**
Other income						7.7
Interest income						36.5
Total revenue and other income per the Statement of Financial Performance						**6,924.3**

2018	AGGREGATED REVENUE $'M	ADD: PROCUREMENT REVENUE AT NIL MARGIN $'M	ADD: PASS-THROUGH REVENUE AT NIL MARGIN $'M	LESS: SHARE OF REVENUE FROM ASSOCIATES $'M	LESS: OTHER INCOME4 $'M	TOTAL REVENUE FROM EXTERNAL CUSTOMERS $'M
Australia, Pacific, Asia and China	1,080.9	9.9	-	(119.1)	(0.6)	971.1
Europe, Middle East and Africa	2,121.7	20.2	157.3	(22.8)	(2.3)	2,274.1
United States of America	643.9	10.6	-	(28.7)	(5.2)	620.6
Other Americas	902.7	53.6	-	-	-	956.3
Total	**4,749.2**	**94.3**	**157.3**	**(170.6)**	**(8.1)**	**4,822.1**
Other income						8.2
Interest income						5.5
Total revenue and other income per the Statement of Financial Performance						**4,835.8**

	2019 $'M	2018 $'M
Non-current assets by geographical location:[3]		
Australia, Pacific, Asia and China	116.4	56.2
Europe, Middle East and Africa	161.2	124.4
United States of America	1,611.5	172.0
Other Americas	66.6	35.2
Non-current assets by geographical location	**1,955.7**	**387.8**

[1] Geographic locations are presented across all business lines. This is different to the 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, deferred tax assets and derivative financial instruments. Intangible assets acquired with ECR are provisionally allocated to the United States of America as at 30 June 2019.

3. SEGMENT INFORMATION (CONTINUED)

(G) IDENTIFICATION OF REPORTABLE SEGMENTS

On 26 April 2019 the acquisition of the ECR division from Jacobs Engineering Group Inc was completed. Due to the significance of the acquisition, a new operating model was introduced and consists of the following four lines of business:

- Energy & Chemical Services;
- Mining, Minerals & Metal Services;
- Major Projects & Integrated Solutions; and
- Advisian.

Prior to the change, the Group's business model consisted of three business lines being Services, Major Projects & Integrated Solutions and Advisian. The change in operating structure represents a change to the operating segments reported in the previous corresponding period. The previous reported segment results for the year ended 30 June 2018 have been restated for comparison purposes as required by AASB 8 *Operating Segments.* The Group has also included additional information segmented according to its customer sector groups, which were also changed from 30 June 2018 with comparative restated.

(H) 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:

- global support costs;
- interest and tax for associates;
- amortization of acquired intangible assets;
- costs in relation to acquisitions and transition activities (acquisition costs, bridging facility fee, transition and restructuring costs, foreign exchange gain on term deposits);
- other restructuring costs;
- impact of the arbitration award;
- certain onerous lease contracts not related to acquisitions;
- net borrowing costs;
- tax expense in relation to the ECR acquisition; and
- income tax expense and income tax charges in relation to tax reforms.

(I) MAJOR CUSTOMERS

The most significant customer accounted for 7.7% (2018: 10.1%) of aggregated revenue and is predominantly within the Energy & Chemical Services and Major Projects & Integrated Solutions lines of business and is in the Energy and the Chemicals customer sector groups.

4. REVENUE AND OTHER INCOME

	CONSOLIDATED	
	2019 $'M	2018 $'M
Professional services revenue	4,531.1	3,837.3
Procurement revenue	1,020.4	432.3
Construction and fabrication revenue	1,328.6	552.5
Interest income	36.5	5.5
Revenue	**6,916.6**	**4,827.6**
Other income	7.7	8.2
Total revenue and other income	**6,924.3**	**4,835.8**

The amount of revenue recognized in the financial year 2019 from performance obligations satisfied (or partially satisfied) in previous periods is $3.3 million and is mainly due to the changes in the estimate of the stage of completion.

In addition to billings in advance balances, $0.9 billion of revenue (lump sum projects with an expected duration of one year or more) is expected to be recognized in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

4. REVENUE AND OTHER INCOME (CONTINUED)

RECOGNITION AND MEASUREMENT

The Group adopted AASB 15 on 1 July 2019, and the updated accounting policy is outlined below.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized and disclosed net of trade allowances, duties and taxes paid.

The Group utilizes a five-step approach to revenue recognition which requires the Group to identify contracts and performance obligations, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied.

The Group exercises judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with it's customers.

The Group's main revenue streams are as follows:

- Professional services revenue

  The Group performs engineering design and project delivery services. These activities are usually highly integrated and accordingly where appropriate are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date together with the highly customised nature of the services provided. Consequently, the Group recognizes revenue for these service contracts over time. Payment terms depend on the contracts specifics and usually are within 30 to 60 day term.

- Construction and fabrication revenue

  The Group performs construction and fabrication services. These activities are highly integrated and accordingly where appropriate are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date together with the highly customised nature of the services provided. Consequently, the Group recognizes revenue for these construction contracts over time. Payment terms are usually based on milestones achieved and are within 30 to 60 days from the date of the invoice.

- Procurement revenue

  Procurement revenue represents services from entering into contracts with customers to acquire, on their behalf, equipment produced by various suppliers and/or services provided by different subcontractors. The Group executes procurement services as a principal and as an agent. Where the Group controls the promised goods or services before transferring them to the customer, the Group is a principal and records revenue and costs on a gross basis. If the Group does not control the promised goods and services before transferring to the customer, i.e. the Group's role is to arrange for another entity to provide the goods or services, then the Group is an agent and records revenue and costs at the net amount that it retains for its agency services (margin). The performance obligation is satisfied over time and payment is usually due upon receipt of the equipment by the customer or as subcontractor services are performed, depending on the terms of the contract. Payment terms are usually within 30 to 60 days.

The Group measures revenue on the basis of the effort expended relative to the total expected effort to complete the service. The Group considers the terms of the contract, internal models and other sources when estimating the projected total cost and the stage of completion. The percentage of completion is estimated by qualified professionals within the project teams. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change.

Variable consideration, including performance incentives, is recognized from the outset of the contract but only to the extent that it is highly probable that a significant revenue reversal will not occur. This estimate takes into account the facts and circumstances of each individual contract and historical experience and is reassessed throughout the life of the contract.

The Group provides assurance warranties for general rework which are accounted for in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

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.

Contract costs

Costs to obtain or fulfil a contract (contract costs) include all costs directly related to specific contracts that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's activities in general. The Group's contract costs are expensed as incurred unless they are allowed for capitalization under the accounting standards.

5. EXPENSES AND LOSSES/(GAINS)

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

	CONSOLIDATED	
	2019 $'M	2018 $'M
EXPENSES AND LOSSES		
Short term employee benefits	3,901.4	2,822.3
Post-employment benefits	97.7	65.4
Share based payments	18.0	8.2
Total staff costs	**4,017.1**	**2,895.9**
Bridging facility fee	4.2	-
Transition and restructuring costs	35.0	-
Onerous lease contracts	8.9	12.2
Other restructuring costs	0.7	2
Total transition and other costs	**48.8**	**14.2**
Operating lease rentals- minimum lease payments	166.7	132.8
Amortization	70.1	49.9
Depreciation	23.1	18.1
MOVEMENTS IN PROVISIONS[1]		
Employee benefits	208.7	163.5
Insurance	9.5	(2.7)
Onerous leases, excluding onerous leases due to transition	(5.6)	13.3
Warranty	5.0	8.4
Project losses and other	31.3	25.6

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 equity settled 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. A Monte Carlo simulation is applied to fair value the TSR component, strategic hurdle rights and the SPPRs. For the EPS, EBIT and "continuous employment" condition, the Black-Scholes model is utilized. Total fair value at grant date 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.

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 non-current payables; 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.

[1] Excludes amounts utilised.

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

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 5-20 years;
- computer software 7 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.

6. INCOME TAX

	CONSOLIDATED	
	2019 $'M	2018 $'M
(A) INCOME TAX EXPENSE		
Current tax	85.0	48.3
Deferred tax	3.1	74.3
(Over)/under provision in previous financial periods	(6.7)	7.1
Income tax expense	**81.4**	**129.7**
Deferred income tax expense included in income tax expense comprises:		
Decrease in deferred tax assets	11.8	94.8
Decrease in deferred tax liabilities	(8.7)	(20.5)
Deferred tax	**3.1**	**74.3**

6. INCOME TAX (CONTINUED)

	CONSOLIDATED 2019 $'M	CONSOLIDATED 2018 $'M
(B) RECONCILIATION OF PRIMA FACIE TAX PAYABLE TO INCOME TAX EXPENSE		
Profit before income tax expense	245.4	205.4
Prima facie tax expense at WorleyParsons Limited's statutory income tax rate of 30% (2018: 30%)	73.6	61.6
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible share based payments expense	5.5	2.6
Share of net profits of associates accounted for using the equity method	(3.2)	(2.9)
Tax losses not previously recognized	(0.3)	(0.7)
(Over)/Under provision in previous financial periods	(6.7)	7.1
Non-deductible costs from acquisitions	11.5	1.8
Write off of deferred tax asset due to acquisition	14.3	-
Tax expense in relation to changes in tax legislation	3.4	81.7
Difference in overseas tax rates and other	(16.8)	(21.5)
Income tax expense	**81.4**	**129.7**
(C) AMOUNTS RECOGNIZED DIRECTLY IN EQUITY		
Aggregate amount of tax arising in the reporting period and not recognized in profit after income tax expense but directly credited to equity:		
Deferred tax - (debited)/credited directly to equity	(1.7)	21.0
(D) TAX LOSSES		
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	190.8	81.9
Potential tax benefit at 30%	57.2	24.6

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.

	NOTES	CONSOLIDATED 2019 $'M	2018 $'M
7. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents per Statement of Financial Position		457.3	261.6
Procurement cash and cash equivalents	27	36.7	20.8
Cash at bank and on hand		**494.0**	**282.4**
Less: bank overdraft	13	(2.2)	(4.5)
Balance per the Statement of Cash Flows		**491.8**	**277.9**
Reconciliation of profit after income tax expense to net cash inflow from operating activities:			
Profit after income tax expense		164.0	75.7
NON-CASH ITEMS			
Amortization		70.1	49.9
Depreciation		23.1	18.1
Share based payments expense		18.0	8.2
Doubtful debts expense		8.7	4.7
Share of associates' dividends received in excess of share of profits		(2.7)	(5.4)
Write-down of capitalised borrowing costs		3.4	0.8
Release of onerous engineering software licenses		-	(1.6)
Other		3.1	(0.5)
Cash flow adjusted for non-cash items		287.7	149.9
CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES			
(Increase)/decrease in trade and other receivables		(283.6)	198.4
(Increase)/decrease in prepayments and other assets		(15.6)	10.0
Movements in deferred tax assets		12.8	65.1
Increase in income tax receivable		(17.6)	(0.9)
Increase/(decrease) in trade and other payables		237.9	(163.3)
(Decrease)/ increase in billings in advance		(1.5)	2.9
Movements in income tax payable		4.2	(2.9)
Movements in deferred tax liabilities		(11.7)	(25.3)
Movements in provisions		23.7	25.8
Net cash inflow from operating activities		**236.3**	**259.7**

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 in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities 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

Cash and cash equivalents include restricted cash that is available for use under certain circumstances by the Group of $3.8 million (2018: $1.5 million). Included within procurement assets are cash and cash equivalents of $36.7 million (2018: $20.8 million) which has been identified as for procurement.

