



WorleyParsons

resources & energy

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ASX Release
WORLEYPARSONS LIMITED
(ASX: WOR)

WorleyParsons announces recommended bid for Evans & Peck

WorleyParsons Limited ("WorleyParsons") announces that it has signed an Implementation Agreement with Evans & Peck Group Limited ("Evans and Peck"), agreeing that WorleyParsons will, through a wholly owned subsidiary, make an off-market takeover bid for Evans & Peck on terms and conditions agreed between the parties and that the Evans & Peck board will unanimously recommend that its shareholders accept the offer, in the absence of a superior proposal.

WorleyParsons is offering to acquire all the issued share capital in Evans & Peck for an aggregate consideration valued at \$87.1 million (an equivalent value of \$30.00 per Evans & Peck share). This will be paid as a combination of cash and WorleyParsons Limited shares. The acquisition price represents a multiple of approximately 6 times pro-forma EBITDA (earnings before interest tax depreciation and amortization) of Evans & Peck for the 12 months ended 30 June 2009.

The Implementation Agreement also contains break fee and exclusivity arrangements in favour of WorleyParsons which will be summarised in the bidder's statement. WorleyParsons intends to lodge its bidder's statement with ASIC in the near future. The proposed conditions to the offer are summarised in Annexure A to this announcement.

Evans & Peck, an unlisted public company established in 1985, has approximately 350 employees operating in Sydney, Brisbane, Perth, Melbourne, Hong Kong and Shanghai. Evans & Peck provides high end business advisory services to the public and private sectors specialising in major infrastructure. Operating across the transport, power and energy, resources, water, and social infrastructure sectors, Evans & Peck offers a range of strategic specialist services from business consulting, project strategy and business case development to commercial/contractual support, project delivery and asset management.

Evans & Peck's experience of planning and delivering complex infrastructure will complement the project delivery and consultancy services currently provided to government and resource companies by WorleyParsons' Infrastructure and Environment teams. WorleyParsons' capability to deliver major projects has been recognised across the world with the award of numerous EPCM (engineering, procurement and construction management) and PMC (program management contract) roles on mega projects in the energy and resource sectors.

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Evans & Peck's Chief Executive Officer Mr Rob Aldis said:

"This offer marks a watershed in the evolution of Evans & Peck and will result in excellent opportunities for our staff to develop their careers within a global organisation. Most importantly, it will enable us to provide enhanced value to our clients."

WorleyParsons' Chief Executive Officer Mr John Grill said:

"We are delighted to make the offer to Evans & Peck to become part of the WorleyParsons group. The additional capabilities of Evans & Peck will provide a strategic step up in our ability to support major infrastructure projects – from conception and planning through to implementation phases across Australia and through our network of international offices."

For further information please contact:

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Annexure A - Conditions to the offer

The completion of the Offer and any contract that results from an acceptance of the Offer, are subject to the fulfilment of the conditions set out below:

(a) **Minimum acceptance**

At the end of the Offer Period, WorleyParsons has relevant interests in at least 90% of the Evans & Peck Shares.

(b) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive) any matter, event, change, condition, circumstance or thing which occurs, is announced or becomes known to WorleyParsons (in any such case, individually or when aggregated with all such matters, events, changes, conditions, circumstances and things) has resulted in or may be considered reasonably likely to result in:

- (1) the value of consolidated net assets of the Evans & Peck Group being reduced by at least \$1,000,000 against what they would reasonably have been expected to have been but for the matter, event, change, condition, circumstance or thing (or other than as a result of the payment of the Evans & Peck Permitted Dividend); or
- (2) the consolidated annual net profit after tax of the Evans & Peck Group in respect of either the financial year ending on 30 June 2010 or the financial year ending on 30 June 2011 being reduced by at least \$1,000,000 against what it would reasonably have been expected to have been but for the matter, event, change, condition, circumstance or thing.

(c) **No prescribed occurrences**

Between the Announcement Date and the date 3 business days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happens:

- (1) Evans & Peck converting all or any of the Evans & Peck Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Evans & Peck or a subsidiary of Evans & Peck resolving to reduce its share capital in any way;
- (3) Evans & Peck or a subsidiary of Evans & Peck entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (4) Evans & Peck or a subsidiary of Evans & Peck making an issue of Evans & Peck Shares (other than any Evans & Peck Shares issued upon the exercise of options before 7.00am (Sydney time) on the Register Date) or granting an option over the Evans & Peck Shares or agreeing to make such an issue or grant such an option;
- (5) Evans & Peck or a subsidiary of Evans & Peck issuing, or agreeing to issue, convertible notes;
- (6) Evans & Peck or a subsidiary of Evans & Peck disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;

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- (7) Evans & Peck or a subsidiary of Evans & Peck charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (8) Evans & Peck or a subsidiary of Evans & Peck resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Evans & Peck or of a subsidiary of Evans & Peck;
- (10) the making of an order by a court for the winding up of Evans & Peck or of a subsidiary of Evans & Peck;
- (11) an administrator of Evans & Peck or of a subsidiary of Evans & Peck being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Evans & Peck or a subsidiary of Evans & Peck executing a deed of company arrangement;
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Evans & Peck or of a subsidiary of Evans & Peck.

