WorleyParsons
resources & energy

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worleyparsons.com
WorleyParsons Limited
ABN 17 096 090 158

20 February 2017

Manager, Market Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

WORLEYPARSONS LIMITED (WOR)
HALF YEAR 2017 RESULTS ANNOUNCEMENT TO THE MARKET

In accordance with the Listing Rules, I enclose for immediate release to the market:

1. Appendix 4D and Interim Financial Report.

Further documents to be immediately released are:

2. Media release; and
3. Presentation.

WorleyParsons' CEO, Andrew Wood and GMD Finance/CFO, Tom Honan will conduct an analyst briefing from 10.30am AEDT. The briefing will be broadcast live by webcast at http://webcasting.boardroom.media/broadcast/587bf6c11aa7170e402f3a11.

Yours faithfully
WorleyParsons

Nuala O'Leary
Group Company Secretary

WorleyParsons
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APPENDIX 4D

HALF YEAR ENDED 31 DECEMBER 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET[1]

	Consolidated		
	31 December 2016 $'M	31 December 2015 $'M	Change %
STATUTORY RESULT			
Revenue and other income	2,722.1	4,189.4	(35.0)
Earnings before interest and tax (EBIT)	36.4	79.3	(54.1)
Profit before income tax expense	6.6	46.7	(85.9)
Profit/(loss) after income tax expense attributable to members of WorleyParsons Limited	(2.4)	23.1	(110.4)
EBIT margin on aggregated revenue	1.7%	2.6%	(0.9pp)
Basic earnings/(loss) per share (cents)	(1.0)	9.3	(110.8)
Diluted earnings/(loss) per share (cents)	(1.0)	9.3	(110.8)

	Consolidated		
	31 December 2016 $'M	31 December 2015 $'M	Change %
UNDERLYING RESULT			
EBIT[2]	117.9	150.2	(21.5)
EBIT margin on aggregated revenue[2]	5.4%	4.8%	0.6pp
Profit after income tax expense attributable to members of WorleyParsons Limited	57.1	73.9	(22.7)
Basic earnings per share (cents)	23.0	29.9	(23.1)

RECONCILIATION OF STATUTORY PROFIT/(LOSS) AFTER INCOME TAX EXPENSE TO UNDERLYING PROFIT AFTER INCOME TAX[3]

	Consolidated	
	31 December 2016 $'M	31 December 2015 $'M
Profit after income tax expense attributable to members of WorleyParsons Limited	(2.4)	23.1
Add: staff restructuring costs	32.8	30.9
Add: onerous lease contracts	22.6	36.2
Add: onerous engineering software licenses	-	19.7
Add: other restructuring costs	23.4	-
Add: impairment of associate intangibles	2.3	-
Add: net loss on sale of assets held for sale	0.4	4.5
Less: certain functional currency related foreign exchange gains	-	(15.9)
Less: net gain on revaluation of investments previously accounted for as joint operations	-	(4.5)
Less: net tax expense on staff and other restructuring costs, onerous lease contracts, onerous engineering software licenses and certain functional currency related foreign exchange gains	(22.0)	(20.1)
Underlying profit after income tax expense attributable to members of WorleyParsons Limited	57.1	73.9

[1] The International Financial Reporting Standards financial information contained within this Appendix 4D has been derived from the 31 December 2016 Interim Financial Report, which has been reviewed by Ernst & Young. However, this Appendix 4D has not been reviewed.
[2] Per segment note. Refer to note 1.1 (G) of the Interim Financial Report.
[3] The directors consider underlying profit information is important to understand the sustainable performance of the company by excluding selected signficant items.

WorleyParsons

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APPENDIX 4D

HALF YEAR ENDED 31 DECEMBER 2016

AGGREGATED REVENUE RESULT

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[1], interest income and net gain on revaluation of investments previously accounted for as joint operations. The Group has redefined aggregated revenue to exclude pass-through revenue at nil margin in the current year. Prior period aggregated revenue and EBIT margin on aggregated revenue have been restated accordingly. The directors believe the disclosure of the revenue attributable to associates provides additional information in relation to the financial performance of the Group.

	Consolidated		
	31 December 2016 $'M	31 December 2015 $'M	Change %
Revenue and other income	2,722.1	4,189.4	(35.0)
Less: procurement revenue at nil margin (including share of revenue from associates)	(572.2)	(1,186.3)	(51.8)
Revenue excluding procurement revenue at nil margin	2,149.9	3,003.1	(28.4)
Add: share of revenue from associates	119.3	172.2	(30.7)
Less: pass-through revenue at nil margin	(100.3)	(60.2)	66.6
Less: net gain on revaluation of investments previously accounted for as joint operations	-	(4.5)	(100.0)
Less: interest income	(3.2)	(3.2)	-
Aggregated revenue	2,165.7	3,107.4	(30.3)

DIVIDEND

	Amount per share	Franked amount per share
Interim dividend (cents per share)	0 cents	0 cents
Record date for determining entitlement to final dividend	Not applicable	Not applicable
Date dividend is to be paid	Not applicable	Not applicable

The directors have resolved to pay no interim dividend (2015: 0 cents per share). The Company will make the half year (interim) dividend payments of nil per share for the half year ended 31 December 2016 (2015: 0 cents per share).

