

Appendix 4E

Preliminary final report

Name of entity

Ausenco Limited (ASX: AAX)

ABN

31 114 541 114

Current reporting period

31 December 2008

Previous corresponding period

31 December 2007

Results for announcement to the market

				Current period
Revenues from ordinary activities	Up	70.1%	To	\$607.0m
Profit from ordinary activities after tax attributable to members	Up	35.6%	To	\$56.3m
Net profit for the period attributable to members	Up	35.6%	To	\$56.3m

Dividends (distributions)	Amount per security	Franked amount per security at 30% tax
Final dividend paid in respect of the financial year ended 31 December 2008	13.5 cents	13.5 cents
Interim dividend declared subsequent to 30 June 2008	18.25 cents	10.95 cents
Previous corresponding period		
- Final	17.25 cents	10.35 cents
- Interim	13.0 cents	10.40 cents

Date the final dividend is payable

15 April 2009

Record date for determining entitlements to the final dividend

31 March 2009

Dividend reinvestment plan

On 24 February 2008 the Directors of Ausenco Limited announced the implementation of a Dividend Reinvestment Plan (DRP). The DRP enables shareholders to reinvest all or part of their dividends into Ausenco shares at a price determined by the volume weighted average price for the five days immediately preceding and including the dividend record date. The DRP is available for the dividend being paid on 15 April 2009. Shares issued through the DRP are fully paid and rank equally with existing fully paid ordinary shares.

NTA backing	Current period	Previous corresponding Period 31 December 2007
Net tangible asset backing per ordinary security	(\$0.33)	\$0.68

Control gained over entities	Acquisition Date
PSI Group	25 February 2008
Sandwell Group	4 March 2008
Vector Group	31 March 2008
The Group did not lose control of any entities during the reporting period.	



..... Date: 24/02/2009

Craig Allen
Company Secretary

NOTES:

The information contained in this report is for the full year ended 31 December 2008 and the previous corresponding period 31 December 2007.

Australian Accounting Standards are utilised when compiling the report.

The accounts have been audited and are not subject to dispute or qualification.

For the full financial statements including commentary on the results, please refer to the financial report and press release.

Ausenco Limited

ABN 31 114 541 114

Financial Statements for the year ended 31 December 2008

Ausenco Limited ABN 31 114 541 114
Financial statements

Lodged with the ASX under listing Rule 4.3A

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DIRECTOR'S REPORT

YOUR DIRECTORS PRESENT THEIR REPORT ON THE CONSOLIDATED ENTITY (REFERRED TO HEREAFTER AS THE GROUP) CONSISTING OF AUSENCO LIMITED AND THE ENTITIES IT CONTROLLED AT THE END OF, OR DURING, THE YEAR ENDED 31 DECEMBER 2008.

DIRECTORS

The following persons were directors of Ausenco Limited during the whole of the financial year and up to the date of this report:

Wayne Goss
Zimi Meka
George Lloyd
Greg Moynihan (from 19 August 2008)
John O'Reilly (resigned 6 December 2008)
Bob Thorpe
Hank Tuten

PRINCIPAL ACTIVITIES

During the year the principal activities of the Group consisted of the provision of professional engineering design, project management, process controls and operations solutions to the following sectors:

- Minerals
- Infrastructure
- Energy
- Oil and Gas
- Consulting and Environmental

DIVIDENDS - AUSENCO LIMITED

Dividends paid to members during the financial year were as follows:

	2008	2007
	\$'000	\$'000
Interim ordinary dividend for the financial year ended 31 December 2008 of 18.25 cents per share paid on 24 September 2008	16,610	-
Final ordinary dividend for the financial year ended 31 December 2007 of 17.25 cents per share paid on 12 March 2008	14,697	-
Interim ordinary dividend for the financial year ended 31 December 2007 of 13.0 cents per share paid on 19 September 2007	-	10,704
Final ordinary dividend for the financial year ended 31 December 2006 of 7.5 cents per share paid on 18 April 2007	-	6,147
	<u>31,307</u>	<u>16,851</u>

In addition to the above dividends, the Board has approved that Ausenco Limited (the Company) proceeds with the payment of a final 2008 dividend of 13.5 cents per share to be paid on 15 April 2009 out of retained profits as at 31 December 2008. The total final dividend represents an amount of \$12.4 million based on issued share capital of 91.6 million shares. The proposed final dividend is not recognised as a liability as at 31 December 2008 in accordance with AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.

EARNINGS PER SHARE

	2008	2007
	Cents	Cents
Basic earnings per share	62.69	50.45
Diluted earnings per share	60.20	48.97

REVIEW OF OPERATIONS

A summary of the consolidated revenues and results for the 12 months to 31 December 2008 and 2007 is as follows:

	Segment revenues		Segment results	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Minerals	386,560	360,372	63,867	54,580
Infrastructure	171,628	-	21,760	-
Oil and Gas	5,152	-	693	-
Energy	10,305	-	1,068	-
Consulting and Environmental	39,052	-	4,217	-
Intersegment eliminations	(3,035)	-	-	-
Other	13,003	3,088	-	-
	<u>622,665</u>	<u>363,460</u>	<u>91,605</u>	<u>54,580</u>
Depreciation and amortisation expense			(9,850)	(3,102)
unallocated expenses			(10,377)	-
Profit before income tax expense			<u>71,378</u>	<u>51,478</u>
Income tax expense			(15,109)	(9,976)
Profit for the year			<u>56,269</u>	<u>41,502</u>
Profit attributable to members of Ausenco Limited			<u>56,269</u>	<u>41,502</u>

The Group's safety performance for the past 12 months to 31 December 2008 included a total Lost Time Injury Frequency Rate (LTIFR) of 0.74 based on 19.0 million hours worked during this period. Ausenco's safety performance record continues to exceed industry standards and international best practice.

Aggregate revenue for the year of \$607.0 million was up 70.1% on the aggregate revenue of \$356.9 million for the previous financial year. Net profit before tax for the year was \$71.4 million, an increase of 38.7% over the \$51.5 million achieved in the year ended 31 December 2007. Net profit after tax for the year was \$56.3 million, an increase of 35.6% over the previous year.

EBITDA for the year was \$83.1 million, an increase of 60.1% on the previous year. Basic earnings per share is 62.69 cents, an increase of 24.3% over the 50.45 cents per share last financial year. The strong increase in earnings reflects the combination of results from the three business acquisitions undertaken during the year (PSI, Sandwell and Vector) and the continued growth in headcount required to meet project deliverables. These acquisitions have delivered strategic diversity across a range of measures to enable the Group to maintain sustainable earnings.

The Group's earnings before interest and tax (EBIT) margin was 12.1% compared to 13.7% for the previous corresponding period and the after tax profit margin of 9.3% was lower than the 11.6% reported for the 2007 year. The effective tax rate was higher than the previous corresponding period at 21.2% (2007 - 19.4%). The reduced margins are partly a reflection of acquisition costs being expensed.

Net operating cash flow was a negative \$16.6 million, compared to an inflow of \$86.5 million in the previous corresponding year. This is a \$9.3 million improvement to the negative \$25.9 million net operating cash flow reported at the half year. The decrease in net operating cash flow for the year is largely attributable to the reversal of advance billings as key projects progressed towards completion, expenses related to business growth such as the opening of new offices and gearing up for and commencing new projects, cash outflows in connection with the liquidated damages claim at the Lumwana project following the fire at the project in July 2008 and other working capital commitments. Actions to recover a portion of the damages claim arising from the Lumwana fire have been initiated.

The Group's gross cash position at 31 December 2008 was \$46.4 million. Net debt increased to \$66.5 million during the year largely as a result of funding the acquisitions. The net gearing ratio increased to 26.8% while the EBITDA to total interest ratio was 21.1 times (2007: 118.2 times). The Group was in compliance with all financial covenants of the debt facilities at 31 December 2008.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than matters mentioned in this report, no other significant changes in the state of affairs have occurred during the year ended 31 December 2008.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than matters mentioned in this report, no matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect:

- (a) The Group's operations in future financial years
- (b) The results of these operations in future financial years, or
- (c) The Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in and expected results of the operations of the Group have been discussed generally in the annual report. Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATION

The Group does not carry out environmentally sensitive activities in its own right. The Group's principal exposure to environmental risk lies in failing to perform services to the appropriate standard of care, resulting in environmental damage. Assessment and management of such risks forms part of Ausenco's risk management and quality assurance systems. The Directors are not aware of any breaches of environmental regulations as a result of the activities of the consolidated entity.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors (including meetings of committees of Directors) held during the year ended 31 December 2008, and the number of meetings attended by each Director were:

	BOARD		AUDIT COMMITTEE		REMUNERATION COMMITTEE	
	Meetings held while a Director	Number Attended	Meetings held while a Director	Number Attended	Meetings held while a Director	Number Attended
Wayne Goss	8	8	6	6	3	3
Zimi Meka	8	8	-	-	-	-
George Lloyd	8	8	6	6	3	3
Greg Moynihan (from 19 August 2008)	3	3	1	1	-	-
John O'Reilly (resigned 6 December 2008)	7	7	-	-	-	-
Bob Thorpe	8	7	-	-	-	-
Hank Tuten	8	8	5	5	3	3

INFORMATION ON DIRECTORS

Wayne Goss
LLB, MBA, FAICD
Chairman

Wayne Goss was appointed as Chairman in 2002. He is Chairman of the National Board of Deloitte and Chair of Free TV Australia Limited. He is a former director of Ingeus Limited (2003 - 2007), WebCentral Group Limited (2005 - 2006), Peplin Limited (2000 - 2005) and Brisbane Broncos Limited (2004 - 2005). Wayne is also former Chairman of the Board of Trustees of the Queensland Art Gallery (1999 - 2008), Government Reform Commission, South Australian Government (2006 - 2007) and the Advisory Council, Graduate School of Government, University of Sydney (2003 - 2006). He was awarded an Honorary Doctorate by the Queensland University of Technology in 2001, by Griffith University in 2003 and The University of Queensland in 2007. Wayne was admitted as a solicitor of the Supreme Court of Queensland in 1973. He has a Bachelor of Laws (1975) and a Master of Business Administration (1997) from the University of Queensland. He was elected Premier of Queensland in 1989 and served in that capacity until 1996. He is also a Fellow of the Australian Institute of Company Directors and an Adjunct Professor, School of Business at The University of Queensland.

INFORMATION ON DIRECTORS (continued)

Zimi Meka
B Eng (Hons) Mech, MIE Aust, MAICD, RPEQ
Chief Executive Officer

Zimi Meka is one of the founding directors of Ausenco Limited and was appointed as Chief Executive Officer / Managing Director in 1999. Zimi's background includes senior roles in engineering and operations companies prior to the formation of Ausenco in 1991. He has over 25 years experience in the design, construction and operation of a wide range of processing plants and infrastructure in the minerals industry in Australia and internationally.

George Lloyd
MBA, B Eng Sc (Industrial), FAusIMM
Non-Executive Director

George Lloyd is involved in providing advisory services to the resources sector. He is Chairman and an Executive Director of AWR Lloyd, an Asian-based firm providing mergers and acquisitions, corporate strategy, industrial research and investor relations advisory services to the mining and energy industries in Asia and Australia. He is also Chairman of Pryme Oil and Gas Limited (director since January 2008), and Chairman of Cape Alumina Limited (director since January 2008). George has over thirty years resource industry experience and has served as a senior executive and a board member of a number of listed and unlisted Australian resource companies with interests in minerals, energy and industry services. Board positions held in the past three years include non-executive director of Equatorial Mining Limited, from (2007- 2008), and non-executive director of Goldlink Income Plus Limited, from (2002- 2006).

Greg Moynihan
BCom, Grad Dip SIA, ASA, Fellow FINSIA, MAICD
Non-Executive Director

Greg Moynihan has spent most of his career within the broad finance sector and is a former CEO of Metway Bank Limited. He has held senior executive positions in Citibank Australia, Metway, and Suncorp Metway covering a range of disciplines including financial and capital management, investment management, and corporate strategy. Since leaving Suncorp Metway in 2003, he has pursued a number of business interests, primarily in the investment management and private equity sectors. Greg has held directorships with Cashcard Australia Ltd, LJ Hooker Ltd, RACQ Insurance Ltd, HFA Limited, Suncorp Metway Ltd (various subsidiaries), and First Base Pooled Development Fund. He is currently a director of Sunwater Limited (director since 2007), Calbridge Ltd (Investment Management) (director since 2003), GRG Residential Pty Ltd (director since 2005), UAP Holdings Pty. Ltd. (director since 2007) and private investment companies.

Bob Thorpe
B Tech (Mech), MIE Aust, MAICD
Non-Executive Director

Bob Thorpe was Ausenco's founding Managing Director until retiring from the role in 1999. Prior to the formation of Ausenco in 1991, Bob held Director and General Manager positions in engineering and operations management companies in Queensland and Western Australia. Bob has more than 33 years experience in design, engineering, project management, construction, operation and maintenance of large scale processing plants in Australia and internationally. He also has significant experience in contractual and commercial management, estimating systems and corporate risk management. Bob is currently a non-executive director of Cloncurry Metals Limited (director since 2007).

Hank Tuten
BA Econ
Non-Executive Director

Hank Tuten is a partner in and chairs the Investment Committee of Resource Capital Funds, a United States based investment fund. Prior to this, Hank spent more than 15 years with the N M Rothschild and Sons Group. During that period he was progressively, the Chief Executive Officer of Rothschild Australia Limited, Rothschild North America Inc. and Continuation Investments, the Rothschild Group's private equity arm. Hank has also had experience as a commercial banker with the Philadelphia National Bank. He is a non-executive director of Australian Solomons Gold Limited (director since December 2004).

INSURANCE OF OFFICERS

During the financial year, the Group paid a premium to insure the Directors and secretary of Ausenco, and the general managers of each of the divisions of the consolidated entity. The contracts prohibit the disclosure of the amounts of premiums paid.

INSURANCE OF OFFICERS (continued)

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entities, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

NON-AUDIT SERVICES

The Group may employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2008	Consolidated
	\$	2007 \$
AUDIT SERVICES		
PricewaterhouseCoopers Australian firm:		
Audit and review of financial report	377,253	186,255
Related practices of PricewaterhouseCoopers Australian firm	296,561	-
Non-PricewaterhouseCoopers audit firms for the audit or review of financial reports of any entity in the Group	<u>11,964</u>	<u>-</u>
Total remuneration for audit services	<u>685,778</u>	<u>186,255</u>
OTHER ASSURANCE SERVICES		
PricewaterhouseCoopers Australian firm:		
Due diligence services	76,790	175,875
Other accounting services	41,419	18,108
Related practices of PricewaterhouseCoopers Australian firm:		
Due diligence services	750,013	-
Other accounting services	18,169	-
Non-PricewaterhouseCoopers audit firms	<u>2,244</u>	<u>-</u>
Total remuneration for other assurance services	<u>888,635</u>	<u>193,983</u>
TAXATION SERVICES		
PricewaterhouseCoopers Australian firm:		
Tax compliance services	40,777	86,908
International tax consulting, tax, mergers, acquisition advice	-	51,866
Related practices of PricewaterhouseCoopers Australian firm	58,203	-
Non-PricewaterhouseCoopers audit firms	<u>91,466</u>	<u>-</u>
Total remuneration for taxation services	<u>190,446</u>	<u>138,774</u>
Total remuneration for audit and non-audit services	<u>1,764,859</u>	<u>519,012</u>

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITORS

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

REMUNERATION REPORT

COMPANY PERFORMANCE

The Company listed on the Australian Stock Exchange ("ASX") in June 2006. The graph below illustrates the performance of the Company's shares since it began trading as a listed company.

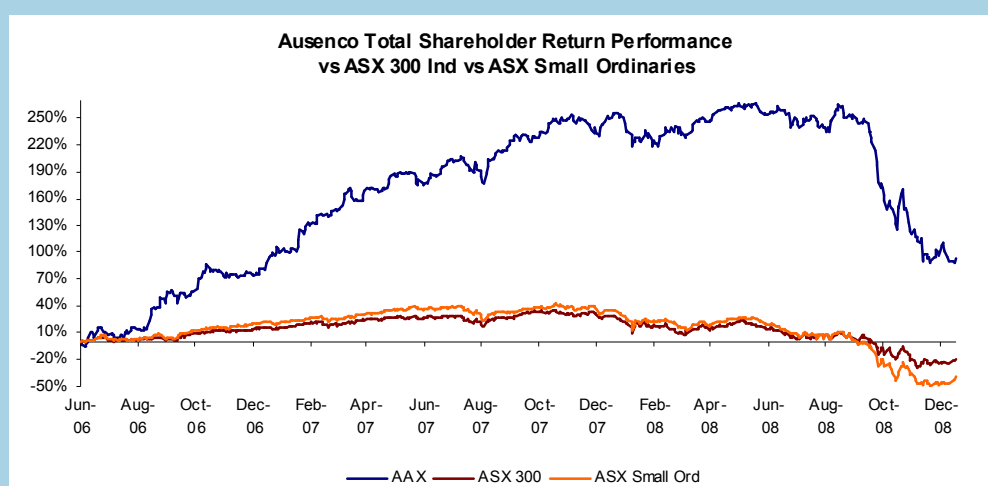
Since listing in June 2006 the Group's Total Shareholder Return (TSR) has been 183%. During the year the TSR was negative 83%, impacted by a significant decline in market conditions and the general economic environment.

DIVIDENDS

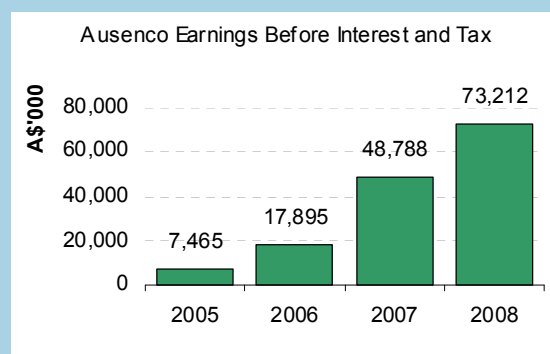
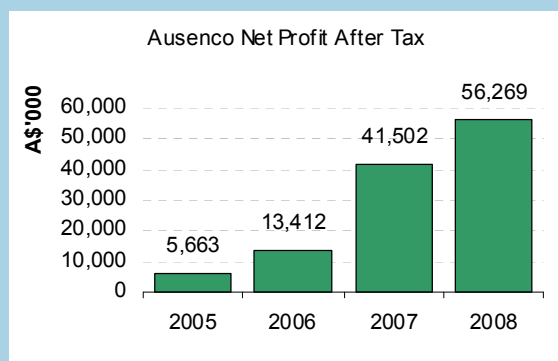
Since listing in June 2006, the Company has paid / declared the following dividends franked as follows:

Interim and Final Dividend 2007	30.25 cps, 69% franked
Interim and Final Dividend 2008	31.75 cps, 72% franked

The following graph illustrates the impact of the Group's performance on shareholder wealth, showing the Group's TSR performance against the ASX Small Ordinaries Index and ASX 300 indices since listing.