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.

		CONSOLIDATED	
	NOTES	2019 $'M	2018 $'M
8. TRADE AND OTHER RECEIVABLES			
CURRENT TRADE RECEIVABLES			
Trade receivables		1,471.4	748.6
Unbilled contract revenue		1,325.3	526.4
Retentions		69.7	27.8
Allowance for impairment of trade receivables		(123.8)	(86.0)
Less: procurement trade and other receivables	27	(70.4)	(45.7)
		2,672.2	**1,171.1**
Movement in impairment allowance in respect of trade receivables and contract assets during the year was as follows:			
Balance at the beginning of the financial year as calculated under AASB 139		86.0	80.7
Additional recognition of the expected credit loss allowance on adoption of AASB 9 on 1 July 2019		5.4	-
Balance at beginning of the financial year as calculated under AASB 9		91.4	80.7
Additions through business combinations		47.5	3.4
Net remeasurement of loss allowance		8.7	4.7
Amounts written off against the opening allowance		(11.4)	(4.2)
Reclassification to non-current		(14.5)	-
Differences arising on translation of foreign operations		2.1	1.4
Balance at the end of the financial year		**123.8**	**86.0**
NON-CURRENT TRADE RECEIVABLES[1]			
Trade receivables		132.1	14.2
Unbilled contract revenue		74.0	14.7
Allowance for impairment of trade receivables		(14.5)	-
		191.6	**28.9**
OTHER ASSETS			
Other assets		171.1	101.3
Amounts receivable from associates and related parties	31(B)	48.1	46.6
		219.2	**147.9**

Significant movements in unbilled contract revenue are primarily due to business combinations (refer note 21) as well as normal trading activity. Additionally, a portion of trade receivables and unbilled contract revenue was reclassified to non-current[1] during the financial year ended 30 June 2019.

SIGNIFICANT MOVEMENTS IN IMPAIRMENT ALLOWANCE

Apart from additions through business combinations, there has been no significant movements in the impairment allowance,

RECOGNITION AND MEASUREMENT

A trade receivable is recognized when the goods and services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Trade receivables are generally on terms of 30 to 60 days. Receivables are stated with the amount of GST included.

Unbilled contract revenue is initially recognized when the Group provides services or procures goods for a customer before the customer pays consideration or before a payment is due. Unbilled contract revenue represents the Group's contract assets at the reporting date. These assets are reclassified to trade receivables when the customer is billed as stipulated in the contract, i.e. when the rights to consideration become unconditional. Unbilled contract revenue is stated at the aggregate of contract costs incurred to date plus recognized profits less recognized losses and progress billings.

Trade and other receivables are measured at amortised cost as they are held to collect contractual cash flows that consist solely of payments of principals and interest on the principal amounts outstanding. At initial recognition, the Group measures Trade and other receivables at transaction value with subsequent measurement at amortized cost.

An allowance for impairment 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. The Group also assesses on a forward-looking basis the expected credit losses associated with its trade and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and unbilled contract revenue, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

[1] Non-current trade receivables and unbilled contract revenue relate to projects where recovery is expected to take greater than twelve months and $47.3m of non-current payables as at 30 June 2019 relate to these non-current trade receivables and unbilled contract revenue (30 June 2018: nil).

	NOTES	CONSOLIDATED 2019 $'M	2018 $'M
9. TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables		885.0	317.0
Accruals		454.7	252.8
Amounts payable to associates and related parties	31(B)	13.4	13.4
Billings in advance		303.6	118.6
Accrued staff costs		298.1	125.9
Other payables		1.0	1.3
Less: procurement trade and other payables	27	(71.6)	(39.8)
		1,884.2	**789.2**
NON-CURRENT			
Trade payables[1]		47.3	-
Other payables		-	29.8
		47.3	**29.8**

Significant movements in billings in advance are primarily due to business combinations (refer note 21) as well as normal trading activity. Additionally, a portion of trade payables was reclassified to non-current during the financial year ended 30 June 2019.

The Group's exposure to currency and interest rate risk for trade and other payables is disclosed in note 19.

RECOGNITION AND MEASUREMENT

Liabilities for trade and other payables are measured 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.

Billings in advance or unearned revenue represent the Group's obligation to transfer goods or services to a customer for which the Group has billed the customer or received advance consideration from the customer. Billings in advance/unearned revenue are recognized as revenue when the Group performs under the contract. Billings in advance are classified as measured at amortized cost subsequently to their initial recognition at fair value.

	CONSOLIDATED 2019 $'M	2018 $'M
10. INTANGIBLE ASSETS		
Goodwill		
At cost	5,267.8	2,268.2
Accumulated impairment	(200.2)	(200.2)
	5,067.6	**2,068.0**
Customer contracts and relationships		
At cost	1,079.7	256.2
Accumulated amortization	(222.6)	(189.4)
	857.1	**66.8**
Trade names		
At cost	86.1	84.2
Accumulated amortization	(81.5)	(77.8)
	4.6	**6.4**
Computer software		
At cost	420.3	347.8
Accumulated amortization	(251.9)	(217.6)
	168.4	**130.2**
Other		
At cost	43.1	32.7
Accumulated amortization	(22.9)	(22.1)
	20.2	**10.6**
Total intangible assets	**6,117.9**	**2,282.0**

[1] Non-current payables of $47.3m (2018: nil) relate to non-current trade receivables and unbilled contract revenue on projects where recovery is expected to take greater than twelve months as disclosed in note 8.

10. INTANGIBLE ASSETS (CONTINUED)

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 2018	2,068.0	66.8	6.4	130.2	10.6	2,282.0
Additions through business combinations	2,904.8	814.1	-	55.3	-	3,774.2
Additions	-	-	-	16.8	10.2	27.0
Amortization	-	(24.7)	(1.7)	(34.1)	(0.6)	(61.1)
Differences arising on translation of foreign operations	94.8	0.9	(0.1)	0.2	-	95.8
Balance at 30 June 2019	**5,067.6**	**857.1**	**4.6**	**168.4**	**20.2**	**6,117.9**
Balance at 1 July 2017	1,832.8	14.4	8.2	141.1	6.1	2,002.6
Additions through business combinations	174.6	62.5	-	-	-	237.1
Additions	-	-	-	18.6	7.6	26.2
Amortization	-	(12.5)	(1.7)	(29.5)	(3.1)	(46.8)
Differences arising on translation of foreign operations	60.6	2.4	(0.1)	-	-	62.9
Balance at 30 June 2018	**2,068.0**	**66.8**	**6.4**	**130.2**	**10.6**	**2,282.0**

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.

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.

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 perform consistent with current and historical experience and external data. The estimation of future cash flows requires assumptions to be made regarding future uncertain events. The risk adjusted revenue growth rates for all the CGUs range from 4% to 6%. A risk premium is included in determining each CGU's discount rate, reflecting the level of forecasting, size, country and financing risks for that CGU.

10. INTANGIBLE ASSETS (CONTINUED)

KEY ESTIMATES

As at 30 June 2019, the purchase price allocation of ECR remains provisional, and goodwill recognized on the acquisition of ECR of $2,904.8 million cannot be reasonably allocated by CGUs as the acquisition was significant and completion occurred close to year end. The Group will complete the ECR goodwill allocation within the next 12 months in accordance with the accounting standards.

As a result of the acquisition of ECR and the restructure of the Group operating model, the composition of each CGU changed. The goodwill, other than goodwill originated on the acquisition of ECR, has been reallocated to the revised CGUs and the key assumptions used for the value in use impairment testing are as follows:

2019	ENERGY & CHEMICAL RESOURCES $'M	MINING, MINERALS AND METAL SERVICES $'M	MAJOR PROJECTS & INTEGRATED SOLUTIONS $'M	ADVISIAN $'M
Opening balance (as at 26 April 2019)	1,018.3	81.0	825.7	204.3
Closing balance - allocated goodwill	1,034.3	82.2	838.6	207.5
Risk-weighted pre-tax discount rate	13.7%	19.3%	12.3%	11.9%
Risk-adjusted growth rate beyond five years	2.5%	2.5%	2.5%	2.5%

Prior to the acquisition of ECR on 26 April 2019, the Group's CGU's used for goodwill allocation and the key assumptions used for the value in use impairment testing were as follows:

2018	GOODWILL $'M	PRE-TAX DISCOUNT % PA
Services - Americas	313.7	12.2
Services - Australia, Pacific, Asia and China	526.9	13.3
Services - Europe. Middle East, Africa	368.7	13.4
Major Projects and Integrated Solutions	591.3	11.6
Advisian	267.4	12.8

In the FY2018 the risk-adjusted growth rate beyond 5 years was 3.0% across all CGU's presented above.

SENSITIVITY ANALYSIS

The combined fair value in the all CGUs (excluding fair value of ECR) exceeds the carrying value by $1,085.1 million. Management recognizes that the cash flow projections, discount and growth rates used to calculate the value in use may vary from what has been estimated.

The value in use estimate is particularly sensitive to the achievement of long term growth rates, discount rates and the forecast performance. The Group has performed detailed sensitivity analysis as part of its impairment testing to ensure that the results of its testing are reasonable.

Sensitivity analysis on the inputs for all CGUs is as follows:

- terminal growth rates: a 0.5% decrease in the terminal growth rate will result in all the CGUs listed above being free of impairment at reporting date;
- post-tax discount rates: a 0.5% increase in the discount rate will result in all the CGUs listed above being free of impairment at reporting date; and
- forecast cash flows: a 3% decrease in the forecast cash flows will result in all the CGUs listed above being free of impairment at reporting date.