NET ASSETS PER SHARE

	Consolidated	
	31 December 2016 $	30 June 2016 $
Net assets per share	7.57	7.58
Net tangible liabilities per share	(0.73)	(0.80)

Additional Appendix 4D disclosure requirements can be found in the Interim Financial Report for the half year ended 31 December 2016 issued 20 February 2017.

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

INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 DECEMBER 2016

WorleyParsons Limited
ABN 17 096 090 158

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DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of WorleyParsons Limited (Company or Parent Entity) and the entities it controlled (Group or consolidated entity) at the end of, and during, the half year ended 31 December 2016.

DIRECTORS

The following persons were directors of the Company from 1 July 2016 up to the date of this report:

John Grill (Chairman), AO
Ron McNeilly (Deputy Chairman and Lead Independent Director)
Larry Benke-retired October 2016
Jagjeet (Jeet) Bindra
Erich Fraunschiel
John M Green-retired October 2016
Christopher Haynes, OBE
Catherine Livingstone, AO
Wang Xiao Bin
Andrew Wood (Chief Executive Officer).

PRINCIPAL ACTIVITIES

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

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Effective 1 July 2016, WorleyParsons operations have been managed and reported through the following business lines: Services, Major Projects & Integrated Solutions and Advisian.

Services
To remove duplication of engineering activities and to provide single points of contact to our customers, *Improve* engineering only relationships and businesses have been moved into the Services business line.
Major Projects and Integrated Solutions
Improve integrated services relationships and opportunities became part of the Major Projects & Integrated Solutions Business Line, including operations and maintenance and full delivery engineer, procure and construction (EPC) relationships.

The Group has created a central Global Sales and Marketing function. Personnel conducting business development previously as part of the Major Projects business line are now included within Global Support. In addition, the Group has redefined aggregated revenue to exclude pass-through revenue at nil margin. The previously reported segment results for the half year to 31 December 2015 and full year to 30 June 2016 have been restated to be comparable with the revised segmentation approach as required by AASB 8 *Operating Segments*. Total EBIT for the Group and profit after income tax expense per the Statement of Financial Performance remain unchanged.

REVIEW OF OPERATIONS

The loss after income tax expense attributable to members of the Company for the half year ended 31 December 2016 was $2.4 million (a decrease of 110.4% on the $23.1 million net profit after tax reported in the previous corresponding period). The result was earned on aggregated revenue of $2,165.7 million, a decrease of 30.3% on the $3,107.7 million reported in the previous corresponding period.

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

The reconciliation of statutory profit after income tax expense to underlying profit after income tax expense is as follows:

	31 December 2016 $'M	31 December 2015 $'M
Statutory profit after income tax expense attributable to members of WorleyParsons Limited	(2.4)	23.1
Add: staff restructuring costs	32.8	30.9
Add: onerous lease contracts	22.6	36.2
Add: onerous engineering software licenses	-	19.7
Add: other restructuring costs	23.4	-
Add: impairment of associate intangibles	2.3	-
Add: net loss on sale of assets held for sale	0.4	4.5
Less: certain functional currency related foreign exchange gains	-	(15.9)
Less: net gain on revaluation of investments previously accounted for as joint operations	-	(4.5)
Less: net tax expense on staff and other restructuring costs, onerous lease contracts, onerous engineering software licenses and certain functional currency related foreign exchange gains	(22.0)	(20.1)
Underlying profit after income tax expense attributable to members of WorleyParsons Limited	57.1	73.9

SUBSEQUENT EVENTS

Since the end of the half year, the directors have resolved to pay no interim dividend for fully paid ordinary shares, including exchangeable shares (31 December 2015: nil).

No other material matter or circumstance has arisen since 31 December 2016 that has significantly affected or may significantly affect the Group's operations or state of affairs.

ROUNDING OF AMOUNTS

The Company 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 referred to in this report have been rounded off to the nearest hundred thousand dollars in accordance with that Class Order and amounts less than $50,000 that have been rounded down are represented in this report by 0.0.

AUDITOR'S INDEPENDENCE DECLARATION

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

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 review of WorleyParsons Limited for the half-year ended 31 December 2016, 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 review; and

