

TRIPLE BOTTOM LINE PERFORMANCE

Focused on serving the interests of all stakeholders, GHD is committed to achieving strong financial performance, minimising our environmental footprint and continuing to be a responsible corporate citizen.

ECONOMIC CONTRIBUTION

GHD's operational performance, growth and innovation are the foundation for making a positive contribution to the global economies and generating shareholder value. In 2005/2006 our economic performance surged ahead with revenue exceeding AUD516 million.

Chief Financial Officer's Report

■ Clients

For the period ending 30 June 2006, GHD continued to deliver services to clients in more than 40 countries – creating wealth for them and their stakeholders.

■ People

Our global pool of talented professionals grew to over 4,700.

■ Performance

I am pleased to report that in a year in which turnover increased by 29 percent, GHD's total assets also grew by some 25 percent (from AUD156 million to AUD196 million). Trade debtors increased by 17 percent (from AUD82 million to AUD96 million). The largest asset increase occurred in fixed assets. These grew by 42 percent (from AUD21 million to AUD38 million). By far the most significant component was office equipment which grew by around AUD8 million to AUD21 million or a little over AUD11,000 each for the net increase in employee numbers.

In an environment of increasing accountability and transparency, GHD concentrates on elements of value that extend beyond short-term financial gain. GHD's contribution to the communities in which we operate can be measured in terms of the taxes the company pays on behalf of itself and its people. In 2005/2006 some AUD125 million or 24 percent of revenue was remitted to governments in various taxes.

With ongoing success, steps have been and will continue to be taken to provide additional funding to meet growth targets set out in **Strategy Towards 2010**.



Richard Holliday
Chief Financial Officer

Auditor's Statement

Scope

We have audited the Consolidated Financial Report ('the Report') of GHD Pty Ltd for the year ended 30 June 2006, in accordance with Australian Auditing Standards. Our audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Report.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Opinion

The amounts on the summary balance sheet disclosed on this page are in agreement with the GHD Pty Ltd 30 June 2006 Report. An unqualified audit opinion has been issued in respect of the Report.

PE Bull, Partner

PKF Chartered Accountants & Business Advisers 22 September 2006

Consolidated Financial Statement

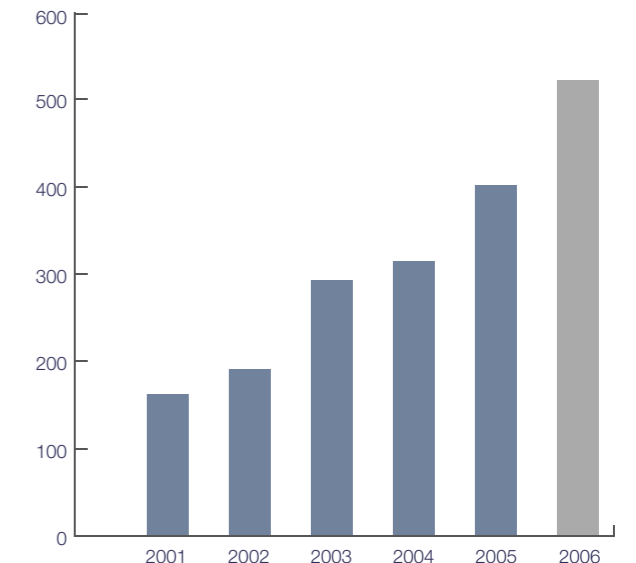
Balance Sheet as at 30 June 2006

	AUD millions	
	2006	2005
Current Assets	136.8	111
Non-Current Assets	59.6	45.3
Total Assets	196.4	156.7
Current Liabilities	95.0	70.6
Non Current Liabilities	62.3	49.5
Total Liabilities	157.3	120.1
Net Assets	39.1	36.2
Equity	39.1	36.2

Source – Consolidated Financial Report as at 30 June 2006 for GHD Pty Ltd.