The Group's annual compound EBIT growth since 2005 of 114% is illustrated in the following two diagrams highlighting the Group's full year Earnings Before Interest and Taxes ("EBIT") and Net Profit After Tax ("NPAT") annual growth.



REMUNERATION REPORT (continued)

REMUNERATION COMMITTEE

The Remuneration Committee ("Committee") was established as a sub committee of the Board in April 2006. The Committee is governed by its charter, which sets out the membership, responsibilities, authority and activities of the Committee. The Charter is available in the Investor Relations section of the Group's website www.ausenco.com.

The Committee met three times during the financial year. Attendance at those meetings is detailed in this Directors' Report.

The following Directors were members of the Committee during the year:

Name	Position	Duration
Hank Tuten	Chairman	From April 2006
Wayne Goss	Member	From April 2006
George Lloyd	Member	From April 2006

The Committee invites members of management to assist in its deliberations (except concerning their own remuneration).

REMUNERATION POLICY AND STRUCTURE

The Committee is responsible for ensuring that the Group has coherent remuneration policies and practices which enable it to attract and retain executives, Directors and employees who will generate sustained business performance, create value for shareholders and support the Group's goals and values.

The Committee has recommended and the Board adopted, remuneration policies that are designed to:

- enable review of and where appropriate reflect market practices and trends in remuneration matters
- facilitate recommendations to the Board in relation to the Group's remuneration policies and procedures
- enable monitoring of the performance of Directors, senior management and non-executive Directors, and
- facilitate recommendations to the Board in relation to the remuneration of senior management and non-executive Directors.

The executive remuneration and reward framework provides a mix of fixed and variable remuneration, and a blend of short and long term incentives. As executives gain seniority in the Group, the balance of this mix shifts to a higher proportion of "at risk" rewards. The framework has three components comprising the executive's total remuneration:

1. **Fixed remuneration and benefits** set by reference to market data and not directly related to the Group's financial performance.
2. **Short-term performance incentives** set by reference to market data and not wholly related to the Group's financial performance.
3. **Long-term performance incentives** aligned with those drivers which the Board believes will underpin sustainable long-term growth in shareholder value.

KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES' REMUNERATION

The Remuneration Report shows remuneration information for the Key Management Personnel (KMP) of Ausenco and the Company as defined in AASB 124 Related Party Disclosures. The remuneration structure for non executive Directors is necessarily different to the structure employed for Senior Executive personnel. The remuneration arrangements for each of these groups are discussed separately in this report, with KMP individuals divided into three separate groups for the ease of reference:

NON EXECUTIVE DIRECTORS, being those individuals listed on pages 3 to 4 of the Annual Report.

EXECUTIVE DIRECTOR, being Mr Zimi Meka, the Chief Executive Officer. Mr Meka is a KMP. Mr Meka was also a KMP during 2007 and continues to hold the same position in 2008.

REMUNERATION REPORT (continued)

OTHER SENIOR EXECUTIVES, being those individuals who report directly to the Chief Executive Officer and have the requisite authority and responsibility for planning, directing and controlling the activities of the Group and the Company. These individuals are listed below. They are all KMP of the Group and the Company. Messrs Craig Allen and Ken Roxburgh were also KMP during 2007 and continued to hold the same positions in 2008. Mr Neil Trembath was appointed as Group General Manager, People and Performance in February 2008. Mr Nick Bell was appointed as Chief Operating Officer in May 2008. Mr Paul Young was appointed as Chief Information Officer in May 2008. Mr Greg Chrisfield was appointed as Group General Manager, HSEC on 12 January 2009.

SENIOR EXECUTIVE REMUNERATION POLICY

The Group's Senior Executive remuneration and reward structure is designed to:

- demonstrate a clear relationship between the Group's and executive's performance and remuneration
- provide sufficient and reasonable rewards to ensure the Group attracts and retains suitably qualified executives for key roles on a global, regional and local basis
- apply quantifiable and measurable performance targets that are aligned to the Group's strategic plan, within an appropriate control framework
- measure and reward executive performance using financial and non-financial key performance indicators which are structured to include both lead and lag indicators of performance.

The Board recognises that it is necessary for remuneration packages of Senior Executives to include both a fixed component and an incentive or performance related component, a portion of which is an equity component which vests at the end of each two, three and four year period following grant.

The relative proportion of total remuneration packages that is performance based is set out in the table below:

Role Title	Name	Fixed Remuneration	Short-Term incentive	Long-Term incentive
Chief Executive Officer	Zimi Meka	51%	21%	28%
Chief Financial Officer	Craig Allen	58%	18%	24%
Chief Operating Officer	Nick Bell ^a	62%	16%	22%
Group General Manager, HSEC	Greg Chrisfield ^b	72%	12%	16%
Group General Manager, Commercial and Risk	Ken Roxburgh	78%	9%	13%
Group General Manager, People and Performance	Neil Trembath ^c	72%	12%	16%
Chief Information Officer	Paul Young ^d	83%	17%	-

a Mr Bell was appointed Chief Operating Officer on 19 May 2008.

b Mr Chrisfield was appointed Group General Manager, HSEC on 12 January 2009.

c Mr Trembath was appointed Group General Manager, People and Performance on 11 February 2008.

d Mr Young was appointed Chief Information Officer on 19 May 2008.

FIXED REMUNERATION

The total remuneration packages for Senior Executives contain a fixed component. This is expressed as a specific amount that the executive may take in a form agreed with the Group and is determined based on the scope and nature of the individual's role, their performance and experience. The fixed component of remuneration is set at a level to reflect the market range for a comparable role. In addition, the past performance of the executive is assessed, as are the performance of business units within his or her control and the contribution of the executive to the overall performance of the Group.

REMUNERATION REPORT (continued)

Senior Executives may choose to receive benefits by way of salary sacrificed motor vehicles and superannuation. All benefits received by Senior Executives are disclosed below. In addition, the Group provides superannuation in accordance with its legal obligations in the relevant global jurisdictions.

SHORT TERM INCENTIVE ("STI") PLAN

The terms of employment for Senior Executives contain a short term annual performance based component. The STI plan involves linking specific targets or key performance indicators ("KPIs") with the opportunity to earn cash incentives based on a percentage of base salary.

Any portion of the STI that is not achieved in any financial year may not be deferred to future financial years.

Currently 25% of the KPIs for the STI plan relate to financial performance. In general, the performance conditions are related to the Group's overall profitability and the financial performance of the Group when measured against the annual business plan.

75% of the KPIs for the STI plan relate to non financial performance. These non financial indicators include both lead and lag indicators and are directly linked to the KPIs included in the Group's strategic plan. The non financial KPIs are linked to outstanding performance in the following areas:

- client satisfaction
- health, safety and the environment in support of Group's objective of "Safety in all we do"
- people management and development, and
- adherence to and implementation of the Group's strategic business plan.

The Board considers these performance conditions to be appropriate because they directly link remuneration to the strategic objectives and direction of Ausenco, achievement of financial and non financial targets and identification of new growth opportunities that are important for Ausenco's future success.

The basis for determining whether the performance criteria for the financial KPIs are met is an objective measurement against the audited financial statements for the financial year. The non financial KPIs are assessed as measured against relevant criteria which take into account the Group's safety performance, people and performance measures including retention, and specific actions required to implement the business plan. Measurement of the non financial KPIs involves the assessment of a combination of objective measures, e.g. safety performances as measured by Lost Time Injury Frequency Rate ("LTIFR"). KPIs are generally chosen because they focus on the key behaviours or results the Group seeks to attain, are capable of measurement and can be readily audited.

In addition to the annual targets described above, significant projects are from time to time assigned their own KPIs. These KPIs are tailored to deliver specific project outcomes. There were no special projects of this kind during the 2008 financial year.

LONG TERM INCENTIVE ("LTI") PLAN

The Group's LTI plan is designed to link executive reward with the key performance drivers which underpin sustainable long term growth in total shareholder return, comprising earnings growth, share price appreciation, dividends and capital returns to shareholders.

The Board determines on an annual basis whether the LTI plan will operate in the year. Participation in the LTI plan is offered at the discretion of the Board to eligible executives who are able to influence the generation of shareholder wealth over the long term. The LTI plan provides the opportunity to receive performance rights, subject to the satisfaction of performance hurdles and vesting periods.

REMUNERATION REPORT (continued)

PERFORMANCE RIGHTS PLAN ("PRP")

The Group's PRP provides for performance rights to be issued to eligible employees. Under the PRP, eligible employees are invited to apply for performance rights, each of which entitles the holder to subscribe for one fully paid ordinary share in the Company at a nil exercise price (i.e. zero priced options).

Subject to the relevant performance hurdles being satisfied, each performance right entitles the holder to subscribe for one fully paid ordinary share in the Company at a nil exercise price. One third of the rights granted vest at the end of each two, three and four year period following grant, subject to an overriding service condition. Performance rights carry no dividend or voting rights.

Where a participant leaves the Group, the terms of the PRP prescribed that the Board may exercise its discretion to allow a proportion of performance rights to vest and be exercised. The Board may deem any performance rights to have lapsed if, in the opinion of the Board, the executive acts fraudulently or dishonestly or is in breach of any of their obligations to the Group.

In the event of a takeover or other formal scheme for the acquisition of the shares of the Group, the Directors may exercise their discretion to determine that all unvested performance rights vest, subject to further conditions to be determined by the Board.

PERFORMANCE RIGHTS HURDLES

The Group uses dual measures of EPS growth and TSR as part of its PRP. The Board believes that the combination of EPS growth and TSR is the most appropriate measure for Ausenco at its current stage of development and best reflects current market practice.

Up to 40% of each Senior Executive's performance rights are exercisable subject to EPS measurement in accordance with the following table. The balance of each Senior Executive's performance rights entitlement for each year will be measured by the Group's TSR against an ASX index TSR determined by the Committee to apply to that grant. For the 2008 year this index has been determined to be the ASX 300 Index (2007: ASX 300).

PERFORMANCE RIGHTS			
Earnings Per Share Targets (40%)		Total Shareholder Return Targets (60%)	
EPS growth above CPI performance target	Rights Vesting	TSR growth above the ASX 300	Rights vesting
Less than 4% above CPI 0.0%	0.00%	Less than 50% percentile	0.00%
4% above CPI target	20.00%	At 50% percentile	30.00%
More than 4% above CPI target	An additional 5% for each 1 % increment	More than 50% percentile and up to 75%	From 51st to 75th, 1.2% increase for each 1.2% percentile increase
More than 8% above CPI target	40.00%	More than 75% percentile	60.00%

Basic earnings per share is determined by dividing the operating profit attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year, as required under AASB 133 Earnings per Share. Growth in EPS will be measured by comparing the EPS in the base year and the measurement years calculated on a normalised basis. EPS growth of 24.3% was more than 8% above the CPI target in 2008 and therefore 100% of the 40% component will vest.

The TSR measure represents the change in the capital value of a listed entity's share price over a period, plus dividends, expressed as a percentage of the opening value. The TSR growth for 2008 at negative 83% was less than the 50% percentile of the ASX300 and therefore 0% of the 60% component will vest.

REMUNERATION REPORT (continued)

EXECUTIVE OPTIONS PLAN ("EOP")

Prior to the Company's listing on the ASX, it operated a cash based incentive plan which provided conditions for attraction and retention of Senior Executives and was commensurate with individual performance. The EOP was established in April 2006 as a replacement LTI plan for Senior Executives and to also operate as a complimentary reward mechanism for eligible executive employees in specific circumstances.

Under the EOP, eligible executive employees are invited to apply for options, each of which entitles the holder to subscribe for one fully paid ordinary share in the Company at an exercise price equal to the Company's share market price at the time of grant. The EOP provides for options, with associated time based vesting conditions, to be issued to eligible executive employees.

Options are granted for a three year period, with one third of each option tranche vesting and becoming exercisable after each subsequent annual anniversary of the date of grant, subject to an overriding service condition. Options expire five years after the date of grant. Options granted under the EOP carry no dividend or voting rights.

Where a participant leaves the Group, the terms of the EOP prescribe that the Board may exercise its discretion to allow a proportion of performance rights to vest and be exercised. The Board may deem any options to have lapsed if, in the opinion of the Board, the executive acts fraudulently or dishonestly or is in breach of any of their obligations to the Group.

In the event of a takeover or other formal scheme for the acquisition of the Shares in the Group, the Directors may exercise their discretion to determine that all unvested options vest, subject to further conditions to be determined by the Board.

EMPLOYEE SHARE ACQUISITION PLAN ("ESAP")

The ESAP was approved by shareholders in 2006 and launched in August 2008. The Plan is available to personnel employed on a permanent basis by the Group ("Eligible Employees").

The ESAP was designed to assist with retaining permanent employees of the Group by enabling them to share in the organisation's success. The ESAP provides the Group's Eligible Employees with an enhanced opportunity to acquire Shares ("Plan Shares") in the Company.

Under the Plan, Eligible Employees can choose to purchase Ausenco Plan Shares up to a specified percentage of their base salary. This "Employee Contribution" amount is matched by Ausenco with an equal Company Contribution for an equivalent number of Plan Shares, vesting pro-rata over the next three years.

Plan Shares purchased under the Plan will be available for sale by transfer to each Eligible Employee in three (3) equal annual instalments. These restrictions are removed from Plan Shares purchased with the employee contribution if a participating Eligible Employee ceases employment with the Group. Plan participants who cease employment with the Group will forfeit any shares purchased with the Company Contribution unless those shares have already passed their vesting periods.

Plan Shares may only be held by the Trustee for a maximum of 10 years. At the expiry of 10 years, vested Plan Shares will be transferred to the relevant Eligible Employee.

OPTIONS AND RIGHTS AS REMUNERATION

Details of performance rights and options over ordinary shares in the Company provided as remuneration to each of the Group's Senior Executives are set out below. When exercisable, each performance right and option is convertible into one ordinary share of the Company.

Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

The assessed fair value at grant date of the performance rights and options granted to the individuals is allocated equally over the period from grant date to vesting date and the amount is included in the remuneration tables shown below. During the year, the Group granted rights to Senior Executives set out in the following table:

REMUNERATION REPORT (continued)

	Number of options held at 1Jan 2008 ^a	Performance rights granted in the current financial year	Options granted in the current financial year	Options / Rights exercised during the current financial year	Options / Rights forfeited during the current financial year	Number of options / rights held at 31Dec 2008 ^b	Number of options / rights vested in the current financial year	Number of options / rights vested at 31 Dec 2008 ^b
EXECUTIVE DIRECTOR								
Zimi Meka	534,273	36,168	-	-	-	570,441	233,647	233,647
Total	534,273	36,168	-	-	-	570,441	233,647	233,647
KEY MANAGEMENT PERSONNEL								
Craig Allen	284,728	21,405	-	122,687	-	183,446	122,687	-
Nick Bell ^c	-	11,538	40,000	-	-	51,538	-	-
Greg Chrisfield ^d	-	-	-	-	-	-	-	-
Ken Roxburgh	198,984	6,495	-	100,000	-	105,479	66,328	16,328
Brett Smith ^e	361,937	21,843	-	-	-	383,780	159,535	42,868
Neil Trembath ^f	-	7,815	-	-	-	7,815	-	-
Donna Williams ^g	-	-	-	-	-	-	-	-
Paul Young ^h	-	-	-	-	-	-	-	-
Total	845,649	69,096	40,000	222,687	-	732,058	348,550	59,196
Grand Total	1,379,922	105,264	40,000	222,687	-	1,302,499	582,197	292,843

a Or date of appointment if later.

b Or date of retirement / resignation if earlier.

c Mr Bell was appointed Chief Operating Officer on 19 May 2008.

d Mr Chrisfield was appointed Group General Manager, HSEC on 12 January 2009.

e Mr Smith ceased to be Key Management Personnel on 18 May 2008.

f Mr Trembath was appointed Group General Manager, People and Performance on 11 February 2008.

g Ms Williams ceased to be Key Management Personnel on 10 February 2008.

h Mr Young was appointed Chief Information Officer on 19 May 2008.

	Number of options held at 1Jan 2007 ^a	Performance rights granted in the current financial year	Options / Rights granted in the current financial year	Options / Rights exercised during the current financial year	Options / Rights forfeited during the current financial year	Number of options / rights held at 31Dec 2007 ^b	Number of options / rights vested in the current financial year	Number of options / rights vested at 31Dec 2007 ^b
EXECUTIVE DIRECTOR								
Zimi Meka	700,940	-	-	166,667	-	534,273	166,667	-
Total	700,940	-	-	166,667	-	534,273	166,667	-
KEY MANAGEMENT PERSONNEL								
Craig Allen	368,062	-	-	83,334	-	284,728	83,334	-
Wayne Anderson ^c	136,000	-	-	33,334	-	102,666	33,334	-
Peter Hrstich ^c	228,224	-	-	50,000	-	178,224	50,000	-
Ken Roxburgh	198,984	-	-	-	-	198,984	-	50,000
Brett Smith ^d	478,604	-	-	116,667	-	361,937	116,667	-
Neil Trembath ^e	-	-	-	-	-	-	-	-
Donna Williams ^f	-	-	-	-	-	-	-	-
Total	1,409,874	-	-	283,335	-	1,126,539	283,335	50,000
Grand Total	2,110,814	-	-	450,002	-	1,660,812	450,002	50,000

REMUNERATION REPORT (continued)

- a Or date of appointment if later.
- b Or date of retirement / resignation if earlier.
- c Mr Anderson and Mr Hrstich ceased to be Key Management Personnel on 31 December 2007.
- d Mr Smith ceased to be Key Management Personnel on 18 May 2008.
- e Mr Trembath was appointed Group General Manager, People and Performance on 11 February 2008.
- f Ms Williams was appointed General Manager, People and Performance on 1 August 2007.

The following table shows unissued ordinary shares of Ausenco Limited under option at the date of this report:

Grant Date	Expiry date	Exercise Price	Fair Value	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Exercisable at end of the year
27-Apr-06	27-Apr-11	\$1.00	\$0.20	1,366,663	-	541,666	-	824,997	166,667
18-Dec-06	18-Dec-11	-	\$1.42	1,023,276	-	69,734	-	953,542	271,358
19-Feb-08	19-Feb-15	-	\$5.95	-	233,805	-	3,654	230,151	2,380
25-Feb-08	19-Feb-15	-	\$5.95	-	37,248	-	-	37,248	-
05-Mar-08	19-Feb-15	-	\$5.95	-	41,580	-	-	41,580	-
31-Mar-08	18-Dec-11	-	\$6.25	-	837	-	837	-	-
31-Mar-08	10-Sep-12	-	\$6.10	-	2,982	-	-	2,982	2,982
23-Jun-08	31-Dec-11	-	\$11.20	-	40,000	-	-	40,000	-
23-Jun-08	19-Feb-15	-	\$5.95	-	11,538	-	-	11,538	-
				2,389,939	367,990	611,400	4,491	2,142,038	443,387
Weighted average exercise price				0.57	-	0.88	-	0.38	0.37

For options granted, the fair value at a grant date is determined using the Hull-White option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The model inputs for the options and performance rights granted during the year ended 31 December 2008 included:

- (a) Share price at grant dates in 2008 is between \$10.72 and \$11.95; (2006 issue: \$1.70 and \$3.10)
- (b) Expected price volatility of the company's shares: 44.3%; (2006 issue: 30%)
- (c) Expected dividend yield: 2.75%; and (2006 issue: 5.5%)
- (d) Risk-free interest rate: 6.10% (2006 Issue: between 5.6% and 5.8%).