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

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

Ernst & Young

SJ Ferguson
Partner
Sydney
20 February 2017

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

John Grill, AO
Chairman

Sydney, 20 February 2017

STATEMENT OF FINANCIAL PERFORMANCE

For the half year ended 31 December 2016

		CONSOLIDATED	
	NOTES	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M
REVENUE AND OTHER INCOME			
Professional services revenue		1,774.2	2,522.4
Procurement revenue		723.1	1,358.1
Construction and fabrication revenue		218.3	298.8
Interest income		3.2	3.2
Other income	1.2	3.3	6.9
Total revenue and other income	**1.1**	**2,722.1**	**4,189.4**
EXPENSES			
Professional services costs		(1,705.1)	(2,435.6)
Procurement costs		(714.3)	(1,347.8)
Construction and fabrication costs		(183.0)	(257.7)
Global support costs		(52.9)	(59.2)
Other costs	1.3	(24.7)	(4.5)
Borrowing costs		(33.0)	(35.8)
Total expenses		**(2,713.0)**	**(4,140.6)**
Share of net losses of associates accounted for using the equity method		(2.5)	(2.1)
Profit before income tax expense		**6.6**	**46.7**
Income tax benefit/(expense)	1.4	3.7	(14.4)
Profit after income tax expense		**10.3**	**32.3**
(Loss)/profit after income tax expense attributable to:			
Members of WorleyParsons Limited		**(2.4)**	**23.1**
Non-controlling interests		**12.7**	**9.2**
Basic (loss)/earnings per share (cents)	1.10	(1.0)	9.3
Diluted (loss)/earnings per share (cents)	1.10	(1.0)	9.3

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

STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2016

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M
Profit after income tax expense	**10.3**	**32.3**
Other comprehensive (loss)/income		
Items that may be reclassified in future periods to the Statement of Financial Performance		
Net movement in foreign currency translation reserve	(1.8)	(135.3)
Net movement in hedge reserve	(4.2)	3.2
Total comprehensive income/(loss), net of tax	**4.3**	**(99.8)**
Total comprehensive (loss)/income, net of tax, attributable to:		
Members of WorleyParsons Limited	**(9.3)**	**(106.4)**
Non-controlling interests	**13.6**	**6.6**

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	NOTES	CONSOLIDATED 31 DECEMBER 2016 $'M	 30 JUNE 2016 $'M
ASSETS			
Current assets			
Cash and cash equivalents	1.5	244.7	373.1
Trade receivables	1.6	1,348.5	1,648.2
Other receivables		238.9	231.0
Prepayments		112.7	116.6
Income tax receivable		11.2	15.4
Derivatives		0.8	0.7
Total current assets		**1,956.8**	**2,385.0**
Non-current assets			
Intangible assets	1.7	2,060.8	2,077.2
Deferred tax assets		263.9	297.5
Derivatives		104.9	94.8
Equity accounted associates		79.9	86.8
Property, plant and equipment		67.3	73.3
Other non-current assets		8.0	6.2
Total non-current assets		**2,584.8**	**2,635.8**
TOTAL ASSETS		**4,541.6**	**5,020.8**
LIABILITIES			
Current liabilities			
Trade and other payables		894.2	1,244.3
Provisions		345.5	406.0
Interest bearing loans and borrowings	1.8	293.1	249.2
Income tax payable		10.3	14.8
Derivatives		2.3	4.8
Total current liabilities		**1,545.4**	**1,919.1**
Non-current liabilities			
Interest bearing loans and borrowings	1.8	967.4	990.2
Deferred tax liabilities		44.2	116.8
Provisions		79.7	84.4
Trade and other payables		26.2	30.4
Total non-current liabilities		**1,117.5**	**1,221.8**
TOTAL LIABILITIES		**2,662.9**	**3,140.9**
NET ASSETS		**1,878.7**	**1,879.9**
EQUITY			
Issued capital	1.9	1,268.4	1,264.9
Reserves		(230.5)	(223.1)
Retained profits		839.7	842.1
Members of WorleyParsons Limited		1,877.6	1,883.9
Non-controlling interests		1.1	(4.0)
TOTAL EQUITY		**1,878.7**	**1,879.9**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2016

	CONSOLIDATED								
	ISSUED CAPITAL $'M	RETAINED PROFITS $'M	FOREIGN CURRENCY TRANSLATION RESERVE $'M	HEDGE RESERVE $'M	PERFORMANCE RIGHTS RESERVE $'M	ACQUISITION RESERVE $'M	MEMBERS OF WORLEY PARSONS LIMITED $'M	NON-CONTROLLING INTERESTS $'M	TOTAL $'M
As at 1 July 2016	**1,264.9**	**842.1**	**(266.2)**	**14.5**	**38.2**	**(9.6)**	**1,883.9**	**(4.0)**	**1,879.9**
(Loss)/profit after income tax expense	-	(2.4)	-	-	-	-	(2.4)	12.7	10.3
Other comprehensive (loss)/income	-	-	(2.7)	(4.2)	-	-	(6.9)	0.9	(6.0)
Total comprehensive (loss)/income, net of tax	**-**	**(2.4)**	**(2.7)**	**(4.2)**	**-**	**-**	**(9.3)**	**13.6**	**4.3**
Transactions with owners									
Share-based payments	3.5	-	-	-	(0.5)	-	3.0	-	3.0
Dividends paid	-	-	-	-	-	-	-	(8.5)	(8.5)
As at 31 December 2016	**1,268.4**	**839.7**	**(268.9)**	**10.3**	**37.7**	**(9.6)**	**1,877.6**	**1.1**	**1,878.7**
As at 1 July 2015	**1,255.0**	**873.0**	**(159.0)**	**10.7**	**46.9**	**(9.6)**	**2,017.0**	**0.6**	**2,017.6**
Profit after income tax expense	-	23.1	-	-	-	-	23.1	9.2	32.3
Other comprehensive (loss)/income			(132.7)	3.2			(129.5)	(2.6)	(132.1)
Total comprehensive (loss)/income, net of tax	**-**	**23.1**	**(132.7)**	**3.2**	**-**	**-**	**(106.4)**	**6.6**	**(99.8)**
Transactions with owners									
Share-based payments	10.7	-	-	-	(5.5)	-	5.2	-	5.2
Dividends paid	-	(54.4)	-	-	-	-	(54.4)	(8.0)	(62.4)
As at 31 December 2015	**1,265.7**	**841.7**	**(291.7)**	**13.9**	**41.4**	**(9.6)**	**1,861.4**	**(0.8)**	**1,860.6**