	CONSOLIDATED 2019 $'M	CONSOLIDATED 2018 $'M
11. PROVISIONS		
CURRENT		
Employee benefits	355.3	180.1
Project losses	120.9	86.3
Insurance	41.1	22.1
Onerous leases	25.3	14.7
Warranty	7.0	8.5
Other	49.6	6.8
	599.2	**318.5**
NON-CURRENT		
Employee benefits	71.8	30.3
Onerous leases	30.7	24.8
Warranty	15.0	10.1
Other	6.2	1.5
	123.7	**66.7**

11. PROVISIONS (CONTINUED)

RECONCILIATIONS

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

CURRENT	CONSOLIDATED EMPLOYEE BENEFITS $'M	PROJECT PROVISIONS $'M	INSURANCE $'M	ONEROUS LEASES $'M	WARRANTIES $'M	OTHER $'M
Balance at 1 July 2018	180.1	86.3	22.1	14.7	8.5	6.8
Provisions from acquired entities	156.1	26.3	18.1	10.0	2.8	38.6
Additional provisions	212.0	27.9	9.5	17.1	1.6	5.0
Transfers	-	-	-	-	-	5.0
Release of unused provision	(6.6)	(1.2)	-	(4.2)	(1.0)	(0.4)
Amounts utilized	(189.3)	(19.7)	(9.5)	(11.8)	(5.2)	(5.4)
Differences arising from translation of foreign operations	3.0	1.3	0.9	(0.5)	0.3	-
Balance at 30 June 2019	**355.3**	**120.9**	**41.1**	**25.3**	**7.0**	**49.6**
Balance at 1 July 2017	170.8	44.4	25.9	20.8	14.3	6.4
Provisions from acquired entities	1.1	21.2	-	-	-	0.4
Additional provisions	228.3	29.9	-	7.2	8.2	0.8
Release of unused provision	(70.6)	(4.0)	(2.7)	(1.9)	(5.6)	(1.1)
Amounts utilized	(154.3)	(6.2)	(0.3)	(12.2)	(8.8)	(0.2)
Differences arising from translation of foreign operations	4.8	1.0	(0.8)	0.8	0.4	0.5
Balance at 30 June 2018	**180.1**	**86.3**	**22.1**	**14.7**	**8.5**	**6.8**

NON-CURRENT	CONSOLIDATED EMPLOYEE BENEFITS $'M	ONEROUS LEASES $'M	WARRANTIES $'M	OTHER $'M
Balance at 1 July 2018	30.3	24.8	10.1	1.5
Provisions from acquired entities	37.5	20.3	-	4.5
Transfers	-	(5.0)	-	-
Additional provisions	3.3	-	4.4	-
Release of unused provision	-	(9.6)	-	-
Amounts utilized	-	-	-	-
Differences arising from translation of foreign operations	0.7	0.2	0.5	0.2
Balance at 30 June 2019	**71.8**	**30.7**	**15.0**	**6.2**
Balance at 1 July 2017	31.7	22.6	4.2	3.1
Additional provisions	5.8	9.7	5.8	-
Release of unused provision	-	(1.7)	-	-
Amounts utilized	(8.2)	(6.2)	-	(1.6)
Differences arising from translation of foreign operations	1.0	0.4	0.1	-
Balance at 30 June 2018	**30.3**	**24.8**	**10.1**	**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 high quality corporate bond rate with terms to maturity approximating the terms of the related liability, is used.

Project provisions

Where additional costs are expected to be incurred on a project but where timing and exact magnitude are uncertain, a provision is recognized using management's best estimate based on the project circumstances. Additionally, 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.

11. PROVISIONS (CONTINUED)

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

The Group provides a general warranty for rework which are accounted for in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The provision is estimated having regard to prior 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.

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 2019 and 30 June 2018 was as follows:

	CONSOLIDATED	
	2019 $'M	2018 $'M
Total interest bearing loans and borrowings[1]	2,153.1	1,008.1
Less: derivatives[2]	(66.1)	(63.2)
Less: cash and cash equivalents[3]	(494.0)	(282.4)
Net debt	1,593.0	662.5
Total equity	6,018.5	2,212.8
Gearing	**20.9%**	**23.0%**

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 in breach of externally imposed capital requirements.

[1] Excluding capitalized borrowing costs.

[2] Only includes mark-to-market cross currency swaps.

[3] Includes procurement cash.

	CONSOLIDATED 2019 $'M	2018 $'M
13. INTEREST BEARING LOANS AND BORROWINGS		
Current		
Notes payable	107.0	-
Unsecured bank loans	57.1	31.7
Bank overdraft	2.2	4.5
Finance lease liability	0.1	0.1
Capitalized borrowing costs	(1.1)	(0.3)
	165.3	**36.0**
Non-current		
Notes payable	542.2	618.7
Unsecured bank loans	1,444.4	353.1
Finance lease liability	0.1	-
Capitalized borrowing costs	(13.7)	(8.7)
	1,973.0	**963.1**

In February 2019, the Group refinanced its core syndicated debt facility as a result of the acquisition of ECR. The new multi-currency facility led by Wells Fargo Bank, HSBC Bank and Standard Chartered Bank consists of a US$500 million revolving credit facility and a $800 million term loan. The facility matures in February 2024.

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. A qualifying asset is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. 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 non-current payables; 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 as follows:

AMOUNT, MILLION	DATE OF ISSUE	DATE OF MATURITY	FIXED COUPON PER ANNUM
USD 205.0	September 2012	September 2022	4.00%
USD 75.0	September 2012	September 2019	3.45%
USD 175.0	March 2011	March 2021	5.56%

Cross currency swaps have been entered into, swapping USD 195.0 million (2018: USD 195.0 million) of notes payable into CAD 194.3 million (2018: CAD 194.3 million). This represents 42.9% (2018: 42.9%) of the outstanding notes.

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 and are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

14. CHANGES IN LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES

The movements in financial liabilities and related financial assets are as follows:

	AS AT 1 JULY $'M	RECLASSIFICATION $'M	CASHFLOWS $'M	FOREIGN EXCHANGE MOVEMENTS $'M	FAIR VALUE AND OTHER $'M	AS AT 30 JUNE $'M
2019						
Current interest bearing loans and borrowings	36.2	102.0	16.6	11.5	-	166.3
Non-current interest bearing loans and borrowings	971.8	(102.0)	1,061.8	55.0	-	1,986.6
Finance lease liability	0.1	-	-	-	-	0.1
Liabilities	**1,008.1**	**-**	**1,078.4**	**66.5**	**-**	**2,153.0**
Derivative asset	63.2	-	-	0.5	2.4	66.1
Assets	**63.2**	**-**	**-**	**0.5**	**2.4**	**66.1**
2018						
Current interest bearing loans and borrowings	273.2	-	(238.5)	4.5	(3.0)	36.2
Non-current interest bearing loans and borrowings	832.8	-	102.8	36.2	-	971.8
Finance lease liability	0.2	-	(0.1)	-	-	0.1
Liabilities	**1,106.2**	**-**	**(135.8)**	**40.7**	**(3.0)**	**1,008.1**
Derivative asset	87.7	-	(31.0)	1.9	4.6	63.2
Assets	**87.7**	**-**	**(31.0)**	**1.9**	**4.6**	**63.2**

	CONSOLIDATED			
	2019 NUMBER OF SHARES	$'M	2018 NUMBER OF SHARES	$'M
15. ISSUED CAPITAL				
Ordinary shares, fully paid[1]	520,041,806	5,282.9	273,936,032	1,589.9
Special voting share	1	-	1	-
	520,041,807	**5,282.9**	**273,936,033**	**1,589.9**

(A) MOVEMENTS IN SHARES

	2019 NUMBER OF SHARES	$'M	2018 NUMBER OF SHARES	$'M
Balance at the beginning of the financial year	273,936,033	1,589.9	248,189,087	1,268.5
Ordinary shares issued	244,749,038	3,744.9	24,788,418	322.0
Ordinary shares issued on redemption of exchangeable shares	60,000	1.6	267,475	7.2
Exchangeable shares exchanged for ordinary shares	(60,000)	(1.6)	(267,475)	(7.2)
Transfer from performance rights reserve on issuance of shares and SPPR amendments[2]	1,205,277	5.1	861,160	5.7
Ordinary shares issued from WorleyParsons Limited Plans Trust	151,459	-	97,368	-
Less: transaction costs of equity issue	-	(57.0)	-	(6.3)
Balance at the end of the financial year	**520,041,807**	**5,282.9**	**273,936,033**	**1,589.9**

In the current financial year, the Group issued 186.6 million shares at $15.56 each to fund the ECR acquisition. The issue was a 1 for 1.47 fully underwritten, pro-rata, accelerated non-renounceable entitlement offer for $2.9 billion. The attributable costs of the issuance of shares were $57.0 million and have been charged to equity as a reduction in issued capital. Additionally, 58.2 million shares valued $14.47 each on the date of the transaction were issued to Jacobs Engineering Group Inc as part of the ECR purchase consideration totalling $842.1 million (refer to note 21 (B)).

During the prior year, the Group issued 24.8 million shares at $13.0 each to fund the UK Integrated Solutions acquisition. The issue was a 1 for 10 fully underwritten, pro-rata, accelerated non-renounceable entitlement offer for $322.0 million. The costs attributable to the issuance of shares were $6.3 million and were charged to equity as a reduction in issued capital.

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.

[1] Included in ordinary shares are 1,036,193 (2018: 1,096,193) 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. The WorleyParsons Limited Plans Trust holds nil (2018: 151,459) shares in the Company, which have been consolidated and eliminated in accordance with the accounting standards.

[2] Includes nil (2018: 44,673) employee bonus shares and 127,825 SPPR amendments (2018: 34,773)

15. ISSUED CAPITAL (CONTINUED)

(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 2019 60,000 (2018: 267,475) 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.

15. ISSUED CAPITAL (CONTINUED)

(C) PERFORMANCE RIGHTS

The policy in respect of performance rights is outlined in note 5.

	NUMBER OF PERFORMANCE RIGHTS AND SPPR	
	2019	2018
Balance at the beginning of the financial year	3,571,039	3,137,954
Rights granted	2,404,637	1,598,773
Rights exercised	(1,299,058)	(781,714)
Rights lapsed or expired	(307,185)	(383,974)
Balance at the end of the financial year	**4,369,433**	**3,571,039**
Exercisable at the end of the financial year	nil	nil
Weighted average exercise price	$nil	$nil

Performance rights

The outstanding balance as at 30 June 2019 is represented by:

- 198,277 performance rights, vesting on 30 September 2019 and expiring on 28 October 2022;
- 312,954 performance rights, vesting on 30 September 2019 and expiring on 30 October 2023;
- 756,527 performance rights, vesting on 30 September 2019 and expiring on 29 October 2024;
- 32,454 performance rights, vesting on 30 September 2019 and expiring on 29 October 2025;
- 525,222 performance rights, vesting on 30 September 2019 and expiring on 27 April 2026;
- 165,397 performance rights, vesting on 30 September 2020 and expiring on 28 October 2023;
- 262,044 performance rights, vesting on 30 September 2020 and expiring on 30 October 2024;
- 55,807 performance rights, vesting on 30 September 2020 and expiring on 19 October 2025;
- 514,774 performance rights, vesting on 30 September 2020 and expiring on 29 October 2025;
- 511,147 performance rights, vesting on 30 September 2020 and expiring on 27 April 2026;
- 239,337 performance rights, vesting on 30 September 2021 and expiring on 29 October 2024;
- 186,863 performance rights, vesting on 30 September 2021 and expiring on 29 October 2025;
- 289,334 performance rights, vesting on 30 September 2021 and expiring on 27 April 2026;
- 175,773 performance rights, vesting on 30 September 2022 and expiring on 29 October 2025;
- 5,143 performance rights, vesting on 30 September 2022 and expiring on 27 April 2026;
- 129,067 performance rights, vesting on 30 September 2022 and expiring on 27 April 2026;
- 4,653 performance rights, vesting on 5 April 2021 and expiring on 27 April 2026; and
- 4,660 performance rights, vesting on 5 April 2022 and expiring on 27 April 2026.

Weighted average remaining contractual life

The weighted average remaining life for the rights outstanding as at 30 June 2019 is 5.9 years (2018: 5.4 years).