The expected price volatility is based on historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

EXECUTIVE SERVICE AGREEMENTS

The remuneration and other terms of employment for Senior Executives are formalised in Executive Service Agreements. These agreements provide for the Senior Executive's remuneration, including fixed annual remuneration and performance related STI plan (cash bonuses as disclosed below), and may include participation in the LTI plan.

As part of their fixed annual remuneration, Senior Executives may receive benefits including motor vehicles. In addition, fixed annual remuneration will include provision for superannuation, pension scheme and like benefits or payments which Ausenco is required to provide in respect of its employees.

Specific Information regarding the Executive Service Agreements for Senior Executives is summarised below:

REMUNERATION REPORT (continued)

Name	Position	Term of agreement / contract and date commenced if during the year	Total Employment Cost ^g	Target STI ^h	Notice Period – Employee	Notice Period - Company
Zimi Meka	Chief Executive Officer	3 years from 15 June 2006 *	517,750	40%	6 months	6 months
Craig Allen	Chief Financial Officer	No fixed term	408,750	30%	6 months	6 months
Nick Bell ^a	Chief Operating Officer	No fixed term	490,500	26%	6 months	6 months
Greg Chrisfield ^b	General Manager, HSEC	No fixed term	299,750	16%	6 months	6 months
Ken Roxburgh	Group General Manager, Commercial and Risk	No fixed term	310,000	12%	6 months	6 months
Brett Smith ^c	Managing Director, Minerals	No fixed term	446,900	28%	6 months	6 months
Neil Trembath ^d	Group General Manager, People and Performance	No fixed term	305,200	16%	6 months	6 months
Donna Williams ^e	General Manager, People and Performance	No fixed term	261,600	40%	6 months	6 months
Paul Young ^f	Chief Information Officer	No fixed term	215,820	20%	6 months	6 months

a Mr Bell was appointed Chief Operating Officer on 19 May 2008.

b Mr Chrisfield was appointed General Manager, HSEC on 12 January 2009.

c Mr Smith ceased to be Key Management Personnel on 18 May 2008.

d Mr Trembath was appointed Group General Manager, People and Performance on 11 February 2008.

e Ms Williams ceased to be Key Management Personnel on 10 February 2008.

f Mr Young was appointed Chief Information Officer on 19 May 2008.

g Total Employment Cost (TEC) is Ausenco's primary measure of fixed remuneration - which includes annual base salary, superannuation and non-monetary benefits but excludes leave accrued but not taken. It does not include STI or LTI payments.

h Target STI as a percentage of base salary is subject to achievement of individual and Ausenco's performance objectives and overall compliance with Ausenco's values. The Target STI percentage (shown above) has been accrued at 100% and represents the amount payable for Ausenco and the individuals achieving on-target performance. Achieving threshold or stretch goals to these objectives acts as a multiplier to these individual STI targets.

* Mr Meka's employment contract provides for successive three year rollover terms unless otherwise terminated by the giving of notice.

REMUNERATION REPORT (continued)

REMUNERATION PAID AND OTHER SPECIFIC DISCLOSURES

Details of Remuneration

Details of the remuneration paid to Senior Executives of Ausenco and the Company during the 2008 and 2007 financial years are set out in the following table:

Details of Remuneration		Primary Benefits		Long term benefits	Post Employment		Share Based Payments		Total	Percentage of remuneration from share based payments
		Salary and Fees	STI/ Cash Bonus	Non-monetary Benefits	Long Service Leave	Super-annuation benefits	Executive Options	Performance Rights Plan		
		\$	\$	\$		\$	\$	\$	\$	\$
EXECUTIVE DIRECTORS										
Zimi Meka	FY 2008	502,842	105,640	-	7,917	43,363	16,860	182,748	859,370	23.2%
	FY 2007	350,000	105,000	-	5,833	44,888	39,198	156,097	701,016	27.9%
Sub-total	FY 2008	502,842	105,640	-	7,917	43,363	16,860	182,748	859,370	23.2%
	FY 2007	350,000	105,000	-	5,833	44,888	39,198	156,097	701,016	27.9%
KEY EXECUTIVE MANAGEMENT PERSONNEL										
Craig Allen	FY 2008 ^a	408,605	62,550	-	-	46,899	8,146	101,286	627,486	17.4%
	FY 2007 ^a	286,482	104,375	2,972	-	34,909	19,599	91,764	540,101	20.6%
Wayne Anderson ^a	FY 2008	-	-	-	-	-	-	-	-	-
	FY 2007 ^a	251,263	72,500	2,972	-	23,315	7,840	27,980	385,870	9.3%
Nick Bell ^b	FY 2008 ^a	279,808	40,332	-	-	25,183	115,516	23,383	484,222	28.7%
	FY 2007	-	-	-	-	-	-	-	-	-
Greg Chrisfield ^c	FY 2008	-	-	-	-	-	-	-	-	-
	FY 2007	-	-	-	-	-	-	-	-	-
Jeff Hall ^d	FY 2008 ^a	120,000	867,812	-	-	-	-	-	987,812	-
	FY 2007	-	-	-	-	-	-	-	-	-
Peter Hrstich ^a	FY 2008	-	-	-	-	-	-	-	-	-
	FY 2007 ^a	278,750	60,250	2,972	-	30,299	11,760	60,800	444,831	16.3%
Ken Roxburgh	FY 2008 ^a	284,404	18,975	13,718	-	28,668	4,888	37,188	387,841	10.8%
	FY 2007 ^a	284,404	25,596	2,972	-	26,364	11,760	38,074	389,170	12.8%
Brett Smith ^e	FY 2008	197,146	56,654	-	-	12,461	4,277	40,254	310,792	14.3%
	FY 2007 ^a	342,870	86,100	18,002	-	21,697	27,439	99,958	596,066	21.4%
Hacy Tobias ^f	FY 2008	-	-	-	-	-	-	-	-	-
	FY 2007	148,982	-	2,972	-	24,375	15,339	-	191,668	8.0%
Neil Trembath ^g	FY 2008 ^a	249,488	21,920	-	-	22,454	-	15,838	309,700	5.1%
	FY 2007	-	-	-	-	-	-	-	-	-
Donna Williams ^h	FY 2008	26,795	-	-	-	2,412	-	-	29,207	-
	FY 2007	175,541	46,300	-	-	18,319	-	-	240,160	-
Paul Young ⁱ	FY 2008	124,766	14,879	-	-	11,229	-	-	150,874	-
	FY 2007	-	-	-	-	-	-	-	-	-
Sub-total	FY 2008	1,691,012	1,083,122	13,718	-	149,306	132,827	217,949	3,287,934	10.7%
	FY 2007	1,768,292	395,121	32,862	-	179,278	93,737	318,576	2,787,866	14.8%
Grand Total	FY 2008	2,193,854	1,188,762	13,718	7,917	192,669	149,687	400,697	4,147,304	13.3%
	FY 2007	2,118,292	500,121	32,862	5,833	224,166	132,935	474,673	3,488,882	17.4%

REMUNERATION REPORT (continued)

- a Mr Anderson and Mr Hrstich ceased to be Key Management Personnel on 31 December 2007.
- b Mr Bell was appointed Chief Operating Officer on 19 May 2008.
- c Mr Chrisfield was appointed Group General Manager, HSEC on 12 January 2009.
- d Mr Hall is highest paid executive but not Key Management Personnel. The bonus amount of \$867,812 is attributable to successful acquisitions.
- e Mr Smith ceased to be Key Management Personnel on 18 May 2008.
- f Ms Tobias left the appointment of General Manager, People and Performance on 1 August 2007.
- g Mr Trembath was appointed Group General Manager, People and Performance on 11 February 2008.
- h Ms Williams was appointed General Manager, People and Performance on 1 August 2007, replacing Ms Tobias. Prior to this appointment Ms Williams held a previous role with Ausenco. Ms Williams ceased to be Key Management Personnel on 10 February 2008.
- i Mr Young was appointed Chief Information Officer on 19 May 2008.
- ^ A highest paid executive.

NON EXECUTIVE DIRECTOR REMUNERATION POLICY

Non Executive Director Remuneration Policy

The fees paid to non-executive Directors are set at levels which reflect both the responsibilities of, and the time commitments required from each non-executive Director to discharge their duties. The non-executive Directors do not receive performance related payments.

In setting fee levels for the non-executive Directors, the Committee, which makes recommendations to the Board, takes into account

- The Group's remuneration policies
- independent professional advice
- fees paid by comparable companies
- the general time commitment required from Directors and the risks associated with discharging the duties attaching to the role of Director, and
- the level of remuneration necessary to attract and retain directors of a suitable calibre.

Non-executive Directors' fees, including Committee fees, are set by the Board within the maximum aggregate amount of \$480,000 (2007: \$480,000) approved by shareholders at the 2005 Annual General Meeting. Total fees paid during the 2008 financial year were \$352,064 (2007: \$322,497).

Non-executive directors receive a base fee of \$75,300 (2007: \$70,000) per annum in relation to their services as a director. The Chairman of the Board receives an annual fee of \$154,800 (2007: \$130,000) reflecting the greater time commitment required. The Chairman of the Board does not receive any additional fees for Committee membership or participation. There are no additional fees paid to Directors who sit on sub committees such as the Remuneration Committee and the Audit Committee.

In accordance with Rule 13.4 of the Constitution, directors are also permitted to be paid additional fees for special duties which may be in addition to, or in substitution of fees otherwise paid to directors, within the aggregate remuneration cap approved by shareholders.

Directors are also entitled to be reimbursed for all business related expenses, including travel on the Group's business, which may be incurred in discharge of their duties.

REMUNERATION REPORT (continued)

Superannuation contributions are made on behalf of the non-executive Directors in accordance with Ausenco's statutory superannuation obligations.

The Board, with the assistance of the Committee, reviews its approach to non executive Director remuneration to ensure it remains in line with general industry practice principles of corporate governance.

The non-executive Director fee arrangements were reviewed during the 2008 financial year to ensure that they adequately reflect the increased size and complexity of Ausenco and the consequent enhanced responsibilities associated with membership of the Committees of the Board, as well as increased travel requirements of members of the Board.

REMUNERATION

Details of non-executive Directors' remuneration for the financial years ended 31 December 2008 and 31 December 2007 are set out in the following table:

		Primary Benefits		Post Employment		Total
		Salary and Fees	STI/Cash Bonus	Statutory Superannuation	Other	
		\$	\$	\$	\$	\$
Non-executive Directors						
Wayne Goss	FY 2008	130,642	-	11,758	-	142,400
	FY 2007	106,177	-	9,556	-	115,733
George Lloyd	FY 2008	66,651	-	5,999	-	72,650
	FY 2007	52,813	-	4,753	-	57,566
Greg Moynihan ^a	FY 2008	2,317	-	209	-	2,526
	FY 2007	-	-	-	-	-
John O'Reilly ^b	FY 2008	68,113	-	-	-	68,113
	FY 2007	40,833	-	-	-	40,833
Bob Thorpe ^c	FY 2008	60,894	-	5,481	-	66,375
	FY 2007	85,194	-	6,170	-	91,364
Hank Tuten ^d	FY 2008	-	-	-	-	-
	FY 2007	-	-	-	-	-
Total	FY 2008	328,617	-	23,447	-	352,064
	FY 2007	285,017	-	20,479	-	305,497

a Mr Moynihan was appointed a director on 19 August 2008.

b Mr O'Reilly resigned on 6 December 2008.

c During the 2007 financial year, Mr Thorpe provided additional consulting and professional advice to Ausenco. Mr Thorpe was paid \$15,194 for these additional services.

d Mr Tuten does not receive a fee for his role as director.

REMUNERATION REPORT (continued)

DIRECTORS' / KEY MANAGEMENT PERSONNEL'S SHAREHOLDINGS

Particulars of Directors' beneficial interests in options, performance rights and shares of the Company as at the date of this report are set out in Note 33 of the financial statements.

2008	Balance at 1 January 2008	Shares Acquired during the year	Shares Sold	Received on exercise of options / rights	Balance at 31 December 2008
Directors					
Wayne Goss	1,204,839	407	-	-	1,205,246
Zimi Meka	15,012,870	44,442	-	-	15,057,312
Greg Moynihan (from 19 August 2008)	-	6,000	-	-	6,000
George Lloyd	195,000	814	-	-	195,814
John O'Reilly (resigned 6 December 2008)	5,000	-	5,000	-	-
Bob Thorpe	11,456,860	407	500,000	-	10,957,267
Hank Tuten	3,550,000	-	-	-	3,550,000
Sub-total	31,424,569	52,070	505,000	-	30,971,639
Senior Executives					
Craig Allen	415,334	34,847	-	122,687	572,868
Nick Bell	-	12,976	-	-	12,976
Greg Chrisfield	-	-	-	-	-
Ken Roxburgh	434,292	814	-	100,000	535,106
Brett Smith ^a	50,667	-	50,000	-	667
Neil Trembath	-	8,074	-	-	8,074
Donna Williams ^a	18,500	-	-	-	18,500
Paul Young	-	6,703	-	-	6,703
Sub-total	918,793	63,414	50,000	222,687	1,154,894
Grand Total	32,343,362	115,484	555,000	222,687	32,126,533

a Shareholding information for key management personnel who were not key management personnel for the whole year is only for that portion of the year during which they held a key management position. For the purposes of this table, shares held at appointment are assumed to have been held at 1 January and shares held upon ceasing to be key management personnel are assumed to be held at 31 December, with any acquisitions or disposals prior to appointment or after ceasing to be key management personnel not shown.

REMUNERATION REPORT (continued)

Options and Performance Rights

	Balance at 1 January 2008	Granted as Remuneration	Exercise of options / rights	Shares sold	Balance at 31 December 2008
Director					
Zimi Meka	534,273	36,168	-	-	570,441
Sub-total	534,273	36,168	-	-	570,441
Senior Executives					
Craig Allen	284,728	21,405	122,687	-	183,446
Nick Bell	-	51,538	-	-	51,538
Greg Chrisfield	-	-	-	-	-
Ken Roxburgh	198,984	6,495	100,000	-	105,479
Brett Smith ^a	361,937	21,843	-	-	383,780
Neil Trembath	-	7,815	-	-	7,815
Donna Williams ^a	-	-	-	-	-
Paul Young	-	-	-	-	-
Sub-total	845,649	109,096	222,687	-	732,058
Grand Total	1,379,922	145,264	222,687	-	1,302,499

- a Options and performance rights information for key management personnel who were not key management personnel for the whole year is only for that portion of the year during which they held a key management position. For the purposes of this table, options and performance rights held upon ceasing to be key management personnel are assumed to be held at 31 December, with any acquisitions or disposals after ceasing to be key management personnel not shown.

REMUNERATION REPORT (continued)

2007	Balance at 1 January 2007	Shares Acquired during the year	Shares Sold	Received on exercise of options / rights	Balance at 31 December 2007
Directors					
Wayne Goss	1,254,839	-	50,000	-	1,204,839
Zimi Meka	15,846,203	-	1,000,000	166,667	15,012,870
George Lloyd	235,000	-	40,000	-	195,000
John O'Reilly	10,000	-	5,000	-	5,000
Bob Thorpe	13,506,860	-	2,050,000	-	11,456,860
Hank Tuten	3,550,000	-	-	-	3,550,000
Sub-total	34,402,902		3,145,000	166,667	31,424,569
Senior Executives					
Craig Allen	332,000	-	-	83,334	415,334
Wayne Anderson	100,000	-	55,642	33,334	77,692
Peter Hrstich	300,000	-	100,000	50,000	250,000
Ken Roxburgh	584,292	-	150,000	-	434,292
Brett Smith	120,000	-	186,000	116,667	50,667
Hacy Tobias	-	-	-	-	-
Neil Trembath	-	-	-	-	-
Donna Williams	25,000	-	6,500	-	18,500
Sub-total	1,461,292		498,142	283,335	1,246,485
Grand Total	35,864,194		3,643,142	450,002	32,671,054

Options and Performance Rights

	Balance at 1 January 2007	Granted as Remuneration	Exercise of options / rights	Shares Sold	Balance at 31 December 2007
Director					
Zimi Meka	700,940	-	166,667	-	534,273
Sub-total	700,940		166,667		534,273
Senior Executives					
Craig Allen	368,062	-	83,334	-	284,728
Wayne Anderson	136,000	-	33,334	-	102,666
Peter Hrstich	228,224	-	50,000	-	178,224
Ken Roxburgh	198,984	-	-	-	198,984
Brett Smith	478,604	-	116,667	-	361,937
Neil Trembath	-	-	-	-	-
Donna Williams	-	-	-	-	-
Sub-total	1,409,874		283,335		1,126,539
Grand Total	2,110,814		450,002		1,660,812

REMUNERATION REPORT (continued)

ADDITIONAL INFORMATION

The following table provides the options granted to date to KMP or Senior executives and provides for the maximum value of options yet to vest.

	Date options granted	Number of options granted	% vested during year	% Forfeited in year	Date first option tranche can be exercised	Fair value per option at grant date	Exercise price per option	Expiry Date	Minimum value of options to vest	Maximum value of options to vest
						\$	\$			\$
Executive Director										
Zimi Meka										
	27-Apr-06	500,000	33%	-	27-Apr-07	\$0.20	\$ 100	27-Apr-11	-	11,111
	18-Dec-06	200,940	33%	-	18-Dec-08	\$2.09	\$0.00	18-Dec-11	-	279,976
	19-Feb-08	36,168	-	-	19-Feb-10	\$6.25	\$0.00	19-Feb-15	-	174,247
Senior Executives										
Craig Allen										
	27-Apr-06	250,000	33%	-	27-Apr-07	\$0.20	\$ 100	27-Apr-11	-	5,556
	18-Dec-06	118,062	33%	-	18-Dec-08	\$2.09	\$0.00	18-Dec-11	-	164,500
	19-Feb-08	21,405	-	-	19-Feb-10	\$6.25	\$0.00	19-Feb-15	-	103,123
Wayne Anderson										
	27-Apr-06	100,000	33%	-	27-Apr-07	\$0.20	\$ 100	27-Apr-11	-	2,222
	18-Dec-06	36,000	33%	-	18-Dec-08	\$2.09	\$0.00	18-Dec-11	-	50,160
	19-Feb-08	7,611	-	-	19-Feb-10	\$6.25	\$0.00	19-Feb-15	-	36,668
Nick Bell ^a										
	23-Jun-08	40,000	-	-	31-Dec-10	\$6.00	\$0.00	31-Dec-11	-	160,000
	23-Jun-08	11,538	-	-	19-Feb-10	\$6.30	\$0.00	19-Feb-15	-	29,076
Greg Chrisfield ^b										
	-	-	-	-	-	-	-	-	-	-
Ken Roxburgh										
	27-Apr-06	150,000	33%	-	27-Apr-07	\$0.20	\$ 100	27-Apr-11	-	3,333
	18-Dec-06	48,984	33%	-	18-Dec-08	\$2.09	\$0.00	18-Dec-11	-	68,251
	19-Feb-08	6,495	-	-	19-Feb-10	\$6.25	\$0.00	19-Feb-15	-	31,291
Neil Trembath ^c										
	19-Feb-08	7,815	-	-	19-Feb-10	\$6.25	\$0.00	19-Feb-15	-	37,650
Paul Young ^d										
	-	-	-	-	-	-	-	-	-	-

a Mr Bell was appointed Chief Operating Officer on 19 May 2008.

b Mr Chrisfield was appointed General Manager, HSEC on 12 January 2009.

c Mr Trembath was appointed Group General Manager, People and Performance on 11 February 2008.

d Mr Young was appointed Chief Information Officer on 19 May 2008.