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

STATEMENT OF CASH FLOWS

For the half year ended 31 December 2016

	NOTES	CONSOLIDATED 31 DECEMBER 2016 $'M	 31 DECEMBER 2015 $'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,096.6	4,261.7
Payments to suppliers and employees[1]		(3,151.8)	(4,149.8)
		(55.2)	111.9
Dividends received from associates		1.2	3.5
Interest received		2.0	3.2
Borrowing costs paid		(28.8)	(30.8)
Income taxes paid		(4.0)	(43.7)
Net cash (outflow)/inflow from operating activities	**1.5**	**(84.8)**	**44.1**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment and computer software		(16.8)	(40.5)
Payments for acquisition of controlled entities		(3.4)	(23.2)
Cash proceeds from sale of assets and liabilities held for sale		-	13.8
Proceeds from sale of property, plant and equipment		0.3	2.9
Net cash outflow from investing activities		**(19.9)**	**(47.0)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of loans and borrowings		(1,253.8)	(1,563.9)
Proceeds from loans and borrowings		1,237.0	1,665.2
Costs of bank facilities		(1.8)	(4.1)
Net loans (to)/from related parties		(4.0)	0.6
Dividends paid to members of WorleyParsons Limited	1.11	-	(54.4)
Dividends paid to non-controlling interests		(8.5)	(8.0)
Net cash outflow from financing activities		**(31.1)**	**35.4**
Net (decrease)/increase in cash		**(135.8)**	**32.5**
Cash and cash equivalents at the beginning of the half year		373.1	380.8
Effects of foreign exchange rate changes on cash		(2.0)	(7.6)
Cash and cash equivalents at the end of the half year	**1.5**	**235.3**	**405.7**

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

[1] Includes cash payments for restructuring of $52.0m.

NOTES TO THE FINANCIAL STATEMENTS

BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

The Interim Financial Report of the consolidated entity for the half year ended 31 December 2016 does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing and financing activities of the Group as a full financial report.

The Interim Financial Report should be read in conjunction with the Annual Report of the Company for the year ended 30 June 2016, which was prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board. It is also recommended that the Interim Financial Report be considered together with any public announcements made by the Company and its controlled entities during the half year ended 31 December 2016 in accordance with continuous disclosure obligations arising under the *Corporations Act 2001* and Guidance Note 8 – Continuous Disclosure: Listing Rules 3.1 - 3.1B issued by the Australian Securities Exchange (ASX).

The Interim Financial Report has been prepared using consistent accounting policies as used in the annual financial report for the year ended 30 June 2016, including:

(A) BASIS OF ACCOUNTING

(i) Basis of preparation

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

The Group is of a kind referred to in 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 $50,000 which have been rounded down.

For the purposes of preparing the Interim Financial Report, the half year has been treated as a discrete reporting period.

(ii) Historical cost convention

The Interim Financial Report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(iii) Critical accounting estimates

In the application of AAS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities. 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;
- goodwill and intangible assets with identifiable useful lives;
- project, warranty and other provisions; and
- recovery of deferred taxes.

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.

(B) ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

There have been no new standards or interpretations effective from 1 July 2016 that are applicable and have a material impact to the Group.

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

1.1 SEGMENT INFORMATION

(A) Identification of reportable segments

Effective 1 July 2016, WorleyParsons operations are managed and reported through the following business lines: Services, Major Projects & Integrated Solutions and Advisian.

Services

To remove duplication of engineering activities and to provide single points of contact to our customers, *Improve* engineering only relationships and businesses are moved into the Services business line.

Major Projects and Integrated Solutions

Improve integrated services relationships and opportunities become part of the Major Projects & Integrated Solutions Business Line, including O&M and full delivery EPC relationships.

The Group has created a central Global Sales and Marketing function. Personnel conducting business development previously as part of the Major Projects business line are now included within Global Support. In addition the Group has redefined aggregated revenue to exclude pass-through revenue at nil margin. The previously reported segment results for the half year to 31 December 2015 and full year to 30 June 2016 have been restated to be comparable with the revised segmentation approach as required by AASB 8 Operating Segments. Total EBIT for the Group and profit after income tax expense per the Statement of Financial Performance remain unchanged.