Weighted average fair value

The weighted average fair value of rights granted during the financial year was $13.30 (2018: $14.51).

KEY ESTIMATES

Pricing model

The following table lists the inputs to the models used for the financial years ended 30 June 2019 and 30 June 2018:

	PERFORMANCE RIGHTS PLAN TSR, EPS AND SPPR	
	2019	2018
Dividend yield (%)	3.03-3.52	1.77-2.28
Expected volatility (%)[1]	30	55
Risk-free interest rate (%)	1.96-2.05	1.75-2.09
Expected life of rights (years)	2-4	2-4
Rights exercise price ($)	nil	nil
Weighted average share price at measurement date ($)	14.59	14.01

[1] 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	
	2019 $'M	2018 $'M
16. RESERVES		
Foreign currency translation reserve	(261.1)	(263.0)
Hedge reserve	6.4	4.6
Performance rights reserve	55.3	44.6
Defined benefits reserve	(4.7)	-
Acquisition reserve	(63.5)	(62.6)
	(267.6)	**(276.4)**

(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.

No amount was recognized in the Statement of Financial Performance in relation to hedge ineffectiveness for the year ended 30 June 2019 (2018: nil).

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. The following effectiveness criteria are applied:

- An economic relationship exists between the hedged item and hedging instrument;
- The effect of credit risk does not dominate the fair value changes; and
- The hedge ratio applied for hedge accounting purposes should be the same as the as the hedge ratio used for risk management purposes.

(C) PERFORMANCE RIGHTS RESERVE

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

(D) DEFINED BENFITS RESERVE

The defined benefits reserve is used for remeasurements of the net defined benefit liability, which comprise actual gains and losses, the return on plan assets (if applicable) and any asset ceilings where applicable.

(E) 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 Group decreased its share in Jacobs Matasis Pty Ltd from 74% (acquired 26 April 2019) to 65% in May 2019. The Group increased its share of WorleyParsons Oman Engineering LLC to 100% during the year ended 30 June 2018.

17. EARNINGS PER SHARE

In the reporting period the Group issued 186.6 million shares at $15.56 each to fund the ECR acquisition. The issue was a 1 for 1.47 fully underwritten, pro-rata, accelerated non-renounceable entitlement offer for $2.9 billion (30 June 2018: the Group issued 24.8 million shares at $13.0 each to fund the UK Integrated Solutions acquisition).

The basic and dilutive earnings per share were retrospectively adjusted for all periods presented by multiplying the original weighted average number of shares by a bonus factor of 1.03 (30 June 2018: 1.01). The bonus factor is calculated by dividing the fair value per share before the exercise of rights by the theoretical ex-rights value per share.

	CONSOLIDATED	
	2019 CENTS	2018 CENTS RESTATED
ATTRIBUTABLE TO MEMBERS OF WORLEYPARSONS LIMITED		
Basic earnings per share	36.4	22.6
Diluted earnings per share	36.2	22.5

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

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

	$'M	$'M
Earnings used in calculating basic and diluted earnings per share	151.9	62.2

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

	Number	Number
Weighted average number of ordinary securities used in calculating basic earnings per share[1]	417,630,937	274,735,278
Performance rights which are considered dilutive[1]	1,876,622	2,253,001
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share	**419,507,559**	**276,988,279**

Within the total number of performance rights which are considered dilutive, the weighted average number of converted, lapsed or cancelled potential ordinary shares used in calculating diluted earnings per share was 257,920 (2018: 253,228 - adjusted by a bonus factor of 1.03).

MEASUREMENT

Basic earnings per share

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

Diluted earnings per share

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

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

[1] Prior period number of shares and performance rights considered dilutive is calculated by multiplying the original weighted average number of shares by the above mentioned bonus factor of 1.03.

	CONSOLIDATED	
	2019 $'M	2018 $'M
18. DIVIDENDS		
(A) FINAL DIVIDEND PROPOSED		
Dividend in respect of the six months to 30 June 2019:		
15.0 cents per share (unfranked)	78.0	-
Dividend in respect of the six months to 30 June 2018:		
15.0 cents per share (unfranked)	-	41.1

The directors have resolved to pay a final dividend of 15.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2018: 15.0 cents per share). The Company will make total dividend payments of 27.5 cents per share for the financial year ended 30 June 2019 (2018: 25.0 cents per share). The final dividend will be paid on 25 September 2019 for shareholders on the register at the record date, being 28 August 2019.

In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $78.0 million is not recognized as a liability as at 30 June 2019.

(B) DIVIDENDS PAID DURING THE FINANCIAL YEAR

12.5 cents per share (unfranked) dividend in respect of the six months to 31 December 2018	57.7	n/a
15.0 cents per share (unfranked) dividend in respect of the six months to 30 June 2018	41.1	n/a
10.0 cents per share (unfranked) dividend in respect of the six months to 31 December 2017	n/a	27.3
Nil dividend in respect of the six months to 30 June 2017	n/a	-
	98.8	**27.3**

19. FINANCIAL RISK MANAGEMENT

(A) OVERVIEW

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

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

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

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

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

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

(B) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial assets of the Group comprise cash and cash equivalents, trade and other receivables, 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.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 expected credit losses that represents its estimate of expected credit losses in respect of trade and other receivables.

Guarantees

Details of outstanding guarantees are provided in note 25A. 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.

Maximum credit exposure

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	
	2019 $'M	2018 $'M
Cash and cash equivalents	494.0	282.4
Trade receivables, unbilled contract revenue and retentions, net of credit loss allowance	2,934.2	1,245.7
Other receivables	171.1	101.9
Amounts receivable from associates and related parties	48.1	46.6
Derivatives	69.4	65.4
	3,716.8	**1,742.0**

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

	GROSS 2019 $'M	IMPAIRMENT ALLOWANCE 2019 $'M	GROSS 2018 $'M	IMPAIRMENT ALLOWANCE 2018 $'M
0-60 days	2,201.0	-	880.6	-
Past due 61-120 days	329.2	-	55.0	-
Gross aged receivables 0-120 days[1]	2,530.2	(5.7)	935.6	-
Gross receivables more than 121 days	542.3	(132.6)	396.1	(86.0)
Total	**3,072.5**	**(138.3)**	**1,331.7**	**(86.0)**

The Group applies the simplified approach under AASB 9 to measure expected credit losses for trade receivables and unbilled contract revenue which applies a lifetime expected loss model. The Group uses judgement in making the assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates.

The allowance amounts 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.

[1] FY2019 includes $5.7 million additional expected credit loss allowance recognized on adoption of AASB 9 on 1 July 2018.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

The Group's main facility was refinanced in February 2019 as detailed in note 13.

		CONSOLIDATED	
	NOTES	2019 $'M	2018 $'M
UNSECURED FACILITIES			
Total facilities available:			
Loan facilities		2,806.1	1,615.1
Overdraft facilities		155.7	61.9
Bank guarantees and letters of credit		1,539.5	1,221.1
		4,501.3	**2,898.1**
Facilities utilized at balance date:			
Loan facilities[1]		2,150.7	1,003.5
Overdraft facilities		2.2	4.5
Bank guarantees and letters of credit		894.0	519.6
		3,046.9	**1,527.6**
Facilities available at balance date:			
Loan facilities		655.4	611.6
Overdraft facilities		153.5	57.4
Bank guarantees and letters of credit		645.5	701.5
		1,454.4	**1,370.5**
The maturity profile in respect of the Group's total unsecured loan and overdraft facilities is set out below:			
Due within one year		599.8	87.6
Due between one and four year(s)		542.2	1,310.6
Due after four years		1,819.8	278.8
		2,961.8	**1,677.0**
SECURED FACILITIES			
Total facilities available:			
Finance lease facilities		0.2	0.1
		0.2	**0.1**
Facilities utilized at balance date:			
Finance lease facilities		0.2	0.1
		0.2	**0.1**
The maturity profile in respect of the Group's secured facilities is set out below:			
Due within one year		0.1	0.1
Due between one and four year(s)		0.1	-
		0.2	**0.1**

[1] Excludes capitalized borrowing costs.

19. 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	AMOUNTS PAYABLE TO ASSOCIATES AND RELATED PARTIES $'M	INTEREST BEARING LOANS AND BORROWINGS $'M	EXPECTED FUTURE INTEREST PAYMENTS $'M	DERIVATIVES $'M	TOTAL FINANCIAL LIABILITES $'M
As at 30 June 2019						
Due within one year	886.0	13.4	166.4	0.9	2.2	1,068.9
Due between one and four year(s)	47.3	-	542.3	61.6	-	651.2
Due after four years	-	-	1,444.4	-	-	1,444.4
	933.3	**13.4**	**2,153.1**	**62.5**	**2.2**	**3,164.5**
As at 30 June 2018						
Due within one year	318.3	13.4	22.7	-	3.4	357.8
Due between one and four year(s)	29.8	-	706.6	40.4	-	776.8
Due after four years	-	-	278.8	46.9	-	325.7
	348.1	**13.4**	**1,008.1**	**87.3**	**3.4**	**1,460.3**

(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 loans and 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 denominated.

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 equity attributable to members of WorleyParsons Limited. 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 (CCS) were as follows:

	WEIGHTED AVERAGE EXCHANGE RATE		AMOUNT RECEIVABLE/(PAYABLE)		AMOUNT RECEIVABLE/(PAYABLE)	
	2019	2018	2019 $'M	2019 $'M	2018 $'M	2018 $'M
Contracts to buy USD and sell CAD						
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	
	2019 $'M	2018 $'M
Fair value gain on cross currency hedge	66.1	63.2
Foreign exchange loss on hedge relationship	(65.2)	(69.1)
Net gain/(loss) pre-tax in hedge relationship	**0.9**	**(5.9)**

The timescale (future cash flow timings) of the CCS contracts is in line with the forecasted (and contractual) cash flows in foreign currencies (the coupon and debt repayments), with this 1:1 economic relationship which makes this an effective hedge.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) FORWARD EXCHANGE CONTRACTS