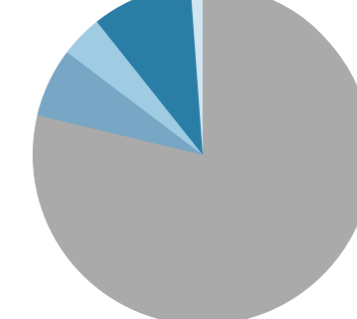
Revenue – historical

AUD millions



Revenue – by geographic sector

AUD millions



- Australia 79.7%
- New Zealand/Pacific 7.9%
- Middle East 6.6%
- Asia 4.7%
- Americas 1.1%

Revenue – by market sector

AUD millions



- Infrastructure 48%
- Water 20%
- Transport 18%
- Energy 8%
- Information 2%
- Mining & Industry 12%
- Defence 5%
- Property & Buildings 25%
- Environment 10%

ENVIRONMENTAL CONTRIBUTION

As we enter a future challenged by climate change and water shortages we reinforce our aim to minimise our impact on the environment.

GHD's measures of success include an eagerness to demonstrate our environmental proficiency.

Environmental Management System

GHD's Environmental Management System (EMS) aims to reduce the environmental impacts that may result from our office activities and from the projects we deliver.

The EMS was accredited in June 2005 to ISO 14001 by NATA Certification Services International (NCSI).

Significant environmental aspects

Business activities

- Electricity use
- Paper consumption
- Waste generation and recycling
- Greenhouse gas emissions associated with travel and transport

Project activities

- Greenhouse gas emissions associated with projects
- Incorporation of Ecologically Sustainable Development (ESD) principles into projects
- A broad range of aspects where site works are conducted including management of air, water and noise pollution, contaminated and hazardous materials, waste, flora, fauna and heritage.

Paper consumption

- Reduced use – Data capture across the company increased with 49 offices reporting paper usage for the year in review. A reduction of 27 percent per person was achieved.

- Recycled paper content – Paper with recycled content continues to be used at GHD. In 2006/2007 GHD will sign a new paper supply contract which specifies all paper must have recycled content.

A trial of 100 percent recycled content was conducted at the Artarmon office and the results indicated the paper performed well in colour and black and white printers and copiers.

- JFlo is an electronic job and quality management system which reduces paper use. Ongoing training and implementation of JFlo continued across the company.

Fuel consumption

Reporting of fuel use commenced in 2005/2006 for company-owned and leased vehicles. Enhanced reporting will be conducted and published in 2006/2007.

Waste management

- Recycling – Waste audits were conducted in 26 offices to gather information regarding the types, volumes and methods of disposal of waste. The results highlighted all offices recycle paper, cardboard and toner cartridges, and over 50 percent of the offices audited also recycle glass, plastic and aluminium containers.

Several offices signed up to 'Close the Loop', an organisation that recycles toner and inkjet cartridges with zero waste to landfill and returns the raw materials to the manufacturer for reuse. GHD has prevented approximately 109 kilograms of toner cartridges and associated waste going to landfill since April 2006.

Recycling of mobile phones continues throughout all offices.

- Purchasing – GHD attended the National Buying Green Conference to enable us to update our green purchasing guidelines.

GHD's office in Cairns participated in a trial of using products made from recycled materials.

We evaluated the environmental credentials of our computer, printer and photocopier equipment suppliers. Further evaluation of suppliers will be undertaken in 2006/2007.

Water management

- Reduced use – Many offices identified opportunities to reduce water usage. Some initiatives included installing flow reducers and low-flow shower heads, and displaying posters to raise awareness about ways to minimise use in the office and home.

Energy reduction

- Reduced use – GHD achieved a reduction of approximately 8 percent electricity use per person.
- Greenhouse gas – The greenhouse gas emissions from electricity use in 24 offices in Australia equates to 4,764 tonnes of CO₂ equivalent.
- Green power – Clean, green power was purchased by GHD in Sydney and other offices will pursue green power in the future.

'2006 World Environment Day'

More than 10 of GHD's offices in New Zealand participated in the '2006 World Environment Day' celebrations by organising native tree planting events. Over 2,000 trees were planted across 10 different sites.

Sustainability is key

Sustainability is more than 'Triple Bottom Line' reporting. It is a framework to reduce our environmental footprint, while simultaneously increasing the outputs of our business, enhancing our corporate culture, improving community spirit, and helping our clients to realise their commercial objectives.

For our shareholders it translates to responsible corporate citizenship and wealth creation, and for our employees globally it equates to GHD being a great place to work.

This framework represents our move from merely complying with legislation. It represents how we do business and deliver projects, our commitment to wider supply chains, and our consideration of the long-term consequences of our actions.