(B) 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 the annual financial statements and are consistent with those in the prior corresponding 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;
- staff restructuring costs;
- onerous lease contracts;
- onerous engineering software licenses;
- other restructuring costs;
- write-down of investment in equity accounted associates;
- certain functional currency related foreign exchange gains;
- net gain on revaluation of investments previously accounted for as joint operations;
- net gain on disposals of assets and liabilities held for sale
- net borrowing costs; and
- income tax expense.

(C) Major customers

The most significant customer accounts for 6.1% (31 December 2015: 5.7%) of aggregated revenue and is within the Hydrocarbons customer sector group.

1.1 SEGMENT INFORMATION (continued)

(D) OPERATING SEGMENTS

	SERVICES		MAJOR PROJECTS AND INTEGRATED SOLUTIONS		ADVISIAN		TOTAL	
	31 DEC 2016 $'M	31 DEC 2015 $'M	31 DEC 2016 $'M	31 DEC 2015 $'M	31 DEC 2016 $'M	31 DEC 2015 $'M	31 DEC 2016 $'M	31 DEC 2015 $'M
Professional services revenue	1,247.2	1,862.0	333.6	447.2	212.4	316.7	1,793.2	2,625.9
Construction and fabrication revenue	-	-	218.3	298.8	-	-	218.3	298.8
Procurement revenue at margin	108.2	121.6	12.9	27.4	29.8	31.3	150.9	180.3
Other income	3.3	2.4	-	-	-	-	3.3	2.4
Total segment revenue[1]	1,358.7	1,986.0	564.8	773.4	242.2	348.0	2,165.7	3,107.4
Segment result[2]	120.0	120.7	54.8	66.5	2.3	33.4	177.1	220.6
Segment margin	8.8%	6.1%	9.7%	8.6%	0.9%	9.6%	8.2%	7.1%

(E) CUSTOMER SECTOR GROUPS

	HYDROCARBONS		MINERALS, METAL & CHEMICALS		INFRASTRUCTURE		TOTAL	
	31 DEC 2016 $'M	31 DEC 2015 $'M	31 DEC 2016 $'M	31 DEC 2015 $'M	31 DEC 2016 $'M	31 DEC 2015 $'M	31 DEC 2016 $'M	31 DEC 2015 $'M
Professional services revenue	1,160.5	1,784.8	224.8	368.8	407.9	472.3	1,793.2	2,625.9
Construction and fabrication revenue	218.3	298.8	-	-	-	-	218.3	298.8
Procurement revenue at margin	101.8	136.8	1.9	4.7	47.2	38.8	150.9	180.3
Other income	2.3	1.4	-	-	1.0	1.0	3.3	2.4
Total segment revenue	1,482.9	2,221.8	226.7	373.5	456.1	512.1	2,165.7	3,107.4
Segment result[2]	137.7	171.3	3.2	19.2	36.2	30.1	177.1	220.6
Segment margin	9.3%	7.7%	1.4%	5.1%	7.9%	5.9%	8.2%	7.1%

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

	TOTAL	
	31 DEC 2016 $'M	31 DEC 2015 $'M
Segment revenue	2,165.7	3,107.4
Procurement revenue at nil margin (including share of revenue from associates)	572.2	1,186.3
Pass through revenue at nil margin[3]	100.3	60.2
Share of revenue from associates	(119.3)	(172.2)
Interest income	3.2	3.2
Net gain on revaluation of investments previously accounted for as joint operations	-	4.5
Total revenue and other income per the Statement of Financial Performance	2,722.1	4,189.4

[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, interest income and net gain on revaluation of investments previously accounted for as joint operations.The Directors of WorleyParsons Limited believe the disclosure of the relevant share of revenue from associates provides additional information in relation to the financial performance of WorleyParsons Limited Group.

[2] Segment result is segment revenue less segment expenses and excludes the items listed in note 1.1(B). It is the key financial measure that is presented to the chief operating decision makers.

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

1.1 SEGMENT INFORMATION (continued)

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

	TOTAL	
	31 DEC 2016 $'M	31 DEC 2015 $'M
Segment result	177.1	220.6
Global support costs	(48.7)	(56.8)
Interest and tax for associates	(0.7)	(4.5)
Amortization of acquired intangible assets	(9.8)	(9.1)
Total underlying earnings before interest expense and tax expense (underlying EBIT)	117.9	150.2
Total underlying EBIT margin on aggregated revenue for the Group	5.4%	4.8%
Staff restructuring costs[1]	(32.8)	(30.9)
Onerous lease contracts[2]	(22.6)	(36.2)
Onerous engineering software license	-	(19.7)
Other restructuring costs	(23.4)	-
Impairment of associate intangibles	(2.3)	-
Net loss on sale of assets held for sale	(0.4)	(4.5)
Certain functional currency related foreign exchange gains	-	15.9
Net gain on revaluation of investments previously accounted for as joint operations	-	4.5
Total EBIT	36.4	79.3
EBIT margin on aggregated revenue for the Group	1.7%	2.6%
Net borrowing costs	(29.8)	(32.6)
Income tax benefit/(expense)	3.7	(14.4)
Profit/(loss) after income tax expense per the Statement of Financial Performance	10.3	32.3

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

	31 DEC 2016 $'M	31 DEC 2015 $'M
Global support costs per Segment Information[3]	48.7	56.8
Staff restructuring costs	32.8	30.9
Staff restructuring costs attributable to professional services costs, construction and fabrication costs and staff restructuring costs incurred by equity accounted associates	(28.6)	(28.5)
Global support costs per the Statement of Financial Performance	52.9	59.2

[1] Includes staff restructuring costs incurred in equity accounted investments.