The Group is exposed to foreign exchange rate transaction risk on foreign currency sales and purchases, and loans to and from related entities. The most significant foreign exchange risk is USD 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 and 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)	
	2019	2018	2019 $'M	2019 $'M	2018 $'M	2018 $'M
Maturing in the next 6 months to 31 December 2019						
Buy AUD and Sell CAD	1.1	-	AUD 26.9	CAD (24.7)	-	-
Buy CAD Sell AUD	1.0	-	-	-	CAD 25.3	AUD (25.7)
Buy AUD and Sell USD	1.4	-	AUD 38.5	USD (26.8)	-	-
Buy EUR and Sell AUD	-	0.7	-	-	EUR 7.5	AUD (11.8)
Buy EUR and Sell USD	0.9	0.8	EUR 31.8	USD (36.2)	EUR 7.3	USD (8.5)
Buy GBP and Sell USD	0.8	0.7	GBP 37.2	USD (48.2)	GBP 59.9	USD (79.6)
Buy GBP and Sell AUD	-	0.6	-	-	GBP 16.5	AUD (29.6)
Buy GBP and Sell KWD	-	2.5	-	-	GBP 1.9	KWD (0.8)
Buy GBP and sell PLN	-	0.2	-	-	GBP 5.0	PLN (24.2)
Buy IDR and Sell USD	-	13,589.6	-	-	IDR 25,592.4	USD (1.8)
Buy INR and Sell USD	-	65.1	-	-	INR 376.0	USD (5.7)
Buy MYR and Sell AUD	-	3.2	-	-	MYR 14.6	AUD (4.9)
Buy NOK and Sell AUD	-	6.2	-	-	NOK 15.0	AUD (2.5)
Buy NOK and Sell CAD	6.4	6.3	NOK 80.0	CAD (12.3)	NOK 38.0	CAD (6.1)
Buy NOK and Sell GBP	11.0	-	NOK 97.6	GBP (8.9)	-	-
Buy NOK and Sell USD	8.5	8.0	NOK 375.0	USD (43.8)	NOK 47.0	USD (5.7)
Buy SGD and Sell AUD	1.0	1.0	SGD 12.7	AUD (13.4)	SGD 8.0	AUD (7.9)
Buy USD and Sell GBP	-	1.3	-	-	USD 7.0	GBP (5.3)
Buy USD and Sell NOK	-	0.1	-	-	USD 13.1	NOK (106.0)
Maturing in the next 6-12 months to 30 June 2020						
Buy EUR and Sell USD	0.9	-	EUR 2.8	USD (3.2)	-	-
Buy IDR and Sell USD	14,453.1	13,589.6	IDR 27,428.4	USD (1.8)	IDR 27,428.4	USD (1.8)
Maturing in the next 12-18 months to 31 December 2020						
Buy IDR and Sell USD	14,453.1	13,589.6	IDR 27,671.4	USD (1.8)	IDR 27,671.4	USD (1.8)
Maturing in the next 18-24 months to 30 June 2021						
Buy IDR and Sell USD	14,453.1	13,589.6	IDR 28,013.4	USD (1.8)	IDR 27,671.4	USD (1.8)

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 timescale (future cash flow timings) of the foreign exchange forward contracts is in line with future detailed forecasted cash flows in foreign currencies. Start dates and completion dates are tracked and the transactions are based on won projects and are highly probably to occur, resulting in immaterial ineffectiveness. The change in fair values between the hedging instrument and item are materially the same, with the proportion of the risk that is hedged been at or near 100%.

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

	CONSOLIDATED	
	2019 $'M	2018 $'M
Effective hedge – unrealized gains	1.7	-
Effective hedge – unrealized losses	(0.7)	(4.0)
Net unrealized gains/(losses), pre-tax	**1.0**	**(4.0)**

19. 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				
	CAD $'M	GBP $'M	USD $'M	EUR $'M	OTHER[1] $'M
As at 30 June 2019					
Cash and cash equivalents	2.8	7.0	81.6	12.0	13.5
Trade receivables	1.5	2.3	80.3	18.0	14.4
Trade payables	(1.2)	(4.6)	(93.7)	(11.3)	(6.1)
Gross Statement of Financial Position exposure	**3.1**	**4.7**	**68.2**	**18.7**	**21.8**
As at 30 June 2018					
Cash and cash equivalents	0.3	4.4	53.6	3.6	15.0
Trade receivables	-	3.1	49.2	20.7	16.9
Trade payables	(0.7)	(4.6)	(67.5)	(5.5)	(16.0)
Gross Statement of Financial Position exposure	**(0.4)**	**2.9**	**35.3**	**18.8**	**15.9**

(4) CURRENCY SENSITIVITY ANALYSIS

A 10% weakening of the Australian dollar against the following currencies at 30 June 2019 in relation to the preceding foreign currency exposures would have increased 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 2018.

	CONSOLIDATED			
	2019		2018	
EFFECTS IN MILLIONS OF AUD	EQUITY	PROFIT	EQUITY	PROFIT
CAD	-	0.3	-	0.0
GBP	-	0.6	-	0.4
USD	-	7.6	-	3.7
EUR	-	2.4	-	2.3
Other	-	1.5	-	1.1

A 10% strengthening of the Australian dollar against the above currencies at 30 June 2019 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	
	2019	2018	2019	2018
CAD	0.9470	0.9842	0.9180	0.9749
GBP	0.5528	0.5763	0.5530	0.5624
USD	0.7154	0.7756	0.7008	0.7354
EUR	0.6268	0.6502	0.6164	0.6360

[1] Represented in AUD currency millions as indicated.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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 2019										
Cash and cash equivalents	3.0	494.0	-	-	-	-	-	-	-	494.0
Bank loans [1]	4.4	-	57.1	-	-	-	1,444.4	-	-	1,501.5
Notes payable	4.5	-	107.0	249.7	292.5	-	-	-	-	649.2
Finance lease liabilities	4.1	-	0.1	0.1	-	-	-	-	-	0.2
AS AT 30 JUNE 2018										
Cash and cash equivalents	3.5	282.4	-	-	-	-	-	-	-	282.4
Bank loans	4.4	-	31.7	-	353.1	-	-	-	-	384.8
Notes payable	4.5	-	-	102.0	237.9	-	278.8	-	-	618.7
Finance lease liabilities	4.2	-	0.1	-	-	-	-	-	-	0.1

As the largest component of interest bearing liabilities, being bank loans, is at floating interest rates, the effect of changes in interest rates by 1% will change interest expense by approximately 1%. In FY2018, as the largest component of interest bearing liabilities, being notes payable, was at fixed interest rates, the effect of changes in interest rates was negligible.

20. 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 $2,197.7 million (2018: $1,060.7 million) and a carrying value of $2,153.1 million (2018: $1,008.1 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). The Group's interest bearing loans and borrowings and derivative instruments including interest rate swaps and forward exchange contracts fall within Level 2 of the hierarchy.

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 rate 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.

[1] Excludes capitalized borrowing costs.

21. INVESTMENTS IN CONTROLLED ENTITIES

ENTITY	COUNTRY OF INCORPORATION	BENEFICIAL INTEREST HELD BY CONSOLIDATED ENTITY 2019 %	2018 %
(A) SIGNIFICANT ENTITIES			
Worley No 2 Pty Limited[1]	Australia	100	100
Worley Canada Services Ltd	Canada	100	100
WorleyCord Limted	Canada	100	100
WorleyParsons Engineering Pty Limited[1]	Australia	100	100
Worley Europe Limited	United Kingdom	100	100
Worley Financial Services Pty Limited[1]	Australia	100	100
Worley Group Inc	USA	100	100
Worley International Services Inc	USA	100	100
Worley Oman Engineering LLC	Oman	100	100
Worley Services Pty Limited[1]	Australia	100	100
Rosenberg Worley AS	Norway	100	100
Beijing Maison Worley Engineering & Technology Co Limited	China	80	80
Worley Services UK Limited (Note 21B)	United Kingdom	100	100
WorleyParsons Kazakhstan LLP	Kazakhstan	100	100
Acquired in FY2019 (refer to Note 21B)			
Jacobs Consultancy Incorporated	USA	100	-
Worley Field Services Incorporated	USA	100	-
Worley Nederland BV	Netherlands	100	-
CH2M Hill Equipment Incorporated	USA	100	-
Jacobs Engineering India Private Limited[2]	India	100	-

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

(B) ACQUISITION OF CONTROLLED ENTITIES

FY2019:

On 26 April 2019 the acquisition of ECR from Jacobs Engineering Group Inc was completed for a total consideration of $4.6 billion (net of cash acquired). ECR is a global technical services provider across Hydrocarbons, Chemicals and Mining & Minerals with significant operations in the US, Canada, the Middle East and India. The business has around 29,400 employees.

The financial report includes the results of ECR for the two-month period from the acquisition date.

The acquisition's contribution to the Group's reported after tax profit attributable to members of the Parent Entity was $34.5 million (this includes certain transition costs), and the reported contribution to revenue was $1,253.6 million. If the acquisition had occurred on 1 July 2018, management estimates that the contribution to the Group's profit after income tax would have been $207.0 million, and to revenue would have been $6,684.2 million for the year ended 30 June 2019.

The Group incurred acquisition related costs of $50.6 million on legal fees, due diligence and advisory costs. These costs have been included in acquisition costs in the Statement of Financial Performance, and in operating cash flows in the Statement of Cash Flows.

FY2018:

On 27 October 2017, the Group acquired 100% of the voting shares of AFW UK Oil & Gas Limited and its controlled entities ("UK Integrated Solutions") for a total consideration of $383.9 million. With operations in the UK North Sea, UK Integrated Solutions is the leading Maintenance, Modifications & Operations (MMO) service provider in the UK oil and gas sector. The acquisition provides the Group with a robust entry into the UK North Sea and supports our global MMO strategy. UK Integrated Solutions is reported as a part of the Major Projects and Integrated Solutions and Services business lines. The financial report includes the results of UK Integrated Solutions for the eight-month period from the acquisition date.

The acquisition's contribution to the Group's reported after tax profit attributable to members of the Parent Entity was $19.4 million, and the reported contribution to revenue was $503.2 million. If the acquisition had occurred on 1 July 2017, management estimates that the contribution to the Group's profit after income tax would have been $23.3 million, and to revenue would have been $854.5 million for the year ended 30 June 2018.

[1] Entities subject to ASIC Corporations Instrument 2016/785.

[2] As at 30 June 2019, the entity is still under a demerger process.

21. INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

The Group incurred acquisition related costs of $5.9 million on legal fees, due diligence and advisory costs. These costs have been included in acquisition costs in the Statement of Financial Performance, and in operating cash flows in the Statement of Cash Flows.

WorleyParsons acquired the Ludwigshafen and Schwarzheide offices of the M&W Group in Germany on 1 April 2018 for $2.3 million. The business acquired provides engineering services supporting world scale facilities of the chemical companies in Germany. Goodwill of $1.9 million has been recognized from the purchase price allocation and allocated to the Services-EMEA cash generating unit.

	CONSOLIDATED	
	FAIR VALUE RECOGNIZED ON ACQUISITION	
	PROVISIONAL 2019 $'M	FINAL 2018 $'M
ASSETS		
Cash and cash equivalents	249.8	64.6
Trade receivables	1,461.7	259.1
Other receivables	69.2	-
Prepayments	43.9	8.2
Income tax receivable	16.0	8.4
Deferred tax assets	51.8	-
Equity accounted associates	80.3	-
Property, Plant and equipment	497.3	5.3
Computer software	9.7	-
Other assets	30.0	4.4
Total assets	2,509.7	350.0
LIABILITIES		
Trade and other payables	(881.6)	(137.5)
Provisions	(314.2)	-
Defined benefit obligations	(34.8)	-
Deferred tax liabilities	(10.1)	-
Other liabilities	-	(51.5)
Total liabilities	(1,240.7)	(189.0)
Identifiable customer contracts and relationships	814.1	62.5
Identifiable intangibles - software	45.6	-
Deferred tax liability arising on intangible assets	(100.7)	(11.9)
Total identifiable net assets acquired at fair value	2,028.0	211.6
Non-controlling interests	(55.8)	-
Total identifiable net assets acquired at fair value, WorleyParsons' share	1,972.2	211.6
Goodwill arising on acquisition	2,904.8	172.3
Total consideration, excluding acquisition costs expensed	4,877.0	383.9
TOTAL CONSIDERATION		
CASH CONSIDERATION PAID	4,032.7	383.9
Consideration in shares	842.1	-
Replacement performance rights	2.2	-
Total consideration	4,877.0	383.9
CASH FLOWS		
CASH CONSIDERATION PAID	4,032.7	383.9
Cash and overdrafts included in the net assets acquired	(249.8)	(64.6)
Total investing activity outflow on the business combination	3,782.9	319.3
Transaction costs of the acquisition	50.6	5.9
Net cash outflow	3,833.5	325.2

Goodwill represents the value of the assembled workforce and any premium from synergies and future growth opportunities that cannot be recognized separately. As at 30 June 2019, goodwill has not been allocated to any CGUs as the acquisition was significant and completion occurred close to year end. The Group will complete the ECR goodwill allocation within the next 12 months in accordance with the accounting standards. Except as indicated, the carrying value equals the fair value of the net assets acquired.