This report is made in accordance with a resolution of the directors.



W K Goss
Director



L H Meka
Director

Brisbane
23 February 2009

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Auditor's Independence Declaration

As lead auditor for the audit of Ausenco Limited for the year ended 31 December 2008, I declare that, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ausenco Limited and the entities it controlled during the year.

Robert Baker

R A Baker
Partner
PricewaterhouseCoopers

Brisbane
23 February 2009

Ausenco Limited
Income Statements
For the year ended 31 December 2008

		Consolidated		Parent
		2008	2007	2008
	Notes	\$'000	\$'000	\$'000
				2007
				\$'000
Revenue from continuing operations	2	606,976	356,929	56,465
Other income	3	15,689	6,531	-
Staff and contractors costs		(258,885)	(141,265)	-
Reimbursable costs		(182,620)	(149,617)	-
Office and administration costs		(82,944)	(14,762)	-
Other expenses		(12,889)	(2,838)	(2,900)
Depreciation and amortisation expense	4	(9,850)	(3,102)	-
Finance costs	4	(4,099)	(398)	-
Profit before income tax		71,378	51,478	53,565
Income tax expense	5	(15,109)	(9,976)	650
Net profit attributable to members of Ausenco Limited		56,269	41,502	54,215
		Cents	Cents	
Basic earnings per share	28	62.69	50.45	
Diluted earnings per share	28	60.20	48.97	

The above income statements should be read in conjunction with the accompanying notes.

Ausenco Limited
Balance Sheets
As at 31 December 2008

		Consolidated		Parent
	2008	2007	2008	2007
Notes	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	6	46,410	94,460	57
Trade and other receivables	7	114,938	52,184	59,026
Work in progress	8	37,658	12,228	-
Derivative financial instruments	9	-	4,093	-
Other current assets	10	15,090	2,122	-
Non-current assets classified as held for sale	11	3,459	-	-
Total current assets		217,555	165,087	59,083
Non-current assets				
Available for sale financial assets	12	804	140	-
Property, plant and equipment	13	20,558	7,089	-
Other financial assets	14	-	-	109,812
Deferred tax assets	15, 23	12,547	4,291	1,369
Intangible assets	16	212,213	2,327	-
Total non-current assets		246,122	13,847	111,181
Total assets		463,677	178,934	170,264
LIABILITIES				
Current liabilities				
Trade and other payables	17	118,357	57,037	2,537
Billings in advance	18	21,360	53,600	-
Borrowings	19	27,463	1,270	-
Current tax liabilities	20	24,912	10,158	6,878
Provisions	21	566	466	-
Total current liabilities		192,658	122,531	9,415
Non-current liabilities				
Borrowings	22	85,440	42	-
Provisions	24	629	373	-
Derivative financial instruments	9	3,030	-	-
Total non-current liabilities		89,099	415	-
Total liabilities		281,757	122,946	9,415
Net assets		181,920	55,988	160,849
EQUITY				
Contributed equity	25	106,486	11,587	125,857
Reserves	26(a)	5,983	(68)	11,703
Retained profits	26(b)	69,451	44,469	23,289
Total equity		181,920	55,988	160,849

The above balance sheets should be read in conjunction with the accompanying notes.

Ausenco Limited
Statements of changes in equity
For the year ended 31 December 2008

		Consolidated		Parent
	2008	2007	2008	2007
Notes	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	<u>55,988</u>	31,198	<u>26,453</u>	24,833
Net profit after tax from continuing operations	<u>56,269</u>	<u>41,502</u>	<u>54,215</u>	<u>16,864</u>
Total recognised income and expense for the financial year	<u>56,269</u>	<u>41,502</u>	<u>54,215</u>	<u>16,864</u>
Transactions with equity holders in their capacity as equity holders:				
Shares issued	25 101,412	608	101,412	608
Costs of issuing equity	25 (903)	-	(903)	-
ESAP share based payment reserve	26 4,336	-	2,205	-
Treasury shares	25 (6,102)	-	-	-
Cash flow hedging reserve	26 (2,159)	-	-	-
Equity settled transactions	7,412	-	7,411	-
Share options exercised	25 492	-	492	-
Options and performance rights	26 871	999	871	999
Foreign currency translation reserve	26 (4,409)	(1,468)	-	-
Dividends provided for or paid	27 (31,287)	(16,851)	(31,307)	(16,851)
	<u>69,663</u>	<u>(16,712)</u>	<u>80,181</u>	<u>(15,244)</u>
Total equity at the end of the financial year	<u>181,920</u>	<u>55,988</u>	<u>160,849</u>	<u>26,453</u>
Total recognised income and expense for the year is attributable to:				
Members of Ausenco Limited	<u>56,269</u>	<u>41,502</u>	<u>54,215</u>	<u>16,864</u>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Ausenco Limited
Cash Flow Statements
For the year ended 31 December 2008

	Notes	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers (inclusive of GST / VAT)		534,745	360,843	-	-
Payments to suppliers and employees (inclusive of GST / VAT)		<u>(523,720)</u>	<u>(270,856)</u>	-	<u>(58)</u>
		11,025	89,987	-	(58)
Interest received		2,356	2,997	180	20
Borrowing costs paid		(1,350)	(398)	-	(2)
Reimbursements received from tax consolidated entities		-	-	6,244	6,094
Dividends received		-	-	15,992	16,851
Income taxes paid		<u>(28,591)</u>	<u>(6,094)</u>	<u>(6,244)</u>	<u>(6,094)</u>
Net cash inflow / (outflow) from operating activities	31	<u>(16,560)</u>	<u>86,492</u>	<u>16,172</u>	<u>16,811</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for purchase of equity and other investments	39	(120,052)	-	(6,803)	-
Payments for property, plant and equipment		(13,764)	(4,657)	-	-
Proceeds from sale of investments		<u>3,024</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash inflow / (outflow) from investing activities		<u>(130,792)</u>	<u>(4,657)</u>	<u>(6,803)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		122,762	1,855	-	-
Repayment of borrowings		(45,168)	(1,323)	-	-
Proceeds from issues of equity		61,809	608	61,809	608
Share issue costs		(1,213)	-	(1,213)	-
Payments for shares acquired by Ausenco Performance Trust		(6,103)	-	-	-
Loans to related parties		-	-	(38,622)	(576)
Dividends paid	27	<u>(31,287)</u>	<u>(16,851)</u>	<u>(31,307)</u>	<u>(16,851)</u>
Net cash inflow / (outflow) from financing activities		<u>100,800</u>	<u>(15,711)</u>	<u>(9,333)</u>	<u>(16,819)</u>
NET INCREASE / (DECREASE) IN CASH HELD					
Cash at the beginning of the financial year		(46,552)	66,124	36	(8)
Effects of exchange rate changes on cash		94,460	29,100	21	29
CASH AT END OF THE FINANCIAL YEAR	6	<u>(1,498)</u>	<u>(764)</u>	<u>-</u>	<u>-</u>
		<u>46,410</u>	<u>94,460</u>	<u>57</u>	<u>21</u>

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Ausenco Limited as an individual entity and the consolidated entity consisting of Ausenco Limited and its subsidiaries.

Ausenco Limited is a company limited by shares, incorporated and domiciled in Australia. A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on page 2 of the directors' report which is not part of the financial report.

The financial report was authorised for issue by the directors on 23 February 2009. The company has the power to amend and reissue the financial report.

(a) BASIS OF PREPARATION

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, AASB Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Ausenco Limited comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention except for derivatives which are stated at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 41.

Changes in accounting policy

The Group had to change some of its accounting policies as the result of early adopting revised accounting standards which become operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Principles of consolidation - revised AASB 127 *Consolidated and Separate Financial Statements* and changes made by AASB 2008-7 *Amendments to Australian Accounting standards - Cost of an Investment in a subsidiary, Jointly Controlled Entity of Associate*
- Business combination - revised AASB 3 *Business Combinations*

Principles of consolidation

AASB 127 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the Group. Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition by acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree's net assets if significant influence is not retained.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity must now be remeasured to fair value and a gain or loss is recognised in the profit or loss. This is consistent with the entity's previous accounting policy if significant influence is not retained.

The Group will in future allocate losses to the non-controlling interest in its subsidiaries even if accumulated losses should exceed the non-controlling interest in the subsidiary's equity. Under the previous policy excess losses were allocated to the parent entity.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Lastly, dividends received from investments in subsidiaries, jointly controlled entities or associates after 1 January 2008 are recognised as revenue even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a result of the dividend payment. Under the entity's previous policy, these dividends would have been deducted from the cost of the investment.

The changes were implemented prospectively from 1 January 2008. There has been no impact on the current period as none of the non-controlling interests have a deficit balance. There have also been no transactions whereby an interest in an entity is retained after the loss of control of that entity, no transactions with non-controlling interests and no dividends paid out of pre-acquisition profits.

Business combinations (refer to note 1(n) for full policy)

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognised when payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included goodwill.

Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition by acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree's net assets if significant influence is not retained.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

The changes were implemented prospectively from 1 January 2008 and affected the accounting for the acquisitions of the PSI Group, the Vector Group and the Sandwell Group disclosed in Note 39. Contingent consideration of \$8.5 million was recognised at fair value in relation to the acquisition of the PSI Group at 31 December 2008. Acquisition related costs of \$3.8 million were recognised in the income statement.

(b) PRINCIPLES OF CONSOLIDATION

(i) INTERPOSING NEW PARENT ENTITY

Prior to 30 June 2005, Ausenco Services Pty Ltd (at the time known as Ausenco Limited) was the parent entity of the Group. Following a restructure to interpose a new parent entity, involving a 1:1 share swap with existing shareholders, Ausenco Services Pty Ltd became a wholly owned subsidiary of Ausenco Limited (at the time known as Ausenco Holdings Limited).

(ii) REVERSE ACQUISITION

The interposition of the new parent entity stated in note 1 (b)(i) is commonly referred to as reverse acquisition. The acquirer is Ausenco Services Pty Ltd whose equity interests have been acquired and the issuing entity, Ausenco Limited, is the acquiree. Reverse acquisition accounting applies only in the consolidated statements.

Ausenco Services Pty Ltd is deemed to be the controlling parent for accounting purposes under AASB 3 Business Combinations. The consolidated entity, therefore represents, a consolidation of Ausenco Services Pty Ltd and the entities it controlled for accounting purposes (including Ausenco Limited) for both the 31 December 2007 and 31 December 2008 financial years.

Therefore, in Ausenco Limited's separate financial statements, Ausenco Limited's investment in subsidiaries is accounted for in accordance with AASB 127 Consolidations and Separate Financial Statements. The amount recognised as issued equity instruments in the consolidated financial statements represents the issued equity of Ausenco Services Pty Ltd, plus any new equity issued by Ausenco Limited after the restructure.

The equity structure appearing in the consolidated financial statements prepared following a reverse acquisition reflects the equity structures of Ausenco Limited for the purpose of calculating the weighted average number of ordinary shares outstanding.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

(iii) SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Ausenco Limited ("company" or "parent entity") as at 31 December 2008 and the results of all subsidiaries for the year then ended. Ausenco Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

For the purpose of preparing consolidated accounts, Ausenco Services Pty Ltd is considered the "controlling" parent of the consolidated entity (note 1(b)(ii)).

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(h)). Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Group.

(iv) JOINT VENTURES

The accounting treatment for the recognition of the results from joint venture operations is based on the proportionate consolidation method. Details relating to the joint ventures are set out in note 30.

The application of proportionate consolidation means that the balance sheet of the venturer includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The income statement of the venturer includes its share of the income and expenses of the jointly controlled entities.

(v) EMPLOYEE SHARE PERFORMANCE TRUST

The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the group.

Unvested shares held by the Ausenco Performance Trust are disclosed as treasury shares and deducted from contributed equity.

(c) SEGMENT REPORTING

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain or loss on sale where applicable.

(e) REVENUE RECOGNITION

Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid. Revenue is measured at the fair value of the consideration received or receivable:

(i) Engineering design and project services

Contract revenue and expenses of fixed price contracts are recognised in accordance with the percentage of completion method. For a reimbursable contract, revenue and expenses are recognised when the work is completed.

Methods used to determine the stage of completion of a contract include:

- (i) proportion of contract costs incurred to date for work performed against estimated total contract costs;
- (ii) surveys of work performed; and
- (iii) completion of a physical proportion of the contract work.

If the work is completed and not yet invoiced, this unbilled proportion is classified as revenue and contained within the trade receivables balance. When it is probable that a loss will arise from a contract, the excess of total costs over revenue is recognised as an expense immediately. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

(ii) Consulting services

Revenue is recognised when the service is provided.

(iii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(iv) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(f) INCOME TAX

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Tax consolidation legislation

Ausenco Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2004.

The head entity, Ausenco Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Ausenco Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 5.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(g) LEASES

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

(h) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(n)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Costs incurred in connection with the business combination are accounted for separately and are recognised as expenses.

Consideration is measured and recognised at fair value at the acquisition date. Any subsequent changes in the fair value of contingent consideration classified as debt is recorded in the income statement.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

(i) CASH AND CASH EQUIVALENTS

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(j) RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amounts of the provision are recognised in the income statement.

(k) INVESTMENTS AND OTHER FINANCIAL ASSETS

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet (note 7).

(ii) Available-for-sale financial assets

Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(iii) Derivatives not qualified as hedge

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or expenses.

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(l) FAIR VALUE ESTIMATION

The net fair value of cash and cash equivalents and non interest bearing monetary financial assets and financial liabilities approximate their carrying amount.

(m) FURNITURE, FITTINGS AND EQUIPMENT

Furniture, fittings and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs may also include transfers from equity of any gains/losses on qualifying cash flow hedging of foreign currency purchases of property, plant and equipment.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Leasehold improvement, plant and equipment are stated at historical cost less accumulated depreciation. Repair and maintenance are charged to the income statement during the financial period in which they are incurred.

The expected useful lives are as follows:

- Plant and equipment	2.5 - 5 years
- Leasehold improvements	10 years

(n) INTANGIBLE ASSETS

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is identified according to business segment (note 16(a)).

(ii) Brand names

Brand names have a finite useful life and are carried at cost less accumulated amortisation and impaired losses. Amortisation is calculated using the straight line method to allocate the cost of brand names over their estimated useful lives, which is 8 years.

(iii) Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

(iv) Customer contracts

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which currently vary from 1 to 3 years.

(o) TRADE AND OTHER CREDITORS

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

(q) FINANCE COSTS

Finance costs are recognised as expenses in the period in which they are incurred.

Finance costs include:

- (i) interest on bank overdrafts and short-term and long-term borrowings
- (ii) amortisation of discounts or premiums relating to borrowings, and
- (iii) amortisation of ancillary costs incurred in connection with the arrangement of borrowing.

(r) PROVISIONS

Project provisions are recognised when:

- (i) the Group has a present constructive obligation as a result of past events
- (ii) it is probable that an outflow of resources will be required to settle the obligation, and
- (iii) the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(s) EMPLOYEE BENEFITS

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the Ausenco Executive Option Plan and Ausenco Performance Rights Plan. Information relating to these schemes is set out in note 37.

The fair value of options at grant date is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Hull White option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and any proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(iv) Superannuation

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that the cash refund or a reduction in the future payments is available.

(t) CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(u) DIVIDENDS

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

(v) EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(x) WORK IN PROGRESS

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented as billings in advance.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Contract costs include all costs directly related to specific contracts plus costs that are specifically chargeable to the customer under the terms of the contract.

(y) IMPAIRMENT OF ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and additionally when there is an indicator of impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's 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 (cash generating units).

(z) ROUNDING OF AMOUNTS

The company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(aa) NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, investment property and non-current biological assets that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(ab) DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 9. Movements in the hedging reserve in shareholders' equity are shown in note 26. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

(ac) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2008 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 2008-1 Amendments to Australian Accounting Standard - Share-based payments: Vesting conditions and Cancellations*

AASB 2008-1 was issued in February 2008 and will become applicable for annual reporting periods beginning on or after 1 January 2009. The revised standard clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply the revised standard from 1 January 2009, but it is not expected to affect the accounting for the Group's share based payments.

(ii) *Revised AASB 101 Presentation to Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-1 Further Amendments to Australian Accounting Standards arising from AASB 101*

The revised AASB101 that was issued in September and December 2007 is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or reclassification of items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group intends to apply the revised standard from 1 January 2009.

(iii) *AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8*

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on the financial performance. The information being reported will be based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different type of information being reported in the segment note of the financial report. However at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(iv) *Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]*

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or the production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group currently has no qualifying assets.

Other new standards published but not mandatory for annual reporting periods ended 31 December 2008 are not expected to have an impact on the financial statements of the Group.

2 REVENUE

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
From continuing operations				
Services	604,711	353,841	1,596	-
Interest	2,265	3,088	180	20
Dividends	-	-	54,689	16,851
	<u>606,976</u>	<u>356,929</u>	<u>56,465</u>	<u>16,871</u>

3 OTHER INCOME

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Other Income				
Foreign exchange gains	15,686	6,399	-	-
Other income	3	132	-	-
	<u>15,689</u>	<u>6,531</u>	<u>-</u>	<u>-</u>

4 EXPENSES

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Profit before income tax includes the following specific expenses:				
Depreciation of property, plant and equipment	4,700	2,314	-	-
<i>Amortisation</i>				
Intangibles	3,978	438	-	-
Leasehold improvements	1,172	350	-	-
Total amortisation	5,150	788	-	-
Total depreciation and amortisation	9,850	3,102	-	-
<i>Other charges against assets</i>				
Bad and doubtful debts – trade debtors	6,239	367	-	-
<i>Borrowing costs</i>				
Interest and finance charges paid/payable	4,099	398	-	-
Total borrowing costs	4,099	398	-	-
<i>Other expenses and losses</i>				
Operating lease rentals - minimum lease payments	11,720	2,260	-	-
Foreign exchange losses (net)	-	1,811	2,896	-
Defined contribution superannuation expense	9,429	5,501	-	-

5 INCOME TAXES

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
(a) Income tax expense				
Current tax	24,511	13,027	105	5
Deferred tax	(9,402)	(2,484)	(755)	-
(Over) / under provision from prior years	-	(567)	-	-
	15,109	9,976	(650)	5
Deferred income tax (revenue) expense included in income tax expense comprises:				
Decrease / (increase) in deferred tax assets (note 15)	(15,236)	(2,235)	(755)	-
(Decrease) / increase in deferred tax liabilities (note 23)	5,834	(249)	-	-
	(9,402)	(2,484)	(755)	-

5 INCOME TAXES (continued)

	Consolidated		Parent	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit from continuing operations before income tax expense	<u>71,378</u>	<u>51,478</u>	<u>53,565</u>	<u>16,869</u>
Tax at the Australian tax rate of 30% (2007 - 30%)	<u>21,413</u>	<u>15,443</u>	<u>16,070</u>	<u>5,061</u>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Entertainment	110	46	-	-
Non-taxable dividends	-	-	(16,407)	(5,056)
International exempt income	(1,627)	(2,858)	-	-
Other	<u>(457)</u>	<u>514</u>	<u>(313)</u>	<u>-</u>
	<u>19,439</u>	<u>13,145</u>	<u>(650)</u>	<u>5</u>
International tax rate differential *	(4,330)	(2,602)	-	-
(Over)/under provision from prior years	-	(567)	-	-
Total income tax expense	<u>15,109</u>	<u>9,976</u>	<u>(650)</u>	<u>5</u>

* represents net reduction for foreign tax rate differential, international withholding taxes and foreign tax losses unable to be utilised within the Group.

