



WorleyParsons

resources & energy

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WorleyParsons Limited
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20 November 2013

ASX Release
WORLEYPARSONS LIMITED
(ASX: WOR)
Trading update

WorleyParsons Limited ("the Company") provides a trading update and revised earnings guidance for the year to 30 June 2014.

At the Company's Annual General Meeting WorleyParsons reiterated guidance for FY2014 of increased earnings compared to FY2013 net profit after tax (NPAT) of \$322 million. After considering our current trading results and having experienced a delay in upturn in our markets the company is issuing revised guidance. On current indications the company now expects to report underlying NPAT for FY2014 in the range of \$260 million to \$300 million with first half underlying NPAT in the range of \$90 million to \$110 million.

The revised outlook primarily reflects:

- Reduced professional services revenue compared to the prior year. This reduction is particularly evident in the company's large Australian and Canadian businesses and to a lesser extent in Latin America and the Middle East;
- Implementation of a rigorous cost reduction program across the entire group. The benefit of this program, net of restructuring costs, will begin to be realized in the second half of the financial year;
- Outperformance in a number of other markets, in particular the United States, Southern Africa and Europe, will not be able to offset the decline experienced in the Australian and Canadian businesses as had previously been expected.

The reduced professional services revenue is driven by:

- The decline in the Australian business has been greater than expected, as hydrocarbons projects in Northern Australia move into the final construction and delivery phase and the Minerals & Metals business remains weak;
- The Canadian business continues to be impacted by major project deferrals and additional costs incurred in our construction and fabrication business WorleyParsonsCord;
- The Latin American business has been impacted by the soft global minerals and metals market;
- The business in the Middle East has also experienced a slow start to the year as a result of delays in the ramp up of a number of projects that have been awarded.

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Commenting, Chief Executive Officer, Andrew Wood, said: "Notwithstanding the impacts weaker than expected market conditions are having on our performance, the cost reduction program we are implementing together with the momentum from recent contract awards should position us for medium term growth. The diversity of our business in terms of its geography, industry sector and service offering remains a fundamental strength.

For further information, please contact:

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