(d) **Acquisitions, disposals and expenditures**

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Evans & Peck nor any of its Subsidiaries, without the prior written consent of WorleyParsons, acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:

- (1) the manner in which Evans & Peck conducts its business;
- (2) the nature (including balance sheet classification), extent or value of the assets of Evans & Peck; or
- (3) the nature (including balance sheet classification), extent or value of the liabilities of Evans & Peck,

including, without limitation, any transaction which would or (subject to one or more conditions) may involve Evans & Peck or any Subsidiary of Evans & Peck:

- (4) acquiring, or agreeing to acquire, one or more companies, businesses or assets (or any interest therein) for an amount in aggregate greater than \$500,000;
- (5) disposing, or agreeing to dispose of, one or more companies, businesses or assets (or any interest therein) for an amount in aggregate greater than \$500,000;
- (6) entering into any contract or commitment for the provision of services by Evans & Peck and its Subsidiaries other than in the ordinary course of business;
- (7) providing financial accommodation other than to members of the Evans & Peck Group in excess of \$500,000 in aggregate;
- (8) entering into any contract or commitment requiring payments by Evans & Peck and its Subsidiaries in excess of \$500,000 or any other contract or commitment that cannot be terminated on less than 12 months' notice without penalty; or

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- (9) incurring or agreeing to incur an amount of capital expenditure in excess of the amount contained in the budget prepared by Evans & Peck before the date of this bidder's statement in respect of the financial year ending 30 June 2010 or bringing forward any capital expenditure which is not included in the budget prepared by Evans & Peck before the date of this bidder's statement in respect of the financial year ending 30 June 2010.

(e) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), Evans & Peck does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie), other than the Evans & Peck Permitted Dividend.

(f) **Significant decline in the S&P/ASX Index**

Between the Announcement Date and the end of the Offer Period (each inclusive), the S&P/ASX 200 (as recorded on Bloomberg) does not fall below 4,000 points on any two or more consecutive trading days.

(g) **No litigation**

Between the Announcement Date and the end of the Offer Period (each inclusive), no claim, proceedings or litigation against Evans & Peck, which may reasonably result in a judgement of \$500,000 or more, is commenced, is threatened in writing to be commenced, is announced, or is made known to WorleyParsons (whether or not becoming public) or Evans & Peck.

(h) **Regulatory approvals**

- (1) Before the end of the Offer Period, all approvals or consents that are required by law, or by any public authority, as are necessary to permit:

- (A) the Offer to be lawfully made to and accepted by Evans & Peck Shareholders; and
- (B) the transactions contemplated by this Bidder's Statement to be completed (including, without limitation, full, lawful and effectual implementation of the intentions set out in this Bidder's Statement)

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

- (2) Between the Announcement Date and the end of the Offer Period (each inclusive):

- (A) there is not in effect any preliminary or final decision, order or decree issued by any Public Authority;
- (B) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (C) no application is made to any Public Authority (other than by WorleyParsons or any associate of WorleyParsons),

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in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by this Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in this Bidder's Statement) or which requires the divestiture by WorleyParsons of any Evans & Peck Shares or any material assets of Evans & Peck or any subsidiary of Evans & Peck.

(i) **Shareholders' Agreement**

- (1) Before the end of the Offer Period, the holders of at least 60% of the Evans & Peck Shares have agreed to be bound by the terms and conditions of the Amendment Agreement.
- (2) The Evans & Peck Board does not, between the Announcement Date and the end of the Offer Period (each inclusive), exercise its discretion under:
 - (A) clause 9.7(a) of the Shareholders' Agreement to allow the sale of any Evans & Peck Shares; and
 - (B) clause 9.7(b) of the Shareholders' Agreement to allow Evans & Peck to buy-back any Evans & Peck Shares.
- (3) Between the Announcement Date and the end of the Offer Period (each inclusive):
 - (A) no amendments are made to the Shareholders' Agreement (other than those amendments set out in the Amendment Agreement);
 - (B) the Shareholders' Agreement is not terminated; and
 - (C) no amendments are made to Evans & Peck's constitution.

(j) **Options**

Before 7.00am (Sydney time) on the Register Date, any outstanding options to acquire unissued ordinary shares in Evans & Peck have been exercised and converted into Evans & Peck Shares and the names of the former holders of the options have been recorded in Evans & Peck's register of members before that time.

(k) **Key Executives and Senior Employees**

- (1) Before the end of the Offer Period, each of the Key Executives has agreed in writing to be bound by the terms and conditions of an Executive Service Agreement.
- (2) Before the end of the Offer Period, each of the Senior Employees has agreed in writing to be bound by the terms and conditions of a Senior Employee Agreement.

The full terms and conditions of the Offer will be set out in the bidder's statement.

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