(c) Tax consolidation

Ausenco Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2004. The head entity of the tax consolidated group is Ausenco Limited. The Australian Taxation Office has been notified of this decision. The entities also have tax sharing and funding agreements in place in order to allocate tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition the agreement provided for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

As a consequence, Ausenco Limited as the head entity in the tax consolidated group, recognises current income tax relating to transactions, events and balances of the wholly-owned Australian controlled entities in these financial statements as if those transactions, events and balances were its own, in addition to the current and deferred tax balances arising in relation to its own transactions, events and balances. Amounts receivable or payable under the tax sharing agreement and the tax funding agreement will be recognised separately by Ausenco Limited as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing and funding agreements are recognised as a component of income tax expense (revenue).

6 CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash at bank and on hand	39,617	47,031	57	21
Cash deposits at call	<u>6,793</u>	<u>47,429</u>	<u>-</u>	<u>-</u>
	<u>46,410</u>	<u>94,460</u>	<u>57</u>	<u>21</u>

(a) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank is bearing interest at a rate between 0.0% and 3.4% (2007: 0.2% and 6.4%).

6 CURRENT ASSETS – CASH AND CASH EQUIVALENTS (continued)

(b) Deposits at call

The deposits are bearing interest at variable rates between 1.9% and 13.8% (2007: 6.1% and 7.0%).

7 CURRENT ASSETS – RECEIVABLES

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Trade debtors	102,814	24,219	-	-
Less: Provision for doubtful debts	(7,150)	(1,550)	-	-
	95,664	22,669	-	-
Unbilled revenue	16,718	18,240	-	-
Receivable - related party	-	389	-	-
Debtor retentions	1,100	220	-	-
GST/VAT receivables	233	5,382	-	-
Other receivables	1,223	5,284	59,026	6,226
	114,938	52,184	59,026	6,226

(a) Impaired trade receivables

As at 31 December 2008 current trade receivables of the Group with a nominal value of \$7,150,000 (2007: \$1,550,000) were impaired. The amount of the provision was \$7,150,000 (2007: \$1,550,000). There were no impaired trade receivables for the parent in 2008 or 2007.

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2008	2007
	\$'000	\$'000
At 1 January	1,550	832
Provision for impairment recognised during the year	7,022	1,292
Receivables written off during the year as uncollectable	(70)	-
Unused amount reversed	(1,352)	(574)
	7,150	1,550

The creation and release of the provision for impaired receivables has been included in other expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 31 December 2008, trade receivables of \$28,590,182 (2007: \$13,678,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	Consolidated	
	2008	2007
	\$'000	\$'000
Up to 3 months	24,760	12,685
3 to 6 months	3,830	993
	28,590	13,678

7 CURRENT ASSETS – RECEIVABLES (continued)

The Group has recognised a loss of \$6,238,662 (2007: \$367,142) in providing for doubtful debts trade receivables during the year ended 31 December 2008. This loss has been included in the Income Statement.

Other receivables mainly consist of deposits, sundry debtors and advance amounts.

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. For the parent entity, these are receivables from tax consolidated entities under the tax funding agreement and other controlled entities which are interest free and payable on demand, see note 5(c) and note 36(c).

(d) Foreign exchange and interest rate risk

Information about the Group's and the Parent entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 40.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to note 40 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

8 CURRENT ASSETS – WORK IN PROGRESS

	2008	Consolidated	2008	Parent
	\$'000	2007	2008	2007
		\$'000	\$'000	\$'000
Work in progress	<u>37,658</u>	<u>12,228</u>	<u>-</u>	<u>-</u>
	<u>37,658</u>	<u>12,228</u>	<u>-</u>	<u>-</u>

Total contract revenue recognised for the 2008 financial year as revenue amounted to \$552 million (2007: \$341 million).

The Group uses the percentage of completion method for its fixed price contracts whereby contract revenue is matched with contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

Methods used to determine the stage of completion of a contract include:

- a) proportion of contract costs incurred to date for work performed against estimated total contract costs;
- b) surveys of work performed; and
- c) completion of a physical proportion of the contract work.

For contracts in progress at the reporting date, the aggregate amount of costs incurred and recognised to date were \$233 million (2007: \$303 million).

Total advances received in relation to construction contracts in progress were \$15 million (2007: \$14 million).

Total retentions outstanding in relation to construction contracts in progress amount to \$0.2 million (2007: \$0.2 million).

9 DERIVATIVE FINANCIAL INSTRUMENTS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Current Asset				
Option at fair value	-	4,093	-	-
	-	4,093	-	-
Non-Current Liability				
Interest rate swap	3,030	-	-	-
	3,030	-	-	-

As at 31 December 2007, the Group recognised a derivative asset of \$4,093,000 being the fair value of a derivative financial instrument, managed via an external contract arrangement. This contract was established to protect the Group from fluctuations in foreign exchange rates in high inflationary environments and is akin to a typical forward exchange contract. During the year ended 31 December 2008 this contract expired.

In May 2008 US \$42.3 million was drawn in conjunction with the financing of the acquisitions. This 5 year amortising loan matures in May 2013. Ausenco has entered into an effective economic interest rate swap contract to mitigate the associated variable interest rate risk of this loan to 5.62% over 5 years. As at 31 December 2008 the fair value liability of the interest rate swap was \$3,030,138.

10 CURRENT ASSETS – OTHER CURRENT ASSETS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Prepayments	14,987	1,883	-	-
Interest receivable	-	91	-	-
Other	103	148	-	-
	15,090	2,122	-	-

11 CURRENT ASSETS - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Land and buildings	3,459	-	-	-
	3,459	-	-	-

The directors of Vector Chile Limitada have agreed to sell the office owned by the Company. It is expected the sale will settle within the next 12 months. The asset is presented within the total assets of the Consulting and Environmental Segment in note 38.

12 NON-CURRENT ASSETS – AVAILABLE FOR SALE FINANCIAL ASSETS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
At beginning of year	140	140	-	-
Additions	5,192	-	-	-
Disposals	(2,725)	-	-	-
Provision for diminution	(1,803)	-	-	-
At end of year	<u>804</u>	<u>140</u>	<u>-</u>	<u>-</u>
Listed securities				
Equity securities	<u>670</u>	<u>6</u>	<u>-</u>	<u>-</u>
	<u>670</u>	<u>6</u>	<u>-</u>	<u>-</u>
Unlisted securities				
Equity securities	<u>134</u>	<u>134</u>	<u>-</u>	<u>-</u>
	<u>134</u>	<u>134</u>	<u>-</u>	<u>-</u>

13 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
LEASEHOLD IMPROVEMENTS				
At cost	7,402	1,902	-	-
Less: Accumulated depreciation	<u>(2,959)</u>	<u>(485)</u>	<u>-</u>	<u>-</u>
	<u>4,443</u>	<u>1,417</u>	<u>-</u>	<u>-</u>
PLANT AND EQUIPMENT				
At cost	38,408	10,329	-	-
Less: Accumulated depreciation	<u>(22,293)</u>	<u>(4,657)</u>	<u>-</u>	<u>-</u>
	<u>16,115</u>	<u>5,672</u>	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>20,558</u>	<u>7,089</u>	<u>-</u>	<u>-</u>

Reconciliations of the carrying amounts of each class of property plant and equipment at the beginning and the end of the current financial year are set out below.

13 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (continued)

Consolidated 31 December 2008	Freehold Buildings \$'000	Furniture, fittings and equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Balance as at 1 January 2008	-	5,672	1,417	7,089
Acquisition of subsidiary	404	5,479	1,818	7,701
Additions	2,742	8,904	2,118	13,764
Disposals	-	(369)	(34)	(403)
Assets classified as held for sale	(3,459)	-	-	(3,459)
Depreciation charge	(50)	(4,650)	(1,172)	(5,872)
Exchange differences	363	1,079	296	1,738
Balance as at 31 December 2008	-	16,115	4,443	20,558

Consolidated 31 December 2007	Freehold Buildings \$'000	Furniture, fittings and equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Balance as at 1 January 2007	-	4,387	753	5,140
Additions	-	3,599	1,014	4,613
Disposals	-	-	-	-
Depreciation charge	-	(2,314)	(350)	(2,664)
Balance as at 31 December 2007	-	5,672	1,417	7,089

14 NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Shares in controlled entities at cost	-	-	109,812	15,230
Loans to controlled entities	-	-	-	11,060
	<u>-</u>	<u>-</u>	<u>109,812</u>	<u>26,290</u>

15 NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in profit or loss</i>				
Doubtful debts	1,008	294	-	-
Employee benefits	2,221	1,594	-	-
Project provisions	5,880	2,303	910	-
Tax losses	8,589	-	-	-
Unrealised foreign exchange loss on financial instrument	1,625	-	-	-
	<u>19,323</u>	<u>4,191</u>	<u>910</u>	<u>-</u>
Amounts recognised directly in equity				
Employee options	465	-	-	-
Costs associated with the IPO	459	243	459	243
Unrealised loss on hedge of financial instrument	871	-	-	-
Total deferred tax assets	<u>21,118</u>	<u>4,434</u>	<u>1,369</u>	<u>243</u>
Set-off of deferred tax liabilities pursuant to set-off provisions				
Pursuant to set-off provisions (note 23)	<u>(8,571)</u>	<u>(143)</u>	<u>-</u>	<u>-</u>
	<u>12,547</u>	<u>4,291</u>	<u>1,369</u>	<u>243</u>
Balance at 1 January	4,434	1,956	243	324
Acquisitions of subsidiaries	621	-	-	-
Credited/(charged) to the income statement (note 5)	15,236	2,235	755	-
Credited/(charged) to equity	1,552	243	371	(81)
Foreign currency translation reserve	(725)	-	-	-
Balance 31 December	<u>21,118</u>	<u>4,434</u>	<u>1,369</u>	<u>243</u>
Deferred tax assets to be recovered after more than 12 months	10,810	112	459	243
Deferred tax assets to be recovered within 12 months	10,308	4,322	910	-
	<u>21,118</u>	<u>4,434</u>	<u>1,369</u>	<u>243</u>

16 NON-CURRENT ASSETS - INTANGIBLE ASSETS

Consolidated	Goodwill	Brand names	Software	Customer contracts	Other intangibles	Total
Year ended 31 December 2008	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book amount at 1 January 2008	-	-	2,242	-	85	2,327
Additions	-	-	807	-	-	807
Acquisition of business	166,015	10,123	457	5,928	628	183,151
Amortisation charge	-	(1,068)	(443)	(2,131)	(336)	(3,978)
Effects of movements in exchange rates	28,720	649	-	485	52	29,906
Closing net book amount	194,735	9,704	3,063	4,282	429	212,213

At 31 December 2008

Cost	194,735	10,772	4,313	6,413	765	216,998
Accumulated amortisation and impairment	-	(1,068)	(1,250)	(2,131)	(336)	(4,785)
Net book amount	194,735	9,704	3,063	4,282	429	212,213

Consolidated	Goodwill	Brand names	Software	Customer contracts	Other intangibles	Total
Year ended 31 December 2007	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book amount at 1 January 2007	-	-	2,664	-	85	2,749
Additions	-	-	16	-	-	16
Amortisation charge	-	-	(438)	-	-	(438)
Closing net book amount	-	-	2,242	-	85	2,327

At 31 December 2007

Cost	-	-	3,049	-	85	3,134
Accumulated amortisation and impairment	-	-	(807)	-	-	(807)
Net book amount	-	-	2,242	-	85	2,327

There are no intangible assets in the parent.

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment and country of operation.

2008	Sandwell \$'000	PSI \$'000	Vector \$'000	Total \$'000
Minerals	-	-	-	-
Infrastructure	77,309	51,739	-	129,048
Energy	16,789	-	-	16,789
Oil and Gas	3,513	-	-	3,513
Consulting and Environmental	-	-	45,385	45,385
	97,611	51,739	45,385	194,735

16 NON-CURRENT ASSETS - INTANGIBLE ASSETS (continued)

(b) Key assumptions used for value-in-use calculations

Cash Flows

The value in use calculation is based on cash flow projections for a term of 5 years plus a terminal value. The cash flow projections for the 5 year period are based on assumptions in relation to the cash inflows and outflows that represent management's best estimate of future cash flows. The projected cash flows were approved by the Ausenco Board on 18 December 2008.

Discount Rate

The discount rates used are pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating unit for which the cash flows were projected. The pre-tax discount rates used were in the range of 13.6% to 14.2%.

Growth Rate

The growth rate used to calculate the terminal value used in the value in use calculation was 3.0% and represents management's expectations of long term growth.

Sensitivity Analysis

A sensitivity analysis was conducted to determine the carrying value of the CGU's under adverse conditions. There is no impairment charge with any reasonable change in the assumptions used to generate the cash flow projections.

17 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2008	Consolidated		Parent
	\$'000	2007	2008	2007
		\$'000	\$'000	\$'000
Trade creditors	43,786	10,995	-	-
Other creditors and accruals	70,197	36,190	2,537	-
Promissory notes	-	5,742	-	-
Other tax payable	4,374	4,110	-	-
	<u>118,357</u>	<u>57,037</u>	<u>2,537</u>	<u>-</u>

18 CURRENT LIABILITIES – BILLINGS IN ADVANCE

	2008	Consolidated		Parent
	\$'000	2007	2008	2007
		\$'000	\$'000	\$'000
Billings in advance	<u>21,360</u>	<u>53,600</u>	<u>-</u>	<u>-</u>
	<u>21,360</u>	<u>53,600</u>	<u>-</u>	<u>-</u>

19 CURRENT LIABILITIES – BORROWINGS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
<i>SECURED</i>				
Bank loans	23,370	-	-	-
Hire Purchase Liability (note 35)	-	44	-	-
Total secured current borrowings	<u>23,370</u>	<u>44</u>	<u>-</u>	<u>-</u>
<i>UNSECURED</i>				
Loans from related parties	480	-	-	-
Other loans	3,418	1,226	-	-
Hire Purchase Liability (note 35)	195	-	-	-
Total unsecured current borrowings	<u>4,093</u>	<u>1,226</u>	<u>-</u>	<u>-</u>
	<u>27,463</u>	<u>1,270</u>	<u>-</u>	<u>-</u>

(a) Bank loans

Bank loans are subject to a weighted average interest rate of 5.9% (2007: N/A). See note 22(a) for details of security given. No banking financial covenants were breached during the year.

(b) Hire purchase

Hire Purchase liabilities are subject to a weighted average interest rate of 9.9% (2007: 6.9%).

(c) Other loans

Other liabilities are subject to a weighted average interest rate of 2.8% (2007: 2.5%).

20 CURRENT LIABILITIES - TAX LIABILITIES

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Income tax payable	<u>24,912</u>	<u>10,158</u>	<u>6,878</u>	<u>6,327</u>
	<u>24,912</u>	<u>10,158</u>	<u>6,878</u>	<u>6,327</u>

21 CURRENT LIABILITIES – PROVISIONS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Warranties	<u>566</u>	<u>466</u>	<u>-</u>	<u>-</u>
	<u>566</u>	<u>466</u>	<u>-</u>	<u>-</u>

Provision is made for the estimated warranty claims in respect of services provided. These claims are expected to be settled in the next financial year.

21 CURRENT LIABILITIES – PROVISIONS (continued)

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<i>MOVEMENTS IN PROVISIONS</i>				
Movements in each class of provision during the financial year, other than employee benefits are set out below:				
Carrying amount at start of year	466	2,552	-	-
Charged / (credited) to the income statement	100	(2,086)	-	-
Carrying amount at end of year	<u>566</u>	<u>466</u>	<u>-</u>	<u>-</u>

22 NON-CURRENT LIABILITIES – BORROWINGS

	Consolidated		Parent	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<i>SECURED</i>				
Bank loans	82,266	-	-	-
Hire purchase liabilities (note 35)	177	42	-	-
<i>UNSECURED</i>				
Other loans	2,997	-	-	-
	<u>85,440</u>	<u>42</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 2008, Ausenco extended the Australia and New Zealand Banking Group (ANZ) multi-option, multi-currency finance facility to \$162.8 million.

At 31 December 2008, \$41.6 million of the total ANZ facility was unused.

Other group borrowings comprise of bank overdrafts and lines of credit details of which are included in note 40.