The fair values of the acquisition balances are provisional due to the timing of the acquisition. The review of the assets and liabilities will continue for 12 months from acquisition date.

21. INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

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 acquisition 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.

22. EQUITY ACCOUNTED ASSOCIATES

(A) DETAILS OF EQUITY ACCOUNTED ASSOCIATES

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

			OWNERSHIP INTEREST CONSOLIDATED		CARRYING AMOUNT CONSOLIDATED	
ENTITY	PRINCIPAL PLACE OF BUSINESS	PRINCIPAL ACTIVITY	2019 %	2018 %	2019 $'M	2018 $'M
Significant investments						
Jacobs Engineering SA (JESA)	Morocco	Chemicals	50	-	82.3	-
DeltaAfrik Engineering Limited	Nigeria	Energy	50	50	28.4	21.8
TW Power Services Pty Limited	Australia	Energy	50	50	19.7	21.1
Nana WorleyParsons LLC	USA	Energy	50	50	12.2	11.0
Ranhill WorleyParsons Sdn Bhd	Malaysia	Energy & Chemicals	49	49	9.5	8.9
Other investments					21.0	18.5
					173.1	**81.3**

22. EQUITY ACCOUNTED ASSOCIATES (CONTINUED)

(B) CARRYING AMOUNT OF EQUITY ACCOUNTED ASSOCIATES

	CONSOLIDATED 2019 $'M	2018 $'M
Balance at the beginning of the financial year	81.3	77.3
Share of net profit of investments accounted for using the equity method	10.5	9.7
Dividends declared by equity accounted associates	(7.8)	(4.9)
Acquired through business combinations	80.3	-
Movement in foreign currency translation reserve of equity accounted associates	8.8	(0.8)
Balance at the end of the financial year	**173.1**	**81.3**

(C) NET PROFIT ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES

Profit before income tax expense[1]	16.1	12.5
Income tax expense	(5.6)	(2.8)
Net profit of equity accounted associates	**10.5**	**9.7**

(D) REVENUE ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES

Share of revenue from equity accounted associates[2]	183.0	170.6

(E) RESERVES ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES

FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at the beginning of the financial year	(25.7)	(24.9)
Movement in reserve	8.8	(0.8)
Balance at the end of the financial year	**(16.9)**	**(25.7)**

(F) RETAINED PROFITS ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES

Balance at the beginning of the financial year	89.0	84.2
Share of net profits of investments accounted for using the equity method	10.5	9.7
Dividends declared by equity accounted associates	(7.8)	(4.9)
Balance at the end of the financial year	**91.7**	**89.0**

(G) SHARE OF EQUITY ACCOUNTED ASSOCIATES' CONTINGENT LIABILITIES

Performance related guarantees issued	2.6	3.3

(H) SHARE OF EQUITY ACCOUNTED ASSOCIATES' EXPENDITURE COMMITMENTS

Operating lease commitments	2.1	4.1

(I) SUMMARY OF FINANCIAL POSITION OF EQUITY ACCOUNTED ASSOCIATES

The consolidated entity's share of aggregate assets and liabilities of equity accounted associates is as follows:

Current assets	326.5	130.7
Non-current assets	65.4	47.6
Current liabilities	(207.3)	(82.9)
Non-current liabilities	(11.5)	(14.1)
Net assets	173.1	81.3
Balance at the end of the financial year	**173.1**	**81.3**

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.

[1] Includes impairment of intangible assets in an associate of $2.7 million in FY2018.

[2] Revenue as defined in note 3, Operating segments.

23. INTERESTS IN JOINT OPERATIONS

JOINT OPERATION	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED 2019 %	2018 %
The Group's largest joint operation is listed below. It is not individually material to the Group.			
Kazakh Projects Joint Venture	Energy	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 2019 $'M	2018 $'M
ASSETS		
Current assets		
Cash and cash equivalents	18.9	8.1
Trade and other receivables	59.2	61.3
Total current assets	**78.1**	**69.4**
TOTAL ASSETS	**78.1**	**69.4**
LIABILITIES		
Current liabilities		
Trade and other payables	70.1	63.8
Total current liabilities	**70.1**	**63.8**
TOTAL LIABILITIES	**70.1**	**63.8**
NET ASSETS	**8.0**	**5.6**

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.

24. COMMITMENTS FOR EXPENDITURE

(A) OPERATING LEASES

Commitments for minimum lease payments in relation to non-cancellable property operating leases are payable as follows:

	CONSOLIDATED 2019 $'M	2018 $'M
Within one year	154.6	153.7
Later than one year and not later than five years	318.3	241.1
Later than five years	26.4	12.1
Commitments not recognized in the financial statements	**499.3**	**406.9**

(B) OPERATING EXPENDITURE COMMITMENTS

Estimated commitments for operating expenditure in relation to software and information technology are payable as follows:

	CONSOLIDATED 2019 $'M	2018 $'M
Within one year	52.2	33.6
Later than one year and not later than five years	16.7	11.7
Commitments not recognized in the financial statements	**68.9**	**45.3**

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 2019 $'M	2018 $'M
Bank guarantees outstanding at balance date in respect of contractual performance	894.0	519.6
Commitments not recognized in the financial statements	**894.0**	**519.6**

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 15.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2018: 15.0 cents per share).

In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of $78.0 million is not recognized as a liability as at 30 June 2019.

Unless disclosed elsewhere in the financial statements, no other material matter or circumstance has arisen since 30 June 2019 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	
	2019 $'M	2018 $'M
REVENUE AND EXPENSES[1]		
Procurement revenue at margin	412.4	337.9
Procurement costs at margin	(384.0)	(322.9)
Procurement revenue at nil margin	608.0	94.4
Procurement costs at nil margin	(608.0)	(94.4)
ASSETS AND LIABILITIES		
Cash and cash equivalents	36.7	20.8
Trade and other receivables	70.4	45.7
Trade and other payables	71.6	39.8

28. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2019 $'M	2018 $'M
Land and buildings		
At cost	425.3	16.0
Accumulated depreciation	(58.3)	(6.1)
	367.0	**9.9**
Leasehold improvements		
At cost	296.9	171.5
Accumulated amortization	(228.1)	(154.4)
	68.8	**17.1**
Plant and equipment		
At cost	364.8	182.3
Accumulated depreciation	(273.5)	(159.9)
	91.3	**22.4**
IT equipment		
At cost	185.9	78.0
Accumulated depreciation	(161.6)	(73.1)
	24.3	**4.9**
Total property, plant and equipment	**551.4**	**54.3**

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

28. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 2018	9.9	17.1	22.4	4.9	54.3
Additions through business combinations	359.2	45.4	73.6	19.1	497.3
Additions	0.2	17.0	7.7	6.3	31.2
Disposals	(0.1)	(0.3)	(1.0)	(0.4)	(1.8)
Other movements	-	(2.4)	2.3	0.1	-
Depreciation	(3.6)	-	(15.4)	(4.1)	(23.1)
Amortization	-	(9.0)	-	-	(9.0)
Differences arising on translation of foreign operations	1.4	1.0	1.7	(1.6)	2.5
Balance at 30 June 2019	**367.0**	**68.8**	**91.3**	**24.3**	**551.4**
Balance at 1 July 2017	4.9	18.6	24.5	4.3	52.3
Additions	3.0	6.1	10.3	4.0	23.4
Disposals	(0.2)	(0.5)	(0.4)	-	(1.1)
Other movements	3.1	(4.2)	2.0	(0.9)	-
Depreciation	(1.1)	-	(14.4)	(2.6)	(18.1)
Amortization	-	(3.1)	-	-	(3.1)
Differences arising on translation of foreign operations	0.2	0.2	0.4	0.1	0.9
Balance at 30 June 2018	**9.9**	**17.1**	**22.4**	**4.9**	**54.3**

RECOGNITION AND MEASUREMENT

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

29. DEFERRED TAX

	CONSOLIDATED	
	2019 $'M	2018 $'M
(A) DEFERRED TAX ASSETS		
The balance comprises temporary differences attributable to:		
Amounts recognized in the Statement of Financial Performance		
Allowance for impairment of trade receivables	7.8	5.8
Employee benefits provisions	49.2	32.3
Warranty provisions	3.8	3.7
Project provisions	40.0	26.8
Other provisions	77.3	37.2
Property, plant and equipment	16.1	24.7
Sundry accruals	16.6	5.6
Recognized tax losses	126.8	105.1
Unused foreign tax credits	3.3	9.8
Unrealized foreign exchange losses	9.4	6.9
Lease incentives	0.7	1.1
Other	(4.7)	1.5
Total deferred tax assets	**346.3**	**260.5**
Deferred tax asset and liabilities offset	(114.0)	(69.5)
Net deferred tax assets	**232.3**	**191.0**
Amounts recognized directly in equity:		
Foreign exchange losses	8.3	10.6
Deferred tax assets	**240.6**	**201.6**
Balance at the beginning of the financial year	201.6	258.1
Additions through business combinations	51.8	8.5
Credited to the Statement of Financial Performance	(11.8)	(94.8)
Charged to equity	(2.3)	20.4
Differences arising on translation of foreign operations	1.3	9.4
Balance at the end of the financial year	**240.6**	**201.6**

	CONSOLIDATED 2019 $'M	2018 $'M

29. DEFERRED TAX (CONTINUED)

(B) DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:

Amounts recognized in the Statement of Financial Performance:

	2019 $'M	2018 $'M
Identifiable intangible assets and goodwill	160.6	54.7
Unbilled contract revenue	29.2	19.3
Property, plant and equipment	3.8	4.0
Unrealized foreign exchange gains	3.0	-
Prepayments	5.0	0.6
Other	21.1	(0.1)
Total deferred tax liabilities	**222.7**	**78.5**
Deferred tax asset and liabilities offset	(114.0)	(69.5)
Net deferred tax liabilities	**108.7**	**9.0**
Amounts recognized directly in equity:		
Other	1.3	1.9
Deferred tax liabilities	**110.0**	**10.9**
Balance at the beginning of the financial year	10.9	24.3
Additions through business combinations	110.8	11.9
Credited to the Statement of Financial Performance	(8.7)	(20.5)
Charged to equity	(0.6)	(0.6)
Differences arising on translation of foreign operations	(2.4)	(4.2)
Balance at the end of the financial year	**110.0**	**10.9**

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. DEFINED BENEFIT PLANS

The Group operates defined benefit pension plans which requires contributions to be made to a separately administered fund. Also, the Group provides certain post-employment healthcare benefits to employees (unfunded). All plans are closed to the new participants.