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

[3] Excludes all restructuring costs.

1.2 OTHER INCOME

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M
Net gain on revaluation of investments previously accounted for as joint operations	-	4.5
Other	3.3	2.4
	3.3	**6.9**

During the half year ended 31 December 2015, the Group finalized the acquisition accounting for an additional net interest in entities which had previously been accounted for as joint operations. This resulted in a $4.5 million net gain on revaluation of investments previously accounted for as joint operations. No such transaction took place during the six month period ending 31 December 2016.

1.3 OTHER COSTS

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M
Write-down of investment in equity accounted associates	1.3	4.5
Other restructuring costs	23.4	-
	24.7	**4.5**

1.4 INCOME TAX

(A) INCOME TAX EXPENSE

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M
Current tax	37.0	90.0
Deferred tax	(45.7)	(74.6)
Under/(over)provision in previous financial periods	5.0	(1.0)
Income tax (benefit)/expense	**(3.7)**	**14.4**
Deferred income tax expense included in income tax expense comprises:		
Decrease/(Increase) in deferred tax assets	25.6	(80.0)
(Decrease)/increase in deferred tax liabilities	(71.3)	5.4
Deferred tax	**(45.7)**	**(74.6)**

	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M

(B) RECONCILIATION OF PRIMA FACIE TAX PAYABLE TO INCOME TAX EXPENSE

Profit before income tax expense	6.6	46.7
Prima facie tax expense at WorleyParsons Limited's statutory income tax rate of 30% (31 December 2015: 30%)	2.0	14.0
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible share based payments expense	1.1	1.3
Non-taxable net gain on revaluation of investments previously accounted for as joint operations	-	(1.3)
Non-deductible write-down of investment in equity accounted associates	0.4	1.3
Share of net profit of associates accounted for using the equity method	0.7	0.6
Tax loss not previously recognized	(1.3)	(0.1)
Under/(over) provision in previous financial periods	5.0	(1.0)
Difference in overseas tax rates and Other [1]	(11.6)	(0.4)
Income tax (benefit)/expense	**(3.7)**	**14.4**

(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 - credited directly to equity	(12.5)	(7.1)

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

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M

1.5 CASH AND CASH EQUIVALENTS

Balance per the Statement of Financial Position	**244.7**	**410.2**
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:		
Cash at bank and on hand	244.7	410.2
Cash and cash equivalents	244.7	410.2
Less: bank overdraft	(9.4)	(4.5)
Balance per the Statement of Cash Flows	**235.3**	**405.7**
Reconciliation of profit after income tax expense to net cash inflow from operating activities:		
Profit after income tax expense	10.3	32.3
NON-CASH ITEMS		
Amortization	30.3	34.5
Depreciation	10.0	15.4
Share based payments expense	3.0	5.2
Doubtful debts (reversal)/expense	(6.0)	19.8
Share of associates' dividends received in excess of share of (losses)/profits	2.5	5.6
Net gain on revaluation of investments previously accounted for as joint operations	-	(4.5)
Write-down of investments in equity accounted associates	1.3	4.5
Write-down of onerous engineering software licenses	-	19.7
Other	2.3	0.4
Cash flow adjusted for non-cash items	53.7	132.9
CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES		
Decrease in trade and other receivables	291.8	1.5
Decrease/(increase) in prepayments and other assets	3.9	(0.8)
Increase in net derivatives	(12.7)	(45.4)
Decrease/(increase) in deferred tax assets	33.6	(76.8)
(Decrease)/increase in trade and other payables	(345.1)	44.9
Decrease in billings in advance	(9.8)	(55.5)
Increase in net income tax payable	31.3	43.7
(Decrease)/increase in deferred tax liabilities	(72.6)	6.1
Decrease in provisions	(58.9)	(6.5)
Net cash (outflow)/inflow from operating activities	**(84.8)**	**44.1**

	31 DECEMBER 2016 $'M	30 JUNE 2016 $'M

1.6 TRADE AND OTHER RECEIVABLES

TRADE RECEIVABLES

Trade receivables	751.8	832.9
Unbilled contract revenue	611.4	823.2
Retentions	37.1	42.8
Allowance for impairment of trade receivables	(51.8)	(50.7)
	1,348.5	**1,648.2**