22 NON-CURRENT LIABILITIES – BORROWINGS (continued)

(a) Assets pledged as security

	Notes	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Current					
<i>Fixed and floating charges</i>					
Cash and cash equivalents	6	18,798	93,891	57	21
Trade and other receivables	7	79,314	38,988	-	-
Work in progress		88	12,227	-	-
Derivative financial instruments	9	-	4,093	-	-
Other current assets		9,106	1,883	-	-
Non-current assets classified as held for sale		3,459	-	-	-
Total current assets pledged as security		<u>110,765</u>	<u>151,082</u>	<u>57</u>	<u>21</u>
<i>Finance lease</i>					
Plant and equipment		237	86	-	-
<i>Fixed and floating charges</i>					
Available for sale financial assets		804	-	-	-
Plant, property and equipment	13	12,654	6,882	-	-
Deferred tax assets	15	9,844	4,290	1,369	243
Intangible assets	16	79,668	2,322	-	-
Total non-current assets pledged as security		<u>103,207</u>	<u>13,580</u>	<u>1,369</u>	<u>243</u>
Total assets pledged as security		<u>213,972</u>	<u>164,662</u>	<u>1,426</u>	<u>264</u>

23 NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in profit or loss</i>				
Unrealised foreign exchange gains and other transaction adjustments	3,165	-	-	-
Unrealised capital gain on available for sale investments	1,092	-	-	-
Intangible assets	948	29	-	-
Work in progress	810	-	-	-
Retentions	33	30	-	-
Depreciation	5	84	-	-
Other	485	-	-	-
	<u>6,538</u>	<u>143</u>	<u>-</u>	<u>-</u>
Amounts recognised directly in equity				
Foreign currency translation reserve	<u>2,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities	<u>8,571</u>	<u>143</u>	<u>-</u>	<u>-</u>
Pursuant to set-off provisions (note 15)	<u>(8,571)</u>	<u>(143)</u>	<u>-</u>	<u>-</u>
Balance at 1 January	143	392	-	-
Acquisition of subsidiaries	2,227	-	-	-
Charged/(credited) to the income statement (note 5)	5,834	(249)	-	-
Charged/(credited) to equity - Foreign Currency Translation Reserve	2,033	-	-	-
Foreign currency translation reserve	<u>(1,666)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Closing balance at 31 December	<u>8,571</u>	<u>143</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities to be settled after more than 12 months	<u>8,571</u>	<u>143</u>	<u>-</u>	<u>-</u>
	<u>8,571</u>	<u>143</u>	<u>-</u>	<u>-</u>

24 NON-CURRENT LIABILITIES – PROVISIONS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Employee entitlements	<u>629</u>	<u>373</u>	<u>-</u>	<u>-</u>
	<u>629</u>	<u>373</u>	<u>-</u>	<u>-</u>

25 CONTRIBUTED EQUITY

	Consolidated		Parent entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(a) SHARE CAPITAL				
Balance at 1 January	11,587	10,979	24,856	24,248
Issued during the financial year	101,412	608	101,412	608
Share options exercised	492	-	492	-
Transaction costs	(903)	-	(903)	-
Treasury shares	(6,102)	-	-	-
Balance at 31 December	<u>106,486</u>	<u>11,587</u>	<u>125,857</u>	<u>24,856</u>

	Consolidated		Parent entity	
	Shares 2008	Shares 2007	Shares 2008	Shares 2007
(b) MOVEMENTS IN ORDINARY SHARES				
Balance at 1 January	82,558,337	81,950,000	82,558,337	81,950,000
Issued for acquisitions	8,141,068	-	8,141,068	-
Exercise of options	491,666	608,337	491,666	608,337
Exercise of performance rights	69,734	-	69,734	-
Share purchase plan	387,255	-	387,255	-
Balance at 31 December	<u>91,648,060</u>	<u>82,558,337</u>	<u>91,648,060</u>	<u>82,558,337</u>

(c) TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) TREASURY SHARES

Treasury shares are shares in Ausenco Limited that are held by the Ausenco Performance Trust for the purpose of issuing shares under the Ausenco employee share scheme (see note 37 for further information).

The total number of shares acquired during the year was 1,546,590 (2007 - Nil). The total value of the shares was \$6,102,934 (2007 - Nil).

26 RESERVES AND RETAINED PROFITS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
(a) Reserves				
Hedging reserve - cash flow hedges	(2,159)	-	-	-
Options and performance rights reserve	2,087	1,216	2,087	1,216
Foreign currency translation reserve	(5,693)	(1,284)	-	-
Share based payment reserve	11,748	-	9,616	-
	<u>5,983</u>	<u>(68)</u>	<u>11,703</u>	<u>1,216</u>
Movements:				
<i>(i) CASH FLOW HEDGING RESERVE</i>				
Balance 1 July	-	-	-	-
Cash flow hedging reserve	(2,159)	-	-	-
Balance 31 December	<u>(2,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>(ii) OPTION AND PERFORMANCE RIGHTS RESERVE</i>				
Balance 1 January	1,216	217	1,216	217
Options and performance rights expense	1,042	999	1,042	999
Exercise of options received	50	-	50	-
Acquisition of shares for options exercised	(221)	-	(221)	-
Balance 31 December	<u>2,087</u>	<u>1,216</u>	<u>2,087</u>	<u>1,216</u>
<i>(iii) FOREIGN CURRENCY TRANSLATION RESERVE</i>				
Balance 1 January	(1,284)	184	-	-
Foreign currency translation reserve	(4,409)	(1,468)	-	-
Balance 31 December	<u>(5,693)</u>	<u>(1,284)</u>	<u>-</u>	<u>-</u>
<i>(iv) SHARE BASED PAYMENT RESERVE</i>				
Balance 1 January	-	-	-	-
ESAP share based payment reserve	4,336	-	2,205	-
Equity settled transactions	7,412	-	7,411	-
Balance 31 December	<u>11,748</u>	<u>-</u>	<u>9,616</u>	<u>-</u>

The equity settled transactions balance represents the contingent consideration share component of the PSI Group acquisition.

(b) Retained profits

Movement in retained profits were as follows:

Balance at 1 January	44,469	19,818	381	368
Net profit attributable to members of Ausenco Limited	56,269	41,502	54,215	16,864
Dividends provided for or paid	(31,287)	(16,851)	(31,307)	(16,851)
Balance at 31 December	<u>69,451</u>	<u>44,469</u>	<u>23,289</u>	<u>381</u>

27 DIVIDENDS

	2008	Parent
	\$'000	2007
		\$'000
(a) ORDINARY SHARES		
Interim ordinary dividend for the financial year ended 31 December 2008 of 18.25 cents per share paid on 24 September 2008	16,610	-
Final ordinary dividend for the financial year ended 31 December 2007 of 17.25 cents per share paid on 12 March 2008	14,697	-
Interim ordinary dividend for the financial year ended 31 December 2007 of 13.0 cents per share paid on 19 September 2007	-	10,704
Final ordinary dividend for the financial year ended 31 December 2006 of 7.5 cents per share paid on 18 April 2007	-	<u>6,147</u>
	<u>31,307</u>	<u>16,851</u>

(b) DIVIDENDS NOT RECOGNISED AT YEAR END

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 13.5 cents per fully paid ordinary share, (2007 - 17.25 cents) 100% franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 15 April 2009 out of retained profits at 31 December 2008, but not recognised as a liability at year end, is

	<u>12,373</u>	<u>14,241</u>
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(c) FRANKED DIVIDENDS

The franked portions of the final dividends recommended after 31 December 2008 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 31 December 2008.

	2008	Consolidated	2008	Parent
	\$'000	2007	\$'000	2007
		\$'000		\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>12,195</u>	<u>13,674</u>	<u>12,195</u>	<u>9,883</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- (a) franking credits that will arise from the payment of the current tax liability
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and
- (d) franking credits that may be prevented from being distributed in subsequent financial years. The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of \$5,302,495 (2007: \$3,779,356).

28 EARNINGS PER SHARE

	2008	Consolidated
	CENTS	2007
		CENTS
Basic earnings per share (cents per share)	62.69	50.45
Net profit used as the numerator in calculating basic earnings per share (\$'000)	56,269	41,502
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	89,751,750	82,220,024
Diluted earnings per share (cents per share)	60.20	48.97
Net profit used as the numerator in calculating basic earnings per share (\$'000)	56,269	41,502
Weighted average number of ordinary shares used as a denominator in calculating diluted earnings per share	93,469,417	84,747,406
<i>WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR</i>		
Weighted average number of ordinary shares used as the denominator in calculating earnings per share	89,751,750	82,220,024
<i>ADJUSTMENTS FOR CALCULATION OF DILUTED EARNINGS PER SHARE</i>		
Options	3,717,667	2,527,382
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	93,469,417	84,747,406

29 INVESTMENTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

BENEFICIAL INTEREST HELD BY CONSOLIDATED ENTITY

	Country of Incorporation	2008 %	2007 %
Ausenco Services Pty Ltd	Australia	100	100
Ausenco International Pty Ltd	Australia	100	100
Ascentis Operations Pty Ltd	Australia	100	100
Ausenco Solutions Pty Ltd (formerly Ausenco Asia Pty Ltd)	Australia	100	100
Ausenco Americas LLC	United States	100	100
Ausenco Beijing Limited	China	100	100
Ausenco Argentina SRL	Argentina	100	100
Ausenco Senegal SARL	Senegal	100	100
Ausenco Projects Limited	Hong Kong	100	100
Ausenco Africa Ltd	Mauritius	100	100
Ausenco Canada Inc	Canada	100	100
Ausenco Global Pty Ltd	Australia	100	100
Global Procurement Services Limited	Thailand	100	100
Ausenco Vietnam Co Ltd	Vietnam	100	-
Ausenco USA Inc	United States	100	-
Pipeline Systems Incorporated	United States	100	-
PSI do Brasil Engenharia Limitada	Brazil	100	-
Pipeline Systems Chile SA	Chile	100	-
PSI Chile Limitada	Chile	100	-
PSI-JRI Peru SAC	Peru	100	-
Pipeline Systems Incorporated (Baotou) Ltd	China	100	-
Pipeline Systems International Australia Pty Ltd	Australia	100	-
PSI Engineering Canada	Canada	100	-
Vector Engineering Inc	United States	100	-
Vector Panama SA	Panama	100	-
Vector Argentina SA	Argentina	100	-
Vector Colombia	Colombia	100	-
Vector Peru SAC	Peru	100	-
Vector Chile Limitada	Chile	100	-
Vector Bolivia SRL	Bolivia	100	-
Sandwell Group Inc	Canada	100	-
Sandwell International Inc	Canada	100	-
Ausenco Canada Minerals Inc	Canada	100	-
Sandwell Engineers and Constructors Inc	Canada	100	-
Sandwell Consulting Engineers Ltd	Canada	100	-
Forestal International Consultants Inc	Canada	100	-
Sandwell Inc	Canada	100	-
Swan Wooster Engineering Consultants Inc	Canada	100	-
Sandwell Sarana Consultants Ltd	Canada	100	-
Sandwell Engineering Inc	Canada	100	-
Sandwell (Alberta) Ltd	Canada	100	-
Sandwell EPC Inc	Canada	100	-
Sandwell Services Pty Ltd	Australia	100	-
Sandwell Engineers Corp	United States	100	-
Sandwell Offshore Technologies Inc	United States	100	-
Sandwell Peru SA	Peru	100	-
Sandwell Engineers and Constructors Inc	Bolivia	100	-
Forestal Enterprises Ltd	Mauritius	100	-
Sandwell Engenharia Ltda	Brazil	100	-
Sandwell Chile Limitada	Chile	100	-
Sandwell India Consulting Engineers Private Limited	India	100	-

30 INVESTMENTS IN JOINT VENTURES

Entities within the Group have entered into the following joint venture operations:

JOINT VENTURE	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED	
		2008 %	2007 %
AB Ventures Limited - Construction for Lumwana Copper Project		50	50
AB Joint Venture - Services Contractor for Lumwana Copper Project		50	50
Khanong Development Group Joint Venture - Integrated engineering and construction services in Laos		70	70
Ausenco/SNC-Lavalin - Integrated front end solutions, engineering and construction services in Brazil.		50	-
Austagg - Global Coal Projects		50	-

Information relating to the joint venture entities, presented in accordance with the accounting policy described in note 1(b) is set out below:

	2008 \$'000	2007 \$'000
SHARE OF ENTITIES' ASSETS AND LIABILITIES		
Current assets	24,906	65,558
Non-current assets	-	-
Current liabilities	(49,866)	(63,077)
Non-current liabilities	-	-
SHARE OF ENTITIES' REVENUE AND EXPENSES		
Service revenues	122,164	165,998
Net gain on foreign exchange contract	1,675	6,399
Expenses	(114,565)	(144,806)
SHARE OF ENTITIES' COMMITMENTS		
Other commitments	24,979	22,959

Contingent liabilities in joint ventures are disclosed in note 32.

31 NOTES TO THE STATEMENT OF CASH FLOWS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Reconciliation of operating profit after income tax to net cash flow from operating activities:				
Net profit after income tax expense	56,269	41,502	54,215	16,864
NON-CASH ITEMS				
Depreciation and amortisation of non-current assets	9,850	3,102	-	-
Share based payment expense	1,401	-	-	-
Option and performance right expense	-	999	-	-
Impairment of investments	1,622	-	-	-
Unrealised net (gain)/loss on foreign exchange	(15,686)	(4,771)	2,896	-
Dividends from subsidiaries	-	-	(38,697)	-
Net (gain) loss on disposal of property, plant and equipment	21	-	-	-
Cash flow adjusted for non-cash items	<u>53,477</u>	<u>40,832</u>	<u>18,414</u>	<u>16,864</u>
CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES DURING THE FINANCIAL YEAR				
(Increase)/decrease in trade debtors	(43,566)	(17,829)	-	-
Decrease/(increase) in works in progress	(9,888)	(6,403)	-	-
(Increase)/decrease in other current assets	5,361	(827)	(1,667)	-
(Increase)/decrease in amounts receivable from controlled entities – tax related	-	-	-	(2,085)
(Increase)/decrease in deferred tax assets	(7,318)	(2,478)	(1,126)	-
Increase/(decrease) in billings in advance	(33,248)	33,081	-	-
Increase / (decrease) in payables and other liabilities	71,689	35,975	-	-
Increase / (decrease) in provision for income tax	(1,925)	6,496	551	-
Increase / (decrease) in other provisions	(51,925)	(2,107)	-	2,032
Increase / (decrease) in provision for deferred tax	783	(248)	-	-
Net cash inflow / (outflow) from operating activities	<u>(16,560)</u>	<u>86,492</u>	<u>16,172</u>	<u>16,811</u>

32 CONTINGENT LIABILITIES

	Note	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
Guarantees					
The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations.					
Bank guarantees outstanding at the balance date in respect of commitments for expenditure	40	<u>52,311</u>	<u>26,810</u>	<u>-</u>	<u>-</u>

32 CONTINGENT LIABILITIES (continued)

Litigation

During December 2008, AB Ventures Limited (ABV), 50% owned by the Group, issued a Notice of Demand on a supplier in relation to material loss and damages suffered by ABV on the Lumwana copper project as a result of negligence during its performance of the supplier's work under the contract.

ABV has a dispute with one of its suppliers, based on an original claim of circa US \$6 million, that has been disclaimed by ABV. A dispute has been declared as at year end and the matter may go to an expert for determination of the exact value, after offsetting counterclaims from ABV. As such, as at 31 December 2008, a reliable estimate of the potential exposure cannot be determined and no liability has been recognised.

The information usually required by AASB 137 Provision, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of the litigation.

Contingent consideration

Additional contingent consideration in respect of the acquisition of subsidiaries may be payable in the circumstances detailed in note 39.

33 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were directors of Ausenco Limited during the financial year:

(i) Chairman - non-executive

Wayne Goss (Chairman)

(ii) Executive directors

Zimi Meka (Chief Executive Officer)

(iii) Non-executive directors

George Lloyd

Greg Moynihan (from 20 August 2008)

John O'Reilly (resigned 6 December 2008)

Bob Thorpe

Hank Tuten

33 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(b) Key management personnel

Name	Position
Craig Allen	Chief Financial Officer
Nick Bell ^a	Chief Operating Officer
Greg Chrisfield ^b	Group General Manager, HSEC
Ken Roxburgh	Group General Manager, Commercial and Risk
Brett Smith ^c	Managing Director, Minerals
Neil Trembath ^d	Group General Manager, People and Performance
Donna Williams ^e	General Manager, People and Performance
Paul Young ^f	Chief Information Officer

a Appointed on 19 May 2008.

b Appointed on 12 January 2009.

c Ceased to be Key Management Personnel on 18 May 2008.

d Appointed on 11 February 2008.

e Ceased to be Key Management Personnel on 10 February 2008.

f Appointed on 19 May 2008.

(c) Key management personnel compensation

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short-term employee benefits	2,394,804	2,651,276	-	-
Long-term employee benefits	13,718	5,833	-	-
Post-employee benefits	200,586	224,166	-	-
Share-based payments	<u>550,384</u>	<u>607,608</u>	-	-
	<u>3,159,492</u>	<u>3,488,883</u>	-	-

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and share issued on the exercise of such options, together with terms and conditions of the options, can be found in the remuneration report on pages 7 to 22.

(ii) Option holdings

The number of options over ordinary shares in the company held during the financial year by each director of Ausenco Limited and other Key Management Personnel of the Group, including their personally related parties are set out below:

33 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2008 Options and Performance Rights	Balance at 1 January 2008	Granted as Remuneration	Exercise of options / rights	Shares Sold	Balance at 31 December 2008
Directors					
Zimi Meka	534,273	36,168	-	-	570,441
Sub-Total	534,273	36,168	-	-	570,441
Senior Executives					
Craig Allen	284,728	21,405	122,687	-	183,446
Nick Bell ^a	-	51,538	-	-	51,538
Greg Chrisfield ^b	-	-	-	-	-
Ken Roxburgh	198,984	6,495	100,000	-	105,479
Brett Smith ^c	361,937	21,843	-	-	383,780
Neil Trembath ^d	-	7,815	-	-	7,815
Donna Williams ^e	-	-	-	-	-
Paul Young ^f	-	-	-	-	-
Sub-total	845,649	109,096	222,687	-	732,058
Grand Total	1,379,922	145,264	222,687	-	1,302,499

- a Mr Bell was appointed Chief Operating Officer on 19 May 2008.
b Mr Chrisfield was appointed Group General Manager, HSEC on 12 January 2009.
c Mr Smith ceased to be Key Management Personnel on 18 May 2008.
d Mr Trembath was appointed Group General Manager, People and Performance on 11 February 2008.
e Ms Williams ceased to be Key Management Personnel on 10 February 2008.
f Mr Young was appointed Chief Information Officer on 19 May 2008.

2007 Options and Performance Rights	Balance at 1 January 2007	Granted as Remuneration	Exercise of options / rights	Shares Sold	Balance at 31 December 2007
Directors					
Zimi Meka	700,940	-	166,667	-	534,273
Sub-Total	700,940	-	166,667	-	534,273
Senior Executives					
Craig Allen	368,062	-	83,334	-	284,728
Wayne Anderson	136,000	-	33,334	-	102,666
Peter Hrstich	228,224	-	50,000	-	178,224
Ken Roxburgh	198,984	-	-	-	198,984
Brett Smith	478,604	-	116,667	-	361,937
Neil Trembath	-	-	-	-	-
Donna Williams	-	-	-	-	-
Sub-total	1,409,874	-	283,335	-	1,126,539
Grand Total	2,110,814	-	450,002	-	1,660,812

(iii) Share holdings

The numbers of shares in the company held during the financial year by each director of Ausenco Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

33 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2008	Balance at 1 January 2008	Other changes during the year	Shares Acquired during the year	Shares Sold	Balance at 31 December 2008
Directors					
Wayne Goss	1,204,839	407	-	-	1,205,246
Zimi Meka	15,012,870	44,442	-	-	15,057,312
George Lloyd	195,000	814	-	-	195,814
Greg Moynihan (from 19 August 2008)	-	6,000	-	-	6,000
John O'Reilly (resigned 6 December 2008)	5,000	-	-	5,000	-
Bob Thorpe	11,456,860	407	-	500,000	10,957,267
Hank Tuten	3,550,000	-	-	-	3,550,000
Sub-total	31,424,569	52,070	-	505,000	30,971,639
Senior Executives					
Craig Allen	415,334	34,847	122,687	-	572,868
Nick Bell	-	12,976	-	-	12,976
Greg Chrisfield	-	-	-	-	-
Ken Roxburgh	434,292	814	100,000	-	535,106
Brett Smith ^a	50,667	-	-	50,000	667
Neil Trembath	-	8,074	-	-	8,074
Donna Williams ^a	18,500	-	-	-	18,500
Paul Young	-	6,703	-	-	6,703
Sub-total	918,793	63,414	222,687	50,000	1,154,894
Grand Total	32,343,362	115,484	222,687	555,000	32,126,533

- a Shareholding information for key management personnel who were not key management personnel for the whole year is only for that portion of the year during which they held a key management position. For the purposes of this table, shares held at appointment are assumed to have been held at 1 January and shares held upon ceasing to be key management personnel are assumed to be held at 31 December, with any acquisitions or disposals prior to appointment or after ceasing to be key management personnel not shown.

