



# WorleyParsons

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Level 12, 141 Walker Street  
North Sydney NSW 2060 Australia  
Telephone: +61 2 8923 6866  
Facsimile: +61 2 8923 6877  
worleyparsons.com  
WorleyParsons Limited  
ABN 17 096 090 158

9 April 2014

## ASX Release

### WORLEYPARSONS LIMITED

(ASX: WOR)

#### WorleyParsons announces business reorganization

Professional services company WorleyParsons Limited (ASX:WOR) today announced a reorganization of the business as part of an in-depth review of operations.

Chief Executive Officer Andrew Wood said the review, announced in February, was aimed at better positioning the Company for future earnings growth by improving delivery and offering a more competitive value proposition for our customers.

“With the reorganization we are announcing today we are aligning the business to market conditions. It will simplify the corporate structure, reduce overhead costs and enable our staff to deliver greater customer satisfaction. The reorganization is expected to improve major project performance, deliver sustainable growth in earnings and enhance returns to shareholders.

“We are refocusing the business on what we have been known for in the past – an intense focus on our customers and project delivery, and enhancing value for our shareholders.

“The reorganization is not only a structural change, it is also about cultural change to improve the way we do business and allow our staff to support our customers in being successful,” Mr Wood said.

#### **Reorganization**

WorleyParsons will reorganize into three business lines – Services, Major Projects, and *Improve* – to provide better customer focus and delivery. We will also reduce the level of corporate overheads to establish a more competitive cost structure for business lines.

Under the changed structure, Services will continue to provide our high quality service offering, including consulting, delivery and *Improve*, with local offices focused on winning and delivering services to local customers and the local operations of our regional and global customers. Services represents approximately 70 per cent of our current aggregated revenue.

Major Projects and *Improve* will each address the specialist needs of their customers, with appropriate delivery and support models.

Major Projects will be responsible for winning and leading the execution of large or complex projects wherever they are in the world supported by dedicated major project execution centers.

*Improve* will be responsible for the leadership and execution of nominated long term operational and asset management contracts, as well as winning new contracts. All other operational and asset management contracts will be managed by Services.



Each business line will have full accountability and responsibility for customer satisfaction, generating sustainable earnings and providing a satisfactory level of return on capital invested. In addition, each business line will be responsible for providing and sourcing the optimal level of operational support required.

With the majority of support now provided in the individual business lines, our group functions at the corporate level will be streamlined. This will result in a lean corporate office, with responsibility for strategy and improved capital allocation, in addition to usual governance activities.

We will continue to nurture new business ventures, deliver on merger and acquisition opportunities and better manage investments and improvements within the business lines through our new Development group.

### **Financial impact of the changes**

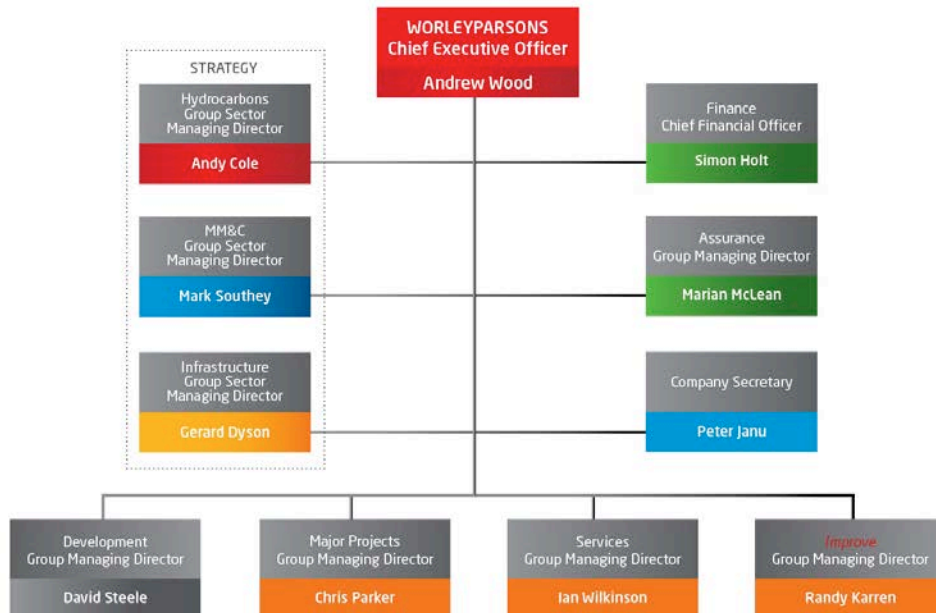
The Group will provide for restructuring costs as a result of the implementation of the review outcomes of approximately \$35 million to be recognized in the current financial year. The overhead reductions and improved project delivery are expected to result in improved margins from next financial year.