The balances in relation to defined benefit plans are as follows:

	CONSOLIDATED	
	2019 $'M	2018 $'M
Amounts recognized in the Statement of Financial Position:		
Net defined benefits liability	41.5	-

RECOGNITION AND MEASUREMENT

Defined benefit obligation calculation is performed by qualified actuaries using the projected credit method.

The Groups net obligation in respect of defined benefits plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned, discounted with the fair value of the plan assets deducted.

Remeasurements of the net defined benefit liability, which comprise actual gains and losses, the return on plan assets and any asset ceilings where applicable are recognized in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest expense and other expenses relating to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized in profit and loss. Gains and losses on settlement of a defined benefit plan are recognized when settlement occurs.

KEY ESTIMATES

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of AA corporate bonds in countries where the defined benefit obligations are recognized along with the yield curve to correspond with the expected term of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

31. 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, AO (Chairman)

Erich Fraunschiel - retired 23 October 2018

Catherine Livingstone, AO (Lead Independent Director)

Thomas Gorman

Christopher Haynes, OBE

Roger Higgins - appointed 20 February 2019

Andrew Liveris - appointed 5 September 2018

Juan Suarez Coppel - appointed 27 May 2019

Anne Templeman-Jones

Wang Xiao Bin

Sharon Warburton - appointed 20 February 2019

Andrew Wood (Chief Executive Officer)

31. RELATED PARTIES (CONTINUED)

(B) OTHER RELATED PARTIES

	CONSOLIDATED 2019 $'000	CONSOLIDATED 2018 $'000
Aggregate amounts brought to account in relation to other transactions with each class of other related parties were as follows:		
Loans advanced to:		
Net loan repayments from:		
Associates and related parties	(2,800)	(1,400)
Dividends received from:		
Dividend revenue from associates	7,800	4,900
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	48,100	46,600
Current payables		
Associates and related parties	13,400	13,400

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.

32. REMUNERATION OF AUDITORS

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
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	3,916,233	3,164,184
Other auditors of controlled entities	146,752	167,783
	4,062,985	**3,331,967**
Amounts paid for other services:		
Tax related services	478,005	237,679
Other non-audit services	136,173	153,533
	614,178	**391,212**
	4,677,163	**3,723,179**

33. KEY MANAGEMENT PERSONNEL

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
Short term employee benefits	9,245,000	6,093,000
Post-employment benefits	193,000	137,000
Other long term benefits	51,000	45,000
Share based payments	3,823,000	2,836,000
Total compensation	**13,312,000**	**9,111,000**

34. PARENT ENTITY DISCLOSURES

(A) PARENT ENTITY

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

ENTITY	COUNTRY OF INCORPORATION	2019 $'M	2018 $'M
Worley SPV1 Pty Limited	Australia	2,976.7	-
Worley Financial Services Pty Limited	Australia	440.1	440.1
Worley Canada Holdings Pty Limited	Australia	197.9	197.9
Worley Canada Callco Ltd	Canada	121.0	121.0
WorleyParsons Engineering Pty Limited	Australia	100.0	100.0
Engineering Securities Pty Limited atf The Worley Limited Trust	Australia	94.7	94.7
		3,930.4	**953.7**

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

	2019 $'M	2018 $'M
STATEMENT OF FINANCIAL PERFORMANCE		
Loss before income tax expense	(6.0)	(3.7)
Income tax (expense)/benefit	(3.6)	3.0
Loss after income tax	**(9.6)**	**(0.7)**
Loss attributable to members of WorleyParsons Limited	(9.6)	(0.7)
Retained profits at the beginning of the financial year	69.3	97.3
Adoption of AASB 9 on 1 July 2018, net of tax	(1.3)	-
Dividends paid[1]	(98.8)	(27.3)
Retained (losses)/profits at the end of the financial year	**(40.4)**	**69.3**
STATEMENT OF COMPREHENSIVE INCOME		
Loss after income tax expense	(9.6)	(0.7)
Total comprehensive income, net of tax	**(9.6)**	**(0.7)**
STATEMENT OF FINANCIAL POSITION		
Current assets	1,801.0	1,029.0
Total assets	5,635.5	2,008.9
Current liabilities	319.0	194.1
Total liabilities	337.7	305.1
Net assets	**5,297.8**	**1,703.8**
Issued capital	5,282.9	1,589.9
Performance rights reserve	55.3	44.6
Retained (losses)/profits	(40.4)	69.3
Total equity	**5,297.8**	**1,703.8**

The parent entity has bank guarantees in respect of contractual performance outstanding at 30 June 2019 for the amount of nil (2018: $nil). 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.

34. PARENT ENTITY DISCLOSURES (CONTINUED)

(B) CLOSED GROUP

WorleyParsons Limited together with Worley No 2 Pty Limited, WorleyParsons Engineering Pty Limited, Worley Financial Services Pty Limited, Worley Services Pty Limited, Engineering Securities Pty Limited, Advisian Group Pty Limited, Advisian Pty Ltd, Worley SPV1 Pty Limited, Worley EA Holdings Pty Limited, Worley Infrastructure Holdings Pty Limited, Worley SEA Pty Limited, Worley South America Holdings Pty Limited and Worley Africa Holdings Pty Limited, Energy Resourcing Australia Pty Limited and INTECSEA Pty Ltd entered into a Deed of Cross Guarantee. 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. As a result, ASIC Corporations Instrument 2016/785 relieves certain of the controlled entities from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports. 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	
	2019 $'M	2018 $'M
STATEMENT OF FINANCIAL PERFORMANCE		
Profit before income tax expense	116.6	142.3
Income tax expense	(25.1)	(13.6)
Profit after income tax expense	**91.5**	**128.7**
Profit attributable to members of WorleyParsons Limited	91.5	128.7
Retained profits at the beginning of the financial year	831.0	729.6
Adoption of AASB 9 on 1 July 2018, net of tax	(51.8)	-
Retained profits of entities that became party to the Deed during the financial year	-	-
Dividends paid[1]	(98.8)	(27.3)
Retained profits at the end of the financial year	**771.9**	**831.0**
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets		
Cash and cash equivalents	20.8	18.0
Trade and other receivables	2,097.5	1,324.2
Other current assets	62.3	34.7
Total current assets	**2,180.6**	**1,376.9**
Non-current assets		
Deferred tax assets	61.3	66.0
Intangible assets	260.4	264.1
Property, plant and equipment	3.5	5.4
Other non-current assets	5,273.4	2,509.6
Total non-current assets	**5,598.6**	**2,845.1**
TOTAL ASSETS	**7,779.2**	**4,222.0**
LIABILITIES		
Current liabilities		
Trade and other payables	1,475.1	771.1
Provisions	66.7	59.0
Derivative liability	0.4	0.8
Total current liabilities	**1,542.2**	**830.9**
Non-current liabilities		
Trade and other payables	6.1	749.6
Interest bearing loans and borrowings	182.8	227.7
Deferred tax liabilities	10.8	13.0
Total non-current liabilities	**199.7**	**990.3**
TOTAL LIABILITIES	**1,741.9**	**1,821.2**
NET ASSETS	**6,037.3**	**2,400.8**
EQUITY		
Issued capital	5,282.9	1,589.9
Reserves	(17.5)	(20.1)
Retained profits	771.9	831.0
TOTAL EQUITY	**6,037.3**	**2,400.8**

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

Directors' Declaration

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

4. 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 2019 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 34(B) 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 2019.

On behalf of the Board

JOHN GRILL, AO
Chairman
Sydney, 21 August 2019

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Independent Auditor's Report to the Members of WorleyParsons Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of WorleyParsons Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of financial performance and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Revenue Recognition and Measurement

Why significant	How our audit addressed the key audit matter
The Group recognises revenue from contracts with customers as performance obligations are fulfilled over time. This occurs when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. When the revenue is recognised, estimates are required due to the nature and extent of varying contract conditions, which are unique and can be complex. The accurate recording of revenue is highly dependent upon the following factors: ▶ Appropriate knowledge of individual contract characteristics and status of work - key characteristics would be the industry and/or geography of the project and length and type of contract (lump sum basis or time and materials basis); ▶ Determination of variable consideration, including performance incentives, which are recognised from the outset of the contract but only to the extent that it is highly probable that a significant revenue reversal will not occur; and ▶ Determination of claims received from customers, including an assessment of when the Group believes it is probable that such claims will result in an outflow of economic resources. This matter was considered a key audit matter given the complexity of the contracts and the level of judgement required to estimate the amount of revenue recognised. The Group's disclosures are included in Note 4 of the financial report.	▶ We assessed whether the methodology used to recognise revenue met the requirements of Australian Accounting Standard AASB15, which applied to the Group for the first time this year. ▶ In relation to the adoption of AASB15 on 1 July 2018, we: o considered the Group's assessment of the impact of adopting the new standard and revisions to its revenue recognition policies; and o selected a sample of contracts across type (lump sum basis or time and materials basis), segment and geographical location and reviewed management's analysis of the revenue recognition under AASB 15. ▶ We assessed the effectiveness of the Group's controls by testing a sample of controls in the following areas: o initiation, processing and approval of new customers and/or contract; o review and approval of project costs incurred; o authorisation of monthly project variations; o review and assessment of significant changes in work in progress balances; and o review of unapproved variations and claims. ▶ We selected a sample of contracts based on qualitative and quantitative factors and performed the following procedures: o reviewed contract terms and conditions and assessed whether the individual characteristics of each contract were appropriately accounted for; o assessed the Group's ability to deliver budgeted contract margins by analysing the historical accuracy of forecasting margins and the relationship of contract cost versus billing status; o agreed material contract revenue and cost variations and claims to information provided by third parties; o assessed any variable consideration and the basis for recognition and measurement; and o for contracts accounted for using the percentage of completion method, we assessed the forecast cost to complete calculations. ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.

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2. Impairment of trade receivables

Why significant	How our audit addressed the key audit matter
An allowance for impairment of receivables is made by the Group for the expected credit losses associated with its trade receivables and unbilled contract revenue. The Group has $542.3 million of trade receivables and unbilled contract revenue as at 30 June 2019 that are more than 121 days past due with an associated impairment allowance of $132.6 million, as disclosed in Note 19(B). This was a key audit matter due to the judgement involved in assessing the recoverability of project outcomes through trade receivable collection and/or satisfaction of project warranty and other obligations. The Group's disclosures are included in Notes 8 and 19(B) of the financial report	▶ We assessed whether the process for recognising impairment of trade receivables met the requirements of Australian Accounting Standard AASB9 which applied to be Group for the first time this year. ▶ In relation to the adoption of AASB 9 on 1 July 2018, we: o considered the Group's methodology for determining expected credit losses; and o assessed the Group's calculation of the expected credit losses on transition, with reference to historical losses and the ageing of trade receivables and unbilled contract revenue. ▶ We selected a sample of trade receivables and unbilled contract revenue based on qualitative and quantitative factors and performed the following procedures: o We analysed the ageing of trade receivables past payment and credit history of the customers; o We assessed the economic environment applicable to these customers; o We considered the historical accuracy of forecasting expected credit losses; o Where applicable we evaluated evidence from legal and external experts; and o We evaluated the Group's assessment of collectability considering the process to achieve recovery, the likely timing of these processes and events that could delay or impact the collectability. ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.