33 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2007	Balance at 1 January 2007	Other changes during the year	Shares Acquired during the year	Shares Sold	Balance at 31 December 2007
Directors					
Wayne Goss	1,254,839	-	-	50,000	1,204,839
Zimi Meka	15,846,203	-	166,667	1,000,000	15,012,870
George Lloyd	235,000	-	-	40,000	195,000
John O'Reilly	10,000	-	-	5,000	5,000
Bob Thorpe	13,506,860	-	-	2,050,000	11,456,860
Hank Tuten	3,550,000	-	-	-	3,550,000
Sub-total	34,402,902	-	166,667	3,145,000	31,424,569
Senior Executives					
Craig Allen	332,000	-	83,334	-	415,334
Wayne Anderson	100,000	-	33,334	55,642	77,692
Peter Hrstich	300,000	-	50,000	100,000	250,000
Ken Roxburgh	584,292	-	-	150,000	434,292
Brett Smith	120,000	-	116,667	186,000	50,667
Hacy Tobias	-	-	-	-	-
Neil Trembath	-	-	-	-	-
Donna Williams	25,000	-	-	6,500	18,500
Sub-total	1,461,292	-	283,335	498,142	1,246,485
Grand Total	35,864,194	-	450,002	3,643,142	32,671,054

(iv) Other transactions with key management personnel

	2008 \$	2007 \$
Mr Allen is a Director and shareholder of San Simeon Investments Pty Ltd which provides finance system and development consulting services	137,400	225,060

34 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the company, its related practices and non-related audit firms:

	2008 \$	Consolidated 2007 \$	2008 \$	Parent 2007 \$
(a) Audit services				
PricewaterhouseCoopers Australian firm				
Audit and review of financial reports	377,253	186,255	-	-
Related practices of Pricewaterhouse Coopers Australia firm	296,561	-	-	-
Non-PricewaterhouseCoopers audit firms for the audit or review of financial reports of any entity in the Group	<u>11,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total remuneration for audit services	<u>685,778</u>	<u>186,255</u>	<u>-</u>	<u>-</u>
(b) Other assurance services				
PricewaterhouseCoopers Australian firm				
Due diligence services	76,790	175,875	-	-
Other accounting services	41,419	18,108	-	-
Related practices of Pricewaterhouse Coopers Australia firm				
Due diligence services	750,013	-	-	-
Other accounting services	18,169	-	-	-
Non-PricewaterhouseCoopers audit firms	<u>2,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total remuneration for audit-related services	<u>888,635</u>	<u>193,983</u>	<u>-</u>	<u>-</u>
<i>Taxation services</i>				
PricewaterhouseCoopers Australian firm				
Tax compliance services	40,777	86,908	-	-
International tax consulting, tax, mergers, acquisitions advice	-	51,866	-	-
Related practices of Pricewaterhouse Coopers Australia firm	58,203	-	-	-
Non-PricewaterhouseCoopers audit firms	<u>91,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total remuneration for taxation services	<u>190,446</u>	<u>138,774</u>	<u>-</u>	<u>-</u>
Total remuneration for non-audit services	<u>1,079,081</u>	<u>332,757</u>	<u>-</u>	<u>-</u>
Total	<u>1,764,859</u>	<u>519,012</u>	<u>-</u>	<u>-</u>

35 COMMITMENTS

	2008 \$'000	Consolidated 2007 \$'000	2008 \$'000	Parent 2007 \$'000
<i>(i) Capital expenditure commitments in relation to plant and equipment</i>				
Contracted but not provided for and payable				
Within one year	2,217	-	-	-
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
	<u>2,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>(ii) Operating leases</i>				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	17,496	2,904	-	-
Later than one year but not later than five years	68,282	7,133	-	-
Later than five years	16,038	-	-	-
Commitments not recognised in the financial statements	<u>101,816</u>	<u>10,037</u>	<u>-</u>	<u>-</u>
<i>(iii) Finance leases</i>				
Commitments in relation to finance leases are payable as follows:				
Within one year	195	44	-	-
Later than one year but not later than five years	177	42	-	-
Later than five years	-	-	-	-
Commitments recognised in the financial statements	<u>372</u>	<u>86</u>	<u>-</u>	<u>-</u>
<i>(iv) Remuneration commitments</i>				
Commitments for the payment of salaries and other remuneration as follows:				
Within one year	1,789	518	-	-
Later than one year and not later than five years	-	237	-	-
Later than five years	-	-	-	-
	<u>1,789</u>	<u>755</u>	<u>-</u>	<u>-</u>

36 RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity within the Group is Ausenco Limited which owns 100% of the issued ordinary shares of Ausenco Services Pty Ltd, the controlling parent for consolidated accounting purposes.

36 RELATED PARTY TRANSACTIONS (continued)

(b) Subsidiaries

Investment in controlled entities and subsidiaries are set out in note 29.

(c) Wholly owned group transactions

The following transactions occurred with related parties:

	2008	Consolidated 2007	2008	Parent 2007
	\$	\$	\$	\$
<i>Wholly owned group transactions</i>				
Dividend revenue	-	-	15,991,464	16,850,581
Loans advanced to controlled entities	-	-	64,751,771	18,680,000
Interest revenue from controlled entities	-	-	-	19,600
Options granted to employees of subsidiaries	-	-	1,042,135	998,234
Employee share acquisition plan	-	-	(4,218,505)	-
Current tax payable assumed from wholly owned tax consolidated entities	-	-	8,596,427	12,957,000
Reimbursement from consolidated tax entities	-	-	(7,613,593)	(6,731,000)
Loans from controlled entities	-	-	(18,546,809)	-
<i>Other related parties</i>				
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:				
Contribution to superannuation funds on behalf of employees	7,972,519	5,501,356	-	-
Joint venture entities distributions received	1,788,338	296,000	-	-
Revenue from contract services	13,643,534	22,860,596	-	-
Loan received from related parties	-	1,794,046	-	-
Loans advanced to joint venture entities	21,929,035	-	-	-

Aggregate amounts receivable from, and payable to, each class of other related parties at balance date:

		2008	Consolidated 2007	2008	Parent 2007
	Note	\$	\$	\$	\$
<i>Current receivables</i>					
Amounts owing from controlled entities	7	-	-	59,026,000	6,226,000
Receivables from related parties	7	-	388,761	-	-
<i>Non current receivables</i>					
Controlled entities	14	-	-	-	11,060,000

37 SHARE-BASED PAYMENTS

(a) EXECUTIVE OPTION PLAN ("EOP")

The Group EOP was established in 2006 as a replacement for the cash based long term incentive plan. Staff eligibility to participate in the EOP is limited to Group Senior Executives (including Directors).

Under the EOP, eligible executive employees are invited to apply for options, each of which entitles the holder to subscribe for one fully paid ordinary share in the Company at an exercise price equal to the Company's share market price at the time of grant. The EOP provides for options, with associated time based vesting conditions, to be issued to eligible executive employees only. Options are granted for a three year period, with one-third of each option tranche vesting and becoming exercisable after each subsequent annual anniversary of the date of grant, subject to an overriding service condition. Options expire five years after the date of grant. Options granted under the EOP carry no dividend or voting rights.

(b) PERFORMANCE RIGHTS PLAN ("PRP")

The Group PRP was established in 2006 and provides for performance rights to be issued to eligible employees. Under the PRP, eligible employees are invited to apply for performance rights, each of which entitles the holder to subscribe for one fully paid ordinary share in the Company at a nil exercise price (i.e. zero priced options).

Subject to the relevant performance hurdles being satisfied, each performance right entitles the holder to subscribe for one fully paid ordinary share in the Company at a nil exercise price. One third of the rights granted vest at the end of each of a two, three and four year period following grant, subject to an overriding service condition. Performance rights carry no dividend or voting rights.

Where a participant leaves the Group, the terms of the PRP prescribe that the Board may exercise its discretion to allow a proportion of performance rights to vest and be exercised. The Board may deem any performance rights to have lapsed if, in the opinion of the Board, the executive acts fraudulently or dishonestly or is in breach of any of their obligations to the Group.

In the event of a takeover or other formal scheme for the acquisition of the Shares of the Group, the Directors may exercise their discretion to determine that all unvested performance rights vest, subject to further conditions to be determined by the Board.

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
Consolidated and parent - 2008								
27 Apr 06	27 Apr 11	\$1.00	1,366,663	-	541,666	-	824,997	166,667
18 Dec 06	18 Dec 11	-	1,023,276	-	69,734	-	953,542	271,358
19 Feb 08	19 Feb 15	-	-	233,805	-	3,654	230,151	2,380
25 Feb 08	19 Feb 15	-	-	37,248	-	-	37,248	-
5 Mar 08	19 Feb 15	-	-	41,580	-	-	41,580	-
31 Mar 08	18 Dec 11	-	-	837	-	837	-	-
31 Mar 08	10 Sep 12	-	-	2,982	-	-	2,982	2,982
23 June 08	31 Dec 11	-	-	40,000	-	-	40,000	-
23 June 08	19 Feb 15	-	-	11,538	-	-	11,538	-
Total			<u>2,389,939</u>	<u>367,990</u>	<u>611,400</u>	<u>4,491</u>	<u>2,142,038</u>	<u>443,387</u>
Weighted average exercise price			\$0.57	-	\$0.88	-	\$0.38	\$0.37

37 SHARE-BASED PAYMENTS (continued)

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
Consolidated and parent - 2007								
27 Apr 06	27 Apr 11	\$1.00	1,975,000	-	608,337	-	1,366,663	50,000
26 Aug 06	26 Apr 11	\$1.70	100,000	-	-	100,000	-	-
18 Dec 06	18 Apr 11	-	1,056,573	-	-	33,297	1,023,276	-
Total			<u>3,131,573</u>	<u>-</u>	<u>608,337</u>	<u>133,297</u>	<u>2,389,939</u>	<u>50,000</u>
Weighted average exercise price			\$0.68	-	\$1.00	\$0.42	\$0.57	\$1.00

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.9 years (2007: 3.65 years).

Fair value of options granted

The fair value at a grant date is independently determined using the Hull-White option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 December 2008 included:

- (a) Share price at grant dates in 2008 is between \$10.72 and \$11.95; (2006 issue: \$1.70 and \$3.10)
- (b) Expected price volatility of the company's shares: 44.3%; (2006 issue: 30%)
- (c) Expected dividend yield: 2.75%; and (2006 issue: 5.5%)
- (d) Risk-free interest rate: 6.10% (2006 Issue: between 5.6% and 5.8%).

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(c) EMPLOYEE SHARE ACQUISITION PLAN ("ESAP")

The ESAP was approved by shareholders in 2006 and launched in August 2008. The Plan is available to personnel employed on a permanent basis by Ausenco ("Eligible Employees").

The ESAP was designed to assist with retaining permanent employees of Ausenco Limited and its wholly owned subsidiaries by enabling them to share in the organisation's success.

The ESAP provides Eligible Employees of Ausenco Limited group companies, including Ascentis, Ausenco Minerals, PSI, Sandwell, Vector and Ausenco Limited with an enhanced opportunity to acquire Shares ("Plan Shares") in the Company.

Under the Plan, Eligible Employees can choose to purchase Ausenco Limited Plan Shares up to the maximum value of 4% of their base salary (as at 25 July 2008). This amount is called the "Employee Contribution". Ausenco matches the Employee Contribution with an equal Company Contribution for the acquisition of an equivalent number of Plan Shares.

Plan Shares purchased under the Plan will be available for sale by transfer to each Eligible Employee in three (3) equal annual instalments. These restrictions are removed from Plan Shares purchased with the employee contribution if a participating Eligible Employee ceases employment with an Ausenco Limited group company. Plan participants who cease employment with Ausenco Limited or one of its group companies will forfeit any shares purchased with the Company Contributions unless those shares have already passed their holding periods.

Plan Shares may only be held by the Trustee for a maximum of 10 years. At the expiry of 10 years, vested Plan Shares will be transferred to the relevant Eligible Employee.

37 SHARE-BASED PAYMENTS (continued)

(d) EXPENSES ARISING FROM SHARE BASED PAYMENT TRANSACTIONS

	2008	Consolidated	2008	Parent
	\$'000	2007	\$'000	2007
		\$'000		\$'000
Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:				
Options issued under EOP and PRP	1,042	999	-	-
Shares issued under ESAP	416	-	-	-
	<u>1,458</u>	<u>999</u>	<u>-</u>	<u>-</u>

38 SEGMENT INFORMATION

(a) PRIMARY REPORTING – BUSINESS SEGMENTS

12 Months to 31 December 2008	Minerals \$'000	Infrastructure \$'000	Energy \$'000	Oil and Gas \$'000	Consulting and Environmental \$'000	Eliminations \$'000	Consolidated \$'000
Sales to external customers	<u>385,509</u>	<u>168,493</u>	<u>10,013</u>	<u>5,006</u>	<u>38,725</u>	<u>(3,035)</u>	604,711
Inter-segment sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
Total sales income	<u>385,509</u>	<u>168,493</u>	<u>10,013</u>	<u>5,006</u>	<u>38,725</u>	<u>(3,035)</u>	604,711
Other income	<u>1,051</u>	<u>3,135</u>	<u>292</u>	<u>146</u>	<u>327</u>	<u>-</u>	4,951
Total income	<u>386,560</u>	<u>171,628</u>	<u>10,305</u>	<u>5,152</u>	<u>39,052</u>	<u>(3,035)</u>	609,662
Unallocated revenue							13,003
Consolidated revenue							622,665
Segment result	<u>63,867</u>	<u>21,760</u>	<u>1,068</u>	<u>693</u>	<u>4,217</u>	<u>-</u>	91,605
Depreciation and amortisation expense							(9,850)
Unallocated expenses							(10,377)
Profit from ordinary activities before income tax expense							71,378
Income tax expense							(15,109)
Profit from ordinary activities after income tax expense							56,269
Segment assets	<u>117,145</u>	<u>248,242</u>	<u>13,829</u>	<u>6,915</u>	<u>75,311</u>	<u>(10,312)</u>	451,130
Unallocated assets							12,547
Consolidated total assets							463,677
Segment liabilities	<u>78,134</u>	<u>110,395</u>	<u>11,158</u>	<u>5,579</u>	<u>10,531</u>	<u>(10,312)</u>	205,485
Unallocated Liabilities							76,272
Consolidated total liabilities							281,757
Investments in associates included in segment assets:							
Acquisitions of property, plant and equipment, intangibles and other non-current assets	<u>6,030</u>	<u>128,312</u>	<u>7,139</u>	<u>3,569</u>	<u>46,597</u>	<u>-</u>	191,647
Depreciation and amortisation expense	<u>4,697</u>	<u>3,920</u>	<u>312</u>	<u>156</u>	<u>765</u>	<u>-</u>	9,850
Unallocated depreciation and amortisation expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
Total depreciation and amortisation expense (note 4)	<u>4,697</u>	<u>3,920</u>	<u>312</u>	<u>156</u>	<u>765</u>	<u>-</u>	9,850

38 SEGMENT INFORMATION (continued)

12 Months to 31 December 2007	Minerals \$'000	Infrastructure \$'000	Energy \$'000	Oil and Gas \$'000	Consulting and Environmental \$'000	Eliminations \$'000	Consolidated \$'000
Sales to external customers	353,841	-	-	-	-	-	353,841
Total sales income	<u>353,841</u>	-	-	-	-	-	353,841
Other income	6,531	-	-	-	-	-	6,531
Total income	<u>360,372</u>	-	-	-	-	-	360,372
Unallocated revenue							3,088
Consolidated revenue							<u>363,460</u>
Segment result	<u>54,580</u>	-	-	-	-	-	54,580
Amortisation expense							(3,102)
Profit from ordinary activities before income tax expense							51,478
Income tax expense							<u>(9,976)</u>
Profit from ordinary activities after income tax expense							<u>41,502</u>
Segment assets	<u>178,934</u>	-	-	-	-	-	178,934
Consolidated total assets							<u>178,934</u>
Segment liabilities	<u>122,946</u>	-	-	-	-	-	122,946
Consolidated total liabilities							<u>122,946</u>
Acquisitions of property, plant and equipment, intangibles and other non-current assets	<u>3,599</u>	-	-	-	-	-	3,599
Depreciation and amortisation expense	<u>3,102</u>	-	-	-	-	-	3,102
Total depreciation and amortisation expense (note 4)	<u>3,102</u>	-	-	-	-	-	3,102

38 SEGMENT INFORMATION (continued)

(b) SECONDARY REPORTING - GEOGRAPHICAL SEGMENTS

12 Months to 31 December 2008	Australia and New Zealand \$'000	Africa \$'000	Americas \$'000	Asia and Middle East \$'000	Europe \$'000	Total \$'000
Sales to external customers	93,144	177,874	209,517	122,931	1,245	604,711
Segment assets	58,590	20,602	334,146	37,792	-	451,130
Acquisitions of property, plant and equipment, intangibles and other non- current segment assets	4,634	1,189	185,216	608	-	191,647
<hr/>						
12 Months to 31 December 2007						
Sales to external customers	33,797	195,003	15,695	109,346	-	353,841
Segment assets	64,669	16,411	1,766	96,088	-	178,934
Acquisitions of property, plant and equipment, intangibles and other non- current segment assets	1,301	330	36	1,932	-	3,599

* Interest income has been excluded from prior year amounts to conform with the presentation of current year.

(c) DESCRIPTION OF SEGMENTS

The consolidated entity provides engineering process and design services, project management services and operations and maintenance support services to a number of markets.

The consolidated entity's operations are organised and managed separately according to the nature of the services they provide, with each segment serving different markets. The primary segments are Minerals, Infrastructure, Energy, Oil and Gas and Consulting and Environmental. Geographically, the consolidated entity operates in five predominant segments, Australia and New Zealand, Africa, the Americas, Asia and the Middle East, and Europe.

(d) NOTES TO AND FORMING PART OF THE SEGMENT INFORMATION

(i) Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on normal commercial terms.

39 BUSINESS COMBINATIONS

Current period

Ausenco acquired three businesses during the period - the PSI Group, the Vector Group and the Sandwell Group.