The reorganization takes effect from 1 May 2014 with financial reporting changes effective from 1 July 2014.

The Company reaffirms the guidance for underlying NPAT for FY2014 provided in February 2014, excluding the one-off costs outlined above.

### **Group Leadership Team**

The leadership team is detailed below.



Members of the Group Leadership Team reporting to CEO, Andrew Wood are:

- Chris Parker who takes on the role of Group Managing Director Major Projects. Chris is currently responsible for our operations in the USA and Caribbean region. Chris has been with the Company since 1981 holding a number of senior management positions in the USA and global roles in execution strategy and engineering management;



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- Ian Wilkinson who takes on the role of Group Managing Director Services. Ian is currently Managing Director Operations ANZ. He joined WorleyParsons in 1994 in Brunei and has held a number of senior management positions in South East Asia, the Middle East and Australia. He has over 28 years experience in the oil and gas and resource industries;
- Marian McLean who has been appointed to the role of Group Managing Director Assurance. Marian is currently Managing Director HSE and Delivery Integrity. Marian joined WorleyParsons in June 2008 as Group HSE Director. She has over 20 years' experience in the manufacturing, water, construction, service and oil and gas industries;
- Andy Cole who assumes the role of Group Sector Managing Director Hydrocarbons. Andy is currently responsible for the Infrastructure sector. Prior to taking up this role, Andy managed the Subsectors & Business Lines across the global Hydrocarbons business. Andy joined WorleyParsons in 1985 as a structural engineer and has led the design of major offshore oil and gas platforms in Australia, UK, South East Asia and the Middle East;
- Mark Southey who assumes the role of Group Sector Managing Director Minerals, Metals & Chemicals. Mark is currently responsible for the Minerals, Metals & Chemicals (MM&C) customer sector group globally and has held this role since joining WorleyParsons in 2002;
- Gerard Dyson who assumes the role of Group Sector Managing Director Infrastructure. Gerard has been with WorleyParsons for over 10 years in roles including Infrastructure business leadership in Australia and Canada and senior management roles in Asia and the Middle East and ANZ;
- Simon Holt who continues as Chief Financial Officer, with expanded responsibility for information management and communications;
- Randy Karren who continues as Group Managing Director *Improve*, with expanded responsibilities for the business line;
- David Steele who takes on leadership of the new Development Group, with expanded responsibility for delivering on mergers and acquisitions and management of investments in the business lines;
- Peter Janu who continues as Company Secretary.

Iain Ross, previously Group Managing Director Development, will drive the implementation of the organizational change program. Barry Bloch, previously Group Managing Director People, will lead the cultural change program integral to the reorganization.

Stuart Bradie, Group Managing Director Operations and Delivery, has decided to leave WorleyParsons to pursue other opportunities.

For further information please contact:

## Analysts & Investors

**Fran van Reyk**

**Investor Relations**

**Ph: +61 2 8456 7256**

**[www.worleyparsons.com](http://www.worleyparsons.com)**

**[investor.relations@worleyparsons.com](mailto:investor.relations@worleyparsons.com)**

## Media

**Geoff Fowlstone**

**Fowlstone Communications**

**Ph: +61 2 9955 9899**

**Mob: +61 413 746 949**

**[geoff@fowlstone.com.au](mailto:geoff@fowlstone.com.au)**