

THE AUSTRALIAN

WorleyParsons upbeat despite 8.8 per cent profit dip

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ENGINEERING and construction company WorleyParsons has forecast stronger earnings for the current year, after a slump in the last fiscal year as mining and energy companies in a number of its key markets sought to cut costs in the face of weaker commodity prices.

The company's net profit fell 8.8 per cent to \$322.1 million in the year through June, from \$353.2 million the year before, despite a jump in revenue to \$8.83 billion from A\$7.41 billion.

It had warned in mid-May of a fall in profit to as little as A\$320 million as major resources projects were postponed in Western Australia and construction slowed in Canada's oil-sands industry.

"The 2013 financial year saw challenging conditions for our industry," chief executive Andrew Wood said, adding the company also was hit by a fall in government spending in South Africa and the US and a jump in costs at a nearly complete power project in Brazil.

Still, Mr Wood said the company's diversification and continued growth in the oil and gas sector were expected to deliver increased earnings in fiscal 2014. He said the company expected organic growth and would also take advantage of acquisition opportunities.

WorleyParsons said it would pay a final dividend of 51c a share, in line with a year earlier and bringing the payout for the year to 92.5c.

The company last month said it had received a contract from South Africa's Sasol for work on a gas-to-liquids and ethane cracker complex that is expected to cost as much as \$US21 billion (\$23 billion), and the month before said it had been selected by Chevron to provide engineering services for five years at operations in Western Australia.