We are excited about GHD's contribution to a sustainable society. Our clients deserve it, our people expect it and the next generation demands it of us.

- Reporting – *GHD's 2005/2006 Sustainability Report* measures our performance against the Global Reporting Initiative Environmental Performance Indicators, features projects that demonstrate our commitment to ESD and highlights the outstanding contributions our people make to the community.
- Property Management Manual – A manual has been prepared to help guide the selection and fitout of office space. The manual incorporates ESD principles.
- Auditor accreditation – GHD is proud to have more than 60 auditors/certifiers to assist clients in implementing sustainability in projects. These include accreditation from RABQSA International, Greenstar, Australian Building Greenhouse Rating and Greenhouse Challenge and Greenhouse Friendly.
- Professional associations – Two representatives from GHD were appointed to the Association of Consulting Engineers Australia Sustainability Working Group.
- Memberships – GHD retains membership with the Green Building Council of Australia (GBCA). The GBCA has developed Greenstar rating tools. These enable professionals to rate the environmental performance of buildings.
- Resources – GHD subscribes to the LAWLEX Legislative Alerts, which provide environmental legislation updates.

SOCIAL CONTRIBUTION

The human spirit transcends cultural differences and drives a willingness to succeed. At GHD our boundless collective spirit drives our ambition to create a better world.

We are committed to defining and embedding practices which deliver sustainable value and community-focused outcomes.

Engaging stakeholders

Our stakeholders include our clients and our people, the end-users of our advice and projects, suppliers, communities and relevant industry bodies.

These diverse groups contribute to the strategic health of GHD and we recognise they each have special needs and aspirations.

Engaging our stakeholders helps us to align the company with the evolving expectations and values of the communities in which we work.

Corporate Social Responsibility (CSR)

With continuing success our global reach broadens and our corporate responsibilities expand.

GHD is determined to be a responsible corporate citizen. We recognise the need to share skills, knowledge and other resources to improve the way people live and work in the global community.

- CSR seminars – GHD in Perth conducted seminars to raise awareness with clients and staff about CSR and greenhouse gas management.

GHD Global Foundation

The GHD Global Foundation was established to improve under-developed societies throughout the world.

Each year one tangible project is selected with the aim of enhancing local ways of life.

The GHD Global Foundation is contributing to the Northern Samar Structure Planning Project in the Philippines.

The Northern Samar Coalition Against Poverty (NSCAP) is led by the provincial government of Northern Samar and includes several private and not-for-profit organisations that seek to improve economic conditions and alleviate poverty in the province.

NSCAP requires a master development plan to help guide the selection and implementation of infrastructure projects and the GHD Global Foundation is assisting with this.

We hope our support will help to trigger the economic growth that is needed to reduce poverty in Northern Samar.

GHD Alumni Program

The GHD Alumni Program is a network of former employees who continue to be part of the broad GHD community. Members have spent time in their careers contributing to the company, establishing friendships and gaining professional experience. Ongoing connection to the company continues to have mutual strength and value.

Community spirit

Many staff contribute to the community. Volunteering time, knowledge and experience, they work to improve their local communities.

Please refer to *GHD's 2005/2006 Sustainability Report* for further details.

Charitable contributions

GHD also touches the community by making contributions to charitable societies and not-for-profit organisations that assist some of the world's most vulnerable people.

The activities of these organisations improve general health, living standards and infrastructure, assist regions that have been devastated by disaster and promote humanitarian values.

- Major sponsor of the Australian Guide Dogs Association
- General donation to the International Red Cross and Red Crescent Programs
- The profits from the sale of 'GHD's Book of Water Treatment' are donated to WaterAid Australia.

Research and innovation

We invest in various research and development projects including:

- Developing the world's first industry specific web-based asset management gap analysis tool
- Preparing a feasibility study for the installation of Australia's first community windfarm
- Conducting experimental work as part of a pavement study for one of Australia's major airports
- Developing a new environmental risk tool to significantly enhance the Environmental Management System at the Army Aviation Centre at Oakey in Queensland
- Providing the detail design for the Green Bridge in Brisbane, which is Australia's first bus, cycle and pedestrian-only bridge
- Making cash and in-kind contributions to several Co-operative Research Centres in Australia.