3. Acquisition of ECR

Why significant	How our audit addressed the key audit matter
On 26 April 2019, the Group completed the acquisition of the Energy, Chemicals and Resources division from Jacobs Engineering Group Inc. ("ECR") for a total consideration of $4.9 billion. As outlined in Note 21 (B), the fair values of the acquisition balances are provisional as the acquisition was significant and completion occurred close to year end. The results of ECR were consolidated into the Group results from 26 April 2019 to 30 June 2019. The accounting for the acquisition was considered a key audit matter due to the significance and complexity of the acquisition and the impact on the Group's assets, liabilities, revenues and expenses. The Group's disclosures are included in Note 21(B) of the financial report.	▶ Our audit procedures in respect of the acquisition of ECR included the following: ○ We assessed the accounting acquisition date with reference to achievement of control over the acquired business interests; ○ We evaluated the Group's determination of the purchase consideration paid with reference to the contracts and consideration paid; ○ We tested a sample of costs classified as acquisition and transition costs to supporting documentation; ○ For a sample of ECR entities based on materiality, we performed procedures on the timing of recognition of revenue, by performing procedures consistent with those described in the Revenue Recognition and Measurement Key Audit Matter and performed procedures on the timing of expense recognition by testing samples to supporting documentation; and ○ We evaluated the adequacy of the related disclosure in the financial report.

4. Impairment of Goodwill

Why significant	How our audit addressed the key audit matter
In accordance with the requirements of Australian Accounting Standards, the Group performed an annual impairment test after allocating goodwill to groups of cash-generating units (CGUs) that are expected to benefit from the synergies of the related business combination. As a result of the acquisition of ECR and the restructure of the Group operating model, the goodwill, other than goodwill on the acquisition of ECR, was reallocated to the new groups of CGUs. At 30 June 2019, the purchase price allocation of ECR remains provisional, and goodwill recognized on the acquisition cannot be reasonably allocated to the CGUs and remains unallocated. A value in use model based on cash flow forecasts, growth rates and discount rates is used to calculate the recoverable amount of each group of CGUs. The model excluded forecast cash flows related to ECR as the goodwill was unallocated. This was considered to be a Key Audit Matter due to the level of judgement required to forecast cash flows and discount rates used to calculate the recoverable amount of each Group of CGUs. The Group's disclosures are included in Note 10 of the financial report.	Our audit procedures in respect of the impairment of goodwill included the following: ▶ We assessed whether the methodology used by the Group met the requirements of Australian Accounting Standards. ▶ We assessed the change in the Group's CGUs following the ECR acquisition based on our understanding of the nature of the Group's business, how earnings streams are monitored and reported and the interdependency of cash flows. ▶ We assessed the reallocation of the goodwill, other than the goodwill on the acquisition of ECR, to the new groups of CGUs. ▶ We involved our valuation specialists in performing the following procedures relating to the forecast cashflows of the Group's CGUs, other than those relating to ECR: ○ We assessed the basis of preparing cash flow forecasts considering the accuracy of previous forecasts and budgets and current trading performance; ○ We assessed the appropriateness of other key assumptions such as the discount rates and growth rates with reference to publicly available information on comparable companies in the industry and markets in which the Group operates; ○ We tested the mathematical accuracy of the cash flow models; and ○ We performed sensitivity analyses and evaluated whether a reasonably possible change in assumptions could cause the carrying amount of the cash generating unit to exceed its recoverable amount. ▶ In relation to the goodwill on the acquisition of ECR, we assessed management's determination of any indicators of impairment with reference to performance of ECR subsequent to acquisition. ▶ We evaluated the adequacy of the related disclosure in the financial report including those made with respect to judgements and estimates.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 60 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of WorleyParsons Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

Scott Jarrett
Partner
Sydney
21 August 2019

Shareholder Information

TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 5 AUGUST 2019

NAME	SHARES	% OF ISSUED CAPITAL	RANK
CITICORP NOMINEES PTY LIMITED	161,945,940	31.14	1
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	92,839,464	17.85	2
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	75,768,809	14.57	3
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	51,423,124	9.89	4
NATIONAL NOMINEES LIMITED	25,018,487	4.81	5
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	11,959,085	2.30	6
WILACI PTY LIMITED <THE SERPENTINE A/C>	11,014,851	2.12	7
BNP PARIBAS NOMS PTY LTD <DRP>	5,826,944	1.12	8
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	5,749,354	1.11	9
SERPENTINE FOUNDATION PTY LIMITED <SERPENTINE FOUNDATION A/C>	5,400,000	1.04	10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,228,355	0.62	11
MR JOHN MICHAEL GRILL	2,826,277	0.54	12
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,415,197	0.46	13
JUHA PTY LIMITED <JUHA A/C>	2,080,000	0.40	14
HAJU PTY LIMITED <HAJU A/C>	1,715,000	0.33	15
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,619,615	0.31	16
TAYLOR SQUARE DESIGNS PTY LTD	1,423,641	0.27	17
AVANTEOS INVESTMENTS LIMITED <ENCIRCLE IMA A/C>	1,203,605	0.23	18
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,151,102	0.22	19
AMP LIFE LIMITED	1,128,602	0.22	20
Total	**465,737,452**	**89.56**	

Total number of current holders for all named classes is 22,016.

SUBSTANTIAL HOLDERS OF 5% OR MORE OF FULLY PAID ORDINARY SHARES AS AT 5 AUGUST 2019*

NAME	NOTICE DATE	SHARES
Dar Al-Handasah Consultants Shair and Partners Holdings Ltd (Dar)**	26 April 2019	104,973,977
Jacobs Engineering Group Inc	24 June 2019	51,381,257
John Grill & associated companies	15 November 2018	34,336,128

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

** As disclosed in the substantial shareholder notice received by the Company, Samurai Investments, a Dar group company, has a cash-settled equity swap with Citigroup Global Markets Australia Pty Limited, which as at the date of the substantial shareholder notice, related to a notional 13,612,743 shares (equivalent to approximately 2.62% of the shares on issue at the time). The cash-settled equity swap does not give Dar, any Dar group company or Talal Shair any relevant interest in shares.

RANGE OF FULLY PAID ORDINARY SHARES AS AT 5 AUGUST 2019

	HOLDERS	SHARES	% OF ISSUED CAPITAL
1 – 1,000	14,150	5,586,022	1.07
1,001 – 5,000	6,526	14,339,311	2.76
5,001 – 10,000	816	5,786,397	1.11
10,001 – 100,000	452	10,921,662	2.10
100,001 and over	72	483,408,414	92.96
Total	**22,016**	**520,041,806**	**100.00**

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	SHARES
Minimum $500 parcel at $14.52 per unit	35	785	11,783

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

$, $m Australian dollars unless otherwise stated, Australian millions of dollars.

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.

ASIC Australian Securities and Investments Commission

ASX Australian Securities Exchange

Backlog Backlog is the total dollar value of the amount of revenues expected to be recorded for the next 36 months as a result of work performed under contracts or purchase/work orders awarded to the Group. With respect to long term agreements and framework agreements, an amount is included for the work expected to be received over the period under consideration. The view of backlog is sensitive to timing of awards and as such a conservative view of timing has been adopted.

Board The board of directors of the Company.

CEO Chief Executive Officer.

Company WorleyParsons Limited ACN 096 090 158.

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.

ECR Energy, Chemicals and Resources division acquired from Jacobs in FY2019.

EMEA Services business line region encompassing Europe, Middle East and Africa.

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 sub-contractors ourselves.

EPCM Engineering, Procurement and Construction Management.

EPCM contract Under an EPCM contract, we will generally be responsible for providing our professional services, but unlike an EPC contract, will not be responsible for delivering a completed asset to our customer. Instead, we will provide engineering and design services to our customer, procure equipment but only as agent for our customer and manage our customer's other suppliers as the customer's representative. We will generally be paid an hourly rate for the services we provide.

EPS Earnings per share. Determined by dividing the Group NPAT by the weighted average number of the Company's ordinary shares on issue during the financial year.

Executive 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.

GLOSSARY

FEED (front end engineering design) Basic engineering design providing owners and their financiers with information enabling them to determine whether or not, and if so how, to commit resources to a proposed project to maximize its projected returns.

FY2018 and FY2019 financial year 2018 and financial year 2019.

Group or Worley means WorleyParsons Limited and the entities it controls.

HSE Health, Safety and Environment.

Jacobs Jacobs Engineering Group Inc.

KMP (key management personnel) 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.

Midstream The transport (by pipeline, rail, barge or truck), storage, and wholesale marketing of crude or refined petroleum products.

MMO Maintenance, Modifications and Operations activities.

NPAT (net profit after tax) 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.

NPATA (net profit after tax before amortization of acquired intangibles) The net profit after tax excluding the post tax impact of amortization on intangible assets acquired through business combinations. From time to time, in determining outcomes under the incentive plans, the Board may use its discretion to apply the underlying NPATA which in the Board's opinion reflects the Company's operating results.

NED (non-executive director) Non-executive directors of the entity have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

TSR (Total shareholder return) 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.

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.

WorleyParsons refers to the Company as it comprised prior to the ECR acquisition.

Corporate Information

WorleyParsons Limited
ACN 096 090 158

DIRECTORS

John Grill, AO (Chairman)
Anne Templeman-Jones
Thomas Gorman
Christopher Haynes, OBE
Roger Higgins
Catherine Livingstone, AO (Lead Independent Director)
Wang Xiao Bin
Andrew Liveris, AO
Sharon Warburton
Juan Suarez Coppel
Andrew Wood (Chief Executive Officer)

COMPANY SECRETARY

Nuala O'Leary

REGISTERED OFFICE

Level 15
141 Walker Street
North Sydney NSW 2060

AUDITORS

Ernst & Young

BANKERS

Arab Banking Corporation
Bank of America Merill Lynch
Bank of China
Barclays Bank
BMO Harris Bank
BNP Paribas
China Merchants Bank
Commonwealth Bank of Australia
Credit Agricole Corporation and Investment Bank
First Abu Dhabi Bank
HSBC
ING Bank
Intesa Sanpaolo Bank
JPMorgan Chase
Mizuho Bank
Macquarie Bank
Royal Bank of Canada
Standard Chartered Bank
State Bank of India
UBS AG
U.S. Bank National
Wells Fargo
Westpac Banking Corporation

LAWYERS

Herbert Smith Freehills

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Australia
Phone: 1300 850 505