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	30 JUNE 2016 $'M

1.7 INTANGIBLE ASSETS

	31 DECEMBER 2016 $'M	30 JUNE 2016 $'M
Goodwill		
At cost	2,088.8	2,090.7
Accumulated impairment	(200.2)	(200.2)
	1,888.6	**1,890.5**
Customer contracts and relationships		
At cost	192.8	191.3
Accumulated amortization	(171.4)	(162.6)
	21.4	**28.7**
Trade names		
At cost	83.8	83.9
Accumulated amortization	(74.7)	(72.8)
	9.1	**11.1**
Computer software		
At cost	309.4	301.1
Accumulated amortization	(176.5)	(165.4)
	132.9	**135.7**
Other		
At cost	25.7	25.9
Accumulated amortization	(16.9)	(14.7)
	8.8	**11.2**
Total intangible assets	**2,060.8**	**2,077.2**

RECONCILIATIONS

Reconciliations of intangible assets at the beginning and end of the current and previous financial years are set out below:

	CONSOLIDATED					
	GOODWILL $'M	CUSTOMER CONTRACTS AND RELATIONSHIPS $'M	TRADE NAMES $'M	COMPUTER SOFTWARE $'M	OTHER $'M	TOTAL $'M
Balance at 1 July 2016	1,890.5	28.7	11.1	135.7	11.2	2,077.2
Additions	-	-	-	11.2	-	11.2
Impairment	-	-	-	-	-	-
Amortization	-	(7.7)	(2.1)	(14.0)	(2.4)	(26.2)
Differences arising on translation of foreign operations	(1.9)	0.4	0.1	-	-	(1.4)
Balance at 31 December 2016	**1,888.6**	**21.4**	**9.1**	**132.9**	**8.8**	**2,060.8**
Balance at 1 July 2015	1,906.8	40.3	15.3	113.3	14.6	2,090.3
Additions	8.6	4.9	-	49.4	1.5	64.4
Impairment	-	-	-	-	-	-
Amortization	-	(15.5)	(3.7)	(26.9)	(4.8)	(50.9)
Differences arising on translation of foreign operations	(24.9)	(1.0)	(0.5)	(0.1)	(0.1)	(26.6)
Balance at 30 June 2016	**1,890.5**	**28.7**	**11.1**	**135.7**	**11.2**	**2,077.2**

1.7 INTANGIBLE ASSETS (continued)

Impairment of intangible assets

Goodwill is not amortized; instead, it is tested at least 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 synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those groups of CGUs. Following the business line restructure on 1 July 2016 (refer to note 1.1(A)), a review of CGUs was completed resulting in *Improve* no longer being a CGU and goodwill being allocated to five CGUs. These CGUs represent the lowest level within the entity at which the goodwill is monitored for internal management purposes.

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. Management has risk adjusted the future cash flows to recognize challenging market conditions.

KEY ESTIMATES

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

2016	SERVICES – AMERICAS $'M	SERVICES – AUSTRALIA, PACIFIC, ASIA AND CHINA, $'M	SERVICES – EUROPE, MIDDLE EAST,AND AFRICA $'M	MAJOR PROJECT AND INTEGRATED SOLUTIONS $'M	ADVISIAN $'M
Opening balance	312.2	524.3	360.2	421.7	272.1
Closing balance	312.8	525.4	361.0	422.6	266.8
Risk-weighted pre-tax discount rate	12.5%	14.0%	14.9%	11.6%	13.2%
Risk-adjusted revenue growth rate beyond five years[1]	3.0%	3.0%	3.0%	3.0%	3.0%

SENSITIVITY ANALYSIS

The combined fair value in all the CGUs exceed the carrying value by over $650 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 improvement program. 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 are as follows:

Terminal growth rates: a 1% decrease in the terminal growth rate will result in the fair value of all CGUs listed above to exceed the carrying value;

Post tax discount rates: a 0.5% increase in the discount rate will result in the fair value of all CGUs listed above to exceed the carrying value; and

Forecast cash flows: a 3% decrease in the forecast cash flows will result in the fair value of all CGUs listed above to exceed the carrying value.

[1] The 3% risk-adjusted revenue growth rate beyond 3 years remains unchanged from FY16.

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	30 JUNE 2016 $'M

1.8 INTEREST BEARING LOANS AND BORROWINGS

	31 DECEMBER 2016 $'M	30 JUNE 2016 $'M
Current		
Notes payable	261.6	227.5
Unsecured bank loans	23.1	20.4
Finance lease liability	0.8	2.2
Bank overdraft	9.4	-
Capitalized borrowing costs	(1.8)	(0.9)
	293.1	**249.2**
Non-current		
Notes payable	857.8	861.1
Unsecured bank loans	115.4	132.4
Finance lease liability	0.1	0.3
Capitalized borrowing costs	(5.9)	(3.6)
	967.4	**990.2**
The maturity profile in respect of the Group's utilized secured facilities is set out below:		
Due within one year [1]	0.8	2.2
Due between one and four years(s)	0.1	0.3
	0.9	**2.5**
The maturity profile in respect of the Group's total utilized and unutilized facilities is set out below:		
Due within one year [1]	460.1	384.5
Due between one and four years(s)	1,250.4	1,287.2
Due after four years	524.5	510.0
	2,235.0	**2,181.7**