Details of the purchase consideration and fair value of assets and liabilities acquired are set out below:

	PSI	Sandwell	Vector	Total
	\$'000	\$'000	\$'000	\$'000
Summary of acquisition				
Cash paid	16,332	83,215	30,518	130,065
Fair value of shares issued	37,303	-	4,292	41,595
Deferred consideration	-	-	18,087	18,087
Contingent consideration	8,505	-	-	8,505
Total purchase consideration	62,140	83,215	52,897	198,252
Fair value of net identifiable assets acquired (refer below)	(10,401)	(11,002)	(10,835)	(32,238)
Goodwill	51,739	72,213	42,062	166,014
Purchase consideration				
Cash paid	16,332	83,215	30,518	130,065
Less cash balances acquired	4,749	3,010	2,254	10,013
Outflow of cash	11,583	80,205	28,264	120,052
Assets and liabilities acquired				
Cash and cash equivalents	4,749	3,010	2,254	10,013
Receivables	10,321	14,189	10,834	35,344
Work in progress	7,464	8,079	-	15,543
Deferred tax asset	-	1,129	-	1,129
Plant and equipment	1,980	4,194	1,527	7,701
Other	783	1,680	1,576	4,039
Favourable property leases	-	627	-	627
Software	377	-	80	457
Brand names	2,896	6,051	1,175	10,122
Customer contracts / relationships	919	3,314	1,696	5,929
Payables	(9,174)	(11,624)	(3,470)	(24,268)
Borrowings	(5,133)	(3,088)	(181)	(8,402)
Tax liabilities	(2,278)	(13,643)	(3,561)	(19,482)
Deferred Income	(1,007)	(1,836)	-	(2,843)
Provisions	(1,496)	(1,080)	(1,095)	(3,671)
Net identifiable assets acquired	10,401	11,002	10,835	32,238

Had the three acquisitions taken place at 1 January 2008, consolidated revenue and consolidated net profit for the year ended 31 December 2008 would have been \$656.6 million and \$59.9 million respectively.

PSI Group

On 25 February 2008 Ausenco acquired 100% of the issued shares and assets of the PSI Group, a multi-discipline engineering services business with the leading position in the design and delivery of slurry pipeline transport systems. On 31 July 2008, Ausenco acquired the remaining 50% interest in a Joint Venture from a third party that the PSI Group did not own outright.

The acquisition complements Ausenco's minerals processing engineering services business and provides diversification into the infrastructure sector.

39 BUSINESS COMBINATIONS (continued)

The acquired business contributed revenues of \$67.1 million and net profit of \$6.5 million to the Group for the period 26 February 2008 to 31 December 2008. Acquisition related costs of \$1.3 million have been recognised as an expense in the current period and included in office and administration costs in the income statement.

A component of the consideration for the acquisition involved Ausenco issuing 3,210,215 ordinary shares with a fair value of \$11.62. In addition, 530,841 ordinary shares with a fair value of \$11.62 has been recorded in equity and will be issued if contractually agreed terms are met.

Contingent consideration of \$8.5 million has been recorded as at 31 December 2008 and is payable if contractually agreed profit targets in the Sale and Purchase Agreement are met. If the contractually agreed profit targets in the Sale and Purchase Agreement are not met the contingent consideration will be \$nil.

Receivables as at acquisition date are expected to be fully recovered.

The goodwill is attributable primarily to the skills and technical expertise of the PSI Group work force and the leading global position the PSI Group has in the design and delivery of slurry pipeline transport systems.

Vector Group

On 31 March 2008 Ausenco acquired 100% of the issued shares and assets of companies forming the Vector Group, regarded as one of the world's leading consultants in the water and environmental services market with specific capabilities in the solid waste, energy and oil and gas sectors. The acquisition enhances Ausenco's mining and minerals engineering services with diversification into the environmental, energy and oil and gas sectors.

The acquired business contributed revenues of \$38.7 million and net profit of \$2.4 million to the Group for the period 1 April 2008 to 31 December 2008. Acquisition related costs of \$1.1 million have been recognised as an expense in the current period and are included in office and administration costs in the income statement.

The initial accounting for this acquisition has only been provisionally determined as Ausenco is still in the process of determining the purchase consideration.

A component of the consideration for the acquisition involved Ausenco issuing 347,520 ordinary shares with a fair value of \$12.35.

Deferred consideration of \$18.1 million has been recorded as at 31 December 2008 and is based on an indicative multiple of profits for the twelve months ended 31 March 2008. The actual amount paid will be based on the contractually agreed multiple of actual profits for the twelve months ended 31 March 2008 and is not subject to a maximum amount.

Receivables as at acquisition date are expected to be fully recovered.

The goodwill is attributable primarily to the skills and technical expertise of the Vector Group work force and the leading global position the Vector Group has in consulting to the water and environmental services market.

Sandwell Group

On 4 March 2008 Ausenco acquired 100% of the issued shares and assets of companies forming the Sandwell Group, a world leader in the engineering of ports and bulk material handling systems for the resources and oil and gas sectors. The acquisition enables Ausenco to enter the high growth global ports and infrastructure markets as well as provide a more diversified solution for clients.

The acquired business contributed revenues of \$116.4 million and net profit of \$7.5 million to the Group for the period 5 March 2008 to 31 December 2008. Acquisition related costs of \$1.2 million have been recognised as an expense in the current period and included in office and administration costs in the income statement.

Receivables as at acquisition date are expected to be fully recovered.

\$51.8 million of the goodwill is expected to be deductible for Canadian tax purposes.

The goodwill is attributable primarily to the skills and technical expertise of the Sandwell Group work force and the leading global position the Sandwell Group has in the engineering of ports and bulk handling systems for the resources and oil and gas sectors.

40 FINANCIAL RISK MANAGEMENT

Ausenco and its controlled entities use basic derivative instruments to manage financial risk. The Group does not use or issue derivative or financial instruments for speculative or trading purposes. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and aging analysis for credit risk.

The Group's principal financial instruments comprise cash and borrowings. The main purpose of these financial instruments is to partially finance the Group's operations and acquisitions.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations and acquisitions.

As at 31 December 2008, the Group recognised a derivative of \$3.03 million being the fair value of an interest rate swap. This contract was entered into to mitigate the associated variable interest rate risk pertaining to a US dollar loan with ANZ Bank. The derivative contract has been designated as effective hedging.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The majority of the Group's revenue is received in Australian dollars, although the prices received are influenced by major movements in exchange rates, particularly that of the US dollar relative to the Australian dollar. The Group does not currently hedge any of this indirect currency exposure.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Canadian dollar.

At 31 December 2008, the Group had the following exposure to US dollar and Canadian dollar foreign currency that is not designated as cash flow hedges:

	Consolidated		Parent	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Financial Assets				
Foreign cash held	13,576	8,678	-	-
Receivables	13,993	3,172	-	-
Unbilled revenue	722	-	-	-
	28,291	11,850	-	-
Financial Liabilities				
Billings in Advance	2,563	-	-	-
Trade creditors and other Accruals	9,001	-	-	-
Promissory notes	-	5,742	-	-
Loans	74,347	-	11,920	-
	85,911	5,742	11,920	-
Net Exposure	(57,620)	6,108	(11,920)	-

At 31 December 2008 and 31 December 2007, the Group did not have any forward currency contracts or foreign exchange options to cover the exposure to foreign currency risk in US dollar receivables.

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date.

At 31 December 2008, had the Australian dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

40 FINANCIAL RISK MANAGEMENT (continued)

	Post Tax Profit and Equity	
	Higher/(Lower)	
	2008	2007
	\$'000	\$'000
<hr/>		
Consolidated :		
AUD/USD + 10%	6,155	(918)
AUD/USD - 5%	(4,034)	(2,364)
Parent :		
AUD/USD + 10%	1,084	-
AUD/USD - 5%	(627)	-
Consolidated :		
AUD/CAD + 10%	(716)	-
AUD/CAD - 5%	260	-
Parent :		
AUD/CAD + 10%	-	-
AUD/CAD - 5%	-	-

The movements in profit are due to the movement in foreign exchange rates which impact the fair value of financial assets and liabilities denominated in foreign currencies.

(ii) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long term borrowings.

The Group has entered into an interest rate swap contract to mitigate the variable interest rate risk associated with the drawdown of a US \$42.3 million loan with ANZ Bank in May 2008.

At 31 December 2008 and 31 December 2007, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	Consolidated		Consolidated	
	31 December 2008		31 December 2007	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Financial Assets				
Cash assets	3.9	17,817	6.4	23,009
	<hr/>	<hr/>	<hr/>	<hr/>
	3.9	17,817	6.4	23,009
Financial Liabilities				
Bank Loans	5.3	20,600	-	-
Interest rate swaps	5.7	3,030	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5.4	23,630	-	-

At 31 December 2008, the parent entity did not hold any interest bearing financial instruments.

40 FINANCIAL RISK MANAGEMENT (continued)

The Board and management believe the balance date risk exposure is representative of the risk exposure inherent in the financial instruments.

The Group regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative positions and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date:

	Higher/(Lower)			
	2008	2008	2007	2007
	\$'000	\$'000	\$'000	\$'000
	Profit	Equity	Profit	Equity
Consolidated :				
+1% (100 basis points)	(22)	803	161	-
-0.5% (50 basis points)	16	(389)	(80)	-
Parent :				
+1% (100 basis points)	-	-	-	-
-0.5% (50 basis points)	-	-	-	-

The other financial instruments of the Group that are not included in the above table are either non interest bearing or at fixed interest rates and therefore are not subject to interest rate risk as such.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to clients, including outstanding receivables and committed transactions. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group also has a policy in place to ensure that surplus cash is invested with financial institutions of appropriate credit worthiness.

The credit risk of financial assets of the Group which have been recognised on the balance sheet is generally the carrying amount, net of any provisions for doubtful debts.

For some trade receivables the Group may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient assets to meet liabilities as they fall due. The Group ensures that it can meet its financial obligations as they fall due by maintaining sufficient reserves of cash and short term deposits to meet forecast cash outlays.

Financing arrangements

The Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

40 FINANCIAL RISK MANAGEMENT (continued)

	2008	Consolidated 2007	2008	Parent 2007
Notes	\$'000	\$'000	\$'000	\$'000
SECURED FACILITIES				
Total facilities available:				
Overdraft facilities	30,000	9,990	-	-
Multi-option facilities	74,554	-	-	-
Multi-currency loan facility	58,301	-	-	-
Asset finance facility	4,484	-	-	-
Bank guarantees and letters of credit	34,015	92,640	-	-
	<u>201,354</u>	<u>102,630</u>	<u>-</u>	<u>-</u>
Facilities utilised at balance date:				
Overdraft facilities	-	-	-	-
Multi-option facilities	58,087	-	-	-
Multi-currency loan facility	58,242	-	-	-
Asset finance facility	2,569	-	-	-
Bank guarantees and letters of credit	32 32,563	20,251	-	-
	<u>151,461</u>	<u>20,251</u>	<u>-</u>	<u>-</u>
Facilities not utilised at balance date:				
Overdraft facilities	30,000	9,990	-	-
Loan and commercial bill facilities	16,467	-	-	-
Multi-currency loan facility	59	-	-	-
Asset finance facility	1,915	-	-	-
Bank guarantees and letters of credit	1,452	72,389	-	-
	<u>49,893</u>	<u>82,379</u>	<u>-</u>	<u>-</u>
UNSECURED FACILITIES				
Total facilities available:				
Performance bonds and letters of credit	28,974	22,813	-	-
	<u>28,974</u>	<u>22,813</u>	<u>-</u>	<u>-</u>
Facilities utilised at balance date:				
Performance bonds and letters of credit	32 4,165	6,559	-	-
	<u>4,165</u>	<u>6,559</u>	<u>-</u>	<u>-</u>
Facilities not utilised at balance date:				
Performance bonds and letters of credit	24,809	16,254	-	-
	<u>24,809</u>	<u>16,254</u>	<u>-</u>	<u>-</u>

The bank overdraft facilities may be drawn at any time.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from balance date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, their balances will not necessarily agree with the amounts disclosed in the balance sheet.

40 FINANCIAL RISK MANAGEMENT (continued)

2008	0-1 Year	1-2 Years	2-5 Years	5+ Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives					
Trade and other payables	118,357	-	-	-	118,357
Borrowings and future interest payments	<u>23,978</u>	<u>15,418</u>	<u>70,498</u>	<u>4,560</u>	<u>114,454</u>
Total non-derivatives	<u>142,335</u>	<u>15,418</u>	<u>70,498</u>	<u>4,560</u>	<u>232,811</u>
Derivatives					
Net settled (interest rate swaps)	<u>3,210</u>	<u>2,873</u>	<u>5,597</u>	-	<u>11,680</u>
Total derivatives	<u>3,210</u>	<u>2,873</u>	<u>5,597</u>	-	<u>11,680</u>
2007	0-1 Year	1-2 Years	2-5 Years	5+ Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives					
Trade and other payables	57,037	-	-	-	57,037
Borrowings and future interest payments	<u>1,270</u>	<u>42</u>	-	-	<u>1,312</u>
Total non-derivatives	<u>58,307</u>	<u>42</u>	-	-	<u>58,349</u>

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are not materially exposed to changes in market interest rates. For interest rate analysis, please refer to note 40(a)(ii).

The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, as set out below.

	Carrying Value 31 Dec 2008 \$'000	Carrying Amount 31 Dec 2007 \$'000	Fair Value 31 Dec 2008 \$'000	Fair Value 31 Dec 2007 \$'000
CONSOLIDATED				
Financial Assets				
Cash	46,410	94,460	46,410	94,460
Trade receivables	114,938	52,184	114,938	52,184
Derivative financial instruments	-	4,093	-	4,093
Financial liabilities				
Trade payables	118,357	57,037	118,357	57,037
Interest-bearing loans and borrowings:	112,903	1,312	112,903	1,312
Interest rate swaps	3,030	-	3,030	-
PARENT				
Financial assets				
Cash	56	21	56	21
Trade Receivables	59,026	6,226	59,026	6,226
Financial liabilities				
Trade payables	2,537	-	2,537	-

40 FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management risk

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. Management also measures the gearing position of the Group to ensure that banking debt covenants are complied with.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

41 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Revenue Recognition

The Group, in assessing the outcome of the contracts at the early stages of progress, when incorporating risks to completion has only recognised contract revenues to the extent of costs incurred that are expected to be recoverable. It is probable that the Group will be able to recover the contract costs incurred, however as the outcome of the contract costs cannot be estimated reliably, no profit is recognised in the early stages of the contract.

(b) Intangibles

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(n). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 16 for details of these assumptions and the potential impact of changes to the assumptions.

(c) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance sheet date.

(d) Derivatives

Derivatives are initially recognised at fair value of consideration paid on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(e) Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(f) Business combinations / contingent consideration

As at 31 December 2008, the accounting for the Vector Group business combination is provisional. The purchase consideration is still to be finalised. Note 39 includes further details on the contingent consideration expected to be payable.

(g) Share-based payment transaction

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at grant date is calculated using the Hull White option pricing model.

42 MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than matters mentioned in this report, no matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect:

- (a) Ausenco's operations in future years
- (b) the results of those operations in future financial years, or
- (c) Ausenco's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 25 to 85 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2008 and of their performance for the financial year ended on that date; 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; and
- (c) the audited remuneration disclosures set out on pages 7 to 22 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



W K Goss
Director



L H Meka
Director

Brisbane
23 February 2009

Independent auditor's report to the members of Ausenco Limited

Report on the financial report

We have audited the accompanying financial report of Ausenco Limited (the Company), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Ausenco Limited and the Ausenco Limited Group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

**Independent auditor's report to the members of
Ausenco Limited (continued)**

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Ausenco Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report

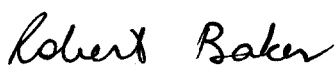
We have audited the Remuneration Report included in pages 7 to 22 of the directors' report for the year ended 31 December 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Ausenco Limited for the year ended 31 December 2008, complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



R A Baker
Partner

Brisbane
23 February 2009

The shareholder information set out below was applicable as at 13 February 2009.

A. DISTRIBUTION OF SHAREHOLDERS AND THEIR HOLDING AS AT 13 FEBRUARY 2009

			Total Holders	Shares
1	-	1000	1,837	1,008,705
1,001	-	5,000	2,161	5,616,614
5,001	-	10,000	453	3,451,460
10,001	-	100,000	369	9,678,222
100,001	and over		<u>58</u>	<u>71,853,059</u>
TOTAL			<u>4,878</u>	<u>91,608,060</u>

The number of shareholders holding less than a marketable parcel of ordinary shares is 366 (shares: 46,661).

There are 898,011 shares subject to voluntary escrow until 26 February 2009.

There is no current on-market buy-back.

B. TWENTY LARGEST HOLDERS AS AT 13 FEBRUARY 2009

Name	Shares	% of issued capital
National Nominees Limited	8,068,629	8.80
Baze Investments Pty Ltd	7,574,457	8.26
TME Pty Ltd	7,344,744	8.01
Lemae Pty Ltd	6,999,689	7.64
HSBC Custody Nominees (Australia) Limited	6,202,879	6.77
J P Morgan Nominees Australia Limited	4,372,210	4.77
Cogent Nominees Pty Limited	3,541,776	3.86
Finhide Pty Limited	3,500,000	3.82
DST Pty Ltd	3,412,116	3.72
ANZ Nominees Limited	2,169,179	2.37
Harased Pty Ltd	1,592,652	1.74
Ausenco Services Pty Ltd	1,572,105	1.72
Citicorp Nominees Pty Limited	1,504,845	1.64
Mr Derek Malcom Elwin	1,087,287	1.19
Citicorp Nominees Pty Limited CFS Developing Companies A/C	796,120	0.87
Ron Derammelaere	783,263	0.85
ANZ Nominees Limited SL Cash Income A/C	745,871	0.81
Citicorp Nominees Pty Limited CFSIL CFS WS Small Comp A/C	739,130	0.81
Invia Custodian Pty Limited	727,246	0.79
UBS Nominees Pty Ltd	<u>553,163</u>	<u>0.60</u>
	<u>63,287,361</u>	<u>69.04</u>

C. SUBSTANTIAL SHAREHOLDERS AND THEIR HOLDINGS AS AT 13 FEBRUARY 2009

	Shares	% of issued capital
Zimi Meka and related entities	15,057,312	16.44 %
Bob Thorpe and related entities	10,957,267	11.96 %
Platypus Asset Management *	6,256,964	6.83 %

* As disclosed in substantial shareholder notices received by the Company.

D. VOTING RIGHTS

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

Directors and Executives	Wayne Goss LLB, MBA, FAICD <i>Chairman</i> Zimi Meka B Eng (Hons) Mech, MIE Aust, MAICD, RPEQ <i>Managing Director</i> George Lloyd MBA, B Eng Sc (Industrial), FAusIMM Greg Moynihan BCom, Grad Dip SIA, ASA, Fellow FINSIA, MAICD Bob Thorpe B Tech (Mech), MIE Aust, MAICD Hank Tuten BA Econ
Chief Financial Officer / Company Secretary	Craig Allen MBA, B Comm, LLB, Dip Fin, CA, F Fin
Principal Registered Office in Australia	Brisbane (Registered Office) 8/2404 Logan Road Eight Mile Plains Queensland 4113 Australia
Principal Share Register	Computershare Investor Services Pty Ltd Level 19,307 Queen Street Brisbane, Queensland 4000 Australia www.computershare.com
Auditor	PricewaterhouseCoopers Level 15, Riverside Centre 123 Eagle Street, Brisbane Queensland 4000 Australia www.pwc.com.au
Lawyers	McCullough Robertson Lawyers Level 11 Central Plaza Two 66 Eagle Street, Brisbane Queensland 4000 Australia www.mccullough.com.au
Principal Banker	Australia and New Zealand Banking Group Limited (ANZ) www.anz.com.au
Stock Exchange listings	Ausenco Limited shares are listed on the Australian Stock Exchange under the code 'AAX'.
Website address	For further information visit www.ausenco.com