1.9 ISSUED CAPITAL

	31 DECEMBER 2016 NUMBER OF SHARES	$'M	30 JUNE 2016 NUMBER OF SHARES	$'M
Ordinary shares, fully paid[2]	248,153,342	1,268.4	247,867,335	1,264.9
Special voting share	1	-	1	-
	248,153,343	**1,268.4**	**247,867,336**	**1,264.9**

MOVEMENTS IN SHARES

	31 DECEMBER 2016 NUMBER OF SHARES	$'M
Balance at the beginning of the financial year	247,867,336	1,264.9
Ordinary shares issued on redemption of exchangeable shares	581,992	15.6
Exchangeable shares exchanged for ordinary shares	(581,992)	(15.6)
Transfer from performance rights reserve on issuance of shares	286,007	3.5
Balance at the end of the financial year	**248,153,343**	**1,268.4**

[1] Facilities due within one year will be repaid using unutilized facilities.

[2] Included in ordinary shares are 1,958,883 (30 June 2016: 2,540,875) 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 Exchanges (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 Trust holds 248,828 (30 June 2016: 248,828) shares in the Company, which have been consolidated and eliminated in accordance with the accounting standards.

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M

1.10 (LOSS)/EARNINGS PER SHARE

ATTRIBUTABLE TO MEMBERS OF WORLEYPARSONS LIMITED

Basic (loss)/earnings per share	(1.0)	9.3
Diluted (loss)/earnings per share	(1.0)	9.3

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

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

	$'M	$'M
(Loss)/earnings used in calculating basic and diluted (loss)/earnings per share	(2.4)	23.1

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

	Number	Number
Weighted average number of ordinary securities used in calculating basic earnings/(loss) per share	248,020,285	247,520,299
Performance rights which are considered dilutive	-	264,556.0
Adjusted weighted average number of ordinary securities used in the calculating diluted earnings/(loss) per share	248,020,285	247,784,855

1.11 DIVIDENDS

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M
Dividend in respect of the six months to 30 June 2016:		
Nil cents per share	-	-
Dividend in respect of the six months to 30 June 2015:		
22.0 cents per share, unfranked[1]	-	54.4

1.12 FAIR VALUES

The fair values of financial assets and liabilities approximate their carrying values with the exception of interest bearing loans and borrowings which have a fair value of $1,369.5 million (30 June 2016: $1,394.0 million) and a carrying value of $1,268.2 million (30 June 2016: $1,243.9 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 rates curves.

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

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

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

1.13 CONTINGENT LIABILITIES

(A) GUARANTEES

The Company is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.

These guarantees and letters of credit only give rise to a liability where the entity concerned fails to perform its contractual obligation.

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	30 JUNE 2016 $'M
Bank guarantees outstanding at balance date in respect of contractual performance	698.2	646.6

(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 Group's accounting policy.

(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.

1.14 SUBSEQUENT EVENTS

Since the end of the half year, the directors have resolved to pay [no interim dividend for fully paid ordinary shares], including exchangeable shares (31 December 2015: nil).

Unless disclosed elsewhere in this Interim Financial Report, no other material matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the Group's operations or state of affairs in future periods.

1.15 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 customers.

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

	CONSOLIDATED	
	31 DECEMBER 2016 $'M	31 DECEMBER 2015 $'M
REVENUE AND EXPENSES[1]		
Procurement revenue at margin	150.9	171.8
Procurement costs at margin	(142.1)	(161.5)
Procurement revenue at nil margin	572.2	1,186.3
Procurement costs at nil margin	(572.2)	(1,186.3)
	31 DECEMBER 2016 $'M	30 JUNE 2016 $'M
ASSETS AND LIABILITIES		
Cash and cash equivalents	16.3	69.4
Trade and other receivables	163.2	324.7
Trade and other payables	160.6	(326.7)

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

DIRECTORS' DECLARATION

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

In the opinion of the directors:

(a) the financial statements and notes of WorleyParsons Limited for the half year ended 31 December 2016 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

JOHN GRILL, AO
Chairman
Sydney, 20 February 2017

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working world

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To the members of WorleyParsons Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of WorleyParsons Limited, which comprises the Statement of Financial Position as at 31 December 2016, the Statement of Financial Performance, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of WorleyParsons Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Ernst & Young

SJ Ferguson
Partner
Sydney
20 February 2017

CORPORATE INFORMATION

WorleyParsons Limited
ACN 096 090 158

DIRECTORS

John Grill (Chairman), AO
Ron McNeilly (Deputy Chairman and Lead Independent Director)
Jagjeet (Jeet) Bindra
Erich Fraunschiel
Christopher Haynes, OBE
Catherine Livingstone, AO
Wang Xiao Bin
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

Banco Bilbao Vizcaya Argentaria
Bank of America Merrill Lynch
BNP Paribas
Commonwealth Bank of Australia
HSBC
JPMorgan Chase
National Australia Bank
Royal Bank of Canada
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
UBS
Wells Fargo
Westpac Banking Corporation

LAWYERS

Herbert Smith Freehills

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000
Australia

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